

BC PARTNERS PE L.P.

**650 MADISON AVENUE, 3RD FLOOR
NEW YORK, NEW YORK 10022**

(212) 891-2880

WWW.BCPARTNERS.COM

**PART 2A OF FORM ADV: FIRM BROCHURE
OCTOBER 17TH, 2024**

This brochure (“Brochure”) provides information about the qualifications and business practices of BC Partners PE L.P. (“Adviser,” “we,” “us,” or “our”). If you have any questions about the contents of this brochure, please contact us at (212) 891-2880. 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.

Registration with the SEC does not imply a certain level of skill or training.

Additional information about BC Partners PE L.P. also is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2. MATERIAL CHANGES

This brochure, dated October 17th, 2024, contains important information about BC Partners PE L.P., which has been submitted in connection with its initial registration filing as a stand-alone registered investment adviser with the SEC.

In addition to annual amendments, BC Partners PE L.P. plans to make routine updates throughout the brochure to improve and clarify the description of its business practices and its compliance policies and procedures.

Important Note about this Brochure

This Brochure is not:

- an offer or agreement to provide advisory services to any person;
- an offer to sell interests (or a solicitation of an offer to purchase interests) in any investment vehicle; or
- a complete discussion of the features, risks or conflicts associated with any investment vehicle or advisory service.

As required by the Investment Advisers Act of 1940, as amended (“***Advisers Act***”), the Adviser provides this Brochure to current and prospective clients and can also, in its discretion, provide this Brochure to current or prospective investors in an investment vehicle, together with other relevant documents, such as the investment vehicle’s offering or private placement memorandum, organizational documents and related transaction documents, as applicable, prior to, or in connection with, such persons’ investment. Additionally, this Brochure is available through the SEC’s Investment Adviser Public Disclosure website.

Although this publicly available Brochure describes investment advisory services and products of the Adviser, persons who receive this Brochure (whether or not from the Adviser) should be aware that it is designed solely to provide information about the Adviser as necessary to respond to certain disclosure obligations under the Advisers Act. As such, the information in this Brochure could differ from information provided in relevant client governing documents. More complete information about each investment vehicle is included in relevant client governing documents, certain of which are provided to current and eligible prospective investors only by Adviser. To the extent that there is any conflict between discussions herein and similar or related discussions in any applicable client governing documents, such relevant documents shall govern and control.

ITEM 3. TABLE OF CONTENTS

	<u>Page</u>
ITEM 2. MATERIAL CHANGES	2
ITEM 3. TABLE OF CONTENTS	4
ITEM 4. ADVISORY BUSINESS.....	5
ITEM 5. FEES AND COMPENSATION.....	7
ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT.....	13
ITEM 7. TYPES OF CLIENTS	14
ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	15
ITEM 9. DISCIPLINARY INFORMATION	39
ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	39
ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	41
ITEM 12. BROKERAGE PRACTICES	67
ITEM 13. REVIEW OF ACCOUNTS.....	69
ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION.....	69
ITEM 15. CUSTODY.....	69
ITEM 16. INVESTMENT DISCRETION	70
ITEM 17. VOTING CLIENT SECURITIES.....	70
ITEM 18. FINANCIAL INFORMATION.....	71

ITEM 4. ADVISORY BUSINESS

Below are certain key definitions used in this brochure.

<i>Term</i>	<i>Definition</i>
“Adviser”, “BCPEL”, “we”, “us”, or “our”	BC Partners Advisors PE L.P., a Delaware limited partnership registered with the SEC as an investment adviser.
“BCP LLP”	BC Partners LLP (UK), an exempt reporting adviser.
“BC Partners” or the “Firm”	The Adviser together (where the context permits) with its affiliates that are general partners of the Funds (as defined below) and other affiliates that provide advisory services to and/or receive advisory fees in respect of the Funds and other Clients. Such affiliates may or may not be under common control with BC Partners PE L.P., but possess a substantial identity of personnel and/or equity owners with BCPEL. These affiliates may be formed for tax, regulatory or other purposes in connection with the organization of the Funds (as defined below) or may serve as general partners of the Funds.
“BCPAL”	BC Partners Advisors L.P., registered with the SEC as an investment adviser in relation to the Credit Business.
“Private Equity Business”	BC Partners’ private equity business.
“Credit Business”	BC Partners’ dedicated credit business.
“MLM”	Mount Logan Management, LLC, registered with the SEC as an investment adviser, a subsidiary of Mount Logan in relation to the Credit Business.
“Mount Logan”	Mount Logan Capital, together with its subsidiaries.
“Mount Logan Capital”	Mount Logan Capital Inc., a Canadian public company.
“Sierra Crest”	Sierra Crest Investment Management LLC, registered with the SEC as an investment adviser, in relation to the Credit Business.
“Clients”	PE Clients and Credit Clients.

“PE Clients”, “PE Funds” or “Funds”	Investment vehicles organized by BC Partners and its affiliates as part of its Private Equity Business, including co-investment vehicles.
“PE Accounts”	Separate accounts managed by BC Partners that principally pursue a private equity strategy.
“Advisers Act”	The Investment Advisers Act of 1940, as amended.
“Credit Funds” or “Credit Clients”	Credit Funds, regulated funds and separately managed accounts advised by the Credit Advisers.
“Clients”	“PE Funds” and “Credit Clients” combined.

The Adviser:

BCPEL is a registered investment adviser for the Private Equity business line of BC Partners, which formerly was consolidated together with BC Partners’ Credit business line in BCPAL. The primary focus of BCPEL is to provide investment management services primarily to the BC Partners’ PE Clients through its sub-investment advisory relationship with BCP LLP. BCPEL is owned by its limited partners (BC Partners Inc. and certain BC Partners’ individuals) and its general partner is BC Partners PE (GP) LLC.

BC Partners is primarily composed of three business lines: (i) the Private Equity Business, (ii) the Credit Business and (iii) the Real Estate Business. BC Partner’s Credit Business was launched in 2017 and focuses on making credit-oriented investments utilizing a variety of investment strategies and themes primarily in developed countries, with a focus on North America and Europe. BC Partner’s real estate business was established in 2018 and focuses on pan-European investments covering all real estate sectors. In connection with the formation and registration of BCPEL, BC Partners’ Private Equity and Credit businesses are operated independently.

BC Partners’ Private Equity Business

The Private Equity Business generally focuses on buy-outs and targets investments in control equity positions in businesses across Europe and in North America. Subject to the applicable Organizational Documents (as defined below) of the PE Funds, the Adviser also provides investment advisory services to PE Accounts and PE SIFs that principally pursue a private equity strategy and may in the future manage other investment vehicles or products (whether or not registered).

In respect of the Private Equity Business, the Adviser provides investment advisory services to BCP LLP with respect to North American investment opportunities, in accordance with an “umbrella” sub-investment advisory agreement (“**Sub-IAA**”). BCP LLP in turn provides investment advice to each relevant PE Fund’s general partner (or other controlling entity), each of whom makes investment decisions based on such advice in respect of the PE Funds. Each of the PE Funds is generally exempt from registration under the 1940 Act and the securities offerings of each PE Fund are not registered under the Securities Act.

The Adviser's advisory services in respect of the PE Funds consist of investigating, identifying and evaluating investment opportunities, and providing advice in respect of: structuring, negotiating and making investments; managing and monitoring the performance of such investments; and disposing of such investments indirectly for the benefit of the applicable PE Fund. Investment restrictions for the PE Funds, if any, are generally established in the organizational or offering documents of the applicable PE Fund, advisory agreements, investment management agreements, as applicable, and/or side letter agreements negotiated with investors in the applicable PE Fund (such documents, collectively, a PE Fund's "**Organizational Documents**").

BC Partners' Credit Business

The Credit Business focuses on making investments utilizing a variety of investment strategies and themes primarily in developed countries, with a focus on North America and Europe. It provides investment advisory services to the Credit Clients through the Credit Advisers. Please refer to BCPAL's Form ADV Part 2A brochure for a full description of the Credit Business.

As of September 30, 2024, the Adviser advised a total of \$33,344,332,287 of regulatory assets under management, of which \$0 is managed on a discretionary basis and \$33,344,332,287 is managed on a non-discretionary basis. Regulatory assets under management, refers to the gross amount of assets under management without subtracting out any liabilities. It also includes, with regard to private funds, uncalled capital commitments.

ITEM 5. FEES AND COMPENSATION

The fees and expenses applicable to each PE Fund are described in each such Fund's Organizational Documents. Clients and investors should review the relevant Organizational Documents to fully understand the total amount of fees and expenses that may be paid.

The Firm generally receives Advisory Fees and Performance Compensation (each as defined below) or similar performance-based remuneration from the PE Funds. Pursuant to the relevant Organizational Documents, in certain circumstances, a PE Fund will pay servicing fees to the Firm in consideration of administrative services performed by BCPEL or its affiliates. A PE Fund and/or any of their respective portfolio companies are also permitted to make other payments to the Firm for services provided in respect of any portfolio company (or intermediate entity) or other investment of any Client (collectively, "**Portfolio Investments**"), which, in certain circumstances, may reduce the Advisory Fees payable to the Firm in respect of such Client.

As compensation for investment advisory services rendered by the Adviser in respect of the PE Funds, together with management services provided by other Firm entities such as the general partners of such Clients, the Firm receives from each such Client a management or advisory fee or equivalent profit share (each, an "**Advisory Fee**"), a portion of which will be paid, directly or indirectly, to the Adviser in respect of the advisory services provided by it. Any portion of the Advisory Fees indirectly received by the Adviser with respect to the PE Funds will be set out in the Sub-IAA. The Advisory Fee is typically calculated based on committed capital or invested capital.

Advisory Fees in respect of each of the PE Funds are negotiated with each such Client, as further described in the applicable Organizational Documents. Advisory Fees may be reduced by certain

types of other fees or compensation received by the Firm that relate to such Fund's activities and investments, or by certain organizational or other expenses borne by such Fund, as described in more detail below. Advisory Fees paid by a PE Fund are indirectly borne by third party investors in such PE Fund.

In accordance with the Organizational Documents of each PE Fund, Advisory Fees will be deducted from any available cash assets of the relevant PE Fund and to the extent there are not available cash assets, the relevant Firm entity will draw capital from investors for the purpose of paying any such Advisory Fees. PE Fund Advisory Fees for the latest PE Funds that are payable semi-annually in advance in respect of relevant investments cost, are calculated as at the dates specified in the Organizational Documents of those PE Funds. The precise amount of, and the manner and calculation of, the Advisory Fees that are indirectly received by the Adviser for each applicable Client are established by BCP or the Adviser and are set forth in such Client's advisory agreement with BCP or the Adviser, as applicable (the "**Advisory Agreement**") and/or the Organizational Documents received by each investor prior to investment in such Client.

The Advisory Fees and other fees and distributions described herein are generally subject to modification, waiver or reduction by the Firm in its sole discretion, both voluntarily and, in respect of relevant Funds, on a negotiated basis with selected investors via side letter and other arrangements, which may not be disclosed to other investors in the same Fund. The fee structures described herein may be modified over time. Fees may differ from one Client to another, and, in respect of the relevant Funds, as well as among investors in the same Fund. Where the applicable Organizational Documents calculate Advisory Fees based on the amount of committed capital or the amount of investment contributions, the amount of Advisory Fees generally will not be reduced based on reductions in investment value, except where specified by the relevant Organizational Documents. As a general matter, Advisory Fees will be payable during term extensions unless otherwise agreed with investors.

Certain investors in the BC Partners Funds that are personnel, business associates and other "friends and family" of the Adviser or its personnel ("**Adviser Investors**") will not typically pay Advisory Fees in connection with their investment in such Fund (or may pay Advisory Fees subject to reduced or partially waived rates or arrangements). Notwithstanding that Adviser Investors will generally not pay Advisory Fees, Adviser Investors will pay for their pro-rata share of certain Fund expenses or the pro-rata portion of such Adviser Investors' expenses will be allocated to the applicable Firm entity in respect of such Fund.

Please see Item 6 below regarding "Performance Compensation" that the PE Funds may pay.

Additionally, consistent with the Organizational Documents of each PE Fund, a PE Fund typically bears certain out-of-pocket expenses incurred by the Adviser in connection with the services provided to such Client and/or the Portfolio Investments. Further details about certain common fees and expenses in respect of the Funds are set forth below.

Generally, and except as otherwise set forth in the relevant Organizational Documents, the Firm will ultimately bear all fees and out-of-pocket expenses of any placement agent it engages to solicit investors for the PE Funds. These Funds will bear all legal and other expenses, including the out-of-pocket expenses of the applicable general partner, incurred in the formation of these Funds, in certain cases, up to an amount specified in the Organizational Documents of the applicable Fund.

In certain cases, organizational expenses in excess of a specified amount, if any, ultimately will be borne by the applicable Firm entity.

Generally, and except as otherwise set forth in the Organizational Documents of a PE Fund, such Fund (including its subsidiaries and intermediate entities) will bear all fees, costs, expenses, obligations and liabilities (together with any value added tax or other relevant taxes, if any) relating to: (i) its operation, management and administration; (ii) its investment related activities (including sourcing, negotiating, acquiring, holding and disposing of actual and potential investments); and (iii) its eventual termination and winding up. Such fees, costs, expenses and liabilities will include travel costs (but not including expenses incurred in connection with air travel that exceeds an amount equal to comparable first class commercial air travel to the extent available); fees, costs and expenses of lawyers, accountants and other professional and other advisors and service providers, including finders and brokers; fees, costs, expenses and liabilities in relation to the Fund's borrowing and hedging activities; fees, costs and expenses related to valuations, appraisals or pricing services, investor reporting and meetings, including advisory committee meetings, and compliance with the Adviser's disclosure, reporting and information assistance obligations under the Organizational Documents; tax, legal and regulatory compliance costs in respect of such Fund and its investments (including, without limitation, expenses associated with such Fund's compliance with applicable laws and regulations, expenses incurred in connection with complying with provisions in investor side letter agreements, including "most favored nation" provisions, expenses relating to the preparation and filing of Form PF, reports and notices to be filed with the U.S. Commodity Futures Trading Commission and/or reports, filings, disclosures and notices prepared in connection with the laws and/or regulations of jurisdictions in which a Fund engages in activities, and notices, reports and/or filings under the Alternative Investment Fund Managers Directive and any related regulations and any penalties incurred where the Adviser lacks sufficient information from third parties to file a timely and complete tax return); fees, costs and expenses of any administrators, custodians and depositaries; administrative and/or accounting expenses and related costs or charges; any costs, expenses, charges and/or fees in respect of any services provided by any affiliates of the Firm relating to a Fund, which if performed by a third party would constitute a Fund expense; expenses associated with auditing, market data and research (including news and quotation equipment and services), printing and reporting-related expenses (including preparation of financial statements, tax returns, K-1 s, and other communications or notices relating to such Fund), and technology-related expenses, each including costs, expenses and charges incurred, charged or specifically attributed or allocated by such Fund or the Firm to provide services related thereto; expenses of loan servicers and other service providers; expenses of any independent client representative; expenses of meetings with personnel/representatives of the general partner of such Fund and its affiliates with one or more limited partners; any costs and expenses associated with vehicles through which such Fund or the limited partners directly or indirectly participate in investments (including fees paid to the Firm for providing directors, officers, office space and facilities to such intermediate vehicles); and fees, costs and expenses incurred in relation to maintaining professional indemnity insurance and directors' and officers' insurance, cyber-security insurance premiums, as well as in relation to any litigation, mediation, arbitration or other proceedings, investigations or audits (actual, threatened or otherwise anticipated) involving or relating to such Fund and the amount of any judgment or settlement entered into in connection therewith. Such Fund will also bear costs and expenses related to the organization or maintenance of any entity used to directly or indirectly acquire, hold or dispose of any investment or otherwise facilitating such Fund's investment activities (including, without limitation, travel and related expenses related to such entity and the salary and benefits of any

personnel reasonably necessary and/or advisable for the maintenance and operation of such entity). In addition, such Fund will bear all taxes and all fees or other charges levied by any governmental agency or regulatory body against a Fund in connection with its investments or otherwise and any other fees, costs, expenses, liabilities or obligations approved by its respective advisory committee. Any costs incurred in relation to proposed investments of such Fund not completed will typically be borne by such Fund. Such Fund also generally will bear the costs of implementing, monitoring and complying with investment guidelines and directives relating to such Fund's strategy, including in side letters relating thereto. Additionally, subject to the Organizational Documents, such Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests.

BC Partners reserves the right to contract with Operating Advisors (as defined below), joint venture or similar partners, service providers, portfolio company management or other persons that all or a portion of certain expense reimbursements, payments or other amounts owed to such persons relating to one or more investments will be paid in the form of a profits, participation or equity interest granted in the relevant investments or related intermediate entities. While such an arrangement is more favorable to the relevant Fund in that it does not involve an initial cash outlay for the payment of expenses, and could be further favorable to the relevant PE Fund if the investment does not increase in value, in the event of appreciation in the relevant investment any such profits, participation or equity interest generally would have a dilutive impact on the Fund's investment, as well as the potential to result in economic gains to the recipient greater than the original amount of compensation, which in either case could be substantial.

Occasionally, subject to the Organizational Documents of the relevant Fund, the general partner of a Fund may create certain "special purpose vehicles", "alternative investment vehicles" or similar structuring vehicles for purposes of accommodating certain tax, legal and regulatory considerations of investors ("SPVs"). In the event the general partner creates an SPV, consistent with the Organizational Documents of the Fund, the SPV, and indirectly, the investors thereof, may be required to bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the SPV, if the general partner determines that it would not be appropriate for such expenses to be borne by all investors in the relevant Fund (whether or not participating in the SPV). In certain cases, a co-investment vehicle, or other similar vehicle established to facilitate the investment by investors to invest alongside the Fund, may be formed in connection with the consummation of a transaction. In the event a co-investment vehicle is created, the investors in such co-investment vehicle will typically bear all expenses related to its organization, formation, administration and other expenses incurred solely for the benefit of the co-investment vehicle. The co-investment vehicle will generally bear its pro-rata portion of expenses incurred in the making, holding and disposing of an investment.

For certain of the PE Funds, the Firm is permitted to receive fees in addition to the Advisory Fee, including commitment fees, asset management fees, administrative fees, break-up fees, directors' fees, consulting fees, incentive fees or discounts from service providers and similar fees relating to the investments made by such Fund and/or to monitoring, transaction-related services, financial advisory services and other services ("**Related Services**") provided by the Firm to an actual or prospective investment, other investment vehicles of such Funds or such Funds themselves, including fees in connection with structuring investments, as well as mergers, acquisitions, add-on acquisitions, refinancings, public offerings, sales or other dispositions and similar transactions with respect to such Portfolio Investments and compensation for arranging, underwriting, syndicating or refinancing loans and/or other investments or other additional fees, including loan

structuring fees, work out, loan modification, extension or restructuring fees, servicing (including loan servicing and special servicing fees) and administrative fees, and fees for advisory services and/or the monitoring, oversight and/or restructuring of loans, syndication, origination, organizational (including treasury, collateral management and affirmation/confirmation), financing, placement, investment banking and divestment fees and other fees for services (collectively, “**Other Fees**”). The scope and composition of “**Other Fees**” will vary across each such Fund based on the terms and Organizational Documents thereof and will differ over time. Although Other Fees are often substantial and are in addition to Advisory Fees paid by such Funds, these Other Fees will not reduce the Advisory Fee unless specifically stated in such Fund’s Organizational Documents. To the extent any of these Other Fees do reduce the Advisory Fees paid by any applicable Fund, the amount, scope and manner of such reduction is set forth in the Advisory Agreement and/or Organizational Documents of the applicable Fund and only those fees that are expressly set forth under the Organizational Documents of such Funds will be applied to the Advisory Fee reduction arrangement described above. To the extent a reduction relates to more than one Fund, the Adviser will generally allocate the resulting Advisory Fee reduction among the applicable Fund(s) and other participants in proportion to their interest (or prospective interest) in the Portfolio Investment (resulting in an offset to the Advisory Fee with respect to a particular Fund based on its proportionate share thereof). Generally, the portion of Other Fees allocable to capital invested by an applicable Fund, co-investment vehicle even where Advisory Fees are charged, or third-party investor that does not pay Advisory Fees (or which does not otherwise expressly include an Advisory Fee offset provision in its Organizational Documents) will be retained by the Adviser and such amounts will not offset any Advisory Fee. Unless otherwise agreed with investors, Other Fees generally will be payable without further offset during term extensions, even if Advisory Fees are reduced or eliminated during the extended term, thus reducing the amounts of Advisory Fees actually offset. The Adviser and/or its affiliates generally have discretion over whether to charge Other Fees to a Portfolio Investment and, if so, the rate, timing, method and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio company’s holding or operating structure. In many cases, Other Fees are based on enterprise value or other metrics relating to a portfolio company, but also have the potential to be charged on a flat-fee basis or based on another metric, and there can be no assurance that the amount of Other Fees charged will be proportional to the amount of hours of work performed or tangible work product generated on behalf of the portfolio company. In most circumstances, such compensation is not reviewed or approved by an independent third party. The payment of Other Fees by Portfolio Investments to the Firm or its partners and personnel creates a conflict of interest between the Firm and the Funds and their investors, as described in “*Other Fees; Fees from Portfolio Investments*” in Item 11 below. For the avoidance of doubt, the Adviser also will not offset compensation received from outside sources, such as residual personnel board seats at entities that are no longer Fund portfolio companies.

The Firm is also permitted to receive with respect to the Private Equity Business “monitoring fees” pursuant to monitoring agreements with Portfolio Investments of the PE Funds governing the advice, consultation and other similar ongoing services provided by the Adviser to such Portfolio Investments. The terms of a monitoring agreement may include (among other things) a set term or annual automatic renewals, the payment of monitoring fees (which may be fixed fees or calculated as a percentage of EBITDA or similar performance metric), and the acceleration of payment of the monitoring fees upon certain termination events, including the occurrence of an initial public offering, sale, strategic exit or other change of control event. Upon exiting a Portfolio Investment (including through a termination event previously described), the Adviser or its affiliate may also

be entitled to all unpaid monitoring fees plus unreimbursed expenses plus (in some instances) the value of future monitoring fees that would otherwise be payable by the Portfolio Investment over a future fixed period. The accelerated monitoring fee may be calculated as the present value of hypothetical future payments, which may be based on an assumed growth in performance, based on an assumed growth of EBITDA or similar metric, and may be calculated using a discount rate as low as the risk-free rate, as determined by the Adviser. This acceleration of future monitoring fees can be charged in instances where the Adviser (or one or more of its affiliates) expects to continue to provide ongoing services and advice to the Portfolio Investment after there has been an exit, and in instances where the Adviser will no longer provide ongoing services and advice to the portfolio investment after such exit. Since the monitoring agreements with the Portfolio Investments providing for such fees may have prolonged terms (often exceeding ten years and/or subject to automatic extensions and renewal), the effect of such acceleration may be substantial, particularly in the event such circumstances occur early in the life of a PE Fund's investment in such Portfolio Investment. A Fund's allocable portion of the aggregate annual monitoring fees and any accelerated monitoring fees will be offset against fees payable in respect of such Fund in accordance with the offset provisions in the applicable Organizational Documents. The amounts allocable to co-investors would be fully retained by the Adviser or its affiliate unless the agreements with co-investors provide otherwise. Additionally, Portfolio Investments may reimburse the applicable Firm entity for expenses (including without limitation travel expenses, which may include expenses for chartered or first class travel, and meals and entertaining expenses) incurred by such Firm entity in connection with its performance of services for such Portfolio Investment; such reimbursed expenses are generally not included in the definition of "**Other Fees**" under the terms of the applicable organizational documents, and such reimbursements are not subject to the offset arrangements described above. For a discussion of material conflicts of interest created by the receipt of such fees, please see Item 11 below.

Occasionally, subject to the Organizational Documents of the applicable Funds, the Firm may (in its sole discretion), agree to pay a portion of an Other Fee received from an actual or prospective Portfolio Investment to a third party ("**Third Party Fee**"), such as a consultant, advisor, finder, broker, loan servicer, other service provider and/or investment bank. In such event, the Third-Party Fee is not a fee that the Firm is entitled to retain and therefore, the Firm is not required under the terms of the applicable Organizational Documents to share such Third Party Fee with the Funds and would not offset any Advisory Fee payable by such Funds.

The Firm also engages and retains senior advisors, operating advisors, operating partners, advisers, consultants, and other similar professionals who are not personnel or affiliates of the Firm (collectively, "**Operating Advisors**") and who, occasionally receive payments and reimbursed expenses from, or allocations with respect to, Portfolio Investments and/or other entities. In such circumstances, such amounts will not be deemed paid to or received by the Firm and such amounts will not be subject to the sharing arrangements described above and will not benefit the Fund or its investors. The use of Operating Advisors subjects the Adviser to potential conflicts of interest, as discussed under "Conflicts - Operating Advisors and Consultants," below.

ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

A portion of the profits of a PE Fund may be allocated to the Firm (including a special limited partner established for such purpose) as performance-based compensation (e.g. “carried interest”) (“**Performance Compensation**”). The Performance Compensation received by the Adviser conforms with the requirements set forth in Section 205 of the Investment Advisers Act of 1940 (as amended, the “**Advisers Act**”). Performance Compensation paid by a PE Fund is indirectly borne by the investors in such Funds including any feeder funds that invest in such Fund. Any SPV will generally contain terms and conditions substantially similar to those of the applicable Fund with respect to which it is formed (subject to legal, tax, regulatory, accounting and other considerations) and profits and losses of a SPV generally will be aggregated with those of such Fund for purposes of determining distributions by the Fund and the SPV (except as may be advisable because of legal, regulatory, tax, accounting or other constraints).

The precise amount of, and the manner and calculation of, the Performance Compensation for each PE Fund is disclosed in such Fund’s Organizational Documents and will vary Fund by Fund (including amount, timing, waterfall conditions or other terms). The Performance Compensation provisions are negotiated collectively with the investors of each such Fund and are also subject to waiver or reduction by the applicable Firm entity. For example, the Adviser and certain of its principals and personnel and their “friends and family” and related vehicles typically invest in these Funds, and the Performance Compensation related to such investments is typically substantially reduced or waived entirely.

The payment by some, but not all, PE Funds of Advisory Fees (for example, Advisory Fees during term extensions, or post term, of certain Funds may be reduced or no longer payable) or Performance Compensation (for example, co-investment vehicles may not be subject to any Performance Compensation), or the payment of Advisory Fees or Performance Compensation at varying rates, creates an incentive for the Firm to disproportionately allocate time, services (including the services of the Adviser and other sub-advisers) or functions to Funds paying Advisory Fees and/or Performance Compensation, or Funds paying Advisory Fees and/or Performance Compensation at a higher rate, or allocate investment opportunities to such Funds. For a discussion of material conflicts of interest created by these practices and how BCPEL’s Allocation Policy mitigates such conflicts, please see Item 11 below.

ITEM 7. TYPES OF CLIENTS

The Adviser currently provides investment advisory services on a sub-advisory basis in respect of the PE Funds. Interests in the PE Funds are generally offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in the Funds are generally “accredited investors” as defined in the Securities Act and/or “qualified purchasers” as defined in the 1940 Act; however, non-U.S. investors in the Funds may not be “qualified purchasers.” Investors in the PE Funds may include, among others, high net worth individuals, banks, thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, university endowments, corporations, limited partnerships and limited liability companies or other entities, Operating Advisors as well as executives of portfolio companies. PE Funds may, however, be offered under other exemptions or pursuant to applicable registration statements under the Securities Act and/or 1934 Act (as the case may be).

The Firm does not have a minimum size for a PE Fund, but minimum investment commitments are generally established for investors in these Funds. The general partner of each Fund may in its sole discretion permit investments below the minimum amounts set forth in the Organizational Documents of such Fund.

The Firm, in accordance with the respective Organizational Documents, is permitted to exempt investors meeting certain qualification requirements based on commitment size or other strategic or relationship factors in the PE Funds from payment of all or a portion of Advisory Fees and/or Performance Compensation. The respective Fund’s general partner reserves the right to make any such exemption from Advisory Fees and/or Performance Compensation, and such exemption may be made by a direct exemption, a rebate by the Firm and/or its affiliates, or through other co-investing Funds. For example, in instances where a BC Partners professional (or an affiliated entity thereof) invests in a PE Fund, such professional (or such affiliated entity) generally will be exempt from payment of the Advisory Fee and Performance Compensation with respect to such Fund. Additionally, to the extent permitted by the relevant Organizational Documents, the Firm has the right to permit investors, affiliated with an Adviser or otherwise, to invest through the relevant general partner or other vehicles that do not bear Advisory Fees or Performance Compensation.

ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis and Investment Strategies

In advising a PE Fund, the Adviser will recommend an investment strategy to such PE Fund's general partner indirectly through BCP, based on its deliberate approach to asset selection, portfolio construction, execution, due diligence and value creation.

PE Funds

This approach consists of:

- **Asset Selection** — BC Partners' deliberate approach to asset selection is based on its "**Key Investment Criteria**" which have not changed materially since its inception. These criteria provide a framework for assessing investment opportunities using the experience and expertise of the Adviser's investment team in respect of the PE Funds (the "**PE Investment Team**") in business analysis. The Key Investment Criteria include:
 - Market-leading Businesses;
 - Defensive Markets and Business Models;
 - Cash Flow Generation;
 - Growth Potential;
 - Multiple Operating Levers;
 - Fair Prices for Superior Businesses;
 - Strong, Incentivized Management Team;
 - Control and Governance Rights;
 - Attractive Exit Alternatives;
 - Limited Country Risk; and
 - Appropriate Diversification of Fund Portfolio.

Portfolio Construction — In respect of PE Funds, BC Partners typically builds its portfolio in with a balance of larger investments exhibiting commensurably lower risks and solid rewards alongside higher growth businesses with more significant upside potential. In addition to the diversification of the portfolio through different risk/reward profiles, BC Partners seeks to manage the diversification of the PE Funds across a number of other areas such as: sector, geography and currency, etc.

Since inception, BC Partners believes it has maintained a balanced geographical and sector

mix. While the Firm does not have concentration targets by geography (subject to such geographic caps, e.g. non-European / US investment limits, as may be included in the Organizational Documents of a particular PE Fund) and seeks to be sector agnostic, the Firm's investment committee comprised of a number of the Firm's Partners (the "**PE Investment Committee**") considers the exposure of the existing portfolio before making its recommendation to the manager, and will seek to avoid any excessive concentration.

In addition to the PE Funds, BC Partners currently manages, and is expected to manage in the future, PE Accounts, and the investment objectives and guidelines of such PE Accounts are set forth in the applicable Organizational Documents of such PE Accounts.

- ***Execution and Due Diligence*** — BC Partners believes that strong execution and rigorous due diligence are critical elements to BC Partners maintaining its competitive advantage, which is achieved through: (i) finding sources of information through contacts, industry executives or specialized consultants; (ii) being more thorough and rigorous in analyzing industry dynamics and key business drivers; (iii) spending more time in due diligence, typically starting well ahead of any formal sale process; and (iv) a full detailed review of every investment by the PE Investment Committee. BC Partners' disciplined approach to sourcing is important in filtering investment opportunities which are superficially attractive but ultimately do not satisfy BC Partners' Key Investment Criteria. Adherence to this approach limits the firm's appetite for investments in unusual or atypical situations such as start-ups or turnarounds and keeps the PE Investment Team focused on businesses that the deal team expects to perform strongly through economic cycles. BC Partners seeks to apply its execution and due diligence capabilities throughout the stages of the investment process and, in particular, in the areas of sourcing, building an angle, financing and structuring as well as exit planning.
- ***Value Creation*** — A critical element of BC Partners' strategy is creating value in its investments through an active and engaged approach to shareholding. While management teams are responsible for the day-to-day operations of a business, BC Partners remains an actively involved shareholder, with several members of the deal team typically holding seats on the board of directors. BC Partners' representatives provide guidance to the management team and, typically with the operations team, active support to structure and then execute the performance improvement programs. In all cases, BC Partners continuously monitors the progress of an investment against the business plan and the progress of improvement plans against the agreed target. Where significant gaps between actual and expected performance emerge, the broader team often plays an important role in helping managers execute corrective action.

Acting as a sounding board for the management team, BC Partners typically provides important input on material decisions affecting business strategy such as capital allocation, acquisitions and divestments, geographical expansion and changes to the management team. In selected cases, BC Partners will also source non-executive directors when this can help the board-level decision-making process or prepare an investment for an initial public offering. Increasingly, BC Partners provides management with access to an extensive network of CEOs, chairmen and industry experts to assist where and when relevant, and this is often done in collaboration with the operations team.

Since inception, BC Partners has maintained what it believes is an extremely rigorous investment process from sourcing through to exit. After an investment is completed, the same

deal team continues to actively oversee and monitor each of the portfolio companies and evaluates and advises on the optimal exit process.

Risk of Loss

Investing in securities involves a substantial degree of risk. A Client may lose all or a substantial portion of its investments, and Clients (and investors in the Clients) must be prepared to bear the risk of a complete loss of their investments.

In addition, material risks relating to the investment strategies and methods of analysis described above, and to the types of securities typically purchased by or for the PE Funds, include those discussed below. Many, but not all, of the risks and types of securities detailed below (including those identified as applicable to Funds) will apply to all PE Funds. However, the risk summary contained herein is intended solely as a summary and is not an exhaustive list of risks, and investors should review the applicable Organizational Documents for additional information and risk factors.

Risks Applicable to All Funds

Nature of Investment. An investment in a PE Fund is speculative and requires a long-term commitment with no certainty of return. There can be no assurance that a Fund will achieve its investment objectives and returns generated by its investments may be insufficient to compensate investors adequately for the business and financial risks that are assumed. Interests in a PE Fund are not readily marketable and will not be listed on any investment exchange and a PE Fund's investments will generally be of an illiquid nature. Investors may lose some or all of their invested capital and should not invest in a PE Fund unless they can readily bear the consequences of such loss. The performance of the portfolio companies in which a PE Fund invests, and therefore the value of its investments, will be subject to many factors over which such PE Fund may have limited or no control. There can be no assurances that any of the portfolio companies in which a PE Fund invests will succeed or that such PE Fund will be able to realize any of its investments. Investments may be difficult to value and realizations of such investments may take a significant period of time. Consequently, the timing of cash distributions to investors in a PE Fund is uncertain and unpredictable.

Difficulty in Locating Suitable Investments. Although BC Partners has been successful in identifying suitable investments in the past, a PE Fund may be unable to find a sufficient number of attractive opportunities to meet its investment objectives, and the past performance of the Adviser in identifying suitable investments should not be treated as any guarantee of its ability to identify suitable investments in the future or its ability to implement its investment strategy and achieve its investment goals with respect to a PE Fund.

The success of each PE Fund will depend on the ability of BC Partners to locate, select, develop and realize appropriate investments. There is no guarantee that a PE Fund will be able to fully invest all of its capital and, accordingly, a Fund may only make a limited number of investments. Since these investments may involve a high degree of risk, poor performance by a few of them could significantly affect the return to investors. No assurance can therefore be given that the target returns of a Fund will be achieved.

BC Partners will expend significant resources and may incur significant costs in relation to a potential investment for a Fund. Such costs will be charged to such Fund and may not necessarily

be recoverable, particularly if the Fund's bid for the investment is unsuccessful or if the investment is not completed in full for any other reason.

Projections. 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. In all cases, projections are only estimates of future results that are based upon information received from the portfolio company and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from such projections. Also, general economic factors (which are not predictable and are completely outside the control of BC Partners and its respective personnel and affiliates) can have a material effect on the reliability and accuracy of projections.

Competition. The management buy-out, private equity investment and credit industries in which the Funds are engaged are competitive and the Funds will be competing for investments with other parties that engage in similar activities to those of the Funds as well as strategic buyers. It is possible that competition for appropriate investment opportunities may reduce the number of opportunities available and/or adversely affect the terms upon which the investments can be made. In addition, such competition may have an adverse effect on the length of time required to fully invest in a Fund.

Certain other strategic buyers and investors which compete for investment opportunities with a Fund may not be subject to the same regulatory requirements and other restrictions, with the result that such Fund may be at a relative disadvantage in pursuing and/or realizing certain investments. This could adversely affect the performance of such Fund.

A portion of a Fund's assets may be invested in companies in highly competitive markets dominated by firms with substantially greater financial and possibly better technical resources than the portfolio companies in which the Fund invests. Portfolio companies in which a Fund invests may operate in business sectors that face technological changes and/or may be dominated by other firms or organizations. These and other inherent business risks could affect the performance and value of investments.

Holdings in Listed Companies. A Fund's investment portfolio may contain securities issued by listed companies. Such investments may subject the Fund to risks that differ in type or degree from those involved with investments in unlisted companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Fund to dispose of such securities at certain times due to material non-public information, increased likelihood of shareholder litigation against such companies' board members, including members of BC Partners' Private Equity investment teams and increased costs associated with each of the aforementioned risks.

Disclosure of Confidential Information. BC Partners and/or certain investors in a Fund may be required by law or otherwise to disclose certain confidential information relating to a Portfolio Investment of such Fund. Such disclosure may affect the ability of the Fund to realize its investment in such Portfolio Investment, may affect the price that the Fund is able to obtain upon any subsequent realization or may otherwise adversely affect the Fund.

Investors will have limited rights to information regarding a Fund and its Portfolio Investments. It is anticipated that BC Partners will at times obtain material information regarding Portfolio

Investments that will not be disclosed to investors. As a result, an investor that seeks to transfer its interest in a Fund may have difficulty in determining an appropriate price for such interest. It is expected that investors who designate representatives to participate on a Fund's advisory committee may, by virtue of such participation, have more information about such Fund and its Portfolio Investments in certain circumstances than other investors generally and may be disseminated information in advance of the communication of such information to other investors generally.

Change of Law and Regulatory Risk. Any changes in the tax laws or other regulations or laws of any applicable jurisdiction (or in the interpretation thereof, including pursuant to any guidance issued in respect of any such laws or regulations) could have an adverse impact on an investor's investment in a Fund or on a Fund or its investments or access to investment opportunities. Additional regulation could also increase the risk of third-party litigation.

Prior to making any investment, a thorough due diligence of compliance with statutory and corporate requirements by the Portfolio Investment will be done. However, due diligence processes involve subjective analysis and there can be no assurance that all material issues will be uncovered. Moreover, investment analyses and decisions by BC Partners may be undertaken on an expedited basis in order for a Fund to take advantage of available investment opportunities. In such cases, the information available to BC Partners at the time of the investment decision may be limited, and BC Partners may not have access to the detailed information necessary for a thorough evaluation of the investment opportunity. A Fund cannot certify that the Portfolio Investment is, and will continue to be, fully compliant with all necessary regulations. This risk is more significant in the case of unlisted companies.

Additionally, unlisted companies are not regulated by the same disclosure and investment protection norms that apply to listed companies. Also, changes in tax, legal and regulatory conditions, including changes in the application or interpretation of relevant laws and regulations, may adversely affect the marketability and financial performance of certain investments and/or could result in one or more portfolio companies being subject to increased compliance costs, additional capital expenditures or a requirement to divest certain assets, all of which in turn may affect the distributions which a Fund receives from such investments. Furthermore, it is unclear what further legal and regulatory changes may be implemented within the UK or in other jurisdictions in which a Fund or its portfolio companies operate, which changes may result in increased costs and expenses being incurred by the respective Fund in order to ensure compliance with any new regime.

In addition, BC Partners may be subject to competition or other regulatory restrictions which arise as a result of investments held by other Funds it manages. Such restrictions may prevent or otherwise limit a Fund from proceeding with an investment opportunity where the acquisition of the relevant Portfolio Investment would result in a concentration of ownership and/or control by BC Partners and/or by such other Funds, or otherwise result in a breach of applicable competition or other regulatory restrictions. Such competition or other regulatory restrictions may reduce the number of investment opportunities available to a Fund or result in a Fund being unable to pursue certain elements of its investment strategy.

Additionally, the SEC has proposed and enacted significant rules that will impact the business of BC Partners and the Funds. In particular, the SEC has adopted a number of new rules that impose significant changes on private fund advisers and their management of private funds, and the SEC is expected

to propose and/or adopt additional rules in the future. Such current and future rulemaking is expected to materially impact BC Partners and its affiliates, the Fund and/or its Portfolio Investments. In addition, the Fund is expected to bear increased and significant costs as a result of such enacted and proposed rules, including costs related to limited partner reporting and disclosures to investors. Significant time and resources are expected to be required to comply with the new regulations, which potentially will detract from the time and resources dedicated to the Fund. Certain rules are or may become subject to legal challenge from private fund industry groups and others, and to the extent such legal challenges are successful, investors and Limited Partners will not be afforded some or all of the protections provided by such rules. In June 2024, the U.S. Court of Appeals for the Fifth Circuit vacated the private fund adviser rules proposed by the SEC in August 2023 in their entirety, and therefore limited partners will not be afforded any protections of such rules unless the SEC is successful in challenging such decision. s

Change to Regulation of Investment Partnerships. There has been, and it is possible that there will be, further involvement of governmental and regulatory authorities in financial markets around the world. The Firm cannot predict whether new legislation or regulation (including new financial and tax measures, laws and regulations) will be enacted by legislative bodies or governmental agencies, nor can either of them predict what effect such legislation or regulation might have. There can be no assurance that new legislation or regulation, including changes to existing laws and regulations, will not have an adverse effect on a Fund's investment performance. In summary, regulation generally as well as regulation more specifically addressed to the private funds industry, including tax laws and regulation, could increase the cost of acquiring, holding or divesting of investments in portfolio companies, the profitability of enterprises and the cost of operating a Fund. There can be no assurance that any such enhanced scrutiny will not have an adverse impact on a Fund or not otherwise impede a Fund's activities.

Financial Market Fluctuations. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the Funds and may affect the Funds' ability to make investments and the value of the investments held by the Funds. Instability in the securities markets and economic conditions generally may also increase the risks inherent in the Funds' investments. For example, volatile market conditions can lead to significantly diminished availability of credit and an increase in the cost of fundraising, which can materially hinder the initiation of leveraged transactions. In addition, the ability to realize investments depends not only on portfolio companies and their historical results and prospects, but also on political, market and economic conditions at the time of such realizations. Volatility in the financial sector of the type experienced in 2008 may have a material adverse effect on the ability of the Funds to buy, sell and partially dispose of their portfolio company investments. Many private funds look to the public securities markets as a potential exit strategy, and there can be no assurance that Funds will be able to exit from their investments in portfolio companies by selling their securities in public markets, particularly in markets still experiencing significant volatility or illiquidity. It is possible that the trading market, if any, for the securities of any portfolio company will not be sufficiently liquid to enable a Fund to sell these securities when BC Partners believes it is most advantageous to do so or at prices that BC Partners believes reflect the fair value of such investments, or without adversely affecting the securities price. The ability of portfolio companies to refinance debt securities will typically depend on their ability to sell new securities in the public high yield debt market or otherwise. There can be no assurance as to the market's liquidity and volatility. As a result of the foregoing, BC Partners may not be capable of, or successful at, preserving the value of Fund assets, generating positive investment returns or effectively managing Fund risks.

Co-investment. In certain instances, a Fund may invest in portfolio companies alongside financial, strategic or other third-party co-investors. Investments alongside co-investors will involve additional risks which may not be present in investments where a co-investor is not involved, including the possibility that a co-investor or co-investors may have interests or objectives that are inconsistent with those of the relevant Fund or may be in a position to take actions contrary to such Fund's investment objectives or may suffer financial difficulties, including bankruptcy or otherwise default on their obligations in a manner that negatively affects the investment.

Leverage. The Funds and portfolio companies in which the Funds invest are permitted to incur leverage. Such portfolio company or intermediate entity leverage generally increases both a Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets, which is difficult to forecast accurately. During the periods in which credit markets are unfavorable, it may be difficult to obtain or maintain the desired degree of leverage. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and will constrain the company's ability to finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the effects of any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate declines in the value of a Fund's investments in such companies in a down market. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio company's creditworthiness is such that it must borrow at higher interest rates than are available to the relevant Fund. In the event that any portfolio company cannot generate adequate cash flows to meet debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which would adversely affect the returns of such Fund. Furthermore, should the credit markets be unfavorable at the time that a Fund determines that it is desirable to sell all or a part of a portfolio company, such Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the portfolio companies in which a Fund will invest will not generally be rated by a credit rating agency. Except where otherwise required by the relevant Organizational Documents, a Fund will not be obligated to borrow on behalf of a portfolio company, even in circumstances where the Fund's creditworthiness would permit borrowing at a lower rate than is available to the portfolio company.

The securities in which a Fund invests will typically be among the most junior in a portfolio company's capital structure and thus subject to the greatest risk of loss. Generally, there will be no collateral to protect an investment once it has been made.

BC Partners will generally seek to adopt a capital structure for companies in which a Fund invests on the basis of financial projections for such companies. Projected operating results will normally be based primarily on management judgments albeit subjected to significant due diligence. In all cases, projections are only estimates of future results and are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained and actual results may vary significantly from the projections. General economic conditions, which are unpredictable, can have a material adverse impact on the reliability of projections.

Subscription Lines. A Fund generally is permitted to enter into a subscription line with one or more lenders in order to finance its operations (including the acquisition of the Fund's investments). Fund-level borrowing subjects limited partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of

the relevant general partner's right to call capital from the limited partners, limited partners may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against the Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in additional partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the Organizational Documents, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, or results in short-term gains to a Fund. As a result, the relevant Fund's internal rate of return (including gross and net performance metrics) will generally be higher than it otherwise would be without such Fund-level borrowing, as these calculations generally depend on the amount and timing of capital contributions, which thereby could be deemed to benefit the marketing efforts of BC Partners and increase the likelihood that any hurdle or preferred return component in the Fund's carried interest arrangement will be met. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's management fee calculation, such as during periods where management fees are based in whole or in part on an acquisition cost that includes a borrowing component. The use of Fund-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of a Fund's investment period, and cause or defer a related change in the basis of the relevant Fund's management fee calculation under the Organizational Documents. In light of the foregoing, BC Partners has an incentive to fund the acquisition and ongoing capital needs of investments and the Fund with the proceeds of such Fund-level borrowings in lieu of drawing down commitments on a just-in-time basis.

Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds), as, to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line. In certain circumstances, a Fund will provide guarantees or other credit support (including the use of subscription lines) to finance the acquisition of an investment by both the relevant Fund and other investment vehicles or accounts managed by BC Partners, which may include the PE Funds or Credit Clients. In each case where co-investors and/or other Clients participate in an investment that is acquired using a particular Fund's subscription line, the relevant Fund is expected to guarantee an amount in excess of its proportionate interest in the investment, including amounts in respect of the interests of such co-investors and/or Clients. In each such case the relevant Fund's assets (including unfunded Fund commitments) will be available to satisfy the liabilities and other obligations associated with such co-investors and/or Advisory Clients. Further,

the relevant Fund (and by extension its investors) is expected to bear the cost of all fees and expenses related to the use of such subscription lines, including those related to investments in which co-investors and/or the Advisory Clients participate, and neither the Fund nor its investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

Such co-investors and/or Clients may, in BC Partners' discretion, enter into a back-to-back or other similar reimbursement agreement relating to such fees and expenses associated with the use of subscription lines, but are not required to. Additionally, a credit agreement or borrowing facility frequently will contain other terms that restrict the activities of the Fund and the limited partners or impose additional obligations on them. For example, certain lenders or facilities are expected to impose restrictions on the relevant general partner's ability to consent to the transfer of a limited partner's interest in the Fund or impose concentration or other limits on the Fund's investments, and/or financial or other covenants, that could affect the implementation of the Fund's investment strategy. In addition, in order to secure a subscription line, the relevant general partner may request certain financial information and other documentation from limited partners to share with lenders. The general partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more limited partners. In certain circumstances, due to separate evaluations of creditworthiness by lenders of facility providers, a Portfolio Investment or other Fund subsidiary is expected to bear higher rates under a borrowing facility than are borne by the Fund, resulting in a potential net benefit to the Fund, or additional potential liquidity constraints or other burdens on the relevant portfolio company or Fund subsidiary.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows the respective general partner to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had the relevant general partner called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time. The relevant general partner is authorized to use Fund-level borrowing to pay Advisory Fees and to reimburse BC Partners for expenses incurred on behalf of the Fund. A Fund is also permitted to utilize Fund-level borrowing when its general partner expects to repay the amount outstanding through means other than limited partner capital, including as a bridge for equity or debt capital with respect to an investment. If the Fund ultimately is unable to repay the borrowings through those other means, limited partners would end up with increased exposure to the underlying investment, which could result in greater losses.

If an investment appreciates in value and is disposed of prior to repayment, the relevant Fund generally would apply disposition proceeds to repay the borrowing and related interest and expenses, the absence of invested capital funded by limited partners potentially will result in a distribution of net proceeds without a preferred return accrual on the amount invested. Accordingly, borrowings have the potential to support the distribution of proceeds to limited partners and increase the potential carried interest for the relevant general partner, as reduced by the interest incurred by the relevant Fund. Subject to any limitations in the Organizational Documents, this scenario potentially

incentivizes the relevant general partner to permanently fund the acquisition and ongoing capital needs of a Fund's investments and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never, if principal and interest on such borrowings are always repaid out of disposition proceeds).

Investment- and Intermediate Entity-Level Borrowing. Under the Organizational Documents, each Fund is authorized to incur indebtedness that is secured by any assets of the Fund (*e.g.*, asset-based borrowing, as well as "back leverage" and net asset value (NAV) facilities), and is permitted directly or indirectly through one or more intermediate entities (*e.g.*, special purpose vehicles) to incur indebtedness, including to borrow money from any person, to make guarantees or provide other credit support to any person or to incur any other obligation (including other extensions of credit). Indebtedness is permitted to be incurred for any purpose relating to the activities of the Fund, including without limitation to: finance any investment-related activities of the Fund; increase the buying power of the Fund; provide interim financing to the extent necessary to consummate the purchase of investments prior to the receipt of permanent financing or capital contributions or distributions (as applicable); pay for Fund expenses or fund the payment of management fees; make, hold or dispose of investments; provide financing or refinancing; fund the payment of amounts to withdrawing limited partners; fund distributions to the partners; and/or provide collateral to secure outstanding letters of credit or to create reserves, in each case in accordance with the Organizational Documents. Additionally, a Fund is expected to enter into letters of credit in support of one or more of its investments, including for the purpose of such Fund agreeing to fund additional equity financing or capital expenditures into a portfolio company (regardless of who the beneficiary to such letter of credit may be) at a certain time or upon the occurrence of a certain event. Although in many cases the Organizational Documents impose limits on borrowings at the Fund level, portfolio investments and intermediate entities generally do not have such limits on their ability to engage in borrowings or incur leverage with respect to all or a portion of the relevant investments.

Transfer and Withdrawal. Interests in a Fund generally may not be sold, assigned or transferred without the prior written consent of the Adviser or its affiliates, which consent may be granted or withheld in its sole discretion. Furthermore, there are additional restrictions on the resale of interests in a Fund by investors who are located in the United States or who are U.S. persons (within the meaning of Regulation S under the Securities Act) and on the resale of interests in a Fund by any investor to any person who is located in the United States or is a U.S. person.

In addition, investors will generally be committed to a Fund for a long period of time, as set forth in each applicable Fund's Organizational Documents. An investor will normally be unable to withdraw from its participation in such Fund prior to the expiry of the applicable period.

Reliance on BC Partners, the Investment Teams and Portfolio Company Management. Although certain members of each of the PE have worked together, there can be no assurance that such persons will remain with BC Partners throughout the life of a Fund.

There can be no assurance that any members of the Investment Teams will continue to be employed by BC Partners, or to function on behalf of a Fund nor that suitable replacements will be found should they become incapacitated. As a result, a Fund's performance could be materially adversely affected.

The Investment Team currently has certain responsibilities in respect of current Funds and may have responsibilities in respect of other Funds going forward. These activities will require a commitment of time and resources which might otherwise be devoted to their activities in respect of a Fund.

Control over the operation of a Fund will be vested entirely with BC Partners, and a Fund's future profitability will depend largely upon the business and investment acumen of the relevant Investment Team. Investors generally have no right or power to take part in the management of a Fund, and as a result, the investment performance of a Fund will depend entirely on the actions of BC Partners. Although BC Partners will monitor the performance of each Portfolio Investment, it will primarily be the responsibility of each Portfolio Investment's management team to operate the portfolio company on a day-to-day basis. Although the PE Funds generally intend to invest in companies with strong management, there can be no assurance that the existing management of such companies will continue to operate a company successfully.

As a Fund's Portfolio Investments will not be identified at the time such Funds are offered to prospective investors, prospective investors will not have an opportunity to review the Portfolio Investments and the terms of a Fund's investments prior to investing in such Fund. Investors will not have the opportunity to evaluate the relevant economic, financial and other information which will be utilized by BC Partners in selecting, structuring, monitoring and disposing of investments.

Side Letters. BC Partners has entered, and is permitted in the future to enter, into a side letter or other similar agreement with a particular investor in connection with its admission to a Fund without the approval of any other investor in such Fund, which may have the effect of establishing rights under or supplementing the terms of the applicable Organizational Documents or otherwise providing a right or benefit with respect to such investor in a manner more favorable to such investor than those applicable to other investors in such Fund. Such rights or terms in any such side letter or other similar agreement may include, without limitation: (i) rights relating to respective advisory committee (if applicable); (ii) rights relating to co-investment opportunities; (iii) economic provisions relating to platform or multi-fund investors; (iv) rights relating to the transfer of interests in the Fund; (v) excuse rights applicable to particular Fund investments (which may increase the percentage interest of other investors in, and contribution obligations of other investors with respect to, such Fund's investments) or withdrawal and/or related rights with respect to the Fund generally in certain limited regulatory and/or policy related circumstances; (vi) rights relating to tax and regulatory reporting; (vii) representations and warranties relating to a particular point in time; (viii) rights relating to confidential information; (ix) different fee structures or arrangements (including discounted or rebated compensation terms, modified waterfall mechanics and/or receipt of a portion of BC Partners' compensation); (x) information rights; (xi) specialized reporting; (xii) confidentiality protections and disclosure rights; (xiii) modification of default remedies; (xiv) investment pacing restrictions; (xv) rights or terms necessary in light of particular legal, regulatory, tax or ERISA status or public policy characteristics of an investor or to administrative or operational or written policy requirements applicable to an investor; and/or (xvi) any other economic procedural and other terms, many of which will not be subject to the "most-favored nation" provisions of a Fund's Organizational Documents.

BC Partners is likely to have its own economic and/or other business incentives to provide certain terms to certain investors (*e.g.*, based on commitment amount to a Fund or the timing thereof, the ability of an investor to provide sourcing or other services to BC Partners, its affiliates and personnel or the Funds, or the potential to establish, recognize, strengthen or cultivate relationships

that have the potential to provide longer-term benefits to the Adviser, its affiliates and personnel, or the Funds. Further, side letters also are expected to relate to strategic relationships under which an investor agrees to make capital commitments to multiple Funds. Except in the circumstances and on the timing required by Organizational Documents and/or applicable law, other investors will not receive copies of side letter or related provisions, and as a general matter, the other investors have no recourse against a Fund, BC Partners, the relevant general partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such side letters. Side letters subject BC Partners to potential conflicts of interest, including in circumstances where an investor's right to serve on the relevant Fund's advisory committee results in the investor receiving additional information relative to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. As a consequence of one or more investors being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments, the aggregate returns realized by participating or non-participating investors could be adversely affected in a material manner by the unfavorable performance of particular investments. Although BC Partners believes it to be unlikely, excuse rights requested or received by one or more investors (or such regulatory, tax or other factors applicable to such investors) representing a substantial percentage of a Fund have the potential to create significant variations in investor investment returns, or to influence or affect the investment strategy and pursuit of investment opportunities by the general partner on behalf of the relevant Fund as a whole. An investor's voting rights for regulatory or other reasons can be limited in circumstances specified in the Organizational Documents; conversely, a limitation on one or more investors' voting rights generally will increase the voting rights percentage of other investors in the relevant Fund. Further, investors with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, e.g., based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Fund.

Litigation Risk. The financial performance of the Portfolio Investments in which a Fund invests may be affected by litigation such as contractual claims, occupational health and safety claims, public liability claims, environmental claims, industrial disputes, tenure disputes and legal action from special interest groups. Such litigation could materially reduce the value of a Fund's investments. The performance of a Fund may also be affected in the event that litigation is commenced against BC Partners, which litigation may restrict BC Partners from performing its functions and duties in relation to such Fund.

OFAC and FCPA Considerations. Economic sanction laws in the United States and other jurisdictions may prohibit BC Partners, BC Partners' professionals and the Funds from transacting with or in certain countries and with certain individuals and companies. In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") administers and enforces laws, Executive Orders and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These entities and individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs. The lists of OFAC prohibited countries, territories, persons and entities, including the List of Specially Designated Nationals and Blocked Persons, as such list may be amended, can be found on the OFAC website at <http://www.treas.gov/ofac>. In addition, certain programs administered by OFAC prohibit dealing with individuals or entities in

certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. These types of sanctions may significantly restrict the Funds' investment activities in certain emerging market countries.

In some countries, there is a greater acceptance than in the United States of government involvement in commercial activities, and of corruption. BC Partners, the BC Partners professionals and the Funds are committed to complying with the U.S. Foreign Corrupt Practices Act (“**FCPA**”) and other anti-corruption laws, anti-bribery laws and regulations, as well as anti-boycott regulations, to which they are subject. As a result, the Funds may be adversely affected because of their unwillingness to participate in transactions that violate such laws or regulations. Such laws and regulations may make it difficult in certain circumstances for the Funds to act successfully on investment opportunities and for Portfolio Entities to obtain or retain business.

In recent years, the U.S. Department of Justice and the SEC have devoted greater resources to enforcement of the FCPA. In addition, the United Kingdom has recently significantly expanded the reach of its anti-bribery laws. While BC Partners has developed and implemented a stringent compliance program designed to ensure strict compliance by BC Partners and its personnel with the FCPA, such compliance programs may not prevent all instances of corruption. In addition, in spite of BC Partners' policies and procedures, affiliates of portfolio entities, particularly in cases where the Funds or another BC Partners sponsored fund or vehicle does not control such portfolio entity, may engage in activities that could result in FCPA violations. Any determination that BC Partners has violated the FCPA or other applicable anti-corruption laws or anti-bribery laws could subject us to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and a general loss of investor confidence, any one of which could adversely affect BC Partners' business prospects and/or financial position, as well as the Funds' ability to achieve its investment objective and/or conduct its operations.

Risks Arising from AIFMD. Certain of the Funds are expected to (1) be established and/or marketed in selected jurisdictions across the EU and (2) engage in investment and other activities in the EU. As a result, BC Partners will be subject to certain requirements and restrictions under the European Union Alternative Investment Fund Manager Directive (“**AIFMD**”) that have the potential to adversely affect investment and other activities of such Funds. For example, restrictions on early distributions or reductions in capital in respect of EU-based portfolio companies (so-called “asset-stripping” rules) may limit the use of certain investment and realization strategies, such as dividend recapitalizations and reorganizations by a Fund and/or underlying investment funds. Certain competitors of a Fund may not be subject to such requirements and restrictions, with the result that such Fund may be at a relative disadvantage in pursuing or realizing certain investments. This could adversely affect the performance of such Fund.

European Commission Action Plan on Financing Sustainable Growth. The European regulatory environment for alternative fund managers and financial services firms continues to evolve and increase in complexity, making compliance more costly and time-consuming. In March 2018, the European Commission published an Action Plan on Financing Sustainable Growth (the “**EU Action Plan**”) to set out an EU strategy for sustainable finance. The EU Action Plan identified several legislative initiatives, including the Sustainable Finance Disclosure Regulation (the “**SFDR**”) which took effect beginning March 10, 2021. The SFDR requires transparency with regard to the integration of sustainability risks and the consideration of adverse sustainability

impacts in the processes of an alternative investment fund manager (an “AIFM”) and the provision of sustainability-related information with respect to AIFs, which may have an impact on the AIFM of a Fund, which may indirectly impact such Fund.

AIFMs will be subject to the requirements of the SFDR, which include: (i) publishing information on its website about its policies on the integration of sustainability risks in its investment decision-making process; (ii) publishing on its website: (A) a detailed statement on its due diligence policies with respect to principal adverse impacts of investment decisions on sustainability factors, taking into account its size, the nature and scale of their activities, or (B) clear reasons for why it does not do so, including, where relevant, information as to whether and when it intends to consider such adverse impacts; (iii) publishing on its website and including in its remuneration policies maintained in accordance with sectoral legislation, information on how remuneration policies are consistent with the integration of sustainability risks; and (iv) ensuring that marketing communications do not contradict the information disclosed pursuant to the SFDR. The SFDR also requires AIFMs to include sustainability related information in an alternative investment fund’s (an “AIF”) pre-contractual disclosures and periodic reports, and, depending on the strategy of its AIF(s), on websites.

As a delegate undertaking portfolio management for an authorized AIFM, BC Partners will be subject to remuneration requirements similar to those applicable to an AIFM. Any required changes to compensation structures and practices could make it harder for BC Partners to recruit and retain key personnel, thereby potentially affecting the Funds. The SFDR could expose the Adviser to conflicting regulatory requirements in the United States when acting as a delegate of an AIFM.

The Funds will bear the costs and expenses of compliance with the SFDR and any other applicable legislation or regulations related to the EU Action Plan, including costs and expenses of collecting and calculating data and the preparation of policies, disclosures and reports. It is difficult to predict the full extent of the impact of the SFDR and the EU Action Plan on the Funds. BC Partners will reserve the right to adopt such arrangements as it deems necessary or desirable to comply with any applicable requirements of the SFDR and any other applicable legislation or regulations related to the EU Action Plan.

Sanctioned Investors. If after subscribing to a Fund a limited partner is included on a list of prohibited persons maintained by a relevant regulatory or governmental authority (including OFAC or equivalent non-U.S. authorities) (a “**Sanctions List**”), the relevant general partner will have the sole discretion to determine the resolution, remedy and manner of compliance of the Fund with applicable laws, including without limitation a “freeze” on distributions and/or capital calls from the relevant limited partner and reporting to the relevant authorities. Adverse actions by any such authorities, including temporary or permanent stays or holds on the Fund’s activities, could materially and adversely affect the Funds.

CFIUS and National Security Clearance Considerations. Certain investments are expected to be subject to or require review and approval by the U.S. Committee on Foreign Investment in the United States (“CFIUS”), such as where CFIUS-related laws, regulations or guidance deem non-U.S. persons or entities under their control (such as a Client, co-investors and/or rollover sellers) to be acquiring a U.S. business (including a business with assets, employees, facilities, and/or operations in the United States). CFIUS has the authority to review proposed or existing transactions or investments or to seek to impose limitations on or prohibit investments, and CFIUS filings and

other considerations can materially impact transaction timing, feasibility, certainty and costs. In certain circumstances, CFIUS considerations have the potential to prevent a Client from maintaining or pursuing investments, or limit the universe of available buyers for an existing investment. Any of these factors have the potential to adversely affect a Client's performance, and the likelihood that CFIUS considerations will be implicated is expected to increase where non-U.S. limited partners comprise a substantial percentage of a Client. Under the Organizational Documents, the relevant general partner generally is authorized, although not required, to excuse or otherwise limit non-U.S. limited partners' ability to invest in U.S. businesses (or to exercise voting or advisory committee rights with respect thereto) in order to anticipate or comply with CFIUS considerations. However, there can be no assurance that invoking any such excuse provisions or other limitations will allow the Client to proceed with or maintain any investment, or to avoid losses relating thereto. Similar considerations are expected to apply with respect to reviews by non-U.S. national security or investment clearance regulators.

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

Force Majeure Risk. The Funds may be affected by force majeure events (e.g., acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, nationalization of industry and labor strikes). The liability and cost arising out of a failure to perform obligations as a result of a force majeure event could be considerable and could be borne by the Funds, and the Funds and the managers in which they invest may not be able to effectively insure against any such risk of loss.

Risk of Counterparty Default. There is a risk that counterparties may default on their contractual obligations to a Fund or its investments. Any such counterparty default would likely have an adverse effect on the value of the investments and on the returns to investors.

Bridge Financing. A Fund may provide bridge financing to facilitate portfolio company investments. It is possible that all or a portion of a bridge financing will not be recouped within the time period specified in the applicable Fund's Organizational Documents, in which case the investment would be treated as a permanent investment of the Fund. As a result, a Fund's portfolio could become more concentrated with respect to such investment than initially expected or otherwise provided for under the respective Fund's investment limitations, certain of which exclude bridge financing investments.

Cybersecurity Risk. Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries such as the food services and retail industries. To the extent that a portfolio company, Fund, the Adviser or one or more of their respective service providers is subject to cyber-attack or other unauthorized access is gained to their systems, substantial losses may occur in the form of stolen, lost or corrupted: (i) data or payment information; (ii) financial information; (iii) software, contact lists or other databases; (iv) proprietary information or trade secrets; or (v) other items. If technology systems are compromised, become inoperable for extended periods of time or cease to function properly, BC Partners, the general partners, the Funds and/or portfolio companies may incur significant 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 in BC Partners', the general partners' the Funds', portfolio companies' and/or service providers' operations, including the ability to make distributions to limited partners, and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). In certain events, a failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments. Any of such circumstances could subject a portfolio company, or the relevant Fund, to substantial losses, including losses relating to: misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm. In addition, in the event that such a cyber-attack or other unauthorized access is directed at BC Partners or one of its service providers holding its financial or investor data, BC Partners, its affiliates or the Funds may also be at risk of loss, despite efforts to prevent and mitigate such risks under BC Partners' policies and practices.

International Conflicts. Wars and other international conflicts such as the Israeli-Palestinian conflict and the ongoing military conflict between Russia and the Ukraine, have caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place sanctions and other severe restrictions or prohibitions on certain of the countries involved, as well as related individuals and businesses. However, the ultimate impact of these conflicts and their effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

These conflicts may have a significant adverse impact and result in significant losses to the Funds. This impact may include reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. It may also limit the ability of a Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy which any Fund intends to pursue, all of which could adversely affect the Fund's ability to fulfill its investment objectives.

U.S. Taxation of Carried Interest. U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Funds as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset that generated such gain for more than three years. Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as a Fund (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law are treated as an allocation of the partnership's income (and which may be taxed at lower rates than ordinary income). Such rules, as well as any such legislation that may be enacted in the future, could apply to reduce the after-tax returns of individuals associated with a Fund, its general partner, or BC Partners who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the relevant general partner and its affiliates to incentivize, attract and retain individuals to perform services for a Fund. This creates potential incentives for BC Partners to cause a Fund to hold investments for a longer period than would be the case if such greater-than-three-year holding period requirement did not exist.

Secondaries and other General Partner-Led Transactions. There continues to be a significant market for secondary sales, general partner-led transactions, continuation funds, successor fund investments and other transactions, and BC Partners reserves the right to dispose of (or seek additional capital for) Fund investments through such means. Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase all or a portion of one or more investments that will continue to be managed by BC Partners following the transaction. Such transactions are permitted to be undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing limited partners and maintaining exposure to an asset where BC Partners believes there is the potential for additional value generation. Where undertaken, existing limited partners typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including a portfolio that combines assets from multiple Funds sponsored by BC Partners and its affiliates), often on different terms than their original investment in the Fund. However, certain of such transactions are expected to involve: a limited partner investing (or being required to invest) additional capital in the existing Fund and/or other investment vehicles; a greater exposure to one or more particular portfolio companies; and/or a delay in the full liquidation of the Fund's investment. In other circumstances, even limited partners that elect to continue to hold a direct or indirect interest in the relevant portfolio company will have their interest adjusted as if distributed (*i.e.*, a portion of such interest will be allocated to the relevant General Partner to the extent of its right to receive carried interest, if any), effectively diluting their interests.

Each of these transactions has the potential for conflicts between the interests of a Fund or limited partner and those of BC Partners or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where BC Partners or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction (potentially in addition to performance-based compensation earned by the relevant general partner on the sale of an asset from an existing Fund in such transaction), their incentives are expected to diverge from those of limited partners who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Fund, BC Partners, the relevant General Partner and any buyer group relating to the valuation and consideration offered for the subject investment(s). To the extent BC Partners requires existing limited partners and/or new buyers to commit capital to a continuation fund or another Fund managed by BC Partners in addition to the

purchase amount paid in a transaction (including commitments to the relevant Fund in specified ratios to the purchase price), such requirement is expected to have a dilutive effect on the purchase price for the selling Fund and its limited partners. There can be no assurance that any such transaction will accurately reflect the fair market value of the investment(s) being sold. Further, the relevant general partner is expected to be incentivized, including through the possibility of receiving additional compensation, to make investments in portfolio companies with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as limited partners in the relevant Fund, and in such circumstances BC Partners reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain limited partners will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are disclosed to limited partners and/or the relevant advisory committee prior to the closing of the transaction, there can be no assurance that BC Partners will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of Fund or any individual limited partner or group of limited partners. However, BC Partners reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant Organizational Documents. BC Partners is permitted to seek the consent of the relevant Fund advisory committee(s) to approve conflicts associated with such transactions and accordingly not all limited partners will necessarily be able to approve or disapprove of such transactions. Similar to any prospective sale or disposition of Fund investments, to the extent such transactions are not consummated, the relevant Fund is expected to bear all of the related costs in the absence of an agreement with other parties to bear a portion of such costs.

Valuation of Assets. Certain assets of a Fund may not be actively traded and the fair market value may not be readily ascertainable. When estimating fair value, BC Partners will apply a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstance of the investments. Valuations are subject to multiple levels of review for approval and ensuring that portfolio investments are fairly valued is an important focus of BC Partners.

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 may ultimately be sold. Third-party pricing information may at times not be available regarding certain of a Fund's assets. With respect to the Funds, the exercise of discretion in valuation by BC Partners may give rise to conflicts of interest, valuations impact BC Partners' track record and the performance allocation in certain Funds is calculated based, in part, on these valuations and such valuations affect the amount and timing of performance fees and calculations of Advisory Fees.

Limited Access to Information. Limited partners' rights to information regarding a Fund, the relevant general partner or BC Partners generally will be specified, and in many cases strictly limited, by the applicable Organizational Documents. In particular, it is anticipated that BC Partners will obtain certain types of material information from or relating to a Fund's investments that will not be disclosed to limited partners because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of BC Partners' control. Decisions by BC Partners to withhold information may have adverse consequences for limited partners in a variety

of circumstances. For example, a limited partner that seeks to transfer its interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for a limited partner to monitor BC Partners and its performance. Additionally, it is anticipated that limited partners that designate representatives to participate on a respective Fund's advisory committee (if applicable) generally may, by virtue of such participation, have more or earlier information about a Fund and its investments in certain circumstances than other limited partners. Limited partners generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the relevant Fund succeeds in asserting confidentiality for requested documents and other materials, and BC Partners reserves the right to withhold certain information from investors subject to such laws for reasons relating to BC Partners' public reputation, business strategy or other reasons.

Public Health Emergencies; COVID-19. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and COVID-19, have resulted in historic market disruptions, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Funds.

The ultimate impact of any such health emergency, or any future outbreaks — and any resulting decline in economic and commercial activity — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, but could have a significant adverse impact and result in significant losses to the Funds. The extent of the impact on the Funds' and their portfolio companies' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Funds to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Funds intend to pursue, all of which could adversely affect the Funds' ability to fulfill their investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Funds, their portfolio companies, the general partner and BC Partners may be significantly impacted, or even temporarily or permanently halted, as a result of any such health emergencies, or any measures, restrictions, remote-working requirements and other factors related thereto, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

Warehousing. Certain investments selected by BC Partners as appropriate investments for a Fund given the Fund's investment objectives may be warehoused in an entity affiliated with the Adviser and/or another person (the "**Warehousing Group**"). If such purchase of an investment (a "**Warehoused Investment**") is consummated, the purchase price for each Warehoused Investment will, subject to applicable law and regulation, be an amount equal to (i) the cost to the Warehousing

Group (including fees, costs and expenses in connection therewith) at which the Warehoused Investment was acquired by the Warehousing Group, less distributions received by the Warehousing Group post acquisition of the Warehoused Investment by the Warehousing Group, plus (ii) an additional amount in no case greater than the minimum contracted overall return on the transaction to compensate the Warehousing Group for the period during which a Warehoused Investment was held by the Warehousing Group. No assurances can be given that such Warehoused Investments, if any, will be transferred to the relevant Fund, or if transferred, will lead to returns limited partners in the Fund. It is also possible that such Warehoused Investments, if any, may decline in value prior to the transfer of any such Warehoused Investments to a Fund from the Warehousing Group.

Environmental, Social and Governance (“ESG”) Matters. BC Partners maintains an ESG policy and seeks to integrate certain ESG factors into its investment process in accordance with its policy and subject to its fiduciary duty and any applicable legal, regulatory or contractual requirements. There is no guarantee that BC Partners will be able successfully to implement its ESG policy while achieving its investment strategy. In addition, applying ESG factors to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by BC Partners, or any judgment exercised by BC Partners, will reflect the beliefs or values of any particular investor. There are also significant differences in interpretations of what ESG characteristics mean by region, industry and topic, as well as the interpretations of their scope and materiality. BC Partners’ interpretations and decisions are expected to differ from others’ views and could also evolve over time. In addition, in evaluating an investment, BC Partners expects to depend upon information and data provided by a number of sources, including the relevant investments and/or various reporting sources which could be incomplete, inaccurate or unavailable, and which could cause BC Partners to incorrectly assess a company’s ESG practices and/or related risks and opportunities. BC Partners does not intend independently to verify all ESG information reported by investments or third parties. Further, considering ESG qualities when evaluating an investment could result in the selection or exclusion of certain investments based on BC Partners’ view of certain ESG-related and other factors and could cause the relevant Funds not to make an investment that they would have made or to make a management decision with respect to an investment differently than they would have made in the absence of the ESG policies. For avoidance of doubt, however, BC Partners does not expect to subordinate a Fund’s investment returns or increase a Fund’s investment risks as a result of (or in connection with) the consideration of any ESG factors.

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by other asset managers, and BC Partners’ adoption and adherence to various such principles, frameworks, methodologies and tools is expected to vary over time. There is also a growing regulatory interest across jurisdictions in improving transparency regarding the definition, measurement and disclosure of ESG factors. BC Partners’ ESG policies could become subject to additional regulation in the future, and BC Partners cannot guarantee that its current approach will meet future regulatory requirements or predict the manner in which any such future requirements (including any enforcement with respect thereto) could affect a Fund or its investments, including with respect to future administrative burdens and costs.

Financial Institution Risk; Distress Events. An investment in a Fund is subject to the risk that one of the banks, brokers, counterparties, clearinghouses, exchanges, lenders or other custodians (each, a “**Financial Institution**”) of some or all of the Fund’s (or any Portfolio Investment’s) assets

fails to timely perform or otherwise defaults on its obligations or experiences insolvency, closure, seizure, receivership or other financial distress or difficulty, similar to that experienced by Silicon Valley Bank and Signature Bank in March 2023 (each, a “**Distress Event**”). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance, undercapitalization, market forces or accounting irregularities. If a Financial Institution experiences a Distress Event, BC Partners, any general partner, the Funds and/or any of the portfolio companies may be unable to access deposits, borrowing facilities or other services, either permanently or for an indeterminate period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation, in the case of banks, and the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose potentially increased risk of loss. While in recent years governmental intervention has often resulted in additional protections for depositors and counterparties in connection with Distress Events, there can be no assurance that any intervention will occur, be successful or avoid the risks of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of BC Partners to manage the Funds and their investments, and on the ability of BC Partners, any Fund or any Portfolio Investment to maintain operations, which in each case could result in operational burdens, significant losses and unconsummated investment acquisitions and dispositions. Such losses could include: a loss of funds; an obligation to pay fees and expenses in the event a Fund is unable to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of the Fund to access capital contributions or otherwise); the inability of the Fund to acquire or dispose of investments, including at prices that the relevant general partner believes reflect the fair value of such investments; and/or the inability of BC Partners or Portfolio Investments to make payroll, fulfill obligations and/or maintain operations. If a Distress Event leads to a loss of access to a Financial Institution’s services, it is also possible that BC Partners will experience operational burdens and expenses, and a Fund or a Portfolio Investments will incur additional expenses and/or delays in putting in place alternative arrangements and/or that such alternative arrangements will be less favorable than those formerly in place (with respect to economic terms, service levels, access to capital or otherwise). There can be no assurance that BC Partners will be able to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, or that such remedies will be successful or avoid losses, delays or other negative impacts. The Funds and their Portfolio Investments are subject to additional risks in the event a Financial Institution utilized by investors of a Fund or suppliers, vendors, service providers or other counterparties of a portfolio company become subject to Distress Events, which could have a material adverse effect on a Fund, its investors or such portfolio companies, including the risk of investor defaults.

Many Financial Institutions require, as a condition to using their services (including lending services), that BC Partners and/or the relevant Fund maintain all or a set amount or percentage of their respective accounts or assets with the Financial Institution, which heightens the risks associated with a Distress Event with respect to such Financial Institutions. Although BC Partners seeks to do business with Financial Institutions that it believes are creditworthy and capable of fulfilling their respective obligations to the Funds, BC Partners is under no obligation to use a minimum number of Financial Institutions with respect to any Fund, or to maintain account

balances at or below the relevant insured amounts.

Social Media and Publicity Risk. The use of social networks, message boards, internet channels and other platforms has become widespread within the United States and globally. As a result, individuals now have the ability to rapidly and broadly disseminate information or misinformation, without independent or authoritative verification. Any such information or misinformation regarding BC Partners, the Funds or one or more portfolio companies could have a material and adverse effect on the value of the Funds.

Risks Applicable to PE Funds

Risks Regarding Disposals of PE Fund Investments. Although BC Partners generally expects that a PE Fund's investments will be disposed of prior to the end of the term or be suitable for distribution in-specie at such time, a PE Fund may make investments that may not be advantageously disposed of prior to the expiration of such Fund's term. BC Partners generally has a limited ability to extend the term of a PE Fund, and a PE Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time.

Investments in unlisted companies are intrinsically riskier than in listed companies as unquoted companies may be smaller, more vulnerable to changes in markets and technology and dependent on the skills and commitment of a small management team. In addition, investments in unquoted companies can be difficult to realize.

A PE Fund will generally be acquiring investments of a long-term and illiquid nature in companies whose shares are not quoted or dealt in on any stock exchange, for which there may only be a limited number of prospective buyers. These investments may be difficult to value and to sell or otherwise liquidate and their realizable value may be less than their intrinsic value. The risk accompanying an investment in such companies is greater than the risk of investing in publicly traded securities. There can be no assurance that a PE Fund will be able to realize cash from such investments in a timely manner and, in some cases, a PE Fund may be prohibited by contract from selling investments for a period of time. Consequently, the timing of cash distributions to investors is uncertain and unpredictable.

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

Controlling or Minority Stakes. The PE Funds generally intend to assume control positions in their portfolio companies. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liabilities in respect of which the limited liability generally characteristic of business operations may be ignored.

The PE Funds may also hold minority positions in certain portfolio companies or acquire securities that are subordinated vis-à-vis other securities as to economic or management rights or other attributes. The PE Funds may therefore have limited ability to protect their positions, or liability arising from, such companies and might not always be in a position to protect their interests effectively, particularly if management teams pursue objectives which are inconsistent with those of the relevant PE Fund.

The securities in which the PE Funds will invest will typically be among the most junior in a portfolio company's capital structure and therefore subject to the greatest risk of loss. Generally, there will be no collateral to protect an investment once it has been made.

Involvement in Portfolio Companies as Directors. Investing in new or expanding companies normally involves a greater involvement on the part of a PE Fund than is the case with investments in public companies. It is typical of a private equity investor to have a seat on the board of directors of the portfolio company which would enhance its ability to efficiently manage its investment. Although a representative of a PE Fund may serve on a portfolio company's board of directors, each portfolio company will generally be managed by its own officers (who may not be affiliated with the PE Fund). Additionally, in certain jurisdictions, the composition of the board of a portfolio company will need to reflect local laws governing employee and works council representation.

Typically, portfolio companies will have insurance to protect directors and officers (including those affiliated with a PE Fund), but this may be inadequate. As the Organizational Documents of the applicable PE Fund typically contain a comprehensive indemnity for the benefit of, amongst others, such directors and/or officers, any legal action resulting in damages being payable by such directors and/or officers may result in such Fund being liable for such indemnity payments in the event that the insurance coverage of the underlying portfolio company is inadequate.

Portfolio companies may have substantial variations in operating results from period-to-period, face intense competition, and experience failures or substantial declines in value at any stage. Membership on the board of directors of a portfolio company can result in personal actions in litigation both in such situations and in other circumstances. To the extent to which insurance coverage at the level of the portfolio company is insufficient to cover liabilities arising from such actions then a Fund may itself be liable to make payments to cover liabilities arising from such actions.

Currency Risk. A PE Fund's investments may be made in various countries and, accordingly, such investments and any proceeds there from may be denominated in a variety of currencies other than the currency of the applicable Fund. If so denominated, the value of these investments will fluctuate as a result of changes in currency exchange rates.

Movement in the foreign exchange rate between the currency of the applicable Fund, and the currency applicable to a particular investor may have an impact upon such investor's returns in his or her own currency of account. Investors should note that the returns generated by investors in a Fund denominated by one currency may differ from those generated by investors in a Fund denominated by a different currency due to fluctuations in the exchange rates.

In addition, a PE Fund may incur costs in connection with the conversions between various currencies. Prospective investors should be aware therefore that movements in the value of currencies over the life of a PE Fund will affect the value of its holdings.

BC Partners is authorized (but not obligated) to endeavor to manage currency exposures using appropriate hedging techniques where available and appropriate. A PE Fund may incur costs related to currency hedging arrangements. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that any such hedging arrangements will be successful in managing currency exposures.

Need for Follow-on Investments. Following its initial investment in a given Portfolio Investment, a PE Fund is permitted to decide to provide additional funds to such Portfolio Investment or consider the opportunity to increase its investment in a Portfolio Investment. There is no assurance that a PE Fund will make follow-on investments and in certain circumstances a PE Fund may be prevented from doing so due to having insufficient commitments available for investment or as a result of reaching its diversification cap in respect of such Portfolio Investment. Any decision by a PE Fund not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a Portfolio Investment in need of such an investment, may result in a lost opportunity for such PE Fund to increase its participation in a successful operation, may result in such PE Fund's investment in the relevant Portfolio Investment becoming diluted and in circumstances where the follow-on investment is offered at a discount to market value to a third party or a co-investor is permitted to invest, or may result in a loss of value for the PE Fund.

Concentration of Investments. A PE Fund may participate in only a limited number of Portfolio Investments and may seek to make several investments in a limited number of industries or industry segments. Additionally, the applicable Organizational Documents of a PE Fund will include restrictions on the amounts that may be invested by such PE Fund in any single Portfolio Investment, which may be exceeded in circumstances where it is contemplated that such excess will be syndicated following completion. There can be no guarantee that any such syndication will be achieved and accordingly a PE Fund may end up with a higher exposure to a single Portfolio Investment than would have been the case had such syndication been achieved. As a result, a PE Fund's investment portfolio could become highly concentrated and the performance of a few Portfolio Investments may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount a PE Fund may invest in fewer Portfolio Investments and thus be less diversified.

Decision Making Process. The matters described in this brochure may change during the life of a particular Fund, and in particular that there can be no assurance that the decision-making process in respect of, or the composition of, the PE Investment Committee will continue to follow that set out in this brochure.

Contingent Liabilities Upon Disposition. In connection with the disposition of a Portfolio Investment, a Fund and BC Partners 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 may result in contingent liabilities, which would be borne by a Fund and, ultimately, its investors.

ITEM 9. DISCIPLINARY INFORMATION

There are no material legal or disciplinary events to disclose relating to a client's or potential client's evaluation of the Firm's business.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The Adviser provides investment advisory services to PE Funds and its personnel are provided to affiliated entities through staff sharing agreements (including the Credit Advisers, Mount Logan Capital and BCPS) ("**Shared Personnel**"). Shared Personnel will work on projects unrelated to the PE Funds, which can create conflicts in the allocation of management or other resources and related costs. The advisory services that the Adviser provides PE Funds, and that the Credit Advisers provide to the Credit Clients, in reliance upon the same personnel, can create conflicts of interests (i) between different Clients of the Adviser, (ii) between the Adviser and the Credit Advisers, and as a consequence (iii) between Clients of the Adviser and Credit Clients. For example, subject to restrictions in applicable Organizational Documents, either the Adviser or the Credit Advisers could advise or manage other clients or types of clients, including investment vehicles in the future and such future funds, and the existing funds, could make investments that would be suitable for PE Funds. To address conflicts of interest (actual and apparent) and to fulfill the Adviser's fiduciary duties to each of its Clients, among other things, the Adviser intends to allocate investment opportunities in a manner that is fair and equitable over time and is consistent with BC Partners' allocation policy and to take steps to mitigate conflicts of interests. For more information on this policy and other conflicts of interests relating to the PE Business, please see Item 11, below.

Related General Partners

The Adviser organizes certain of the Funds, which in certain cases are limited partnerships for which the Adviser (including its affiliates) serves as general partner or exempted companies for which personnel or affiliates of the Adviser serve as members of the board of directors. For a description of material conflicts of interest created by these relationships, as well as a description of how such conflicts are addressed, please see Item 11 below.

Affiliated Advisers/General Partners/Financial Institutions

The Adviser's affiliated financial institutions currently include:

- Ability Insurance Company: regulated by the Nebraska Department of Insurance;
- BC Partner Beteiligungsberatung GmbH: organized in Germany;
- BC Partners Advisors Sarl: organized in France;
- BC Partners Advisors L.P.: organized in Delaware and regulated by the U.S. Securities and Exchange Commission and a registered investment adviser under the Advisers Act;
- BC Partners LLP: organized in the United Kingdom and regulated by the United Kingdom Financial Conduct Authority and an exempt reporting adviser under the Advisers Act;

- BC Partners Management S.a.r.l.: organized in Luxembourg;
- CIE Management IX Limited: organized in Guernsey and regulated by the Guernsey Financial Services Commission;
- BCEC Management X Limited: organized in Guernsey and regulated by the Guernsey Financial Services Commission;
- BC Partners Management XI Limited: organized in Guernsey and regulated by the Guernsey Financial Services Commission;
- BC Partners LLP: organized in the United Kingdom and regulated by the United Kingdom Financial Conduct Authority and an exempt reporting adviser under the Advisers Act;
- Sierra Crest Management LLC: organized in Delaware and regulated by the U.S. Securities and Exchange Commission and a registered investment adviser under the Advisers Act;
- Mount Logan Management, LLC: organized in Delaware and regulated by the U.S. Securities and Exchange Commission and a registered investment adviser under the Advisers Act;
- Mount Logan Capital Inc.: organized in Toronto, Canada as an alternative investment management company;
- Garrison Middle Market Funding GP LLC: organized in Delaware;
- Mount Logan Middle Market Fund II GP LLC: organized in Delaware;
- Mount Logan Middle Market Funding GP II LLC: organized in Delaware;
- BC Partners Management GR Limited: organized in Guernsey and regulated by the Guernsey Financial Services Commission;
- BC Partners Securities LLC: a US broker dealer regulated by the Financial Industry Regulatory Authority;
- BC Partners XI Lux GP Sarl: organized in Luxembourg;
- BCP Great Lakes GP LP: organized in the Cayman Islands;
- BCP Special Opportunities Fund I GP LP: organized in the Cayman Islands and regulated by the Cayman Islands Monetary Authority;
- BCP Special Opportunities Fund II GP LP: organized in the Cayman Islands;
- BCP Special Opportunities Fund II GP (Lux) S.a.r.l.: organized in Luxembourg;
- BCP Special Opportunities Fund III GP LP: organized in Delaware;
- BCP Special Opportunities Fund III GP (Lux) S.a.r.l.: organized in Luxembourg;

- BCPERE Fund I GP S.a.r.l.: organized in Luxembourg;
- Ovation Fund Management II, LLC: organized in Delaware.

Affiliated Broker-Dealer

BC Partners Securities LLC (“**BCPS**”), a Delaware limited liability company, is a SEC registered broker-dealer and affiliate of the Adviser. BCPS performs underwriting and other securities-related capital markets activities for the portfolio companies, which may include initial public offerings, follow-on offerings, and secondary offerings as well as private placements. As an underwriter, BCPS advises portfolio company issuers in connection with pricing, timing, and market conditions. BCPS will also provide additional services (which may include, without limitation, advisory services to Clients in connection with the acquisition and disposition of their Portfolio Investments and syndicating transactions for Portfolio Investments). Subject to the Clients’ Organizational Documents, engagements by Clients or their Portfolio Investments of BCPS do not require approval from such Clients’ advisory committees (if applicable).

Securities in connection with the provision of underwriting and other securities-related capital markets activities as well as Portfolio Investment acquisition and disposition activities and similar services are, unless specifically stated in the Client’s Organizational Documents, not applied to offset Advisory Fees and are retained by BCPS.

For a description of material conflicts of interest created by the relationship among BCPS, the Adviser and its affiliates, as well as a description of how such conflicts are addressed, please see Item 11 below.

ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

The Adviser has adopted a written Code of Ethics that is applicable to all of its partners, officers and personnel, as well as officers and personnel of its affiliates and certain independent contractors (collectively, “**Adviser Personnel**”). The Code of Ethics, which is designed to comply with Rule 204A-1 under the Advisers Act, establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations. Adviser Personnel and their families and households may purchase investments for their own accounts, including the same investments as may be purchased or sold for a Fund, subject to the terms of the Code of Ethics. Under the Code of Ethics, Adviser Personnel are also required to file certain periodic reports with the Adviser’s Chief Compliance Officer (“**CCO**”) as required by Rule 204A1 under the Advisers Act. The Code of Ethics helps the Adviser detect and prevent potential conflicts of interest.

Adviser Personnel who violate the Code of Ethics may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, demotion, suspension or dismissal. Adviser Personnel are also required to promptly report any violation of the Code of Ethics of which they become aware. Adviser Personnel are required to annually certify compliance with the Code of Ethics.

A copy of the Code of Ethics is available to any client or prospective client by contacting compliance@bcpartners.com or upon written request to: BC Partners PE L.P., Attn: Chief Compliance Officer, 650 Madison Avenue, 3rd Floor, New York, New York 10022.

Principal Transactions and Cross Trades

When disclosed in relevant investment management agreements or Organizational Documents, BC Partners could effect cross transactions between two Clients of the Adviser, or between a Client of the Adviser and another client of BC Partners or, on a principal basis between the Client and a principal account. In effecting such transactions, our interests, or that of BC Partners, could conflict with those of a Client. BC Partners has adopted policies and procedures designed to address the conflicts which may arise in the context of principal trades or cross trades. BC Partners would only affect such transaction if it were to first determine that such trade is in the best interests of the affected Clients and then only in compliance with the requirements of the Advisers Act, and the Organizational Documents of the affected Clients, including obtaining any required informed consent. Cross-trades among Clients, where neither is a principal account are not principal transactions, but still could represent a conflict of interest due to, for example, different compensatory or pecuniary interests. Such trades are executed either at fair market value, as determined by a party independent of BC Partners (unless waived by the CCO is his or her sole discretion) or at the midpoint between the bid-ask spread (if a trading market exists) and, in the case of principal trades, disclosed to the Client for purposes of obtaining the Client's consent prior to execution of the trade. In addition, as a general matter, no PE Fund can engage in transactions with affiliates, except for those transactions provided for in the applicable governing documents, approved by a majority in interest of the investors of the applicable PE Fund(s) or executed pursuant to the Co-Investment Order.

Participation or Interest in Client Transactions

The Adviser and certain personnel and affiliates of the Adviser are permitted to invest in and alongside certain Clients, either through the general partners, as direct investors in the Funds or BDC or otherwise. In particular, BC Partners staff that are also director representatives of a portfolio company or its affiliates, are permitted to buy and sell securities on a personal account basis, in an IPO of such companies if certain criteria are met, including pre-approval from the BC Partners Compliance team. A Fund or BDC is permitted to reduce all or a portion of the Advisory Fee and Performance Compensation related to investments held by such persons. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see “**Conflicts of Interest**” below.

As described in Item 5 – “Fees and Compensation,” in addition to management fees and carried interest, the Adviser and its affiliates can receive transaction fees, break-up fees, commitment fees, investment banking fees, termination fees, closing fees, directors' fees, asset management fees, consulting fees, origination fees, advisory fees, monitoring and other similar fees with respect to advisory and related services provided in connection with investments by Clients. The Adviser has a conflict of interest in circumstances where it has an opportunity to earn a fee from an acquisition or disposition by a Client.

General Conflicts of Interest

The Firm engages in a broad range of activities, including investment activities for its own account

and for the account of other investment funds, and providing transaction-related, investment advisory, management and other services to the Clients, SPACs and Portfolio Investments. In the ordinary course of conducting its activities, the interests of a PE Fund may conflict with the interests of the Adviser or another Firm entity, certain personnel of the Adviser, other PE Funds or other Credit Clients advised by the Credit Advisers.

Resolution of Conflicts

Certain Organizational Documents contain provisions that, subject to applicable law, reduce or modify the duties, including fiduciary and other duties, to a PE Fund and its investors to which the general partner of such Fund and any other Firm entity, as applicable, would otherwise be subject, provisions that waive or consent to conduct on the part of such general partner and other Firm entities that might not otherwise be permitted pursuant to such duties, and provisions that limit the remedies of limited partners with respect to breaches of such duties. If any matter arises that a general partner and its affiliates determines in their good faith judgment constitutes an actual conflict of interest, the general partner and other Firm entities may take such actions as they determine in good faith may be necessary or appropriate to ameliorate the conflict, and upon taking such actions such general partner or other Firm entity will be relieved of any liability for such conflict to the fullest extent permitted by law and shall be deemed to have satisfied its fiduciary duties related thereto to the fullest extent permitted by law. These actions may include, for example, (i) presenting a material conflict of interest to such Fund's limited partner advisory committee, (ii) disposing of the applicable investment or security (or abstaining from exercising voting or control rights related thereto); (iii) appointing an "independent client representative" to act or provide consent; (iv) disclosing the conflict to such Fund's limited partners; or (v) implementing other policies and procedures designed to ameliorate conflicts of interest. There can be no assurance that a general partner will identify or resolve all conflicts of interest in a manner that is favorable to such Fund. By acquiring an interest in a PE Fund, investors will be deemed to have acknowledged the existence of any such actual or potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflict of interest.

Firm Policies and Procedures; Information Synergies

Policies and procedures implemented by the Firm to mitigate potential conflicts of interest and address certain regulatory requirements and/or contractual restrictions may reduce the synergies and flow of information across the Firm's areas of operation or expertise that the general partners expect to draw on for purposes of pursuing and evaluating attractive investment opportunities for the Funds. Because the Firm has both Private Equity and Credit Businesses, it is subject to a number of actual and potential conflicts of interest, additional regulatory considerations and more legal and contractual restrictions than that to which it would otherwise be subject if it focused only on private equity-oriented or credit-oriented investment activities.

Investment professionals of the Firm may acquire confidential information concerning an entity in which Clients have invested or which are being considered for investment on behalf of one or more other Clients. Acquiring information that is material, nonpublic information may limit the Firm's ability to buy or sell particular securities or other instruments on behalf of PE Funds, and this in turn may limit the opportunities, investment flexibility or exit strategies for these Clients. Where possible, information is expected to be shared between the general partners, the Funds and other Firm entities to enhance the synergies and enable the Funds to capitalize on attractive investment

opportunities (including opportunities relating to investments in portfolio entities in which other Clients have or may acquire an interest), subject to compliance with applicable law and regulation regarding the sharing of information and the Firm's policies and procedures related thereto. The sharing (or possession) of such information may, in certain circumstances, restrict the activities of PE Funds. In such circumstances, these Funds may not be able to dispose of a security or other instrument relating to a portfolio entity owned by other Clients, even in a declining market, until the information becomes publicly available or immaterial and the trading in the portfolio entity's instruments is no longer restricted.

Conflicted Investments

The Firm, in its sole discretion, may decide not to proceed with a Portfolio Investment or not to pursue an investment opportunity for a PE Fund because of a conflict of interest. Further, the Firm will be free to provide advice or other services to any other person, notwithstanding any conflict with its duties to, or the interests of, any Fund. The Firm will not be in breach of any obligation or duty to a PE Fund or to investors of a PE Fund or liable for any loss incurred by a PE Fund or by investors of a PE Fund, notwithstanding a conflict with its duties to, or the interests of, any PE Fund, in consequence of any decision not to proceed with an investment or not to pursue an investment opportunity for such Fund, or any decision to effect, or participate in, any transaction on its own behalf or on behalf of any other person or to provide advice or other services to any person. Similarly, the Firm will be under no duty or obligation to disclose to, or use for the benefit of, a PE Fund any information in relation to any transaction in which it, or any person to whom it owes a duty, has an interest.

Allocation of Investment Opportunities

BC Partners has implemented an allocation policy (the "**Allocation Policy**"), applicable to both the Private Equity Business and the Credit Business, pursuant to which private equity investment opportunities are allocated amongst the PE Funds, and credit investment opportunities are allocated amongst the Credit Clients. As part of the overall activities of the Credit Business, the Credit Advisers advise Credit Clients that pursue a range of investments or investment strategies that would otherwise be appropriate for various PE Funds. In respect of the Private Equity Business, the Adviser also has established PE Accounts that pursue a range of investments or investment strategies that would otherwise be appropriate for various PE Funds. To the extent any such Clients have investment objectives or guidelines that overlap with those of another PE Fund, in whole or in part, investment opportunities that fall within such common objectives or guidelines will generally be allocated, unless otherwise provided for in the Organizational Documents of the applicable Clients, pursuant to the Allocation Policy, on a basis that it is fair and reasonable, subject to (A) any applicable investment objectives, focus parameters, limitations, guidelines, investor preferences and other contractual provisions of such Fund and such other Clients and the duration of their investment periods, (B) such Fund and such other Clients having available capital with respect thereto, and (C) legal, tax, accounting, regulatory and other considerations deemed relevant.

Factors that may be considered by the Adviser or general partner of a PE Fund include, without limitation, the specific nature and terms of the investment, size and type of the investment, relative investment strategies and primary investment mandates of the PE Fund and such other Clients sharing an allocation, portfolio diversification concerns, a portfolio being either overweight or underweight, cost-benefit analyses of the investment, contractual obligations, applicable

investment limitations or guidelines and other terms of such funds, relative amounts of available capital for each investment in each fund and other anticipated uses of capital, the source of the investment opportunity, the anticipated tax treatment of the investment, the investment focus and strategy of each investment fund or vehicle, anticipated holding period and remaining investment periods and fund terms, co-investment arrangements, the different liquidity positions and requirements in each fund or vehicle, potential path to ownership, underwritten leverage levels of a loan, loan tenor/duration, portfolio concentration considerations, when a pro rata allocation could result in de minimis or odd lot allocations, redemption or withdrawal requests from a client, fund and/or vehicle and anticipated future contributions into an account, the ability of a client, fund and/or vehicle to employ leverage, hedging, derivatives, or other similar strategies in connection with acquiring, holding or disposing of the particular investment opportunity, and any requirements or other terms of any existing leverage facilities, the credit/default profile of an issuer, the extent of involvement of the respective teams of investment professionals dedicated to the Fund and other Clients, the likelihood/immediacy of foreclosure or conversion to an equity or control opportunity, laws or regulations that may require certain investments (or portion thereof) to be allocated to the PE Fund and/or other Client and other considerations deemed relevant in good faith). Such allocation methodology will not always result in a PE Fund participating (and/or participating to the same extent) in certain investment opportunities in which it would have otherwise participated had the related allocations been determined without regard to such guidelines and/or based only on the circumstances of those particular investments. Certain PE Funds or Credit Clients have, and could in the future have, priority over certain types of investments otherwise appropriate for other PE Funds or BCPEL Credit Clients which could limit or otherwise reduce the amount of available investment opportunities for such other PE Funds or BCPEL Credit Clients.

The allocation of investment opportunities among the Funds and any other Clients may not always, and often will not, be proportional. There is no guarantee that every Fund, and Client will participate in each or every investment that is consistent with its mandate. Therefore, such allocations may be more advantageous to a Fund relative to one or all of the other investment funds and separate managed accounts, or vice versa. While the Adviser (and, when appropriate, the Credit Advisers) will allocate investment opportunities in a way that it believes in good faith is fair and equitable, there can be no assurance that an actual allocation of an investment opportunity, if any, or terms on which the allocation is made, will be as favorable as they would be if the conflicts of interest to which the Adviser may be subject did not exist.

The general partner of a PE Fund will determine the “available capital” of the applicable Fund in its sole discretion, taking into account a variety of considerations, including, without limitation, the amount of available unused capital commitments, applicable investment guidelines, geographic limitations and actual or anticipated capital needs and the considerations noted above. The manner in which the available capital of a Fund is determined by the general partner with respect to such Fund may differ from the determination thereof or may subsequently change with respect to other Clients. Any differences or adjustments with respect to the manner in which available capital is determined with respect to a PE Fund and/or the other Clients may adversely impact a PE Fund’s allocation of particular investment opportunities and/or result in an increase in the size of a PE Fund’s investment portfolio on which the management fee is charged.

In addition, in certain circumstances certain Clients will receive allocations of investments that are otherwise appropriate for the PE Funds, which will occasionally result in a PE Fund not participating (or participating to a lesser extent) in certain investment opportunities otherwise within its mandate. The Firm (including the PE Funds’ investment professionals) may receive compensation

from such Clients with regard to such investment opportunities. By acquiring an interest in the PE Funds, the limited partners will be deemed to have acknowledged that such Clients are expected to share and/or receive priority allocations of certain investments that might be otherwise appropriate for the PE Funds or otherwise participate in investments alongside the PE Funds. As a result, a PE Fund will not necessarily receive a full allocation of each investment opportunity within its mandate. To the extent such Clients do not invest in any such investment opportunity (or elect to invest in only a portion of such opportunity), such investment opportunity (or the remainder of such investment opportunity) may be allocated to another Client.

The amount of carried interest charged and/or management fees paid by a PE Fund may be less than or exceed the amount of carried interest charged and/or management fees paid by other Funds. Such variation may create an incentive for the Adviser or other applicable Firm entities to allocate a greater percentage of an investment opportunity to another Fund or such other Funds, as the case may be.

Co-Investment Opportunities

There are expected to be circumstances where an amount that would have otherwise been invested by a PE Fund will instead be allocated to co-investors (who may or may not be limited partners of the applicable Fund). There is no guarantee for any limited partner of a PE Fund that it will be offered any co-investment opportunities. As a general matter, the allocation of co-investment opportunities is entirely discretionary and it is expected that many investors who may have expressed an interest in co-investment opportunities may not be allocated any co-investment opportunities or may receive a smaller amount of co-investment opportunities than the amount requested. A general partner will take into account various facts and circumstances deemed relevant by the general partner in allocating co-investment opportunities, including without limitation whether a potential co-investor has expressed an interest in evaluating co-investment opportunities, the general partner's assessment of a potential co-investor's ability to invest an amount of capital that fits the needs of the investment (taking into account the amount of capital needed as well as the maximum number of investors that can realistically participate in the transaction), supply or demand of an investment opportunity at a given price level, and the general partner's assessment of a potential co-investor's ability to commit to a co-investment opportunity within the required timeframe of a particular transaction. Additional considerations may also include, among others and without limitation, the size of investor commitments to a Fund, and strategic third party investors, the overall relationship and importance of such investor with the Firm, whether a potential co-investor has a history of participating in co-investment opportunities with the Firm, the size and/or timing of the potential co-investor's interest to be held in the underlying portfolio entity as a result of a Fund's investment, whether the Adviser believes that allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to the Funds or future Funds, including (for purposes of this section) Credit Clients advised by one of the Credit Advisers managed by the Adviser, whether the investment opportunity may subject the potential co-investment party to legal, regulatory, reporting, public relations, media or other burdens that make it less likely that the potential co-investment party would act upon the investment opportunity if offered, whether a particular potential co-investment party has provided value in the sourcing, establishing relationships, participating in diligence and/or negotiations for such potential transaction or is expected to provide value to the business or operations of a portfolio company post-closing, any interests a potential co-investment party has in any competitors of the

portfolio company, the character and nature of the co-investment opportunity (including the potential co-investment amount, structure, geographic location, tax characteristics and relevant industry), the Adviser's evaluation of its past experiences and relationships with the potential co-investment party, such as the willingness or ability of such person or entity to respond promptly and/or affirmatively to potential investment opportunities previously offered by the Adviser, and the expected amounts of negotiations required in connection with an investor or person's commitment, any confidentiality concerns the Adviser may have that may arise in connection with providing the potential co-investment party with specific information relating to the investment opportunity in order to permit such person or entity to evaluate the investment opportunity, whether the potential co-investor has demonstrated a long-term and/or continuing commitment to the potential success of the Firm, a Fund, or otherwise has a "strategic" relationship with the Firm or the Credit Business or the Private Equity Business and such other factors that the Firm deems relevant under the circumstances, in accordance with BC Partners' investment allocation policy, as amended.

The Firm may agree with investors to more favorable rights with respect to co-investment opportunities, and to the extent any such arrangements are entered into, they may result in fewer co-investment opportunities being made available to the limited partners of a PE Fund. Furthermore, in connection with any such co-investment by co-investors, the Firm may establish one or more investment vehicles managed or advised by the Firm to facilitate such co-investors' investment alongside a PE Fund, in specific co-investments or as part of an overall program for multiple co-investments. The amount and frequency of co-investment by the co-investment vehicle would be at the discretion of the applicable general partner. It is possible that the establishment of any such co-investment vehicle would result in fewer co-investment opportunities to investors who do not participate therein and allocations to the co-investment vehicle are likely to result in a Fund investing less than it would have in the related investments.

Subject to the terms of the applicable Organizational Documents, a general partner may cause a PE Fund to initially acquire a portion of an investment for the purpose of syndicating such portion to one or more potential co-investment vehicles established and/or controlled by the applicable general partner and/or its affiliates as described more fully elsewhere herein (including with regard to designated bridge investments). In the discretion of a general partner, such syndications may be effected at cost (with or without the charging of interest payable to a PE Fund for holding such investment prior to syndication).

Prospective investors should note that a general partner may offer, in its sole discretion, a limited partner of a PE Fund or other persons, an opportunity to co-invest in particular co-investment opportunities alongside a PE Fund in the manner and as more fully set forth in the applicable Organizational Documents.

Additionally, it can be expected that the Firm will enter into arrangements or strategic relationships with third parties, including other asset managers, financial firms or other businesses or companies, which, among other things, provides for referral, sourcing or sharing of investment opportunities. The Firm may enter into certain formal or informal arrangements and/or strategic relationships with third parties, including other asset managers, financial firms, limited partners of the Funds, and/or other businesses or persons, which, among other things, provide for referral, sourcing and/or sharing of investment opportunities and/or information and may, in connection therewith, pay and/or receive compensation (including asset management fees and/or performance-based compensation) and reimburse third parties for certain expenses incurred as part of such

arrangements, including diligence expenses and administrative, deal sourcing and other related expenses. While it is possible that a Fund will, along with the Firm itself, benefit from the existence of those arrangements and/or relationships, it is also possible that investment opportunities that would otherwise be presented to or made by a Fund would instead be referred (in whole or in part) to such third parties.

Conflicts Related to Investor Due Diligence, Information, and Portfolio Data

Due in part to the fact that potential investors in a PE Fund (including purchasers of a limited partner's interests in a secondary transaction) may ask different questions and request different information, the Adviser may provide certain information to one or more prospective investors that it does not provide to all of the prospective investors or limited partners.

BC Partners receives or obtains various kinds of data and information from the Funds and their portfolio entities, including data and information relating to business operations, trends, budgets, customers and other metrics, some of which is sometimes referred to as "big data". BC Partners may be better able to anticipate macroeconomic and other trends, and otherwise develop investment themes, as a result of its access to this data and information from the Funds and their portfolio entities. BC Partners may enter into information sharing and use arrangements, which may give BC Partners access to data that it would not otherwise obtain in the ordinary course, with the Funds and their portfolio entities, related parties and service providers. Although BC Partners believes that these activities improve BC Partners' investment management activities on behalf of the Funds, information obtained from the Funds and their portfolio entities also provides material benefits to BC Partners without compensation or other benefit accruing to the Funds or their limited partners. For example, information from a portfolio entity owned by a Fund may enable BC Partners to better understand a particular industry and execute trading and investment strategies in reliance on that understanding for BC Partners and Funds that do not own an interest in the portfolio entity, without compensation or benefit to the Fund that an interest in portfolio entity. Furthermore, except for contractual obligations to third parties to maintain confidentiality of certain information, and regulatory limitations on the use of material nonpublic information, BC Partners is generally free to use data and information from the Funds' activities to assist in the pursuit of BC Partners' various other activities, including to trade for the benefit of other Clients. Any confidentiality obligations in the Organizational Documents of the Fund do not limit BC Partners' ability to do so. For example, BC Partners' ability to trade in securities of an issuer relating to a specific industry may, subject to applicable law, be enhanced by information of a portfolio entity in the same or related industry. Such trading may provide a material benefit to BC Partners without compensation or other benefit to a Fund or its limited partners.

The sharing and use of "big data" and other information presents potential conflicts of interest and any benefits received by BC Partners will not be subject to the management fee offset provisions contained in the Organizational Documents of a Fund or otherwise shared with the Fund or its limited partners. As a result, BC Partners has an incentive to pursue investments that have data and information that can be utilized in a manner that benefits BC Partners or other Clients.

BC Partners Strategic Relationships

The Adviser will occasionally enter into arrangements or strategic relationships (each, a "**Strategic Relationship**") with investors (and/or one or more of their affiliates) in the Funds, or other third

parties, which, among other things, provides for referral, sourcing or sharing of investment opportunities and/or information and may, in connection therewith, pay and/or receive compensation (including asset management fees and/or performance-based compensation) and reimburse third parties for certain expenses incurred as part of such arrangements, including diligence expenses and administrative, deal sourcing and other related expenses. A Strategic Relationship often involves an investor agreeing to make a significant capital commitment to one or multiple Clients and such Strategic Relationship may be formal or informal arrangements. PE Fund investors will not receive a copy of any agreement memorializing a Strategic Relationship program (even if in the form of a side letter) and will be unable to elect any such rights or benefits afforded through a Strategic Relationship. Specific examples of such additional rights and benefits may include, among others, (in addition to one or more of the rights listed above) specialized reporting, discounts on and / or reimbursement of management fees, carried interest, secondment of personnel from the investor to BC Partners (or vice versa), targeted amounts for co-investments alongside PE Funds (including, without limitation, preferential allocation of co-investment, and preferential terms and conditions, including priority rights, related to co-investment or other participation in PE Funds (including any carried interest and/or management fees to be charged with respect thereto, as well as any additional discounts or rebates thereof or other penalties that may result if certain target co-investment allocations or other conditions under such arrangements are not achieved)). While it is possible that a PE Fund will, along with BC Partners itself, benefit from the existence of those arrangements and/or relationships, it is also possible that investment opportunities that would otherwise be presented to or made by a PE Fund would instead be referred (in whole or in part) to such third parties. BC Partners, including its personnel, may receive compensation from Strategic Relationships and be incentivized to allocate investment opportunities away from such Fund to or source investment opportunities for Strategic Relationships. Strategic Relationships may therefore result in fewer co-investment opportunities (or reduced allocations) being made available to investors in a PE Fund. In addition, BC Partners may enter into economic and/or fee sharing arrangements with respect to the PE Funds and/or certain limited partners thereof, which rights will not generally be made available to a PE Fund's limited partners.

BC Partners has accepted a minority investment from Blackstone Strategic Capital Group (collectively with its affiliates, the “**Minority Investor**”). The Minority Investor's stake is generally passive and it does not have any authority over the day-to-day operations or investment decisions of BC Partners or any Fund. The Minority Investor has relationships with other advisers and investment vehicles that may give rise to potential conflicts, including sponsoring or investing in firms or vehicles that pursue investment strategies similar to those of a PE Fund and ultimately compete with a PE Fund for investment opportunities. The Minority Investor will also be offered co-investment opportunities as a strategic relationship of BC Partners (as described above) and may have relationships in the ordinary course with current or prospective portfolio investments, including providing services and/or financing to current or prospective portfolio investments.

Secondaries

In certain cases, BC Partners may be asked by an existing investor in a Fund or on behalf of an existing co-investor in a portfolio company or their representatives, to identify a potential buyer for their interests (a “transferee”). In such cases, BC Partners will apply the same allocation factors contained in the Allocation Policy, which may be amended over time, that it would for a new co-investment. As part of these allocation factors, BC Partners may identify potential transferees based on their ability and interest in making an additional investment in a Fund or in future Funds.

While BC Partners does not receive compensation for identifying such potential transferees, BC Partners may receive fees as a result of a subsequent primary investment by such transferee in one or more new Funds.

Investments in Which Other Clients Have a Different Principal Investment; Co-Investment; Conflicts Related to Investments in Multiple Levels of an Issuer's Capital Structure

Occasionally, one PE Fund co-invests with one or more other Clients in investments that are suitable for both the applicable PE Fund and such other Client(s). This could include, for example, instances where the general partner of a PE Fund determines that an investment opportunity in which the PE Fund will invest exceeds the amount that would be appropriate for such PE Fund, and therefore, such general partner allocates such excess to one or more Clients that have investment strategies that overlap with such PE Fund, subject to the relevant Organizational Documents and the Allocation Policy. Moreover, investments in or relating to Portfolio Investments that represent "loan platform" investments could have additional opportunities to invest that are made available to the Credit Business or otherwise the applicable general partner and/or its affiliates could determine that offering such opportunities to the Credit Business is appropriate under the circumstances. In addition, any successor of a Fund could also participate in investments relating to Portfolio Investments in which the applicable Fund already have an investment (or vice versa). In many instances, the Funds are expected to make and/or hold investments at different levels of the same issuer's capital structure at different times, which may include a Fund making one or more investments directly or indirectly relating to portfolio entities of other Funds and vice versa. Other Clients also reserve the right to participate in a separate tranche of a financing or make an entity investment with respect to an issuer/borrower in which a PE Fund or other Client has an interest or otherwise in the same or a different class of such issuer's securities (for example, if BC Partners invests in the equity securities of a portfolio company on behalf of a PE Fund or other Client and, at times, in the debt of the same company for a Credit Client). Such investments will inherently give rise to conflicts of interest or perceived conflicts of interest between or among the various classes of securities that may be held by such entities. This has the potential to result in differences in price, terms, leverage and associated costs. Further, there can be no assurance that a PE Fund and a Credit Client with which a Client co-invests will exit such investment at the same time or on the same terms.

In addition, in connection with any shared investments in which a PE Fund participates alongside any such other Clients, the applicable general partner may over time grant absolutely and/or share with such other Clients certain rights relating to such shared investments for legal, tax, regulatory, accounting or other reasons, including in certain instances certain control- and/or foreclosure-related rights with respect to such shared investments and/or otherwise agree to implement certain procedures to ameliorate conflicts of interest which may in certain circumstances involve a forbearance of rights relating to the applicable Fund (e.g., following the vote of other third party lenders generally or otherwise recusing itself with respect to decisions, including with respect to both normal course ongoing matters (such as consent rights with respect to loan modifications in intercreditor agreements)), subject to certain limitations. To the extent a PE Fund holds an interest in a loan or security that is different (including with respect to relative seniority) than those held by such other Clients (and vice versa), the applicable general partner and its affiliates may be presented with and/or may have limited or no rights with respect to decisions when the interests of the funds/vehicles are in conflict.

In addition, a PE Fund may from time to time invest in debt securities and other obligations relating to portfolio entities in which other Clients hold or subsequently acquire an interest (and vice versa). To the extent a Fund makes or has an investment in, or, through the purchase of debt obligations becomes a lender to, a company in which another Client has a debt or equity investment (or vice versa, participates in a separate tranche of a financing with respect to a Portfolio Investment, the relevant Firm entity may have conflicting loyalties between its duties to the applicable PE Fund and to other affiliates. In that regard, actions may be taken for the other Clients that are adverse to a PE Fund (and vice versa). In addition, it is possible that in a bankruptcy proceeding a PE Fund's interest may be subordinated or otherwise adversely affected by virtue of such other Clients' involvement and actions relating to its investment. This has the potential to result in loss or substantial dilution of a PE Fund's investment, while BC Partners or another Fund recovers all or part of amounts due to it. BC Partners intends to mitigate such conflicts of interest, including, in certain cases, limiting the amount of a debt position certain PE Funds are permitted to hold or limiting the voting rights associated with any such position and, where authorized by the relevant PE Funds' Organizational Documents, presenting actual or potential conflicts of interest relating to such Funds to the respective advisory committees of such Funds. The relevant general partner's ability to implement a PE Fund's strategies effectively will be limited to the extent that contractual obligations entered into in respect of investments made by BC Partners or any other Fund, including the Credit Funds, impose restrictions on a Fund engaging in transactions that the relevant general partner may otherwise be interested in pursuing. In connection with negotiating loans and debt financings in respect of Firm-sponsored transactions, the Firm may obtain the right to participate on its own behalf (or on behalf of the Clients) in a portion of the financing with respect to such Firm-sponsored transactions on an agreed upon set of terms. The Firm does not believe that the foregoing would have an adverse effect on the overall terms and conditions negotiated with the arrangers of such loans and/or financing. Because of the affiliation with BC Partners, the general partners of the PE Funds and other Firm entities may have a greater incentive to invest in BC Partners sponsored financings (as compared to financing sponsored by other firms or financial sponsors). Except to the extent of fees paid to the Firm specifically relating to a Fund's commitment or investment of capital, the limited partners of the applicable Fund will in no way receive any benefit from fees paid to any affiliate of the Adviser from a Portfolio Investment in which any other Clients have an interest.

Certain Credit Client Benefits

In select circumstances, a PE Fund's portfolio company could issue debt in which one or more Credit Clients participate, including in the issuance of such debt. In some instances, in connection with any such issuances, the applicable portfolio entity is expected to pay arranger fees or other economics and the participating Credit Clients will generally benefit from receiving a pro-rata share of any such fees or other economics. Such arranger fees will not be offset against the management fee of the relevant PE Fund.

Feeder Vehicles

A general partner may make feeder vehicles available to certain tax-exempt and non-U.S. investors for the purpose of making all or a portion of their investment in a PE Fund and/or an alternative investment vehicle through such entity (including with respect to certain types of investments) or to facilitate their participation with respect to certain investments or types of investments to be made by such Fund. Investors in a feeder vehicle will have indirect equity interests in the applicable Fund and/or such an alternative investment vehicle on generally the same economic

terms as other investors in such Fund and/or such an alternative investment vehicle, subject to legal, tax, regulatory, structural, administrative and other similar considerations, and will bear both their pro rata share of the applicable fund expenses as well as any additional expenses and reporting costs related to the feeder vehicle.

Investments Alongside Other Clients

As discussed above, one PE Fund co-invests occasionally with one or more other Clients in investments (at the same or different times and on such terms and conditions as may be determined on an investment by investment basis by the Firm in its discretion). Even if a PE Fund and any such other Clients invest in the same securities, conflicts of interest have the potential to arise. For example, it is possible that as a result of legal, tax, regulatory, accounting or other considerations, the terms of such investments (including with respect to price and timing) for a Fund and any other Clients may differ. There can be no assurance that a PE Fund and the other investing Clients will exit the investment at the same time or on the same terms, and there can be no assurance that a PE Fund's return on such an investment will be the same as the returns achieved by any other Client participating in the transactions.

Where multiple Clients invest in the same company at different times, the first Fund to invest typically will bear a higher level of diligence and transaction fees, costs and expenses than later Funds; similarly, to the extent a transaction does not proceed, the first Fund to invest typically will bear the full amount of Dead Deal Expenses relating to the transaction, regardless of whether other Funds could or would have invested in the company in potential future transactions.

It is also expected that additional funds, vehicles and/or accounts will be established as part of both the Credit Business and the Private Equity Business to participate in credit-oriented investments (including investments alongside a Fund) and private equity buyout investments, respectively, and that such other funds, vehicles and/or accounts could have different terms, investment periods, expiration dates and / or investment objectives (including as to risk/return profiles and duration) from an existing Fund and the Firm, as a result, could have conflicting goals with respect to the price and timing of purchase and sale opportunities and such differences may also impact the allocation of investment opportunities. See "Allocation of Investment Opportunities" above for additional information.

Transactions Related to Other Clients or with Investors

The Firm expects that there will be circumstances where it causes a PE Fund to (i) purchase securities from, or sell securities and investments to, other Funds (or a subsidiary or affiliate thereof, or a fund or entity otherwise associated with such investment) or (ii) co-invest alongside such other Funds or co-investors when the Firm believes such transactions are appropriate and in the best interests of the respective Funds. There could also be instances where a portfolio company of a PE Fund acquires a portfolio company of another Fund pursuant to an add-on acquisition. Such transactions could involve selling one or more portfolio companies (in whole or in part) to another Fund either currently in existence or newly created for the purpose of maintaining exposure to the portfolio company or companies. In such instances, conflicts of interest between a PE Fund, on the one hand, and other Funds on the other, are likely to arise, and BC Partners will face a conflict of interest in respect of the actions it takes on behalf of a PE Fund and any other Funds. Any such conflict of interest involving such a transaction between a Fund and/or two or more Funds will be managed in accordance with the Firm's internal conflicts of interest procedures, cross trading and

investment allocation policies, as amended.

There may be situations in which the Firm determines that a PE Fund should acquire investments from persons that are investors in such Fund and/or any prior or subsequent Clients. In those circumstances, there may be a potential conflict of interest between the interests of the relevant investor and those of the PE Fund in respect of the terms and, in particular the price, or any such acquisition.

Conflicts of interest can arise if a PE Fund makes an investment in a portfolio company in conjunction with an investment made by another Fund. For instance, a PE Fund may not invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as such other Fund. This may result in differences in price, investment terms, leverage and associated costs between the Funds. There can be no assurance that a PE Fund and the other investing Fund(s) will exit the investment at the same time or on the same terms. Moreover, there can be no assurance that the return on a particular PE Fund's investments will be the same as the returns obtained by another Fund participating in a given transaction or that any such conflict of interest between a particular Fund and another Fund can be resolved in a manner that is beneficial to each Fund.

Investments by more than one Fund in a portfolio entity may also raise the risk of using assets of one Fund to support positions taken by another Fund, or that one Fund may remain passive in a situation in which it is entitled to vote. BC Partners may also express inconsistent views for commonly held investments or of market conditions more generally. There can be no assurance that any such conflict can be resolved in a manner that is beneficial to either Fund. In that regard, actions may be taken for one or more Fund that adversely affect another Fund.

If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Funds (individually or with another Fund) may or may not provide such additional capital, and if provided, each Fund generally will supply such additional capital in such amounts, if any, as determined by BC Partners in its sole discretion.

Other Fees; Fees from Portfolio Investments

As described in Item 5, Other Fees may be paid to the Firm by or with respect to certain Portfolio Investments. The payment of such Other Fees by or with respect to Portfolio Investments creates a conflict of interest between the Firm and the Funds and their investors because the amounts of these Other Fees and reimbursements are often substantial and the Funds and their investors generally do not have a direct interest in these fees and reimbursements unless a fee offset arrangement has been agreed. The Firm determines the amount of these fees for the services provided and reimbursements in its own discretion, subject to agreements with sellers, buyers, and management teams, the board of directors of or lenders to Portfolio Investments, and/or third party co-investors in its transactions, and the amount of such fees and reimbursements often will not (except in connection with the reductions described herein) be disclosed to investors in the Funds unless otherwise provided for in the Organizational Documents of the applicable Fund.

In certain circumstances, such as those relating to short- or long-term portfolio company cash or liquidity needs, and regardless of whether the portfolio company is undergoing financial stress, the

Firm reserves the right to accrue, defer or forego payments of Other Fees and reserves the right to charge interest at then-available rates with respect to such amounts. In such cases, in accordance with the Organizational Documents, investors will not receive the benefit of Advisory Fee offsets with respect to such amounts until they are actually received.

Any fees received other than in connection with an investment by a Fund (including fees for services relating to other activities or portfolio entities) or with respect to capital invested alongside a Fund in an investment will not be subject to the applicable Fund's Advisory Fee offset provisions described herein. In addition, the Firm and its personnel can be expected to receive certain intangible and/or other benefits and/or discounts and/or perquisites arising or resulting from their activities on behalf of a Fund which will not be subject to Advisory Fee offset or otherwise shared with the applicable Fund, the limited partners of the applicable Fund and/or Portfolio Investments.

In the event Dead Deal Costs are incurred or break-up or topping fees are paid to the general partner of a PE Fund in connection with a transaction that is not ultimately consummated, the general partner may, in its sole discretion, decide that certain co-investment vehicles (which may include standing co-invest vehicles and other accounts that participate in co-investment opportunities alongside the applicable Fund on a regular or periodic basis and/or as part of an overall co-investment program or arrangement) or certain potential co-investors who might have invested in a transaction had it been consummated will not be allocated any share of such break-up or topping fees or Dead Deal Costs (such as reverse termination fees, extraordinary expenses such as litigation costs and judgments and other expenses) for unconsummated transactions. In particular, certain co-investment vehicles or certain potential co-investors who might have invested in a transaction had it been consummated (such as potential investors in co-investment structures relating to a specific investment where the legally binding agreements relating to such co-investment are not executed until the time of deal closing) will generally not bear Dead Deal Costs unless the general partner of a Fund determines otherwise in its sole discretion or such co-investor has specifically agreed to bear such Dead Deal Costs. Such determinations will be made on a case by case basis by the general partner of a Fund and may result in differing treatment of co-investment vehicles under certain circumstances. The foregoing will under certain circumstances result in a Fund bearing more than its pro rata share of such amounts. Notwithstanding the foregoing, any vehicles in connection with the Firm's own side-by-side / sponsor co-investment rights will bear their pro rata share of the Dead Deal Costs. In addition, a Fund may incur Dead Deal Costs for a proposed investment not consummated for the Fund, and BC Partners could eventually cause another Client to make such investment and such other Client would likely benefit from such Dead Deal Costs borne by the Fund and the Fund would not be reimbursed. Although the general partner of a Fund and any applicable Firm entity will seek to resolve any such conflicts in a fair and equitable manner, there is no assurance that any such conflicts will be resolved in favor of the applicable Fund. As a general matter, Dead Deal Costs and other expenses relating to the diligence or evaluation of a prospective investment generally are allocated among investors in a Fund regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment.

A PE Fund will bear the cost of fund administration and other services (including supplemental administrative, collateral management and any other services relating to such Fund), and, except in certain limited circumstances, such amounts will only offset the Advisory Fees to the extent set out in the applicable Organizational Documents. The general partner of a PE Fund may cause such Fund or its Portfolio Investments to retain one or more Firm entities for the purpose of providing

arranging, underwriting, financing, syndicating, refinancing, commitment, origination, placement, investment banking, divestment, structuring, loan modification or restructuring, servicing (including loan servicing and special servicing), advisory, asset management, monitoring and oversight of loans, consulting, organizational, administrative (including treasury, collateral management, and affirmation/confirmation) and other services. Conflicts of interest may arise as a result of the provision of any such services and any such fees received by affiliates of the general partner of any such Fund as compensation for such services may not be subject to the offset provisions, except as specifically set forth in the applicable Organizational Documents. Any of the foregoing services may also be provided by third parties and/or affiliates of the Firm, and the costs thereof will be borne by the applicable Fund.

Fees and Expenses

Occasionally, the general partner of a PE Fund will be required to decide whether costs and expenses are to be borne by such Fund, on the one hand, or the Adviser or other applicable Firm entity, on the other, and/or how certain costs and expenses should be allocated between such Fund and the parallel funds or between such Fund, on the one hand, and other Clients, on the other. The general partner of the PE Fund, or the Adviser, as appropriate, will make such judgments notwithstanding its interest in the outcome, in accordance with the respective Fund's Organizational Documents as well as the Firm's expense allocation policy, as may be amended over time. Such allocation determinations are inherently subjective and give rise to conflicts of interest between the Firm, such Fund and other Clients due to the inherent biases in the process. Notwithstanding the foregoing, the portion of an expense allocated to a Client for a particular service may not reflect the relative benefit derived by such Client from that service in any particular instance.

In certain circumstances, one Fund, including a PE Fund, is expected to pay an expense or obligation common to multiple Clients (including, without limitation, legal expenses for a transaction in which all such Funds participate, or other fees or expenses in connection with services the benefit of which are received by other Clients over time), and be reimbursed by the other Clients by for their share of such expenses or obligations, without interest. To the extent the paying Fund makes use of a credit facility to pay such expense, it generally will not be reimbursed separately by other Funds for the costs of establishing, negotiating or maintaining the facility as a whole.

There are expected to be instances where a Credit Fund makes an investment in a portfolio company in conjunction with an investment made by a PE Fund. In such circumstances, the appropriate allocation between the Funds for fees and expenses generated in the course of evaluating and making such investments, such as out-of-pocket fees associated with due diligence, attorney fees and the fees of other professionals, will be determined by the Adviser and its affiliates in their good faith discretion. Allocations related to such fees and expenses will not always be proportional, and any such allocation determinations are inherently subjective, e.g., in determining whether to allocate pro rata based on number of Funds or proportionately in accordance with the share of due diligence actually relied upon, and will be performed in accordance with BC Partners' expense allocation policy. Further, if a Credit Fund makes an investment in a then-current PE Fund portfolio company, and in the course of evaluating and making such investment receives information directly from the respective Private Equity Business, the Credit Fund shall not be obligated to reimburse the respective PE Fund for receiving such information. There may also be instances where the Private Equity Business leverages the Credit Business' debt expertise to assist

on various portfolio company related matters at no cost. If a Credit Fund later makes an investment in a PE Fund portfolio company using information received by the Credit Business while providing services to a PE Fund, the Credit Fund shall not be obligated to reimburse any costs associated with receiving such information.

In addition, as discussed above under Item 5, “Fees and Compensation,” if a proposed transaction is not consummated, typically the full amount of any Dead Deal Costs would be borne by the Fund or Funds that were documented by the Firm as proposed investors prior to the failure of the proposed transaction or its abandonment by the Firm so long as such allocation previously had been documented by the Firm for such proposed transaction prior to such transaction’s failure or abandonment by the Firm. If BC Partners were to eventually consummate such transaction through one or more other Funds, such other would likely benefit from the Dead Deal Costs borne by the relevant Fund, for which the Fund shall not seek reimbursement.

Moreover, there are expected to be in the future, instances in which BC Partners or its affiliates research a target company on behalf of a PE Fund, initially determine not to make such an investment, but eventually make an investment in such target company through another Client. Alternatively, BC Partners may make its research available to Funds, co- investors or other third parties, who will not typically bear the cost of such research. In these circumstances, BC Partners, Funds, co-investors or third parties will benefit from research by the original investment team researching the investment and/or from costs borne by a PE Fund in pursuing the potential investment, but will not be required to reimburse such Fund for expenses incurred in connection with such investment, subject to the applicable Organizational Documents of the relevant Clients.

Restrictions Associated with Material, Non-Public Information

BC Partners, either within the Private Equity Business or the Credit Business, may acquire confidential information concerning an entity in which other Clients have invested or which are being considered for investment. Acquiring information that is material, non-public information may limit BC Partners’ ability to buy or sell particular securities or other instruments on behalf of such Clients, and this in turn may limit the opportunities, investment flexibility or exit strategies for such Clients. Where possible, information is expected to be shared between the Private Equity Business and the Credit Business to enhance the synergies and enable the Clients to capitalize on attractive investment opportunities, subject to compliance with applicable law and regulation regarding the sharing of information and the Adviser’s policies and procedures related thereto. The sharing (or possession) of such information may, in certain circumstances, restrict the activities of the Clients. In such circumstances, the Clients may not be able to dispose of a security or other instrument relating to a portfolio entity owned by other Funds, even in a declining market, until the information becomes publicly available or immaterial, and the trading in the portfolio entity’s instruments is no longer restricted.

Other Relationships with Funds and Companies

The Firm may have or develop relationships with portfolio companies and their representatives. Such relationships may include serving as a member of the board of directors or similar body of a portfolio company, seeking a buyer or equity investor on behalf of such portfolio company and advising such portfolio company as to appropriate candidates for such acquisition or investment.

Additionally, the investment professionals of the Firm may, over time, serve as directors, officers,

investment committee members or otherwise manage the assets of certain accounts or other vehicles affiliated with the Firm, and in connection therewith, may receive compensation. Such compensation is generally not payable to the Firm and not subject to any offset in respect of the management fees payable by any Fund to the Firm or any of its affiliates. The payment of such compensation creates a conflict of interest because (i) it may create an incentive for such investment professionals to allocate potential investment opportunities to such other accounts or other vehicles in lieu of allocating (or allocating to a lesser extent) such investment opportunities to any Fund and (ii) such investment personnel may be incentivized to spend less time managing the assets of the Funds in favor of such other accounts or vehicles from which such persons receive compensation. The Firm has determined that such other accounts or vehicles shall be treated for purposes of both the Firm's guidelines on allocation of investment opportunities and allocation of the business time of such investment professionals, as clients of the Firm and investment opportunities available for such accounts or vehicles as well as certain Funds of the Firm shall be allocated in accordance with the methodology described under "*Conflicts—Allocation of Investment Opportunities*" above.

In addition, Portfolio company board members frequently approve compensation and other amounts payable to the Adviser in connection with services provided by the Adviser and its affiliates to such portfolio company (including in connection with broker-dealer services provided by BCPS), and, except to the extent such amounts are subject to the offset provisions set forth in the respective Fund's Organizational Documents, are in addition to the management fee or carried interest. The Adviser's authority to appoint or influence the appointment of portfolio company board members who may be involved in approving compensation payable to the Adviser subjects the Adviser and any such portfolio company board appointees to potential conflicts of interest.

Furthermore, a portfolio company typically will reimburse the Adviser or service providers retained at the Adviser's discretion for expenses (including, without limitation, travel expenses) incurred by the Adviser or such service providers in connection with the performance of services for such portfolio company. Service provider expenses are expected to be reimbursed whether or not there is overlap in expertise, function or services performed by BC Partners personnel. This subjects the Adviser to conflicts of interest because a Fund generally does 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 respective Fund's

Organizational Documents and the Adviser's internal reimbursement policies and practices, the Adviser determines the amount of these reimbursements for such services in its own discretion.

Human Capital

Certain individuals of the Adviser will devote only a portion of their time to the provision of management or advisory services (as applicable) to a respective PE Fund. Such individuals will provide the time necessary for the proper performance of their duties to the Fund, even though they are involved in other activities independent of the Fund, including the affairs of other Clients. It is possible that investments held or acquired by prior or subsequent Clients may be in competition with those of a PE Fund. The fact that certain of the Adviser's and/or BC Partners' individuals who are involved in the provision of management or advisory services (as applicable) to a PE Fund are also involved in or have knowledge of investments of such other Clients may prevent a PE Fund from making or divesting certain investments which it might otherwise have

made or divested. Conflicts may also arise in the allocation of management and human capital resources among the Adviser's and/or BC Partners' various activities. For example, conflicts of interest can exist because the Adviser provides personnel to the Credit Advisers through the Sharing Agreement, as mentioned above. As a result, to the extent personnel of the Adviser who are provided to the Credit Advisers have limited time or resources, such personnel could have an incentive to allocate more time or resources to the entity from which they will benefit more economically.

Except to the extent prohibited by the Organizational Documents, BC Partners and its personnel are permitted to market, organize, sponsor or act in other capacities (including as director, founder or manager) for other pooled investment vehicles, accounts or SPACs and to receive compensation (including in the form of management fees, performance-based compensation, equity or similar interests) relating thereto. Subject to any limitations imposed by the Organizational Documents and anti-"assignment" provisions of the Advisers Act, BC Partners and its personnel are also permitted to offer, restructure and monetize interests in BC Partners.

Advisors and Consultants

The Adviser may work with or alongside one or more consultants and advisors (including, for the avoidance of doubt, Operating Advisors) who are retained by the Firm on a consultancy or retainer or other basis, to provide services to a PE Fund and other Clients including the sourcing of investments and other investment-related and support services. The functions undertaken by such persons with respect to such Fund and any of its investments will not be exclusive and such persons may perform similar functions and duties for other organizations which may give rise to conflicts of interest. Such persons may also be appointed to the board of directors of companies and have other business interests which give rise to conflicts of interest with the interests of such Fund or a portfolio entity of such Fund. Investors should note that such persons do retain compensation that is not offset against the management fee payable to the manager of the applicable Fund, including that: (i) such persons are permitted to retain all directors' fees, monitoring fees and other compensation (including, but not limited to, cash fees, retainers, discretionary bonuses (whether or not based on pre-determined milestones), transaction fees, a profits, participation or equity interest in a portfolio entity, incentive equity and stock awards, profits or equity interests in one or more Funds or general partners, remuneration from the Adviser and/or its Funds or affiliates, guaranteed minimums or other compensation) received by them in respect of acting as a director or officer of, or providing other services to, a portfolio entity and such amounts shall not be credited against the management fee; (ii) certain of such persons may be paid a deal fee, a consultancy fee or other compensation where they are involved in a specific project relating to the applicable Fund, which fee will be paid either by such Fund or, if applicable, the relevant portfolio entity; and (iii) such persons may be invited to invest in or alongside the applicable Fund in investments, as part of a participation scheme or otherwise, and will be entitled to retain all of the proceeds generated from such investments. Compensation in the form of profits or equity interests in a portfolio entity, if granted, generally has a dilutive impact on the Fund's investment, and has the potential to result in economic effects greater than the original amount of compensation, and, depending upon the nature of the Operating Advisor's services, the relevant Fund may bear the costs of all Operating Advisors compensation as well as fees, costs and expenses of structuring Operating Advisor arrangements. To the extent that Operating Advisors are paid retainers or guaranteed minimum compensation amounts, there is the possibility that certain portfolio entities or PE Funds will bear a greater share of such compensation due to the utilization of the Operating Advisors' services at a time when fewer portfolio entities or Funds make use of such Operating

Advisors. Operating Advisors also generally will be reimbursed for certain travel and other costs in connection with their services. As described above, no such amounts will offset or reduce the management fee. Operating Advisors are expected to include former personnel of the Firm or certain portfolio companies, and in some circumstances former Operating Advisors are expected to become Firm personnel or personnel of portfolio companies. Consequently, the determination of whether individuals are Operating Advisors is expected to vary and/or be revisited occasionally, which poses potential conflicts of interest where certain changes in status or categorization would reduce costs that the Firm otherwise would be required to bear.

Operating Advisors generally receive investment opportunities, reimbursements and other compensation that do not offset or reduce the management fee of any Fund, as described herein. In certain cases, including where a Fund does not own a controlling interest in a Portfolio Investment, the Portfolio Investment, its management and/or equity holders potentially will not agree to engage and/or bear the costs of Operating Advisors. In such cases, where the relevant general partner believes the services of the Operating Advisors will benefit a portfolio company, it is authorized to cause the Fund to bear such costs directly, resulting in the Fund bearing a disproportionate share of those costs vis-à-vis other equity holders of a portfolio company, notwithstanding that other equity holders in that portfolio company will receive the benefit of any returns that result from Operating Advisors services. Although the use of Operating Advisors and the allocation of compensation paid to them by the Adviser, its affiliates and/or the portfolio entities subjects the Adviser and/or its affiliates to potential conflicts of interest, the Adviser believes that such potential conflicts have the potential to be reduced by the anticipated cost savings to portfolio entities (which is expected to be to the benefit of the applicable Fund(s)) that will result if the cost of the Operating Advisor is lower than market rates for the services provided and/or if the services of the Operating Advisor align with the Adviser's model for the portfolio entity and improve portfolio entity performance. Although the Adviser seeks to retain Operating Advisors with a view to reducing costs to portfolio entities (and, ultimately, the Funds) and/or improving portfolio entity performance, a number of factors may result in limited or no cost savings from such retention. The Adviser also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that the Adviser believes will align such persons' interests with those of the Funds' limited partners, and seeks to retain only Operating Advisors and service providers which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Service Providers and Counterparties

Certain advisors and other service providers (or their affiliates), including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, title agents and investment or commercial banking firms, to a PE Fund, and/or certain Portfolio Investments may also provide goods or services to or have business, personal, financial or other relationships with the Adviser, other Firm entities and Portfolio Investments, including entities with which the Adviser or its affiliates or current or former members of their personnel has a relationship or from which the Adviser or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where the Adviser's personnel are seconded, or from which the Adviser receives secondees. Such advisors and service providers may be investors in a Client, affiliates of the general partner of a Fund, sources of investment opportunities or co-investors or commercial counterparties or entities in which the Firm and/or

other Clients have an investment, and payments by a Client and/or Portfolio Investments may indirectly benefit the Firm and/or such other Clients. Additionally, certain personnel of the Firm may have family members or relatives employed by such advisers and service providers. The Firm may also provide administrative services to such Client for a fee. These relationships may influence the relevant Firm entity and/or the general partner of a Fund in deciding whether to select, recommend or create such an advisor or service provider to perform services for a PE Fund or a Portfolio Investment (the cost of which will generally be borne directly or indirectly by such Client or such Portfolio Investment, as applicable) and may incentivize the Firm to engage such a service provider over a third party. Such affiliated service providers are generally expected to receive market rate fees (as determined by BC Partners or the general partner of the applicable Fund) with respect to such arrangements. Certain personnel and other professionals of the Firm have family members or relatives that are actively involved and/or have business, personal, financial or other relationships with issuers in which a Fund invests or may invest, which gives rise to potential or actual conflicts of interest. In certain instances, a PE Fund or its Portfolio Investments may purchase or sell companies or assets from or to, or otherwise transact with, companies that are owned by such family members or relatives or in respect of which such family members or relatives have other involvement. In most such circumstances, the applicable Organizational Documents will not preclude a PE Fund from undertaking any particular investment activity and/or transaction.

The Adviser, BC Partners and its affiliates may also provide services or transact with a PE Fund. Any such transactions will generally be subject to the review of the respective Fund's advisory committee in accordance with the respective Organizational Documents.

The Adviser or its affiliates and service providers, often charge varying amounts or may have different fee arrangements for different types of services provided. For instance, fees for various types of work often depend on the complexity of the matter, the expertise required, and the time demands of the service provider. As a result, to the extent the services required by the Adviser or its affiliates or their Clients differ from those required by a PE Funds and/or its portfolio companies, the Adviser and its affiliates or their Clients will pay different rates and fees than those paid by the PE Funds and/or its portfolio companies. Notwithstanding the foregoing, the Adviser and/or its affiliates generally do not enter into any arrangement with a service provider that provides for a lower rate or discount than those available to a PE Fund or a portfolio company for comparable services.

In addition, the Adviser, its affiliates and/or personnel maintain relationships with (or invest in) financial institutions, service providers and other market participants, including but not limited to managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former personnel, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, the Adviser and/or its affiliates, and/or the Funds or other investment vehicles they advise. In other circumstances, these vendors are expected to provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through BC Partners entities) to BC Partners personnel and their estate planning vehicles. The Adviser expects to be subject to a potential conflict of interest with a BCPEL in recommending the retention or continuation of a third-party service provider to such Client or a portfolio company if such recommendation, for

example, is influenced by a belief that the service provider or its affiliate(s) will continue to invest in one or more Clients, will provide the Adviser information about markets and industries in which the Adviser operates (or is contemplating operations) or will provide other services that are beneficial to the Adviser or one or more other Clients. For example, the Adviser reserves the right to cause a PE Fund to make payments to investment banks and/or other intermediaries, all or a portion of which is for the purpose of generating future deal flow for such Client; however, there can be no assurance that such payments will result in future deal flow, and in certain cases, future deal flow may inure to the benefit of another or a different Client rather than the Fund making the payment. BC Partners expects to be subject to a potential conflict of interest in making such recommendations.

Broker-Dealer and Similar Services Provided by BCPS

The relationship between the Firm and their affiliates and BCPS gives rise to conflicts of interest between the Firm and (i) Clients with respect to whom BCPS provides services or (ii) Clients who have an interest in any Portfolio Investment or investment vehicle to which BCPS provides services. Supervised persons who provide portfolio management services to Clients on behalf of the Firm also are involved in the business and operations of BCPS. Such supervised persons face conflicts of interest in dedicating time and resources to Clients, which may have a detrimental effect on Client performance. Additionally, such supervised persons may serve on the board of directors or management for a portfolio company and be responsible for engaging BCPS to provide services. The Firm addresses conflicts of interest by providing in its Code of Ethics that all supervised persons have a duty to act in the best interests of each Client and by providing training to supervised persons with respect to conflicts of interest and how such conflicts are resolved under the Firm's policies and procedures.

Transactions with Limited Partners and other Related Parties

It is also possible that a Fund or a Portfolio Investment for a PE Fund will be a counterparty or participant in agreements, transactions or other arrangements with a limited partner or an affiliate of a limited partner of such Fund, including where such limited partner provides services to the applicable Fund or such Portfolio Investment and/or provides leverage to the applicable Fund and/or such Portfolio Investment. Such transactions may include agreements to pay compensation and/or performance fees to Operating Advisors and other persons in connection with a Fund's investment therein, which will reduce a Fund's returns and will not necessarily be subordinated to the return of the limited partner's capital contributions. Conflicts of interest may arise in dealing with any such limited partners, and the general partner of the applicable Fund and its affiliates may not be motivated to act solely in accordance with its interests relating to such Fund. In addition, certain limited partners of a Fund may have more information about such Fund than other limited partners, and the general partner of the Fund will have no duty to ensure all limited partners seek, obtain or process the same information regarding the applicable Fund and its investments and/or Portfolio Investment. Moreover, the Adviser may enter into one or more strategic relationships with limited partners of a Fund or third parties as part of the Credit Business (or otherwise) in certain regions or with respect to certain types of investments that, although may be intended to provide greater opportunities for a Fund, may require such Fund to share such opportunities.

Valuation Matters

The fair value of all investments or of interest received in exchange for any investments will be

determined by the general partner of the applicable Fund in accordance with the valuation policies that have been developed in consideration of the U.S. GAAP requirements under ASC 820-10 and in accordance with the applicable Organizational Documents. Accordingly, the carrying value of an investment may not reflect the price at which the investment could be sold in the market, and the difference between carrying value and the ultimate sales price could be material. The valuation of such investments will be determined by the general partner of the applicable Fund in accordance with procedures set forth in the applicable Organizational Documents. The valuation of investments will affect the amount and timing of a general partner's carried interest and, under certain circumstances, the amount of management fees payable to the Firm. The valuation of investments may also affect the ability of the Firm to raise a successor fund to any Fund. As a result, there may be circumstances where the general partner of a Fund is incentivized to determine valuations that are higher than the actual fair value of investments.

Trading and Investing Activities of BC Partners Personnel and Affiliates

BC Partners personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing. Certain Clients, and officers, directors, partners, members, personnel and shareholders of the general partner of the applicable Fund and the relevant Firm entity, are permitted to invest in securities of companies which are actual or potential entities in which a Fund has made or will make investments, subject to restrictions and reporting requirements as may be required by law and BC Partners policies (including, with respect to BC Partners personnel, that any such transaction be financially immaterial), or as otherwise determined by the general partner of the applicable Fund or the relevant Firm entity. Subject to the foregoing, BC Partners personnel may trade in securities for their own accounts; and such BC Partners personnel will not in such circumstances be required to share in, reimburse or compensate the relevant Fund for due diligence or other expenses (including Dead Deal Costs) incurred by the Fund in connection with the Fund's consideration of the relevant investment opportunity. The trading activities of those vehicles and of BC Partners personnel generally may differ from or be inconsistent with activities which are undertaken for the account of a Fund in such securities or related securities. In addition, a Fund may be precluded from pursuing an investment in an issuer as a result of such trading activities by other Clients, which may adversely impact such Fund. In certain instances, this may include Clients or personnel holding investments at different levels of the same issuer's capital structure than the applicable Fund. For additional information related to such conflicts of interest, please see *"Investments in Which Other Clients Have a Different Principal Investment; Co-Investment"* above.

BC Partners staff that are also director representatives of a portfolio company or its affiliates are permitted to buy and sell securities on a personal account basis in an IPO of such companies if certain criteria are met, including pre-approval from the BC Partners Compliance team. This may create conflicts of interest with the Clients and the portfolio companies, including: (i) the director representatives, along with the rest of the board of directors of such company, will be involved in setting the price of the IPO, (ii) the director representatives may have different investment holding period requirements from the portfolio company and the Clients, and (iii) the director representatives may wish to exercise any voting rights in a way that could conflict with the Clients and the portfolio companies. BC Partners addresses these conflicts of interest by providing training to director representatives with respect to conflicts of interest and how such conflicts are resolved under the BC Partners' policies and procedures.

In addition, in accordance with BC Partners' internal procedures, certain senior personnel of BC Partners shall be required to make co-investments alongside the Funds in each portfolio company with which such person served as the investment team lead for that specific transaction on a no-fee, no-carry basis. While this has the potential to create a conflict of interest, BC Partners believes that direct investments by such personnel in these circumstances creates an even greater incentive for the personnel's interests to become further aligned with the interests of Fund investors. For additional information related to co-investments see "*Co-Investment Opportunities*" above.

Diverse Limited Partner Group

The limited partners of the PE Funds are expected to include persons or entities, which may have conflicting investment, tax and other interests in respect of their investments in the Funds. The conflicting interests of individual partners may relate to or arise from, among other things, the nature of investments made by the Funds, the structuring of the acquisition of investments, excuse rights (if any) afforded to certain limited partners with respect to investments, and the manner and timing of disposition of investments. The structuring of investments and other factors may result in different returns being realized by different limited partners. As a consequence, conflicts of interest may arise in connection with decisions made by the general partners of the Funds, including in respect of the nature or structuring of investments, that may be more beneficial for one limited partner than for another limited partner, especially in respect of limited partners' individual tax situations. In selecting and structuring investments appropriate for a PE Fund, the general partner of such Fund will consider the investment and tax objectives of such Fund and its partners as a whole, instead of the investment, tax or other objectives of a single limited partner. In addition, reductions in unpaid capital commitments of a Fund for capital contributions in respect of Advisory Fees are based on the actual amounts paid by the limited partners. Therefore, to the extent a limited partner is entitled to a discounted or reduced Advisory Fee arrangement (including as set forth in the Organizational Documents or one or more side letters or other agreements (including any agreement governing a Strategic Relationship)) such limited partners' capital contributions in respect of Advisory Fees will be disproportionate as compared to any limited partner without such arrangement, and as a result its unused capital commitment will be proportionately higher than such other limited partner, which among other things, could cause it to have a greater proportionate interest in investments made (and expenses incurred) than would be the case absent such Advisory Fee arrangement.

Affiliated Limited Partners

Certain limited partners in the PE Funds, including current and/or former partners, personnel, advisors and affiliates of BC Partners, and related entities will not pay management fees and/or performance-based carried interest in connection with their investment in such Fund and/or any side-by-side vehicles formed in connection with such Fund's activities (or may pay the same at reduced or discounted rates and otherwise on more favorable terms relative to other third-party investors in such Fund. Notwithstanding the foregoing, such limited partners will either directly pay for their pro rata share of certain Fund expenses in the case of any investment in such Fund. Such pro rata allocation may be calculated based on capital commitments, invested capital, available capital or other metrics as determined by the general partner of such Fund in good faith. Any such methodology (including the choice thereof and any benchmarking, verification or other analysis related thereto) involves inherent conflicts and may not, in certain circumstances, result

in perfect attribution and allocation of expenses. For the avoidance of doubt, the expenses, charges and costs of any benchmarking, verification or other analysis related thereto, will be borne by the Funds as partnership expenses, and will not result in any offset to any Advisory Fee.

Activities and Ownership Interests of Principals and Personnel

Certain of the principals and personnel of BC Partners and/or the general partner of a PE Fund may be subject to a variety of conflicts of interest relating to their responsibilities to such Fund and the management of such Fund's investment portfolio. Such individuals may serve in an advisory capacity to other managed accounts or investment vehicles, as members of an investment or advisory committee or a board of directors (or similar such capacity) for one or more investment funds, corporations, foundations or other organizations. Such positions may create a conflict between the services and advice provided to such entities and the responsibilities owed to the applicable Fund, including in making investments on behalf of the Fund and such other funds and accounts. In addition, BC Partners personnel, including personnel of the Adviser, are generally permitted to invest in alternative investment funds, real estate funds, hedge funds or other investment vehicles, including potential competitors of the Fund, and limited partners will not receive any benefit from any such investments.

In addition, certain of the principals and personnel of BC Partners have indirect ownership interests in the Credit Advisers. Such ownership interests creates a conflict between the services and advice provided to Clients advised by the Credit Advisers, including in allocating investments to such Clients, and PE Funds because (i) it may create an incentive for such principals and personnel to allocate potential investment opportunities to Clients advised by the Credit Advisers in lieu of allocating (or allocating to a lesser extent) such investment opportunities to PE Funds and (ii) such personnel and personnel may be incentivized to spend less time managing the assets of the PE Funds in favor of Clients advised by the Credit Advisers in which such persons have indirect ownership interests. This conflict is partially mitigated by the fact that investment opportunities available for multiple Clients shall be allocated in accordance with the methodology described under "Conflicts—Allocation of Investment Opportunities" above.

Other Potential Conflicts

The Organizational Documents of a PE Fund establish complex arrangements among the Fund, the Adviser, other Firm entities, investors, and other relevant parties. Over time, questions may arise regarding certain parties' rights and obligations in certain situations, some of which may not have been contemplated upon the negotiation and execution of such documents. In some instances, the operative provisions of the Organizational Documents, if any, may be broad, unclear, general, conflicting, ambiguous, and vague and may allow for multiple reasonable interpretations. In other instances, there may not be a directly applicable provision. While the Firm will construe the relevant provisions in good faith and in a manner consistent with its fiduciary duty and legal obligations, the interpretations used may not be the most favorable to such Fund or its investors.

The Firm and the PE Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent these Funds may be investors in a Fund and may also represent one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between PE Funds and any Firm entity, the parties may engage separate counsel in the sole discretion of the relevant Firm entity, and in litigation and other

circumstances separate representation may be required. Additionally, the Firm and the PE Funds and the portfolio companies of the Funds engage other common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to a Firm entity, the PE Funds, and/or the portfolio companies. This may result in the Firm receiving a more favorable rate on services provided to it by such a common service provider than those payable by the PE Funds and/or the portfolio company, or the Firm receiving a discount on services even though the PE Funds and/or the portfolio companies receive a lesser, or no, discount. This creates a conflict of interest between the Firm, on the one hand, and the PE Funds and/or portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Firm will favor the engagement or continued engagement of such persons if it receives a tangible or intangible benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies.

In connection with its services to the PE Funds and their investments, BC Partners, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of BC Partners' operations, including research, due diligence, investment monitoring, operational improvements and investment activities, BC Partners and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "**Adviser Information**"). In many cases, Adviser Information will include tools, procedures and resources developed by BC Partners to organize or systematize Adviser Information for ongoing or future use. Although BC Partners expects its Funds and their portfolio companies generally to benefit from BC Partners' possession of Adviser Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies (or by the Adviser and its personnel) and not by the Fund or portfolio company from which Adviser Information was originally received. Adviser Information will be the sole intellectual property of BC Partners and solely for the use of BC Partners. BC Partners reserves the right to use, share, license, sell or monetize Adviser Information, without offsetting or otherwise reducing any Advisory Fees, and the relevant Fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization.

The Firm and its personnel have in the past and may in the future, receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of a PE Fund, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Fund expenses may result in "miles" or "points" or credit in loyalty/status programs to the relevant Firm entity and/or its personnel, and such rewards and/or amounts will exclusively benefit the relevant Firm entity and/or such personnel and will not be subject to the offset arrangements described above or otherwise shared with such Fund, its investors and/or the portfolio companies.

The Firm may, in its discretion have, and may, in its discretion, cause the PE Funds and/or their portfolio companies to have, ongoing business dealings, arrangements or agreements with persons who are former personnel or executives of the Firm. These Funds and/or their portfolio companies may bear, directly or indirectly, the costs of such dealings, arrangements or agreements. In such circumstances, there may be a conflict of interest between the Firm and these Funds (or their portfolio companies) in determining whether to engage in or to continue such dealings, arrangements or agreements, including the possibility that the Adviser may favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be

obtained from another person.

Investors may be introduced to the Adviser, or may be brought in a PE Fund, by a third-party consultant from which the Adviser or its affiliate purchase products and to which the Adviser or an affiliate may make payments, including in connection with conferences sponsored or hosted by the third-party consultant.

The Adviser has in the past and may in the future, cause one or more Funds to purchase, and/or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for insurance to insure the applicable Funds, the applicable general partner, the Adviser and/or their respective directors, officers, personnel, agents, representatives, members of the advisory committee and other indemnified parties, against liability in connection with the activities of the Funds. This may include a portion of any premiums, fees, costs and expenses for one or more “umbrella” or other insurance policies maintained by the Adviser that cover one or more Funds and/or the Adviser (including their respective directors, officers, personnel, agents, representatives, members of the advisory committee and other indemnified parties). The Adviser will make judgments about the allocation of premiums, fees, costs and expenses for such “umbrella” or other insurance policies among one or more Funds, and/or the Adviser on a fair and reasonable basis and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable. There can be no assurance that a different allocation would not result in a Fund bearing less (or more) premiums, fees, costs and expenses for insurance policies.

Although the Operational Documents generally contain broad exculpation and indemnification provisions, BC Partners will not interpret such provisions to constitute a waiver of any person’s non-waivable federal fiduciary duties to the relevant Fund under the Advisers Act. The relevant liability standards under insurance coverage procured by the Adviser are expected to vary by carrier, and such standards are expected to vary depending on, for example, coverage features or limitations then-available from the carrier at the time of insurance contract renewal. As a result, insurance coverages are expected to vary from relevant liability and/or indemnity standards in the Organizational Documents. Investors generally will be responsible for insurance premiums, as set forth in the Organizational Documents, regardless of whether the liability and/or indemnity standards in the Adviser’s insurance coverage are higher or lower than that set forth in the Organizational Documents.

Certain portfolio companies of the PE Funds are, or have been, counterparties or participants in agreements, transactions or other arrangements with the Firm, its affiliates, other portfolio companies of the Firm’s clients, to receive favorable procurement terms, including fees, servicing payments, rebates, discounts or other financial benefits. The Firm is often eligible to receive favorable terms for its procurement due in part to the involvement of its portfolio companies in such arrangements, and any discounted amounts will not be subject to Advisory Fee offsets or otherwise shared with the relevant Funds.

If a PE Fund purchases in the secondary market at a discount debt securities of a company in which such Client has, for example, a substantial equity interest, (a) a court might require such Client to disgorge profit it realizes if the opportunity to purchase such securities at a discount should have been made available to the issuer of such securities or (b) such Client might be prevented from enforcing such securities at their full face value if the issuer of such securities becomes bankrupt.

The effect of these transactions will vary from jurisdiction to jurisdiction.

Portfolio Company Private Transportation

Certain PE portfolio companies have private transportation that is available for use by the directors and/or other staff of the portfolio company. This may include private aircraft that are owned by the portfolio company directly or its founders/ owners. The employee director representatives on the board of the portfolio company may be offered the use of this private transportation from time-to-time, this may also include the wider BC Partners deal team in certain situations relating to the portfolio company. Where BC Partners staff do use such private transportation, the cost will be a portfolio company cost and will not be offset against management fee.

Receipt of Performance-Based Compensation

Certain members of each of the Credit Business and the Private Equity Business may receive compensation that is based, in part, on the performance of one or more of the Clients. The existence of these compensation arrangements may create an incentive for such members of the Credit Business and the Private Equity Business to recommend more speculative investments to PE Funds than they might otherwise recommend in the absence of such performance-based compensation, although the commitment of capital to these Funds made by such employees should somewhat reduce this incentive.

Relationships with Borrowers and/or Issuers

Borrowers and/or issuers may be counterparties or participants in agreements, transactions or other arrangements with portfolio entities of Funds managed by the Adviser or other affiliates in connection with providing arranging, underwriting, financing, syndicating, refinancing, commitment, origination, placement, investment banking, divestment, structuring, loan modification or restructuring, servicing (including loan servicing and special servicing), advisory, asset management, monitoring and oversight of loans, consulting, organizational, administrative (including treasury, collateral management, and affirmation/confirmation) and other services described above under “*Other Fees: Fees from Portfolio Investments*”, that, although the Adviser determines to be consistent with the requirements of such Funds’ governing agreements, would not have otherwise been entered into but for the affiliation with the Adviser, and which involve fees and/or servicing payments to Adviser affiliated entities which are not subject to the management fee offset provisions described in “*Other Fees: Fees from Portfolio Investments.*” In connection with such relationships, the Adviser may also make referrals and/or introduction to certain borrowers and/or issuers (which may result in financial incentives (including additional equity ownership) and/or milestones benefitting the Adviser that are tied or related to participation by such borrowers and/or issuers). The Adviser may enter into such a relationship and/or participation with respect to a Fund, which will benefit the Adviser, despite the fact that the Fund and the applicable limited partners will not share in any fees or economic benefit accruing to the Adviser as a result of these relationship and/or participation by such borrowers and/or issuers.

ITEM 12. BROKERAGE PRACTICES

Clients typically invest in private securities and do not ordinarily transact with financial intermediaries, such as broker-dealers, in public securities. However, potential investments in publicly traded securities include temporary investments in money market instruments pending

investment in a portfolio company, securities held as a result of IPOs of portfolio companies and going-private transactions.

For each Client, the Adviser has sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect transactions. In placing each transaction for a Client involving a broker-dealer, the Adviser seeks to obtain the best execution for the Client taking into account the factors discussed below. “Best execution” is a qualitative standard that generally means obtaining for a Client account the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), whilst at all times taking into account the circumstances of the transaction and the execution factors set forth below.

BC Partners has established a global best execution policy. Under the policy, BC Partners considers and determines the relative importance of all the execution factors, by reference to the execution criteria, which are (i) the fact that the client (i.e., a Fund) is a per-se professional client and (ii) the characteristics of the client order, of the instruments concerned and of the venues to which that order can be directed.

The execution factors include price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an order. BC Partners may also consider, among other things, the nature of the market for the security, the amount of the commission, the timing of the transaction taking into account market prices and trends, the reputation, experience and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions. To the extent consistent with achieving best execution, BC Partners may also consider other business a particular broker or dealer may have done with BC Partners, such as identifying investment opportunities, performing investment banking services and providing services to BC Partners’ principals. When purchasing or selling over-the-counter securities with market makers, BC Partners generally seeks to select market makers it believes to be actively and effectively trading the security being purchased or sold.

The Organizational Documents of each Client prescribe whether the Client can utilize “soft dollars.” As a matter of policy, BC Partners does not utilize soft dollars, although it may in the ordinary course receive unsolicited research and other brokerage products from broker-dealers as part of the brokers’ full range of services. Such unsolicited materials might benefit the Clients and could therefore be construed as “soft dollars.” A conflict of interest exists when a broker-dealer provides such research.

The Adviser and its affiliates may aggregate (or bunch) the orders of more than one Client for the purchase or sale of the same publicly traded security. Portfolio managers and traders often employ this practice because larger transactions may enable them to obtain better overall prices, including lower commission costs or mark-ups or mark-downs. The Adviser and its affiliates may combine orders on behalf of the PE Funds and/ or the Credit Clients with orders for other Funds for which it or its affiliates have trading authority, or in which it or its affiliates have an economic interest. In such cases, the Adviser and its affiliates generally aggregates trade orders for publicly traded securities so that each participating Client will receive the average price for each execution of a transaction.

If an order for more than one Client for a publicly traded security cannot be fully executed, allocation shall be made based upon the Adviser’s procedures for allocation of investment opportunities, as described in Item 11 above.

ITEM 13. REVIEW OF ACCOUNTS

Oversight and Monitoring

The Adviser monitors the Clients' investment portfolios on an ongoing basis. In relation to the PE Funds, once an investment has closed, the Adviser's deal team that completed the investment analysis and negotiation on behalf of a PE Fund are responsible for overseeing and monitoring the portfolio company through to exit. Depending on the particular PE Fund, the deal team will work closely with the Portfolio Review Meeting and Quarterly Portfolio Tracker Meeting to ensure that the portfolio company investment is being monitored appropriately. When the portfolio company investment is nearing an exit, or partial exit, the deal team will work with the PE Investment Committee.

Reporting

Investors in the Funds typically receive, among other things, a copy of the audited financial report of the relevant Fund within 120 days after the conclusion of each financial year of such Fund. Each Fund may also provide additional regular reports to investors, the nature and frequency of which depend on the terms of the relevant Organizational Documents and any regulatory requirements of jurisdictions where the Funds are organized. The Adviser and the applicable general partner, if any, will in their sole discretion, provide additional information relating to such Fund to one or more investors in such Fund as they deem appropriate.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

For details regarding economic benefits provided to the Adviser by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above. In addition, the Adviser and its related persons, in certain instances, receive discounts on products and services provided by portfolio companies of Funds.

While not a client solicitation arrangement, the Adviser has in the past, and may in the future engage one or more persons to act as a placement agent or more for a PE Fund in connection with the offer and sale of interests to certain potential investors. Such persons generally will receive a fee in an amount equal to a percentage of the capital commitments for interests made by such potential investors to such PE Fund that are subsequently accepted and in certain instances a retainer. Such fees are paid by the Firm and not the PE Funds.

ITEM 15. CUSTODY

Rule 206(4)-2 under the Advisers Act (the "**Custody Rule**") imposes certain obligations on registered investment advisers that have custody of any Client funds or securities. The Adviser is typically deemed to have custody of Fund assets because we (or our affiliate) serve as general partner or managing member of each of the Funds. The Funds for which we are deemed to have custody are subject to an annual audit and the audited financial statements are distributed to each Fund investor no later than 120 days after the end of each Fund's fiscal year.

In the event that the Adviser has custody of other Client assets or is deemed to have custody of

Client assets, the Adviser will take steps to comply with the Custody Rule, which may include obtaining an audit or alternatively undergo a surprise examination under the Custody Rule.

ITEM 16. INVESTMENT DISCRETION

The Advisor provides non-discretionary services to the PE Funds in the form of sub-investment advice to an affiliate. The Adviser's advice with respect to the PE Funds is provided in accordance with the investment objectives and guidelines set forth in their respective Organizational Documents. Certain investors in the Funds may also negotiate side letter agreements for more specific limitations applicable to such investor, such as prohibited investments in specific geographic regions, industries, or sectors.

ITEM 17. VOTING CLIENT SECURITIES

The Firm has established written policies and procedures setting forth the principles and procedures by which the Firm votes or gives consent with respect to securities owned by the Funds ("Votes"). The guiding principle by which the Firm votes all Votes is to vote in the best interests of each Fund or other Client by maximizing the economic value of the relevant Client's holdings, taking into account the relevant Client's investment horizon, the contractual obligations under the relevant Advisory Agreements or comparable documents, and all other relevant facts and circumstances at the time of the vote. The Firm does not permit Voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

It is the Firm's general policy to vote or give consent on all matters presented to security holders in any Vote. However, the Firm reserves the right to abstain on any particular Vote or otherwise withhold its vote or consent on any matter if, in the judgment of the CCO or the relevant Firm investment professional, the costs associated with voting such Vote outweigh the benefits to the relevant Funds or if the circumstances make such an abstention or withholding otherwise advisable and in the best interests of the relevant Funds.

Clients generally cannot direct the Firm's Vote. All Voting decisions initially are the responsibility of the Firm's investment professionals, unless there is a material conflict of interest, in which case they should raise it with the CCO. In most cases, the Firm's investment professionals will make the decision as to the appropriate vote for any particular Vote. In making such decision, they may rely on any of the information and/or research available to them. In the event of a material conflict of interest, if the investment professional and the CCO are unable to arrive at an agreement as to how to vote, then the CCO may consult with the Firm's Investment Committee Chairman as to the appropriate vote, who will then review the issues and arrive at a decision based on the overriding principle of seeking the maximization of the economic value of the relevant Funds' holdings.

All Firm investment professionals are expected to perform their tasks relating to the voting of Votes in accordance with the principles set forth above, according the first priority to the best interest of the relevant Funds. The CCO will use his or her best judgment to address any such conflict of interest and ensure that it is resolved in accordance with his or her independent assessment of the best interests of the Funds.

Where the CCO deems appropriate in his or her sole discretion, unaffiliated third parties may be used to help resolve conflicts. In this regard, the CCO shall have the power to retain independent fiduciaries, consultants, or professionals to assist with Voting decisions and/or to delegate voting

or consent powers to such fiduciaries, consultants or professionals.

Copies of relevant proxy logs, identifying how proxies were voted in connection with a Client and copies of proxy voting policies are available to any client or prospective client by contacting compliance@bcpartners or upon written request to: BC Partners PE L.P., Attn: Chief Compliance Officer, 650 Madison Avenue, 3rd Floor, New York, New York 10022.

ITEM 18. FINANCIAL INFORMATION

Item 18 is not applicable to the Adviser.