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This brochure provides information about the qualifications and business practices of Beach Point Capital Management LP. If you have any questions about the contents of this brochure, please contact us at (310) 996-9700 and/or info@beachpointcapital.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 Beach Point Capital Management LP also is available on the SEC’s website at www.adviserinfo.sec.gov.

Registration with the SEC does not imply that Beach Point Capital Management LP has a certain level of skill or training.

Item 2: Material Changes

Although certain sections of our firm brochure have been updated, there are no material changes from our March 28, 2014 firm brochure.

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Item 4: Advisory Business

Beach Point Capital Management LP (“Beach Point”) commenced operations on January 1, 2009. Beach Point was founded by its Co-Chief Investment Officers, Carl Goldsmith and Scott Klein, through a management buyback of the alternative investment business of Post Advisory Group, LLC (“Post”). Mr. Goldsmith and Mr. Klein joined Post as its first and second investment hires in 1994 and 1997, respectively. Mr. Goldsmith and Mr. Klein built and ran Post’s multi-billion dollar alternative fixed income business (opportunistic high yield, corporate loans and distressed debt) and served as the long-standing portfolio managers for such business. The other members of the founding Beach Point team included 30 employees, all of whom worked together at Post. Beach Point is 100% owned by Mr. Goldsmith and Mr. Klein.

Beach Point serves as the investment adviser to various clients organized as privately offered pooled investment vehicles (the “Funds”) and clients that invest through separately managed accounts (“Managed Accounts”). Beach Point generally has discretionary authority to manage the Funds and Managed Accounts, including the authority to determine which investments are bought and sold and the amounts of such investments that are appropriate for each client. Any limitation on Beach Point’s authority is described in a client’s investment management agreement and/or governing documents in the case of the Funds.

The Funds are managed in accordance with investment objectives and guidelines set forth in the offering documents for each Fund. Similarly, Beach Point’s investment decisions with respect to Managed Accounts are made in accordance with a client’s investment objectives and guidelines as set forth in the client’s investment management agreement, as well as any written instructions provided by the client to Beach Point. As of December 31, 2014, Beach Point manages \$8.1 billion in assets on a discretionary basis and \$0 in assets on a non-discretionary basis. The amount of assets under management reported in this brochure differs from the amount of regulatory assets under management reported in Part 1 of our Form ADV. Part 1 of Form ADV requires an adviser to report assets under management without deducting any outstanding indebtedness or other accrued but unpaid liabilities. Beach Point believes that reporting firm assets under management in our brochure without taking into account any outstanding indebtedness or liabilities may appear to overstate our assets under management. Therefore, in this brochure Beach Point has decided to take into account certain indebtedness and unpaid liabilities in calculating and reporting our firm assets under management. The result is that the amount of assets under management reported in this brochure is lower than the amount of regulatory assets under management reported in Part 1 of our Form ADV.

Beach Point specializes in distressed debt, high yield bonds, corporate loans and other credit-related market niches, but has discretion to invest in a wide range of investments on behalf of its clients, including, not limited to: corporate debt securities; par, stressed and distressed investments; bank loans; public and private equities; private placements/illiquid securities; direct loans; convertible bonds; municipal bonds, preferred stocks; warrants; private debt; mezzanine debt; commercial paper; municipal securities;

United States and foreign government securities; options contracts; futures contracts; interests in partnerships investing in real estate; litigation and similar claims; derivatives; trade claims; lease interests; equipment trust certificates; swaps and futures contracts (including so-called “synthetic” options or similar derivative instruments written by broker-dealers); interest rate hedges including swaps; secured and unsecured instruments; other collateralized instruments; equity-related securities; investments in debt and equity of partnerships, limited liability companies and other investment vehicles; interests in hedge funds; securitized products; real-estate related investments, including mortgage-backed securities and mortgages, and mezzanine investments; foreign currency futures; single name or basket/index credit default swaps or other swaps (such as CDS, CDX, LCDX, etc.); index contracts (such as S&P 500, Russell 2000, etc.) and credit-linked securities (including credit-linked notes and deposits).

Funds

Beach Point serves as discretionary investment adviser to the Funds within four investment strategies as described below in Item 8.

In addition, Beach Point serves as the investment adviser to certain Funds which are not currently offered to new investors. These Funds are typically single client funds and, other than their structure, are more similar to a Managed Account than a Fund.

Fund Structure

Generally, the Funds are organized into master-feeder structures along investment strategies. A master-feeder fund structure is commonly used to accumulate capital raised from both U.S. taxable, U.S. tax-exempt and non-U.S. investors into one central vehicle - the master fund - in order to enhance the critical mass of tradable assets, improve the economies of scale under which the fund arrangements operate and enhance operational efficiencies, thereby reducing costs.

The Beach Point master-feeder fund structure involves the use of a master fund organized as a Cayman Islands limited partnership into which separate feeder funds invest. U.S. taxable investors invest in a U.S. limited partnership feeder fund (the “domestic feeder funds”). Non-U.S. and U.S. tax-exempt investors typically subscribe via a separate offshore feeder company (the “offshore feeder funds”). The feeder funds, in turn, generally invest all or substantially all of their assets in the master fund.

Beach Point also manages private equity style funds (the “Draw-Down Funds”). The Draw-Down Funds are not organized into a master-feeder structure and will typically offer interests directly to investors.

The domestic feeder funds and domestic Draw-Down Funds are structured as limited partnerships that are organized under the laws of California or Delaware (collectively, the “Domestic Funds”). A related person of Beach Point, Beach Point Advisors LLC, serves as the general partner (“General Partner”) of the Domestic Funds (other than one of the

Draw-Down Funds). A related person of Beach Point, BPC Opportunities Fund GP LP, serves as the general partner of one of the Draw-Down Funds (the “BPC General Partner”). The interests in the Domestic Funds are offered on a private placement basis to persons who are “accredited investors” as defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended (the “Securities Act”), and subject to certain other conditions which are set forth in the offering documents for the Domestic Funds. The Domestic Funds are not registered as investment companies pursuant to exemptions from the definition of “investment company” set forth in Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act of 1940, as amended (the “Company Act”).

The offshore feeder funds and one of the Draw-Down Funds are organized under the laws of the Cayman Islands. Shares in the offshore funds (and partnership interests in the offshore Draw-Down Fund) are offered on a private placement basis to persons who are not “U.S. Persons,” as defined in Rule 902(k) of Regulation S under the Securities Act and to certain qualifying U.S. tax-exempt entities, and subject to certain other conditions which are fully set forth in the offering documents for the offshore funds.

Managed Accounts

Beach Point also serves as discretionary investment adviser to certain Managed Accounts with full power and authority to supervise and direct the investments for the Managed Accounts, subject to the investment management agreement for each Managed Account.

Item 5: Fees and Compensation

Managed Accounts

Beach Point’s fees for Managed Accounts (and single client funds) are determined on a negotiated basis based on various parameters including the investment strategy for the client. Fees are typically billed on a quarterly basis and paid in arrears. However, other arrangements may be negotiated with individual Managed Account (and single client fund) clients. In addition, Beach Point may enter into arrangements to receive performance-based compensation for managing Managed Accounts (and single client funds); provided that any such arrangements are consistent with the requirements of Section 205 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and Rule 205-3 thereunder. Section 205 and Rule 205-3 allow an investment adviser to charge a performance-based fee only to clients that meet certain criteria.

Funds

Funds

The fees applicable to investments in a Fund are described in such Fund’s offering documents. Fund management fees generally range from 0.75% to 1.5% of the net asset

value of a Fund on an annual basis. Fund incentive allocations / fees range from 15% to 20% of the net profit of the Fund (which includes net changes in unrealized appreciation of investments and realized gains and income) subject to a high water mark. Management fees are typically payable quarterly in advance. Incentive allocations / fees are generally made / charged annually and following each withdrawal / redemption from a Fund. Such fees are generally deducted directly from the assets of a Fund. Any performance-based fees will be charged in accordance with Section 205 of the Advisers Act and Rule 205-3 thereunder. Section 205 and Rule 205-3 permit an investment adviser to charge a performance fee only in certain circumstances.

Although management fee and incentive fee / allocation arrangements may be negotiated with individual investors, the current general fee schedule for each investment strategy for the Funds is set forth below. Each strategy may include one or more of the Funds. A description of each strategy for the Funds can be found in Item 8.

Traditional:

1.0% management fee

Multi-Strategy:

0.75% management fee + 15% incentive fee / allocation

Full Spectrum / Total Return:

1.5% management fee + 20% incentive fee / allocation

Securitized Credit:

1.5% management fee + 20% incentive fee / allocation

Beach Point at its discretion, may agree to reduce, waive, rebate, modify or otherwise calculate differently all or a portion of the fees as to any given Fund investor, or may agree with an investor to other changes in the fees respecting such investor. Beach Point and/or its personnel may invest in one or more of the Funds. Beach Point and/or its personnel are not subject to management fees or incentive fees / allocations with respect to their investments in the Funds.

Draw-Down Funds

Although fee / carried interest arrangements may be negotiated with individual investors, the Draw-Down Funds will generally pay the following fees to Beach Point and/or its affiliates:

- **Management Fee:** During the period starting on the initial closing of the purchase and sale of interests in the Draw-Down Fund and ending on the earlier of (i) the fourth anniversary of the initial closing date and (ii) the date on which all capital commitments have expired or been terminated (the “Investment Period”), the Draw-Down Fund will pay Beach Point, quarterly in advance, a management fee (the “Management Fee”) equal to 1.75% per annum of the total

capital commitments of the limited partners. Following the Investment Period, the Draw-Down Fund will pay Beach Point, quarterly in advance, a Management Fee equal to 1.75% of the capital contributions invested in each unrealized portfolio investment as of the end of the next-to-last month of the immediately preceding calendar quarter until the final distribution.

- **Carried Interest:** From the end of the Investment Period through the end of the term of the Draw-Down Fund, the Draw-Down Fund will generally seek to make distributions of available cash to the partners through a “total return of capital” waterfall. The BPC General Partner will receive a 20% carried interest after (i) the return to the limited partners of their aggregate capital contributions, (ii) an 8% preferred return to the limited partners, compounded annually, on the limited partners’ aggregate capital contributions, and (iii) a 100% “catch-up” distribution to the BPC General Partner until it has received 20% of the amounts distributed pursuant to the preferred return and the catch-up distribution.
- **Deal Fees:** Beach Point or its affiliates may receive transaction fees, investment banking fees, break-up fees, advisory fees, monitoring fees, directors’ fees and other similar fees (“Deal Fees”) in connection with services provided to the Draw-Down Fund. Such Deal Fees will reduce the Management Fee otherwise payable to Beach Point. The Deal Fees are more fully described in the Draw-Down Fund’s offering documents.

Managed Account clients and Fund investors should be aware that the existence of incentive allocations / fees in the case of the Managed Accounts and the Funds and the carried interest in the case of the Draw-Down Funds may create an incentive for Beach Point to make investments that are riskier or more speculative than would otherwise be made in the absence of such incentive allocation / fee or carried interest. Beach Point addresses this conflict by focusing on long-term relationships with its clients and Fund investors and managing client portfolios in accordance with Managed Account investment guidelines and governing documents in the case of the Funds.

In the case of the Draw-Down Funds, the terms of the carried interest could give Beach Point an incentive to make determinations regarding the timing and structure of realization transactions that are not applicable (or that are adverse) to the interests of Draw-Down Fund investors. In addition, incentive allocations / fees in the case of the Funds and the carried interest in the case of the Draw-Down Funds create a potential conflict of interest for Beach Point in valuing investments that are not readily marketable or are difficult to value. Beach Point addresses this conflict by adhering to its valuation policies and using third party pricing sources for all investments above a de minimis threshold.

In addition to the fees charged to clients, the Funds and Managed Accounts incur certain expenses, including, but not limited to: investment-related expenses (e.g., brokerage commissions, transaction costs, and fees relating to investments or contemplated investments and investment related travel expenses); legal expenses; accounting, audit

and tax preparation costs and expenses; regulatory and filing fees; fees and expenses relating to independent director services; organizational expenses; fees and expenses for valuation services; fees to the administrator and to any third-party provider of middle- or back-office services; extraordinary expenses and other similar expenses related to such Funds and Managed Accounts.

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

Item 6: Performance-Based Compensation and Side-by-Side Management

As more fully described above in Item 5, all Beach Point clients pay an asset-based management fee and certain Beach Point clients also pay a performance-based fee.

Managing client accounts that pay both an asset-based fee and a performance-based fee and client accounts that pay only an asset-based fee creates certain conflicts of interest for Beach Point. Beach Point and its supervised persons have an incentive to allocate the best investment ideas to those Funds and Managed Accounts that pay a performance-based fee and thus favor them over those Funds and Managed Accounts that pay only an asset-based fee. In order to address this conflict, Beach Point has implemented an allocation policy to help ensure investment opportunities are allocated among client accounts in a fair and equitable manner over time. The allocation policy does not permit Beach Point to give preference to client accounts based upon type or amount of fees or any other criteria other than those outlined in the policy.

Beach Point's policy is to allocate investment opportunities to the Funds and Managed Accounts fairly and equitably, to the extent possible, over a period of time. Various criteria are considered in allocating investments bought or sold across client accounts, including: strategy and desired security percentage in the relevant portfolio; client guidelines; client weight in a particular security or industry (i.e., clients overweighted in a particular industry may be allocated less of a security in the same industry and vice versa); percentage of un-invested cash in the client portfolio (this is generally more relevant to newer accounts or to existing accounts that have recently had cash contribution or withdrawal activity); regulatory constraints; client tax considerations; market convention considerations (lot size, etc.) and other considerations. Factors taken into account with regard to client guidelines may include, among other things, type, size and quality of the security, industry and issuer restrictions, ability to short or hedge within the client account, domestic versus foreign, maximum cash allowable, expected liquidity of an instrument, public versus private and affiliate restrictions.

Item 7: Types of Clients

As described above in Items 4 and 5, Beach Point serves as investment adviser to the Funds and Managed Accounts. Managed Account clients and investors in the Funds may

include, but are not limited to, state and local government pension plans, foreign funds, foreign governmental entities, foreign pension schemes, individuals, companies, private pension plans, corporate plans, endowments, trusts, foundations, charitable organizations and other investment funds.

Managed Accounts

Beach Point generally requires a minimum investment of \$100 million to open a Managed Account. This minimum may be reduced or waived by Beach Point in its sole discretion.

Funds

With respect to Funds, minimum investments are generally set forth in each Fund's governing documents; however, the General Partner (for the Domestic Funds) or the Board of Directors (for the offshore funds) may reduce or waive the minimum investment amount in its sole discretion (subject to certain minimum subscription requirements under Cayman Islands law in the case of the offshore funds).

Draw-Down Funds

The minimum capital commitment for an investor in the Draw-Down Funds is \$10 million; however, the general partner may reduce or waive the minimum investment amount in its sole discretion.

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

Fund investors should refer to a Fund's offering documents for a more detailed description of the methods of analysis employed by Beach Point, a Fund's investment strategy and the risk of loss associated with an investment in a Fund.

Methods of Analysis – Research Process

Beach Point employs both fundamental and technical analysis in its research process. Key elements of Beach Point's investment process include: (i) value identification of companies, utilizing both internal research and proprietary tools, as well as external sources, to provide deal flow; (ii) a detailed analysis and due diligence process that includes structural review of an issuer's capital structure, exhaustive review of the applicable indenture covenants, asset coverage and liquidation valuation and bankruptcy analysis; (iii) a relative-value decision-making process that evaluates how each particular investment relates to comparable investments available or currently in a client's portfolio; and (iv) vigilant monitoring that continues the due diligence process after an investment is entered into the client's portfolio.

Investment Strategies

Beach Point offers customizable Managed Accounts to institutional investors and Funds to institutional investors and, on a more limited basis, to certain sophisticated individual investors in each of the strategies listed below.

Traditional

Funds and Managed Accounts in this strategy invest primarily in corporate loans and high yield bonds. The strategy seeks upside opportunity from a combination of current income and capital appreciation and seeks protection from inflation by virtue of the floating rate nature of most corporate loans. The strategy also seeks to generate attractive levels of current income by investing in high yield bonds. The strategy is generally expected to favor investments in securities that are collateralized, or relatively senior in the capital structure to attempt to protect against downside risks.

Multi-Strategy

Funds and Managed Accounts in this strategy invest primarily in high yield bonds, corporate loans, mezzanine and other opportunistic credit investments. The strategy also makes limited investments in equities, special situation investments and distressed investments. The strategy attempts to protect against downside risks by investing in assets with a relatively short average life and by employing selective macro short positions and interest rate hedging. The strategy seeks investments that provide current income as well as investments with potential upside from price appreciation.

Full Spectrum / Total Return

Funds and Managed Accounts in this strategy typically have broad flexibility to capture investment opportunities across the universe of below investment grade credit. The strategy employs a flexible, value-oriented approach with investments up and down the capital structure. Investment ideas are sought among both long and short positions in various investments including high yield bonds, corporate loans, stressed and distressed debt, special situation investments, credit-related opportunities, undervalued and event-driven equities, and a variety of other securities and instruments. The strategy also makes selective investments in convertible notes and capital structure arbitrage opportunities.

Securitized Credit

Funds and Managed Accounts in this strategy invest primarily in a variety of securitized products, mortgage loans, and credit instruments, complemented by other investments. The strategy attempts to generate risk-adjusted returns by seeking out structural inefficiencies in mortgage and related credit market opportunities where a discernible competitive advantage can be identified through fundamental research.

Distressed

Funds and Managed Accounts in this strategy invest primarily in distressed debt and special situation investments and other credit-related opportunities arising in relation to companies in financial distress and/or periods of financial distress or uncertainty. The strategy generally seeks to invest at a meaningful discount to intrinsic value and to realize profits primarily through capital appreciation, including realizing on restructured debt obligations or other securities or instruments obtained in connection with a reorganization. The strategy seeks to make investments where downside risk is limited through a combination of collateral and/or structural seniority protection and by purchasing assets at a discount to inherent value. The strategy will invest generally in situations where a company or its owners are: (i) facing operating difficulties or liquidity crises, (ii) undergoing, or considered likely to undergo, reorganization under U.S. bankruptcy laws or similar laws in other countries, or (iii) engaged in other extraordinary transactions, such as restructurings, reorganizations and liquidations outside of bankruptcy. The strategy may also invest in other instruments that Beach Point believes are meaningfully undervalued or mispriced by the market and offer superior risk-adjusted returns.

Risk of Loss

Beach Point does not guarantee the future performance of any Managed Account or Fund, the success of any investment decision or strategy that Beach Point may employ or the success of Beach Point's overall management of any Managed Account or Fund. Any investment in a Managed Account or Fund involves significant risk, including the risk of loss of all or substantially all capital invested. Clients and Fund investors should be prepared to bear the loss of the entire amount of their investment.

As described above in Item 4 and this Item 8, Beach Point manages several investment strategies and invests in a wide range of investments on behalf of its clients. The risks associated with an investment in a Fund are more fully described in the offering documents for such Fund and an investor must carefully review such offering documents prior to making an investment in a Fund. In addition, Managed Accounts are offered only to large, sophisticated institutional clients. Managed Account clients generally have their own investment staff and/or investment consultants that understand the risks involved in an investment strategy and are in a position to customize the Managed Account investment guidelines accordingly.

What follows below is a brief description of some, but not all, of the risks involved in investing in many of the types of investments that are typically included in Fund and Managed Account portfolios.

General Risks Associated with Debt Instruments and Fixed-Income Securities

Client portfolios typically include debt instruments and fixed-income securities. The value of such instruments and securities changes in response to fluctuations in interest rates and in the perceived credit risk associated with a particular instrument/security and its issuer. When interest rates decline, the value of fixed rate debt instruments generally can be expected to rise. Conversely, when interest rates rise, the value of fixed rate debt

instruments generally can be expected to decline. In addition, to the extent that the receivables or loans underlying specific securities are prepayable without penalty or premium, the value of such securities may be negatively affected by increasing prepayments, which generally occur when interest rates decline.

High Yield Investments

The Funds and Managed Accounts typically invest significantly in high-yield or non-investment grade securities and instruments. Such investments generally trade in the over-the-counter marketplace, which is less transparent and less liquid than the exchange-traded marketplace. In addition, the Funds and Managed Accounts may invest in the debt of companies that do not have publicly traded equity securities, making it more difficult to determine or to hedge the risks associated with such investments. The Funds and Managed Accounts generally have no minimum credit standard for investments in any asset, and as a result, a Fund or Managed Account typically invests a significant portion of its assets in below investment grade obligations. Non-investment grade securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities (often referred to as junk bonds) tend to reflect individual corporate developments to a greater extent than do higher-rated securities which react primarily to fluctuations in the general level of interest rates and tend to be more sensitive to economic conditions. Companies that issue such securities are often highly leveraged and may not have available to them more traditional sources of financing. It is possible that an economic downturn could adversely affect the ability of the issuers of such securities to pay interest or repay principal on such securities, which would likely have an adverse impact on their value.

Corporate Loans

A client's investment program will generally (or primarily in the case of the certain loan-focused investment products) include investments in corporate loans and commitments to purchase loans. These obligations are subject to unique risks, including, but not limited to: (i) limitations on the ability of a Fund or Managed Account to directly enforce its rights with respect to loan investments entered into through participations; (ii) counterparty risk due to extended settlement periods or in connection with participations; (iii) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws; (iv) so-called lender-liability claims by the issuer of the obligations; and (v) environmental liabilities that may arise with respect to collateral securing the obligations. Any claims brought by third parties arising from these and other risks will be borne by a Fund or Managed Account.

Most corporate loans are floating rate loans. Floating-rate loans generally are less sensitive to interest rate changes than fixed-rate debt instruments. However, the market value of floating-rate loans may decline when prevailing interest rates rise if their interest rates do not rise as much, or as quickly, as interest rates in general. Conversely, floating-rate loans will not generally increase in market value if interest rates decline. However, when interest rates fall, there will be a reduction in the payments of interest received by a Fund or Managed Account.

Second-Lien and Unsecured Loans

In addition to the special risks generally associated with investments in corporate loans described above, investments in second-lien and unsecured loans entail additional risks, including, but not limited to (i) the subordination of the client's claims to a senior lien in terms of the coverage and recovery from the collateral; and (ii) with respect to second-lien loans, the prohibition of or limitation on the right to foreclose on a second-lien or exercise other rights as a second-lien holder, and with respect to unsecured loans, the absence of any collateral on which the Fund or Managed Account may foreclose to satisfy its claim in whole or in part. In certain cases, therefore, no recovery may be available from a defaulted second-lien loan held by a Fund or Managed Account.

Purchases of Securities and other Obligations of Financially Distressed Companies

The Funds or Managed Accounts may invest in obligations of issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganization and liquidation proceedings. These obligations may be risky investments although they also may offer the potential for correspondingly high returns. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate, recharacterize debt as equity or disenfranchise particular claims.

The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that the value of the assets collateralizing such investments will be sufficient or that prospects for a successful reorganization or similar action will become available. In any reorganization or liquidation proceeding relating to a company in which a Fund or Managed Account invests, the Fund or Managed Account may lose its entire investment, may be required to accept cash or securities with a value less than its original investment and/or may be required to accept payment over an extended period of time. Under such circumstances, the returns generated from the investments may not compensate a client adequately for the risks assumed.

Non-Performing Investments

A Fund or Managed Account may purchase debt instruments that are non-performing and in default. These types of investments may be speculative and there can be no assurance as to the amount and timing of payments, if any, with respect to such investments.

Illiquid Portfolio Instruments

A Fund or Managed Account may invest in instruments (including, without limitation, in equity or debt of private issuers, "hard" assets or illiquid financial instruments) that do not freely trade or that trade infrequently with no broker-dealer making a market in such instruments. A Fund or Managed Account may not be able to readily dispose of such

instruments and, in some cases, may be contractually or legally prohibited from disposing of such investments for a specified period of time.

Equity Securities

A Fund or Managed Account may invest in equity and equity-related securities of U.S. and non-U.S. companies. Equity securities fluctuate in value in response to many factors, including the activities, results of operations and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates and general economic environments. As a result, equity securities may be risky investments.

Structured Credit Products

A Fund or Managed Account may invest in structured credit products. Investing in structured credit securities may entail a variety of unique risks. The performance of a structured credit security will be affected by a variety of factors, including its priority in the capital structure of the issuer thereof, the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying receivables, loans or other assets that are being securitized, remoteness of those assets from the originator or transferor, the adequacy of and ability to realize upon any related collateral and the capability of the servicer of the securitized assets. Additionally, such securities may be subject to legal or contractual restrictions on their resale or for which there is a relatively inactive trading market. Securities subject to resale restrictions may sell at a price lower than similar securities that are not subject to such restrictions.

Bankruptcy Claims

A Fund or Managed Account may invest in bankruptcy claims which are amounts owed to creditors of companies in financial difficulty. Bankruptcy claims are illiquid and generally do not pay interest and there can be no guarantee that the debtor will ever satisfy the obligation on the bankruptcy claim. The markets in bankruptcy claims are not generally regulated by federal securities laws or the SEC. Because bankruptcy claims are frequently unsecured, holders of such claims generally have a lower priority in terms of payment than certain other creditors in a bankruptcy proceeding. In addition, under certain circumstances, payments and distributions may be reclaimed if any such payment is later determined to have been a fraudulent conveyance or a preferential payment.

Bankruptcy Cases

A Fund or Managed Account may have an investment in a company undergoing a bankruptcy proceeding. Many of the events within a bankruptcy case are adversarial and may be beyond the control of the creditors. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court would not approve actions which may be contrary to the interests of a Fund or Managed Account. Generally, the duration of a bankruptcy case can only be roughly estimated. The reorganization of a company usually involves the development and negotiation of a plan of reorganization, plan approval by creditors and confirmation by the bankruptcy court. This process can involve substantial legal, professional and administrative costs to the company and a Fund or Managed Account; it is subject to

unpredictable and lengthy delays and during the process the company's competitive position may erode, key management may depart and the company may not be able to invest adequately. In some cases, the company may not be able to reorganize and may be required to liquidate assets. The debt of companies in financial reorganization will, in most cases, not pay current interest, may not accrue interest during reorganization and may be adversely affected by an erosion of the issuer's fundamental values. Such investments can result in a total loss of principal.

A Fund or Managed Account may invest in companies based outside of the United States. Investment in the debt of financially distressed companies domiciled outside the United States involves additional risks. Bankruptcy law and process may differ substantially from that in the United States, resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganization timing and the classification, seniority and treatment of claims. In certain developing countries, although bankruptcy laws have been enacted, the process for reorganization remains highly uncertain.

Counterparty Risk

The institutions, including brokerage firms and banks with which a Fund or Managed Account directly or indirectly does business (including swap counterparties), or to which its securities are entrusted for custodial and prime brokerage purposes, may encounter financial difficulties, fail or otherwise become unable to meet their obligations. In addition, these financial institutions may become subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on the activities and operations of a Fund or Managed Account.

Tax Matters

The countries in which a Managed Account or Fund may invest may impose taxes on certain types of income such as dividends, interest and in some instances capital gains. Although such taxes may be subject to reduction to the extent that Managed Account clients or investors in a Fund are entitled to the benefits of an income tax treaty between their home jurisdiction and the other jurisdictions in which a Managed Account or Fund invests, there can be no assurance that treaty benefits will be available in any particular case, as this will be dependent on the terms of the treaty and the timely provision of certifications and other documentation. Furthermore, even if certain Managed Accounts or Fund investors are entitled to treaty benefits, withholding taxes may still be deducted by the payers of income, with a material time delay before refunds of such withholding taxes can be obtained from the relevant taxing authority. In addition, changes in the tax laws or tax treaties (or their interpretation) of the countries in which a Managed Account or Fund invests may severely and adversely affect their ability to efficiently realize income or capital gains and may subject a Managed Account or Fund investors to tax and return filing obligations in such countries. There may be a series of complex tax issues related to an investment in a Fund or Managed Account.

In addition with respect to our non-U.S. Managed Accounts and Funds, there can be no assurance that such clients will not be subject to U.S. income tax or that certain U.S. tax

exempt Managed Accounts or Fund investors will not be subject to unrelated business taxable income.

Participation on Equity Holders' or Creditors' Committees

Beach Point, on behalf of a Fund or Managed Account, may elect to serve on creditors' committees, equity holders' committees or other groups in an effort to preserve or enhance a client's position as a creditor or equity holder. A member of any such committee or group may owe certain obligations generally to all parties similarly-situated that the committee represents. If Beach Point concludes that its obligations owed to the other parties as a committee or group member conflict with its duties owed to a Fund or Managed Account, it may resign from that committee or group, and a client may not realize the benefits, if any, of participation on the committee or group. In addition, if a Fund or Managed Account is represented on a committee or group, it may be restricted or prohibited under applicable law from disposing of or increasing its investments in such company while it continues to be represented on such committee or group, which may mean that a Fund or Managed Account will not be able to dispose of, or hedge, investments in such issuer.

Lender Liability and Equitable Subordination

In recent years, a number of judicial decisions in the U.S. and in other countries have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories (collectively termed "lender liability"). Generally, lender liability is founded upon the premise that an institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in a creation of a fiduciary duty owed to the borrower or its other creditors or shareholders.

Under common law principles that in some cases form the basis for lender liability claims, if a lender (i) intentionally takes an action that results in the undercapitalization of a borrower or issuer to the detriment of other creditors of such borrower or issuer, (ii) engages in other inequitable conduct to the detriment of such other creditors, (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (iv) uses its influence as a stockholder to dominate or control a borrower or issuer to the detriment of other creditors of such borrower or issuer, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors (a remedy called "equitable subordination"). There can be no guarantee that a client's claims will not be subject to equitable subordination or that a Fund or Managed Account will not incur significant costs defending against such a possibility (even if such defense is ultimately unsuccessful).

Concentration Risk

The investment management agreements entered into with the Funds or Managed Account clients may impose few (or no) limits on the concentration of investments in particular countries, regions, industries, instruments, securities or sectors, and as a consequence, at times a Fund or Managed Account may hold a relatively small number of investment positions, each representing a relatively large portion of the portfolio's

capital. Losses incurred in those positions could have a material adverse effect on the portfolio.

Hedging Transactions

A Fund or Managed Account may utilize financial instruments, both for investment purposes and for risk management purposes in order, for example, to (i) protect against possible changes in the market value of the investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect unrealized gains in the value of the investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in the portfolio; (v) hedge the interest rate or currency exchange rate on any of the portfolio's liabilities or assets; or (vi) protect against any increase in the price of any investments Beach Point anticipates purchasing on behalf of a client portfolio at a later date.

The success of any hedging strategy will depend, in part, upon Beach Point'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 portfolio investments being hedged. Since the characteristics of many assets change as markets change or time passes, the success of the hedging strategy will also be subject to Beach Point's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While Beach Point may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for a client portfolio than if Beach Point had not engaged in such hedging transactions. For a variety of reasons, Beach Point may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent a client portfolio from achieving the intended hedge or expose the portfolio to additional risk of loss. Beach Point may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, because it does not foresee the occurrence of the risk or for a number of other reasons.

Non-U.S. Investments

A client portfolio will typically include investments in financial instruments of issuers located outside of the United States (which may include emerging, developing or under-developed countries). In addition to business uncertainties, such investments may be affected by political, governmental, social and economic uncertainty affecting a country or region, especially investments in emerging market countries. Many financial markets are not as developed or as efficient as those in the United States, and as a result, liquidity may be reduced and price volatility may be higher. The legal and regulatory environment may also be different, particularly as to bankruptcy and reorganization. Financial accounting standards and practices may differ, and there may be less publicly available information in respect of such non-U.S. issuers. Income received by a Fund or Managed Account from sources within some countries may be reduced by withholding and other taxes imposed by such countries. Any such taxes paid by a Fund or Managed Account will reduce its net income or return from such investments.

Currency and Exchange Rate Risk

A Fund or Managed Account may hold certain investments in financial instruments denominated in currencies other than the U.S. Dollar or in financial instruments which are determined with reference to currencies other than the U.S. Dollar. To the extent unhedged, the value of a portfolio's assets will fluctuate with U.S. Dollar exchange rates as well as with price changes in the various local markets and currencies. Thus, an increase in the value of the U.S. Dollar compared to the other currencies in which a client portfolio may make investments will reduce the effect of increases and magnify the U.S. Dollar equivalent of the effect of decreases in the prices of the portfolio's financial instruments in their local markets. Conversely, a decrease in the value of the U.S. Dollar will have the opposite effect of magnifying the effect of increases and reducing the effect of decreases in the prices of the portfolio's non-U.S. Dollar financial instruments. Beach Point may (but may not be required to) utilize forward currency contracts and options to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective.

Unregistered Securities

A Fund or Managed Account may hold unregistered securities. Unregistered securities generally may be resold only (i) in a public offering registered under the Securities Act, (ii) pursuant to Rules 144 or 144A under the Securities Act or (iii) pursuant to any other exemption from registration under the Securities Act. The resulting difficulties and delays could result in a client's inability to realize a favorable price upon disposition of unregistered securities, and in some cases might make such disposition at the time desired by Beach Point impossible.

Leverage

A Fund or Managed Account may from time to time incur leverage as a result of, or in connection with, a variety of transactions or investments. While leverage presents opportunities for increasing a portfolio's total return, it has the effect of increasing potential losses as well. Accordingly, any event which adversely affects the value of an investment would be magnified to the extent a Fund or Managed Account is leveraged. The cumulative effect of the use of leverage by a Fund or Managed Account in a market that moves adversely to a portfolio's investments could result in a substantial loss which would be greater than if a Fund or Managed Account was not leveraged.

Derivative Investments

A Fund or Managed Account may invest in derivative instruments. The prices of derivative instruments, including futures and options, are highly volatile. Payments made pursuant to swap agreements may also be highly volatile. Price movements of futures and options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The value of futures, options and swap agreements also depends upon the price of the assets underlying them. In addition, a portfolio's assets are also subject to the risk of the failure of any of the exchanges on which its positions trade or of its clearinghouses or

counterparties. Certain options and other custom instruments are subject to the risk of non-performance by a counterparty, including risks relating to the creditworthiness of the counterparty, market risk, liquidity risk and operations risk. If a counterparty's creditworthiness declines, the value of any agreements with such counterparty can be expected to decline, potentially resulting in losses.

Credit Default Swaps

A Fund or Managed Account may enter into credit derivative contracts such as CDS, LCDS, CDX and LCDX contracts. The typical CDS and LCDS contract requires the seller to pay to the buyer, in the event that a particular reference entity experiences specified credit events, the difference between the notional amount of the contract and the value of a portfolio of securities or loans issued by the reference entity that the buyer delivers to the seller. In return, the buyer agrees to make periodic and/or upfront payments equal to a fixed percentage of the notional amount of the contract. A Fund or Managed Account may also purchase or sell CDS on a basket of reference entities or an index that is CDX and LCDX contracts. In circumstances in which a Fund or Managed Account does not own the debt or loans that are deliverable under a CDS, the Fund or Managed Account will be exposed to the risk that deliverable securities or loans will not be available in the market, or will be available only at unfavorable prices, as would be the case in a so-called "short squeeze."

Short-Selling

A Fund or Managed Account may engage in short-selling securities. Short-selling involves selling securities which may or may not be owned by the short seller and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short-selling allows the investor to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Fund or Managed Account of buying those securities to cover the short position. There can be no assurance that a Fund or Managed Account will be able to maintain the ability to borrow securities sold short. In such cases, the Fund or Managed Account can be "bought in" (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. In addition, short-selling activities are subject to restrictions imposed by U.S. and foreign governmental / regulatory authorities and various securities exchanges. Such restrictions may inhibit or prevent Beach Point from entering into a short position on behalf of a Fund or Managed Account.

Private Equity or Debt

A Fund or Managed Account may invest in private equity or debt. Private equity and debt investments involve a high degree of business and financial risk and can result in substantial or complete losses. A Fund or Managed Account may invest in portfolio

companies operating at a loss or with substantial variations in operating results from period to period and may need substantial additional capital to support expansion or to achieve or maintain competitive positions. Such companies may face intense competition, including competition from companies with much greater financial resources, much more extensive development, production, marketing and service capabilities and a much larger number of qualified managerial and technical personnel. Private equity and debt investments are very illiquid and may be difficult to value. It may take a number of years for a Fund or Managed Account to sell or otherwise dispose of any of its private equity and debt investments and the price ultimately realized upon such sale may be significantly less than the value attributed to such investment by a Fund or Managed Account.

Co-Investments with Third Parties

A Fund or Managed Account may co-invest with third parties through joint ventures or otherwise. Such investments may involve risks in connection with such third-party involvement, including the possibility that a co-venturer may experience financial difficulties resulting in a negative impact on such investment; may have economic or business interests or goals that are inconsistent with those of a Fund or Managed Account or may be in a position to take (or block) action in a manner contrary to a Fund's or Managed Account's investment objectives. In those circumstances where such third parties involve a management group, such third parties may enter into compensation arrangements relating to such investments, including incentive compensation arrangements. Such compensation arrangements will reduce the returns to participants in the investments and create potential conflicts of interest between such parties and a Fund or Managed Account.

Item 9: Disciplinary Information

To Beach Point's knowledge, none of the firm or any of its management personnel has been involved in, or subject to, any disciplinary events or legal actions that would be material to a client's or prospective client's evaluation of Beach Point's advisory business or the integrity of Beach Point's management.

Item 10: Other Financial Industry Activities and Affiliations

As described above in Item 4, Beach Point Advisors LLC, a related person of Beach Point acts as the general partner of the master funds and the Domestic Funds (other than one of the Draw-Down Funds) and BPC Opportunities Fund GP LP, a related person of Beach Point, acts as the general partner of one of the Draw-Down Funds. Thomas Boyack and Lawrence Goldman serve as directors of the offshore feeder funds.

Beach Point UCITS Management LLC, a related person of Beach Point, acts as the investment adviser to Merrill Lynch Investment Solutions – Beach Point Credit UCITS fund.

Beach Point Capital Europe LLP (“Beach Point Europe”), a related person of Beach Point, is an entity organized under the laws of the United Kingdom and authorized by the U.K. Financial Conduct Authority to, among other things, provide investment advisory services. Beach Point Europe provides research services to Beach Point and its affiliates. Beach Point Europe may provide research services with respect to issuers located outside of the United States.

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

Code of Ethics

Pursuant to Rule 204A-1 under the Advisers Act, Beach Point has adopted a Code of Ethics (the “Code”) which sets forth standards of business and personal conduct for all Beach Point employees and addresses conflicts including those that may arise from personal trading by employees. Below is a summary of certain provisions contained in Beach Point’s Code.

The Code requires employees to pre-clear all purchases and sales of securities unless otherwise exempted by the Code. Once a security transaction is approved, employees generally have two business days to execute the trade. Employees are prohibited from buying a financial instrument issued by an issuer if any client account holds a financial instrument issued by such issuer. In addition, certain blackout periods apply to the purchase and sale of certain financial instruments.

With limited exceptions, employees are prohibited from profiting directly or indirectly from the acquisition and disposition (or disposition and acquisition) of beneficial ownership of the same (or equivalent) securities within 60 calendar days. Any profits realized on such short-term trades must be disgorged and given to charity. Employees are prohibited from purchasing securities in initial public offerings and private placements unless prior approval is received from the Chief Compliance Officer or his designee.

Employees are also generally prohibited from serving as directors of other companies unless approval is obtained from (a) one of the founding partners and the Chief Compliance Officer or General Counsel to serve as a director, or in a similar capacity, of a portfolio company of a Fund or Managed Account managed by Beach Point and (b) Beach Point’s Chief Compliance Officer or General Counsel to serve as a director, or in similar capacity, in all other circumstances. In addition, the Code includes restrictions and reporting obligations in connection with gifts and entertainment. The Code also requires employees to pre-clear political contributions.

Employees may make a request to Beach Point’s Chief Compliance Officer for an exception from certain of the above listed restrictions. Such exceptions are granted, if at

all, only under limited circumstances.

Employees must report personal securities holdings upon becoming an employee and annually thereafter. Employees must also report their personal securities transactions on a quarterly basis. In addition, employees are required to send duplicate brokerage statements to Beach Point's Compliance Department.

Beach Point Managed Account clients and Fund investors may obtain a copy of the Code of Ethics free of charge by contacting the Chief Compliance Officer at (310) 996-9700.

Beach Point also maintains insider trading policies and procedures (the "Insider Trading Policies") that are designed to prevent the misuse of material, non-public information. Beach Point's personnel are required to certify to their compliance with the Code and the Insider Trading Policies on a periodic basis. There may be certain cases in which Beach Point or its personnel receive inside information due to their various activities on behalf of Beach Point or the Funds and Managed Accounts. In such circumstances, Beach Point may be restricted in acting on behalf of the Funds or Managed Accounts resulting in lost investment opportunities or limited liquidity for certain investments or Beach Point may otherwise be unable to use such information for the benefit of certain clients.

Principal Transactions and Cross Trades

On an exception basis, Beach Point or a related person may effect principal transactions (within the meaning of Section 206(3) of the Advisers Act) with a client account subject to guidelines, client consent and prior approval from Beach Point's Compliance Committee.

To the extent that Beach Point effects any principal transactions, Beach Point will comply with the requirements contained in Section 206(3) of the Advisers Act, including notifying the client in writing of the transaction and obtaining the client's consent.

In addition, Beach Point may effect transactions in portfolio securities between two or more Funds or Managed Accounts ("cross trades") unless prohibited or restricted by applicable law or by a client. When effecting cross trades between Funds and/or Managed Accounts, Beach Point will have potentially conflicting division of loyalties and responsibilities with respect to each participating Fund or Managed Account. Beach Point addresses this potential conflict of interest by conducting cross trades only in compliance with Beach Point's cross trade policy. The policy permits a cross trade only under certain conditions, including that Beach Point believes the transaction is in the best interest of all of the Funds and/or Managed Accounts participating in the cross trade. Cross trades require approval from the Chief Compliance Officer. In addition, Beach Point does not receive any special compensation for effecting cross trades. Commissions, if any, related to such cross trades are generally shared equally between the clients involved in the trade.

Fund Investments

As described previously, Beach Point Advisors LLC, a related person of Beach Point acts as the general partner of the Domestic Funds (other than one of the Draw-Down Funds). In addition, BPC Opportunities Fund GP LP, a related person of Beach Point, acts as the general partner of one of the Draw-Down Funds. Mr. Goldman and Mr. Boyack serve as directors of the offshore feeder funds.

Related persons of Beach Point may serve as general partners in partnerships in which clients are solicited to invest. For example, Beach Point solicited certain Managed Account clients to invest in the Draw-Down Funds. Soliciting clients to invest in Funds from which Beach Point or a related person of Beach Point receives fees is a potential conflict of interest. In order to address this conflict, Beach Point discloses to clients its interest in the Fund, does not charge clients any placement fees and provides clients with offering documents that explain the fee structure and risks associated with an investment in the Fund.

Item 12: Brokerage Practices

Beach Point generally has discretionary authority to manage the Funds and Managed Accounts, including the authority to determine which securities are to be bought and sold and the amounts appropriate for each client. Any limitation on Beach Point's authority is described in a client's investment management agreement and/or governing documents in the case of the Funds.

In selecting brokers or dealers to effect portfolio securities transactions, Beach Point will comply with its fiduciary duty to seek "best execution" on behalf of its clients. Beach Point will consider relevant factors, including, among other things: (a) price, (b) the nature of the market, (c) quantity, (d) the execution capabilities required by the transaction, (e) commissions, (f) the importance of speed and efficiency, (g) the reputation and perceived soundness of the broker or dealer, (h) block trading and block positioning capabilities, (i) willingness to execute related or unrelated difficult transactions in the future, and (j) brokerage and research products and services provided to Beach Point.

There are rarely brokerage commissions on fixed income transactions. Fixed income transactions are typically effected on a "net" basis. Therefore, clients are not expected to pay significant brokerage commissions on fixed income transactions. It is noted, however, that should any transactions for clients be effected for which brokerage commissions are charged, Beach Point will seek to obtain favorable commissions in light of its efforts to obtain "best execution" on all transactions. Beach Point is not obligated to obtain the lowest commission or best net price for a Fund or Managed Account on any particular transaction.

Soft Dollars

From time to time, unless prohibited by a client's investment management agreement and/or governing documents in the case of the Funds, Managed Accounts and Funds pay a broker-dealer commissions (or markups or markdowns with respect to certain types of riskless principal transactions) for effecting Fund and/or Managed Account transactions in excess of that which another broker-dealer might have charged for effecting the transaction in recognition of the value of the brokerage and research products or services provided by the broker-dealer or a third party vendor ("soft dollars"). Beach Point will endeavor to effect such transactions, and receive such brokerage and research products and services, only to the extent that they fall within the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended, and subject to prevailing guidance provided by the SEC regarding Section 28(e). Beach Point believes it is important to its investment decision-making processes to have access to independent research.

Beach Point's use of soft dollars to pay for research products and services benefits Beach Point because Beach Point does not have to produce or pay for the research products or services. Beach Point may have an incentive to select a broker-dealer based on its interest in receiving the research or other products or services rather than on a client's interest in receiving the most favorable execution of trades. Beach Point addresses this conflict through periodic meetings of the Beach Point Brokerage Committee. Among other things, the Beach Point Brokerage Committee reviews and approves Beach Point's (i) commission sharing arrangements (if any), (ii) use of soft dollars (if any), and (iii) the implementation of policies and procedures related to soft dollars.

At meetings of the Brokerage Committee, members of the trading staff are asked to confirm that commissions paid during the applicable period were reasonable in relation to the value of the brokerage and research products and services provided by the brokers. In addition, a portfolio manager is asked to confirm that (i) the research products and services provided by the brokers assisted in the performance of the investment team's investment decision-making responsibilities, (ii) the portfolio manager believes that the commissions paid during the period were reasonable in relation to the value of the research products and services paid for with soft dollars, (iii) the Beach Point trading desk sought to achieve best execution during the applicable quarter, and (iv) the broker selection process was not influenced by conflicts of interest (e.g., commission sharing arrangements, personal relationships with certain broker-dealers, preferential access to investment opportunities).

The research products or services furnished by brokers-dealers through which Beach Point effects transactions may be used for the benefit of clients other than the particular client whose transactions generated the soft dollars. Beach Point does not seek to allocate soft dollar benefits to Funds or Managed Accounts in proportion to the soft dollar credits generated by such Funds or Managed Accounts.

The research products or services furnished to Beach Point by broker-dealers may include, among other things, investment and financial market research, securities and economic analysis, company information and quotation services. The research received

from a broker-dealer may be proprietary research (created or developed by the broker-dealer) and/or research created or developed by a third party. For example, during 2014, Beach Point used soft dollars to acquire proprietary research analyzing the performance of particular companies and to pay for certain third party products and services, including financial software and data license fees, but excluding any hardware fees for the terminal, computer cables and cable lines associated with delivery of such software or data.

Broker-dealers sometimes suggest a level of business they would like to receive in return for the various products and services they provide. Actual brokerage business received by any broker-dealer may be less than the suggested allocation, but can (and often does) exceed the suggested level, because total brokerage is allocated on the basis of all of the considerations described above. In no case will Beach Point make binding commitments as to the level of brokerage commissions it will allocate to a broker-dealer, nor will it commit to pay cash if any informal targets are not met. A broker-dealer is not excluded from receiving business because it has not been identified as providing research products or services.

Brokerage for Client Referrals

Certain Fund investors are vehicles organized and managed by affiliates of broker-dealers. In addition, certain broker-dealers organize events pursuant to which certain of their clients may learn more about select investment advisers, including Beach Point. There may be an incentive for Beach Point to direct client transactions to such broker-dealers. Beach Point has policies in place, including a best execution policy, designed to prevent the selection of broker-dealers based solely on the receipt of such benefits by Beach Point or the Funds. In addition, Beach Point has a Brokerage Committee that reviews, approves and monitors executing broker-dealers and other trading counterparties.

Directed Brokerage

To the extent a client directs Beach Point to use a particular broker or dealer, Beach Point may not be authorized under those circumstances to negotiate price and may not be able to obtain volume discounts or best execution for such client. In addition, under these circumstances a disparity in prices may exist between clients who direct Beach Point to use a particular broker or dealer and other clients who do not direct Beach Point to use a particular broker or dealer. As a result, the client that directs brokerage may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions than would otherwise be the case if Beach Point used other or multiple brokers.

Order Aggregation

To achieve efficient execution and lower transaction costs, Beach Point often aggregates orders for groups of client accounts in order to trade blocks of securities. In such circumstances, each client account generally participates in the aggregated order at the

executed price, and all transaction costs, if any, are shared on a pro rata basis or equally, depending on the type of cost.

To the extent Beach Point is able to only partially fill an aggregated trade order, Beach Point's policy is to allocate investment opportunities among the Funds and/or Managed Accounts fairly and equitably, to the extent possible, over a period of time. Various criteria are considered in allocating investments bought or sold across client accounts, including: strategy and desired security percentage in the relevant portfolio; client guidelines; client weight in a particular security or industry (i.e., clients overweighted in a particular industry may be allocated less of a security in the same industry and vice versa); percentage of un-invested cash in the client portfolio (this is generally more relevant to newer accounts or to existing accounts that have recently had cash contribution or withdrawal activity); regulatory constraints; client tax considerations; market convention considerations (lot size, etc.) and other considerations. Factors taken into account with regard to client guidelines may include, among other things, type, size and quality of the security, industry and industry restrictions, ability to short or hedge within the client account, domestic versus foreign, maximum cash allowable, expected liquidity of an instrument, public versus private and affiliate restrictions.

Item 13: Review of Accounts

Each Fund and Managed Account is monitored regularly by Beach Point's automated compliance system to help ensure that account investment guidelines are followed. Each compliance alert triggered by the system is reviewed, researched and, where appropriate, cleared by Beach Point's Compliance Department. If an alert cannot be cleared, appropriate remedial action is taken (e.g., the instrument is not allocated to the Fund or Managed Account). Each Fund and Managed Account is also reviewed by Beach Point's portfolio managers on an ongoing basis with respect to specific issuers, market levels and developments and trends in general economic factors such as interest rates.

Fund investors receive unaudited monthly account statements and an annual report containing audited financial statements and a statement of their capital account / share holdings as of the fiscal year-end. Managed Account clients receive monthly statements and quarterly/annual reports from third party custodians. Fund investors and Managed Account clients typically receive monthly exposure reports and quarterly letters that generally include performance data and market commentary. Fund investors in Domestic Funds also receive annual K-1 statements for the Fund in which they are invested.

Item 14: Client Referrals and Other Compensation

Beach Point or its affiliates may receive transaction fees, investment banking fees, break-up fees, advisory fees, monitoring fees, directors' fees and other similar fees in connection with services provided to the Draw-Down Funds and, if received, such fees shall reduce the management fee paid to Beach Point by the Draw-Down Funds. Such

Deal Fees are more fully described in the Draw-Down Funds' offering documents. In addition, Beach Point may receive research products or services provided by broker-dealers or third party vendors as described in Item 12 of this brochure.

Beach Point may, from time to time, employ solicitors to whom it will pay cash or a portion of the advisory fees paid by clients referred to it by such solicitors. In such cases, this practice will be disclosed in writing to the client and such arrangement shall comply with the other applicable requirements contained in Rule 206(4)-3 under the Advisers Act.

Item 15: Custody

Beach Point has an obligation to safeguard client assets and protect them from loss or destruction. Rule 206(4)-2 under the Advisers Act (the "Custody Rule") imposes specific conditions on registered investment advisers who have actual or deemed custody of client assets. The Custody Rule contains a definition of the term "custody" which includes "holding, directly or indirectly, client funds or securities or having any authority to obtain possession of them." The definition also includes three non-exclusive examples of custody, including when an investment adviser acts as general partner of a limited partnership. Accordingly, Beach Point is deemed to have custody of the assets of each Fund for which Beach Point or an affiliate serves as general partner.

The Firm adheres to the applicable requirements of the Custody Rule with respect to each Fund for which it or an affiliate serves as general partner. All Fund securities are held with at least one qualified custodian, and the offering memorandum for each such Fund identifies each qualified custodian used by the Fund. In addition, Beach Point arranges for the delivery to investors in each of the Funds of a copy of the audited financial statements for their Fund, prepared in accordance with U.S. generally accepted accounting principles, on an annual basis, and within the required time frames set forth in the Custody Rule. In addition, as described above in Item 13, Fund investors also receive unaudited monthly account statements from their Fund's administrator and a statement of their capital account / share holdings as of the fiscal year-end. Fund investors should carefully review their monthly account statements, their annual statements and their Fund's audited financial statements.

Managed Account clients select their own custodian to maintain custody of their funds and securities. As discretionary investment adviser, Beach Point has trading discretion over the funds and securities maintained in a Managed Account client's custodial account, but Beach Point does not hold such funds or securities or have authority to obtain possession of them. However, to the extent Beach Point is deemed to have custody of a Managed Account client's funds or securities, Beach Point will take steps to meet its obligations under the Custody Rule.

Item 16: Investment Discretion

Beach Point serves as the investment adviser to the Funds and Managed Accounts. Beach Point generally has discretionary authority to manage the Funds and Managed Accounts, including the authority to determine which investments are bought and sold and the amounts appropriate for each client. Any limitation on Beach Point's authority is described in a client's investment management agreement and/or governing documents in the case of the Funds. Beach Point does not assume discretionary authority to manage portfolios on behalf of clients until entering into an investment management agreement and/or completing the appropriate governing documents in the case of the Funds.

Item 17: Voting Client Securities

Beach Point votes proxies on behalf of the Funds and certain Managed Accounts when so authorized by the Managed Account's investment management agreement or other governing documents. In addition, there may be a variety of corporate actions or other matters for which shareholder or bondholder action is required or solicited with respect to which Beach Point may take action that it deems appropriate in its best judgment except to the extent otherwise required by agreement with the relevant client. These actions requiring shareholder or bondholder action may involve, for example and without limitation, tender offers or exchanges, bankruptcy proceedings and class actions.

When voting on proxy proposals and corporate actions for clients, Beach Point's utmost concern is that all decisions be made solely in the interests of the client consistent with the Advisers Act and (as applicable) the Employee Retirement Income Security Act of 1974, as amended. Beach Point has retained the services of an independent third party to help receive and evaluate proxies, effect proxy votes and maintain appropriate proxy voting records.

Beach Point will act in a manner which is intended to enhance the economic value of the assets held in its clients' portfolios. Where a proxy proposal or corporate action raises a material conflict of interest between Beach Point and a client, Beach Point will (i) disclose the conflict to the client and obtain its consent to the proposed vote prior to voting the securities, (ii) vote the securities based on the recommendation of an independent third party, or (iii) take such other action as may be appropriate given the particular facts and circumstances. In addition, a client may direct Beach Point how to vote in a particular solicitation by providing instructions to Beach Point prior to the date such vote is due.

Beach Point's proxy voting policies and procedures contain guidelines that describe what types of matters will generally be voted against, voted for or handled on a case by case basis. To request a copy of Beach Point's proxy voting policies and procedures or to obtain information on how securities were voted on behalf of a client's account, clients may contact Beach Point's Client Service department at (310) 996-9700.

Item 18: Financial Information

This section is not applicable to Beach Point.

Item 19: Additional Information and Other Potential Conflicts of Interest

The following discussion enumerates certain potential conflicts of interest in addition to those described above that should be carefully evaluated before making an investment in any Fund, Managed Account or any future investment vehicle managed by Beach Point.

Agreements with Fund Investors

Beach Point, has in place, and in its sole discretion, without any act, consent or approval of any Fund investors, on its own behalf or on behalf of a Fund, may enter into, deliver, perform, modify, amend and terminate, side letters or other written agreements or instruments to or with one or more Fund investors which have the effect of altering or supplementing the terms described in a Fund's governing documents or of establishing rights not described in a Fund's governing documents with respect to such Fund investors, including, without limitation, with respect to fee arrangements, withdrawal/redemption rights, access to Fund information and certain so-called "key man" or "key person" rights.

Beach Point Personnel Fund Investments

Beach Point personnel may invest in eligible Funds of their choosing and are not required to invest in all Funds. It is expected that, if such investments are made, the size of these investments will change over time. A component of the bonus compensation paid to certain Beach Point personnel includes an indirect interest in only certain of the Funds. Such indirect Fund interests must be held by employees for an extended period of time. Neither Beach Point nor any Beach Point personnel are required to keep any minimum investment in any of the Funds other than the Draw-Down Funds. Potential conflicts may arise due to the fact that Beach Point personnel may have investments in some Funds but not in others or may have different levels of investments in various Funds. In order to address these potential conflicts, the firm allocates trades in accordance with its allocation policy which does not permit trades to be allocated to the Funds based on Beach Point employee ownership.

Dependence on Key Employees

A client's success depends upon the ability of Beach Point's investment professionals to develop and implement investment strategies designed to achieve the client's investment objective. If Beach Point were to lose the services of its portfolio managers or other key employees, the consequence to a client could be material and adverse. Competition in the financial services industry for qualified employees is intense and there is no guarantee that the talents of the Beach Point's investment professionals could be replaced.

Other Investment Vehicles

Beach Point may allocate a portion of client's assets to pooled investment or other structured vehicles or funds, including, without limitation, those managed by third-party portfolio managers. A client may incur expenses (including, without limitation, asset-based fees and performance-based compensation to such third-party managers) in addition to the fees paid to Beach Point even though the client may not achieve any gain with respect to such investments.

Valuation of Assets

The management fee and the incentive fee / allocation charged to or made by a Fund are calculated based on valuations ascribed to the Fund's holdings. Because Beach Point may participate in certain valuation decisions, the management fee and the incentive fee / allocation may create an incentive for Beach Point to assign biased valuations to the Fund's holdings, and in particular to its illiquid or hard-to-value holdings. There can be no assurance that the value assigned to an investment at a certain time will equal the value that the Fund is ultimately able to realize. Even if there is a difference, Beach Point is not required to return past management fees or incentive fees or to reverse past incentive allocations. Beach Point addresses this conflict by adhering to its valuation policies and using third party pricing sources for all investments above a de minimis threshold.

Additionally, a Fund may change its pricing policies and procedures from time to time in its sole discretion without notice to Fund investors. Any such changes may have a material effect on the valuation of the Fund's assets, and as a result, among other things, on the management fee and incentive fee / allocation. This conflict is addressed in the governing documents for each Fund which generally require investor consent for changes that may have a material adverse impact on Fund investors.

Payments to Beach Point and its Affiliates

Payments of fees, expense reimbursements and other items payable to Beach Point in connection with Beach Point's management of the Funds present conflicts of interests between Beach Point and the Funds because of Beach Point's authority with respect to the Funds.

Other Activities; Competing Time Pressures

Beach Point is not restricted from forming additional investment funds or advising additional managed accounts, entering into other investment advisory relationships, exercising investment responsibility, engaging in other business (or non-business) activities or directly or indirectly purchasing, selling, holding or otherwise dealing with investments for the account of any such other business or for other clients, even though

such activities may be in competition with a Fund or Managed Account and/or may involve substantial time and resources.

Beach Point manages and/or advises and expects to continue to manage and/or advise a variety of Funds and Managed Accounts. Beach Point expects to continue to manage and/or advise new investment vehicles, whether alone or partnering with others, and otherwise to develop its investment, advisory and related businesses. Beach Point expects that the universe of potential investments and other activities of its business could overlap with the investments and activities of the Funds and Managed Accounts and, as a result, may create conflicts of interest.

Beach Point's personnel will devote such time as they determine shall be necessary to conduct the business affairs of the Funds and Managed Accounts in an appropriate manner. However, Beach Point's personnel will work on other projects, including Beach Point's other investment advisory relationships and other existing and potential business activities, including the sponsorship of additional investment vehicles. The Funds and Managed Accounts may have no interest in such investments or in other Funds or Managed Accounts, nor any interest in future investment vehicles sponsored by Beach Point. It is possible that the investments held by the Funds and Managed Accounts or held through Beach Point's other business activities may be in competition with each other. The fact that Beach Point's personnel are involved in such other Beach Point activities or have knowledge of the transactions of other entities affiliated with Beach Point and are also involved with the Funds and Managed Accounts may prevent certain Funds and Managed Accounts from making or divesting certain investments which they might otherwise have made or divested.

In addition, the Funds, Managed Accounts or other personnel or entities affiliated with Beach Point may hold positions in securities or be subject to contractual or legal restraints that could prevent or restrict the Funds and Managed Accounts from being able to initiate transactions that they otherwise might have initiated or to sell investments that they otherwise might have sold. The trading activities of other entities affiliated with Beach Point may be inconsistent with the investment activities of the Funds and Managed Accounts.

Conflicting Investments

From time to time, Beach Point may acquire securities or other financial instruments of an issuer for one Fund or Managed Account which are senior or junior to securities or financial instruments of the same issuer that are held by, or acquired for, another Fund or Managed Account (e.g., one Fund may acquire senior debt while another Fund may acquire subordinated debt). Holding a position in different parts of the capital structure of an issuer in different Funds or Managed Accounts may lead to conflicts of interest among such Funds and Managed Accounts in certain circumstances such as the reorganization or restructuring of the issuer or its debt. In such circumstances, or other situations involving conflicting investments, Beach Point will endeavor to resolve such conflicts in a manner it deems fair and equitable to the extent possible under the

prevailing facts and circumstances.

Certain Relationships

Certain Beach Point personnel may have personal relationships with personnel of certain broker-dealers with which Beach Point trades on behalf of the Funds and Managed Accounts or other vendors, including without limitation, law firms that provide services to the Funds and Managed Accounts. For example, investment personnel may have siblings or other family members that are employed by a broker-dealer or law firm. Beach Point requires all employees to disclose such potential conflicts of interest and monitors such relationships.

Other Conflicts of Interest Relating to Beach Point Personnel

Subject to certain restrictions in the Code of Ethics, Beach Point personnel may invest on behalf of themselves in securities and other instruments that would be appropriate for, may be held by, or may fall within the investment guidelines of the Funds and/or Managed Accounts. Beach Point personnel may give advice or take action for their own accounts that may differ from, conflict with or be adverse to advice given or action taken for the Funds and/or Managed Accounts. Although unlikely, these activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more Funds and/or Managed Accounts.

Beach Point may give advice or take action with respect to the investments of one or more Funds or Managed Accounts that may not be given or taken with respect to other Funds or Managed Accounts with similar investment programs, objectives and strategies. Accordingly, Funds and Managed Accounts with similar strategies may not hold the same securities or instruments or achieve the same performance. This may raise a potential conflict of interest as the Funds and Managed Accounts pay Beach Point different levels and/or types of fees. Beach Point addresses this potential conflict of interest by allocating investment opportunities in accordance with its allocation policy. Beach Point also may advise Funds or Managed Accounts with conflicting programs, objectives or strategies. These activities also may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more Funds or Managed Accounts.