

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

BLUE POINT CAPITAL PARTNERS, LLC

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This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Blue Point Capital Partners, LLC (the “Management Company”). If you have any questions about the contents of this Brochure, please contact us at (216) 535-4700. 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.

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MATERIAL CHANGES

The Management Company filed its most recent Form ADV Part 2 on March 28, 2018. This annual amendment updates the description of the business practices of the Management Company and its affiliates, including the terms and operations of the Funds (as defined herein).

ADVISORY BUSINESS

The Management Company, a Delaware limited liability company and a registered investment adviser, provides investment advisory services to investment funds privately offered to qualified investors in the United States and elsewhere. The Management Company commenced operations in January 2001. Blue Point (as defined herein) is a private investment management firm, including several general partner entities and other organizations affiliated with the Management Company.

The following general partner entities are affiliates of the Management Company:

- BPCP Management, L.P. (“**GP I**”);
- BPCP Management II, L.P. (“**GP II**”);
- BPCP Management III, L.P. (**GP III**); and
- BPCP Management IV, L.P. (“**GP IV**,” and together with GP I, GP II and GP III, the “**General Partners**”)

(GP I, GP II, GP III and GP IV each, a “**General Partner**,” and together with the Management Company and their affiliated entities, the “**Advisers**” or “**Blue Point**”).

The Advisers’ clients include the following (each, a “**Fund**,” and together with any future private investment fund to which Blue Point or its affiliates provide investment advisory services, the “**Funds**”):

- Blue Point Capital Partners, L.P. (“**Fund I Main**”);
- Blue Point Capital Partners (B), L.P. (“**Fund I(B)**,” and together with Fund I Main, “**Fund I**”);
- Blue Point Capital Partners II, L.P. (“**Fund II Main**”);
- Blue Point Capital Partners II (B), L.P. (“**Fund II(B)**,” and together with Fund II Main, “**Fund II**”);
- Blue Point Capital Partners II Executive Fund, L.P. (“**Executive Fund II**”);
- Blue Point Capital Partners III, L.P. (“**Fund III Main**”);
- Blue Point Capital Partners III (A), L.P. (“**Fund III(A)**”);

- Blue Point Capital Partners III (B), L.P. and a single investment co-invest vehicle established for the State Plan (as defined herein) (collectively, “**Fund III(B),**” and together with Fund III Main and Fund III(A), “**Fund III,**” and Fund III(B) together with Fund I(B) and Fund II(B), the “**State Plan Funds**”); and
- Blue Point Capital Partners III Executive Fund, L.P. (“**Executive Fund III**”);
- Blue Point Capital Partners IV, L.P. (“**Fund IV Main**”);
- Blue Point Capital Partners IV (A), L.P. (“**Fund IV(A)**” and together with Fund IV Main, “**Fund IV**”);
- Blue Point Capital Partners IV Executive Fund, L.P. (“**Executive Fund IV,**” and together with Executive Fund II and Executive Fund III, the “**Executive Funds,**”).

The General Partners each serve as general partner to one or more Funds and have the authority to make the investment decisions for the Funds to which they provide advisory services. The Management Company provides the day-to-day advisory and certain administrative services for the Funds. Each General Partner is subject to the Advisers Act pursuant to the Management Company’s registration in accordance with SEC guidance and is controlled by the Management Company. This Brochure also describes the business practices of the Advisers which operate as a single advisory business. References contained in this Brochure to the strategy and operations of a General Partner should be read to include the activities of the Management Company and other Blue Point advisory affiliates that collectively engage in the investment process and ongoing management of the Funds’ portfolio companies.

The Funds are private equity funds and invest through negotiated transactions in operating entities, generally referred to herein as “portfolio companies.” The Advisers’ investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Although investments are made predominantly in non-public companies, certain investments in public companies are permitted. From time to time, the senior principals or other personnel of the Advisers or their affiliates serve on portfolio company boards of directors or otherwise act to influence control over management of portfolio companies in which the Funds have invested.

Blue Point’s advisory services for the Funds are further described in the applicable private placement memoranda or other offering documents (each, a “**Memorandum**”) and limited partnership or other operating agreements or governing documents (each, a “**Partnership Agreement**”) and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss” and “Investment Discretion.” Investors in the 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 agreed-upon circumstances pursuant to the relevant Partnership Agreement. The Funds or the Advisers may enter into side letters or other similar agreements (“**Side Letters**”) with certain investors that have the effect of establishing rights

(including economic or other terms) under or altering or supplementing the terms of the relevant Partnership Agreement with respect to such investors.

Additionally, from time to time and as permitted by the relevant Partnership Agreement, the Advisers expect to provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain investors or other persons, including other sponsors, market participants, finders, consultants, other service providers and/or certain other persons associated with the Advisers and/or their affiliates. Such co-investments typically involve investment and disposal of interests 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-investor or co-invest vehicle may purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment. Where appropriate, and in the Adviser's sole discretion, the Adviser is authorized to charge interest on the purchase to the co-investor or co-invest vehicle, and to seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund.

As of January 1, 2019, the Management Company managed approximately \$1.3 billion in client assets on a discretionary basis. The Management Company is principally owned and controlled by Charles M. Chaikin, John A. LeMay, Julianne Marley, Mark E. Morris and Sean P. Ward. Julianne Marley and Mark E. Morris joined as member of the Management Company (with the consent and approval of the LP Committees, as applicable) when the founding members of Blue Point, David P. Given and John F. Kirby, retired and ceased to be members, effective December 31, 2018.

FEES AND COMPENSATION

In general, the General Partners receive a Management Fee (as defined below) and a carried interest in connection with advisory services. The General Partners, or other Blue Point entities or affiliates, generally receive additional compensation in connection with management and other services performed for portfolio companies of Fund (e.g., monitoring and other fees). A portion of such additional compensation will partially offset the management fees otherwise payable to the applicable General Partner in accordance with the relevant Partnership Agreements. Investors in the Funds also bear certain fund expenses.

Management Fee

Each Fund pays the applicable General Partner a management fee (the "**Management Fee**") equal to 2.00% (1.75% for Fund I(B), Fund II(B) and Fund III(B)) on an annual basis of aggregate Fund investor capital commitments ("**Commitments**"). Payment of the Management Fee is due quarterly in advance. Most of the Management Fees are ultimately received by the Management Company. Investors participating in a closing after the initial closing of a Fund bear the Management Fee from the date of the initial closing of such Fund plus interest. The Management Fee will be reduced upon the expiration of the investment period or where a

particular subsequent Fund commences or upon the occurrence of certain other events as described in the applicable Partnership Agreement. The Management Fee will be payable until all portfolio investments are distributed or until such General Partner's relationship with the applicable Fund is terminated for other reasons (as described in the Fund's Partnership Agreement). Installments of the Management Fee payable for any period other than a full three-month period are generally adjusted on *pro rata* basis according to the actual number of days in such period.

The Management Fee is reduced by a specified percentage of a Fund's share of any directors' fees, financial consulting fees or advisory fees, professional services fees, transaction fees, breakup fees and other specified fees and fee amounts paid by portfolio companies to a General Partner, the Management Company or their affiliates, partners, members, officers or employees (such fees, "**Supplemental Fees**"), as more fully detailed and subject to the terms set forth in the relevant Partnership Agreement. To the extent that such an offset credit would reduce the Management Fee for a given three-month period below zero, the credit will be carried forward for future application against payable Management Fees. To the extent any such excess remains unapplied upon a Fund's liquidation, each partner of such Fund will receive its share of such unapplied excess, unless such partner elects not to receive its share (*e.g.*, where an adverse tax consequence may result). Some service arrangements with portfolio companies may require fees to be paid in advance.

To the extent that any other Fund or co-investor invests alongside the Fund in any portfolio company investment, any Management Fee reduction associated with Supplemental Fees from the portfolio company generally will be allocated to the applicable Fund(s) *pro rata* based on the aggregate commitment(s) of such Fund(s).

Additionally, as further described below and in the applicable Memorandum and/or Partnership Agreement of each Fund, it is the Advisers' practice to retain certain Operating Partners (as defined herein), who are not employees of the Adviser, to provide services to (or with respect to) certain portfolio companies in which one or more Funds invest. Such Operating Partners generally receive compensation and other amounts described herein, but no such amounts will result in additional offsets to the Management Fee.

Certain Partnership Agreements permit the General Partner to waive or agree to reduce the Management Fee. Certain waived or reduced portions of the Management Fee are treated by the Partnership Agreement as a deemed capital contribution by the relevant General Partner, which is effectively invested in the relevant Fund on such General Partner's behalf and operates to reduce the amount of capital such General Partner would otherwise be required to contribute to the Fund. The limited partners of the 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 (or delay) of investor capital contributions. Waived or reduced Management Fees, as described above, may cause offset credits to be carried forward for future application against payable Management Fees.

Carried Interest

Each General Partner will receive a carried interest with respect to the applicable Fund (with the exception of the Executive Funds) equal to 20% of all realized profits subject to an 8% annually compounded preferred return and a General Partner catch-up provision, as more fully described in the Partnership Agreement. The carried interest distributed to the General Partner is subject to a potential giveback at the end of the life of the Fund (and earlier as set forth in certain Partnership Agreements) if the General Partner has received excess cumulative distributions. Generally, the Executive Funds are not subject to a carried interest (though certain qualifying investors therein may bear a carried interest).

Other Information

The Advisers are permitted to exempt certain investors in the Funds from payment of all or a portion of Management Fees and/or carried interest, including Blue Point affiliates and professionals and any other person designated by the Advisers, such as “friends and family” of Blue Point or its personnel, executives of companies in which the Principals (as defined below) previously have invested, been employed or otherwise been associated or other investors meeting certain qualification requirements based on commitment size or other strategic or relationship factors. Any such exemption from fees and/or carried interest may be made by a direct exemption, a rebate by the Advisers and/or its affiliates, or through other Funds which co-invest with a Fund. Additionally, to the extent permitted by the relevant Partnership Agreement, certain Advisers have the right to permit investors, affiliated with an Adviser or otherwise, to invest through the relevant General Partner or other vehicles that do not bear Management Fees or carried interest.

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 Partnership Agreement, over the term of the relevant Fund, and investors generally are not permitted to withdraw or redeem interests in the Fund.

Principals or other current or former employees of Blue Point generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Management Fee, carried interest or other compensation received by the General Partners or their affiliates.

In addition to the Management Fee and carried interest payable to the General Partner, each Fund bears certain expenses. As set forth more fully in the Memorandum and/or Partnership Agreement for each relevant Fund, the Fund bears all fees, costs, expenses, liabilities and obligations relating to the Fund and/or its activities, business, portfolio companies or actual or potential investments, including with respect to any person formed to effect the acquisition and/or holding of a portfolio company (to the extent not borne or reimbursed by a portfolio company or potential portfolio company), including all fees, costs, expenses, liabilities and obligations relating or attributable to: (i) activities with respect to the structuring, organizing, negotiating, consummating, financing, refinancing, acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, or otherwise disposing of, as applicable, portfolio companies

and the Fund's actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, investment bankers, lenders, third-party diligence software and service providers, consultants and similar professionals in connection therewith and any fees and expenses related to transactions that may have been offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful (such fees and expenses, or other liabilities or obligations, incurred for transactions not consummated ("Broken Deal Expenses")); (ii) indebtedness of, or guarantees made by, the Fund, the Management Company, the General Partner or any affiliated partner on behalf of the Fund (including any credit facility, letter of credit or similar credit support), including interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iii) financing, commitment, origination and similar fees and expenses; (iv) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services; (v) brokerage, sale, custodial, depository, trustee, record keeping, account and similar services; (vi) legal, accounting, research, auditing, administration (including fees and expenses associated with the Fund's third-party administrator and administration or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services), consulting (but not including the consulting fees and retainers of the Operating Partners (as defined herein)), tax and other professional services (excluding consulting services that are not related to a portfolio company or prospective portfolio company or an existing or prospective investment, and are not performed as part of an investment or investment strategy initiative); (vii) reverse breakup, termination and other similar fees; (viii) directors and officers liability, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance and regulatory expenses; (ix) filing, title, transfer, registration and other similar fees and expenses; (x) printing and communications; (xi) the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K 1s, or any other administrative, compliance or regulatory filings or reports, or other information, including fees and costs of any third-party service providers and professionals related to the foregoing; (xii) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of the Fund or the investors; (xiii) any activities with respect to protecting the confidential or non-public nature of any information or data, including confidential information; (xiv) to the extent provided in the Partnership Agreement, or otherwise approved by the General Partner in its sole discretion, activities or proceedings of the advisory board (including any reasonable out-of-pocket costs and expenses incurred by representatives of the General Partner, the advisory board members, permitted observers and other persons in attending or otherwise participating in meetings of the advisory board); (xv) indemnification (including any fees, costs and expenses incurred in connection with indemnifying any partner or other person pursuant to Partnership Agreement or otherwise and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the Partnership Agreement), except as otherwise set forth in this Partnership Agreement; (xvi) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including any judgment, other award or settlement entered into in connection therewith; (xvii) any annual investor meeting or other periodic, if any,

meetings of the investors and any other conference or meeting with any investor(s), in each case to the extent incurred by the Fund or any person affiliated with Blue Point; (xviii) the Management Fee; (xix) except as otherwise determined by the General Partner in its sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a Fund expense if it were incurred in connection with the Fund; (xx) the termination, liquidation, winding up or dissolution of the Fund; (xxi) defaults by investors in the payment of any capital contributions to the Fund; (xxii) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Fund, a parallel Fund and any alternative investment vehicle of the Fund or a parallel Fund, including the preparation, distribution and implementation thereof; (xxiii) (A) complying with any law or regulation related to the activities of the Fund (including regulatory expenses of the General Partner incurred in connection with the operation of the Fund and legal fees and expenses) and/or (B) any litigation or governmental inquiry, investigation or proceeding involving the Fund, including the amount of any judgments, settlements or fines paid in connection therewith, except to the extent such expenses or amounts have been determined to be excluded from the indemnification provided for in the Partnership Agreement; (xxv) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer contemplated by the Partnership Agreement; (xxvi) any taxes, fees and other governmental charges levied against the Fund and all expenses incurred in connection with any tax audit, investigation settlement or review of the Fund (except to the extent that the Fund is reimbursed therefor by an indemnifying partner or such tax, fee or charge is treated as having been distributed to the partners pursuant to the Partnership Agreement); (xxvii) distributions to the partners and other expenses associated with the acquisition, holding and disposition of the Fund's investments, including extraordinary expenses; (xxviii) unreimbursed expenses of the Operating Partners, employees or other persons engaged by the Operating Partners; (xxix) compliance or regulatory matters related to the Fund, except as otherwise set forth in the Partnership Agreement; (xxx) any travel, lodging or meals relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxxi) any organizational expenses as provided in the Partnership Agreement; (xxxii) any private placement fees paid to third parties in connection with the organization and funding of the Fund; and (xxxiii) any other fees, costs, expenses, liabilities or obligations approved by the advisory board; but not including ordinary overhead and administrative expenses that are payable by the General Partner and/or the Management Company pursuant to the Partnership Agreement and (B) any expenses included as part of the definition of "Investment Contributions" in the Partnership Agreement. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in "Brokerage Practices."

Certain Funds may enter into credit agreements in connection with bridging capital calls, the cost of which is borne by the Funds. For example, Fund III, Executive Fund III, Fund IV and Executive Fund IV have each entered into a credit agreement with Silicon Valley Bank. Under the credit agreements, these Funds may borrow up to a maximum of 15% of aggregate commitments (in accordance with the relevant Partnership Agreement), a portion of which is in form of a committed facility and the rest is available, at the sole discretion of Silicon Valley Bank, upon request. The credit facility renews annually and is subject to fees and expenses, including an annual facility fee, an unused line fee, an increase commitment fee and interest on

borrowings. The purpose of the credit facility is bridge capital calls and all borrowings under the credit facility are repaid to Silicon Valley Bank within 30 days. There were outstanding borrowings under the Fund IV and Executive Fund IV credit facilities as of December 31, 2018.

In certain circumstances, one Fund is expected to pay an expense common to multiple Funds (including without limitation legal expenses for a transaction in which all such Funds participate, or other fees or expenses in connection with services the benefit of which are received by other Funds over time) and be reimbursed by the other Funds by their share of such expense. While Blue Point believes such circumstances to be highly unlikely, it is possible that one of the other Funds could default on its obligation to reimburse the paying Fund. In certain circumstances, a General Partner is expected to advance amounts related to the foregoing and receive reimbursement from the Funds to which such expenses relate.

As described above, in certain circumstances, the relevant General Partner is expected to permit certain investors to co-invest in portfolio companies alongside one or more Funds, subject to the Management Company's related policies and the relevant Partnership Agreement(s) and/or Side Letter(s). Where a co-invest vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the General Partner, ultimately is not consummated, all Broken Deal Expenses relating to such proposed transaction generally are expected to be borne by the Fund(s) (*pro rata* based on the aggregate commitment(s) of such Fund(s)), and not by any potential co-investors that were to have participated in such transaction. The Advisers will, however, take in to account various factors, including but not limited to, the stage at which the transaction became unconsummated, when determining by whom such Broken Deal Expenses should be borne.

The Management Company and/or its affiliates generally have discretion over whether to charge Supplemental Fees to a portfolio company and, if so, the rate, timing, method and/or amount of such compensation. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of Supplemental Fees generally will give rise to conflicts of interest between the Funds, on the one hand, and the Management Company and/or its affiliates on the other hand.

Operating Partners

Additionally, as further described herein and in the applicable Memorandum and/or Partnership Agreement of each Fund, it is the Advisers' practice to use or retain certain operating partners (referred to, varying among the Funds as "Operating Partners" or members of a Fund's "Operating Executives Group," and collectively, "**Operating Partners**") to provide services to (or with respect to) one or more Funds or certain current or prospective portfolio companies in which one or more Funds invest. Such Operating Partners generally provide services in relation to the identification, acquisition, holding, improvement and disposition of portfolio companies, including operational aspects of such companies. In certain circumstances, these services also include serving in management or policy-making positions for portfolio companies. Operating Partners, who are not employees of the Adviser, may receive

compensation, including, but not limited to cash fees, retainers, consulting fees, transaction fees, Board of Directors fees, a profits or equity interest in a portfolio company, profits or equity interests in one or more Funds or General Partners, remuneration from the Management Company and/or its Funds or affiliates or other compensation, which typically is 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. The Management Company also expects to enter into arrangements permitting Operating Partners to draw amounts from the relevant Adviser, which will be offset by any compensation of the type in the preceding sentence. Operating Partners also generally will be reimbursed for certain travel and other costs in connection with their services. As described above, no such amounts will offset the Management Fee. The use of Operating Partners subjects 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 relevant General Partners generally receive a carried interest allocation on certain profits in the Funds, other than the Executive Funds (subject to limited exceptions). To the extent that the Advisers’ personnel are assigned varying percentages of carried interest from Funds, such personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage. Also, in addition to managing the Funds, applicable Advisers also manage the respective Executive Funds, which generally are not charged a carried interest or other performance-based fee; this could present a conflict of interest because such Advisers have an incentive to favor accounts for which they receive a performance-based fee. The Advisers seek to address the potential for conflicts of interest in these matters (i) with allocation policies that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Fund’s investment guidelines and Partnership Agreements, as well as other factors that do not include the amount of performance-based compensation received by the Advisers or any personnel and (ii) by generally causing the Executive Funds to: (A) invest in each applicable Fund’s portfolio companies in the same proportion as such applicable Fund (relative to their respective aggregate available Commitments) (as generally required by the relevant Partnership Agreements); and (B) dispose of such investments, to the extent reasonably practical, proportionately at the same time and on substantially the same terms and conditions as the applicable Fund, subject to any tax, regulatory or legal restrictions or other considerations (as generally required by the relevant Partnership Agreements). See “Methods of Analysis, Investment Strategies and Risk of Loss,” for further discussion of conflicts of interest.

TYPES OF CLIENTS

The Advisers provide investment advice to the Funds. The Funds are 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 “**Investment Company Act**”). The investors participating in the Funds may include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth

funds, family offices, 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 the Advisers and their affiliates and members of their families, Operating Partners and/or other service providers retained by the Advisers.

Each Fund (other than the Executive Funds) generally has a minimum investment of between \$2 million and \$10 million for third-party investors, which may be waived by the General Partner. The minimum investment for the Executive Funds is generally \$100,000, which may also be waived by the General Partner. In most circumstances, investors in the Funds must meet certain suitability and net worth qualifications prior to making an investment. Generally, investors in Fund I, Fund II, Fund III or Fund IV must be (i) “accredited investors” as defined under Regulation D of the Securities act of 1933, as amended and (ii) for certain Funds either “qualified purchasers” or “knowledgeable employees” as defined under the Investment Company Act. Interests in the Executive Funds are offered and sold solely to certain sophisticated investors who are also accredited investors (and qualified purchasers, as required).

Each of the State Plan Funds is a single investor vehicle established to accept investment by a large state plan investor (the “**State Plan**”). The State Plan Funds invest on a side-by-side basis with the applicable related Fund (*e.g.*, Fund III(B) invests on a side-by-side basis with Fund III Main), and in certain historical cases, single investment co-invest vehicles were formed to invest directly into portfolio companies alongside the applicable related Fund(s). The State Plan Funds are subject to different investment terms than those available to investors in the other Funds. The terms applicable to Fund III(B) differ from those of Fund III Main and Fund III(A), including, for example, the terms governing the General Partner’s Commitment, key person events, the partners’ giveback obligations, Management Fee rates and indemnification rights. The Partnership Agreement for Fund III(B) provides different standards to comply with statutory requirements for the State Plan.

Certain affiliates of Blue Point and other third-party investors may be permitted to co-invest directly in a particular portfolio company or in a holdings company which holds the equity in the portfolio company directly. Co-investments are typically offered only to the extent such investment opportunities exceed the available investment capacity of the applicable Funds as deemed prudent in the sole discretion of the Advisers and taking into account conflicts provisions in the relevant Partnership Agreements, investment and operating guidelines, diversification limitations, tax and regulatory considerations, minimum dollar limits, and other relevant factors, including risk as well as the Advisers’ Investment Allocation/Co-Investment Policy. Co-investment opportunities are also typically provided on a fee-free and carried interest-free basis. Co-invest vehicles 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 vehicle may purchase a portion of an investment from a Fund. Any such purchase from a Fund by a co-invest vehicle generally would occur shortly after the Fund’s completion of the investment to avoid any changes in valuation of the investment, and in such case the co-invest vehicle may be charged interest on the purchase to compensate the relevant Fund for the holding period. The Advisers will select which investors are permitted to participate in such co-invest opportunities based on various factors, including the sophistication of the investor, the ability of the investor to fund and complete the investment on a timely basis and for strategic or other reasons as may be more fully

described in the applicable Partnership Agreement and the Advisers' Investment Allocation/Co-Investment Policy. The Advisers are not obligated to make co-investment opportunities available to any particular investors or limited partners.

The Funds may include alternative investment vehicles established from time to time in order to permit one or more investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the related Fund.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General

The principal investment strategy of Blue Point is to achieve long-term capital appreciation, primarily by acquiring equity and equity-related securities and debt in private growth-oriented companies. Blue Point generally targets middle market manufacturing, service, and distribution companies that are well-positioned for growth through internal expansion and/or strategic add-on acquisitions. Blue Point seeks to make investments of between \$25 million and \$75 million in companies that have between \$20 million and \$300 million in revenue and greater than \$5 million in EBITDA. Investments are predominantly of non-public companies although certain investments in public companies are permitted.

The following is a summary of the investment strategies and methods of analysis generally employed by the Advisers on behalf of the Funds. More detailed descriptions of the Funds' investment strategies and methods of analysis are included in the applicable Memorandum and Partnership Agreement for each Fund. *There can be no assurance that the Advisers will achieve the investment objectives of the Funds, and a loss of investment is possible.*

Investment and Operating Strategy

The Advisers seek to provide returns to investors by (i) using research and contacts to identify investments that the Advisers believe are attractive, (ii) performing analysis and due diligence to select and structure investments and (iii) providing significant resources to portfolio companies.

Identification of Investment Opportunities. Blue Point has developed a regional model in an effort to source attractive investment opportunities on a less competitive basis through a localized approach. To this end, Blue Point has offices in the Pacific Coast (Seattle) and the Southeast (Charlotte) to complement its home office in the Midwest (Cleveland). The Advisers believe this regional presence allows them to access opportunities to invest in entrepreneur- or family-owned businesses seeking ownership transitions and growth capital through recapitalizations. While most of the Advisers' investment opportunities are sourced through their extensive network of relationships within the regions of their offices, the Advisers seek to also identify industry segments in which they can team with an experienced executive with relationships and attractive operating and/or acquisition strategies within such industries.

The Advisers have also established an office in China (Shanghai). This office assists the Advisers in (i) assessing the Asia-based risks and opportunities associated with potential portfolio company investments, (ii) developing Asia-based revenue-enhancing and cost-cutting opportunities for existing portfolio companies and (iii) developing relationships with Asia-based companies that may be interested in developing relationships with North American-based companies.

Analysis and Diligence. The Advisers conduct in-depth due diligence on prospective investments and have developed methodologies and tools for identifying and mitigating risk. To assist in evaluating the competitive landscape, industry history and evolution, market dynamics, and acquisition activity, the Advisers employ both conventional sources of industry information (e.g., market research reports, market intelligence databases, industry trade group resources), and their extensive network of operating executives and industry-specific management consultants who are most familiar with the given industry. The Advisers spend considerable time with the management team of each prospective portfolio company to determine whether its cohesiveness, competency, and initiative are adequate to meet both the anticipated challenges and growth targets during the relevant Fund's period of ownership. The Advisers also perform extensive research on key customers and suppliers to gain a greater understanding of a company's core value proposition, performance, and reputation within an industry. In addition, when applicable, the Advisers engage Blue Point's China office to provide proprietary insights into trends in Asian markets, supply chains, and production capabilities of a prospective portfolio company. This analysis seeks to determine whether an investment opportunity may be negatively impacted by trends developing in Asia, or, conversely, whether the opportunity exists to grow the business through enhanced contacts with the Asian market.

Managing Investments. Early in the investment period, the Advisers seek to create a business plan for the portfolio company that may focus on (i) augmenting and/or upgrading the company's board of directors and/or executive management teams, (ii) growing revenues by developing the company's niche or market position, (iii) growing revenues through synergistic add-on acquisitions, (iv) growing revenues by enhancing the company's use of customer/product/pricing data analytics as well as digital marketing and e-commerce sales channels, (v) enhancing operating profit through operating efficiencies and cost reductions and (vi) reducing the company's acquisition debt level over time, among other strategies. At the onset of every investment, the Advisers work directly with the management team to develop a plan to identify, chart, assign, and monitor the execution of the next immediate steps.

As part of their strategy, the Advisers maintain relationships with a group of approximately 15 seasoned operating executives. These operating executives (i) provide diagnostic due diligence, (ii) serve on the board of directors of portfolio companies, (iii) provide interim management when necessary, (iv) assist in special projects for portfolio companies, (v) act as mentors to senior executives of Blue Point portfolio companies and/or (vi) at times take a permanent management position with a portfolio company.

Realization of Liquidity. The Advisers believe the method of exit is an integral component of value creation and they actively evaluate exit options prior to investing in a company. The Advisers' objective is to build larger, more professional businesses over a four-to-six-year time horizon. As part of the investment process, potential exit strategies are discussed

with the management team and analyzed within the context of the proposed strategic growth plan. The Advisers monitor investment performance and market conditions to regularly evaluate the optimal timing of an exit. Since management generally invests equity capital alongside the relevant Fund and is provided with incentives to earn additional equity upon a successful liquidity event, management and the Advisers have aligned interests towards realizing capital appreciation over the investment period.

Risks of Investment

Each Fund and its investors bear the risk of loss that the applicable Advisers' investment strategy entails. The risks involved with an Adviser's investment strategy and an investment in a Fund are detailed in such Fund's Memorandum. The following list is not a complete list of all risks involved in connection with an investment in the Funds. In general, the risks applicable to each Fund and the activities of its related General Partner and the Management Company include, but are not limited to:

Business Risks. A Fund's investment portfolio is expected to 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. The performance of the Advisers' prior investments is not necessarily indicative of a Fund's future results. 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 positive returns will be achieved. On any given investment, loss of principal is possible.

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 may seek to make several investments in one industry or one industry segment or within a short period of time. 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 such Fund's aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, a Fund may invest in fewer portfolio companies and thus be less diversified.

Lack of Sufficient Investment Opportunities. It is possible that a Fund will never be fully invested if enough sufficiently attractive investments are not identified. The business of identifying, structuring and completing private equity and related subordinated debt transactions is highly competitive and involves a high degree of uncertainty. However, limited partners will be required to bear annual Management Fees through a Fund based on the entire amount of the limited partners' Commitments to such Fund, and other fees and expenses as set forth in the applicable Partnership Agreement.

Dynamic Investment Strategy. While the General Partner generally intends to seek attractive returns for a Fund through the investment strategy and methods described herein, the

General Partner may pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process or investment techniques to the extent it determines such modification or departure to be appropriate and consistent with the Partnership Agreement. A General Partner may pursue investments outside of the industries and sectors in which Blue Point has previously made investments or has internal operational experience.

Illiquidity; Lack of Current Distributions. An investment in a Fund should be viewed as an illiquid investment. 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 several 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 any Management Fee payable to the Advisers) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including unfunded Commitments.

Leveraged Investments. A Fund generally makes use of leverage by incurring or having a portfolio company incur debt to finance a portion of its investment in such portfolio company, usually 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 (and such credit markets may be impacted by regulatory restrictions and guidelines), 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 portfolio company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or 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 (which in recent years have been at or near historic lows) and could accelerate and magnify declines in the value of a 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 such Fund. Furthermore, should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, such Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Furthermore, the companies in which a Fund invests generally will not be rated by a credit rating agency. A Fund may also borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt) or otherwise be liable therefor, and in such situations, it is not expected that such Fund would be compensated for providing such guaranty or exposure to such liability. The use of leverage by a Fund also will result in interest expense and other costs to such Fund that may not be covered by distributions made to such Fund or appreciation of its investments. A Fund may incur leverage on a joint and several basis with one or more other Funds and entities managed by Blue Point or any of its affiliates and may have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts may be secured by capital commitments made by such Fund's

investors and such investors' contributions may be required to be made directly to the lenders instead of a Fund.

Subscription Lines. A Fund may enter into a subscription line with one or more lenders in order to finance its operations (including the acquisition of the Fund's investments). Fund-level borrowing subjects limited partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner's right to call capital from the limited partners, limited partners may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against the Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in incremental partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment and negotiation of the terms of the borrowing facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the Governing Documents, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation.

A credit agreement may contain other terms that restrict the activities of a Fund and the limited partners or impose additional obligations on them. For example, a subscription line may impose restrictions on the relevant General Partner's ability to consent to the transfer of a limited partner's interest in the Fund. In addition, in order to secure a subscription line, the relevant General Partner may request certain financial information and other documentation from limited partners to share with lenders. The General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more limited partners.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows the General Partner to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had the relevant General Partner called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time. Although it is not expected, certain Funds also are authorized to and certain circumstances may utilize Fund-level borrowing when the General Partner expects to repay the amount outstanding through means other than Limited Partner capital, including as a bridge for equity or debt capital with respect to an investment. If

the Fund ultimately is unable to repay the borrowings through those other means, limited partners would end up with increased exposure to the underlying investment, which could result in greater losses.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for a substantial number of each Fund's investments and hence, most of a Fund's investments will be difficult to value. Certain investments may be distributed in kind to the partners of a Fund and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such partners. After a distribution of securities is made to the partners, many partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such partners may be lower than the value of such securities determined pursuant to the Partnership Agreement, including the value used to determine the amount of carried interest available to the General Partner with respect to such investment.

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, with adjustments to such projections made by the Adviser in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties 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.

Reliance on Portfolio Company Management. Although the General Partner will monitor the performance of each Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate the portfolio company on a day-to-day basis. Although a Fund generally intends to invest in companies with strong management, there can be no assurance that the existing management of such companies will continue to operate a company successfully.

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 portfolio company, whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons. There is no assurance that a Fund will make follow-on investments or that a 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 (including an event of default under applicable debt documents in the event an equity cure cannot be made) or may result in a lost opportunity for such Fund to increase its participation in a successful operation.

Non-U.S. Investments. A Fund may invest a portion of the aggregate Commitments in portfolio companies that are organized or headquartered and/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, among other things, to potentially unsettled points of

applicable governing law, the risks associated with fluctuating currency exchange rates and capital repatriation regulations (as such regulations may be given effect during the term of a Fund), and 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 partners with respect to such Fund's income, and possible non-U.S. tax return filing requirements for a Fund and/or the limited partners.

Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed regulatory institutions; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

Director Liability. A Fund will often obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which it invests. Serving on the board of directors (or similar governing body) of a portfolio company exposes a Fund's representatives and ultimately the Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability.

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 such Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon such Fund's portfolio companies.

Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes. There has recently been significant discussion regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on a Fund's activities, including the ability of such Fund to implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives.

The combination of increased scrutiny of private equity firms (along with other alternative asset managers) and their investments by various politicians, regulators and market commentators, and the public perception that certain alternative asset managers, including

private equity firms, contributed to the 2008-2009 downturn in the U.S. and global financial markets, may complicate or prevent a Fund's efforts to consummate investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, a Fund may invest in fewer transactions or incur greater expenses or delays in completing investments than it otherwise would have.

Material Non-Public Information; Other Regulatory Restrictions. Rarely, as a result of the operations of Blue Point and its affiliates, Blue Point may come into possession of confidential or material non-public information. Therefore, Blue Point and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Fund. Consequently, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or the Advisers' internal policies. Due to these restrictions, a Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.

Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent Blue Point or the Funds from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or portfolio companies owned or operated by such persons, or located in jurisdictions identified from time to time by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the United States Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust restrictions relating to one Fund's acquisition of a portfolio company may preclude other Funds from making an attractive acquisition or require one or more other Funds to sell all or a portion of certain portfolio companies owned by them.

As a result of any of the foregoing, a Fund may be adversely affected because of Blue Point's inability or unwillingness to participate in transactions that may violate such laws or regulations, or by remedies imposed by any regulators or governmental bodies. Any such laws or regulations may make it difficult or may prevent a Fund from pursuing investment opportunities, require the sale of part or all of certain portfolio companies on a timeline or in a manner deemed undesirable by Blue Point or may limit the ability of one or more portfolio companies from conducting their intended business in whole or in part. Consequently, there can be no assurance that any Fund will be able to participate in all potential investment opportunities that fall within its investment objectives.

Unfunded Pension Liabilities of Portfolio Companies. Certain court decisions have found that, where an investment fund owns 80% or more (or under certain circumstances less than 80%) of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such liabilities. Although the Adviser intends to

manage each Fund's investments to minimize any such exposure, a Fund may, from time to time, invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where such Fund may own an 80% or greater interest in such a portfolio company. If such Fund (or other 80%-owned portfolio companies of such Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the Fund and the companies in which such Fund invests. This discussion is based on current court decisions, statute and regulations regarding control group liability under the Employee Retirement Income Security Act of 1974, as amended, as in effect as of the date of this Brochure, which may change in the future as the case law and guidance develops.

Valuation of Investments. Generally, the relevant General Partner will determine the value of all the related Fund's investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for virtually all of a Fund's investments because, among other things, the securities of portfolio companies held by such Fund generally will be illiquid and not quoted on any exchange. Each General Partner will determine the value of all the Fund's investments that are not readily marketable based on ASC 820 guidelines as promulgated by the Financial Accounting Standards Board and any subsequent valuation guidelines required of an investment fund reporting under generally accepted accounting principles as promulgated in the United States. There can be no assurance that the relevant General Partner will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of a General Partner with respect to an investment will represent the value realized by the relevant Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. Accordingly, the valuation decisions made by such General Partner may cause it to ineffectively manage the relevant Fund's investment portfolios and risks and may also affect the diversification and management of such Fund's portfolio of investments.

Lack of Unilateral Control. Even if a Fund is the majority investor or controlling shareholder, as applicable, of a portfolio company, in certain circumstances it may not have unilateral control of the portfolio company. To the extent the Fund invests alongside third parties, such as institutional co-investors or private equity funds of other sponsors, or is subject to terms and conditions imposed by portfolio company lenders, the relevant portfolio companies may be controlled or influenced by persons who have economic or business interests, investment or operational goals, tax strategies or other considerations that differ from or are inconsistent with those of the Funds or their limited partners. Such third parties may be in a position to take action contrary to the Fund's business, tax or other interests, and the Fund may not be in a position to limit such contrary actions or otherwise protect the value of its investment.

Cybersecurity Risks. Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries such as the food services and retail industries. To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or portfolio company financial information; (iii) portfolio company software, contact lists or other databases;

(iv) portfolio company proprietary information or trade secrets; or (v) other items. In certain events, a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a portfolio company, or the relevant Fund, to substantial losses. In addition, in the event that such a cyber-attack or other unauthorized access is directed at the Advisers or one of their service providers holding their financial or investor data, the Advisers, their affiliates or the Funds may also be at risk of loss.

Conflicts of Interest

Blue Point and its related entities 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 the Funds and portfolio companies. The Advisers will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the relevant Partnership Agreement, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of the Advisers conducting their activities, the interests of a Fund may conflict with the interests of the Advisers, one or more other Funds, portfolio companies or their respective affiliates. Certain of these conflicts of interest are discussed herein. As a general matter, the Advisers will determine all matters relating to structuring transactions and Fund operations using their reasonable judgment considering all factors they deem relevant, but in their sole discretion, subject in certain cases to the required approval by the limited partner advisory committee ("**LP Committee**") of the participating Fund.

During the investment period of each of the Funds, the principals of the Advisers (the "**Principals**") pursue all appropriate investment opportunities exclusively through the Funds, subject to certain exceptions set forth in the Fund's Partnership Agreements and Blue Point's allocation policies. However, the Principals will typically manage several other funds and investments similar to those in which the Funds invest and may direct certain relevant investment opportunities to those funds and investments rather than to the Funds. The Principals and the Advisers' investment staff will continue to manage and monitor such funds and investments. The investment of the Principals in each of the Funds, as well as the Principals' interest in the carried interest, operate to align, to some extent, the interest of the Principals with the interest of the limited partners in the Funds, although the Principals have economic interests in such other Funds and investments as well and receive management fees and carried interests relating to these interests. Such other funds and investments that the Principals may control or manage may compete with the Funds or companies acquired by the Funds. Following the investment period of a Fund, the Principals may and likely will focus their investment activities on other opportunities and areas unrelated to such Fund's investments.

From time to time, the Principals will be presented with investment opportunities that would be suitable not only for a Fund, but also for other Funds operated by Blue Point. In determining which investment vehicles should participate in such investment opportunities, the Advisers and their affiliates are subject to conflicts of interest obligations among the investors in such investment vehicles. Except as required by the relevant Partnership Agreements, the Advisers are not obligated to recommend any investment to any particular investment vehicle.

Investments by more than one client of the Advisers in a portfolio company may also raise the risk of using assets of a client of the Advisers to support positions taken by other clients of the Advisers.

The Advisers must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. The Advisers generally assess whether an investment opportunity is appropriate for a particular Fund based on the Fund's Partnership Agreement, as well as factors including but not limited to: investment restrictions and objectives, (including those set forth in the relevant Partnership Agreements, where applicable), strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition, cash level (if any), applicable regulatory restrictions, life cycle and structure. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. A Fund may invest together with other Funds advised by an affiliated adviser of an Adviser in the manner set forth in the relevant Partnership Agreements and the Adviser's Investment Allocation/Co-Investment Policy. The Adviser will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable consistent with the Adviser's obligations and may take into consideration factors such as those set forth above.

Following such determination of allocation among Funds, the Advisers will determine if the amount of an investment opportunity in which a Fund will invest exceeds the amount that would be appropriate for such Fund and any such excess may be offered to one or more potential co-investors, as determined by the Funds' Partnership Agreements, Side Letters and the Advisers' procedures regarding allocation. The Advisers' procedures permit it to take into consideration a variety of factors in making such determinations, including but not limited to: expressed interest in co-investment opportunities; expertise of the prospective co-investor in the industry to which the investment opportunity relates; perceived ability to quickly execute on transactions; tax, regulatory, securities laws and/or other legal considerations (*e.g.*, qualified purchaser or qualified institutional buyer status); confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; the Advisers' perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting, or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair the Advisers' ability to execute the relevant transaction in the desired time or on desired terms; size of the investment allocation and practicality of dividing it up among multiple co-investors; lender requirements; whether the Advisers believe that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant portfolio company, other portfolio companies, the Funds or the Advisers; and other appropriate factors. Although a prospective co-investor's willingness to invest in future Funds may be considered by the Advisers, it generally will not be the sole determining factor considered by the Advisers in identifying co-investors. The Advisers may grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in Fund portfolio companies or otherwise to have priority in co-investment opportunities.

Furthermore, decisions regarding whether and to whom to offer co-investment opportunities may be made by the Advisers or their related persons in consultation with other

participants in the relevant transactions, such as a co-sponsor. Co-investment opportunities may, and typically will, be offered to some and not to other Adviser investors, and the consideration of the factors set forth above may result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments may receive none. When and to the extent that related persons of Blue Point and its affiliates make capital investments in or alongside certain Funds, the Advisers and their 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.

The Advisers' allocation of investment opportunities among the persons and in the manner discussed herein may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to others. While the Advisers will allocate investment opportunities in a manner that they believe in good faith is fair and equitable to their clients under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the conflicts of interest to which the Advisers may be subject, discussed herein, did not exist.

Conflicts may arise when a Fund makes investments in conjunction with an investment being made by another Fund, or if it were to invest in the securities of a company in which another Fund has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This may result in differences in price, terms, leverage and associated costs. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. As a historical example, in certain circumstances, the Advisers have recommended the sale of a portfolio company held by one Fund to a third party for a price determined by the Advisers to represent an attractive return on investment for such Fund, and also recommended a re-investment in such portfolio company by another Fund. The Advisers believed the portfolio company still represented a strong investment opportunity for the reinvesting Fund and obtained LP Committee approval from the Funds before executing the sale and re-investment by the respective Funds. Similar circumstances may arise again in the future. In addition, the Advisers and their affiliates may express inconsistent views of commonly held investments or of market conditions more generally. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions may be taken for one or more Funds that adversely affect other Funds.

Subject to any relevant restrictions or other limitations contained in the Partnership Agreements of the Funds, the Advisers will allocate fees and expenses in a manner that they believe in good faith is fair and equitable to their clients under the circumstances and considering such factors as they deem relevant, but in their sole discretion. In exercising such discretion, the Advisers may be faced with a variety of potential conflicts of interest.

As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-invest vehicles eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions will generally be made by the Advisers or their affiliates using their best judgment, considering such factors as they deem relevant, but in their sole discretion. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, *e.g.*, in determining whether to allocate *pro rata* based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has greater benefit to a Fund or the Adviser(s). The Funds have different expense reimbursement terms, including with respect to Management Fee offsets, which may result in the Funds bearing different levels of expenses with respect to the same investment.

Because the General Partners' carried interest is based on a percentage of net realized profits, it may create an incentive for the Advisers to cause the Funds to make riskier or more speculative investments than would otherwise be the case. That incentive is moderated because any investment losses also result in a reduction of the General Partner's carried interest amounts. Under the terms of the Partnership Agreements, the General Partner is responsible for determining the unrealized fair value of investments and the LP Committees are responsible for reviewing the valuations at least annually and are authorized to object to certain valuations under certain conditions. In certain Partnership Agreements, the amount of Management Fees after the investment period and the timing of carried interest payments to the General Partner may depend on the valuations, which may create an incentive for the Advisers to assign a higher value to the investments than would otherwise be the case. That incentive is moderated by the requirement that the General Partner present the valuations to the LP Committee to determine whether the LP Committee objects.

Since the General Partners are permitted to retain certain Supplemental Fees (as described under "Fees and Compensation") in connection with Fund investments, the Advisers could have a conflict of interest in connection with approving transactions. The General Partner attempts to resolve such conflict by offsetting the Management Fee by a specified percentage of such Supplemental Fees.

As a result of the Funds' controlling interests in portfolio companies, the Management Company and/or its affiliates typically have the right to appoint portfolio company board members (including current or former Blue Point personnel or persons serving at their request), 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 Management Company and/or its affiliates. Except to the extent such amounts are subject to the Partnership Agreements' offset provisions, they will be in addition to any Management Fees or carried interest paid by a Fund to the Adviser.

Additionally, a portfolio company typically will reimburse an Adviser or service providers retained at the Adviser's discretion for expenses (including without limitation, travel expenses) incurred by the Adviser or such service providers in connection with their performance of services for such portfolio company. For example, in connection with an Adviser's investment and operating strategy, it may assist a portfolio company in hiring fully-

dedicated employees in non-U.S. jurisdictions. In order to minimize the portfolio company's administrative cost, effort and lead-time, the portfolio company employees may utilize common facilities (*e.g.*, premises, utilities, office equipment, etc.) and be compensated by the Adviser. Thereafter, the portfolio company will reimburse the Adviser for its employees' salaries and other direct costs. It is expected that as a portfolio company's efforts in such jurisdictions mature, it will establish its own separate entity in such jurisdictions and take over responsibility for paying some or all of the costs of these efforts directly. Further, in certain circumstances, an Adviser may compensate an Operating Partner for services provided to a portfolio company, in which case the portfolio company will reimburse the Adviser for such amounts. These scenarios subject the Management Company 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 over time is expected to be substantial. Each Adviser 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, any fee paid or expense reimbursed to such Adviser or such service providers generally is subject to: agreements with or review by sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies as well as the LP Committee annually; and/or third party co-investors in its transactions. These factors help to mitigate related conflicts of interest.

Each Adviser generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with (i) the Adviser or a related person of the Adviser (which may include a portfolio company of such Fund), (ii) an entity with which the Adviser or its affiliates or current or former members of their personnel has a relationship or from which the Adviser or its affiliates or their personnel otherwise derives financial or other benefit or (iii) certain limited partners or their affiliates. For example, an Adviser may be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain limited partners or their affiliates that are engaged in lending or related business. This subjects the Adviser to conflicts of interest, because although the Adviser 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, the Adviser may have an incentive to recommend the related or other person because of its financial or other business interest. There is a possibility that the Adviser, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds), may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Whether or not an Adviser has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

In certain circumstances, current or former Blue Point personnel may serve in interim or part-time roles at a portfolio company, or may provide services to a portfolio company as a secondee or in similar capacities, while maintaining certain benefits, support services or indicia of employment at Blue Point. Under such arrangements, the Adviser(s) and/or the relevant portfolio company may pay all or a portion of the personnel costs of such employee, or supervise or oversee such employee. These arrangements have the potential to create conflicts of interest,

in that amounts paid by a portfolio company in connection with seconded relationships will not result in additional offsets to the Management Fee. Due to the nature of seconded relationships, which are often initiated to meet a temporary portfolio company need, the arrangements between such employees and the related portfolio company are expected to change over time, and in many cases will be terminated when the portfolio company is sold. Employees may or may not return to Blue Point at the end of such seconded arrangement.

In addition, as described above, portfolio companies (and, to a lesser extent, the Funds) typically pay certain fees to Operating Partners and other third-party consultants (including consultants introduced or arranged by the Advisers and/or their affiliates that regularly provide services to one or more portfolio companies), and such fees do not offset the Management Fee as described herein. Operating Partners make use of the Advisers' resources or otherwise are associated with an Adviser. An Adviser 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. Operating Partners generally receive investment opportunities, reimbursements and other compensation that do not offset the Management Fee of any Fund as described herein. Although the use of Operating Partners and the allocation of compensation paid to them by the Advisers, their affiliates and/or the portfolio companies subjects the Advisers and/or their affiliates to potential conflicts of interest, the Advisers believe that such potential conflicts may be reduced by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) that will result if the cost of the Operating Partner is lower than market rates for the services provided and/or if the services of the Operating Partner align with the Advisers' model for the portfolio company and improve portfolio company performance. Although the Advisers seek to retain Operating Partners with a view to increasing revenues or reducing costs to portfolio companies and, ultimately, the Funds and/or improving portfolio company performance, a number of factors may result in limited or no revenue increase or cost savings from such retention. The Advisers also seek to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that the Advisers believe will align such persons' interests with those of the Funds' limited partners and seek to retain only Operating Partners and service providers which they believe provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Although uncommon, from time to time an Adviser may cause a Fund to enter into a transaction whereby the Fund purchases securities from, or sells securities to, other Funds managed by the Advisers, or co-investors or co-investment vehicles. Such transactions may arise in the context of re-balancing an investment among parallel investing entities or in contexts where a portfolio company owned by one Fund is acquired by a portfolio company acquired by another Fund. Any such transactions raise potential conflicts of interest, including where the investment of one Fund supports the value of portfolio companies owned by another Fund. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the relevant Funds' Partnership Agreements or otherwise in the sole discretion of the Adviser, the Adviser may seek to mitigate such conflicts by seeking the

opinion of an unaffiliated third party (including the use of a consultant or investment banker to opine as to the fairness of a purchase or sale price) or by obtaining the consent of the relevant Fund(s) (including, where authorized, the consent of each Fund's LP Committee) to such transactions. In certain circumstances, the Adviser may determine that the willingness of a third party to make an investment on the same terms demonstrates the fairness of the relevant transaction to the Fund under then-current market conditions. The Advisers intend that any such transactions be conducted in a manner that it believes in good faith to be fair and equitable to each Fund under the circumstances, including a consideration of the potential present and future benefits with respect to each Fund.

Although the Advisers generally structure Funds to avoid cross-guarantees and other circumstances in which one Fund bears liability for all or part of the obligations of another Fund, in certain circumstances lenders and other market parties negotiate for the right to face only select Fund entities, which may result in a single Fund being solely liable for other Funds' share of the relevant obligation and/or joint and several liability among Funds. In each such case, the Advisers intend to cause the relevant other Funds to enter into a back-to-back guarantee, indemnification or similar reimbursement arrangement, although the Fund undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements.

The Management Company and/or its affiliates may also, from time to time, employ personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by the Management Company and/or its affiliates; conversely, former personnel or executives of the Management Company and/or its affiliates may serve in significant management roles at portfolio companies or service providers recommended by the Adviser. Similarly, the Management Company, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions or other service providers and other market participants, including but not limited to managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. 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, the Management Company and/or its affiliates, and/or the Funds or other investment vehicles they advise. An Adviser 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 the Adviser information about markets and industries in which the Adviser operates (or is contemplating operations) or will provide other services that are beneficial to the Adviser. The Adviser may have a conflict of interest in making such recommendations, in that the Adviser has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to the portfolio companies held by a Fund.

An Adviser, its affiliates, and equity holders, officers, principals and employees of the Adviser and its affiliates may buy or sell securities or other instruments that the Adviser 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 any restrictions in the Fund's Partnership Agreement and any policies and procedures set forth in Blue Point's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Employees and related persons of the Advisers have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors, and therefore may have additional conflicting interests in connection with these investments.

Because certain expenses are paid for by a Fund and/or its portfolio companies or, if incurred by an Adviser, are reimbursed by a Fund and/or its portfolio companies, the Adviser may not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses.

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 the Adviser may not otherwise have done so.

Since the Advisers are permitted to retain certain Supplemental Fees (as described under "Fees and Compensation") in connection with Fund investments, they could have a conflict of interest in connection with approving transactions and setting such compensation.

An Adviser and/or its affiliates may enter into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures, information rights, co-investment rights, and liquidity or transfer rights.

Blue Point has instituted a program under which portfolio companies owned by the Funds are given the option to participate in purchasing, vendor or similar arrangements with the relevant Adviser, its affiliates and other portfolio companies. Program participants expect to receive discounts negotiated with various vendors and service providers on a groupwide basis. Participants voluntarily participate in the program without cost. The Management Company and its affiliates also participate in the program and receive similar benefits and discounts as the portfolio companies participating therein. No such amounts will result in additional offsets to the Management Fee. Blue Point believes the potential for conflicts relating to such arrangements is mitigated by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) that will result if the negotiated discounts rates for goods and services are discounted relative to those widely available in the market.

Blue Point has incentives to use or to recommend products or services of one portfolio company to another, which may involve fees, commissions, servicing payments or other compensation. Potential conflicts of interest arise in making such recommendations, as Blue Point has incentives to maintain goodwill between it and its former, existing and prospective portfolio companies, and as a result the products or services recommended may not necessarily be the best or lowest cost option. From time to time Blue Point, its affiliates and personnel and

persons selected by them expect to receive the benefit of “friends and family” and similar discounts from portfolio companies owned by the Funds under which such portfolio companies make their goods and/or services available at reduced rates. Because its portfolio companies offer such discounts to customers other than Blue Point and such persons as part of their standard commercial practices in an effort to expand their respective customer bases, Blue Point believes that the potential for conflicts of interest relating to such discounts is mitigated. Blue Point, its affiliates and personnel generally refrain from requesting or negotiating for such discounts in the ordinary course. A portfolio company’s practice of offering discounted prices or better terms may have the potential to affect the returns of such portfolio company.

Any of these situations subjects the Advisers and/or their affiliates to potential conflicts of interest. The Advisers attempt to resolve such conflicts of interest in light of their obligations to investors in the Funds and the obligations owed by the Advisers’ advisory affiliates to investors in investment vehicles managed by them, and attempt 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, an Adviser will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, an Adviser consults and receives consent to conflicts from an LP Committee.

DISCIPLINARY INFORMATION

The Management Company 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 following Blue Point investment advisers:

- BPCP Management, L.P. (general partner of Blue Point Capital Partners, L.P. and Blue Point Capital Partners (B), L.P.);
- BPCP Management II, L.P. (general partner of Blue Point Capital Partners II, L.P., Blue Point Capital Partners II (B), L.P. and Blue Point Capital Partners II Executive Fund, L.P.); and
- BPCP Management III, L.P. (general partner of Blue Point Capital Partners III, L.P., Blue Point Capital Partners III (A), L.P., Blue Point Capital Partners III (B), L.P. and Blue Point Capital Partners III Executive Fund, L.P.).
- BPCP Management IV, L.P. (general partner of Blue Point Capital Partners IV, L.P., Blue Point Capital Partners IV (A), L.P., Blue Point Capital Partners IV Executive Fund, L.P.).

The General Partners are subject to the Advisers Act pursuant to the Management Company’s registration in accordance with SEC guidance. These entities operate as a single advisory business and serve as managers or general partners of the Funds and other pooled

vehicles and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.

The principals of Blue Point were previously affiliated with Key Equity Capital (“KEC”), the private equity investment group of KeyCorp, a publicly-traded bank holding company based in Cleveland, prior to spinning out in 2000 to form Blue Point. Key Capital Corporation, an affiliate of KEC, is an investor in certain of the Funds. Blue Point utilizes KeyCorp to provide its banking and custodial services for some of its entities.

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

The Advisers have adopted the Blue Point Code of Ethics and Securities Trading Policy and Procedures (the “Code”), which sets forth standards of conduct that are expected of the Advisers’ principals and employees and addresses conflicts that arise from personal trading. The Code requires the Advisers’ personnel to:

- report their personal securities transactions;
- pre-clear any proposed purchase of any initial public offering or limited offering; and
- comply with the 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 Blue Point’s Chief Compliance Officer at (216) 535-4711. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client’s interests in client-eligible investments.

The Advisers and their 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, the Advisers and their 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 the Advisers. Accordingly, should the Advisers or any of their affiliated persons come into possession of material nonpublic or other confidential information with respect to any public company, the Advisers would be prohibited from communicating such information to clients, and the Advisers 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 Blue Point personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Funds.

Principals and employees of the Advisers and their affiliates may directly or indirectly own an interest in one or more Funds. The Funds may invest together with other Funds advised by an affiliated adviser of the Management Company in the manner set forth in the applicable

Partnership Agreement and the Advisers' Investment Allocation/Co-Investment Policy. The Advisers will determine allocation of investment opportunities, including participation in any co-invest vehicles, in a manner that they believe is fair and equitable to their clients consistent with the Advisers' fiduciary obligations and consistent with the applicable Partnership Agreements.

From time to time, the Advisers may provide certain investors or other persons the opportunity to participate in co-invest vehicles that may invest in one or more portfolio companies alongside a Fund. For strategic and other reasons, in certain instances, a co-invest vehicle may purchase a portion of an investment from a Fund. The co-invest buy-down typically occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment. The co-invest vehicle is generally not charged interest on its buy-downs. Such co-investment opportunities generally will be allocated in the manner described under "Methods of Analysis, Investment Strategies and Risk of Loss."

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

From time to time, the General Partners may advance funds on behalf of a Fund and contribute such amounts to the relevant Fund as a special interim capital contribution for investment, to be redeemed at a later date. A yield amount in connection with such borrowing typically is borne by the relevant Fund, consistent with the Partnership Agreement.

In borrowing on behalf of a Fund, the General Partner is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund's preferred return, is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when the Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which the limited partners would otherwise be entitled had the General Partner called capital, and thus could result in the relevant General Partner receiving carried interest sooner than it would without borrowing. In addition, when the Management Fee is calculated as a percentage of invested capital, a limited partner may pay Management Fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs.

The Advisers or their affiliates may recommend the purchase or sale of securities for Funds in which one or more of their partners, members, officers, directors, employees (and

members of their families) or affiliates (“**affiliated persons**”), directly or indirectly, have a position or interest, or which an affiliated person buys or sells for himself or herself. Such transactions also may include trading in securities in a manner that differs from or is inconsistent with the advice given to the Funds. Certain of these transactions may require the consent of the applicable Fund or applicable LP Committee.

BROKERAGE PRACTICES

The Advisers focus on securities transactions of private companies and generally purchase and sell such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, the Advisers may also distribute securities to investors in a Fund or sell such securities, including through using a broker-dealer, if a public trading market exists. Although the Advisers do not intend to regularly engage in public securities transactions on behalf of a Fund, to the extent they do so, they will follow the brokerage practices described below.

If the Advisers purchase or sell publicly traded securities for a Fund, they are responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by the Advisers. In such event, the Advisers will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, the Advisers 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; and (iv) responsiveness to requests for trade data and other financial information. As a result, although the Advisers generally will seek competitive commission rates, they may not necessarily pay the lowest commission or commission equivalent.

Consistent with the Advisers seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although the Advisers generally do not make use of such services at the current time and have not made use of such services since their inception.

The Advisers do not anticipate engaging in significant public securities transactions; however, to the extent that the Advisers engage 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 the Funds are completed independently, the Advisers may also purchase or sell the same securities or instruments for several Funds simultaneously. From time to time, the Advisers may, but are 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. Batched transactions are executed in a manner intended to ensure that no participating Fund of the Advisers is favored over any other Fund. 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. To the extent such orders are not batched, they may have the effect of increasing brokerage commissions or other costs.

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 in accordance with the amount of securities originally requested for such Funds.

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 Funds over time.

In the Advisers' private company securities transactions on behalf of the Funds, the Advisers 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, the Advisers 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 the Advisers 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, the Advisers closely monitor companies in which the Funds invest, and the Blue Point Chief Compliance Officer periodically checks to confirm that each Fund is maintained in accordance with its stated objectives.

The Funds generally will provide to their 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 (including reports of acquisitions and dispositions) for each portfolio company quarterly.

CLIENT REFERRALS AND OTHER COMPENSATION

The Advisers and/or their affiliates may provide certain business or consulting services to companies in the Funds' portfolio and may receive compensation from these companies in connection with such services. To the extent Blue Point employees provide these services, such compensation (if any) would offset a portion of the Management Fees paid by such Fund, as and to the extent described in the relevant Fund's Partnership Agreement. Operating Partners, on the other hand, provide these services, and the fees, expenses or other costs associated therewith are in addition to Management Fees. See "Fees and Compensation."

The Advisers or their affiliates may enter into solicitation arrangements pursuant to which they 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 paid by the applicable Fund but borne by the relevant Adviser indirectly through an offset against the Management Fee, although 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).

CUSTODY

The Advisers maintain custody of the Funds' assets held in the Funds' names with KeyBank National Association, a qualified custodian located at 127 Public Square, Cleveland, OH 44114.

INVESTMENT DISCRETION

The Advisers have discretionary authority to manage investments on behalf of the applicable Fund. As a general policy, the Advisers do not allow limited partners to place limitations on this authority, provided that the Partnership Agreement of a Fund may impose certain restrictions on investing in certain types of securities. Pursuant to the terms of the Partnership Agreement, however, an Adviser may enter into Side Letter with certain limited partners whereby the terms applicable to such limited partner's investment in the Fund (including economic or other terms) may be altered or varied. The Advisers assume this discretionary authority pursuant to the terms of the Partnership Agreement, the investment management agreement between each Fund, the applicable General Partner and the Management Company and powers of attorney executed by the limited partners of such Fund.

VOTING CLIENT SECURITIES

The Advisers have adopted Proxy Voting Policies and Procedures (the "**Proxy Policy**") to address how they will vote proxies, as applicable, for the Funds' portfolio investments. The majority of "proxies" received by the Advisers will be written shareholder consents (or similar instruments) for private companies, although the Advisers may also receive traditional proxies from public companies from time to time. The Proxy Policy seeks to ensure that the Advisers vote proxies (or similar instruments) in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. The Advisers generally believe their interests are aligned with those of the Funds' investors, for example, 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 the Advisers may address the conflict using several alternatives, including by seeking the approval or concurrence of an LP Committee, on the proposed proxy vote, or through other alternatives set forth in the Proxy Policy. The Advisers do not consider service on portfolio company boards by Blue Point personnel or the Advisers' 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 the Advisers when voting proxies on behalf of the Funds. Clients or investors that would like a copy of the Blue Point's complete Proxy Policy or information regarding how the Advisers voted proxies for particular portfolio companies, may contact Blue Point's Chief Compliance Officer at (216) 535-4711, and it will be provided at no charge.

FINANCIAL INFORMATION

The Management Company 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.