

**INVESTMENT ADVISER BROCHURE
PART 2A OF FORM ADV**

BERNHARD CAPITAL PARTNERS MANAGEMENT, LP

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This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Bernhard Capital Partners Management, LP (the “Management Company” or “BCP”). If you have any questions about the contents of this Brochure, please contact us at (225) 228-2500. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.

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

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

MATERIAL CHANGES

Bernhard Capital Partners Management, LP's (the "**Management Company**" or "**BCP**") filed its last Brochure on October 30, 2014. This annual amendment updates the description of business practices of BCP and its affiliates.

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ADVISORY BUSINESS

BCP, a registered investment adviser, is a Delaware limited partnership. The Management Company commenced business operations in March 2013. BCP Energy Services Fund GP, LP and BCP Energy Services Fund UGP, LLC are investment advisers affiliated with BCP (each, a “**General Partner**” and together with the Management Company and their affiliated entities “**Bernhard Capital**”). Each General Partner is registered under the Advisers Act pursuant to the Management Company’s registration in accordance with SEC guidance. This Brochure also describes the business practices of each General Partner, which operates as a single advisory business together with the Management Company.

BCP provides discretionary investment advisory services to its clients, which consist of private investment-related funds, currently BCP Energy Services Fund, LP and BCP Energy Services Fund-A, LP (each, a “**Fund**,” and collectively, the “**Funds**”). Certain Funds may be formed to make one particular investment (the “**Co-Invest Funds**”).

Interests in the Funds are privately offered to qualified investors in the United States and elsewhere. The Funds are expected to invest through negotiated transactions in operating companies. BCP’s investment advisory services to Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving disposition for such investments. Investments are made predominantly in non-public companies, although investments in public companies are permitted in certain instances. From time to time, where such investments consist of portfolio companies, the senior principals or other personnel of BCP may serve on such portfolio companies’ respective boards of directors or otherwise act to influence control over management of portfolio companies in which the Funds have invested.

BCP’s advisory services for each Fund are detailed in the applicable private placement memorandum (each, a “**Memorandum**”), limited partnership agreements (each, a “**Limited Partnership Agreement**” and together with the Memorandum, the “**Governing Documents**”) and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” Investors in Funds participate in the overall investment program for the applicable Fund, but may be excused from a particular investment due to legal, regulatory or other applicable constraints. The Funds or BCP may enter into side letters or other similar agreements with certain investors that have the effect of establishing rights (including economic or other terms) under, or altering or supplementing a Fund’s Limited Partnership Agreement, including provisions relating to the Management Fee (as defined below) and distributions.

Additionally, from time to time, BCP and the General Partner may provide (or agree to provide) certain investors or other persons the opportunity to participate in Co-Invest Funds that will invest in certain portfolio companies alongside a Fund. Such Co-Invest Funds typically invest and dispose of their investments in the applicable portfolio company at the same time and on the same terms as the Fund making the investment.

However, from time to time, for strategic and other reasons, a Co-Invest Fund may purchase a portion of an investment from a Fund. Any such purchase from a Fund by a Co-Invest Fund generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment, and the Co-Invest Fund may be charged interest on the purchase to compensate the relevant Fund for the holding period, and generally will be required to reimburse the relevant Fund for related costs.

As of December 31, 2014, BCP managed approximately \$119 million in client assets on a discretionary basis. The Management Company is principally owned by J.M. Bernhard Jr.

FEES AND COMPENSATION

The General Partner generally receives a management fee, a carried interest and with respect to certain Co-Invest Funds, an advisory fee in connection with its advisory services. However, certain Co-Invest Funds may not pay a management fee or bear any carried interest. The General Partner or other Bernhard Capital entities or affiliates receive additional compensation in connection with management and other services performed for portfolio companies of Funds and such additional compensation may offset in whole or in part the Management Fees (as defined below) otherwise payable to Bernhard Capital, as described in the Governing Documents. Investors in the Funds also bear certain fund expenses, as described below. In addition, BCP may receive compensation for management and other services performed in connection with co-investments made in portfolio companies of the Funds.

Management Fees

During the investment period, the Fund will pay the General Partner an annual management fee (the "Management Fee"), payable quarterly in advance, equal to 2% of aggregate investor capital commitments ("**Commitments**"). Commencing with the first Management Fee due date after the expiration of the investment period, the Management Fee will equal 2% of (i) the aggregate investment contributions, less (ii) the aggregate amount of investment contributions with respect to the portion of each investment that has been disposed of or permanently written-down; provided that investments in a portfolio company will be treated as having been disposed of or permanently written down only to the extent that, as of the date of any such disposition or write-down, the aggregate fair market value of all remaining Fund investments in such portfolio company is less than the Fund's aggregate investment contributions made with respect to such portfolio company.

In addition, the Management Fee will be reduced by 100% of the Fund's share of any: (i) directors' fees, financial consulting fees or advisory fees paid to the General Partner with respect to any Fund investment; (ii) transaction fees paid to the General Partner with respect to any Fund investment; and (iii) breakup fees (net of unreimbursed Fund expenses) with respect to Fund transactions not completed that are paid to the General Partner; but not including, in any event, any compensation or reimbursement paid to any person (x) in connection with certain services performed by third-party

operators and/or consultants or any other person operating in a similar capacity, including in certain instances, the Management Company's operating partners, or (y) related to consulting, advising or similar services in connection with the operations of a portfolio company, which services would otherwise be provided by other persons to the portfolio company, at rates not to exceed market rates. To the extent that such an offset credit would reduce the Management Fee for a given quarter period below zero, the credit will be carried forward for future application against payable Management Fees and if a credit remains upon liquidation a payment will be made crediting limited partners unless a limited partner has elected to waive such amount (e.g., where an adverse tax consequence may result).

Additionally, as further described below and in the applicable Memorandum and Limited Partnership Agreement, certain third-party consultants, and in certain instances Management Company operating partners, who provide services to (or with respect to) certain portfolio companies in which Funds invest may receive compensation, including, but not limited to transaction fees, and such compensation will not result in additional offsets to the Management Fee.

As permitted under the Limited Partnership Agreement, the General Partner may waive or agree to reduce the Management Fee. Certain waived portions of the Management Fee are treated by the Partnership Agreement as a deemed capital contribution by the General Partner, which is effectively invested in the relevant Fund on the General Partner's behalf, and operates to reduce the amount of capital the General Partner would otherwise be required to contribute to a Fund. The limited partners of a Fund may be required to make a *pro rata* contribution according to their respective Commitments to fund any contribution that would otherwise be required of the General Partner in connection with any such waiver or reduction as described above and, as a result, the exercise of such waiver may result in an acceleration of investor capital contributions. Waived or reduced Management Fees are not subject to the Management Fee offsets described above, and the amount of such waived or reduced Management Fees may be significant. Due to waived or reduced Management Fees by the General Partner and/or timing of receipt of compensation subject to offsets (as described above), it is possible that Management Fee offsets will not be fully realized by investors in a Fund, resulting in a net additional benefit to the General Partner.

Carried Interest

The General Partner will receive a carried interest with respect to the Fund equal to 20% of all realized profits subject to an 8% compound preferred return, as more fully described in the Limited Partnership Agreement. The carried interest distributed to the General Partner is subject to a potential giveback at the end of life of the Fund if the General Partner has received excess cumulative distributions and as further provided in the Limited Partnership Agreement.

It is expected that any future Funds will have a similar fee structure.

Other Information

Except as otherwise agreed, the General Partner and limited partners who are affiliates, employees or other designees of the General Partner may not be subject to carried interest or the Management Fee. The General Partner also may exempt certain investors in Funds from payment of all or a portion of Management Fees and/or carried interest, including any other person designated by the General Partner. Any such exemption from fees and/or carried interest may be made by a direct exemption, a rebate by the General Partner and/or its affiliates, or through other Co-Invest Funds.

The Funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the Governing Documents, over the term of the Funds and investors generally are not permitted to withdraw or redeem interests in the Funds.

Principals or other employees of BCP may receive a portion of the Management Fee, carried interest or other compensation received by the General Partner.

The General Partner will pay all ordinary administrative and overhead expenses incurred in connection with maintaining and operating its office(s), including employees' salaries, rent, utilities, etc.

In addition to the Management Fee, a Fund will pay all other costs and expenses of the Fund that are not reimbursed by portfolio companies (which reimbursements may be for travel (including, where appropriate, the chartering of private aircraft) and any other out-of-pocket expenses incurred in connection with the making, structuring, organizing, acquiring, managing, monitoring, operating, holding, winding up, liquidating, dissolving and/or disposing of such portfolio company investments, including follow-on investments and refinancings), including legal, auditing, consulting, financing, accounting, administration, information services, software licenses and custodian, depositary, transfer, registration and other similar fees and expenses; expenses associated with the Fund's financial statements, tax returns, Schedule K-1s or any other administrative, regulatory or other Fund-related reporting or filing obligations; regulatory related fees and expenses (including fees and expenses related to the preparation and filing of Form PF); out-of-pocket expenses, or other liabilities or obligations, incurred in connection with transactions not consummated ("**Broken Deal Expenses**"); expenses of the advisory board and annual meetings of the limited partners and any other meeting with any limited partner(s); insurance (including directors and officers insurance); other expenses associated with the acquisition, holding and disposition of its investments, including extraordinary expenses (such as litigation, if any); and any taxes, fees or other governmental charges levied against the Fund. Funds may also bear expenses indirectly to the extent a portfolio company pays expenses, including expenses of BCP, the General Partner and/or their affiliates.

The Funds likely will bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds. Brokerage fees may be incurred in accordance with the practices set forth in "Brokerage Practices." In certain

circumstances, one Fund may pay an expense common to multiple Funds (e.g., legal expenses for a transaction in which all such Funds participate), and be reimbursed by the other Funds by their share of such expense, without interest. To the extent co-investment vehicles or similar entities are formed in connection with a proposed transaction that is not consummated, Broken Deal Expenses relating to such co-investment vehicles or similar entities may be borne by other Funds.

Additionally, as described more fully in the applicable Memorandum and Limited Partnership Agreement, certain third-party consultants, and in certain instances Management Company operating partners, may provide services to (or with respect to) certain portfolio companies. In connection with such services, such third-party consultants, and in certain instances Management Company operating partners, may receive transaction fees and other compensation from such portfolio companies and/or Fund. The General Partner and/or its affiliates generally have discretion over whether to charge transaction fees, monitoring fees or other compensation to a portfolio company and, if so, the rate, timing and/or amount of such compensation; however, such amounts received by the General Partner with respect to services it provided to a Fund or portfolio company will be offset against the Management Fee. The receipt of such compensation may give rise to conflicts of interest between the Funds, on the one hand, and the General Partner and/or its affiliates on the other hand. Accordingly, a Fund and/or a portfolio company may engage third-party consultants and Management Company operating partners to provide services to a Fund and/or a portfolio company and any payments to such persons shall not be subject to offset against the Management Fee as described above.

In the event that BCP proposes to structure an investment using a blocker corporation or other intermediate entity, all costs, expenses and reduction in proceeds attributable to such blocker corporation or other intermediate entity, including, without limitation, those related to the structuring, formation, operation and liquidation of, and all taxes incurred in connection with, related to or imposed on, a blocker corporation or other intermediate entity will be borne solely by the limited partners investing through such intermediate entity.

Additionally, as further described herein and in the applicable Memorandum and/or Partnership Agreement of each Fund, it is Bernhard Capital's practice to retain certain operating partners to provide services to (or with respect to) one or more Funds or certain current or prospective portfolio companies. Such operating partners generally may provide services in relation to the identification, acquisition, holding, improvement and disposition of portfolio companies, including operational aspects of such companies. These services may also include serving in management or policy-making positions for portfolio companies. Operating partners receive compensation, including, but not limited to (transaction fees, a profits or equity interest in a portfolio company, profits or equity interests in one or more Funds or General Partners, or other compensation), which may be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of such operating partners, a percentage of the value of the portfolio company, the invested capital exposed to such

portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company. No such compensation will offset the Management Fee. The use of operating partners may subject the Advisers to conflicts of interest, as discussed under “Conflicts of Interest,” below.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described under “Fees and Compensation,” the General Partner generally receives a carried interest allocation on certain realized profits in the Funds. A carried interest allocation represents an investment adviser’s compensation based on a percentage of net profits of the funds it manages. However, certain Co-Invest Funds may not bear any carried interest. BCP does not believe this creates an actual conflict of interest because such Co-Invest Funds are generally single investment vehicles that do not compete for investments with the other Funds. See “Methods of Analysis, Investment Strategies and Risk of Loss,” for further discussion of conflicts of interest.

TYPES OF CLIENTS

BCP provides investment advice to the Funds. Funds may include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The investors participating in Funds may include individuals, banks or thrift institutions, other investment entities, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, principals or other employees of BCP and its affiliates and members of their families, operating partners or other service providers retained by BCP.

The Funds generally have a minimum investment amount of \$25 million for third-party investors. Generally, investors must be “accredited investors” as defined under Regulation D of the Securities Act of 1933, and may also be required to be either “qualified purchasers” or “knowledgeable employees” as defined under the Investment Company Act. The General Partner may waive such minimum investment amounts and qualification requirements.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General

BCP is a private investment firm that seeks to primarily invest in service companies across the energy spectrum. BCP investment advisory services consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for investments. Investments are predominantly of non-public companies although investments in public companies are permitted.

The following is a summary of the investment strategies and methods of analysis generally employed by BCP on behalf of the Funds. *There can be no assurance that*

BCP will achieve the investment objectives of the Funds and a loss of investment is possible.

Investment and Operating Strategy

BCP intends to harness the extensive relationship network, industry knowledge, operationally-minded value creation skills and transaction expertise of its investment team to generate attractive investment returns. The Firm has experience using a formal and prudent process for executing upon a stated investment strategy. BCP's investment process will involve a disciplined and systematic approach to committing and harvesting capital that is categorized in the following five steps:

- Active transaction sourcing
- Rigorous and disciplined due diligence and investment underwriting
- Thoughtful deal structuring
- Persistent and rational value creation processes
- Efficient execution of exit strategies

Active Transaction Sourcing

BCP is committed to actively sourcing proprietary investment opportunities outside competitive sales processes. Transaction origination is expected to be the deep industry knowledge and extensive industry relationships maintained by the BCP investment team. Capitalizing on the BCP investment team's extensive involvement in the energy sector, BCP intends to build on its team's existing relationships with global oil & gas firms, midstream energy service providers, international engineering & construction firms, specialized equipment manufacturers & suppliers, U.S. utilities & independent power producers, project developers, and governmental agencies to strategically address their capital needs and service requirements. BCP intends to maintain an ongoing dialogue with these organizations to understand their objectives and identify underlying market fundamentals to support the development of unique and proprietary investment opportunities.

In all cases, BCP strives to source transactions that offer significant opportunities for it to apply its unique operational expertise within energy services to promote growth, mitigate downside risk and generally influence the trajectory of each investment.

A core component of BCP's active sourcing strategy will be to utilize both "top-down" and "bottom-up" sourcing tactics. BCP draws upon its deep and broad network of industry, capital markets and regulatory contacts to develop a sector thesis and utilizes this direction to target specific companies with the most favorable market and competitive characteristics. With the specific asset and investment thesis in hand, significant effort and resources are then dedicated to (i) evaluate the market and competitive dynamics to test the investment thesis and ultimately test its validity and (ii) determine how BCP can adapt the original thesis to better position the potential investment for success.

Rigorous and Disciplined Due Diligence and Investment Underwriting

BCP will conduct due diligence and ultimately underwrite its investments utilizing the approach the investment team has collectively developed through its members' prior experiences. The team will leverage their collective experiences to promote a culture of collaboration and constructive scrutiny when evaluating potential investment decisions. The due diligence effort for each potential transaction will be conducted by a dedicated deal team with regular input from and communication with the Investment Committee. Each deal team is expected to include a full complement of BCP investment professionals who, in most cases, will further retain outside experts.

The Investment Committee, utilizing its unique market knowledge, will initially screen each investment opportunity. Those opportunities that pass the initial screen will then be subjected to a comprehensive due diligence process that begins by leveraging BCP's primary industry experience. The full evaluation process is performed in stages to ensure efficient allocation of time and resources only to those opportunities able to withstand increasing levels of scrutiny.

A comprehensive due diligence plan is the cornerstone of the BCP investment evaluation process. A thorough and staged review of both common and tailored diligence topics is performed on each potential investment opportunity that passes the Investment Committee's initial screen. The due diligence effort focuses on the key value drivers for each investment. The determination of these key drivers of value is rooted in BCP's primary operating experience in the same sectors in which the Fund invests and its access to other sector experts. BCP believes this provides for more insightful, detailed and efficient evaluation.

Prior to signing any acquisition-related, financing-related, or other document that commits the firm's capital or resources, each opportunity is presented to the Investment Committee for final review and vote. In this discussion, the deal team will present all aspects of the transaction including their relevant diligence findings, the proposed business plan & capital structure, and results of management partner evaluations, among others, as well as the projected base, downside & upside case investment return scenarios.

Thoughtful Deal Structuring

Each opportunity will be structured with specific focus on risk mitigation and flexibility. Risk mitigation will minimize downside risk in the event an investment faces unforeseen obstacles. Flexibility will promote growth and provide adaptability in the execution of the business plan. In general, the deal team, with counsel from the Investment Committee, will focus on four key areas when structuring an investment, including, management alignment and incentives, debt terms and conditions, governance, and minimization of tax and liability exposure.

Persistent and Rational Value Creation Processes

BCP attempts to unlock value through use of its service company operational expertise, industry knowledge and relationships. In addition to the investment team's

internal expertise, BCP has a broad network of experienced industry professionals, many of whom will provide valuable insight and investment support throughout the Fund's lifecycle. These individuals bring a wealth of experience and insight in both analyzing complex opportunities prior to acquisition and adding value post-acquisition through their industry expertise. Their involvement may range from assistance in sourcing proprietary investment opportunities, to business evaluation and technical due diligence to service as an active member of the Board of a portfolio company, among other activities. BCP believes its unique industry network further differentiates its ability to successfully grow and manage energy service companies.

Prior to completing an acquisition, BCP will develop a plan utilizing all relevant tools to create value at the acquired company. In general, the plan for value creation will focus on a number of specific areas, including:

- Establishing a regular financial and operating performance reporting cadence
- Leveraging BCP's unique insight to improve operational productivity
- Developing strategy to expand and diversify operations across multiple energy verticals
- Augmentation of management team and other staff, as necessary
- Providing access to relevant client and partner relationships
- Optimizing financing size, terms and conditions, and interest rate exposure
- Optimizing contractual relationships
- Providing access to additional capital, if appropriate
- Reducing and actively managing commodity price risk over time, as applicable

Exit Strategies

BCP understands that a successful investment process can only be realized through a timely, efficient and thoughtful exit strategy. Monetization flexibility is a core tenant of BCP's investment mindset and the firm strives to maintain optionality in this regard. BCP plans to consistently utilize its market insight and that of its network to evaluate strategies to most profitably exit its investments depending upon current market conditions. BCP expects to rely primarily on four approaches to achieve its targeted returns:

- Strategic mergers and sales
- Sales to financial sponsors
- Public market sales
- Recapitalizations

Risks of Investment

The Funds and their investors bear the risk of loss that BCP's investment strategy entails. Although the following risk factors are generally applicable to BCP's Funds, investors should also refer to a Fund's Memorandum for risk factors specific to their

Fund. The risks involved with BCP's investment strategy and an investment in the Funds include, but are not limited to:

Business Risks. A Fund's investment portfolio may consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

Future and Past Performance. While the General Partner intends for a Fund to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

Valuation of Assets. There is not expected to be an actively traded market for most of the securities owned by a Fund. When estimating fair value, the General Partner will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold. The exercise of discretion in valuation by the General Partner may give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of management fees.

Investment in Junior Securities. The securities in which a Fund will invest may be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect an investment once made.

Concentration of Investments. A Fund will participate in a limited number of investments and intends to make most of its investments in one industry or one industry segment. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect its aggregate return.

Lack of Sufficient Investment Opportunities. The business of identifying, structuring and completing private equity transactions is highly competitive and involves a high degree of uncertainty. However, limited partners will be required to bear through a Fund's Management Fees during the commitment period based on the entire amount of limited partners' Commitments.

Dynamic Investment Strategy. The General Partner may pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. The General Partner may pursue investments outside of the industries and sectors in which BCP has previously made investments or have internal operational experience.

Environmental Matters. Environmental laws, regulations and regulatory initiatives play a significant role in the energy and power industry and can have a substantial impact on investments in this industry. The energy and power industry will continue to face considerable oversight from environmental regulatory authorities. The Fund may invest in portfolio companies that are subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements.

There can be no guarantee that all costs and risks regarding compliance with environmental laws and regulations can be identified. New and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on portfolio companies or potential investments. Compliance with such current or future environmental requirements does not ensure that the operations of the portfolio companies will not cause injury to the environment or to people under all circumstances or that the portfolio companies will not be required to incur additional unforeseen environmental expenditures. Moreover, failure to comply with any such requirements could have a material adverse effect on a portfolio company, and there can be no assurance that portfolio companies will at all times comply with all applicable environmental laws, regulations and permit requirements.

Commodity Risk; Price Volatility. A Fund's investments may be subject to commodity price risk, including, without limitation, the price of electricity and the price of fuel. Historically, the markets for oil, gas, coal and power have been volatile, and such markets are likely to continue to be volatile in the future. The operation and cash flows of a Fund's investments may depend, in substantial part, upon prevailing market prices for energy commodities. These market prices may fluctuate materially depending upon a wide variety of factors that are beyond the control of the General Partner.

Drilling, Exploration and Development Risks. A Fund may invest in businesses that engage in oil and gas exploration and development or are related to oil and gas exploration and development, a speculative business involving a high degree of risk and the use of new technologies. Oil and gas drilling and fracturing may involve unprofitable efforts, not only horn dry holes, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Acquiring, developing and exploring for oil and natural gas involves many risks. The process of estimating oil and gas reserves is complex, requiring significant decisions and assumptions in the evaluation of available geological, geophysical, engineering and economic data for each reservoir.

Regulatory Approvals and Related Portfolio Company Matters. A Fund may invest in portfolio companies it believes have obtained all material energy-related federal, state, local or non-U.S. approvals required as of the date thereof. In addition, a Fund may require the consent or approval of applicable regulatory authorities in order to acquire or hold particular portfolio companies. A portfolio company could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such company. Moreover, additional

regulatory approvals, including without limitation, renewals, extensions, transfers, assignments, reissuances or similar actions, may become applicable in the future due to a change in laws and regulations, a change in the companies' customer(s) or for other reasons.

Potential Liability Related to Portfolio Company Operations. A Fund may invest in businesses that engineer, construct and perform services in large industrial facilities where accidents or system failures can have significant consequences. Any such accident or failure at a site where a portfolio company provided engineering, procurement and construction ("EPC") or similar services could result in significant professional liability, product liability, warranty and other claims against such portfolio company, a Fund, the General Partner or persons, regardless of whether their products or services caused the incident. Further, the engineering and construction projects a portfolio company may perform may expose them to additional risks including, but not limited to, equipment failures, personal injuries, property damage, shortages of materials and labor, permitting delays, work stoppages, labor disputes, weather problems and unforeseen engineering, architectural, environmental and geological problems, each of which could significantly impact such portfolio company's performance.

Illiquidity; Lack of Current Distributions. An investment in a Fund should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating a Fund (including the Management Fee payable to the General Partner) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including, without limitation, unfunded Commitments.

Leveraged Investments. A Fund may make use of leverage by having a portfolio company incur debt to finance a portion of its investment in such portfolio company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both a Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets, which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Fund's investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of

the Fund. Furthermore, should the credit markets be tight at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which a Fund will invest generally will not be rated by a credit rating agency.

Limited Transferability of Fund Interests. There will be no public market for Fund interests, and none is expected to develop. There are substantial restrictions upon the transferability of Fund interests under the Limited Partnership Agreement and applicable securities laws. In general, withdrawals of Fund interests are not permitted. In addition, Fund interests are not redeemable.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for Fund investments, and hence, most of a Fund's investments will be difficult to value. Certain investments may be distributed in kind to the limited partners and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal. The price at which such securities may be sold by such limited partners may be lower than the value of such securities determined pursuant to the Limited Partnership Agreement.

Reliance on the General Partner and Portfolio Company Management. Control over the operation of a Fund will be vested with the General Partner, and the Fund's future profitability will depend largely upon the business and investment acumen of the General Partner. The loss or reduction of service of one or more of the General Partner's employees could have an adverse effect on a Fund's ability to realize its investment objectives. Limited partners generally have no right or power to take part in the management of the Fund, and as a result, the investment performance of a Fund will depend on the actions of the General Partner.

Absence of Operating History. The Funds have limited operating history and will be entirely dependent on the General Partner. While the principals of the General Partner have previous experience managing investments similar to those contemplated by the Funds, the principals have limited experience managing and investing a committed pool of funds.

Projections. Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by each company's management. In all cases, projections are only estimates of future results that are based upon information received from the company and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

Need for Follow-On Investments. Following its initial investment in a given portfolio company, a Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio

company. There is no assurance that a Fund will make follow-on investments or that the Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment. Additionally, such failure to make such investments may result in a lost opportunity for a Fund to increase its participation in a successful portfolio company or the dilution of the Fund's ownership in a portfolio company if a third party invests in such portfolio company.

Non-U.S. Investments. A Fund may invest in portfolio companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of a Fund), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on a Fund and/or the limited partners with respect to the Fund's income, and possible non-U.S. tax return filing requirements for the Fund and/or the limited partners.

Public Company Holdings. A Fund's investment portfolio may contain securities issued by publicly held companies. Such investments may subject a Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of a Fund to dispose of such securities at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including the principals, and increased costs associated with each of the aforementioned risks.

Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by funds and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon portfolio companies in which a Fund makes investments.

Conflicts of Interest

Bernhard Capital, its related entities and individuals engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Funds, and providing transaction-related, investment advisory, legal, management and other services to Funds and portfolio companies. In the ordinary course of conducting its activities, the interests of a Fund may conflict with the interests of Bernhard Capital, one or more other Funds, portfolio companies or their respective affiliates. Certain of these conflicts of interest are discussed herein.

During the commitment period of a Fund, all appropriate investment opportunities will be pursued by BCP principals through such Fund, subject to certain limited exceptions. However, BCP may manage other investments similar to those in which a Fund will be investing, and may direct certain relevant investment opportunities to those investments. Bernhard Capital's investment staff will continue to manage and monitor such investments until their realization. Such other investments that Bernhard Capital principals may control or manage may potentially compete with companies acquired by a Fund. Following the commitment period of a Fund, Bernhard Capital principals may, and likely will, focus their investment activities on other opportunities and areas unrelated to such Fund's investments.

From time to time, Bernhard Capital will be presented with investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of Bernhard Capital. In determining which investment vehicles should participate in such investment opportunities, Bernhard Capital and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Investments by more than one client of Bernhard Capital in a portfolio company may also raise the risk of using assets of a client of Bernhard Capital to support positions taken by other clients of Bernhard Capital. When and to the extent that clients, employees and related persons of Bernhard Capital and its affiliates make capital investments in or alongside certain Funds, Bernhard Capital and its affiliates are subject to conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Because the General Partner's carried interest is based on a percentage of net realized profits of a Fund, it may create an incentive for BCP to cause such Fund to make riskier or more speculative investments than would otherwise be the case. Since the General Partner is permitted to receive certain fees (as described under "Fees and Compensation") in connection with Fund investments, BCP could have a conflict of interest in connection with approving transactions and setting such compensation.

As a result of a Fund's controlling interests in portfolio companies, the General Partner and/or its affiliates typically have the right to appoint board members to such portfolio companies, or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company board

members approve compensation and/or other amounts payable to the General Partner and/or its affiliates. The General Partner and/or its affiliates may also, from time to time, employ personnel with pre-existing ownership interests in portfolio companies owned by a Fund or other investment vehicles advised by BCP and/or its affiliates. Such amounts will be in addition to any Management Fees or carried interest paid by a Fund to Bernhard Capital.

Additionally, a portfolio company typically will reimburse Bernhard Capital or service providers retained at Bernhard Capital's discretion for expenses (including without limitation travel expenses) incurred by Bernhard Capital or such service providers in connection with its performance of services for such portfolio company. This subjects Bernhard Capital and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements may be substantial. Bernhard Capital determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, their effect is reflected in each Fund's audited financial statements, and any fee paid or expense reimbursed to Bernhard Capital or such service providers generally is subject to: agreements with sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third party co-investors in its transactions. These factors help to mitigate related conflicts of interest.

Bernhard Capital generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contracts for services with (i) Bernhard Capital or a related person of Bernhard Capital (which may include a portfolio company of such Fund) or (ii) an entity with which Bernhard Capital or its affiliates or current or former members of their personnel has a relationship or from which Bernhard Capital or its affiliates or their personnel otherwise derives financial or other benefit. This subjects Bernhard Capital to conflicts of interests, because although Bernhard Capital selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, Bernhard Capital may have an incentive to recommend the related or other person because of its financial or other business interest. There is a possibility that Bernhard Capital, because of such belief or for other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person.

Bernhard Capital and/or its affiliates may also, from time to time, employ personnel with pre-existing ownership interests in portfolio companies owned by a Fund or other investment vehicles advised by BCP and/or its affiliates. Similarly, Bernhard Capital, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including managers of private funds, banks and brokers. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Bernhard Capital and/or its affiliates, and/or the Funds or other investment vehicles they advise. Bernhard Capital may have a conflict of

interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide Bernhard Capital information about markets and industries in which Bernhard Capital operates (or is contemplating operations) or will provide other services that are beneficial to Bernhard Capital.

Bernhard Capital and its affiliates may buy or sell securities or other instruments that Bernhard Capital has recommended to a Fund. In addition, officers, principals and employees may buy securities in transactions offered to but rejected by a Fund. Such transactions are subject to the policies and procedures set forth in Bernhard Capital's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments may vary from those of any Fund.

In addition, as described above, portfolio companies (and, to a lesser extent, the Funds) typically pay certain fees to operating partners and other consultants (including consultants introduced or arranged by Bernhard Capital and/or its affiliates that may regularly provide services to one or more portfolio companies), and such fees do not offset the Management Fee as described herein. Operating partners may make use of Bernhard Capital resources or otherwise be associated with Bernhard Capital. Bernhard Capital and/or its affiliates may agree to compensate certain of such persons to the extent portfolio company-related compensation falls below certain specified levels on an aggregate annualized basis, or provide other compensation. Bernhard Capital also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that Bernhard Capital believes will align such persons' interests with those of the Funds' limited partners.

Because the General Partner's carried interest is based on a percentage of net realized profits, it may create an incentive for Bernhard Capital to cause a Fund to make riskier or more speculative investments (or hold investments for longer periods) than would otherwise be the case. Also, because there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure may create an incentive to deploy capital when Bernhard Capital may not otherwise have done so. Since Bernhard Capital is permitted to retain certain fees (as described under "Fees and Compensation") in connection with Fund investments, it could have a conflict of interest in connection with approving transactions and setting such compensation.

Any of these situations subjects BCP, the General Partner and/or their affiliates to potential conflicts of interest. Bernhard Capital attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Bernhard Capital's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds and such investment vehicles in a fair and equitable manner. To the extent that an investment or relationship raises particular conflicts of interest, Bernhard Capital will review the circumstances of such investment or relationship with a view to addressing and reducing

the potential for conflict. Where necessary, Bernhard Capital consults and receives consent to conflicts from an advisory board consisting of limited partners of the relevant Fund and such other investment vehicles.

DISCIPLINARY INFORMATION

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

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As described under “Advisory Business” above, the Management Company is affiliated with the General Partner, which will be registered with the SEC under the Advisers Act pursuant to the Management Company’s registration in accordance with SEC guidance. The General Partner operates as a single advisory business together with the Management Company and serves as general partner of the Funds and may share common owners, officers, partners, employees, consultants or persons occupying similar positions.

In addition, one or more of the principals of BCP may own interests in other entities involved in making investments. In certain circumstances, a Fund may purchase investments from those related entities. In such circumstances, BCP will ensure that it addresses any conflicts of interest.

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

BCP has adopted a Code of Ethics and Securities Trading Policy (the “Code”), which sets forth standards of conduct that are expected of BCP principals and employees and addresses certain conflicts that may arise from personal securities trading. The Code requires BCP personnel to:

- report their personal securities transactions;
- pre-clear any proposed purchase of any initial public offering or limited offering; and
- comply with policies and procedures reasonably designed to prevent the misuse of, or trading upon, material non-public information.

A copy of the Code will be provided to any client or prospective client upon request to the BCP Chief Compliance Officer at (225) 421-8602. Personal securities transactions by BCP personnel are required to be conducted in a manner that prioritizes the client’s interests in client eligible investments.

BCP and its affiliated persons may come into possession, from time to time, of material nonpublic or other confidential information about public companies which, if disclosed, might affect an investor’s decision to buy, sell or hold a security. Under

applicable law, BCP and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of Bernhard Capital. Accordingly, should BCP or any of its affiliated persons come into possession of material nonpublic or other confidential information with respect to any public company, BCP would be prohibited from communicating such information to clients, and BCP will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of BCP personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Funds.

Principals and employees of BCP and its affiliates may directly or indirectly own an interest in the Funds or certain Co-Invest Funds. To the extent that Co-Invest Funds exist, such vehicles may invest in one or more of the same portfolio companies as the Funds. Co-invest opportunities may also be presented to certain affiliates of the BCP, as well as third party investors and other persons, and such co-investments may be effected through co-investment vehicles or directly in a particular portfolio company. Additionally, the Funds may invest together with other private investment funds advised by an affiliated adviser of BCP in the manner set forth in the Limited Partnership Agreement and BCP's Allocation Policy. BCP will determine the allocation of investment opportunities in a manner that it believes is fair and equitable to its clients consistent with BCP's obligations and may take into consideration factors such as a following: the client's investment restrictions and objectives (including those set forth in the relevant client's governing documents, where applicable), strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition and cash level and applicable regulatory restrictions. In the case of co-invests, BCP may grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in portfolio companies or otherwise to have priority in co-investment opportunities.

BCP and its affiliates, principals and employees may carry on investment activities for their own account and for family members, friends or others who do not invest in the Funds, and may give advice and recommend securities to vehicles that may differ from advice given to, or securities recommended or bought for, the Funds, even though their investment objectives may be the same or similar.

From time to time, the General Partner may borrow funds on behalf of the Funds and contribute such borrowed amounts to the Funds as a special capital contribution for investment, to be redeemed at a later date. Interest in connection with such borrowing is borne by such Fund as a Fund expense, consistent with the Limited Partnership Agreement and the expense policy described under "Fees and Compensation." In borrowing on behalf of the Funds, the General Partner is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of such Fund. The General Partner will effect such borrowings in a manner it believes to be fair and equitable to the Funds, as applicable, and consistent with the General Partner's obligations to the Funds and the Limited Partnership Agreement.

BROKERAGE PRACTICES

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

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

BCP has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or “posted” commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although BCP generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with BCP seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although BCP generally does not make use of such services at the current time. As a general matter, research provided by these brokers would be used to service all of BCP’s Funds. However, each and every research service may not be used for the benefit of each and every Fund managed by BCP, and brokerage commissions paid by one Fund may apply towards payment for research services that might not be used in the service of such Fund.

To the extent that BCP allocates brokerage business on the basis of research services, it may have an incentive to select or recommend broker-dealers based on the interest in receiving such research or other products or services, rather than based on its Funds’ interest in receiving most favorable execution.

BCP does not anticipate engaging in significant public securities transactions; however, to the extent that BCP engages in any such transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for any Funds are completed

independently, BCP may also purchase or sell the same securities or instruments for several Funds simultaneously. From time to time, BCP may, but is not obligated to, purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or “batched” to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs.

When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Fund participating in such buy or sell order. Each Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to *pro rata* allocations are permissible provided they are fair and equitable to the Funds over time.

In Bernhard Capital’s private company securities transactions on behalf of the Funds, Bernhard Capital may retain one or more broker-dealers or investment banks, the costs of which will be borne by the relevant Fund and/or its portfolio companies. In determining to retain such parties, Bernhard Capital may consider a variety of factors, including: (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although Bernhard Capital generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds may not pay the lowest commission or fee for such services.

REVIEW OF ACCOUNTS

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

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

CLIENT REFERRALS AND OTHER COMPENSATION

As discussed in the “Fees and Compensation” section, BCP and/or its affiliates provide certain business or consulting services to portfolio companies and may receive compensation from these companies in connection with such services. As described in the applicable Fund’s Governing Documents, this compensation may, in certain circumstances, offset all or a portion of the Management Fees paid by the Fund. However, in other circumstances, these fees would be in addition to Management Fees

Related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s).

BCP may enter into solicitation arrangements pursuant to which it would compensate third parties for referrals that result in a potential investor becoming a limited partner in a Fund. Any fees payable to any such placement agents will be borne by the General Partner indirectly through an offset against the Management Fee.

CUSTODY

As required by the Advisers Act, BCP has established an account with one or more qualified custodians to hold funds and securities on behalf of the Funds. In addition, the Funds are audited by an independent public accountant annually and such audited financial statements are distributed to investors in accordance with Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended.

INVESTMENT DISCRETION

BCP has discretionary authority to manage investments on behalf of the Funds. As a general policy, BCP does not allow clients to place limitations on this authority. Pursuant to the terms of the Governing Documents, however, BCP may enter into side letter arrangements with certain limited partners whereby the terms applicable to such limited partner's investment in a Fund may be altered or varied, including, in some cases, the right to opt out of certain investments for legal, tax, regulatory or other agreed-upon reasons. BCP assumes this discretionary authority pursuant to the terms of the Governing Documents.

VOTING CLIENT SECURITIES

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

information regarding how BCP voted proxies for particular portfolio companies, they should contact the BCP Chief Compliance Officer at (225) 228-2502, and it will be provided at no charge.

FINANCIAL INFORMATION

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