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*\*\* For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).*

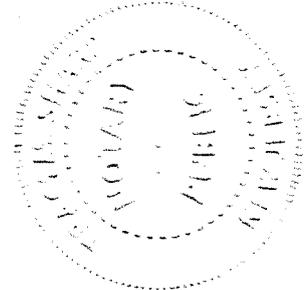
**AFFIRMATION**

We, George Wilcox and George Yaworsky, affirm that, to the best of our knowledge and belief, the accompanying financial statements and supplemental schedules pertaining to Bessemer Investor Services, Inc. (the "Company") as of and for the year ended December 31, 2018, are true and correct. We further affirm that neither the Company nor any officer or director has any proprietary interest in any account classified solely as that of a customer.

George Wilcox 2/25/19  
George Wilcox Date  
President

George Yaworsky 2/25/19  
George Yaworsky Date  
Treasurer

Sworn to and subscribed  
before me this  
25 day of FEBRUARY, 2019



**TRACI M. SHARP**  
NOTARY PUBLIC, STATE OF NEW JERSEY  
MIDDLESEX COUNTY  
COMMISSION # 2431288  
MY COMMISSION EXPIRES MARCH 15, 2023

*Traci M. Sharp 2/25/19*



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## **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Stockholder of Bessemer Investor Services, Inc.:

### **Opinion on the Financial Statement**

We have audited the accompanying statement of financial condition of Bessemer Investor Services, Inc. (the "Company"), a wholly-owned subsidiary of Bessemer Trust Company, N.A., as of December 31, 2018, and the related notes (collectively referred to as the "financial statement"). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company as of December 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

The financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit of the financial statement provides a reasonable basis for our opinion.

February 25, 2019

We have served as the Company's auditor since 1986.

# BESSEMER INVESTOR SERVICES, INC.

## STATEMENT OF FINANCIAL CONDITION AS OF DECEMBER 31, 2018

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### ASSETS:

Cash	\$ 2,703,909
Other assets	<u>22,905</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 2,726,814</u></b>

### LIABILITIES AND SHAREHOLDER'S EQUITY

#### LIABILITIES:

Accrued expenses and other liabilities	\$ 95,875
Taxes payable	<u>2,420</u>
<b>TOTAL</b>	<b><u>98,295</u></b>

#### SHAREHOLDER'S EQUITY:

Common stock (authorized - 100,000 shares of \$1.00 par value, issued and outstanding - 10,000 shares)	10,000
Additional paid-in capital	240,000
Retained earnings	<u>2,378,519</u>
<b>TOTAL</b>	<b><u>2,628,519</u></b>

<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b><u>\$ 2,726,814</u></b>
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See notes to Statement of Financial Condition.

# BESSEMER INVESTOR SERVICES, INC.

## NOTES TO STATEMENT OF FINANCIAL CONDITION AS OF DECEMBER 31, 2018

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### 1. NATURE OF OPERATIONS

Bessemer Investor Services, Inc. (the “Company”), a wholly-owned subsidiary of Bessemer Trust Company, N.A. (the “Parent”) (a subsidiary of The Bessemer Group, Inc. (“BGI”)), is a registered broker-dealer with the Securities and Exchange Commission and the Financial Industry Regulatory Authority (“FINRA”). The Company focuses its ongoing efforts on acting as placement agent in connection with the private placement of limited liability company interests in the hedge fund of funds, private equity and real asset fund of funds, and other private investment companies (the “Funds”) managed by the Parent, or any affiliates. The Company has entered sub-agency agreements with other pooled investment vehicles (“Externally Managed Funds”) and the associated placement agent, in connection with the placement of shares sold by the Externally Managed Funds. The Externally Managed Funds are special-purpose, privately offered equity funds designed to meet the diversification needs of investors holding concentrated positions in selected qualifying stocks.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Use of Estimates*—The preparation of the Statement of Financial Condition in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Statement of Financial Condition. Actual results could differ from those estimates.

*Cash*—Cash includes interest-bearing deposits with banks and other non-interest bearing deposits with an affiliate bank.

*Income Taxes*—BGI has elected to treat the Company as a Qualified Subchapter S subsidiary for Federal income tax purposes. Accordingly, the Company does not incur Federal income tax obligations and the accompanying financial statement does not include a provision for Federal income tax. The Company is a party to consolidated filings of Federal and New York City income tax returns with BGI and a New York State income tax return with the Parent and, by agreement, the Company’s tax liability to BGI and the Parent is determined based on the ratio of the Company’s book income adjusted for permanent differences to the total income adjusted for permanent differences of the consolidated groups. Other state and local taxes are paid by the Company directly. A provision for deferred income taxes is made for items reported in the financial statement that occur in a different year than for tax return purposes.

The Company recognizes tax positions in the financial statement only when it is more likely than not that the position will be sustained upon examination by relevant taxing authorities based on the technical merits of the position. A position that meets this standard is measured at the largest amount of benefit that will more likely than not be realized upon settlement. An asset or a liability is established for differences between positions taken in a tax return and the related amounts recognized in the financial statement.

The Company recognizes Accrued interest and penalties, if any, related to unrecognized tax benefits within Taxes Payable in the Statement of Financial Condition.

### **3. RELATED PARTY TRANSACTIONS**

Cash includes cash held with an affiliate bank in the amount of \$75,481 as of December 31, 2018.

The Company and the Parent have entered into an Agreement, as amended, whereby the Parent will pay an ongoing annual placement fee to the Company for acting as placement agent in connection with the placement of limited liability company interests in Funds organized and advised by the Parent. The Agreement may be terminated by either party upon fifteen days written notice to the counterparty.

The Company is also charged compensation and benefits expenses by the Parent and Bessemer Trust Company of Florida (“BTF”), a subsidiary company of BGI. These charges are allocated based on approximate time spent by executive management relative to the operation of the Company. As of December 31, 2018, the Company has an Accrued expense of \$3,750 due to BTF in the Statement of Financial Condition for payment related to executive management compensation allocation.

As described in Note 2, the Company files consolidated Federal, New York State and New York City income tax returns with BGI or the Parent.

### **4. INCOME TAXES**

As discussed in Note 2, the Company’s tax status is a qualified Subchapter S subsidiary for Federal reporting purposes. Accordingly, the Company incurs taxes at the state and local level only, primarily in New York State and New York City.

As of and during the year ended December 31, 2018, the Company did not have any liabilities, interest or penalties related to uncertain tax positions. As of December 31, 2018, the Company’s tax years for 2015, 2016, 2017 and 2018 are subject to examination by tax authorities. Certain state returns may remain open for an additional year depending on the jurisdiction.

Included within Taxes payable, the Company has recorded current taxes of \$2,420 related to state and local taxes at December 31, 2018.

### **5. NET CAPITAL REQUIREMENT**

The Company is subject to the Net Capital Requirements of Rule 15c3-1 under the Securities and Exchange Act of 1934 (the “Rule”). The Rule requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital (the “Net Capital Ratio”), both as defined by the Rule, shall not exceed 15 to 1. The Rule also requires that equity capital not be withdrawn or cash dividends paid if the resulting Net Capital Ratio would exceed 10 to 1. At December 31, 2018, the Company had net capital of \$2,605,614, which was \$2,599,061 in excess of its required minimum net capital of \$6,553. The Company’s ratio of aggregate indebtedness to net capital was 0.04 to 1.

### **6. COMMITMENTS AND CONTINGENCIES**

In the normal course of business, the Company may be subject to litigation. As of December 31, 2018, there were no pending legal actions against the Company.

**7. SUBSEQUENT EVENTS**

Management has evaluated the impact of all subsequent events on the Company through the date of issuance and has determined that there were no subsequent events requiring recognition or disclosure in the Statement of Financial Condition.

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