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**PART 2A OF FORM ADV: FIRM BROCHURE
MARCH 29, 2024**

This brochure (“Brochure”) provides information about the qualifications and business practices of BC Partners Advisors L.P. (the “Adviser,” “we,” “us,” or “our”). If you have any questions about the contents of this brochure, please contact us at (212) 891-2880. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

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

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

ITEM 2. MATERIAL CHANGES

The Adviser filed its most recent Form ADV Part 2 on March 31st, 2023. This annual amendment updates the description of the business practices of the Adviser and its affiliates, as well as related conflicts of interest associated with its investment activities. Capitalized terms used within Item 2 have the definitions ascribed to them within this Brochure.

- In Item 5, the Adviser has added more robust disclosure regarding the calculation of Advisory Fees for a PE Fund before and after such PE Fund's Stepdown Date.
- The Adviser has incorporated additional risk factors to Item 8 addressing risks relating to recent regulatory developments, the effect of net asset value facilities on a Fund, artificial intelligence and machine learning developments, data protection, international conflicts, and inflation.
- The Adviser also has incorporated into Item 8 more robust disclosure regarding conflicts of interest arising from its potential involvement in secondary transfers in interests in a Fund.

Important Note about this Brochure

This Brochure is not:

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

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

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

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ITEM 4. ADVISORY BUSINESS

Below are certain key definitions used in this brochure.

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

“Funds” or “BC Partners Funds”	PE Funds and Credit Funds
“PE Funds”	Investment vehicles organized by BC Partners and its affiliates as part of its Private Equity Business
“BCPAL Funds”	PE Funds and BCPAL Credit Funds
“PE Accounts”	Separate accounts managed by BC Partners that principally pursue a private equity strategy
“PE SIFs”	Single-investor funds managed by BC Partners that principally pursue a private equity strategy
“PE Clients”	PE Funds, PE Accounts, and PE SIFs
“Adjacent Vehicles”	Credit Accounts, Credit SIFs, PE Accounts, and PE SIFs
“BCPAL Adjacent Vehicles”	Credit Accounts and Credit SIFs managed by BCPAL and PE Accounts and PE SIFs
“Credit Advisers”	Sierra Crest and MLM
“Credit Clients”	Credit Funds, Credit Accounts, Credit SIFs, Regulated Funds, and the Insurance Company
“BCPAL Credit Clients”	Credit Funds, Credit Accounts, Credit SIFs, Regulated Funds managed by BCPAL
“Credit Funds”	Private funds exempt from registration under the 1940 Act (including the BCPAL Credit Funds) and advised by BCPAL, MLM or Sierra Crest or collateralized loan obligations for which either MLM or Sierra Crest acts as collateral manager
“BCPAL Credit Funds”	Private funds (including, where the context requires, Credit SIFs) exempt from registration under the 1940 Act and advised by BCPAL
“Credit Accounts”	Separate accounts managed by the BCPAL that principally pursue a credit strategy
“Credit SIFs”	Single-investor funds managed by the BCPAL, MLM, or Sierra Crest that principally pursue a credit strategy
“BDC”	A non-diversified, closed-end management investment company that has elected to be regulated as a business development company under the 1940 Act managed by BCPAL
“Insurance Company”	An insurance company, a wholly-owned subsidiary of Mount Logan Capital, for which MLM acts as an investment adviser

“Real Estate Business”	BC Partners’ real estate business focusing on pan- European opportunistic investments managed by an affiliate of BCPAL
“Sharing Agreement”	Collectively, agreements between BCPAL and each of Sierra Crest, MLM and Mount Logan Capital pursuant to which BCPAL provides personnel and services
“Regulated Funds”	Investment companies registered under of the 1940 Act advised or sub-advised by BCPAL (including the BDC), MLM or Sierra Crest
“SEC”	The U.S. Securities and Exchange Commission
“Advisers Act”	The Investment Advisers Act of 1940, as amended, and the rules and regulations promulgated thereunder
“1940 Act”	The Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder
“Securities Act”	The Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder

The Adviser:

The primary business of BCPAL is to provide investment advisory services to the PE Funds via its sub-investment advisory relationship with BCP LLP and to the BCPAL Credit Clients. BCPAL is wholly owned by BC Partners Inc., its sole limited partner, and its general partner is BC Partners (GP) LLC. BCPAL was founded in 1986 and its affiliate BC Partners Investment Holdings Limited has a minority equity investment in Mount Logan Capital. The Private Equity Business has a long history making investments in control-oriented equity positions in businesses across Europe and North America through its Private Equity Business.

BC Partners is primarily composed of three business lines: (i) the Private Equity Business, (ii) the Credit Business and (iii) the Real Estate Business.

The Firm's dedicated Credit Business was launched in 2017 and focuses on making credit-oriented investments utilizing a variety of investment strategies and themes primarily in developed countries, with a focus on North America and Europe. The Firm's real estate business was established in 2018 and focuses on pan-European investments covering all real estate sectors. Advisory personnel of BCPAL are not involved in the Real Estate Business. BCPAL provides certain personnel to Mount Logan Capital, MLM and Sierra Crest that are part of the Credit Business through the Sharing Agreement.

BC Partners Private Equity Business

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

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

The Adviser's advisory services in respect of the PE Clients consist of investigating, identifying and evaluating investment opportunities, and providing advice in respect of: structuring, negotiating and making investments; managing and monitoring the performance of such investments; and disposing of such investments indirectly for the benefit of the applicable PE Client. Investment restrictions for the PE Clients, if any, are generally established in the organizational or offering documents of the applicable PE Client, advisory agreements, investment management agreements, as applicable, and/or side letter agreements negotiated with investors in the applicable PE Client (such documents, collectively, a PE Client's "**Organizational Documents**", which term may also be used to indicate the corresponding documents in reference to the Credit Clients (defined below) as the context may require).

The Credit Business

The Credit Business is a dedicated credit business focusing on making investments utilizing a variety of investment strategies and themes primarily in developed countries, with a focus on North America and Europe. It provides investment advisory services to Credit Funds through the Credit Advisers, in addition to the Adviser.

The Adviser also provides investment advisory services to Credit Accounts and Credit SIFs that principally pursue credit strategies and a BDC regulated under the 1940 Act and may in the future provide investment advisory services to other investment vehicles or products (whether or not registered). As part of the Credit Business, the Credit Advisers, who are operated by personnel of the Adviser, also provide investment advisory services to other BDCs, other funds registered under the 1940 Act, other private funds and accounts and collateralized loan obligations for which such affiliates act as collateral manager. In relation to the Credit Clients, the Adviser may act as investment manager, investment adviser or other type of adviser, depending on each structure.

In relation to the BCPAL Credit Clients, the Adviser's advisory services typically consist of investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of the BCPAL Credit Clients, managing and monitoring the performance of such investments and disposing of such investments. The Credit Investment Team (as defined in Item 8) follows processes with a view towards achieving consistent and repeatable results. The Credit Investment Team also leverages the PE Investment Team's (as defined below) expertise and network to enhance the Credit Business' ability to provide expertise in both financial structuring and value creation. Post-investment, the Credit Investment Team performs active and ongoing monitoring through formal quarterly portfolio reviews and frequent assessments of both risk-reward and covenant package compliance and, as appropriate, maintains an active dialogue with portfolio company management. In addition, and as appropriate, the Credit Investment Team engages with portfolio company management on value-add initiatives, with the support of the PE Investment Team.

Adjacent Vehicles currently and are expected to include in the future, private funds, registered funds, investment vehicles, Special Purpose Acquisition Companies ("SPAC"s), single-investor funds and/or separately managed accounts for the benefit of one or more investors that seek to pursue a similar or overlapping investment strategy to the Credit Clients and/or the PE Clients and that are part of the broader Credit Business and Private Equity Business, as applicable.

As of December 31, 2023, the Adviser managed a total of \$25,239,051,174 of regulatory assets under management, of which \$3,731,912,619 is managed on a discretionary basis and \$21,507,138,555 is managed on a non-discretionary basis. Regulatory assets under management, refers to the gross amount of assets under management without subtracting out any liabilities. It also includes, with regard to private funds, uncalled capital commitments.

With respect to the assets of the PE Clients, as described above the Adviser acts as a sub-investment adviser in respect of such PE Clients, and in such capacity may be deemed to provide advisory services in respect of such PE Clients' U.S. assets. Therefore, the Adviser has calculated and reported regulatory assets under management on this Brochure based on, in the case of each PE Client, the value of such PE Client's U.S. assets.

ITEM 5. FEES AND COMPENSATION

The fees and expenses applicable to each PE Fund and BCPAL Credit Fund are described in each such Fund's Organizational Documents. The fees and expenses relating to the other BCPAL Clients, such as the BCPAL Adjacent Vehicles, are specified in the relevant investment advisory agreements or other operating agreements thereof. BCPAL Clients and investors should review the relevant Organizational Documents to fully understand the total amount of fees and expenses that may be paid.

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

As compensation for investment advisory services rendered by the Adviser in respect of the BCPAL Clients, together with management services provided by other Firm entities such as the general partners of such Clients, the Firm receives from each such Client a management or advisory fee or equivalent profit share (each, an "**Advisory Fee**"), a portion of which will be paid, directly or indirectly, to the Adviser in respect of the advisory services provided by it. Any portion of the Advisory Fees indirectly received by the Adviser with respect to the PE Clients will be set out in the Sub-IAA. The Advisory Fee is typically calculated based on committed capital or invested capital, with respect to a BCPAL Client (other than the BDC). Advisory Fees in respect of each of the BC Partners Funds are negotiated with each such Client, as further described in the applicable Organizational Documents. The Organizational Documents set forth the full list of terms under which Advisory Fees will be reduced, offset or otherwise be limited. Advisory Fees paid by other Funds (other than the BDC) may also be reduced by certain types of other fees or compensation received by the Firm that relate to such Fund's activities and investments, or by certain organizational or other expenses borne by such Fund as described in more detail below. Advisory Fees paid by a Fund are indirectly borne by third party investors in such Fund, and investors should expect to bear the full specified Advisory Fees rate in the Organizational Documents until they are reduced in the circumstances and on the date(s) specified therein.

In accordance with the Organizational Documents of each Fund, Advisory Fees will be deducted from any available cash assets of the relevant Fund and to the extent there are no available cash assets, the relevant Firm entity will draw capital from investors for the purpose of paying any such Advisory Fees. PE Fund Advisory Fees for the latest PE Funds that are payable semi-annually in advance in respect of relevant investments cost, are calculated as at the dates specified in the Organizational Documents of those PE Funds. BCPAL Credit Client and the BDC Advisory Fees are payable quarterly in arrears, or as otherwise permitted by the relevant Advisory Agreement (as defined below) or Organizational Documents. The precise amount of, and the manner and calculation of, the Advisory Fees that are indirectly received by the Adviser for each applicable Client are established by BCP or the Adviser and are set forth in such Client's advisory agreement with BCP or the Adviser,

as applicable (the “**Advisory Agreement**”) and/or the Organizational Documents received by each investor prior to investment in such Client.

To the extent applicable to PE Funds, the Organizational Documents provide that a Fund’s Advisory Fees will be calculated and charged on a basis that generally is not tied to the Fund’s then-current net asset value. As further specified in the Organizational Documents, from the effective date of the relevant Fund until a date specified in the Organizational Documents (the “**Stepdown Date**”), Advisory Fees generally will be charged based on a formula tied to the amount of the relevant Fund’s aggregate committed capital. Further, after the Stepdown Date, Advisory Fees generally will be charged and calculated based on a formula tied to the amount of investment contributions (including, where applicable, a Fund borrowing component) made by the relevant Fund relating to the Fund’s investments that have not been realized or permanently written off, less any written down amounts (permanently declined in value compared to its acquisition cost) (such written off or written down investments, “**Impaired Value Investments**”).

Under the Organizational Documents, where the fair market value of an investment exceeds the total amount of investment contributions relating to such investment, post-Stepdown Date Advisory Fees will not be calculated based upon such appreciated value, and will instead continue to be calculated based on the amount of such investment contributions. Conversely, the Organizational Documents generally do not require Advisory Fees to be reduced or refunded following the occurrence of a write-off or write-down, decrease (including a significant decrease) in fair value or other event not constituting a complete realization, such as a reorganization, roll-over investment in connection with a sale or dividend distribution, except in the case of investments meeting the relevant Impaired Value Investment standard under the Organizational Documents. For the avoidance of doubt, following the Stepdown Date, if the fair market value of an Impaired Value Investment is less than the total amount of investment contributions relating to such Impaired Value Investment, then the amount of Advisory Fees otherwise payable relating to such investment will be reduced solely based on the ratio of the fair market value of each relevant remaining investment(s) as compared against the amount of total investment contributions relating to such investment(s) as of the date of the relevant event.

As a result, and as is generally the case for private equity funds, the amount of Advisory Fees generally will not correspond with fluctuations in the net asset value of individual investments or of a Fund, including following the relevant investment period, and will not be reduced in connection with any write-offs (whether temporary or permanent), except in the case of Impaired Value Investments. Except where the Organizational Documents expressly provide to the contrary, Advisory Fees will not be reduced (in whole or in part) in the case of partial distributions (e.g., those resulting from a dividend recapitalization) or reorganizations, restructurings, roll-over investments, extraordinary dividends or similar transactions or in circumstances where one or more other Fund(s) divest their respective investment(s) (including credit investments) in the relevant portfolio company, whether in whole or in part, in each case in circumstances that do not result in the complete disposition of the relevant Fund’s interest therein, and even in cases where the value of the Fund’s investment or the Fund’s ownership percentage in such investment has been reduced (including substantially reduced) as a result of such transaction.

In many circumstances, the post-Stepdown Date Advisory Fees base will include capitalized transaction-specific expenses of unrealized investments. Further, Advisory Fees generally will not be reimbursed or refunded under the Organizational Documents in the event of realizations, dispositions or partial write-downs or write-offs that occur partway through the relevant calculation period.

Advisory Fees applicable in respect of the BDC and BCPAL Adjacent Vehicles will be set forth in the operating and/or investment management agreements of the BDC and such Adjacent Vehicles. Advisory Fees for existing BCPAL Adjacent Vehicles are negotiated with each such client, as further described in the applicable Organizational Documents. With respect to the BDC, the base management fee is payable quarterly in arrears at an annual rate of 1.00% (1.50% if an exchange listing occurs) of the BDC's average gross assets, excluding cash and cash equivalents, but including assets purchased with borrowed amounts, at the end of the two most recently completed calendar quarters. The management fee charged by the BDC for any partial month or quarter will be appropriately prorated and adjusted for any share issuances or repurchases during the relevant month or quarter.

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

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

Additionally, consistent with the Organizational Documents of each BCPAL Client, a BCPAL Client typically bears certain out-of-pocket expenses incurred by the Adviser in connection with the services provided to such Client and/or its Portfolio Investments. Further details about certain common fees and expenses in respect of the Funds are set forth below. All other expenses borne by the BCPAL Adjacent Vehicles or the BDC will be described in the operating and/or investment management agreements and/or administration agreement of such Clients.

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

Generally, and except as otherwise set forth in the Organizational Documents of the relevant BC Partners Fund, a Fund (including its subsidiaries and intermediate entities) will bear all fees, costs, expenses, obligations and liabilities (together with any value added tax or other relevant taxes, if any) relating to: (i) its operation, management and administration; (ii) its investment related activities (including sourcing, negotiating, acquiring, holding and disposing of actual and potential investments); and (iii) its eventual termination and winding up. Such fees, costs, expenses and liabilities will include travel costs (but not including expenses incurred in connection with air travel that exceeds an amount equal to comparable first class commercial air travel to the extent available); fees, costs and expenses of lawyers, accountants and other professional and other advisors and service providers, including finders and brokers; fees, costs, expenses and liabilities in relation to the Fund's borrowing and hedging activities; fees, costs and expenses related to valuations, appraisals or pricing services, investor reporting and meetings, including advisory committee meetings, and compliance

with the Adviser's disclosure, reporting and information assistance obligations under the Organizational Documents; tax, legal and regulatory compliance costs in respect of such Fund and its investments (including, without limitation, expenses associated with such Fund's compliance with applicable laws and regulations, expenses incurred in connection with complying with provisions in investor side letter agreements, including "most favored nation" provisions, expenses relating to the preparation and filing of Form PF, reports and notices to be filed with the U.S. Commodity Futures Trading Commission and/or reports, filings, disclosures and notices prepared in connection with the laws and/or regulations of jurisdictions in which a Fund engages in activities, and notices, reports and/or filings under the Alternative Investment Fund Managers Directive and any related regulations and any penalties incurred where the Adviser lacks sufficient information from third parties to file a timely and complete tax return); fees, costs and expenses of any administrators, custodians and depositaries; administrative and/or accounting expenses and related costs or charges (including, in relation to a BCPAL Credit Fund, costs, expenses, charges and/or fees charged or specifically attributed or allocated by the BCPAL Credit Fund, the Adviser and its affiliates to provide administrative and/or accounting services relating to the BCPAL Credit Fund); any costs, expenses, charges and/or fees in respect of any services provided by any affiliates of the Firm relating to a Fund, which if performed by a third party would constitute a Fund expense (including, in relation to a BCPAL Credit Fund, in-house legal expenses (unless specified otherwise in such BCPAL Credit Fund's Organizational Documents), costs and charges in connection with loan closings and/or the negotiation and execution of the BCPAL Credit Fund's investments (to the extent the Firm is not reimbursed by a prospective or actual Portfolio Investment or other third party)); expenses associated with auditing, market data and research (including news and quotation equipment and services), printing and reporting-related expenses (including preparation of financial statements, tax returns, K-1s, and other communications or notices relating to such Fund), and technology-related expenses, each including costs, expenses and charges incurred, charged or specifically attributed or allocated by such Fund or the Firm to provide services related thereto; expenses of loan servicers and other service providers; expenses of any independent client representative; expenses of meetings with employees/representatives of the general partner of such Fund and its affiliates with one or more limited partners; any costs and expenses associated with vehicles through which such Fund or the limited partners directly or indirectly participate in investments (including fees paid to the Firm for providing directors, officers, office space and facilities to such intermediate vehicles); and fees, costs and expenses incurred in relation to maintaining professional indemnity insurance and directors' and officers' insurance, cyber-security insurance premiums, as well as in relation to any litigation, mediation, arbitration or other proceedings, investigations or audits (actual, threatened or otherwise anticipated) involving or relating to such Fund and the amount of any judgment or settlement entered into in connection therewith. Such Fund will also bear costs and expenses related to the organization or maintenance of any entity used to directly or indirectly acquire, hold or dispose of any investment or otherwise facilitating such Fund's investment activities (including, without limitation, travel and related expenses related to such entity and the salary and benefits of any personnel reasonably necessary and/or advisable for the maintenance and operation of such entity). In addition, such Fund will bear all taxes and all fees or other charges levied by any governmental agency or regulatory body against a Fund in connection with its investments or otherwise and any other fees, costs, expenses, liabilities or obligations approved by its respective advisory committee. Any costs incurred in relation to proposed investments of such Fund not completed will typically be borne by such Fund. Such Fund also generally will bear the costs of implementing, reporting (as applicable), monitoring and complying with investment guidelines and directives relating to such Fund's strategy, including in side letters relating thereto. Additionally, subject to the Organizational Documents, such Fund

typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests.

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

Each Credit Account, as described in the relevant Organizational Documents, generally bears reasonable out-of-pocket costs and expenses related to the operation and management of such Account and the execution of their investment programs to the extent such costs are not borne by the Account's underlying borrowers/issuers or is otherwise reimbursed by a third party.

Generally, payments under the administration agreement ("**Administration Agreement**") between the BDC and BC Partners Management LLC (the "**Administrator**"), an affiliate of the Adviser, are equal to an amount that reimburses the Administrator for its costs and expenses and its allocable portion of overhead incurred by the Administrator in performing its obligations under the Administration Agreement, including the BDC's allocable portion of the compensation paid to its chief compliance officer and chief financial officer and the Administrator's respective staff who provide services to the BDC.

The BDC will bear all fees, costs, expenses and liabilities (together with any value added tax or other relevant taxes, if any) relating to its allocable portion of the compensation paid by the Adviser (or its affiliates) to its chief compliance officer and chief financial officer and the Adviser's respective staffs (based on a percentage of time such individuals devote, on an estimated basis, to the BDC's business affairs). The BDC will also bear all other costs and expenses of its operations, administration and transactions, including, but not limited to (i) investment advisory fees, including management fees and incentive fees, to the Adviser, pursuant to the investment advisory agreement; (ii) its allocable portion of overhead and other expenses incurred by the Adviser in performing its administrative obligations under the investment advisory agreement; and (iii) all other expenses of its operations and transactions including, without limitation, those relating to: (a) the cost of its organization and this offering; (b) the cost of calculating its net asset value, including the cost of any third-party valuation services; (c) the cost of effecting any sales and repurchases of its common stock and other securities; (d) fees and expenses payable under any dealer manager agreements, if any; (e) administration fees payable under the Administration agreement and any sub-administration agreements, including related expenses; (f) debt service and other costs of borrowings or other financing arrangements; (g) costs of hedging; (h) expenses, including travel expense, incurred by the Adviser, or members of the Investment Team (as defined below), or payable to third parties, performing due diligence on prospective portfolio companies and, if necessary, enforcing its rights; (i) transfer agent and custodial fees; (j) fees and expenses associated with marketing efforts; (k) federal and state registration fees, any stock exchange listing fees and fees payable to rating agencies;

(l) federal, state and local taxes; (m) independent directors' fees and expenses including certain travel expenses; (n) costs of preparing financial statements and maintaining books and records and filing reports or other documents with the SEC (or other regulatory bodies) and other reporting and compliance costs, including registration and listing fees, and the compensation of professionals responsible for the preparation of the foregoing; (o) the costs of any reports, proxy statements or other notices to stockholders (including printing and mailing costs), the costs of any stockholder or director meetings and the compensation of investor relations personnel responsible for the preparation of the foregoing and related matters; (p) commissions and other compensation payable to brokers or dealers; (q) research and market data; (r) fidelity bond, directors' and officers' errors and omissions liability insurance and other insurance premiums; (s) direct costs and expenses of administration, including printing, mailing, long distance telephone and staff; (t) fees and expenses associated with independent audits, outside legal and consulting costs; (u) costs of winding up; (v) costs incurred by either the Administrator or the BDC in connection with administering the BDC's business, including payments under the Administration Agreement for administrative services that will be equal to an amount that reimburses the Administrator for its costs and expenses and the BDC's allocable portion of overhead incurred by the Administrator in performing its obligations under the Administration Agreement, including, the formation or maintenance of entities or vehicles to hold the BDC's assets for tax or other purposes; (w) extraordinary expenses (such as litigation or indemnification); and (x) costs associated with reporting and compliance obligations under the 1940 Act and applicable federal and state securities laws.

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

If a transaction proposed for various Credit Clients is not consummated, typically the full amount of any expenses relating to such proposed but not consummated transaction ("**Dead Deal Costs**") would be borne by such Credit Clients on a pro rata basis so long as such allocation previously had been documented by the Firm for such proposed transaction prior to such transaction's failure or abandonment by the Firm; provided, however, any Dead Deal Costs relating to a proposed transaction including co-investors would be allocated as further described in "*Investments Alongside Other Clients*" in Item 11 below.

For certain of the BCPAL Funds, the Firm is permitted to receive fees in addition to the Advisory Fee, including commitment fees, asset management fees, administrative fees, break-up fees,

directors' fees, consulting fees, incentive fees or discounts from service providers and similar fees relating to the investments made by such Fund and/or to monitoring, transaction-related services, financial advisory services and other services ("**Related Services**") provided by the Firm to an actual or prospective investment, other investment vehicles of such Funds or such Funds themselves, including fees in connection with structuring investments, as well as mergers, acquisitions, add-on acquisitions, refinancings, public offerings, sales or other dispositions and similar transactions with respect to such Portfolio Investments and compensation for arranging, underwriting, syndicating or refinancing loans and/or other investments or other additional fees, including loan structuring fees, work out, loan modification, extension or restructuring fees, servicing (including loan servicing and special servicing fees) and administrative fees, and fees for advisory services and/or the monitoring, oversight and/or restructuring of loans, syndication, origination, organizational (including treasury, collateral management and affirmation/confirmation), financing, placement, investment banking and divestment fees and other fees for services (collectively, "**Other Fees**"). The scope and composition of "**Other Fees**" will vary across each such Fund and Adjacent Vehicle based on the terms and Organizational Documents thereof and will differ over time. Although Other Fees are often substantial and are in addition to Advisory Fees paid by such Funds, these Other Fees will not reduce the Advisory Fee unless specifically stated in such Fund's Organizational Documents. To the extent any of these Other Fees do reduce the Advisory Fees paid by any applicable Fund, the amount, scope and manner of such reduction is set forth in the Advisory Agreement and/or Organizational Documents of the applicable Fund and only those fees that are expressly set forth under the Organizational Documents of such Funds will be applied to the Advisory Fee reduction arrangement described above. To the extent a reduction relates to more than one Fund, the Adviser will generally allocate the resulting Advisory Fee reduction among the applicable Fund(s) and other participants in proportion to their interest (or prospective interest) in the Portfolio Investment (resulting in an offset to the Advisory Fee with respect to a particular Fund based on its proportionate share thereof). Generally, the portion of Other Fees allocable to capital invested by an applicable Fund, co-investment vehicle even where Advisory Fees are charged, or third-party investor that does not pay Advisory Fees (or which does not otherwise expressly include an Advisory Fee offset provision in its Organizational Documents) will be retained by the Adviser and such amounts will not offset any Advisory Fee. Unless otherwise agreed with investors, Other Fees generally will be payable without further offset during term extensions, even if Advisory Fees are reduced or eliminated during the extended term, thus reducing the amounts of Advisory Fees actually offset. To the extent a former BC Partners employee becomes a consultant to, or employed by, a Portfolio Investment, no compensation earned by such former employee will offset the Advisory Fee, whether or not such former employee has remaining economic or voting interests in BC Partners or the Clients, that would be typical for a leaver. Conversely, in the event that the Adviser employs a person that previously received compensation from a Portfolio Investment, limited partners will receive the benefit of any applicable offset only beginning as of the relevant start date of the person's employment with the Adviser, and not with respect to any compensation paid prior to such date, including equity grants made prior to the date of employment that vest thereafter.

The Adviser and/or its affiliates generally have discretion over whether to charge Other Fees to a Portfolio Investment and, if so, the rate, timing, method and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio company's holding or operating structure. In doing so, the Adviser expects to be subject to a potential conflict of interest in connection with approving transactions and setting such compensation. In many cases, Other Fees are based on enterprise value or other metrics relating to a portfolio company, but also have the potential to be

charged on a flat-fee basis or based on another metric, and there can be no assurance that the amount of Other Fees charged will be proportional to the amount of hours of work performed or tangible work product generated on behalf of the portfolio company. In most circumstances, such compensation is not reviewed or approved by an independent third party. The payment of Other Fees by Portfolio Investments to the Firm or its partners and personnel create a conflict of interest between the Firm and the Funds or Adjacent Vehicles and their investors, as described in “*Other Fees; Fees from Portfolio Investments*” in Item 11 below. For the avoidance of doubt, the Adviser also will not offset compensation received from outside sources, such as residual employee board seats at entities that are no longer Fund portfolio companies. Each of the foregoing conditions described in the Organizational Documents is expected to reduce the amount of Other Fees otherwise available to be offset against Advisory Fee, resulting in a potential material benefit to BC Partners over the life of the relevant Fund, and the existence of such potential benefit creates an incentive for BC Partners to seek to increase such amounts. To the extent Other Fees are paid in kind (including through securities, option grants or other interests), BC Partners is permitted to calculate the amount of offset based on the then current value of the in-kind payment, rather than the ultimate value of the interests as of a future date.

The Firm is also permitted to receive with respect to the Private Equity Business “monitoring fees” pursuant to monitoring agreements with Portfolio Investments of the PE Clients governing the advice, consultation and other similar ongoing services provided by the Adviser to such Portfolio Investments. The terms of a monitoring agreement may include (among other things) a set term or annual automatic renewals, the payment of monitoring fees (which may be fixed fees or calculated as a percentage of EBITDA or similar performance metric), and the acceleration of payment of the monitoring fees upon certain termination events, including the occurrence of an initial public offering, sale, strategic exit or other change of control event. Upon exiting a Portfolio Investment (including through a termination event previously described), the Adviser or its affiliate may also be entitled to all unpaid monitoring fees plus unreimbursed expenses plus (in some instances) the value of future monitoring fees that would otherwise be payable by the Portfolio Investment over a future fixed period. The accelerated monitoring fee may be calculated as the present value of hypothetical future payments, which may be based on an assumed growth in performance, based on an assumed growth of EBITDA or similar metric, and may be calculated using a discount rate as low as the risk-free rate, as determined by the Adviser. This acceleration of future monitoring fees can be charged in instances where the Adviser (or one or more of its affiliates) expects to continue to provide ongoing services and advice to the Portfolio Investment after there has been an exit, and in instances where the Adviser will no longer provide ongoing services and advice to the portfolio investment after such exit. Since the monitoring agreements with the Portfolio Investments providing for such fees may have prolonged terms (often exceeding ten years and/or subject to automatic extensions and renewal), the effect of such acceleration may be substantial, particularly in the event such circumstances occur early in the life of a PE Client’s investment in such Portfolio Investment. A Fund’s allocable portion of the aggregate annual monitoring fees and any accelerated monitoring fees will be offset against fees payable in respect of such Fund in accordance with the offset provisions in the applicable Organizational Documents. In instances where other Adjacent Vehicles participate in a Portfolio Investment with a Fund, the aggregate amounts or fees allocable to any other Adjacent Vehicles, would, depending on the terms of the Organizational Documents of such other Adjacent Vehicles, either be offset, in whole or in part, against the management fees payable by such Fund to the Adviser or its affiliate or, as is often the case, fully retained by the Adviser. The amounts allocable to co-investors would be fully retained by the Adviser or its affiliate unless the agreements with co-

investors provide otherwise. Additionally, Portfolio Investments may reimburse the applicable Firm entity for expenses (including without limitation travel expenses, which may include expenses for chartered or first class travel, and meals and entertaining expenses) incurred by such Firm entity in connection with its performance of services for such Portfolio Investment; such reimbursed expenses are generally not included in the definition of “**Other Fees**” under the terms of the applicable organizational documents, and such reimbursements are not subject to the offset arrangements described above. For a discussion of material conflicts of interest created by the receipt of such fees, please see Item 11 below.

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

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

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

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

Any Performance Compensation in respect of the BCPAL Adjacent Vehicles and the BDC will be set forth in the applicable operating agreements thereof. Existing Adjacent Vehicles generally pay Performance Compensation (e.g., “incentive fees”), which Performance Compensation conforms with the requirements set forth in Section 205 of the Advisers Act.

The precise amount of, and the manner and calculation of, the Performance Compensation for each BCPAL Fund is disclosed in such Fund’s Organizational Documents and will vary Fund by Fund (including amount, timing, waterfall conditions or other terms). The Performance Compensation

provisions are negotiated collectively with the investors of each such Fund and are also subject to waiver or reduction by the applicable Firm entity. For example, the Adviser and certain of its principals and personnel and their “friends and family” and related vehicles typically invest in these Funds, and the Performance Compensation related to such investments is typically substantially reduced or waived entirely. The precise amount of, and the manner and calculation of, the Performance Compensation for each BCPAL Adjacent Vehicle is generally disclosed in such Adjacent Vehicle’s investment management agreement and will vary entity by entity.

With respect to the BDC, the Performance Compensation consists of two parts, as follows:

- (i) The first component, payable at the end of each quarter in arrears, equals 100% of the pre-incentive fee net investment income in excess of a 1.50% quarterly preferred return but less than 1.76% the upper-level breakpoint and 15% (17.50% if an exchange listing occurs) of the amount of pre-incentive fee net investment income that exceeds 1.76% (1.818% if an exchange listing occurs) in any calendar quarter. For purposes of determining whether pre-incentive fee net investment income exceeds the hurdle rate, pre-incentive fee net investment income is expressed as a rate of return on the value of the BDC’s net assets at the end of the immediately preceding calendar quarter.
- (ii) The second component, payable at the end of each calendar year in arrears, the capital gains incentive fee, equals 15.0% of cumulative realized capital gains from inception through the end of such calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gains incentive fee for prior periods. The BDC accrues, but does not pay, a capital gains incentive fee with respect to unrealized capital appreciation because a capital gains incentive fee would be owed to the Adviser if the BDC were to sell the relevant investment and realize a capital gain.

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

ITEM 7. TYPES OF CLIENTS

The Adviser currently provides investment advisory services in respect of the BCPAL Clients. Interests in the BCPAL Funds are generally offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in the Funds are generally “accredited investors” as defined in the Securities Act and/or “qualified purchasers” as defined in the 1940 Act; however, non-U.S. investors or certain Firm employees (and/or their related vehicles) in

the Funds may not be “qualified purchasers.” Investors in the BCPAL Funds may include, among others, high net worth individuals, banks, thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, university endowments, corporations, limited partnerships and limited liability companies or other entities, Operating Advisors as well as executives of portfolio companies. BCPAL Funds may, however, be offered under other exemptions or pursuant to applicable registration statements under the Securities Act and/or the Exchange Act of 1934, as amended, from time to time (as the case may be).

The Firm does not have a minimum size for a BCPAL Fund, but minimum investment commitments are generally established for investors in these Funds. The general partner of each Fund may in its sole discretion permit investments below the minimum amounts set forth in the Organizational Documents of such Fund. Minimum investment commitments for the BDC and BCPAL Adjacent Vehicles will be set forth in their applicable operating agreements.

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

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

Methods of Analysis and Investment Strategies

In advising a Client, the Adviser will recommend an investment strategy (i) in respect of the Credit Clients, to such Credit Client and (ii) in respect of the PE Clients to such PE Client’s general partner indirectly through BCP, based on its deliberate approach to asset selection, portfolio construction, execution, due diligence and value creation.

PE Clients Approach

On the PE Clients’ side, this approach consists of:

- **Asset Selection** — BC Partners’ deliberate approach to asset selection is based on its “**Key Investment Criteria**” which have not changed materially since its inception. These criteria provide a framework for assessing investment opportunities using the experience and expertise of the Adviser’s investment team in respect of the PE Clients (the “**PE Investment Team**”) in business analysis. The Key Investment Criteria include:
 - Market-leading Businesses;

- Defensive Markets and Business Models;
 - Cash Flow Generation;
 - Growth Potential;
 - Multiple Operating Levers;
 - Fair Prices for Superior Businesses;
 - Strong, Incentivized Management Team;
 - Control and Governance Rights;
 - Attractive Exit Alternatives;
 - Limited Country Risk; and
 - Appropriate Diversification of Fund Portfolio.
- ***Portfolio Construction*** — In respect of PE Funds, BC Partners typically builds its portfolio in with a balance of larger investments exhibiting commensurably lower risks and solid rewards alongside higher growth businesses with more significant upside potential. In addition to the diversification of the portfolio through different risk/reward profiles, BC Partners seeks to manage the diversification of the PE Funds across a number of other areas such as: sector, geography and currency, etc.

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

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

- ***Execution and Due Diligence*** — BC Partners believes that strong execution and rigorous due diligence are critical elements to BC Partners maintaining its competitive advantage, which is achieved through: (i) finding sources of information through contacts, industry executives or specialized consultants; (ii) being more thorough and rigorous in analyzing industry dynamics and key business drivers; (iii) spending more time in due diligence, typically starting well ahead of any formal sale process; and (iv) a full detailed review of every investment by the PE Investment Committee. BC Partners' disciplined approach to sourcing is important in filtering investment opportunities which are superficially attractive but ultimately do not satisfy BC Partners' Key Investment Criteria. Adherence to this approach limits the firm's appetite for investments in

unusual or atypical situations such as start-ups or turnarounds and keeps the PE Investment Team focused on businesses that the deal team expects to perform strongly through economic cycles. BC Partners seeks to apply its execution and due diligence capabilities throughout the stages of the investment process and, in particular, in the areas of sourcing, building an angle, financing and structuring as well as exit planning.

- **Value Creation** — A critical element of BC Partners’ strategy is creating value in its investments through an active and engaged approach to shareholding. While management teams are responsible for the day-to-day operations of a business, BC Partners remains an actively involved shareholder, with several members of the deal team typically holding seats on the board of directors. BC Partners’ representatives provide guidance to the management team and, typically with the operations team, active support to structure and then execute the performance improvement programs. In all cases, BC Partners continuously monitors the progress of an investment against the business plan and the progress of improvement plans against the agreed target. Where significant gaps between actual and expected performance emerge, the broader team often plays an important role in helping managers execute corrective action.

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

Since inception, BC Partners has maintained what it believes is an extremely rigorous investment process from sourcing through to exit. After an investment is completed, the same deal team continues to actively oversee and monitor each of the portfolio companies and evaluates and advises on the optimal exit process.

Credit Client Approach

The Adviser’s investment team for the Credit Clients (the “**Credit Investment Team**”) follows an investment process from sourcing through execution, monitoring and exit, utilizing investment memos to reinforce investment discipline and support repeatable investment processes. Investment decisions relating to the Credit Clients are made by an investment committee comprised of Ted Goldthorpe, Henry Wang, Matthias Ederer and, for certain investments, Raymond Svider (the “**Credit Investment Committee**”).

Direct Lending. Yield strategies, or direct lending, are implemented by the Credit Business through capital efficient vehicles that allow for favorable tax treatment, such as the BDC. Direct lending broadly encompasses the type of corporate lending to middle market companies that used to be the purview of banks but is now provided by non-bank asset managers such as hedge funds, private equity funds and insurance firms. In other words, direct lending is the provision of financing to private companies by a supplier which is not a bank. In executing this investment strategy, the Credit Business seeks to source deal flow consisting of traditional corporate asset and cash flow lending to sponsor-backed companies by leveraging the Credit Business’ network of relationships with sponsors and intermediaries. In addition, the Credit Business utilizes sourcing tools and personal and

professional contacts to find opportunities which may include transacting directly with family or entrepreneur owned businesses or asset-based lending or transactions in specialty verticals. The Credit Business pursues both sponsor-backed and non-sponsored opportunities to target risk adjusted returns and capital preservation across a larger opportunity set.

Opportunistic Credit. The Credit Business seeks to provide a full credit cycle investment platform with the ability to allocate capital to fill the space created as other capital sources retrench due to both secular and cyclical investing trends. This investment strategy seeks to invest throughout the credit cycle and across liquid and illiquid strategies. The Credit Business expects to apply the same investment philosophy throughout the stages of the credit cycle. The investment philosophy prioritizes establishing downside protection and principal preservation and seeks to generate attractive risk-adjusted returns through execution of a differentiated investment approach built around four principal strategies: event driven, stressed/distressed, asset investing and private lending and structured equity. In contrast with the direct lending strategy, the credit strategy seeks more asymmetric risk-return opportunities.

Both of the above-mentioned strategies seek to emphasize:

Focus on capital preservation	<ul style="list-style-type: none"> Preference for secured debt Maximize margin of safety through both financial and structural protection
Private equity style investment process	<ul style="list-style-type: none"> Long-term focused investment philosophy Leverage expertise and network through integrated platform Utilize standardized investment memos to reinforce discipline in investment analysis and support repeatable investment process
Flexible and opportunistic	<ul style="list-style-type: none"> Seek to generate through market dislocations, relationship advantages, regional expertise, structural documentation and value-add initiatives Flexibility and patience of capital is anticipated to drive attractive risk-adjusted return
Cross-functional investment committee	<ul style="list-style-type: none"> Comprised of individuals from the Credit Business and the Private Equity Business Deep industry experience through decades of investing in targeted sectors Flexible investment approach optimizing risk-return across the capital structure Provides the Credit Business with broader perspective on macro trends and industry dynamics
Breadth of resources across geographies and sectors	<ul style="list-style-type: none"> Target primarily developed markets with a focus on North America and Europe Sectors and regions where BC Partners has industry expertise and deep sourcing relationships

Methods of Analysis

Deal Sourcing. The Credit Business' sourcing capabilities are supported by longstanding and well-established relationships across both the credit and private equity platforms with intermediaries, advisors, corporations, funds, financial institutions, sponsors, and management teams. The Credit

Business' access to proprietary deal flow is strengthened by its integration with the Firm's private equity platform and the flow of information between the private equity and credit sides of the Firm. The Credit Business seeks to position itself as a solution provider for financial institutions and businesses with the ability to provide expertise in both financial structuring and value creation.

The Credit Business utilizes three complementary sourcing channels to access propriety investment deals and evaluate risk-reward opportunities:

- ***Credit Business Team*** — The Credit Business team seeks to proactively identify companies across various industries and sectors which may be potential attractive borrowers. During weekly idea meetings, the team discusses in-depth and timely market intelligence with a focus on borrowers which may have inadequate access to capital or whose fundamentals are not priced appropriately by the broader market. The team also benefits from established relationships with sponsors, entrepreneurs and management teams honed over decades of operating in the credit markets. This may include strategic partners with whom the Credit Business has engaged to source and service certain asset classes, or other credit firms with complementary strategies. This channel is a focus for the Credit Business in building its pipeline.
- ***Joint Venture with Leader Originator*** — The Credit Business benefits from an exclusive joint venture with one of the largest middle market sponsor direct lenders in North America. Importantly, the relationship expands the Credit Business' origination platform by providing immediate access to over 75 origination professionals covering 400+ sponsors and sourcing 1,500+ deals per year. Visibility into trends across pricing and deal terms better positions the Credit Business to price risk across the spectrum, and so is relevant as a sourcing engine as well as valuable market feedback.
- ***BC Partners Platform*** — Through integration with the BC Partners platform, it is anticipated that the Credit Business will have access to information on a significant number of opportunities that pass through the Private Equity Business deal flow pipeline each year. The Credit Business will seek to analyze this information for the purposes of primary deal flow, secondary debt purchases and industry insights. In many cases, the optimal risk-adjusted return profile of the opportunities reviewed by the Private Equity Business will be credit-related, and an opportunity that may not suit the Private Equity Business's requirements could be attractive to the Credit Business.
- In addition to the usual networks of legal and financial advisors and intermediaries, integration with the Private Equity Business platform and its investment professionals across North America and Europe provides the Credit Business with access to the broad BC Partners network built up over 30 years of investing in the buyout space. This network includes CEOs, entrepreneurs, business founders, senior advisors and Operating Advisors with experience at the highest levels across a broad range of both sector and geographies. Access to the Private Equity Business' network can help the Credit Business position itself as the partner of choice for businesses seeking not just financial support but knowledge and expertise to support and add value..

Initial Credit Review. After an attractive and actionable investment opportunity has been identified, the Credit Business will perform initial diligence which includes high level credit analysis and a more in-depth assessment of actionability. An initial investment idea and – as applicable – a preliminary

set of deal terms along with a proposed potential structure will be determined and presented along with the initial diligence findings in a standardized investment memo.

Full Credit Review. Following approval from investment committee to continue to diligence a prospective investment, the Credit Business will proceed to “Full Credit Review” which will include a detailed fundamental credit analysis and an absolute and relative risk/return assessment. An in-depth, private equity style fundamental analysis of the opportunity will be performed to allow the Credit Investment Team to assess the target’s intrinsic and future value.

Monitoring. Throughout the investment hold period the Credit Business will perform ongoing monitoring to ensure the investment remains on track to achieve its return target. Formalized ongoing monitoring processes will include full quarterly portfolio reviews, continuous assessments of fund-level risk-reward profiles and comprehensive scenario sensitivities.

Value Creation. As appropriate, the Credit Business will engage with portfolio company management on value-add initiatives, with the support of its operations team and with access to the intellectual capital of BC Partners’ operating adviser and CEO networks.

Exit. The Credit Business will actively monitor the investment and market conditions to determine if an opportunity exists to exit an investment. When the Credit Business determines the time is right to exit — either because the initial return target has been met, or because changing circumstances suggest that it may be appropriate to exit without having achieved the return target, the team will seek the approval of the Credit Business’ investment committee.

While BC Partners intends generally to apply the investment processes described in this brochure to the Credit Clients’ investments, the Credit Clients intend to pursue a wide variety of strategies (as described in the applicable Organizational Documents) and BC Partners may therefore modify or depart from the process described herein in order to achieve a Credit Client’s investment objectives.

Risk of Loss

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

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

Risks Applicable to All Funds

Nature of Investment. An investment in a Fund is speculative and requires a long-term commitment with no certainty of return. There can be no assurance that a Fund will achieve its investment objectives and returns generated by its investments may be insufficient to compensate investors

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

Difficulty in Locating Suitable Investments. Although BC Partners has been successful in identifying suitable investments in the past, a Fund may be unable to find a sufficient number of attractive opportunities to meet its investment objectives, and the past performance of the Adviser in identifying suitable investments should not be treated as any guarantee of its ability to identify suitable investments in the future or its ability to implement its investment strategy and achieve its investment goals with respect to a Fund. Investors in a Fund should draw no conclusions from the performance of investments by the Adviser, and should not expect to achieve a similar return.

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

BC Partners will expend significant resources and may incur significant costs in relation to a potential investment for a Fund. Such costs will be charged to such Fund and may not necessarily be recoverable, particularly if the Fund's bid for the investment is unsuccessful or if the investment is not completed in full for any other reason.

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

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

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

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

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

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

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

Regulatory Proposals with Respect to Private Funds and Investment Advisers. In recent years, the SEC staff's stated examination priorities and published observations from examinations have included, among other things, private equity firms' collection of fees and allocation of expenses, their marketing and valuation practices, custody practices, allocation of investment opportunities, terms agreed to in side letters and similar arrangements with investors, consistency of firms' practices with disclosures, handling of material non-public information and insider trading, purported waivers or limitations of fiduciary duties and the existence of, and adherence to, policies and procedures with respect to conflicts of interest.

In August 2023, the SEC voted to adopt previously proposed new rules and amendments to existing rules under the Advisers Act (collectively, the "**Private Funds Rules**") specifically related to

investment advisers and their activities with respect to the private funds they advise. In particular, the Private Funds Rules will, among other changes, impose quarterly reporting by private funds to their investors that is required to contain detailed information on performance, investments, adviser-compensation, fees and expenses, capital inflows and capital outflows; require registered investment advisers to obtain an annual audit for all private funds that meets the requirements of the existing Advisers Act custody rule; require registered investment advisers to obtain a fairness or valuation opinion and make certain disclosures, in connection with adviser-led secondary transactions (also known as GP-led secondaries); restrict advisers from engaging in certain practices unless they satisfy certain disclosure requirements and, in some cases, consent requirements, which practices include, without limitation, charging regulatory or compliance fees or expenses, or fees or expenses associated with an examination, of BC Partners or its related persons to Clients that are private funds, seeking reimbursement for certain investigation-related expenses, reducing the amount of the General Partner's clawback by actual, potential or hypothetical taxes applicable to the General Partner or its employees, borrowing from a private fund, making non-pro rata fee or expense allocations; restrict advisers from engaging in certain forms of preferential treatment to private fund investors related to liquidity and information rights if they would be reasonably expected to have a material negative effect on other investors and otherwise require advisers to make certain disclosures regarding preferential treatment of investors; and prohibit an adviser from having a private fund bear the costs of any fees or expenses related to an investigation resulting in a court or governmental authority imposing a sanction for violating the Advisers Act. The Private Funds Rules also impose additional requirements on advisers to document their annual compliance reviews in writing and retain additional required books and records relating to private funds they advise. Although the legality of the Private Funds Rules is currently being challenged in federal court, it is uncertain whether this legal challenge will succeed.

While the full impact of the Private Funds Rules cannot yet be determined, it is generally anticipated that these rules will have a significant effect on private fund advisers and their operations, including by increasing regulatory and compliance costs and burdens and heightening the risk of regulatory inquiries and actions (including public regulatory sanctions) and limiting BC Partners' ability or willingness to negotiate certain types of individualized terms with investors in Funds or similar pools of assets that invest alongside the Funds, which may cause certain investors to not subscribe to a Fund to which they otherwise might have. The Funds are expected to bear (either directly or indirectly through their respective portfolio companies) certain regulatory and compliance costs relating to the Private Funds Rules, which could include (without limitation) fees, costs and expenses incurred in connection with preparing and distributing to investors the quarterly statements required by the rules, soliciting and obtaining from investors any consents required by the rules, providing investors with any notices or disclosures required by the rules and obtaining and distributing to investors fairness or valuation opinions in connection with adviser-led secondary transaction (including fees paid to third parties engaged by BC Partners or the applicable Fund to perform or assist with such actions or processes), which fees, costs and expenses could be material.

In May 2022, the SEC proposed amendments to rules and reporting forms to promote consistent, comparable, and reliable information for investors concerning investment advisers' incorporation of environmental, social, and governance (ESG) factors (the "ESG Proposed Rule"). The ESG Proposed Rule seeks to categorize certain types of ESG strategies broadly and require advisers to both provide census type data in Form ADV Part 1A and provide more specific disclosures in adviser brochures based on the ESG strategies they pursue.

In February 2023, the SEC proposed extensive amendments to the Advisers Act custody rule (the “Proposed Safeguarding Rule”), which would, if adopted as currently proposed, extend the existing custody rule’s requirements beyond cash and securities to any positions held in an advisory client’s accounts (including assets such as real estate, artwork and rights to music catalogs); require registered investment advisers to enter into new or amended written agreements with each qualified custodian (“QC”) used to maintain client assets and obtain written assurances from that QC related to, among other matters, indemnification of client losses and the QC’s standard of care; require that a QC maintains possession or control of client assets, whereby the QC is required to participate in and effectuate any change of beneficial ownership of the assets, except with respect to certain privately offered securities and physical assets that the adviser reasonably determines (and documents) cannot be maintained by a QC in a manner in which such QC can maintain possession or control of those assets. If adopted, the proposed amendments could expose BC Partners to additional regulatory liability, increase compliance and other costs related to custodying the Funds’ assets (including costs of identifying and negotiating with new and existing QCs), limit the number of QCs available (or make it more costly for such QCs to operate, which might result in higher expenses to the Funds) and impose limitations or requirements on certain assets, which could result in BC Partners avoiding making certain types of investments on behalf of the Funds.

In addition, in July 2023, the SEC proposed new predictive data analytics rules (the “Predictive Data Proposal”), which would require broker-dealers and registered investment advisers to identify certain covered technologies (defined to include any analytical, technological, or computational function, algorithm, model, correlation matrix, or similar method or process that optimizes for, predicts, guides, forecasts, or directs investment-related behaviors or outcomes, and not limited to “artificial intelligence”, algorithmic trading or machine learning processes) which present or may present conflicts of interest in direct or indirect interactions (including exercising investment discretion, managing investments, providing information or soliciting new investment) with Clients (and investors in Clients) and eliminate or neutralize (rather than just disclose) such conflicts. Advisers using covered technologies would be required to adopt policies and procedures reasonably designed to prevent violations of the proposed rule, detailing the processes for identifying and evaluating covered technologies and conflicts of interest and for eliminating or neutralizing the effect of such conflicts, and advisers would also be subject to associated annual review and recordkeeping requirements (such as, maintaining a record of all covered technologies used in investor interactions, including the date of first use and each date on which the technology is materially modified). If adopted, the proposed rule could expose BC Partners to additional regulatory uncertainty, liability and increased compliance and other costs related to procuring, utilizing and monitoring covered technologies used in direct or indirect interactions with investors (including the costs of onboarding service and technology providers). If adopted, the rule could also cause BC Partners to limit or discontinue its use of certain covered technologies (even in cases where such technologies may benefit the Funds and their investors, including in connection with BC Partners’ management of investments in portfolio companies) in order to eliminate or neutralize conflicts associated therewith or to avoid the costs of complying with the rule with respect to such technologies, limit certain direct or indirect interactions with investors that involve the use of a covered technology, or otherwise alter how it integrates covered technologies into its investment management services and related processes, which could be detrimental to the Funds and investors in the Funds, particularly given the proposed rule’s breadth.

The SEC has also recently proposed, and can be expected to propose, additional new rules and rule amendments under the Advisers Act in respect of additional Form PF reporting obligations (in

addition to those recently adopted), cybersecurity risk governance, the outsourcing of certain functions to service providers and changes to Regulation S-P (together with the Proposed Safeguarding Rule and Predictive Data Proposal, the “Other Proposed Rules”).

The Private Funds Rules, and the ESG Proposed Rule and Other Proposed Rules, to the extent adopted, are expected to result in material alterations to how BC Partners operates its business and/or the BCPAL Clients, as well as BC Partners’ implementation of the BCPAL Client’s investment strategy, to significantly increase compliance burdens and associated costs (which, to the extent permitted under the Organizational Documents, and consistent with applicable law, including the Private Funds Rules (once they become effective), will be treated as expenses of the applicable BCPAL Clients) and complexity and to possibly restrict the ability of BC Partners to receive certain expense reimbursements or allocate certain expenses in certain circumstances. This regulatory complexity, in turn, may increase the need for broader insurance coverage by fund managers and increase such costs and expenses charged to the Clients and the investors in Clients, if permitted. Certain of the proposed rules may also increase the cost of entering into and maintaining relationships with service providers to BC Partners and the BCPAL Clients and may limit the number of service providers and/or costs of engaging with service providers, in a manner detrimental to BC Partners or the BCPAL Clients. In addition, these amendments could increase the risk of exposure of the BCPAL Clients, the General Partner and BC Partners to additional regulatory scrutiny, litigation, censure and penalties for non-compliance or perceived noncompliance, which in turn would be expected to adversely (potentially materially) affect BC Partners and the BCPAL Clients’ reputations, and to negatively impact the BCPAL Clients in conducting their businesses (thereby materially reducing returns to investors). Further, as described above, as these amendments will, once effective, impose limitations regarding preferential treatment of investors in private funds, the General Partner and its affiliates could potentially be prohibited from complying with certain side letter provisions and thereby deprive the investors of the previously negotiated benefits of such agreements. There can be no assurance that the Private Funds Rules and any other new SEC rules and amendments will not have a material adverse effect on BC Partners, BCPAL Clients, their investments and/or the investors in the BCPAL Clients or that such rules or amendments will not materially reduce returns to such investors.

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

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

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

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

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

Financial Market Fluctuations. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the Funds and may affect the Funds' ability to make investments and the value of the investments held by the Funds. Instability in the securities markets and economic conditions generally may also increase the risks inherent in the Funds' investments. For example, volatile market conditions can lead to significantly diminished availability of credit and an increase in the cost of fundraising, which can materially hinder the initiation of leveraged transactions. In addition, the ability to realize investments depends not only on portfolio companies and their historical results and prospects, but also on political, market and economic conditions at the time of such realizations. Volatility in the financial sector of the type experienced in 2008 may have a material adverse effect on the ability of the Funds to buy, sell and partially dispose of their portfolio company investments. Many private funds look to the public securities markets as a potential exit strategy, and there can be no assurance that Funds will be able to exit from their investments in portfolio companies by selling their securities in public markets, particularly in markets still experiencing significant volatility or illiquidity. It is possible that the trading market, if any, for the securities of any portfolio company will not be sufficiently

liquid to enable a Fund to sell these securities when BC Partners believes it is most advantageous to do so or at prices that BC Partners believes reflect the fair value of such investments, or without adversely affecting the securities price. The ability of portfolio companies to refinance debt securities will typically depend on their ability to sell new securities in the public high yield debt market or otherwise. There can be no assurance as to the market's liquidity and volatility. As a result of the foregoing, BC Partners may not be capable of, or successful at, preserving the value of Fund assets, generating positive investment returns or effectively managing Fund risks.

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

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

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

BC Partners will generally seek to adopt a capital structure for companies in which a Fund invests on the basis of financial projections for such companies. Projected operating results will normally be based primarily on management judgments albeit subjected to significant due diligence. In all cases,

projections are only estimates of future results and are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained and actual results may vary significantly from the projections. General economic conditions, which are unpredictable, can have a material adverse impact on the reliability of projections.

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

In addition, Fund-level borrowing will result in additional partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the Organizational Documents, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, or results in short-term gains to a Fund. As a result, the relevant Fund's return calculation will generally be higher than it otherwise would be without such Fund-level borrowing, as these calculations generally depend on the amount and timing of capital contributions, which thereby could be deemed to benefit the marketing efforts of BC Partners and increases the likelihood that any hurdle or preferred return component in the Fund's carried interest arrangements will be met. A portfolio company financing from a subscription line, rather than from a Fund-level equity commitment, has the potential to increase such returns, particularly in instances where the relevant amount has been drawn for an extended period of time. In other circumstances, the use of Fund-level borrowing can increase the base of a Fund's Advisory Fee calculation, such as during periods where Advisory Fee are based in whole or in part on an acquisition cost that includes a borrowing component. Because Advisory Fees are incurred whether an investment is financed through capital calls or borrowings, and a Fund's preferred return typically does not accrue on outstanding borrowings, the relevant general partner has an incentive to cause the Fund to make investments and/or pay such amounts using a subscription line rather than making capital calls. The use of Fund-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of a Fund's investment period, and cause or defer a related change in the basis of the relevant Fund's Advisory Fee calculation under the Organizational Documents. In light of the foregoing, BC Partners has an incentive to fund the acquisition and ongoing capital needs of investments and the Fund with the proceeds of such Fund-level borrowings in lieu of drawing down commitments on a just-in-time basis.

Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds) as, to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line. In certain circumstances, a Fund will provide guarantees or other credit support (including the use of subscription lines) to finance the acquisition of an investment by both the relevant Fund and other investment vehicles or accounts managed by BC Partners, which may include the PE Funds, SIF, Accounts, BDC or Credit Clients (“**Advisory Clients**”). In each case where co-investors and/or Advisory Clients participate in an investment that is acquired using a particular Fund’s subscription line, the relevant Fund is expected to guarantee an amount in excess of its proportionate interest in the investment, including amounts in respect of the interests of such co-investors and/or Advisory Clients. In each such case the relevant Fund’s assets (including unfunded Fund commitments) will be available to satisfy the liabilities and other obligations associated with such co-investors and/or Advisory Clients. Further, the relevant Fund (and by extension its investors) is expected to bear the cost of all fees and expenses related to the use of such subscription lines, including those related to investments in which co-investors and/or the Advisory Clients participate, and neither the Fund nor its investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

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

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

outstanding through means other than limited partner capital, including as a bridge for equity or debt capital with respect to an investment. If the Fund ultimately is unable to repay the borrowings through those other means, limited partners would end up with increased exposure to the underlying investment, which could result in greater losses.

If an investment appreciates in value and is disposed of prior to repayment, the relevant Fund generally would apply disposition proceeds to repay the borrowing and related interest and expenses, the absence of invested capital funded by limited partners potentially will result in a distribution of net proceeds without a preferred return accrual on the amount invested. Accordingly, borrowings have the potential to support the distribution of proceeds to limited partners and increase the potential carried interest for the relevant general partner, as reduced by the interest incurred by the relevant Fund. Subject to any limitations in the Organizational Documents, this scenario potentially incentivizes the relevant general partner to permanently fund the acquisition and ongoing capital needs of a Fund's investments and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never, if principal and interest on such borrowings are always repaid out of disposition proceeds).

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

Loan Refinancings; Investments in Portfolio Entities. A Fund is permitted to participate in investments relating to (i) the refinancing of loan investments or portfolios held by certain other Adjacent Vehicles and/or (ii) Portfolio Investments of one or more other Adjacent Vehicles, including primary or secondary issuances of loans or other interests by such Portfolio Investments. While it is expected that the participation of a Fund in connection with any such transactions will be at arms' length and on market terms, such transactions may give rise to potential or actual conflicts of interest.

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

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

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

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

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

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

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

Side Letters. BC Partners has entered, and is permitted in the future to enter, into a side letter or other similar agreement with a particular investor in connection with its admission to a Fund without the approval of any other investor in such Fund, which may have the effect of establishing rights under or supplementing the terms of the applicable Organizational Documents or otherwise providing a right or benefit with respect to such investor in a manner more favorable to such investor than those applicable to other investors in such Fund. Such rights or terms in any such side letter or other similar agreement may include, without limitation: (i) rights relating to respective advisory committee (if

applicable); (ii) rights relating to co-investment opportunities; (iii) economic provisions relating to platform or multi-fund investors; (iv) rights relating to the transfer of interests in the Fund or exercises by the general partner (or its affiliate) of its discretionary authority under the applicable partnership agreement for the benefit of the applicable investor; (v) excuse rights applicable to particular Fund investments (which may increase the percentage interest of other investors in, and contribution obligations of other investors with respect to, such Fund's investments) or withdrawal and/or related rights with respect to the Fund generally in certain limited regulatory and/or policy related circumstances; (vi) rights relating to tax and regulatory reporting; (vii) representations and warranties relating to a particular point in time; (viii) rights relating to confidential information; (ix) different fee structures or arrangements (including discounted or rebated compensation terms, modified waterfall mechanics and/or receipt of a portion of BC Partners' compensation); (x) information rights; (xi) specialized reporting; (xii) confidentiality protections and disclosure rights; (xiii) modification of default remedies; (xiv) investment pacing restrictions; (xv) rights or terms necessary in light of particular legal, regulatory, tax or ERISA status or public policy characteristics of an investor or to administrative or operational or written policy requirements applicable to an investor; and/or (xvi) any other economic procedural and other terms, many of which will not be subject to the "most-favored nation" provisions of a Fund's Organizational Documents.

BC Partners is likely to have its own economic and/or other business incentives to provide certain terms to certain investors, e.g., based on commitment amount to a Fund or the timing thereof, the ability of an investor to provide sourcing or other services to BC Partners, its affiliates and personnel or the Funds, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to the Adviser, its affiliates and personnel, or the Funds. Further, side letters also are expected to relate to strategic relationships under which an investor agrees to make capital commitments to multiple Funds. Except in the circumstances and on the timing required by Organizational Documents and/or applicable law, other investors will not receive copies of side letter or related provisions, and as a general matter, the other investors have no recourse against a Fund, BC Partners, the relevant general partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such side letters. Side letters subject BC Partners to potential conflicts of interest, including in circumstances where an investor's right to serve on the relevant Fund's advisory committee results in the investor receiving additional information relative to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. Other side letter rights are likely to confer benefits on the relevant limited partner at the expense of the relevant Fund or of limited partners as a whole, including in the event that a side letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Fund.

As a consequence of one or more investors being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments or ability to bear certain liabilities or obligations, the aggregate returns realized by participating or non-participating investors could be adversely affected in a material manner by the unfavorable performance of particular investments; similar considerations apply in the event a limited partner defaults on a drawdown in respect of an investment. Although BC Partners believes it to be unlikely, excuse rights requested or received by one or more investors (or such regulatory, tax or other factors applicable to such investors) representing a substantial percentage of a Fund have the potential to create significant variations in investor investment returns or exposure to liabilities or obligations, or to influence or affect the

investment strategy and pursuit of investment opportunities by the general partner on behalf of the relevant Fund as a whole. An investor's voting rights for regulatory or other reasons can be limited in circumstances specified in the Organizational Documents; conversely, a limitation on one or more investors' voting rights generally will increase the voting rights percentage of other investors in the relevant Fund. Further, investors with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, e.g., based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Fund.

Litigation Risk. The financial performance of the Portfolio Investments in which a Fund invests may be affected by litigation such as contractual claims, occupational health and safety claims, public liability claims, environmental claims, industrial disputes, tenure disputes and legal action from special interest groups. Such litigation could materially reduce the value of a Fund's investments. The performance of a Fund may also be affected in the event that litigation is commenced against BC Partners, which litigation may restrict BC Partners from performing its functions and duties in relation to such Fund. The expense of researching and gathering information in respect of any discovery requests or potential litigation, defending against claims by third parties and paying any amounts pursuant to settlements or judgments generally would be borne by a Fund and would reduce net assets or could require investors to return to a Fund distributed capital and earnings.

Further, the financial performance of portfolio companies in which a Fund has invested may be affected from time to time by litigation such as contractual claims, occupational health and safety claims, public liability claims, environmental claims, industrial disputes, tenure disputes and legal action from special interest groups. Such litigation could materially reduce the value of a Fund's investments. The performance of a Fund may also be affected in the event that litigation is commenced against BC Partners, or any of its affiliates, which litigation may restrict BC Partners from performing its functions and duties in relation to such Fund. In common with many of its peers, BC Partners may from time-to-time and in the ordinary course of business be party to certain litigation or other proceedings, including in relation to portfolio company investments.

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

Other jurisdictions maintain different and/or additional economic and trade sanctions. In some countries, there is a greater acceptance than in the United States of government involvement in

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

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

Compliance with CFIUS and other U.S. and Similar Non-U.S. Regulatory Regimes. Current laws and regulations in various jurisdictions give heads of state and regulatory bodies the authority to block or impose conditions with respect to acquisitions of, and investments in, local entities by foreign persons if that acquisition or investment threatens to impair national or economic security or is otherwise deemed undesirable. In addition, many jurisdictions restrict foreign investment by taking steps including but not limited to placing limitations on foreign investment, implementing investment screening or approval mechanisms, and restricting the employment of foreigners as key personnel. In addition, a number of U.S. states are passing and implementing state laws prohibiting or otherwise restricting the acquisition of interests in real property located in the state by foreign persons (“**Foreign Ownership Laws**”).

In some cases, a Fund’s investments involving a U.S. business (including a U.S. branch or subsidiary of a company domiciled outside of the United States) may be subject to review and approval by the Committee on Foreign Investment in the United States (“**CFIUS**”). In the event that CFIUS or any non-U.S. equivalents thereof reviews one or more Investments or in the event that Foreign Ownership Laws or the Outbound Investment Screening Regime (as defined below) applies to a particular investment, there can be no assurance that a Fund will be able to maintain or proceed with such investments on terms that are acceptable to the general partner of such Fund.

CFIUS may recommend that the U.S. President block such transactions, or CFIUS may impose conditions on such transactions, certain of which may materially and adversely affect a Fund’s ability to execute its investment strategy. Additionally, CFIUS, or any non-U.S. equivalents thereof may seek to impose limitations on one or more such investments that may prevent a Fund from maintaining or pursuing investment opportunities that such Fund otherwise would have maintained or pursued, which could adversely affect the performance of such Fund’s investment in such portfolio investments and thus its performance generally. Legislation to reform CFIUS was signed into law on

August 13, 2018, and final regulations implementing this legislation were enacted in 2020. The legislation and its implementing regulations, among other things, expand the scope of CFIUS's jurisdiction to cover more types of transactions and empower CFIUS to scrutinize more closely investments in U.S. "critical infrastructure," "critical technology" and "sensitive personal data" companies, including investments involving foreign limited partners that may be deemed "non-passive." These reforms could impact the ability of non-U.S. investors to participate in a Fund's investments, which may impair a Fund's ability to execute its investment strategy. They could also increase the number of transactions involving a Fund that would be subject to CFIUS review and investigation as well as the timing and substantive risks described above.

The outcome of CFIUS's and other foreign direct investment processes may be difficult to predict, and there is no guarantee that, if applicable to a Portfolio Investment, the decisions of CFIUS would not adversely impact a Fund's investment in such entity. The Organizational Documents contain certain provisions that may require certain investors to be excluded from participating in an investment, for example where their participation is at risk of jeopardizing a Fund's ability to successfully acquire, hold, operate, sell, transfer, exchange, pledge or dispose of a prospective portfolio investment in light of legal, regulatory or other similar considerations.

The U.S. President signed an Executive Order in August 2023 which establishes an outbound investment screening regime that is intended to regulate investment by U.S. persons into a "country of concern" relating to certain advanced technology sectors (the "**Outbound Investment Screening Regime**"). The Outbound Investment Screening Regime is currently undergoing a rulemaking process by the U.S. Department of the Treasury and is not expected to be implemented until final rules are promulgated. As initially proposed, the Outbound Investment Screening Regime would restrict or impose notification requirements with respect to certain investments in certain companies that are engaged in certain advanced technology sectors (initial proposals include semiconductors and microelectronics; quantum information technologies; and certain artificial intelligence systems). As a result of the Outbound Investment Screening Regime, a Fund may incur significant delays and costs, be altogether prohibited from making a particular investment, or impede or restrict syndication or sale of Fund assets to certain buyers, all of which could adversely affect a Fund's ability to meet its investment objectives.

These laws could limit a Fund's ability to invest in certain entities or impose burdensome notification requirements, operational restrictions, or delays in pursuing and consummating transactions. The effect of such laws could also result in a Fund excluding (in whole or in part) the participation of certain investors from certain transactions. As a result, other investors may be required to provide additional capital to make the investment and would have a larger pro rata share than if all the investors had participated.

Similar foreign direct investment rules or regulations exist in many jurisdictions outside the U.S., and could operate in ways that adversely affect a Fund's performance and investment activities. Some of these non-U.S. national security investment clearance rules and regulations have recently been made more rigorous. Other jurisdictions are similarly in the midst of ongoing reform that may establish further restrictions and increase risk by enhancing governments' powers to scrutinize, impose conditions on, and potentially block mergers, acquisitions, and other transactions. These requirements and the disclosure process may delay or otherwise impact a Fund's acceptance and drawdown of capital commitments from certain investors and approval of transfers by or to certain investors. Delays in a Fund's ability to accept or draw down capital commitments may adversely impact the

ability of such Fund to make investments in certain jurisdictions. The foregoing requirements may also result in circumstances in which a Fund determines not to pursue certain potential investment opportunities in these countries. Complying with these laws imposes potentially significant costs and complex additional burdens, and any failure by a Fund or a portfolio company to comply with them could expose such Fund to significant penalties, sanctions, loss of future investment opportunities, additional regulatory scrutiny, and reputational harm. Heightened scrutiny of foreign direct investment worldwide may also make it more difficult for a Fund to identify suitable buyers for investments upon exit and may constrain the universe of exit opportunities for an investment. As a result of such regimes, a Fund may incur significant delays and costs, be altogether prohibited from making a particular investment, or impede or restrict syndication or sale of Fund assets to certain buyers, all of which could adversely affect such Fund's ability to meet its investment objectives.

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

European Commission Action Plan on Financing Sustainable Growth. The European regulatory environment for alternative fund managers and financial services firms continues to evolve and increase in complexity, making compliance more costly and time-consuming. In March 2018, the European Commission published an Action Plan on Financing Sustainable Growth (the “**EU Action Plan**”) to set out an EU strategy for sustainable finance. The EU Action Plan identified several legislative initiatives, including the Sustainable Finance Disclosure Regulation (the “**SFDR**”) and the Regulation on the establishment framework to facilitate sustainable investment (2020/852) (the “**Taxonomy Regulation**”) which became effective on March 10, 2021 and January 2022, respectively. These regulations introduced measures to clarify asset managers' responsibilities in relation to the integration of ESG factors and sustainability risks into their investment processes, and to improve transparency around how asset managers define, measure and disclose impact of sustainability-related information with respect to AIFs, which may have an impact on the AIFM of a Fund, which may indirectly impact such Fund and its ability to achieve its investment objectives.

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

sustainability related information in an alternative investment fund's (an "AIF") pre-contractual disclosures and periodic reports, and, depending on the strategy of its AIF(s), on websites.

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

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

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

Artificial Intelligence and Machine Learning Developments. Recent technological advances in artificial intelligence and machine learning technology (collectively, "**Machine Learning Technology**"), including OpenAI's release of its ChatGPT application, pose risks to BC Partners, the Funds and the Funds' Portfolio Investments. While BC Partners could utilize Machine Learning Technology in connection with its business activities, including investment activities, BC Partners continues to evaluate and adjust internal policies governing the use of Machine Learning Technology by its personnel. Notwithstanding any such policies, BC Partners personnel, senior advisors, executive advisors, industry advisors and other associated persons of BC Partners or any BC Partners affiliate could, unbeknownst to BC Partners, utilize Machine Learning Technology if third-party service providers or any counterparties, whether or not known to BC Partners, also use Machine Learning Technology in their business activities. BC Partners will not be in the position to control the manner in which third-party products are developed or maintained or the manner in which third-party services are provided.

Use of Machine Learning Technology by any of the parties described in the previous paragraph could include the input of confidential information (including material non-public information) – either by third parties in contravention of non-disclosure agreements, or by BC Partners personnel or the aforementioned BC Partners advisors and affiliates in contravention of BC Partners' policies – into Machine Learning Technology applications, resulting in such confidential information becoming part of a dataset that is accessible by other third-party Machine Learning Technology applications and users.

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

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

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

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

Cayman Islands Regulatory Oversight. Certain investment vehicles related to the Funds and established in the Cayman Islands are or will be required to register and be regulated as a private fund under the Private Funds Act (As Revised) (the “**Private Funds Act**”) of the Cayman Islands. Once registered, the Cayman Islands Monetary Authority (the “**Authority**”) will have supervisory and enforcement powers to ensure any such vehicle’s compliance with the Private Funds Act. The Authority may take certain actions if it is satisfied that a regulated private fund is or is likely to become unable to meet its obligations as they fall due, or is carrying on business fraudulently or otherwise in a manner detrimental to the public interest or to the interests of its investors or creditors, or is carrying on or is attempting to carry on business or is winding up of its business voluntarily in a manner that is prejudicial to its investors or creditors. The powers of the Authority include, inter alia, the power to require the substitution of a general partner, to appoint a person to advise any such vehicle on the proper conduct of its affairs or to appoint a person to assume control of the affairs of

such vehicle. There are other remedies available to the Authority including the ability to apply to court for approval of other actions.

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

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

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

Trade Policy. Some political leaders around the world (including in the U.S. and certain European nations) have been elected on protectionist platforms, fueling doubts about the future of global free trade. The U.S. government has indicated its intent to alter its approach to international trade policy including in some cases, renegotiating, or potentially terminating, certain existing bilateral or multi-

lateral trade agreements and treaties with foreign countries. For example, the U.S. government has imposed tariffs on certain foreign goods, including steel and aluminum, and has in the past indicated a willingness to and may impose tariffs on imports of other products. Some foreign governments have instituted retaliatory tariffs on certain U.S. goods and may impose additional tariffs on U.S. products in the future. Other countries, including Mexico, have threatened retaliatory tariffs on certain U.S. products. Global trade disruption, significant introductions of trade barriers and bilateral trade frictions, together with any future downturns in the global economy resulting therefrom, could adversely affect the financial performance of a Fund and its investments. However, while certain countries may have agreed to trade deals to address disputes with other countries, certain trade disputes may remain unresolved, which can be an ongoing source of instability, potentially resulting in significant currency fluctuations and/or have other adverse effects on international markets, international trade agreements and/or other existing cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise). While certain disputes have had negative economic consequences on U.S. markets, if trade-related issues persist, including as a result of geopolitical tensions, there could be additional significant impacts on the industries in which the Funds participate, the jurisdiction of investments and there could also be other adverse impacts on investments.

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

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

U.S. Taxation of Carried Interest. U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Funds as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset that generated such gain for more than three years. Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as a Fund (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law are treated as an allocation of the partnership's income (and which may be taxed at lower rates than ordinary income). Such rules, as well as any such legislation that may be enacted in the future, could apply to reduce the after-tax returns of individuals associated with a Fund, its general partner, or BC Partners who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the relevant general partner and its affiliates to incentivize, attract and retain individuals to perform services for a Fund. This creates potential incentives for BC Partners to cause

a Fund to hold investments for a longer period than would be the case if such greater-than-three-year holding period requirement did not exist.

Changes to Benchmark Rates. To the extent that a Fund’s investments, borrowing facilities, hedging activities, or other assets or structures are tied to interest rates based on benchmark or reference rates, including the London Interbank Offered Rate (“**LIBOR**”), Secured Overnight Financing Rate (“**SOFR**”) or other rates (each, a “**Benchmark Rate**”), the Fund may be subject to certain material risks, including the risk that a Benchmark Rate is terminated, ceases to be published or otherwise ceases to be broadly used by the market. Regulators, central banks, governments and other market participants have transitioned historical instruments and contracts away from LIBOR to new Benchmark Rates. This transition includes the potential to: increase volatility or illiquidity in markets; cause delays in or reductions to financing options for the Funds and their portfolio companies; increase the cost of borrowing; reduce the value of certain instruments or the effectiveness of certain hedges; cause uncertainty under applicable legal documentation; or otherwise impose costs and administrative burdens relating to factors that include document amendments and changes in systems. Future transitions to and from Benchmark Rates have the potential to have similar effects.

Russia-Ukraine Conflict. There is currently an ongoing military conflict between Russia and the Ukraine which, in a relatively short period of time, has caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. However, the ultimate impact of the Russia-Ukraine conflict and its effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

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

October 7th Attacks on Israel; Aftermath. On October 7th, 2023, Hamas (an organization which governs Gaza, and which has been designated as a terrorist organization by the United States, the United Kingdom, the European Union, Australia and other nations), committed a terrorist attack within Israel (the “**October 7th Attacks**”). As of the date hereof, Israel and Hamas remain in active armed conflict. The ongoing conflict and rapidly evolving measures in response could have a negative impact on the economy and business activity globally (including in countries in which a Fund invests), and therefore could adversely affect the performance of a Fund’s investments. The severity and duration of the conflict and its future impact on global economic and market conditions (including, for example, oil prices) are impossible to predict, and as a result, present material uncertainty and risk with respect to a Fund and the performance of its investments and operations, and the ability of a Fund to achieve its investment objectives. For example, the armed conflict may expand and may ultimately more actively involve the United States, Lebanon (and/or Hezbollah),

Syria, Iran and/or other countries or terrorist organizations, any of which may exacerbate the risks described above. Similar risks exist to the extent that any Fund's portfolio company, service providers, vendor or certain other parties have material operations or assets in the Middle East, or the immediate surrounding areas. The United States has announced sanctions and other measures against Hamas-related persons and organizations in response to the October 7th Attacks, and the United States (and/or other countries) may announce further sanctions related to the ongoing conflict in the future. Risks related to sanctions described elsewhere herein apply to such sanctions as well.

Data Protection. Regulations related to privacy, data protection and information security could increase costs, and a failure to comply could result in fines, sanctions or other penalties which could materially and adversely affect the results or operations of an investment or a portfolio company, each of which could have an adverse impact on a Fund. As privacy, data protection and information security laws are implemented, interpreted and applied, compliance costs may increase and may, therefore, affect any returns that would otherwise be available to investors in a Fund.

The European Union (the "EU") data protection law currently in effect stems from the General Data Protection Regulation (EU 2016/679) (the "GDPR") that came into force across the EU on May 25, 2018 and includes Member States' legislation implementing or complementing the GDPR. The GDPR seeks to harmonize national data protection laws across the EU, whilst at the same time, modernizing the law to address new technological developments. As a regulation, the GDPR is binding on data controllers and data processors in all EU member states without the need for implementation in each member state. The GDPR notably has a greater extra-territorial reach and will have a significant impact on data controllers and data processors either with an establishment in the EU, or which offer goods or services to EU data subjects or monitor EU data subjects' behavior within the EU. The GDPR imposes more stringent operational requirements on both data controllers and data processors, and introduces significant penalties for non-compliance with fines of up to 4% of total annual worldwide turnover or €20 million (whichever is higher), depending on the type and severity of the breach.

The current ePrivacy Directive, will be repealed and replaced by the EU Commission's Regulation on Privacy and Electronic Communications (the "ePrivacy Regulation") which aims to reinforce trust and security in the digital single market by updating the legal framework on ePrivacy. The text of the ePrivacy Regulation has been finalized and is currently subject to trilogue negotiations (between the Council of the EU, the European Parliament and the European Commission); however, its date of entry into force is currently uncertain.

Compliance with current and future privacy, data protection and information security laws could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and some of BC Partners' and any Fund's current and planned business activities. A failure to comply with such laws could result in fines, sanctions or other penalties, which could materially and adversely affect results of operations and overall business, as well as have an impact on the reputation of BC Partners and such Fund.

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

However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities may ultimately be sold. Third-party pricing information may at times not be available regarding certain of a Fund's assets. With respect to the Funds, the exercise of discretion in valuation by BC Partners may give rise to conflicts of interest, valuations impact BC Partners' track record and the performance allocation in certain Funds is calculated based, in part, on these valuations and such valuations affect the amount and timing of performance fees and calculations of Advisory Fees.

Limited Access to Information. Limited partners' rights to information regarding a Fund, the relevant general partner or BC Partners generally will be specified, and in many cases strictly limited, by the applicable Organizational Documents. In particular, it is anticipated that BC Partners will obtain certain types of material information from or relating to a Fund's investments that will not be disclosed to limited partners because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of BC Partners' control. Decisions by BC Partners to withhold information may have adverse consequences for limited partners in a variety of circumstances. For example, a limited partner that seeks to transfer its interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for a limited partner to monitor BC Partners and its performance. Additionally, it is anticipated that limited partners that designate representatives to participate on a respective Fund's advisory committee (if applicable) generally may, by virtue of such participation, have more or earlier information about a Fund and its investments in certain circumstances than other limited partners. Limited partners generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the relevant Fund succeeds in asserting confidentiality for requested documents and other materials, and BC Partners reserves the right to withhold certain information from investors subject to such laws for reasons relating to BC Partners' public reputation, business strategy or other reasons.

Unfunded US Pension Liabilities of Portfolio Companies. Certain court decisions in the US have found that, where an investment fund owns 80% or more (or under certain circumstances less than 80%) of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such liabilities. Although the Firm intends to manage each Fund's investments to minimize any such exposure, a Fund is permitted to invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where such Fund may own an 80% or greater interest in such a portfolio company. If such Fund (or other 80%-owned portfolio companies of such Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the Fund and the companies in which such Fund invests. This discussion is based on current court decisions, statute and regulations regarding control group liability under the Employee Retirement Income Security Act of 1974, as amended, as in effect as of the date of this Brochure, which may change in the future as the case law and guidance develops.

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

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

Warehousing. Certain investments selected by BC Partners as appropriate investments for a Fund given the Fund's investment objectives may be warehoused in an entity affiliated with the Adviser and/or another person (the "**Warehousing Group**"). If such purchase of an investment (a "**Warehoused Investment**") is consummated, the purchase price for each Warehoused Investment will, subject to applicable law and regulation, be an amount equal to (i) the cost to the Warehousing Group (including fees, costs and expenses in connection therewith) at which the Warehoused Investment was acquired by the Warehousing Group, less distributions received by the Warehousing Group post-acquisition of the Warehoused Investment by the Warehousing Group, plus (ii) an additional amount in no case greater than the minimum contracted overall return on the transaction to compensate the Warehousing Group for the period during which a Warehoused Investment was held by the Warehousing Group. No assurances can be given that such Warehoused Investments, if any, will be transferred to the relevant Fund, or if transferred, will lead to returns limited partners in the Fund. It is also possible that such Warehoused Investments, if any, may decline in value prior to the transfer of any such Warehoused Investments to a Fund from the Warehousing Group.

Environmental, Social and Governance ("ESG") Matters. BC Partners maintains an ESG policy and seeks to integrate certain ESG factors into its investment process in accordance with its policy and subject to its fiduciary duty and any applicable legal, regulatory or contractual requirements. Applying ESG factors to investment decisions is subjective by nature, and BC Partners expects to be subject to competing demands from different investors and stakeholder groups with divergent views on ESG (including the role of ESG factors in the investment process). There is no guarantee that the criteria utilized by BC Partners, or any judgment exercised by BC Partners, will reflect the beliefs,

values, internal policies or preferred practices of any particular investor or other asset manager or reflect market trends. In addition, BC Partners' ESG / Responsible Investment Policy and associated ESG practices are expected evolve over time. Although BC Partners views the integration of ESG factors to be an opportunity to potentially enhance or protect the performance of its investments over the long-term, BC Partners cannot guarantee that its ESG program will positively impact the performance of any individual investment or Fund. For avoidance of doubt, however, BC Partners does not expect to subordinate a Fund's investment returns or increase a Fund's investment risks as a result of (or in connection with) the consideration of any ESG factors.

The materiality of ESG factors depends on many factors, including the relevant industry, location, asset class, and investment strategy. ESG factors, issues, and considerations do not apply in every instance and will vary by Fund and investment. In addition, in evaluating an investment, BC Partners expects to depend upon information and data provided by a number of sources, including the relevant investments and/or various reporting sources which could be incomplete, inaccurate or unavailable, and which could cause BC Partners to incorrectly assess a company's ESG practices and/or related risks and opportunities. BC Partners does not intend independently to verify all ESG information reported by investments or third parties.

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by asset managers. BC Partners' adoption and adherence to various such principles, frameworks, methodologies and tools is expected to vary over time. There is also a growing regulatory interest across jurisdictions in improving transparency regarding how asset managers identify and manage financially material ESG risks, as well as how they disclose, define and measure ESG performance. At the same time, anti-ESG sentiment has also gained momentum across the U.S., with several states and Congress having proposed or enacted "anti-ESG" policies, legislation, or initiatives or issued related legal opinions. The definition, measurement and disclosure of ESG factors adopted by BC Partners' and its ESG Policy and associated ESG practices could become subject to additional regulation, regulatory scrutiny, penalties or enforcement in the future, and BC Partners cannot guarantee that its current approach including the ESG Policy and associated ESG practices will meet future regulatory requirements, reporting frameworks or best practices, increasing the risk of related enforcement. Compliance with new requirements is expected to lead to increased management burdens and costs.

Financial Institution Risk; Distress Events. An investment in a Fund is subject to the risk that one of the banks, brokers, counterparties, clearinghouses, exchanges, lenders or other custodians (each, a "**Financial Institution**") of some or all of the Fund's (or any portfolio company's) assets fails to timely perform or otherwise defaults on its obligations or experiences insolvency, closure, seizure, 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, undercapitalization, market forces or accounting irregularities. If a Financial Institution experiences a Distress Event, BC Partners, any general partner, the Funds and/or any of the portfolio companies may be unable to access deposits, borrowing facilities or other services, either permanently or for an indeterminate period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation, in the case of banks, and the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose potentially increased risk of loss. While in recent years

governmental intervention has often resulted in additional protections for depositors and counterparties in connection with Distress Events, there can be no assurance that any intervention will occur, be successful or avoid the risks of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

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

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

Inflation. The U.S. and other developed economies are experiencing higher than normal inflation rates. It remains uncertain whether the substantial inflation in the U.S. and other developed economies will be sustained over an extended period of time or have a significant effect on the U.S. or other economies. Inflation and rapid fluctuations in inflation rates have had in the past, and may in the future have, negative effects on economies and financial markets, particularly in emerging economies. For example, if a borrower is unable to increase its revenue in times of higher inflation, its profitability may be adversely affected, including, without limitation, as a result of a significant increase to such borrower's operating cost. Borrowers may have revenues linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangement. As inflation rises, a borrower may earn more revenue but incur higher expenses. As inflation declines, a borrower may 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. In an attempt to stabilize inflation, countries may impose wage and price controls or otherwise intervene in the economy, and certain central banks have raised interest rates. Governmental efforts to curb inflation often have negative effects on the level of economic activity. Some countries have historically experienced substantial rates of inflation. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of certain economies, including in regions that a Fund may invest. In an attempt to stabilize inflation, certain countries have imposed wage and price controls at times. Past governmental efforts to curb inflation have also involved more drastic economic measures that have had a materially adverse effect on the level of economic activity in the countries where such measures were employed, and similar governmental efforts could be taken in the future to curb inflation and could have similar effects. Certain countries and regions, including the U.S., have recently seen increased levels of inflation and there can be no assurance that continued and more wide-spread inflation will not become a serious problem in the future and have an adverse impact on a Fund's investments and returns.

Risks Applicable to Credit Clients

Structured Product Risk. The value of an investment in a Credit Client will depend on the investment performance of the underlying assets or interests in which the Client invests and will, therefore, be subject to all of the risks associated with an investment in those underlying assets or interests. These risks include the possibility of a default by, or bankruptcy of, the issuers of such assets or a claim that the pledging of collateral to secure any such asset constituted a fraudulent conveyance or preferential transfer that can be subordinated to the rights of other creditors under applicable law. Any such Credit Client may include one or more underlying issuers in which one or more of BC Partners' other investment funds, investment vehicles and/or accounts have or subsequently acquire an interest, including portfolio companies of the other Funds.

“Mezzanine” Lending and Subordinated Debt. A Credit Client may be invested in “mezzanine” loans, privately held credit and other debt instruments that may be subordinated or otherwise junior in an issuer's and/or borrower's capital structure. To the extent a Credit Client is invested in subordinated debt or “mezzanine” debt investments, such investments and the Credit Client's remedies will be subject to the rights of holders of more senior tranches in an issuer's capital structure and, to the extent applicable, contractual inter-creditor, co-lender and/or participation agreement provisions. Moreover, the ability of a Credit Client to influence an issuer's affairs, especially during periods of financial distress or following insolvency, is likely to be substantially less than that of senior creditors.

Investments in subordinated debt (including junior and “mezzanine” debt, and junior tranches of structured credit products) involve greater credit risk of default and loss than the more senior classes of or tranches of debt and absorb losses from default before other more senior tranches of such instruments (or structured credit products), particularly if such instruments (or securities) have been issued with little or no credit enhancement or equity. As a result, to the extent a Credit Client invests in subordinate debt instruments, the Credit Client must bear the risk of losses or defaults before more senior lenders.

Discounted/Undervalued Investments. An investment may be based, in part, upon the premise that the investment otherwise performing may be available for purchase by the Credit Client at

“undervalued” prices. Purchasing interests at what may appear to be “undervalued” or “discounted” levels is no guarantee that these investments will generate attractive returns to any Credit Client or will not be subject to further reductions in value. No assurance can be given that investments can be acquired or realized at favorable prices or that the market for such interests will continue to improve since this depends, in part, upon events and factors outside the control of BC Partners.

Hedging Policies/Risks. A Credit Client may utilize a wide variety of derivative financial instruments for risk management purposes. The successful utilization of hedging and risk management transactions requires skills that are separate from the skills used in selecting and monitoring investments, and such transactions may entail greater than ordinary investment risks. Additionally, costs related to hedging arrangements will be borne by the applicable Credit Client. There can be no assurance that any such hedging transactions will be effective in mitigating risk in all market conditions or against all types of risk (including unidentified or unanticipated risks or where BC Partners does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of engaging in hedging), thereby resulting in losses to the Credit Client. Engaging in hedging transactions may result in a poorer overall performance for a Fund than if it had not engaged in any such hedging transaction, and BC Partners may not be able to effectively hedge against, or accurately anticipate, certain risks that may adversely affect a Credit Client’s investment portfolio.

Equity and Equity-Like Investments. A Credit Client is expected to also invest in structured and/or preferred equity interests, convertible securities, warrants and otherwise in securities that have equity-like features and may otherwise end up owning equity securities as part of making or owning a debt instrument (e.g., in the case of foreclosure). Any equity interest owned by a Credit Client will generally rank junior to all existing and future indebtedness, including commercial mezzanine loans and senior debt. Further, in the event of a bankruptcy, liquidation, reorganization or other winding-up with respect to an issuer in which a Credit Client holds an equity interest, the Credit Client will bear a risk of loss of principal as such interests are not generally secured.

Market/Interest Rate Fluctuations. In respect of any Credit Clients, general fluctuations in credit prices/spreads, valuations, and/or interest rates may adversely affect the value of a Credit Client’s portfolio investments. The ability of portfolio investments to repay debt obligations (including making payments to a Credit Client as a creditor with respect thereto) and/or to refinance debt instruments may depend on their ability to obtain financing. Interest rate changes may also affect the value of a debt instrument directly or indirectly. In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price.

Any deterioration of the global debt markets (particularly the U.S. and European debt markets), any possible future failures of certain U.S. and European companies and/or increases in interest rates, taxes and/or market risk and credit spreads may adversely affect a Credit Client’s ability to generate investment returns.

Any downturn in the U.S., European Union and global economies may also adversely affect the financial resources and credit quality of the underlying issuers of any debt instruments in which a Credit Client may invest, resulting in the inability of such issuers to make principal and interest payments on, or refinance, outstanding debt obligations when due. Any such defaults may have an adverse effect on a Credit Client’s portfolio investments. The foregoing factors and market conditions may also have an adverse impact on the availability of credit to businesses generally, which in turn may adversely affect or restrict the ability of a Credit Client to sell or liquidate Investments at

favorable times or at favorable prices or which otherwise may have an adverse impact on the business and operations of such Credit Client. If the U.S. Federal Reserve or other relevant central banks increase benchmark interest rates during the life of a Fund, this could also negatively impact the price of debt securities and could adversely affect the value of a Fund's investments.

Secured Loans and Bank Debt. A Credit Client may invest in secured loans and/or secured bank debt. The factors affecting an issuer's secured loans and/or such bank debt and related capital structures are complex. Not all secured loans or bank debt have priority over all other unsecured debt of an issuer. Secured debt is secured only to the extent of its lien and only to the extent of underlying assets or incremental proceeds on already secured assets. Moreover, underlying assets are subject to credit, liquidity, and interest rate risk. Although the amount and characteristics of the underlying assets selected as collateral may allow a Credit Client to withstand certain assumed deficiencies in payments occasioned by the borrower's default, if any deficiencies exceed such assumed levels or if underlying assets are sold it is possible that the proceeds of such sale or disposition will not be sufficient to satisfy the amount of principal and interest owing to the Credit Client in respect of its investment.

Senior secured credit facilities are generally syndicated to a number of different financial market participants. The documentation governing such facilities typically requires either a majority consent or, in certain cases, unanimous approval for certain actions in respect of the credit, such as waivers, amendments, or the exercise of remedies. As a result of these voting regimes, a Credit Client may not have the ability to control any decision in respect of any amendment, waiver, exercise of remedies, restructuring or reorganization of debts owed to the Credit Client.

Debt securities are also subject to other risks, including (i) the possible invalidation of a debt or lien as a "fraudulent conveyance", (ii) the recovery as a "preference" of liens perfected or payments made on account of a debt in the 90 days before a bankruptcy filing, (iii) equitable subordination claims by other creditors, (iv) "lender liability" claims by the issuer of the obligations and (v) environmental or other liabilities that may arise with respect to collateral securing the obligations. Decisions in bankruptcy cases have held that a secondary loan market assignee can be denied a recovery from the debtor in a bankruptcy if a prior holder of the loans either (a) received and did not return a preference or fraudulent conveyance or (b) engaged in conduct that would qualify for equitable subordination.

A Credit Client's investments may be subject to early redemption features, refinancing options, prepayment options or similar provisions that, in each case, could result in the issuer repaying the principal on an obligation held by the Credit Client earlier than expected. As a consequence, a Credit Client's ability to achieve its investment objective may be adversely affected.

Risks Related to Rating Agencies. A Credit Client may invest in debt securities that have been rated by nationally recognized rating organizations. In general, the ratings of these organizations represent the opinions of such agencies as to the quality of investments that they rate. Such ratings are relative and subjective and are not statements of fact; they are not absolute standards of quality and do not evaluate the market value risk of the investments that are rated. Therefore, there can be no assurance that any such rating will accurately quantify risk. Such agencies may change their method of valuation of, and the ratings of, securities held by a Credit Client at any time. The sale price of debt securities may be highly correlated with the rating such debt securities receives from the rating agencies. If an existing investment of a Credit Client is downgraded, the value of such investment may be adversely

affected which in turn may adversely affect the returns to limited partners of the applicable Credit Client.

High Yield. A Credit Client may invest in “high yield” bonds that are rated in the lower rating categories, including non-investment grade, by the various credit rating agencies or comparable non-rated securities. Securities in the lower rated categories and comparable non-rated securities are subject to greater risk of loss of principal and interest than higher rated and comparable non-rated securities and are generally considered to be predominantly speculative with respect to the issuer’s capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings or comparable non-rated securities in the case of deterioration of general economic conditions.

Stressed Credits; Default Risk; Restructurings and Bankruptcy. A Credit Client could be invested in stressed credit investments and distressed investments and/or investments that become “non-performing” after the acquisition thereof. During an economic downturn or recession, stressed credits are more likely to go into default than securities of other issuers not experiencing financial stress. Securities of stressed credits are also less liquid and more volatile than securities of companies not experiencing financial difficulties, often involving a higher degree of credit and market risk. The success of a Credit Client’s investment strategy may depend, in part, on the ability of the general partner of the applicable Credit Client and BC Partners to effectuate loan modifications and/or restructure and improve the operations of Portfolio Investments. The activity of identifying and implementing any such restructuring programs and operating improvements entails a high degree of uncertainty. There can be no assurance that the general partner of the applicable Credit Client and BC Partners will be able to successfully identify and implement such restructuring programs and improvements. These financial difficulties may never be overcome and may cause Portfolio Investments to become subject to bankruptcy or other similar administrative proceedings. Furthermore, bankruptcy laws and similar laws applicable to administrative proceedings may delay the ability of the general partner of the applicable Credit Client and BC Partners to realize on collateral for loan positions held by a Credit Client or may adversely affect the priority of such loans through doctrines such as equitable subordination or may result in a restructure of the debt through principles such as the “cramdown” provisions of the bankruptcy laws.

Distressed Investments. A Credit Client could become exposed to distressed investments (e.g., investments in defaulted, out-of-favor or distressed bank loans and debt securities) or may involve investments that become “non-performing” following the Credit Client’s acquisition thereof. Certain of a Credit Client’s investments could therefore include specific securities of companies or other entities that typically are highly leveraged, with significant burdens on cash flow, and therefore involve a high degree of financial risk. The securities of portfolio entities described in this paragraph may be considered speculative, and the ability of such companies to pay their debts on schedule could be adversely affected by interest rate movements, changes in the general economic climate or the economic factors affecting a particular industry, or specific developments within such companies. Investments in companies operating in workout or bankruptcy modes also present additional legal risks, including fraudulent conveyance, voidable preference and equitable subordination risks.

Risks of Acquiring Non-Performing Debt Instruments, Loans and Participations. A Credit Client could become exposed to non-performing or under-performing credit instruments, loans and other debt investments. A Credit Client may also invest in credit instruments and loans that, when acquired, are performing but which subsequently become non-performing. This may occur for a

variety of reasons, including financial or operational distress of an underlying issuer or with respect to the underlying collateral or in the event of a bankruptcy. Such non-performing instruments or loans may require a substantial amount of workout negotiations, restructuring or bankruptcy filings which may entail, among other things, a substantial reduction in the interest rate, deferral of payments and/or a substantial write-down of the principal of a loan or conversion of some or all of the debt to equity. It is possible that the Credit Client or BC Partners may find it necessary or desirable to foreclose on collateral securing one or more loans purchased by a Credit Client. The foreclosure process varies jurisdiction by jurisdiction and can be lengthy and expensive. Borrowers often resist foreclosure actions, which often prolongs and complicates an already difficult and time-consuming process. In some states or other jurisdictions, foreclosure actions can take up to several years or more to conclude. During the foreclosure proceedings, a borrower may have the ability to file for bankruptcy, potentially staying the foreclosure action and payments of its pre-petition debt, and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the collateral property and may result in disrupting ongoing leasing and management of the property.

Real Estate Risk. Investing in real estate and real estate related assets, such as leases, is subject to cyclicalities and other uncertainties. There can be no assurance as to a Credit Client's performance in a weaker market or weakened economy. The cyclicalities and leverage associated with real estate related investments have historically resulted in periods, including significant periods, of adverse performance, including performance that may be materially more adverse than the performance associated with other investments. A Credit Client's real estate-related investments are secured by or otherwise relate to properties of varying types, geographic locations, owners, tenants, and other factors which could make such investments susceptible to particular types of risks relating to such factors, including local economy, real estate market conditions, special hazards, and competition. The value of real estate fluctuates depending on conditions in the general economy and the real estate business. The factors that affect the value of real estate investments include, among other things: national, regional, and local economic conditions; the condition of financial markets; developments or trends in a particular industry; competition from other available space; local conditions such as an oversupply of space or a reduction in demand for real estate in the area; management of properties; the development and/or redevelopment of properties; changes in market rental and occupancy rates; the timing and costs associated with property improvements and rentals; changes in operating expenses; the financial condition of tenants; availability of obtaining financing on acceptable terms; fluctuations in interest rates; changes in zoning laws and taxation; government regulation; potential liability under environmental or other laws or regulations; and acts of God, terrorist attacks, social unrest, and civil disturbances. The value of a Credit Client's investments directly in real estate or in debt secured thereby may decline as a result of adverse changes in any of these factors. In addition, adverse changes in the real estate market increases the probability of default, as the equity in the underlying property declines.

Lack of Availability/Insufficiency of Property Insurance. There are certain types of losses, generally of a catastrophic nature, such as earthquakes, floods, hurricanes, terrorism, or acts of war, that may be uninsurable or not economically insurable. Inflation, changes in building codes and ordinances, environmental considerations and other factors, including terrorism or acts of war, also might make the insurance proceeds insufficient to repair or replace a property if it is damaged or destroyed. Under these circumstances, the insurance proceeds received might not be adequate to restore a Credit Client's economic position with respect to the affected real property. Any uninsured loss could result in the loss of cash flow from, and the asset value of, the affected property.

Receivables Relating to Assets Risks. A Credit Client may invest in portfolios of receivables relating to certain assets. The performance of such assets may be affected by general economic conditions. Recent changes in economic conditions have adversely affected the performance and market value of such assets.

Risks Applicable to PE Funds

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

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

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

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

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

The PE Funds may also hold minority positions in certain portfolio companies or acquire securities that are subordinated vis-à-vis other securities as to economic or management rights or other attributes. The PE Funds may therefore have limited ability to protect their positions, or liability arising from,

such companies and might not always be in a position to protect their interests effectively, particularly if management teams pursue objectives which are inconsistent with those of the relevant PE Fund.

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

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

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

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

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

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

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

BC Partners is authorized (but not obligated) to endeavor to manage currency exposures using appropriate hedging techniques where available and appropriate. A PE Fund is permitted to incur costs related to currency hedging arrangements. There can be no assurance that adequate hedging

arrangements will be available on an economically viable basis or that any such hedging arrangements will be successful in managing currency exposures.

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

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

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

Contingent Liabilities Upon Disposition. In connection with the disposition of a Portfolio Investment, a Fund and BC Partners may be required to make (and/or be responsible for another person's or entity's breach of) representations and warranties, (e.g., about the business and financial affairs of the applicable portfolio company, the condition of its assets and the extent of its liabilities), in each case generally in the nature of representations and warranties typically made in connection with the sale of similar businesses, and may be responsible for the content of disclosure documents under applicable securities laws. They may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents are inaccurate. These arrangements may result in contingent liabilities, which would be borne by a Fund and, ultimately, its investors.

Secondaries and other General Partner-led Transactions. There continues to be a significant market for secondary sales, general partner-led transactions, continuation funds, successor fund investments and other transactions, and BC Partners reserves the right to dispose of (or seek

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

Each of these transactions has the potential for conflicts between the interests of a Fund or limited partner and those of BC Partners or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where BC Partners or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction (potentially in addition to performance-based compensation earned by the relevant general partner on the sale of an asset from an existing Fund in such transaction), their incentives are expected to diverge from those of limited partners who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Fund, BC Partners, the relevant general partner and any buyer group relating to the valuation and consideration offered for the subject investment(s). To the extent BC Partners requires existing limited partners and/or new buyers to commit capital to a continuation fund or another Fund managed by BC Partners in addition to the purchase amount paid in a transaction, (including commitments to the relevant Fund in specified ratios to the purchase price), such requirement is expected to have a dilutive effect on the purchase price for the selling Fund and its limited partners. There can be no assurance that any such transaction will accurately reflect the fair market value of the Fund investment(s) being sold. Further, the relevant general partner is expected to be incentivized, including through the possibility of receiving additional compensation, to make investments in portfolio companies with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as limited partners in the relevant Fund, and in such circumstances, BC Partners reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain limited partners will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are disclosed to limited partners and/or the relevant advisory committee prior to the closing of the transaction, there can be no assurance that BC Partners will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of Fund or any individual limited partner or group of limited partners. However, BC Partners

reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant Organizational Documents. BC Partners is permitted to seek the consent of the relevant Fund advisory committee to approve conflicts associated with such transactions and accordingly not all limited partners will necessarily be able to approve or disapprove of such transactions. Similar to any prospective sale or disposition of Fund investments, to the extent such transactions are not consummated, the relevant Fund is expected to bear all of the related costs in the absence of an agreement with other parties to bear a portion of such costs.

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

General Conflicts of Interest

The Firm engages in a broad range of activities, including investment activities for its own account and for the account of other investment funds, and providing transaction-related, investment advisory, management and other services to the Clients, SPACs and Portfolio Investments. In the ordinary course of conducting its activities, the interests of a BCPAL Client may conflict with the interests of the Adviser or another Firm entity, certain personnel/employees of the Adviser, other BCPAL Clients or other Credit Clients advised by the Credit Advisers.

Conflicted Investments

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

Allocation of Investment Opportunities

Credit Clients, including Clients of the Adviser, will invest in different, similar or the same assets and, as a result, the Adviser and the Credit Advisers are presented with a variety of conflicts of interests related to investments that can arise as a result of the activities of the Adviser and/or BC Partners. In particular, it is likely that investments that are suitable for a BCPAL Credit Client will also be suitable for other Credit Clients. BC Partners has implemented an allocation policy (the “**Allocation Policy**”), applicable to both the Private Equity Business and the Credit Business, pursuant to which private equity investment opportunities are allocated amongst the PE Clients, and

credit investment opportunities are allocated amongst the Credit Clients, including BCPAL Credit Clients.

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

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

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

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

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

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

BC Partners expects to allocate relatively higher amounts of investment opportunities to new CLOs (or similar vehicles for which affiliates of the Adviser act as collateral manager) during ramp-up periods, subject to the Allocation Policy and consistent with each CLO’s Organizational Documents, in order to assure that the new CLO can invest assets in accordance with its investment objectives. The increased allocations to ramping CLOs may result in BCPAL Credit Clients receiving relatively lower amounts of the opportunity.

Co-Investment Opportunities

There are expected to be circumstances where an amount that would have otherwise been invested by a BCPAL Fund will instead be allocated to co-investors (who may or may not be limited partners of the applicable Fund, including, for greater certainty, limited partners of other Adjacent Vehicles). There is no guarantee for any limited partner of a BCPAL Fund that it will be offered any co-investment opportunities. As a general matter, the allocation of co-investment opportunities is entirely discretionary, and it is expected that many investors who may have expressed an interest in co-investment opportunities may not be allocated any co-investment opportunities or may receive a smaller amount of co-investment opportunities than the amount requested. A general partner will take into account various facts and circumstances deemed relevant by the general partner in allocating co-investment opportunities, including without limitation whether a potential co-investor has expressed an interest in evaluating co-investment opportunities, the general partner's assessment of a potential co-investor's ability to invest an amount of capital that fits the needs of the investment (taking into account the amount of capital needed as well as the maximum number of investors that can realistically participate in the transaction), supply or demand of an investment opportunity at a given price level, and the general partner's assessment of a potential co-investor's ability to commit to a co-investment opportunity within the required timeframe of a particular transaction. Additional considerations may also include, among others and without limitation, the size of investor commitments to a Fund, other Adjacent Vehicles and strategic third party investors, the overall relationship and importance of such investor with the Firm, whether a potential co-investor has a history of participating in co-investment opportunities with the Firm, the size and/or timing of the potential co-investor's interest to be held in the underlying portfolio entity as a result of a Fund's investment, whether the Adviser believes that allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to the Funds or future Funds, including (for purposes of this section) Credit Clients advised by one of the Credit Advisers, whether the investment opportunity may subject the potential co-investment party to legal, regulatory, reporting, public relations, media or other burdens that make it less likely that the potential co-investment party would act upon the investment opportunity if offered, whether a particular potential co-investment party has provided value in the sourcing, establishing relationships, participating in diligence and/or negotiations for such potential transaction or is expected to provide value to the business or operations of a portfolio company post-closing, any interests a potential co-investment party has in any competitors of the portfolio company, the character and nature of the co-investment opportunity (including the potential co-investment amount, structure, geographic location, tax characteristics and relevant industry), the Adviser's evaluation of its past experiences and relationships with the potential co-investment party, such as the willingness or ability of such person or entity to respond promptly and/or affirmatively to potential investment opportunities previously offered by the Adviser, and the expected amounts of negotiations required in connection with an investor or person's commitment (including if an Adjacent Vehicle has already been formed to facilitate co-investment), any confidentiality concerns the Adviser may have that may arise in connection with providing the potential co-investment party with specific information relating to the investment opportunity in order to permit such person or entity to evaluate the investment opportunity, whether the potential co-investor has demonstrated a long-term and/or continuing commitment to the potential success of the Firm, a Fund, the Adjacent Vehicles or other co-investments and/or other Adjacent Vehicles, or otherwise has a "strategic" relationship with the Firm or the Credit Business or the Private Equity Business and such other factors

that the Firm deems relevant under the circumstances, in accordance with BC Partners' investment allocation policy, as amended from time to time.

The Firm may agree with investors to more favorable rights with respect to co-investment opportunities, and to the extent any such arrangements are entered into, they may result in fewer co-investment opportunities being made available to the limited partners of a BCPAL Fund. Furthermore, in connection with any such co-investment by co-investors, the Firm may establish one or more investment vehicles managed or advised by the Firm to facilitate such co-investors' investment alongside a BCPAL Fund, in specific co-investments or as part of an overall program for multiple co-investments. The amount and frequency of co-investment by the co-investment vehicle would be at the discretion of the applicable general partner. It is possible that the establishment of any such co-investment vehicle would result in fewer co-investment opportunities to investors who do not participate therein and allocations to the co-investment vehicle are likely to result in a Fund investing less than it would have in the related investments. As a result, BC Partners expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund because (i) co-invest opportunities generally appeal to Fund investors and third parties, (ii) to the extent co-investments made by Fund investors are not subjected to Advisory Fee and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons in a manner not subject to the "most-favored nation" provisions of a Fund's Organizational Documents and (iii) co-investors' proportionate share of a particular investment typically is not subject to the Advisory Fee offset provisions of a Fund's Organizational Documents. In order to facilitate the acquisition of a portfolio company, a Fund reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following 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 may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the general partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the general partner's interest in limiting the Fund's exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment.

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

Prospective investors should note that a general partner may offer, in its sole discretion, a limited partner of a BCPAL Fund or other persons (including, for greater certainty, limited partners of the Adjacent Vehicles), an opportunity to co-invest in particular co-investment opportunities alongside a BCPAL Fund in the manner and as more fully set forth in the applicable Organizational Documents.

Additionally, it can be expected that the Firm will enter into arrangements or strategic relationships with third parties, including other asset managers, financial firms or other businesses or companies, which, among other things, provides for referral, sourcing or sharing of investment opportunities. The Firm may, enter into certain formal or informal arrangements and/or strategic relationships with third parties, including other asset managers, financial firms, limited partners of the Funds, investors in Adjacent Vehicles and/or other businesses or persons, which, among other things, provide for referral, sourcing and/or sharing of investment opportunities and/or information and may, in connection therewith, pay and/or receive compensation (including asset management fees and/or performance-based compensation) and reimburse third parties for certain expenses incurred as part of such arrangements, including diligence expenses and administrative, deal sourcing and other related expenses. While it is possible that a Fund will, along with the Firm itself, benefit from the existence of those arrangements and/or relationships, it is also possible that investment opportunities that would otherwise be presented to or made by a Fund would instead be referred (in whole or in part) to such third parties.

The 1940 Act generally prohibits Regulated Funds (including the BDC), from co-investing with other Credit Clients where terms other than price are negotiated, unless an exception or exemption applies. Regulated Funds, the Adviser, certain Credit Clients, and related entities are able to co-invest only pursuant to an exemptive order from the SEC (1940 Act Rel. Nos. 34849 (notice) and 34880 (order)) (the “**Co-Investment Order**”), which permits the parties to enter into co-investments where the Adviser may negotiate terms other than price, subject to certain conditions set-out in the application to the SEC. The conditions of the Co-Investment Order seek to ensure that participation in a co-investment transaction by Regulated Funds is not on a basis different from or less advantageous than that of other participants by, among other things, giving Regulated Funds the opportunity to participate. Accordingly, if Regulated Funds participate in co-investments pursuant to the Co-Investment Order, such Regulated Funds will invest on equal footing, including identical terms, conditions, price, class of securities purchased, settlement date, and registration rights as other participating Clients. Further, the conditions of the Co-Investment Order require that investment opportunities with limited supply (as well as certain dispositions and follow-on investments) be allocated among participating Clients pro-rata. By permitting Regulated Funds to co-invest, the Co-Investment Order will generally increase the amount of available capital allocable by the Adviser, which may reduce the overall level of investment opportunities allocable to BCPAL Credit Clients. No Client or investor be assured that any co-investment with a Regulated Fund will occur.

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

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

BC Partners receives or obtains various kinds of data and information from the Funds and their portfolio entities, including data and information relating to business operations, trends, budgets,

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

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

BC Partners Strategic Relationships

The Adviser will, enter into arrangements or strategic relationships (each, a “**Strategic Relationship**”) with investors (and/or one or more of their affiliates) in the Funds and/or Adjacent Vehicles, third parties, including other asset managers, financial firms, limited partners in the Funds, investors in Adjacent Vehicles and/or other businesses or persons, which, among other things, provides for referral, sourcing or sharing of investment opportunities and/or information and may, in connection therewith, pay and/or receive compensation (including asset management fees and/or performance-based compensation) and reimburse third parties for certain expenses incurred as part of such arrangements, including diligence expenses and administrative, deal sourcing and other related expenses. A Strategic Relationship often involves an investor agreeing to make a significant capital commitment to one or multiple Clients and such Strategic Relationship may be formal or informal arrangements. BCPAL Fund investors will not receive a copy of any agreement memorializing a Strategic Relationship program (even if in the form of a side letter) and will be unable to elect any such rights or benefits afforded through a Strategic Relationship. Specific examples of such additional rights and benefits may include, among others, (in addition to one or more of the rights listed above) specialized reporting, discounts on and / or reimbursement of management fees, carried interest, secondment of personnel from the investor to BC Partners (or vice versa), targeted amounts for co-investments alongside Adjacent Vehicles (including, without

limitation, preferential allocation of co-investment, and preferential terms and conditions, including priority rights, related to co-investment or other participation in Adjacent Vehicles (including any carried interest and/or management fees to be charged with respect thereto, as well as any additional discounts or rebates thereof or other penalties that may result if certain target co-investment allocations or other conditions under such arrangements are not achieved)). For the avoidance of doubt, such examples are not exhaustive, and the specific terms of any such additional rights and benefits that are ultimately granted to one or more investors may vary from the rights and benefits offered to investors generally under the applicable Organizational Documents. While it is possible that a BCPAL Fund will, along with BC Partners itself, benefit from the existence of those arrangements and/or relationships, it is also possible that investment opportunities that would otherwise be presented to or made by a BCPAL Fund would instead be referred (in whole or in part) to such third parties. BC Partners, including its personnel, may receive compensation from Strategic Relationships and be incentivized to allocate investment opportunities away from such BCPAL Fund to or source investment opportunities for Strategic Relationships. Strategic Relationships may therefore result in fewer co-investment opportunities (or reduced allocations) being made available to investors in a BCPAL Fund. In addition, BC Partners is permitted to enter into economic and/or fee sharing arrangements with respect to the Adjacent Vehicles and/or certain limited partners thereof, which rights will not generally be made available to a BCPAL Fund's limited partners.

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

Secondary Transfers

In certain cases, BC Partners may be asked by an existing investor in a Fund or on behalf of an existing co-investor in a portfolio company or their representatives, to identify a potential buyer for their interests (a “**transferee**”). In such cases, BC Partners will apply the same allocation factors contained in the Allocation Policy, which may be amended from time to time, that it would for a new co-investment. As part of these allocation factors, BC Partners may identify potential transferees based on their ability and interest in making an additional investment in a Fund or in future Funds. While BC Partners does not receive compensation for identifying such potential transferees, BC Partners may receive fees as a result of a subsequent primary investment by such transferee in one or more new Funds.

In addition, conflicts of interest can arise as a result of certain contractual rights granting limited partners of a Fund the right to sell their limited partnership interests to the Firm. In the event that a limited partner exercises such right, the Firm could subsequently seek to arrange the sale of that interest to a Client or cause a Client to purchase that interest. The sale of such interest to a Client presents a conflict of interest because the Firm would have an incentive to arrange the sale of the

interest to a Client or otherwise cause Clients to invest or increase existing investments in the Fund rather than retain the interest on the Firm's own account.

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

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

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

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

Certain Credit Fund Benefits

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

Feeder Vehicles

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

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

Investments Alongside Other Clients

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

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

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

Transactions Related to Other Clients or with Investors

The Firm expects that there will be circumstances where it causes a BCPAL Fund to purchase securities from, or sell securities and investments to, other Funds or Adjacent Vehicles (or a subsidiary or affiliate thereof, or a fund or entity otherwise associated with such investment) when the Firm believes such transactions are appropriate and in the best interests of the respective Funds. There could also be instances where a portfolio company of a BCPAL Fund acquires a portfolio company of another Fund or Adjacent Vehicle pursuant to an add-on acquisition. Such transactions could involve selling one or more portfolio companies of one Adjacent Vehicle (in whole or in part) to another Fund or Adjacent Vehicle either currently in existence or newly created for the purpose of maintaining exposure to the portfolio company or companies. In such instances, conflicts interest between a BCPAL Fund, on the one hand, and other Funds or Adjacent Vehicles, on the other, are

likely to arise, and BC Partners will face a conflict of interest in respect of the actions it takes on behalf of a BCPAL Fund and any other Funds or Adjacent Vehicles. Any such conflict of interest involving such a transaction between a Fund and an Adjacent Vehicle and/or two or more Funds will be managed in accordance with the Firm's internal conflicts of interest procedures, cross trading and investment allocation policies, as amended from time to time.

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

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

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

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

BDC Co-Investment Opportunities

As a business development company, a BDC is subject to certain regulatory restrictions in making its investments. For example, business development companies generally are not permitted to co-invest with certain affiliated entities in transactions originated by a business development company or its affiliates in the absence of an exemptive order from the SEC. However, business development companies are permitted to, and may, simultaneously co-invest in transactions where price is the only negotiated term. On April 10, 2023, the SEC issued an order granting the BDC's application for exemptive relief to co-invest, subject to the satisfaction of certain conditions, in certain private placement transactions, with other funds managed by the Adviser or its affiliates, and any future funds that are advised by the Adviser or its affiliated investment advisers. Under the terms of the exemptive order, in order for a BDC to participate in a co-investment transaction a "required majority" (as defined in Section 57(o) of the 1940 Act) of a BDC's independent directors must

conclude that (i) the terms of the proposed transaction, including the consideration to be paid, are reasonable and fair to the BDC and their stockholders and do not involve overreaching with respect of the BDC or its stockholders on the part of any person concerned, and (ii) the proposed transaction is consistent with the interests of the BDC's stockholders and is consistent with the BDC's investment objectives and strategies and certain criteria established by the board of directors.

Other Fees; Fees from Portfolio Investments

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

In certain circumstances, such as those relating to short- or long-term portfolio company cash or liquidity needs, and regardless of whether the portfolio company is undergoing financial stress, the Firm reserves the right to accrue, defer or forego payments of Other Fees and reserves the right to charge interest at then-available rates with respect to such amounts. In such cases, in accordance with the Organizational Documents, investors will not receive the benefit of Advisory Fee offsets with respect to such amounts until they are actually received.

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

In the event Dead Deal Costs are incurred or break-up or topping fees are paid to the general partner of a BCPAL Fund in connection with a transaction that is not ultimately consummated, the general partner may, in its sole discretion, decide that certain co-investment vehicles (which may include standing co-invest vehicles and other accounts that participate in co-investment opportunities alongside the applicable Fund and/or the other Adjacent Vehicles on a regular or periodic basis and/or as part of an overall co-investment program or arrangement) or certain potential co-investors who might have invested in a transaction had it been consummated will not be allocated any share of such break-up or topping fees or Dead Deal Costs (such as reverse termination fees, extraordinary expenses such as litigation costs and judgments and other expenses) for unconsummated transactions.

In particular, certain co-investment vehicles or certain potential co-investors who might have invested in a transaction had it been consummated (such as potential investors in co-investment structures relating to a specific investment where the legally binding agreements relating to such co-investment

are not executed until the time of deal closing) will generally not bear Dead Deal Costs unless the general partner of a Fund determines otherwise in its sole discretion or such co-investor has specifically agreed to bear such Dead Deal Costs. To the extent that such co-investors have already executed definitive documentation to invest in such transaction, such co-investor is expected to bear its *pro rata* share of such Dead Deal Costs. Such determinations will be made on a case-by-case basis by the general partner of a Fund and may result in differing treatment of co-investment vehicles under certain circumstances. The foregoing will under certain circumstances result in a Fund bearing more than its *pro rata* share of such amounts. Notwithstanding the foregoing, any vehicles in connection with the Firm's own side-by-side / sponsor co-investment rights will bear their *pro rata* share of the Dead Deal Costs. In addition, a Fund may incur Dead Deal Costs for a proposed investment not consummated for the Fund, and BC Partners could eventually cause another Client to make such investment and such other Client would likely benefit from such Dead Deal Costs borne by the Fund and the Fund would not be reimbursed. Although the general partner of a Fund and any applicable Firm entity will seek to resolve any such conflicts in a fair and equitable manner, there is no assurance that any such conflicts will be resolved in favor of the applicable Fund. Except where the relevant Organizational Documents or side letter(s) expressly provide to the contrary, Dead Deal Costs and other expenses relating to the diligence or evaluation of a prospective investment generally are allocated among investors in a Fund regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment.

A BCPAL Fund will bear the cost of fund administration and other services (including supplemental administrative, collateral management and any other services relating to such Fund), and, except in certain limited circumstances, such amounts will only offset the Advisory Fees to the extent set out in the applicable Organizational Documents. The general partner of a BCPAL Fund may cause such Fund or its Portfolio Investments to retain one or more Firm entities for the purpose of providing arranging, underwriting, financing, syndicating, refinancing, commitment, origination, placement, investment banking, divestment, structuring, loan modification or restructuring, servicing (including loan servicing and special servicing), advisory, asset management, monitoring and oversight of loans, consulting, organizational, administrative (including treasury, collateral management, and affirmation/confirmation) and other services. Conflicts of interest may arise as a result of the provision of any such services and any such fees received by affiliates of the general partner of any such Fund as compensation for such services may not be subject to the offset provisions, except as specifically set forth in the applicable Organizational Documents. Any of the foregoing services may also be provided by third parties and/or affiliates of the Firm, and the costs thereof will be borne by the applicable Fund.

Fees and Expenses

From time to time, the general partner of a BCPAL Fund will be required to decide whether costs and expenses are to be borne by such Fund, on the one hand, or the Adviser or other applicable Firm entity, on the other, and/or how certain costs and expenses should be allocated between such Fund and the parallel funds or between such Fund, on the one hand, and other Clients, on the other. The general partner of the BCPAL Fund, or the Adviser, as appropriate, will make such judgments, in the relevant general partner's or Adviser's sole discretion, notwithstanding its interest in the outcome, in accordance with applicable law and legal restrictions, the respective Fund's Organizational Documents as well as the Firm's expense allocation policy and allocation procedure, as may be amended from time to time, with the aim of fair and equitable allocation across these vehicles. Such

allocation determinations are inherently subjective and give rise to conflicts of interest between the Firm, such Fund and other Clients due to the inherent biases in the process. Notwithstanding the foregoing, the portion of an expense allocated to a Client for a particular service may not reflect the relative benefit derived by such Client from that service in any particular instance. Further, BC Partners reserves the right to consider each relevant Fund's strategy as a component of its allocation of investment expenses, and as a general matter will not allocate expenses associated with one Fund's equity investment to a different Fund's credit investment, or vice versa, even if the two investments are in the same portfolio company.

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

There are expected to be instances where a Credit Fund makes an investment in a portfolio company in conjunction with an investment made by a PE Fund. In such circumstances, the appropriate allocation between the Funds for fees and expenses generated in the course of evaluating and making such investments, such as out-of-pocket fees associated with due diligence, attorney fees and the fees of other professionals, will be determined by the Adviser and its affiliates in their good faith discretion. Allocations related to such fees and expenses will not always be proportional, and any such allocation determinations are inherently subjective, e.g., in determining whether to allocate pro rata based on number of Funds or proportionately in accordance with the share of due diligence actually relied upon, and will be performed in accordance with BC Partners' expense allocation policy. Further, if a Credit Fund makes an investment in a then-current PE Fund portfolio company, and in the course of evaluating and making such investment receives information directly from the respective Private Equity Business, the Credit Fund shall not be obligated to reimburse the respective PE Fund for receiving such information. There may also be instances where the Private Equity Business leverages the Credit Business' debt expertise to assist on various portfolio company related matters at no cost. If a Credit Fund later makes an investment in a PE Fund portfolio company using information received by the Credit Business while providing services to a PE Fund, the Credit Fund shall not be obligated to reimburse any costs associated with receiving such information.

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

Moreover, there are expected to be in the future, instances in which BC Partners or its affiliates research a target company on behalf of a BCPAL Fund, initially determine not to make such an

investment, but eventually make an investment in such target company through another Client. Alternatively, BC Partners may make its research available to other Adjacent Vehicles, Funds, co-investors or other third parties, and such other Adjacent Vehicles, Funds, co-investors or third parties would benefit from BC Partners' research and will not typically bear the cost of such research. In these circumstances, BC Partners or such other Adjacent Vehicles, Funds, co-investors or third parties will benefit from research by the original investment team researching the investment and/or from costs borne by a BCPAL Fund in pursuing the potential investment, but will not be required to reimburse such Fund for expenses incurred in connection with such investment, subject to the applicable Organizational Documents of the relevant Clients.

Restrictions Associated with Material, Non-Public Information

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

Other Relationships with Funds and Companies

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

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

vehicles as well as certain Funds of the Firm shall be allocated in accordance with the methodology described under “*Allocation of Investment Opportunities*” above.

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

Furthermore, a portfolio company typically will reimburse the Adviser or service providers retained at the Adviser’s discretion for expenses (including, without limitation, travel expenses) incurred by the Adviser or such service providers in connection with the performance of services for such portfolio company. This subjects the Adviser to conflicts of interest because a Fund generally does not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Subject to the respective Fund’s Organizational Documents and the Adviser’s internal reimbursement policies and practices, the Adviser determines the amount of these reimbursements for such services in its own discretion.

A Fund’s general partner generally is permitted to receive a distribution in kind from the Fund, including in connection with investment dispositions or the payment in kind of amounts owed to the general partner as carried interest (which generally will be made using the value of the relevant securities on the date of distribution). In such circumstances, there is a potential conflict of interest between the general partner (and its beneficial owners) and the relevant Fund’s limited partners. For example, the general partner and its beneficial owners may intend to hold the investment for a different time period than BC Partners deems suitable for the Fund. Although the general partner and its beneficial owners bear the risk that such securities will decrease during their holding period, to the extent the value of the relevant securities increases following the Fund’s disposition thereof, neither the relevant Fund nor its limited partners will benefit from the increase, and over time the economic benefit to the general partner and its beneficial owners could exceed the value of the general partner’s pro rata interest in the Fund and the amount of carried interest owed. To the extent the beneficial owners of the general partner contribute such securities to a charity (including to a private foundation or other charitable organization associated with, operated or chosen by such persons or their families), any tax efficiencies or other personal benefits associated with the contribution will inure to the benefit of such beneficial owners rather than to the Fund or its limited partners.

Human Capital

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

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

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

Advisors and Consultants

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

utilization of the Operating Advisors' services at a time when fewer portfolio entities or Funds make use of such Operating Advisors. Under many of these arrangements, including where Operating Advisor are paid a flat fee, there can be no assurance that the amount of compensation paid in a particular year will be proportional to the amount of hours worked or the amount or tangible work product generated by the Operating Advisor.

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

Operating Advisors generally receive investment opportunities, reimbursements and other compensation that do not offset or reduce the management fee of any Fund, as described herein, and the use of Operating Advisors is expected to fluctuate and/or expand over time. Although the use of Operating Advisors and the allocation of compensation paid to them by the Adviser, its affiliates and/or the portfolio entities subjects the Adviser and/or its affiliates to potential conflicts of interest, the Adviser believes that such potential conflicts have the potential to be reduced by the anticipated cost savings to portfolio entities (which is expected to be to the benefit of the applicable Fund(s)) that will result if the cost of the Operating Advisor is lower than market rates for the services provided and/or if the services of the Operating Advisor align with the Adviser's model for the portfolio entity and improve portfolio entity performance. Although the Adviser seeks to retain Operating Advisors with a view to reducing costs to portfolio entities (and, ultimately, the Funds) and/or improving portfolio entity performance, a number of factors may result in limited or no cost savings from such retention. The Adviser also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that the Adviser believes will align such persons' interests with those of the Funds' limited partners, and seeks to retain only Operating Advisors and service providers which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Service Providers and Counterparties

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

an investment, and payments by a Client and/or Portfolio Investments to such advisors or service providers may indirectly benefit the Firm and/or such other Clients. Additionally, certain personnel of the Firm may have family members or relatives employed by such advisers and service providers. The Firm may also provide administrative services to such Client for a fee. These relationships may influence the relevant Firm entity and/or the general partner of a Fund in deciding whether to select, recommend or create such an advisor or service provider to perform services for a BCPAL Client or a Portfolio Investment (the cost of which will generally be borne directly or indirectly by such Client or such Portfolio Investment, as applicable) and may incentivize the Firm to engage such an advisor or service provider over a third party. Such affiliated service providers are generally expected to receive market rate fees (as determined by BC Partners or the general partner of the applicable Fund) with respect to such arrangements. Certain personnel and other professionals of the Firm have family members or relatives that are actively involved and/or have business, personal, financial or other relationships with issuers in which a Fund invests or may invest, which gives rise to potential or actual conflicts of interest. In certain instances, a BCPAL Fund or its Portfolio Investments may purchase or sell companies or assets from or to, or otherwise transact with, companies that are owned by such family members or relatives or in respect of which such family members or relatives have other involvement. In most such circumstances, the applicable Organizational Documents will not preclude a BCPAL Client from undertaking any particular investment activity and/or transaction. Additionally, BC Partners expects certain service providers, their affiliates and personnel to invest in, or co-invest alongside, one or more Funds, and, due to the nature of the service provider relationships and the timing of services, these persons have the potential to have information advantages relative to other investors or co-investors, and likely will be offered co-investment opportunities before such opportunities are presented to other interested prospective co-investors. Based on the foregoing factors, limited partners should not expect service providers to BC Partners or any Fund to provide services that will be the most beneficial to any limited partner.

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

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

In addition, the Adviser, its affiliates and/or personnel maintain relationships with (or invest in) financial institutions, service providers and other market participants, including but not limited to managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former personnel, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or

provide services (including services at reduced rates) to, the Adviser and/or its affiliates, and/or the Funds or other investment vehicles they advise. In other circumstances, these vendors are expected to provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through BC Partners entities, whether or not relating to financing BC Partners personnel obligations to relevant fund general partner commitment obligations) to BC Partners personnel and their estate planning vehicles. The Adviser expects to be subject to a potential conflict of interest with a BCPAL Client in recommending the retention or continuation of a third-party service provider to such Client or its portfolio company if such recommendation, for example, is influenced by a belief that the service provider or its affiliate(s) will continue to invest in one or more Clients, will provide the Adviser information about markets and industries in which the Adviser operates (or is contemplating operations) or will provide other services that are beneficial to the Adviser or one or more other Clients. For example, the Adviser reserves the right to cause a BCPAL Client to make payments to investment banks and/or other intermediaries, all or a portion of which is for the purpose of generating future deal flow for such Client; however, there can be no assurance that such payments will result in future deal flow, and in certain cases, future deal flow may inure to the benefit of another or a different Client rather than the Client making the payment. BC Partners expects to be subject to a potential conflict of interest in making such recommendations.

Broker-Dealer and Similar Services Provided by BC Partners Securities

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

Transactions with Limited Partners and other Related Parties

It is also possible that a Fund or a Portfolio Investment for a BCPAL Client will be a counterparty or participant in agreements, transactions or other arrangements with a limited partner or an affiliate of a limited partner of such Fund, including where such limited partner provides services to the applicable Fund or such Portfolio Investment and/or provides leverage to the applicable Fund and/or such Portfolio Investment. Such transactions may include agreements to pay compensation and/or performance fees to Operating Advisors and other persons in connection with a Fund's investment therein, which will reduce a Fund's returns and will not necessarily be subordinated to the return of the limited partner's capital contributions. Conflicts of interest may arise in dealing with any such limited partners, and the general partner of the applicable Fund and its affiliates may not be motivated to act solely in accordance with its interests relating to such Fund. In addition, certain limited partners of a Fund may have more information about such Fund than other limited partners, and the general partner of the Fund will have no duty to ensure all limited partners seek, obtain or process the same

information regarding the applicable Fund and its investments and/or Portfolio Investment, subject to applicable law. Moreover, the Adviser may enter into one or more strategic relationships with limited partners of a Fund or third parties as part of the Credit Business (or otherwise) in certain regions or with respect to certain types of investments that, although may be intended to provide greater opportunities for a Fund, may require such Fund to share such opportunities.

Valuation Matters

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

The Organizational Documents provide the Adviser with wide-ranging authority to make determinations, including those related to investment purchases and dispositions (and their timing), valuation and other matters that in each case have the potential to affect the Adviser's compensation. In making such determinations, the Adviser is subject to potential conflicts of interest. For example, the potential to earn additional compensation creates an incentive for the Adviser or its affiliates to make investments and to hold investments longer than otherwise would be the case in the absence of the relevant Fund's Advisory Fees and carried interest compensation arrangements. The Adviser expects to be incentivized to cause a Fund to make, hold, value and/or dispose of investments (and to delay or forego a determination that the investments are Impaired Value Investments) in order to receive greater ongoing Advisory Fees and, potentially, earlier and/or larger carried interest distributions than would otherwise be the case.

Where the Advisory Fees are calculated taking into account the valuation of an investment, the Adviser will have incentives to make determinations that result in the continued payment of, or a higher, Advisory Fee. Where the Organizational Documents do not require Advisory Fees to be reduced in connection with investment reorganizations, restructurings, roll-over investments, extraordinary dividends or similar transactions, the Adviser is incentivized to pursue such transactions. Additionally, the amount of carried interest owed to the relevant general partner is dependent in part on the amount and timing of investment dispositions, as well as in certain instances determinations that investments are Impaired Value Investments, and the relevant general partner expects to be subject to related potential conflicts of interest in determining whether and when to dispose of investments, make distributions, and/or determine that an investment is an Impaired Value Investment, within the requirements of the relevant Organizational Documents.

The Adviser's wide-ranging authority on the determination of Impaired Value Investments, and the criteria used by the relevant general partner or its affiliates in valuing an investment, or determining

whether an investment is an Impaired Value Investment, have the potential to be subjective, to be influenced by market information and other factors and to vary over time. There can be no assurance that a third party or investor would agree with the substance or timing of the relevant general partner's determination that an investment is an Impaired Value Investment, and except as set forth in the Organizational Documents, neither the general partner nor its affiliates is obligated to follow any third-party methodology in making its determination on whether an investment meets the relevant standards or whether value can be recovered or retained during the Fund's holding period. The general partner is entitled to make its own determination taking into account all facts and circumstances it deems relevant, subject to the provisions of the Organizational Documents. As a general matter, the standards for determining Impaired Value Investments are intended to be high, and are not intended to apply to investments experiencing partial or temporary declines in value. Because the amount of the Adviser's compensation is dependent in part on an investment's status as an Impaired Value Investment, the relevant general partner faces potential conflicts of interest in determining whether an investment meets, or continues to meet, the relevant criteria. Although the Adviser intends to operate in accordance with the Organizational Documents, as well as its valuation policy, in order to mitigate the potential for subjectivity in making such determinations, there can be no assurance that such policy will address all of the necessary factors to do so, or completely eliminate all potential conflicts of interest in such determinations.

Trading and Investing Activities of BC Partners Personnel and Affiliates

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

BC Partners staff that are also director representatives of a portfolio company or its affiliates are permitted to buy and sell securities on a personal account basis in an IPO of such companies if certain criteria are met, including pre-approval from the BC Partners Compliance team. This may create conflicts of interest with the Clients and the portfolio companies, including: (i) the director representatives, along with the rest of the board of directors of such company, will be involved in

setting the price of the IPO, (ii) the director representatives may have different investment holding period requirements from the portfolio company and the Clients, and (iii) the director representatives may wish to exercise any voting rights in a way that could conflict with the Clients and the portfolio companies. BC Partners addresses these conflicts of interest by providing training to director representatives with respect to conflicts of interest and how such conflicts are resolved under the BC Partners' policies and procedures.

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

Diverse Limited Partner Group

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

Affiliated Limited Partners

Certain limited partners in the BCPAL Funds, including current and/or former partners, personnel, advisors and affiliates of BC Partners, and related entities will not pay management fees and/or performance-based carried interest in connection with their investment in such Fund and/or any side-by-side vehicles formed in connection with such Fund's activities (or may pay the same at reduced or discounted rates and otherwise on more favorable terms relative to other third-party investors in such Fund. Notwithstanding the foregoing, such limited partners will either directly pay for their pro

rata share of certain Fund expenses in the case of any investment in such Fund. Such pro rata allocation may be calculated based on capital commitments, invested capital, available capital or other metrics as determined by the general partner of such Fund in good faith. Any such methodology (including the choice thereof and any benchmarking, verification or other analysis related thereto) involves inherent conflicts and may not, in certain circumstances, result in perfect attribution and allocation of expenses. For the avoidance of doubt, the expenses, charges and costs of any benchmarking, verification or other analysis related thereto, will be borne by the Funds as partnership expenses, and will not result in any offset to any Advisory Fee.

Activities and Ownership Interests of Principals and Personnel of BC Partners

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

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

Other Potential Conflicts

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

The Firm and the BCPAL Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent these Funds may be investors in a Fund and may also represent one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between BCPAL Funds and any Firm entity, the parties may engage separate counsel in the sole discretion of the relevant Firm entity, and in litigation and other circumstances separate representation may be required. Additionally, the Firm and the BCPAL Funds and the portfolio companies of the Funds engage other common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to a Firm entity, the BCPAL Funds, and/or the portfolio companies. This may result in the Firm receiving a more favorable rate on services provided to it by such a common service provider than those payable by the BCPAL Funds and/or the portfolio company, or the Firm receiving a discount on services even though the BCPAL Funds and/or the portfolio companies receive a lesser, or no, discount. This creates a conflict of interest between the Firm, on the one hand, and the BCPAL Funds and/or portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Firm will favor the engagement or continued engagement of such persons if it receives a tangible or intangible benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies.

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

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

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

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

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

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

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

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

Portfolio Company Private Transportation

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

Receipt of Performance-Based Compensation

Certain members of each of the Credit Business and the Private Equity Business may receive compensation that is based, in part, on the performance of one or more of the Clients. The existence of these compensation arrangements may create an incentive for such members of the Credit Business and the Private Equity Business to operate the relevant Funds in a riskier, more speculative or other manner that is less favorable to investors than they might otherwise would in the absence of such performance-based compensation, although the commitment of capital to these Funds made by such personnel should somewhat reduce this incentive, particularly in instances where the Organizational 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.

Relationships with Borrowers and/or Issuers

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

accruing to the Adviser as a result of these relationship and/or participation by such borrowers and/or issuers.

Providing Debt Financing in connection with Acquisitions or Dispositions

From time to time, a Credit Fund is expected to provide financing (1) as part of a third party purchaser's bid or acquisition of a portfolio entity or related interests (including portfolios and/or pools thereof) from one or more other Clients and/or (2) with respect to one or more portfolio entities or borrowers in connection with a proposed acquisition or investment by one or more other Clients or affiliates relating to such portfolio entities and/or their related interests (including portfolios and/or pools). This could include making commitments to provide financing at, prior to or around the time that any such purchaser commits to or makes such investments (which may be made alongside other Clients). A Credit Fund is also expected to make investments and provide debt financing with respect to Portfolio Investments in which other Clients and/or affiliates hold or propose to acquire an interest (e.g., portfolio entities in which certain other Funds or Adjacent Vehicles hold an equity interest, including in contexts of refinancing of such portfolio investments). While the terms and conditions of any such arrangements will generally be on market terms, the involvement of such Credit Fund and/or such other Clients or affiliates is likely to affect the terms of such transactions or arrangements and/or otherwise influence the Adviser's decisions with respect to the management of such Credit Fund and/or such other Adjacent Vehicles or the relevant Portfolio Investment, which has the potential to give rise to potential or actual conflicts of interest and which could adversely impact the applicable Credit Fund. The foregoing conflicts are likely to also apply similarly to refinancing arrangements in which a Credit Fund participates with respect to a Portfolio Investment of other Adjacent Vehicles or Funds. The applicable Organizational Documents of the relevant Funds and Adjacent Vehicles generally provide for processes and procedures for managing and mitigating such conflicts of interest. Moreover, BC Partners has implemented policies and procedures, which could be amended from time to time, designed to mitigate such conflicts of interest, including, in certain cases, limiting the amount of a debt position certain Funds are permitted to hold or limiting the voting rights associated with any such position and, where authorized by the relevant Funds' Organizational Documents, presenting actual or potential conflicts of interest relating to such Funds to the advisory committee. See also "Investments in Which Other Clients Have a Different Principal Investment; Co-Investment.

ITEM 9. DISCIPLINARY INFORMATION

The Adviser and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The Adviser provides investment advisory services to Clients and its personnel are provided to Credit Advisers and Mount Logan Capital through the Sharing Agreement. Personnel of the Adviser who are provided to Credit Advisers and Mount Logan Capital through the Sharing Agreement will work on projects unrelated to BCPAL Clients which can create conflicts in the allocation of management or other resources and related costs. The advisory services that the Adviser provides BCPAL Clients, and that BC Partners provides to the Credit Clients and PE Clients, usually in reliance upon the same personnel, can create conflicts of interests (i) between different Clients of the Adviser and (ii) between Clients of the Adviser and Credit Clients. For example, subject to restrictions in applicable

Organizational Documents, either the Adviser or the Credit Advisers could advise or manage other clients or types of clients, including investment vehicles in the future and such future funds, and the existing funds, could make investments that would be suitable for BCPAL Clients. To address conflicts of interest (actual and apparent) and to fulfill the Adviser's fiduciary duties to each of its Clients, among other things, the Adviser intends to allocate investment opportunities in a manner that is fair and equitable over time and is consistent with BC Partners' allocation policy and to take steps to mitigate conflicts of interests. For more information on this policy and other conflicts of interests relating to the PE Business, please see "General Conflicts of Interest" in Item 8, above.

Related General Partners

The Adviser organizes certain of the Funds, which in certain cases are limited partnerships for which the Adviser (including its affiliates) serves as general partner or exempted companies for which employees or affiliates of the Adviser serve as members of the board of directors. For a description of material conflicts of interest created by these relationships, as well as a description of how such conflicts are addressed, please see "General Conflicts of Interest" in Item 8, above.

Affiliated Advisers/General Partners/Financial Institutions

The Adviser's affiliated financial institutions (or financial institutions under common control) currently include:

- Ability Insurance Company: regulated by the Nebraska Department of Insurance;
- BC Partners Beteiligungsberatung GmbH: organized in Germany;
- BC Partners Advisors Sarl: organized in France;
- BC Partners LLP: organized in the United Kingdom and regulated by the United Kingdom Financial Conduct Authority and an exempt reporting adviser under the Advisers Act;
- BC Partners Management GR Limited: organized in Guernsey and regulated by the Guernsey Financial Services Commission;
- BC Partners Management S.a.r.l.: organized in Luxembourg;
- BC Partners Management XI Limited: organized in Guernsey and regulated by the Guernsey Financial Services Commission;
- BC Partners Securities LLC: a US broker dealer regulated by the Financial Industry Regulatory Authority;
- BC Partners XI Lux GP S.a.r.l.: organized in Luxembourg;
- BCP Great Lakes GP LP: organized in the Cayman Islands;
- BCP Special Opportunities Fund I GP LP: organized in the Cayman Islands;
- BCP Special Opportunities Fund II GP LP: organized in the Cayman Islands;

- BCP Special Opportunities Fund II GP (Lux) S.a.r.l.: organized in Luxembourg;
- BCP Special Opportunities Fund III GP LP: organized in Delaware;
- BCP Special Opportunities Fund III GP (Lux) S.a.r.l.: organized in Luxembourg;
- BCEC Management X Limited: organized in Guernsey and regulated by the Guernsey Financial Services Commission;
- BCEC X Lux GP S.a.r.l.: organized in Luxembourg;
- BCPERE Fund I GP S.a.r.l.: organized in Luxembourg;
- CIE Management II Limited: organized in Guernsey and regulated by the Guernsey Financial Services Commission;
- CIE Management IX Limited: organized in Guernsey and regulated by the Guernsey Financial Services Commission;
- Garrison Middle Market Funding GP LLC: organized in Delaware;
- Mount Logan Management, LLC: organized in Delaware and regulated by the U.S. Securities and Exchange Commission and a registered investment adviser under the Advisers Act;
- Mount Logan Middle Market Fund II GP LLC: organized in Delaware;
- Mount Logan Capital Inc.: organized in Toronto, Canada as an alternative investment management company;
- Mount Logan Middle Market Funding GP II LLC: organized in Delaware;
- Ovation Fund Management II, LLC: organized in Delaware;
- Sierra Crest Investment Management LLC: organized in Delaware and regulated by the U.S. Securities and Exchange Commission and a registered investment adviser under the Advisers Act.

Affiliated Broker-Dealer

BC Partners Securities LLC (“**BC Partners Securities**”), a Delaware limited liability company, is a SEC registered broker-dealer and affiliate of the Adviser. BC Partners Securities performs underwriting and other securities-related capital markets activities for the portfolio companies, which may include initial public offerings, follow-on offerings, and secondary offerings as well as private placements. As an underwriter, BC Partners Securities advises portfolio company issuers in connection with pricing, timing, and market conditions. BC Partners Securities will also provide additional services (which may include, without limitation, advisory services to Clients in connection with the acquisition and disposition of their Portfolio Investments and syndicating transactions for Portfolio Investments). Subject to the Clients’ Organizational Documents, engagements by Clients

or their Portfolio Investments of BC Partners Securities do not require approval from such Clients' advisory committees (if applicable).

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

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

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

Code of Ethics

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

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

A copy of the Code of Ethics is available to any client or prospective client by contacting compliance@bcpartners.com or upon written request to: BC Partners Advisors L.P., Attn: Chief Compliance Officer, 650 Madison Avenue, 23rd Floor, New York, New York 10022.

Principal Transactions and Cross Trades

When disclosed in relevant investment management agreements or Organizational Documents, BC Partners could effect cross transactions relating to the Credit Platform between two Clients of the Adviser, or between a Client of the Adviser and another client of BC Partners or, on a principal basis between the Client and a principal account. In effecting such transactions, our interests, or that of BC Partners, could conflict with those of a Client. BC Partners has adopted policies and procedures designed to address the conflicts which may arise in the context of principal trades or cross trades. BC Partners would only affect such transaction if it were to first determine that such trade is in the best interests of the affected Clients and then only in compliance with the requirements of the Advisers Act, and the Organizational Documents of the affected Clients, including obtaining any

required informed consent. Cross-trades among Clients, where neither is a principal account are not principal transactions, but still could represent a conflict of interest due to, for example, different compensatory or pecuniary interests. Such trades are executed either at fair market value, as determined by a party independent of BC Partners (unless waived by the Chief Compliance Officer (the “CCO”) in his or her sole discretion) or at the midpoint between the bid-ask spread (if a trading market exists) and, in the case of principal trades, disclosed to the Client for purposes of obtaining the Client’s consent prior to execution of the trade. Further, cross transactions are expected to arise in the context of automatic or other re-balancing of investments among parallel investing entities, and in such circumstances, BC Partners generally will not seek a fairness opinion or advisory committee consent given that such transactions typically are effected close in time to the initial Fund’s investment or pursuant to authorizing provisions in the relevant Organizational Documents. In addition, as a general matter, no BCPAL Client can engage in transactions with affiliates, except for those transactions provided for in the applicable Organizational Documents, approved by a majority in interest of the investors of the applicable BCPAL Client(s) or executed pursuant to the Co-Investment Order.

Participation or Interest in Client Transactions

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

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

Resolution of Conflicts

Certain Organizational Documents contain provisions that, subject to applicable law, reduce or modify the duties, including fiduciary and other duties, to a BCPAL Fund and its investors to which the general partner of such Fund and any other Firm entity, as applicable, would otherwise be subject, provisions that waive or consent to conduct on the part of such general partner and other Firm entities that might not otherwise be permitted pursuant to such duties, and provisions that limit the remedies of limited partners with respect to breaches of such duties. If any matter arises that a general partner and its affiliates determines in their good faith judgment constitutes an actual conflict of interest, the general partner and other Firm entities may take such actions as they determine in good faith may be necessary or appropriate to ameliorate the conflict, and upon taking such actions such general partner or other Firm entity will be relieved of any liability for such conflict to the fullest extent permitted

by law and shall be deemed to have satisfied its fiduciary duties related thereto to the fullest extent permitted by law. These actions may include, for example, (i) presenting a material conflict of interest to such Fund's limited partner advisory committee, (ii) disposing of the applicable investment or security (or abstaining from exercising voting or control rights related thereto); (iii) appointing an "independent client representative" to act or provide consent; (iv) disclosing the conflict to such Fund's limited partners; or (v) implementing other policies and procedures designed to ameliorate conflicts of interest. There can be no assurance that a general partner will identify or resolve all conflicts of interest in a manner that is favorable to such Fund. By acquiring an interest in a BCPAL Fund, investors will be deemed to have acknowledged the existence of any such actual or potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflict of interest.

Firm Policies and Procedures; Information Synergies

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

Investment professionals of the Firm may acquire confidential information concerning an entity in which Clients have invested or which are being considered for investment on behalf of one or more other Clients. Acquiring information that is material, nonpublic information may limit the Firm's ability to buy or sell particular securities or other instruments on behalf of BCPAL Clients, and this in turn may limit the opportunities, investment flexibility or exit strategies for these Clients. Where possible, information is expected to be shared between the general partners, the Funds and other Firm entities to enhance the synergies and enable the Funds to capitalize on attractive investment opportunities (including opportunities relating to investments in portfolio entities in which other Clients have or may acquire an interest), subject to compliance with applicable law and regulation regarding the sharing of information and the Firm's policies and procedures related thereto. The sharing (or possession) of such information may, in certain circumstances, restrict the activities of BCPAL Funds. In such circumstances, these Funds may not be able to dispose of a security or other instrument relating to a portfolio entity owned by other Clients, even in a declining market, until the information becomes publicly available or immaterial and the trading in the portfolio entity's instruments is no longer restricted.

ITEM 12. BROKERAGE PRACTICES

Clients typically invest in private securities and do not ordinarily transact with financial intermediaries, such as broker-dealers, in public securities. However, potential investments in publicly traded securities include temporary investments in money market instruments pending investment in a portfolio company, securities held as a result of IPOs of portfolio companies and going-private transactions.

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

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

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

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

The Adviser and its affiliates may aggregate (or bunch) the orders of more than one Client for the purchase or sale of the same publicly traded security. Portfolio managers and traders often employ this practice because larger transactions may enable them to obtain better overall prices, including lower commission costs or mark-ups or mark-downs. The Adviser and its affiliates may combine orders on behalf of the PE Funds and/ or the Credit Clients with orders for other Funds for which it or its affiliates have trading authority, or in which it or its affiliates have an economic interest.

In such cases, the Adviser and its affiliates generally aggregates trade orders for publicly traded securities so that each participating Client will receive the average price for each execution of a transaction.

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

ITEM 13. REVIEW OF ACCOUNTS

Oversight and Monitoring

The Adviser monitors the Clients' Portfolio Investments on an ongoing basis. In relation to the PE Funds, once a Portfolio Investment has closed, the Adviser's deal team that completed the Portfolio Investment analysis and negotiation on behalf of a PE Fund are responsible for overseeing and monitoring the relevant Portfolio Investment through to exit. Depending on the particular PE Fund, the deal team will regularly have the portfolio review meetings and quarterly portfolio tracker meetings to ensure that the Portfolio Investment is being monitored appropriately. When the Portfolio Investment is nearing an exit, or partial exit, the deal team will work with the PE Investment Committee.

In relation to the Credit Clients, the Credit Investment Team is responsible for monitoring the Portfolio Investments on an ongoing basis and they will work with the Credit Investment Committee.

Reporting

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

Reporting requirements in respect of a SIF, Account, BDC or other Credit Client will be set forth in the operating agreements of such SIF, Account, BDC or other Credit Client.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

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

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

ITEM 15. CUSTODY

Rule 206(4)-2 under the Advisers Act (the "**Custody Rule**") imposes certain obligations on registered investment advisers that have custody of any Client funds or securities. The Adviser is typically deemed to have custody of Fund assets because we (or our affiliate) serve as general partner or managing member of each of the Funds. The Funds for which we are deemed to have custody are

subject to an annual audit and the audited financial statements are distributed to each Fund investor no later than 120 days after the end of each Fund's fiscal year.

In the event that the Adviser has custody of other Client assets or is deemed to have custody of Client assets, the Adviser will take steps to comply with the Custody Rule, which may include obtaining an audit or alternatively, to the extent permitted under applicable law, undergo a surprise examination under the Custody Rule.

ITEM 16. INVESTMENT DISCRETION

Except in limited instances (e.g., certain Adjacent Vehicles), the Adviser has full discretionary authority with respect to investment decisions by or for BCPAL Credit Funds, certain Credit Accounts and the BDC. The Adviser's advice with respect to the Funds is provided in accordance with the investment objectives and guidelines set forth in their respective Organizational Documents. Certain investors in the Funds may also negotiate side letter agreements for more specific limitations applicable to such investor, such as prohibited investments in specific geographic regions, industries, or sectors.

ITEM 17. VOTING CLIENT SECURITIES

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

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

Clients generally cannot direct the Firm's Vote.

All Voting decisions initially are the responsibility of the Firm's investment professionals, unless there is a material conflict of interest, in which case they should raise it with the CCO. In most cases, the Firm's investment professionals will make the decision as to the appropriate vote for any particular Vote. In making such decision, they may rely on any of the information and/or research available to them. In the event of a material conflict of interest, if the investment professional and the CCO are unable to arrive at an agreement as to how to vote, then the CCO may consult with the Firm's Investment Committee Chairman as to the appropriate vote, who will then review the issues and arrive at a decision based on the overriding principle of seeking the maximization of the economic value of the relevant Funds' holdings.

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

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

Copies of relevant proxy logs, identifying how proxies were voted in connection with a Client and copies of proxy voting policies are available to any client or prospective client by contacting compliance@bcpartners.com or upon written request to: BC Partners Advisors L.P., Attn: Chief Compliance Officer, 650 Madison Avenue, 23rd Floor, New York, New York 10022.

ITEM 18. FINANCIAL INFORMATION

The Adviser does not require prepayment of Advisory Fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.