

INVESTMENT ADVISER BROCHURE

GALLANT CAPITAL PARTNERS, LLC

**10100 Santa Monica Blvd, Suite 1400
Los Angeles, CA 90067
(310) 362-3301
<https://www.gallantcapital.com>**

March 26, 2024

This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Gallant Capital Partners, LLC (the “Adviser”). If you have any questions about the contents of this Brochure, please contact us at (310) 362-3313. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.

The Adviser is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

Additional information regarding the Adviser is also available on the SEC’s website at www.adviserinfo.sec.gov.

MATERIAL CHANGES

The Adviser filed its most recent Form ADV Part 2A on August 10, 2023. This annual amendment updates the description of the business practices of, and the risks and potential conflicts of interest associated with, the Adviser and its affiliates.

Investors are encouraged to review this Brochure in its entirety.

TABLE OF CONTENTS

	<u>Page</u>
Material Changes	ii
Advisory Business	2
Fees and Compensation	4
Performance-Based Fees and Side-By-Side Management	12
Types of Clients	12
Methods of Analysis, Investment Strategies and Risk of Loss.....	13
Disciplinary Information.....	62
Other Financial Industry Activities and Affiliations.....	62
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	63
Brokerage Practices	64
Review of Accounts	66
Client Referrals and Other Compensation.....	66
Custody	66
Investment Discretion	67
Voting Client Securities.....	67
Financial Information.....	68

ADVISORY BUSINESS

The Adviser, a Delaware limited liability company and a registered investment adviser, and its affiliated investment advisers provide investment advisory services to investment funds privately offered to qualified investors in the United States and elsewhere. The Adviser commenced operations in December 2017. The Adviser is controlled by Jon Gimbel and Anthony Guagliano, who are its principal owners.

The Adviser's clients include the following (each, a "**Fund**," and together with any future private investment fund to which the Adviser or its affiliates provide investment advisory services, the "**Funds**"):

- Gallant Capital Partners I, L.P. and Gallant Capital Partners I-A, L.P. (together, "**Fund I**")
- Gallant Capital Partners II, L.P. and Gallant Capital Partners II-A, L.P. (together, "**Fund II**")

The Adviser's clients also include the following (each, a "**co-invest vehicle**," and together with any future co-investment vehicles to which the Adviser or its affiliates provide investment advisory services, "**co-invest vehicles**"):

- Gallant Capital Co-Invest I, LLC
- Gallant CMI Holdco, Inc.
- Gallant Screening Acquisition, LLC
- Gallant Screening Holdco, Inc.
- Gallant Sequoia Holdings, LLC
- Gallant Skygreen, LLC
- Gallant Optimized Marketing Parent, LLC
- Gallant Green Acquisition, LLC

The following general partner entities are affiliated with the Adviser:

- Gallant Capital Partners GP I, L.P.
- Gallant Capital Partners GP II, L.P.

(each a "**General Partner**" and collectively, together with any future affiliated general partner entities, the "**General Partners**," and together with the Adviser and their affiliated entities, "**Gallant**").

Each General Partner is subject to the Advisers Act pursuant to the Adviser's registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partners, which operates as a single advisory business together with the Adviser.

The Funds are private equity funds and invest through negotiated transactions in operating entities, generally referred to herein as "portfolio companies." Gallant's investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Although investments are made predominantly in non-public companies, investments in public companies are permitted. Where such investments consist of portfolio companies, the senior principals (the "**Partners**") or other principals or personnel of Gallant or its affiliates generally serve on such portfolio companies' respective boards of directors or otherwise act to influence control over management of portfolio companies in which the Funds have invested.

Gallant's advisory services to the Funds are detailed in the applicable private placement memoranda or other offering documents (each, a "**Memorandum**"), limited partnership or other operating agreements or governing documents (each, a "**Partnership Agreement**" and, together with any relevant Memorandum, the "**Governing Documents**") and are further described below under "Methods of Analysis, Investment Strategies and Risk of Loss." Investors in the Funds participate in the overall investment program for the applicable Fund, but may be excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the relevant Partnership Agreement. The Funds or the General Partners generally enter into side letters or other similar agreements ("**Side Letters**") with certain investors that have the effect of establishing rights (including economic or other terms) under, or altering or supplementing the terms of, the relevant Partnership Agreement with respect to such investors.

Additionally, as permitted by the relevant Governing Documents, Gallant expects to provide (or agree to provide) investment or co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain current or prospective investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, portfolio company management or personnel, Gallant personnel and/or certain other persons associated with Gallant and/or its affiliates (e.g., a vehicle formed by Gallant's principals to co-invest alongside a particular Fund's transactions). Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. However, for strategic and other reasons, a co-investor or co-invest vehicle may purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment. Where appropriate, and in Gallant's sole discretion, Gallant reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent any such amounts are not so charged or reimbursed (including charges or reimbursements required pursuant to applicable law), they generally will be borne by the relevant Fund.

As of December 31, 2023, Gallant manages \$1,245,215,687 of client assets on a discretionary basis.

FEES AND COMPENSATION

In general, Gallant receives a management fee (“**Management Fee**”) and a carried interest in connection with advisory services. Gallant or other Adviser entities or affiliates receive additional compensation in connection with management and other services performed for portfolio companies of the Funds and such additional compensation will offset in whole or in part the Management Fees (as defined below) otherwise payable to Gallant. In addition, in certain circumstances Gallant receives compensation for management and other services performed in connection with co-investments made in portfolio companies of the Funds, as set forth in the relevant Partnership Agreement (s) and/or Side Letter(s). Investors in a Fund also bear certain expenses.

Management Fees

Fund II will pay Gallant a management fee (the “**Management Fee**”) equal to 2% on an annual basis of aggregate investor capital commitments. Upon the occurrence of certain events as set forth in the relevant Fund’s Partnership Agreement (the “**Stepdown Date**”), Fund II’s Management Fee will be reduced and will equal 2% of (i) the aggregate amount of unrecouped bridge financing contributions, plus (ii) the aggregate investment contributions, plus (iii) the aggregate amount of any outstanding borrowings made in anticipation or in lieu of the Fund partners making bridge financing contributions or investment contributions, less (iv) the aggregate amount of investment contributions with respect to the portion of each investment that has been disposed of or completely written-off.

Fund I pays Gallant a Management Fee equal to 2% on an annual basis of aggregate investor capital commitments. Upon the Stepdown Date, Fund I’s Management Fee will be reduced and will equal 2% of (i) the aggregate amount of unrecouped bridge financing contributions, plus (ii) the aggregate investment contributions, less (iii) the aggregate amount of investment contributions with respect to the portion of each investment that has been disposed of or completely written-off.

Certain investors that are affiliated with Gallant and designated by the General Partner as “affiliated partners” (“**Affiliated Partners**”) will not be subject to the Management Fee.

As is generally the case in private equity funds, the Governing Documents provide that a Fund’s Management Fees will be calculated and charged on a basis that generally is not tied to the Fund’s then-current net asset value. As further specified in the Governing Documents, from the effective date of the relevant Fund until the Stepdown Date, Management Fees generally will be charged based on a formula tied to the amount of the relevant Fund’s aggregate commitments. Further, after the Stepdown Date, Management Fees generally will be charged and calculated based on a formula tied to the amount of investment contributions (including, where applicable, a Fund borrowing component) made by the relevant Fund relating to the Fund’s aggregate investment(s) in any portfolio company that have not been disposed of or completely written off for U.S. federal income tax purposes (such investments, “**Impaired Value Investments**”).

Under the Governing Documents, where the fair market value of an investment exceeds the total amount of investment contributions relating to such investment, post-Stepdown Date Management Fees will not be calculated based upon such appreciated value and will instead continue to be calculated based on the amount of such investment contributions. Conversely, the Governing Documents do not require Management Fees to be reduced or refunded following the occurrence of a writedown, decrease (including a significant decrease) in fair value or other event not constituting a complete realization, such as a reorganization, roll-over investment in connection with a sale or dividend distribution, except in the case of investments meeting the relevant Impaired Value Investment standard under the Governing Documents. For the avoidance of doubt, following the Stepdown Date, if the fair market value of an Impaired Value Investment is less than the total amount of investment contributions relating to such Impaired Value Investment, then the amount of Management Fees otherwise payable relating to such investment will be reduced solely based on the ratio of the fair market value of each relevant remaining investment(s) as compared against the amount of total investment contributions relating to such investment(s) as of the date of the relevant event.

As a result, and as is generally the case for private equity funds, the amount of Management Fees generally will not correspond with fluctuations in the net asset value of individual investments or of a Fund, including following the relevant investment period, and will not be reduced in connection with any write downs (whether temporary or permanent), except in the case of Impaired Value Investments. Except where the Governing Documents expressly provide to the contrary, Management Fees will not be reduced (in whole or in part) in the case of partial distributions (*e.g.*, those resulting from a dividend recapitalization) or reorganizations, restructurings, roll-over investments, extraordinary dividends or similar transactions, in each case in circumstances that do not result in the complete disposition of the relevant Fund's interest therein, and even in cases where the value of the Fund's investment or the Fund's ownership percentage in such investment has been reduced (including substantially reduced) as a result of such transaction.

In many circumstances, the post-Stepdown Date Management Fee base will include capitalized transaction-specific expenses of unrealized investments. Further, Management Fees generally will not be reimbursed or refunded under the Governing Documents in the event of realizations, dispositions or partial write-downs or write-offs that occur partway through the relevant calculation period.

The Governing Documents set forth the full list of terms under which Management Fees will be reduced, offset or otherwise be limited, and consequently investors should expect to bear the full specified Management Fee rate in the Governing Documents until they are reduced in the circumstances and on the date(s) specified therein.

Each Fund's Management Fee will be reduced based on a percentage of portfolio company fees ("**Portfolio Company Fees**") attributable to the Fund partners not designated as Affiliated Partners, as described in each Fund's Partnership Agreement. Portfolio Company Fees include (i) directors' fees, financial consulting fees or advisory fees paid to the General Partner with respect to any Fund investment; (ii) transaction fees paid to the General Partner with respect to any Fund investment; and (iii) break-up fees with respect to Fund transactions not completed that are paid to the General Partner, in each case net of certain expenses as set forth in the Partnership Agreement. Portfolio Company Fees do not include any amount received by the relevant General

Partner, the Operations Group (as defined below) (or a member thereof) or other person from a Fund portfolio company (a) as reimbursement for expenses directly related to such portfolio company, (b) as payment for services provided to such portfolio company in the ordinary course of such portfolio company's business, (c) as compensation for services provided by the General Partner or other person as an employee of or in a similar capacity for such portfolio company or (d) as compensation (including fees, incentive equity or other stock awards) for services rendered by the Operations Group (or a member thereof) to a Fund portfolio company or a prospective Fund portfolio company (subject to any threshold amount set forth in the relevant Partnership Agreement).

Gallant may be paid fees of the type referred to in the preceding paragraph from, on behalf of or with respect to co-investors in an investment. The receipt of such fees will not reduce the Management Fee payable by any Fund(s) that have also invested in such investment, and, as a result, a Fund will, in most cases, only benefit with respect to the relevant allocable portion on a fully diluted basis of any such fee and not the portion of any fee related to: (i) General Partner or "affiliated partner" commitments; (ii) co-investors or potential co-investors (which could include co-investment vehicles managed by Gallant, service providers, third parties, current or former portfolio company management or personnel, sellers that have rolled their interest or reinvested proceeds in the portfolio company and/or others) or (iii) the value of profits, participation or equity interests in or relating to the relevant portfolio company, including interests owned by current or former portfolio company management, which have the potential to be significant. Portfolio Company Fee offsets generally are performed on a net basis, after giving effect to certain taxes and other expenses in connection with the receipt of such fees or the provision of related services, and to the extent Portfolio Company Fees are paid in kind (including through securities, option grants or other interests), Gallant is permitted to calculate the amount of offset based on the then-current value of the in-kind payment, rather than the ultimate value of the interests as of a future date. Unless otherwise agreed with investors, Portfolio Company Fees generally will be payable without further offset during term extensions, even if Management Fees are reduced or eliminated during the extended term, thus reducing the amounts of Management Fees actually offset. Portfolio Company Fees will be offset only to the extent that they are paid during the holding period of the relevant Fund, and investors generally will not receive the benefit of Portfolio Company Fees paid prior to the Fund's acquisition, or following the Fund's disposition, of the relevant investment. Similarly, to the extent a former Gallant employee becomes a consultant to, or employed by, a portfolio company, no compensation earned by such former employee will offset the Management Fee, whether or not such former employee has a remaining interest in the relevant Fund's General Partner or affiliated entity. Conversely, in the event that Gallant employs a person that previously received compensation from a portfolio company, limited partners will receive the benefit of any applicable offset only beginning as of the relevant start date of the person's employment with Gallant, and not with respect to any compensation paid prior to such date, including equity grants made prior to the date of employment that vest thereafter. In certain circumstances, Gallant expects that co-investors, lenders, consultants or other parties will negotiate the right to share a portion of such fees from a particular investment, and the above-described offset percentage will be applied after excluding any amounts paid to such persons. For the avoidance of doubt, Gallant also will not offset compensation received from outside sources, such as residual employee board seats at entities that are no longer Fund portfolio companies. Each of the foregoing conditions is expected to reduce the amount of Portfolio Company Fees otherwise available to be offset against Management Fees, resulting in a potential material benefit to Gallant over the life of the relevant

Fund, and the existence of such potential benefit creates an incentive for Gallant to seek to increase such amounts.

In addition, the Adviser has an operations group (the “**Operations Group**”) that comprises or may in the future comprise (including entities formed for the benefit of the following persons and/or to facilitate the provision of their services) (i) certain personnel of the Adviser, (ii) persons that are personnel of an affiliate of the General Partner, and/or (iii) independent contractors that are retained by the General Partner or an affiliate thereof. The Operations Group may regularly provide services to, or in connection with, a Fund in relation to its activities or one or more portfolio companies in relation to consulting services, diligence and other investment-related services and to serve on boards of directors or other similar governing boards (“**Operations Group Services**”).

If retained, members of the Operations Group may obtain seats on the boards of directors of portfolio companies of the Funds. As such, such members may be compensated by applicable portfolio companies in amounts commensurate with assigned roles. However, pursuant to the Partnership Agreement, fees and expenses associated with the Operations Group Services (collectively “**Consulting Fees and Expenses**”), may be paid and/or reimbursed by applicable portfolio companies, the Funds, the General Partner and/or their respective affiliates. Consulting Fees and Expenses may, based on the particular Services, include cash fees, profits or equity interests in a portfolio company, a share of proceeds upon sale of a portfolio company and/or other incentive-based compensation to such members of the Operations Group, which may be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of such members of the Operations Group, a percentage of the value of the portfolio company, the amount of capital invested in such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company. Consulting Fees and Expenses will not offset the Management Fee. The use of the Operations Group subjects Gallant to conflicts of interest, as discussed under “Conflicts of Interest,” below.

Except as otherwise agreed and provided in the co-investment vehicles’ governing documents, the co-invest vehicles will not be subject to carried interest or a Management Fee.

It should be noted that any Fund launched by Gallant after the date of this Brochure may have materially different terms than those summarized above and any terms of any existing Fund may be amended from time to time.

Carried Interest

Gallant will receive a carried interest with respect to the Funds equal to 20% of all realized profits subject to an 8% compound preferred return, as more fully described in the Partnership Agreement. The carried interest distributed to Gallant is subject to a potential clawback or giveback at the end of the life of the Funds if Gallant has received excess cumulative distributions and at certain interim intervals as provided in the Partnership Agreement.

Other Information

Gallant is permitted to exempt certain investors in the Funds (including Affiliated Partners) from payment of all or a portion of Management Fees and/or carried interest, including Gallant and any other person designated by Gallant. Any such exemption from fees and/or carried interest may be made by a direct exemption, a rebate by Gallant and/or its affiliates, or through other Funds which co-invest with a Fund. For example, in instances where a Gallant professional (or an affiliated entity thereof) invests in a Fund, such professional (or such affiliated entity) generally will be exempt from payment of the Management Fee and carried interest with respect to such Fund. Additionally, to the extent permitted by the relevant Partnership Agreement, Gallant has the right to permit investors, affiliated with Gallant or otherwise, to invest through the General Partner or other vehicles that do not bear Management Fees or carried interest.

The Funds generally invest on a long-term basis. Accordingly, Management Fees and other fees are expected to be paid, except as otherwise described in the Partnership Agreement, over the term of the relevant Fund, and investors generally are not permitted to withdraw or redeem interests in the Funds.

The partners, principals or other current or former personnel of Gallant generally receive a portion of the Management Fee, carried interest or other compensation received by Gallant.

In addition to the Management Fee and carried interest payable to Gallant, each Fund bears certain expenses. As set forth more fully in the applicable Memorandum and/or Partnership Agreement of each Fund, a Fund generally bears all expenses relating to the Fund's activities, investments and business to the extent not reimbursed by a portfolio company or applied to reduce transaction fees, including all fees, costs, expenses, liabilities and obligations relating or attributable to: (i) activities with respect to origination, identifying and sourcing of investment opportunities for the Fund, including meeting with broker-dealers, investment banks and other sources of investments and developing an investment pipeline; (ii) activities with respect to the structuring, organizing, negotiating, consummating, financing, refinancing, diligencing (including any subscriptions to periodicals or databases), acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, recapitalizing, trading, taking public or private, selling, valuing, winding up, liquidating, dissolving or otherwise disposing of, as applicable, the Fund's portfolio companies and its actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, tax professionals, investment bankers, lenders, expert networks, third-party diligence software and service providers, consultants and similar professionals in connection therewith and any fees and expenses related to transactions that may have been offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful; (iii) indebtedness of, or guarantees made by, the Fund, the Adviser, the General Partner or any Affiliated Partner on behalf of the Fund (including any credit facility, letter of credit or similar credit support) or any indebtedness entered into pending participation by a co-investor in an investment, including the repayment of principal and interest with respect thereto, or evaluating, negotiating or conducting any other activities related to seeking to put in place or amend any such indebtedness or guarantee; (iv) financing, commitment, origination and similar fees and expenses; (v) broker, dealer, finder, underwriting (including both commissions and discounts), loan

administration, private placement fees, sales commissions, investment banker, finder and similar services (including buy- and sell-side finders' fees as well as similar deal sourcing payments); (vi) brokerage, sale, custodial, depository (including a depository appointed pursuant to the AIFMD), any compliance with the Swiss CISA (as amended) and FINSA including, but not limited to, the appointment of a Swiss representative and paying agent, trustee, record keeping, account and similar services; (vii) legal, accounting, research, auditing, administration (including fees and expenses associated with the Fund's third-party administrator and administration, tracking or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, fairness opinions, appraisals or pricing services, including with respect to portfolio company transactions entered into between the Fund and other investment vehicles affiliated with the General Partner), consulting (including consulting and retainer fees, expenses and other compensation or expense reimbursements paid to the Operations Group or any of its members, consultants performing investment initiatives or providing services related to environmental, social and governance considerations and policies and other similar consultants), tax and other professional services; (viii) reverse breakup, termination and other similar arrangements; (ix) insurance, including directors and officers liability, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance and regulatory expenses, including any costs and expenses related to any retention or deductibles of such insurance, and any consultants or other advisors utilized in the procurement, review, maintenance and analysis of insurance; (x) filing, title, transfer, registration and other similar fees and activities; (xi) printing, communications, marketing and publicity; (xii) the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s, other communications with partners, or any other administrative, compliance or Fund-related or investment-related regulatory filings or reports (including Form PF), including fees and costs of any third-party service providers and professionals related to the foregoing; (xiii) compliance with any tax or financial account reporting regime, including FATCA, the OECD Standard for Automatic Exchange of Financial Account Information - Common Reporting Standard and any similar laws, rules and regulations, including any costs of any third-party service providers and professionals related to the foregoing; (xiv) expenses associated with the reporting, filings or other ongoing compliance requirements contemplated by the AIFMD; (xv) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of the Fund or the limited partners; (xvi) any activities with respect to protecting the confidential or non-public nature of any information or data, including confidential information (including any costs and expenses incurred in connection with U.S., state and non-U.S. data protection laws and/or the Freedom of Information Act and similar laws); (xvii) to the extent provided in the Partnership Agreement, or otherwise approved by the General Partner in its sole discretion, activities or proceedings of the advisory board (including any costs and expenses incurred by representatives of the General Partner, the advisory board members, permitted observers and other persons in attending or otherwise participating in meetings of the advisory board); (xviii) indemnification (including any fees, costs and expenses incurred in connection with indemnifying any partner or other person pursuant to the Partnership Agreement and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the Partnership Agreement), except as otherwise set forth in the Partnership Agreement; (xix) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including the costs and

expenses of any discovery related thereto and any judgment, other award or settlement entered into in connection therewith; (xx) any annual limited partner meeting or other periodic, if any, meetings of the limited partners, any other conference or meeting with any limited partner(s) and any periodic executive forum of portfolio company management Operations Group members and/or other persons or webcast or other video conferences with such persons (in each case including costs associated with venue, lodging, dining, entertainment, gifts, events or speakers and the participation of service providers and other persons) in each case to the extent incurred by the Fund, the General Partner or any other affiliate of the General Partner; (xxi) the Management Fee; (xxii) except as otherwise determined by the General Partner in its sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a Fund expense or organizational expense if it were incurred in connection with the Fund, and any expenses incurred in connection with the formation, management, operation, termination, winding up, liquidation, structuring, restructuring, and dissolution of any feeder vehicles related to the Fund to the extent not paid by the investors investing in such entities and any other costs and expenses related to any structuring or restructuring of the Fund and/or its affiliated entities; (xxiii) the termination, liquidation, winding up structuring, restructuring or dissolution of the Fund, the General Partner, any entities owed directly or indirectly by the Fund (including portfolio companies) and related entities; (xxiv) defaults by partners in the payment of any capital contributions; (xxv) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Fund and any alternative investment vehicle of the Fund and, to the extent related to any of the foregoing persons and/or its activities, amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the General Partner and related entities, in each case, including the preparation, distribution and implementation thereof; (xxvi) (A) complying with any law, regulation or policy related to the activities of the Fund (including in relation to privacy, data protection, know-your-customer, anti-money laundering, sanctions or anti-terrorism considerations, including any legal fees and expenses related thereto), any regulatory costs of the General Partner or any of its affiliates incurred in connection with the operation of the Fund and any costs related to compliance with any environmental, social or governance or other investment considerations and policies applicable to the Fund, the General Partner and/or any of their respective affiliates and/or (B) any litigation or governmental inquiry, investigation or proceeding involving the Fund, including any costs and expenses of discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith, except to the extent such expenses or amounts have been determined to be excluded from the indemnification provided for in the Partnership Agreement; (xxvii) any third-party experts, including independent appraisers, engaged by the General Partner in connection with the Fund considering, making or holding an investment in the same entity as one or more investment vehicles (other than the Fund) managed or controlled by the General Partner or any of its affiliates; (xxviii) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer by a limited partner or any limited partner's name change, internal restructuring or change in trust, registered agent or custodian; (xxix) any taxes, fees and other governmental charges levied against the Fund and all expenses incurred in connection with any tax audit, inquiry, investigation settlement or review of the Fund (except to the extent that the Fund is reimbursed therefor by a partner or such tax, fee or charge is treated as having been distributed to the partners pursuant to the Partnership Agreement) and any costs and expenses of or related to the tax representative

(including any “designated individual”); (xxx) distributions to the partners and other expenses associated with the acquisition, holding and disposition of the Fund’s investments, including extraordinary expenses; (xxxi) distributions to the partners and other expenses associated with the acquisition, holding and disposition of the Fund’s investments, including extraordinary expenses; (xxxii) unreimbursed expenses and unpaid fees of the Operations Group or its members, personnel or other persons engaged by the Operations Group; (xxxiii) compliance or regulatory matters related to the Fund, except as otherwise set forth in the Partnership Agreement, including compliance with the Partnership Agreement or any side letter or similar agreement; (xxxiv) any travel, (including air travel (including, where appropriate as determined by the General Partner, the cost of using private aircraft or other private air travel at a cost above the cost of first class commercial airfare if the General Partner determines in good faith that substantially similar first class (or equivalent) commercial air travel is unavailable, not feasible or unsafe (*e.g.*, due to a public health emergency)), ground transportation (including car service) and incidental travel expenses), lodging, meals or reasonable business-related entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxxv) attendance of any member, manager, shareholder, partner, director, officer, employee or affiliate of the General Partner, Gallant or any of their respective affiliates, including Operations Group members and portfolio company personnel, at any conference or training program, including any applicable hosting costs, registration costs and exhibition, sponsorship or other presentation costs, venue, lodging, meals and other meeting or conference-related costs and expenses; (xxxvi) any organizational expenses; (xxxvii) any placement fees payable to any placement agent; and (xxxviii) any other fees, costs, expenses, liabilities or obligations approved by the advisory board.

The Funds also bear expenses indirectly to the extent a portfolio company pays expenses, including expenses of Gallant. Excluded from Fund expenses are ordinary administrative and overhead expenses incurred in connection with maintaining and operating Gallant’s office(s), including personnel’s salaries (except for compensation paid to members of the Operations Group, as described above and each Fund’s Memorandum and/or Partnership Agreement), rent and equipment expenses, except as otherwise provided in the applicable Partnership Agreement.

As is typical for private equity funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in “Brokerage Practices.”

In certain circumstances, one Fund is expected to pay an expense common to multiple Funds co-investors (including without limitation legal expenses for a transaction in which all such Funds and/or co-investors participate, or other fees or expenses in connection with services the benefit of which are received by other Funds co-investors over time), and be reimbursed by the other Funds by their share of such expense, without interest. While Gallant believes such circumstances to be highly unlikely, it is possible that one of the other Funds could default on its obligation to reimburse the paying Fund. In certain circumstances, Gallant is expected to advance amounts related to the foregoing and receive reimbursement from the Funds to which such expenses relate.

As described above, in certain circumstances, the relevant General Partner is expected to permit certain investors to co-invest in portfolio companies alongside one or more Funds, subject to Gallant's related policies and practices and the relevant Partnership Agreement(s) and/or Side Letter(s). Where a co-invest vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise have been beneficial, in the judgment of the relevant General Partner, ultimately is not consummated, all expenses relating to such unconsummated transaction will be borne by the Fund(s), and not by any prospective co-investors, that were to have participated in such transaction. To the extent that such co-investors have already executed definitive documentation to invest in such transaction, such co-investor is expected to bear its *pro rata* share of such expenses.

Gallant and/or its affiliates generally have discretion over whether to charge transaction fees, monitoring fees or other compensation to a portfolio company and, if so, the rate, timing and/or amount of such compensation. The receipt of such compensation generally will give rise to potential conflicts of interest between the Funds, on the one hand, and Gallant and/or its affiliates on the other hand.

As described above, Gallant permits certain investors to co-invest in portfolio companies alongside one or more Funds, subject to Gallant's related policies and the relevant Partnership Agreement(s) and/or Side Letter(s). Where a co-invest vehicle is formed, such entity generally bears expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds.

The foregoing list of expenses is not intended to be exhaustive and is qualified in its entirety by the applicable Partnership Agreement of each Fund.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described under "Fees and Compensation," Gallant receives a carried interest allocation on certain realized profits in the Funds. The existence of performance-based compensation has the potential to create an incentive for the General Partner to operate the relevant Fund in a riskier, more speculative or other manner that is less favorable to investors than it would otherwise in the absence of such arrangement, although Gallant generally considers performance-based compensation to better align its interests with those of its investors, particularly in instances where the Governing Documents include terms requiring clawback or giveback of performance-based compensation amounts at the end of the relevant Fund's life or at certain interim intervals.

TYPES OF CLIENTS

Gallant provides investment advice to the Funds. The Funds may include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended (the "**Investment Company Act**"). The investors participating in the Funds may include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations

or other corporations or business entities and often include, directly or indirectly, the partners, principals or other personnel of Gallant and its affiliates and members of their families or other service providers retained by Gallant or a Fund.

Investors are generally “accredited investors” within the meaning of Rule 501(a) under the Securities Act of 1933, as amended, and are generally either “qualified purchasers” within the meaning of Section 2(a)(51) under the Investment Company Act or “qualified clients” within the meaning of Rule 205-3 under the Advisers Act. Each Fund generally has a minimum investment amount of \$10 million for third-party investors. Such minimum investment amount may be waived by Gallant.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General

Gallant is a private investment firm focused on complex situations in the North American lower middle market across three core sectors: technology, industrials and business services. Gallant will make control investments on behalf of the Funds of up to \$75 million in fundamentally sound companies where Gallant is able to utilize its operationally focused approach to enhance value. Gallant pursues investments in companies with EBITDA up to \$50 million and enterprise values up to \$400 million. Gallant believes this end of the market tends to be the least efficient, with a significant number of opportunities that are well-suited for Gallant’s hands-on approach and can be acquired at attractive valuations.

There can be no assurance that Gallant will achieve the investment objectives of any Fund and a loss of investment is possible.

Investment and Operating Strategy

Deal Origination. Gallant maintains relationships with a vast network of brokers, investment bankers and corporate sellers with whom they have had positive experiences. Gallant believes that these relationships are key to their success as it is important to originate a large volume of potential transactions to identify opportunities that fit the characteristics and strict criteria of a Gallant investment. Advisors in the lower middle market do not generally have robust sponsor coverage teams and typically present investment opportunities to their smaller network of potential buyers making it imperative that Gallant be in constant contact with these parties. Gallant also maintains relationships directly with business owners and corporate development professionals, and have built a reputation as trustworthy counterparties and partners with these sellers where qualitative factors such as cultural fit, clear plans to improve the company, and straightforward communication often matter as much as valuation.

Due Diligence. Once an opportunity is identified, the Gallant team will utilize its resources (including Operating Group members) to conduct thorough due diligence. The Gallant team is particularly experienced in analyzing issues found in investment opportunities where they will be the first institutional capital – primarily corporate divestitures and family-owned businesses. These investments have distinct attributes that require specific experience to manage. The team will analyze potential investments from a macro and company-specific perspective, including:

evaluating industry dynamics; performing detailed qualitative and quantitative analysis of the current business, operations and management; and analyzing the company's capital structure, financial results and projections. In addition, Gallant focuses its due diligence on identifying operating initiatives and ensuring strong alignment with management. As needed, Gallant will enlist third parties to augment its due diligence. These groups can include accounting and tax advisors, market and regulatory experts, insurance advisors, and management background checks. Gallant's due diligence process includes in-depth and in person meetings with company management, discussions with key customers, suppliers, competitors and other participants in the industry or supply chain. This rigorous due diligence process allows Gallant to be proactive in identifying potential risk areas early in the process.

Risks of Investment

Each Fund and its investors bear the risk of loss that Gallant's investment strategy entails. The risks involved with Gallant's investment strategy and an investment in a Fund include, but are not limited to:

1. *Business and Market Risks.* The Funds' investment portfolios are expected to consist primarily of securities and/or other interests issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses. In particular, these risks could arise from changes in the financial condition or prospects of the companies in which the investment is made, changes in national or international economic and market conditions and changes in laws, regulations, fiscal policies or political conditions of countries in which investments are made, including the risks of war, pandemics and the effects of terrorist attacks. The possibility of partial or total loss of capital will exist and investors should not invest unless they can readily bear the consequences of such loss.
2. *Past Performance Not Indicative of Future Results.* In considering the prior performance information of the investment funds or accounts previously managed by the Gallant (collectively, the "**Prior Funds**"), prospective investors should understand that an investment in the Fund does not represent an interest in any investment or investment portfolio of any Prior Fund. Information about the prior performance of the Prior Funds is not necessarily indicative or a guarantee of the Fund's future results. There can be no assurance that the Fund will generate investment returns commensurate with the past performance of the Prior Funds. An investor should not rely on any expectation and there can be no assurance that the risk/return profile of an investment in the Fund will resemble that of the Prior Funds. An investor should only invest in the Fund as part of an overall investment strategy, and only if the investor is able to withstand a total loss of its investment in the Fund. While the General Partner intends for the Fund to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted return will be achieved. On any given investment, loss of principal is possible. An investment in the Fund should only be considered by persons or entities who can afford a loss of their entire investment.
3. *Investment in Junior Securities.* The securities in which the Funds will invest may be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect the Funds' investment once made.

4. *Concentration of Investments.* The Funds will participate in a limited number of investments and may seek to make several investments in a one industry or one industry segment or within a short period of time. As a result, the Funds' investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect the Funds' aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, the Fund may invest in fewer portfolio companies and thus be less diversified.

If a Fund makes a co-investment with regards to any portfolio company, an investor (hereinafter referred to as a “**Limited Partner**”) participating outside the Funds in such co-investment may have increased exposure to such single portfolio company, potentially multiplying such Limited Partner's losses

The Funds expect to provide bridge financing to facilitate portfolio company investments. It is possible that all or a portion of a bridge financing will not be recouped within the time period specified in the Partnership Agreement, in which case the investment would be treated as a permanent investment of the Fund. As a result, a Fund's portfolio could become more concentrated with respect to such investment than initially expected or otherwise provided for under the Fund's investment limitations, certain of which exclude bridge financing investments.

5. *Lack of Sufficient Investment Opportunities; Competition for Investments.* The activity of identifying, buying and selling private equity investments is highly competitive, involves a high degree of uncertainty, and is subject in some cases to the prevailing capital market, regulatory or political environment. The Funds will encounter competition from other entities having similar investment objectives. Potential competitors include other investment partnerships and corporations, governments, individuals, financial institutions, family offices, strategic industry acquirers and other financial investors, including hedge funds, investing directly or through affiliates. Further, over the past several years, an ever-increasing number of private equity funds have been or are being formed (and many existing funds have grown in size). Additional funds with similar investment objectives are expected to be formed in the future by other unrelated parties. Some of these competitors may have more relevant experience, greater financial resources, a greater willingness to take on risk, and more personnel than the General Partner, the Funds and their affiliates.

The General Partner expects that competition for appropriate investment opportunities may increase, which increases the likelihood that the Funds will need to participate in auctions, the outcome of which cannot be guaranteed, thus reducing the number of investment opportunities available to the Funds and/or adversely affecting the terms upon which portfolio companies can be made. Participating in auctions will also increase the pressure on the Funds with respect to pricing of a transaction. Furthermore, given the increasingly competitive environment, the General Partner may find it more difficult to obtain buyer-favorable terms in a transaction, such as receiving an indemnification by the seller for a breach of representations or warranties, the ability to terminate a transaction if financing sources become unavailable or unwilling to fund, or the ability to terminate a transaction if there has been a material adverse change in the company's business prior to closing of the investment. In addition, competitors for investment opportunities may be willing to offer seller-favorable terms in a transaction, such as providing

a “reverse break-up fee” and fund-level guarantees. In the event a financing-related closing condition is not available to a Fund or if the Fund is required to provide a reverse break-up fee or guarantee in connection with a potential investment, the Fund may become obligated to consummate a transaction on less favorable terms or may be required to fund the reverse break-up or similar fee in connection with a potential investment that is not made. There can be no assurance that the Fund will be able to locate, complete and exit investments which satisfy the Fund’s rate of return objectives, or realize upon their values, or that it will be able to invest fully its committed capital. However, regardless of the extent to which the commitments of the Limited Partners are invested (or drawn down to be invested), Limited Partners will be required to bear Management Fees through the Fund during the Investment Period based on the entire amount of the Limited Partners’ commitments and other expenses as set forth in the Partnership Agreement. To the extent that a Fund encounters competition for investments, returns to Limited Partners may decrease including as a result of higher pricing, foregoing opportunities, or negotiating fewer transactional protections in order to remain competitive. Additionally, the Fund is expected to incur bid, due diligence, negotiating, consulting or other costs of investments, which may not be successful. As a result, the Fund may not recover all of its costs, which would adversely affect returns.

6. *Dynamic Investment Strategy.* While the General Partner generally intends to seek attractive returns for each Fund primarily through making control-oriented, private equity investments as described herein, the General Partner may pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. The General Partner may pursue investments outside of the industries and sectors in which the Gallant’s principals have previously made investments or have internal operational experience.
7. *Impact of Government Regulation, Reimbursement and Reform.* Certain industry segments in which the Funds intend to invest, including various segments of the industrial industry, are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. Certain segments may be highly dependent upon various government (or private) reimbursement programs. While the Funds intend to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries, including in particular the industrial industry, are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which the Fund invests.

Additionally, the SEC has proposed and enacted significant rules that will impact the business of Gallant and the Funds. In particular, the SEC has adopted a number of new rules that impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose and/or adopt additional rules in the future. Such current and future rulemaking is expected to materially impact Gallant and its affiliates, the Funds and/or their investments. In addition, the Funds are expected to bear significant increased costs as a result of such rules, including costs relating to investor reporting and disclosures. Significant time and resources are expected to be required to comply with the new regulations, which

potentially will detract from the time and resources dedicated to the Funds. Certain rules are or may become subject to legal challenge from private fund industry groups and others, and to the extent such legal challenges are successful, investors will not be afforded some or all of the protections provided by these rules.

8. *Illiquidity; Lack of Current Distributions.* An investment in the Funds should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. A Fund's ability to dispose of investments may be limited for several reasons. Illiquidity may result from the absence of an established market for the investments, as well as legal, contractual or other restrictions on their resale by the Fund. Dispositions of investments may be subject to contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. In view of these limitations on liquidity, the return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating the Funds (including the Management Fee payable to the General Partner) may exceed their income, thereby requiring that the difference be paid from the Funds' capital, including unfunded commitments.
9. *Leveraged Investments.* The Funds are permitted to make use of leverage by incurring or having a portfolio company incur debt to finance all or a portion of their investment in a given portfolio company, including in respect of companies not rated by credit agencies, whether on a temporary or long-term basis. As security for such borrowing or guarantees, the Funds are authorized to guarantee a portfolio company's debt and/or grant liens on any of the Funds' assets to the lender or other counterparty, which assets may not necessarily be limited to a single portfolio company. Such lender or other counterparty would, accordingly, have a claim that has priority over any claim by a Limited Partner to such assets in an insolvency event or proceeding. It is not expected that the Funds would be compensated for providing such guarantee or exposure to such liability. Co-investors are expected to receive the benefit of such guarantee, although as co-investors typically do not agree to participate in guaranty arrangements in negotiating to participate in a transaction, co-investors are not expected to bear a commensurate percentage of potential liability. Additionally, the Funds expect to borrow through a subscription-based credit facility (*e.g.*, "subscription line"), which poses additional risks and potential conflicts of interest as further described below. The Funds also reserve the right to have a portfolio company incur leverage through the use of a Fund's subscription line or otherwise to finance operations and/or add-on investments. Leverage generally magnifies both the Funds' opportunities for gain and their risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage by the Funds will also result in interest expense and other costs to the Funds that may not be covered by distributions made to the Funds or appreciation of their investments. The use of leverage also often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt

service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. In addition, the leveraged capital structure of portfolio companies will increase the exposure of the Funds' investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Funds' investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, the Funds may suffer a partial or total loss of capital invested in the portfolio company as well as any guaranteed amounts, which could adversely affect the returns of the Funds. Furthermore, should the credit markets be limited or costly at the time the Funds determines that it is desirable to sell all or a part of a portfolio company, the Funds may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which the Funds will invest generally will not be rated by a credit rating agency. If a portfolio company is unable to obtain favorable financing terms for its investments, refinance its indebtedness or maintain a desired or optimal amount of financial leverage, the Funds may hold a larger than expected equity investment in such portfolio company and may realize lower than expected returns from the portfolio company that would adversely affect the Funds' ability to generate attractive investment returns for the Funds as a whole. The Funds may incur leverage on a joint and several basis with one or more other investment funds and entities managed by the General Partner or any of its affiliates and may have a right of contribution, subrogation or reimbursement from or against such entities.

10. *Subscription Line and Fund-Level Borrowing.* As indicated above, the Funds are permitted to enter into a subscription line with one or more lenders in order to finance its operations, including the acquisition, financing or refinancing of the Funds' investments and the payment of expenses, as well as to consolidate or make less frequent capital calls to Limited Partners. Fund-level borrowing subjects Limited Partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the General Partner's right to call capital from the Limited Partners, Limited Partners may be obligated to contribute capital directly to a Fund's lenders and/or contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any Limited Partner claim against the Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in incremental expenses that will be borne by Limited Partners. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, including amendment fees as well as legal fees relating to the establishment and negotiation of the terms of the borrowing facility (and any amendments or renegotiation thereof). Because a subscription line's interest rate is based in part on the creditworthiness of the Limited Partners and the terms of the Partnership Agreement, it may be higher than the interest rate a Limited Partner could obtain individually.

To the extent a particular Limited Partner's cost of capital is lower than the relevant Fund's cost of borrowing, Fund-level borrowing can negatively impact a Limited Partner's overall individual financial returns. Conflicts of interest have the potential to arise in that the use of

Fund-level borrowing typically delays the need for Limited Partners to make contributions to a Fund, or results in short-term gains to a Fund, which in certain circumstances enhances the relevant Fund's return calculations and thereby may be deemed to benefit the marketing efforts of the General Partner and its affiliates and increases the likelihood that any hurdle or preferred return component in the Fund's carried interest arrangements will be met. A portfolio company financing from a subscription line, rather than from a Fund-level equity commitment, has the potential to increase such returns, particularly in instances where the relevant amount has been drawn for an extended period of time. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's Management Fee calculation, such as during periods where Management Fees are based in whole or in part on an acquisition cost that includes a borrowing component. Because Management Fees are incurred whether an investment is financed through capital calls or borrowings, and a Fund's preferred return typically does not accrue on outstanding borrowings, the relevant General Partner has an incentive to cause the Fund to make investments and/or pay such amounts using a subscription line rather than making capital calls. The use of Fund-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of a Fund's investment period, and cause or defer a related change in the basis of the relevant Fund's Management Fee calculation under the Governing Documents.

Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors, as to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses. Co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement typically contains other terms that restrict the activities of the Funds and the Limited Partners or impose additional obligations on them. For example, a subscription line may impose restrictions on the General Partner's ability to consent to the transfer of a Limited Partner's interest in a Fund. In addition, in order to secure a subscription line, the General Partner may request certain financial information and other documentation from Limited Partners to share with lenders. The General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more Limited Partners.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows the Funds to make investments and pay expenses without calling capital, potentially for extended periods of time. To the extent provided in the Partnership Agreement, any such borrowing may remain outstanding for such time as the General Partner deems appropriate, potentially including through disposition of such investment, and the interest expense and other costs of any such borrowings will be Fund expenses that may decrease net returns of the Funds. Calling a large amount of capital at once to repay the then current amount outstanding under a subscription line could cause short-term liquidity concerns for Limited Partners that would not arise had the General Partner called smaller amounts of capital incrementally over time as needed by the Funds. This risk would be heightened for a Limited Partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger

simultaneous capital calls, requiring the Limited Partner to meet the accumulated, larger capital calls at the same time. The Funds may also utilize fund-level borrowings when the General Partner expects to repay the amount outstanding through means other than Limited Partner capital, including as a bridge for equity or debt capital with respect to an investment. If a Fund ultimately is unable to repay the borrowings through those other means, Limited Partners would end up with increased exposure to the underlying investment, which could result in greater losses.

If an investment appreciates in value and is disposed of prior to repayment of the borrowing, the disposition proceeds would be applied to repay the borrowing (and related interest and expenses), and the net proceeds would be distributed without a preferred return accrual on the amount invested by the Fund (due to the absence of invested capital funded by Limited Partners). Accordingly, borrowings by a Fund may support the distribution of proceeds to Limited Partners and increase the potential carried interest for the General Partner; however, the interest incurred by the Fund due to such borrowing would reduce such distributions and the carried interest received by the General Partner. Subject to the limitations in the Partnership Agreement, if any, this conflict of interest may incentivize the General Partner to permanently fund the acquisition and ongoing capital needs of investments of the Fund and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never if principal and interest on such borrowings are repaid out of disposition proceeds).

11. *Investment- and Intermediate Entity-Level Borrowing.* Under the Governing Documents, each Fund is authorized to incur indebtedness that is secured by any assets of the Fund (e.g., asset-based borrowing, as well as “back leverage” and net asset value (NAV) facilities), and is permitted directly or indirectly through one or more intermediate entities (e.g., special purpose vehicles) to incur indebtedness, including to borrow money from any person, to make guarantees or provide other credit support to any person or to incur any other obligation (including other extensions of credit). Indebtedness is permitted to be incurred for any purpose relating to the activities of the Fund, including without limitation to: finance any investment-related activities of the Fund; increase the buying power of the Fund; provide interim financing to the extent necessary to consummate the purchase of investments prior to the receipt of permanent financing or capital contributions or distributions (as applicable); pay for Fund expenses or fund the payment of Management Fees; make, hold or dispose of investments; provide financing or refinancing; fund the payment of amounts to withdrawing limited partners; fund distributions to the partners; and/or provide collateral to secure outstanding letters of credit or to create reserves, in each case in accordance with the Governing Documents. Additionally, a Fund is expected to enter into letters of credit in support of one or more of its investments, including for the purpose of such Fund agreeing to fund additional equity financing or capital expenditures into a portfolio company (regardless of who the beneficiary to such letter of credit may be) at a certain time or upon the occurrence of a certain event. Although in many cases the Governing Documents impose limits on borrowings at the Fund level, portfolio investments and intermediate entities generally do not have such limits on their ability to engage in borrowings or incur leverage with respect to all or a portion of the relevant investments.

12. Limited Transferability of Fund Interests. There will be no public market for the Fund interests, and none is expected to develop. There are substantial restrictions upon the transferability of Fund interests under the Partnership Agreement and applicable securities laws. In general, withdrawals of Fund interests are not permitted. In addition, Fund interests are not redeemable. Limited Partners may not be able to liquidate their investments prior to the end of a Fund's term and must be prepared to bear the risks of an investment in a Fund for an extended period of time.
13. Restricted Nature of Investment Positions. Generally, there will be no readily available market for Fund investments, and hence most of the Funds' investments will be difficult to value. Although, prior to the termination of the Funds, the Funds generally intend to make distributions in cash or marketable securities, it is possible that under certain circumstances, distributions of investments for which there is no readily available public market and/or which may be subject to substantial restrictions on sale or transfer will be made in-kind. It may be difficult for Limited Partners to liquidate the investments received at a price or within a time period that is determined thereby to be ideal, and significant administrative burden may be involved. After a distribution of investments is made, the recipients may decide to liquidate such investments within a short period of time, which could have an adverse impact on the price of such investments. Limited Partners in receipt of a distributed investment will have no guidance from the Funds or the General Partner with respect to disposition of such investment (including timing of such disposition). The price at which such investments may be sold by such Limited Partners may be lower than the value of such investments determined pursuant to the Partnership Agreement, including the value used to determine the amount of carried interest accruing to the General Partner with respect to such investment. In addition, the direct holding of certain investments may subject the holder to suit or taxes in jurisdictions in which such investments are located.
14. Reliance on the General Partner and Portfolio Company Management. The Funds have limited operating history and will be dependent on the General Partner. Control over the operation of the Funds will be vested with the General Partner, and the Funds' future profitability will depend largely upon the business and investment acumen of the General Partner's principals. The loss or reduction of service of one or more of the principals could have an adverse effect on the Fund's ability to realize its investment objectives. In addition, the principals currently, and expect in the future to, manage other investment funds besides the Fund and the principals are likely to need to devote substantial amounts of their time to the investment activities of such other funds, which is likely to pose conflicts of interest in the allocation of the time of the principals. Limited Partners generally have no right or power to take part in the management of the Funds, and as a result, the investment performance of the Funds will depend on the actions of the General Partner. In addition, certain changes in the General Partner or circumstances relating to the General Partner may have an adverse effect on the Funds or one or more of their portfolio companies including potential acceleration of debt facilities.

Although the General Partner will monitor the performance of each Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day-to-day basis. Although the Funds generally intend to invest in companies with strong management or recruit strong management to such companies, there

can be no assurance that the management of such companies will be able or willing to successfully operate a company in accordance with the Funds' objectives.

15. Projections. Projected operating results of a company in which the Funds invest normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by the General Partner in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.
16. Conflicting Investor Interests. Limited Partners may have conflicting investment, tax, and other interests with respect to their investments in a Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts will potentially arise in connection with decisions made by the General Partner regarding an investment that will potentially be more beneficial to one Limited Partner than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, the General Partner generally will consider the investment and tax objectives of the Fund and its partners as a whole, not the investment, tax, or other objectives of any Limited Partner individually.
17. Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes. There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Funds' activities, including the ability of the Funds to effectively and timely address such regulations, implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives.

The combination of such scrutiny of private equity firms (along with other alternative asset managers) and their investments by various politicians, regulators and market commentators, and the public perception that certain alternative asset managers, including private equity firms, contributed to prior downturns and/or volatility in the U.S. and global financial markets, may complicate or prevent a Fund's efforts to structure, consummate and/or exit investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, a Fund may invest in fewer transactions or incur greater expenses, litigation risk or delays in completing or exiting investments than it otherwise would have.

Additionally, a Fund may be required to incur additional costs and expenses in implementing structural changes in the conduct of a Fund's business, including to establish greater presence in certain jurisdictions in which the Fund invests or proposes to invest, and a Fund may also become directly or indirectly subject to additional tax liabilities (for example, through restrictions on or denial of the deductibility of interest expenses against taxable profits). The foregoing may make it less attractive or impractical to continue to invest in one or more

jurisdictions. Additionally, such additional scrutiny may divert the General Partner's time, attention and resources from portfolio management activities.

In light of the heightened regulatory environment in which a Fund operates and the ever-increasing regulations applicable to private investment funds and their investment advisers, it has become increasingly expensive and time-consuming for Gallant and its affiliates to comply with such regulatory reporting and compliance-related obligations. Any further increases in the regulations applicable to private investment funds generally or the Fund, the General Partner or Gallant in particular may result in increased expenses associated with the Fund's activities and additional resources of Gallant being devoted to such regulatory reporting and compliance-related obligations, which may reduce overall returns for investors in the Fund or have an adverse effect on the ability of the Fund to effectively achieve its investment objective. Increased reporting, registration and compliance requirements may divert the attention of personnel and the management teams of Gallant, and may furthermore place a Fund at a competitive disadvantage to the extent that Gallant is required to disclose sensitive business information.

As private equity firms and other alternative asset managers become more influential participants in the U.S. and global financial markets and economy generally, the private equity industry has recently been subject to criticism by some politicians, regulators and market commentators. Elements of organized labor and other representatives of labor unions have embarked on a campaign targeting private equity firms on a variety of matters of interest to organized labor, including with respect to affording favorable treatment or significant deference to organized labor and labor unions in dealings with portfolio companies. There can be no assurance that the foregoing will not have an adverse impact on Gallant or the Fund or otherwise impede the Fund's activities.

18. *Availability of Insurance Against Certain Catastrophic Losses.* Certain losses of a catastrophic nature, such as those caused by wars, earthquakes, severe weather, terrorist attacks or other similar events, may be either uninsurable or insurable at such high rates that to maintain such coverage would cause an adverse impact on the related investments. In general, losses related to terrorism can be difficult and expensive to insure against. Some insurers are excluding terrorism coverage from their all-risks policies. In some cases, the insurers are offering significantly limited coverage against terrorist acts for additional premiums, which can greatly increase the total costs of casualty insurance for a property. As a result, not all investments may be insured against all potential causes of damage or loss. If a major uninsured loss occurs, a Fund could lose both invested capital in and anticipated profits from the affected investments.
19. *Misconduct of Personnel, Independent Contractors and Third-Party Service Providers.* Misconduct or misrepresentations by personnel and independent contractors of the General Partner or the portfolio companies, or by third-party service providers could cause significant losses to the Fund. Employee or independent contractor misconduct may include binding the Fund or a portfolio company to transactions that exceed authorized limits or present unacceptable risks and unauthorized trading activities, concealing unsuccessful trading activities (which, in either case, may result in unknown and unmanaged risks or losses) or making misrepresentations regarding any of the foregoing. Losses could also result from actions by third-party service providers, including, without limitation, failing to recognize

transactions and misappropriating assets. In addition, personnel, independent contractors and third-party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting the Fund's business prospects or future marketing activities. Despite the General Partner's due diligence efforts, misconduct and intentional misrepresentations may be undetected or not fully comprehended, thereby potentially undermining such due diligence efforts. As a result, no assurances can be given that the due diligence performed by the General Partner will identify or prevent any such misconduct.

20. *Tax Laws Adversely Affecting Gallant Personnel and Other Service Providers*. U.S. federal income tax law treats certain income allocations to service providers by partnerships such as the Funds (including any carried interest) as short term capital gain taxed at higher ordinary income rates unless such partnership has held the asset which generated such gain for more than three years. This could adversely affect the partners, personnel of Gallant or other individuals associated with the Fund or the General Partner who were or may in the future be granted direct or indirect interests in the General Partner entitling such persons to benefit from carried interest. As a result, such persons' after tax returns from the Fund and the General Partner could be reduced, which could make it more difficult for the General Partner and its affiliates to incentivize, attract and retain individuals to perform services for the Fund. This could also create an incentive for the General Partner to cause the Fund to hold investments for a longer period than would be the case if such three year holding period requirement did not exist.
21. *United Kingdom ("UK") Exit from the European Union ("EU")*. The UK formally left the EU on January 31, 2020 ("**Brexit**"). After a transition period that ended on December 31, 2020, EU rules ceased to apply in the UK. Although the terms of the UK's future relationship with the EU were agreed in a trade and cooperation agreement, the agreement does not include an agreement on financial services and, as a result, UK firms in the financial sector have more limited access to the EU market than prior to Brexit and EU firms similarly have more limited access to the UK, owing to the loss of passporting rights under applicable EU and UK legislation. Alternative arrangements and structures may allow for the provision of cross-border marketing and services between the EU and UK, but these are subject to legal uncertainty and the risk that further legislative and regulatory restrictions could be imposed in the future.

As a result of the onshoring of EU legislation in the UK, UK firms are currently subject to many of the same rules and regulations as prior to Brexit. However, the UK government has stated its intention to recast onshored EU legislation as part of UK legislation and regulation, which could result in substantive changes to regulatory requirements in the UK. It remains to be seen to what extent the UK may elect to implement or mirror future changes in the EU regulatory regime, or to diverge from the current EU-influenced regime over time. It is possible that the EU may respond to UK initiatives by restricting third-country access to EU markets. If the regulatory regimes for EU and UK financial services change or diverge further, this could have an adverse impact on any Fund and its investments, including the ability of a Fund to achieve its investment objectives in whole or in part (for example, owing to increased costs and complexity and/or new restrictions in relation to cross-border access between the EU and non-EU jurisdictions). There can be no assurance that any renegotiated laws or regulations will

not have an adverse impact on a Fund and its investments, including the ability of a Fund to achieve its investment objectives.

The legal, political and economic uncertainty and disruption generally resulting from Brexit may adversely affect both EU- and UK-based businesses, including Gallant and Fund portfolio companies, as applicable. Brexit has already led to disruptions in trade as businesses attempt to adapt cross-border procedures and rules applicable in the UK and in the EU to their activities, products, customers, and suppliers. Continuing uncertainty and the prospect of further disruption may also result in an economic slowdown and/or a deteriorating business environment in the UK and in one or more EU Member States.

22. *Environmental, Social and Governance (“ESG”) Matters.* Gallant maintains an ESG policy and seeks to integrate certain ESG factors into its investment process in accordance with its policy and subject to its fiduciary duty and any applicable legal, regulatory or contractual requirements. Applying ESG factors to investment decisions is subjective by nature, and Gallant expects to be subject to competing demands from different investors and stakeholder groups with divergent views on ESG (including the role of ESG factors in the investment process). There is no guarantee that the criteria utilized by Gallant, or any judgment exercised by Gallant, will reflect the beliefs, values, internal policies or preferred practices of any particular investor or other asset manager or reflect market trends. In addition, Gallant’s ESG policy and associated ESG practices are expected to evolve over time. Although Gallant views the integration of ESG factors to be an opportunity to potentially enhance or protect the performance of its investments over the long-term, Gallant cannot guarantee that its ESG program will positively impact the performance of any individual investment or Fund. For avoidance of doubt, however, Gallant does not expect to subordinate a Fund’s investment returns or increase a Fund’s investment risks as a result of (or in connection with) the consideration of any ESG factors.

The materiality of ESG factors depends on many factors, including the relevant industry, location, asset class, and investment strategy. ESG factors, issues, and considerations do not apply in every instance and will vary by Fund and investment. In addition, in evaluating an investment, Gallant expects to depend upon information and data provided by a number of sources, including the relevant investments and/or various reporting sources which could be incomplete, inaccurate or unavailable, and which could cause Gallant to incorrectly assess a company’s ESG practices and/or related risks and opportunities. Gallant does not intend independently to verify all ESG information reported by investments or third parties.

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by asset managers. Gallant’s adoption and adherence to various such principles, frameworks, methodologies and tools is expected to vary over time. There is also a growing regulatory interest across jurisdictions in improving transparency regarding how asset managers identify and manage financially material ESG risks, as well as how they define and measure ESG performance. At the same time, anti-ESG sentiment has also gained momentum across the U.S., with several states and Congress having proposed or enacted “anti-ESG” policies, legislation, or initiatives or issued related legal opinions. the definition, measurement and disclosure of ESG factors. Gallant and its ESG policy and associated ESG practices could become subject to additional regulation, regulatory

scrutiny, penalties or enforcement in the future, and Gallant cannot guarantee that its current approach including the ESG policy and associated ESG practices will meet future regulatory requirements, reporting frameworks or best practices, increasing the risk of related enforcement. Compliance with new requirements is expected to lead to increased management burdens and costs.

23. *Weather and Climate Risk*. Global climate change is widely considered to be a significant threat to the global economy. Industrial assets in particular may face risks from the physical effects of climate change, such as risks posed by increasing frequency or severity of extreme weather events and rising sea levels and temperatures. The Paris Agreement and other initiatives by international, federal, state, and regional policymakers and regulatory authorities as well as private actors seeking to reduce greenhouse gas emissions may expose industrial assets to so-called “transition risks” in addition to physical risks, such as: (i) political and policy risks (e.g., changing regulatory incentives and legal requirements, including with respect to greenhouse gas emissions, that could result in increased costs or changes in business operations) regulatory and litigation risk (e.g., changing legal requirements that could result in increased permitting and compliance costs, changes in business operations, or the discontinuance of certain operations, and litigation seeking monetary or injunctive relief related to climate impacts), (ii) technology and market risk (e.g., declining market for products and services seen as greenhouse gas intensive or less effective than alternatives in reducing greenhouse gas emissions); and (iii) reputational risk (e.g., risks tied to changing customer or community perceptions of an asset’s relative contribution to greenhouse gas emissions). The General Partner cannot rule out the possibility that climate risks could result in unanticipated delays or expenses and, under certain circumstances, could prevent completion of investment activities once undertaken, any of which could have a material adverse effect on an investment or the Fund.
24. *Need for Follow-On Investments*. Following its initial investment in a given portfolio company, a Fund is permitted to decide to provide additional funds to such portfolio company or consider the opportunity to increase its investment in a successful portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There is no assurance that the Funds will make follow-on investments or that the Funds will have sufficient funds to make all or any of such investments. Any decision by the Funds not to make follow-on investments or a Fund’s inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such failure to make such investments may result in a lost opportunity for the Funds to increase its participation in a successful portfolio company or the dilution of the Funds’ ownership in a portfolio company if a third party invests in such portfolio company.
25. *Non-U.S. Investments*. The Funds may invest in portfolio companies that are organized, headquartered and/or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Funds), the application of complex U.S.

and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the Funds and/or the Limited Partners with respect to the Funds' income, and possible non-U.S. tax return filing requirements for the Fund and/or the partners.

Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed and/or more restrictive laws, regulations, regulatory institutions and judicial systems; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

26. Hedging Arrangements; Related Regulations. The General Partner is authorized to (but is not obligated to) endeavor to manage the Funds' or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. The Funds are permitted to incur costs related to such hedging arrangements, which are permitted to be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used.

In some cases, particularly in OTC contexts, hedging arrangements will subject the Funds to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose the Funds to additional liquidity risks if such contracts cannot be adequately settled.

Certain hedging arrangements may create for a General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission ("CFTC") or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of the Fund or a portfolio company to hedge its exposures becomes limited by such requirements.

27. Significant Adverse Consequences for Default. The Partnership Agreement provides for significant adverse consequences in the event a Limited Partner defaults on its commitment or any other payment obligation. In addition to reductions in its capital account balance, preclusion from further investment in a Fund and losing its right to potential distributions from a Fund, a defaulting Limited Partner may be forced to transfer its interest in a Fund for an amount that is less than the fair market value of such interest and that may be paid over a period of up to ten years, without interest. The General Partner retains sole discretion in whether to exercise the remedies against a defaulting Limited Partner and which remedy to pursue, and the General Partner may require the non-defaulting Limited Partners to contribute capital to make up for the shortfall created by a defaulting Limited Partner.

28. Dilution. Limited Partners admitted or that increase their respective commitments to a Fund at subsequent closings generally will participate in then-existing investments of a Fund, thereby diluting the interest of existing Limited Partners in such investments. Although any such new Limited Partner will be required to contribute its *pro rata* share of previously made capital contributions, there can be no assurance that this contribution will reflect the fair value of a Fund's existing investments at the time of such contributions.
29. General Partner's Carried Interest and Management Fee. The fact that the General Partner's carried interest is based on a percentage of net profits creates an incentive for the General Partner and/or its personnel to cause a Fund to make riskier and more speculative investments or to hold an investment longer than otherwise would be the case. Additionally, certain tax rules applicable to individuals participating in the carried interest may create an incentive for the General Partner to cause the Fund to hold investments for at least three years, or to defer or waive the allocation and distribution of certain carried interest in exchange for an interest in future carried interest (as permitted under the Partnership Agreement), either of which could create conflicts of interest between the General Partner's desired tax treatment and the timing of investment realizations or character of income allocated to Limited Partners. Such deferral of the receipt of carried interest also generally has the offer of increasing net fund returns thereby benefitting the General Partner and its affiliates. In addition, because the Funds have a fixed investment period after which capital from Limited Partners generally may only be drawn down in limited circumstances, and because the Management Fee is, at certain times during the life of a Fund, calculated based upon the invested capital of a Fund, the Management Fee structure creates an incentive for the General Partner to deploy capital when it might not otherwise have done so. In addition, during periods when the Management Fee is calculated based on Commitments or capital invested, the amount of Management Fees will not be reduced based on reductions in investment value unless otherwise specified in the Partnership Agreement. As a general matter, the Management Fee will be payable during term extensions unless otherwise specified in the Partnership Agreement.
30. Transfer by General Partner. To the extent the General Partner, its partners, the Fund partners and/or their respective affiliates commit to make a direct or indirect investment in or alongside the Fund, a participation in or a portion of such investment may thereafter be transferred to others, subject to any express limitations thereon in the Partnership Agreement.
31. Public Company Holdings. A Fund's investment portfolio is expected from time to time contain securities and debt issued by publicly held companies. Such investments may subject the Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Fund to dispose of such securities and debt at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including the Partners, and increased costs associated with each of the aforementioned risks.
32. Distressed Investments. The Funds are authorized to invest in the securities and obligations, including debt obligations that are in covenant or payment default, of companies experiencing significant financial difficulties and material operating issues, including companies that may

have been, are or will become involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation processes. Investments in such companies involve a substantial degree of risk that is generally higher than the risk involved in investing in companies that are not in financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance that the General Partner will correctly evaluate the value of the assets of a distressed company securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization or liquidation of such company. It may take a number of years for the market price of distressed securities to reflect their intrinsic value. In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (*e.g.*, due to failure to obtain requisite approvals), or will be delayed (*e.g.*, until various liabilities, actual or contingent, have been satisfied). In the event that a portfolio company does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, a Fund may lose some or all of its investment or may be required to accept illiquid securities with rights that are materially different than the original securities in which the Fund invested.

33. *Non-Controlling Investments*. The Funds may hold meaningful minority stakes in privately held companies and in some cases may have limited minority protection rights. In addition, during the process of exiting investments, the Funds at times may hold minority equity stakes of any size such as might occur if portfolio companies are taken public. As is the case with minority holdings in general, such minority stakes that the Funds may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where the Funds holds a minority stake, it may be more difficult for the Funds to liquidate its interests than it would be had the Funds owned a controlling interest in such company. Even if the Funds have contractual rights to seek liquidity of the Funds' minority interests in such companies, it may be very difficult to sell such interests or seek a sale of such company upon terms acceptable to the Funds, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals.
34. *Director Liability*. The Funds will often seek to obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which it invests (each, a “**Board Representative**”). In those instances where a Fund is not the sole shareholder of the applicable portfolio company, a Board Representative may have duties to persons and/or entities other than the Fund. Serving on the board of directors (or similar governing body) of a portfolio company will expose a Board Representative, and ultimately the Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from the Fund's investment activities. Co-investors and/or co-investment vehicles may indirectly benefit from the General Partner's appointment of such directors, although co-investors (including their respective co-investment vehicle, even if managed by Gallant) will not typically bear the cost of liability insurance related to such appointment to the extent additional liability insurance is purchased by the Fund.

35. Limitation of Recourse and Indemnification. The Partnership Agreement will limit the circumstances under which the General Partner and its affiliates will be held liable to the Funds. As a result, Limited Partners may have a more limited right of action in certain cases than they would have in the absence of such provision. In addition, the Partnership Agreement will provide that the Fund will indemnify the General Partner and its affiliates for certain claims, losses, damages and expenses arising out of their activities on behalf of the Fund and may receive advances for any fees, costs and expenses incurred in the defense or settlement of any claim that may be subject to a right of indemnification. The fees, costs and expenses (whether or not advanced) and other liabilities resulting from a Fund's indemnification obligations will generally be paid by or otherwise satisfied out of the assets of the Fund, including the unpaid capital obligations of the Limited Partners. In addition, if the assets of the Fund are insufficient to satisfy the Fund's indemnification obligations, the General Partner may recall distributions previously made to the Limited Partners, subject to certain limitations set forth in the Partnership Agreement. The General Partner may cause the Fund to purchase insurance for the Fund, the General Partner, Gallant and their personnel, agents and representatives, including to cover actions that would not be indemnifiable under the Partnership Agreement, although there can be no assurance that any such insurance will be sufficient, available to satisfy the specific claims that may arise or generally available on commercially reasonable terms. Such indemnification obligations could materially impact the returns to Limited Partners.
36. Litigation. In the ordinary course of its business, a Fund may be subject to litigation from time to time. The outcome of such proceedings may materially adversely affect the value of the Fund and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the General Partner's and the Partners' time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation. Additional regulation could also increase the risks of third-party litigation.
37. Advisory Board. The General Partner's generally appoint one or more Limited Partner representatives to the advisory board of certain Funds. The Partnership Agreement will provide that to the fullest extent permitted by applicable law, none of the advisory board members shall owe any fiduciary duties to the Fund or any other partner. Members of the advisory board may have conflicts of interest that do not disqualify such members from voting or consenting to matters submitted to the advisory board for consideration or review. In addition, representatives of the advisory board may have various business and other relationships with Gallant and its partners, personnel and affiliates. These relationships may influence their decisions as members of the advisory board. To the extent that a Limited Partner is not represented by a member of the advisory board, such Limited Partner will have no influence over matters submitted to the advisory board for review or approval.
38. Concentration of Voting by Limited Partners and Advisory Board. The Limited Partners and the limited partners of any parallel investment entity generally vote on all matters on a combined basis and based on aggregate Commitments as set forth in the Partnership Agreement. Accordingly, action by limited partners in a parallel investment entity or actions by relatively large investors could affect the outcome of votes submitted to a Fund.

39. General Tax Considerations. An investment in a Fund involves complex U.S. and non-U.S. tax considerations that will differ for each investor depending on the investor's particular circumstances. The investment decisions of the General Partner and Gallant will be based primarily upon economic, not tax, considerations and could result, from time to time, in adverse tax consequences to some or all Fund partners. There can be no assurance that the structure of the Fund or of any investment will be tax-efficient for any particular investor. Prospective investors are urged to consult their own tax advisors with reference to their specific tax situations.
40. Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. Furthermore, such confidence may be adversely affected by local, regional or global health crises including but not limited to the rapid and pandemic spread of novel viruses commonly known as SARS, MERS and COVID-19. Such health crises could exacerbate political, social and economic risks previously mentioned and result in significant breakdowns, delays and other disruptions on a local, regional and global scale, which are likely to have adverse effects on the operating performance of affected portfolio companies. A climate of uncertainty, including the spread of infectious viruses or diseases, may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of the Funds and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by the Funds and result in longer holding periods for investments. Furthermore, such uncertainty, including the uncertainty stemming from the spread of infectious viruses or diseases, or general economic downturn may have an adverse effect upon the Funds' portfolio companies.
41. Market Conditions. The capital markets have experienced great volatility and financial turmoil. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the Funds and may affect the Funds' ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in the Funds' investments and could have a negative impact on the performance and/or valuation of the portfolio companies. The Funds' performance can be affected by deterioration in the capital markets and by market events, such as the onset of the credit crisis in the summer of 2007, the downgrading of the credit rating of the United States in 2011 and the COVID-19 pandemic, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and the

Funds' performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of the Funds to sell and/or partially dispose of its portfolio company investments. Such adverse effects may include the requirement of the Funds to pay break-up, termination or other fees and expenses in the event the Funds are not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of the Funds to dispose of investments at prices that the General Partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect the Funds' ability to raise funding to support its investment objective.

42. *Deterioration of Credit Markets May Affect Ability to Finance and Consummate Investments.*

The ability of a Fund and the portfolio companies to effectively execute their respective strategies will be dependent, in some respects, on the health of the U.S. and global credit markets. A widening of credit spreads, coupled with the deterioration of the subprime and global debt markets and/or a rise in interest rates, has historically dramatically reduced investor demand for high yield debt and senior bank debt, which in turn has led some investment banks and other lenders to be unwilling to finance new private equity investments or to only offer committed financing for these investments on unattractive terms during such times. A Fund's ability to generate attractive investment returns may be adversely affected to the extent the Fund is unable to obtain favorable financing terms for its investments. Moreover, to the extent that such marketplace events are not temporary and continue, they may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such marketplace events also may restrict the ability of the Fund to realize its investments at favorable times or for favorable prices.

43. *Limited Access to Information.* Limited Partners' rights to information regarding a Fund, the General Partner or Gallant generally will be specified, and in many cases strictly limited, by the Partnership Agreement. In particular, it is anticipated that the General Partner and its affiliates will obtain certain types of material information from or relating to the Fund's investments that will not be disclosed to Limited Partners because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of the General Partner's control. Decisions by the General Partner or its affiliates to withhold information may have adverse consequences for Limited Partners in a variety of circumstances. For example, a Limited Partner that seeks to transfer its interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for a Limited Partner to monitor the General Partner and its performance. Additionally, it is anticipated that Limited Partners that have representatives on the advisory board generally may, by virtue of such participation, have more or earlier information about the Fund and its investments in certain circumstances than other Limited Partners. Limited Partners generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the Funds succeed in asserting confidentiality for requested documents and other materials, and the General Partners reserve the right to withhold certain information from investors subject to such laws for reasons relating to Gallant's or its affiliates' public reputation, business strategy or other reasons.

44. *Material Non-Public Information.* As a result of the operations of Gallant and its affiliates, Gallant frequently comes into possession of confidential or material, non-public information. Therefore, Gallant and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Fund. Consequently, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or Gallant's internal policies. Due to these restrictions, a Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.
45. *Unfunded Pension Liabilities of Portfolio Companies.* In at least one circuit, a court found that, in certain circumstances, an investment fund could be treated as a "trade or business" for purposes of determining pension liability under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Therefore, where an investment fund owns 80% or more (or possibly under certain circumstances, less than 80%) of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such liabilities. The Funds are permitted to invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where the Funds own an 80% or greater interest in such a portfolio company. If the Funds (or other 80%-owned portfolio companies of the Funds) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the Funds and the companies in which the Funds invest. This discussion is based on current court decisions, statute and regulations regarding control group liability under ERISA, as in effect as of the date of this Brochure, which may change in the future as the case law and guidance develops.
46. *National Security Investment Clearance.* In some cases, investments by the Funds involving the acquisition of or investment in a U.S. business (including a U.S. subsidiary or branch of a company domiciled outside of the United States) may be subject to review and approval by the Committee on Foreign Investment in the United States ("CFIUS"). In the event that CFIUS reviews one or more investments, there can be no assurances that the General Partner, Gallant or the Fund will be able to maintain or proceed with such portfolio companies on acceptable terms. Additionally, CFIUS may seek to impose limitations on one or more such portfolio companies that may prevent a Fund from maintaining or pursuing investment opportunities that the Fund otherwise would have maintained or pursued, which could adversely affect the performance of the Fund's investment in such portfolio companies and thus the performance of the General Partner and Gallant. Legislation to reform CFIUS was signed into law in August 2018 and regulations to implement this legislation became effective in 2020. This legislation and implementing regulations, among other things, expand the scope of CFIUS' jurisdiction to cover more types of investments and empowers CFIUS to scrutinize more closely investments in U.S. technology, data, and infrastructure companies, including investments involving foreign limited partners and foreign co-investors that may be deemed "non-passive." Moreover, parties to certain transactions involving foreign persons and U.S. "critical technology" companies must submit filings to CFIUS at least 30 days in advance of closing. Other transactions involving foreign government investors are similarly subject to mandatory filings. Many of a Fund's transactions may involve investments into "critical technology" companies. Failure to submit required filings may result in significant financial penalties for

each transaction party, as well as reputational damage. In addition, CFIUS is actively pursuing transactions that were not notified to it and may ask questions regarding, or impose restrictions or mitigation on, transactions post-closing. Such restrictions and mitigation can include, among other things, restrictions on foreign persons' ability to influence or govern a target company, pre-approval by the U.S. government of certain business decisions, and/or divestiture of some or all of a target company's business.

While the General Partner and Gallant have taken steps to ensure that its investments will not be subject to CFIUS' jurisdiction and regularly consults with outside specialist counsel on CFIUS matters, certain of the Limited Partners of a Fund are expected to be non-U.S. investors, and in the aggregate, may comprise a substantial portion of the Fund's aggregate commitments, which may increase the risks of such limitations or restrictions on investments being imposed. Moreover, CFIUS is increasingly reaching out to companies and investors on transactions that are not voluntarily notified to it, and any such CFIUS outreach could result in restrictions or other conditions that have a significant impact on a Fund's ability to realize value from an investment, including by divestiture of a Fund's interest. Finally, other countries continue to strengthen their own national security investment clearance regimes, and a Fund's investments outside of the U.S. may also face delays, limitations, or restrictions as a result of compliance with these legal regimes. Heightened scrutiny of foreign direct investment worldwide may make it more difficult for the Fund to identify suitable buyers for investments upon exit and may constrain the universe of exit opportunities for an investment in a portfolio company.

47. *Other Regulatory Restrictions.* Anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent a General Partner or a Fund from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or portfolio companies owned or operated by such persons, or located in jurisdictions identified from time to time by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the United States Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust restrictions relating to the acquisition of a portfolio company by one fund managed by Gallant or its affiliates may preclude a Fund from making an attractive acquisition or require a Fund to sell all or a portion of certain portfolio companies owned by them. The Funds will require each investor to make representations and warranties with respect to compliance with anti-money laundering and sanctions regulations, including those promulgated by OFAC. Where an investor or a related person is or becomes the target of sanctions or otherwise violates or would cause the Fund to violate applicable law, the Fund may be required immediately and without notice to such investor to cease any further dealings with the investor and/or the investor's interest in the Fund and/or freeze such investor's assets in the Fund's possession until the investor ceases to be subject to such sanctions or violations (a "**Sanctioned Persons Event**"). The General Partner will have the sole discretion to determine the resolution, remedy and manner of compliance of the Fund with applicable laws. The Fund and the General Partner have no liability whatsoever for any liabilities, costs,

expenses, damages and/or losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of revenue, loss of reputation and all interest, penalties and legal costs and all other professional costs and expenses) incurred by any investor as a result of a Sanctioned Persons Event.

48. Valuation of Investments. Generally, the General Partner will determine the value of all a Fund's investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for virtually all of the Funds' investments because, among other things, the securities of portfolio companies held by a Fund generally will be illiquid and not quoted on any exchange. The General Partner will determine the value of all the Fund's investments that are not readily marketable based on ASC 820 guidelines as promulgated by the Financial Accounting Standards Board and any subsequent valuation guidelines required of an investment fund reporting under generally accepted accounting principles as promulgated in the United States. There can be no assurance that the General Partner will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of the General Partner with respect to an investment will represent the value realized by the Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. Accordingly, the valuation decisions made by such General Partner may cause it to ineffectively manage the Fund's investment portfolios and risks, and may also affect the diversification and management of the Fund's portfolio of investments.
49. Contingent Liabilities Upon Disposition. In connection with the disposition of an investment, the Fund and the General Partner may be required to make (and/or be responsible for another person's or entity's breach of) representations and warranties, e.g., about the business and financial affairs of the applicable portfolio company, the condition of its assets and the extent of its liabilities, in each case generally in the nature of representations and warranties typically made in connection with the sale of similar businesses, and may be responsible for the content of disclosure documents under applicable securities laws. They may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents are inaccurate. These arrangements may result in contingent liabilities, which would be borne by the Fund and, ultimately, its investors.
50. Loans in Lieu of Distributions. Pursuant to the Partnership Agreement, certain distributions to the General Partner may be deferred to the extent the amount distributable exceeds the General Partner's tax basis in the Fund. In such case, the deferred distribution amount may be loaned by the Fund to the General Partner. Any interest accruing with respect to such a loan will be allocated and distributed solely to the General Partner.
51. Cyber Security Breaches and Identity Theft. Cyber-attacks and other malicious Internet-based activity continue to increase in frequency and magnitude. Techniques used to sabotage, or to obtain unauthorized access to, systems or networks change frequently and generally are not recognized until launched against a target. Therefore, companies, as well as their third-party partners, may be unable to anticipate these techniques, react in a timely manner, or implement adequate preventive measures. Gallant, the Funds' service providers and their portfolio

companies' information and technology systems may be vulnerable to actual or perceived damage or interruption from computer viruses; infiltration by unauthorized persons and security breaches; and other disruptive behavior including denial-of-service attacks. Furthermore, Gallant, the Funds' service providers and their portfolio companies may be vulnerable to actual or perceived usage errors by their respective professionals, network failures, computer and telecommunication failures, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes.

Gallant, the Fund's portfolio companies, the Funds' service providers, and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Fund and the Limited Partners, despite efforts to adopt technologies, processes, and practices intended to mitigate these risks and protect the security of their computer systems, software, networks, and other technology assets, as well as the confidentiality, integrity, and availability of information belonging to the Funds and the Limited Partners. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of Gallant, the Funds' portfolio companies, the Funds' service providers, counterparties, or data within these systems, including through phishing or ransomware attacks. Third parties may also attempt to fraudulently induce personnel, customers, third-party service providers, or other users of Gallant's systems to disclose sensitive information in order to gain access to the General Partner's data or that of Gallant or the Limited Partners (including Limited Partner account and wire instructions). Similarly, third parties may attempt to fraudulently issue capital call notices or other requests to Limited Partners that purport to come from the General Partner or Gallant, and/or induce Limited Partners to disclose wire and account information. To the extent that Gallant, the Funds or a portfolio company is subject to cyber-attack or other unauthorized access is gained to such entity's systems, such entity would be subject to substantial losses in the form of stolen, lost, or corrupted (i) customer data or payment information; (ii) customer or company financial information; (iii) software, contact lists, or other databases; (iv) proprietary information or trade secrets; (v) loss of capital; or (vi) other items. In certain events, a failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks.

If technology or security systems are compromised, become inoperable for extended periods of time or cease to function properly, Gallant, the Fund and/or a portfolio company may incur specific time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Gallant's, the Funds' and/or a portfolio company's operations, including the ability to make distributions to Limited Partners, and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm Gallant's, the Funds' and/or a portfolio company's reputation, subject any such entity and its respective affiliates to legal claims (from an individual or a governmental body) or otherwise affect their business and financial performance. In addition, Gallant's, the Funds' and/or a portfolio company's insurance coverage may be insufficient to compensate any such entity and its respective affiliates for incurred liabilities.

52. Privacy Law Compliance Risk. The adoption, interpretation and application of data protection and information security laws and regulations (“**Privacy Laws**”) could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of Gallant, the General Partner, the Fund and/or its portfolio companies, and as such could increase costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties or litigation, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for Gallant, the General Partner, the Fund and/or its portfolio companies, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

Certain jurisdictions, including U.S. states, have proposed, adopted or are considering similar Privacy Laws, which if enacted could impose significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens and the potential for significant liability for regulated entities, which could include the General Partner, Gallant, the Fund and/or its portfolio companies.

53. Disclosure of Information. Certain Limited Partners will be subject to state public records or similar freedom of information laws, which may compel public disclosure of confidential information regarding a Fund, its investments and its Limited Partners. There can be no assurance that such information will not be disclosed either publicly or to regulators, law enforcement agencies or otherwise, including for purposes of complying with regulations or policies to which the Fund, the General Partner, Gallant, their affiliates, portfolio companies or service providers to any of them may be or become subject.
54. Impacts of Excuse or Exclusion. A Limited Partner’s participation in a Fund’s investments may be limited by virtue of the General Partner’s right to exclude a Limited Partner from, or a Limited Partner’s right to be excused from, participating in certain of the Fund’s investments as set forth in the Partnership Agreement, thereby increasing the participation of other Limited Partners. As a consequence of one or more Limited Partners being excused or excluded or other factors limiting their participation in investments, the aggregate returns realized by the participating Limited Partners could be adversely affected in a material manner by the unfavorable performance of even one investment by the Fund. The performance of one or more substantial investments may have a significant impact on the overall performance of the Fund.
55. Recycling; Reinvestment. As set forth in the Partnership Agreement, the General Partner has the right to recycle certain amounts distributed to the Fund partners. Accordingly, during the term of a Fund, a Fund partner may be required to make capital contributions in excess of its commitment (with certain limitations), and to the extent such recycled amounts are invested in investments, a Fund partner will remain subject to investment and other risks associated with such investments.

56. Risks in Effecting Operating Improvements. In some cases, the success of the Funds' investment strategy will depend, in part, on the ability of the Funds or the management of a portfolio company to restructure and implement improvements in the operations of a portfolio company. The activity of identifying and implementing restructuring programs and operating improvements at portfolio companies entails a high degree of uncertainty. In addition, executing restructuring programs and operational improvements may divert the attention of key personnel and disrupt normal business. There can be no assurance that the Funds will be able to successfully identify and implement such improvements.
57. Risks Relating to Due Diligence of and Conduct at Portfolio Companies; Expedited Transactions. Before making investments, the General Partner will typically conduct such due diligence as it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, technical, environmental and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment and the facts and circumstances related thereto and the General Partner may rely on the advice received from such third parties. Investment analyses and decisions by the General Partner will often be undertaken on an expedited basis in order for the Funds to take advantage of investment opportunities. In such cases, the information available to the General Partner at the time of an investment decision may be limited, and the General Partner may not have access to the detailed information necessary for a full evaluation of the investment opportunity. The due diligence investigation carried out with respect to any investment opportunity will not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in an investment being successful or even ensure a return on invested capital.
58. Adequacy and Availability of Insurance. While the Funds may seek to make investments where insurance and other risk management products (to the extent available on commercially reasonable terms) are utilized to mitigate the potential loss resulting from catastrophic events and other risks customarily covered by insurance, this may not always be practicable or feasible. Moreover, it will not be possible to insure against all such risks, and such insurance proceeds as may be derived in a timely manner from covered risks may be inadequate to completely or even partially cover a loss of revenues, an increase in operating and maintenance expenses and/or a replacement or rehabilitation. Certain losses of a catastrophic nature, such as those caused by wars, earthquakes, terrorist attacks or other similar events, may be either uninsurable or insurable at such high rates as to adversely impact a Fund's profitability.
59. Control Person Liability. The Funds are expected to have controlling interests in a number of its portfolio companies. The exercise of control over a company may impose additional risks of liability for environmental damage, product defects, pension and other fringe benefits, failure to supervise management, violation of laws and governmental regulations (including securities laws) and other types of liability, for which the limited liability generally afforded to investors may be ignored. In particular, if determined to be a direct owner or operator of any of the portfolio company's facilities or operations, the Funds could face strict, joint and several liability under environmental laws for hazardous substance or contamination-related liabilities. If any such liabilities were to arise, the Funds might suffer significant losses. While the General

Partner intends to manage the Funds in a manner that will minimize the exposure of these risks, the possibility of successful claims against the Funds and/or its affiliates cannot be precluded.

60. *Liability of Limited Partners.* Generally, a Limited Partner should not be personally liable for the debts of a Fund except that, in the event a Fund is otherwise unable to meet its obligations, the Limited Partners may, under applicable law, be obligated to repay amounts previously received by them to the extent such amounts are deemed to have been wrongfully distributed to them, subject to certain limitations set forth in the Partnership Agreement.
61. *Investments Longer than Term.* The Funds may make investments that may not be advantageously disposed of, or have liabilities that may not be resolved, prior to the date that the Funds is dissolved, either by expiration of the Funds' term or otherwise. Although the General Partner expects that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution and the General Partner has a limited ability to extend the term of the Funds, the Funds may sell, distribute or otherwise dispose of investments or resolve litigation or other contingent liabilities at a disadvantageous time as a result of dissolution. In addition, there can be no assurances with respect to the timeframe in which the winding up and the final distribution of proceeds to the Limited Partners will occur.
62. *Disclosure of Confidential Fund and Investor Information.* It is expected that certain Limited Partners will be subject to public disclosure requirements, including state public records or similar freedom of information laws which may compel public disclosure of confidential information regarding a Fund, its investments and its investors. There has been a recent increase in the number of requests under such laws for contracts (including partnership agreements, subscription agreements and side letters) that investors in private equity funds that are subject to such laws have in place with private equity funds. The Funds may incur expenses in connection with responding to any such disclosure requests, even if the Funds ultimately succeed in asserting confidentiality for any requested documentation. Moreover, notwithstanding the obligation that the Limited Partners will have pursuant to the Partnership Agreement to maintain the confidentiality of Fund information, there can be no assurance that such information will not be disclosed either publicly or to regulators, law enforcement agencies or otherwise. The General Partner may also, in an effort to protect any such potential disclosure, withhold all or any part of the information otherwise to be provided to such a Limited Partner in certain circumstances, as more fully described in the Partnership Agreement. There can be no assurance that such information will not be disclosed by a Fund, Gallant, their affiliates and personnel, portfolio companies or services providers to any of them including to comply with laws, regulations or policies to which they are or may become subject. Any public disclosure of Fund information could have an adverse effect on a Fund and its investors, for example, by affecting a Fund's competitive advantage in finding attractive investment opportunities.
63. *Use of Alternative Investment Vehicles.* The General Partners have the authority to structure the making of, or restructure, a portfolio company or any portion thereof (or the holding thereof if after the initial consummation of such portfolio company) outside of the Fund by requiring any or all of the Limited Partners to make such investment directly or indirectly through one or more alternative investment vehicles. The Limited Partners will bear the expenses of any such Alternative Investment Vehicles. The structural attributes of certain alternative

investment vehicles may result in divergent return characteristics for certain Limited Partners. For example, the General Partner may elect to structure an alternative investment vehicle that may result in favorable tax treatment for one set of Limited Partners but less favorable tax attributes for another.

64. Public Health Emergencies; COVID-19. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and COVID-19, have resulted in historic market disruptions, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to a Fund.

The ultimate impact of any such health emergency – and any resulting decline in economic and commercial activity – on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, but could have a significant adverse impact and result in significant losses to the Funds.

The extent of the impact on a Fund's and its portfolio companies' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors have the potential to limit the ability of a Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy a Fund pursues, all of which could adversely affect the Fund's ability to fulfill its investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of a Fund, its portfolio companies, the General Partner or the Adviser may be significantly impacted, or even temporarily or permanently halted, as a result of any such health emergencies, or any measures, restrictions, remote-working requirements and other factors related thereto, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

65. International Conflicts. Wars and other international conflicts, such as the Israeli-Palestinian conflict and the ongoing military conflict between Russia and Ukraine, have caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place sanctions and other severe restrictions or prohibitions on certain of the countries involved, as well as related individuals and businesses. However, the ultimate impact of these conflicts and their effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Fund or any

particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

These conflicts may have a significant adverse impact and result in significant losses to the Fund. This impact may include reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital for a Fund's portfolio investments. It may also limit the ability of the Funds to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy which a Fund intends to pursue, all of which could adversely affect a Fund's ability to fulfill its investment objectives.

66. *Inflation*. High rates of inflation and rapid increases in the rate of inflation generally have a negative impact on financial markets and the broader economy. In an attempt to stabilize inflation, governments may impose wage and price controls or otherwise intervene in a country's economy. Governmental efforts to curb inflation, including by increasing interest rates or reducing fiscal or monetary stimuli, often have negative effects on the level of economic activity. Certain countries, including the United States, have recently seen increased levels of inflation, and persistently high levels of inflation could have a material and adverse impact on the Funds' investments and its aggregated returns. For example, if a portfolio company was unable to increase its revenue while the cost of relevant inputs were increasing, a portfolio company's profitability would likely suffer. Likewise, to the extent a portfolio company has revenue streams that are slow or unable to adjust to changes in inflation, including by contractual arrangements or otherwise, a portfolio company could increase revenue by less than its expenses increase. Conversely, as inflation declines, a portfolio company may see its competitors' costs stabilize sooner or more rapidly than its own. Moreover, increasing inflation will also impact currencies and can lead to significant currency fluctuations. This has recently resulted in a strengthening of the US dollar vis-à-vis many other currencies but there can be no assurances that such trends will continue and/or that this trend will not reverse such that the US currency is weakened vis-à-vis other currencies. Additionally, because the preferred return is not linked to the rate of inflation, as the rate of inflation increases the proportion of real returns (*i.e.*, the nominal rate of return less the rate of inflation) treated as preferred return decreases and the proportion of real returns subject to performance-based compensation increases. There can be no assurance that high rates of inflation will not have a material adverse effect on the investments of the Fund.

67. *Financial Institution Risk; Distress Events*. An investment in a Fund is subject to the risk that one of the banks, brokers, counterparties, clearinghouses, exchanges, lenders or other custodians (each, a "**Financial Institution**") of some or all of the Fund's (or any portfolio company's) assets fails to timely perform or otherwise defaults on its obligations or experiences insolvency, closure, seizure, receivership or other financial distress or difficulty (each, a "**Distress Event**"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance, undercapitalization, market forces or accounting irregularities. If a Financial Institution experiences a Distress Event, Gallant, any General Partner, the Funds and/or any of the portfolio companies may be unable to access deposits, borrowing facilities or other services, either permanently or for an

indeterminate period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation, in the case of banks, and the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose potentially increased risk of loss. While in recent years governmental intervention has often resulted in additional protections for depositors and counterparties in connection with Distress Events, there can be no assurance that any intervention will occur, be successful or avoid the risks of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of Gallant to manage the Funds and their investments, and on the ability of Gallant, any Fund or any portfolio company to maintain operations, which in each case could result in operational burdens, significant losses and unconsummated investment acquisitions and dispositions. Such losses could include: a loss of funds; an obligation to pay fees and expenses in the event a Fund is unable to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of the Fund to access capital contributions or otherwise); the inability of the Fund to acquire or dispose of investments, including at prices that the relevant General Partner believes reflect the fair value of such investments; and/or the inability of Gallant or portfolio companies to make payroll, fulfill obligations and/or maintain operations. If a Distress Event leads to a loss of access to a Financial Institution's services, it is also possible that Gallant will experience operational burdens and expenses, and a Fund or a portfolio company will incur additional expenses and/or delays in putting in place alternative arrangements and/or that such alternative arrangements will be less favorable than those formerly in place (with respect to economic terms, service levels, access to capital or otherwise). There can be no assurance that Gallant will be able to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, or that such remedies will be successful or avoid losses, delays or other negative impacts. The Funds and their portfolio companies are subject to additional risks in the event a Financial Institution utilized by investors of a Fund or suppliers, vendors, service providers or other counterparties of a portfolio company become subject to Distress Events, which could have a material adverse effect on a Fund, its investors or such portfolio companies, including the risk of investor defaults.

Many Financial Institutions require, as a condition to using their services (including lending services), that Gallant and/or the relevant Fund maintain all or a set amount or percentage of their respective accounts or assets with the Financial Institution, which heightens the risks associated with a Distress Event with respect to such Financial Institutions. Although Gallant seeks to do business with Financial Institutions that it believes are creditworthy and capable of fulfilling their respective obligations to the Funds, Gallant is under no obligation to use a minimum number of Financial Institutions with respect to any Fund, or to maintain account balances at or below the relevant insured amounts.

68. *Changes to Benchmark Rates.* To the extent that a Fund's investments, borrowing facilities, hedging activities, or other assets or structures are tied to interest rates based on benchmark or reference rates, including the London Interbank Offered Rate ("**LIBOR**"), Secured Overnight

Financing Rate (SOFR) or other rates (each, a “**Benchmark Rate**”), the Fund may be subject to certain material risks, including the risk that a Benchmark Rate is terminated, ceases to be published or otherwise ceases to be broadly used by the market. Regulators, central banks, governments and other market participants have transitioned historical instruments and contracts away from LIBOR to new Benchmark Rates. This transition includes the potential to: increase volatility or illiquidity in markets; cause delays in or reductions to financing options for the Funds and their portfolio companies; increase the cost of borrowing; reduce the value of certain instruments or the effectiveness of certain hedges; cause uncertainty under applicable legal documentation; or otherwise impose costs and administrative burdens relating to factors that include document amendments and changes in systems. Future transitions to and from Benchmark Rates have the potential to have similar effects.

69. *Secondaries and other General Partner-Led Transactions.* There continues to be a significant market for secondary sales, General Partner-led transactions, continuation funds, successor fund investments and other transactions, and Gallant reserves the right to dispose of (or seek additional capital for) Fund investments through such means. Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase all or a portion of one or more investments that will continue to be managed by Gallant following the transaction. Such transactions are permitted to be undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing Limited Partners and maintaining exposure to an asset where Gallant believes there is the potential for additional value generation. Where undertaken, existing Limited Partners typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including a portfolio that combines assets from multiple Funds sponsored by Gallant and its affiliates), often on different terms than their original investment in the Fund. However, certain of such transactions are expected to involve: a Limited Partner investing (or being required to invest) additional capital in the existing Fund and/or other investment vehicles; a greater exposure to one or more particular portfolio companies; and/or a delay in the full liquidation of the Fund’s investment. In other circumstances, even Limited Partners that elect to continue to hold a direct or indirect interest in the relevant portfolio company will have their interest adjusted as if distributed (i.e., a portion of such interest will be allocated to the relevant General Partner to the extent of its right to receive carried interest, if any), effectively diluting their interests.

Each of these transactions has the potential for conflicts between the interests of a Fund or Limited Partner and those of Gallant or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where Gallant or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction (potentially in addition to performance-based compensation earned by the relevant General Partner on the sale of an asset from an existing Fund in such transaction), their incentives are expected to diverge from those of Limited Partners who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Fund, Gallant, the relevant General Partner and any buyer group relating to the valuation and consideration offered for the subject investment(s). To the extent Gallant requires existing Limited Partners and/or new buyers to commit capital to a continuation fund or another Fund managed by Gallant in addition to the purchase amount paid in a transaction (including commitments to the relevant Fund in specified ratios to the purchase price), such

requirement is expected to have a dilutive effect on the purchase price for the selling Fund and its Limited Partners. There can be no assurance that any such transaction will accurately reflect the fair market value of the investment(s) being sold. Further, the relevant General Partner is expected to be incentivized, including through the possibility of receiving additional compensation, to make investments in portfolio companies with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as Limited Partners in the relevant Fund, and in such circumstances, Gallant reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain Limited Partners will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are disclosed to Limited Partners and/or the relevant advisory board prior to the closing of the transaction, there can be no assurance that Gallant will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of Fund or any individual Limited Partner or group of Limited Partners. However, Gallant reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant Governing Documents. Gallant is permitted to seek the consent of the relevant Fund advisory board(s) to approve conflicts associated with such transactions and accordingly not all Limited Partners will necessarily be able to approve or disapprove of such transactions. Similar to any prospective sale or disposition of Fund investments, to the extent such transactions are not consummated, the relevant Fund is expected to bear all of the related costs in the absence of an agreement with other parties to bear a portion of such costs.

70. *Social Media and Publicity Risk.* The use of social networks, message boards, internet channels and other platforms has become widespread within the United States and globally. As a result, individuals now have the ability to rapidly and broadly disseminate information or misinformation, without independent or authoritative verification. Any such information or misinformation regarding Gallant, the Funds or one or more portfolio companies could have a material and adverse effect on the value of the Funds.

Conflicts of Interest

Gallant and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Funds, and providing transaction-related, legal, management and other services to Funds and portfolio companies. Gallant will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the relevant Partnership Agreement, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of Gallant conducting its activities, the interests of a Fund may conflict with the interests of Gallant, one or more other Funds, portfolio companies or their respective affiliates. Certain of these conflicts of interest are discussed herein. As a general matter, Gallant will determine all matters relating to structuring transactions and Fund operations using its best judgment considering all factors it deems relevant, but in its sole

discretion, subject in certain cases to the required approvals by the advisory boards of the participating Funds.

During the commitment period of a Fund, all appropriate investment opportunities will be pursued by Gallant principals through such Fund, subject to certain limited exceptions. Without limitation, Gallant principals currently manage, and expect in the future to manage, several other investments similar to those in which a Fund will be investing, and may direct certain relevant investment opportunities to those investments. Gallant's principals and Gallant's investment staff will continue to manage and monitor such investments until their realization. Such other investments that Gallant principals may control or manage may potentially compete with companies acquired by a Fund. Following the commitment period of a Fund, Gallant principals may and likely will focus their investment activities on other opportunities and areas unrelated to such Fund's investments.

Gallant expects to be presented with certain investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of Gallant. In determining which investment vehicles should participate in such investment opportunities, Gallant and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Investments by more than one client of Gallant in a portfolio company may also raise the risk of using assets of a client of Gallant to support positions taken by other clients of Gallant.

Gallant must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. Gallant generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Fund's Partnership Agreement, as well as factors including but not limited to: investment restrictions and objectives (including those set forth in the relevant client's Partnership Agreements, where applicable), operating guidelines, strategy, diversification limitations, risk profile, time horizon, tolerance for turnover, asset composition, cash level, life cycle, structure, applicable tax and regulatory considerations, investment restrictions, risk and other relevant factors, including agreements with co-sponsors. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. A Fund may invest together with other Funds advised by an affiliated adviser of Gallant in the manner set forth in the relevant Partnership Agreements and the Adviser's Allocation Policy. Gallant will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable consistent with Gallant's obligations and reserves the right to take into consideration factors such as those set forth above. In other circumstances, during the period that a portfolio company is owned by a Fund, it could become a suitable investment for one or more other Funds due to size, revenue, earnings, change in business focus or other characteristics.

Following such determination of allocation among Funds, Gallant will determine if the amount of an investment opportunity in which one or more Funds will invest exceeds the amount that would be appropriate for such Fund(s) and any such excess may be offered to one or more potential co-investors, including third parties, as determined by the Funds' Partnership Agreements, Side Letters and Gallant's procedures regarding allocation. Gallant's procedures permit it to take into consideration a variety of factors in making such determinations, including but not limited to: (i) whether the prospective co-investor has expressed an interest in evaluating

co-investment opportunities, including the perceived degree of that interest; (ii) the expertise, knowledge and sophistication of the prospective co-investor with respect to the issuer, segment, industry, geographic region or other characteristics that are relevant to the investment; (iii) the prospective co-investor's perceived ability to approve the investment pursuant to any applicable internal approval processes (including the predictability of the prospective co-investor's investment process), and to otherwise successfully and efficiently execute the transaction, in a timely manner with respect to the timeframe in which the General Partner believes favorable transaction terms may be achieved based on their history of consummating co-investment opportunities; (iv) any tax, regulatory, securities laws and/or other legal considerations with respect to the prospective co-investor (e.g., qualified purchaser or qualified institutional buyer status); (v) confidentiality concerns that arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; (vi) the General Partner's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair the General Partner's ability to execute the relevant transaction in the desired time or on desired terms; (vii) the size of the investment allocation available to the General Partner (and not being allocated to any other investment funds and entities managed by the General Partner or any of its affiliates) and the practicality of splitting the allocation into smaller tranches; (viii) the ability of the prospective co-investor to invest an amount of capital that is consistent with the needs of the investment, taking into account the amount of capital reasonably expected to be needed (including for potential add-on acquisitions and other potential additional investments) and the maximum number of investors that can realistically participate in the transaction; (ix) any requirements of any third-party lenders as to the identity of any investors participating as co-investors, or as to the creditworthiness of any co-investors, or as to the number of co-investors, or as to other matters with respect to the investors in the transaction; (x) whether the prospective co-investor is considered "strategic" to the investment because it is able to offer the General Partner or its affiliates or any funds or entities which they manage certain services or benefits, including, but not limited to, the ability to help consummate the investment, the ability to aid in operating or monitoring the investment, or whether the General Partner believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships (including formal or informal strategic relationships) that have the potential to provide longer-term benefits to the General Partner or its affiliates or any funds or entities which they manage; (xi) whether the prospective co-investor has a history of consummating co-investment opportunities with the General Partner or its affiliates; (xii) whether the prospective co-investor has the financial and operational resources and other relevant wherewithal to evaluate and participate in a co-investment opportunity; (xiii) the likelihood that the prospective co-investor would require governance rights (including, but not limited to, board or observer rights, access to the management team of the underlying portfolio company, or material informational rights) that would complicate or jeopardize the transaction (or, alternatively, where the investor would be willing to defer to the General Partner and assume a more passive role in governing the investment); (xiv) whether the prospective co-investor has any interests in any competitor of the underlying investment; (xv) the expected investment holding period; (xvi) the services provided by the prospective co-investor in connection with the investment and/or to the issuer of the investment (or otherwise provided by the prospective co-investor with respect to the investment), including sourcing, establishing relationships, participating in diligence, providing operational or financing services post-closing

and other services; (xvii) the size of the prospective co-investor's interest to be held in the underlying portfolio company as a result of the investment of another fund or entity managed by the General Partner or its affiliates (which is likely to be based on the size of the prospective co-investor's capital commitment and/or investment in such entity); (xviii) the size and/or timing of the prospective co-investor's commitment to the Fund or other funds sponsored by Gallant; (xix) whether the prospective co-investor has any known investment policies and restrictions, guideline limitations or investment objectives that are relevant to the transaction, including the need for early or recurring distributions; (xx) whether the prospective co-investor is likely to pay management fees and/or carried interest; (xxi) the likelihood that the prospective co-investor may invest in a future fund sponsored by the General Partner or its affiliates and other factors that the General Partner considers important in connection with the specific transaction or investment. Gallant is permitted to grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in Fund portfolio companies or otherwise to have priority in co-investment opportunities.

Furthermore, decisions regarding whether and to whom to offer co-investment opportunities may be made by Gallant or its related persons in consultation with other participants in the relevant transactions, such as a co-sponsor. Co-investment opportunities typically will be offered to some and not to other Gallant investors, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and Gallant expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund because: (i) co-invest opportunities generally appeal to Fund investors and third parties, (ii) to the extent co-investments made by Fund investors are not subjected to Management Fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons in a manner not subject to the "most-favored nation" provisions of a Fund's Governing Documents and (iii) co-investors' proportionate share of a particular investment typically is not subject to the Management Fee offset provisions of a Fund's Governing Documents. When and to the extent that personnel and related persons of Gallant and its affiliates make capital investments in or alongside certain Funds, Gallant and its affiliates are subject to conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Gallant's allocation of investment opportunities among the persons and in the manner discussed herein may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to others. While Gallant will allocate investment opportunities in a manner that it believes in good faith is fair and equitable to its clients under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the conflicts of interest to which Gallant may be subject, discussed herein, did not exist.

In certain cases, Gallant will have opportunity (but, subject to any applicable restrictions or procedures in the relevant Partnership Agreement, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, Gallant will not receive compensation for identifying such transferees, and will use its discretion to select such transferees based on suitability and other factors similar to those employed in selecting co-investors, and unless required by the relevant Partnership Agreement, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

Conflicts may arise when a Fund makes investments in conjunction with an investment being made by another Fund, or if it were to invest in the securities of a company in which another Fund has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This may result in differences in price, terms, leverage and associated costs. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. Gallant and its affiliates reserve the right to express inconsistent views of commonly held investments or of market conditions more generally. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions may be taken for one or more Funds that adversely affect other Funds.

Subject to any relevant restrictions or other limitations contained in the Partnership Agreements of the Funds, Gallant will allocate fees and expenses in a manner that it believes in good faith is fair and equitable to its clients under the circumstances and considering such factors as it deems relevant, but in its sole discretion. In exercising such discretion, Gallant may be faced with a variety of potential conflicts of interest.

As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-invest vehicles receiving the benefit of such expenses (in the relevant General Partner's sole discretion) and eligible to reimburse expenses of that kind. In all such cases, subject to applicable law and legal, contractual or similar restrictions, expense allocation decisions will generally be made by Gallant or its affiliates using their best judgment, considering such factors as they deem relevant, but in their sole discretion to be fair and equitable across these vehicles. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, *e.g.*, in determining which Funds or co-invest vehicles benefit (or the extent to which they benefit) from the relevant service relating to the expense, or whether to allocate *pro rata* based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size. The Funds have different expense reimbursement terms, including with respect to Management Fee offsets, which is expected in certain cases to result in the Funds bearing different levels of expenses with respect to the same investment.

The Funds primarily intend to make controlling investments in portfolio companies. As a result of these controlling interests, the General Partners typically have the right to appoint board members (including Operations Group members and current or former General Partner personnel or persons serving at their request) of such portfolio companies, or to influence their appointment,

and to determine or influence the determination of their compensation. Additionally, portfolio company board members frequently approve compensation and other amounts payable to the General Partner and/or its affiliates in connection with services provided by the General Partner and its affiliates to such portfolio company, and, except to the extent such amounts are subject to the applicable Partnership Agreement's offset provision, are in addition to the Management Fee or carried interest discussed herein. The General Partner's authority to appoint or influence the appointment of portfolio company board members who are likely to be involved in approving compensation payable to the General Partner subjects the General Partner and any such portfolio company board appointees to potential conflicts of interest. Decisions made by a director will potentially subject the General Partner, the Adviser, the Fund or their respective affiliates to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. From time to time, employees or other personnel of the General Partners, the Adviser or their respective affiliates (including Operations Group members) are likely to also be asked to serve as directors of, or observers with respect to, certain entities in which a Fund has fully exited its ownership interest. Any compensation received by such personnel in connection therewith will not be offset against the Management Fee or otherwise be shared with the Funds and/or Limited Partners.

Additionally, a portfolio company typically will reimburse Gallant or service providers retained at Gallant's discretion for expenses (including without limitation travel expenses) incurred by Gallant or such service providers in connection with its performance of services for such portfolio company. Service provider expenses are required to be reimbursed whether or not there is overlap in expertise, function or services performed by Gallant personnel. This subjects Gallant and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Gallant determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices.

Over the life of a Fund, the General Partner generally expects to exercise its discretion to recommend to the Fund or to a portfolio company thereof that it contract for services with various service providers, potentially including (in addition to the persons referenced in the paragraph above), among others: (i) the General Partner (or an affiliate, which is likely to include the Operations Group members and/or other portfolio companies of the Fund or other investment funds sponsored by the General Partner) and at rates determined or substantively influenced by the General Partner; (ii) an entity with which the General Partner or its affiliates or current or former personnel has a relationship or from which such person derives a financial or other benefit, including joint-venturers or co-venturers, or relationships where General Partner personnel are seconded, or from which the General Partner receives secondees; or (iii) a Limited Partner (or a limited partner of another fund) or its affiliates. For example, the General Partner will potentially from time to time initiate transactions or service agreements between two or more portfolio companies of the Fund and/or other funds managed by the General Partner or the Adviser, and is authorized to engage certain Limited Partners or their affiliates that are engaged in lending or other businesses to provide financing and/or other services in connection with the Fund's investments. In addition, one portfolio company may provide goods or services to another portfolio company, and there can be no assurance that the terms of any such transaction will be the same as those that would be obtained in an arm's length transaction between unaffiliated parties. In particular, such transactions could result in the provision of services to a portfolio company at a rate higher than

could be obtained by such portfolio company on the open market, or conversely, result in a portfolio company providing services to another portfolio company at a discounted rate. The foregoing subjects the General Partners to potential conflicts of interest, because although it intends to initiate transactions and select lenders and other service providers that it believes are aligned with its operational strategies and that will enhance portfolio company performance, the General Partners have an incentive to recommend the related or other person because of its financial or business interest, including a person's historical or potential future relationship with the General Partners and/or the investment (or amount of investment) to be made in the Fund by such person. Additionally, there is a possibility that the General Partners, because of such incentive or for other reasons (including whether the use of such persons could establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to the General Partners or the Funds), would favor a transaction, retention or continuation of lending or other services even if a better price and/or quality of service provider could be obtained from another person. The General Partners will not necessarily seek out the lowest cost options when incurring (or causing the Funds or their portfolio companies to incur) the foregoing expenses. Although the General Partner generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. Whether or not the relevant General Partner has a relationship with or receives financial or other benefit from recommending a particular transaction or service provider, there can be no assurance that no other transaction would be more beneficial or that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

The Operations Group comprises or may in the future comprise (i) certain personnel of the Adviser (sometimes referred to as the “**Operations Team**”), (ii) persons that are personnel of an affiliate of the General Partner, and/or (iii) third-party consultants, including operating advisors, “operating partners,” “operating executives,” external executives, “strategic partners,” “executive partners,” “executive networks,” “industry advisors” and/or similar professionals that are retained by the General Partner or an affiliate thereof. The Operations Group is expected to regularly provide Operations Group Services as described above. If retained, members of the Operations Group are expected to obtain seats on the boards of directors of portfolio companies of the Funds.

Pursuant to the applicable Partnership Agreement, Consulting Fees and Expenses are expected to be paid and/or reimbursed by applicable portfolio companies and/or the Fund, and

Consulting Fees and Expenses are expected to include cash fees, retainers, salaries, bonuses (whether or not based on pre-determined milestones), guaranteed payments, incentive equity, stock awards or other non-cash compensation related to the Fund and/or its portfolio companies. In addition, Operations Group members are expected to receive office space, business cards, email addresses and other benefits and may make use of other Adviser resources. Additionally, the General Partners and/or portfolio companies provide certain opportunities for members of the Operations Group to invest in such portfolio companies. The Funds and/or portfolio companies also reimburse costs and expenses incurred by members of the Operations Group, including travel, meals, lodging and reasonable and customary entertainment. Members of the Operations Group also are expected to receive remuneration from the General Partners and/or the Funds or their affiliates and/or be entitled to other forms of compensation, including equity grants in portfolio companies. Such investment opportunities, reimbursements and other compensation paid to

members of the Operations Group by the Funds and/or portfolio companies will not offset the Management Fee unless otherwise provided in the applicable Partnership Agreement. To the extent that members of the Operations Group are paid retainers or guaranteed minimum compensation amounts, there is the possibility that certain portfolio companies or the Funds will bear a greater share of such compensation due to the utilization of the member's services at a time when fewer of the Adviser's other funds or their portfolio companies make use of such members of the Operations Group.

It is possible that certain members of the Operations Group will have a limited partnership or profit interest in the applicable Fund or the General Partner. The type, amount and allocation of Consulting Fees and Expenses are permitted to be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the members of the Operations Group, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company. The General Partners will face potential conflicts of interest in determining the allocation of Consulting Fees and Expenses. For example, the General Partners generally will not be allocated Consulting Fees and Expenses that relate to services performed by members of the Operations Group for the Fund and/or portfolio companies or prospective portfolio companies. However, these services also have the potential to provide a direct or indirect benefit to the General Partners and/or their affiliates including other Funds. Therefore, a General Partner has an incentive to classify a particular service as being for a Fund and/or a portfolio company or prospective portfolio company, even though it may directly or indirectly benefit the General Partner and/or its affiliates, in whole or in part. The allocation of Consulting Fees and Expenses may not be proportional, and any such determinations involve inherent matters of discretion by the General Partner.

The Adviser reserves the right to designate Operations Group members in its sole discretion, and has an incentive to do so in order to shift costs to a Fund and/or its portfolio companies that would otherwise be borne by the Adviser or its affiliates as overhead. In some cases Adviser personnel will be designated as Operations Group members on a temporary basis or with respect to services they perform that are of the type described herein for the Operations Group. In doing so, the Adviser faces a conflict in determining the extent to which the Funds or their portfolio companies bear the related Consulting Fees and Expenses, since Consulting Fees and Expenses borne by the Funds and/or their portfolio companies would reduce the costs that the Adviser would be required to bear. Such determinations involve inherent matters of discretion by the Adviser and as described above, the Adviser has the potential to derive benefits from the services provided by such personnel in their capacity as Operations Group members.

Similarly, Portfolio Company Fees that offset the Management Fee only include cash payments made by any single portfolio company to the Operations Group that exceed the threshold amount specified in the applicable Partnership Agreement during a calendar year ("**Offset Threshold**"). Any amounts of non-cash compensation (e.g., incentive equity and stock awards) and expense reimbursements received by the Operations Group are not counted towards the Offset Threshold and have the potential to be significant. Therefore, the General Partner has an incentive to compensate Operations Group members with non-cash compensation. In addition, the General Partner is permitted to designate Operations Group members in its sole discretion, and the Consulting Fees and Expenses of third-party consultants do not apply to the Offset Threshold.

Therefore, the General Partner has an incentive to utilize third-party consultant Operations Group members. Operations Group members also have the potential to become re-designated as third-party consultants and/or become employed by portfolio companies in which case the relevant portfolio companies will pay such person's compensation without counting towards the Offset Threshold. If any persons are re-designated or their employment relationship is changed, any Consulting Fees and Expenses received by that person under his or her prior designation generally will not be applied towards Offset Threshold, and no amounts that applied under his or her prior designation or employment relationship will continue to apply under his or her new designation or employment relationship. The General Partner's ability to re-designate or cause portfolio companies to employ personnel (in its sole discretion) creates an incentive to do so in order to provide compensation that is not otherwise limited under a particular re-designation or employment relationship, to shift costs in a manner so they are directly or indirectly borne by the Fund and/or portfolio companies, either in whole or in part, or to shift costs to the Fund and/or portfolio companies that would otherwise be borne by the General Partner as overhead or offset the Management Fee. Accordingly, any such personnel re-designation or change in employment relationship generally will increase the costs directly or indirectly borne by a Fund.

Because the Offset Threshold excludes expense reimbursements, non-cash compensation or other amounts (including waived or reduced Management Fees or carried interest), the General Partner will have an incentive to implement a more generous expense reimbursement policy and to provide greater benefits and/or non-cash compensation (including equity interests in portfolio companies) to the Operations Group in lieu of causing portfolio companies to pay higher cash compensation, the cost of which would be borne by the Fund without limitation. Separately, compensation received by non-Operations Group consultants or any other service providers to the Fund and its portfolio companies do not count towards the Offset Threshold, even though such persons may render certain services of the type provided by the Operations Group to the Fund and its portfolio companies. As a result, the General Partner will have an incentive to retain and designate persons as consultants rather than as Operations Group members (which it may designate in its sole discretion), so as not to create fees that count towards the Offset Threshold.

Although the General Partner anticipates that members of the Operations Group will be employed or retained by the Adviser and/or its affiliates with a view to reducing costs to portfolio companies or prospective portfolio companies (and, ultimately, the Fund) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings. As a general matter, there can be no assurance that the services rendered by the members of the Operations Group will be effective and result in Fund returns. Moreover, Gallant only anticipates employing, engaging or retaining members of the Operations Group that they believe provide services that will create value, while providing them with competitive Consulting Fees and Expenses and other benefits commensurate with their experience and perceived ability to create value. However, there can be no assurance that there is no other personnel or service provider more qualified to provide the applicable services and/or able to provide them at lesser cost, and the General Partners do not undertake any benchmarking against other service provider rates.

The General Partners or its affiliates reserve the right to also, from time to time, employ personnel (including Operations Group members) with pre-existing ownership interests in or who were employed by portfolio companies owned by the Funds; conversely, former personnel or executives of the General Partners or their affiliates (including Operations Group members) will

potentially serve in significant management roles at portfolio companies or service providers recommended by the General Partners. Similarly, the General Partner and/or its personnel maintain relationships with (or reserve the right to invest in) financial institutions, service providers and other market participants, including managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, former personnel, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, the General Partners, the Funds, and/or their portfolio companies. The General Partners expect to be subject to a potential conflict of interest with the Funds in recommending the retention or continuation of a service provider to the Funds or a portfolio company owned by the Funds if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in the Funds, will provide the General Partners information about markets and industries in which the General Partners or their affiliates operate (or are contemplating operations) or will provide other services that are beneficial to the General Partners or their affiliates. For example, the General Partners will potentially cause the Funds to make payments to investment banks, all or a portion of which is for the purpose of generating future deal flow; however, such payments may not result in any future deal flow, or could create goodwill that ultimately results in future deal flow for one or more Funds that did not pay such expenses. The General Partners also expect to be subject to a potential conflict of interest in making such recommendations, in that the General Partner has an incentive to maintain goodwill between itself and the existing and prospective portfolio companies for the Fund and other funds and investment vehicles that the General Partner advises while the products or services recommended may not necessarily be the best available to the Fund and/or portfolio companies held by the Fund. The General Partner is subject to additional potential conflicts of interest as set forth below.

Gallant, its affiliates, and equity holders, officers, principals and personnel of Gallant and its affiliates may buy or sell securities or other instruments that Gallant has recommended to a Fund. In addition, officers, principals and personnel reserve the right to buy securities in transactions offered to but rejected by a Fund. Such transactions are subject to any restrictions in the Fund's Partnership Agreement and any policies and procedures set forth in Gallant's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Personnel and related persons of Gallant have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, and therefore may have additional conflicting interests in connection with these investments.

A Fund's General Partner generally is permitted to receive a distribution in kind from the Fund, including in connection with investment dispositions or the payment in kind of amounts owed to the General Partner as carried interest (which generally will be made using the value of the relevant securities on the date of distribution). In such circumstances, there is a potential conflict of interest between the General Partner (and its beneficial owners) and the relevant Fund's limited partners. For example, the General Partner and its beneficial owners may intend to hold the investment for a different time period than Gallant deems suitable for the Fund. Although the General Partner and its beneficial owners bear the risk that such securities will decrease during their holding period, to the extent the value of the relevant securities increases following the Fund's

disposition thereof, neither the relevant Fund nor its limited partners will benefit from the increase, and over time the economic benefit to the General Partner and its beneficial owners could exceed the value of the General Partner's *pro rata* interest in the Fund and the amount of carried interest owed. To the extent the beneficial owners of the General Partner contribute such securities to a charity (including to a private foundation or other charitable organization associated with, operated or chosen by such persons or their families), any tax efficiencies or other personal benefits associated with the contribution will inure to the benefit of such beneficial owners rather than to the Fund or its limited partners.

Because certain expenses are paid for by a Fund and/or its portfolio companies or, if incurred by Gallant, are reimbursed by a Fund and/or its portfolio companies, Gallant will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses.

In addition, as described above, portfolio companies typically pay certain fees and/or grant equity interests to members of the Operations Group and other consultants (including consultants introduced or arranged by Gallant and/or its affiliates that regularly provide services to one or more portfolio companies), and such fees do not offset the Management Fee as described herein. Gallant and/or its affiliates may agree to compensate certain of such persons to the extent portfolio company-related compensation falls below certain specified levels on an aggregate annualized basis, or provide other compensation. Members of the Operations Group generally receive investment opportunities, reimbursements and other compensation that do not offset the Management Fee of any Fund, as described herein, and the use of the Operations Group members is expected to fluctuate and/or expand over time. To the extent that Operations Group members are paid retainers or guaranteed minimum compensation amounts, there is the possibility that certain portfolio companies or Funds will bear a greater share of such compensation due to the utilization of the Operations Group member's services at a time when fewer portfolio companies or Funds make use of such Operating Group member. Under many of these arrangements, including where Operations Group members are paid a flat fee, there can be no assurance that the amount of compensation paid in a particular year will be proportional to the amount of hours worked or the amount or tangible work product generated by the Operations Group members. In certain cases, including where a Fund does not own a controlling interest in a portfolio company, the portfolio company, its management and/or equity holders potentially will not agree to engage and/or bear the costs of the Operations Group. In such cases, where the relevant General Partner believes the services of the Operations Group members will benefit a portfolio company, it is authorized to cause the Fund to bear such costs directly, resulting in the Fund bearing a disproportionate share of those costs vis-à-vis other equity holders of a portfolio company, notwithstanding that other equity holders in that portfolio company will receive the benefit of any returns that result from Operations Group member services. Although the use of the Operations Group members and the allocation of compensation paid to them by Gallant, its affiliates and/or the portfolio companies subjects Gallant and/or its affiliates to potential conflicts of interest, Gallant believes that such potential conflicts may be reduced by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) that will result if the cost of the Operations Group is lower than market rates for the services provided and/or if the services of the Operations Group align with Gallant's model for the portfolio company and improve portfolio company performance. Although Gallant seeks to retain Operations Group members with a view to reducing costs to portfolio companies (and, ultimately, the Funds) and/or

improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. Gallant also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that Gallant believes will align such persons' interests with those of the Funds' limited partners, and seeks to retain only Operations Group members and service providers which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Because there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure may create an incentive to deploy capital when Gallant may not otherwise have done so.

The Governing Documents provide Gallant with wide-ranging authority to make determinations, including those related to investment purchases and dispositions (and their timing), valuation and other matters that in each case have the potential to affect Gallant's compensation. In making such determinations, Gallant is subject to potential conflicts of interest. For example, the potential to earn additional compensation creates an incentive for Gallant or its affiliates to make investments and to hold investments longer than otherwise would be the case in the absence of the relevant Fund's Management Fee and carried interest compensation arrangements. Gallant expects to be incentivized to cause a Fund to make, hold, value and/or dispose of investments (and to delay or forego a determination that the investments are Impaired Value Investments) in order to receive greater ongoing Management Fees and, potentially, earlier and/or larger carried interest distributions than would otherwise be the case.

Where the Management Fee is calculated taking into account the valuation of an investment, Gallant will have an incentive to make determinations that result in the continued payment of, or a higher, Management Fee. Where the Governing Documents do not require Management Fees to be reduced in connection with investment reorganizations, restructurings, roll-over investments, extraordinary dividends or similar transactions, Gallant is incentivized to pursue such transactions. Additionally, the amount of carried interest owed to the relevant General Partner is dependent in part on the amount and timing of investment dispositions, as well as in certain instances determinations that investments are Impaired Value Investments, and the relevant General Partner expects to be subject to related potential conflicts of interest in determining whether and when to dispose of investments, make distributions, and/or determine that an investment is an Impaired Value Investment, within the requirements of the relevant Governing Documents.

Gallant's wide-ranging authority on the determination of Impaired Value Investments, and the criteria used by the relevant General Partner or its affiliates in valuing an investment, or determining whether an investment is an Impaired Value Investment, have the potential to be subjective, to be influenced by market information and other factors and to vary over time. There can be no assurance that a third party or investor would agree with the substance or timing of the relevant General Partner's determination that an investment is an Impaired Value Investment, and except as set forth in the Governing Documents, neither the General Partner nor its affiliates is obligated to follow any third-party methodology in making its determination on whether an

investment meets the relevant standards or whether value can be recovered or retained during the Fund's holding period. The General Partner is entitled to make its own determination taking into account all facts and circumstances it deems relevant, subject to the provisions of the Governing Documents. As a general matter, the standards for determining Impaired Value Investments are intended to be high, and are not intended to apply to investments experiencing partial or temporary declines in value. Because the amount of Gallant's compensation is dependent in part on an investment's status as an Impaired Value Investment, the relevant General Partner faces potential conflicts of interest in determining whether an investment meets, or continues to meet, the relevant criteria. Although Gallant intends to operate in accordance with the Governing Documents, as well as its valuation policy, in order to mitigate the potential for subjectivity in making such determinations, there can be no assurance that such policy will address all of the necessary factors to do so, or completely eliminate all potential conflicts of interest in such determinations.

Gallant is likely to have its own economic and/or other business incentives to provide certain investment terms to certain Limited Partners, *e.g.*, based on commitment amount to a Fund or the timing thereof, the ability of a Limited Partner to provide sourcing or other services to Gallant, its affiliates and personnel or the Funds, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to Gallant, its affiliates and personnel, or the Funds. Such rights, terms or confirmations in any such Side Letter or other similar agreement may potentially include (i) different economic terms, including reduced management fees, modified waterfall mechanics and/or reduced carried interest and/or receipt of a portion of a General Partner's or its affiliates' management fees, other fees and/or carried interest; (ii) the ability to opt-out of certain types of investments (including with respect to investments in certain geographies and/or industries); (iii) the right to receive certain additional information, certifications, reporting and/or notifications from a Fund or the General Partner or any of their affiliates and/or the manner in which information and/or notice shall be provided; (iv) the right to transfer Fund interests and to cause such transferee to be admitted to the Fund as a substitute Limited Partner; (v) the offering of, and/or participation in, co-investment opportunities; (vi) the right to withdraw from the Fund in the event of adverse tax or regulatory events or violations of law or policies or in the event the investor's commitment in the Fund would exceed a certain percentage of the Fund's aggregate commitments; (vii) additional confidentiality protections; (viii) the right to disclose certain information to underlying investors, the public, regulators or certain other persons; (ix) structuring rights with respect to certain types of investments; (x) modification of default remedies; (xi) investment pacing restrictions; (xii) limits on indemnification; (xiii) rights relating to the appointment of a representative to serve as a member and/or observer of the Fund's advisory board, (xiv) rights with respect to legal, regulatory or policy requirements applicable to any such Limited Partner or its affiliates, or (xv) certain other terms whether economic, procedural or otherwise. Further, Side Letters also are expected to relate to strategic relationships under which an investor agrees to make commitments to multiple Funds. Except in the circumstances and on the timing required by Governing Documents and/or applicable law, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, Gallant, the relevant General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such Side Letters. Further, many of such terms will not be subject to the "most-favored nation" provisions of a Fund's Governing Documents. Side Letters subject Gallant to potential conflicts of interest, including in circumstances where an investor's right to serve on the relevant Fund's advisory board results in the investor receiving additional information relative to other

investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. Other Side Letter rights are likely to confer benefits on the relevant Limited Partner at the expense of the relevant Fund or of Limited Partners as a whole, including in the event that a Side Letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Fund.

Although the Governing Documents generally contain broad exculpation and indemnification provisions, Gallant will not interpret such provisions to constitute a waiver of any person's non-waivable federal fiduciary duties to the relevant Fund under the Advisers Act. The relevant liability standards under insurance coverage procured by Gallant are expected to vary by carrier, and such standards are expected to vary depending on, for example, coverage features or limitations then-available from the carrier at the time of insurance contract renewal. As a result, insurance coverages are expected to vary from relevant liability and/or indemnity standards in the Governing Documents. Investors generally will be responsible for insurance premiums, as set forth in the Governing Documents, regardless of whether the liability and/or indemnity standards in Gallant's insurance coverage are higher or lower than that set forth in the Governing Documents.

Any of these situations subjects Gallant and/or its affiliates to potential conflicts of interest. Gallant attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Gallant's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds and such investment vehicles in a fair and equitable manner. To the extent that an investment or relationship raises particular conflicts of interest, Gallant will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, Gallant consults and receives consent to conflicts from an advisory board consisting of limited partners of the relevant Fund(s) and such other investment vehicles.

Potential conflicts are expected to arise when and to the extent a Fund makes an investment in a portfolio company in conjunction with an investment made by another investment fund sponsored by a General Partner or an affiliate, or if it were to invest in the securities of a company in which another fund has already made an investment. For instance, a Fund will likely not invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as such other investment fund. This likely will result in differences in price, investment terms, leverage and associated costs between the Fund and any other investing fund sponsored by the General Partner or an affiliate. There can be no assurance that a Fund and the other investing fund(s) will exit the investment at the same time or on the same terms, and there can be no assurance that the Fund's return on such an investment will be the same as the returns achieved by any other investment fund participating in the transactions. In that regard, actions taken for one or more other funds managed by the General Partner or its affiliates will potentially adversely affect the Fund.

The General Partners and the Adviser also reserve the right to enter into cross-transactions on behalf of the Fund and/or other funds sponsored by the General Partner or its affiliates, or co-investors or co-investment vehicles, in which a Fund buys securities from, or sells securities to, or co-invests with, such other funds, vehicles or persons. In some cases, a portfolio company of a

Fund will potentially be merged with or into a portfolio company owned by another fund sponsored by the General Partner or its affiliate. Investments in a portfolio company by more than one fund sponsored by the General Partner or its affiliates raise potential conflicts of interest, including where the assets of one fund are used to support positions taken by other funds sponsored by the General Partner or its affiliates and/or the transactions allow the General Partner or its affiliates to realize carried interest and/or obtain future management fees and/or carried interest with respect to such investments. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the relevant Funds' limited partnership agreements or otherwise in the sole discretion of the applicable Funds' General Partners, such General Partner is authorized to seek to mitigate such conflicts by seeking the opinion of an unaffiliated third party (including the use of a consultant or investment banker paid for by the relevant Fund(s) to opine as to the fairness of a purchase or sale price) or by obtaining the consent of the relevant Fund(s) including, where authorized, the consent of each Fund's advisory board to such transactions. The General Partner also is authorized to determine that the willingness of a third-party to make an investment on the same or similar terms demonstrates the fairness of the relevant transaction to the Fund under then-current market conditions and therefore determine not to obtain a consent or fairness opinion (except where required by applicable law). Further, cross transactions are expected to arise in the context of automatic or other re-balancing of investments among parallel investing entities, and in such circumstances, Gallant generally will not seek a fairness opinion or advisory board consent given that such transactions typically are effected close in time to the initial Fund's investment or pursuant to authorizing provisions in the relevant Governing Documents. Conflicts of interest are also heightened in the foregoing transactions to the extent the partners of the General Partner are assigned varying percentages of carried interest from funds in the same investment, or if economic terms, performance or the potential for carried interest vary between funds sponsored by the General Partner or its affiliates, particularly when one fund sells its portion of such investment to another fund, which could cause a portion of such carried interest to become realized. Whether or not such consent or opinion is obtained, or a third-party invests, the General Partner intends to conduct such transactions in a manner that the General Partner believes to be fair and equitable to the Fund under the circumstances over time, including a consideration of the potential present and future benefits with respect to the Fund. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to the Fund.

The Funds potentially will invest at the same, different or overlapping levels of a portfolio company's capital structure, which creates conflicts of interest in determining the terms of each such investment. Questions are likely to arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions, including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring, will potentially raise conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio company. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, other funds managed by the Adviser or its affiliates will potentially not provide such additional capital, and if provided, each such Fund generally will supply such additional capital in such amounts, if any, as determined by such Fund's General Partner in its sole discretion. Because

of the different legal rights associated with debt and equity of the same portfolio company, the General Partner and its affiliates are expected to face a conflict of interest in respect of the advice given to, and the actions taken on behalf of, a Fund versus another Fund (*e.g.*, the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). In certain circumstances a Fund is expected to be prohibited from exercising (or the General Partner may deem it appropriate to refrain from exercising) voting or other rights in order to mitigate the relevant potential conflicts, notwithstanding the fact that the investment(s) of a Fund may be subject to creditor claims regarding subordination of interests.

Except where the relevant Governing Documents or Side Letter(s) expressly provide to the contrary, broken deal expenses generally are allocated among Limited Partners regardless of whether any individual Limited Partner negotiated for an elective or automatic contractual right that would have excused them from participating in the investment. The Funds also expect to bear fees and expenses indirectly to the extent a portfolio company (or intermediate entity) pays fees and expenses, and the General Partner reserves the right to charge fees and expenses to portfolio companies, capitalize fees and expenses into the cost basis of a transaction, or to the extent necessary or desirable for operational, administrative, tax or other reasons, charge fees and expenses at the level of an intermediate holding company between the Fund and the portfolio company. The amount of Fund expenses ultimately called or called at any one time may exceed expectations.

As discussed above, if a Fund enters into any indebtedness with one or more other investment funds and entities managed by the relevant General Partner or any of its affiliates on a joint and several basis, the applicable General Partner is expected to enter into one or more agreements that provide each Fund with a right of contribution, subrogation or reimbursement. In administering, or seeking to reinforce, these agreements, the Adviser may be subject to conflicts of interest, for example between a fund with a reimbursement obligation and a fund seeking reimbursement. In certain circumstances, Funds may be prohibited from exercising (or the Adviser may deem it appropriate to refrain from exercising) voting or other rights in order to mitigate the relevant potential conflicts, notwithstanding the fact that the investment(s) of one Fund or the other may be subject to creditor claims regarding subordination of interests. The Adviser intends to mitigate any potential conflicts by structuring such agreement in a manner intended to cause each fund to bear its proportionate share of the applicable indebtedness.

In certain circumstances, current or former Adviser personnel also are permitted to serve in interim or part-time roles at portfolio companies, or will provide services to portfolio companies as secondees or in similar capacities, while maintaining certain benefits, office space, support services and/or indicia of employment at the Adviser. Under such arrangements, the relevant portfolio company generally will pay all or a portion of the compensation and benefits in respect of such personnel (including salary, bonus, insurance benefits and paid time off) which will not offset the Fund's Management Fee, or may supervise or oversee such personnel. These arrangements could create conflicts of interest, in that any compensation that would ordinarily be borne by the Adviser as overhead in respect of those personnel would be borne by the portfolio company when they are secondees or other portfolio company personnel. Therefore, the Adviser has an incentive to cause its personnel to become externs or secondees or serve in similar roles to reduce its overhead or otherwise shift costs to portfolio companies. As seconded arrangements are often initiated to meet temporary portfolio company needs, they are expected to change over time,

and in many cases will be ended by the Adviser when the portfolio company is sold or when the position can be filled on a longer-term or permanent basis, at which point the secondees may or may not return to the Adviser. It is possible that certain Adviser personnel will serve as secondees or other personnel with respect to multiple portfolio companies and perform services that directly or indirectly benefit the Adviser while serving as secondees or other portfolio company personnel.

Personnel of the General Partner and/or the Adviser also have the ability to serve, and expect from time to time in the future to serve, as members of boards of directors of companies not related to the Adviser, and to have investments in such companies. Adviser personnel are also permitted to serve on boards or act in other roles including for charitable and educational institutions, trade groups and industry associations. Subject to any limitations in the relevant Partnership Agreement, personnel of the General Partner and/or the Adviser are expressly authorized to carry on investment activities for their own account and for family members, friends or others who do not invest in the relevant Fund, whether or not through a formal family office or estate planning structure, and will potentially give advice and recommend securities to vehicles which will differ from advice given to, or securities recommended or bought for, the Fund, even though their investment objectives are the same or similar. Such personnel also reserve the right to pay or receive compensation relating to these arrangements.

Because the General Partner and its affiliates are permitted to retain certain transaction fees, monitoring fees and similar “Portfolio Company Fees” as set forth in the applicable Partnership Agreement in connection with Fund investments, it expects to be subject to a potential conflict of interest in connection with approving transactions and setting such compensation. In many cases, such Portfolio Company Fees are based on enterprise value or other metrics relating to a portfolio company, and there can be no assurance that the amount of such Portfolio Company Fees charged will be proportional to the amount of hours of work performed on behalf of the portfolio company. In certain circumstances, the General Partners expect that co-investors, lenders, consultants or other parties from time to time will negotiate the right to share a portion of such Portfolio Company Fees from a particular investment, and any Management Fee offset percentage will be applied after excluding any amounts paid to such persons. Additionally, the General Partner, its personnel, affiliates or others designated by the General Partner, including Operations Group members and other service providers, expect to receive compensation in the form of portfolio company securities. To the extent any such securities are received, after any applicable offset provisions in the Partnership Agreement are applied, the General Partner and/or such other recipients will be permitted to retain such securities, and in doing so will be subject to potential conflicts of interest in determining whether to sell such securities (subject to restrictions imposed by the portfolio company and/or the General Partner or retain such securities for a period consistent with their own financial and investment objectives, which is likely to differ from those of the Fund). In addition, because portfolio company securities typically represent newly issued incentive equity (whether in the form of common stock, warrants or options to buy common stock, or similar instruments), the receipt of compensation in the form of securities typically has the result of diluting the Fund’s relative ownership of the portfolio company awarding such compensation. Similarly, to the extent the General Partner reserves the right to cause all or a portion of certain expense reimbursements, payments or other amounts owed to such persons relating to one or more portfolio companies to be paid in the form of a profits, participation or equity interest granted in the relevant portfolio companies or related intermediate entities. While such an arrangement is more favorable to the relevant Fund in that it does not involve an initial cash outlay for the payment

of expenses, and could be further favorable to a Fund if the investment does not increase in value, in the event of appreciation in the relevant portfolio company any such profits, participation or equity interest generally would have a dilutive impact on a Fund's investment, as well as the potential to result in economic gains greater than the original amount of compensation, which in either case could be substantial.

In certain circumstances, such as those relating to short- or long-term portfolio company cash or liquidity needs, and regardless of whether the portfolio company is undergoing financial stress, the General Partners reserve the right to accrue, defer or forego payments of Portfolio Company Fees, and reserves the right to charge interest at then-available rates with respect to such amounts. In such cases, in accordance with the Partnership Agreement, Limited Partners will not receive the benefit of Management Fee offsets with respect to such amounts until they are actually received. For the avoidance of doubt, the General Partner also will not offset compensation received from outside sources, such as residual employee board seats at entities that are no longer Fund portfolio companies.

In addition, this three-year holding period requirement for capital gains treatment in respect of carried interest may create the potential for conflicts of interest between the General Partner and Limited Partners. For example, the General Partner may cause the Fund to borrow more frequently, in greater amounts, or for longer periods, hold investments for longer than it would absent adverse tax consequences to the General Partner from a shorter holding period, or waive or defer the distribution or allocation of carried interest to the General Partner, potentially changing the character or amount of income allocated to Limited Partners. The General Partner will generally have the authority to control these decisions and any positions taken by the Fund in respect of tax elections or income allocations.

The General Partners, their affiliates and personnel, and persons selected by them receive the benefit of "friends and family" and similar discounts from portfolio companies owned by a Fund under which such portfolio companies make their goods and/or services available at reduced rates. Discounted prices or better terms offered by a portfolio company to the General Partner, any other portfolio company, or third parties have the potential to affect the returns of the portfolio company.

The General Partners reserves the right to institute a program under which portfolio companies owned by a Fund and other Gallant Funds are given the option to participate in purchasing, vendor or similar arrangements with other portfolio companies. Program participants expect to receive discounts negotiated with various vendors and service providers on a groupwide basis. The General Partners expect to allocate any fees and third-party administration costs for the program among the relevant funds and portfolio companies. In certain cases, such arrangements will involve the sharing of risk, such as under group insurance arrangements where deductibles are shared or calculated with regard to the group rather than individual insured parties. The General Partners and their affiliates reserve the right to also participate in the program in exchange for an allocable portion of such fees and costs, and receive similar benefits and discounts as the portfolio companies participating therein. No such amounts will offset or reduce the Management Fee. The General Partner believes the potential for conflicts relating to such arrangements is mitigated by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the

Fund) that will result if the rates for goods and services are discounted due to scale or relative to those widely available in the market.

In connection with its services to a Fund and its investments, a General Partner, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of the General Partner's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, the General Partner's and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to the Fund or a portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "**Gallant Information**"). In many cases, Gallant Information will include tools, procedures and resources developed by the General Partner to organize or systematize Gallant Information for ongoing or future use. Although the General Partners expect a Fund and its portfolio companies generally to benefit from the General Partner's possession of Gallant Information, it is possible that any benefits will be experienced solely by other or future funds or portfolio companies and not by the Fund or its portfolio companies from which the Gallant Information was originally received. Gallant Information will be the sole intellectual property of the General Partner and solely for the use of the General Partner. The Adviser reserves the right to use, share, license, sell or monetize Gallant Information, without offsetting or otherwise reducing Management Fees, and a Fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to the Fund or portfolio companies are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, "points," "cash back," rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such programs are expected to vary over time, and any such rewards (whether or not de minimis or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio companies, the Funds or Limited Partners; no such rewards will offset or reduce the Management Fee.

DISCIPLINARY INFORMATION

Gallant and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The Adviser is affiliated with the General Partner, which operate as a single advisory business together with the Adviser and generally shares common owners, officers, partners, personnel, consultants or persons occupying similar positions.

As noted in Items 4.B., 5.A. and 6, the General Partner is entitled to a performance-based fee. The General Partner also commits capital to its respective Fund, and as a result every investment made by a Fund involves a purchase of securities whereby related persons of Gallant indirectly acquire an indirect interest in such securities.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

The Adviser has adopted a Code of Ethics and Securities Trading Policy and Procedures (the “**Code**”), which sets forth standards of conduct that are expected of the Gallant principals and personnel and addresses conflicts that arise from personal trading. The Code requires certain Gallant personnel to report their personal securities transactions, prohibits or requires pre-clearance for Gallant personnel from directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, securities in a limited offering (*i.e.*, a private placement), and securities on the Adviser’s personal trading “restricted list”. In addition, the Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information. A copy of the Code will be provided to any investor or prospective investor upon request to McArthur Pierre, the Adviser’s Chief Compliance Officer, at (310) 362-3301. Personal securities transactions by personnel who manage client accounts are required to be conducted in a manner that prioritizes the client’s interests in client eligible investments.

Gallant and its affiliated persons may come into possession of material non-public or other confidential information about public companies which, if disclosed, might affect an investor’s decision to buy, sell or hold a security. Under applicable law, Gallant and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of Gallant.

Accordingly, should Gallant or any of its affiliated persons come into possession of material non-public or other confidential information with respect to public and non-public company, Gallant generally would be prohibited from communicating such information to clients, and Gallant will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Gallant personnel serving as directors of public companies and may restrict trading on behalf of clients, including a Fund.

Principals and personnel of Gallant and its affiliates may directly or indirectly own an interest in one or more Funds, including certain co-invest vehicles. To the extent that co-invest vehicles exist, such vehicles may invest in one or more of the same portfolio companies as a Fund. Co-invest opportunities may also be presented to certain affiliates of Gallant, as well as third party investors and other persons, and such co-investments may be effected through co-invest vehicles or directly in a particular portfolio company. Such co-investment opportunities generally will be allocated in the manner described under “Methods of Analysis, Investment Strategies and Risk of Loss.”

Gallant and its affiliates, principals and personnel expect to carry on investment activities for their own account and for family members, friends or others who do not invest in a Fund, and may give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, any Fund, even though their investment objectives may be the same or similar. The operative documents and investment programs of certain Funds may restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Funds or may give priority with respect to investments

to such Funds. Some of these restrictions could be waived by investors (or their representatives) in such Funds or be subject to limitations (*e.g.*, by time or percentage of capital deployed).

In borrowing on behalf of the Fund, the General Partners are subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Funds, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than a Fund's preferred return, is expected to have incentives to cause a Fund to borrow in this manner rather than drawing down commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when the Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which the Limited Partners would otherwise be entitled had the General Partner called capital, and thus could result in the General Partner receiving carried interest sooner than it would without borrowing. In addition, when the Management Fee is calculated as a percentage of invested capital, a Limited Partner may pay Management Fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. It is expected that the costs relating to the establishment and/or maintenance of a subscription line will be significant, and there can be no assurance that the benefits to Limited Partners will be commensurate with such costs. The General Partner will effect such borrowings in a manner it believes to be fair and equitable to the Fund, under the circumstances over time, and consistent with the General Partner's obligations to the Fund under the applicable Partnership Agreement.

BROKERAGE PRACTICES

Gallant focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, Gallant may also distribute securities to investors in a Fund or sell such securities, including through using a broker-dealer, if a public trading market exists. Although Gallant does not intend to regularly engage in public securities transactions, to the extent it does so, it follows the brokerage practices described below.

If Gallant sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by Gallant. In such event, Gallant will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, Gallant may consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

Gallant has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although Gallant generally

seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with Gallant seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although Gallant generally does not make use of such services at the current time and has not made use of such services since its inception. Such research services could include economic research, market strategy research, industry research, company research, fixed income data services, computer-based quotation equipment and research services and portfolio performance analysis. As a general matter, research provided by these brokers would be used to service all of Gallant's Funds. However, each and every research service may not be used for the benefit of each and every Fund managed by Gallant, and brokerage commissions paid by one Fund may apply towards payment for research services that might not be used in the service of such Fund. Research services may be shared between Gallant and its affiliates.

To the extent that Gallant allocates brokerage business on the basis of research services, it may have an incentive to select or recommend broker-dealers based on the interest in receiving such research or other products or services, rather than based on its Funds' interest in receiving most favorable execution. To the extent Gallant uses "soft dollars" on behalf of the Funds, it will seek to do so within the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended.

Gallant does not anticipate engaging in significant public securities transactions; however, to the extent that Gallant engages in any such transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for Funds are completed independently, Gallant may also purchase or sell the same securities or instruments for several Funds simultaneously. Gallant is permitted, but not obligated to, purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or "batched" to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Fund of Gallant is favored over any other Fund. When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. To the extent such orders are not batched, they may have the effect of increasing brokerage commissions or other costs.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Fund participating in such buy or sell order in accordance with the amount of securities originally requested for such Funds.

Each Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to *pro rata* allocations are permissible provided they are fair and equitable to Funds over time.

In Gallant's private company securities transactions on behalf of the Funds, Gallant may retain one or more broker-dealers or investment banks, the costs of which will be borne by the

relevant Fund and/or its portfolio companies. In determining to retain such parties, Gallant may consider a variety of factors, including: (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although Gallant generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds may not pay the lowest commission or fee for such services.

REVIEW OF ACCOUNTS

The investments made by the Funds generally are private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, Gallant closely monitors companies in which the Funds invest, and the Adviser's Chief Compliance Officer periodically checks to confirm that each Fund is maintained in accordance with its stated objectives.

Each Fund generally will provide to its limited partners (i) audited financial statements annually, (ii) unaudited financial statements for the first three quarters of each fiscal year (iii) annual tax information necessary for each Fund's limited partner's U.S. tax returns, and (iv) descriptive investment information for each portfolio company periodically.

CLIENT REFERRALS AND OTHER COMPENSATION

Gallant and/or its affiliates intend to provide certain business or consulting services to companies in a Fund's portfolio and may receive compensation from these companies in connection with such services. As described in the Partnership Agreement, this compensation may, in many cases, offset a portion of the Management Fees paid by such Fund. However, in other cases (*e.g.*, reimbursements for out of pocket expenses directly related to a portfolio company), these fees may be in addition to Management Fees. *See* "Fees and Compensation."

Gallant reserves the right to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. Any fees payable to any such placement agents will be borne by Gallant indirectly through an offset against the Management Fee under the Governing Documents, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund. Gallant currently has retained Park Hill Group LLC ("**Park Hill**"), a U.S. registered broker dealer, with respect to certain investor solicitation efforts, and as compensation for its efforts Park Hill is entitled to a percentage of the total capital commitments made to a Fund by investors that Park Hill introduces to the Fund.

CUSTODY

In accordance with Rule 206(4)-2 under the Advisers Act ("**Custody Rule**"), the Funds will be subject to an annual audit by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board ("**PCAOB**") and audited financial statements of each Fund will be prepared in accordance with generally accepted accounting principles and distributed to investors within 120 days of the end of each Fund's fiscal

year. Investors should carefully review the audited financial statements of the Funds upon receipt, and should compare these statements to any account information provided by Gallant.

As Gallant's investment program generally involves investments in certain privately offered securities, Gallant generally will be exempt from the requirement that securities be maintained with a "qualified custodian." Gallant anticipates that many of its investments will involve securities that are (i) acquired from the issuer in a transaction or chain of transactions not involving any public offering; (ii) uncertificated, and ownership thereof is recorded only on the books of the issuer or its transfer agent in the name of the client; and (iii) transferable only with prior consent of the issuer or holders of the issuer's outstanding securities. To the extent that Gallant holds any publicly traded securities or securities which are otherwise ineligible for an exemption from the qualified custodian requirement of the Custody Rule, Gallant will maintain such securities with a qualified custodian in an account in the name of the Fund or in accounts that contain only funds and securities owned by the Funds, under Gallant's name as agent or trustee for the Funds.

Gallant maintains custody of assets held in the name of one or more Funds with the following qualified custodian: Silicon Valley Bank, a division of First Citizens Bank, Santa Clara, California.

INVESTMENT DISCRETION

Gallant has discretionary authority to manage investments on behalf of each Fund. As a general policy, Gallant does not allow clients to place limitations on this authority. Pursuant to the terms of the Partnership Agreement, however, Gallant and/or its affiliates may enter into Side Letters with certain Limited Partners whereby the terms applicable to such Limited Partner's investment in a Fund may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. Gallant assumes this discretionary authority pursuant to the terms of the Partnership Agreement and powers of attorney executed by the limited partners of such Fund.

VOTING CLIENT SECURITIES

The Adviser has adopted the Proxy Voting Policies and Procedures (the "**Proxy Policy**") to address how it will vote proxies, as applicable, for the Funds' portfolio investments. The Proxy Policy seeks to ensure that Gallant votes proxies (or similar instruments) in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. Gallant generally believes its interests are aligned with those of each Fund's investors, for example, through the principals' beneficial ownership interests in such Fund and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that Gallant may address the conflict using several alternatives, including by seeking the approval or concurrence of a Fund's advisory board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, a Fund's advisory board may approve Gallant's vote in a particular solicitation. Gallant does not consider service on portfolio company boards by Gallant personnel or Gallant's receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain

specific proxy voting guidelines followed by Gallant when voting proxies on behalf of a Fund. If you would like a copy of Gallant's complete Proxy Policy or information regarding how Gallant voted proxies for particular portfolio companies, please contact McArthur Pierre, the Adviser's Chief Compliance Officer, at (310) 362-3301, and it will be provided to you at no charge.

FINANCIAL INFORMATION

Gallant does not require prepayment of Management Fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.