

Form ADV Part 2A: FIRM BROCHURE



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March 28, 2024

This brochure ("Brochure") provides information about the qualifications and business practices of Bayou City Energy Management, LLC (and together with its fund general partners (unless otherwise specified) "BCEM" or the "Firm"). If you have any questions about the contents of this Brochure, please contact us at (713) 400-8200 or bce-compliance@bayoucityenergy.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.

BCEM is a registered investment adviser. Registration of an investment adviser with the SEC does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

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

Item 2 – Material Changes

There have been no material changes since BCEM's last annual update of the Brochure dated March 30, 2023.

BCEM routinely makes changes throughout its Brochure to improve and clarify the descriptions of its business practices and compliance policies and procedures or in response to evolving industry best practices and Firm practices. In this year's filing, the following Items have been updated, in addition to certain immaterial changes and/or conforming changes related to the following:

- Item 4: updated to reflect regulatory assets under management as of December 31, 2023 and
- Item 8: updated to reflect additional risk factors and potential conflicts of interest.

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Item 4 – Advisory Business

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

Formed in 2015 and led by William W. McMullen (“Managing Partner”) and Mark N. Stoner (“Partner”), BCEM is a Houston, Texas based private equity firm focused on investments in energy exploration and production (“E&P” or “upstream”) companies. The Firm makes privately negotiated, control equity investments in the upstream space and dedicated drilling capital commitments to leading operators.

BCEM serves as the investment adviser for and provides discretionary investment advisory services to private funds (each, a “Fund”) exempt from registration under the Investment Company Act of 1940, as amended (the “Investment Company Act”), as well as to co-investment special purpose funds (each, a “Co-Investment Fund”) established to invest alongside a Fund in a single portfolio company (collectively, the “Funds,” unless the context otherwise requires). In certain circumstances, as more fully described in Item 7 below, BCEM also permits certain investors and third parties to co-invest directly into a portfolio company. Unlike the Co-Investment Funds referenced above, such direct co-investments are not Funds or clients of BCEM.

BCEM has also established affiliate investment vehicles (“Affiliate Funds”) through which current and former employees, members, officers, advisors, portfolio company executives, independent contractors or persons close to the Firm invest alongside a Fund in an investment opportunity. Such vehicles are generally contractually required, as a condition of investment, to purchase and exit their investment in each investment opportunity at substantially the same time and on substantially the same terms as the applicable Fund that is invested in that investment opportunity.

Each Fund is affiliated with a general partner (“General Partner”) with authority to make investment decisions on behalf of the Funds. The Funds’ General Partners are deemed registered under the Investment Advisers Act of 1940, as amended (“Advisers Act”), pursuant to BCEM’s registration in accordance with SEC guidance. The applicable General Partner of each Fund retains investment discretion and investors in the Funds do not participate in the control or management of the Funds. While the General Partners maintain ultimate authority over the respective Funds, BCEM has been designated the role of investment adviser. For more information about the Funds and General Partners, please see BCEM’s Form ADV Part 1, Schedule D, Sections 7.A. and 7.B.(1).

Principal Owners/Ownership Structure

BCEM is wholly owned by Mr. McMullen. For more information about BCEM’s owner and executive officers, see BCEM’s Form ADV Part 1, Schedule A.

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

BCEM provides advisory services as a private equity fund manager to its Funds. Interests in the Funds generally are privately offered to qualified investors in the United States and elsewhere. The Funds invest through privately negotiated transactions in operating companies. BCEM's investment advisory services to the Funds consist of identifying investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions of such investments. The Firm's investment strategy is to specifically target middle-market investments in North American exploration and production companies through two complementary strategies: investing buyout and growth capital in operators with current production to sustain and expand operations (platform companies) and partnering with leading operators to provide dedicated drilling capital commitments in off-balance sheet structures (drill partnerships). While most investments are made in private companies or operators, the Funds have held public company investments in certain instances.

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

BCEM does not tailor its advisory services to the individual needs of investors in its Funds; rather, BCEM's investment advice and authority for each Fund is tailored to the investment objectives of that Fund. The Fund investment objectives are described in and governed by the private placement memorandum, limited partnership agreement, investment advisory agreement, subscription documents, side letters and other governing documents of the relevant Fund (collectively, "Governing Documents") and investors determine the suitability of an investment in a Fund based on, among other things, the Governing Documents. The Firm does not seek or require investor approval regarding each investment decision.

Fund investors generally cannot impose restrictions on investing in certain securities or types of securities. Investors in the Funds participate in the overall investment program for the applicable Fund and generally cannot be excused from a particular investment except pursuant to the terms of the applicable Governing Documents. In accordance with industry common practice, BCEM has entered into side letters or similar agreements with certain investors that have the effect of establishing rights under, or altering or supplementing, a Fund's Governing Documents. Examples of side letters entered into include limited partner advisory committee seats, provisions whereby investors have expressed an interest in participating in co-investment opportunities, confidentiality provisions, anti-money laundering and anti-bribery representations, notification provisions, limited partner advisory board representation, reporting requirements and most favored nations provisions,

among others. These rights, benefits or privileges are not always made available to all investors, consistent with the Governing Documents and general market practice. Commencing in September 2024, BCEM will make required disclosure of certain side letters to all investors (and in certain cases, to prospective investors) in accordance with the new Private Fund Rule. Side letters are negotiated at the time of a Fund's formation, and once invested in a Fund, investors generally cannot impose additional investment guidelines or restrictions on such Fund. There can be no assurance that the side letter rights granted to one or more investors will not in certain cases disadvantage other investors.

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

BCEM does not participate in wrap fee programs.

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

As of December 31, 2023, BCEM managed approximately \$1.462 billion in regulatory assets under management, all on a discretionary basis.

Item 5 – Fees and Compensation

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

Generally, BCEM or an affiliate receives fees and compensation in exchange for advisory services provided to the Funds, including management fees, carried interest, additional compensation in connection with management services performed for the portfolio companies of the Funds and reimbursements from portfolio companies for certain expenses advanced on their behalf. The following is a general description of fees and compensation of the Funds. At times, fees and expenses differ from one Fund to another, as well as among investors in the same Fund. Each investor should refer to the Governing Documents of the applicable Fund for a complete understanding of how BCEM is compensated for its advisory services; the information contained herein is a summary only and is qualified in its entirety by such documents.

Management and Other Fees

BCEM charges certain Funds a management fee (the "Management Fee"), generally 2% per annum for the Funds. The Management Fee charged to each Fund is described in full detail in the relevant Fund's Governing Documents and more briefly below. Management Fees are initially calculated based upon each investor's committed capital for the period of time during which each Fund is making

investments or until BCEM or its affiliates begins to accrue Management Fees from a successor fund (whichever is earlier); thereafter, the Management Fee is calculated based on the cost basis of portfolio investments held by the Funds (excluding temporary investments and portfolio investments that have been completely and permanently written off). The amount of Management Fees generally will not correspond with fluctuations in a Fund's net asset value, including following the stepdown date, and will not be reduced in connection with any write-downs except in the case of investments that have been permanently written down. Permanent write-down determinations are made in the discretion of the valuation committee in accordance with the relevant Governing Documents and the Firm's valuation policy. Except where the Governing Documents expressly provide to the contrary, Management Fees will not be reduced (in whole or in part) in the case of partial distributions or partial sales of investments. In addition, Management Fees generally will not be reimbursed or refunded under the Governing Documents in the event of realizations, dispositions or partial write-downs that occur partway through the relevant calculation period. Further, where there has been a partial disposition or permanent write-down of a Fund's investment and the fair market value of the investment following such event exceeds the total amount of the Fund's investment contributions relating to the investment, the Governing Documents do not require Management Fees after the stepdown date to be reduced.

Assessed quarterly in advance, Management Fees are collected through a capital call, through a draw-down on the line of credit or offset against a distribution to limited partners. All Management Fees were negotiated with investors during the fundraising period of the applicable Fund and are not subject to negotiation thereafter. Generally, investors participating in a subsequent closing after the initial closing of a Fund are responsible for paying the Management Fee as of the date of the initial closing of such Fund, plus interest, as applicable. Management Fees are also payable during term extensions unless otherwise agreed to with investors.

The General Partners are permitted, in their sole discretion, to reduce or waive all or a portion of the Management Fee. Management Fees differ from one Fund to another, as well as among investors in the same Fund. Such differences can arise from the size of an investor's commitment to a Fund, provisions of side letter agreements or other negotiated terms. With the exception of one Co-Investment Fund, investors who participate in a Co-Investment Fund are generally not charged a Management Fee (although these investors generally pay their pro rata share of certain Fund expenses). Investors in the Affiliate Funds do not pay Management Fees (although these investors similarly generally pay their pro rata share of certain Fund expenses). For more specific information on the Management Fees for each Fund, please refer to such Fund's Governing Documents.

Management Fees are permitted to be reduced by, as applicable: (i) the amount of fees paid by a Fund to entities or persons acting as a placement agent in connection with the offer and sale of interests in such Fund; (ii) costs incurred by BCEM in connection with the organization of a Fund that exceed a limit specified in such Fund's Governing Documents (as further described under "Organizational Expenses" in Item 5.C below); (iii) External Fees (as defined below); and (iv) termination and break-up fees received by BCEM or the Funds in connection with actual or contemplated investments

(“Break-Up Fees”). The receipt of such External Fees and Break-Up Fees would be offset 100% against the Management Fee net of any expenses incurred in connection with generating such fee and limited to the extent of such Fund’s proportionate interest in a portfolio company or prospective portfolio company. To date BCEM has not received excess Organizational Expenses, External Fees or Break-Up Fees, nor has BCEM used the services of a placement agent or received any other fees requiring offset. Thus, to date BCEM has not had occasion to offset the Management Fee payable by a Fund.

BCEM, the General Partners, the Firm’s principals and employees and any affiliates of the foregoing are permitted under the Governing Documents for certain Funds to receive additional compensation (“External Fees”) in connection with management and other services performed for portfolio companies of the Funds, including financial advisory fees, finder, commitment or placement fees, consulting, monitoring, directors fees and other similar compensation in connection with management and other services performed for portfolio companies of the Funds. Such External Fees generally will be paid to BCEM and not directly to the individual providing such services and will reduce the Management Fees otherwise payable to BCEM. For the avoidance of doubt, External Fees do not include any fees that a Fund’s advisory board has agreed should be excluded, or any fees or other compensation paid by one or more portfolio companies to BCEM employees who are either (i) devoting a majority of their business time to such portfolio companies or (ii) for certain Funds, providing legal services to portfolio companies of such Funds that are in lieu of and/or in addition to outside legal counsel (provided that any such legal fees or compensation are on arm’s-length terms and do not exceed the amount that would have otherwise been paid to outside legal counsel in connection with such services). A portfolio company’s or a prospective portfolio company’s reimbursement of expenses is not considered External Fees.

For clarity, the following fees or expenses do not offset Management Fees, in each case as applicable: (i) fees and expenses borne by a Fund; (ii) reimbursements from a portfolio company; (iii) profits interests or compensation to an affiliate that was entered into prior to such person becoming an affiliate of BCEM, regardless of when the interests, compensation or amounts crystallize or vest; or (iv) portfolio company or directors’ or board fees paid by a former portfolio company to a BCEM employee who remains on the portfolio company’s board of directors following the Fund’s disposition of its involvement in the company. BCEM is authorized to receive reimbursement from certain Funds or directly from certain portfolio companies for a portion of the compensation paid on behalf of work performed by the Firm’s Controller and for legal services performed by the Firm’s General Counsel, in each case in accordance with the relevant Governing Documents. The receipt of reimbursements for Controller and General Counsel services does not require an offset to the Management Fee. Additionally, fees received from co-investment vehicles and/or co-investors do not offset the Management Fees payable by any other Fund(s) that have also co-invested in such investment.

To the extent that the Management Fee would be reduced for a given quarterly period below zero as a result of any such reductions, the reduction amounts would be carried forward to reduce future installments of the Management Fee, and if a credit remained upon dissolution, a payment would be

made to investors that have not elected to waive such distributions. The amount and manner of such reduction (if any) is set forth in the Governing Documents of the Funds.

Carried Interest

As described (i) in more detail in the relevant Fund's Governing Documents and (ii) more briefly in Item 6 below, the General Partners of certain Funds are entitled to be allocated carried interest ("Carried Interest") with respect to such Funds, which amount is typically equal to 20% of all realized profits in excess of a compounded preferred return of 8 or 10% per annum, depending on the Fund. Investors in the Affiliate Funds do not pay any Carried Interest. Carried Interest may be subject to clawback provisions if the General Partner has received excess cumulative Carried Interest distributions. Carried Interest arrangements are further described in Item 6 below and in full detail in the relevant Fund's Governing Documents.

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

Management Fees are generally paid on a quarterly basis in advance.

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

BCEM and General Partner Expenses

The General Partners and BCEM, as investment advisers to the Funds, are responsible for their normal administrative and overhead expenses, including compensation of employees (subject to the exclusion above for certain reimbursed employees), office space and facilities, office supplies, utilities, telephone service, fees for clerical and administrative services and all other normal overhead costs necessary for the operation of the Funds.

Fund Expenses

Each Fund is governed by its own Governing Documents, which details a description of expenses for such Fund. While differences exist among Funds, the following is a description of expenses generally charged to each Fund. Generally, the Funds are responsible for the payment of (and BCEM and the General Partners will be reimbursed for) the following expenditures related to such Fund's (and its subsidiaries' and intermediate entities') activities: (i) the legal, consulting, third-party administrator, custodian, appraisal, brokerage, service provider and similar fees and expenses, accounting and auditing expenses of the Funds (including, without limitation, fees and expenses of annual audits, the preparation and delivery of the annual and interim financial statements and federal, state and local tax

returns); (ii) federal, state, county and municipal taxes and assessments of any nature imposed on the Funds, their businesses or operations; (iii) filing fees and expenses of the Funds under all federal, state, county and municipal laws, statutes and ordinances, and the rules and regulations thereunder (including but not limited to regulatory and compliance expenses, preparation of Form PF and third-party costs and expenses related to BCEM's general compliance with the Advisers Act); (iv) expenses of reports and notices to, and meetings of, investors and Fund advisory boards, all costs and expenses of any votes or consents of the investors or the Fund advisory boards, any amendments to or waivers of the Governing Documents or any related agreement and any advisory board expenses as permitted under the Governing Documents; (v) fees and disbursements of custodians, disbursing agents and the like; (vi) brokerage commissions, investment banking fees, valuation fees, finders' fees and custodial, legal, consulting and accounting expenses, commitment fees or other lenders fees, printing expenses, fees related to negotiating non-disclosure and confidentiality agreements and all other expenses, including travel and ancillary costs (which can include first or business class commercial airfare or private or charter airfare of equal or lesser cost to such commercial airfare) and any group purchasing costs, as applicable, in each case, incurred in connection with any sourcing, investigating, analyzing, researching, pursuing, acquiring, purchasing, investing, seeking disposition opportunities and disposing of investments (and prospective investments) of the Funds (whether or not such acquisitions or dispositions are consummated) or the holding and monitoring of investments of the Funds, all to the extent not reimbursed by the Funds' portfolio companies; (vii) all fees, costs and expenses for transactions not consummated including for investments where co-investment was contemplated, including all amounts payable to third parties and all fees and expenses of lenders, investment banks and other financing sources in connection with arranging financing for transactions that are not consummated, and any deposits or draw-down payments that are forfeited in connection with unconsummated transactions (including travel costs and ancillary expenses (which can include first or business class commercial airfare or private or charter airfare of equal or lesser cost to such commercial airfare, incurred in connection therewith)) ("Broken Deal Expenses"), but only to the extent that such Broken Deal Expenses exceed Break-Up Fees; (viii) all debt service obligations, including interest, premium and other costs, fees, charges and assessments with respect to funds borrowed and any fees and expenses incurred as a result of the implementation, utilization and refinancing of any credit instruments or facilities; (ix) insurance premiums and expenses (including, without limitation, the costs and expenses of D&O and or E&O liability insurance or other insurance for which a Fund is a beneficiary); (x) all expenses, liabilities and other obligations associated with any pending or threatened claim or litigation involving a Fund including, without limitation, any indemnification obligations, and including fees, costs and expenses related to litigation, audits, investigations and all judgments, fines, penalties or settlements paid in connection with such claim, investigation, audit or litigation; (xi) all fees, costs and expenses of maintaining the Funds and their General Partners, including, without limitation, franchise taxes and registration and registered agent fees and expenses; (xii) all fees, costs and expenses of the wind down of a Fund and the liquidation of the assets in connection therewith; (xiii) for one blocker entity of Fund III, a feeder administration fee; and (xiv) all other costs, liabilities and expenses substantially comparable to any of the foregoing or otherwise payable to third parties unaffiliated with the relevant General Partners or BCEM on

behalf of the Funds and, to the extent any such costs or expenses are paid by the relevant General Partner or BCEM, the relevant General Partner or their affiliates, as applicable, will be reimbursed by the Funds. Costs and expenses noted above generally also include travel, private premium hired cars, premium lodging (including temporary housing), ground transportation and meals.

Out-of-pocket expenses associated with completed transactions are either billed directly to a Fund, reimbursed by a portfolio company or capitalized as part of the acquisition price of a consummated transaction. Out-of-pocket expenses associated with Broken Deal Expenses are paid by the relevant Fund(s) selected as proposed investors in such transaction, including those terminated before the investor's admission into a Fund.

For more information about BCEM's brokerage practices and fees, please see Item 12, below.

Organizational Expenses

Generally, the Funds pay for all reasonable legal and accounting fees, reasonable out of pocket expenses and related disbursements incurred in connection with the establishment of the Funds and the General Partners (the "Organizational Expenses"), provided that the Management Fee would be reduced by Organizational Expenses incurred in excess of \$1,000,000 and by any placement fees paid by the Fund. No Fund to date has exceeded its Organizational Expense limit nor has BCEM used the services of a placement agent. Organizational expenses of Co-Investment Funds are paid by such vehicles pursuant to the terms of the relevant Governing Documents.

Expense Reimbursement

Certain expenses related to BCEM's oversight of portfolio companies incurred on behalf of the Funds are reimbursed by a portfolio company pursuant to a management services agreement with the portfolio company. These expenses are paid by BCEM and reimbursed by a portfolio company or paid directly by a portfolio company. In addition to the reimbursement permitted for services performed by the controller and legal services as noted above, such expenses can include, without limitation: (i) travel expenses, which can include expenses for chartered or first-class travel and meals and entertainment expenses (such expenses including, as applicable, those relating to (a) use of premium black car and other car services, which from time to time include waiting time and (b) social and entertainment events, including closing dinners and mementos, with portfolio company management, customers, clients, borrowers, brokers and service providers); (ii) expenses relating to training programs, meetings, conferences or other events (to the extent such programs, meetings or events are attended by portfolio company personnel); (iii) premium meals (including outside normal business hours), (iv) expenses relating to hiring portfolio company personnel (including background checks, recruiting and relocation expenses); (v) indemnification expenses; (vi) insurance; (vii) corporate filings; (viii) certain legal expenses; (ix) similar out-of-pocket expenses; (x) consulting fees; and (xi) other consideration and expenses.

To the extent a Fund or BCEM initially bears the cost of certain fees or expenses but the benefit of the related services or expense is also received by another Fund, portfolio company or future fund or portfolio company, BCEM will determine, subject to its ultimate discretion, whether to cause such other Fund or portfolio company to reimburse the initial Fund or BCEM for such fees or expenses. Reimbursement by a portfolio company of out-of-pocket expenses incurred by BCEM, a General Partner or their respective affiliates will not be offset against the Management Fee payable by the Funds.

Fee Receipt Allocation

From time to time, BCEM, a Fund or a portfolio company agrees to pay all or a portion of a transaction fee, Management Fee, Carried Interest, equity grant or other fee to a third party, such as a consultant, advisor, operating partner, finder, placement agent, broker and/or investment banker. Similarly, on occasion certain members of a portfolio company management team receive additional cash and equity compensation, including bonus payments based on the applicable portfolio company meeting certain success hurdles. All such compensation, whether in the form of a profits or equity interest in a portfolio company or immediate holding company, generally has a dilutive impact on a Fund's investment and indirectly reduces the proceeds available for distribution to the relevant Fund at the time of such portfolio company's exit. None of these fees or compensation offset Management Fees payable by a Fund.

Co-Investment and Affiliate Fund Expenses

On occasion, BCEM permits certain investors to co-invest in investments alongside one or more Funds, subject to BCEM's policies and procedures, the relevant Governing Documents, side letter(s) or similar arrangements. Co-investment vehicles typically bear their pro rata share (based on their respective invested capital in an investment) of expenses related to their formation and operation. However, in the event that any potential co-investment results in Broken Deal Expenses and all or a portion of such Broken Deal Expenses are not paid or reimbursed by the relevant co-investment vehicle, co-investors, other third parties or transaction participants, and such persons are not contractually obligated to reimburse such expenses, the applicable Fund will generally bear the amount of such Broken Deal Expenses, subject to certain exceptions described in Item 7 below. As a result, in such circumstances, the Fund(s) selected as proposed investors for such proposed transaction will bear more than what would otherwise have been its share of such Broken Deal Expenses. Conversely, co-investors who commit to a transaction after a Fund signs a definitive purchase agreement will lower the risk of Broken Deal Expenses or similar expenses incurred by such Fund (and indirectly, by such Fund's investors) in connection with such transaction based on the timing of when a co-investor becomes contractually obligated to invest. However, to the extent that such co-investors have already invested in a portfolio company through a co-investment vehicle or other special purpose vehicle in connection with such transaction (such as for a follow-on investment for the portfolio company for which the co-investment vehicle was originally created), such vehicle and/or co-investor is expected to bear its share of such Broken Deal Expenses (which will generally be recorded at such portfolio

company).

The Affiliate Funds typically bear their pro rata share (based on their respective invested capital in an investment) of expenses related to their formation and operation, including Broken Deal Expenses, if any.

Allocation of Fees and Expenses

In good faith and in its fair and reasonable discretion, BCEM determines on a case-by-case basis whether an expense should be borne by the Firm, a Fund, multiple Funds or a portfolio company. To the extent that the Governing Documents do not expressly provide for a method of allocation or to the extent that an invoice does not relate to a specific Fund, BCEM will typically allocate common expenses among multiple Funds in accordance with its policies and procedures on expense allocation, unless another method is more equitable. Some expenses are incurred on an aggregate basis for the benefit of multiple Funds and/or BCEM. The aggregate cost of such expenses are allocated in a fair and reasonable manner and in BCEM's sole discretion. Where one or more Funds to which an expense would otherwise be allocable are not permitted to receive an allocation based on the applicable Governing Documents, the portion of the expense attributable to such Fund(s) will be borne by BCEM.

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

BCEM Funds generally pay Management Fees quarterly in advance. The Funds are closed-ended investment vehicles intended for a long-term investment. Accordingly, Management Fees are expected to be paid, except as otherwise described in the relevant Governing Documents, and investors generally are not permitted to withdraw or redeem interests in the Funds.

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

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

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

If you or any of your supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a Client that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-

based fee, disclose this fact. Explain the conflicts of interest that you or your supervised persons face by managing these accounts at the same time, including that you or your supervised persons have an incentive to favor accounts for which you or your supervised persons receive a performance-based fee, and describe generally how you address these conflicts.

A Carried Interest allocation represents an adviser's compensation based on a percentage of net profits of the Funds it manages. Each General Partner is entitled to receive a Carried Interest allocation on certain realized profits in the Funds equal to 20% of all realized profits subject to an annually compounded preferred return (or hurdle) subject to reimbursement of all capital called to pay relevant Fund expenses, including Management Fees, as specified in each Fund's Governing Documents. Calculated based on cumulative realized gains and income only, Carried Interest is allocated to a General Partner as portfolio holdings are liquidated or otherwise monetized and is subject to a potential giveback if the respective General Partner has received excess cumulative distributions. Each Fund's Carried Interest calculation, as well as any clawback provisions, is further described in the relevant Fund's Governing Documents received by each investor prior to investment in such Fund.

These Carried Interest arrangements have been structured subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. The General Partner of each Fund is permitted, in its sole discretion, to waive or reduce the amount of Carried Interest for a Fund or for an investor in a Fund. Specifically, to the extent permitted by the relevant Governing Documents, BCEM has the right to permit investors affiliated with BCEM or otherwise to invest through the relevant General Partner or through other pooled investment vehicles that do not bear Management Fees or Carried Interest, including the Affiliate Funds.

The fact that each General Partner's Carried Interest allocations are based on the performance of each Fund potentially creates an incentive for a General Partner to make investments that are more speculative than would be the case in the absence of such distributions or to allocate an investment to a Fund that earns a higher Carried Interest, if applicable. The Firm believes this incentive is sufficiently mitigated, however, due to the fact that: (i) the applicable Governing Documents create limitations on the ability of BCEM to establish new investment funds; (ii) any losses a Fund sustains will reduce each General Partner's Carried Interest distribution; (iii) Carried Interest is generally calculated only after investors have received as distributions 100% of their capital contributions plus a preferred return; (iv) a General Partner often makes a substantial commitment to the Fund to invest its own capital alongside the investors; and (v) BCEM's ability to attract future investors is tied to the performance of its investments. BCEM generally considers performance-based compensation to better align its interests with those of its investors, particularly in instances where the Governing Documents include terms requiring clawback or giveback of performance-based compensation amounts at the end of the relevant Fund's life or at certain interim intervals.

BCEM manages multiple Funds (including Co-Investment Funds) with similar investment strategies on a side-by-side basis. Management of multiple vehicles on a side-by-side basis has the potential to create a conflict of interest with regard to BCEM's allocation of investment opportunities, expenses, time and attention of advisory personnel and consideration for certain transactions. Although BCEM generally makes new investments for a Fund with the same investment objectives only after a predecessor Fund is substantially invested or committed as more fully described in the applicable Fund's Governing Documents, management of side-by-side Funds can create an incentive for the Firm or its personnel to favor a Fund in which BCEM or an affiliate has a greater financial interest. To the extent that BCEM has Funds with varying Carried Interest terms (including amount, timing waterfall conditions or other terms) and/or BCEM personnel are assigned varying percentages of Carried Interest from a Fund, BCEM and such personnel are subject to potential conflicts of interest to the extent they are involved in identifying investment opportunities as appropriate for a Fund from which they are entitled to receive a higher Carried Interest percentage.

To help minimize such conflicts of interest, BCEM allocates investment opportunities which satisfy the investment parameters of more than one Fund in accordance with BCEM's policies, the applicable Governing Documents and taking into consideration certain factors, as determined by BCEM in its sole discretion, which include, but are not limited to: the amount of available capital commitments of the applicable Fund(s); anticipated future capital requirements of an investment opportunity; life-cycle of the applicable Fund(s); expected time to obtain liquidity; legal, tax and regulatory considerations; and any other factors deemed relevant by BCEM. BCEM's procedures are designed to ensure that all investment decisions are made in accordance with BCEM's fiduciary duties to its Funds and without consideration of BCEM's (or its affiliates' or employees') pecuniary interest. BCEM will not allocate investment opportunities based in whole or in part, on the relative fee structure or amount of fees paid by any Fund or co-investment vehicle or the profitability of any Fund. Investment allocation is determined by the investment committee.

Item 7 – Types of Clients

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

BCEM provides investment advice to the Funds. With the exception of the Affiliate Funds, the Funds generally limit their investors to persons or institutions who are: (i) "accredited investors" as defined in the Securities Act of 1933, as amended ("Securities Act") and, as applicable based on the Fund, either (ii) "qualified purchasers" or "knowledgeable employees," each as defined in the Investment Company Act, or (iii) "qualified clients," as defined under the Advisers Act. The Funds are not registered or required to be registered under the Investment Company Act; are not made available to the general public; their securities are not registered or required to be registered under the Securities Act and Fund interests are privately placed to qualified investors. Qualified investors include

individuals or entities to which Fund interests are permitted to be sold, which generally includes (i) in the United States, people or organizations who meet certain net worth, income and/or financial sophistication requirements as described above or (ii) in other countries, as permitted by the relevant securities laws in such jurisdiction and in compliance with any foreign offering provisions applicable to BCEM and/or the Funds. Investors in the Funds must also meet certain other suitability and net worth qualifications prior to making an investment in the Funds. The Funds typically require capital commitments from each investor of at least \$1.5 to \$2.5 million, depending on the Fund, although commitments of less than these amounts have been accepted in the discretion of the applicable Fund's General Partner.

Examples of the types of investors participating in the Funds generally include high net worth individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, fund of funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and also include, directly or indirectly, principals or other employees of BCEM and its affiliates and members of their families, or other service providers retained by the Firm.

On occasion, BCEM offers co-investment opportunities for certain investors to invest alongside a Fund in certain Fund portfolio companies. As referenced in Item 4 above, co-investments have been structured either as (i) a Co-Investment Fund or (ii) a direct investment by certain investors into a portfolio company or its holding or operating company. When structured as a Fund, BCEM considers the investment to be a Fund client, identifies the Fund in its Form ADV Part 1, Schedule D, Section 7.B.(1), obtains an audit for the Fund, reserves the right to assess a Management Fee and/or Carried Interest on such Fund and includes the amount of assets of such Fund in the Firm's regulatory assets under management. In the case of direct co-investments, BCEM does not consider the investment to be a Fund or a client, does not act as the investment manager to the co-investment portion of the investment, does not charge Management Fees or Carried Interest to the investment, does not have custody of the investment or include the amount of assets of the co-investment in the Firm's regulatory assets under management. In such direct co-investment opportunities, BCEM will perform management, advisory and other services for the portfolio companies in which these co-investors invest, generally at no cost to such co-investors except portfolio company fees and expenses (which such fees and expenses are recorded at the portfolio company).

Co-investment opportunities arise when BCEM has the opportunity for an investment in an existing or prospective portfolio company and determines that (i) an investment requires additional capital, (ii) all or a portion of the applicable opportunity is not required to be offered to a Fund, (iii) the full investment opportunity is not appropriate for a Fund, whether due to concentration restrictions contained in the Fund's Governing Documents or otherwise or (iv) BCEM believes the Fund will benefit from the participation of the co-investor(s). Such determinations are based on the provisions of the applicable Governing Documents, side letter agreements, agreements with lenders and such other factors as BCEM will consider in its sole discretion, including those specified in its policies on investment allocation and co-investments. In exercising its discretion in allocating co-investment

opportunities, BCEM considers certain factors such as: (i) the aggregate amount of co-investment available; (ii) BCEM's assessment of which potential co-investors are willing and able to pursue and complete the particular co-investment if offered, and BCEM's understanding of the nature and/or size of opportunities in which the potential co-investor is particularly interested; (iii) BCEM's views as to whether the involvement of any particular potential co-investor(s) could directly or indirectly benefit a Fund generally, a Fund's pursuit of and investment in the particular portfolio company opportunity and/or the future business, activities or prospects of the portfolio company; (iv) any relevant considerations made known to BCEM by the portfolio company management team; and (v) any further legal, regulatory or tax considerations, timing issues and other special considerations arising as a result of the industry, sector, business or activities of the portfolio company that can affect or be affected by allocation decisions.

For certain Funds, the Governing Documents outline the priority in which co-investments are offered, which generally include: (i) to investors with a minimum capital commitment (as specified in the relevant Governing Documents); (ii) to investors who elected to participate in such co-investment opportunities; (iii) other Fund investors; and (iv) to any other persons, including the Affiliate Funds, in BCEM's sole discretion, which includes select persons or entities who will not necessarily be Fund investors, including, without limitation, owners or management of the applicable portfolio company, strategic investors, lenders, deal sources (including finders and consultants), other sponsors (including other private equity or venture capital firms), service providers and other persons or entities affiliated, associated or otherwise known to BCEM or its personnel. Additionally, certain individuals who source transactions, including sourcing consultants, or provide financing have in the past and may in the future negotiate co-investment rights or co-investment priority rights as a component of their compensation or other arrangements with the relevant Fund(s). While one or more investors in the Funds are on occasion invited to co-invest in a Fund's portfolio companies, BCEM is authorized in its sole discretion to offer any or all of a co-investment opportunity to investors that are not investors in the Funds. BCEM's exercise of discretion in allocating co-investment opportunities often will not always result in proportional allocations among such co-investors and such allocations can be more or less advantageous to some co-investors relative to other co-investors. In circumstances where BCEM determines to offer co-investment opportunities, it is possible that the size of the investment opportunity otherwise available to BCEM's Fund(s) will be less than it would otherwise have been without the inclusion of such co-investors. Strategic, financial and other institutional investors participating directly in a transaction are not considered co-investors and will not be subject to BCEM's co-investment policy or co-investment expense sharing considerations described above in Item 5.

As mentioned above, any compensation received by a General Partner from a Co-investment Fund will not result in an offset to the Management Fees charged to such Co-investment Fund. Additionally, BCEM will at times cause some co-investors to bear a Management Fee and/or Carried Interest while not imposing a Management Fee and/or Carried Interest (or imposing a different Management Fee or Carried Interest) on other co-investors. In BCEM's sole discretion, certain co-investment vehicles and/or co-investors will bear all or a portion of certain expenses (*e.g.*, legal and

other expenses associated with a portfolio company investment), while other co-investment vehicles and/or co-investors will not share in such expenses. In certain cases, co-investment opportunities can include opportunities to invest in Fund portfolio companies at a time when there is not a corresponding Fund investment or on different terms than a Fund investment.

Co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as a Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-investment vehicle purchases a portion of an investment from a Fund after such Fund has consummated its investment in the portfolio company (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investor or co-investment vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment; however, in certain instances, a post-closing sell-down or transfer could occur well after the Fund's initial purchase. When co-investors purchase their interest from a Fund after the Fund has consummated the investment, the price paid by co-investors is typically determined by the Fund's General Partner in its sole discretion. Where appropriate, and in BCEM's sole discretion, BCEM reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. The price may not reflect the full cost incurred by the Fund in connection with the investment, any interest charge on the co-investment amount, the cost of establishing the credit facility utilized to acquire the portfolio company (if applicable) or the risk borne by the Fund in connection with purchasing and warehousing the investment. To the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund.

In either case, potential co-investors typically do not bear any transaction costs of investments that are not consummated and are not subject generally to the same risks to which a Fund is throughout the investment process. As fees paid by or on behalf of co-investors in portfolio companies are not subject to a Management Fee offset and are thus retained by BCEM, the opportunity to receive such fees could present a conflict of interest. Further, as Management Fees are offset based on each Fund's invested capital in an investment, the inclusion of co-investors presents a conflict of interest in that BCEM could be incentivized to allocate a greater portion of an investment to a co-investor than it would have otherwise allocated absent such an arrangement. BCEM seeks to address any such potential conflict of interest by investing in accordance with its policies and procedures governing investment allocation and co-investments. In addition, to the extent that BCEM engages in a secondary liquidity transaction in connection with an investment, co-investors will not necessarily receive the same liquidity options as investors in a Fund and may therefore be compelled to receive cash or continue to hold an interest in the investment, depending on the particular facts of the transaction.

In the event BCEM is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, a Fund is likely to consequently hold a greater concentration and have greater exposure in the related investment opportunity than was originally intended, which could make the

Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto and would result in a greater concentration of risk as a result. To mitigate such risk, each investment is subject to concentration limits as described in the relevant Fund Governing Documents. Despite these concentration limits, it is possible an investment that is not syndicated to co-investors as originally anticipated could result in a significant impact to a Fund's overall investment returns.

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

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

The Funds focus on achieving attractive risk-adjusted returns primarily by making privately negotiated equity and equity-related investments in the North American upstream oil and gas sector. BCEM's investment strategy is to specifically target investments in North American E&P companies through two complementary strategies: (i) investing buyout and growth capital in small operators with current production to sustain and expand operations; and (ii) partnering with leading operators to provide dedicated drilling capital.

The applicable Governing Documents of each Fund provide more detailed descriptions of each Fund's investment strategies and methods of analysis. There can be no assurance that BCEM will achieve the investment objectives of the Funds, and a loss of investment is possible. Investing in securities involves risk of loss that investors should be prepared to bear.

B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

The Funds and their investors bear the risk of loss that BCEM's investment strategy entails. Although the following risk factors generally apply to all BCEM Funds, investors should also refer to a Fund's Governing Documents for a description of the risk factors specific to the Fund in which they invest. Different or new risks not addressed below will likely arise in the future and, therefore, the following list is not intended to be exhaustive. While the following discusses risks as they relate to the Funds, co-investment vehicles will also be subject to some or all of the following risks, depending on the risks associated with the applicable transaction or investment strategy. To the extent certain co-investment vehicles pursue investments or strategies that are not pursued by the Funds, such co-investment vehicles will likely be subject to additional risks as described in their respective offering documents. All investors should be aware of certain risk factors, which include, but are not limited to, the following:

Illiquidity of Investments. An investment in the Funds requires a long-term commitment with no certainty of return. There is no guarantee that portfolio company investments will generate current income. Therefore, the return of capital and the realization of gains, if any, from a portfolio company investment generally will occur upon the partial or complete realization or disposition of such investment. While a portfolio company investment can be realized or disposed of at any time, it is generally expected that the ultimate realization or disposition of most of the Funds' portfolio company investments will not occur for a number of years after such investments are made. There can be no assurances that purchasers of the Funds' portfolio companies will be found. The Funds generally will not be able to sell securities of a portfolio company publicly unless the issuer has gone public and such sale is registered under applicable securities laws or an exemption from such registration requirements is available. In addition, in some cases, the Funds will be prohibited or limited by contract from selling certain portfolio company securities for a period of time and, as a result, might not be permitted to sell a portfolio company investment at a time it might otherwise desire to do so.

Limited Number of Investments; Lack of Diversity. The Funds are expected to participate in a limited number of investments and, as a consequence, the aggregate return of the Funds can be substantially affected by the unfavorable performance of a limited number of investments. Investors have no assurance as to the degree of diversification in the Funds' investments. Because the Funds' investments are expected to be concentrated within a single industry or sector, portfolio diversification is expected to be less than if the Funds were to invest in a broader range of industries or sectors. Such reduced diversification can increase the volatility of the Funds' returns, and could reduce the Funds' returns relative to diversified funds to the extent that such industries or sectors do not perform as well as other industries or sectors. The Funds are also expected to make investments that are not diversified geographically.

Dependence on Key Personnel. The success of the Funds depends in substantial part upon the skill and expertise of BCEM's principals and the other individuals employed to assist them. There can be no assurance that such persons will continue to be members of, or employed by, the General Partners or BCEM. The loss of the services of one or more of these individuals could have a material adverse effect on the success of the Funds. Furthermore, even in cases where the Funds are represented on management boards or have other management rights, the Funds do not expect or intend to have an active role in the day-to-day operations of its investments. The success or failure of many of the Funds' portfolio companies depend to a significant extent on the financial and management talents and efforts of specific employees of such portfolio companies, whose death, disability or resignation could adversely affect the performance of the portfolio companies and the Funds' investments in such portfolio companies.

BCEM's principals will devote such time and attention to the business of the Funds as they reasonably consider necessary to carry out the operations of the Funds effectively. Conflicts can arise in the allocation of time, services and function among the Funds and such other entities to which BCEM, the principals or their affiliates provide services, as further described under "Conflicts of Interest" below. Unless restricted by the Governing Documents or BCEM's policies, BCEM personnel are

permitted to serve on boards or act in other roles unaffiliated with BCEM, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles. Such companies are not portfolio companies of a Fund and, as a result, any compensation received by an employee, if any, is not subject to the Management Fee offset described above, or otherwise shared with the Funds and/or investors.

No Assurance of Investment Return. The General Partners cannot provide assurance that they will be able to choose, make and/or realize investments in any particular company or portfolio of companies. There is no assurance that the Funds will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the types of companies and transactions described herein. The marketability and value of any such investment will depend upon many factors beyond the control of the Funds. It is possible that the expenses of a Fund will exceed its income, and an investor could lose the entire amount of its contributed capital. Therefore, an investor should only invest in a Fund if it can withstand a total loss of its investment. The past investment performance of the entities with which officers and employees of BCEM have been associated cannot be taken to guarantee future results of any Fund or any investment of any of the Funds.

Leverage. The Funds' investments are expected to include companies whose capital structures utilize significant amounts of leverage. Such investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates. Although the General Partners will seek to use leverage in a prudent manner, the leveraged capital structure of such investments will increase the exposure of the portfolio companies to adverse economic factors such as rising interest rates, downturns in the economy or deterioration in the condition of the portfolio companies or their respective industries. Calling a large amount of capital at once to repay the then-current amount outstanding under the credit facility could cause liquidity concerns for investors that would not arise had the Firm called smaller amounts of capital incrementally over time as needed. This risk would be heightened for an investor with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the investor to meet the accumulated, larger capital calls at the same time.

In borrowing on behalf of a Fund, BCEM is subject to potential conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund's preferred return, BCEM is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when a Fund borrows, makes the relevant investment or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred

return to which the investors would otherwise be entitled had BCEM called capital, and thus could result in BCEM receiving Carried Interest sooner than it would without borrowing. The General Partners therefore have a conflict of interest in deciding whether to borrow funds because a General Partner has the potential to receive disproportionate benefits from such borrowings.

For Fund I, the Fund typically pays interest on amounts borrowed under the credit facility and also pays a fee on the undrawn portion of the credit facility. All Funds customarily pay a one-time fee for establishing the credit facility as well as certain other one-time and recurring fees and expenses. Further, the Management Fee payable by investors in certain Funds depends on the amount of the investors' "invested capital," "invested capital contribution" or words of similar import. In turn, invested capital generally includes amounts borrowed in lieu of calling capital. Therefore, an investor would generally pay Management Fees on borrowed amounts used to fund investments despite the fact that such amounts would not accrue preferred return. Additionally, the securities acquired by the Funds will possibly be the most junior in what is often a complex capital structure and thus subject to the greatest risk of loss.

At times, the Funds could make investments for which third-party financing will be desirable but not necessarily available (on desired terms or at all) at the time of investment. Such financing might never become available, or a refinancing might not be able to be completed on desirable terms.

Credit Facility. The General Partners will from time to time cause the Funds to enter into one or more credit facilities or other lending arrangements (each, a "Credit Facility") with one or more lenders. A Fund's obligations under any Credit Facility or any other indebtedness or credit support will likely be joint and several with other related Funds (including parallel funds and/or alternative investment vehicles) and secured by a pledge, collateral assignment, mortgage, charge or other security interest to a lender or other credit counterparty of: (i) such Fund's capital commitments; (ii) a General Partner's right to call capital from investors and exercise remedies upon a default by an investor; (iii) all or any portion of a Fund's investments or other assets, in each case, whether individually or on a pooled or cross-collateralized basis; (iv) such other rights, titles, interests, remedies, powers and privileges of such Fund or General Partner, as determined by such General Partner in its discretion; or (v) such other security or collateral as determined by such General Partner in its discretion. Investors can be required to acknowledge and consent to any such pledge and/or assignment and to provide certain representations, legal opinions and other documents and information (at such investor's expense, which will not be reimbursed by a Fund) as required by (and for the benefit of) the Credit Facility lenders. If a Fund does not honor its obligations pursuant to the Credit Facility, lenders will in some instances have the right to take action against any investor or its interest in the Fund, including, without limitation, directly drawing capital from such investor. Any Credit Facility or other indebtedness or credit support can be replaced, refinanced or restructured at any time on terms a General Partner determines are appropriate. Such transactions and the implementation and the utilization of any Credit Facility or other indebtedness or credit support will result in fees and expenses to the Funds.

Although BCEM generally structures Funds to avoid cross-guarantees and other circumstances in which one Fund bears liability for all or part of the obligations of another Fund, in certain circumstances (i) a cross-guarantee would be more efficient and convenient for administrative purposes and/or (ii) lenders and other market parties negotiate for the right to face only select Fund entities, which would potentially result in a single Fund being solely liable for other Funds' share of the relevant obligation and/or joint and several liability among Funds. In each such case, BCEM intends to cause the relevant other Funds to enter into a back-to-back guarantee, indemnification or other similar reimbursement arrangement; provided, however, that the Fund undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements.

Management Team Expenses. From time to time, a Fund recruits a management team to pursue a new or "platform" opportunity that is expected to lead to a future portfolio company investment. Typically, the expenses associated with the activities of such a team, including their overhead, due diligence and related expenses incurred in pursuing acquisition opportunities, constitute Fund expenses. There can be no assurance that such management team(s) will lead to a new platform or other portfolio company investments.

Risk Relating to Due Diligence and Conduct at Portfolio Companies. Before the Funds make an investment, the relevant General Partner and/or BCEM conducts such due diligence as it or they deem reasonable and appropriate based on the facts and circumstances applicable to the investment. Due diligence typically entails feasibility and technical studies, studies regarding reserves, environmental studies, marketing studies, business plan development, evaluation of important and complex business, financial, tax, accounting, environmental and legal issues as well as background investigations of individuals. Outside professionals, engineers, consultants, legal advisors, accountants, investment banks and other third parties are generally involved in the due diligence process to varying degrees depending on the type of investment. The involvement of such third parties presents a number of risks primarily relating to the reduced control of functions that are outsourced and often entail significant third-party expenses, which will be borne by the Funds subject to certain limitations thereon set forth in the Governing Documents. In addition, if the Funds are unable to timely engage third-party providers, their ability to evaluate and acquire more complex assets could be adversely affected. Due diligence investigations with respect to any investment opportunity will not always reveal or highlight all relevant facts that are necessary or helpful in evaluating the investment opportunity. Moreover, there can be no assurance that attempts to identify risks associated with an investment will achieve their desired effect. Potential investors should regard an investment in the Funds as being speculative and having a high degree of risk.

In the event of fraud, any material misrepresentation or omission or any professional negligence by a portfolio company or any of its affiliates, by any seller (or a seller's representatives) of assets acquired by a portfolio company, or by any other third party, the Funds could suffer a material loss of capital and the value of a Fund's investments could be adversely impacted. The Funds rely upon the accuracy

and completeness of representations made by various persons in the due diligence process and cannot guarantee such accuracy or completeness.

Bridge Financing. The Funds occasionally provide bridge financing in connection with one or more of its investments. In such event, the Funds bear the risk of any changes in capital markets that adversely affect the ability of portfolio companies to refinance any such bridge investments. If portfolio companies are unable to complete a refinancing, the Funds could have a long-term investment in a junior debt security or a junior debt security that is convertible into equity, and the interest rate on such bridge financing might not adequately reflect the risk associated with the unsecured position taken by such Funds.

Further, the Funds are permitted to draw on their line of credit to provide bridge financing to a portfolio company. In such circumstances, the portfolio company is not a guarantor on the line of credit although it does receive the benefit of the loan. The portfolio company repays the loan and all interest and costs of use of the loan and the Fund endeavors not to incur any expenses associated with use of the Fund's line of credit. Conflicts of interest have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors as, to the extent co-investors are not required to act as guarantors under the relevant facility, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee or being subject to the related costs, expenses and/or liabilities of the use of the subscription line.

Additionally, in the event BCEM or a General Partner lends a Fund capital through a short-term loan facility to bridge an investment pending the receipt of capital contributions from the Fund investors, subject to such Fund's Governing Documents, the General Partner is authorized to charge (or decide not to charge) such Fund (including the Fund investors) interest costs incurred in connection with such loan for the time period between the receipt of capital from such loan to the date on which the loan is paid off by such Fund.

Distributions In-Kind. Although under normal circumstances the Funds intend to make distributions in cash or in publicly traded securities, it is possible that under certain circumstances (including the liquidation of a Fund), distributions will be made in-kind and could consist of securities for which there is no readily available public market.

Nature of the Fund's Investments. A substantial portion of the Funds' investments will be in equity or equity-related investments in the energy sector that, by their nature, involve business, financial, market and/or legal risks. While such investments offer the opportunity for significant capital gains, they also involve a high degree of risk that can result in substantial losses. There can be no assurance that the Funds will correctly evaluate the nature and magnitude of the various factors that could affect the value of such investments. Prices of the investments can be volatile, and a variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, can significantly affect the results of the Funds' activities. As a result, the Funds'

performance over a particular period will not necessarily be indicative of the results that could be expected in future periods.

Non-Controlling Investments. Although the Funds intend to make primarily control-oriented investments, a Fund will occasionally make minority equity investments in portfolio companies where the Fund does not participate in the management or otherwise control the business or affairs of such entities. The General Partners monitor the performance of the investments and maintain ongoing dialogue with each portfolio company's management team. However, it will be primarily the responsibility of the management of the portfolio company to operate such portfolio company on a day-to-day basis. Although the Funds generally invest in portfolio companies with strong operating management, there can be no assurance that a portfolio company's management team will be able to operate the portfolio company successfully. A portfolio company might have economic or business interests or goals that are inconsistent with those of a Fund, and a Fund will not always be in a position to limit or otherwise protect the value of its investment in the portfolio company, although as a condition of making such investments, it is expected that appropriate shareholder rights generally will be sought to protect such Fund's investments. A Fund's control over the investment policies of these companies could also be limited.

Investments with Third Parties. The Funds will from time to time make investments with third parties including strategic investors and portfolio company management team members through joint ventures or other entities. Such investments involve risks in connection with such third-party involvement, including the possibility that third party investors could have financial, legal or regulatory difficulties resulting in a negative impact on such investment, have economic or business interests or goals that are inconsistent with those of the Funds or be in a position to take (or block) action in a manner contrary to the Fund's investment objectives. In addition, the Funds will in certain circumstances be liable for the actions of third-party investors. In those circumstances where such third parties involve a management group, such third parties will under certain circumstances receive compensation arrangements relating to such investments, including incentive compensation arrangements.

Available Opportunities and Competitive Marketplace. The success of any Fund depends on the availability of appropriate investment opportunities and the ability of the principals to identify, select, close and exit those investments. There can be no assurance that there will be a sufficient number of suitable investment opportunities to enable a Fund to invest all of its committed capital or that such investment opportunities will lead to completed investments by the Fund. The Funds compete with other private equity funds, as well as institutional investors and strategic investors, for investments in prospective portfolio companies. As a result, there can be no assurance that a Fund will be able to locate suitable investment opportunities, acquire them for an appropriate level of consideration, achieve its targeted rate of return or fully invest its committed capital.

Need for Follow-On Investments. Following its initial investment in a given portfolio company, a Fund will from time to time decide to provide additional funds to such portfolio company or increase its

investment in a portfolio company. There can be no assurance that a Fund will make such follow-on investments or that a Fund will have sufficient capital to do so. Any decision not to (or the inability to) make follow-on investments can have a substantial negative impact on a portfolio company in need of such an investment or result in a lost opportunity for the Fund to increase its participation in a successful operation.

Toehold Investments. The Funds occasionally accumulate minority positions in the outstanding debt securities or in voting stock, or securities convertible into the voting stock, of potential portfolio companies. While the General Partners seek to achieve such accumulation through open market purchases, registered tender offers, negotiated transactions or private placements (in each case, subject to the limitations set forth in the Governing Documents), a General Partner could be unable to accumulate a sufficiently large position in a portfolio company to execute its strategy. In such circumstances, a Fund might dispose of its position in the portfolio company within a short time of acquiring it; there can be no assurance that the price at which a Fund can sell such securities will not have declined since the time of acquisition. Moreover, if a Fund's investments are thinly traded and such Fund's position are substantial (although not controlling), its disposal could depress the market price for such securities.

Investments in Public Companies. On occasion, the Funds invest in public companies (i) to the extent the General Partners determined that such investments are reasonably necessary to effect control of any such public company as a portfolio company or (ii) to take private portfolio companies public. Investments in public companies subject the Funds to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the Funds' ability to dispose of such securities at certain times (including due to the possession of material non-public information by a Fund), increased likelihood of shareholder litigation against such companies' board members, which can include the principals and other members of the BCEM investment team, regulatory action by the domestic or foreign securities regulators, and increased costs associated with each of the aforementioned risks.

Effects of Bankruptcy. The Funds have in the past made investments in portfolio companies that are or have become the subject of voluntary or involuntary bankruptcy or similar proceedings under applicable laws. Certain risks that are faced in bankruptcy or similar proceedings that must be factored into the investment decision include, for example, the potential total loss of any such investment. Upon confirmation of a plan of reorganization under applicable bankruptcy laws, or as a result of a liquidation proceeding, a Fund could suffer a loss of all or a part of the value of its investment in a portfolio company. A bankruptcy filing or similar proceeding can adversely and permanently affect a portfolio company. The portfolio company could lose market position and key employees, and the liquidation value of the portfolio company will not necessarily equal the liquidation value that was believed to exist prior to the making of the investment by the Fund. In general, bankruptcy laws can be expected to have a variety of adverse impacts on the value of a Fund's investments and the timing and amount of any distributions a Fund is able to receive therefrom. In addition, investments in

restructurings can be adversely affected by statutes related to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or re-characterize investments made in the form of debt as equity contributions.

Investors Do Not Participate in Management of the Fund. Generally, investors in the Funds do not have the right to participate in the management of the Funds or in decisions made by the General Partners. As a result, investors will have almost no control over their investments in the Funds or their prospects with respect thereto.

Limited Access to Information. Investors' rights to information regarding the Funds are specified, and strictly limited to, those described in the Governing Documents. On occasion, the General Partners will obtain certain types of material information about investments that will not be disclosed to investors due to contractual, legal or other restrictions and/or obligations. Decisions by the General Partners to withhold information could have adverse consequences for investors in a variety of circumstances. For example, an investor that seeks to transfer its Fund interests could have difficulty determining an appropriate price for such interests. Decisions by the General Partners to withhold information also could make it difficult for investors to monitor the General Partners and their performance. Additionally, investors who designate representatives to participate on a Fund's advisory board will generally, by virtue of such participation, have more information about such Fund and investments than other investors and will be given information in advance of communications to other investors.

Non-U.S. Investments. It is possible that the Funds will from time to time invest in portfolio companies with principal executive offices or corporate headquarters that are, at the time of initial investment, in Canada or Mexico, and therefore a portion of a Fund's investments and the income received by such Fund with respect to such investments could be denominated in non-U.S. currencies. However, the Funds' books will be maintained, and the contributions and distributions from the Funds generally will be made, in U.S. dollars. Investing in non-U.S. securities could involve greater risks than investing in U.S. securities. In particular, the value of a Fund's investments in non-U.S. securities would likely be significantly affected by changes in currency exchange rates, which could be volatile. Although a General Partner is permitted (but not required) to attempt to hedge against foreign currency exchange rate risks by utilizing spot and forward foreign exchange contracts, foreign currency options or other instruments, there can be no assurance that a General Partner will be able to do so successfully or cost-effectively, and a General Partner might decide not to hedge against such risks or to do so only incompletely. The Funds could also incur costs in converting investment proceeds from one currency to another, as well as costs associated with any hedging instruments.

Additional risks relating to non-U.S. investments include: (i) risks of economic dislocations in the host country; (ii) greater difficulty of enforcing legal rights in a foreign jurisdiction; (iii) differences between the U.S. and non-U.S. securities markets, including potential price volatility in and relative illiquidity of some non-U.S. securities markets; (iv) the absence of uniform accounting, auditing and

financial reporting standards, practices and disclosure requirements and differences in government supervision and regulation; (v) certain economic and political risks, including potential exchange control regulations, potential restrictions on foreign investments and repatriation of capital and the risks associated with political, economic or social instability, diplomatic developments and the possibility of expropriation or confiscatory taxation; and (vi) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such securities. While the General Partners will take these factors into consideration in making investment decisions for the Funds and intends to manage the Funds in a manner to minimize exposure to the foregoing risks, there can be no assurance that the General Partners will be able to evaluate the risks accurately or that adverse developments with respect to such risks will not adversely affect the value or realization of investments that are held by the Funds in certain countries.

Early Stage Investments. The Funds sometimes invest in newly-formed or pre-revenue companies. Many of these types of investments are made at an early point in a company's life cycle. These "early stage" or "seed" investments can create value inherent in particular companies or situations that can be realized only with substantial effort or expense. Often the success of the investment will depend not only on the efforts of BCEM, but also upon actions of other key individuals, or extraneous factors including political or economic developments over which BCEM has little or no control. These companies are typically dependent on the abilities of key individuals, including founding entrepreneurs, owners or employees with critical technological skills or ownership of important patents or other intellectual property, and marketing and financial professionals. Often times, the growth and development of early stage companies depends on the regular injection of additional capital and financing beyond that which the Funds are prepared or able to invest; such financing will not always be available from other sources. Early stage companies are typically thinly staffed and, in some cases, could lack the internal resources or procedures and controls to detect and prevent accounting errors, or more serious losses caused by the misconduct or negligence of officers, employees or agents.

Investments Longer than Term. On occasion, a Fund could make investments that are not advantageously disposed of prior to the date that the Fund is dissolved, either by expiration of such Fund's term or otherwise. Although the General Partners expect that investments will be either disposed of prior to dissolution or suitable for in-kind distribution at dissolution, the General Partners only have a limited ability to extend the terms of the Funds and a Fund could have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution. In addition, although upon the dissolution of the Funds the General Partners (or the relevant liquidator) are required to use their best efforts to reduce to cash and cash equivalents such assets of the Funds as the General Partners or such liquidators deem advisable to sell, subject to obtaining fair value for such assets and any tax or other legal considerations, there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to the investors will occur.

Restrictions on Transfer; Lack of Liquidity. An investment in the Funds is suitable only for certain sophisticated investors that have no need for immediate liquidity in their investment and who

understand that they could lose all or a significant portion of their invested capital. Investors must be willing to bear the economic risk of an investment in the Funds for an indefinite period of time. Interests in the Funds have not been and will not be registered under the Securities Act, the securities laws of any U.S. state or the securities laws of any other jurisdiction, and, therefore, cannot be resold unless they are subsequently registered under the Securities Act and other applicable securities laws or an exemption from registration is available. There is no public or private market for the interests in the Funds and none is expected to develop. In addition, interests in the Funds are not transferable and cannot be encumbered except with the prior written consent of the applicable General Partner (which can be withheld by such General Partner in its sole discretion), and subject to the terms and conditions of the Governing Documents. Further, investors are not permitted to withdraw capital from the Funds except under limited circumstances, primarily for regulatory or other legal reasons. Consequently, investors generally will not be able to liquidate their investments prior to the end of a Fund's respective term.

Tax Considerations. An investment in a Fund involves complex U.S. federal income tax considerations that will differ for each investor. Under certain circumstances, the investors could be required to recognize taxable income in a taxable year for U.S. federal income tax purposes, even if a Fund either has no net profits in such year or has an amount of net profits in such year that is less than such amount of taxable income. Furthermore, the investors could incur U.S. federal income tax liabilities without receiving from a Fund sufficient distributions to defray such tax liabilities. In addition, a Fund is permitted to invest in securities of corporations and other entities organized outside the United States. Income from such investments included in an investor's distributive share of Fund income related to such investments could be subject to non-U.S. withholding taxes, which can, in some instances, be reduced or eliminated by an income tax treaty.

Adequacy and Availability of Insurance; Catastrophic Events. While the Funds will seek to make investments where insurance and other risk management products (to the extent available on commercially reasonable terms) are utilized to mitigate the potential loss resulting from catastrophic events and other risks customarily covered by insurance, this will not always be practicable or feasible. Moreover, it will not be possible to insure against all such risks, and insurance proceeds from covered risks could in some instances be inadequate to completely or even partially cover a loss of revenues, an increase in operating and maintenance expenses and/or a replacement or rehabilitation. In addition, certain losses of a catastrophic nature, such as those caused by wars, riots or civil unrest, earthquakes, hurricanes, tornados, floods, terrorist attacks or other similar events, will be either uninsurable or insurable at such high rates as to adversely impact the Funds' profitability. The impacted location will not always efficiently and quickly recover from such event, which can have a materially adverse effect on portfolio companies and other developing economic enterprises in such location. In general, losses related to terrorism are becoming harder and more expensive to insure against. Most insurers are excluding terrorism coverage from their all-risk policies. In some cases, the insurers are offering significantly limited coverage against terrorist acts for additional premiums, which can greatly increase the total costs of casualty insurance. As a result, it is unlikely that any of the Funds' investments will be insured against damages attributable to acts of terrorism. If a major uninsured loss were to occur

with respect to an investment, a Fund could lose both its capital invested in and anticipated profits related to such investment. The effects of future catastrophic events and/or terrorist acts (or threats thereof), military action or similar events on the economies and securities markets of countries cannot be predicted. Such disruptions of the global financial markets could affect interest rates, ratings, credit risk, inflation and other factors relating to the Funds' investments.

Global Economic Conditions; Market Dislocation. General global economic conditions can affect the Funds' activities. Interest rates, general levels of economic activity, fluctuations in the market prices of securities and participation by other investors in the financial markets can affect the value of investments made by the Funds. Instability in the securities markets can increase the risks inherent in portfolio investments made by the Funds and instability in the fixed income markets can cause significant dislocations, illiquidity and volatility in the structured credit, leveraged loan and high yield bond markets, as well as in the wider global financial markets. To the extent the Funds' portfolio companies participate in such markets, the results of their operations can suffer. In addition, to the extent that marketplace events continue (or worsen), this can have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Any resulting economic downturn could adversely affect the financial resources of the Funds' portfolio companies and their ability to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, a Fund could lose both invested capital in and anticipated profits from such portfolio companies.

In addition, current global economic conditions can materially and adversely affect (i) the ability of the Funds, their portfolio companies or their respective affiliates to access the credit markets on favorable terms or at all in connection with the financing or refinancing of investments, (ii) the ability or willingness of certain counterparties to do business with a Fund or its affiliates, (iii) a Fund's exposure to the credit risk of others in its dealings with various counterparties (for example, in connection with joint ventures or the maintenance with financial institutions of reserves in cash or cash equivalents), (iv) demand for the products and services offered by the Funds' portfolio companies, (v) growth opportunities for the Funds' investments, (vi) the Funds' ability to exit their investments at desired times, on favorable terms or at all, (vii) availability of reliable insurance on favorable terms or at all and (viii) the ability of the Funds' investors to meet their obligations to such Fund in a timely manner or at all.

Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes. There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. In particular, the SEC has increased emphasis on investment adviser and private fund regulation and has adopted and proposed a number of new rules that impose significant changes on private fund advisers and their management of private funds. Such changes are expected to materially impact BCEM, the Funds and/or the investments, as well as increasing their expenses. Significant time and resources are expected to be required to comply with new regulations. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Funds' activities, including the

ability of the Funds to effectively and timely address such regulations, implement operating improvements or otherwise execute their investment strategy or achieve their investment objectives.

In perhaps the most sweeping of rulemaking changes, on August 23, 2023, the SEC adopted new rules and amendments (collectively, the “Private Fund Rule”) to existing rules under the Advisers Act specifically related to advisers to private funds. In particular, the Private Fund Rule (i) requires quarterly reporting by registered private fund advisers to investors concerning performance, fees and expenses; (ii) requires registered investment advisers to obtain an annual audit for private funds; (iii) requires registered investment advisers to obtain a fairness opinion or a valuation opinion and make certain disclosures in connection with adviser-led secondary transactions; (iv) imposes limitations and new disclosure requirements regarding preferential treatment of investors in private funds in side letters or other arrangements with the adviser; and (v) prohibits advisers to private funds from taking certain actions without providing disclosures to investors and, in some cases, without obtaining investor consent. The Private Fund Rule is expected to have a significant effect on BCEM, the Funds and their operations, including increased compliance burdens and associated regulatory costs, increased investor reporting and disclosures to investors, enhanced risk of regulatory action and additional regulatory uncertainty. Significant time and resources are expected to be required to comply with the Private Fund Rule, which potentially will detract from the time and resources dedicated to the Funds.

Geopolitical Risks and Force Majeure. An unstable geopolitical climate and continued threats of terrorism could have a material adverse effect on general economic conditions, market conditions and market liquidity. U.S. military actions around the globe; the threat or occurrence of terrorist attacks in the future; rising oil, energy and other commodity or material prices (including those resulting from the unavailability thereof); and the United States’ military, economic and political responses to terrorism all can have material consequences on the U.S. and global economies. BCEM is not able to predict the extent, severity or duration of the effect of any past or future terrorist attacks and related events or quantify the impact that these events can have on investment objectives or the markets where an underlying Fund investment will be located. For example, the United States and governments globally have seen a rise in populist and nationalist tendencies, with political parties espousing such themes gaining strength in local and national elections. The continued threat of terrorism and the impact of military or other action have led to and will likely lead to increased volatility in prices for certain commodities and could affect certain portfolio companies’ financial results. Additionally, a serious pandemic or a natural disaster could severely disrupt the global, national and/or regional economies. A resulting negative impact on economic fundamentals and consumer confidence has the potential to increase the risk of default of particular portfolio investments, negatively impact market value, increase market volatility and cause credit spreads to widen, and reduce liquidity, all of which could have an adverse effect on a Fund’s returns and ability to make new investments. No assurance can be given as to the effect of these events on the value of or markets for portfolio investments.

Additionally, the Funds or portfolio investments can be affected by force majeure events such as events beyond the control of the party claiming that the event has occurred including, without limitation, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism and labor strikes. Some force majeure events may adversely affect the ability of a party, including a Fund, portfolio company or a counterparty to a Fund or a portfolio company, to perform its obligations until it is able to remedy the force majeure event. In certain circumstances, a Fund or a portfolio company may be a party to a contract which does not provide a remedy in favor of the Fund or such portfolio company if a force majeure event occurs. In this event, the Fund or such portfolio company may be required to continue to comply with its obligations (including, but not limited to, payment or performance of its obligations) under the contract even though it may not receive some or all of the benefits to which it is entitled under such contract. Such a circumstance can cause the Fund or such portfolio company to suffer economic loss, and such loss has the potential to be exaggerated if a force majeure event subsists for an extended period of time.

Certain force majeure events, such as war or an outbreak of an infectious disease, could have broader negative impact on the world economy and international business activity generally or in any of the countries in which a Fund has invested. A resulting negative impact on economic fundamentals and consumer confidence can increase the risk of default with respect to particular investments, negatively impact market value, increase market volatility and cause credit spreads to widen and reduce liquidity, each of which could have an adverse effect on the performance of portfolio investments, the Funds' returns and the ability of a Fund to make and/or dispose of portfolio investments. No assurance can be given as to the effect of these events on the value of, or markets for, portfolio investments, or a Fund's or a portfolio investment's ability to recover therefrom.

Inflation. The U.S. economy is currently in a period of high inflation. Investments could have revenues linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangement. As inflation rises, an investment could earn more revenue but could incur higher expenses. As inflation declines, an investment might not be able to reduce expenses commensurate with any resulting reduction in revenue. Furthermore, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. Accordingly, there can be no assurance that a higher rate of inflation will not have a material adverse effect on the Funds' investments.

Financial Institution Risk; Distress Events. An investment in a Fund is subject to the risk that one of the Fund's banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Fund's assets (each, a "Financial Institution") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty (each, a "Distress Event"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, BCEM, the Funds and/or their portfolio companies may not be able to

access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation (“FDIC”), in the case of banks, or the Securities Investor Protection Corporation (“SIPC”), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of BCEM to manage the Funds and their investments, and on the ability of BCEM, any Fund and/or portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses have the potential to include a Fund to pay fees and expenses in the event the Fund is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of investors to make capital contributions or otherwise), as well the inability of a Fund to acquire or dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments and/or the inability of BCEM and/or the portfolio companies to make payroll, fulfill obligations and maintain operations. Although BCEM expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays. In addition, in the event BCEM determines to change Financial Institutions, there is a risk that the transfer of cash or other assets, especially if done in an expedited manner, will result in a technical violation of Advisers Act Rule 206(4)-2 (the “Custody Rule”), even if performed in the Firm’s best judgment of its efforts to fulfill its obligations and maintain operations, including its ability to close transactions, make payroll or otherwise.

Many Financial Institutions require, as a condition to using their services or otherwise, that BCEM and/or the relevant Fund maintain all or a set amount or percentage of their respective accounts or assets with such Financial Institution or its affiliate(s) (each, a “Custodian”), which heightens the risks associated with a Distress Event with respect to such Custodians. Although BCEM seeks to do business with Custodians that it believes are creditworthy and capable of fulfilling their respective obligations to the Funds, BCEM is under no obligation to use a minimum number of Custodians with respect to any Fund, or to maintain account balances at or below the relevant insured amounts.

Economic Disruptions Due to Public Health Emergencies. Pandemics and other widespread public health emergencies, such as, and including but not limited to the recent global spread of COVID-19 (the “coronavirus”) have shown an ability to result in a broad-based economic decline and significant market volatility. In particular, the ongoing coronavirus outbreak has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity and debt

markets. Pandemics represent economic threats that are subject to frequent and rapid change and therefore present material uncertainty and risk with respect to the Funds' performance and financial results.

Broken Deal Expenses. Investments in the energy industry often require extensive due diligence activities and regulatory approvals prior to acquisition. Due diligence often entails significant third-party expenses. In the event that an investment is not consummated, some or all of such third-party expenses and any termination fees will be borne by the Funds. In addition, for certain Funds, in the event that any potential investment results in Broken Deal Expenses and all or a portion of such Broken Deal Expenses are not paid or reimbursed by any potential co-investment vehicles, co-investors or other third parties or transaction participants (and such persons are not contractually obligated to reimburse such expenses), such Funds will bear the amount of any such Broken Deal Expenses; provided that in no event shall the Funds bear the portion of such Broken Deal Expenses that any other potential co-investor or co-investment vehicle (as applicable) has contractually agreed to bear.

Risks in Effecting Operating Improvements. In some cases, the success of the Funds' investment strategy will depend, in part, on the ability of the relevant Fund to restructure and effect improvements in the operations of a portfolio company. The activity of identifying and implementing restructuring programs and operating improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that the Funds will be able to successfully identify and implement such restructuring programs and improvements. In addition, the Funds will generally seek management rights, including board representation or other rights, where appropriate. However, there is no assurance that these rights, if sought, will be obtained.

Uncertainty of Financial Projections. The Funds use financial projections to help analyze potential current or future capital financing for portfolio companies, investor reporting or other transactions. The General Partners generally establish the capital structure of portfolio companies on the basis of financial projections for such portfolio companies. Projected operating results are typically based primarily on portfolio company management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values. There can be no assurance that the projected results will be obtained, and actual results can vary significantly from the projections. General economic, political and market conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.

Accuracy of Third-Party Information. At times, the General Partners and BCEM will select investments for the Funds, in part, on the basis of information and data made available directly or indirectly by third parties. The General Partners and BCEM will not always be in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information will not be available.

Over-Commitment. In order to facilitate the acquisition of investments, BCEM or its affiliates will sometimes make (or commit to make), or cause a Fund to make (or commit to make), an investment in a potential portfolio company with a view to selling a portion of such investment to co-investors or other persons prior to or within a period after the closing of the acquisition. In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment will not be sold or can only be sold on unattractive terms and that, as a consequence, such Fund will bear the entire portion of any Break-Up Fees or other fees, costs and expenses related to such investment, or hold a larger than expected investment.

Reinvestment. Under certain circumstances, proceeds distributable (or previously distributed) to the investors that constitute a return of capital contributions will be retained and reinvested (or recalled for reinvestment) by the Funds or used (or recalled for use) by the Funds for any other proper purpose, as detailed in each Fund's Governing Documents. Amounts available for recall will be restored to an investor's remaining available capital commitment. Accordingly, an investor could be required to make capital contributions for investments or expenses during the term of the relevant Fund in an aggregate amount that significantly exceeds its committed capital.

Risks upon Dispositions of Investments. In connection with the disposition of an investment in a portfolio company, a Fund will likely be required to make representations about the business and financial affairs of itself or such portfolio company typical of those made in connection with the sale of a business. It could also be required to indemnify the purchasers of such investment to the extent that any such representation turns out to be inaccurate. These arrangements result in contingent liabilities of the relevant Fund, which might ultimately have to be funded by the investors to the extent that such contingent liabilities exceed the reserves and other assets of the Fund and such investors have received prior distributions from the Fund.

Environmental Liabilities. The Funds could face substantial risk of loss from environmental claims arising from investments made with undisclosed or unknown environmental problems or inadequate reserves or insurance for previously identified matters, as well as from occupational safety issues and concerns. Under certain circumstances, U.S. courts have held that a parent company is responsible for the environmental clean-up obligations of its subsidiary imposed by applicable laws. In the event a Fund is the parent of a portfolio company with such obligations, a U.S. court or a court of any other applicable jurisdiction might find that the Fund is liable for such obligations. It is possible that environmental claims with respect to a specific investment will exceed the value of such investment.

Difficulty in Valuing Investment Portfolio. The General Partners will value the portfolio company investments of the Funds at their fair market values. Fund assets that are publicly traded securities for which market prices are readily available will be valued based on their trading prices, however, for almost every private portfolio company, there will likely be no public market for its securities. Thus, the valuation of private portfolio company investments inherently is highly subjective and imprecise, and requires the use of techniques that are costly and time consuming and ultimately provide no more than an estimate of value. The Firm has established a valuation policy, which it will follow when

performing portfolio company valuations. Each General Partner will determine the value of the relevant Fund's investments that are not readily marketable. There can be no assurance that the relevant General Partner will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of a General Partner with respect to an investment will represent the value realized by the relevant Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. In establishing the value of the Funds' portfolio company investments, the General Partners will consult with accounting firms, investment banks and other third parties as needed. The value set by a General Partner will not always reflect the price at which a Fund could dispose of its interests in a particular portfolio company at any given time. While the valuation of the Funds' assets is performed internally by BCEM's own team and such valuations are not reviewed by an independent third-party valuation consultant, all valuations are subject to an annual review by the Funds' auditors as part of each Fund's annual financial statement audit. The exercise of discretion in valuation by the Firm has the potential to give rise to conflicts of interest, including excess valuations which would impact the amount and timing of distributions of Carried Interest and the calculation of Management Fees. In particular, where the Management Fee is calculated based on the valuation of an investment, or a determination of whether an investment has been written-off or otherwise permanently impaired, BCEM will have an incentive to make determinations that result in the continued payment of the, or a higher, Management Fee. In situations where the Management Fee is calculated based on committed capital, contributed capital or the cost basis of investments, the Management Fee generally will not be reduced based on reductions in investment value. Absent bad faith or manifest error, valuation determinations in accordance with BCEM's valuation policy will be conclusive and binding. Moreover, because BCEM will determine in its discretion the value of any such assets, BCEM will have an apparent conflict of interest in making that determination, given the potential impact of such valuations on a Fund's performance results. Generally, there will be no retroactive adjustment in the valuation of any investment, the offering price at which interests in a Fund were purchased by investors or by a Fund, as applicable, or the fees and/or performance-based compensation paid to the Firm to the extent any valuation proves to not accurately reflect the realizable value of an investment.

In addition, the Firm regularly reports to Fund investors, prospective investors and the investor community more generally, metrics of each Fund's performance, such as rates of return and multiples-of-money, whose calculation depends on the value of the Funds' investments, including unrealized investments. These reports are an indication of the overall performance of a Fund and are important to the Firm's efforts to attract investors to the Firm and any current or future Fund. An objective of BCEM's valuation methodologies and procedures is to eliminate any influence these incentives have on fair value determinations.

Risk Management; Operational Controls. The operational controls and risk management techniques used by the Funds involve third parties over whom BCEM does not exercise control, including outsourced providers of legal, information technology and custody services. The proper operation of a Fund and

safekeeping of its assets depend on the performance and financial wherewithal of these third parties, as well as the continued operation and security of their systems. The operational controls and risk management techniques BCEM uses also necessarily include subjective elements, making the judgment and discretion of the Firm's professionals fundamental to the risk management process. The greater the importance of subjective factors, the more challenging it becomes for the Firm to control for risk, which in turn increases the likelihood of unpredictable results with respect to a portfolio company and a Fund's overall performance.

Additional operational risks arise from such factors as processing errors, human errors, inadequate or failed internal or external processes, failures in systems and technology (including those highlighted below under "Cyber Security Breaches and Identity Theft"), changes in personnel, errors caused by third parties or other disruptive events. While BCEM has adopted a business continuity program designed to minimize the disruption these events could otherwise cause to normal business operations, business continuity programs are inherently limited. For example, the Firm could experience unanticipated contingencies or the planned controls and oversight may not function as intended. In addition, certain circumstances, including natural disasters, war, terrorism, public health crises, power or utility shortages and other system failures and malfunctions, could prevent the Firm and its service providers from performing certain tasks, potentially for extended periods of time, including funding an investment, finalizing valuations, making a distribution or reporting to investors. Disruption to third parties, especially critical service providers, such as the Funds' auditors, external counsel, financial institutions, administrator, and custodian, can result in disruptions in the Funds' operations. Any such failure could cause losses to a Fund.

Cyber Security Breaches and Identity Theft. Cybersecurity incidents, cyber-attacks, denial of service attacks, ransomware attacks and social engineering attempts (including business email compromise and wire transfer fraud attacks) both generally and within the financial services industry, have been occurring globally at a more frequent and secure level and will likely continue to increase in frequency in the future. Information and technology systems of BCEM, the Funds and the portfolio companies are subject to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as pandemics, fires, tornadoes, floods, hurricanes and earthquakes. The use of internet or cloud-based programs, technologies and data storage applications generally heighten these risks, and the risks of attack are expected to be heightened in remote work environments. In addition, BCEM's systems could be vulnerable to supply-chain attacks, wherein attackers target third parties providing software or services in order to introduce vulnerabilities in BCEM's network or systems. If any systems designed to manage such risks are compromised, become inoperable for extended periods of time or cease to function properly, BCEM, the Funds and/or portfolio companies will likely have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in BCEM's, the Funds' and/or a portfolio company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Data

taken in such breaches can be used by criminals in identity theft, to commit insider trading, in obtaining loans or payments under false identities and other crimes that could affect the investors directly as well as affect the value of assets in which a Fund invests. Such a failure could harm BCEM's, the Funds' or a portfolio company's reputation, subject them and their respective affiliates to legal claims and otherwise affect their business and financial performance. BCEM has purchased cyber insurance in an attempt to mitigate any such losses.

Tangible and Intangible Benefits. In connection with its services to the Funds and their investments, BCEM expects to receive the benefit of certain tangible and intangible benefits. For example, in the course of BCEM's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, BCEM and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "the BCEM Information"). In many cases, BCEM Information will include tools, procedures and resources developed by BCEM to organize or systematize BCEM Information for ongoing or future use. Although BCEM expects its Funds and their portfolio companies generally to benefit from BCEM's possession of BCEM Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies (or by BCEM and its personnel) and not by the Fund or portfolio company from which BCEM Information was originally received. BCEM Information will be the sole intellectual property of BCEM and solely for the use of BCEM.

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

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

Risk Inherent in the Energy Industry. The companies in which the Funds invest are inherently subject to numerous risks arising from their operations. For example, companies involved in the drilling and production of oil and natural gas face risks that include, without limitation: (i) the risks of conducting drilling operations (including risks of substantial losses to properties, bodily injury and environmental damage arising from operations that do not proceed as planned and the risk of failing to find commercially productive reserves); (ii) risks of compliance with increasingly burdensome environmental regulations and other regulations governing the production of natural resources; (iii) risks involved in offshore drilling and in locations in foreign countries, including political unrest, terrorism, kidnapping, expropriation, increased costs and operational delays and disruptions; and

(iv) risks of catastrophic and other force majeure events. The occurrence of losses as a result of the risks inherent in operating in the energy industry could have a materially adverse impact upon actual results of the Funds' investments.

Commodity Risk; Price Volatility. The Funds target investments primarily in companies serving the energy industry and, as such, they will be indirectly subject to commodity price risk, including, without limitation, the demand and price of oil and gas. Historically, the markets for oil, gas, coal and power have been volatile, and such markets are likely to continue to be volatile in the future. Because of their relation to the energy industry as a whole, operation and cash flows of the Funds' portfolio companies will depend in substantial part upon prevailing market prices for energy commodities. These market prices can fluctuate materially depending upon a wide variety of factors that are beyond the control of the General Partners or the Funds, including, without limitation, market supply and demand, geopolitical conditions and events, including political conditions in the Middle East and other oil and gas producing nations, weather conditions, tax policy, changes in law and regulation, the price and availability of alternative fuels and energy sources, terrorist acts or threats thereof, actions of the Organization of Petroleum Exporting Countries (and other oil and natural gas producing nations), the foreign supply of (and demand for) oil and natural gas, the price of foreign imports and overall economic conditions.

Potential Conflicts of Interest

The Governing Documents for each Fund include a description of what BCEM believes to be the most significant conflicts of interest associated with an investment in such Fund. Investors should carefully consider the conflicts of interest described herein as well as each applicable Fund's Governing Documents prior to investing in a Fund. The following does not purport to be a comprehensive list or complete explanation of all potential conflicts of interest. Identifying potential conflicts of interest is complex and fact intensive and it is not possible to foresee every conflict of interest that will potentially arise during a Fund's life. Investors should be aware that it is possible that BCEM, its personnel, and its affiliates will in the future engage in further activities that can result in additional conflicts of interest not addressed below. There can be no assurance that BCEM will identify or resolve all conflicts of interest and, if resolved, that such conflicts will be resolved in a manner that is favorable to the Funds. In particular, BCEM expects in the future to identify additional conflicts of interest that currently are not apparent to the Firm or to the broader alternative investments industry, as well as conflicts of interest that arise or increase in materiality as the Firm develops new investment platforms or business lines and otherwise adapts to dynamic markets and an evolving regulatory environment. To the extent that BCEM identifies conflicts of interest in the future, the Firm may, but is under no obligation to, disclose these conflicts and their implications to investors through a variety of channels, including in subsequent Brochures or in other written or oral communications to the advisory boards or investors more generally. However, investors are not entitled to receive notice or disclosure of the actual occurrence of conflicts nor do investors have any right to consent to conflicts as they arise except as otherwise required by law or in the Governing Documents.

Co-Investment Opportunities. The General Partners, BCEM or any of their affiliates will from time to time organize, make investments in, or otherwise participate in, any vehicle formed to make co-investments with the Funds. Even in circumstances where an entire investment could be made by a Fund, BCEM is permitted to allocate a portion of such investment to one or more co-investment vehicles or other co-investors in accordance with the Funds' Governing Documents and BCEM's allocation policy. Additionally, subject to certain conditions set forth in the Governing Documents, the General Partners, BCEM principals and/or their respective affiliates are permitted to participate in co-investment opportunities.

The economic participation of co-investors in an investment opportunity can be substantial and are likely to involve greater risks than an investment in which there are no co-investors. For example, it is possible that a co-investor will have interests that are inconsistent with those of BCEM or the Funds. In addition, co-investors can sometimes be in a position to obtain additional information regarding a portfolio company that is not generally available to investors in a Fund. Further, the Funds might co-invest with unaffiliated co-investors whose ability to influence the day-to-day management and affairs of the portfolio companies' investments are potentially significant and greater than that of the Funds.

Co-Investments with a Predecessor Fund or Successor Fund. On occasion, a Fund will make investments in association with a predecessor fund or a successor fund. In these cases, such investment will generally be on the same terms and conditions in all material respects, with amounts for investment allocated between a Fund and such predecessor fund or successor fund (as applicable), subject to available capital, including reasonable reserves, or other investment limitations on a Fund and such predecessor fund or successor fund, in the sole discretion of the relevant General Partner. Additionally, a Fund could have differing and/or conflicting interests with such predecessor fund or successor fund in respect of any such investment.

Affiliate Funds. The General Partners have established Affiliate Funds that invest pro rata with a BCEM Fund in every portfolio company investment on the same economic terms as investors of such BCEM Fund; however, as described in Item 5 above, investors in the Affiliate Funds generally do not pay a Management Fee and are not subject to Carried Interest. Affiliate Fund investors do, however, bear their pro rata share of formation and operating expenses and Broken Deal expenses, if applicable.

Allocation of Investment Opportunities. Except as otherwise approved by the relevant Fund's advisory board or contemplated by the Governing Documents, generally, prior to the earlier of the termination of a Fund's investment period or full investment of such Fund (i) BCEM principals will use their reasonable best efforts to make available to a Fund any investment opportunities that come to their attention, or to the attention of any BCEM employee, that are of a size and kind which would be suitable for acquisition by such Fund and (ii) neither the General Partners nor any of their affiliates will acquire securities of a size and kind which would be suitable for acquisition by the Funds, other than through the Funds or in connection with other permitted investment activities described in the Governing Documents.

Investor Transfer of Interest. In certain cases, BCEM will have an opportunity (but, subject to any applicable restrictions or procedures in the relevant Governing Documents, no obligation) to identify one or more secondary transferees of interest in a Fund. In the case of ordinary transfers, BCEM will not receive compensation for identifying such transferees and will use its discretion to select such transferees based on eligibility and other factors, and unless required by the relevant Governing Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors. On occasion, a General Partner has purchased the interest of a Fund investor.

Diverse Investor Group. Fund investors often have conflicting investment, tax and other interests with respect to their Fund investments or a particular Fund vehicle. The conflicting interests of individual investors and of different Fund vehicles can relate to or arise from, among other things, the nature of a Fund's investments, the structuring or the acquisition of investments and the structure, timing or manner of disposition of a Fund's investments. As a consequence, conflicts of interest arise in connection with decisions made by a General Partner or BCEM, including with respect to the nature or structuring of investments or dispositions, that are more beneficial for one investor or for one Fund vehicle than for another investor or Fund vehicle, especially with respect to investors' individual tax situations and the tax treatment of the different Fund vehicles. In selecting and structuring investments appropriate for the Funds, the General Partners will consider the investment and tax objectives of the Funds and the Funds' investors as a whole, and not the investment, tax or other objectives of any investor individually or of any Fund vehicle individually.

In addition, it is anticipated that investors or their affiliates that are companies with significant business interests within the Funds' targeted industry sectors, or insurance and other risk management companies, financial institutions and governmental or other pension plans, will have a direct or indirect interest in one or more of the investments of the Funds. For example, one or more investors or their affiliates can be senior or subordinated lenders to one or more of the portfolio companies, co-investors or otherwise participate in the financing of a portfolio company in which a Fund has made an investment or where such co-investor has a direct or indirect interest in such investment. One or more of the Funds' investors could separately hold portfolio company securities or provide risk management services. This could result in the Funds becoming involved in disputes and litigation with one or more of its investors or affiliates.

Side Letters. The General Partners, BCEM and/or their respective affiliates are authorized, without the approval of any investor, to enter into side letters or similar written agreements with investors that have the effect of establishing rights under, or altering or supplementing the terms of the relevant Governing Documents or other related agreements in a manner that is more favorable to certain investors than others. Such rights or terms typically include, without limitation: (i) rights to designate a member of a Fund's advisory board; (ii) reporting obligations of the General Partners; (iii) waiver of certain confidentiality obligations; (iv) consent to certain transfers by investors; (v) rights or terms necessary in light of particular legal, regulatory or public policy characteristics of an investor; (vi) adjustments to fees or other economics (including, without limitation, the Management Fee, Carried

Interest or distributions); (vii) access to certain information; (viii) consent rights of an investor; (ix) co-investment rights; (x) tax and structuring matters; and (xi) other representations, warranties or diligence confirmations.

Investors will not necessarily have most favored nation rights in respect of all or any of the more favorable terms provided to others, and investors will have no recourse against the Funds, the General Partners, BCEM or any of their respective affiliates in the event that certain investors receive additional benefits or other rights pursuant to side letters that are more favorable than the terms received by other investors.

Allocation of Shared Expenses. BCEM and its affiliates from time to time incur fees, costs and expenses on behalf of more than one BCEM Fund, portfolio company or their respective affiliates. In that event, expenses will be allocated in BCEM's good faith discretion with a view to being fair and reasonable and considering all relevant and available information, including the extent to which the relevant entity(ies) or group(s) required or benefitted from the goods or services giving rise to the expense and whether all or a portion of a multiple-purpose expense should be viewed as overhead and absorbed by BCEM.

There are occasions when one Fund (the "Payor Fund") pays an expense common to multiple Funds (the "Allocated Funds"). On such occasions, each Allocated Fund will reimburse the Payor Fund for its share of such expense, without interest, promptly after the payment is made by the Payor Fund. There are also occasions where the Firm or a Payor Fund pays an expense on behalf of a portfolio company. On such occasions, the portfolio company will reimburse the Firm or Payor Fund for the expense, without interest, and such reimbursement will not be subject to the fee offset provision. Further, as noted in Item 5 above, portfolio companies reimburse BCEM for various fees and expenses.

A conflict of interest could arise in BCEM's determination of whether certain costs or expenses that are incurred in connection with the operation of the Funds meet the definition of Fund operational expenses for which the Funds are responsible, whether such expenses should be borne by BCEM or the manner in which BCEM allocates expenses. The Funds will be reliant on the determinations of BCEM in this regard. Because the allocation process can be subjective, from time to time, it is possible that subsequent review of allocations could result in an identification of expenses that should have been allocated in a different manner, in which case measures will be undertaken to correct such circumstance, which might include a reversal of the original expense allocation, if possible, or such other equitable adjustment believed by BCEM to be the most appropriate corrective measure to ensure allocations are equitable on an overall basis in BCEM's good faith judgment.

Some expenses are incurred on behalf of one Fund which can benefit other Funds. For example, information BCEM obtains in connection with a Fund's research, due diligence and investment activities will be valuable to other Funds. Additionally, tools and resources developed at BCEM's expense will be the intellectual property of BCEM and not the Fund. BCEM can license or sell a

Fund's intellectual property to third parties and the relevant Fund will not necessarily benefit from such license or sale.

Management Fee; Fees for Services. Other than certain Co-Investment Funds, BCEM is generally entitled to receive a Management Fee from the Funds. The General Partners, BCEM, the principals or their affiliates are permitted to receive External Fees (as more fully described in Item 5 above). In addition, in some circumstances, non-affiliated co-investors or joint owners of prospective portfolio companies will have the ability to influence the terms of the arrangements giving rise to External Fees, including, without limitation, the timing and amount of payments and the inclusion of acceleration provisions, if any, in circumstances in which the Funds would not necessarily have otherwise included such provisions. In the event BCEM were to take such External Fees, investors will receive the benefit of certain, but not all, of such External Fees as set forth in the relevant Governing Documents. As mentioned in Item 5 above, any fees received by a co-investment vehicle, any co-investor or any other transaction participant generally will not be applied to reduce the aggregate Management Fee payable in respect of other Fund investors and will be retained by the recipient thereof or its designees. Thus, the arrangements relating to the allocation of External Fees and certain fee offsets among BCEM and the Funds can create an incentive to seek out investments which would provide the opportunity to earn such External Fees and to make investments earlier during the term of a Fund than would be the case in the absence of such arrangements. Further, BCEM or its affiliates can be incentivized to hold on to investments that have poor prospects for improvement in order to receive ongoing Management Fees in the interim.

Service Provider Selection. Certain advisors and other service providers (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, investment or commercial banking firms and certain other advisors and agents) to the General Partners, the Funds or the portfolio companies also provide services to or have business, personal, financial or other relationships with BCEM and/or its affiliates. Such advisors and service providers could also be investors in or co-investors alongside the Fund, sources of potential investment opportunities, or counterparties to or otherwise involved in transactions or matters with one or more predecessor funds, other BCEM Fund portfolio companies and their respective affiliates. These relationships can influence, or have the appearance of influencing, the decision whether to select or recommend such service provider to perform services for the General Partners, the Funds or the portfolio companies (the cost of which will generally be borne directly or indirectly by the Funds or portfolio companies, as applicable).

Portfolio Company Board Participation. Principals or other members of the investment team of BCEM serve as directors of certain of the portfolio companies and, as such, have duties to persons other than the Funds. Although such positions, in certain circumstances, are important to the Funds' investment strategy and can enhance the General Partners' and BCEM's ability to manage investments, they can also have the effect of subjecting the General Partners, BCEM and the Funds to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. In general, the Funds will indemnify their respective General Partner, BCEM, the principals and other members of the investment team of BCEM from such claims.

Additionally, from time to time, portfolio company board members approve compensation and other amounts payable to BCEM in connection with services provided by the Firm and its affiliates to such portfolio company, and, except to the extent such amounts are subject to the Management Fee offset provision, are in addition to the Management Fee or Carried Interest. BCEM's authority to appoint or influence the appointment of portfolio company board members who will potentially be involved in approving compensation payable to the Firm subjects BCEM and any such portfolio company board appointees to potential conflicts of interest. Serving in such capacity can give rise to conflicts to the extent that an employee's fiduciary duties to a portfolio company as a director conflicts with the interests of a Fund in general; however, as the Funds will generally be significant shareholders of such companies, it is expected that such interests will generally be aligned. Any fees earned for sitting on such portfolio company boards by employees are typically offset against Management Fees; provided, however, that such fees earned by third parties appointed by BCEM will typically not be offset against Management Fees.

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

BCEM reserves the right to make independent decisions regarding recommendations of when a Fund should purchase and sell investments. As a result, it is possible that a Fund will be purchasing an investment at a time when another Fund is selling the same or a similar investment, or vice versa. For example, BCEM will, from time to time, consider and reject an investment opportunity on behalf of one Fund despite the fact that BCEM or an affiliate subsequently determines to make an investment in the same company on behalf of another Fund. A conflict of interest arises because the latter Fund will, in such circumstances, benefit from the initial evaluation, investigation and due diligence undertaken by BCEM on behalf of the Fund that originally considered the investment. In such circumstances, the benefitting Fund(s) would not be required to reimburse the original Fund for some or all of the expenses incurred in connection with considering such investment, and any such allocation that is made will be done in good faith by BCEM. Such allocation is highly subjective. There can be no assurance that the return on one Fund's investments will not be less than the returns obtained by other Funds participating in the investment.

In addition, BCEM receives and generates various kinds of portfolio company data and other information, including information related to financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors and other metrics. This information will, in certain instances, include material nonpublic information received or generated in connection with efforts on

behalf of one Fund's investment in a portfolio company or prospective investment. This information allows BCEM to better anticipate macroeconomic and other trends and otherwise develop investment strategies. As a result, BCEM often gains industry, sector and other general expertise and knowledge in connection with a portfolio company that will benefit others, as well as BCEM and its affiliates, whether or not such other companies are in the same or a different Fund. This can result in a transfer of value from one Fund to another. BCEM is likely in the future to enter into governance arrangements and confidentiality arrangements with portfolio companies, and also have access to other sources of information and research that will potentially limit the internal distribution and use of such data. BCEM has in the past used, and is likely in the future in certain instances, to use this information in a manner that provides a material benefit to, or presents a conflict of interest between, BCEM, its affiliates, certain other Funds or investors without compensating or otherwise benefitting the portfolio company, Fund or Funds from which such information was obtained. In addition, BCEM has an incentive to pursue investments in portfolio companies based on the data and information expected to be received or generated.

Relationship with Third Parties. From time to time, BCEM employs personnel with pre-existing ownership interests in or who were employed by portfolio companies owned by a Fund; conversely, former personnel or executives of BCEM can in some instances serve in significant management roles at portfolio companies or service providers recommended by BCEM. Similarly, BCEM and/or its personnel maintain relationships with (or invest in) financial institutions, service providers and other market participants, and their respective affiliates and personnel, including managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, BCEM and/or a Fund or other investment vehicles BCEM or an affiliate advises. BCEM will have a conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to a Fund or a portfolio company owned by a Fund if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more BCEM Funds, will provide BCEM information about markets and industries in which BCEM operates (or is contemplating operations) or will provide other services that are beneficial to BCEM. BCEM will have a conflict of interest in making such recommendations in that BCEM has an incentive to maintain goodwill between itself and the existing and prospective portfolio companies for a Fund that BCEM or an affiliate advises, while the products or services recommended will not necessarily be the best available to the portfolio companies held by a Fund.

Over the life of a Fund, BCEM generally expects to exercise its discretion to recommend to such Fund or to a portfolio company thereof that it contract for services with various service providers, potentially including, among others: (i) BCEM (or an affiliate, which typically includes other portfolio companies of a Fund and at rates determined or substantively influenced by BCEM); (ii) an entity with which BCEM or its affiliates or current or former members of their personnel has a relationship or

from which such person derive a financial or other benefit; or (iii) an investor in any BCEM Funds. This subjects BCEM to potential conflicts of interest, because although it intends to select service providers that it believes are aligned with its operational strategies and that will enhance portfolio company performance, BCEM has an incentive to recommend the related or other person because of its financial or business interest. Additionally, there is a possibility that BCEM, because of such incentive or for other reasons (including whether the use of such persons could establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to BCEM or a Fund), will favor such retention or continuation even if a better price and/or quality of service provider could be obtained from another person. Whether or not BCEM has a relationship with or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Transactions with Fund Investors. BCEM will occasionally enter into transactions with certain Fund investors such as, for example, investors who are also business partners, such as insurance agents, investment banks, broker-dealers, legal counsel or others who provide services (including mezzanine and/or other lending arrangements) to the Firm, its Funds and portfolio companies. The terms of these transactions are negotiated on an arm's-length basis; however, BCEM is subject to a conflict of interest when determining such terms because BCEM would benefit from retaining such investors' investment in the Funds.

Advisory Boards. Although a Fund's advisory board is intended to act as the representative of the investors in respect of certain matters, including reviewing certain valuations of the Funds' assets and addressing certain potential conflicts of interest, the advisory board will not necessarily have the same interests as all investors. Furthermore, an advisory board cannot be expected to be experts in such matters, and certain of its determinations can, in fact, adversely affect the performance of the Funds. The Governing Documents provide that to the fullest extent permitted by applicable law, none of the advisory board members shall owe any fiduciary duties to the Funds or any other investor. Members of the advisory board can have conflicts of interest that do not disqualify such members from voting or consenting to matters submitted to the advisory board for consideration or review. Members of the advisory board typically have various business and other relationships with BCEM and its members, partners, managers, directors, officers, employees and affiliates. These relationships have the potential to influence their decisions as members of the advisory board. To the extent that an investor is not directly represented by a member of the advisory board, such investor will have no influence over matters submitted to the advisory board for review or approval. On any issue involving actual conflicts of interest, BCEM will be guided by its good faith discretion.

In addition, members of one Fund's advisory board are also a member of another Fund's advisory board. In such instances, a conflict of interest exists if an advisory board is requested to provide consent with respect to transactions which involve a conflict of interest between two or more Funds on which such advisory board members serve, and such members would be unlikely to recuse themselves from any such vote. To the extent members of an advisory board vote regarding conflicts

or otherwise participate in matters involving a vote or action, such members may not vote solely in accordance with their interests related to one Fund vis a vis another Fund, including for example, if such a member is required to vote on issues regarding conflicts between the Funds. Such members are unrestricted from voting and have the potential to affirmatively vote in a manner that is in their own interest and adverse to the interest of other limited partners. Finally, advisory board members may choose to abstain from voting on certain issues, which means that certain votes and issues could be decided only by non-abstaining members and less than a complete group of advisory board members.

Conflicts Related to the Interpretation of Governing Documents and Other Legal Requirements. The Governing Documents of each Fund and related documents are detailed agreements that establish complex arrangements among BCEM, the investors, the Fund, the General Partner and other entities and individuals. Questions arise under these agreements regarding the parties' rights and obligations in certain situations, some of which will not have been contemplated at the time of the agreements' drafting and execution. In these instances, the operative provisions of the agreements, if any, can be broad, general, ambiguous or conflicting, and permit more than one reasonable interpretation. At times there will not be a provision directly applicable to the situation. While BCEM will construe the relevant agreements in good faith and in a manner consistent with its legal obligations (and, when appropriate, in consultation with external legal counsel), the interpretations BCEM adopts will not necessarily be, and need not be, the interpretations that are the most favorable to the Funds or their investors.

Cross Fund Transactions. In infrequent circumstances, BCEM effects a cross transaction between Funds. Such cross fund transactions create conflicts of interest because by not exposing such buy and sell transactions to market forces, it is possible that a Fund will not receive the best price possible or BCEM will have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn fees. In effecting a cross transaction, the Firm will seek to ensure that the purchase or sale is effected at a price that is comparable to what price could be obtained through an arm's-length transaction with a third party and that is otherwise fair to both parties. In certain circumstances, BCEM reserves the right to determine that the willingness of a third party to make an investment on the same terms demonstrates the fairness of the relevant transaction to the Fund under then-current market conditions. The Firm will maintain documentation to memorialize the basis for determining fairness in pricing.

Employee Investors. Certain of BCEM's employees and personnel invest in a Fund directly or as part of a General Partner's commitment to a Fund or through an Affiliate Fund. Subject to applicable law, the terms of an investment by an employee differ from, and are more favorable than, those of an investment by an external Fund investor. For example, employee investors generally will not be subject to a Management Fee and/or Carried Interest with respect to their investment, generally receive information regarding investments at different times than other investors and may benefit from different credit facility arrangements than a Fund.

Item 9 – Disciplinary Information

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

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

On occasion, in the ordinary course of its business, BCEM, the Funds or the Funds' portfolio companies (or their respective directors and executive officers) can be named as defendants in a legal action. Although there can be no assurance of the outcome of such legal actions, BCEM does not believe that any current legal proceedings or claims to which BCEM, the Funds or the Funds' portfolio companies (or their respective directors and executive officers) are a party, if any, would individually or in the aggregate materially affect a client's or prospective client's evaluation of the Firm or the integrity of the Firm's management.

Item 10 – Other Financial Industry Activities and Affiliations

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

BCEM is not actively engaged in a business other than giving investment advice to its clients, the Funds. Neither BCEM nor any of its management persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

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

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

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

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

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

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

BCEM does not have arrangements with a related person who is a broker-dealer, municipal securities dealer, government securities dealer or broker, investment company, commodity pool operator, commodity trading advisor, futures commission merchant, banking or thrift institution, accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer, or sponsor or syndicator of limited partnerships that are material to its advisory business or to its clients. BCEM has and will continue to develop relationships with professionals who provide services it does not provide, including legal, accounting, banking; investment banking, tax preparation, insurance brokerage, information technology, compliance and other services. Some of these professionals provide services to the principals, the Funds or their portfolio companies. To the extent that BCEM does transact business with such professionals, the terms of such relationships will be negotiated on an arm’s-length basis. Additionally, some of these professionals can become investors in BCEM Funds, either personally or through their company.

From time to time, BCEM receives training, information, promotional material, meals, gifts, entertainment or other perquisites from vendors and others with whom it does business or to whom it makes referrals. At no time will BCEM accept any benefits, gifts or other arrangements that are conditioned on directing business to a specific vendor. Similarly, BCEM employees have in the past, and expect in the future, to speak at or attend conferences and programs for potential investors interested in investing in private funds and other industry events that are sponsored by various investment bankers, broker-dealers or others. Through such capital introductions and other industry events, prospective investors have the opportunity to meet with BCEM. Neither BCEM nor any

Fund compensates investment bankers, broker-dealers or others for organizing such events or for investments ultimately made by prospective investors attending such events other than registration, sponsorship, membership or other similar fees paid to attend such events.

The Firm's Code of Ethics addresses disclosure of any potential conflicts of interest and is discussed below in more detail.

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

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

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

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

Pursuant to Rule 204A-1 of the Advisers Act, BCEM has adopted a written Code of Ethics that sets forth standards of conduct expected of supervised persons and addresses personal trading and reporting of personal securities transactions, gifts and entertainment and outside business activities, among other topics. The Code of Ethics requires all supervised persons to place Fund interests ahead of the Firm's interests, to avoid taking advantage of his or her position and to maintain full compliance with the federal securities laws. With respect to third parties that are not subject to the trading restrictions under BCEM's Code of Ethics and that may otherwise obtain sensitive and nonpublic information relating to a Fund deal (*e.g.*, co-investors, legal, financial, diligence, public relations and other similar service providers), such persons typically are subject to contractual provisions in confidentiality agreements or professional obligations that prohibit the misuse of any such information.

Supervised persons are required to certify their compliance with the Code of Ethics upon hire and on an annual basis. Supervised persons of BCEM who violate the Code of Ethics will be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, suspension or dismissal. Supervised persons are also required to promptly report any violations of the Code of Ethics which they become aware.

BCEM will provide a copy of its Code of Ethics to any existing or prospective investor upon request to us at (713) 400-8200 or bce-compliance@bayoucityenergy.com.

B. If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Participation or Interest in Client Transactions

Certain BCEM employees and their family members have invested in the Funds, typically through the applicable General Partners or the Affiliate Funds. As mentioned in Item 5 above, BCEM typically reduces all or a portion of the Management Fee and Carried Interest related to investments held by such persons. BCEM does not believe this arrangement presents any material conflict of interest since the General Partners' interests are aligned with the interests of investors in such Funds.

Section 206(3) of the Advisers Act generally prohibits investment advisers from engaging in principal, cross and agency cross transactions without the appropriate disclosure and consent. BCEM will only enter into a principal, cross or agency cross transaction with the appropriate disclosure and consent. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account, knowingly buys from or sells a security to an advisory client. This prohibition extends to any affiliates or controlling persons of the adviser (*i.e.*, an owner, employee or affiliate of the adviser, such as a Fund General Partner). Cross trades between Funds can also be deemed to be principal transactions if the adviser (and/or its affiliates, owners or controlling persons) own, in the aggregate, 25% or more of either Fund. In the context of BCEM's business, a principal transaction would most likely refer to the practice of the General Partner or its members warehousing an investment for the formation of a future Fund or BCEM or a Fund General Partner purchasing the interest of an existing investor.

Cross transactions occur when an adviser or an affiliate arranges a transaction (*i.e.*, acts as a broker) between two or more different funds or accounts that are managed by that same adviser or an affiliate. An adviser is not "acting as a broker" if the adviser receives no compensation (other than the advisory fee earned in the ordinary course of managing the asset) for effecting the transaction and therefore is not considered to be conducting a cross transaction under Section 206(3). In the context of BCEM's business, a cross transaction could occur when selling a portfolio company, investment or other asset from one Fund to another. Agency cross transactions occur where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer, which is not applicable to BCEM.

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

C. If you or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a related person recommends to clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.

Personal Trading

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

Because BCEM's business focuses primarily on private market investments, BCEM expects that instances of supervised persons having access to material nonpublic information regarding publicly-traded securities will be relatively infrequent. The Code of Ethics establishes guidelines for personal trading requirements, insider trading and the reporting of personal securities transactions, including certain pre-clearance and reporting obligations. BCEM's supervised persons and their covered family members are prohibited from trading, either personally or on behalf of others, in securities while in possession of material nonpublic information regarding publicly traded securities or communicating material nonpublic information about such securities to others. BCEM maintains a restricted list of issuers about which it has or may have material nonpublic information. Supervised persons are permitted to make securities transactions in their personal accounts, subject to certain limitations. Pre-clearance is required by supervised persons and their covered family members for certain personal securities transactions, including restricted list securities, initial public offerings and limited offerings. In addition, supervised persons are required to file certain reports and submit their brokerage account statements to the Chief Compliance Officer for review.

BCEM's supervised persons occasionally carry on investment activities for their own account and for family members, friends or others, and could give advice and recommend securities which differ from advice given to, or securities recommended or bought for, the Funds, even though their investment objectives are the same or similar. In addition, principals and employees are permitted to buy securities in transactions offered to, but rejected by, the Funds or that are outside the investment mandate of the Funds. All such employee private investments are subject to pre-approval and review by the Chief Compliance Officer.

D. If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for your own (or the related person's own) account, describe your practice

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

Because of the private nature of its portfolio investments, BCEM does not typically face a situation where a supervised person buys or sells a security for his or her own account at or about the same time that the Firm is also buying or selling the same securities for the Funds. A supervised person wishing to purchase or sell an interest in a BCEM portfolio company is required to seek pre-approval from the Chief Compliance Officer for such transaction.

Item 12 – Brokerage Practices

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

Typically, the Funds' investments in portfolio companies are private transactions directly negotiated between prospective portfolio companies (or their representative) and BCEM and are not facilitated by broker-dealers engaged by BCEM or the Funds. However, portfolio companies periodically engage broker-dealers or investment bankers to perform various services, such as assisting in the sale of a portfolio company. On occasion when a Fund owns a publicly traded portfolio company, the company will engage a broker-dealer to assist in the purchase or sale of shares of securities. In pursuit of best execution in both privately negotiated and publicly traded transactions, BCEM has sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker-dealer or investment banker, if any, to be used to effect transactions for the Funds. In executing transactions, BCEM will seek best execution of the transaction. Best execution is a qualitative assessment that takes into account the full range and quality of a broker-dealer or investment banker's services and is satisfied by obtaining the most advantageous overall terms for the Fund(s) when weighing all factors relevant to the transaction. Best execution is therefore not necessarily determined by lowest possible commission rates.

Selection of a broker-dealer or investment banker will be based on BCEM's best judgment of who can provide best execution, taking into consideration a variety of factors, including: BCEM's prior experience in working with the broker-dealer or investment banker; the broker-dealer or investment banker's execution capability, financial responsibility, reputation and expertise within the industry; the broker-dealer or investment banker's responsiveness to the Firm; the broker-dealer or investment banker's expertise in dealing with investments that are restrictive or illiquid in nature; the type and size of the transaction involved; the value of any research services provided; and commission rates, among other factors the Firm deems relevant to the specific transaction.

Although BCEM generally seeks competitive commission rates, it might not necessarily pay the lowest commission or commission equivalent, especially in private securities transactions that rely heavily on the specialty services or experience of a broker-dealer or investment banker outside of a competitive bidding environment. Transactions that involve such specialized services sometimes entail higher

commissions or their equivalents than would be the case with other transactions requiring more routine services. BCEM believes the commissions or mark-ups charged are competitive with those that others charge.

1. ***Research and Other Soft Dollar Benefits.*** If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”), disclose your practices and discuss the conflicts of interest they create.

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

2. ***Brokerage for Client Referrals.*** If you consider, in selecting or recommending broker-dealers, whether you or a related person receives client referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.

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

3. **Directed Brokerage.**

BCEM does not engage in directed brokerage.

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

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

Item 13 – Review of Accounts

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

The investment portfolios of each Fund are generally private, illiquid and long-term in nature and accordingly, the Firm’s review of them is not directed toward a short-term decision to dispose of securities. Decisions as to when to purchase or sell a portfolio company are made by the investment committee. BCEM closely monitors the portfolio companies of its Funds and performs various weekly, monthly, quarterly and periodic reviews of the Funds’ portfolio companies, taking into account a variety of financial and operational data. Such reviews are conducted by a team of professionals, which includes at least one BCEM principal and other investment professionals at

differing levels of seniority.

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

The Chief Compliance Officer would perform additional reviews in the event that a portfolio company needed subsequent financing, in the event of a potential acquisition or liquidity event, or if there were a serious performance issue.

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

BCEM generally will provide to its investors on behalf of the Funds the following written reports: (i) annual audited financial statements prepared in accordance with generally accepted accounting principles (“GAAP”), accompanied by the report of an independent certified public accountant within 120 days of year end; (ii) unaudited financial statements for the first three quarters of each fiscal year; (iii) annual tax information necessary for each investor’s U.S. tax returns; (iv) a statement of the determination of the value of each of investment as of the end of the preceding calendar year; and (v) a quarterly report and account statement. The Firm also has contact with investors (personal visits, telephone, video conference and email) throughout the year as requested and/or as conditions warrant.

In the course of conducting due diligence, Fund investors periodically request information pertaining to BCEM’s investments and track record. BCEM responds to these requests, and in answering such requests, provides information that is not always made available to other investors who have not requested such information. Additionally, as it pertains to existing investors, upon request or pursuant to contractual obligations, certain investors receive additional information and reporting that other investors do not receive. As a result, certain investors will have more information about a Fund than other investors. BCEM will ensure that the disclosure of preferential information rights complies with the Private Fund Rule commencing with its effective date in September 2024.

Item 14 – Client Referrals and Other Compensation

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

As described in Item 5 above, BCEM is permitted to receive fees (including, without limitation, External Fees) from the Funds’ portfolio companies. These types of fee arrangements present potential conflicts of interest and provide BCEM with an incentive to recommend investments based on compensation received rather than the best interests of the Funds. To help mitigate this potential

conflict of interest, the allocable portion of such benefits received by BCEM or its employees in connection with services rendered to portfolio companies or transactions of the Fund would be offset (and therefore reduce) advisory fees payable by the Funds, subject to certain exceptions described in Item 5 above and detailed in each Fund's Governing Documents. To date, BCEM has not received such fees.

In addition, as described in Items 7 and 8 above, a General Partner is permitted, at its option, to provide priority to co-investment opportunities to certain persons, including Fund investors and others, subject to certain limitations described in each Fund's Governing Documents. BCEM and/or the applicable General Partner will likely receive compensation in connection with these co-investment activities, which will not result in additional offsets to the Management Fee paid by the applicable Funds

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

As of the date of this Brochure, BCEM has not directly or indirectly compensated any person who is not a supervised person for client referrals and has not retained the services of any placement agent to assist in its fundraising efforts.

Item 15 – Custody

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

BCEM is deemed to have custody of the Funds' assets because the General Partners are not operationally independent from BCEM: each Fund's General Partner generally has full discretion and control over Fund investments and cash, including the ability to deduct fees from Fund accounts. In order to comply with Advisers Act Rule 206(4)-2 (the "Custody Rule"), BCEM has elected to undergo an annual GAAP financial statement audit by an independent public accountant registered with and subject to examination by the Public Company Accounting Oversight Board ("PCAOB") for each of the Funds over which it is deemed to have custody, copies of which are (or will be, for newly closed Funds) delivered to the Funds and their respective investors within 120 days of fiscal year end (or earlier as agreed to in the relevant Fund Governing Documents). In addition, upon the final liquidation of a Fund, BCEM will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Fund to all underlying investors promptly upon completion of the audit. Investors in the Funds should carefully review such financial statements.

BCEM does not accept physical custody of any client assets (other than certain privately offered securities to the extent permitted by the Advisers Act). Called capital is directly deposited or wired into the relevant Fund's qualified custodial account and public securities are held with broker-dealers or transfer agents who act as custodians for such securities. BCEM receives monthly statements from each of its qualified custodians on behalf of the Funds. For more information about BCEM's qualified custodians, please see Form ADV Part 1, Schedule D, 7.B.(1).

Item 16 – Investment Discretion

If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

The Firm has discretionary authority from the Funds it advises to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives as described in the Governing Documents for the relevant Fund. Investment advice is provided directly to the Funds, subject to the discretion and control of the relevant General Partner, and not to investors in the Funds individually. To become an investor in a Fund, an investor must execute, among other documents, a subscription agreement and a limited partnership agreement (or similar agreement) with such Fund. Such documents generally contain a power of attorney that grants BCEM or the applicable Fund's General Partner certain powers related to the orderly administration of the affairs of the Funds. Once an investor executes these documents, BCEM is not required to contact the investor prior to transacting any business in a Fund.

An investor can seek to impose limitations on BCEM's and/or the relevant Fund General Partner's authority through a side letter agreement. The Firm and/or the applicable General Partner can choose to accept reasonable limitations or restrictions at its discretion. All limitations and restrictions placed upon BCEM's authority with respect to an investor's investment must be presented to BCEM and the applicable Fund's General Partner in writing and agreed to by all applicable parties.

Item 17 – Voting Client Securities

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

you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.

By virtue of the applicable Governing Documents, BCEM has the authority to vote client proxy statements on behalf of the Funds. However, given the nature of BCEM's advisory business, the majority of "proxies" received by BCEM are written shareholder consents or similar instruments for private companies owned by the Funds. Specifically, from time to time, portfolio companies request BCEM (usually through the General Partner of the applicable Fund) to consent to certain issues pertaining to the portfolio company's business and requiring equity owner approval. In these cases, BCEM considers factors that could affect the value of the investment and will act in the manner that it believes maximizes the value of its long-term investment in portfolio companies.

BCEM has adopted proxy voting policies and procedures pursuant to Advisers Act Rule 206(4)-6. BCEM's proxy policy seeks to ensure that it votes proxies in the best interest of the Funds with a goal towards maximizing overall value.

In connection with each exercise of voting authority, BCEM will assess whether any material conflicts of interest exist between the interests of BCEM and the interests of the relevant Fund with respect to the matters to be voted upon. BCEM generally believes its interests are aligned with those of the Funds' investors through the principals' beneficial ownership interests in the Funds. In the event that there is a conflict or potential conflict of interest in voting proxies, BCEM's proxy voting policy provides that the Firm can address the conflict using several alternatives, including by seeking the approval or concurrence of an advisory board on the proposed proxy vote, or through other alternatives set forth in BCEM's proxy voting policy. Investors in the Funds cannot direct how BCEM votes proxies or shareholder consents nor is BCEM required to seek investor approval or direction when voting proxies or when giving consent on any matter requiring the consent of members or shareholders.

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

BCEM will provide a copy of its proxy voting policy to any existing or prospective investor upon request to us at (713) 400-8200 or bce-compliance@bayoucityenergy.com. Investors can also obtain information from the Firm, free of charge, about how BCEM voted previous proxies, if any.

B. If you do not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian

or a transfer agent or from you, and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.

This Item is not applicable to BCEM.

Item 18 – Financial Information

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

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

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

BCEM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to investors.

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

BCEM has not been the subject of a bankruptcy proceeding.