

Item 1. Cover Page

Brochure of

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This brochure provides information about the qualifications and business practices of Gavilan Investment Partners LLC (“**Gavilan**”). If you have any questions about the contents of this brochure, please contact us at huy@gavilanpartners.com or (650) 334-4990. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

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

Item 2. Material Changes

There have been no material changes since Gavilan’s initial registration, this Item is not applicable.

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Item 4. Advisory Business

Gavilan is a Delaware limited liability company that has been in business since 2020. It serves as the general partner of and investment adviser to an investment limited partnership (the “**Fund**”) and may serve as the investment adviser and/or sub-adviser to other accounts including one or more separately managed account clients (“**SMAs**”) and other private investment funds. Gavilan’s managing member, controlling owner and portfolio manager is Louis A. Chang. As of December 31, 2022, Gavilan had total discretionary assets under management of approximately \$128,714,996. Gavilan only manages assets on a discretionary basis.

Gavilan invests principally, but not solely, in equity and equity-related securities that are traded publicly in U.S. and non-U.S. markets on behalf of its clients, but is authorized to enter into any type of investment transaction that it deems appropriate under the terms of the client’s partnership or other account agreement.

Clients and Fund investors have no opportunity to select or evaluate any investments or strategies. Gavilan selects all investments and strategies.

Gavilan does not participate in wrap fee programs.

Gavilan typically does not tailor its services to the individual needs of SMAs, but manages each such account according to the strategy selected by the client. Gavilan’s discretionary authority is limited, however, as described in Item 16.

Item 5. Fees and Compensation

Fees and Allocations. Gavilan’s clients and Fund investors are qualified purchasers. Therefore, information on how Gavilan is compensated for its advisory services and its fee schedule are not included here. Gavilan’s compensation is negotiable and varies, but is set forth generally in the applicable client agreement.

Asset-based fees typically are payable in quarterly installments at the beginning of each calendar quarter based on the net market value of each client’s account on the date the fee accrues and becomes payable. Gavilan also typically is allocated from each Fund investor a performance allocation equal to a portion of net profits (including both realized and unrealized gains and losses) otherwise allocable to such Fund investor. Gavilan charges similar performance fees to other clients, the amounts and calculations of which will be as specifically negotiated by Gavilan and those clients. Performance allocations and fees are assessed in arrears on an annual basis, and are only applied to the portion of profits that exceed the cumulative losses previously allocated to or incurred by clients. Gavilan reserves the right to waive or reduce management fees and performance allocations and fees, and has done so in the case of certain founder and strategic investors. Gavilan complies with Rule 205-3 under the Investment Advisers Act of 1940, to the extent required by applicable law. Performance allocations and fees may create an incentive for Gavilan to make more risky and speculative investments than it would otherwise make.

Gavilan typically deducts management fees and performance allocations and fees directly from client accounts

Gavilan believes that its fees are competitive with fees charged by other investment advisers for comparable services. Comparable services may be available, however, from other sources for lower fees.

The disclosure in this Item 5, together with the disclosure in Item 12, allow a plan that is subject to the Employee Retirement Income Security Act of 1974 and that invests in the Fund to use the “alternative reporting option” to report Gavilan’s compensation as “eligible indirect compensation” on the Schedule C of the plan’s Form 5500 Annual Return/Report of Employee Benefit Plan.

Withdrawal and Termination Rights. Gavilan’s relationship with the Fund is terminable on expiration of the Fund’s term, dissolution of the Fund or on Gavilan’s withdrawal as general partner.

Subject to certain limits and a one-time early withdrawal right on certain “key person” events described in the Fund’s partnership agreement, a Fund investor generally may withdraw up to 1/4 of its capital account balance as of the last day of any fiscal quarter, and more on consecutive withdrawal dates. As a result, it will take a Fund investor 4 consecutive calendar quarters to fully withdraw from the fund. In addition, withdrawals by certain Fund tranches are subject to a 2-6% withdrawal fee in the first three years. These withdrawal fees are deducted from the capital account balance otherwise payable to such Fund investor, are included as income in determining profits and losses of the remaining investors, and may be reduced or waived by Gavilan.

Except as may be otherwise negotiated in particular cases, the holder of an SMA may terminate the account by giving 30 days’ prior written notice.

In all cases, expenses, the pro rata portion of the management fee and the performance allocation or fee through the date of termination are charged to the account. All prepaid but unearned advisory fees are refunded on termination of a client’s account. An investor who withdraws from the Fund on a date other than the last day of a quarter, however, does not receive a refund of the management fee previously paid.

Each account is responsible for its own costs and expenses, including trading costs and expenses (such as brokerage commissions, expenses related to short sales, and clearing and settlement charges), ongoing legal, accounting and bookkeeping fees and expenses, and the fees and expenses charged by any Fund administrator for its accounting, bookkeeping and other services. Gavilan bears its own operating, general, administrative and overhead costs and expenses, other than the expenses described above. All or part of these costs and expenses may be paid, however, by securities brokerage firms and futures commission merchants that execute clients’ securities trades, as discussed in Item 12 below.

Item 6. Performance-Based Fees and Side-By-Side Management

Gavilan currently manages only accounts that pay performance-based compensation as described in Item 5. It does not manage accounts that do not pay performance-based compensation.

Item 7. Types of Clients

Gavilan provides investment advice to investment funds and other accounts. Fund investors are required to invest a minimum of \$1,000,000 to \$2,500,000. Gavilan may waive this minimum. Gavilan generally requires significant minimum investment amounts to open an SMA, and

establishment of such an account is at Gavilan's discretion. Gavilan's SMA clients and Fund investors may include high-net-worth individuals, institutions, trusts, sovereign wealth funds, endowments and pension plans.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Investment Strategy

Gavilan approaches investments with a longer-term time horizon, typically analyzing investments on a 3-to-5-year timeframe. Investments are expected to be concentrated in the technology, media, and telecom sectors, as well as in sectors that are affected by technological disruptions, including consumer, business services and financial technology. Gavilan seeks to maximize returns over a multi-year timeframe with the understanding that near-term volatility can often enhance and create compelling longer-term investment opportunities.

To accomplish its objectives, Gavilan invests in and trades securities, primarily long, consisting principally, but not solely, of equity and equity-related securities that are traded publicly in U.S. and non-U.S. markets. Gavilan also may invest in options (including covered and uncovered puts and calls and over-the-counter options), futures (including index futures and options on futures), exchange-traded funds, preferred stocks, convertible securities, warrants, rights, swaps and other derivative instruments, bonds and other fixed income securities, private securities, non-U.S. currencies, other commodity interests and money market instruments. Gavilan also may engage in opportunistic short selling, margin trading, hedging and other investment strategies.

The investment strategies summarized above represent Gavilan's current intentions, are general in nature and are not exhaustive. There are no limits on the types of securities in which Gavilan may take positions on behalf of its clients, the types of positions that it may take, the concentration of its investments or the amount of leverage that it may use. Gavilan may use any trading or investment techniques, whether or not contemplated by the expected investment strategies described above. In addition, there are limitations in describing any investment strategy due to its complexity, confidentiality and indefinite nature. Depending on conditions and trends in securities and commodities markets and the economy generally, Gavilan may pursue any objectives or use any techniques that it considers appropriate and in clients' interest.

Risk Factors

Investing in securities involves risk of loss that clients should be prepared to bear. Below are some of the risks that investors should consider before investing in any account that Gavilan manages. Any or all of such risks could materially and adversely affect investment performance, the value of any account or any security held in an account, and could cause investors to lose substantial amounts of money. Below is only a brief summary of some of the risks that a client or an investor may encounter. Potential investors in the Fund should review its offering circular carefully and in its entirety, and consult with their professional advisers before deciding whether to invest. The risks described below also generally apply to SMAs. A potential client should discuss with Gavilan's representatives any questions that such person may have before opening an account.

- Client accounts may not achieve their investment objectives. A strategy may not be successful and investors may lose some or all of their investment.

- Client accounts may be concentrated in securities of technology sector companies, many of which may have micro- to small-sized market capitalizations. Those securities involve substantially higher risks than do investments in securities of non-technology sector and larger companies.
- Gavilan has limited operating history on which prospective clients and investors may evaluate its performance.
- Investor sentiment on the market, an industry or an individual stock, fixed income or other security is not predictable and can adversely affect an account's investments.
- An account may hold stocks that disappoint earnings expectations and decline, and may short stocks that beat earnings expectations and rise.
- Gavilan may not be able to obtain complete or accurate information about an investment and may misinterpret the information that it does receive. Gavilan also may receive material, non-public information about an issuer that prevents it from trading securities of that issuer for a client when the client could make a profit or avoid losses.
- Gavilan may take positions in securities of small, unseasoned companies that are less actively traded and more volatile than those of larger companies.
- Gavilan may engage in hedging, which may reduce profits, increase expenses and cause losses. Price movement in a hedging instrument and the security hedged do not always correlate, resulting in losses on both the hedged security and the hedging instrument. Gavilan is not obligated to hedge a client's portfolio positions, and it frequently may not do so.
- An account may have higher portfolio turnover and transaction costs than a similar account managed by another investment adviser. These costs reduce investments and potential profit or increase loss.
- Gavilan sells securities short, resulting in a theoretically unlimited risk of loss if the prices of the securities sold short increase.
- Management and stockholders of an issuer may sue short sellers to prevent short sales of the issuer's securities. Gavilan could be subject to such actions, even if they are baseless, and clients could incur substantial costs defending them.
- Gavilan may use leverage by borrowing on margin, selling securities short and trading futures, other commodity interests and derivatives, which increases volatility and risk of loss. These instruments can be difficult to value. An incorrect valuation could result in losses.
- Gavilan may sell covered and uncovered options on securities. The sale of uncovered options could result in unlimited losses.
- Counterparties such as brokers, dealers, futures commission merchants, custodians, banks and administrators with which Gavilan does business on behalf of clients may default on their obligations. For example, a client may lose its assets on deposit with a broker if the broker, its clearing broker or an exchange clearing house becomes bankrupt.

- Gavilan may cause a client to enter into repurchase agreements or reverse repurchase agreements. These instruments can have effects similar to margin trading and leveraging strategies.
- Gavilan may cause clients to invest in securities of non-U.S., private and government issuers. The risks of these investments include political risks; economic conditions of the country in which the issuer is located; limitations on foreign investment in any such country; currency exchange risks; withholding taxes; limited information about the issuer; limited liquidity; and limited regulatory oversight.
- Changes in economic conditions can adversely affect investment performance. At times, economic conditions in the U.S. and elsewhere have deteriorated significantly, resulting in volatile securities markets and large investment losses. Government actions responding to these conditions could lead to inflation and other negative consequences to investors.
- The impact of epidemics and pandemics could greatly affect the economies of many nations including the United States, individual companies, and markets. Pandemics may cause extreme volatility and disruption in both the United States and global markets causing uncertainty and risks to economic growth, etc. Health crises caused by the recent coronavirus outbreak may exacerbate other pre-existing political, social, and economic risks in certain countries and globally. Pandemics may result, like the coronavirus outbreak has, in closing borders, enhanced health screening, healthcare service preparation and delivery, quarantines, cancellation of travel, disruptions to supplychains and customer activity, as well as general concern and uncertainty.
- Gavilan relies on computer programs, networks, devices and systems (and may rely on new systems and technology in the future) in connection with its investment activities. Gavilan has policies and procedures in place to protect such systems and prevent data loss and security breaches. However, such measures cannot provide absolute security. These programs or systems may be subject to certain defects, failures, interruptions or security breaches, including, but not limited to, those caused by computer “worms,” viruses, power failures and social engineering schemes such as “phishing,” each of which could result in a loss to a client account. A breach of Gavilan’s information systems may cause information relating to client transactions and personally identifiable information of clients and Fund investors to be lost or improperly accessed, used, or disclosed.
- Gavilan may acquire for a client a large position in an issuer’s securities but the client nevertheless is unlikely to have any control over the issuer’s management. In addition, if Gavilan holds a large position in an issuer’s securities, it could depress the market for those securities.
- Some of an account’s positions may be or become illiquid, in which case Gavilan may not be able to sell such positions.
- An account may invest in restricted securities that are subject to long holding periods or that are not traded in public markets. These securities are difficult or impossible to sell at prices comparable to the market prices of similar publicly-traded securities and may never become publicly traded.

- An account's investments may not be diversified. Therefore, a loss in any one position, industry or sector in which the Fund has invested may cause significant losses.
- Gavilan determines the value of securities and commodities held in client accounts, whether or not a public market exists for such instruments. If Gavilan's valuation is inaccurate, it might receive more compensation than that to which it is entitled, a new investor in the Fund might receive an interest that is worth less than the investor paid and an investor that is withdrawing assets might receive more than the amount to which the investor is entitled, to the detriment of other investors.
- The client and not Gavilan is responsible for any trade errors that Gavilan makes in an account, even when the error hurts the client.
- Gavilan and its affiliates and agents generally are not responsible to any client or investor for losses incurred in an account unless the conduct resulting in such loss constituted a material violation of the applicable agreement, gross negligence, willful misconduct or fraud to the client or investor.
- There is not and will not be an active market for Fund interests. It may be impossible to transfer any such interests, even in an emergency.
- The Fund may not be able to generate cash necessary to satisfy client or investor withdrawals. Substantial withdrawals in a short period could force Gavilan to liquidate investments too rapidly, and may so reduce the size of the Fund that it cannot generate returns or reduce losses.
- The Fund may limit or suspend withdrawals of an investor's assets from the Fund.
- The Fund may establish a reserve for contingencies if Gavilan considers it appropriate. Investors may not withdraw or redeem assets covered by that reserve until it is lifted.
- If the assets that Gavilan and its affiliates manage grow too large, it may adversely affect performance, because it is more difficult for Gavilan to find attractive investments as the amount of assets that it must invest increases.
- No client or investor has been represented by separate counsel. The attorneys who represent Gavilan or its manager do not represent clients or investors. Clients and investors must hire their own counsel for legal advice and representation.
- The Fund may dissolve or expel any investor at any time, even if such actions adversely affect one or more investors.
- Gavilan, an administrator or any government agency may freeze assets that any of them believes a client holds in violation of anti-money laundering laws or rules or on behalf of a suspected terrorist, and may transfer such assets to a government agency. None of Gavilan, the Fund or an administrator will be liable for losses related to actions taken in an effort to comply with anti-money laundering regulations.
- The Fund may take action with respect to an investor's investment or withdrawal/redemption proceeds as it considers appropriate under relevant legislation and regulations, including but

not limited to the Foreign Account Tax Compliance Act, and any associated legislation, regulations or guidance, or similar legislation, regulations or guidance enacted in any jurisdiction that seeks to implement similar tax reporting and/or withholding tax regimes. Failure by an investor to assist the Fund in meeting its obligations pursuant to such legislation and regulations may result in pecuniary loss to that investor.

- An audit adjustment to the Fund's U.S. tax return for any tax year could result in a tax liability (including interest and penalties) imposed on the Fund for the year during which the adjustment is determined.
- The Fund does not intend to make distributions, but intends instead to reinvest substantially all income and gain. Therefore, an investor may have taxable income from the Fund without a cash distribution to pay the related taxes.
- Federal, state and international governments may increase regulation of investment advisers, private investment funds and derivative securities, which may increase the time and resources that Gavilan must devote to regulatory compliance, to the detriment of investment activities.
- Gavilan is not registered with the SEC as a broker-dealer or with the Commodity Futures Trading Commission as a commodity pool operator or commodity trading adviser. The equity interests in the Fund are not registered under the Securities Act of 1933, and the Fund is not a registered investment company under the Investment Company Act of 1940. Gavilan believes that none of these registrations are required because exemptions are available under applicable law. If a regulatory authority deems that any of these registrations is required, Gavilan and the Fund could be subject to expensive legal action and potential termination. In addition, investors in the Fund do not have certain regulatory protection that they would have if these registrations were in place.
- Gavilan's activities could cause adverse tax consequences to clients and investors, including liability for interest and penalties.
- Gavilan's activities may cause an account that is subject to the Employee Retirement Income Security Act of 1974 to engage in a prohibited transaction under that Act.
- If a limited partnership client becomes insolvent, investors may be required to return with interest any distributions and forfeit any undistributed profits.
- Gavilan and its affiliates may spend time on activities that compete with clients without accountability to clients or investors, including investing for other clients and their own accounts. If Gavilan receives better compensation and other benefits from managing other assets or client accounts compared to managing an account, it has incentive to allocate more time to those other activities. These factors could influence Gavilan not to make investments on a client's behalf even if such investments would benefit it.
- Gavilan may provide certain investors or clients more frequent or detailed reports, special compensation arrangements and withdrawal rights that it does not provide to other investors or clients.

The above is only a brief summary of some of the important risks that a client or an investor may encounter. Before deciding to invest in the Fund, you should consider carefully all of the risk factors and other information in its offering circular.

Item 9. Disciplinary Information

This Item is not applicable, because Gavilan has no reportable disciplinary information.

Item 10. Other Financial Industry Activities and Affiliations

This Item is not applicable, because Gavilan has no reportable other financial industry activities or affiliations, Gavilan also acts as a commodity pool operator or commodity trading adviser with respect to its clients, but is exempt from registration with the Commodity Futures Trading Commission.

Item 11. Code of Ethics, Participation or Interest In Client Transactions and Personal Trading

Gavilan has adopted a Code of Ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940, that establishes standards of conduct for Gavilan's supervised persons. The Code of Ethics includes general requirements that Gavilan's supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to comply with the personal trading restrictions described below and periodically to report their personal securities transactions and holdings to Gavilan's Compliance Officer, and requires the Compliance Officer to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to the Compliance Officer. Each supervised person of Gavilan receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received those materials. Annually, each supervised person must certify that he or she complied with the Code of Ethics during the preceding year. Clients and prospective clients may obtain a copy of Gavilan's Code of Ethics by contacting huy@gavilanspartners.com.

Under Gavilan's Code of Ethics, Gavilan and its managers, members and employees generally may personally invest only in mutual funds and exchange-traded funds, provided that they will be permitted to exit other securities positions predating their employment with Gavilan if the Compliance Officer so approves.

Gavilan solicits investors who may or may not be Gavilan's clients to invest in the Fund. Gavilan has an incentive to cause a client to invest in the Fund instead of an individually managed account because of the reduced expenses and administrative burdens of managing the Fund compared to an individually managed account, Gavilan's performance compensation from the Fund receives more favorable tax treatment than that from an individually managed account and limited partners have less transparency and liquidity than individual account clients. In addition, if the Fund investor also has an individually managed account with Gavilan that uses an investment strategy that is similar to that of the Fund, the investor may use knowledge of the other account's portfolio to decide if and when to make an additional investment or withdraw assets from the Fund at times when other Fund investors would have made similar decisions had they had similar transparency. Gavilan discloses these conflicts of interest to clients and investors.

Because Gavilan manages more than one account, there may be conflicts of interest over its time devoted to managing any one account and allocating investment opportunities among all accounts that it manages. For example, Gavilan selects investments for each client based solely on investment considerations for that client. Different clients may have differing investment strategies and expected levels of trading. Gavilan may buy or sell a security for one type of client but not for another, or may buy (or sell) a security for one type of client while simultaneously selling (or buying) the same security for another type of client. Gavilan attempts to resolve all such conflicts in a manner that is generally fair to all of its clients. Gavilan may give advice to, and take action on behalf of, any of its clients that differs from the advice that it gives or the timing or nature of action that it takes on behalf of any other client so long as it is Gavilan's policy, to the extent practicable, to allocate investment opportunities to its clients fairly and equitably over time. Gavilan is not obligated to acquire for any account any security that Gavilan or its officers, managers, members or employees may acquire for its or their own accounts or for any other client, if in Gavilan's absolute discretion, it is not practical or desirable to acquire a position in such security for that account.

Item 12. Brokerage Practices

Gavilan has complete discretion in selecting the broker or futures commission merchant that it uses for client transactions and the commission rates that clients pay such brokers and futures commission merchants. In selecting a broker or futures commission merchant for any transaction or series of transactions, Gavilan may consider a number of factors, including, for example:

- special execution capabilities;
- willingness to execute related or unrelated difficult transactions in the future; willingness to commit capital; knowledge of buyers and sellers;
- block trading and block positioning capabilities;
- efficiency of execution and error resolution;
- order of call;
- offering to Gavilan on-line access to computerized data regarding clients' accounts;
- computer trading systems;
- clearance, settlement and reputation;
- financial strength and stability;
- custody, recordkeeping and similar services;
- quotation services; and
- the availability of stocks to borrow for short trades.

Gavilan may also purchase from a broker or futures commission merchant or allow a broker or futures commission merchant to pay for the following (each a "soft dollar" relationship):

- research reports, services and conferences, including third-party research fees;
- economic and market information; portfolio strategy advice; industry and company comments;
- technical data; consultations;
- periodical subscription fees;
- performance measurement data;
- on-line pricing; and
- news wire and data processing charges.

Gavilan may receive soft dollar credits based on principal, as well as agency, securities transactions with brokers and futures commission merchants or direct a broker or futures commission merchant that executes transactions to share some of its commissions with a broker or futures commission merchant that provides soft dollar benefits to Gavilan.

During Gavilan's last fiscal year, it did not acquire products and services with client brokerage commissions or markups.

Gavilan may allocate the costs of certain computer equipment and software used for both research and brokerage (on the one hand) and non-research and non-brokerage (on the other hand) between their research/brokerage uses and non-research/brokerage uses, and use soft dollars to pay only for the portion that Gavilan allocates to research uses.

Gavilan has retained certain brokerage firms to serve as some client's prime brokers and custodians. The services that they provide as prime broker and custodian may include providing custody, margin financing, clearing, settlement and stock borrowing in accordance with the terms of the prime brokerage and custody agreements entered into with the client. Gavilan receives other services from them. These services may include: technology services (such as internet access, IT support, Bloomberg connections, wireless networking, email archiving and disaster recovery systems), capital introduction services, portfolio reporting and access to Electronic Communications Networks. The arrangement may be deemed to be a soft dollar arrangement. Gavilan expects to use a substantial portion of these services for research and trading on behalf of its clients, but some may be used for administrative purposes, which would not be within the safe harbor of section 28(e). Although many prime brokers and custodians provide similar services to investment advisers in exchange for brokerage, custody and clearance fees and other charges, if Gavilan did not receive these services from them, Gavilan would be required to pay for all or some portion of them. Gavilan expects to direct some client securities transactions to them and their affiliates, but is not required to direct a particular number of trades to them or to continue to use them as its client's prime broker and custodian, but it has an incentive to do so based on their prior and continued services.

A client's obligations to those custodians and their affiliates will be secured by way of a first priority perfected security interest over all of the client's assets held in custody by them and their affiliates may transfer to themselves all rights, title and interest in and to those assets as collateral and may deal with, lend, dispose of, pledge or otherwise use all such collateral for their own purposes. If any such transfer occurs, the client will rank as such custodian's (or affiliate's) unsecured creditor. If such custodian or affiliate becomes insolvent, the client may not be able to recover such equivalent securities in full. In addition, the client's cash held by a custodian may not be segregated from such custodian's own cash and, if not so segregated, may be used by such custodian or affiliate in the course of its business and the client will therefore rank as an unsecured creditor in relation thereto.

If any of the client's investments are registered in the name of a custodian or affiliate due to the nature of the law or market practice of a particular jurisdiction, such investments will not be segregated from the custodian's or affiliate's own investments and if such custodian or affiliate becomes insolvent, the client may not be able to recover such equivalent investments in full.

Gavilan may select a broker to act as a "trading broker" for a client. In such cases, Gavilan or the trading broker may select the executing broker, and the trading broker would then place or manage the order. The trading broker is compensated (through commissions or otherwise) for this trading

service in addition to the commissions paid to the executing brokers. As with all soft dollar arrangements, using a trading broker in this manner causes the client to pay brokerage commissions, mark-ups and other transactions fees that are higher than might otherwise be paid if brokers were selected solely based on lowest execution cost. In addition, using a trading broker (rather than an employee of Gavilan) to provide those services may allow Gavilan to reduce its own personnel expenses.

Section 28(e) of the Securities Exchange Act of 1934 provides a “safe harbor” to investment advisers who use commission dollars of their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the adviser in performing investment decision-making responsibilities. Conduct outside of the safe harbor of section 28(e) is subject to the traditional standards of fiduciary duty under state and federal law. If Gavilan uses commission dollars to pay for products or services that provide administrative or other nonresearch assistance to itself or its affiliates, such payments may not fall within the section 28(e) safe harbor.

Gavilan may pay to a broker or futures commission merchant commissions and mark-ups that exceed those that another broker or futures commission merchant might charge for effecting the same transaction because of the value of the brokerage, research, other services and soft dollar relationships that such broker or futures commission merchant provides. Gavilan determines in good faith that such compensation is reasonable in relation to the value of such brokerage, research, other services and soft dollar relationships, in terms of either the specific transaction or Gavilan’s overall fiduciary duty to its clients. An account may, however, pay higher commissions and mark-ups than are otherwise available or may pay more commissions or mark-ups based on account trading activity. The research and other benefits resulting from Gavilan’s brokerage relationships benefit Gavilan’s operations as a whole and all accounts that it manages, including those that do not generate the soft dollars that pay for such research and other benefits and accounts of clients that direct Gavilan to use a broker or futures commission merchant that does not provide Gavilan with soft dollar services. Gavilan does not allocate soft dollar benefits to client accounts proportionately to the soft dollar credits that the accounts generate.

Gavilan’s relationships with brokers and futures commission merchants that provide soft dollar services influence Gavilan’s judgment and create conflicts of interest in allocating brokerage business between firms that provide soft dollar services and firms that do not, and in allocating the costs of mixed-use products between their research and non-research uses. Gavilan has an incentive to select or recommend a broker or futures commission merchant based on Gavilan’s interest in receiving soft dollar services rather than clients’ interest in receiving the most favorable execution. These conflicts of interest are particularly influential to the extent that Gavilan uses soft dollars to pay expenses it would otherwise be required to pay itself.

Gavilan addresses these conflicts of interest by annually evaluating the trade execution services that Gavilan receives from the brokers and futures commission merchants that it uses to execute trades for clients. Such evaluation includes comparing those services to the services available from other brokers and futures commission merchants. Gavilan considers, among other things, alternative market makers and market centers, the quality of execution services, the value of continuing with various soft dollar services and adding or removing brokers or futures commission merchants, increasing or decreasing targets for each broker or futures commission merchant and the appropriate level of commission rates.

Gavilan may aggregate securities sale and purchase orders for a client with similar orders being made contemporaneously for other accounts that Gavilan manages or with accounts of its affiliates. In such event, Gavilan may charge or credit a client the average transaction price of all securities purchased or sold in such transactions. As a result, however, the price may be less favorable to the client than it would be if Gavilan were not executing similar transactions concurrently for other accounts. Gavilan may also cause a client to buy or sell securities directly from or to another client, if such a cross-transaction is in the interests of both clients.

Gavilan may direct a certain amount of brokerage to a broker or futures commission merchant in return for the broker's or futures commission merchant's referral of prospective clients or investors. Directing brokerage in exchange for client or investor referrals creates a conflict of interest in that Gavilan has an incentive to refer its clients' brokerage business to brokers and futures commission merchants to which it might not otherwise direct transactions. During its last fiscal year, Gavilan did not direct client transactions to a particular broker or futures commission merchant in return for client referrals.

If a client directs Gavilan to use a specific broker, Gavilan has not negotiated the terms and conditions (including, among others, commission rates) relating to the services provided by such broker. Gavilan is not responsible for obtaining from any such broker the best prices or particular commission rates. A client that directs Gavilan to use a specific broker may not be able to participate in aggregate securities transactions and may trade after such aggregate transactions and receive less favorable pricing and execution. The client may pay higher commissions and mark-ups than it would pay if Gavilan had discretion to select broker-dealers other than those that the client chooses.

Item 13. Review of Accounts

Gavilan's managing member reviews all accounts weekly. Those reviews take into account such matters as asset allocation, cash management, the prospects of individual securities, changes in issuer earnings, industry outlook, market outlook and price levels. Each account receives a quarterly letter stating performance for the quarter and an annual letter discussing annual performance and investment outlook.

Item 14. Client Referrals and Other Compensation

Gavilan may engage solicitors to whom it pays cash or a portion of the advisory fees paid by clients referred to it by those solicitors. In such cases, this practice is disclosed in writing to the client and Gavilan complies with the other requirements of Rule 206(4)-1 under the Investment Advisers Act of 1940, to the extent required by applicable law.

Item 15. Custody

The custodian for each SMA is responsible for providing account statements at least quarterly to the client. Each client should carefully review those statements and compare them with the statements that such client receives directly from Gavilan, if any.

Item 16. Investment Discretion

Gavilan has discretionary authority to manage investment accounts on behalf of clients pursuant to a grant of authority in the Fund's limited partnership agreement or a limited power of attorney in each

client's account agreement. Except for the Fund, such discretion is limited by the requirement that clients advise Gavilan of:

- the investment objectives of the account;
- any changes or modifications to those objectives; and
- any specific investment restrictions relating to the account.

A client must promptly notify Gavilan in writing if the client considers any investments recommended or made for the account to violate such objectives or restrictions. A client may at any time direct Gavilan to sell any securities or take such other lawful actions as the client may specify to cause the account to comply with the client's investment objectives.

Item 17. Voting Client Securities

Gavilan votes all proxies on behalf of each account over which Gavilan has proxy voting authority based on Gavilan's determination of such account's best interests. In determining whether a proposal serves an account's best interests, Gavilan considers a number of factors, including:

- the proposal's economic effect on shareholder value;
- the threat that the proposal poses to existing rights of shareholders;
- the dilution of existing shares that would result from the proposal;
- the effect of the proposal on management or director accountability to shareholders; and
- if the proposal is a shareholder initiative, whether it wastes time and resources of the company or reflects the grievance of one individual.

Gavilan abstains from voting proxies when Gavilan believes that it is appropriate to do so.

If a material conflict of interest over proxy voting arises between Gavilan and a client, Gavilan will vote all proxies in accordance with the policy described above. If Gavilan determines that this policy does not adequately address the conflict of interest, Gavilan will notify the client of the conflict and request that the client consent to Gavilan's intended response to the proxy solicitation. If the client consents to Gavilan's intended response or fails to respond to the notice within a reasonable time specified in the notice, Gavilan will vote the proxy as described in the notice. If the client objects in writing to Gavilan's intended response, Gavilan will vote the proxy as the client directs.

A client can obtain a copy of Gavilan's proxy voting policy and a record of votes cast by Gavilan on behalf of that client by contacting Gavilan.

Item 18. Financial Information

This Item is not applicable, because Gavilan is not required to report financial information.

Item 19. Requirements for State-Registered Advisers

All of the information required by this Item is disclosed in Gavilan's Form ADV, Part 2B.

Privacy Policy

This Privacy Notice explains the manner in which Gavilan Investment Partners LLC (referred to herein as “**Gavilan**” or “**We**”) collect, utilize and maintain nonpublic personal information and personal data about clients and investors in the investment funds we manage (the “**Funds**”).

Maintaining the confidentiality of your nonpublic personal information (“**Personal Information**”), and protecting your privacy are very important to us. We are providing you with this Privacy Notice to help you understand how we handle and use the Personal Information we collect.

Information We Collect. We only collect and process Personal Information about you where we have a lawful basis to do so, and we do not knowingly collect or solicit Personal Information from anyone under the age of 16 without parental or guardian consent. We, including parties acting on our behalf or on behalf of the Funds (such as the Fund’s administrator, Stone Coast Fund Services LLC), collect several types of nonpublic personal information, including:

- Information you provided on forms used in connection with your investments, such as your name, residential and business addresses, e-mail address, telephone numbers and other contact information, household income and net worth, investment qualification, social security number or taxpayer identification number, and other information necessary for us to comply with laws and regulations that apply to us or our Funds;
- Information you have provided orally to us or to any of our affiliates;
- Information about the amounts you have invested, such as your initial investment, current balances and any purchases and redemptions;
- Information about any bank account used to transfer between your investment and your bank, including information provided when effectuating wire transfers.

Such Personal Information is collected for various purposes, including to enter into a contract with us to become a client or investor, to comply with relevant law and regulations governing us and our Funds, to carry out appropriate anti-money laundering and know-your-customer checks at the time of your investment and on an on-going basis, to administer Funds or manage corporate transactions, and to understand and improve investor relationships.

Information We Share. We use the Personal Information collected to provide clients and investors with service and to comply with law. We do not disclosure nonpublic personal information with anyone except as permitted or required by law. We may disclose nonpublic personal information to our affiliates, including those who are involved in the operation, administration or management of, or the sale of interests in a Fund of which you are an investor, and nonaffiliated service providers and regulators as permitted by law. This may include sharing nonpublic personal information to:

- Our legal counsel, accountants, brokers, administrators, auditors or other companies that assist us with mailing statements or processing transactions;
- Facilitate administrative and operative functions of the Fund, such as in connection with periodic financial reports;

- Maintain our internal administrative, communication, marketing and contact records, investor records, communication and data management software, including using outside data storage and software for these functions;
- Respond to a subpoena or a court order, judicial process or regulatory inquiry;
- In the case of a proposed or actual merger, acquisition by another company or sale of all or part of our business; and
- Persons acting as a fiduciary or representative capacity on your behalf with your consent and upon your authorization.

We do not sell or otherwise disclose your Personal Information for monetary or other valuable consideration.

Data Retention. We retain your Personal Information during the period you are a client or Fund investor, and for as long thereafter as is necessary to comply with applicable law.

Confidentiality and Information Security. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard your Personal Information. We have always considered protecting sensitive information to be a sound business practice. As such, we restrict access to Personal Information about you to those employees who need to know that information to provide products or services to you.

Enforcement. You may seek to learn more about what Personal Information of yours is being processed, how and why such information is processed, and the third parties who have access to such Personal Information. You may object to further use or disclosure of your Personal Information in certain circumstances.

Changes to this Privacy Notice. We reserve the right to change our privacy policy in the future. If we make changes that affect your nonpublic personal information, we will provide you with an updated Privacy Notice prior to effectuating any such changes. We will not disclose your nonpublic personal information as required or permitted by law without providing you an opportunity to instruct us not to in the event of a change to this Privacy Notice.

Additional Information or Requests: If you have any questions about this privacy notice, please contact us at huy@gavilanpartners.com.