

Form ADV Part 2A: FIRM BROCHURE



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March 28, 2019

This Brochure provides information about the qualifications and business practices of Beecken Petty O'Keefe & Company, LLC ("BPOC"). If you have any questions about the contents of this Brochure, please contact us at (312) 435-0300 or jkneen@bpoc.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

BPOC is a registered investment adviser. Registration of an investment adviser with the SEC does not imply a certain level of skill or training.

Additional information about BPOC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

There have been no material changes from Beecken Petty O’Keefe & Company’s (“BPOC”) last brochure (the “Brochure”) filed on March 26, 2018. BPOC routinely makes changes throughout its Brochure to improve and clarify the descriptions of its business practices and compliance policies and procedures or in response to evolving industry and Firm practices. In this year’s filing, the following Items have been updated, in addition to certain immaterial changes and/or conforming changes related to the following:

- Item 4: updated to reflect regulatory assets under management as of December 31, 2018;
- Item 5: updated to clarify various fees and expenses; and
- Item 8: updated to reflect additional risk factors and conflicts of interest.

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Item 4 – Advisory Business

A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).

Beecken Petty O’Keefe & Company, LLC (together with its fund general partners, “BPOC” or the “Firm”), a Delaware limited liability company, is a private equity firm based in Chicago, Illinois. BPOC commenced operations on December 1, 2003 and is principally owned by David K. Beecken, William G. Petty Jr. and Kenneth W. O’Keefe. Gregory A. Moerschel serves as Chief Executive Officer of the Firm.

Founded in 1996 (as Beecken Petty & Company) to invest in middle-market buy-out transactions, recapitalizations and growth platforms in the health care industry, BPOC and its affiliates provide discretionary investment advisory services to their clients, which consist of private investment funds. BPOC has significant operating and investment experience in the healthcare industry; the Firm is comprised of seasoned operating and financial executives with decades of experience in providing operating and financial support to growing companies. BPOC prides itself on maintaining a collaborative relationship among all of its partners and portfolio company executives, ensuring all portfolio companies access to the full range of the Firm’s experience and intellectual resources. BPOC has access to and leverages the investment expertise of a dedicated group of operating executives and functional experts, including its senior executive advisors (“Senior Executive Advisors”). The Senior Executive Advisors have deep operating and sourcing expertise in specific sectors of Firm interest and have agreed to work with BPOC within the middle market healthcare industry to assist in sourcing, serve as lead directors or executive chairs, and engage on specific projects including acquisition integration, strategic planning and executive mentoring.

BPOC serves as the investment adviser for and provides discretionary investment advisory services to private funds exempt from registration under the Investment Company of 1940 (the “Investment Company Act”) (each a “Fund”, and collectively the “Funds”). Each Fund is affiliated with a general partner with the authority to make investment decisions on behalf of the Fund (each a “General Partner”, and collectively the “General Partners”). These General Partners are deemed to be registered under the Investment Advisers Act of 1940 (the “Advisers Act”) pursuant to BPOC’s registration in accordance with SEC guidance. While the General Partners maintain ultimate authority over the respective Funds, BPOC has been delegated the role of investment adviser. For more information about the BPOC Funds and General Partners, please see the Firm’s Form ADV Part 1, Schedule D, Section 7.A.(1), Financial Industry Affiliations, and Section 7.B.(1), Private Fund Reporting.

B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type

of investment advice you offer, and disclose that your advice is limited to those types of investments.

BPOC provides investment advisory services as a private equity fund manager to its Funds. Interests in the Funds are privately offered to qualified limited partners in the United States and elsewhere. The Funds invest through privately negotiated transactions in operating companies in the healthcare industry. BPOC's investment advisory services to the Funds consist of identifying and evaluating investment opportunities and negotiating the terms of purchase and sale of investments. Investments are made predominantly in non-public companies, although investments in public companies are permitted in certain instances. Where such investments consist of portfolio companies, the senior principals or other personnel of BPOC, including Senior Executive Advisors appointed by BPOC, will generally serve on such portfolio companies' respective boards of directors or otherwise act to influence control over management of portfolio companies held by the Funds.

C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.

BPOC does not tailor its advisory services to the individual needs of limited partners in its Funds; BPOC's investment advice and authority for each Fund are tailored to the investment objectives of that Fund. These objectives are described in the private placement memorandum, limited partnership agreement, constituent documents, investment advisory agreements, side letter agreements and other governing documents of the relevant Fund (collectively, "Governing Documents").

Limited partners cannot impose restrictions on investing in certain securities or types of securities. Limited partners in Funds participate in the overall investment program for the applicable Fund and generally cannot be excused from a particular investment except pursuant to the terms of the applicable Governing Documents. BPOC has entered into side letters or similar agreements with certain limited partners including those who make substantial commitments of capital, were early investors in the Funds or for other reasons in the sole discretion of BPOC, in each case that have the effect of establishing rights under, or altering or supplementing, a Fund's Governing Documents. Such rights include certain fee and expense arrangements, notification provisions, reporting requirements and "most favored nations" provisions, among others. Side letters are negotiated at the time of the relevant limited partner's capital commitment and once invested in a Fund, limited partners generally cannot impose additional investment guidelines or restrictions on such Fund.

D. If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.

BPOC does not participate in wrap fee programs.

E. If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non-discretionary basis. Disclose the date “as of” which you calculated the amounts.

As of December 31, 2018, BPOC managed approximately \$1,076,393,900 in regulatory assets under management, all of which was managed on a discretionary basis. BPOC does not manage any assets on a non-discretionary basis.

Item 5 – Fees and Compensation

A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.

As compensation for investment advisory services rendered to the Funds, BPOC and its affiliated General Partners receives both a management fee (“Management Fee”) and a carried interest allocation (“Carried Interest”). The General Partners or other BPOC entities or affiliates also receive additional compensation in connection with management and other services performed for portfolio companies of the Funds (*e.g.*, monitoring, transaction, advisory board and other fees) as described more fully below. Such additional compensation generally will reduce in whole or in part the Management Fees otherwise payable to BPOC. Limited partners in the Funds also bear certain Fund expenses, also as described more fully below. The Governing Documents of each Fund detail the fees, compensation and expenses in greater detail. The following is a summary of BPOC’s active Funds; differences exist from Fund to Fund, and certain Funds may not charge certain fees, compensation or expenses that other Funds charge. In addition, the relevant Fund General Partner is permitted, in its sole discretion, to waive or reduce a limited partner’s Management Fee or Carried Interest.

Management Fees

During the commitment period, a Fund will pay the General Partner an annual Management Fee, payable semi-annually, calculated partially in advance and partially in arrears, equal to 2% of aggregate committed capital. As of the earlier of the end of the commitment period, or upon the occurrence of certain events as set forth in the applicable limited partnership agreement, the Management Fee will equal 2% of (i) the aggregate investment contributions, less (ii) the aggregate amount of investment contributions with respect to the portion of each investment that has been disposed of or permanently written-down. Investments in a portfolio company shall be treated as having been disposed of or permanently written down, only to the extent that, as of the date of any such disposition or write down, the aggregate fair market value of all remaining Fund investments in such portfolio company is less than the Fund’s aggregate investment contributions made with respect to such portfolio company.

The Management Fee will be reduced by: (i) 100% of any directors’ fees earned by the relevant General Partner from portfolio companies (excluding any such fees earned by non-BPOC employees);

(ii) 75% to 100% of any transaction fees, financial consulting fees or advisory fees paid by portfolio companies to the relevant General Partner (excluding any such fees paid to non-BPOC employees); (iii) after reimbursement from a Fund for broken deal expenses, 75% to 100% of any break-up fees from Fund transactions not completed that are paid to the relevant General Partner; (iv) the amount of fees paid by such Fund to entities or persons acting as a placement agent in connection with the offer and sale of interests in such Funds; and (v) costs incurred by BPOC in connection with the organization of such Fund that exceed a limit as specified in each Fund's Governing Documents. Management Fees are not reduced, however, by any amount received by such General Partner or other person, including Senior Executive Advisors, from a portfolio company as either reimbursement for expenses directly related to such portfolio company or as payment for services provided to any portfolio company or other person as an employee or in a similar capacity for such portfolio company. Further, any such reduction of a Fund's Management Fee is typically limited to the extent of such Fund's proportionate interest in any such portfolio company and only to the extent a Management Fee is payable by a Fund.

To the extent that such an offset credit would reduce a Fund's Management Fee for a given quarter below zero, the credit will be carried forward for future application against payable Management Fees, and if a credit remains upon dissolution, a payment will be made to limited partners that have not elected to waive such amount for tax or other reasons. The amount and manner of such reduction is set forth in the relevant Governing Documents of the applicable Fund.

Each Fund's General Partner reserves the right to waive all or a portion of any future installment of the Management Fee. Specifically, employees or affiliates of BPOC generally will not pay Management Fees or Carried Interest. Principals or other employees of BPOC receive a portion of the Management Fee, Carried Interest allocation or other compensation received by the General Partner. Any waived portion of a Management Fee installment is permitted to be treated as a deemed capital contribution by the General Partner in respect of such General Partner's commitment.

Management Fees are paid as a result of a capital call notice to limited partners.

Carried Interest

As described below in Item 6, each General Partner generally is entitled to receive a Carried Interest allocation with respect to the Funds equal to 20% of all realized profits, subject to an 8% annually compounded preferred return (or hurdle) and subject to reimbursement of all relevant Fund expenses, including Management Fees. Each Fund's Carried Interest calculation, as well as the clawback provisions of each Fund, is further described in the relevant Fund Governing Documents.

B. Describe whether you deduct fees from clients' assets or bill clients for fees incurred. If clients may select either method, disclose this fact. Explain how often you bill clients or deduct your fees.

Management fees are generally billed and paid on a semi-annual basis and are calculated partially in advance and partially in arrears.

C. Describe any other types of fees or expenses clients may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will incur brokerage and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage.

Portfolio Company Remuneration

BPOC and its affiliates perform management, advisory, transaction-related, financial advisory and other services for, and receive fees from (including any options, warrants or other equity securities), actual or prospective portfolio companies or other investment vehicles of the Funds, including fees in connection with mergers, acquisitions, add-on acquisitions, refinancings, public offerings, sales and similar transactions. Transaction-related fees refers to all closing fees, investment banking fees, placement fees, breakup fees, litigation proceeds from transactions not consummated, monitoring fees, consulting fees, advisory fees, directors' fees and other similar fees received by BPOC employees. Although these fees are in addition to Management Fees, BPOC partially or fully, depending on the Fund, reduces the amount of Management Fees paid by the applicable Fund in connection with the receipt of such fees, net of any reimbursements and expenses, in an amount and manner as set forth in the Governing Documents of the applicable Fund. Additionally, a portfolio company will, on occasion, reimburse BPOC for expenses (including without limitation travel expenses) incurred by BPOC in connection with its performance of services for such portfolio company, and such reimbursements are not subject to the Management Fee offset provisions. Further, BPOC charges portfolio companies an administrative fee based on a flat fee for expenses incurred, generally not to exceed \$3,000 per investment, which is not subject to the Management Fee offset provision. BPOC does not accelerate monitoring fees.

Fund Expenses

As set forth in the relevant Governing Documents, each Fund bears all costs, expenses, liabilities and obligations (which differ across Funds) relating to a Fund's and/or its subsidiaries' activities, business, portfolio companies or actual or potential investments and/or actual or potential investments of any alternative investment vehicle, including with respect to any entity 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, diligencing (including any subscriptions to any periodicals or databases), acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring,

trading, taking public or private, selling, valuing, winding up, liquidating, dissolving, or otherwise disposing of, as applicable, portfolio companies and a Fund's actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including reimbursement of expenses and costs of any Senior Executive Advisor, any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, tax professionals, 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 offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful; (ii) indebtedness of, or guarantees made by, the Funds, the General Partners or any Affiliated Partner (as defined in each Fund's Governing Documents) on behalf of the Funds (including any credit facility, letter of credit or similar credit support), including the repayment of principal and 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 (including a depository appointed pursuant to the AIFMD), Swiss representative and paying agent (pursuant to the Swiss Collective Investment Schemes Act (as amended) including any law, rule or regulation related to the implementation thereof), trustee, record keeping, account and similar services; (vi) legal, accounting, research, auditing, administration (including fees and expenses associated with a Fund's third-party administrator and administration, tracking or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services), consulting (including consulting and retainer fees, salary and other compensation paid and benefits provided to Senior Executive Advisors, consultants performing investment initiatives or providing services related to environmental, social, and governance investment considerations and policies, and other similar consultants), tax and other professional services; (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, including any costs and expenses related to any retention or deductibles; (ix) filing, title, transfer, registration and other similar fees and expenses; (x) printing, communications, marketing and publicity; (xi) the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K 1s, other communications with limited partners or any other administrative, compliance or regulatory filings or reports and any administrative, regulatory, reporting, filing, or other compliance requirements (other than the initial registrations, filings and compliance) contemplated by the AIFMD, 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 a Fund or the limited partners; (xiii) any activities with respect to protecting the confidential or non-public nature of any information or data, including confidential information; (xiv) activities or proceedings of the advisory boards (including any reasonable out-of-pocket costs and expenses incurred by advisory board members, representatives of the General Partners and permitted observers

and other limited partners in attending or otherwise participating in meetings of an advisory board); (xv) indemnification (including any fees, costs and expenses incurred in connection with indemnifying any limited partner or other person or entity or otherwise and advancing fees, costs and expenses incurred by any such person or entity in defense or settlement of any claim that may be subject to a right of indemnification); (xvi) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including the costs and expenses of any discovery related thereto and any judgment, other award or settlement entered into in connection therewith; (xvii) any annual limited partner meeting or other periodic, if any, meetings of the limited partners and any other conference or meeting with any limited partner(s), and any periodic executive forum of portfolio company management and/or other persons, in each case to the extent incurred by a Fund, a General Partner or any other affiliate of a General Partner; (xviii) the Management Fee; (xix) 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 a Fund, any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any alternative investment vehicle or feeder vehicles related to the Funds to the extent not paid by the limited partners investing in such entities and any other costs or expenses related to any structuring or restructuring of the Fund entities; (xx) the termination, liquidation, winding up or dissolution of a Fund; (xxi) defaults by limited partners in the payment of any capital contributions; (xxii) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of a Fund, a parallel Fund and any alternative investment vehicle and, to the extent relating to any of the foregoing persons or entities and/or their respective activities, the constituent documents of a General Partner, a parallel Fund General Partner, an ultimate General Partner and the management company, including the preparation, distribution and implementation thereof; (xxiii) complying with any law, rule, regulation or policy related to the activities of a Fund (including any legal fees and expenses related thereto, any regulatory expenses of a General Partner incurred in connection with the operation of a Fund and any costs and expenses related to compliance with any environmental, social and governance considerations and policies of a General Partner or a Fund); (xxiv) any litigation or governmental inquiry, investigation or proceeding involving a Fund, including any costs and expenses of discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith; (xxv) any third-party experts, including independent appraisers, in connection with a Fund considering, making or holding an investment in the same entity as one or more other affiliates of a Fund or its General Partner; (xxvi) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer and the most-favored-nations process; (xxvii) any taxes, fees and other governmental charges levied against a Fund and all expenses incurred in connection with any tax audit, investigation settlement or review of a Fund (except to the extent that a Fund is reimbursed therefor by a reimbursing partner or such tax, fee or charge is treated as having been distributed to the limited partners); (xxviii) distributions to the limited partners and other expenses associated with the acquisition, holding and disposition of a Fund's investments, including extraordinary expenses; (xxix) unreimbursed expenses and unpaid fees of the Senior Executive Advisors, employees or other persons

or entities engaged by a Senior Executive Advisor; (xxx) compliance or regulatory matters related to a Fund, except as otherwise set forth in the relevant Governing Documents; (xxxi) any travel (including, where appropriate, the cost of chartering a private aircraft in an amount as specified in the relevant Fund's Governing Documents), lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxxii) any Organizational Expenses (as defined below); (xxxiii) any placement fees; and (xxxiv) any other fees, costs, expenses, liabilities or obligations approved by an advisory board.

BPOC, and not the Funds, are responsible for ordinary overhead and administrative expenses

Organizational Expenses

The Funds bear all expenses including travel (including, where appropriate in BPOC's reasonable discretion, the cost of chartering a private aircraft), printing, legal, capital raising, accounting, regulatory compliance (including the initial compliance contemplated by the AIFMD), any administrative or other filings and other organizational expenses) incurred in connection with the organization, funding and startup of each Fund, General Partner and all affiliated entities, including the preparation of, and negotiations with respect to, the Governing Documents for each Fund and any side letters or similar agreements (excluding expenses incurred in connection with the most-favored-nations process) (the "Organizational Expenses"). Organizational expenses do not include the cost of any placement fees. Each Fund bears Organizational Expenses up to an amount not to exceed an amount as specified in its Governing Documents, and Organizational Expenses in excess of such amount are paid by the relevant General Partner though an offset against the Management Fee.

Third-Party Professional Expenses

As mentioned above, BPOC and its affiliates also engage and retain Senior Executive Advisors, consultants and other similar professionals ("third-party professionals") who are not employees or affiliates of BPOC, to assist with managing portfolio companies. These third-party professionals will, from time to time, receive payments, other compensation or allocations with respect to portfolio companies and/or other entities, including board fees and options in a portfolio company. Third-party professionals typically incur expenses while working with BPOC portfolio companies, and such expenses are paid or reimbursed by either BPOC, the relevant portfolio company or the relevant Fund. BPOC frequently appoints a third-party professional to serve on the board of a BPOC portfolio company, and any fees for board service received by the third-party professional will not be deemed paid to or received by BPOC and thus will not be subject to the Management Fee offset arrangements described above. Third-party professionals are also reimbursed for the cost of their travel to and from portfolio company board meetings and other portfolio company business and such expenses are generally borne by the relevant portfolio company which the third-party professional is advising but can also be paid by the relevant Fund, specifically in the event a deal that is not consummated. Also as mentioned above, third-party professionals at times receive payment for services to portfolio

companies as an employee or in a similar capacity, which payment is similarly not offset against Management Fees.

D. If your clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

The Funds pay BPOC non-refundable Management Fees, which are due no less than ten business days after being called but in no event are due prior to January 15th and July 15th of each fiscal year. Withdrawals of capital from Funds are not permitted. The Funds generally invest on a long-term basis. Accordingly, Management Fees are expected to be paid, except as otherwise described in the Governing Documents, over the term of the Funds and limited partners generally are not permitted to withdraw or redeem interests in the Funds.

E. If you or any of your supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4

Neither BPOC nor any supervised person accepts compensation for the sale of securities or other products, other than as described in this Item 5 and in Item 6 below.

Item 6 – Performance-Based Fees and Side-By-Side Management

If you or any of your supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a Client that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your supervised persons face by managing these accounts at the same time, including that you or your supervised persons have an incentive to favor accounts for which you or your supervised persons receive a performance-based fee, and describe generally how you address these conflicts.

A Carried Interest allocation represents an adviser's compensation based on a percentage of net profits of the Funds it manages. As described above in Item 5, each General Partner receives a Carried Interest allocation on certain realized profits in the Funds equal to 20% of all realized profits subject to an 8% annually compounded preferred return (or hurdle) and subject to reimbursement of all relevant Fund partnerships expenses, including Management Fees. Each Fund's Carried Interest calculation, as well as the clawback provisions of each Fund, is further described in the relevant Fund Governing Documents. The Carried Interest allocated to a General Partner is subject to a potential giveback if the respective General Partner has received excess cumulative distributions. BPOC manages one Fund that is not charged a Carried Interest. However, such Fund co-invests on a pro

rata basis with Funds that do pay a Carried Interest, so the Firm does not believe there is an incentive to favor Funds that pay a Carried Interest over those that do not.

These performance fee arrangements have been structured subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. The General Partner of each Fund is permitted, in its sole discretion, waive or reduce the amount of Carried Interest for a limited partner in a Fund.

The fact that each General Partner's Carried Interest allocations are based on the performance of each Fund can create an incentive for a General Partner to make investments that are more speculative than would be the case in the absence of such distributions. BPOC believes this incentive is sufficiently mitigated, however, due to the fact that any losses the Funds sustain will reduce each General Partner's Carried Interest distribution and the fact that Carried Interest is generally calculated only after limited partners have received as distributions 100% of their capital contributions plus an 8% preferred return.

Item 7 – Types of Clients

Describe the types of clients to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

BPOC provides investment advice to the Funds. The limited partners participating in the Funds include individuals, banks or thrift institutions, other investment entities, pension and profit-sharing plans, endowments, trusts, estates or charitable organizations or other corporations or business entities and include, directly or indirectly, principals or other employees of BPOC and its affiliates, including Senior Executive Advisors. The Funds generally have minimum investment amounts varying from \$1.0 million to \$5.0 million for third-party investors, although commitments of less than \$1.0 million have been accepted in the sole discretion of the applicable Fund's General Partner. Limited partners in the Funds must meet certain suitability and net worth qualifications prior to making an investment in the Funds. Limited partners must generally be (i) "accredited investors" as defined under Regulation D of the Securities Act of 1933, and either (ii) "qualified clients" as defined in the Advisers Act, or (iii) "qualified purchasers" or "knowledgeable employees," each as defined under the Investment Company Act of 1940, as amended.

BPOC will generally pursue all appropriate investment opportunities through its Fund vehicles, subject to certain limited exceptions. BPOC may, from time to time, require additional capital in order to complete a portfolio company transaction and may reach out to select limited partners and other third parties for additional capital. These co-investments are not managed by BPOC, are not subject to custody by BPOC and are not deemed to be clients of BPOC.

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

A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that clients should be prepared to bear.

The Funds focus on achieving attractive risk-adjusted returns by completing private equity investments in companies primarily operating in targeted healthcare vertical structures. The Funds invest primarily in buyout and recapitalization transactions in middle market healthcare companies in acquisitions of subsidiaries from corporations, recapitalizations of founder-managed entities and management-led purchases of, and investments in, independent businesses. In completing buyout and recapitalization transactions, BPOC partners with experienced management teams and creates value by growing EBITDA and cash flow through the implementation of strategic and operational initiatives. BPOC acts as lead or co-lead in the due diligence and investment structuring and to acquire board representation in each of Fund's portfolio companies.

To identify attractive investment target sectors within the healthcare industry, BPOC rigorously monitors trends in reimbursement, regulation, capital markets, competition and industry consolidation. Based upon the Firm's experience and analysis of current trends, the Funds emphasize the following healthcare sectors: (i) clinical outsourcing and staffing; (ii) non-clinical outsourcing; (iii) pharma products and services; (iv) providers of healthcare services, particularly alternate site (non-hospital) outpatient providers; (v) managed care; (vi) specialty distribution; and (vii) medical and dental products. BPOC also explores other sectors as trends in healthcare technology, delivery and payment options continue to evolve.

BPOC seeks to build sustainable healthcare companies over a three- to seven-year investment horizon. In addition to targeting specific sectors of the healthcare market and applying stringent investment criteria to evaluate each potential investment, the Firm seeks to provide significant value at each stage of the investment process. BPOC seeks to: (i) proactively source investments; (ii) apply a disciplined valuation and due diligence approach; (iii) devise favorable transaction structures with significant management ownership tied to performance; (iv) develop a post-investment value creation plan or "angle" that includes a strategic partnership to help increase revenue or improve efficiency or an accretive acquisition; and (v) realize value through attractive exit opportunities.

BPOC has access to and leverages the investment expertise of a dedicated group of operating executives and functional experts, including its Senior Executive Advisors. The Senior Executive Advisors have deep operating and sourcing expertise in specific sectors of Firm interest and have agreed to work with BPOC within the middle market healthcare industry to assist in sourcing, serve as lead directors or Executive Chairs, and engage on specific projects including acquisition integration, strategic planning and executive mentoring.

B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or

unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

The Funds and their limited partners bear the risk of loss that BPOC's investment strategy entails. Although the following risk factors generally apply to all BPOC Funds, limited partners should also refer to a Fund's Governing Documents for a description of the risk factors specific to their Fund. Prospective limited partners are cautioned that investments in securities involve risk of loss, including the possibility of a complete loss of the amount invested, and that they should be prepared to bear these risks. All limited partners should be aware of certain risk factors, which include, but are not limited to, the following:

Business Risks. A Fund's investment portfolio will 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.

Investment in Junior Securities. The securities in which the Funds 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 is no collateral to protect an investment once made.

Concentration of Investments; Lack of Diversification. The Funds generally invest a significant portion of their aggregate capital commitments in any single portfolio company (including its direct or indirect subsidiaries and guarantees or other credit support), and will likely participate in a limited number of investments and intend to make most of its investments in one industry or one industry segment. As a result, the Funds' investment portfolios are expected to become highly concentrated, and the performance of a few holdings or of a particular industry can substantially affect its aggregate return. If a Fund co-invests with another private equity fund, a limited partner invested in such other Fund may have exposure to a single portfolio company through more than one fund, potentially multiplying such limited partner's losses.

In addition, because the Funds may only make a limited number of investments and such investments generally will involve a high degree of risk, poor performance by even a single investment could severely affect total returns. If certain investments perform unfavorably, then in order for the Funds to achieve above average returns, one or a few of its investments must perform very well, and there can be no assurances that this will be the case.

Investments in Public Companies. The Funds are permitted to invest in public companies (subject to restrictions set forth in each Fund's Governing Documents) or take private formerly public portfolio companies or hold public securities following an initial public offering of a Fund portfolio company. Investments in public companies subject the Funds to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include movements in the relevant stock market and trends in the economy, greater volatility in the valuation of such companies, increased obligation to disclose information regarding such companies, limitations on the ability of

the Funds to dispose of such securities at certain times (including due to the possession by the Funds of material non-public information, increased likelihood of shareholder litigation against such companies' board members, which likely will include BPOC personnel, regulatory action and increased costs associated with each of the aforementioned risks.

Lack of Sufficient Investment Opportunities. The business of identifying, structuring and completing private equity transactions is highly competitive. The Funds will encounter competition from other entities having similar investment objectives. Potential competitors include other investment partnerships and corporations, strategic industry acquirers and other financial investors, including hedge funds, investing directly or through affiliates. Over the past several years, an ever increasing number of private equity funds have been or are being formed, and many existing funds have grown in size. Additional funds with similar investment objectives are expected to be formed in the future by other unrelated parties. Some of these competitors may have more relevant experience, greater financial resources, a greater willingness to take on risk, and/or more personnel than BPOC.

In this highly competitive environment, the valuations of many potential target companies have recently risen to historically high levels as measured by multiples of EBITDA. BPOC expects that competition for appropriate investment opportunities may increase, which may also require the Funds to participate in auctions, the outcome of which cannot be guaranteed, thus reducing the number of investment opportunities available to the Funds and/or adversely affecting the terms upon which portfolio investments can be made. Additionally, the Funds may incur bid, due diligence or other costs on investments that may not be successful. As a result, the Funds may not recover all of such costs, which would adversely affect returns.

To the extent that the Funds encounter competition for investments, returns to limited partners, if any, may decrease. In addition, it is possible that the Funds will never be fully invested if enough sufficiently attractive investments are not identified. Moreover, limited partners will be required to bear Management Fees through the Funds during the commitment period based on the entire amount of the limited partners' commitments and other expenses as set forth in the Governing Documents of each Fund.

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. The Funds' ability to dispose of investments can be limited for several reasons. Illiquidity can result from the absence of an established market for the investments, as well as legal, contractual or other restrictions on their resale by a Fund. Dispositions of investments may be subject to contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. In addition, the ability to exit an investment through the public markets will depend upon favorable market conditions, including receptiveness to initial or secondary public offerings for the companies in which the Funds invest and an active mergers and acquisitions (or recapitalizations and reorganizations) market. Public offering, merger and acquisition and recapitalization and reorganization opportunities may be limited or non-

existent for extended periods of time, whether due to economic, regulatory or other factors. In view of these limitations on liquidity, the Funds generally will not be able to realize an investment in a privately held entity until the sale of such entity. While an investment can be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating the Funds (including the Management Fee) may exceed its income, thereby requiring that the difference be paid from a Fund's capital, including unfunded commitments. In view of the fact that the Funds are only obligated to make distributions to the extent of distributable cash, if any, after taking into account reserves for future obligations and may, subject to certain limitations set forth in the Governing Documents, reinvest, rather than distribute, or otherwise recall certain proceeds from investments, if any, an investment in the Funds is not suitable for prospective investors seeking current income for financial or tax planning purposes.

Leveraged Investments; Borrowing. A Fund can make use of leverage by incurring or having a portfolio company incur debt to finance a portion of its investment in a given portfolio company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both a Fund's opportunities for gain and its risk of loss from a particular investment, and the magnification of the risk of loss can be substantial. The cost and availability of leverage is highly dependent on the state of the broader credit markets, which can be impacted by regulatory restrictions and guidelines and 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 by a Fund will also result in interest expense and other costs to a Fund that may not be covered by distributions made to the Fund or appreciation of its investments. The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business 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 and could accelerate and magnify declines in the value of such 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 has the potential to suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Fund. Additionally, lenders would typically have a claim that has priority over any claim by a Fund to the assets of such portfolio company in an insolvency event or proceeding. 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, a Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which a Fund invests generally will not be rated by a credit rating agency. If a portfolio company is unable to obtain favorable financing terms for its investments, refinance its indebtedness or maintain a desired or optimal amount of financial leverage, a Fund may hold a larger than expected equity investment in such portfolio company, the result of which could be to realize returns, if any, with respect to the portfolio company that were expected when the investment was underwritten, which would also adversely affect a Fund's ability to generate attractive investment returns for a Fund as a whole. Any failure by lenders to provide previously committed financing could

also expose a Fund to potential claims by sellers of businesses which a Fund may have been contracted to purchase.

A Fund is permitted to borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt), both of which BPOC has done in the past. Although use of such borrowing facilities generally enhances BPOC's ability to close transactions quickly, such activity also increases risk and raises the possibility that BPOC will need to call additional capital to pay off such debt. Any use of leverage by a Fund also will result in interest expense and other costs to the Funds that may not be covered by distributions made to the Funds or appreciation of its investments. A Fund may incur leverage on a joint and several basis with one or more other investment funds and entities or any of its affiliates and, in connection with incurring such indebtedness, may, in its sole discretion, cause a Fund to enter into one or more agreements to obtain a right of contribution, subrogation or reimbursement from or against such entities. However, it is possible that, if and when a Fund were to seek to enforce any such right, any such entity could default on its obligation and/or such right may otherwise be unenforceable. In addition, to the extent a Fund incurs leverage or provides any guaranty, such amounts may be secured by the commitments of a Fund's limited partners and other Fund assets. The inability of a Fund to repay any leverage secured by the capital commitments of the Fund's limited partners could enable a lender to issue a capital call on behalf of a Fund.

To the extent a Fund uses borrowed funds in advance or in lieu of capital contributions or a portfolio company borrows funds directly through the Fund facility, the Fund's limited partners generally make later capital contributions, but the Fund will bear the expense of interest on such borrowed funds. In addition, a Fund's use of borrowed funds will impact the calculation of net performance metrics (to the extent that they measure limited partner cash flows) and has the potential to make net IRR calculations higher than they otherwise would be without Fund-level borrowing, as these calculations generally depend on the amount and timing of capital contributions. While a Fund will bear the expense of borrowed funds, such borrowings can also increase the Carried Interest received by the Fund's General Partner by decreasing the amount of distributions from the Fund that are required to be made to limited partners in satisfaction of any preferred return. The General Partners therefore have a conflict of interest in deciding whether to borrow funds because a General Partner has the potential to receive disproportionate benefits from such borrowings. Moreover, tax-exempt limited partners should note that the use of borrowings by the Fund has the potential to cause the realization of UBTI.

Uncertainty of Projections. The Funds use financial projections to help analyze a potential investment or future capital raises and financing for portfolio companies or other transactions. Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by BPOC 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. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections. The inaccuracy of certain assumptions, the failure to

satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values. There can be no assurance that the results set forth in any projections will be attained, and actual results may be significantly different from projections.

Risks in Effecting Operating Improvements. In some cases, the success of a Fund's investment strategy will depend, in part, on the ability of the Fund to effect improvements in the operations of a portfolio company. The activity of identifying and implementing operating improvements at portfolio companies entails a high degree of uncertainty. In addition, executing operational improvements can divert the attention of key personnel and disrupt normal business. There can be no assurance that the Funds will be able to successfully identify and implement such improvements.

Risks Relating to Due Diligence of and Conduct at Portfolio Companies; Expedited Transactions. Before making investments, BPOC will typically conduct such due diligence as it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence typically entails evaluation of important and complex business, financial, tax, accounting, technical, environmental and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties, including Senior Executive Advisors and third-party professionals, are usually involved in the due diligence process to varying degrees depending on the type of investment and the facts and circumstances related thereto and BPOC will often rely on the advice received from such third parties. Investment analyses and decisions by BPOC will often be undertaken on an expedited basis in order for the Funds to take advantage of investment opportunities. In such cases, the information available to BPOC at the time of an investment decision may be limited, and the Firm may not have access to the detailed information necessary for a full evaluation of the investment opportunity. The due diligence investigation carried out with respect to any investment opportunity will not reveal or highlight all relevant facts necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in an investment being successful or even ensure a return on invested capital.

Non U.S. Investments. A Fund is permitted to invest a portion of its aggregate commitments in portfolio companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Investments in non U.S. securities or instruments involve certain factors not typically associated with investing in U.S. securities and instruments, including risks relating to: (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various non U.S. currencies in which the Fund's non U.S. investments can be denominated (including risks associated with potentially rapid inflation), and costs associated with conversion of investment principal and income from one currency into another; (ii) exposure to fluctuations in interest rates payable with respect to the instruments in which the Funds invests; (iii) differences in conventions relating to documentation, settlement, corporate actions, stakeholder rights and other matters; (iv) differences between the U.S. and non U.S. securities markets, including potential price volatility in and relative illiquidity of some non U.S. securities markets; (v) the absence of uniform accounting, auditing, and financial reporting standards, practices and disclosure

requirements, and less (or more) government supervision and regulation; (vi) certain economic, social and political risks, including potential exchange control regulations and restrictions on non U.S. investment and repatriation of capital, the risks of political, economic, governmental or social instability, including the risk of sovereign defaults, regulatory change and the possibility of expropriation or confiscatory taxation; (vii) the possible imposition of non U.S. taxes on income, gains and gross sales or other proceeds recognized with respect to such securities or instruments; (viii) the application of complex U.S. and non U.S. tax rules to cross border investments; (ix) possible non U.S. tax return filing requirements for the Funds; (x) differing and potentially less well developed or well tested corporate laws regarding stakeholder rights, creditors' rights (including the rights of secured parties), fiduciary duties and the protection of investors; (xi) differences in the legal and regulatory environment or enhanced legal and regulatory compliance; (xii) political hostility to investments by foreign or private equity investors; and (xiii) less publicly available information.

Control Person Liability. The Funds are expected to have controlling interests in a number of its portfolio companies. The exercise of control over a company can impose additional risks of liability for environmental damage, product defects, pension and other fringe benefits, failure to supervise management, violation of laws and governmental regulations (including securities laws) and other types of liability, for which the limited liability generally afforded to limited partners may be ignored. In particular, if determined to be a direct owner or operator of any of the portfolio company's facilities or operations, a Fund could face strict, joint and several liability under environmental laws for hazardous substance or contamination related liabilities. If any such liabilities were to arise, a Fund might suffer significant losses. While BPOC intends to manage the Funds in a manner that will minimize the exposure of these risks, the possibility of successful claims against a Fund and/or its affiliates cannot be precluded.

Director Liability. The Funds will often seek to 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 (each, a "Board Representative"). In those instances where a Fund is not the sole shareholder of the applicable portfolio company, a Board Representative may have duties to persons other than the Fund. Serving on the board of directors (or similar governing body) of a portfolio company exposes the Board Representative, 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 against such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from the Fund's investment activities.

Litigation. The transactional nature of the business of the Funds exposes the Funds, BPOC and their respective affiliates generally to this risk of third-party litigation. In the ordinary course of its business, a Fund may be subject to litigation from time to time. Under the Governing Documents, the Funds will generally be responsible for indemnifying BPOC and certain of its affiliates for costs they may incur with respect to such litigation not covered by insurance. The outcome of litigation proceedings has the potential to materially adversely affect the value of the Funds and can continue without

resolution for long periods of time. Additional regulation could also increase the risks of third-party litigation. Any litigation can consume substantial amounts of BPOC's and the principals' time and attention, and that time and the devotion of these resources to litigation can, at times, be disproportionate to the amounts at stake in the litigation.

Lack of Unilateral Control. The Funds generally hold meaningful minority stakes in privately held companies and in some cases may have limited minority protection rights. In addition, during the process of exiting investments, the Funds at times can hold minority equity stakes of any size such as might occur if portfolio companies are taken public. As is the case with minority holdings in general, such minority stakes that the Funds may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where a Fund holds a minority stake, it may be more difficult for such Fund to liquidate its interests than it would be had the Fund owned a controlling interest in such company. When taking non control positions, a Fund generally will seek to obtain negative controls and veto rights on major decisions, but there can be no assurance that the Funds will be able to control the timing or occurrence of an exit strategy for such portfolio companies in a manner that maximizes or protects value. Even if a Fund has contractual rights to seek liquidity of its minority interests in such companies, it may be very difficult to sell such interests or seek a sale of such company upon terms acceptable to the Fund, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals.

Contingent Liabilities Upon Disposition. In connection with the disposition of an investment, the Funds and BPOC may be required to make (and/or be responsible for another person's or entity's breach of) representations and warranties, *e.g.*, about the business and financial affairs of the applicable portfolio company, the condition of its assets and the extent of its liabilities, in each case generally in the nature of representations and warranties typically made in connection with the sale of similar businesses, and may be responsible for the content of disclosure documents under applicable securities laws. They may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents are inaccurate. These arrangements have the potential to result in contingent liabilities, which would be borne by a Fund and, ultimately, its limited partners. In such a situation, limited partners may be required to return distributions received by them to pay such indemnification obligations, subject to certain limitations provided in the Governing Documents of each Fund.

General Risks of Investments in Healthcare Companies. Investments in healthcare companies involve a high degree of business and financial risk and can result in substantial losses. Healthcare companies can face intense competition, including competition from companies with greater financial resources, more extensive research and development, sales and marketing, customer services and support and other capabilities and a larger number of qualified managerial and technical personnel. Companies in which the Funds invests could deteriorate for a variety of reasons, including an adverse development in their business, a change in the competitive environment or an economic downturn.

Reliance on the General Partner. Each Fund will be dependent on its General Partner. Limited partners generally have no right or power to take part in the management of a Fund, or control over the operation of a Fund, including decisions with respect to structuring, negotiating and purchasing, financing and eventually divesting investments on behalf of a Fund, as control over these decisions will be vested with the relevant General Partner. Consequently, a Fund's future profitability and investment performance will depend largely upon the business and investment acumen of the principals and other investment professionals of the General Partners. The loss or reduction of service of one or more such persons could have an adverse effect on a Fund's ability to realize its investment objectives. In addition, the principals currently, and expect to in the future, manage other investment Funds and the principals devote substantial amounts of their time to the investment activities of such other Funds, which can pose conflicts of interest in the allocation of the time of the principals. In addition, certain changes in a General Partner or circumstances relating to a General Partner can have an adverse effect on the Funds or one or more of its portfolio companies, including potential acceleration of debt facilities. Limited partners are reminded that the composition of the professionals making up particular industry sector investment teams change over time, and the professionals included in such teams and who may have contributed to the past performance of any prior BPOC Funds may no longer be members of the particular team or serve in the same or similar roles thereon (or may no longer be with BPOC, or may leave such team or BPOC during the life of the Fund).

Reliance on Portfolio Company Management. The success of many of the Funds' portfolio companies is heavily dependent on the management of such companies. Each portfolio company's day to day operations will be the responsibility of such company's management team. Additionally, BPOC will generally establish the capital structure of companies in which the Funds invest on the basis of financial projections for such companies, which will contain significant judgment and input from the portfolio company management team. Although BPOC will be responsible for monitoring the performance of each portfolio investment and the Funds generally intend to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the existing management team, or any successor, will be able or willing to successfully operate a company in accordance with each Fund's objectives. Portfolio companies may need to attract, retain and develop executives and members of their management teams. The market for executive talent can be extremely competitive. Further, the business and operations of software and technology companies in which the Funds may invest often experience rapid organizational change that may strain the performance of the portfolio companies' management teams. There can be no assurance that the management team of a portfolio company on the date a portfolio investment is made will remain the same or continue to be affiliated with the company throughout the period the portfolio company is held by a Fund. There can be no assurance that portfolio companies will be able to attract, develop, integrate and retain suitable members of its management team and, as a result, a Fund can be adversely affected thereby.

No Market for Interests; Restrictions on Transfer; No Right of Withdrawal. Limited partner interests in the Funds generally cannot be transferred, sold, assigned, pledged or otherwise encumbered without the prior written consent of the relevant General Partner, which generally can be withheld in the General

Partner's sole discretion, and the volume of transfers permitted in any calendar year may be restricted in order to comply with certain safe harbors under the tax regulations promulgated under the Code. Voluntary withdrawals from the Funds will not be permitted except in very limited circumstances generally involving situations where retaining an interest in the Funds would violate certain laws or regulations. In addition, interests in the Funds are not redeemable. There will be no public market for interests in a Fund, and none is expected to develop. Interests in the Funds have not been registered under the Securities Act, the securities laws of any state or the securities laws of any other jurisdiction and therefore cannot be resold unless they are subsequently registered under the Securities Act and other applicable securities laws, or unless an exemption from registration is available. It is not contemplated that registration of the interests in the Funds will ever be effected. Limited partners may not be able to liquidate their investments prior to the end of a Fund's term and must be prepared to bear the risks of an investment in the Funds for an extended period of time.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for Fund investments, and hence, most of the Fund's investments will be difficult to value. Certain investments may be distributed in kind to the limited partners and it can be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such limited partners. After a distribution of securities is made to the limited partners, many limited 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 are sold by such limited partners can be lower than the value of such securities determined pursuant to the relevant Governing Documents, including the value used to determine the amount of Carried Interest available to the relevant General Partner with respect to such investment.

Recycling; Reinvestment. During the commitment period, BPOC generally has the right to recall certain capital returned or distributed to limited partners. Accordingly, during the term of a Fund, a limited partner may be required to make capital contributions in excess of its commitment (with certain limitations), and to the extent such recalled or retained amounts are reinvested in investments, a limited partner will remain subject to investment and other risks associated with such investments. Delays in realizing investments due to market or other conditions may result in the lack of available capital for recycling, including for consummation of follow on investments. This can occur in situations where other BPOC funds have sufficient capital remaining.

Fees and Expenses. The Funds will pay and bear all expenses related to its operations, including Management Fees and the costs of holding, monitoring, maintaining and disposing of portfolio companies, including investment banking fees and consulting fees, whether or not a Fund makes any profits. While it is difficult to predict the future expenses of a Fund, such expenses may be substantial and may surpass the Fund's operating income. The amount of these partnership expenses will reduce the actual returns realized by limited partners on their investment in a Fund (and may, in certain circumstances, reduce the amount of capital available to be deployed by a Fund for investments). Fund expenses include recurring and regular items, as well as extraordinary expenses for which it may

be hard to budget or forecast. As a result, the amount of each Fund's expenses ultimately called or called at any one time may exceed expectations.

Need for Follow-On Investments. Following its initial investment in a given portfolio company, the Funds may decide to provide additional funds to such portfolio company or have the opportunity to increase its investment in a successful 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 the Funds will make follow-on investments or that the Funds 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 can 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). Additionally, such failure to make such investments can result in a lost opportunity for a Fund to increase its participation in a successful portfolio company or the dilution of a Fund's ownership in a portfolio company if a third party invests in such portfolio company.

Agreements with Certain Limited Partners. BPOC has entered into a side letter or other similar agreement with a particular limited partner in connection with its admission to a Fund without the approval of any other limited partner, which has the effect of establishing rights under, altering or supplementing the terms of, or confirming the interpretation of an applicable Fund Governing Documents with respect to such limited partner in a manner more favorable to such limited partner than those applicable to other limited partners, and such rights can be significant. Such rights or terms in any such side letter or other similar agreement often include: (i) excuse, exclusion or withdrawal rights applicable to particular investments or limited partners (which may increase the percentage interest of other limited partners in, and contribution obligations of other limited partners with respect to, certain investments); (ii) reporting obligations of the General Partner; (iii) waiver of certain confidentiality obligations; (iv) consent of the General Partner to certain transfers by such limited partner; (v) a reduction or waiver of Management Fees or other expenses; or (vi) rights or terms necessary in light of particular legal, regulatory or public policy characteristics of such limited partner.

Cyber Security Breaches and Identity Theft. The Funds and their portfolio companies' information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although BPOC has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, BPOC, the Funds and/or a portfolio company may incur specific time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions of BPOC's, the Funds' and/or a portfolio company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to limited partners (and the beneficial owners of limited

partners). Such a failure could harm BPOC's, the Fund's and/or a portfolio company's reputation, subject any such entity and its respective affiliates to legal claims or otherwise affect their business and financial performance.

Changes in Cyber Security and Data Protection Laws and Regulations. The adoption, interpretation and application of consumer and data protection laws or regulations in the United States and elsewhere are often uncertain and in flux, and in some cases, laws or regulations in one country may be inconsistent with, or contrary to, those of another country. U.S. federal, state, and non U.S. government bodies or agencies have in the past adopted, and may in the future adopt, laws and regulations affecting data privacy. Industry organizations also regularly adopt and advocate for new standards in this area. Foreign data privacy regulations, such as the EU's Data Protection Directive (Directive 95/46/EC), and the country specific regulations that implement Directive 95/46/EC, also govern the processing of personally identifiable data and may be stricter than U.S. laws. The failure of portfolio companies, their third-party partners, and their customers to comply with applicable laws and regulations could negatively impact BPOC, the Funds and/or its portfolio companies.

Conflicts of Interest

Limited partners should be aware that various actual and potential conflicts can arise from the overall investment activities of the Funds, the General Partners, BPOC and their respective affiliates. The following discussion identifies certain potential conflicts of interest that should be carefully considered before making an investment in the Funds. In addition, limited partners should be aware that BPOC, its personnel, and its affiliates may in the future engage in further activities that can result in additional conflicts of interest not addressed below. There can be no assurance that BPOC will identify or resolve all conflicts of interest and, if resolved, that such conflicts will be resolved in a manner that is favorable to the Funds. If any matter arises that BPOC determines in its good faith judgment constitutes an actual or potential conflict of interest, the Firm may take such actions as may be necessary or appropriate to ameliorate such conflict.

Allocation of Investment Opportunities. BPOC in the future may sponsor and manage a variety of investment funds, with objectives, strategies, scope and investment criteria that differ from the current Funds. The Firm generally will not commence the operation of a new pooled investment fund with objectives substantially similar to those of the Funds until the end of the commitment period of the most recent Fund or such earlier time as described in such Fund's Governing Documents. However, subject to any other applicable limitations in the relevant Governing Documents, BPOC and its affiliates may form, market and organize another fund and act as general partner, manager or in a similar capacity of such BPOC Fund.

Time and Attention of the Principals. The principals may spend a portion of their business time and attention pursuing investment opportunities that do not fall within the objectives, strategy, scope and investment criteria of the Funds. The principals and BPOC's investment personnel also manage and monitor investments in several BPOC Funds. BPOC believes that the investment of the principals in 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, although the principals have or may have economic interests in other BPOC Funds as well and receive Management Fees and Carried Interests relating to those interests. At such time as BPOC is permitted to raise a successor investment fund, the principals will continue to manage a Fund's investments, but also may, and likely will, focus investment activities on other opportunities and areas unrelated to such Fund's investments.

Transactions Among BPOC Funds. It is possible that a portion of a Fund's investments will be made in or with a portfolio company of another Fund. For example, BPOC may determine that a Fund should invest in an existing portfolio company of another Fund. Any investment by a Fund in an entity in which another Fund has a pre-existing investment (or vice versa) could be viewed, especially in hindsight, to have been made based on a non-arms-length valuation. Similarly, a Fund may later invest in entities in which another Fund has invested, which may have an effect (either positive or negative) on the market value of such Fund's investments. Generally, except as provided in the relevant Governing Documents, such transactions would be subject to the approval of the relevant advisory board.

BPOC reserves the right to make independent decisions regarding recommendations of when a Fund should purchase and sell investments. As a result, a Fund may be purchasing an investment at a time when another Fund is selling the same or a similar investment, or vice versa. There can be no assurance that the return on a Fund's investments will not be less than the returns obtained by other Funds participating in the investment.

Employees and Service Providers. BPOC, from time to time, employs personnel with pre-existing ownership interests in, or who were employed by portfolio companies owned by, BPOC Funds; conversely, former personnel or executives of BPOC from time to time serve in significant management roles or board of director positions at portfolio companies or service providers recommended by BPOC. Similarly, BPOC and/or its personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including managers of private funds, law firms, banks and brokers. Certain of these persons or entities will invest (or will be affiliated with a limited partner) in, engage in transactions with and/or provide services (including services at reduced rates) to, BPOC and/or the Funds. BPOC can have a conflict of interest with the Funds in recommending the retention or continuation of a third-party service provider to the Funds or a portfolio company owned by the Funds 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 BPOC advises, will provide BPOC information about markets and industries in which BPOC operates (or is contemplating operations) or will provide other services that are beneficial to BPOC. BPOC can have a conflict of interest in making such recommendations, in that it has an incentive to maintain goodwill between itself and the existing and prospective portfolio companies for the Funds, while the products or services recommended may not necessarily be the best available to the portfolio companies held by the Funds.

Over the life of the Fund, BPOC generally expects to exercise its discretion to recommend to the Funds or to a portfolio company thereof that it contracts for services with various service providers, potentially including, among others: (i) BPOC (or an affiliate, which may include other portfolio companies of the Funds) and at rates determined or substantively influenced by BPOC; (ii) an entity with which BPOC or its affiliates or current or former members of their personnel has a relationship or from which such person derives a financial or other benefit; or (iii) a limited partner or its affiliates. This subjects BPOC to potential conflicts of interest because although it intends to select service providers that it believes are aligned with its operational strategies and that will enhance portfolio company performance, BPOC can have an incentive to recommend the related or other person because of its financial or business interest. Additionally, there is a possibility that BPOC, because of such incentive or for other reasons (including whether the use of such persons could establish, recognize, strengthen or cultivate relationships that have the potential to provide longer term benefits to BPOC or the Funds), may favor such retention or continuation even if a better price and/or quality of service provider could be obtained from another person. Whether or not BPOC has a relationship with 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.

Products or Services Received by Funds From Portfolio Companies. From time to time, certain portfolio companies of the Funds may provide BPOC and its affiliates, Senior Executive Advisors, Special Consultants (as defined below) or board members of such portfolio companies appointed by BPOC with products or services that such portfolio companies regularly produce or provide as part of their business operations at reduced rates or without charge.

Intangible Benefits. BPOC and its employees receive certain intangible and/or other benefits or perquisites arising or resulting from their activities on behalf of a Fund, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Fund expenses often result in “miles” or “points” or credit in loyalty/status programs to BPOC and/or its employees, and such rewards or amounts will exclusively benefit BPOC and/or such employees and will not be subject to the offset arrangements or otherwise shared with such Fund, its limited partners or the portfolio companies.

Co-Investments. BPOC may, in its sole discretion, provide or commit to provide co-investment opportunities to one or more limited partners and/or other persons (including Senior Executive Advisors), in each case on terms to be determined by BPOC in its sole discretion. Conflicts of interest can arise in the allocation such co-investment opportunities. The allocation of co-investment opportunities, which may be made to one or more persons for any number of reasons as determined by BPOC in its sole discretion, may not be in the best interests of the Funds or any individual limited partner. In exercising its discretion to allocate co-investment opportunities with respect to a particular investment to and among potential co-investors and the terms thereof, the Firm may consider some or all of a wide range of factors, which may include: (i) the ability of a person to react promptly to co-invest opportunities; (ii) any strategic advantages that may result from a person’s participation in a

co-investment opportunity; (iii) a person's commitment to the Funds managed by BPOC; (iv) and/or the likelihood that a person will invest in a future fund sponsored by BPOC. The Firm may also, in its sole discretion, charge a Management Fee and obtain a Carried Interest in respect of any such co-investment. Since co-investments will not be made through a Fund, any compensation received in connection with a co-investment does not arise out of the investment activities of a Fund or actions taken directly or indirectly by BPOC on behalf of a Fund and, therefore, none of such fees and other co-investor-related compensation reduces the Management Fee paid by the Fund. If a co-investment vehicle is formed, such entity will bear expenses related to its formation and operation, many of which are similar in nature to those borne by a Fund. In the event that a transaction in which a co-investment was to be sought ultimately is not consummated, all obligations, liabilities and out-of-pocket and/or breakup fees, costs and expenses relating to such unconsummated transaction are expected to be borne by the applicable Fund, and not by any prospective or expected co-investors that were to have participated in such transaction, subject to any restrictions set forth in the relevant Governing Documents.

Co-investments with third parties through partnerships, joint ventures or other entities or arrangements can involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of a Fund, may have financial difficulties (which may increase the possibility of default), or may be in a position to take (or block) action contrary to the investment objectives of a Fund. In addition, a Fund may in certain circumstances be liable for actions of its third-party co-venturer or partner. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such co-investments, including incentive compensation arrangements. There can be no assurance that a Fund's return from a transaction would be equal to, and no less than, the return of another party that was allocated a co-investment opportunity and that is participating in the same transaction.

Furthermore, decisions regarding whether and to whom to offer co-investment opportunities may be made by BPOC or its related persons in consultation with other participants in the relevant transactions, such as a co-sponsor. Co-investment opportunities typically will be offered to some and not to other limited partners. When and to the extent that employees and related persons of the Firm make capital investments in or alongside a Fund, BPOC is subject to conflicting interests in connection with these investments. The Firm's allocation of co-investment opportunities among the parties often will not result in proportional allocations among such parties, and such allocations may be more or less advantageous to some such parties relative to others.

Allocation of Expenses. BPOC and its affiliates will from time to time incur fees, costs and expenses, including in connection with transactions not consummated, on behalf of the Funds. To the extent practicable, any fees, costs and expenses that are incurred in connection with a consummated investment will be charged to the applicable portfolio company. To the extent such fees, costs and expenses are not charged to a portfolio company, they will be paid by each Fund that participated or was expected to participate in such investment. The Funds will typically bear a portion of any such

fees, costs, and expenses in proportion to the size of its actual or proposed investment, or in such other manner as BPOC considers, in good faith, to be fair and equitable. Although BPOC will endeavor to allocate such fees, costs and expenses on a fair and equitable basis, there can be no assurance that such fees, costs and expenses will in all cases be allocated appropriately. Any such determinations may involve inherent matters of discretion and conflicts of interest.

In addition, the Funds, through portfolio companies or directly, bear the cost, including compensation, of directors, executives or consultants to portfolio companies, which can include Senior Executive Advisors, former senior principals or employees of BPOC in connection with management or consulting services provided by such persons. Any such cost will generally not offset Management Fees paid to BPOC. Because such persons are former senior principals or employees of BPOC, BPOC could have a potential conflict of interest in approving such arrangement, although it seeks to do so generally at market rates for the services provided. There can be no assurance, however, that such rates are the lowest cost available.

There are occasions when one Fund (the “Payor Fund”) pays an expense common to multiple Funds (the “Allocated Funds”). On such occasions, each Allocated Fund will reimburse the Payor Fund for its share of such expense, without interest, promptly after the payment is made by the Payor Fund. There are also occasions where the Firm or a Payor Fund pays an expense on behalf of a portfolio company. On such occasions, the portfolio company will reimburse the Firm or Payor Fund for the expense, without interest, and such reimbursement will not be subject to the fee offset provision.

Certain Consultants. BPOC expects from time to time to retain other companies and individuals (“Special Consultants”), which may be affiliates of BPOC, employees of such affiliates, former employees of BPOC, portfolio companies of the Funds or its affiliates, third-party consultants (including Senior Executive Advisors, consultants and external executives), “operating partners,” “strategic partners,” “executive partners” or “senior advisors.” The Special Consultants will be primarily engaged to provide manufacturing, sales, marketing, technology, human resources, acquisition integration/rationalization and/or other operations services, acquisition or other due diligence, or similar services (“Services”) to the Funds and any current or prospective portfolio company of the Fund.

Fees, compensation and expenses, including certain travel and other costs, associated with the Services (collectively, “Consulting Fees and Expenses”), are typically paid and/or reimbursed by the applicable portfolio companies and/or the Funds and Consulting Fees and Expenses do not offset the Management Fee. Consulting Fees and Expenses are expected to include cash fees and frequently, at the discretion of BPOC taking into account the particular Services, include a profits or equity interest in a portfolio company or other incentive-based compensation to the Special Consultant, which is determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Special Consultant, 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.

Additionally, portfolio companies may provide opportunities for Special Consultants to invest in such portfolio company and reimburse costs and expenses incurred by Special Consultants. Special Consultants also generally receive remuneration from BPOC and/or the Funds or affiliates and/or are entitled to other forms of compensation, including a salary, guaranteed payments, office space, business cards, health insurance and/or equity grants in portfolio companies. Such investment opportunities, reimbursements and other compensation paid to a Special Consultant will not offset the Management Fee. Special Consultants may have a limited partnership or profit interest in a Fund, a General Partner, or an affiliate of the General Partner, and certain Special Consultants often do not bear Management Fees or Carried Interest with respect to such interest. Although BPOC intends to retain Special Consultants with a view to 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 cost savings from such retention.

In addition, portfolio companies may pay Special Consultants to perform Services that, directly or indirectly, benefit BPOC, its affiliates and/or other portfolio companies. Consequently, BPOC, its affiliates and/or portfolio companies may receive Services without being charged or at below market rates. Conversely, portfolio companies of the Funds may also benefit from Services that are paid for by BPOC, its affiliates and/or other portfolio companies. In addition, because the fees payable by BPOC to certain Special Consultants are reduced in whole or in part by fees paid by portfolio companies to such Special Consultants, BPOC may have an incentive to cause portfolio companies to pay for Services at rates that were not determined in arm's length transactions.

Industry Relationships. As with many other private equity fund sponsors, as part of BPOC's business, the principals, BPOC and its employees have developed relationships with third parties which have the potential to raise conflicts of interest. Such third parties include investment bankers, lenders, consultants, professional advisors (such as attorneys and accountants), co-investors, current and former directors, officers and employees of current and former portfolio companies and former employees and members of BPOC. Certain of these third parties may: (i) introduce investment opportunities to BPOC; (ii) arrange for, or facilitate the financing of, the purchase or recapitalization of current and potential portfolio companies; (iii) introduce portfolio companies to potential acquisition or merger candidates; (iv) facilitate the disposition of portfolio companies; or (v) provide investment banking, consulting, legal or advisory services to BPOC, the Funds, or portfolio companies. Such third parties may also provide goods or services to or have business, personal, political, financial or other relationships with the principals. In addition, such third parties may invest in one or more Funds; co-invest in one or more portfolio companies; or provide other significant business or investment services to BPOC, the Funds and/or their portfolio companies. These relationships may influence BPOC in deciding whether to select or recommend any such third-party to perform services for the Funds or a portfolio company. The cost of any services provided by such third parties will generally be borne directly or indirectly by the Funds or its portfolio companies, as applicable.

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

Material Non-Public Information. From time to time, BPOC and its personnel may come into possession of confidential or material, non-public information concerning specific companies, including as a result of certain BPOC personnel serving on the boards of directors of portfolio companies. Under applicable securities laws, this has the potential to limit the Firm's flexibility to buy or sell securities issued by such companies. The Funds' investment flexibility can be constrained as a consequence of BPOC's inability to use such information for investment purposes, and the Funds can 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 BPOC's internal policies. Due to these restrictions, it is possible that a Fund will not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold. BPOC anticipates that, to avoid such restriction, it may elect not to receive such non-public information. In situations where the Funds decide to receive such information, they may seek to discontinue receiving non-public information concerning the borrower under a loan when it is disclosed by such borrower that the borrower will issue high-yield bonds in the near future. As a result, the Funds, at times, may receive less information regarding such a borrower than is available to the other investors in such borrower's loan, which may result in the Funds taking actions or refusing to take actions in a manner different than had it received such non-public information.

Advisory Board. Each Fund's General Partner will appoint one or more limited partner representatives to an advisory board, which has the ability to review and waive compliance with certain provisions of the relevant Governing Documents, including resolving potential conflicts of interest situations, and whose approval is required or may be requested in certain circumstances, including certain approvals or consents required by the Advisers Act. All limited partners are bound by the determinations of the relevant advisory board, regardless of whether a limited partner is represented by a member of such advisory board. The Governing Documents provide that to the fullest extent permitted by applicable law, none of the advisory board members shall owe any fiduciary duties to the Funds or any other limited partner. Members of the advisory board may have conflicts of interest that do not disqualify such members from voting or consenting to matters submitted to the advisory board for consideration or review. Members of the advisory board may have various business and other relationships with BPOC and its members, partners, managers, directors, officers, employees and affiliates. These relationships may influence their decisions as members of the advisory board. To the extent that a

limited partner is not represented by a member of the advisory board, such limited partner will have no influence over matters submitted to the advisory board for review or approval.

Conflicting Limited Partner Interests. Limited partners can have conflicting investment, tax, and other interests with respect to their investments in the Funds, including conflicts relating to the structuring and timing of investment acquisitions and dispositions. As a consequence, conflicts can arise in connection with decisions made by BPOC regarding an investment that may be more beneficial to one limited partner than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, BPOC generally will consider the investment, tax and other relevant objectives of the Funds and its limited partners as a whole, not the investment, tax, or other objectives of any limited partner individually.

Fees from Portfolio Companies. BPOC, the General Partners, the principals or any of their respective affiliates including, in some cases, Special Consultants, subject to certain limitations, are permitted to earn directors' fees, advisory fees, Management Fees, consulting fees, investment banking fees, monitoring fees, broker's and finder's fees, transaction fees, commitment, topping, break-up fees and litigation payments or equivalent compensation, from portfolio companies and from other persons or entities in connection with potential or actual portfolio investments and such fees shall be for the sole account of BPOC, the relevant General Partner, the principals or any of their respective affiliates. Such fees may create a conflict of interest with respect to the role of BPOC, the General Partners, the principals or any of their respective affiliates in connection with the Funds. Except for the Management Fee offset described in Item 5 above, limited partners will receive no benefit from such fees.

BPOC generally has the right to appoint portfolio company board members (including current or former BPOC personnel, Special Consultants or persons serving at their request), or to influence their appointment, and to determine or influence the determination of their compensation. Additionally, from time to time, portfolio company board members approve compensation and other amounts payable to BPOC in connection with services provided by the Firm and its affiliates to such portfolio company, and, except to the extent such amounts are subject to the relevant offset provisions, this compensation and other amounts payable are in addition to the Management Fee or Carried Interest discussed herein. BPOC's authority to appoint or influence the appointment of portfolio company board members involved in approving compensation payable to BPOC subjects the Firm and any such portfolio company board appointees to potential conflicts of interest.

Additionally, a portfolio company typically will reimburse BPOC or service providers retained at BPOC's discretion for expenses (including travel expenses) incurred by the Firm or such service providers in connection with the performance of services for such portfolio company. This subjects the Firm 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. Subject to the relevant Governing Documents and BPOC's internal reimbursement policies and practices, the Firm determines the amount of these reimbursements in its own discretion.

C. If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.

For information regarding the types of securities and portfolio companies in which Funds invest, please see Item 4.B and Item 8.A, above.

Item 9 – Disciplinary Information

If there are legal or disciplinary events that are material to a client’s or prospective client’s evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

Like other registered investment advisers, BPOC is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a limited partner’s evaluation of BPOC or the integrity of BPOC’s management. BPOC and its management persons have not been subject to any material legal or disciplinary events applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

A. If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.

Neither BPOC nor any of its management persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

B. If you or any of your management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities, disclose this fact.

Neither BPOC nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing.

C. Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.

- 1. Broker-dealer, municipal securities dealer, or government securities dealer or broker**

2. Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
3. Other investment adviser or financial planner
4. Futures commission merchant, commodity pool operator, or commodity trading adviser
5. Banking or thrift institution
6. Accountant or accounting firm
7. Lawyer or law firm
8. Insurance company or agency
9. Pension consultant
10. Real estate broker or dealer
11. Sponsor or syndicator of limited partnerships.

As described in Item 4 above, BPOC is affiliated with the as the Funds’ General Partners which are deemed registered with the SEC under the Advisers Act pursuant to BPOC’s registration. These General Partner entities operate as a single advisory business together with BPOC and serve as General Partners of private investment funds, other pooled vehicles and may share common owners, officers, partners, employees, third-party professionals, consultants or persons occupying similar positions. These affiliated entities do not have employees of their own.

BPOC does not have arrangements with a related person who is a broker-dealer, investment company, other investment adviser, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships that are material to its advisory business, the Funds or its limited partners. BPOC has and will continue to develop relationships with professionals who provide services it does not provide, including legal, accounting, banking, investment banking, tax preparation, insurance brokerage and other personal services. Some of these professionals may provide services to the Funds or their portfolio companies. Additionally, some of these professionals are limited partners in BPOC Funds, either personally or through their company.

From time to time, BPOC receives training, information, promotional material, meals, gifts or prize drawings from vendors and others with whom it does business or to whom it makes referrals. At no time will BPOC accept any benefits, gifts or other arrangements that are conditioned on directing individual client transactions to a specific security, product or provider. Similarly, BPOC employees have in the past, and expect to in the future, speak at conferences and programs for potential investors interested in investing in private funds that are sponsored by various investment bankers, broker-dealers or others. Through such capital introduction events, prospective investors have the opportunity to meet with BPOC. Neither BPOC nor any Fund compensates these investment bankers, broker-dealers or others for organizing such events or for investments ultimately made by prospective investors attending such events.

D. If you recommend or select other investment advisers for your clients and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.

BPOC does not recommend or select other investment advisers for the Funds.

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

A. If you are an SEC-registered adviser, briefly describe your Code of Ethics adopted pursuant to SEC Rule 204A-1 or similar state rules. Explain that you will provide a copy of your Code of Ethics to any client or prospective client upon request.

As fiduciaries, BPOC and its employees are required to conduct personal securities transactions in a manner that prioritize clients' interest in client eligible investments. BPOC has adopted the a Code of Ethics ("BPOC Code") pursuant to Rule 204A-1 of the Advisers Act which sets forth standards of conduct that are expected of BPOC supervised persons and addresses conflicts that arise from personal trading. The BPOC Code is based upon the principle that the Firm and its employees owe a fiduciary duty to its Funds to conduct their affairs, including their personal securities transactions, to avoid: (i) serving their own personal interests ahead of clients; (ii) taking inappropriate advantage of their position with the Firm; and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

The BPOC Code requires 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. At least once a year, each BPOC covered person is required to acknowledge the BPOC Code and agree to be bound by it. Employees of BPOC who violate the Code will be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, suspension or dismissal. Employees are also required to promptly report any violations of the Code of which they become aware.

BPOC will provide a copy of the BPOC Code to any existing limited partner upon request to John Kneen, the Chief Compliance Officer, at (312) 435-0300 or jkneen@bpoc.com.

B. If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest, describe your

practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Participation or Interest in Client Transactions

Principals and employees of BPOC and its affiliates may directly or indirectly own an interest in the Funds or certain co-investment vehicles. To the extent that co-investment vehicles exist, such vehicles will generally invest in one or more of the same portfolio companies as the Funds.

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. This also applies to any affiliates or controlling persons of the adviser (*i.e.*, an owner, employee or affiliate of the adviser). Cross trades between Funds can also be considered to be principal transactions if the adviser (and/or its affiliates, owners, or controlling persons) own, in the aggregate, 25% or more of either Fund. Agency cross transactions occur when an adviser or an affiliate arranges a transaction (*i.e.*, acts as broker) between two or more different funds or accounts that are managed by that same adviser or an affiliate. Agency cross transactions can also arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. An adviser is not “acting as a broker” if the adviser receives no compensation (other than the advisory fee earned in the ordinary course of managing the asset) for effecting the transaction and therefore is not considered to be conducting an agency cross transaction under Section 206(3) of the Advisers Act.

In the event BPOC were to recommend a principal transaction or agency cross transaction, it would only be after: (i) the Firm has determined the transaction to be in the best interest of participating clients; (ii) the transaction is permitted by the relevant Governing Documents; (iii) proper disclosure is given to the limited partners or advisory board, as appropriate; (iv) if necessary, consent is obtained from the appropriate parties; and (v) the Firm ensures that best execution is achieved for the transaction.

Conflicts of Interest

The BPOC Code requires Firm principals and employees to place the interests of clients first, and on an annual basis each principal and employee must certify that he or she has read and understands the BPOC Code and has complied with its provisions. If any matter arises that BPOC determines in its good faith constitutes an actual conflict of interest, BPOC will take such actions as necessary or appropriate, within the context of any applicable Fund’s Governing Documents, to address the conflict.

C. If you or a related person invests in the same securities (or related securities, *e.g.*, warrants, options or futures) that you or a related person recommends to clients, describe your

practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.

Personal Trading

The personal trading policy for BPOC supervised persons is set forth in the BPOC Code and is acknowledged as received and understood by each supervised person. BPOC's personal trading policies are designed to ensure that no Fund is disadvantaged by the transactions executed by any supervised person and that supervised persons in no respect misappropriate any benefit properly belonging to a Fund.

The principals and employees of BPOC carry on investment activities for their own account and for family members, friends or others who do not invest in the Funds, and give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, the Funds, even though their investment objectives can be the same or similar. In addition supervised persons are permitted to buy securities in transactions offered to but rejected by the Funds or that are outside of the mandate of the Funds.

BPOC supervised persons are prohibited from trading, either personally or on behalf of others, in securities while in possession of material non-public information regarding these securities or communicating material non-public information to others. The BPOC Code establishes guidelines for personal trading requirements, insider trading and reporting of personal securities transactions, including certain pre-clearance and reporting obligations. The Firm maintains a restricted list regarding issuers about which it has material non-public information. Pre-clearance is required by supervised persons for certain personal securities transactions, including restricted list securities, initial public offerings and certain limited offerings, by its supervised persons. In addition, supervised persons are required to submit their brokerage account statements or certain reports to the Chief Compliance Officer for review.

D. If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for your own (or the related person's own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Because of the private nature of its portfolio investments, BPOC does not typically face a situation where an employee buys or sells a security for his or her own account at or about the same time that the Firm is also buying or selling the same securities for the Funds. In the event this were to occur, the employee would be required to seek pre-approval from the Chief Compliance Officer for such transaction.

Item 12 – Brokerage Practices

A. Describe the factors that you consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

BPOC focuses on securities transactions of private companies and generally purchases and sells such companies through privately negotiated transactions. In pursuing privately negotiated transactions, BPOC will, on occasion, engage the services of a broker-dealer or investment banker in connection with the purchase or sale of an investment. In such privately negotiated transactions, best execution is met by the consummation of the deal with the best possible terms for the Fund. Whether for private or public securities transactions, BPOC selects a broker-dealer or investment banker with the overall aim of maximizing returns for the client.

Selection of a broker-dealer or investment banker is based on BPOC's best judgment of who can provide best execution and will consider a variety of factors as specified in its compliance manual, including but not limited to: (i) BPOC's prior experience in working with the broker-dealer or investment banker; (ii) the broker-dealer or investment banker's execution capabilities with respect to the relevant type of order, financial responsibility, reputation and expertise within the industry; (iii) the broker-dealer or investment banker's responsiveness to the Firm; (iv) the broker-dealer or investment banker's expertise in dealing with investments that are restrictive or illiquid in nature; and (v) the commissions rates, among other factors.

Although BPOC generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent, especially in private securities transactions that rely heavily on the specialty services or experience of a broker-dealer or investment banker that operate outside of a competitive bidding environment. Transactions that involve such specialized services on the part of the broker-dealer or investment banker can thereby entail higher commissions, or their equivalents, than would be the case with other transactions requiring more routine services.

1. *Research and Other Soft Dollar Benefits.*

BPOC does not receive research or other soft dollar benefits in connection with securities transactions for the Funds.

2. *Brokerage for Client Referrals.*

BPOC does not receive client referrals in connection with selecting or recommending broker-dealers for the Funds.

3. *Directed Brokerage.*

BPOC does not engage in directed brokerage.

B. Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.

In the event BPOC were to aggregate the purchase or sale of securities for the Funds, it would do so on a pro rata basis.

Item 13 – Review of Accounts

A. Indicate whether you periodically review client accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.

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. BPOC's team of investment professionals closely monitors and conducts quarterly reviews of the portfolio companies and maintains ongoing oversight. These reviews include, without limitation, sales trends, margins, profitability, debt to equity ratios, material business developments, competitive landscape and management. The team generally includes managing directors and other investment professionals of BPOC.

B. If you review client accounts on other than a periodic basis, describe the factors that trigger a review.

The Chief Compliance Officer and Controller review the accounts of the Funds on a quarterly basis and periodically check to confirm that each Fund is maintained in accordance with its stated business objectives. The Chief Compliance Officer and/or Controller would perform additional reviews in the event that a portfolio company needed subsequent financing, in the event of a potential acquisition or liquidity event, or if there were a serious performance issue.

C. Describe the content and indicate the frequency of regular reports you provide to clients regarding their accounts. State whether these reports are written.

BPOC generally will provide to its limited partners (i) audited financial statements annually prepared in accordance with United States generally accepted accounting principles ("GAAP") as promulgated by the Financial Accounting Standards Board ("FASB"), accompanied by the report of the independent certified public accountant, within 120 days of year end, commencing with the first year in which it either is in operation for at least six months or makes an investment; (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 (K-1); (iv) descriptive investment information for each portfolio company not less than semi-annually; and (v) reports summarizing material affiliated transactions not less than semi-annually. All reports are sent to limited partners are delivered electronically. The Firm also has

contact with limited partners (personal visits, telephone, email) throughout the year as conditions warrant.

In the course of conducting due diligence or otherwise, limited partners periodically request information pertaining to their investments. BPOC responds to these requests, and in answering these requests provides information that is not generally made available to other limited partners who have not requested such information. Additionally, upon request, certain limited partners receive additional information and reporting that other limited partners do not receive.

Item 14 – Client Referrals and Other Compensation

A. If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.

BPOC receives compensation in the form of fees paid by the limited partners, as disclosed in the Governing Documents and Item 5 above. BPOC or certain of its affiliates have the right to receive certain non-investment advisory fees in connection with the Funds' investments and portfolio companies, also as described in item 5 above and in the Funds' Governing Documents. These fees are paid pursuant to separate agreements entered into with the portfolio companies to provide certain consulting services that BPOC believes will ultimately enhance the value of the companies and benefit the Funds and their limited partners. For example, BPOC is generally entitled to receive: (i) certain professional services or related fees from a portfolio company in connection with certain transactions; (ii) certain monitoring or consulting fees from a portfolio company for services provided to the portfolio company; and (iii) fees for serving on the board of directors of a portfolio company. Generally, depending on the Fund, 75%-100% of such professional service fees and monitoring and consulting fees and 100% of director fees are offset against the Management Fee, as per each Fund's Governing Documents. As described in Item 5 above, fees and compensation received by non-BPOC employees, such as the Senior Executive Advisors, are not subject to the same offset provisions.

These types of arrangements present potential conflicts of interest and provide BPOC with an incentive to recommend investments based on compensation received rather than the best interests of the Funds. To help mitigate this potential conflict, such benefits received by BPOC or its employees (but not third parties) in connection with services rendered to portfolio companies or transactions of the Fund are offset in part or in whole against (and therefore reduce) Management Fees payable by the Funds, to the extent described above and detailed in each Fund's Governing Documents.

B. If you or a related person directly or indirectly compensates any person who is not your supervised person for client referrals, describe the arrangement and the compensation.

When raising capital for a new Fund, BPOC typically engages the services of a registered broker-dealer to serve as placement agent for Fund units. Fees for the placement agent are generally a fixed fee for up to a certain amount of capital raised for the Fund, in addition to a percentage based on the amount of capital raised in excess of that amount, in each case, only with respect to capital raised from specified limited partners for which placement agent fees are permitted to be paid pursuant to applicable law. Placement agent fees are payable by the Funds and any such fees paid offset the Management Fee on a dollar-for-dollar basis, 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 as part of its organizational expenses. All placement agents engaged by BPOC are registered broker-dealers.

Item 15 – Custody

If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. If your clients also receive account statements from you, your explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from you.

BPOC or an affiliate is deemed to have custody of the Funds because of its affiliation with each Fund's General Partner and the General Partner's ability to deduct fees from Fund accounts. To comply with Advisers Act Rule 206(4) (the "Custody Rule"), the Firm has elected to undergo an annual GAAP financial statement audit by a Public Company Accounting Oversight Board ("PCAOB")-registered and inspected auditing firm for each of its Funds over which it is deemed to maintain custody, copies of which are (or will be, for newly closed Funds) delivered to the Funds and their respective limited partners within 120 days of the fiscal year end. Limited partners are encouraged to carefully review such financial statements.

BPOC does not, however, accept physical custody of client assets (other than certain privately offered securities to the extent permitted by the Advisers Act); called capital is directly sent or wired into the respective Fund's qualified custodial bank account. BPOC receives monthly statements from each of its qualified custodians on behalf of the Funds. For more information about BPOC qualified custodians, please see Form ADV Part 1, Schedule D, Section 7.B.(1).

Item 16 – Investment Discretion

If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on

this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

BPOC is retained on a fully discretionary basis and is authorized to determine and direct execution of portfolio transactions pursuant to the terms of each Fund's Governing Documents. Investment advice is provided directly to the Funds and not to limited partners in the Fund individually. To become a limited partner in a Fund, a prospective investor must execute a subscription agreement and a limited partnership agreement with such Fund. Such Governing Documents generally contain a power of attorney that grants BPOC or its General Partner certain powers related to the orderly administration of the affairs of the Funds. Once a limited partner executes these documents, with limited exceptions, such as certain conflicts of interest as discussed elsewhere in this Brochure, BPOC is not required to contact such limited partner prior to transacting any business in a Fund.

Generally, BPOC's only restrictions with respect to managing a Fund, such as (but not limited to) the type of securities in which a Fund may invest, will be contained in the relevant Fund's Governing Documents. However, a limited partner in the Funds can seek to impose limitations on BPOC's authority through a side letter agreement and the Firm can choose to accept reasonable limitations or restrictions at its discretion. All limitations and restrictions placed upon a limited partner's investment must be presented to BPOC in writing and agreed to by BPOC and such limited partner. Other limited partners meeting certain commitment thresholds are often provided with notification provisions regarding such side letter agreements but are not provided with consent rights over such agreements.

Item 17 – Voting Client Securities

A. If you have, or will accept, authority to vote client securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC Rule 206(4)-6. Describe whether (and, if so, how) your clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your clients with respect to voting their securities. Describe how clients may obtain information from you about how you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.

By virtue of the Fund Governing Documents, BPOC has the authority to vote client proxy statements on behalf of its Funds. As such, BPOC has adopted proxy voting policies and procedures pursuant to SEC Rule 206(4)-6. The majority of "proxies" received by BPOC will be written shareholder consents or similar instruments for private companies. BPOC's proxy policy seeks to ensure that it votes proxies in the best interest of the Funds, including where there are material conflicts of interest in voting proxies. BPOC generally believes its interests are aligned with those of the Funds' limited partners through the principals' beneficial ownership interests in the Funds. In the event that there is a conflict of interest in voting proxies, BPOC's proxy voting policy provides that the Firm can address the conflict using several alternatives, including by seeking the approval or concurrence of an advisory board on the proposed proxy vote, or through other alternatives set forth in BPOC's proxy voting

policy. Limited partners in the Funds cannot direct how BPOC votes proxies or shareholder consents, nor is BPOC required to seek limited partner approval or direction from limited partners when voting proxies or when giving consent on any matter requiring the consent of shareholders.

Firm principals and affiliated or unaffiliated executive advisors appointed by BPOC often sit on the boards of portfolio companies to which BPOC provides operational, management and consulting services and, as such, exercise authority with respect to various issues faced by the portfolio companies. BPOC does not consider service on portfolio company boards by BPOC personnel or BPOC's receipt of nominal board fees to create a material conflict of interest in voting proxies with respect to such companies.

BPOC will provide a copy of its proxy voting policy to any existing limited partner upon request to John Kneen, the Chief Compliance Officer, at (312) 435-0300 or jkneen@bpoc.com. Clients can also obtain information from the Firm, free of charge, about how BPOC voted any previous proxies, if any.

B. If you do not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.

This Item is not applicable to BPOC.

Item 18 – Financial Information

A. If you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, include a balance sheet for your most recent fiscal year.

BPOC does not require or solicit prepayment of more than \$1,200 in fees per Fund six months or more in advance.

B. If you have discretionary authority or custody of client funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients.

BPOC has no financial condition that impairs its ability to meet contractual and fiduciary commitments to the Funds or their underlying limited partners.

C. If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.

BPOC has not been the subject of a bankruptcy petition.