

Item 1 Cover Page

Firm Brochure

(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of Gabalex Capital Management, LLC ("Gabalex"). If you have any questions about the contents of this brochure, please contact us at 212-371-9952 or by email at investors@pittcap.com. 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 securities authority.

Additional information about Gabalex is available on the SEC's website at www.adviserinfo.sec.gov. Registration with the SEC does not imply a certain level of skill or training.

THIS BROCHURE DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES. POTENTIAL INVESTORS SHOULD REFER TO THE OFFERING DOCUMENTS OF THE APPLICABLE PRIVATE FUND CLIENT (AS DEFINED HEREIN) PRIOR TO CONSIDERING AN INVESTMENT IN SUCH PRIVATE FUND CLIENT.

March 30, 2023

Gabalex Capital Management, LLC

Item 2 Material Changes

Gabalex has liquidated the Pittencrieff Funds. It currently has no assets under management and is winding down its business.

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Item 4 Advisory Business

Firm Description

Gabalex is a Delaware limited liability company founded in 2008.

Principal Owners

Nigel Greig has ultimate ownership of 98% of Gabalex. Kenneth Cowin has ultimate ownership of 2% of Gabalex. Mr. Greig and Mr. Cowin hold their ownership interests in Gabalex through Gabalex Management LP, a Delaware limited partnership of which they are the sole limited partners.

Types of Advisory Services

Gabalex currently provides discretionary investment management services to three pooled investment vehicles (each, a “Private Fund Client” or a “Client” and collectively, the “Private Fund Clients” or the “Clients”): a master fund with an actively managed investment portfolio (the “Master Fund”) and two feeder funds, one onshore (the “Onshore Feeder”) and one offshore (the “Offshore Feeder,” and together with the Onshore Feeder, the “Feeder Funds”) which invest substantially all of their assets in the Master Fund. The investment portfolio is managed in accordance with the offering memoranda of the Feeder Funds and the Private Fund Clients’ governing documents.

Gabalex does not provide investment advice tailored to the particular needs of the investors of its Private Fund Clients. Information about the Feeder Funds is more fully set forth in their respective offering memoranda. Since Gabalex does not provide individualized advice to investors, such investors should consider whether the respective Feeder Fund meets their investment objectives and risk tolerance prior to investing. Gabalex is not undertaking to provide any investment advice (impartial or otherwise) or to give advice in a fiduciary capacity in connection with determining to make an investment in the Feeder Funds.

Assets under Management

As of December 31, 2022, Gabalex had \$0 assets under management, calculated using the same method used to compute “regulatory assets under management” for Item 5.F in Part 1A of Form ADV. Gabalex currently manages all assets on a discretionary basis.

Item 5 Fees and Compensation

Management Fees

Gabalex receives management fees from the Master Fund. Management fees are calculated by a third-party administrator, directly deducted from the Master Fund's custodial account on the first day of each quarter, and are paid quarterly in advance at a rate of .50% (2.0% per annum) based on the net asset value ("NAV") of the shares of the Offshore Feeder and the capital account values of the Onshore Feeder as of the first day of such quarter. Management fees are prorated for any new subscriptions or contributions during the quarter. In the event a Private Fund Client terminates its operations or terminates its advisory agreement with Gabalex prior to the end of a quarter, Gabalex will refund the Private Fund Client for any unearned management fees deducted from its custodial account. In the event an investor requests and receives permission to withdraw or redeem from a Feeder Fund prior to the end of a quarter, Gabalex will refund any unearned management fees to the applicable Private Fund Client for the ultimate benefit of such investor. The amount of any such refund will be calculated by dividing the most recent management fee by the number of days in the quarter and multiplying that figure by the number of days left in the quarter following the date of termination. The general partner of the Onshore Feeder, which is an affiliate of Gabalex (the "General Partner"), in its sole discretion may reduce or waive the management fee with respect to itself, its principals and affiliates and strategic investors; however, fees are not negotiable.

Performance-Based Compensation

For the Offshore Feeder, Gabalex is entitled to an incentive fee of 15% of the net realized and unrealized appreciation in the NAV of each series of shares above a hurdle rate of 6% on an annualized basis. For the Onshore Feeder, the General Partner, is entitled to a performance allocation equal to 15% of the increase in each limited partner's capital account above a hurdle rate of 6% on an annualized basis. Hurdle rates are prorated for any period of less than one year. Incentive and/or performance fees are calculated by a third-party administrator (i) as of the end of each fiscal year or (ii) upon an investor's complete or partial redemption, and are deducted from the Private Fund Client's custodial account annually. Under this method, if there is a loss for an accounting period, the incentive fee will not apply to future periods until the loss has been recovered. The General Partner, in its sole discretion, may reduce or waive the performance allocation with respect to certain investors, including its principals and affiliates or strategic investors in the Onshore Feeder.

The manner in which management and performance-based compensation are charged by Gabalex is more fully described in each Feeder Fund's offering

memorandum.

Other Fees and Expenses

In addition to management and performance-based compensation, the Feeder Funds pay all of their own fees and expenses, including any and all research fees, interest on margin accounts, legal, accounting and other professional fees, charges on securities sold short, custodial fees, trustee fees, brokerage commissions, bank service fees, interest on loans and debit balances, any taxes applicable to such Client on account of its operations, expenses and fees related to the purchase, sale or transmittal of its assets and all other reasonable expenses related to the management and operation of the Client, as determined by Gabalex or the General Partner, as applicable. Each Feeder Fund also pays, through its investment in the Master Fund, its pro rata share of the Master Fund's expenses (including those related to its investment program). Such expenses include, without limitation, industry and market consultants, experts, investment newsletters, Bloomberg and other research and research related information. The Master Fund also pays a portion of the Directors and Officers Liability Coverage (D&O Insurance) and Errors and Omission Insurance (E&O Omissions Insurance) maintained by Gabalex. Expenses specifically attributable to a specific investor or group of investors of the Clients are charged solely to such investor(s). Expenses related to investment adviser registration and compliance are paid for by Gabalex.

As noted above, Clients pay all research fees and expenses relating to their investment program. Certain research and execution related products and services that benefit the Clients and are not able to be purchased via invoice may be paid for using commissions or "soft dollars" that are generated from the Master Fund's brokerage transactions. Please see Item 12 "Selecting Broker Dealers" below for additional information regarding the circumstances under which Gabalex receives research products or services from brokers with whom Gabalex executes trades.

Client portfolios may invest in mutual funds and exchange-traded funds as part of Gabalex's investment strategy in order to gain access to certain sectors, markets, or securities. Investments in mutual funds and exchange-traded funds, however, generally include an embedded investment management fee paid to the investment adviser of the mutual fund or exchange-traded fund. As such, Client portfolios with investments in those types of securities may be subject to two layers of management fees.

Item 6 Performance-Based Fees

Gabalex receives performance-based fees, which are fees based on a share of capital gains on or capital appreciation of the assets of a Feeder Fund's account.

Apart from the Master Fund, Gabalex does not manage any other client account that is not charged a performance-based fee. The nature of these fees is described in the applicable Feeder Fund's investment advisory agreement with Gabalex. This fee arrangement may create an incentive for Gabalex to make more speculative investments or increase Gabalex's focus on short-term profits, rather than focusing on long-term capital appreciation. This could expose the portfolio(s) to additional levels of risk than it would face if such a fee structure were not in place.

Please refer to Item 5 "Fees and Compensation" above for a description of Gabalex's incentive fees.

Item 7 Types of Clients

Gabalex provides investment advice to three Private Fund Clients, as described above in Item 4 "Advisory Business" and does not impose any minimum account requirements on those vehicles. The Feeder Funds are the only investors in the Master Fund, and the Master Fund is not otherwise available for direct investment. The Feeder Funds are available for investment only by investors who satisfy certain suitability standards. An investor in the Feeder Funds is generally required to make an initial subscription of at least \$10,000,000.

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

Methods of Analysis and Investment Strategy

Gabalex takes a global view of the world economy. Our investment strategy seeks to identify trends that will affect countries, industries, companies, and commodities and then use a "bottom up" approach to select individual positions that we believe are poised to benefit from those identified trends. When selecting individual positions, we place a special emphasis on a company's free cash flow generation and balance sheet strength, as well as on the strategic nature of various industries, companies, and currencies. The objective of our strategy is to produce substantial returns using minimal, if any, portfolio leverage while maintaining diversification across a number of industries and countries.

Risk of Loss

Investing in securities involves risk of loss that Clients should be prepared to bear. Gabalex's investment approach constantly keeps the risk of loss in mind. Gabalex's risk management processes are intended to assist us in our investment decision-making process, and to identify risk exposures that we may choose to

hedge or otherwise mitigate.

The following is not meant to be a complete description of risks. Each Feeder Fund's offering memorandum includes additional disclosure regarding risks that should be considered by investors.

- General. The transactions in which the Master Fund will generally engage involve significant trading risks. No assurance can be given that investors will realize a profit on their investment. Moreover, each investor may lose some or all of its investment. Because of the nature of the Master Fund's investment activities, the results of the Private Fund Clients' operations may fluctuate from month to month and from period to period. Accordingly, investors should understand that the results of a particular period would not necessarily be indicative of results in future periods.

The Clients' investment policies should be considered speculative, as there can be no assurance that Gabalex's assessments of the short-term and/or long-term prospects of investments will generate a profit. The profitability of the Private Fund Clients ultimately depends upon Gabalex correctly assessing the future price movements of the securities and other financial instruments in which the Master Fund invests and the movement of interest rates. These price movements may be volatile and are subject to numerous factors which are neither within the control of nor predictable by Gabalex. There can be no assurance that Gabalex will be successful in accurately predicting price movements. The Private Fund Clients will likely not pay dividends, and an investment in the Feeder Funds is not suitable for investors seeking current income for financial or tax planning purposes.

- Short Selling. The Master Fund may sell securities short. Selling securities short risks losing an amount greater than the proceeds received. Theoretically, securities sold short are subject to unlimited risk of loss because there is no limit on the price that a security may appreciate before the short position is closed. In addition, the supply of securities that can be borrowed fluctuates from time to time. The Master Fund may be compelled to realize losses if a security lender demands return of the lent securities and an alternative lending source cannot be found or if the Master Fund is otherwise unable to borrow securities which are necessary to cover its positions. Although the Master Fund may utilize short selling as a hedging technique, short selling may also be used for speculative purposes.
- Put and Call Options. Gabalex may utilize options in furtherance of its investment strategies. Options trading is a highly specialized activity which entails greater than ordinary investment risk. Options may be more volatile than the underlying instruments, and therefore, on a percentage basis, an investment in options may be subject to greater fluctuation than an investment in the underlying instruments themselves. There are several

additional risks associated with transactions in options. A liquid secondary market for particular options, whether traded over-the-counter or on an exchange may be absent for reasons which include the following: there may be insufficient trading interest in certain options; restrictions may be imposed by an exchange on opening transactions or closing transactions or both; trading halts, suspensions or other restrictions may be imposed with respect to particular classes or series of options or underlying securities or currencies; unusual or unforeseen circumstances may interrupt normal operations on an exchange; the facilities of an exchange or the Options Clearing Corporation may not at all times be adequate to handle current trading value; or one or more exchanges could, for economic or other reasons, decide or be compelled at some future date to discontinue the trading of options (or a particular class or series of options), or cease to exist, although outstanding options that had been issued by the Options Clearing Corporation as a result of trades on that exchange would continue to be exercisable in accordance with their terms.

- Leverage. The Private Fund Clients may borrow from banks, brokerage firms and other institutions, commonly known as margin, at prevailing interest rates and invest such funds in additional securities. Gains made with additional funds borrowed will generally cause the NAV of the Private Fund Clients' portfolios to rise faster than would be the case without borrowing. Conversely, if investment results fail to cover the cost of borrowing, the NAV of the Private Fund Clients' portfolios could decrease faster than if there had been no borrowing. However, Gabalex intends that leverage will not exceed the greater of a one and a quarter to one ratio, measured as of the date of market close on each trading day, but may, in certain circumstances, briefly exceed this close-of-market ratio on an intra-day basis.
- Derivative Instruments. The Master Fund may utilize various derivative instruments, such as warrants, options and convertible securities. The use of derivative instruments involves a variety of material risks, reflecting the often extremely high degree of leverage embedded in such instruments. The derivatives markets are frequently characterized by limited liquidity, which can make it difficult as well as costly to close out open positions in order to either realize gains or to limit losses. The pricing relationships between derivatives and the underlying instruments on which they are based may not conform to anticipated or historical correlation patterns, resulting in unanticipated losses.
- Special Situations and Distressed Investments. The Master Fund may invest in securities and other obligations of companies that are in special situations involving significant financial or business distress, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Although such investments may result in significant returns for the Master Fund, and the Feeder Funds, they involve a substantial degree of risk. The level

of analytical sophistication, both financial and legal, necessary for successful investment in distressed assets is unusually high. There is no assurance that the Master Fund will correctly evaluate the value of the assets collateralizing the Master Fund investments or the prospects for a successful reorganization or similar action in respect of any company. In any reorganization or liquidation proceeding relating to a company in which the Master Fund invests, the Master Fund may lose its entire investment, may be required to accept cash or securities with a value less than the Master Fund's original investment and/or may be required to accept payment over an extended period of time. Troubled company investments and other distressed asset-based investments require active monitoring.

- Equity Risks. The Master Fund will invest in equities and may invest in equity derivatives. The value of these instruments generally will vary with the performance of the issuer and movements in the equity markets. As a result, the Master Fund may suffer losses if it invests in equity instruments of issuers whose performance diverges from Gabalex's expectations or if equity markets generally move in a single direction and the Master Fund has not hedged against such a general move.
- Preferred and Hybrid Securities Risks. The Master Fund may invest in preferred stock and hybrid securities, which may have special risks. Preferred and hybrid securities may include provisions that permit the issuer, at its discretion, to defer distributions for a stated period without any adverse consequences to the issuer. If the Master Fund owns a preferred or hybrid security that is deferring its distributions, the Master Fund may be required to report income for tax purposes even though it has not yet received such income. Some preferred and hybrid securities are non-cumulative, meaning that the dividends do not accumulate and need not ever be paid.

There is no assurance that dividends or distributions on non-cumulative preferred securities in which the Master Fund invests will be declared or otherwise made payable or paid. Preferred and hybrid securities are subordinated to bonds and other debt instruments in an issuer's capital structure in terms of priority to corporate income and liquidation payments and, therefore, will be subject to greater credit risk than more senior debt instruments. Because preferred stock and hybrids are generally junior to debt securities and other obligations of the issuer, deterioration in the credit quality of the issuer will cause greater changes in the value of such instruments than senior debt securities with similarly stated yield characteristics. Preferred and hybrid securities may be substantially less liquid than many other securities, such as common stocks or U.S. government securities.

- Fixed-Income Investments; High-Yield Securities. The value of the fixed-

income securities in which the Master Fund may invest will change as the general levels of interest rates fluctuate. When interest rates decline, the value of the Master Fund's fixed-income securities can be expected to rise. Conversely, when interest rates rise, the value of such securities can be expected to decline. In addition, the Master Fund may invest in high-yield securities. High-yield securities are rated below investments grade, and are commonly known as "junk bonds". Securities which are in the lower-grade categories generally offer a higher yield than is offered by higher-grade securities of similar maturities, but they also generally involve greater risks, such as greater credit risk, greater market risk and volatility, and greater liquidity concerns (including, without limitation, the possibility of default or bankruptcy of the issuers of such securities).

- ETF Risks. An investment by the Master Fund in ETFs generally presents the same primary risks as an investment in a mutual fund, which includes, among other things, general market risk. Specifically, the value of an investment in an ETF will go up and down with the prices of the securities in which the ETF invests. The prices of securities change in response to many factors, including, without limitation, the historical and prospective earnings of the issuer, the value of its assets, general economic conditions, interest rates, investor perceptions and market liquidity. In addition, ETFs may be subject to the following: (1) a discount of the ETF's shares to its net asset value; (2) failure to develop an active trading market for the ETF's shares; (3) the listing exchange halting trading of the ETF's shares; (4) failure of the ETF's shares to track the referenced index or basket of stocks; and (5) holding troubled securities in the referenced index or basket of stocks.
- Small Companies. While the assets of the Master Fund will generally be invested in securities issued by larger companies, from time to time, the Master Fund may invest a portion of its assets in securities of small and/or unseasoned companies with small market capitalization. While smaller companies generally have potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification, and competitive strength of larger companies. In addition, in many instances, the frequency and volume of their trading may be substantially less than is typical of larger companies. Such companies may not be well-known to the investing public, may not have significant institutional ownership and may have cyclical, static or only moderate growth prospects. As a result, the securities of smaller companies may be subject to wider price fluctuations. When making large sales, the Master Fund may have to sell portfolio holdings at discounts from quoted prices or may have to make a series of small sales over an extended period of time due to the lower trading volume of smaller company securities.
- Event-Driven Investments. The Master Fund may invest in companies

involved in (or the target of) acquisition attempts or tender offers or in companies involved in or undergoing work-outs, liquidations, spin-offs or other catalytic changes or similar transactions. Investing in the securities of such companies, as well as certain distressed securities, will be subject to additional risks, i.e., the risk that the transaction in question will simply fail to conclude as contemplated or will be delayed or modified in a manner detrimental to the Master Fund in the transaction. Numerous factors, including, without limitation market or industry developments, economic factors, regulatory clearance requirements and management or workforce issues, can cause an announced transaction to be abandoned, delayed or modified. Where a security to be issued in a proposed merger or exchange offer has been sold short by the Master Fund in the expectation that the short position will be covered by delivery of such security when issued, failure of the merger or exchange offer to be consummated may force the Master Fund to cover its short position in the market at a higher price than its short sale, resulting in a loss. These losses can be substantial. If a transaction is delayed significantly, the Master Fund's capital may be committed to the transaction during the period of the delay and, should leverage be employed, interest charges on funds borrowed to finance its investment in connection with the transaction may be incurred. These interest charges may be greater than the profit realized upon the disposition of the securities, in which case the Master Fund would realize a loss on the transaction.

- Sovereign Debt. The Master Fund may invest in debt securities issued by foreign governments and their agencies, including such governments rated below investment grade. Investing in instruments of foreign government issuers may involve significant economic and political risks. Holders of certain instruments may be requested to participate in the restructuring and rescheduling of these obligations and to extend further loans to their issuers. The interests of holders of these instruments could be adversely affected in the course of restructuring arrangements. Sovereign debt rated below investment grade by a nationally recognized bond rating organization is regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations.
- Hedging Transactions. Hedging involves special risks, including, without limitation, the possible default by the other party to the transaction, illiquidity and, to the extent Gabalex's view as to certain market movements is incorrect, the risk that the use of hedging could result in losses greater than if such investment strategies had not been used. Gabalex may utilize financial instruments for risk management purposes. The success of the hedging strategy of the Master Fund will be subject to Gabalex's ability to correctly assess the degree of correlation between the performance of the instruments

used in the hedging strategy and the performance of the investments in the portfolio being hedged. Because the characteristics of many assets change as markets change or time passes, the success of the Master Fund's hedging strategy will also be subject to Gabalex's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Master Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Master Fund than if it had not engaged in any such hedging transactions. For a variety of reasons, Gabalex may not seek to hedge certain portfolio holdings, or may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Moreover, the portfolio may be exposed to certain risks that cannot be hedged.

When conducted outside the United States, hedging transactions and/or positions may not be regulated as rigorously as in the United States, may not involve a clearing mechanism and related guarantees and will be subject to the risk of governmental actions affecting trading in, or the prices of, foreign securities, currencies and other financial instruments. The value of positions taken as part of non-U.S. hedging also could be adversely affected by (i) other complex foreign political, legal and economic factors; (ii) lesser availability of data on which to make trading decisions than in the United States; (iii) delays in the Master Fund's ability to act upon economic events occurring in foreign markets during non-business hours in the United States; (iv) the imposition of different exercise and settlement terms and procedures and margin requirements than in the United States; and (v) lower trading volume and liquidity.

- Temporary Investments in Liquid Assets. The Master Fund may at times keep a portion of its assets in cash, cash equivalents or other liquid assets, including, without limitation, currencies, bank deposits, certificates of deposit, bankers acceptances, one or more short duration funds (including, without limitation, money market instruments or investments in shares or units of money market funds) and/or government securities (both short-term and long-term). Such investments may be financed by entering into repurchase agreements and/or reverse repurchase agreements with the Master Fund's brokers or by other means. Investors should be aware that such temporary investments usually produce a lower return than other investments contemplated by the Master Fund and, therefore, may impact the overall performance of the Master Fund. The fact that a portion of the Master Fund's assets are held in cash or cash equivalents should not be taken as an indication that the Master Fund has not fully invested all of its assets. Further, investors should not assume that an investment in the Master Fund is less risky due to the fact that the Master Fund may, from time to time, hold a significant portion of its assets in cash and cash equivalents.

- Currency Risk. Gabalex generally will not cause the Master Fund to enter into arrangements in an attempt to hedge the Master Fund's exposure to currency fluctuations between the U.S. Dollar and other currencies. Therefore, the Master Fund may be exposed to fluctuations in currency and interest rates, to the extent the movement in such rates affects the Master Fund's portfolio. Price movements of currencies and interest rates are difficult to predict accurately because they are influenced by, among other things, changing supply and demand relationships; governmental, trade, fiscal, monetary and exchange control programs and policies; national and international political and economic events; and changes in interest rates. Governments from time to time intervene in certain markets in order to influence prices directly. Gabalex cannot guarantee that the Master Fund's portfolio will not be affected substantially by currency price and interest rate movements and the Master Fund may suffer significant losses as a result thereof.
- Inflation Risk. Inflation risk results from the reduction of purchasing power over time due to a general rise in prices. To the extent that the prices of goods and services rise by an amount greater than the increase in value of the Master Fund's assets, an investment in the Feeder Funds may have less purchasing power over time than at the inception of the investment, despite the appearance of a positive investment return.
- Systemic Risk. World events and/or the activities of one or more large participants in the financial markets and/or other events or activities of others could result in a temporary systemic breakdown in the normal operation of financial markets. Such events could result in the Master Fund losing substantial value caused predominantly by liquidity and counterparty issues (as described previously), which could result in the Master Fund incurring substantial losses.
- Market Interruptions. The activities and operations of Gabalex, the Private Fund Clients or portfolio companies could be adversely affected by events over which the relevant parties have no control, such as natural disasters or public health crises. Since late 2019, the COVID-19 health epidemic has led to significant restrictions on travel and business activities globally. It is unknown how, and to what extent, Gabalex, the Private Fund Clients or portfolio companies will be affected if such epidemic persists for an extended period of time. Gabalex, the Private Fund Clients or portfolio companies may incur interruption of critical business functions and significant losses as a result of such events. Such events may also adversely affect the financial markets and global economy in unpredictable ways. These events could have a material adverse impact on the performance of the Private Fund Clients and the Master Fund's investments.
- General Economic Conditions. The success of any investment activity is

affected by general economic conditions, which include the level and volatility of interest rates, credit spreads and equity valuations and the extent and timing of investor participation in the markets for both equities and interest-sensitive instruments. Unexpected volatility or illiquidity in the markets in which the Master Fund holds positions could cause the Master Fund to incur losses.

- Counterparty and Broker Credit Risk. Certain assets of the Private Fund Clients will be exposed to the credit risk of the counterparties with whom, or the dealers, brokers and exchanges through which, Gabalex deals, or of parties, which have general custody of the assets of the Private Fund Clients, whether Gabalex engages in exchange-traded or off-exchange transactions. The Private Fund Clients may be subject to risk of loss of its assets on deposit with or in the custody of a broker in the event of the broker's bankruptcy, the bankruptcy of any clearing broker through which the broker executes and clears transactions on behalf of the Private Fund Clients, or the bankruptcy of an exchange clearing house. In the case of any such bankruptcy, the Private Fund Clients might recover, even in respect of property specifically traceable to the Private Fund Clients, only a pro rata share of all property available for distribution to all of the entities' creditors. Such an amount may be less than the amounts owed to the Private Fund Clients. Such events would have an adverse effect on the Private Fund Client's NAV.

With respect to Gabalex's principal (as opposed to exchange listed) trading of securities, option contracts, derivatives and other financial instruments in transactions for the Private Fund Clients, the Private Fund Clients will be subject to the risk of the inability or refusal to perform with respect to such transactions on the part of the principals with which Gabalex trades on behalf of the Private Fund Clients. Any such failure or refusal, whether due to insolvency, bankruptcy or other causes, could subject the Private Fund Clients to substantial losses. The Private Fund Clients may not be excused from performance on any such actions due to the default of third parties in respect of other trades which, in Gabalex's trading strategy, were to have substantially offset such contracts.

- Concentration of Investments. From time to time, a significant portion of the Private Fund Clients' assets may be concentrated in a particular security, industry, market, or country. Should such security, industry, market or country become subject to adverse financial conditions, the Private Fund Clients' assets shall not be afforded the protection otherwise available through greater diversification of its investments.
- Failure of Brokerage Firms. U.S.-registered broker dealers which may carry the accounts of the Master Fund generally segregate all customer assets in compliance with SEC and FINRA regulations. If such assets were not so

segregated, the Master Fund would be subject to the risk of the failure of the broker. Even given proper segregation, in the event of the insolvency of the broker, the Master Fund may be subject to a risk of loss of its funds and may be able to recover only a pro rata share (together with all other securities customers of such broker) of assets, such as U.S. Treasury bills, listed equities, etc., specifically traceable to the Master Fund's account. In broker insolvencies, customers have, in fact, been unable to recover from the broker's estate the full amount of their "customer" funds. In addition, under certain circumstances, such as the inability of another client of the broker or the broker itself to satisfy substantial deficiencies in such other client's account, a customer (including, without limitation, the Master Fund) may be subject to a risk of loss of its funds on deposit with a broker dealer, even if such funds are properly segregated. In the case of any such bankruptcy or loss, the Master Fund might recover, even in respect of property specifically traceable to it, only a pro rata share of all property available for distribution to all of the broker's clients. The Master Fund may trade with or hold accounts at foreign broker dealers registered under the laws and regulations of other countries. Such brokers and/or dealers may not be subject to the same or similar customer fund regulations (including, without limitation, customer segregation requirements) as those existing in the United States. The financial failure of the parties with which the Master Fund trades in the over-the-counter markets could also result in substantial losses, as the Master Fund will deal with such persons as principal and there is no requirement that such parties segregate counterparty funds held by them in respect of such trading. Further, the Master Fund is subject to additional risks where it is a party to a securities lending arrangement and the counterparty to the arrangement becomes insolvent and/or defaults on its obligations, including, without limitation, the risk that collateral will not be returned and/or repurchased or the Master Fund will not be permitted to exercise its remedies in accordance with the provisions of the relevant securities lending agreement.

- Accuracy of Public Information. Gabalex selects investments for the Master Fund, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to Gabalex by the issuers or through sources other than the issuers. Although Gabalex evaluates all such information and data and ordinarily seeks independent corroboration when Gabalex considers it appropriate and reasonably available, Gabalex is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available.
- Systems Risk. Gabalex and its affiliates will rely on computer programs and systems to trade, clear and settle securities transactions, to evaluate certain securities based on real-time trading information, to monitor their portfolios

and net capital, and to generate risk management and other reports that are critical to the oversight of the Master Fund's investment activities. These programs or systems may be subject to certain defects, failures or interruptions, including, but not limited to, those caused by computer "worms," viruses, and power failures. Any such defect or failure could have a material adverse effect on the Clients. For example, such failures could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, which may affect the Master Fund's ability to monitor its investment portfolio and its risks.

- Dependence on Gabalex. All decisions for the management of the Private Fund Clients' assets are made by Mr. Nigel Greig, the Chief Executive Officer and Chief Investment Officer of Gabalex. The Fund's investors have no right to manage the Private Fund Clients' assets. As a result, the success of the Private Fund Clients will depend upon the ability of Gabalex. Furthermore, Gabalex is heavily dependent on Mr. Greig to provide investment advice to its Clients and consequently, in the event of Mr. Greig's death or permanent disability, Gabalex will be unable to furnish investment advice to the Private Fund Clients. In such event, Gabalex will discontinue its operations with respect to the Private Fund Clients.
- Foreign Securities Markets. The Master Fund may invest a portion of its assets in non-U.S. securities and interests denominated in non-U.S. currencies and/or traded outside of the United States, including, without limitation, emerging market securities and interests. The securities markets of most foreign countries, including emerging countries, have substantially less trading volume than the securities markets of the United States, and securities of some foreign companies are less liquid and more volatile than securities of comparable United States companies. As a result, foreign securities markets may be subject to greater influence by adverse events generally affecting the market, by large investors' trading significant blocks of securities, or by large dispositions of securities, than is the case in the United States. The limited liquidity of some foreign markets may affect the Master Fund's ability to acquire or dispose of securities at a price and time that Gabalex believes is advisable. Further, foreign investments may require consideration of certain risks not typically associated with investing in securities traded in the United States, including, among other things, unfavorable currency exchange rate developments, restrictions on repatriation of investment income and capital, imposition of exchange control regulation, confiscatory taxation and economic or political instability in foreign nations. In addition, there may be less publicly available information about certain non-U.S. companies than would be the case for comparable companies in the United States, and certain non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S.

companies.

- **Illiquid Investments.** Certain investments made by the Master Fund may be illiquid, which may be difficult to value prior to the sale, exchange or in-kind distribution of such illiquid security and could delay an investor's ability to affect a complete redemption from the applicable Feeder Fund.

It may be difficult to realize prices quoted and in effectively trading illiquid investments. In certain situations, investments in illiquid investments could result in significant loss in value should the Master Fund be forced to sell the illiquid investments as a result of rapidly changing market conditions or as a result of margin calls or other factors. In certain circumstances, the Master Fund may also be contractually prohibited from disposing of illiquid investments for a specified period of time. Accordingly, the Master Fund may be forced to sell its more liquid positions at a disadvantageous time, resulting in a greater percentage of the portfolio consisting of illiquid investments.

The disposition of illiquid investments often requires more time and results in higher transaction costs than the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

Item 9 Disciplinary Information

Neither Gabalex nor any of its supervised persons has been the subject of any legal or disciplinary events that would be material to your evaluation of Gabalex or the integrity of Gabalex's management.

Item 10 Other Financial Industry Activities and Affiliations

Financial Industry Activities

Gabalex does not engage in any other financial industry activities other than its activities as an investment adviser. None of Gabalex's management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. No management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Gabalex does not recommend or select other investment advisers for its Client accounts.

Relationships or Arrangements with Third Parties

Gabalex's management persons do not have any material relationships or arrangements with broker-dealers, municipal securities dealers, government securities brokers or dealers, other investment advisors, financial planning firms, registered investment companies, commodity pool operators, commodity trading advisers or futures commission merchants, banks or thrift institutions, accountants or accounting firms, law firms, insurance companies or agencies, pension consultants, real estate brokers or dealers, or entities that create or package limited partnerships.

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

Pursuant to Rule 204A-1 promulgated under the Investment Advisers Act of 1940, as amended, Gabalex has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Gabalex must acknowledge the terms of the Code of Ethics annually and whenever the Code of Ethics is amended. A copy of Gabalex's Code of Ethics is available for review by clients and prospective clients upon request.

The Code of Ethics requires all supervised persons to provide the Chief Compliance Officer with certain securities holdings reports and periodic transaction statements. In addition, the Code of Ethics requires pre-clearance of transactions in limited or private offerings, prohibits participation in initial public offerings, and prohibits the purchase or sale of a security that an employee knows or reasonably should know is being actively purchased or sold for any client account. All securities that are held by Gabalex's clients or are being actively considered for purchase by Gabalex's clients will be placed on a watch list that is distributed to all supervised persons. Supervised persons generally may not initiate a position in any security on the watch list and must obtain pre-clearance to close out of any such positions that they already hold.

On occasion, Gabalex employees or persons associated with Gabalex may hold legacy investments in the same securities as those held by, or which are being considered for purchase on behalf of, clients. How these legacy investments are dealt with creates a potential for the appearance of impropriety. Any potential conflicts of interest will be brought to the attention of Gabalex's Chief Compliance Officer for immediate review. Non-adherence to the Code of Ethics by any supervised person will subject such person to disciplinary action by Gabalex, up

to and including termination of employment.

Gabalex does not effect any principal or agency cross securities transactions with or between clients' accounts.

Item 12 Brokerage Practices

Selecting Broker Dealers

Gabalex has a high standard of quality regarding execution services and deals only with brokers that can meet that standard. Gabalex maintains a list of approved brokers through whom portfolio managers and traders may execute Client transactions. Portfolio managers and traders may only utilize a broker not on the list with the prior written approval of the Chief Compliance Officer. When selecting brokers, Gabalex periodically evaluates such brokers' expertise, access to certain markets, responsiveness, access to company managements, and to a lesser extent, the value of any research offered by the broker. Additionally, all brokerage institutions with whom Gabalex trades must meet broad qualifications regarding professional expertise and competence, competitive pricing, and must have adequate financial reserves.

Gabalex is authorized to determine the broker-dealers that will effect transactions and clear securities for the Master Fund. Gabalex does not have an obligation to seek the lowest bid or solicit competitive bids. In selecting a broker for a specific Client transaction, Gabalex will use its best judgment to choose the broker most capable of providing "best execution." Gabalex views best execution as obtaining the best qualitative execution for the Client at the time the order is placed. In some cases, factors such as brokerage commissions, spreads and other transaction-related costs are Gabalex's primary considerations. In other cases, however, factors such as the size and type of the transaction, the nature and character of the markets for the security to be purchased or sold, the desired timing of the trade, and the activity existing and expected in the market for the particular security may take precedence in directing best execution for Clients.

Research and Other Soft Dollar Benefits

Gabalex may use Client commissions or "soft dollars," in its discretion, to pay for research and execution-related products and services within the scope of the Section 28(e) safe harbor of the Securities Exchange Act of 1934, as amended. In obtaining research or other products and services with soft dollars, Gabalex receives a benefit because we do not have to separately produce or pay for the research, products or services. Additionally, soft dollar practices may result in commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits. Furthermore, Gabalex may have an incentive to select or recommend a broker-dealer based on our interest in

receiving the research or other products or services, rather than our Clients' interest in minimizing brokerage costs. Although Gabalex believes the Clients will benefit from many of the services obtained with soft dollars generated by the Master Fund's trades, they may not benefit exclusively. Gabalex and/or its affiliates may also derive direct or indirect benefits from some or all of these services. Gabalex limits the use of "soft dollars" to those products and services that cannot be purchased via invoice, such as investment research produced by broker-dealers. On occasion, Gabalex receives proprietary research reports, analyses, and/or recommendations from broker-dealers with whom it places client transactions and in return for such benefits, may choose to direct order flow to that broker-dealer for execution.

Aggregation of Orders

Because Gabalex only has one actively managed Client portfolio it does not aggregate Client orders.

Item 13 Review of Accounts

Periodic Reviews

Gabalex informally reviews the Master Fund's portfolio daily to assess whether the account is being managed according to its stated investment objectives, policies, restrictions, and risk tolerances, and to evaluate whether the portfolio's asset allocation, exposure, and performance appears to be in line with expectations. Reviews are performed by Messrs. Greig and/or Cowin.

Regular Reports

Gabalex does not provide regular reports to its Private Fund Clients, however, they do receive statements from their custodians and other reports from their administrator.

Each Private Fund Client's administrator also delivers capital statements to investors, generally monthly. Additionally, investors of the Feeder Funds receive audited financial statements within 120 days of the close of such fund's fiscal year. Investors also receive any other information necessary to enable such investor to prepare their individual U.S. federal income tax returns.

Gabalex uses its best efforts to provide investors of its Private Fund Clients a monthly report containing unaudited information on the performance of such investor in such detail as Gabalex in its discretion determines. Gabalex also provides investors of its Private Fund Clients a letter on an annual basis or more frequent basis, in its discretion, describing the Master Fund's positions during

such period. Furthermore, Gabalex will provide any investor of its Private Fund Clients upon request information regarding the Master Fund's positions and estimated performance or other portfolio related information on a semi-monthly basis, or on a more frequent basis, in Gabalex's discretion.

Item 14 Client Referrals and Other Compensation

Gabalex presently does not compensate third-parties for referrals to Gabalex. Additionally, Gabalex does not receive any economic benefits from non-clients as a result of our provision of investment advice or advisory services to Clients, with the exception of research or execution-related products or services that may be provided by the broker-dealers that we use to execute Client transactions. Please refer to Item 12 "Brokerage Practices" above for additional information on these products or services.

Item 15 Custody

Under Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended, Gabalex and certain affiliated entities are deemed to have custody of the funds and securities of the Clients. All Client funds and securities are held at qualified custodians, who make account statements available to Gabalex daily via their websites. Each Private Fund Client's administrator also provides account statements to Gabalex and sends official statements on behalf of the Client to each of its investors on a periodic basis, generally monthly, to their address of record. Additionally, all Private Fund Clients are audited annually by an independent public accountant that is registered with, and subject to regular inspection by the Public Company Accounting Oversight Board and audited financial statements prepared in accordance with generally accepted accounting principles are sent to all investors within 120 days of the end of the respective Private Fund Client's fiscal year. Investors are urged to carefully review such audited financial statements and other statements and reports received from such qualified custodians and to compare them to any reports received by Gabalex.

Item 16 Investment Discretion

Subject to each Private Fund Client's governing documents, Gabalex has full discretionary authority, pursuant to its investment management agreements with the Clients, to determine, without obtaining specific Client consent, the securities to be bought or sold, the amount of the securities to be bought or sold, the brokers or dealers through which transactions will be executed, and the amount of commissions or mark ups or mark downs paid. Any restrictions or limitations on Gabalex's discretionary authority must be made in writing and contained in the Private Fund Client's offering memorandum, memorandum and articles of association or limited partnership agreement, as applicable, and/or in the

investment management agreement between Gabalex and the Client.

Item 17 Voting Client Securities

Gabalex has adopted proxy voting policies and procedures designed to prevent conflicts of interest from influencing proxy voting decisions it makes on behalf of Clients and to help ensure that such decisions are made in accordance with Gabalex's fiduciary obligation to act in the best interests of its Clients.

Gabalex has retained the services of Glass, Lewis & Co., an independent third-party, to perform research on all issues relating to Clients' proxies and to vote proxies on Gabalex's behalf. In performing research, Glass, Lewis & Co. focuses on identifying the voting position that will improve medium to long-term shareholder value while mitigating risk. Any material conflicts of interest that may arise between the interests of or its supervised persons and those of its Clients when voting proxies are addressed by Glass, Lewis & Co., which votes all proxies on Gabalex's behalf according to its independent research results. Clients do not have the ability to direct how Gabalex or Glass, Lewis & Co., on its behalf, vote proxies, but Clients (and investors in Private Fund Clients) can obtain information on how their proxies were voted by contacting Gabalex at 212-371-9952. Gabalex's proxy voting policies and procedures are available to any Client, prospective client, and investor upon request.

Item 18 Financial Information

Gabalex does not require or solicit prepayment of advisory fees six months or more in advance. Gabalex does not have any financial commitments that might impair our current or future ability to meet our contractual commitments to clients and Gabalex has not been the subject of a bankruptcy petition at any time during the past ten years.