

Part 2A of Form ADV



Brinley Partners, LP

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This Form ADV Part 2A (this “**Brochure**”) provides information about the qualifications and business practices of Brinley Partners, LP, a Delaware limited partnership (“**Brinley**,” “**we**,” “**us**” or “**our**”). If you have any questions about the contents of this Brochure, please contact us at legalnotices@brinleypartners.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Additional information about Brinley is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Although Brinley is registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”), such registration does not imply that Brinley or its personnel have a certain level of skill or training.



Item 2. Material Changes

This is Brinley's Annual Amendment to Form ADV Part 2A. Since Brinley's last Annual Amendment, filed on March 31, 2023, there have been no material changes; however, Items 4, 5, 8, 11 and 16 below have been updated, and Clients, investors and prospective investors should review this Brochure in its entirety.



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Item 4. Advisory Business

Brinley is an alternative investment firm specializing in private debt and related asset classes. Brinley was formed in July 2021 by Kerry Dolan. Brinley's principal owners are Ms. Dolan, including through an estate planning vehicle, and Tucuxi IMC LLC, a Delaware limited liability company ("**Tucuxi**"). Tucuxi is an investment vehicle controlled by British Columbia Investment Management Corporation. Brinley is headquartered in New York, New York.

As of December 31, 2023, Brinley served as the investment adviser to Brinley Private Debt Fund I LP ("**Private Debt Fund I**"), Brinley Co-Investment Fund I LP and its alternative investment vehicle, Brinley Co-Investment Fund I (Offshore AIV) LP (together with Brinley Co-Investment Fund I LP, "**Co-Invest Fund I**," and collectively with Private Debt Fund I, the "**Funds**"). We anticipate that we will offer investment management services in the future to other clients, including, but not limited to, pooled investment vehicles, co-investment vehicles, single investor vehicles and separately managed accounts (the Funds and any such future clients, individually a "**Client**" and, collectively, "**Clients**"). Our registration on Form ADV also covers Brinley Private Debt Fund I GP, LLC, which is the general partner of Private Debt Fund I (the "**Private Debt Fund I GP**"), and Brinley Co-Investment Fund I GP LLC, which is the general partner of Co-Invest Fund I (the "**Co-Invest Fund I GP**" and together with the Private Debt Fund I GP, the "**Fund General Partners**"). The Fund General Partners are affiliates of Brinley, and their offices, personnel and other resources are shared with and/or provided by Brinley.

As of December 31, 2023, Brinley managed approximately \$4,291,778,000 in aggregate regulatory assets under management, of which \$2,689,269,000 was managed on a discretionary basis and \$1,602,509,000 was managed on a non-discretionary basis.

Subject to the terms of the governing documents of the Funds, including their investment objectives and guidelines, Brinley generally has broad investment discretion over the investments it recommends and/or makes for the Funds. Examples of the types of investments Brinley can make include, without limitation, senior secured debt (e.g., first-lien loans, unitranche loans and revolving credit facilities), secured and unsecured junior debt (e.g., second-lien loans, mezzanine loans and secured and unsecured bonds), preferred equity and other senior equity interests.

We provide tailored investment advisory services to our Clients in accordance with their investment objectives, strategies, restrictions and guidelines as set forth in their governing documents.

Brinley does not offer or participate in wrap fee programs.

Item 5. Fees and Compensation

The following disclosures represent the compensation arrangements Brinley currently has in place with its Clients.

Management Fees

The fee for investment advisory and management services that we provide to Private Debt Fund I is a base management fee, calculated as a percentage of Private Debt Fund I's net capital invested in investments, including the amount of any borrowings under a subscription credit facility used to finance the purchase of investments, as applicable, reduced by the amount of any investments that are written down or written off, which write-downs/write-offs may be offset by permanent enhancements in the value of other investments).

Management fees for Private Debt Fund I are payable quarterly in arrears and deducted from Private Debt Fund I's assets and paid or otherwise credited to us in accordance with the terms of Private Debt Fund I's governing documents.

Brinley does not charge a management fee in respect of the investment advisory services it provides to Co-Invest Fund I.

Performance-Based Compensation

Pursuant to the governing documents of Private Debt Fund I, the Private Debt Fund I GP is entitled to receive an allocation of the net profits of Private Debt Fund I after the limited partner of Private Debt Fund I receives distributions equal to its aggregate capital contributions, plus a preferred return (such allocation of net profits, "*Carried Interest*").

Brinley, the Co-Invest Fund I GP and their respective affiliates do not receive Carried Interest or other forms of performance-based compensation with respect to Co-Invest Fund I.

All compensation arrangements in respect of which Brinley receives compensation based on a share of capital gains or capital appreciation will comply with the requirements of Rule 205-3 of the Advisers Act.

For additional information about performance-based fees, please refer to Item 6 below, "Performance-Based Fees and Side-By-Side Management."

Investment-Related Fees

In connection with certain types of investments, most commonly originated private loans, that are made or proposed to be made by our Clients (including the Funds), it is common for the applicable borrower or portfolio company to pay the lenders or investors (including the Funds) one or more fees (in addition to any interest, dividends or other compensation) as consideration for providing or committing to provide financing to (or make an investment in) such portfolio company and/or, where applicable, for providing ancillary services in connection with such financing or investment, such as serving as administrative agent or arranger in respect of a loan facility. Depending on the transaction, such fees may be characterized as "origination," "commitment," "documentation," "structuring," "facility," "monitoring," "upfront," "agency" or other designations.

The governing documents of the Funds provide that certain of such fees, including origination and commitment fees, are part of our advisory compensation and (subject to certain limitations and caps set forth in the Funds' applicable governing documents) are retained by Brinley and not offset (in whole or in part) against the management fees payable to us. To the extent the aggregate amount of such fees payable in respect of particular investment exceeds the amount Brinley is permitted to retain under the Funds' governing documents, such excess is paid to or otherwise inures to the benefit of the Funds and their limited partners. Please refer to Item 11 below under the caption "Conflicts of Interest—Loan Origination" for additional information regarding such fees.

Other Expenses

Clients generally bear any and all fees, costs, expenses, liabilities or obligations attributable to their activities and/or that are incurred by Brinley for their benefit, in accordance with the terms of their respective governing documents.

These fees, expenses and costs generally include, but are not limited to, the categories of fees, expenses and costs described below. For the avoidance of doubt, the description below is summary in nature, non-exhaustive and subject in all respects to the terms of a Client's actual governing contract.

(1) Organizational Expenses

These expenses are related to the organization of Clients and related entities and the fees, costs and expenses of negotiating and entering into a Client's governing documents, including all out-of-pocket fees, costs and expenses incurred directly by the Client or for or on behalf of the Client by us or our affiliates ("**Organizational Expenses**"). Organizational Expenses are not directly related to operating or administering a Client or sourcing its investments. A Client and its investors, subject to their governing documents, will typically pay or otherwise bear all fees, costs, expenses and other liabilities incurred in connection with the formation and organization of, or pre-marketing and sale of interests in, such Client, its general partner or similar person and/or investment manager, preparation by the Client to commence business operations, including (but not limited to):

- all legal and other organizational and offering expenses incurred in connection with the formation and marketing of Clients and their related entities, their respective general partners and/or investment managers or other similar controlling entities, including, without limitation, all out-of-pocket fees and expenses of counsel to, accountants for and agents of any Client or any general partner of any Client;
- regulatory expenses (including any filing fees, costs and expenses relating to "blue sky" and "world sky" filings and U.S. Securities and Exchange Commission and other regulatory filings made in the name of any Client) and any other filing;
- capital raising, translation, printing and distribution fees, costs and expenses (including fees, costs and expenses related to the retention of, and services provided by, any service provider or agent engaged by the Clients and/or its affiliates in connection with such translation, printing and distribution);
- travel, lodging, cellular phone, meal and other similar fees, costs and expenses of personnel of the Clients' general partners, Brinley and their respective affiliates;
- fees, costs and expenses incurred in connection with the formation of any Clients, their related entities, their respective general partners and/or investment managers or other similar controlling entities, the preparation of the requisite governing documents, subscription agreements, investment advisory agreements and the private placement memoranda, and
- compliance with applicable laws or regulations (including fees, costs and expenses related to the retention of, and services provided by, any service provider or agent engaged by any Client and/or any affiliates in connection with such compliance (except to the extent such fees, costs and expenses relate to any ongoing obligations related to such compliance, as determined by the applicable general partner in its discretion)) and the offering of interests, but excluding (x) placement fees and (y) any fees, costs and expenses related to negotiating and entering into side letters and any credit facilities of any Client as well as compliance with such side letters and "most favored nations" processes.

(2) Operating Expenses

In addition to the management fees, performance-based compensation and investment-related fees (where applicable) payable to Brinley and our affiliates, a Client will generally pay or otherwise bear all or a portion of the fees, costs, expenses and other liabilities arising in connection with its operation and administration (including the operation and administration of any parallel funds, subsidiaries, alternative investment vehicles and other special purpose vehicles) (collectively, “*Operating Expenses*”).

Examples of Operating Expenses that a Client may pay or otherwise directly or indirectly bear include (but are not limited to):

- any and all fees, costs and expenses incurred in connection with the evaluation, discovery, investigation, development, acquisition, monitoring, management, holding, enhancement, restructuring or disposition of any Client’s investments (whether or not consummated), including (but not limited to):
 - loan fees, private placement fees, brokerage and sales fees and commissions (including “soft dollar” arrangements), appraisal fees, research fees, bid/ask and/or dealer spreads and/or ticket charges;
 - fees, costs and expenses (including fixed fees and performance-based fees and allocations) of any service providers, including any agent providing tax or accounting services or service providers engaged in respect of any Client’s investments as well as any service provider that is engaged to service loans for any Client and any agent in respect of any investment of any Client (including service providers that are affiliates of any Client’s general partner, Brinley or their respective affiliates);
 - interest and clearing and settlement charges, commitment fees, taxes, including transfer taxes and premiums, underwriting commissions and discounts;
 - fees, costs and expenses relating to short sales;
 - fees, costs and expenses related to market data (including, without limitation, expenses incurred in connection with any multimedia, analytical, database, news or third-party research or information services and market data providers (including, without limitation, research or information services subject to the Markets in Financial Instruments Directive (Directive 2014/65/EU), as implemented into the national laws of any member state of the EEA, and as retained in domestic law in the UK pursuant to the European Union (Withdrawal) Act 2018 (the “*EUWA*”) and legislation thereunder (each as amended from time to time) (“*MiFID II*”) and any computer hardware and connectivity hardware (e.g., terminals and telephone and fiber optic lines) incorporated into the cost of obtaining such research and market data), legal, accounting, auditing, investment banking, third-party industry and due diligence experts (including, without limitation, for credit and risk analytics, collateral review and loss mitigation);
 - fees, costs and expenses of any finders and/or placement agents, senior advisors, originators, consultants (including sourcing consultants, operating consultants, research consultants, industry expert consultants and/or subject matter consultants) and other

persons acting in a similar capacity (in each case, whether or not such persons are engaged by a Client and/or its affiliates in a dedicated or exclusive capacity), including fixed fees (such as retainers) and/or performance-based fees and allocations, in each case, whether in the form of cash, options, warrants, stock or otherwise, and/or expenses of any of the foregoing persons, including travel, meals, lodging, cellular phone and other similar expenses;

- filing and other related fees, costs and expenses;
 - fees, costs and expenses related to communications (including internet access fees associated with Brinley's investment professionals), travel (including international cellular charges), meals, lodging as well as late car services;
 - fees, costs and expenses incurred in connection with organizing, maintaining and operating entities controlled by Brinley and/or an affiliate thereof which facilitate any Client's investments (including rent, salaries and ancillary costs of such entities, and fees, costs and expenses of service providers of such entities);
 - any advisory fees and/or performance-based compensation of any third-party advisor or sponsor in connection with any Client's direct or indirect purchase of securities issued by exchange-traded funds, closed-end funds, business development companies and other investment vehicles, and fees, costs and expenses incurred and charged by any collateralized loan obligations in which any Client invests; and
 - all other fees, costs and expenses (including fees, costs and expenses payable to affiliates of any Client's general partner or Brinley) related to the sourcing, evaluation, discovery, investigation, development, acquisition, monitoring, pricing, valuation, underwriting, servicing and/or disposition of potential or actual investments and/or transactions (whether or not consummated), including broken deal expenses in respect of unconsummated investments and/or transactions;
- any and all fees, costs, expenses and other liabilities incurred in connection with the carrying, administration, operation or management of a Client's investments and/or any Client, including interest and related expenses and custodial, depository, trustee, recordkeeping and other administration fees, costs and expenses, operations fees, costs and expenses and reconciliation fees, costs and expenses;
 - any and all fees, costs and expenses incurred in implementing or maintaining third-party or proprietary software tools, programs or other technology for the benefit of any Client (including, without limitation, any and all fees, costs and expenses of any investment, books and records, portfolio compliance and reporting systems such as Allvue and similar or successor systems and services, including, without limitation, consultant, software licensing, data management and recovery services fees and any tools, programs, subscriptions or other systems providing market data, analytical, database, news or third-party research or information services to any Clients);
 - any and all fees, costs and expenses incurred in connection with the incurrence of leverage and indebtedness of any Client, including borrowings, dollar rolls, reverse purchase agreements, credit

facilities (including credit facilities secured by the unfunded commitments of the investors), securitizations, margin financing and derivatives and swaps, and including any principal or interest on any Client's borrowings and indebtedness (including, without limitation, any fees, costs and expenses incurred in obtaining lines of credit (including, to the extent applicable, the costs of obtaining credit ratings and other credit facility compliance costs), loan commitments and letters of credit for the account of any Client in making, carrying, funding and/or otherwise resolving investment guarantees);

- any and all fees, costs and expenses (including disbursements) of attorneys, auditors and accountants (and/or other persons performing services similar to the foregoing) (including secondees and temporary personnel or consultants that may be engaged on short- or long-term arrangements as deemed appropriate by any Client's general partner) relating to any Client's matters, as well as any and all fees, costs and expenses incurred in connection with consulting with an independent monitor and/or third party (including outside accounting, legal and/or compliance firms) related to any Client's matters, including in connection with making any determinations with respect to the allocation of fees, costs and expenses or contractual interpretations or ambiguities relating to fees, costs and expenses;
- any and all fees (including placement fees), costs and expenses paid to a placement agent in connection with placing investors in any Clients (including any ongoing fees (including placement fees), costs and expenses owed to such placement agents), including fees of local agents engaged to comply with regulatory requirements imposed by certain jurisdictions and that are not treated as Organizational Expenses;
- any and all fees, costs and expenses incurred in connection with any Client's financial statements, reports, notices, tax returns and/or filings and Schedules K-1 (or similar schedules) (including any audits and tax contests related thereto), including the costs of creating, translating, printing and distributing such financial statements, notices, reports, tax returns and/or filings and Schedules K-1 (or similar schedules) (whether by any Client, any affiliate of any Client and/or any service provider or agent engaged by any Client and/or its affiliates in connection therewith), and any postage costs and expenses related to any Client's matters;
- any and all taxes and other governmental charges that may be incurred or payable by any Client (including, without limitation, expenses related to transfer taxes and premiums and entity-level taxes unless otherwise provided in any Client's governing documents);
- any and all fees, costs and expenses relating to the maintenance of registered offices, corporate licensing and similar expenses;
- any and all insurance premiums, costs or expenses in connection with (a) the activities of any Client, including, without limitation, errors, omissions, fidelity, crime, cybersecurity, general partner liability, directors' and officers' liability and similar coverage for any person acting on behalf of any Client, its general partner, Brinley or any of their respective affiliates and (b) any investment of any Client, including casualty insurance, real estate insurance, title insurance, shipping-related insurance, insurance on loans, property insurance and similar coverage;

- any and all fees, costs and expenses (including accounting, legal or regulatory fees and expenses) incurred:
 - to comply with any law or regulation related to the activities of any Client or the offering of interests (including (I) accounting, legal or regulatory fees, costs and expenses of any Client's general partner, Brinley or any of their respective affiliates in connection with ongoing compliance, filing and reporting obligations under the Investment Advisers Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, "blue sky" laws and regulations, the Foreign Account Tax Compliance Act, the Common Reporting Standard developed by the Organization for Economic Co-operation and Development (and any other "automatic exchange of information" regime), the AIFM Directive, MiFID II, the Risk Retention Requirements (as defined herein), the General Data Protection Regulation (Regulation (EU) 2016/679) and/or any other applicable data and/or privacy laws and/or regulations, anti-money laundering and/or counter-terrorist financing laws and regulations, marketing laws and regulations and/or any other applicable laws and regulations, including as implemented into the national laws of any member state of the EEA, and as retained in domestic law in the UK pursuant to the EUWA and legislation thereunder (each as amended from time to time), including fees and expenses related to the retention of, and services provided by, any service provider or agent engaged by any Client and/or its affiliates in connection with such compliance (other than any portion of such fees, costs and expenses that constitute Organizational Expenses, as determined by the applicable general partner in its discretion), (II) filing fees, costs and expenses (including fees, costs and expenses related to the preparation and filing of Form PF and other similar regulatory filings) and (III) fees, costs and expenses related to applicable state or local lending laws and regulations)
 - with respect to (A) any tax contest or (B) any representation by the "partnership representative" (as defined in any Client's governing documents); or
 - in connection with any litigation or governmental review, audit, inquiry, investigation or proceeding involving any Clients, their respective general partners, Brinley or any of their respective affiliates, including the amount of any judgments, settlements or fines paid in connection therewith, except, however, to the extent such expenses or amounts have been determined to be excluded from the indemnification provided for in Clients' governing documents;
- any and all fees, costs and expenses incurred in connection with distributions to a Client's investors, as provided in such Client's governing documents;
- any and all fees, costs and expenses incurred in connection with any meeting with one or more investors (including any annual meeting of Brinley that other Clients or investors are invited to attend), including, without limitation, travel, meal and lodging expenses of Brinley and our representatives and ancillary activities related thereto;
- any out-of-pocket expenses incurred by members of the advisory committee or similar body and their designees in connection with the fulfillment of their duties pursuant to a Client's governing

documents, including, without limitation, travel expenses incurred in connection with attending advisory committee meetings (including, without limitation, transportation, meal and lodging expenses);

- any and all fees, costs and expenses of any independent Third-Party Monitor (as defined below), consultant or agent of any Client;
- any and all fees, costs and expenses paid by a Client with respect to potential co-investments that are not consummated, including any portion of such expenses that is not borne by Co-Investors;
- any and all fees, costs and expenses (including, for the avoidance of doubt, all equivalent fees, costs and expenses to those set forth under “Organizational Expenses” and “Other Expenses” herein) incurred in connection with the formation, organization and operation of any special purpose entity, including one or more alternative investment vehicles and/or co-investment vehicles (including any fees, costs and expenses incurred in connection with establishing co-investment vehicles in connection with proposed investments that are not consummated, to the extent not borne by such vehicles);
- any and all fees, costs and expenses incurred in connection with the dissolution, winding up or termination of any Client, its respective general partner(s) or equivalent entities, any special purpose entity and/or any alternative investment vehicle of such Client;
- any and all fees, costs and expenses incurred in connection with any amendments, modifications, revisions or restatements to the constituent documents of any Client (including partnership agreements, investment advisory agreement, subscription agreements and private placement memorandum), any special purpose entity or any alternative investment vehicle and/or co-investment vehicle of such Client, as well as any and all fees, costs and expenses related to drafting form transfer agreements for a Client (including legal fees, costs and expenses);
- any and all fees, costs and expenses incurred in connection with negotiating and entering into, and compliance with, side letters, including, without limitation, any “most favored nations” processes with respect to a Client;
- any and all fees, costs and expenses incurred in connection with computing the value of the assets of any Client (including, without limitation and as applicable, any and all fees, costs and expenses associated with advisors, accountants, independent pricing services and third-party valuation consultants);
- any and all fees, costs and expenses related to a Client’s indemnification obligations pursuant to such Client’s governing documents and the private placement memorandum;
- any and all fees, costs and expenses incurred by a Client, its respective general partner(s) or equivalent entities, Brinley or any of their respective affiliates or employees or any service provider for, or resulting from, any hedging transactions of any Client;
- the advisory fees payable pursuant to a Client’s governing documents;

- costs and expenses related to Bridge Investments (as defined below), including any interest expenses on amounts borrowed under a subscription facility; and
- any and all fees, costs and expenses related to any administrator and/or any depository of any Client (whether engaged prior to or after the initial closing).

(3) Deal Sourcing and Diligence Expenses

These expenses relate more generally to investment sourcing and diligence for a particular investment and include fees, costs and expenses of identifying, investigating (including the conducting of due diligence with respect to), evaluating, structuring and negotiating potential investments (collectively, “**Deal Sourcing and Diligence Expenses**”), whether or not consummated and including any portion of such expenses that is not borne by co-investors. Examples of Deal Sourcing and Diligence Expenses that a Client may pay or otherwise bear include (but are not limited to) all fees, costs, expenses, liabilities or obligations related or attributable to:

- commissions, brokerage fees, and similar charges incurred in connection with the purchase or sale of investments (including any merger fees payable to third parties and whether or not any such purchase or sale is consummated);
- identifying, sourcing, originating, evaluating, conducting due diligence, investigating, developing (including any retainers, success and finder’s fees and other compensation paid to contractors, joint venture partners and sourcing and operating partners), negotiating, structuring, organizing, studying (including any market studies and/or the use of expert networks), financing, purchasing, settling, obtaining ratings, monitoring, advising or managing, valuing, disclosing (including press releases and other marketing), holding (including expenses of portfolio tracking facilities), taking public or private, valuing, winding up, liquidating, dissolving, and selling or otherwise disposing of portfolio investments, and related environmental, social and governance matters;
- travel (including internet access, international cell phone charges, lodging, meals or entertainment and, where appropriate, the use of private aircraft by investment professionals);
- legal, tax, consulting and accounting services;
- attendance by employees of Brinley or our affiliates at industry and trade association meetings, conferences or similar meetings to source and evaluate investment opportunities;
- research and technology (including costs of specialty data subscription and license-based services and risk analysis software); and
- investments that are not consummated, including legal, accounting, auditing, insurance, travel, consulting, brokerage, finder’s fees, financing, appraisal, filing, printing, technology, real estate title, survey, reverse breakup, termination and other fees and expenses (which may include the portion of such expenses that would have been allocated to co-investors had such proposed investment been consummated).

(4) Deal Oversight Expenses

These expenses are incurred in connection with the oversight of portfolio companies. Examples of expenses that fall within this category include (but are not limited to) all fees, costs, expenses, liabilities or obligations related or attributable to:

- travel for Brinley employees to attend board of directors or similar meetings at portfolio companies (including internet access, international cell phone charges, lodging, meals or entertainment and, where appropriate, the use of private aircraft by investment professionals);
- directors' fees;
- consultants (including expert networks);
- brokerage commissions, clearing and settlement charges, investment banking fees and expenses, bank charges, placement, syndication and solicitation fees, arranger fees, sales commissions, bridge financing expenses and other investment, marketing, execution, closing and administrative fees, costs and expenses of portfolio companies;
- maintaining holding structures for portfolio investments, including any related legal, accounting, tax, banking, corporate governance, filing, registered office and administrative fees, costs and expenses;
- portfolio and risk management (including hedging transactions and related costs); and
- any actual or potential litigation or other dispute or investigation or inquiry related to any portfolio company.

Brinley, and not our Clients, will bear Brinley's own operating and overhead expenses, including salaries, bonuses and office rent.

In addition to the above, in connection with cash-management activities, we may invest Client assets in shares of (or other interests in) pooled investment vehicles, including mutual funds and exchange-traded funds. Where such investments are made, Clients will typically incur additional expenses, such as advisory fees and other operating expenses, at the investment vehicle level, which are in addition to any management fees and performance-based compensation paid by such Clients to us and our affiliates.

We seek to allocate fees, costs and expenses among Clients and Brinley in a fair and equitable manner consistent with our expense allocation policies and procedures, as determined by Brinley in our good faith discretion. Fees, costs and expenses will generally be allocated to and among applicable Clients on a *pro rata* basis based on a measure of available capital, assets under management, or otherwise as deemed fair and equitable by Brinley in our good faith discretion.

Brinley anticipates that future Clients and their underlying investors will negotiate variations from our standard fees, costs and expenses.

Item 6. Performance-Based Fees and Side-by-Side Management

As discussed in Item 5 above, "Fees and Compensation," Private Debt Fund I's governing agreements provide that the Private Debt Fund I GP is entitled to receive performance-based compensation in the form

of Carried Interest from Private Debt Fund I.

The potential for receiving Carried Interest provides Brinley and our affiliates with an incentive to engage in more speculative investment strategies than we otherwise would, in order to increase the likelihood of receiving such Carried Interest. Additionally, Private Debt Fund I uses credit facilities in connection with its investment strategy (including subscription credit facilities). Brinley or our affiliates could be incentivized to draw on such credit facilities instead of calling capital if we believe doing so will generate a higher internal rate of return (or a lower preferred return) for purposes of calculating the amount of any Carried Interest, even if it will result in increased expenses for Private Debt Fund I.

As noted in Item 5 above, “Fees and Compensation,” Co-Invest Fund I’s governing documents do not entitle Brinley or our affiliates (including the Co-Invest Fund I GP) to receive any management fee or Carried Interest with respect to Co-Invest Fund I. However, the allocation of investments between Private Debt Fund I and Co-Invest Fund I is prescribed in their governing documents.

Additionally, to the extent Brinley manages additional Clients in the future, it expects to adopt specific policies and procedures governing the allocation of investment opportunities that will require investments that fall within the investment mandates of multiple Clients to be allocated among them on a basis that is fair and equitable under the circumstances, such that no one Client or group of Clients receives preferential allocations over time.

Finally, to further seek to mitigate the conflicts and risks described above, Brinley has adopted policies and procedures reasonably designed to ensure that it complies with our fiduciary duties under the Adviser’s Act, including a Code of Ethics, which requires Brinley and its employees to act in the best interests of our Clients.

Item 7. Types of Clients

Currently, Brinley provides investment advisory services to the Funds. We anticipate that we will provide advisory services to one or more additional Clients, which may include other private investment funds, collateralized loan obligations, business development companies, co-investment vehicles and separately managed accounts. The investors in these Clients may include, without limitation, U.S. and non-U.S. corporate and government pensions, insurance companies, tax-exempt organizations, university and other endowments, sovereign wealth funds, family offices, high-net worth individuals, and other qualified persons.

The limited partners of the Funds are required (and Brinley and our affiliates expect that prospective investors in other Clients will also be required) to meet certain suitability and net worth qualifications, such as being an “accredited investor” within the meaning of Rule 501 of Regulation D under the Securities Act and a “qualified purchaser” as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “*Investment Company Act*”). Certain Clients (such as pooled investment funds) may require prospective investors to make a minimum commitment, subscription or contribution in order to invest in such Clients, although in most cases Brinley or our affiliates are expected to have discretion to accept lesser amounts (subject to applicable law).

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

Overview

We utilize various investment strategies and methods of analysis to manage Client assets, as described below. This section also contains a discussion of the primary risks associated with these investment strategies, though it is not possible to identify all the risks associated with investing.

While Brinley seeks to manage the investment portfolios of the Funds so that the risks are commensurate with the return profile of the strategy (and will seek to manage the portfolios of any other Client(s) in the same manner), it is not possible or desirable to mitigate fully all possible risks. Any investment includes the risk of loss, and there can be no guarantee that a particular level of return will be achieved. Investors should understand that they could lose some or all of their investment and should be prepared to bear the risk of such a potential loss. Investors should be aware that, while we do not limit our advice to particular types of investments, specific mandates could be limited to certain types of investments (*e.g.*, corporate debt) and therefore not be diversified. An investment in a Client managed by Brinley is not suitable as the sole investment of an investor. Prospective investors are responsible for appropriately diversifying their assets to reduce the risk of loss and should only invest in a Client managed by Brinley as part of a broader overall investment strategy. Past performance is not necessarily indicative of future results, and investors should be prepared to lose the value of their investments.

Methods of Analysis and Investment Strategies

Brinley focuses on providing capital solutions to private (primarily private equity backed) companies in the large-cap and upper-middle market space. Our core target end market exposures include technology, healthcare, financials and industrials/business services. Brinley leverages our team's understanding of credit and experience through multiple market cycles and environments to seek to identify investments within these markets that we believe offer compelling returns on a risk-adjusted basis. While Brinley's primary focus is private credit, our Clients generally have a flexible mandate that permits investments up and down the credit capital structure including, without limitation, unitranche loans, first-lien term loans, revolving credit facilities, second-lien term loans, secured bonds, unsecured bonds and preferred equity. On an opportunistic basis, we also selectively invest in the primary and secondary syndicated credit markets. Future Clients will follow investment programs outlined in their governing documents.

Brinley's credit underwriting and due diligence process centers around seeking to identify investment opportunities that we believe exhibit favorable credit attributes including (but not limited to):

- *Strong Free Cash Flow:* We look for revenue visibility and predictability through contracts, high switching costs or mission-critical applications, coupled with manageable capital expenditures and/or working capital needs.
- *Compelling Industry Fundamentals:* We favor opportunities where the borrower/issuer has a leading market position in end markets with low or no cyclicality and/or that benefit from secular tailwinds.
- *High Barriers to Entry:* We prefer situations where the borrower/issuer has a protected market position through high switching costs, regulatory barriers, contracted revenues and/or reputational advantages in winning new business.

- *Downside Protection:* We seek appropriate downside protection based on both the borrower's credit profile and the proposed investment structure including, without limitation, predictable revenue trends and good quality of earnings with manageable downside cases, reasonable leverage levels (and appropriate attachment point), prudent capital structure positioning, legal documentation with sufficient lender protections (e.g., customary covenants and minority rights) and adequate collateral and/or credit support.

Potential company and industry-specific risks are evaluated during the initial underwrite. Borrowers and counterparties are then assessed on an ongoing basis, with the goal of positioning us to identify and be proactive in addressing any potential performance or other issues. Brinley generally adopts a "cradle to grave" staffing approach, with the original deal team responsible for ongoing monitoring of the investment until exit. We believe this approach has several benefits, including increased efficiency and quality of monitoring (given the original deal team is typically most familiar with the credit) and consistency with the sponsor/borrower relationship. However, we may from time to time seek to reallocate coverage of certain stable, performing portfolio investments to, among other things, promote the broader team's familiarity with our portfolio.

Risk Factors

Prospective Clients and investors should carefully consider the following risks and other considerations in connection with the purchase of interests in any Client and/or the engagement of Brinley to provide investment advisory services on their behalf. The following list is not a complete list of all risks involved in connection with an investment in any Client and additional risks and uncertainties relating to Clients may exist of which Brinley and/or its affiliates are not currently aware. The governing documents of a Client, which should be reviewed carefully prior to making an investment, will contain additional information on the risks associated with an investment in such Client. Investing involves the potential for loss, and not all risks can be mitigated.

An investment in a Client is not suitable as the sole investment of an investor. There can be no assurance that a Client will be able to achieve its investment objective, generate returns for investors that are commensurate with the risks involved or avoid losses, or that an investor will receive a return of its capital, and investment results may vary substantially on a monthly, quarterly or annual basis. Therefore, a prospective investor should invest in any Client only as part of a broader overall investment strategy, and only if the prospective investor is able to withstand a total loss of its investment.

Prospective investors should conduct their own due diligence of any Client, utilizing appropriate professional advisors. In addition, each prospective investor should make its own inquiries and consult its own advisors as to the various legal, tax and related matters concerning an investment in any Client.

Prospective investors should carefully consider the risks of investing in any Client, including, without limitation, the following risks (which are discussed in greater detail below): (i) business risks, including, without limitation, due diligence risks and operational risks; (ii) economic risks, including, without limitation, changes in national or international economic and market conditions; (iii) financial risks, including, without limitation, leverage risks, credit risks and foreign exchange risks; (iv) legal and regulatory risks; (v) public health risks, including, without limitation, the COVID-19 pandemic; and (vi) risks related to Brinley, including, without limitation, risks to Brinley's systems.

The following list is not a complete list of all risks involved in connection with an investment in any Client. There can be no assurance that a Client will be able to achieve its investment objective or generate returns for its investors that will be commensurate with the risks involved in an investment in a Client or that investors will receive a return on their capital.

As the context requires, references herein to Brinley's determinations and/or actions include its determinations and actions as the investment advisor of any Client.

General Business Risks

Business and Market Risks

Our Clients' investments will involve a high degree of business and financial risk that can result in substantial losses. In particular, these risks could arise from changes in the financial condition or prospects of the applicable issuer, changes in national or international economic and market conditions and changes in laws, regulations, fiscal policies or political conditions of jurisdictions in which investments are made, including the risks of war and the effects of terrorist attacks and security operations. In addition, our ability to successfully implement any Client's strategy entails a high degree of uncertainty. The possibility of partial or total loss of capital will exist and investors should not invest unless they can readily bear the consequences of such a loss.

Investment and Trading Risks

All investments in securities and other obligations risk the loss of capital, including the risk of a total loss of invested capital. No guarantee or representation is made that any Client's investment program will be successful. Our Clients' investment programs include (and may include in the future) the ability to utilize such investment techniques as leverage, margin transactions, short sales, swaps, options and forward contracts, which practices will, in certain circumstances, increase the adverse impact to which any Client may be subject. Clients will invest in, among other things, fixed-income securities or obligations, which may include, without limitation, public and private non-investment grade bonds, secured loans, second-lien debt, convertible securities, options, swaps and other securities or obligations with fixed-income characteristics. Such securities or obligations will primarily be below "investment grade" and face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the applicable issuer's inability to meet timely interest and principal payments. The market prices of a Client's investments or obligations are also subject to abrupt and erratic market movements and changes in liquidity and above-average price volatility, and the spread between the bid and ask prices of such investments or obligations may be greater than those prevailing in other markets. In addition, many of the issuers or portfolio companies in which a Client invests will be highly leveraged and many of our Clients' investments will be in securities that are unrated or rated below investment grade. Such investments are subject to additional risks, including an increased risk of default during periods of economic downturn, the possibility that the obligor may not be able to meet its debt payments and limited secondary market support, among other risks. See also "*Highly Leveraged Companies*" below.

There can be no assurance that a Client's investments will increase in value or that a Client will not incur significant losses. Brinley anticipates that several of our Clients' investments will incur losses. Investors should be prepared to lose all or substantially all of their investment in any Client.

Limited Information Concerning Potential Investments

A Client may not receive access to all available information relating to an investment. Although Brinley intends to conduct due diligence with respect to the investments, there can be no assurance that such due diligence processes will uncover all relevant facts. In addition, investment analyses and decisions by Brinley may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to Brinley at the time of making an investment decision may be limited, and we may not have access to detailed information regarding the investment. Therefore, no assurance can be given that Brinley will have knowledge of all circumstances that may adversely affect an investment.

Dynamic Investment Strategy

Brinley may pursue additional investment strategies and may modify or depart from our initial investment strategy for any Client, investment process and investment techniques as it determines appropriate. Brinley may pursue investments outside of the industries and sectors in which we have previously made investments.

Credit Risk; Collateral

One of the fundamental risks associated with any Client's investments is credit risk, which is the risk that a borrower will be unable or unwilling to make principal and interest payments on its outstanding debt obligations, including any Client's investments, when due. A Client's returns would be adversely impacted if a borrower to which such Client lends fails to make such payments when due.

Although some of a Client's investments will be secured by specific collateral and which, if securing first priority liens, generally cannot be pledged, lent, re-hypothecated or otherwise re-used by the borrower, the value of which may initially exceed the principal amount of such investments, there can be no assurance that the liquidation of any such collateral would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal payments with respect to such investments, or that such collateral could be readily liquidated. In addition, in the event of bankruptcy of a borrower, a Client could experience delays or limitations with respect to its ability to realize the benefits of the collateral securing an investment.

Under certain circumstances, collateral securing an investment may be released without the consent of a Client. Moreover, a Client's security interest (with respect to investments in secured debt) may be unperfected for a variety of reasons, including the failure to make required filings by lenders and, as a result, a Client may not have priority over other creditors as anticipated. First priority lien investments made by a Client may, in certain cases, provide a first priority lien over some, but not all, of the assets of the relevant borrower. A Client may also invest in second-lien debt, high-yield securities, marketable and non-marketable, common and preferred equity securities and other unsecured instruments, each of which involves a higher degree of risk than senior first-lien secured debt, including the re-use and subsequent loss of collateral by the borrower. Furthermore, a Client's right to payment and its security interest, if any, may be subordinated to the payment rights and security interests of senior lenders (with respect to some or all of the assets of an issuer in which a Client invests). Certain of these investments may have an interest-only payment schedule, with the principal amount remaining outstanding and at risk until the maturity of the investment. In such cases, the ability of the issuer to repay the principal in respect of an obligation held by

a Client may be dependent upon a liquidity event or the long-term success of the company, the occurrence of which is uncertain.

In addition, issuers or portfolio companies in which a Client invests could present a high degree of business and credit risk. Issuers or portfolio companies in which a Client invests could deteriorate as a result of, among other factors, an adverse development in their businesses, a change in the competitive environment or the occurrence, continuation or worsening of any economic and financial market downturns and dislocations. As a result, issuers or portfolio companies that we expected to be stable or improve may operate, or expect to operate, at a loss or have significant variations in operating results, may require substantial additional capital to support their operations or maintain their competitive position or may otherwise have a weak financial condition or be experiencing financial distress. See “*Bankruptcy and Other Proceedings*” below.

The terms of any derivative hedging arrangements entered into by a Client may provide that related collateral given to, or received by, such Client may be pledged, lent, re-hypothecated or otherwise re-used by the collateral taker for its own purposes. If collateral received by a Client is reinvested or otherwise re-used, such Client is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced, and the Client will have less protection if the counterparty defaults. Similarly, if the counterparty reinvests or otherwise re-uses collateral received from a Client and suffers a loss as a result, it may not be in a position to return that collateral to a Client should the relevant transaction complete, be unwound or otherwise terminate and a Client is exposed to the risk of loss of the amount of collateral provided to the counterparty.

Market Disruptions

General

Our Clients may incur major losses in the event of market disruptions and other extraordinary events in which historical pricing relationships (on which Clients’ respective general partners and/or Brinley may base a number of a Client’s direct or indirect investments or trading positions) become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. Market disruptions caused by unexpected political, environmental, military, terrorist and other events may from time to time cause dramatic losses for a Client and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

Environmental Hazards

Under environmental laws enacted by the United States and the various states within the United States, owners of property (and, in some cases, lenders to such owners) may be liable for the clean-up and removal of hazardous substances even where the owner was not responsible for placing the hazardous substances on the property or where the property became contaminated prior to the time the owner took title. Similar laws may be in effect in other jurisdictions where our Clients invest. The costs of investigation, removal and clean-up of hazardous substances and wastes can be extremely expensive and, in some cases, can exceed the value of a property. If any property acquired by a Client, directly or indirectly, through foreclosure or otherwise, subsequently were found to have an environmental contamination or other

concern, such acquiring entity could incur substantial costs and suffer a complete loss of its investment in such property as well as of other assets.

Climate Risks

Prolonged changes in climatic conditions could have a significant impact on the revenues, expenses and conditions of certain investments. Additionally, initiatives seeking to address climate change through regulation of greenhouse gas emissions have been adopted by, are pending or have been proposed before international and regional regulatory authorities around the world. Such regulations could materially impact the revenues and expenses of an investment. While the precise future effects of climate change are unknown, it is possible that climate change could create risks such as (i) regulatory/litigation risk (*e.g.*, changing legal requirements that could result in increased zoning and compliance costs, changes in business operations, the discontinuance of certain operations and related litigation); (ii) market risk (*e.g.*, declining market for products and services perceived as greenhouse gas intensive); and (iii) physical risk (*e.g.*, risks to plants or property owned, operated or insured by a company posed by rising sea levels, increased severity or frequency of storms, drought, changes of precipitation levels, wind levels, annual sunshine levels and other meteorological occurrences that are attributable to climate change or create or substantially contribute to other severe weather events). Such changes could affect companies, service providers and customers in ways that have a material adverse effect on our Clients and their investments. In the event that climate change causes sea levels to rise, certain portfolio investments might be forced to incur expenses to prevent assets from being damaged or rendered unusable by such rising sea levels. These risks could result in unanticipated delays or expenses, especially for electricity, and, under certain circumstances, could prevent completion of investment activities once undertaken, any of which could have an adverse effect on our Clients.

Force Majeure and Expropriation Risk

Companies or assets may be affected by force majeure events (*i.e.*, events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fires, floods, earthquakes, outbreaks of infectious disease, pandemics or any other serious public health concerns, wars, terrorism and labor strikes). Natural disasters, epidemics and other acts of God, which are beyond the control of Brinley, may negatively affect the economy, infrastructure and livelihood of people throughout the world. For example, Southeast Asia and many countries in Asia, including China, Japan, Indonesia and Australia have been affected by earthquakes, floods, typhoons, drought, heat waves and forest fires. Disease outbreaks have occurred in Asia in the past (including severe acute respiratory syndrome, or SARS, avian flu, H1N1/09 flu and COVID-19) and any prolonged occurrence of infectious disease, or other adverse public health developments or natural disasters in any country related to a Client's direct or indirect investments may have a negative effect on such Client. In addition, there is a risk of terrorist attacks on the United States and elsewhere, which could cause a significant loss of life and property damage and disruptions in global markets. For example, as a result of any terrorist attack, economic and diplomatic sanctions may be in place or imposed on certain countries and military action may be commenced.

Some force majeure events may negatively affect the ability of a party (including a Client or a counterparty to a Client) to perform its obligations until the force majeure event resolves. In addition, the cost to a Client of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Certain force majeure events (such as war or an outbreak of infectious disease) could have a broader

negative impact on the world economy and international business activity generally, or otherwise negatively impact any country related to a Client's direct or indirect investments. Additionally, a major governmental intervention in an industry, including the nationalization of an industry or the assertion of control over one or more companies or assets, could result in a loss to a Client, including if its investment is cancelled, unwound or acquired (which could be without what a Client considers to be adequate compensation). Any of the foregoing may therefore negatively affect the performance of a Client and its investments.

Losses resulting from any of the foregoing may either be uninsurable or only insurable at such high rates as to make such coverage impracticable. If any such major uninsured loss were to occur with respect to any of a Client's investments, such Client could incur substantial losses.

Infectious Diseases; Pandemics

Certain illnesses spread rapidly and have the potential to significantly adversely affect the global economy. Outbreaks such as the severe acute respiratory syndrome, avian influenza, H1N1/09, and, most recently, COVID-19, or other similarly infectious diseases may have material adverse impacts on our Clients, their respective general partners, Brinley, their respective affiliates and borrowers in respect of a Client's direct and indirect investments (which could, in turn, adversely impact the ability of such borrowers to repay indebtedness and the value of any collateral in respect thereof) or a Client's ability to source new investments or raise capital. Actual pandemics, or fear of pandemics, can trigger market disruptions or economic downturns with the consequences described above. Neither Brinley nor our Clients' respective general partners can predict the likelihood of disease outbreaks occurring in the future nor how such outbreaks may affect a Client's investments.

Further, the widespread outbreak of infectious diseases such as COVID-19 and containment efforts may adversely affect the ability, or the willingness, of a party (including our Clients, Brinley, a borrower or a counterparty or service provider to our Clients or a borrower) to perform its obligations under its contracts and has led to uncertainty over whether such failure to perform (or delay in performing) might be excused under so called "material adverse change," force majeure and similar provisions in such contracts. As a result, borrowers, counterparties and service providers to our Clients may fail to perform (or delay the performance of) their obligations to our Clients, pending transactions may not close on time or at all, our Clients, Brinley or a borrower may be forced to breach (or may determine not to perform its obligations under) certain agreements and litigation is likely to ensue, any of which could have a material adverse effect on our Client and their investments.

Political Uncertainty and Civil Unrest

Following the global financial crisis of 2008-2009 (the "*Global Financial Crisis*") and the subsequent uneven global recovery, the rise of populist political parties and economic nationalist sentiments has led to increasing political uncertainty and unpredictability throughout the world, including within many countries in Europe. Among the attendant risks of such rising populist movements and economic nationalist sentiments are greater regulatory uncertainty, for example, regarding the posture of governments with respect to taxation, international trade, immigration and law enforcement. Political instability or uncertainty could have an adverse effect on the global economy and, accordingly, our Clients' investments.

In addition, the United States is currently experiencing, and in recent years has experienced, increasing political and civil unrest and uncertainty. On September 17, 2020, Christopher Wray, Director of the U.S.

Federal Bureau of Investigation, testified before the U.S. House Homeland Security Committee regarding certain threats to the United States, including Domestic Violent Extremists (“*DVEs*”). Director Wray described DVEs as “individuals who commit violent criminal acts in furtherance of ideological goals stemming from domestic influences, such as racial bias and anti-government sentiment.” He testified that DVEs are driven by perceptions of government or law enforcement overreach, sociopolitical conditions, racism, anti-Semitism, Islamophobia, misogyny, and reactions to legislative actions and pose a steady and evolving threat of violence and economic harm to the United States. He also noted that DVEs have responded to peaceful movements, including First Amendment-protected activities, through violence and that racially motivated violent extremists make up the largest sub-set of DVEs, with individuals subscribing to a white supremacist-type ideology as the largest portion of such sub-set. The FBI has elevated racially motivated violent extremism to a “national threat priority,” which allows the FBI to dedicate significant additional resources towards related law enforcement action.

Political and civil unrest and uncertainty are heightened given that the United States held political elections during the unprecedented COVID-19 pandemic. As a result, voters requested mail-in or absentee ballots at an unprecedented rate. While historical evidence does not support the claim that mail-in or absentee ballots are inaccurate or lead to voter fraud, there have been attempts to cast into doubt the ability of the United States to run a free and fair election in 2020. Since the elections took place, election results have been contested, through the court system or otherwise, as a result of actual or perceived unfairness, undue influence or illegal action. Additionally, persons and organizations have claimed that certain political actions by certain governmental officials, in connection with the election or otherwise, are “corrupt” or a departure from historical norms. On January 6, 2021, DVEs and other persons participated in a violent riot at the U.S. Capitol, which resulted in extensive property damage and multiple fatalities.

This period of political and civil unrest and uncertainty is likely to continue and may have a negative effect on Brinley, our Clients and their investments.

Ongoing Crisis in Ukraine

On February 24, 2022, Russia launched a large-scale invasion of Ukraine marking the largest escalation of crisis in Ukraine to date. Although the Russian invasion and the conflict in Ukraine is ongoing and its long-term effects remain to be seen, the 2022 Russian invasion of Ukraine is likely to cause significant economic disruption and further calls from other countries for a severe sanctions regime that would seek to further isolate Russia from the world economy. In response to the Russian invasion of Ukraine in February 2022, the European Union, the United States, the UK and other governmental entities have passed a variety of severe economic sanctions and export controls against Russia, including imposition of sanctions against Russia’s Central Bank and largest financial institutions. In addition, a number of businesses have curtailed or suspended activities in Russia or dealings with Russian counterparts for reputational reasons. While current sanctions may not target Brinley, our Clients or their target investments more generally, these sanctions have had and may continue to have the effect of causing significant economic disruption and may adversely impact the global economy generally, and the Russian economy specifically by, among other things, creating instability in the energy sectors, reducing trade as a result of economic sanctions and increased volatility and uncertainty in financial markets, including Russia’s financial sector. Additionally, any new or expanded sanctions that may be imposed by the United States, EU, UK or other countries may materially adversely affect Brinley’s operations, including our Clients and their investments. In addition,

one or more investors in our Clients could become subject to sanctions or similar restrictions, whether related to the Ukraine conflict or otherwise, which could result in a default by such investors or other adverse consequences to such investors or our Clients or their investments, including as it relates to the ability of our Clients to consummate investments or to obtain financing.

Israel-Hamas Conflict

In October 2023, Hamas militants and members of other terrorist organizations infiltrated Israel's southern border from the Gaza Strip and conducted a series of attacks on civilian and military targets. Following the attack, Israel declared war against Hamas and commenced a military campaign against Hamas and other terrorist organizations in the Gaza Strip. In addition, there have been increasing numbers of attacks and other clashes between Israel and Hezbollah on Israel's northern border with Lebanon and in the West Bank, and the escalating conflict may in the future expand into a greater regional conflict or otherwise adversely impact other regions, as demonstrated by Houthi attacks on vessels traveling towards the Suez Canal. It has become increasingly difficult to predict the impact of these events or how long this conflict will last. The Israel-Hamas conflict and related events may significantly exacerbate the normal risks associated with our Clients and result in adverse changes to, among other things: (i) general economic and market conditions; (ii) shipping and transportation costs and supply chain constraints; (iii) interest rates, currency exchange rates, and expenses associated with currency management transactions; (iv) demand for the types of investments made by Clients; (v) available credit in certain markets; (vi) import and export activity from certain markets and capital controls; (vii) the availability of labor in certain markets; and (viii) laws, regulations, treaties, pacts, accords, and governmental policies. Such volatility may cause the risk of existing investments to differ significantly from Brinley's initial risk assessment, and affect our ability to assess the risk of investments going forward. Any of the foregoing could seriously and negatively impact our Clients and their portfolio companies' operations and their ability to realize their respective investment objectives.

Bank Stability

Our Clients are permitted to hold cash and cash equivalents at any given time during their terms. Available cash and cash equivalents are typically held in interest-bearing accounts or funds managed by third-party financial institutions. Our Clients' access to their invested cash and cash equivalents may be impacted by adverse conditions in the financial markets, and our Clients are subject to the risk that they may lose assets in connection with bank or other financial institution failures. Recently, numerous governments and their agencies have implemented interest rate policies designed to restore price stability in the face of inflationary pressures by increasing the underlying federal interest rate (or corresponding rate of the applicable jurisdiction). As a result of, among other reasons, such increasing interest rates, reserves held by banks and other financial institutions in bonds and other debt securities could face a significant decline in value relative to deposits and liabilities which, coupled with general economic headwinds resulting from a changing interest rate environment, creates liquidity pressures at such institutions. This pressure may be greater for midsized or regional banks that have less diversified customer bases or whose customer bases are concentrated in certain industries. Because of the nature of the portfolio companies of the private funds, there is a risk that they will have exposure to midsized or regional banks that face liquidity pressure. As a result of this environment, certain sectors of the credit markets could experience significant declines in liquidity, and it is possible that our Clients will not be able to manage this risk effectively.

Financial Market and Interest Rate Fluctuations

General fluctuations in the market prices of securities and other obligations as well as interest rates may affect the value of the investments held by a Client. Volatility and instability in the securities markets may also increase the risks inherent in Clients' investments. The ability of issuers or portfolio companies to refinance their debt securities may depend on their ability to sell new securities in the high yield debt or bank financing markets, which could be difficult to access at favorable rates. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed-rate instruments) and directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed-rate debt instrument and falling interest rates will have a positive effect on price. Adjustable-rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. A Client's investments will expose it to interest rate risks, meaning that changes in prevailing market interest rates could negatively affect the value of such investments. Factors that may affect market interest rates include, without limitation, inflation, slow or stagnant economic growth or recession, unemployment, money supply, governmental monetary policies, international disorder and instability in domestic and foreign financial markets. It is expected that a Client's portfolio will periodically experience imbalances in the interest rate sensitivities of its underlying assets and liabilities and the relationships of various interest rates to each other. In a changing interest rate environment, Clients may not be able to manage this risk effectively. If Clients are unable to manage interest rate risk effectively, Clients' performance could be adversely affected. While a Client may seek to do so, it is not expected to hedge its interest rate risk.

Changes to the Benchmark Rates

The London inter-bank offered rate ("**LIBOR**") and other inter-bank lending rates and indices (such rates and indices which are deemed to be benchmark rates together with LIBOR, the "**Benchmark Rates**") have been the subject of ongoing national and international regulatory guidance and proposals for reform. As of December 31, 2021, all seven Euro and Swiss franc LIBOR tenors, overnight, one-week, two-month and 12-month sterling LIBOR, spot next, one-week, two-month and 12-month yen LIBOR, and one-week and two-month U.S. dollar LIBOR have been permanently discontinued. Publication of the overnight and 12-month U.S. dollar LIBOR settings permanently ceased on June 30, 2023, while the one-month, three-month and six-month U.S. dollar LIBOR settings will be published until September 30, 2024, using an unrepresentative "synthetic" methodology and then are expected to permanently cease as of September 30, 2024. The U.S. federal banking agencies have issued guidance strongly encouraging banking organizations to cease using U.S. dollar LIBOR as a reference rate in new contracts. Similar statements have been made by regulators with respect to the other Interbank Offered Rates (each, an "**IBOR**"). The Federal Reserve, in conjunction with the Alternative Reference Rates Committee (the "**ARRC**"), a steering committee comprised of large U.S. financial institutions, identified the Secured Overnight Financing Rate ("**SOFR**"), an index calculated by reference to short-term repurchase agreements, backed by Treasury securities, as its preferred alternative rate for U.S. dollar LIBOR. With respect to other IBORs, other alternative reference rates have been recommended in the relevant jurisdictions, including the Sterling Overnight Index Average ("**SONIA**") as the primary sterling interest rate benchmark and the Euro Short-Term Rate ("**€STR**") as the

new euro risk-free rate. At this time, there remains uncertainty regarding how markets will respond to the reform and replacement of IBORs (including LIBOR) with risk-free rates (such as SOFR). These risk-free rates have a different methodology and other important differences from the IBORs that they are to replace and may result in interest rates that are higher or lower than the rates and payments that would have been required prior to such reforms. In addition, the use of the risk-free rates, including SOFR based rates, is relatively new, there is relatively limited historical data, and there could be unanticipated difficulties or disruptions with the calculation and publication of these risk-free rates. As a result, there can be no assurance as to how the replacement rates may perform or to predict all potential effects of these changes on the U.S. and global credit markets. Furthermore, the use of SOFR or other risk-free rates as replacement reference rates could impose costs on a Client, resulting in costs incurred to close out positions and enter into replacement trades. It is not possible at this point to identify all of the risks associated with replacing IBORs with risk-free rates. Until their discontinuance, a Client could continue to invest in instruments and/or engage in other transactions that reference LIBOR or other IBORs.

In addition, as part of the transition to a replacement benchmark, parties could seek to adjust the spreads relative to such benchmarks in underlying contractual arrangements. It is not possible to predict the effect of any such changes, any establishment of alternative reference rates, whether the COVID-19 outbreak will have further effect on LIBOR transition timelines or plans, or other reforms to the Benchmark Rates that could be enacted in the United States, the United Kingdom or elsewhere.

It should also be noted that the interest rates applicable to cash equivalents held by a Client could be fixed or floating and are generally expected to be lower than the interest rates on the investments. Accordingly, changes in the level of any applicable floating rate index or the holding of significant assets in the form of cash equivalents could adversely affect the ability of Clients to make debt service payments on the aggregate outstanding amount of indebtedness.

General Economic Conditions and Recent Events

Various sectors of the global financial markets have in the past experienced extended periods of adverse conditions. During such periods, global market uncertainty increased dramatically. Those conditions resulted in disruption of the global credit markets, periods of reduced liquidity, greater volatility, general widening of credit spreads and a lack of price transparency. Such volatile and often difficult global credit market conditions have episodically adversely affected the market values of equity, fixed income and other financial instruments and there is no guarantee that a period of adverse conditions will not return in which these circumstances may occur again. Our Clients' investments are expected to be sensitive to the performance of the overall global economy. If such adverse conditions were to return, a negative impact on economic fundamentals and consumer and business confidence would likely increase market volatility and reduce liquidity, both of which could have a material adverse effect on the performance of our Clients and these or similar events may affect the ability of the Clients to execute their investment strategies.

Time Required for Maturity of Investments; Investments Longer than the Term

Certain securities or obligations held by our Clients may have terms longer than the terms of such Clients and certain loans may have grace periods of several years. Furthermore, a Client may, in connection with collateral held by it, acquire non-marketable common or preferred equity securities and other illiquid assets with equity participation features, which, to the extent that they have value at all, will likely not have

realizable value for a significant period of time. Accordingly, it is unlikely that significant distributions to investors will occur for a number of years from the date of the investors' applicable capital contributions, and certain investments may need to be disposed of upon dissolution of Clients for less than their potential value.

In addition, although upon the expiration of a Client's term (or other event triggering a dissolution event) the Client's general partner (or a liquidating trustee) will liquidate in an orderly fashion all investments and distribute the cash proceeds therefrom, a Client's general partner is generally not required to dispose of the Client's investments within any set period of time, and there can be no assurances with respect to the time frame in which the liquidation of a Client's investments and the final distribution of proceeds to the investors will occur. Therefore, Clients are not a suitable investment for investors that require current income from their investment and/or a return of their invested capital within a specific period of time.

Early Prepayment

Certain debt that the Clients may invest in may be repaid early, so that the actual maturity of such investments is shorter than their stated final maturity calculated solely on the basis of the stated life and repayment schedule. Generally, voluntary prepayments are permitted, and the timing of such prepayments cannot be predicted with any accuracy. The degree to which borrowers prepay debt, whether as a contractual requirement or at their election, may be affected by general business conditions, market interest rates, the borrower's financial condition and competitive conditions among lenders. Prepayments are likely to be made during any period of declining interest rates. Such prepayments may result in Clients receiving a lower than anticipated yield on such investments.

Highly Leveraged Companies

While there may be restrictions under the governing documents of our Clients on the degree of leverage that the issuers or portfolio companies in which Clients invest may incur, many of our Clients' investments are expected to be in issuers or portfolio companies whose capital structures may have significant leverage (including to the extent a Client holds second-lien debt interests or invests in a unitranche facility that is subject to a super-senior revolver, certain leverage senior to such Client's investments). Such investments are inherently more sensitive to declines in revenues, competitive pressures and increases in expenses and interest rates. The leveraged capital structure of such issuers or portfolio companies will increase their exposure to adverse economic factors, such as downturns in the economy or deterioration in the condition of the issuers or portfolio companies or their industries, and, to the extent a Client holds second-lien debt or other types of subordinated debt interests therein, such issuers or portfolio companies may be subject to restrictive financial and operating covenants in more senior debt instruments and contracts that adversely impact such Client's investments. Substantial indebtedness of a highly leveraged issuer may add additional risk with respect to such issuer, and could (i) limit its ability to borrow money for its working capital, capital expenditures, debt service requirements, strategic initiatives or other purposes; (ii) require it to dedicate a substantial portion of its cash flow from operations to the repayment of its indebtedness, thereby reducing funds available to it for other purposes; (iii) make it more highly leveraged than some of its competitors, which may place it at a competitive disadvantage; and/or (iv) subject it to restrictive financial and operating covenants, which may preclude it from favorable business activities or the financing of future operations or other capital needs. If an issuer in which a Client invests cannot generate adequate cash flow to meet its debt obligations, the issuer may default on its loan agreements or be forced into bankruptcy resulting in a

restructuring of the issuer's capital structure or liquidation of the issuer. Alternatively, the issuer may take other measures to satisfy its obligations under its indebtedness, including, without limitation, reducing or delaying capital expenditures, selling assets, seeking additional capital, or restructuring or refinancing indebtedness. Any of these actions could significantly reduce the value of our Clients' investments. Furthermore, to the extent issuers or portfolio companies in which a Client invested have become insolvent, a Client may determine, in cooperation with other debtholders or on its own, to engage, at such Client's expense, in whole or in part, counsel and other advisors in connection therewith. To the extent a Client incurs such expenses, and they are not reimbursed by the issuer, they will reduce such Client's returns. In addition to leverage in the capital structure of the issuer, a Client's general partner may incur leverage on behalf of such Client (see "*Use of Leverage*" below).

Bankruptcy and Other Proceedings

Investments in companies or other entities involved in bankruptcy proceedings involve a number of significant risks. Many of the events within a bankruptcy litigation are adversarial and often beyond the control of the creditors. While creditors generally are afforded an opportunity to appear and be heard, there can be no assurance that a bankruptcy court will not approve actions that may be contrary to the interests of creditors, including our Clients.

Generally, the duration of a bankruptcy litigation can only be roughly estimated. The reorganization of a company usually involves the development and negotiation of a plan of reorganization, plan approval by creditors and confirmation by the bankruptcy court. This process can involve substantial legal, professional and administrative costs to the company and/or our Clients; it is subject to unpredictable and lengthy delays; and, during the process, the company's competitive position may erode, key management may depart, and the company may not be able to invest adequately. In some cases, the company may not be able to reorganize and may be required to liquidate assets. The debt of companies in financial reorganization will, in most cases, not pay current interest, may not accrue interest during reorganization and may be adversely affected by an erosion of the issuer's fundamental value. Such investments can result in a total loss of principal.

U.S. bankruptcy law permits the classification of "substantially similar" claims in determining the classification of claims in a reorganization for purpose of voting on a plan of reorganization. Because the standard for classification is vague, there exists a significant risk that our Clients' influence with respect to a class of claims can be lost by the inflation of the number and the amount of claims in, or other gerrymandering of, the class. In addition, certain administrative costs and claims that have priority by law over the claims of certain creditors (for example, claims for taxes) may be quite high. Furthermore, there are instances where creditors and equity holders lose their ranking and priority as such when they take over management and functional operating control of a debtor. In those cases where a Client, by virtue of such action, is found to exercise "domination and control" of a debtor, such Client may lose its priority if the debtor can demonstrate that its business was adversely impacted or other creditors and equity holders were harmed by such Client. In addition, it is possible a court may invalidate, in whole or in part, the indebtedness held by a Client as a fraudulent conveyance, subordinate such indebtedness to existing or future creditors of the obligor or recover amounts previously paid by the obligor in satisfaction of such indebtedness.

Brinley or our affiliates, on behalf of our Clients, may elect to serve on creditors' committees, official or unofficial, equity holders' committees or other groups to ensure preservation or enhancement of any such

Client's position as a creditor or equity holder. A member of any such committee or group may owe certain obligations generally to all parties similarly situated that the committee represents. If Brinley or our affiliates conclude that our obligations owed to the other parties as a committee or group member conflict with the duties owed to our Clients, Brinley may resign from that committee or group, and our Clients may not realize the benefits, if any, of participation on the committee or group. In addition, and also as discussed above, if any Client is represented on a committee or group, it may be restricted or prohibited under applicable law from disposing of its investments in such issuer while it continues to be represented on such committee or group.

Limited Amortization Requirements

Our Clients may invest in loans that have limited mandatory amortization requirements. While these loans may obligate an issuer to repay the loan out of asset sale proceeds or with annual excess cash flow, repayment requirements may be subject to substantial limitations that would allow an issuer to retain such asset sale proceeds or cash flow, thereby extending the expected weighted average life of the investment. In addition, a low level of amortization of any debt over the life of the investment may increase the risk that the issuer will not be able to repay or refinance the loans held by our Clients when they mature.

Liquidity of Markets

At times, certain sectors of the credit markets have experienced significant declines in liquidity. While such events may sometimes be attributable to changes in interest rates or other factors, the cause is not always apparent. During such periods of market illiquidity, our Clients may not be able to sell assets in their portfolios or may only be able to do so at unfavorable prices. Such "liquidity risk" could adversely impact the value of our Clients' portfolios and may be difficult or impossible to hedge against.

Valuation Matters

The fair value of all of a Client's investments and of any property received by a Client in exchange for any of its investments will be determined by such Client's general partner and/or Brinley in accordance with the valuation guidelines adopted by such Client's general partner and/or Brinley. Substantially all of each Client's portfolios are expected to consist of securities and obligations that are subject to legal or other restrictions on transfer and/or for which there is no, or a limited, liquid market and for which the market prices, if any, tend to be volatile. As such, the fair value of such investments used by Clients' respective general partners and Brinley will generally be based on valuations performed by one or more independent valuation firms engaged by Brinley to provide valuations for all or a subset of each Client's investments. Where Brinley engages an independent valuation firm on behalf of a Client, the analysis performed by such independent valuation firm will generally be based upon (i) one or more methodologies or models employed by such independent valuation firm that are consistent with Accounting Standards Codification 820 ("**ASC 820**") issued by the Financial Accounting Standards Board; (ii) information and/or assumptions provided to it by Clients' respective general partners and/or Brinley, which may include analyses conducted by Brinley's investment professionals (e.g., investment committee memos) and/or information received from the relevant portfolio companies and/or other third party sources (e.g., financial statements, compliance certificates, quality of earnings reports, etc.), all of which the independent valuation firm may rely upon as being accurate without independent verification. The independent valuation firm may also reference its own proprietary models, databases and other sources of public and private market and transaction data in

performing valuations. Clients' respective general partners and/or Brinley are ultimately and solely responsible for determining the fair value of the investments and for determining and implementing procedures and policies that are appropriate for a Client. All determinations of value by Clients' respective general partners and/or Brinley will be final and binding on all investors.

The valuation of a Client's portfolio in accordance with the foregoing will involve various subjective determinations that entail judgment on the part of Clients' respective general partners and/or Brinley and the third-party sources from which Clients' respective general partners and/or Brinley obtains valuation information (including any third-party valuation firms engaged to perform valuations of a Client's portfolio investments). There is no single standard for determining fair value in good faith and in many cases fair value is best expressed as a range of fair values from which a single estimate may be derived. It is expected that it will be necessary in certain circumstances to rely on models and/or make assumptions regarding various facts and circumstances that cannot be predicted or verified with certainty, particularly when valuing less liquid and hard-to-value investments. There can be no assurance that such models, assumptions or determinations will be correct. Therefore, the fair value that is ascribed to an investment by Clients' respective general partners or Brinley may not accurately reflect the price at which the investment is eventually disposed of, and the difference between such fair value and the ultimate sale price could be material. Moreover, because the valuation of a Client's investments will affect a Client's reported performance and, in certain circumstances (such as a distribution in kind of property to the investors), the carried interest or other performance-based compensation to which a Client's applicable general partner is entitled, the Client's general partner and/or Brinley could be incentivized to place a higher valuation on a Client's investments than would otherwise be the case in the absence of such factors. Although any independent valuation firm engaged on behalf of Clients will perform an independent valuation analysis of the relevant investments, such independent valuation firm will be selected by Brinley, paid by Clients and reliant on the Clients' respective general partners and/or Brinley for all or substantially all of the information needed to conduct such valuation analysis.

Opportunistic/Macro Investing

Our Clients may invest on an opportunistic basis, seeking to take advantage of trends in the market. Unlike traditional investing, in which investment decisions may be based entirely on the fundamental financial condition of an issuer, opportunistic investing relies on the ability of Brinley to identify trends in the market and to invest in such trends before the rest of the market, and then sell before a trend ends. Opportunistic investing can be very volatile and involve heavy short-term trading. Short-term trading can generate high trading costs and produce gains taxable at higher rates.

"Widening" Risk

For reasons not necessarily attributable to any of the risks enumerated above (for example, supply/demand imbalances or other market forces), the prices of the securities or other obligations in which our Clients invest may decline substantially. In particular, purchasing assets at what may appear to be "undervalued" levels is no guarantee that these assets will not be trading at even more "undervalued" levels at a time of valuation or at the time of sale. It may not be possible to predict, or to hedge against, such "spread widening" risk.

Ability to Acquire Assets at Favorable Spreads; Competition and Supply

The potential for current income and capital appreciation for our Clients' investors will depend, in large part, on the ability of Brinley and/or our affiliates to source investments for our Clients on advantageous terms. Our Clients intend to purchase securities and other obligations from investment banking firms, traders, portfolio managers, sponsors, borrowers and other parties. In acquiring such securities and other obligations, our Clients will compete with a broad spectrum of institutional investors, many of which have greater financial resources than our Clients. Increased competition for, or a reduction in the available supply of, qualifying investments could result in higher prices for, and thus lower yields on, such investments.

Highly Volatile Markets

Price movements of our Clients' investments may be highly volatile and influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange-control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies, financial instruments, futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. Our Clients also are subject to the risk of the failure of any exchanges on which the positions of our Clients trade or of their clearinghouses.

Inflation

Inflation and rapid fluctuations in inflation rates have had in the past, and may in the future have, negative effects on the economies and financial markets, particularly in emerging economies, but also in more developed economies, including in the U.S. economy, which is experiencing inflation at rates that have not been experienced in decades. Global supply chain issues, strong consumer demand as economies continue to reopen and other factors, have exacerbated this trend. For example, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments, and increases in energy prices will have a ripple effect through the economy. In an attempt to stabilize inflation, countries may impose wage and price controls or otherwise intervene in the economy. Governmental efforts to curb inflation often have negative effects on the level of economic activity. There can be no assurance that inflation will not become a serious problem in the future and have an adverse impact on issuers, portfolio companies, or our Clients' returns. If an issuer is unable to increase its operating income in times of higher inflation, its profitability will be adversely affected. As inflation rises, issuers and portfolio companies will likely incur higher expenses, including, among others, development and construction costs, which may result in such issuers or portfolio companies lacking sufficient capital to complete their activities; as inflation declines, issuers and portfolio companies might be unable to reduce expenses in line with any resulting reduction in revenue.

Social Media

The use of social networks such as Facebook, X (formerly known as Twitter), TikTok and Instagram, message boards such as Reddit and other internet channels has become widespread within the U.S. and globally. As a result, individuals now can rapidly and broadly disseminate information or misinformation without relying on traditional media intermediaries. Information often spreads rapidly across large segments

of the U.S. and global population, frequently without any independent verification as to its accuracy, which has led to the spread of misinformation in many cases. The spread of information or misinformation regarding Brinley, our Clients, portfolio investments or their respective affiliates could result in material and adverse effects on any of the foregoing. Furthermore, certain administrators of or other service providers to social networks, message boards, app stores, websites and other internet outlets have taken actions to ban, block, verify or censor the content disseminated on their networks. Such actions, or similar actions taken by government regulators or courts, could negatively affect Brinley, our Clients, issuers or portfolio companies our Clients invest in or their respective affiliates (*e.g.*, if an issuer were to face public backlash or regulatory penalties for taking such actions, or if an issuer were itself the subject of such a ban).

Global Supply Chain Disruptions

The companies in which our Clients invest, as well as counterparties or service providers to such companies, may depend on goods and services that may be affected by disruptions to global supply chain networks. Such companies' procurement of goods and services are subject to risks associated with political or financial instability, the availability of raw materials to suppliers, merchandise quality issues, trade restrictions, tariffs, currency exchange rates, labor problems, transport capacity and costs and other factors relating to foreign trade, including costs and uncertainties associated with potential sell-through difficulties and reputational damage that may be associated with such companies' inability to be able to provide their goods and services on a timely and quality basis as a result of any of the foregoing.

Technological Innovations

Other companies may implement, and be successful in implementing, a technological approach to their investment strategies that may compete with our Clients and/or their investments, which may cause alterations to the market practices our Clients strategies have been designed to function within and depend on for investment return, which may in turn cause Brinley to implement changes to our Clients' investment practices. The COVID-19 pandemic may also become a catalyst for many business sectors to innovate or reformulate their business models or interactions with the public, including relying on additional virtual solutions that spur technological innovation. Any of these new approaches could damage our Clients and/or their investments, significantly disrupt the market in which they operate and subject them to increased competition, which could materially and adversely affect our Clients' business, financial condition and results.

Artificial Intelligence and Machine Learning Developments

Recent technological advances in artificial intelligence and machine learning technology (collectively, "***Machine Learning Technology***"), including OpenAI's release of its ChatGPT application, pose risks to Brinley, our Clients and the issuers or portfolio companies our Clients invest in Brinley, our Clients and the issuers or portfolio companies our Clients invest in could be exposed to the risks of Machine Learning Technology if third-party service providers or any counterparties, whether or not known to Brinley, use Machine Learning Technology in their business activities. Brinley will not be in the position to control the way third-party products are developed or maintained or the way third-party services are provided.

Use of Machine Learning Technology by any of the parties described in the previous paragraph could include the input of confidential information (including material non-public information)—for example, by third parties in contravention of non-disclosure agreements—into Machine Learning Technology

applications, resulting in such confidential information becoming part of a dataset that is accessible by other third-party Machine Learning Technology applications and users. See also “*Fund Risks – Systems Risk and Cybersecurity Risks*” below.

Independent of its context of use, Machine Learning Technology is generally highly reliant on the collection and analysis of large amounts of data, and it is not possible or practicable to incorporate all relevant data into the model that Machine Learning Technology utilizes to operate. Certain data in such models will inevitably contain a degree of inaccuracy and error—potentially materially so—and could otherwise be inadequate or flawed, which would be likely to degrade the effectiveness of Machine Learning Technology. To the extent that Brinley, our Clients and the issuers or portfolio companies our Clients invest in are exposed to the risks of Machine Learning Technology use, any such inaccuracies or errors could have adverse impacts on Brinley, our Clients and the issuers or portfolio companies our Clients invest in.

Machine Learning Technology and its applications, including in the private investment and financial sectors, continue to develop rapidly, and it is impossible to predict the future risks that may arise from such developments.

Investment and Strategy Risks

Stressed and Distressed Investments

Although our Clients expect to focus on investments in performing issuers, our Clients may invest in securities or other obligations of companies that are experiencing significant financial or business difficulties, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Although such investments have the potential to generate significant returns, they involve a substantial degree of risk and the potential to cause significant losses. Any one or all of our Clients’ investments in the issuers of such stressed or distressed securities or other obligations may be unsuccessful or not show any return for a considerable period of time. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that we will correctly evaluate the value of the assets collateralizing our Clients’ investments in distressed securities or other obligations or the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to an issuer in which a Client invests, such Client may lose its entire investment or may be required to accept cash or securities with a value less than such Client’s original investment. Under such circumstances, the returns generated from such Client’s investments may not compensate the investors adequately for the risks assumed.

Troubled company investments and other distressed asset-based investments require active monitoring and may, at times, require participation in business strategy or reorganization proceedings by Brinley. To the extent that Brinley becomes involved in such proceedings, the Clients may have a more active participation in the affairs of the company than that assumed generally by an investor. In addition, involvement by Brinley in a company’s reorganization proceedings could result in the imposition of restrictions limiting a Client’s ability to liquidate its position in the applicable issuer.

Furthermore, reorganizations can be contentious and adversarial. It is by no means unusual for participants to use the threat of, as well as actual, litigation as a negotiating technique. During the term of a Client, the general partner of such Client, Brinley and such Client may be named as defendants in civil proceedings.

The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne by such Client and would reduce net assets.

Leveraged Loans

Our Clients may invest in leveraged loans. Leveraged loans purchased by our Clients will generally be rated below investment grade or may also be unrated. As a result, the risks associated with leveraged loans are similar to the risks of other below investment grade fixed-income instruments. Investments in leveraged loans rated below investment grade are considered speculative because of the credit risk of their issuers. Such companies are more likely than investment grade issuers to default on their payments of interest and principal owed to their creditors, including our Clients, and such defaults could have a materially adverse effect on our Clients' performance. An economic downturn would generally lead to a higher non-payment rate, and a leveraged loan may lose significant market value before a default occurs. Moreover, there is a risk that the collateral securing any loans may decrease in value over time, may be difficult to sell in a timely manner, may be difficult to appraise and may fluctuate in value based upon the success of the business and market conditions, including as a result of the inability of the issuer to raise additional capital, and, in some circumstances, a Client's liens could be subordinated to claims of other creditors. Consequently, the fact that a loan is secured does not guarantee that a Client will receive principal and interest payments according to the loan's terms, or at all, or that a Client will be able to collect on the loan should it be forced to enforce its remedies. In addition, our Clients will hold loans with borrowers that may have little or no operating history. Business risks are more significant in smaller borrowers or those that are embarking on a build-up or operating turnaround strategy.

In general, the secondary trading market for leveraged loans may not be as liquid or efficient as certain other debt instruments. No active trading market may exist for certain leveraged loans, which may make it difficult to value or trade them. Illiquidity and adverse market conditions may mean that a Client may not be able to sell leveraged loans quickly or equal to the full value of any such loan. To the extent that a secondary market does exist for certain leveraged loans, the market for them may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods.

Other risks associated with a leveraged loan include the possible invalidation of the underlying loan as a fraudulent conveyance under relevant creditor's rights laws and depreciation in the value of the collateral securing the obligations of such loan. A Client may suffer losses arising from these and other risks.

There may be less readily available and reliable information about most leveraged loans than is the case for many other types of securities, including securities issued in transactions registered under the Securities Act or registered under the Commodity Exchange Act, as amended (the "***Commodity Exchange Act***"). As a result, Brinley will rely primarily on our own evaluation of a borrower's credit quality rather than on any available independent sources. Therefore, our Clients will be particularly dependent on the analytical abilities of Brinley with respect to a Client's investments in leveraged loans.

Assignments

Our Clients may also purchase assignments, which are arrangements whereby a creditor assigns an interest in a loan to a Client. The purchaser of an assignment typically succeeds to all the rights and obligations of the assignor of the loan and becomes a lender under the loan agreement and other operative agreements relating to the investment. Assignments are, however, arranged through private negotiations between

potential assignees and potential assignors, and the rights and obligations acquired by the purchaser of an assignment may differ from, and be more limited than, those held by the assignor of the loan. In contrast to the rights of a Client as an owner of a participation, such Client, as an assignee, will generally have the right to receive directly from the obligor all payments of principal, interest and any fees to which it is entitled. In some assignments, the obligor may have the right to continue to make payments to the assignor with respect to the assigned portion of the loan. In such a case, the assignor would be obligated to receive such payments as agent for a Client and to promptly pay over to such Client such amounts as are received. As a purchaser of an assignment, a Client typically will have the same voting rights as other lenders under the applicable loan agreement and will have the right to vote to waive enforcement of breaches of covenants. Our Clients will also have the same rights as other lenders to enforce compliance by the obligor with the terms of the loan agreement, to set-off claims against the obligor and to have recourse to collateral supporting the investment. As a result, a Client may not bear the credit risk of the assignor and the insolvency of an assignor of a loan should have little effect on the ability of such Client to continue to receive payments of principal, interest or fees from the obligor. Such Client will, however, assume the credit risk of the obligor.

Participation Interests

Our Clients may purchase participation interests in debt instruments which do not entitle the holder thereof to direct rights against the obligor. Participations held by our Clients in a seller's portion of a debt instrument typically result in a contractual relationship only with such seller, not with the obligor. In such case, our Clients have the right to receive payments of principal, interest and any fees to which they are entitled only from the seller and only upon receipt by such seller of such payments from the obligor. In connection with purchasing participations, our Clients generally will have no right to enforce compliance by the obligor with the terms of the related loan agreement, nor any rights of set-off against the obligor and such Clients may not directly benefit from the collateral supporting the debt instrument in which it has purchased the participation. As a result, our Clients will assume the credit risk of both the obligor and the seller selling the participation. In the event of the insolvency of such seller, our Clients may be treated as a general creditor of such seller, and may not benefit from any set-off between such seller and the obligor. Well-publicized weaknesses in certain financial institutions that came to light following the Global Financial Crisis could be indicative of increased counterparty risk with respect to, among other things, participation interests. Additionally, the transparency of financial statements used by such financial institutions, in particular, with respect to the value of complex financial assets, has been called into question. If any of our Clients holds a participation in a debt instrument, it may not have the right to vote to waive enforcement of any restrictive covenant breached by an obligor or, if any of our Clients does not vote as requested by the seller, it may be subject to repurchase of the participation at par. Sellers voting in connection with a potential waiver of a restrictive covenant may have interests different from those of our Clients, and such selling institutions may not consider the interests of our Clients in connection with their votes. In addition, participations may expose our Clients to risks relating to financing cost, margin requirements and increased losses associated with the use of leverage in connection with unfunded or partially funded participations.

Investments in High Yield and Lower Credit Quality Securities and Obligations

There may be no or few restrictions in the governing documents of our Clients on the credit quality of our Clients' investments and our Clients may invest primarily in securities and obligations that are below investment grade and/or unrated. Securities in which our Clients may invest may be deemed by rating companies to have substantial vulnerability to default in payment of interest and/or principal. Other securities may be unrated. Such securities and obligations are generally not exchange traded and, as a result, these instruments trade in a smaller secondary market than exchange-traded bonds. In addition, our Clients are permitted to invest in securities and obligations of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. Issuers of securities and obligations that are below investment grade and/or unrated face ongoing uncertainties and exposure to adverse business, financial or economic conditions that could lead to their inability to meet timely interest and principal payments. As a result, such securities and obligations generally offer a higher return potential than higher-rated securities and obligations, but involve greater volatility of price and greater risk of loss of income and principal. In addition, the market values of certain of these lower-rated and/or unrated securities and obligations (such as subordinated securities and obligations) also tend to be more sensitive to changes in economic conditions than higher-rated securities (for example, a severe economic recession could have a material adverse impact on the value of such securities and obligations). Declining collateral values, in particular, will increase the risk of loss upon default, and may lead to a downgrading of such lower-rated securities and obligations by rating agencies. Lower-rated and unrated securities and obligations in which our Clients may invest have large uncertainties or major risk exposures to adverse conditions and are considered to be predominantly speculative.

The value of lower-rated and/or unrated securities and obligations may also be affected by changes in the market's perception of the entity issuing or guaranteeing them, or by changes in government regulations and tax policies. Furthermore, companies that issue lower-rated and/or unrated securities and obligations are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could severely disrupt the market for lower-rated and/or unrated securities and obligations and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities and obligations to repay principal and pay interest thereon and increase the incidence of default of such securities and obligations.

Warrants

Our Clients may receive warrants (including in connection with a debt investment as a yield enhancement, additional consideration or "equity kicker") and, in certain circumstances, may be required to exercise such warrants in order to hold the underlying securities. Clients would seek to negotiate "cashless" exercise for all warrants that it receives, whereby no investment will be required to convert; however, on occasion it may not be possible to negotiate such "cashless" exercise, and our Clients may be required to invest cash to convert warrants and hold underlying securities, which may subsequently lose some or all of their value.

Loan Origination

Our Clients' investment programs are expected to focus on originating loans to private companies (or, in certain circumstances, to finance the acquisition or "take-private" of public companies). Loan origination

involves a number of particular risks that may not exist in the case of secondary debt purchases, including the following:

When originating loans, we will generally have to rely more on our own resources to conduct due diligence of the borrower, which will likely be more limited than the diligence conducted for a broadly syndicated transaction involving an underwriter or arranging bank;

Loan origination may involve additional regulatory risks given the requirement to hold a license for certain types of lending in some jurisdictions. Applying for and obtaining required licenses can be costly and take many months. There is no assurance that Brinley and/or our Clients will obtain all of the licenses that we need on a timely basis. Certain of such licensing requirements may require our Clients to disclose information about such Clients to the applicable regulator(s), including the identities of some or all of our investors, officers and/or control persons, sensitive financial information and/or impose other requirements in order to obtain and maintain these licenses. There is no assurance that our Clients will be willing or able to satisfy these requirements or that any such licenses or authorizations will be granted or, if granted, whether any such licenses or authorizations will impose restrictions on such Clients that impede their investment objectives. The failure to obtain or maintain licenses might restrict investment options and/or have other adverse consequences for the Clients, including fines and (in extreme circumstances) criminal liability. We will review and take advice on the loan origination regulations in each relevant jurisdiction and seek to ensure that our Clients' investments are compliant with such regulations. However, the scope of these regulatory requirements (and certain permitted exemptions) vary from jurisdiction to jurisdiction, are often ambiguous with limited judicial or interpretive guidance, and may change from time to time. Consequently, it is possible that we may be compelled to structure certain potential investments in a manner that would not require such licenses and authorizations; however, such transactions may be inefficient or otherwise disadvantageous for our Clients and are subject to the risk that licensing authorities do not accept such structuring alternatives in lieu of obtaining a license or authorization;

As further described below, the borrowers to which our Clients originate loans may in some circumstances be higher credit risks who could not obtain debt financing in the syndicated or public markets;

In originating loans, we depend on our investment professionals' relationships with private equity sponsors, investment banks and commercial banks, and rely to a significant extent upon these relationships to provide Brinley and our Clients with potential investment opportunities. If Brinley and our investment professionals fail to maintain the existing relationships or to develop new relationships with other sponsors or sources of investment opportunities, our Clients may not be able to grow their investment portfolio. In addition, individuals with whom Brinley or our investment team have relationships are not obligated to provide Brinley with investment opportunities, and, therefore, there is no assurance that such relationships will generate investment opportunities for our Clients.

In originating loans, our Clients will compete with a broad spectrum of lenders, some of which may have greater financial and other resources than our Clients (including lower cost of capital and access to funding sources that are not available to our Clients), and some of which may have higher risk tolerances and/or be willing to lend money on better terms (from a borrower's standpoint) than our Clients. Increased competition for, or a diminution in the available supply of, qualifying loans may result in lower yields on such loans, which could reduce returns to our Clients. The level of analytical sophistication, both financial and legal, necessary for successful financing to companies, particularly companies experiencing significant

business and financial difficulties is unusually high. There is no assurance that we will correctly evaluate the value of the assets collateralizing these loans or the prospects for successful repayment or a successful reorganization or similar action.

Loan Origination Regulation

Our Clients are expected to engage in originating (and may provide agency, servicing or other related services in connection therewith). Therefore, our Clients may be subject to state and federal regulation, borrower disclosure requirements, limits on fees and interest rates on some loans, state lender licensing requirements (as described herein) and other regulatory requirements in the conduct of its business as they pertain to such transactions. To the extent applicable, our Clients may also be subject to consumer disclosures and substantive requirements on consumer loan terms and other federal regulatory requirements applicable to consumer lending that are administered by the Consumer Financial Protection Bureau and other applicable regulatory authorities. These state and federal regulatory programs are designed to protect borrowers, but can be complex and costly to comply with.

Loans to Private and Middle-Market Companies

Our Clients are expected to make investments in the securities and/or other obligations of private and middle-market companies. Investing in private and middle-market companies involves risks that may not exist in the case of large, more established and/or publicly traded companies, including:

These companies may have limited financial resources and limited access to additional financing, which may increase the risk of their defaulting on their obligations, leaving creditors, such as our Clients, dependent on any guarantees or collateral that they may have obtained;

These companies frequently have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which render such companies more vulnerable to competition and market conditions, as well as general economic downturns;

There will not be as much information publicly available about these companies as would be available for public companies and such information may not be of the same quality;

These companies are more likely to depend on the management talents and efforts of a small group of persons; as a result, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on these companies' ability to meet their obligations;

These companies generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance their expansion or maintain their competitive position; and

These companies may have difficulty accessing the capital markets to meet future capital needs, which may limit their ability to grow or to repay their outstanding indebtedness upon maturity.

In addition, the negotiation process for a private loan may stall or be abandoned for reasons other than Brinley's lack of interest in the investment itself. If this happens after a Client has committed, such Client may receive smaller allocations or no allocation, may receive allocations on different terms than expected and/or may not be reimbursed for expenses incurred in connection with such unconsummated transactions.

Private loans are typically illiquid, may require issuer or borrower consent to trade and may involve Brinley (on behalf of itself and a Client) obtaining material non-public information that restricts further trading in the issuers to which such material non-public information relates (even if the initial transaction is not consummated). Although we may arrange limited-purpose, issuer-specific information barriers in the context of private loan investments to mitigate this risk, we do not always do so. For further information regarding the risks associated with the inadvertent cross of information over an information barrier, see Item 11 below under the caption “Conflicts of Interest—Information Barriers and Material Non-Public Information.”

Nature of Investment in Senior Debt

Our Clients’ investments will include first-lien and potentially second-lien senior secured debt. Such debt may (i) include term loans and revolving loans, (ii) pay interest at a fixed or floating rate and (iii) be acquired by way of purchase or assignment in the primary and secondary markets.

The factors affecting an issuer’s first-lien and second-lien loans, and its overall capital structure, are complex. Some first-lien loans may not necessarily have priority over all other unsecured debt of an issuer. For example, some first-lien loans may permit other secured obligations (such as overdrafts, swaps or other derivatives made available by members of the syndicate to the company) or involve first liens only on specified assets of an issuer. Issuers of first-lien loans may have two tranches of first-lien debt outstanding, each with first liens on separate collateral or may be permitted to incur other debt that ranks equally with, or senior to, the first-lien loans. Consequently, the fact that debt is secured does not guarantee that our Clients will receive principal and interest payments according to the debt’s terms, or at all, or that our Clients will be able to collect on the debt should it be forced to enforce any available remedies.

Second-lien loans are subordinate in right of payment to one or more senior secured loans of the related issuer and therefore are subject to additional risk that the cash flow of the related issuer and the collateral securing the loan may be insufficient to repay the scheduled payments to our Clients after giving effect to any senior secured obligations of the related issuer. Second-lien senior loans are also expected to be more illiquid than first-lien senior secured loans for this reason. Moreover, there is less likelihood that our Clients will be able to sell participations in second-lien loans that it originates or acquires, which would expose our Clients to higher risk with respect to the issuer.

Senior secured credit facilities may be syndicated to a number of different financial market participants. The documentation governing these facilities typically requires either a majority consent or, in certain cases, unanimous approval for certain actions with respect to the outstanding loans, such as waivers, amendments or the exercise of remedies. In addition, voting to accept or reject the terms of a credit restructuring pursuant to a Chapter 11 plan of reorganization is usually done on a class basis. As a result of these voting regimes, our Clients may not have the ability to control any decision as it relates to an amendment, waiver, exercise of remedies, restructuring or reorganization of an investment.

Further, senior secured loans are subject to other risks and can cause unsecured creditors to seek remedies to limit a Client’s potential recovery from such investments, including (i) the possible invalidation of a debt or lien as a “fraudulent conveyance”; (ii) the recovery as a “preference” of liens perfected or payments made on account of a debt in the 90 days before a bankruptcy filing; (iii) equitable subordination claims by other creditors; (iv) “lender liability” claims by the issuer of the obligations; (v) environmental liabilities

that may arise with respect to collateral securing the obligations; (vi) recharacterization claims in which certain creditors may seek to have a Client's debt investments recharacterized as equity and therefore subordinate a Client's claims to such creditors' claims; and (vii) designating the vote (*i.e.*, ignoring the customary class vote system) under a Chapter 11 plan of reorganization in which lenders are entitled to vote as a class.

Mezzanine Investments

Clients may make investments in mezzanine loans. Such investments, if made, may be unsecured, rank *pari passu* with other unsecured creditors and be made in companies whose capital structures may have significant indebtedness ranking ahead of our Clients' investments, all or a significant portion of which may be secured. While our Clients' mezzanine investments may benefit from the same or similar financial and other covenants as those enjoyed by the indebtedness ranking ahead of such investments and may benefit from cross-default provisions and security over the assets of the issuer, some or all of such terms may not be part of particular investments. Moreover, the ability of our Clients to influence an issuer's affairs, especially during periods of financial distress or following insolvency, is likely to be substantially less than that of senior creditors. Mezzanine investments generally are subject to various risks, including, without limitation: (i) a subsequent characterization of an investment as a "fraudulent conveyance"; (ii) the recovery as a "preference" of liens perfected or payments made on account of a debt in the 90 days before a bankruptcy filing; (iii) equitable subordination claims by other creditors; (iv) so-called "lender liability" claims by the issuer of the obligations; and (v) environmental liabilities that may arise with respect to collateral securing the obligations.

Use of Leverage

Leverage Generally. Our Clients expect to make investments on a leveraged basis, and a portion of such leverage may be at floating interest rates. Leverage may also be employed for hedging, advancing capital calls and other cash management purposes, any other purpose our Clients' general partners may deem, in their discretion, necessary, appropriate, proper, advisable, incidental or convenient and for other purposes as more fully described in the governing documents of our Clients.

Leverage may be applied with respect to our Clients' portfolio as a whole or with respect to one or more investments, and the presence of such leverage will magnify the volatility of our Clients' investment portfolio and substantially increase the risk profile of our Clients and their investments. In addition to more traditional borrowing structures, our Clients may structure credit facilities through the use of special purpose vehicles, as well as through the use of one or more revolving credit facilities, including, without limitation, one in which the lenders are senior secured noteholders and our Clients are subordinated noteholders. No assurance can be given that financing for our Clients' investments will be obtained by our Clients, or obtained on favorable or acceptable terms, including terms which reflect the financing provided by our Clients. In addition, once initial financing is obtained by Clients, no assurance can be given that such financing will subsequently be available throughout the life of such Clients or any individual investment. If our Clients are unable to obtain financing, including on favorable terms that reflect their underlying investments (for example, term of borrowing by a Client that matches the term of financing provided by

such Client), this may have a material adverse effect on our Clients' ability to achieve their investment objectives and the rate of return on its invested capital.

The principal, interest expense and other costs incurred in connection with any leverage incurred by our Clients may not be recovered by the income or return of invested capital from, or appreciation on, the investments of our Clients. Gains realized with borrowed funds may cause the Clients' returns to increase at a faster rate than would be the case without borrowings. If, however, investment results fail to cover the principal, interest and other costs of borrowings, our Clients' returns could also decrease faster than if there had been no borrowings. Additionally, if our Clients' investments fail to perform as expected, the interests of our Clients' investors will be structurally subordinated to such Clients' lenders, which will compound any such adverse consequences. Lenders may, under the terms of financing arrangements put in place with them, have the right to withhold distributions of interest payments in respect of any or all investments for various reasons, including in the event that any such investment fails to perform as expected. Further, to the extent income received from investments is used to make payments under any financing arrangement, our Clients' investors may be allocated income, and, therefore, tax liability, in excess of cash received by them in distributions. Leverage incurred by our Clients may be secured by assignment of the obligations of our Clients' investors to make capital contributions to our Clients and a security interest in the investments made by our Clients.

Our Clients' use of leverage subjects such Clients to additional risks. For example, depending on the type of credit facility, a decrease in the market value of our Clients' investments would increase the effective amount of leverage and could result in the possibility of a "margin call," pursuant to which our Clients must either deposit additional funds or collateral with the lender's collateral accounts, which may require the investors to make additional capital contributions to such Clients (even after the investment period of such Clients has expired), or suffer mandatory liquidation of the pledged collateral to compensate for the decline in value. Liquidation of our Clients' investments, at an inopportune time in order to satisfy a "margin call," would adversely impact the performance of such Clients and could, if the value of their collateral has declined enough, cause such Clients to lose all, or a substantial amount, of their capital. Moreover, using capital to satisfy a "margin call" would effectively reduce the amount of capital available for other investments and could adversely affect the diversification of our Clients' portfolios. In the event of a sudden, precipitous drop in the value of our Clients' investments, such Clients might not be able to liquidate assets quickly enough to pay off their debt.

Our Clients' assets, including any investments made by our Clients and any capital held by our Clients, are available to satisfy all liabilities and other obligations of such Clients. If our Clients default on secured indebtedness, the lender may foreclose, and our Clients could lose their entire investment in the collateral for such loan. If our Clients themselves become subject to a liability, parties seeking to have the liability satisfied may have recourse to our Clients' assets generally and not be limited to any particular asset, such as the investment giving rise to the liability. Our Clients' financing arrangements may be structured generally as a portfolio financing where all investments are cross-collateralized and multiple investments may be subject to the risk of loss. As a result, a Client could lose its interests in several performing investments in the event any investment is cross-collateralized with poorly performing or non-performing investments. See "*Highly Leveraged Companies*" above.

There can be no guarantee that (i) debt facilities will be available at commercially attractive rates throughout the term of our Clients or when due for refinancing, and accordingly, our Clients may be exposed to less favorable terms or rates upon a refinancing or (ii) any such facilities negotiated will be fully utilized. Lenders may fail to provide loans to which they previously committed to finance the purchase of an investment by our Clients, which may require our Clients to make a larger investment than expected, may force our Clients to obtain financing on less favorable terms, may affect our Clients' ability to consummate such a transaction, or may expose our Clients to potential claims by issuers in which our Clients may invest. Additionally, lenders may limit the amount of leverage that our Clients are able to utilize, either as a result of the amounts that they are willing to lend, as a result of contractual restrictions, or as a result of regulatory changes. Consequently, our Clients may realize lower than expected returns from such investments and may hold a larger than expected position in such investments (and accordingly, may have less capital available to invest in other investment opportunities). The availability of credit may also be negatively affected by deteriorating credit markets in the future.

Repurchase Agreements and Other Forms of Borrowing. Our Clients may also borrow by entering into repurchase agreements. Under a repurchase agreement, our Clients sell securities or other obligations and agrees to repurchase them at a specified date and price. Repurchase agreements may involve the risk that the market value of the securities or other obligations purchased with the proceeds of the repurchase agreement by our Clients may decline below the price of the securities or other obligations our Clients have sold but are obligated to repurchase. In the event the buyer of securities or other obligations under a repurchase agreement files for bankruptcy or becomes insolvent, such buyer or its trustee or receiver may receive an extension of time to determine whether to enforce the obligation of our Clients to repurchase the securities or other obligations and our Clients' use of the proceeds of the repurchase agreement may effectively be restricted pending such decision. To the extent that, in the meantime, the value of the securities or other obligations that our Clients have purchased has decreased, our Clients could experience a loss.

The investment returns of our Clients may also be leveraged with options, short sales, swaps (including total return swaps ("*TRS*")), forwards and other derivative instruments. In the futures markets, margin deposits are typically low relative to the value of the futures contracts purchased or sold. Such low margin deposits are indicative of the fact that any futures contract trading is typically accompanied by a high degree of leverage. Low margin deposits mean that a relatively small price movement in a futures contract may result in immediate and substantial losses to the investor. For example, if at the time of purchase, 10% of the price of a futures contract is deposited as margin, a 10% decrease in the price of the futures contract would, if the contract is then closed out, result in a total loss of the margin deposit before any deduction for brokerage commissions. Thus, like other leveraged investments, any purchase or sale of a futures contract may result in losses in excess of the amount invested.

A TRS is a contract in which one party agrees to make periodic payments to another party based on the change in the market value of the assets underlying the TRS, which may include a specified security or obligations, basket of securities or obligations or indices during a specified period, in return for periodic payments based on a fixed or variable interest rate. A TRS effectively adds leverage to a portfolio by providing investment exposure to a security, obligation or market without owning or taking physical custody of such security or obligation or investing directly in such market. Because of the unique structure of a TRS, a TRS often offers lower financing costs than are offered through more traditional borrowing

arrangements. Our Clients would typically have to post collateral to cover this potential obligation. The use of a TRS will expose our Clients to certain risks, including market risk, liquidity risk and other risks similar to those associated with the use of traditional leverage.

Credit Facilities. The flexibility to borrow money varies among our Clients. Certain of our Clients borrow money to pay expenses of the Clients (including, without limitation, advisory fees) or to provide interim or long-term financing to facilitate the consummation or furtherance of the Clients' investments prior to or in lieu of the Clients' receipt of capital contributions or co-investment funds becoming available, in each case, as permitted by a Client's governing documents. Some Clients may also structure such borrowings as a Net Asset Value loan based on the assets of their portfolio or special purpose vehicle. The above borrowings are typically secured by capital contributions, a pledge of the applicable general partner's right to draw down on such obligations, a security interest in the Client's investments, or the value of the underlying portfolio of the Client, depending on the type of borrowing. The inability of a Client to repay borrowings under a credit facility secured by the capital commitments of its limited partners could enable a lender to call unfunded commitments from the investors and, if the investors' unfunded commitments are insufficient to repay such borrowings, investors could be required to return amounts previously distributed to them to fund such borrowings, subject to certain limitations set forth in a Client's governing documents. Borrowing is expected to represent a significant portion of capital commitments. As a result of borrowings (or for other reasons), the due date in the funding notice to the investors for the payment of the advisory fees may be on a date later than the advisory fee payment date for the applicable period, at which time one or more portfolio investments for which the advisory fee will be payable may have already been disposed of, written off and/or written down.

Where a Client is subject to certain limits on borrowings as set forth in its applicable governing agreement, portfolio companies, holding companies and/or special purpose entities formed by such Client to hold investments (*i.e.*, asset level vehicles) may engage in borrowings and incur leverage, which in some cases will not count towards any caps on borrowings and guarantees on such Client, as contained in such Client's governing documents, as such borrowings are not recourse to such Client and do not reduce unpaid capital commitments of its investors. This may be the case even if such borrowings or leverage by entities owned by such Client engage in joint borrowings and/or are cross-collateralized with or among other such entities, such that multiple investments are pledged to and at risk with respect to a borrowing in connection with a single investment (even if the amounts involved are greater than the single investment diversification limit set forth in such Client's governing documents).

Investors should note that a Client's general partner (or other similar managing fiduciary) may have the right to borrow for the purpose of funding distributions to investors. To the extent a general partner elects to do so in order to accelerate a distribution that is expected to be made to the investors in connection with a legally binding agreement or the declaration of a dividend or similar distribution by an issuer or portfolio company (directly or indirectly), the proceeds from such borrowing will be split between the investors and such general partner on the same basis as the proceeds would be distributed upon consummation of the transaction contemplated by the applicable binding agreement (or dividend announcement). Accordingly, in such a scenario, the general partner could have an incentive to cause the Client to borrow for this purpose in order to accelerate its receipt of carried interest. To the extent an applicable transaction is not consummated or dividend not made (or, in either case, materially delayed) the Client may be required to call capital or dispose of other assets to repay the applicable borrowing and the general partner may be

required to make a clawback payment to applicable investors. The general partner of a Client may also enter into one or more margin loans, including to effect a distribution to such Client's investors, which are not subject to the restrictions on borrowings for distributions, or borrowings generally, in the governing agreement of such Client.

Where a Client uses borrowings under a subscription line and/or net asset value facility in advance or in lieu of receiving capital contributions from investors to repay any such borrowings and related interest expenses, the use of such facility will typically result in a higher or, at times, lower reported internal rate of return ("**IRR**") than if the facility had not been utilized and instead capital contributions from investors had been contributed at the inception of an investment. This will present conflicts of interest, including with respect to Brinley's marketing efforts, as Brinley will have various incentives to use the facility if doing so could result in a higher reported IRR. For example, the interest rate on any borrowings is likely to be less than the rate of the preferred return due to the investors under the applicable governing documents. Because the preferred return of our Clients typically does not accrue on such borrowings, but rather only accrues on capital contributions when made, the use of such subscription line facilities could reduce or eliminate the preferred return received by the investors and accelerate or increase distributions of performance-based allocations to the relevant general partner. As a result, Brinley will have an economic incentive to fund investments through such facilities in lieu of capital contributions in certain cases. Moreover, the fees, costs, and expenses of any such facilities will generally be considered an expense of the Client, which will increase the expenses borne by the applicable investors and would reduce net cash on cash returns. Depending on the circumstances, such fees, costs and expenses may be capitalized into the cost of the transaction.

In addition, advisory fees are paid to Brinley using such borrowings even if capital contributions have not been made to the applicable Clients by its investors, and the proceeds of such borrowings will inform the calculation of adjusted cost, or any other metric used to determine the cost basis of an investment for purposes of calculating and paying advisory fees. Moreover, the fees, costs and expenses of any such facilities will generally be allocated among a Client and any parallel funds or other vehicles, including other Clients, *pro rata* or on such other basis that is determined by Brinley to be more equitable under the circumstances, which will increase the expenses borne by the applicable investors and would be expected to reduce net cash on cash returns.

Certain calculations of net IRR in respect of investment and performance data, including in marketing materials and in reports to investors in Clients from time to time, may be based on the investors' capital contributions and distributions relating to that investment. Gross IRR generally is calculated based on the hold period of the applicable investment. As a result, use of a subscription-based credit facility (or other leverage) with respect to portfolio investments will impact calculations of returns and will result in a higher or lower reported IRR (on an investment, Client and/or investor level) than if the facility had not been utilized and instead the investors' capital had been contributed at the inception of an investment. In addition, for investments in certain U.S. corporations by U.S. tax-exempt limited partners, there may be incremental tax costs related to "unrelated business taxable income" that would not have applied in the absence of leverage.

Back Leverage

Without limitation to the disclosure above under “*Use of Leverage*,” our Clients may (i) create a special purpose investment vehicle, contribute our Clients’ assets to such investment vehicle (or make a follow-on investment directly through such investment vehicle), and cause such investment vehicle to incur borrowings, which may be secured by the investment vehicle’s assets, or (ii) cause multiple of such investment vehicles to engage in joint borrowings and/or secure any such borrowings on a cross-collateralized basis. Any arrangements entered into by such investment vehicle (and not our Clients themselves) will, unless otherwise specified in a Client’s governing documents, not be considered borrowings by our Clients for purposes of any fund-level limits on borrowings (or any limits on issuing additional interests) by our Clients that are set forth in the governing documents of our Clients. The use of back leverage potentially enhances the return profile of these investments and the Clients overall, but also increases the risk of the applicable investment, including the risks associated with collateralized investments held through the same leverage facilities. If our Clients were to create one or more of such investment vehicles, our Clients would depend on distributions from an investment vehicle out of such investment vehicle’s assets, earnings and/or cash flows (or with the proceeds of back leverage incurred by such investment vehicle) to enable our Clients to make distributions to the investors. The ability of such an investment vehicle to make distributions could be subject to various limitations, including the terms and covenants of the debt it issues. For example, tests (based on loan-to-value, interest coverage or other financial ratios, distribution priority waterfalls or other criteria) may restrict our Clients’ ability, as the holder of an investment vehicle’s equity interests, to receive cash flow from these investments. There is no assurance any such tests or covenants will be satisfied. Also, an investment vehicle may take actions that delay distributions to investors to preserve ratings and to keep the cost of present and future financings lower. As a result, there may be a lag, which could be significant, between the repayment or other realization on a loan to, and the distribution of cash out of, such an investment vehicle, or cash flows may be completely restricted for the life of the relevant investment vehicle.

Loans of Portfolio Securities

Our Clients may lend their portfolio securities in order to increase their income through the receipt of interest on the loan. In the event of bankruptcy of the other party to a securities loan, our Clients could experience delays in recovering the securities it lent. To the extent that the value of the securities our Clients lent out to another party has increased, a loss could be experienced if such securities are not recovered.

Non-Performing Nature of Loans

There are varying sources of statistical default and recovery rate data for loans and other debt securities and numerous methods for measuring default and recovery rates. The historical performance of the credit market or the leveraged loan market is not necessarily indicative of future results.

Certain loans purchased by our Clients may be non-performing or in default or become non-performing and/or default after they are purchased by our Clients. Furthermore, the obligor and/or relevant guarantor may also be in bankruptcy or liquidation. There can be no assurance as to the amount and timing of payments our Clients will receive with respect to such non-performing or defaulted loans.

Subordinated Loans or Securities

Certain of our Clients' investments may consist of loans or securities, or interests in pools of securities, in either case, that are subordinated in right of payment and ranked junior to other securities issued by, or loans made to obligors. If an obligor experiences financial difficulty, holders of its more senior securities will be entitled to payments in priority to our Clients. Some of our Clients' asset-backed investments may also have structural features that divert payments of interest and/or principal to more senior classes or tranches of loans or securities backed by the same assets when loss rates or delinquency exceeds certain levels. This may interrupt the income a Client receives from its investments, which may negatively affect such Client's performance.

"Covenant-Lite" Loans

There has been an increase in the percentage of leveraged loans issued as "covenant-lite." In addition, we believe that the covenants that do exist have generally become less restrictive, thereby offering more limited protection to lenders. As a result of the foregoing, any Clients' investments in such "covenant-lite" loans may pose a higher risk as the borrowers of such loans are subject to fewer covenants with respect to, among other things, other debt that such borrowers may incur. The lack of such covenants may increase the likelihood that such borrowers could default on their payments to our Clients, thereby resulting in losses to such Clients.

Nature of Investment in Unitranche Debt

Our Clients may invest in unitranche debt, which is an instrument that combines senior secured debt and subordinated debt into a single debt instrument. Unitranche loans are subject to similar risks associated with loans in general described above under "*Leveraged Loans*," "*Nature of Investment in Senior Debt*" and "*Mezzanine Investments*." In addition, because unitranche loans are a newer form of debt instrument and they have not been fully evaluated through a credit cycle, they may subject our Clients to risks that cannot be fully identified at this time. Further, the complex terms of unitranche debt have not yet been widely tested in bankruptcy and workout situations. Additionally, although considered senior secured, many unitranche loans are subordinated to a "super senior" revolving credit facility provided by a bank or financial institution, and investments in "last out" pieces of unitranche loans are more similar to second-lien loans in that such investments will be junior in priority to the "first out" piece of the same unitranche loan with respect to payment of principal, interest and other amounts. As a result of these and other factors, default and loss expectations are more difficult to estimate with respect to unitranche debt as compared to other forms of debt instruments such as senior loans and subordinated debt instruments. In particular, in a bankruptcy proceeding involving a unitranche loan, there is a risk that the entire unitranche loan will be viewed as a single secured claim. If the collateral is insufficient to secure the entire unitranche loan, it may be deemed as an unsecured claim in its entirety. The untested nature of unitranche loan arrangements also exposes our Clients to a heightened risk of litigation among the lender group in the event of bankruptcy.

Bridge Loans

Our Clients may invest in bridge loans. It is a common practice for financial institutions to commit to providing bridge loans to facilitate acquisitions, including leveraged buyouts. Bridge loans are frequently made because, for timing or market reasons, longer-term financing is not available at the time the funds are needed, which is often at the time of the closing of an acquisition. In the past, these commitments were not

frequently drawn upon due to the availability of other sources of financing; however, due to market conditions affecting the availability of these other sources of financing (principally high-yield bond transactions), bridge loan commitments have been and may be drawn upon more regularly. Since these commitments were not regularly drawn upon in the past, there is little history for investors to rely upon in evaluating investments in bridge loans. Bridge loans often have shorter maturities. Borrowers and lenders typically agree to shorter maturities based on the anticipation that the bridge loans will be replaced with other forms of financing within such shorter time period. However, the source and timing of such replacement financing may be uncertain and can be affected by, among other things, market conditions and the financial condition of the borrower at the maturity date of the bridge. If the borrower is unable to obtain replacement financing and repay the bridge loan at maturity, the terms of the bridge loan may provide for the bridge loan to be converted to a longer-term loan. If bridge loans are not repaid (or cannot be disposed of on favorable terms) on the dates projected by Brinley, there may be an adverse effect upon the ability of Brinley to manage the assets of our Clients in accordance with our models and projections or an adverse effect upon their performance and ability to make distributions.

Revolving Credit Facilities

Our Clients may acquire funded and unfunded revolving credit facilities (“**Revolvers**”). In some cases, our Clients will need to acquire a Revolver in order to participate in the term loan associated with such Revolver. In such scenarios, it is possible that the Revolver will not be drawn on unless the applicable Revolver borrower enters a period of financial distress, is pursuing an acquisition or utilizes the Revolver for working capital needs and/or for one or more non-ordinary course reasons. Notwithstanding the foregoing, because Revolvers can generally be drawn on short notice (such as with one (1) business day prior notice), our Clients may still need to hold cash reserves or use borrowings under a subscription or other credit facility in order to fund any draw on such Revolvers. Such cash reserves and/or interest costs and other expenses associated with any borrowings by our Clients will likely reduce, or be a drag on, the returns of our Clients, although our Clients will receive a nominal fee on the undrawn amount of any such Revolver. In addition, prediction of Revolver utilization is inherently subjective and may not consider changes in credit quality and changes in cash flow, including working capital fluctuation and acquisition activity. While higher than expected utilization increases the current income of our Clients, it can also lower returns to the extent that our Clients need to call capital to satisfy borrowing requests and will increase the Client’s exposure to defaults by the borrower under the Revolver. There are also operating and financial risks of Revolver borrowers, as Revolver borrowers could deteriorate as a result of, among other factors, an adverse development in their business, a change in their competitive environment or an economic downturn. As a result, Revolver borrowers that our Clients may have expected to be stable may operate at a loss or have significant variations in operating results, may require substantial additional capital to support their operations or to maintain their competitive positions, or may otherwise have a weak financial condition or be experiencing financial distress. All of the foregoing may result in higher-than-expected draws on Revolvers and/or the inability of any Revolver borrower to repay any existing draws on such Revolver. Further, the capital structure of a Revolver borrower that is subject to leverage will increase the exposure of such Revolver borrower to adverse economic factors (such as rising interest rates, changes in commodity prices, downturns in the economy or a deterioration in the condition of such Revolver borrower), each of which may impair such underlying Revolver borrower’s ability to finance its future operations and capital needs and may result in the imposition of restrictive financial and operating covenants or increase the risk

of defaults by such Revolver borrower under a Revolver. If any such factors cause or contribute to such Revolver borrower's inability to generate sufficient cash flow to meet principal and/or interest payments on its indebtedness or similar payments or obligations under any Revolver, such Revolver borrower's flexibility to respond to changing business and economic conditions may be constrained materially and may increase the risk of default and/or insolvency and the value of Revolvers could be significantly reduced or even eliminated, and potentially resulting in the returns to our Clients being lower than would otherwise have been the case.

An additional concern in acquiring a Revolver is the possibility of material misrepresentation or omission on the part of the Revolver seller, the Revolver borrower or other credit support providers, or breach of covenant by any such parties. Such inaccuracy or incompleteness or breach of covenants may adversely affect the valuation of the collateral underlying the loans or the ability of the Revolver lenders to perfect or effectuate a lien on the collateral securing the loan or our Clients' ability to otherwise realize on or avoid losses in respect of the investment. Our Clients will rely upon the accuracy and completeness of representations made by any such parties to the extent reasonable, but cannot guarantee such accuracy or completeness.

Revolvers are generally the shortest maturity obligation in a company's capital structure and are often the first tranche of a company's debt targeted for refinancing. Incumbent Revolver lenders are typically the primary syndication targets for a maturity extension, partially due to the inherent challenges a company faces in obtaining new Revolver capital. The ability for our Clients to exit an existing position in a Revolver refinancing will be more challenging when the company is underperforming and its credit profile is weakened. In some circumstances, our Clients may be required to participate in a maturity extension if it is deemed to be positive for the Revolver relative to the alternatives. Maturity extensions are typically accompanied by capacity reductions, amendment fees, and other economic or covenant enhancements, although these are case specific. Maturity extensions could result in the need to extend the term of our Clients, lower diversity, and increase concentration risk. In addition, an extension increases the likelihood that the ability of a company to repay the principal of the loan is dependent upon a liquidity event or the long-term success of the company, the occurrence of which is uncertain.

Additionally, our Clients are expected to, from time to time, incur other contingent liabilities in connection with an investment. For example, our Clients expect to participate in one or more investments that are structured "delayed-draws" or "lines of credit." As with Revolvers, these types of investments generally have funding obligations that extend over a period of time, and if the borrower subsequently draws down on the Revolver, delayed-draw facility or line of credit, our Clients would be obligated to fund the amounts due. However, there can be no assurance that a borrower will ultimately draw down on any such loan, in which case the Client may never fund the investment (in full or in part), which may result in our Clients not fully deploying their capital. There can be no assurance that our Clients will adequately reserve for their contingent liabilities and that such liabilities will not have an adverse effect on our Clients.

It is possible that a Revolver, delayed-draw loan or line of credit investment would be bifurcated by Brinley into separate investments, with certain Clients or investors participating in the initial drawdowns and other investors participating in the later drawdowns. In this situation, it is possible that our Clients or other investors that participate in the initial funding of an investment may receive certain economic benefits in connection with such initial funding, such as original issue discount, closing payments, or commitment fees

and these benefits are expected to be allocated based on participation in the initial funding, regardless of participation in future funding obligations. Conversely, the investors participating only in the later funding obligations will have the benefit of the most recent borrower performance information in evaluating their investment whereas the investors that participated in the initial drawdowns will be obligated in any event to fund such later funding obligations. In certain cases, our Clients may participate in the initial funding of an investment, but may not participate in later-arising funding obligations (*i.e.*, the Revolver, delayed-draw or line of credit portions) related to such investment, including because of capacity limitations that an investment vehicle may have for providing new Revolver, delayed-draw or line of credit commitments, or because Brinley forms a new investment vehicle focused on investing in Revolvers, delayed-draw investments and/or lines of credit. As a result, our Clients may be allocated a smaller or larger portion of Revolvers, delayed-draw investments or lines of credit than other investors participating in the loan. Where our Clients or other investors have not participated in each funding of an investment on a *pro rata* basis, conflicts of interest may arise among the participating Clients and the other investors as the interests of such Clients and the other investors may not be completely aligned with respect to such investment. In addition, a Revolver, delayed draw investment or line of credit may be senior to the rest of the loan or to the initial funding, and as a result, the interests of our Clients may not be aligned with other participating investors.

Lender Liability and Equitable Subordination

In recent years, a number of judicial decisions in the United States have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories (collectively, “*lender liability*”). Generally, lender liability is founded upon the premise that an institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to a borrower or has assumed a degree of control over the borrower resulting in a creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. Because of the nature of certain of our Clients’ investments, our Clients could be subject to allegations of lender liability.

In addition, under common law principles that in some cases form the basis for lender liability claims, if a lender or bondholder (i) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower, (ii) engages in other inequitable conduct to the detriment of such other creditors, (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (iv) uses its influence as a stockholder to dominate or control a borrower to the detriment of other creditors of such borrower or issuer, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors (a remedy called “equitable subordination”). Because of the nature of certain of our Clients’ investments, our Clients may be subject to claims from creditors of an obligor that debt obligations held by our Clients should be equitably subordinated.

The preceding discussion regarding lender liability is based upon principles of U.S. federal and state laws. With respect to our Clients’ investments in a non-U.S. issuer, U.S. laws of certain non-U.S. jurisdictions may also impose liability upon lenders or bondholders under factual circumstances similar to those

described above, with consequences that may or may not be analogous to those described above under U.S. federal and state laws.

Zero Coupon and PIK Bonds

Because investors in zero coupon or PIK bonds receive no cash prior to the maturity or cash payment date applicable thereto, an investment in such securities generally has a greater potential for a complete loss of the initial investment amount compared to an investment in debt securities that makes periodic interest payments. Such investments are more vulnerable to the creditworthiness of the issuer and any other parties upon which performance relies.

Exchange-Traded Funds

Our Clients may invest in exchange-traded funds (“*ETFs*”), which are shares of publicly traded unit investment trusts, open-end funds or depository receipts that seek to track the performance and dividend yield of specific indexes or companies in related industries. These indexes may be broad based, sector based or international. However, ETF shareholders are generally subject to the same risk as holders of the underlying securities they are designed to track. ETFs are also subject to certain additional risks, including, without limitation, the risk that their prices may not correlate perfectly with changes in the prices of the underlying securities they are designed to track and the risk of trading in an ETF halting due to market conditions or other reasons, based on the policies of the exchange upon which the ETF trades. In addition, our Clients may bear, along with other shareholders of an ETF, their *pro rata* portion of the ETF’s expenses, including advisory fees. Accordingly, in addition to bearing their proportionate share of a Client’s expenses, investors may also indirectly bear similar expenses of an ETF, which can have an adverse effect on the return on capital of the Client.

Risks of Physical Assets

Our Clients may become involved in transactions which result in the ownership of physical assets (typically collateral for secured loans and bonds), including, without limitations, real estate, aircraft-related assets, shipping-related assets and infrastructure related assets. In such cases, our Clients will be subject to all the risks inherent in owning physical assets, certain of which are discussed below. To the extent our Clients make investments in any physical assets that are geographically dispersed, leased to (or otherwise exposed to the credit risk of) a geographically diverse group of counterparties whose location changes on an ongoing basis and/or that otherwise have a “global” risk profile, we will, in our discretion, assign a country of risk for purposes of any applicable investment limitations or other purposes under the governing documents of our Clients (unless otherwise specifically provided in a Client’s governing documents), which country of risk may not correspond with the actual geographic risk of some or all of such assets, and/or determine to exclude such assets from any geographic limitations set forth in the governing documents of our Clients.

Risks of Real Estate Ownership

Although not expected to be an investment focus, our Clients may acquire, directly or indirectly, debt and/or equity interests in real estate (including as a result of foreclosure on the collateral securing a senior loan), including commercial real estate. Any such real estate will be subject to the risks generally incident to the ownership of real property, including uncertainty of cash flow to meet fixed and other obligations; adverse changes in local market conditions, population trends, neighborhood values, community conditions, general

economic conditions, local employment conditions, interest rates and real estate tax rates; changes in fiscal policies; competition from other properties; and uninsured losses and other risks that are beyond the control of our Clients, such as the threat of terrorism and their consequences. There can be no assurance of profitable operations because the cost of owning our Clients' real estate investments may exceed the income produced, particularly since certain expenses related to real estate and its development and ownership, such as property taxes, utility costs, maintenance costs and insurance, tend to increase over time and are largely beyond the control of the owner. In addition, our Clients' ownership of equity interests in real estate may have tax consequences for certain investors that do not apply in the case of our Clients' ownership of debt interests in real estate.

Energy-Related Investments

Although not a core industry focus for Brinley, it is possible our Clients could invest in energy-industry assets and businesses, including issuers and businesses who sell products and services to issuers in the energy industry. Such energy-industry assets and businesses are typically regulated to varying degrees, including restrictions imposed by environmental regulators. In addition, statutory and regulatory requirements may include those imposed by energy, zoning, land use, safety, labor and other regulatory or political authorities. It is possible that changes to applicable regulations or regulatory practice could have adverse consequences for our Clients' energy-related investments. Certain energy-industry assets and businesses may be subject to financing and other support from national, state and local governments and regulatory agencies. The elimination of, or reduction in, such financial and other support could have a material adverse effect on the relevant company's financial condition or results of operation. Ordinary operation or the occurrence of an accident, with respect to an energy asset, could cause environmental damage, which may result in significant financial distress to such asset. Certain environmental laws and regulations may require that an owner or operator of an energy asset address historical environmental contamination or impose decommissioning requirements at the time the asset is retired, which could involve substantial costs. Companies (and in turn, their investors, including our Clients) may be exposed to substantial risk of loss from environmental claims or losses or reputational impacts from protests relating to development or operation of energy assets.

Commodity Prices. Prices for oil and natural gas and other commodities that Clients may be exposed to are subject to large fluctuations in response to relatively minor changes in the supply of and demand for such commodities, market uncertainty and a variety of additional factors beyond our Clients' and/or Brinley's control. These factors include, but are not limited to, weather conditions, the condition of the global economy, political stability in the Middle East and elsewhere, terrorist acts, the foreign and domestic supplies of oil and natural gas, the price and level of foreign oil imports, the price, availability and acceptance of alternate fuel sources, the availability of pipeline capacity, transportation interruption, domestic and foreign governmental regulations, price controls and taxes, domestic and foreign environmental laws and regulations, the level of consumer demand and the overall economic environment, including interest rates, levels of economic activity, the price of securities and the participation by other investors in the financial markets.

The price of crude oil, for example, has fallen considerably in past years. If our Clients make investments that expose them to variations in the price of crude oil, including investments in issuers or portfolio

companies that are dependent on the financial health of the energy industry for their revenues, there can be no assurance that our Clients will not be adversely affected if the price of oil increases or falls.

Legal and Regulatory Matters in the Energy Sector. Oil, natural gas and coal storage, handling, processing and transportation, as well as power generation and transmission, are extensively regulated. Statutory and regulatory requirements may include those imposed by energy, zoning, environmental, safety, labor and other regulatory or political authorities. Failure to obtain or a delay in the receipt of relevant governmental permits or approvals, including regulatory approvals, could hinder operations and result in fines or additional costs. Obtaining permits and approvals or complying with ongoing regulatory requirements may be costly and/or time consuming. Moreover, the adoption of new laws or regulations, including those with respect to the emission of greenhouse gases, or changes in the interpretation of existing laws or regulations or changes in the persons charged with political oversight of such laws or regulations, could have a material adverse effect upon the profitability of any energy-related investments held by our Clients and could necessitate the creation of new business models and the restructuring of investments in order to meet regulatory requirements, which may be costly and/or time consuming.

Uncertainty of Estimates. Estimates of natural resources reserves (e.g., hydrocarbon reserves or mineral reserves) and of factors such as solar energy intensity and movement of wind and water flow (for solar, wind and hydroelectric power, respectively) by qualified engineers are often a key factor in valuing certain energy, power and natural resources companies which could include potential issuers or portfolio companies of our Clients. The process of making these estimates is complex, requiring significant decisions and assumptions in the evaluation of available geological, geophysical, engineering and economic data for each reservoir or reserve. These estimates are subject to wide variances based on changes in commodity prices and certain technical assumptions. Accordingly, it is possible for such estimates to be significantly revised from time to time, creating significant changes in the value of the applicable issuer owning such reserves. To the extent Clients' investments directly or indirectly include issuers or portfolio companies that provide goods or services to issuers or portfolio companies in the energy industry, changes in estimates of reserves could negatively affect such investments by, among other things, reducing the demand for the goods and services supplied by such issuers or portfolio companies.

Infrastructure Risks. Issuers or portfolio companies in the energy sector may rely heavily on infrastructure assets for the storage and transportation of energy and power outputs. From time to time, our Clients may invest in issuers or portfolio companies that sell goods or services to issuers or portfolio companies that engage in energy and power projects in undeveloped areas. The demand, pricing and terms for oilfield services in an issuer's existing or anticipated service areas largely depend upon the level of exploration and development activity for both crude oil and natural gas in the region of the investment. The ability of an issuer to market its oil and natural gas may depend upon its ability to acquire space on pipelines that deliver oil and natural gas to commercial markets. Accordingly, where there is a lack of existing infrastructure, significant capital outlays may be required to support such issuer's expected production growth, which may negatively impact our Clients' returns.

Additionally, even in developed areas, issuers or portfolio companies run the risk that existing infrastructure could be inefficiently managed and/or damaged or destroyed, causing a delay in or cancellation of the issuer's business operations. Causes of infrastructure damage or destruction may include traffic accidents, natural disasters, man-made disasters, defective design and construction, slope failure, bridge and tunnel

collapse, road subsistence, toll rates, fuel prices, environmental legislation or regulation, general economic conditions, labor disputes and other unforeseen circumstances and incidents. Certain of these events have affected infrastructure in the past and the inability of an issuer to use such infrastructure could have a material adverse effect on the financial condition and business operations of such issuer and, by extension, our Clients (to the extent our Clients hold investments in issuers or portfolio companies that provide goods or services to issuers or portfolio companies in the energy industry).

Catastrophe Risk. The operations of energy and natural resources companies are subject to many hazards and risks inherent in the drilling, mining, processing, storing, refining, transporting, distributing or marketing of a wide range of commodities, electricity and natural resources, such as: damage to pipelines, storage tanks or related equipment and surrounding properties caused by “acts of God” (including earthquakes, hurricanes, tornadoes and floods); acts of terrorism; inadvertent damage from construction and farm equipment; leaks of natural gas, natural gas liquids, crude oil, refined petroleum products or hydrocarbons; fires and explosions; and certain on-site employee-related accidents. These risks can pose serious safety issues for employees of issuers or portfolio companies. In addition, such risks could result in substantial losses to an issuer due to personal injury to employees or loss of life, severe damage to and destruction of property and equipment or other environmental damage and may result in a curtailment or suspension of an issuer’s related operations. There can be no assurance that each issuer will be fully insured against all risks inherent to their businesses. If a significant accident or event occurs that is not fully insured against, it could adversely affect an issuer’s operations and financial condition, which could negatively affect our Clients’ investments in issuers or portfolio companies that provide goods or services to issuers or portfolio companies in the energy industry.

Taxation in the Energy Industry. It is possible that new U.S. or non-U.S. taxes on the energy and power industry could be introduced and/or U.S. or non-U.S. tax benefits (including certain U.S. federal income tax deductions currently available with respect to oil and natural gas exploration and development) could be eliminated or reduced, in each case, decreasing the profitability of issuers and portfolio companies in this sector and their available cash flow. In addition to the short-term negative impact on the financial results of issuers and portfolio companies in this sector, such legislation, if enacted could reduce the funds available to such issuers and portfolio companies for reinvestment and thus ultimately reduce their growth and future energy and power production and generation and, by extension, our Clients’ investments in issuers or portfolio companies that provide goods or services to issuers or portfolio companies in the energy industry.

Renewable Energy Policy Risk

Investments in renewable energy and related businesses and/or assets have enjoyed support from national, state and local governments and regulatory agencies designed to finance or support the financing development thereof, such as the U.S. federal investment tax credit and federal production tax credit, U.S. Department of the Treasury grants, various renewable and alternative portfolio standard requirements enacted by several states, renewable energy credits and state-level utility programs, such as system benefits charge and customer choice programs. Some of the U.S. states or other U.S. jurisdictions in which renewable energy investments are located may have Renewable Portfolio Standards (“RPS”) requirements that support the sale of electricity generated from renewable energy sources. Electric utility suppliers may satisfy their RPS requirements by purchasing renewable energy or renewable energy credits from producers

of electricity generated from renewable sources. Similar support, initiatives and arrangements exist in non-U.S. jurisdictions as well, in particular the European Union (the “EU”). The combined effect of these programs is to subsidize in part the development, ownership and operation of renewable energy projects, particularly in an environment where the low cost of fossil fuel may otherwise make the cost of producing energy from renewable sources uneconomic. The operation and financial performance of any renewable energy investment will be significantly dependent on governmental policies and regulatory frameworks that support renewable energy sources. Programs and regulations designed to support renewable energy development may be time-limited, with built-in expiration or sunset dates, or require periodic legislative or regulatory renewal. Further, the standards or criteria for qualifying energy assets or qualifying energy may be subject to change, rendering such assets or energy generated from such assets ineligible for credits, subsidies, preferences or other support. There can be no assurance that direct or indirect government support for renewable energy will continue, that favorable legislation will pass or remain in effect, or that the electricity produced by the renewable energy investments will continue to qualify for support through the RPS and similar programs. The reduction in, or elimination of, government policies in the U.S. and/or the EU that support renewable energy could have a material adverse effect on a renewable energy issuer’s financial condition or results of operation. Any reduction in or elimination of these programs will have an adverse effect on development of renewable energy resources, as was demonstrated by the significant reduction in wind power development projects between the end of 2003 when the federal production tax credit expired and the reinstatement of such credit by the U.S. Congress in October 2004, and the U.S. Energy Information Administration’s 2019 prediction of significant reductions following the then-anticipated 2020 expiration of the federal production tax credit. To the extent any federal, state or local tax credits, other favorable tax treatment or other forms of support for renewable energy are changed in the U.S. and/or the EU, any investments made by our Clients in which they invest on such favorable tax treatment or support would be negatively impacted.

Other Investments

As it considers appropriate, and to the extent consistent with our Clients’ investment strategies, Brinley may invest a portion of our Clients’ assets in securities of one or more closed-end funds, CLOs, ETFs and other similar entities. When any such investments are made, an investor will effectively be paying, in addition to the compensation payable to Brinley (or an affiliate thereof), the investor’s proportionate share of any advisory fees, or other compensation, charged by the manager of such closed-end fund, CLO, ETF or other similar entity, as well as its *pro rata* portion of the expenses incurred by such entity. See also Item 11 below under the caption “*Conflicts of Interest—Brinley Partners CLOs.*”

Non-Controlling Investment Positions; Third-Party Involvement

Our Clients may elect not to make control investments in issuers or portfolio companies. Our Clients may hold minority debt positions alone, or they may hold a minority interest in any facility or tranche with respect to debt obligations of an issuer as part of a “club” deal. In such circumstances, our Clients may have a limited ability to exercise influence over voting decisions with respect to such loan facility or tranche or otherwise protect their investment. Our Clients may also have a limited ability to conduct comprehensive due diligence on the underlying issuers or portfolio companies in advance of making such investments. Issues and risks relating to such issuers or portfolio companies subsequently identified by our Clients may adversely impact the value of such positions.

In addition, our Clients may co-invest with third parties through partnerships, joint ventures or other entities or arrangements, which third parties may have larger or controlling ownership interests in or governance rights over such investment vehicles. Such investments may involve risks in connection with such third-party involvement, including the possibility that a third party may have financial difficulties resulting in a negative impact on such investments. Furthermore, a third-party co-investor or operating partner may have economic or business interests or goals that are inconsistent with those of our Clients, or may be in a position to take (or block) action in a manner contrary to our Clients' investment objectives. In addition, Clients may, in certain circumstances, be liable for the actions of their third-party co-investors or operating partners. Investments made with third parties in joint ventures or other entities also may involve compensation arrangements, including carried interest distributions and/or other fees and profit-sharing arrangements payable to such third-party co-investors or operating partners. There can be no assurance that minority rights will be available or that such rights will provide sufficient protection of our Clients' interests. See "*Reliance on Third-Party Company Management*" below.

By way of example, the terms and conditions of loan agreements and related assignments may be amended, modified or waived only by the agreement of the lenders. Generally, any such agreement must include a majority or a supermajority (measured by outstanding loans or commitments) or, in certain circumstances, a unanimous vote of the lenders. Consequently, the terms and conditions of the payment obligation arising from loan agreements could be modified, amended or waived in a manner contrary to the preferences of our Clients if a sufficient number of the other lenders co-investing with such Clients concurred with such modification, amendment or waiver. There can be no assurance that any obligations arising from a loan agreement will maintain the terms and conditions to which our Clients originally agreed.

Regulated Industries

Our Clients may invest in issuers or portfolio companies that operate in regulated industries. Examples include, without limitation, communications, financial services, aerospace, energy and consumer-oriented healthcare. To the extent that our Clients make investments in issuers or portfolio companies that are involved in industries that are subject to greater amounts of regulation than other industries generally, such investments would pose additional risks relative to investments in other issuers or portfolio companies. The operations of such issuers or portfolio companies will be subject to compliance with applicable regulations, and such issuers or portfolio companies may be subject to increased regulations resulting from both new requirements and re-regulation of previously de-regulated markets. Prices may be artificially controlled, and regulatory burdens may increase costs of operations. Additionally, such issuers or portfolio companies may be highly dependent on government contracts, which could further increase the risks of investing in such issuers or portfolio companies. Issuers or portfolio companies also could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on them. Governments have considerable discretion in implementing regulations that could impact an issuer's business, and governments may be influenced by political considerations and may make decisions that adversely affect an issuer's business. Additionally, certain issuers or portfolio companies may have a unionized workforce or employees who are covered by a collective bargaining agreement, which could subject their activities and labor relations matters to complex laws and regulations relating thereto. Moreover, their operations and profitability could suffer if they experience labor relations problems. Upon the expiration of their collective bargaining agreements, they may be unable to negotiate new collective bargaining agreements on terms

favorable to them, and their business operations at one or more of their facilities may be interrupted as a result of labor disputes or difficulties and delays in the process of renegotiating their collective bargaining agreements. Work stoppages could have a material adverse effect on the business, results of operations and financial condition of any such issuers or portfolio companies. Any such problems could impact the credit quality of any such issuer or otherwise adversely impact an investment in such issuer by our Clients and additionally may bring scrutiny and attention to our Clients themselves, which could adversely affect our Clients' ability to implement their investment objectives.

Convertible Securities

Our Clients may invest in convertible securities. Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into, or exchanged for, a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A convertible security entitles its holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics in that they generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases.

The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion feature) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by a Client is called for redemption, such Client will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on our Clients' ability to achieve their investment objectives.

Sovereign Debt Investments

Our Clients may invest in sovereign debt instruments, which involve special risks. The governmental authority that controls the repayment of the sovereign debt may be unwilling or unable to repay the principal

and/or interest when due in accordance with the terms of such instruments due to: (i) the extent of its foreign reserves; (ii) the availability of sufficient foreign exchange on the date a payment is due; (iii) the relative size of the debt service burden to the economy as a whole; or (iv) the government debtor's policy towards the International Monetary Fund and the political constraints to which a government debtor may be subject. If an issuer of sovereign debt defaults on payments of principal and/or interest, our Clients may have limited legal recourse against the issuer and/or guarantor. In certain cases, remedies must be pursued in the courts of the defaulting party itself, and our Clients' ability to obtain recourse may be limited. All of our Clients' investments in sovereign debt instruments (if any) will be subject to typical market risks.

Credit Derivative Transactions

As part of their investment strategies, our Clients may enter into credit derivative transactions. Credit derivatives are transactions between two parties which are designed to isolate and transfer the credit risk associated with a third party (the "**reference entity**"). Credit derivative transactions in their most common form consist of credit default swap transactions under which one party (the "**credit protection buyer**") agrees to make one or more fixed payments in exchange for the other party's (the "**credit protection seller**") obligation to assume the risk of loss if an agreed-upon "credit event" occurs with respect to the reference entity. Credit events are specified in the contract and are intended to identify the occurrence of a significant deterioration in the creditworthiness of the reference entity. For Standard North American Corporate Contracts, credit events include a failure to pay on a material portion of one or more outstanding obligations or a bankruptcy of the reference entity and, for Standard European Contracts, also include certain events related to the restructuring of the reference entity's debt. Upon the occurrence of a credit event, credit default swaps may be cash settled (either directly or by way of an auction) or physically settled. If the transaction is cash settled, the amount payable by the credit protection seller following a credit event will usually be determined by reference to the difference between the nominal value of a specified obligation of the reference entity and its market value after the occurrence of the credit event (which may be established in an industry-wide auction process). If the transaction is physically settled, the credit protection buyer will deliver to the credit protection seller an obligation of the reference entity that is either specified in the contract or that satisfies the general characteristics included in the contract in return for the payment of its nominal value. Credit derivatives may be used to create an exposure to the underlying asset or reference entity, to reduce existing exposure or to create a profit through trading differences in their buying and selling prices. Our Clients may enter into credit derivatives transactions as a credit protection buyer or credit protection seller.

Decisions made by industry-appointed Credit Derivatives Determinations Committees ("**Determinations Committees**") may affect our Clients' rights and obligations under a credit default swap. If so provided under the terms of a credit default swap, a Determinations Committee will have the power to make binding decisions on critical issues, such as whether a "credit event" with respect to the reference entity has occurred, which obligations of the reference entity are deliverable and whether an auction to determine the settlement price for related credit default swaps should take place. The institutions serving on the Determinations Committees or any external reviewers do not owe any duty to our Clients in such capacity and our Clients may be prevented from pursuing claims with respect to actions taken by such persons.

Actions of reference entities (for example, merger or demerger or the repayment or transfer of indebtedness) may adversely affect the value of related credit default swaps. No reference entity has any obligation to

consider Clients' interest (as a party to a credit default swap) as to any corporate or sovereign actions that might affect the value of the credit default swap. A reference entity may be incentivized to structure a corporate transaction to produce a particular result under credit default swaps, in order to induce holders of its debt obligations to take certain actions. Similarly, credit protection buyers and credit protection sellers may be incentivized to enter into a transaction with a reference entity in order to either create or avoid creating a credit event. Although the International Swaps and Derivatives Association, Inc. ("*ISDA*") has taken steps to discourage these practices by amending the 2014 ISDA Credit Derivatives Definitions that govern most credit default swaps, they may not be successful. In addition, a reference entity may repay its outstanding liabilities or assign them to a different entity, in which case a credit default swap with respect to that reference entity may no longer have deliverable obligations that could be considered for purposes of settlement of the credit default swap (a circumstance commonly referred to as an "orphan" credit transaction), which may result in losses for the protection buyer.

Credit derivative transactions are an established feature of the financial markets and both the number of participants and range of products available have significantly increased over the years. Credit derivative transactions dependent upon credit events are priced incorporating many variables, including the pricing and volatility of the common stock and or debt obligations of the reference entity, potential loss upon default by the reference entity on any of its obligations, and the shape of the U.S. Treasury Market curve, among other factors. As such, there are many factors upon which market participants may have divergent views. Additionally, credit derivatives will likely require the posting of collateral. A bankruptcy of the collateral holder may result in losses to the extent posted collateral exceeds the obligations of the pledging party under the credit derivative transaction.

For all the foregoing reasons, credit derivative transactions can expose our Clients and their investments to significant risk of loss and may result in a poorer overall performance for our Clients than if they had not entered into such transactions.

Swap Agreements

Our Clients may enter into swap agreements, including credit derivative transactions (see also "*Credit Derivative Transactions*" above). Swap agreements can be individually negotiated and structured to provide our Clients with exposure to a variety of different types of assets, including currencies, interest rates, securities, loans, commodities, and credit risks. Depending on their structure, swap agreements may increase or decrease the exposure of our Clients to long-term or short-term interest rates (in the United States or abroad), non-U.S. currency values, mortgage securities, corporate borrowing rates, collateralized debt obligations, ABS, indices, or other assets or factors such as security prices, baskets of equity securities, or inflation rates. Swap agreements can take many different forms and are known by a variety of names. In general, swaps and other custom instruments that are not cleared are subject to counterparty risk, which is the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty. Depending on the type of swap, our Clients may instead be subject to the risk of the failure of the exchange on which it trades the swap or the clearinghouse through which it clears the swap. Our Clients are not precluded from entering into any particular form of swap agreement if Brinley determines it is consistent with the investment objective and policies of our Clients.

Swap agreements tend to shift investment exposure from one type of investment to another. For example, if a Client agrees to exchange payments in dollars for payments in a non-U.S. currency, the swap agreement

would tend to decrease such Client's exposure to the U.S. dollar and interest rates and increase its exposure to the relevant non-U.S. currency and related interest rates. Depending on how they are used, swap agreements may increase or decrease the overall volatility or risk of the portfolio of such Client. The most significant factor in the performance of swap agreements is the change in the referenced asset, whether an interest rate, currency, security, loan, commodity or reference entity, along with other factors that impact the amounts of payments due to and from a Client. If a swap agreement calls for payments by a Client, such Client must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses by our Clients. Generally speaking, swap agreements require each party to post margin at the beginning of the trade and throughout the life of the agreement to collateralize any adverse mark to market movement in the value of the swap to such party. A bankruptcy of the collateral holder may result in losses to the extent posted collateral exceeds the obligations of the pledging party under the swap agreement.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "***Dodd-Frank Act***") requires clearing and trading on regulated platforms of those certain products mandated by the U.S. Commodity Futures Trading Commission (the "***CFTC***") and the U.S. Securities and Exchange Commission (the "***SEC***"). The CFTC currently requires the centralized clearing and trading on swap execution facilities ("***SEFs***") of certain interest rate and credit index derivatives. Additional products are expected to be required to be cleared and traded in this manner in the future. However, other swaps will not necessarily be cleared or traded through registered clearinghouses or traded on regulated platforms, and therefore may not be subject to the protections afforded to participants in cleared swaps (for example, centralized counterparty, guaranteed funds, customer asset segregation and mandatory margin requirements) and trades executed on SEFs (for example, price transparency). Clearinghouse collateral requirements may differ from and be greater than the collateral terms negotiated with swap counterparties in the "over-the-counter" market. This may increase a Client's cost in entering into these products and impact Brinley's ability to pursue certain investment strategies. For swaps that are cleared through a clearinghouse, our Clients will face the clearinghouse as legal counterparty and will be subject to clearinghouse performance and credit risk. It is worth noting that the Dodd-Frank Act requires that over time a large proportion of transactions in the derivatives markets to be cleared on registered clearinghouses and traded on SEFs. The impact of centralized clearing and the SEFs on transaction liquidity and pricing cannot be determined at this time.

In addition, the Dodd-Frank Act and related CFTC and SEC rules (certain of which have not yet been released or finalized, or which are not yet effective) impose other significant new regulations on the derivatives markets, including the registration of and regulations on persons deemed to be swap dealers or major swap participants. Such regulated swap entities are subject to a number of regulatory requirements that may result in such counterparties increasing a Client's and its issuers' or portfolio companies' cost of trading derivative instruments through increased fees or spreads to offset the compliance costs and requirements. On the other hand, a Client and the issuers or portfolio companies it invests in may trade in certain swaps or derivative instruments with unregistered and unregulated entities, and therefore may not benefit from protections afforded to counterparties of registered and regulated swap entities.

There is some uncertainty regarding the Dodd-Frank Act and the regulations that are being developed pursuant to such legislation. Consequently, the full impact that such legislation ultimately will have on our Clients and their issuers' or portfolio companies' derivative instruments is not fully known to date.

Although the Dodd-Frank Act has imposed new and significant regulations regarding swap agreements, these transactions are substantially unregulated in other ways. There is no limitation on daily price movements and speculative position limits only apply to certain commodities. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There may be periods during which certain participants in these markets refuse to quote prices for certain swap agreements or the assets referenced in such agreements, or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in the market for any particular type of swap agreement due to unusually high trading volume, political intervention or other factors. The imposition of controls by government authorities might also limit such trading in swap agreements to a level that is less than that which Brinley would otherwise recommend, to the possible detriment of our Clients. Market illiquidity or disruption could result in significant losses to our Clients.

For all the foregoing reasons, swap agreements can expose our Clients and their investments to significant risk of loss and may result in a poorer overall performance for such Clients than if they had not entered into such transactions.

Forward Trading

Forward contracts and options thereon, unlike futures contracts, are often not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. As a result of the Dodd-Frank Act, the CFTC now regulates forwards and such forwards may be subject to clearing, exchange trading and other regulatory requirements. Forward contracts are subject to many of the same risks as swap agreements described above, in particular counterparty and performance risks. Forward trading (to the extent forward contracts are not traded on exchanges) and “cash” trading are substantially unregulated; there is no limitation on daily price movements and speculative position limits are often not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been, and may in the future be, periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by our Clients due to unusually high trading volume, political intervention or other factors. The imposition of controls by government authorities might also limit such forward (and futures) trading to a level that is less than that which Brinley would otherwise recommend, to the possible detriment of our Clients. Market illiquidity or disruption could result in major losses to our Clients.

Counterparty Risk; Necessity for Counterparty Trading Relationships

Many of the markets in which our Clients effect a substantial portion of their transactions are “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange based” markets. This exposes our Clients to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Client to suffer a loss. Such “counterparty risk” is accentuated for

contracts with longer maturities where events may intervene to prevent settlement, or where the Client has concentrated its transactions with a single or small group of counterparties. We are not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. The ability of a Client to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by such Client.

In addition, a Client may use counterparties located in various jurisdictions outside the United States. Such local counterparties are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to a Client's assets may be subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty it is impossible to generalize about the effect of such an insolvency on a Client and its assets. Investors should assume that the insolvency of any such counterparty would result in a loss to such Client, which could be material.

Our Clients may establish relationships in the future to obtain financing, derivative intermediation and prime brokerage services that permit our Clients to trade in any variety of markets or asset classes over time; however, there can be no assurance that our Clients will be able to establish or maintain such relationships. An inability to establish or maintain such relationships would limit our Clients' trading activities and could create losses, preclude our Clients from engaging in certain transactions or obtaining financing, derivative intermediation and prime brokerage services and prevent our Clients from trading at optimal rates and terms. Moreover, a disruption in the financing, derivative intermediation and prime brokerage services provided by any such relationships before our Clients establish additional relationships could have a significant impact on our Clients' business due to such Clients' reliance on such counterparties.

Fund Distributions

Prospective investors should note that there may be little or no near-term cash flow available to the investors from our Clients and there can be no assurance that any investor will receive any distributions from the Clients. Our Clients expect that a significant component of their proceeds will be derived from interest payments or sale proceeds and/or repayments of principal received in respect of securities and other obligations held by the Clients (see "*Fund Income*" below). Accordingly, the Clients will have no source of funds from which to pay distributions to the investors other than income received on their investments.

In addition, while our Clients intend to make distributions in cash, it is possible that certain distributions may be made in kind, subject to the governing documents of the Clients, and could consist of securities for which there is no readily available public market and/or with respect to which there are substantial transfer restrictions. Widespread holding of portfolio investments, particularly of private illiquid securities, may entail a significant administrative burden to investors. In addition, the direct holding of certain portfolio investments may subject the holder to certain liabilities or taxes.

Prospective investors should also be aware that Clients will consider structural, legal, regulatory, tax, currency or other factors when determining whether to make distributions to investors, in investment entities comprised of a Client, and that investors in one investment entity may not receive distributions at the same time as, or in the same amount as, investors in the other investment entity (ies) of such Client.

Fund Income

A wide range of factors may adversely affect an obligor's ability to make repayments or pay the interest on its debt, including: adverse changes in the financial condition of such obligor or the industries or regions in which it operates; the obligor's exposure to counterparty risk; systemic risk in the financial system and settlement; changes in law or taxation; changes in governmental regulations or other policies; natural disasters; terrorism; social unrest; civil disturbances; or general economic conditions. Default rates tend to accelerate during economic downturns.

Any defaults will have a negative impact on the value of our Clients' investments and may reduce the return that our Clients receive from their investments in certain circumstances. While some amount of annual defaults is expected to occur in our Clients' portfolios, defaults in or declines in the value of our Clients' investments in excess of these expected amounts may negatively affect a Client's performance, including, to the extent such Client has financing arrangements in place with recourse to such Client, by causing breaches of covenants under such financing arrangements (to the extent applicable), triggering credit enhancement requirements or accelerated repayment provisions and, if not cured within the relevant grace periods, permitting the finance provider to enforce its security over all the assets of such Client.

In the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of an obligor, holders of debt instruments ranking senior to any Client's investment would typically be entitled to receive payment in full before such Client receives any distribution in respect of its investment. After repaying the senior creditors, such obligor may not have any remaining assets to repay its obligations to such Client. In the case of debt ranking equally with the loans or debt securities in which a Client invests, such Client would have to share on an equal basis any distributions with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant investee company. Each jurisdiction in which a Client invests has its own insolvency laws. As a result, investments in similarly situated issuers or portfolio companies in different jurisdictions may confer different rights in the event of insolvency.

Exchange Rate Risk Exposure

The functional currency of our Clients will be U.S. dollars and any distributions from our Clients will be paid in U.S. dollars. Our Clients may invest a portion of their assets in principal instruments denominated in currencies other than the U.S. dollar, the price of which is determined with reference to currencies other than the U.S. dollar. Our Clients will, however, value their securities and other assets in U.S. dollars. To the extent unhedged, the value of our Clients' assets will fluctuate with U.S. dollar exchange rates as well as the price changes of our Clients' investments in the various local markets and currencies. Thus, an increase in the value of the U.S. dollar compared to the other currencies in which our Clients make their investments will reduce the effect of increases in the prices of our Clients' investments and magnify the U.S. dollar equivalent of the effect of decreases in the prices of our Clients' investments in their local markets. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect on our Clients' non-U.S. dollar investments. Our Clients also may utilize options and forward contracts to hedge against

currency fluctuations, but there can be no assurance that such hedging transactions will be entered into, or, if entered into, will be effective.

Furthermore, because the interests in our Clients are denominated in U.S. dollars and cash distributions from our Clients will be made in U.S. dollars, prospective investors whose assets and liabilities are predominately in other currencies should consider the potential risk of loss arising from fluctuations in value between U.S. dollars and such other currencies.

Hedging Transactions

Our Clients may utilize a variety of financial instruments such as derivatives, swaps, caps and floors and forward contracts, both for investment purposes and for risk management purposes in order to: (i) protect against possible changes in the market value of a Client's investments resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect a Client's unrealized gains in the value of a Client's investments; (iii) facilitate the sale of any such investments; (iv) establish a position as a temporary substitute for other securities; (v) enhance or preserve returns, spreads or gains on any investment; (vi) hedge the interest rate or currency exchange rate on any of the Client's liabilities or assets; (vii) protect against any increase in the price of any securities a Client anticipates purchasing at a later date; or (viii) for any other reason that we deem appropriate. Some of the hedging techniques that our Clients may utilize may result in the Clients incurring leverage and, as a result, entail many of the same risks associated with the Clients' direct use of leverage. See "*Use of Leverage*" above.

Hedging against a decline in the value of an investment does not eliminate fluctuations in the values of investments or prevent losses if the values of such investments decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the applicable investment's value. Such hedging transactions also limit the opportunity for gain if the value of the investment increases. Moreover, it may not be possible for our Clients to hedge against an exchange rate, interest rate or security price fluctuation that is so generally anticipated that our Clients are unable to enter into a hedging transaction at a price sufficient to protect their assets from the decline in value of the investments anticipated as a result of such fluctuations.

Our Clients are not required to attempt to hedge portfolio positions and, for various reasons, may determine not to do so. Moreover, our Clients are not obligated to hedge against fluctuations in the value of our Clients' investments as a result of changes in market interest rates or any other developments. Furthermore, our Clients may not anticipate a particular risk so as to hedge against it. While our Clients may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for our Clients than if our Clients had not engaged in any such hedging transactions. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the investment(s) being hedged may vary. For a variety of reasons, our Clients may not seek to establish a perfect correlation between such hedging instruments and the investment(s) being hedged. Such imperfect correlation may prevent our Clients from achieving the intended hedge or expose our Clients to risk of loss. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of our Clients' investments. Moreover, it should be noted that our Clients'

investments will always be exposed to certain risks that cannot be hedged, such as credit risk (relating both to particular securities and counterparties), “liquidity risk” and “widening” risk.

Concentration of Investments

At certain times, a Client may hold a few relatively large positions and/or such Client’s investments may be concentrated in a limited number of industries. As a result, the impact on our Clients of adverse movements in the value of the securities of a single issuer or market sector could be considerably greater than if our Clients were not permitted to concentrate its investments to such an extent.

Although our Clients are subject to certain concentration and other limitations, these limitations may be waived with the approval of the advisory committee of our Clients or may exceed the amount deemed prudent by an investor, and regardless, such limitations are not meant to ensure that our Clients’ portfolios are diversified.

Custodial Risk

Because none of our Clients are registered investment companies, any custodial arrangements of our Clients are not subject to SEC regulations governing registered investment companies. For example, a registered investment company that places its securities in the custody of a member of a national securities exchange is required to have a written custodian agreement that provides that securities held in custody will be at all times individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company and which contains other provisions complying with SEC regulations. Our Clients may not have a written custodian agreement with their custodial agent. Accordingly, in acting as custodial agent of certain of our Clients’ securities and other assets, the custodial agent is not required to comply with certain of the SEC regulations applicable to custodians of the securities of registered investment companies. Under the provisions of the Securities Investor Protection Act, the bankruptcy of the custodial agent might have a greater adverse effect on our Clients than would be the case if the custodial agent were required to mark our Clients’ securities as property of our Clients and to comply with other SEC regulations governing the custody of the securities of registered investment companies.

Projections and Third-Party Reports

Our Clients may establish the capital structure of an investment and the terms and targeted returns of such investment on the basis of financial, macroeconomic and other applicable projections. Projected operating results may be based primarily on the judgment of investment executives and other persons at the relevant issuer or third-party advice and reports. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be achieved, and actual results may vary significantly from the projections. General economic, natural and other conditions, which are not predictable and which Brinley cannot control, can have an adverse impact on the reliability of such projections.

Rating Agencies

In general, the ratings of nationally recognized rating organizations represent the opinions of these agencies as to the quality of securities that they rate. These ratings may be used by Brinley, in part, for the selection of portfolio securities. Such ratings, however, are relative and subjective; they are not absolute standards of quality and do not evaluate the market value risk of the securities. It is also possible that a rating agency

might not change its rating of a particular issue on a timely basis to reflect subsequent events. Further, with respect to asset-backed securities, such ratings do not represent any assessment of the likelihood that future prepayments will differ from current prepayment assumptions or historical prepayment rates. Hence, such ratings will not address the possibility that prepayment rates from an investment that are higher or lower than what was anticipated by an investor may cause such investment to experience a lower than anticipated yield.

The ratings assigned by Moody's Investor Service ("**Moody's**"), Standard & Poor's Global Ratings ("**S&P**") and other rating agencies, as applicable, to loans or other debt instruments that may be held by our Clients reflect only the views of those agencies. Explanations of the significance of ratings should be obtained from Moody's or S&P or such other rating agency. No assurance can be given that ratings assigned will not be withdrawn or revised downward if, in the view of Moody's or S&P or such other rating agency, circumstances so warrant. Any such rating downgrade may negatively affect the value of the securities in which our Clients invest.

With respect to CLOs or other structured products, rating agencies may use different methodologies in rating a tranche of a CLO or other structured product and the underlying assets within such tranche. As such, there can be no guarantee that the ratings of any tranche of a CLO or other structured product will properly reflect the risk profile of the tranche itself or such tranche's underlying assets.

Expedited Transactions

Investment analyses and decisions by Brinley will often be undertaken on an expedited basis in order for our Clients to take advantage of investment opportunities. In such cases, the information available to us at the time of an investment decision may be limited, and we may not have access to the detailed information necessary for a full evaluation of the investment opportunity. In addition, we may rely upon independent consultants in connection with its evaluation of proposed investments. There can be no assurance that these consultants will accurately evaluate such investments.

Provision of Managerial Assistance

Brinley, by virtue of the assets it manages for our Clients, may obtain rights to participate substantially in and to influence substantially the conduct of the management of issuers or portfolio companies in which our Clients invest. We may designate directors (and non-executive chairmen) to serve on the boards of directors of issuers or portfolio companies. The designation of directors and other measures contemplated could expose the assets of our Clients to claims by an issuer, its security holders and its creditors. The provision of managerial assistance could expose our Clients to certain risks, including the risk of litigation. As a result, our Clients could suffer losses in their investments.

Fraud

Our Clients will seek to obtain structural, covenant and other contractual protections with respect to the terms of their investments as determined appropriate under the circumstances. There can be no assurance that such attempts to provide downside protection with respect to their investments will achieve their desired effect, and potential investors should regard an investment in our Clients as being speculative and having a high degree of risk. Of paramount concern in investments in issuers or portfolio companies of our Clients is the possibility of material misrepresentation or omission on the part of the issuer or other credit

support providers or breach of covenant by such parties. Such inaccuracy or incompleteness or breach of covenants may adversely affect the valuation of the collateral underlying such loans, notes or bonds or may adversely affect the ability of our Clients to perfect or effectuate a lien on the collateral securing the loan or otherwise realize on the investment. Our Clients will rely upon the accuracy and completeness of representations made by borrowers and their agents to the extent reasonable when they make its investments, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to our Clients may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Software and Technology Related Investments

Our Clients may invest in portfolio companies whose performance may be highly correlated with their ability to successfully implement new technology and/or exploit and/or utilize existing technologies. The technology sector is challenged by various factors, including rapidly changing market conditions and participants, new competing products and services and improvements in existing products and services. There is no assurance that products or services sold by portfolio companies will not be rendered obsolete or adversely affected by competing products and services or other challenges. In the event that the technology sector declines or that portfolio companies are unable to utilize technology successfully and competitively, returns to our Clients may decrease.

Investments in Private Companies

Investment in private companies involves a number of significant risks. Generally, little public information exists about these companies, and our Clients will rely on Brinley's ability to obtain adequate information to evaluate the potential returns from investing in these companies. If Brinley is unable to uncover all material information about these companies, it may not make a fully informed investment decision, and Clients may lose money on their investments. In addition, such companies may have short operating histories, narrow product lines and small market shares, which tend to render them vulnerable to competitors' actions and market conditions, as well as general economic downturns. Additionally, private companies are often likely to depend on the management talents and efforts of a small group of persons. Therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on one or more of the obligors of investments that our Clients hold and, in turn, on our Clients. Such companies also may be parties to litigation and may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence. Investment in private companies therefore involves a high degree of business and financial risk, which can result in substantial losses, and accordingly, should be considered speculative.

Public Company Holdings

Investments may include securities issued by publicly held companies, which may be sensitive to movements in the stock market and trends in the overall economy. Such investments may subject our Clients to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of our Clients to dispose of such securities at certain times, increased likelihood of shareholder litigation and

insider trading allegations against such companies' board members, including representatives of Brinley or our Clients, and increased costs associated with each of the aforementioned risks.

Investments in Equity Securities Generally

Our Clients may invest their assets in preferred stock, common stock, warrants, partnership interests or other equity securities directly (including in connection with a debt investment as additional consideration or an "equity kicker"), or may hold such securities as the result of certain restructuring activities or the conversion of a debt security. Investments in equity securities of small- or medium-sized market capitalization companies and/or private companies will have more limited marketability than the securities of larger companies. In addition, securities of smaller companies and private companies may have greater price volatility. All of our Clients' investments in equity securities will be subject to normal market risks. While diversification among issuers and portfolio companies may mitigate these risks, investors must expect fluctuations in the value of equity securities held by our Clients based on market conditions. Because equity securities rank lower in the capital structure of an issuer, such investments may subject investors to additional risks not applicable to debt securities. In addition, holders of equity securities may be wiped out or substantially reduced in value in a bankruptcy proceeding or corporate restructuring.

Rights Offerings

Our Clients may be granted the option to participate in and/or to back-stop a rights offering, including, without limitation, in connection with a restructuring or other similar activities. If a Client elects not to fully exercise its subscription rights, such Client will generally, at the completion of the rights offering, own a smaller proportional interest in the company than would otherwise be the case had such Client fully exercised its subscription rights. Moreover, the market price of the common stock or other equity securities that a Client holds may also decline if and after such Client elects to exercise its subscription rights. If that occurs, such Client may have committed to buying shares of the common stock in the rights offering at a price greater than the prevailing market price, and could have an immediate unrealized loss. There is no assurance that, following the exercise of any subscription rights, a Client will be able to sell its common stock at a price equal to or greater than the subscription price. Until shares are delivered upon expiration of the rights offering, such Client will not be able to sell the shares of the common stock that were purchased in the rights offering.

Risks Related to Investing Outside the United States

Non-U.S. Investments

Investments outside the United States or denominated in non-U.S. currencies pose currency exchange risks (including blockage, devaluation and non-exchangeability) as well as a range of other potential risks which could include, depending on the country involved, expropriation, confiscatory taxation, political or social instability, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding non-U.S. investments and non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. companies. Transaction costs of investing outside the United States are generally higher than in the United States. There is generally less government supervision and regulation of exchanges, brokers and funds than there is in the United States. Non-U.S. investments pose certain legal risks, including that laws and regulations governing investments in securities and other obligations may not exist or may be subject to

inconsistent or arbitrary application or interpretation, both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries and our Clients may encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in non-U.S. courts. Non-U.S. markets also have different clearance and settlement procedures which in some markets have at times failed to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect our Clients' performance. Greater tax risks and complexities also may be associated with these investments.

Legal Infrastructure

Investment in non-U.S. securities and other obligations involves considerations and possible risks not typically involved with investment in the securities of U.S. issuers or portfolio companies, including changes in applicable laws, changes in governmental administration or economic or monetary policy (in the United States or elsewhere) or changed circumstances in dealings between nations. The application of non-U.S. tax laws (e.g., the imposition of withholding taxes on dividend or interest payments) may also affect investment in non-U.S. securities and other obligations. Higher expenses may result from investment in non-U.S. securities and other obligations than would result from investment in U.S. securities and other obligations because of the costs that must be incurred in connection with conversions between various currencies and non-U.S. brokerage commissions that may be higher than in the United States. Non-U.S. securities markets also may be less liquid and more volatile.

Laws affecting international investment and business continue to evolve, although at times in an uncertain manner that may not coincide with local or accepted international practices. Laws and regulations, particularly those concerning foreign investment and taxation, can change quickly and unpredictably. Inconsistencies and discrepancies among the vast number of local, regional and national laws, the lack of judicial or legislative guidance on unclear or conflicting laws and broad discretion on the part of government authorities implementing the laws produce additional legal uncertainties. The burden of complying with conflicting laws may have an adverse impact on the operations of our Clients.

AIFM Directive

AIFM Directive regulates alternative investment fund managers ("*AIFMs*"), including imposing requirements on non-EEA and non-UK AIFMs (as appropriate) which "market" (as that term is defined in the AIFM Directive) alternative investment funds ("*AIFs*") in the EEA or the UK.

To the extent any Client is marketed in the EEA or UK, Brinley, as the non-EEA and non-UK AIFM of such Client within the meaning of the AIFM Directive, may be subject to certain requirements.

EEA Member States are afforded certain discretion to implement national rules which impose stricter requirements on non-EEA AIFMs marketing non-EEA AIFs in the relevant EEA Member State than those contained in the EU AIFM Directive. The degree to which this discretion has been exercised varies between EEA Member States, but certain EEA Member States have imposed detailed additional obligations on non-EEA AIFMs, which may increase the operational costs of a Client and/or require the submission of a detailed marketing application for consideration by the applicable national regulator which could result in delays with respect to the ability of Brinley to market a Client to European investors and/or to accept

investor money in relevant EEA Member States and there can be no assurance that any such application will be approved.

The AIFM Directive could have an adverse effect on a Client by increasing the regulatory burden and costs of doing business in EEA Member States or the UK, and/or imposing extra disclosure obligations on companies, if any, in which a Client invests which are located in EEA Member States or the UK. This could potentially disadvantage a Client as an investor in private companies located in EEA Member States or the UK when compared to competitors which are not private funds and therefore may not be subject to the requirements of the AIFM Directive, thereby potentially restricting a Client's ability to make investments in such companies. The AIFM Directive could also limit Brinley's operating flexibility and a Client's investment opportunities, as well as expose Brinley or a Client to conflicting regulatory requirements in the United States, the EEA and the UK.

The EU AIFM Directive is currently subject to ongoing legislative review by the European Commission, and it is not currently clear what changes to the EU AIFM Directive, if any, could be implemented and what impact any such changes would have on a Client.

EMIR

The European Market Infrastructure Regulation (EU) 648/2012, together with any implementing or delegated directive or regulation, as implemented into national law by EEA Member States and retained in domestic law in the UK pursuant to the EUWA and legislation thereunder (each as amended, replaced or supplemented from time to time) (collectively, "**EMIR**"), imposes certain obligations on parties to over-the-counter derivative contracts according to whether they are "financial counterparties" (such as EEA and UK investment firms, alternative investment funds managed by authorized or registered alternative investment fund managers, credit institutions and insurance companies), other entities established in the EEA and the UK, which are referred to in EMIR as "non-financial counterparties" or, in some circumstances, non-EEA or non-UK country equivalents of financial counterparties or non-financial counterparties. Prospective investors should be aware that the regulatory framework of EMIR has significantly increased the cost of entering into derivative contracts with counterparties in-scope of EMIR. Any amendments to EMIR may increase such costs and adversely affect our Clients' ability to enter into in-scope transactions for hedging purposes.

Solvency II

Directive 2009/138/EC on the taking-up and pursuit of the business of Insurance and Reinsurance, together with any implementing or delegated directive or regulation, as implemented into national law by EEA Member States and retained in domestic law in the UK pursuant to the EUWA and legislation thereunder (each as amended from time to time) ("**Solvency II**") sets out stronger capital adequacy and risk-management requirements for insurers and reinsurers in the EEA and the UK. Solvency II dictates how much capital such firms must hold against their liabilities and how to undertake a risk-based assessment of those liabilities, as well as reporting requirements to which such firms are subject. Although Brinley and our Clients are not directly subject to Solvency II, Solvency II could impose compliance and disclosure

obligations on Brinley and the Clients, insurers and/or reinsurers who are subject to Solvency II to invest in our Clients.

Risks Associated with the Eurozone Debt Crisis

Our Clients' investments and their investment performance could be affected by economic and fiscal conditions in Eurozone countries and developments relating to the euro. The deterioration of the sovereign debt of several Eurozone countries together with the risk of contagion to other more stable economies exacerbated the Global Financial Crisis. This situation raised a number of uncertainties regarding the stability and overall standing of the European Monetary Union. Economic, political or other factors could still result in changes to the composition of the European Monetary Union.

The risk that other Eurozone countries could be subject to higher borrowing costs and face further deterioration in their economies, together with the risk that some countries could withdraw from the Eurozone, could have a negative impact on our Clients' investment activities. A reintroduction of national currencies in one or more Eurozone countries or, in more extreme circumstances, the possible dissolution of the European Monetary Union cannot be ruled out. The departure or risk of departure from the European Monetary Union by one or more Eurozone countries and/or the abandonment of the euro as a currency could have major negative effects on our Clients. If the European Monetary Union is dissolved entirely, the legal and contractual consequences for holders of euro-denominated obligations would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of investors' interests in our Clients.

Economic and Political Risks in General Relating to Non-U.S. Countries

There is often a high degree of government regulation in non-U.S. economies, including in the securities markets. Action by such governments may directly affect foreign investment in securities or other obligations in those countries and may also have a significant indirect effect on the market prices of securities and other obligations and of the payment of dividends and interest.

Changes in policy with regard to taxation, fiscal and monetary policies, repatriation of profits and other economic regulations are possible, any of which could have an adverse effect on our Clients' investments. Non-U.S. economies may differ favorably or unfavorably from the U.S. economy with regard to the rate of growth of gross domestic product, the rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments.

Governments in countries outside the United States participate to a significant degree, through ownership interests or regulation, in their respective economies. Action by these governments could have a significant adverse effect on market prices of securities and payment of dividends.

Many non-U.S. countries have undergone a substantial political and social transformation and there can be no assurance that the economic, educational and political reforms necessary to complete political and economic transformation will continue. The state of development of certain political systems outside the United States makes them susceptible to changes and potential weakening from economic hardship and social instability. In certain non-U.S. countries, the extent of the success of economic reform is difficult to evaluate. Information on these economies is often contradictory or absent. In certain countries, much of the

workforce remains under-employed or unemployed. Continued unemployment could hinder the ability of various governments to keep deficit spending in check.

Changing political environments, regulatory restrictions and changes in government institutions and policies outside the United States could adversely affect our Clients' investments. Civil unrest, ethnic conflict or regional hostilities may contribute to instability in some countries outside the United States. Such instability may impede business activity and adversely affect the environment for foreign investments. Our Clients do not intend to obtain political risk insurance. Actions in the future of one or more non-U.S. governments could have a significant effect on the various economies, which could affect market conditions, prices and yields of securities and other obligations in our Clients' portfolios. Political and economic instability in any of the countries outside the United States in which our Clients invest could adversely affect our Clients' investments.

Non-U.S. Bankruptcy Laws

Issuers or portfolio companies located in non-U.S. jurisdictions may be involved in restructurings, bankruptcy proceedings and/or reorganizations that are not subject to laws and regulations that are similar to Title 11 of the United States Bankruptcy Code, as amended, and/or that do not otherwise accommodate the rights of creditors afforded in U.S. jurisdictions. In certain cases, such non-U.S. laws and regulations may not provide our Clients with equivalent rights and privileges necessary to promote and protect its interests and our Clients' investments in such issuers or portfolio companies may be materially adversely affected as a result.

There can be no assurance that adverse developments (with respect to the foregoing risks) will not adversely affect investments that are held in certain countries.

Accounting Standards

Investments may be made in countries where generally accepted accounting standards and practices differ significantly from those practiced in the United States. The evaluation of potential investments and the ability to perform due diligence may be affected. The financial information appearing on the financial statements of a company operating in one or more non-U.S. countries may not reflect its financial position or results of operations in the way they would be reflected if the financial statements had been prepared in accordance with accounting principles generally accepted in the United States.

Anti-Corruption, Sanctions and Anti-Boycott Considerations

Our Clients may be adversely affected because of the unwillingness of our Clients' respective general partners or Brinley to participate in transactions that threaten to violate the U.S. Foreign Corrupt Practices Act of 1977 (as amended from time to time, the "**FCPA**"), U.S. sanctions law and U.S. anti-boycott law, as well as applicable anti-corruption, sanctions and anti-boycott laws of other jurisdictions. Such laws and regulations may make it difficult in certain circumstances for our Clients to act successfully in making or unwinding investments and for portfolio companies to conduct business. In some instances, the challenges of complying with these laws are compounded by conflicts between U.S. law and local law, as when complying with U.S. sanctions law may conflict with a local blocking order.

In recent years, the U.S. government and various non-U.S. governments have devoted considerable resources to enforcing these laws. Penalty amounts in FCPA, and sanctions cases have risen dramatically

in recent years. In addition, other countries have become active in these areas of enforcement, especially with respect to anti-corruption laws. While Brinley has developed and implemented policies and procedures designed to ensure compliance by Brinley and our personnel with these laws, such policies and procedures may not be effective in all instances to prevent violations. In addition, in spite of our policies and procedures, companies in which our Clients invest may engage in activities that violate these laws, adversely affecting the value of investments by the Client and, in some instances, creating liability for Brinley. Any determination that Brinley has violated these laws could subject it to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation, problems with lenders, and a general loss of investor confidence, any one of which could adversely affect our business prospects and/or financial position, as well as our Clients' ability to achieve their investment objectives and/or conduct their operations.

Fund Risks

Regulatory Developments Relating to Investment Advisers and Private Funds

Legal, tax and regulatory changes, as well as judicial decisions, could adversely affect Brinley and our Clients, particularly those clients that are private funds. In particular, the regulatory environment relevant to private investment funds is evolving and may entail increased regulatory involvement in our business or result in ambiguity or conflict among legal or regulatory schemes applicable to our business, all of which could adversely affect the investment strategies pursued or the value of investments held by a Client.

In 2023 and early 2024, the SEC voted to adopt several new rules and amendments that can be expected to affect Brinley's business and our Clients.

Recently Adopted Rules

Private Fund Adviser Rules. In August 2023, the SEC voted to adopt new rules and amendments to existing rules under the Advisers Act (collectively, the "***Private Fund Adviser Rules***") specifically related to investment advisers and their activities with respect to private funds. The various Private Fund Adviser Rules have compliance dates of either September 14, 2024, or March 14, 2025.

The Private Fund Adviser Rules are expected to, among other things, (i) require quarterly reporting by registered private fund advisers to investors concerning performance, compensation, fees and expenses; (ii) require registered advisers to obtain an annual audit for private funds they advise; (iii) require registered advisers to obtain a fairness opinion or a valuation opinion and make certain disclosures, in connection with adviser-led secondary transactions (also known as GP-led secondaries); (iv) prohibit advisers from charging certain fees and expenses to private fund clients without disclosure and in some cases investor consent; (v) prohibit advisers from reducing an adviser clawback by the amount of certain taxes, unless disclosed; (vi) prohibit an adviser from borrowing or receiving an extension of credit from a private fund client without disclosure and investor consent; and (vii) impose limitations on and new disclosure requirements regarding preferential treatment of investors in private funds in side letters or other arrangements with an adviser. Several trade groups representing private fund managers have filed a legal challenge to the Private Fund Adviser Rules.

The Private Fund Adviser Rules are likely to have a significant effect on Brinley, our Clients and their operations if upheld, including increasing compliance burdens and associated regulatory costs and increasing the risk of regulatory action, including public regulatory sanctions and may result in a change to Brinley's practices and create additional regulatory uncertainty. The Private Fund Adviser Rules may result in material alterations to how Brinley operates our business and/or our Clients, as well as Brinley's implementation of the investment strategies of our Clients, and there can be no assurance that such alterations will not have a material adverse effect on Brinley, our Clients and/or their portfolio companies.

Form PF Amendments. In May 2023, the SEC adopted substantial amendments to Form PF. Among other requirements, the amended Form PF (i) imposes quarterly event reporting requirements on all private equity fund advisers regarding certain triggering events including the removal of a general partner, certain fund termination events and the occurrence of an adviser-led secondary transaction; and (ii) creates additional annual reporting requirements for "large" private equity fund advisers (*i.e.*, private equity fund advisers with at least \$2 billion in private equity assets under management) including reporting on the occurrence of any GP clawback or LP clawback, as well more detailed information on fund investment strategies, fund-level borrowings, events of default, bridge financings to controlled portfolio companies and geographic breakdowns of investments. The compliance date for the quarterly event reporting requirements occurred in December 2023 and the compliance date for the amendments to the annual reporting requirements is in June 2024.

In February 2024, the SEC and the U.S. Commodity Futures Trading Commission ("**CFTC**") jointly adopted amendments to Form PF. Among other requirements, the joint amendments (i) require private fund advisers to report additional information about themselves and their private funds, including identifying information, assets under management, withdrawal and redemption rights, gross asset value and net asset value, inflows and outflows, base currency, borrowings and types of creditors, fair value hierarchy, beneficial ownership, and fund performance; and (ii) require private fund advisers to report separately each component fund in complex fund structures, such as master-feeder arrangements and parallel fund structures. The compliance date for the joint SEC and CFTC amendments to Form PF is in March 2025.

Potential Impact. These final rules and amendments are expected to significantly increase compliance burdens and associated regulatory costs and operational complexity. The cost of implementing requirements relating to these final rules and amendments is expected to be substantial and may, to the extent permitted by the relevant governing documents and applicable regulations, be borne by Brinley and our Clients, and/or their investments.

Proposed Rules

Predictive Data Analytics Proposal. In July 2023, the SEC proposed a new rule and amendments to the books and records rule to address conflicts of interest associated with advisers' interactions with investors through the use of certain technologies that optimize for, predict, guide, forecast, or direct investment-related behaviors or outcomes (*i.e.*, predictive data analytics). The proposal would require all investment advisers registered, or required to be registered, with the SEC to identify and eliminate (or neutralize the effect of) any conflict of interest associated with their use of covered technology in investor interactions that place the adviser's or its associated person's interest ahead of investors' interests. In addition, the

proposal would require all investment advisers registered, or required to be registered, with the SEC to adopt and implement written policies and procedures reasonably designed to prevent violations of the proposed rule; and to comply with extensive recordkeeping obligations.

Cybersecurity Risk Management Proposal. In January 2022, the SEC proposed new cybersecurity risk management rules and amendments that would require advisers to adopt and implement written cybersecurity policies and procedures, confidentially report significant cybersecurity incidents to the SEC within 48 hours of discovery, make enhanced disclosure about cybersecurity risks and incidents, and maintain related books and records.

ESG Proposal. In May 2022, the SEC proposed amendments to Form ADV which would require investment advisers, including private fund advisers, to provide additional information regarding their incorporation of environmental, social and governance (“*ESG*”) factors in their investment strategies. The proposal seeks to categorize certain types of ESG strategies broadly and would require advisers to provide specific disclosures based on the ESG strategies they pursue.

Adviser Outsourcing Proposal. In October 2022, the SEC proposed a new rule and related rule amendments under the Advisers Act that would establish a new oversight framework for outsourcing by registered investment advisers. The proposal would (i) require advisers to conduct due diligence prior to engaging a “service provider” to perform a “covered function” and to periodically monitor the performance and reassess the retention of the service provider; (ii) require advisers to conduct due diligence prior to engaging a third party to perform a “recordkeeping function” (as defined below) and to periodically monitor the performance and reassess the retention of the third-party recordkeeper, as well as to obtain reasonable assurances that the third party will meet certain standards; (iii) require advisers to make and/or keep books and records related to the foregoing due diligence and monitoring requirements; and (iv) amend Form ADV to collect census-type information about advisers’ use of service providers.

Safeguarding Proposal. In February 2023, the SEC proposed to amend and redesignate the custody rule, which governs the safeguarding of client assets by investment advisers, and amend associated reporting and recordkeeping rules. The proposal would, among other things, (i) broaden existing requirements to cover all client assets (not just funds and securities), (ii) expand the definition of “custody” to include discretionary investment authority for assets, (iii) require an adviser to enter into a written agreement with and obtain certain reasonable assurances from qualified custodians, and (iv) narrow the current custody rule’s exception from the obligation to maintain client assets with a qualified custodian for certain privately offered securities and physical assets.

Regulation S-P Proposal. In March 2022, the SEC proposed enhancements to Regulation S-P (which relates to the privacy and protection of consumer financial information) to require registered investment advisers, among others, to notify individuals affected by certain types of data breaches that may put them at risk of harm. The proposal would (i) require registered advisers to adopt written policies and procedures for an incident response program to address unauthorized access to or use of customer information; (ii) require registered advisers to have written policies and procedures to provide timely notification to affected individuals whose sensitive customer information was or is reasonably likely to have been accessed or used without authorization; and (iii) broaden the scope of information covered by Regulation S-P’s requirements.

Proposal on Prohibiting Conflicts of Interest in Certain Securitizations. In January 2023, the SEC proposed Securities Act Rule 192 to prohibit conflicts of interest in certain securitization transactions as required by Section 27B of the Securities Act of 1933 which was added as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The proposed rule would prohibit an underwriter, placement agent, initial purchaser, or sponsor of an asset-backed security (“**ABS**”) (including a synthetic asset-backed security), or any affiliate or subsidiary of any such entity (including managers of collateralized loan obligations or other ABS vehicle collateral managers and their affiliates), from engaging in any transaction that would involve or result in certain material conflicts of interest between the securitization participant and an investor in an ABS, subject to certain exceptions for risk-mitigating hedging activities, bona fide market-making activities and liquidity commitments.

Potential Impact. The scope and timing of any final rules and amendments with respect to the foregoing proposals is unknown. If adopted, even with modifications, these rules and amendments would be expected to significantly increase compliance burdens and associated regulatory costs and operational complexity. The cost of implementing requirements relating to such proposals is expected to be substantial and may, to the extent permitted by the relevant governing documents and applicable regulations, be borne by Brinley and our Clients, and/or their investments.

Legal, Tax and Regulatory Risks of Alternative Investment Funds

Legal, tax and regulatory developments that could adversely affect our Clients could occur during the term of our Clients. Securities markets are subject to comprehensive statutes, regulations and margin requirements enforced by the SEC, other regulators and self-regulatory organizations and exchanges authorized to take extraordinary actions in the event of market emergencies. The regulatory environment for private funds is continuously evolving, and changes in the regulation of private funds and their trading activities may adversely affect the ability of our Clients to pursue their investment strategies and the value of investments held by our Clients. There has been an increase in governmental, as well as self-regulatory, scrutiny of the alternative investment industry in general. It is impossible to predict what, if any, changes in regulations may occur, but any regulations that restrict the ability of our Clients to trade in securities or the ability of our Clients to employ, or brokers and other counterparties to commit trading capital (as well as other regulatory changes that result) could have a material adverse impact on our Clients’ portfolios.

Our Clients, their respective general partners and/or Brinley may also be subject to regulation in jurisdictions in which our Clients, their respective general partners and/or Brinley engage in business. Investors should understand that our Clients’ business is dynamic and is expected to change over time. Therefore, our Clients may be subject to new or additional regulatory constraints in the future. This discussion in this Brochure cannot address or anticipate every possible current or future regulation that may affect our Clients, their respective general partners and/or Brinley or their respective businesses. Such regulations may have a significant impact on the investors or the operations of our Clients, including, without limitation, restricting the types of investments our Clients may make, preventing the Clients from exercising voting rights with regard to certain financial instruments, requiring our Clients to disclose the identity of their investors or otherwise. Our Clients’ general partners may, in their discretion, cause our Clients to be subject to such regulations if the general partners believe that an investment or business activity is in our Clients’ interest, even if such regulations may have a detrimental effect on one or more

investors. Prospective investors are encouraged to consult their own advisors regarding an investment in our Clients.

Potential SEC Enforcement Actions

There can be no assurance that Brinley or any of our affiliates will not be subject to regulatory examination and possibly enforcement actions. Recent SEC enforcement actions and settlements involving U.S.-based private fund advisers have involved a number of issues, including the use of unapproved means of electronic communication for business purposes, the undisclosed allocation of the fees, costs and expenses related to unconsummated co-investment transactions (*i.e.*, the allocation of broken deal expenses), undisclosed legal fee arrangements affording the applicable adviser with greater discounts than those afforded to funds advised by such adviser and the undisclosed acceleration of certain special fees. If the SEC or any other governmental authority, regulatory agency or similar body takes issue with the practices of Brinley (or any of our affiliates), it will be at risk for regulatory sanction. Even if an investigation or proceeding did not result in a sanction or the sanction imposed against Brinley (or any of our affiliates) was small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm the reputations of Brinley and may adversely affect the investment performance of our Clients by hindering our ability to conduct the business of our Clients.

Business and Regulatory Risks

Our Clients, their respective general partners, Brinley and/or their respective affiliates are subject to a number of unusual risks, including changing laws and regulations, developing interpretations of such laws and regulations, judicial decisions and increased scrutiny by regulators. Some of this evolution may be directed at the private fund industry in general or certain segments of the industry. Brinley conducts investment activities in multiple securities markets, which are subject to comprehensive statutes, regulations and margin requirements enforced by the SEC, other federal, state and international regulators and self-regulatory organizations and exchanges. These authorities may be authorized to take extraordinary actions in the event of market emergencies. Regulators may implement more stringent regulation of private funds and other investors and their trading activities, or the Clients may conduct business in jurisdictions that have adopted more stringent requirements than the United States and the Cayman Islands. In such event, our Clients may have to incur significant expenses in order to comply or our Clients may have to restrict their operations. Either approach may adversely affect the ability of our Clients to pursue their investment strategies and the value of investments held by our Clients. To the extent such regulatory expansion occurs, it may result in scrutiny or claims against Brinley or our Clients directly for actions taken or not taken by Brinley or our Clients, or result in ambiguity or conflict among legal or regulatory schemes applicable to their businesses, all of which could adversely affect the investment or trading strategies pursued by our Clients or their investments or the value of such investments. In general, as a result of the evolving regulatory environment in which Brinley operates, our Clients, their respective general partners, Brinley and/or their respective affiliates face the continuing risk of pending and potential litigation and regulatory action. These risks are often difficult or impossible to predict, avoid or mitigate in advance. The

effect of any such legal risk, litigation or regulatory action on our Clients, their respective general partners, Brinley or their respective affiliates could be substantial and adverse.

Shadow Banking Regulation

There has been increasing commentary among regulators and intergovernmental institutions, including the Financial Stability Board and International Monetary Fund, on the topic of so-called “shadow banking” (a term generally taken to refer to credit intermediation involving entities and activities outside the regulated banking system).

The Financial Stability Board issued a report that recommended strengthening oversight and regulation of the “shadow banking” system in Europe. The report outlined initial steps to define the scope of the “shadow banking” system and proposed general governing principles for a monitoring and regulatory framework. While, at this stage, it is difficult to predict the scope of any new regulations of the “shadow banking” system, if (a) such regulations were to extend the regulatory and supervisory requirements currently applicable to banks, such as capital and liquidity standards, to our Clients’ activities, or (b) any of our Clients were considered to be engaged in “shadow banking,” then, in each case, the regulatory and operating costs associated therewith could adversely impact the implementation of our Clients’ investment strategies and returns and could become cost prohibitive with respect to certain of our Clients’ investments.

Complex Accounting Considerations

The accounting principles applicable to the financial reporting of our Clients are expected to be complex and may vary from time to time based on the particular facts and circumstances of the investments. Such accounting principles may require our Clients as well as certain investors to consolidate all or some of the investments made by our Clients on their financial statements.

Privacy and Data Protection

Brinley, our Clients, and our Clients’ respective general partners are, or may in the future become, subject, directly or indirectly, to privacy and data protection laws and regulations which, among other things, require enhanced levels of cybersecurity and impose obligations on the handling of certain data and information, including data relating to natural persons (collectively, the “**Data Protection Laws**”). For example, in the U.S., Regulation S-P, adopted by the SEC pursuant to the Gramm-Leach-Bliley Act of 1999, imposes certain obligations with respect to privacy of natural person clients. In the EEA and the UK, the General Data Protection Regulation (Regulation (EU) 2016/679) has a direct effect in all member states of the EEA and extraterritorial effect in some cases, and which forms part of the domestic law of the UK pursuant to the EUWA, the Data Protection Act 2018 and legislation thereunder (each as amended from time to time) (together, “**GDPR**”). The GDPR sets out rules to protect natural persons in relation to the processing of personal data and to ensure the free movement of personal data within the EEA and the UK. Entities that breach the GDPR can be fined up to the higher of €20 million or £17,500,000 (as applicable) or 4% of total worldwide annual turnover.

Seeking compliance with applicable Data Protection Laws may divert Brinley’s and our Clients’ general partners’ respective time and effort and entail substantial expense. Any failure by Brinley, our Clients, and/or our Clients’ respective general partners to comply with applicable Data Protection Laws could result in negative publicity and may subject Brinley, our Clients, and/or our Clients’ respective general partners

to significant costs associated with remediation actions, litigation, settlements, regulatory action, fines, judgments, liabilities and other penalties, for which Brinley, our Clients, and/or the Clients' respective general partners may not have insurance coverage. In addition, changes to and/or expansion of applicable Data Protection Laws could adversely affect the business operations of Brinley, our Clients, and/or the Clients' respective general partners.

Large Investor

Our Clients may receive commitments from a small number of investors (and affiliates thereof or vehicles sponsored by such investors), including the Strategic Investor (as defined below), which may account for a substantial proportion of the aggregate commitments. This may significantly affect the ability of other investors to influence the activities and governance of our Clients, including, without limitation, amendments to the governing documents of our Clients.

Disclosure of Information

Certain investors will be subject to state public records or similar U.S. or non-U.S. freedom of information laws, which may compel public disclosure of confidential information regarding our Clients, their investments and their investors. There can be no assurance that such information will not be disclosed either publicly or to regulators, law enforcement agencies or otherwise, including for purposes of complying with regulations or policies to which our Clients, their respective general partners, Brinley and/or their respective affiliates, issuers, portfolio companies' or service providers may be or become subject.

Governing Law, Jurisdiction and Sovereign Immunity

Certain investors admitted to our Clients may enjoy sovereign or other immunities and privileges under U.S. or foreign law and may claim to be or insist on being restricted in their ability to submit to the jurisdiction of particular courts and tribunals, including those designated in the governing documents of our Clients. These factors may make it substantially more difficult for our Clients, their respective general partners or Brinley to enforce the contractual obligations of an investor.

Limited Access to Information

Investors' rights to information regarding our Clients are specified, and strictly limited, in the governing documents of such Clients. In particular, it is anticipated that the general partners of our Clients and Brinley will obtain certain types of material information from investments that will not be disclosed to investors because such disclosure is prohibited for contractual, legal or similar obligations outside of the control of our Clients' general partners or Brinley. Decisions by the general partners of our Clients and Brinley to withhold information may have adverse consequences for investors in a variety of circumstances. For example, an investor that seeks to transfer its interest in any Client may have difficulty in determining an appropriate price for the interest. Decisions to withhold information also may make it difficult for investors to monitor our Clients' general partners', Brinley's and our Clients' performance. Additionally, it is expected that investors who designate representatives to participate on an advisory committee may, by virtue of such participation, have more information about a Client and investments in certain circumstances.

than other investors generally and may be disseminated information in advance of communication to other investors generally.

Segregation of Liability; Cross-Collateralization

Our Clients intend to participate in investments alongside one or more other Clients through aggregating vehicles in which both such Clients are investors. Certain of these aggregating vehicles could hold investments in which one Client holds an interest but another Client does not. Since such aggregating vehicles generally do not provide for segregated liability between investments or groups of investments, to the extent the foregoing occurs, it is possible that a Client (and, in turn, the investors) could become subject to liabilities that are associated with investments in which such Client does not hold an interest. In addition, certain of such aggregating vehicles may employ leverage that is recourse to all of the assets of such aggregating vehicles. In these circumstances, it is possible that, as a result of such “cross-collateralization,” our Clients’ investments will be subject to foreclosure due to a default under a credit facility of which the Client’s investments are not utilizing or an impairment in another investment in which our Clients do not hold an interest.

Risk of Loss of Capital

Our Clients’ investment programs are speculative and entails risk and, therefore, should be undertaken only by investors capable of evaluating the risks of an investment with respect to any Client and bearing the risks that such investment represents. There can be no assurance that the investment objective will be achieved or that the investors of the Clients will receive a return on their capital, and investment results may vary substantially on a monthly, quarterly or annual basis. Brinley’s risk management approach seeks to isolate and mitigate, not eliminate, risk. Accordingly, Brinley’s activities could result in capital losses under certain circumstances.

Substantial Fees and Expenses

The investors bear the advisory fees, Organizational Expenses and Operating Expenses whether or not the Clients make any profits. It is difficult to predict the future expenses that the investors will bear, and such expenses may be substantial.

Master-Feeder Structure

Certain Clients may employ a “master-feeder” structure whereby one or more feeder vehicles, indirectly through intermediate vehicles, intend to invest substantially all of their assets in a master fund. Those feeder vehicles of a Client would not control a master fund of a Client, but it would have certain voting rights as limited partners of such master fund. In addition to existing feeder vehicles, other investment entities may from time to time be admitted as limited partners of, and invest through, the master fund.

Lack of Management Control by Investors

The investors have no right or power to take part in the management or control of the business of our Clients. Our Clients are managed solely by their respective general partners and Brinley. As a result, investors must rely solely on the judgment of the general partners and Brinley in selecting investments and should not invest in our Clients unless they are willing to entrust all aspects of the portfolio management of our Clients to the respective general partners and Brinley.

Need for Follow-on Investments

Following its initial investment in a given issuer, a Client may decide to provide additional funds to such issuer or may have the opportunity to increase its investment in an issuer. There is no assurance that our Clients will make follow-on investments or that our Clients will have sufficient funds to make all or any of such investments. Any decision by a Client not to make follow-on investments or its inability to make such investments may have a substantial negative effect on an issuer in need of such an investment, may result in a lost opportunity for the Client to increase its participation in a successful investment, may result in our Clients' investments in the relevant issuer becoming diluted and, in circumstances where the follow-on investment is offered at a discount to market value, may result in a loss of value for the Client.

Recycling; Recall

In some cases, our Clients may be able to recycle and recall certain proceeds under certain circumstances. As a result of the operation of such Clients' recycling and recall features, during the term of such Clients, an investor may be required to make capital contributions in excess of its commitment, and to the extent such recalled, redeployed or retained amounts are reinvested in investments, an investor will remain subject to investment and other risks associated with such investments.

Dependence Upon the Principals of Brinley and Other Professionals

The performance of our Clients' investments is significantly dependent upon the expertise of the investment professionals of the Clients' general partners and Brinley, and any future unavailability of their services could have an adverse impact on our Clients' performance. In addition, Brinley can offer no assurance that any such investment professionals will contribute effectively to our business or to the work of our Clients. Any failure to manage our future growth effectively could have a material adverse effect on our Clients.

Retention and Motivation of Employees

The success of our Clients is dependent upon the talents and efforts of highly skilled individuals employed by Brinley and Brinley's ability to identify and willingness to provide acceptable compensation to attract, retain and motivate talented investment professionals and other employees. There can be no assurance that Brinley's investment professionals will continue to be associated with Brinley throughout the duration of a Client's relationship with Brinley, and the failure to attract or retain such investment professionals could have a material adverse effect on our Clients and their investors. Competition in the financial services industry for qualified employees is intense and there is no guarantee that, if lost, the talents of Brinley's investment professionals could be replaced.

Discretion of Brinley; New Strategies and Techniques

While Brinley will generally seek to employ the representative investment strategies and techniques discussed herein, we have considerable discretion in the types of investments a Client may make. As discussed herein, we are incentivized by the existence of performance-based compensation to take additional risks in order to deliver higher returns and earn additional remuneration for us and our affiliates. New investment strategies and techniques may not be thoroughly tested in the market before being employed and may have practical, operational or theoretical shortcomings which could result in unsuccessful trades and, ultimately, losses to a Client. In addition, any new investment strategy or technique

developed by Brinley may be more speculative than earlier investment strategies and techniques and may involve material and as-yet-unanticipated risks that could increase the risk of investments held by Clients.

Although Brinley focuses on private credit and related investments, we may expand our investment strategies or approach over time. Such “style drift” could adversely affect our Clients. These risks include, but are not limited to, reputational damage, loss of management attention and time with respect to our primary investment strategy, adverse impact to business relationships, increased competition of capital allocations, and expansion of potential risks to our business as a whole outside those previously disclosed. New business lines could also exacerbate existing conflicts of interest and raise new conflicts.

Insurance Coverage

Our Clients will be covered under Brinley’s professional liability insurance policy and will not separately maintain professional liability insurance. To the extent a claim arises relating to any of the insureds during a policy period that erodes some or all of the limits under Brinley’s policy, there will be less coverage, or potentially no coverage, available for all of the insureds under the policy for the remainder of the policy period.

Reliance on Brinley

Certain of our Clients’ investments may be structured on terms negotiated by Brinley. If Brinley resigns or otherwise no longer serves as the advisor of the Clients, such investments may be terminated or otherwise no longer be available to the Clients, which may have an adverse impact on the Clients’ investment performance. Moreover, subjective decisions made by Brinley may cause the Clients to incur losses or to miss profit opportunities on which they may otherwise have capitalized.

Reliance on Third-Party Company Management

The day-to-day operations of each portfolio investment in which our Clients will invest will be the responsibility of the issuer’s management team, which may include representatives of other financial investors with whom the Client is not affiliated and whose interests may at times conflict with the interests of the Client. Although we will be responsible for monitoring the performance of each investment and generally intend to invest in issuers and portfolio companies with strong management, our Clients will rely significantly on the management teams and board of directors of issuers or portfolio companies in which they invest. There can be no assurance that the existing management team of any portfolio investment, or any successor thereto, will be able to operate the issuer in accordance with the Clients’ expectations. Similar considerations apply where the Clients invest through joint ventures, “club” deals and other arrangements in which third parties and third-party management teams have material control rights. See “*Non-Controlling Investment Positions; Third-Party Involvement*” above.

Public Disclosure

Interests in certain Clients may be held by investors, such as public pension plans and listed investment vehicles that are subject to public disclosure requirements. The amount of information about their investments (including debt fund investments) that is required to be disclosed has increased in recent years, and that trend may continue. To the extent that disclosure of confidential information relating to a Client or its investments results from interests being held by public investors, our Clients may be adversely affected.

The Clients' respective general partners may, in order to prevent any such potential disclosure, withhold all or any part of the information otherwise to be provided to such public investors.

Limited Partner Advisory Committee

The general partner of any Client may appoint one or more investor representatives to such Client's advisory committee. Pursuant to the Clients' governing documents, to the fullest extent permitted by applicable law, none of the advisory committee members will owe any fiduciary duties to the applicable Client or any investor. In addition, members of the advisory committee, the investors they represent and/or their affiliates may have various business and other relationships with Brinley and its respective partners, employees and affiliates (including the Strategic Investor). These relationships may influence their decisions as members of the advisory committee and those decisions may not always be in the best interest of a Client. Further, members of the advisory committee are entitled to broad exculpation and indemnification under the Clients' governing documents.

Due Diligence

Brinley will conduct, and may use third parties to conduct, due diligence on prospective investments. In conducting such due diligence, Brinley's investment professionals will use publicly available information as well as information from their relationships with former and current management teams, consultants, competitors and investment bankers. Due diligence may not, however, reveal all matters and issues, material or otherwise, relating to prospective investments.

Difficulty of Locating Suitable Investments

There can be no assurance that there will be a sufficient number of suitable investment opportunities that we will be able to identify to enable the Clients to invest all of the investors' capital contributions in opportunities that satisfy our Clients' investment objectives or that such investment opportunities will lead to completed investments by the Clients. The activity of identifying, completing and realizing an attractive investment opportunity is highly competitive and involves a high degree of uncertainty. Our Clients will compete for the acquisition of investments with many other investors, some of which are substantially larger and have considerably greater financial, technical and other resources than our Clients. For example, some investors may have a lower cost of funds and access to funding sources that are not available to our Clients. In addition, some of the Clients' competitors may have higher risk tolerances or different risk assessments than our Clients do, which could allow them to consider a wider variety of investments and establish more portfolio relationships than the Clients. Such competitors may include other private investment funds and business development companies, as well as individuals, financial institutions and other institutional investors. Further, over the past several years, an ever-increasing number of private investment funds have been formed (and many existing funds have grown in size). Additional funds and/or single-investor vehicles and/or separately managed accounts with similar investment objectives may be formed in the future by other unrelated parties. As a result of this competition, our Clients may not be able to take advantage of attractive investment opportunities from time to time, and can they offer no assurance that they will be able to identify and make investments that are consistent with their investment objectives. Furthermore, our Clients may lose investment opportunities if they do not match their competitors' pricing, terms and structure. However, to the extent a Client does match its competitors' pricing, terms and structure, it may experience decreased net investment income and increased risk of credit loss. In addition, the availability

of investment opportunities generally will be subject to market conditions, as well as, in some cases, the prevailing regulatory or political climate. Therefore, identification of attractive investment opportunities is difficult and involves a high degree of uncertainty, and competition for such opportunities may become more intense.

The investments expected to be held by the Clients are highly specialized. The consistency of available and suitable investments for the Clients, both in the primary and in the secondary market could be a risk. The lack of availability from time to time of assets for purchase by a Client may delay such Client's ability to achieve its target portfolio size, composition or rate of return in its projected timeframe or to make investments thereafter, both of which circumstances could materially adversely affect such Client's returns to investors.

Factors that may affect our Clients' ability to source suitable investments include, among other things, the following: developments in the market for investments held by the Clients or other general market events, which may include a decline in the market for certain securities, changes in interest rates or credit spreads or other events which may adversely affect the price of securities or other obligations, whether individually or collectively; competition for investment opportunities and the inability of the Clients to acquire securities or other obligations at favorable yields (including if the Clients' competitors have greater access to financial, technical and marketing resources than the Clients, a lower cost of funds than the Clients, and access to funding sources that are not available to the Clients); the inability of a Client to reinvest the proceeds from the sale or repayment of any of its assets in suitable target investments on a timely basis, whether at prices that the Client believes are appropriate or at all; and the inability of our Clients to secure debt financing or refinancing of our Clients' portfolios on a timely basis, whether on a basis that is satisfactory to our Clients or at all.

Material Non-Public Information

By reason of their responsibilities in connection with Clients and other investment activities, and notwithstanding procedural safeguards including, without limitation, restricted securities lists, personnel of Brinley may acquire confidential or material, non-public information that would limit the ability of Clients to buy and sell certain of their investments. Clients' investment flexibility may be constrained due to the inability of Brinley to use such information for investment purposes. In addition, Brinley's ability to implement Clients' strategies effectively may be limited to the extent that trading is restricted due to material non-public information. If Brinley's employees obtain material non-public information about an issuer, a Client may be prohibited, by law, policy or contract, for a period of time, from (i) unwinding a position in such issuer, (ii) establishing an initial position or taking any greater position in such issuer and (iii) pursuing other investment opportunities related to such issuer, which could impact the returns generated for such Client. In some cases, material non-public information may be obtained deliberately, in the context of specific Client investments, and the subsequent restriction on trading may apply also to Clients who did not participate in such investments or benefit from such material non-public information. For example, if Brinley obtains material non-public information with respect to certain loan positions held by Clients, it may be restricted from trading securities of the same issuer for other Clients.

Board Participation/Conflicts of Interest

Brinley's partners and principals may serve as directors of certain issuers or portfolio companies. In addition to any duties Brinley partners and principals owe to our Clients, as directors of issuers or portfolio companies, these partners and principals will also owe duties to the shareholders of the issuers or portfolio companies and persons other than our Clients. In general, such positions are often important to our Clients' investment strategies and may enhance our ability to manage our Clients' investments. However, such positions may have the effect of impairing the ability of our Clients to sell the related securities when, and upon the terms, Brinley may otherwise desire. In addition, such positions may place Brinley's partners and principals in a position where they must make a decision that is more advantageous to the shareholders of the issuer than to our Clients, or *vice versa*. Should a partner or principal of Brinley make a decision that is more advantageous to the Client than to the shareholders of an issuer, such decision may subject Brinley and our Clients to claims they would not otherwise be subject to as an investor, including claims of breach of the duty of loyalty, securities claims and other director-related claims. In general, the Clients will indemnify such persons and entities from such claims in accordance with the terms of the governing documents of the Clients. Brinley may determine to implement a limited-purpose, issuer-specific information barrier to manage such conflicts, if they arise.

Indemnification and Exculpation

Each Client's general partner or similar controlling entity, Brinley, and their respective affiliates, officers, directors, employees, direct or indirect partners, managers, trustees, members, shareholders, agents and/or legal representatives ("**Indemnified Persons**") are expected to, to the fullest extent permitted by law and subject to the applicable Client governing documents, not be liable for any liabilities suffered or sustained by reason of being or having been a person in the class of Indemnified Persons or arising out of, or in connection with, any action taken or omitted to be taken, or alleged to be taken or omitted to be taken (even if negligent), on the part of such Indemnified Person, excluding liabilities resulting from an act or failure to act that was determined by a court of competent jurisdiction in a final non-appealable judgment to be the result of the disabling conduct (as described in the applicable governing documents) of such Indemnified Person. This standard of care is expected to result in the Clients bearing the costs of any trade errors committed by Brinley and their partners and employees, so long as the errors do not evidence fraud, willful misconduct or gross negligence. The Clients' governing documents also provide that the Clients may advance to any Indemnified Person attorneys' fees and other costs and expenses incurred in connection with the defense of any action or proceeding that arises out of such conduct. At the expense of the Client, Brinley may purchase liability insurance to cover the indemnified persons.

Examples of common trade errors committed by investment advisors include executing a purchase instead of a sale (or vice versa), marking a short sale as a long sale, purchasing or selling a security in the incorrect amount, or purchasing or selling the wrong security. Although a broker-dealer may choose to assume responsibility for a trade error loss caused by Brinley, Brinley may not obtain the broker-dealer's agreement to do so in exchange for Brinley's promise to direct future commissions to the broker-dealer.

Execution Risks and Trade Errors

In order to seek positive returns in global markets, our trading and investment for our Clients may involve multiple instruments, multiple brokers and counterparties and multiple strategies. As a result, the execution of the trading and investment strategies employed by Brinley for our Clients may often require rapid execution of trades, high volume of trades, complex trades, difficult to execute trades, use of negotiated terms with counterparties such as in the use of derivatives and the execution of trades involving less common or novel instruments. However, in light of the high volumes, complexity and global diversity involved, some slippage, errors and miscommunications with brokers and counterparties may occur, and could result in losses to our Clients. In such circumstances, we will evaluate the merits of potential claims for damage against brokers and counterparties who are at fault and, to the extent practicable, will seek to recover losses from those parties. In our discretion, Brinley may choose to forgo pursuing claims against brokers and counterparties on behalf of our Clients for any reason, including, without limitation, the cost of pursuing claims relative to the likely amount of any recovery and the maintenance of its business relationships with brokers and counterparties. In addition, Brinley's own execution and operational staff may be solely or partly responsible for errors in placing, processing and settling trades that result in losses to the Client (based on the standards discussed in the immediately foregoing paragraph under "*Indemnification and Exculpation.*")

Recourse to Client Assets

A Client's assets, including, without limitation, all investments made by such Client and any capital held by such Client, are available to satisfy all liabilities and other obligations of such Client, including, without limitation, indemnification of Indemnified Persons. If a Client or an issuer defaults on secured indebtedness, for example, the lender may foreclose and such Client could lose its entire investment in the security. If a Client itself becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to all of such Client's assets.

Misconduct of Employees and of Third-Party Service Providers

Misconduct by employees of Brinley, the general partners of our Clients or by third-party service providers could cause significant losses to our Clients. Employee misconduct may include binding a Client to transactions that exceed authorized limits or present unacceptable risks and unauthorized trading activities or concealing unsuccessful trading activities (which, in either case, may result in unknown and unmanaged risks or losses). Losses could also result from actions by third-party service providers, including, without limitation, failing to recognize trades and misappropriating assets. In addition, employees and third-party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting our Clients' business prospects or future marketing activities. No assurances can be given that the due diligence performed by Brinley or the respective general partners or the Clients will be able to identify or prevent any such misconduct.

Involuntary Withdrawal of Interests

Subject to any limitations in the governing documents of our Clients, the general partners of our Clients may cause an investor to withdraw all or any portion of such investor's interests at any time, with prior written notice, and for any reason in its discretion, including if such investor's continued investment is likely to result in an adverse legal, pecuniary, tax, regulatory, administrative, reputational or other adverse

consequence to our Clients, other investors, the general partners of our Clients and Brinley, including in order to prevent the assets from being considered “plan assets” under ERISA, or if any litigation is commenced or threatened against our Clients, any of its investors, the general partners of such Clients or Brinley arising out of, or relating to, such investor’s participation in our Clients. Upon such a withdrawal, the withdrawn investor will receive an amount equal to the value of its interest in our Client (generally, as determined by the general partners of our Clients in their discretion) calculated as if our Clients were wound-up and liquidated or dissolved. This value may not accurately reflect the future value of an investor’s interest in a Client. In the event of such a withdrawal, the withdrawn investor will not participate in such Client’s profits (or losses) following such withdrawal.

Restrictions on Transfer and Limited Ability to Withdraw

The interests in our Clients will typically be issued in reliance upon certain exemptions from registration or qualification under applicable U.S. federal and state securities laws and, accordingly, will be subject to certain restrictions on transferability. There will be no public market for interests in our Clients, and none is expected to develop. In addition, withdrawals of investors are prohibited (whether in whole or in part) and an investor may not, except for limited circumstances as set forth in the governing documents of our Clients, withdraw any amount from our Clients, and the interests may not be assigned or transferred without the written consent of the general partners of our Clients, which consent may be granted or withheld in its discretion. Accordingly, the interests constitute illiquid investments and should only be purchased by persons that are able to bear the risk of their investment for an indefinite period of time.

Transfer by General Partner

To the extent the general partners of our Clients, their partners, Brinley and/or their respective affiliates may commit to make a direct or indirect investment in or alongside our Clients, a participation in or a portion of such investment may thereafter be transferred to others, reducing the alignment of incentives between the general partners of our Clients, Brinley and investors vis-à-vis our Clients.

Excuse/Exclusion of Investors

An investor may be excused and/or excluded from participating in an investment pursuant to the procedures described in the governing documents of the applicable Client. The excuse or exclusion of a substantial number of investors or one or more investors whose capital contributions represent a significant portion of a Client’s investible capital would limit opportunities for investment diversification, may substantially impair such Client’s ability to complete certain investments that would otherwise have been suitable for such Client and/or may reduce returns to any Client. It is therefore possible that an excuse or exclusion of an investor may have a material adverse effect on any Client. See also “*Non-Pro Rata Allocations and Drawdowns Resulting from Exclusion or Excuse from Investments*” below.

Default by Investors

The failure of an investor to fund all or any portion of a drawdown (including in respect of fees and/or including, without limitation, indemnification obligations) when due, will cause such investor to be in default. The amount that such investor failed to contribute will generally accrue interest. In addition, the general partner of the applicable Client may exercise other remedies available by law or in equity against a defaulting investor in accordance with the governing documents, including, as the case may be, (i) causing

the investor to forfeit certain distributions; (ii) excluding the investor from future investments; (iii) reducing all or a portion of the investor's interest in the Client; (iv) causing a forced sale of the investor's interest; (v) permitting one or more investors of such Client to cover such amount that a defaulting investor failed to contribute; (vi) admitting a new investor to the Client; (vii) causing the Client to borrow in respect of such amount that a defaulting investor failed to contribute; and/or (viii) taking any other action as Brinley in good faith deems prudent in such situation, including, but not limited to, liquidating the Client if other remedies are determined to not be reasonably practicable based on legal, regulatory, or other considerations. Furthermore, in the event of a shortfall by one or more investors in a Client, such Client's general partner may cause other investors in the Client to increase their capital contributions proportionately in respect of such shortfall. In addition, if investors fail to fund their commitments when due, a Client's ability to complete its investment program or otherwise to continue operations may be substantially impaired. A default by a substantial number of investors or by one or more investors who have made substantial commitments to the Client would likely limit opportunities for investment diversification and reduce returns to the Client.

Liquidation of Clients

Brinley and/or our affiliates may determine it is appropriate to forego certain amounts otherwise payable to a Client (for example, tax receivables) if the costs of continuing such Client (for example, annual audit expenses) exceed the amounts payable to the Client, or if Brinley and/or our affiliates determine that the likelihood of a Client receiving such amounts are low, or the length of time it would take to receive such amounts do not justify the costs of continuing such Client. In addition, to the extent permitted by applicable law, for similar reasons, Brinley and/or our affiliates may determine to liquidate a Client prior to the receipt of tax receivables or other amounts, and if such amounts are received by Brinley and/or affiliates following the complete liquidation of the Client, such party will determine in good faith how to dispose of such amounts (for example, escheat such amounts to the relevant investor(s) estate(s), or donate such amounts to charity). Any liquidating trust established by a Client in connection with dissolving such Client may similarly only be available on terms whereby the liquidating trust is dissolved, and the assets therein are distributed in kind to the relevant investors or donate such amounts to charity, if the expected costs of continuing the liquidating trust would exceed its assets (or a set portion thereof).

Dilution from Subsequent Closings

A Client may permit investors subscribing for interests at subsequent closings to participate in existing investments of a Client, diluting the interests of existing investors therein. Although such investors will generally contribute their respective *pro rata* share of prior drawdowns of commitments (plus an additional amount thereon), there can be no assurance that this payment will reflect the fair value of such Client's existing investments.

Investor Due Diligence

Due in part to the fact that prospective investors may ask different questions and request different information, Brinley may provide certain information to one or more prospective investors that it does not provide to all prospective investors. Answers and additional information provided in response to such questions may be limited, incomplete, or depend upon a specific context. None of such answers or additional information provided is or will be integrated into the applicable offering documents, and no

prospective investor may rely on any such answers or information in making its decision to invest in any Client.

Limitations on Limited Liability of Limited Partners

Each of our Clients is typically organized as a limited partnership. Accordingly, an investor of a Client will not be personally liable for the debts of a Client, except that the investor may, under applicable law, be obligated to repay amounts previously received by them to the extent such amounts are deemed to have been wrongfully distributed to them or distributed to them when a Client was insolvent and such investor had actual knowledge of such insolvency.

Joint and Several Obligations

The general partners of our Clients and/or their affiliates may cause any Client, any Co-Investor (as defined below) or co-investment vehicle and/or any issuer to incur (or commit to incur) liabilities on a joint and several or cross-collateralized basis (including, without limitation, in relation to the grant of security, provision of a guarantee or indemnity or otherwise and/or with respect to the incurrence of any fees, costs and expenses of the Client) across, or otherwise provide direct or indirect credit support to or for the benefit of, any one or more of the foregoing, in each case, to facilitate or carry out any activity permitted under the Clients' respective governing documents. In each such case, the general partners and/or their affiliates will, in good faith, seek to allocate (or reallocate) the related repayment obligations and other related liabilities among the foregoing (to the extent applicable).

Broker or Dealer Insolvency

Our Clients' assets may be held in one or more accounts maintained for the Clients by their respective prime brokers, which may be located in various jurisdictions. Such brokers, as brokerage firms or commercial banks, are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Clients' assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a prime broker or any of its sub-custodians, agents or affiliates, it is impossible to generalize about the effect of their insolvency on our Clients and their assets. Investors should assume that the insolvency of any of its prime brokers or such other service providers would result in a loss to our Clients, which could be material.

Systems Risk and Cybersecurity Risks

Our Clients depend on us to develop and implement appropriate systems for their activities. We rely heavily on computer programs and systems (and may rely on new systems and technology in the future) for various purposes in connection with activities on behalf of our investors, including, without limitation, to trade, clear and settle transactions, to evaluate certain financial instruments, to monitor our portfolio and net capital, and to generate risk management and other reports that are critical to oversight of such investors' activities. Certain of our and our Clients' activities will be dependent upon systems operated by third parties, including prime brokers, market counterparties and other service providers, and Brinley may not be in a position to verify the risks or reliability of such third-party systems. The failure, corruption or breach of one or more systems (including as a result of the occurrence of a disaster such as a cyber-attack, a natural

catastrophe, an industrial accident, a terrorist attack or war, events unanticipated in Brinley's disaster recovery systems, or a support failure from external providers) or the inability of such systems to satisfy investors' needs, including, without limitation, the execution of orders, could result in significant losses and have a material adverse effect on our Clients' and/or our ability to conduct business, particularly if those events affect Brinley's computer-based data processing, transmission, storage and retrieval systems or destroy Brinley's data. If a significant number of our personnel were to be unavailable in the event of a disaster, Brinley's ability to effectively conduct our Clients' business could be severely compromised.

Brinley and our Clients depend heavily upon computer systems to perform necessary business functions. Despite our implementation of a variety of security measures, our computer systems could be subject to cyber-attacks and unauthorized access, such as physical and electronic break-ins, unauthorized tampering or unauthorized access to sensitive information, including, without limitation, information regarding our investors and our Clients' investment activities, that render data or systems unusable, which could result in significant losses. Like other companies, Brinley and our Clients may experience threats to our data and systems, including through malware and computer virus attacks, unauthorized access, system failures and disruptions. If one or more of these events occurs, it could potentially jeopardize the confidential, proprietary and other information processed and stored in, and transmitted through, Brinley's and our Clients' computer systems and networks, which could lead to or cause (i) losses of sensitive information or capabilities essential to the Clients' operations, (ii) the disclosure of investors' personal information and/or (iii) interruptions or malfunctions in their operations, which could all result in damage to their reputation, financial losses, potential liability, litigation, remedial actions, loss of business, increased costs, regulatory penalties and/or customer dissatisfaction or loss and could have a material effect on our Clients.

Cybersecurity attacks are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions in critical systems (as demonstrated by the recent cyber-attacks on U.S. infrastructure), unauthorized release of confidential or otherwise protected information and corruption of data. Our and our Clients' controls and procedures, business continuity systems and data security systems could prove to be inadequate. These problems may arise in both internally developed systems and the systems of third-party service providers. In addition, there are increased risks relating to Brinley's and our affiliates' reliance on their computer programs and systems when their personnel are required to work remotely for extended periods of time, such as in connection with events such as the outbreak of infectious disease or other adverse public health developments or natural disasters, including an increased risk of cyber-attacks and unauthorized access to our computer systems.

Private Offering Exemption

The offering and proposed sale of interests in Clients will typically be made in reliance on an exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) thereof and/or the regulations promulgated thereunder and other exemptions of similar import in the laws of the states and other jurisdictions where the offering will be made. While Brinley and the Clients will only rely on such exemptions where it believes such reliance is justified, there can be no assurance that factors such as the manner in which offers and sales are made, concurrent offerings by other companies, the scope of disclosure provided, failures to make notices, filings, or changes in applicable laws, regulations or interpretations will not cause our Clients to fail to qualify for such exemptions under U.S. federal or one or more states'

securities laws. Failure to so qualify could result in the rescission of sales of interests at prices higher than the current value of those interests, potentially materially and adversely affecting our Clients' performance and business. Further, even non-meritorious claims that offers and sales of interests were not made in compliance with applicable securities laws could materially and adversely affect Brinley's ability to conduct our Clients' business.

Certain U.S. Regulation

Investment Company Act

Our Clients will generally not be registered under the Investment Company Act. The Investment Company Act provides certain protections to investors and imposes certain restrictions on registered investment companies (including limitations on the ability of registered investment companies to incur debt), none of which will be applicable to our Clients. Our Clients will generally be exempt from the provisions of the Investment Company Act pursuant to the exemption contained in Section 3(c)(1) or Section 3(c)(7) thereunder. Among other things, in order to rely on Section 3(c)(7), each investor will be required to represent that it is a "qualified purchaser" (as defined in Section 2(a)(51)(A) of the Investment Company Act). In order to ensure that our Clients may continue to rely upon Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act, our Clients will obtain appropriate representations and undertakings from each prospective investor in its subscription agreement.

CFTC Regulation

The Commodity Exchange Act also provides certain protection to investors by imposing certain disclosure, reporting and recordkeeping obligations on commodity pool operators ("**CPOs**") and commodity trading advisors ("**CTAs**"). However, pursuant to the exemption contained in Rule 4.13(a)(3) promulgated under the Commodity Exchange Act, the general partners are not required to register, and are not registered, as CPOs with respect to the Clients, and pursuant to an exemption under the Commodity Exchange Act, Brinley and the general partners are not required to register with the CFTC as a CTA with respect to our Clients. As a result, these protective provisions will not be applicable to the Clients.

Investment Advisers Act Regulation

Brinley is registered as an investment advisor under the Investment Advisers Act and is consequently subject to the recordkeeping, disclosure and other fiduciary obligations specified in the Investment Advisers Act.

Pay-to-Play Laws, Regulations and Policies

A number of U.S. states and municipal pension plans have adopted so-called "pay-to-play" laws, regulations or policies, which prohibit, restrict or require disclosure of payments to (and/or certain contacts with) state and municipal officials by individuals and entities seeking to do business with state and municipal entities, including those seeking investments by public retirement funds. The SEC has adopted rules that, among other things, prohibit an investment advisor from providing advisory services for compensation to a government client for two years after the advisor or certain of its executives, employees or agents contributes to certain elected officials or candidates. Several states have followed suit by issuing similar restrictions at the state level. In addition, the SEC has reportedly investigated whether certain financial firms made improper payments to secure investments from sovereign wealth funds. Although the

Clients' respective general parents and Brinley have established policies to comply with such "pay-to-play" laws, if Brinley, our Clients' respective general partners or any of their employees or affiliates or any service provider acting on their behalf fails to comply with such laws, regulations or policies, such non-compliance could have a materially adverse effect on such persons and on our Clients.

Rule 506(d)

Rule 506(d) of Regulation D promulgated under the Securities Act provides that an issuer may not rely on Regulation D under the Securities Act if certain covered persons (including the issuer, any affiliated issuer, certain officers of the issuer, any beneficial owner of 20% of the issuer's outstanding voting equity securities (calculated on the basis of voting power), the investment manager, any compensated solicitor and certain other persons) engage in any disqualifying event described in Rule 506(d)(1). As a result of this rule, if any such disqualifying event occurs, the Clients may be unable to offer the interests in reliance on Regulation D under the Securities Act. In addition, Rule 506(e) of Regulation D promulgated under the Securities Act requires the disclosure of any disqualifying events under Rule 506(d)(1) that occurred prior to September 23, 2013.

Other Federal Regulation

In addition, neither the Clients' respective general parents nor Brinley is registered as a broker-dealer under the U.S. Securities Exchange Act of 1934, as amended (the "*Exchange Act*") or with FINRA, and consequently they are not subject to the recordkeeping and specific business practice provisions of the Exchange Act and the rules of the FINRA.

Combination or "Layering" of Multiple Risk Factors

Although the various risks discussed in this Brochure are generally described separately, prospective investors should consider the potential effects of the interplay of multiple risk factors. Where more than one significant risk factor is present, the risk of loss to an investor may be significantly increased.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in our Clients.

Item 9. Disciplinary Information

Brinley and our management persons have not been involved in any legal or disciplinary events in the past 10 years that Brinley believes would be material to a Client's or a prospective Client's evaluation of Brinley's advisory business or the integrity of our management or our management persons.

Item 10. Other Financial Industry Activities and Affiliations

Neither Brinley nor any of our management persons is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither Brinley nor any of our management persons are registered as, nor do they have any application to register as, futures commission merchants, commodity pool operators, commodity trading advisors or associated persons of the foregoing entities.

Our Clients' respective general partners are under common control with Brinley. Brinley anticipates that future general partners established by Brinley will act as general partner to new or additional Clients with

respect to which Brinley acts as investment adviser. Any such additional general partners are also expected to be under common control with Brinley.

From time to time, certain Brinley employees may serve on various creditor committees or as directors of privately held or publicly traded companies in which a Client invests. Clients and prospective investors in such Clients should be aware of the fact that receipt of material non-public information, whether through such positions or otherwise, could preclude us from effecting discretionary transactions on behalf of our Clients in certain investments.

Brinley does not recommend or select other third-party investment advisers for our Clients, and does not anticipate doing so with respect to any future Client.

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

Brinley has adopted and implemented a code of ethics (the “*Code of Ethics*”) pursuant to Rule 204A-1 under the Advisers Act, which requires Brinley and our employees to put the interests of Brinley’s Clients before our own interests and to act honestly and fairly in all respects in our dealings with our Clients. The Code of Ethics also requires all employees to comply with applicable federal securities laws.

The Code of Ethics generally prohibits trading restricted securities and provides procedures governing personal securities transactions of employees that contain certain preclearance, regular reporting and other requirements that are designed to mitigate the risk of insider trading or securities trading on the basis of material non-public information in our possession and any other trading activities that are illegal or adverse to the positions we take on behalf of Clients. To mitigate potential conflicts of interest, Brinley requires our employees to pre-clear their personal transactions in any investments involving initial public offerings, private placements, as well as other Reportable Securities defined in Rule 204A-1 under the Advisers Act. Brinley, however, allows our access persons to trade certain exchange-traded funds, as well as other securities that are exempt from the definition Reportable Securities, without prior written approval.

Examples of other areas that our Code of Ethics and our Regulatory Compliance Manual address include:

- employee conduct;
- conflicts of interest;
- political contributions;
- gifts and entertainment;
- outside business activities;
- confidentiality of information;
- manipulative trade practices; and
- initial public offerings and private offerings.

All our employees acknowledge the terms of the Code of Ethics at least annually and are obligated to report violations of the Code of Ethics to the Chief Compliance Officer.

Clients and investors therein may obtain a copy of the Code of Ethics by contacting Brinley at legalnotices@brinleypartners.com.

Conflicts of Interest

General

Our Clients are subject to a number of actual and potential conflicts of interests. Brinley, the Clients' respective general partners and their respective affiliates, their "key persons" (if applicable), direct and indirect members, direct and indirect partners and/or employees, do now and may in the future manage or co-manage other investment vehicles (including pooled or single-investor funds), business development companies, advisory clients, CLOs and/or separately managed accounts, some of which follow, or may follow, investment programs substantially similar to that of existing Clients. The existence of multiple Clients may create a number of potential conflicts of interest.

Brinley, the Clients' respective general partners and their key persons (if applicable) will devote as much of their respective time to the activities of a Client as they deem necessary and appropriate. Brinley, the Clients' respective general partners, their key persons (if applicable) and their respective affiliates are not restricted from forming (or allocating investment opportunities to) other Clients, from entering into other investment advisory relationships or from engaging in other business activities, even though such activities may be in competition with existing Clients and/or may involve substantial time and resources of Brinley, the Clients' respective general partners, their respective affiliates, and/or their key persons (if applicable). We are not restricted from establishing new Clients. These activities could be viewed as creating a conflict of interest in that the time and effort of Brinley, the Clients' respective general partners, the key persons (if applicable) Brinley's other partners and their respective officers and employees will not be devoted exclusively to the business of existing Clients but will be allocated between the business of the Client and other business activities, including, without limitation, the management of the assets of the other Clients.

Brinley, the Clients' respective general partners and the key persons (if applicable) have multiple advisory, transactional, financial and other interests that conflict or may conflict with those of a Client and the investors. Brinley, the Clients' respective general partners and their key persons (if applicable) may, in the future, engage in additional activities that result in additional conflicts of interest not addressed below. Any such conflicts could have a material adverse effect on our Clients and the investors.

There can be no assurance that Brinley, the Clients' respective general partners and their key persons (if applicable) will resolve all conflicts of interest in a manner that is favorable to the applicable Client. By acquiring interests in a Client, each investor will be deemed to have acknowledged and consented specifically to the existence of actual, apparent and potential conflicts of interest relating to Brinley, the Clients' respective general partners and their key persons (if applicable) and/or their respective affiliates, including, without limitation, those described in this section and to the operation of the applicable Client subject to those conflicts.

Strategic Investor; Non-Alignment of Interests with other Investors

Brinley's seed investor (the "***Strategic Investor***") has interests in our Clients, generally, and economic interests in the advisory fee and the carried interest of the Clients' respective general partners, and therefore its interests will differ substantially from the interests of other investors in Clients. The Strategic Investor

will be entitled to receive a portion of the economics received by each of the Clients' respective general partners and/or Brinley in connection with our Clients, including a portion of the advisory fees paid by our Clients, and a portion of any carried interest received by our Clients' respective general partners.

Where the Strategic Investor participates in a vote of investors in our Clients or votes or otherwise participates as a member of any Client's advisory committee, the Strategic Investor's interests (economic or otherwise) may not be aligned in whole or in part with those of the other investors or advisory committee members of such Client. In connection with Client matters, the Strategic Investor and its representative on the advisory committee may consider their own interests without, to the extent permitted by law, any duty or obligation to consider or act in the interests of any other investor, the Clients' respective general partners, the other advisory committee members or any other person.

The Strategic Investor may also provide financing to each of the Clients' respective general partner, Brinley and/or their respective direct or indirect partners, members, employees and/or their respective affiliate for them to fund all or a portion of their capital commitments to our Clients.

Allocation of Investment Opportunities

Generally

Our Clients may co-invest with any of our other Clients now existing or established in the future, including Client(s) established with the specific purpose of investing in parallel with another Client or that follow an investment program that is the same as or substantially similar to that of an existing Client.

Brinley will, from time to time, be presented with investment opportunities that fall within the investment objectives of our Clients. Brinley has established, or will establish, investment allocation guidelines for determining how investments are to be allocated among Clients. We may amend or update such guidelines at any time without our Clients' or investors' consent. It is expected that investment opportunities that are consistent with the investment strategies of more than one of our Clients will be allocated among our Clients in such proportion as we deem to be fair and equitable under the circumstances. Among other considerations in keeping with principles of fiduciary responsibility, we may consider the following factors with respect to each investment and each Client: (i) such Client's objectives and investment limitations; (ii) the type of asset; (iii) the amount of capital available for new investments in the relevant strategy or asset class by such Client relative to other Clients or based on other investment-related characteristics; (iv) the terms, structure and availability of financing in respect of an investment; (v) the diversification of such Client's overall holdings; (vi) the size, liquidity and anticipated duration of the proposed investment; (vii) tax, legal or regulatory considerations applicable to such Clients; (viii) any contractual limitations of such Client's governing documents; (ix) the proposed investment's target rate of return; and (x) whether the expected returns of the proposed investment are primarily driven by equity or a credit instrument; (xi) the avoidance of odd lots or a *de minimis* allocations; and/or (xii) any other factors or considerations deemed relevant by us. In addition to the foregoing factors, we may consider the stated length of (and remaining time in) the investment period and any applicable post-investment period term of each Client (as applicable) and, in its discretion, choose not to allocate investment opportunities that have longer investment time horizons or that are more illiquid to a Client that is approaching the end of its investment period, even if such opportunity is otherwise an eligible investment for such Client.

The outcome of any allocation determination by Brinley may result in the allocation of all or none of an investment opportunity to a given Client. There can be no assurance that any Client will have an opportunity to participate in every investment that falls within such Client's investment objectives. There is no obligation for a Client to dispose of any investment at the same time as any other Client. Situations may occur where one Client could be disadvantaged because of the investment activities conducted by Brinley for other Clients and redemption or withdrawal requests by investors in such other Clients that we are fulfilling. This could increase or decrease the concentration of certain investment holdings of a Client and could possibly lead to situations where a Client either has to or (conversely) cannot, enter into a transaction or capitalize on an investment opportunity with respect to such investment holdings.

Notwithstanding the foregoing, investment allocation decisions involve several discretionary determinations by Brinley, including (a) whether an investment opportunity is consistent with the investment strategies of a particular Client; (b) whether a Client should participate in such investment opportunity based on the factors outlined above or other considerations; and (c) if so, what portion of such investment opportunity such Client should take up. In making such determinations, we will be faced with certain potential conflicts of interest, including those discussed below, and there can be no assurance that these conflicts of interest will not influence our decision-making process, which could have the effect of causing a Client to receive a sub-optimal allocation or no allocation of certain investment opportunities.

In allocating an investment opportunity among our Clients with differing fee, expense and compensation structures, Brinley may have an incentive to allocate investment opportunities to Clients from which Brinley may derive, directly or indirectly, a higher fee, carried interest or other compensation.

Certain of our Clients and their investors may have different and more favorable terms (from an investor's perspective) than another Client's terms with respect to fees, carried interest, expenses, subscription, withdrawal and transfer rights, and the content and frequency of reports. In addition, certain Clients may provide certain investors with the ability to opt in or out of all or certain investments. Our Clients and their investors that have been granted additional access to portfolio information or enhanced transparency may be able to make investment decisions based on information not generally available or not yet available to other investors. Any such investment decisions made by these investors based on such information could adversely affect the market value of a Client's portfolio and therefore the value of the interests.

To the extent that one or more Clients have veto or opt-out rights as it relates to the acquisition or disposition of investments, a Client may, to the extent that such other Clients decline an investment opportunity, be allocated a larger portion of such investment opportunity than initially allocated to such Client. Accordingly, expenses related to such additional portion of such investment opportunity (including expenses incurred if such investment is not consummated) will also be allocated to, and borne, by the Client. Conversely, if such Client opts out of the disposition of a particular investment, it may impede or decrease the consideration received by the Client in respect of the sale of its portion of such investment.

Additionally, Brinley may have business relationships with one or more investors in certain Clients that it is interested in strengthening or preserving. This could provide Brinley with an incentive to allocate more of an investment opportunity to certain Clients over others.

Certain investors in our Clients may refer investment opportunities to a Client that such investors may participate in outside of such Client (in addition to their participation through the Client). Brinley may enter

into agreements with such investors related to compensations arrangements (including waivers or reductions in advisory fees and/or performance-based compensation that would otherwise have been payable or allocable to Brinley or our affiliates) and may have a conflict of interest in deciding whether to offer such investment opportunity to another Client.

Strategic Investor Allocation Rights

Brinley may from time to time grant one or more Clients or investors with whom Brinley has entered into a strategic partnership or other strategic relationship (including, without limitation, in connection with such Client(s) or investor(s) acquiring equity ownership in Brinley and/or making significant investments in or commitments to one or more private funds or other investment vehicles or accounts advised by Brinley and our affiliates), preferential allocation rights vis-à-vis other Clients or investors, in each case, whether now existing or formed in the future. Without limiting the generality of the foregoing, the Strategic Investor currently has with respect to its investment in certain Clients, certain preferential investment allocation rights vis-à-vis other Clients (and their investors).

Consequently, where the Strategic Investor's rights (as described in the preceding paragraph) are in effect and apply to an investment under consideration by a Client, the aggregate amount of such investment opportunity available to be allocated to such Client will be reduced to the extent the Strategic Investor exercises such rights, and such Client may bear fees, costs and expenses related to unconsummated investments or portions thereof that it would not have been allocated had such investments been consummated.

Related Clients

Brinley may conduct our Clients' investment programs in a manner that is similar (or in some cases, substantially similar) to the investment programs of certain of our other Clients (such Clients, the "**Related Clients**"). Clients are expected to co-invest with, or, at times, invest on a side-by-side basis with, other Clients, including through master, joint or commingled accounts or investment vehicles. However, there are, or may be, differences among Clients with respect to investment objectives, investment strategies, investment parameters and restrictions, hedging strategies, portfolio management personnel, tax considerations, liquidity considerations, legal and/or regulatory considerations, asset levels, timing and size of investor capital contributions and redemptions or withdrawals, cash flow considerations, market conditions, considerations related to existing exposures to an issuer or security and other considerations deemed relevant by Brinley and our affiliates (the nature and extent of such differences, if any, will vary from Related Client to Related Client), which, as applicable, will cause variation among the investment portfolios of the Related Clients and in the allocation of investment opportunities among Related Clients. In addition, certain investments (e.g., odd lots, investments with limited capacity and/or stub pieces) may not be feasible to allocate to more than one Related Client.

Given the foregoing considerations, there may be circumstances where: (i) a Client and any Related Clients participate in parallel investment transactions; (ii) the level of participation by a Client and any Related Clients in parallel investment transactions is not on a *pro rata* basis; (iii) the terms of parallel investment transactions vary between and among a Client and any Related Clients; (iv) a Client and any Related Clients effectively engage in opposite transactions with respect to a particular investment (e.g., a Client buys an investment and one or more other Related Clients sells the same investment and/or a Client takes a "long"

position in an investment and one or more other Related Clients takes a “short” position with respect to the same investment); and/or (v) investment transactions between and among a Client and any Related Clients vary in other respects. Such non-parallel and/or non-*pro rata* investment transactions between or among Clients and any Related Clients will be made at the discretion of Brinley and our affiliates, including, without limitation, when deemed: (1) appropriate because of the differences between the Clients involved (or the terms applicable to the Related Clients) and/or (2) otherwise to be in the interests of the Clients and Related Clients involved. In addition, there may be circumstances where more than one Client participates in the same investment, but either (A) a Client does not enter into certain hedging transactions entered into by other Related Client(s) with respect to such investment or (B) a Client enters into certain hedging transactions not entered into by other Related Client(s) with respect to such investment.

In addition, the Related Clients are, or may be, subject to terms that differ from the terms described in a Client’s offering documents and governing documents, which may include, without limitation, restrictions on investing in certain investment products or terms related to tax, legal, regulatory and/or other similar considerations. In addition, the governing documents of one or more Related Clients may contain terms, certain of which could be considered more favorable than the terms set forth in a particular Client’s offering documents and governing documents, including, without limitation, terms relating to fee reductions, expenses, portfolio transparency and/or liquidity. For example, one or more Related Clients may receive more detailed portfolio information or information on a more frequent basis and/or have rights to make additional subscriptions or contributions and/or have more favorable liquidity rights (such as a right to redeem or withdraw and/or a right to redeem or withdraw with shorter prior notice periods and/or with more frequency), in each case, than compared to a Client. Any such different and/or preferential terms could have an adverse impact on the investments of a Client and/or the value of investors’ interests in a Client.

Cross Trades; Related-Party and Other Transactions

From time to time, securities or other obligations to be sold on behalf of one or more of our Clients may be suitable for purchase by another Client and *vice versa*. In such circumstances, if we and/or our affiliates (including any affiliated broker-dealer) determine, in good faith, that the transaction is in the best interest of each participating Client, the securities or other obligations may be transferred between Clients at the then-fair market value (a “*cross trade*”), except that Brinley and/or our affiliates (including any affiliated broker-dealer) will not receive a commission (directly or indirectly) in connection with such cross trade.

A Client’s general partner may, in its discretion, select either an advisory committee or one or more persons, who will not be affiliated with Brinley or such general partner (each, a “*Third-Party Monitor*”) to consider and, on behalf of the investors and such Client, approve or disapprove, to the extent required by applicable law or deemed advisable by such general partner and/or Brinley, certain related-party transactions, certain other transactions and matters involving potential conflicts of interest that such general partner or Brinley deems to be material and any approval or Client consent that may be required under the Investment Advisers Act (including Section 206(3) thereof). Subject to applicable law, such advisory committee and/or the Third-Party Monitors may approve of any such transactions prior to or contemporaneous with, or ratify such transactions subsequent to, the consummation of such transactions, and the investors and such Client will be bound by the decisions of such advisory committee and/or such Third-Party Monitor. In addition, from time to time, a Client may participate in a cross trade where it sells or buys a security or obligation that was originated by such Client or another Client (as applicable). In the event of such a cross trade in

respect of an originated investment, the price paid by the applicable Client in connection with such cross trade will be based on the then-fair market value of the applicable securities or obligations as determined by Brinley in accordance with our then-current valuation policy and procedures, and then, as such general partner determines to be appropriate in its discretion, will generally be reviewed by a third-party valuation consultant and confirmed to be reasonable. In addition, the price paid for any such cross trade in respect of an originated investment, as such general partner determines to be appropriate in its discretion, may be approved or disapproved by an independent Client representative or similar person appointed to act on behalf of the applicable Client(s). Such general partner and/or Brinley will face a conflict of interest in the valuation of any securities or obligations that will be subject to such cross trades, given the potential impact of such valuations on (i) the advisory fee, the carried interest distributions and such Client's performance results and (ii) the advisory fee, the performance-based compensation and the performance results of the other applicable Client(s). Such conflict of interest will be particularly pronounced in situations where, for a specific cross trade, the advisory fee or performance-based compensation terms in the governing documents of a Client are preferential to the advisory fee or performance-based compensation terms in the governing documents of the other applicable Client(s), or *vice versa*. In addition, a heightened conflict of interest exists in circumstances where a Client's investment strategy is or includes originating securities or obligations and then selling such securities or obligations primarily to other Clients (as well as third-party purchasers), and, accordingly, such strategy may, at least in part, be dependent on the existence and ability of other Clients (or third-party purchasers) to purchase such securities or obligations from the originating Client. Brinley will be incentivized to sell a security or obligation originated by a Client to other Clients at a price that is no less than the fair market value at the time of origination. In addition, such Clients' general partner and/or its affiliates will have the authority to agree to have the applicable Client reimburse members of the advisory committee or any Third-Party Monitors (including, without limitation, any third-party valuation consultant or independent Client representative) for their out-of-pocket expenses and to exculpate and/or indemnify them to the maximum extent permitted by law.

Special Purpose Entities

Brinley is permitted, in our discretion, to structure any investment (in whole or in part) as an investment made directly by a Client and/or through one or more special purpose entities or subsidiaries and/or restructure an existing investment that was initially held directly by one or more Clients such that, following such restructuring, such investment is held indirectly through one or more special purpose entities or subsidiaries. Such structuring may be done in order to address legal, tax, regulatory, currency or other considerations with respect to one or more applicable Clients (which considerations may only affect certain Clients but not others and may include the administrative convenience of Brinley, our affiliates and/or one or more Clients, in each case as Brinley or the applicable general partner deems necessary, appropriate or convenient. If one or more Clients invest through any such special purpose entity or subsidiary, such Clients will bear any and all fees, costs and expenses in connection with the formation, organization, operation, management and dissolution of such special purpose entity or subsidiary (including the fees, costs and expenses of preparing the constituent documents and any other agreements of (or related to) such special purpose entity or subsidiary) and any fees, costs and expenses related to borrowings incurred by such special purpose entity or subsidiary, even in circumstances where such special purpose entity or subsidiary is intended primarily or solely for the benefit of one or more Clients but not others. To the extent a Client

holds an investment through a special purpose entity or subsidiary, such Client's returns may be adversely impacted.

Conflicts Arising from Organizational, Ownership and Investment Structure

The organizational, ownership and investment structure of our Clients each involve a number of relationships that give rise to potential conflicts of interest. In certain instances, the interests of a Client's general partner (or equivalent entity) and its affiliates could differ from the interests of investors, including with respect to the types of investments made, the timing and method in which investments are exited, the timing and amount of distributions to investors, the reinvestment of returns generated by investments and the appointment of outside advisors and service providers. There can be no assurance that any such conflict will be resolved in favor of the investors in such Client, and this may negatively affect the value of investors' interests in our Clients.

The terms of governing documents relating to our Clients and each Client's overall investment objectives are or will be established by persons who are, or were at the relevant time, employees of Brinley and/or an affiliate thereof. Because these arrangements were initially drafted and negotiated between and among related parties, their terms, including terms relating to compensation, contractual or fiduciary duties, conflicts of interest and termination rights, the activities of such Client and limitations on indemnification and exculpation, are likely less favorable than otherwise might have resulted if such negotiations had involved unrelated parties. The governing documents of our Clients generally provide that investors will be deemed to have agreed that none of these arrangements constitutes a breach of any duty that may be owed to them under such governing documents, or any duty stated or implied by law or equity.

The interests in our Clients held by investors do not carry any voting rights other than as specified in the Clients' respective governing documents. In addition, Brinley, our affiliates and their respective partners, members, directors, employees and officers will have a number of roles and perform a number of functions with respect to our Clients, including as general partner and advisor. As a general matter, a Client will be managed by the Client's general partner and Brinley or our affiliate. In addition, the general partner has broad discretion to amend the governing documents, in many cases without the consent of the investors. As a result of these provisions, the general partner and its affiliates will have the effective ability to control the business and affairs of a Client, subject to the limitations discussed herein and/or in the governing documents.

Brinley's and/or Our Affiliates' Different Roles in Relation to each Client

As described herein, Brinley will serve in a number of different roles in relation to each Client. The Clients' respective general partners are under common control with Brinley, and Brinley or its affiliate will serve as the investment advisor of each Client and Brinley may have other relationships with each Client. These different roles present numerous conflicts or the appearance of conflicts, and could incentivize Brinley and our affiliates not to act in the best interests of the investors.

Conflicts with Borrowers and Issuers or portfolio companies

In certain instances, partners, officers and/or employees of Brinley may serve as directors of certain issuers or portfolio companies in which our Clients invest and, in that capacity, will be required to make decisions that they consider to be in the best interests of such issuers or portfolio companies. In certain circumstances,

such as in situations involving bankruptcy or near insolvency of an issuer, actions that may be in the best interests of such issuers may not be in the best interests of our Clients, and *vice versa*. Accordingly, in these situations, there is the potential for conflicts of interest between an individual's duties as a partner, officer or employee of Brinley and such individual's duties as a director of such issuer.

Advisory Fee and Carried Interest

The advisory fees that Brinley may receive from a Client and the carried interest or other performance-based compensation that a Client's general partner or equivalent entity may receive are not established on the basis of an arm's-length negotiation between such Client and its general partner or Brinley. The existence of carried interest or other performance-based compensation with respect to a Client creates an incentive for Brinley (an affiliate of such Client's general partner) to approve, and thereby cause such Client to make, more speculative investments than it would otherwise make in the absence of such performance-based compensation. In addition, because the advisory fees payable to Brinley are typically based on invested capital, Brinley may be incentivized to start investing a Client's capital earlier than it otherwise might, and to hold investments longer in order to continue earning an advisory fee.

Furthermore, although the cost basis of our Clients' investments is expected to be determined in a manner consistent with GAAP, in the event of any ambiguity or circumstance not addressed by GAAP or that may otherwise warrant a divergence from GAAP, the applicable general partner will make such determination, resolve such ambiguity and/or make any equitable adjustments as it deems appropriate in its discretion. Finally, under our Clients' governing documents, a Client's general partner is generally afforded substantial discretion in determining whether or not the value of a particular investment has suffered a permanent and material impairment in value and should be written down. As a result, a Client's general partner will have an incentive to (i) make more speculative investments, (ii) hold investments, or retain and not distribute proceeds longer, or (iii) postpone the decision to dispose of or permanently write off an investment, in each case, than it otherwise would have if the advisory fee were solely based on capital contributions or capital commitments. The capital interests in a Client of its general partner, such general partner's affiliates and its personnel should tend to reduce this incentive, but there can be no assurance that any such ambiguities, decisions or determinations will be made or resolved in a manner that favors the interests of the investors.

Furthermore, Brinley and its affiliates could be incentivized to allocate investment opportunities to certain Clients that pay performance-based compensation on terms that are preferential to other Clients. For example, some Clients may pay higher performance-based compensation as compared to other Clients and some Clients may pay performance-based compensation periodically on realized and unrealized net gains as compared to other Clients that pay performance-based compensation on a deferred basis as investments are realized and proceeds are distributed. In addition, some Clients may have a high-water mark, soft or hard hurdle and/or a preferred return, and Brinley and its affiliates could be incentivized to allocate investment opportunities to Clients that are close to their respective high water mark, soft or hard hurdle and/or preferred return, in order to begin or to continue accruing and/or receiving performance-based compensation with respect to such Clients. Similarly, Brinley and its affiliates could be incentivized to dedicate increased resources and/or allocate more profitable investment opportunities to Clients that pay higher advisory fees than other Clients. Notwithstanding the foregoing, Brinley's investment allocation process does not consider advisory fees and/or performance-based compensation terms when allocating investment opportunities among Clients. Finally, the advisory fee paid to Brinley by our Clients is generally

calculated as a percentage of the cost basis of our Clients' investments, including expenses related thereto. Brinley and/or a Client's general partner or other affiliate of Brinley will determine in its discretion the expenses that are related or attributable to a given investment, and will face a conflict in doing so, because the inclusion of additional expenses in the cost basis of investments will increase the base upon which the advisory fee is calculated.

To the extent that Brinley concurrently manages multiple Clients that permit Brinley to retain all or a portion of Fee Income (including Other Income) (as defined and described below) generated by such Client and/or its investments, and other Client(s) that require all of such fees to be offset against advisory fees or otherwise credited to the Client and its investors, Brinley may be incentivized to allocate investments preferentially to those Clients that permit it to retain such fees.

Fee Base and Write-downs

In general, the advisory fee payable by a Client will be based upon the cost basis of such Client's investments that have not been the subject of a disposition (in whole or in part), write-off or a permanent write-down, and will be payable based on the amount of such cost basis as of an advisory fee payment date as defined in the applicable governing documents, irrespective of any subsequent disposition, write-off or write-down. Additionally, the due date in the funding notice to the investors for the payment of the advisory fees may be on a date later than the advisory fee payment date for the applicable period, at which time one or more investments for which the advisory fee will be payable may have already been disposed of, written off and/or written down.

Once an investment has been disposed of, written off or permanently written down, Brinley will not receive an advisory fee on the portion of the cost basis of an investment that has been disposed of, written off or permanently written down and the relevant general partners or investors will not receive performance-based compensation until the investors receive distributions equal to their share of such investments.

"Disposition," "Write-off" and "Permanent Write-Down" are not terms of art with specific meanings under legal or accounting principles. Therefore, any determination as to whether an investment should be disposed of, written off or permanently written down is based on Brinley's subjective good faith judgment and our view of the varying facts across different investments. Brinley expects to consider a variety of factors in making such subjective judgments, which may include, without limitation, the time period during which the applicable investment was continuously valued below certain thresholds (which thresholds will depend on the type of investment), the total capital realized from the investment to date, whether a particular asset is a portion of the same investment or series of investments, whether the issuer or portfolio company continues to meet certain types of contractual obligations, and whether the issuer's debt coverage analysis (whether based on enterprise value, discounted cash flow or other metrics) supports a good faith determination that the advisory fee basis will be recovered. The factors and thresholds used for the analysis may change over time, and Brinley (acting in good faith) retains the discretion to make different determinations under seemingly similar circumstances. In certain cases, a Client may hold an investment in an issuer or portfolio company experiencing distress or going through bankruptcy or other restructuring. In such a situation, Brinley may nevertheless decline to write down or write off such investment due to Brinley's good faith determination that the investment remains positioned to recover its value, despite the distressed state or bankruptcy of the issuer or portfolio company (e.g., where such Client holds a senior secured first lien debt investment in such issuer). However, no assurances can be given that Brinley's good

faith determination will prove accurate, and it is possible that such an investment will later be written down or written off, resulting in a loss to such Client and its investors, including advisory fee expense that would not have been borne by such Client had the investment been written down or off at an earlier date. In addition, an investment in an issuer or portfolio company may not be permanently written-off or permanently written down despite its distressed state or covenant breach until such issuer or portfolio company experiences a material corporate event (*e.g.*, bankruptcy or partial sale) which establishes an objective basis for such revised valuation.

In making the determination whether or not, and when, to dispose of, write off or permanently write down a particular investment, Brinley has an incentive to (i) make more speculative investments prior to the end of a Client's investment period and/or any advisory fee payment date, (ii) hold investments, or retain and not distribute proceeds longer, or (iii) postpone the decision to dispose of, write off or permanently write down the value of an investment, in each case than it otherwise would have if the advisory fee were solely based on commitments in order to receive performance-based compensation earlier and higher advisory fees or to help with fundraising. Brinley and our personnel's commitments to a Client should tend to reduce this incentive.

Subject to a Client's applicable governing documents, the decision to dispose of, to write-off or to permanently write-down an investment, may be made with respect to an individual security or obligation or an issuer or portfolio company as a whole, and Brinley may dispose of, write-off or permanently write-down all investments in an issuer or portfolio company or only certain investments made in an issuer or portfolio company. Further, Brinley may partially dispose of, write-off or permanently write-down an investment, which means the investment is permanently written down below its cost basis, but is not written down to zero.

In addition, under a Client's applicable governing documents, Brinley is afforded discretion to determine the timing and nature of certain transactions and characterize the proceeds received in respect thereof, and will at times have a conflict of interest in making such determinations. By way of example, in the event of a partial disposition of an investment, Brinley has the ability to determine in good faith the portion of the investment that has been disposed of and the capital contributions that are attributable to such portion. Brinley may have an incentive to make these determinations in a way that benefits the applicable general partner's ability to receive, or that increases the amount of, carried interest. In addition, at certain times and in certain circumstances involving transactions that do not entail the disposition of shares or other securities relating to an investment, such as certain recapitalizations, extraordinary dividends or similar events, Brinley may elect to treat all or any portion of the proceeds of such transactions as a return of capital (and potentially cause the applicable general partner to receive carried interest on such amounts) while not reducing the cost basis or net invested capital upon which our advisory fees are typically calculated.

Holding Period Requirements for Long-Term Capital Gain

Non-corporate U.S. persons (including owners of each Client's general partner) are subject to U.S. federal income tax on long-term capital gain at rates that are substantially lower than the rates applicable to ordinary income or short-term capital gain. In general, gain from the disposition of an investment of a Client held for more than one year will be treated as long-term capital gain. Gain in respect of a general partner's carried interest, however, will generally be treated as short-term capital gain unless a Client's holding period in the relevant investment is more than three years (while the required holding period for long-term capital

gain for investors remains one year). As a consequence, conflicts of interest could arise between the interests of such general partner and the interests of such investors in connection with such general partner's investment-related determinations. Such determinations include, but are not limited to, decisions with respect to the development, acquisition or consummation, ownership, maintenance, restructuring, monitoring, hedging, disposition or monetization of a Client's investments.

Agreements with Certain Investors

Certain investors have been granted and in the future additional investors may be granted one or more of the following rights with respect to their investments: (i) a reduced advisory fee and/or performance-based compensation and/or operating expense; (ii) the right to receive improved fees, liquidity, information rights and other terms received by other investors; (iii) the right to receive certain additional information with respect to certain Clients, including position-level portfolio information or events related to Brinley; (iv) the right to reserved capacity for a certain Client; (v) notification to the investor with respect to the investor's ownership percentage of a certain Client; (vi) limitation on the investor's ownership percentage of a certain Client below certain thresholds; (vii) notification to the investor with respect to the ownership by benefit plan investors of a certain Client's equity classes; (viii) certain limitations on an investor's confidentiality obligations under a certain Client's governing documents pursuant to laws or regulations to which the investor is subject (such as the public information or "sunshine" laws); and (ix) an acknowledgement that such investor is entitled to sovereign status under U.S. federal, state or non-U.S. law.

In addition to the above, certain investors in our Clients have been granted and in the future additional investors may be granted one or more additional rights with respect to their investments, including, but not limited to: (i) the right to opt out of the requirement to fund capital calls or otherwise be excused from participating in certain investments due to regulatory, tax or public policy or the investor's internal considerations; (ii) the right to designate one or more members of an investor advisory or oversight committee; (iii) rights with respect to distributions in kind; (iv) rights with respect to transfers of interests; (v) the right to receive information regarding the investment and/or disposition strategy of the relevant Client; (vi) an acknowledgement that such investors are interested in learning about potential co-investment opportunities; (vii) the right to provide selected confidential information to certain other recipients, (viii) the right to modifications to an investor's subscription agreement, (ix) arrangements with respect to waivers of certain obligations, and (x) agreements by a general partner (or similar governing body) to refrain from exercising certain remedies or taking certain actions against an investor (including in connection with a default by such investor).

Such rights can be, and have been, granted on the basis of (i) the size, nature, timing or other features of the investor's investment in, or commitment made to, a Client, (ii) the type, category, nature, specificity or other features of the investor, (iii) the involvement or participation in a Client's, Brinley's or the applicable general partner's management or activities (whether past, present and/or future, in each case only to the extent permitted under applicable laws), or (iv) any other criteria, element or feature as may be determined from time to time by, and in the discretion of, Brinley or the applicable general partner, to extent that such criteria are not inconsistent with applicable laws and regulations.

Certain investors will be granted "most favored nation" rights (an "*MFN*") in a side letter agreement with a Client and its general partner (or equivalent entity), which will give such investors the right to review

and/or elect the benefit of certain side letter rights granted to other investors, generally those that have made the same or smaller commitments to the Client. However, certain provisions will not be subject to disclosure or election, in all cases in accordance with the terms of the MFN. We will make certain decisions regarding how to implement the MFN, including what information to redact when side letters are shared, whether an investment policy or practice is unique to an investor (and therefore not disclosable or electable) and whether certain affiliated, related or commonly advised investor commitments should be aggregated for purposes of the MFN. Further, the terms agreed with certain investors, including investors that are affiliated with or managed by Brinley (including the Strategic Investor), will be carved out in accordance with the terms of the MFN of each Client.

Certain investors may engage investment consultants to evaluate a potential investment by such investors in a Client and/or monitor such investment on an ongoing basis. Such Client could have an incentive to agree to provide additional information to such investment consultants, offer fee breaks to investors advised by such investment consultant (including by aggregating such investors for purposes of the Client's MFN) or provide other benefits because such investment consultants may refer additional investors to such Client or other Clients.

Diverse Investors

The investors in our Clients are expected to include diverse investors that may have conflicting tax and other interests with respect to their investment in a Client. In addition, our Clients' respective general partners, their affiliates and their respective employees may invest directly in our Clients. As a result, conflicts of interest may arise in connection with decisions made by the general partners and/or Brinley that may be more beneficial for one type of investor. In making decisions, our Clients' respective general partners and Brinley intend to consider the investment objectives of our Clients as a whole, and not the investment objectives of any investor individually.

Information Barriers and Material Non-Public Information

From time to time, partners, officers and/or employees of Brinley receive material non-public information. Any partner, officer or employee of Brinley may serve as an officer, director, advisor or in comparable management functions for issuers or portfolio companies in which our Clients invest, and any such partner, officer or employee may obtain material non-public information in connection therewith, or in connection with such partner's, officer's or employee's other activities in the financial markets. Brinley generally operates without permanent information barriers to separate persons who make investment decisions from others who might possess material non-public information that could influence such decisions. In an effort to manage possible risks arising from Brinley's decision not to implement such barriers, we maintain a list of restricted securities with respect to which Brinley may have access to material non-public information and in which the Clients are restricted from trading. Brinley's ability to implement our Clients' strategies effectively will be limited to the extent that trading is restricted due to material non-public information. In some cases, material non-public information is obtained deliberately, in the context of specific Client investments, and the subsequent restriction on trading applies also to other Clients who did not participate in such investments. For example, if Brinley obtains material non-public information with respect to loan positions held by certain Clients, Brinley will be restricted from trading securities of the same issuer for other Clients on the basis of such material non-public information in the absence of an information barrier.

From time to time, Brinley may arrange limited-purpose, issuer-specific information barriers with respect to one or more issuers or portfolio companies, including barriers in the context of private loan investments. One purpose of an information barrier is to retain material non-public information on one side of the information barrier, and allow for public trading on the side of the barrier that possesses only publicly available information. Another purpose is to enable independent investment decision-making across Clients or across an issuer's capital structure where there is a conflict of interest. An information barrier may also be used to enable Brinley to work with one or more potential bidders in an acquisition financing opportunity, in order to enhance the likelihood of working with the winning bidder. If an issuer is subject to an information barrier, the investment professionals on one side of the barrier will be limited in their ability to leverage the expertise of the investment professionals on the other side of the barrier with respect to such issuer. If information is inadvertently crossed over an information barrier (or no information barrier exists), Clients may be prohibited or restricted by law, policy or contract, for a period of time, from (i) unwinding a position in such issuer, (ii) establishing an initial position or taking any greater position in such issuer, (iii) pursuing other investment opportunities related to such issuer and/or (iv) engaging in negotiations or structuring discussions with respect to such issuer, any of which could impact the returns generated for a Client.

Investors Rights Against Third Parties

An investment in a Client will not in and of itself confer upon investors any rights against third parties engaged by the Clients' respective general partners or Brinley to provide services to Brinley, the Clients, or their respective general partners. In certain situations, the Clients' respective general partners or Brinley may take appropriate action against such third parties on behalf of the Clients or the investors in order to protect the interests of the Clients but is under no obligation to do so.

Other Activities

None of the Clients' respective general partners, Brinley or any of their respective partners and/or employees are required to manage the Clients as their sole and exclusive function and each may engage in other business ventures and other activities unrelated to the affairs of each Client, including directly or indirectly purchasing, selling, holding or otherwise dealing with any securities (including securities in which such Client invest) for the account of other investment funds, for their own accounts or for the accounts of their family or other Clients.

The respective general partners, Brinley, the key persons (if applicable) of our Clients and their respective affiliates may give advice and recommend securities or other obligations to a Client that may differ from advice given to, or securities or other obligations recommended or bought for, other Clients, though their investment objectives may be the same or similar.

In addition, Brinley may cause a Client to invest in a security or an issuer (*e.g.*, a pooled investment vehicle or a portfolio company) in which Brinley, one or more direct and/or indirect partners of Brinley and/or one or more persons otherwise associated with Brinley has a direct or indirect economic interest. In making such a decision, Brinley would have an incentive to cause a Client to invest in such security or issuer partially because of such direct or indirect economic interest therein.

Brinley and our affiliates may expand the range of services that they provide over time. Except as provided herein or in the Clients' respective governing documents, Brinley and our affiliates will not be restricted in

the scope of their business or in the performance of any such services (whether now offered or undertaken in the future) even if such activities could give rise to conflicts of interest, and whether or not such conflicts are described herein. Brinley and our affiliates have, and will continue to develop, relationships with a significant number of companies, financial sponsors and their senior managers, including relationships with investors in Clients who may hold or may have held investments similar to those intended to be made by such Clients.

In addition, employees of Brinley and our affiliates from time to time hold personal interests in companies to whom Brinley and our affiliates direct work for the benefit of one or more Clients, and for which the expense is payable by one or more Clients.

Arrangements with Third-Party Managers

Brinley may cause our Clients to enter into joint ventures with third-party managers or persons to manage specified portfolio investments or categories of portfolio investments and in connection therewith receive performance-based compensation in vehicles through which the joint venture invests. Clients may also hold certain portfolio investments through investment vehicles managed in whole or in part by third-party managers or persons where Brinley determines this is necessary or appropriate due to investment, regulatory or similar reasons. Any compensation paid to such third-party managers or of joint venture partners will not offset fees paid to Brinley.

Co-Investments

A Client's general partner and/or Brinley may, from time to time, depending on the type of investment opportunity, in their discretion, offer co-investment opportunities with respect to such Client's investments to: (i) Co-Investment Accounts (as defined below), (ii) other Clients, (iii) any investors (including the Strategic Investor), (iv) affiliates or employees of the general partner or Brinley (and/or their respective family members) or (v) any other person or entity, including, without limitation, any person or entity who the general partner and/or Brinley believes, in their discretion, will be of benefit to such Client (or to one or more investments of such Client) or who may provide a strategic, sourcing or similar benefit to the general partner, Brinley, such Client, any investment of such Client or one or more of their respective affiliates due to industry expertise or otherwise, including finders, senior advisors, originators and/or consultants of such Client (and the Client's general partner and/or Brinley may allocate such investment opportunities directly to the applicable co-investor(s) (e.g., through a custodial account or vehicle that they control) or may organize one or more entities to invest in such Client or to co-invest alongside such Client to facilitate investments by any of the foregoing persons or entities) (such vehicles, "***Co-Investment Accounts***"). The foregoing persons and entities are collectively referred to herein as "***Co-Investors***."

In determining whether to offer a co-investment opportunity, a Client's general partner and/or Brinley may first allocate the investment to eligible Clients who are not Co-Investors (as described above under "***Allocation of Investment Opportunities***"), and then, if there is excess capacity, consider that amount as a potential co-investment opportunity. In certain cases, a Client's general partner and/or Brinley may determine that Clients who are not Co-Investors would not be offered such investment opportunity (or would not otherwise be able to consummate the investment opportunity) without the additional capacity represented by potential Co-Investors. In the latter case, the aggregate amount of such investment, net of

the amount that the potential Co-Investors require in order to participate, may be allocated to Clients that are not Co-Investors.

The portion of an investment designated for co-investment will not be allocated pursuant to the principles set forth above under “Allocation of Investment Opportunities,” but instead the applicable Client’s general partner and/or Brinley will determine the potential Co-Investors to whom it offers any co-investment opportunity, the relative amounts offered to each such potential Co-Investor, and the final selection of Co-Investors and allocated amounts, in each case, in its discretion. A Client’s general partner and/or Brinley may consider any factors they deem relevant in their discretion, including, without limitation, the sophistication, transaction speed and the tenure of a prospective Co-Investor as a Client or investor, the amount a prospective Co-Investor is offering to commit to a co-investment opportunity, any commitments (contractual or otherwise) to make co-investment opportunities available to a prospective Co-Investor, any commitments or indications of interest by a prospective Co-Investor to invest in current or future Brinley products, the strategic expertise of a prospective Co-Investor, such as having relevant experience in the applicable sector or existing relationships with management or other relevant parties, the ability of a prospective Co-Investor to provide a sourcing or other benefit to Brinley and/or our affiliates, whether and to what extent a potential Co-Investor has accepted prior co-investment opportunities offered to it or such other factors as the Clients’ respective general partners and/or Brinley deem relevant, which may include subjective determinations such as working relationships. In such circumstances, together with any allocations made to the other Brinley Clients (as discussed above under “*Allocation of Investment Opportunities*”), the size of the investment opportunity otherwise available to each Client may be less than it would otherwise have been. Co-Investors may not be subject to or otherwise charged any advisory fees and/or carried interest or other performance compensation.

In addition, certain Co-Investors co-investing with a Client may invest on different (and more favorable) terms than those applicable to such Client and may have interests or requirements that conflict with and adversely impact such Client (for example, with respect to their liquidity requirements, available capital, the timing of acquisitions and dispositions or control rights). Brinley will generally seek to ensure that any Co-Investors and Clients participate in any investment (and any related transactions) on comparable economic terms to the extent Brinley determines appropriate in its discretion and subject to legal, tax, accounting, structural, regulatory, operational and/or other considerations or limitations and/or if Brinley determines in its discretion that participation on different economic terms is advisable in order to facilitate a transaction. Investors should note, however, that participation by a Client in certain investments on comparable economic terms with Co-Investors and other Clients may not be appropriate in all circumstances and that a Client may participate in such investments on different and potentially less favorable economic terms than such parties if Brinley deems such participation as being otherwise in such Client’s best interests (e.g., by allowing such Client to participate in an investment in which it would otherwise not have been able to participate due to, among other reasons, required minimum commitment amounts).

In order to facilitate an investment and/or for other purposes that Brinley determines appropriate in its discretion, a Client may make (or commit to make) an investment with a view to selling all or a portion of such investment to Co-Investors, other Clients and/or other persons or entities, in each case, prior to or after making (or closing/settling) such investment. A Client will generally retain all net proceeds received in respect of any such investment during the period it holds such investment (unless Brinley otherwise

determines appropriate in our discretion); however, such Client will bear the risk that any or all of such investment may not be sold as intended (or at the amounts intended) or may only be sold on less-favorable terms than initially expected (*e.g.*, at prices lower than expected) due to, among other reasons, market events (or issuer-specific events) that occur during the period that such Client is holding such investment. If (i) Co-Investors, other Clients and/or other persons or entities choose not to participate in an investment or (ii) such investment is not ultimately consummated, and unless otherwise agreed with such Co-Investors, other Clients and/or other persons or entities, such Client that initially acquired such investment will bear its *pro rata* share of the entire amount (including any amount otherwise allocable to any such Co-Investors, other Clients and/or other persons or entities) of any break-up fees or broken deal expenses or other fees, costs and expenses related to such investment. In addition, subject to the terms of the applicable governing documents, a Client may borrow to fund the portion of an investment that it intends to sell to Co-Investors, other Clients and/or other persons or entities. If the prospective Co-Investors, other Clients and/or other persons or entities do not ultimately acquire all or any portion of such investment (or if they do not agree to reimburse such Client for such borrowing costs even if such investment is ultimately acquired), such Client that initially acquired such investment will bear the interest and other expenses relating to a borrowing it incurred only for purposes of acquiring a larger-than-desired portion of such investment. Any investment that a Client acquires with the intent to sell all a portion of such investment to Co-Investors, other Clients and/or other persons or entities, will be sold on such terms and conditions and at such price as Brinley (or an affiliate thereof), in its discretion, determines to be equitable, which determination, with respect to price, may include the original cost price (with or without interest) or at the fair value of such investment (or portion thereof) as of the date of such sale. Each Client, whether as a buyer or seller of an investment described in this paragraph, will bear the risk that its sale or acquisition (as applicable) of such investment will be at a price that does not reflect the then-current value of such investment. As a consequence of all of the foregoing considerations, a Client may hold a larger portion than expected in an investment and/or may realize lower-than-expected returns from an investment.

There is no guarantee that any Client or investor will be offered any co-investment opportunities. In addition, the terms of any co-investment will be as negotiated by Brinley with the applicable Co-Investor and no such Co-Investor should assume that a particular advisory fee rate, carried interest rate or other term or provision will be offered as a result of, among other things, such Co-Investor's investment in a Client.

Investments in Which the Other Clients Have a Different Principal Interest

Our Clients may invest in a broad range of asset classes throughout the corporate capital structure. These investments include investments in corporate loans and debt securities, preferred equity securities and common equity securities. As a result, a Client may invest in investments or other issuers or portfolio companies in which other Clients may invest in different parts of the capital structure.

For example, with respect to a Client's investments in certain issuers or portfolio companies, other Clients may invest in different classes of debt or equity interests issued by the same issuers or portfolio companies, including interests that are senior to such Client's interests or convertible into such senior interests. The interests of such Client may not be aligned in all circumstances with the interests of the other Clients to the extent they hold more junior or senior debt or equity interests, as the case may be, which could create actual or potential conflicts of interest or the appearance of such conflicts with respect to our Clients, on the one

hand, and Brinley and/or our affiliates, on the other hand. In that regard, actions may be taken by Brinley and/or our affiliates on behalf of Clients that are adverse to other Clients.

The interests of the Clients investing in different parts of the capital structure of an issuer are particularly likely to conflict in the case of financial distress of the issuer (or increased financial stress after a Client invests in the issuer). For example, if additional financing is necessary as a result of financial or other difficulties, it may not be in the best interests of a Client, as a holder of senior secured debt issued by such issuer, to provide such additional financing. If other Clients holding more junior debt or equity positions were to lose their respective investments as a result of such difficulties, the ability of Brinley to recommend actions that are in the best interests of a Client holding senior secured debt might be impaired. The reverse is true where one or more of our Clients holds debt in an issuer that is more senior to that held by another Client or Clients. In addition, it is possible that, in a bankruptcy proceeding, a Client's interests may be subordinated or otherwise adversely affected by virtue of other Clients' involvement and actions relating to their investment.

Finally, if Brinley becomes a member of a creditors' committee in connection with certain loan positions held by one or more of its Clients, it may be restricted from trading securities of the same issuer for other Clients. There can be no assurance that the terms of or the return on any Client's investment will be equivalent to or better than the terms of or the returns obtained by the other Clients participating in the transaction. This may result in a loss or substantial dilution of a Client's investment, while another Client recovers all or part of amounts due to it. Similarly, Brinley's ability to implement a Client's strategies effectively may be limited to the extent that contractual obligations entered into in respect of the activities of other Clients impose restrictions on such Client engaging in transactions that Brinley may be interested in otherwise pursuing on its behalf. In addition, where Brinley invests on behalf of multiple Clients in the same debt or equity security or other debt obligation, one Client may not be able to sell its position in that security or obligation at a time that may be the most advantageous to such Client to do so, as the investment is managed by Brinley not only on behalf of such Client, but on behalf of all Clients on whose behalf Brinley manages such investment.

Loan Origination

In some cases, Brinley will serve "on the right", "lead left" or in another lead position on a particular originated loan, which position may involve Brinley and our Clients taking on certain responsibilities with respect to such loan. While we believe that serving in a lead role can provide more attractive investments for our Clients over time, this role (and the fees associated therewith, which may be part of our advisory compensation) could conflict with the short-term interests of a Client in any particular transaction. For example, when Brinley serves in a leading role, our Clients could be required to retain an allocation of revolving loans or delayed draw term loans in excess of their *pro rata* share of such facilities. While the fees related to retaining these larger allocations of revolving loans or delayed draw term loans generally benefit the applicable Clients, it will also generally require such Clients to reserve a sufficient amount of liquid assets to satisfy drawdown requests with respect to these loans, which can often be drawn on short notice (e.g., on the same day or one business day's notice). As a result, there is a risk that a correspondingly greater portion of a Client's capital will have to be held in cash or other highly liquid assets that earn little or no return. In addition, in order to win a mandate to act in a lead role with respect to a particular transaction, we could be required by the sponsor to sell a larger portion of a loan to third parties than we

otherwise would have, or otherwise be required to take actions or make accommodations to satisfy sponsor requests that would not have taken absent our leading role. Further, to the extent one of the responsibilities of acting as lead lender is facilitating the syndication of a facility, Brinley and/or our affiliates could receive fees in connection with syndicating such loans (which are not always required to be offset against advisory fees or credited to our Clients) and, as a result, Brinley may be incentivized to syndicate more of the loan to third parties than we would in the absence of these fees. In such cases, our Clients and their investors could receive smaller allocations of loans than they might otherwise prefer. Conversely, if our Clients are required to take a larger allocation of a loan with the intention of syndicating it, but are unable to do so, such Clients may be left with outsized exposure to such loan that is inconsistent with their investment objectives.

Investing on Behalf of Multiple Clients

Brinley invests on behalf of multiple Clients. As a result, Brinley from time-to-time effects transactions for one Client that differ from the transactions effected for another Client with respect to the same issuer or portfolio company, potentially at different times and on different terms. Where Brinley invests on behalf of multiple Clients in the same debt or equity security or other debt obligation, in some cases one Client will not be able to sell its position in that security or obligation at a time that is expected be the most advantageous to that Client to do so, as the investment is managed by Brinley not only on behalf of such Client, but on behalf of all of our Clients on whose behalf Brinley manages such investment.

Brinley may also trade in certain debt or equity securities or other debt instruments of a particular issuer or portfolio company for one Client while investing in a different part capital structure of the same issuer or portfolio company, or in different tranches of debt for another Client, and, in either case, potentially at different times and at different terms. For example, with respect to a Client's investments in certain issuers or portfolio companies, other Clients may invest in different classes of debt or equity interests issued by the same issuer or portfolio companies, including interests that are senior to such Client's interests or convertible into senior interests. The interests of a Client may not be aligned in all circumstances with the interests of other Clients to the extent they hold more junior or senior debt or equity interests, as the case may be, which could create actual or potential conflicts of interest or the appearance of such conflicts for our Clients, Brinley and/or our affiliates. In that regard, actions may be taken by Brinley and/or our affiliates on behalf of a Client that are adverse to other Clients. The interests of Clients investing in different parts of the capital structure of an issuer or portfolio company (including, for example, different classes or tranches of securities of a CLO) are particularly likely to conflict in the case of financial distress of the issuer or portfolio company (or increased financial stress after a Client invests in the issuer or portfolio company). If additional financing is necessary as a result of financial or other difficulties, it may not be in the best interests of a Client, as a holder of senior secured debt issued by such issuer or portfolio company, to provide such additional financing. If other Clients holding more junior debt or equity positions were to lose their respective investments as a result of such difficulties, the ability of Brinley to recommend actions that are in the best interests of such Client might be impaired. The reverse is true where a Client holds debt in an issuer or portfolio company that is more senior to that held by other Clients. In addition, with respect to CLO investments, it is possible that there could be conflicts between Clients, even when such CLO investment is not in financial distress, such as whether and when to refinance or repay the debt of such CLO investment, or where one Client invests in the equity tranche of a CLO while another Client invests in the debt tranche of the same CLO, and the holders of the equity tranche exercise a refinance or call right in the

CLO without regard to any adverse effect on our Clients that are holders of the debt tranche. Further, in a bankruptcy proceeding, or the restructuring or reorganization of the issuer or portfolio company, a Client's interests may be subordinated or otherwise adversely affected by virtue of such other Clients' involvement and actions relating to their investment. If Brinley becomes a member of a creditors' committee in connection with certain loan positions held by Clients, we may be restricted from trading securities of the same issuer or portfolio company for such Clients. In addition, where Brinley invests on behalf of multiple Clients in the same debt or equity security or other debt obligation, one Client may not be able to sell its position in that security or obligation at a time that may be the most advantageous to such Client to do so, as the investment is managed by Brinley not only on behalf of such Client, but on behalf of all of Clients on whose behalf Brinley manages such investment.

In instances where conflicts of interest among multiple Clients arise, Brinley will seek to act in a manner it reasonably believes to be equitable to all Clients involved under the circumstances. There can be no assurance that the term of or the return on a Client's investment will be equivalent to or better than the term of or the returns obtained by other Clients participating in the same issuer or portfolio company. There could be a loss or substantial dilution of one Client's investment, while another Client recovers all or part of amounts due to it. Similarly, Brinley's ability to implement one or more Clients' strategies effectively will be limited to the extent that contractual obligations entered into in respect of the activities of another Client impose restrictions on such Client engaging in transactions that Brinley may be interested in otherwise pursuing. When Brinley trades on behalf of one Client ahead of, or contemporaneously with, an investment on behalf of another Client, market impact, liquidity constraints, or other factors could result in one Client receiving less favorable pricing or trading results, paying higher transaction costs, or otherwise being disadvantaged. Brinley could also pursue or enforce on behalf of one Client rights or actions with respect to a particular issuer or portfolio company in which another Client is invested, even though such action or inaction could materially adversely affect such other Client. The liquidation of one Client will impact other Clients, for example, if the liquidating Client liquidates a position that other Clients continue to hold, particularly if the sale takes Brinley's aggregate Clients' holdings from a majority position to a minority position, or below another control or influential position level. Also, the investment or regulatory limitations of a Client may impact the way Brinley manages certain investments for other Clients. In addition, in certain cases, an investor in a Client may have specific investment limitations which may impact Brinley's investment decisions for such Client as whole.

Clients with Conflicting Positions

Certain Clients may make investments in issuers or portfolio companies in which another Client holds an investment in a different class of such issuer's or portfolio company's debt or equity. In such circumstances, Brinley faces certain conflicts in making decisions with respect to such securities or obligations given their different rights and economic interests in the issuer or portfolio company that may have an adverse effect on one or more of our Clients. Generally speaking, Brinley expects that a Client will make such investments when, at the time of its investment, Brinley in our sole discretion believes that (a) such investment presents an attractive investment opportunity for each eligible Client and (b)(i) the possibility of actual adversity between Clients is remote or (ii) in light of the particular circumstances, Brinley believes that such investment is appropriate for the eligible Client, notwithstanding the potential for conflict. Brinley may, in its sole discretion and to the fullest extent permitted by applicable law, take other steps to reduce the potential for adversity between each Client, including causing the first account to take certain actions that,

in the absence of such conflict, it would not take, such as (i) remaining passive in a restructuring or similar situations (including electing not to vote or voting *pro rata* with other interest holders), (ii) investing in the same or similar classes of securities as the second Client in order to align their interests, (iii) divesting the investments of either class of Clients, in whole or in part, (iv) appointing an unaffiliated third-party agent to act on behalf of either the Client or (v) otherwise taking an action designed to reduce adversity. Any such step could have the effect of benefiting one Client, Brinley or our affiliates and might not be in the interests of, or may be adverse to, another Client.

In addition, it is possible our Clients will invest in different instruments or classes of securities of the same issuer or portfolio company where certain Clients own the majority of, or otherwise control, one or more of such different instruments or classes of securities. In such a scenario, one or more Clients may have different investment objectives or pursue or enforce rights with respect to a particular issuer or portfolio company in which another Client has invested, and those activities may have an adverse effect on the Client. For example, where an issuer or portfolio company experiences financial or operational difficulties, if a Client holds subordinated and unsecured debt, and another Client holds senior secured debt instruments of the same issuer or portfolio company, the latter Client may enforce or help other senior secured creditors enforce their rights against the issuer or portfolio company and as a result, the former Client's investment may be reduced substantially or to zero. If a Client holds voting instruments with respect to any debt or equity of an issuer or portfolio company and another Client does not hold such power, Brinley or our affiliates, acting on behalf of the former Client, may vote on certain matters in a manner that has an adverse effect on the positions held by the latter Client (e.g., regarding whether the Client agrees to waive certain covenants or make certain amendments). Conversely, if a Client holds voting instruments of an issuer or portfolio company, Brinley or our affiliate's vote on behalf of such Client on certain matters may end up benefiting the other Clients and harming the Client with voting instruments, especially with the benefit of hindsight (e.g., if the Client agrees to certain covenant, waivers or amendments, but the issuer or portfolio company and the Client's investment in such issuer or portfolio company ends up being further impaired). The conflicts of interest associated with investing in multiple layers of the capital structure of an issuer or portfolio company become more acute when the issuer or portfolio company experiences financial or operational challenges and/or if debt tranches owned by one or more Clients become equitized such that those Clients become borrowers of the other Clients.

As described above, to the extent a Client holds securities that are different (including with respect to relative seniority) than those held by another Client in the same issuer or portfolio company, Brinley could have conflicting loyalties between our duties to such Clients. There can be no assurance that the term of or return on a Client's investment in an issuer or portfolio company will be equivalent to or better than the term of or returns obtained by the other Clients participating in such investment. Similarly, our ability to implement the Client's strategies effectively may be limited to the extent that contractual obligations entered into in respect of activities of Brinley and/or our other Clients impose restrictions on such Client engaging in transactions that we may be interested in otherwise pursuing.

Our Clients that employ one investment strategy may be negatively impacted by the activities by or on behalf of Clients of another investment strategy, and transactions for our Clients that employ one investment strategy may be impaired or effected at prices or terms that may be less favorable than would otherwise have been the case had a particular course of action not been pursued with respect to our Clients that employ

a different investment strategy. In certain instances, personnel of Brinley (including in the capacity as a director of an issuer or portfolio company of a Client) may obtain information about an issuer or portfolio company thereby limiting Brinley's ability to buy or sell securities of the issuer or portfolio company on behalf of other Clients. These conflicts are magnified with respect to issuers or portfolio companies that undergo restructuring or become insolvent. It is possible that in connection with a restructuring, insolvency, bankruptcy or similar proceeding our Clients may be limited (by applicable law, courts or otherwise) in the positions or actions they may be permitted to take due to other interests held or actions or positions taken by Clients of a different investment strategy.

Although it is expected that our Clients will, when they co-invest alongside one or more other Clients, generally dispose of their interests in an investment in the same proportion as, and on the same terms as, the other Clients dispose of their interests in such investment, subject to legal, tax, regulatory or other considerations, as determined by Brinley, the relevant general partners and/or their respective affiliates in their sole discretion, there can be no assurance that the interests in an investment held by our Clients will be harvested on as favorable terms as the interests in such investment held by the other Clients. Further, the disposal by another Client may depress the market value of the continuing investment of certain Clients or may reduce the price or the availability of interested buyers of such securities held by the continuing Clients, which may also be disposing of their investment.

In addition, the terms of a Client's investment, including the type of security purchased, may be different from the terms or form of another Client's investment. Conflicts could arise after one or more of our Clients, on the one hand, and certain other Clients, on the other hand, make investments in the same issuer or portfolio company with respect to the issuer's or portfolio company's strategy, growth and financing alternatives and with respect to the manner and timing of the one Client's exit from the investment compared to the other Client's exit. Should one Client invest in a different type of security from the security purchased by another Client, additional conflicts can arise, particularly if the issuer or portfolio company experiences financial difficulties.

Certain Clients may also have short positions in the same security or instrument or a different security or instrument in the same issuer or portfolio company as a security or instrument purchased by other Clients, which presents additional conflicts, particularly if the issuer or portfolio company experiences financial difficulties.

Reserves

From time to time, Brinley may reserve capital from investors for, among other reasons, investments, expenses and/or other contingent liabilities of our Clients and there is no limit on the amount of such reserves or the period of time such capital can be held in reserve. In addition, Brinley may generally (subject to the applicable Client governing documents), in its discretion, terminate the investment period of a Client any time after a certain percentage of the aggregate commitments are invested or committed or reserved to be invested in investments, used to fund Organizational Expenses or Operating Expenses, or reserved for Operating Expenses (including anticipated contingent liabilities). As a result of the foregoing, the investment period may be terminated before the percentage of a Client's total commitments specified in such Client's governing documents have been invested or committed to be invested. For example, if a Client's threshold is 75% and if 55% of such Client's total commitments have been invested, committed to be invested or used to fund Organizational Expenses and/or Operating Expenses, and Brinley has

established reserves equal to 20% of such Client's total commitments for follow-on investments, then a 75% threshold will have been reached for purposes of the governing documents of such Client, and Brinley may terminate the investment period in its discretion. As a result, the general partner could be incentivized to cause a Client to establish reserves that it would not otherwise establish in order to terminate the investment period and raise competing capital.

Creation of Other Entities; Restructuring

Brinley will be permitted to market, organize, sponsor, act as advisor, general partner or manager or as the primary source for transactions for current and future Clients, which may be offered on a public or private placement basis, and to restructure and monetize interests in ourselves, or to engage in other investment and business activities. Such activities could raise conflicts of interest for which the resolution may not be currently determinable.

Placement Activities

Our personnel involved in offering interests in our Clients are acting on our behalf and not acting as investment, tax, financial, legal or accounting advisors to potential investors in connection with the offering of interests. Potential investors must independently evaluate the offering and make their own investment decisions.

We may in the future enter into arrangements with third-party placement agents to solicit prospective investors. Placement agents that solicit prospective investors on behalf of our Clients are subject to a conflict of interest because they will be compensated by our Clients, their respective general partners and/or Brinley in connection with their solicitation activities. Placement agents or other financial intermediaries may also receive other compensation, including placement fees with respect to the acquisition of interests in our Clients by investors. Such agents or intermediaries will have an incentive in promoting the acquisition of interests in our Clients in preference to products with respect to which they receive a smaller fee.

Outsourced Services

Consistent with what Brinley believes to be typical industry practice, we have and are expected to continue to outsource to third parties many of the services performed in connection with our Clients and their portfolio investments, including services (such as administrative, legal, accounting, certain elements or portions of investment diligence and certain ongoing monitoring, tax or other related services) that could be expected to be performed in-house by Brinley and our personnel. In addition, certain services that are currently performed for our Clients and/or their portfolio investments by Brinley, and which fees, costs and expenses are not currently borne by our Clients, may in the future be outsourced to such third-party services providers. Further, our decision to initially perform a service for a Client in-house does not preclude a later decision to outsource such services (or any additional services) in whole or in part to a third-party service provider in the future and (except as may be specified in a Client's governing documents) we have no obligation to inform such Client or investors of such a change.

The fees, costs and expenses of such third-party service providers will generally be borne by a Client as Operating Expenses, even if the costs of such services had not historically been charged to Clients when performed in-house, to the extent applicable. The decision to engage a third-party service provider and the terms (including economic terms) of such engagement will be made by Brinley in our discretion,

considering such factors as it deems relevant under the circumstances, including for efficiency and economic considerations. Certain third-party service providers and/or their employees (and/or teams thereof) could dedicate substantially all of their business time to our Clients and/or their respective portfolio companies, while others could have other clients.

In certain cases, third-party service providers and/or their employees (including part or full-time secondees to Brinley) may spend some or all of their time at the Brinley offices, have dedicated office space at Brinley, have Brinley-related e-mail addresses, receive administrative support from Brinley personnel, and/or participate in meetings and events for Brinley personnel, even though they are not Brinley employees or affiliates.

Brinley will have an incentive to outsource services to third parties due to a number of factors, including because the fees, costs and expenses of such service providers will be borne, subject to a Client's applicable governing documents, by our Clients as Operating Expenses (with no reduction or offset to Brinley's advisory fees), and retaining third parties could reduce Brinley's internal overhead, compensation and benefits costs for employees who would otherwise perform such services in-house. Such incentives likely exist even with respect to services where internal overhead, compensation and benefit costs are permitted to be charged to a Client in accordance with such Client's governing documents. The involvement of third-party service providers may present a number of risks due to our reduced control over the functions that are outsourced. There can be no assurances that Brinley will be able to identify, prevent or mitigate the risks of engaging third-party service providers. Our Clients could suffer adverse consequences from actions, errors or failures to act by such third parties, and will have obligations, including indemnity obligations, and limited recourse against them. Outsourcing may not occur uniformly for all of our Clients and, accordingly, certain costs could be incurred by (or allocated to) certain Clients through the use of third-party service providers that are not incurred by (or allocated to) other Clients for similar services.

Selection of Service Providers

Our Clients' advisors and service providers (including accountants, administrators, lenders, bankers, brokers, attorneys, tax counsel, consultants, order management system providers, and investment or commercial banking firms) or their affiliates may provide goods or services to, or have business, personal, financial or other relations with Brinley, our employees (or their family members), affiliates, our Clients and/or their portfolio companies. Such advisors and service providers may be investors in one or more of our Clients, sources of investment opportunities or co-investors or commercial counterparties or entities in which Brinley or our employees (or their family members) or affiliates have an investment. Except as required by a Client's applicable governing documents, Brinley will generally have the discretion to select service providers independent of review by investors or consent by any relevant Client or advisory committee. Our Clients, unless otherwise specified or agreed, will bear the cost of all such service providers.

The service providers that Brinley selects for one or more Clients may also provide services to Brinley and/or our affiliates or a portfolio company in a different capacity and/or at different rates. Fee discounts may be granted to Brinley, our affiliates in connection with such engagement and not our Clients or a portfolio company, or vice versa. This creates a potential conflict of interest where the interests of the parties are not aligned where, for example, a law firm may be at the same time engaged to provide services to both Brinley and one or more Clients or a portfolio company.

Additionally, certain investors or employees of Brinley may have family members or relatives employed by such advisors and service providers. These relationships could influence Brinley or our affiliates or the applicable general partners in deciding whether to select or recommend such service providers to perform services for our Clients or their portfolio companies (the cost of which will generally be borne directly or indirectly by our Clients or such entities, as applicable). We attempt to mitigate the conflicts of interest associated with the selection of service providers through the use of reasonable diligence to select service providers, including without limitation, law firms, considering such factors as expertise, availability and quality of service, competitiveness of compensation rates, operational and regulatory controls, and comparing those factors with other similar service providers. Additionally, risks associated with service providers are discussed in Item 8 above, and expenses associated with retention of service providers are discussed in Item 5 above.

Benchmarking

With respect to costs associated with Brinley's retention of service providers to our Clients or investments, while Brinley may, in our discretion (subject to a Client's applicable governing documents) seek to obtain benchmarking data regarding the rates charged or quoted by other third parties for similar services, Brinley generally is under no obligation to do so. In the event that Brinley does undertake to benchmark the cost of services, relevant comparisons may not be available for a number of reasons, including, without limitation, as a result of a lack of a substantial market of providers or users of such services or the confidential or bespoke nature of such services. In addition, benchmarking data, to the extent available, often is based on general market and broad industry overviews, rather than determined on a provider-by-provider or asset-by-asset basis. As a result, benchmarking data typically does not consider specific characteristics of individual assets then owned or to be acquired by a Client (such as size or location), or the particular characteristics of services provided or differentiations in the quality of service (such as reliability, speed of execution, degree of specialization or experience of the service provider). For these reasons, such market comparisons may not result in precise market terms for comparable services, and the fact that one service or service provider may be "comparable" to another, or lower in cost, does not limit us from choosing a different and/or higher cost service provider in the event that we believe doing so can be expected to result in services that are of higher quality or otherwise better suited to the identified need. In many circumstances, Brinley can be expected to determine that third-party benchmarking is unnecessary, for example because in our view no comparable service provider offers such good or service (or an insufficient number of comparable service providers for a reasonable comparison exists), or because we have access to adequate information (including from service providers to Brinley, our Clients or their investments) or otherwise believes that it has sufficient experience to select a service provider without reference to third-party benchmarking.

Personal Relationships

Our personnel can be expected to have friendships or other personal relationships with personnel and other individuals associated with entities with which Brinley does or may seek to do business, including individuals who serve as directors, principals or employees of investors, Clients, sponsors and issuers of existing and prospective investments, as well as service providers to any of the foregoing. Personal relationships may develop out of business-related or other professional interactions, or *vice versa*. The

existence of personal relationships may serve to benefit Clients (for example, by providing networking opportunities through which Brinley personnel could be introduced to potential service providers or investment opportunities for Clients) but also create the potential for conflict of interests, by giving rise to incentives for the parties to share business or other professional opportunities, including those relating to the business of Brinley, investors, Clients and portfolio companies, in order to enhance or otherwise further their personal relationship or career, even when doing so may not be in the best interest of the Client. While Brinley generally expects conflicts of interest of this nature to be mitigated by our Code of Ethics, which requires supervised persons of Brinley to act in the best interest of Clients, without regard to an individual's own interest, it is unlikely that the potential for conflicts of interest relating to personal relationships can be fully mitigated.

Gifts and Entertainment

Brinley maintains a policy regarding the giving and receiving of gifts and entertainment. This policy generally permits employees to give and receive gifts and entertainment, so long as such items are not lavish or excessive, and do not give the appearance of being designed to influence the recipient. In general, employees are required, where possible, to obtain approval from Brinley's Chief Compliance Officer or General Counsel prior to giving or receiving gifts or entertainment having a value in excess of \$500, but are not required to report or obtain approval for gifts or entertainment valued at \$500 or less. From time to time, Brinley personnel have, and in the future can be expected to, accept gifts or entertainment from service providers to our Clients and/or portfolio companies of our Clients, including items that (individually or in the aggregate) have a value in excess of \$500. This creates a conflict of interest, because the receipt of such gifts or entertainment, and/or the prospect of receiving future gifts or entertainment, can incentivize employees to direct business to such service providers on a basis other than the cost and quality of the services offered, even in situations where Brinley does not consider such items to be lavish or excessive or designed to influence the recipient.

Fiduciary Duties

Investors should note that governing documents of our Clients generally contain provisions that, subject to applicable law, reduce or eliminate the duties, including certain fiduciary and other duties, to such Clients to which the Clients' respective general partners and Brinley would otherwise be subject, provisions that waive or consent to conduct on the part of the Clients' respective general partners and/or Brinley that might not otherwise be permitted pursuant to such duties, and provisions that limit the remedies of our Clients with respect to breaches of such duties. These include a provision under which the applicable general partner and its affiliates will have no liability to a Client in respect of a conflict of interest, the resolution of which has been approved (except to the extent prohibited or limited by law or regulation, including provisions of U.S. federal securities law with respect to which rights and liabilities are not permitted to be waived) as provided for in the governing documents of such Client. If any matter arises that Brinley determines in its good faith judgment constitutes an actual conflict of interest, we may take such actions as we determine in good faith may be necessary or appropriate to mitigate the conflict (and upon taking such actions, we will be relieved of any liability for such conflict to the fullest extent permitted by law and will be deemed to have satisfied their fiduciary duties related thereto to the fullest extent permitted by law). We may also choose to present conflicts of interest to an advisory committee or a Third-Party Monitor if permitted under the governing documents of any of the applicable Clients.

Item 12. Brokerage Practices

Brinley's acquisition or disposition of an asset will often involve a privately negotiated transaction that will not involve the services of a broker or dealer. In those instances, Brinley seeks to negotiate and execute transactions in an efficient manner and consistent with its fiduciary duties to its Clients. In some circumstances, however, Brinley may acquire or dispose of assets through a broker-dealer.

When Brinley executes portfolio transactions through a broker-dealer, Brinley will seek the best overall terms available. The selection of investment bankers, brokers and other advisors and the fees paid in connection with such services require a substantial amount of judgment that considers a range of factors, both qualitative and quantitative. Factors include not only economic considerations but general expertise and background, the type and size of the transaction involved, the stability or solvency of the service provider or counterparty, settlement capabilities, time required to complete the role sought, research services or any arrangements relating to overall performance in the best interest of a Client. If an asset can only be obtained from one broker-dealer, Brinley will use that broker-dealer.

Brinley currently does not have any soft dollar arrangements. Any soft dollar arrangements contemplated will be made in a manner that satisfies the requirements of the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended. That is, Brinley will generally determine, considering all appropriate factors, that commissions and fees paid are reasonable in relation to the value of all the brokerage and research products and services provided by the broker-dealer.

Brinley has no directed brokerage arrangements.

Item 13. Review of Accounts

Brinley's investment professionals will generally review a Client's portfolios on a regular and ongoing basis to determine if they are consistent with applicable investment objectives and restrictions. Brinley's investment professionals will also consider whether the portfolio should change investments based on various factors, including but not limited to, changes in company fundamentals, advisers, key industry personnel, analysts, news and press releases, general market conditions and assessment of the financial consequences of world events derived from general information or such other material as is appropriate under the circumstances.

Investors in our Clients receive unaudited quarterly written reports describing the applicable Client's performance and annual reports containing audited financial statements and other indicia of performance.

Brinley also distributes K-1 or equivalent filings to investors in our Clients and anticipates that it will provide certain other reports and analyses to its investors and potential investors upon request.

Item 14. Client Referrals and Other Compensation

In connection with investments made by the Funds, Brinley receives commitment, structuring, monitoring, or other transaction fees from portfolio investments. It is possible Brinley will receive similar fees from portfolio investments made by one or more future Clients. The potential for Brinley to receive such economic benefits may create conflicts of interest as Brinley may have economic incentives to invest in portfolio investments that provide such benefits. See Item 5 above under the caption "Investment-Related

Fees” and Item 11 above under the caption “Conflicts of Interest—Loan Origination” for additional information on these fees and the related conflicts.

Item 15. Custody

Brinley is subject to Rule 206(4)-2 under the Advisers Act (the “*Custody Rule*”). However, we are not required to comply with the requirement under the Custody Rule to confirm and have reasonable basis that the Funds’ qualified custodian (as defined in the Custody Rule) sends quarterly account statements to their limited partners because (a) the Funds qualify as “private funds” (as defined the Advisers Act and Form ADV) and (b) Brinley and/or our affiliates (i) cause each Fund be audited at least annually by an independent auditor that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board and (ii) distribute or cause to be distributed audited financial statements of the Funds, prepared in accordance with GAAP, to their respective limited partners within 120 days following the end of the Funds’ respective fiscal years.

Item 16. Investment Discretion

Brinley exercises discretionary authority in originating, structuring, negotiating, purchasing, financing, securitizing, and eventually divesting investments on behalf of Private Debt Fund I. This authority is generally conferred through Private Debt Fund I’s governing documents, including an investment advisory agreement between Brinley and Private Debt Fund I. All investments, regardless of type, must receive the approval of Brinley’s investment committee. Through this process, Brinley seeks to ensure that investments made on behalf of Private Debt Fund I and other Clients are consistent with the investment objectives and any applicable investment guidelines or restrictions set forth in the Clients’ respective governing documents.

Co-Invest Fund I generally invests alongside Private Debt Fund I; however, Brinley is required to obtain the approval of Co-Invest Fund I’s limited partner with respect to any prospective investment before it is allocated to Co-Invest Fund I. Brinley has ongoing responsibility to select and/or make recommendations as to specific investments it believes Co-Invest Fund I should participate in. Upon approval of a proposed investment, Brinley is responsible for effecting the acquisition of such investment and managing it on an ongoing basis thereafter, including decisions as to the timing and terms of the exit of such investment.

Brinley anticipates that it will provide advisory services to other Clients on a discretionary basis, consistent with the terms of their respective governing documents, but may from time to time agree to provide such advisory services on a non-discretionary basis.

Please see Item 4 above, “Advisory Business,” for additional information regarding Brinley’s advisory services.

Item 17. Voting Client Securities

Brinley primarily invests in debt instruments issued by private companies that typically do not issue proxies. However, if Brinley receives proxies, Brinley will generally seek to vote them in compliance with its proxy voting policies and procedures that are designed to ensure that in cases where Brinley votes proxies with respect to a Client’s securities, such proxies are voted in the best interests of the Client. Brinley reserves the right to vote against management, or affirmatively abstain from voting, if in its discretion Brinley determines that it would be in the best interests of a Client to do so.

If Brinley determines that a material conflict of interest exists in connection with a proxy solicitation, Brinley may engage outside counsel to advise on the appropriate resolution or course of action.

While not expected to be a regular occurrence given Brinley's investment strategy, the Funds or other Client(s) may invest in or hold equity securities (such as equity securities received in the restructuring of a debt investment or acquired in connection with a debt investment) that could entitle them to participate in the proceeds of class action lawsuit recoveries. As a fiduciary, Brinley will seek to act in the best interests of such Client(s) under the circumstances. Brinley will determine whether such Client(s) will (a) participate in a recovery achieved through a class action, or (b) opt out of the class action and separately pursue their own remedy. If Brinley determines that one or more Clients will participate in the class action, it will complete a proof of claim form and any associated documentation, submit documents to the claim administrator, and monitor the receipt of any recovered funds. Brinley will maintain appropriate documentation in connection with a Client's participation in class actions.

Brinley's complete Proxy Voting and Class Action Policy is memorialized in writing and is available upon request. In addition, a record of all proxy votes cast on behalf of a Client or investor is available upon request. To receive a copy, please contact Brinley at legalnotices@brinleypartners.com.

Item 18. Financial Information

Brinley has never filed for bankruptcy and is not aware of any financial condition that is expected to impair its ability to meet contractual commitments to its Clients.