

**INVESTMENT ADVISER BROCHURE**

**BRIGHTON PARK CAPITAL MANAGEMENT, L.P.**

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**This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Brighton Park Capital Management, L.P. (“BPCM”). If you have any questions about the contents of this Brochure, please contact us at 203-542-0748. 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 authority.**

BPCM is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

Additional information regarding BPCM is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## MATERIAL CHANGES

BPCM filed its most recent Form ADV Part 2 on November 12, 2019. This annual amendment updates the description of the business practices of BPCM and its affiliates and supplements existing disclosures relating to BPCM's practices and related potential conflicts of interest under "Fees and Compensation", "Methods of Analysis, Investment Strategies and Risk of Loss" and "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading." Such changes to this Brochure are not material and are solely clarifying or updating changes.

## ADVISORY BUSINESS

BPCM, a Delaware limited partnership, provides investment advisory services to investment funds privately offered to qualified investors in the United States and elsewhere. BPCM commenced operations in August 2018 and is registered with the SEC as an investment adviser.

BPCM's clients include private investment funds (the "**Funds**," and each, a "**Fund**") to which BPCM or its affiliates provide investment advisory services.

One or more affiliates of BPCM serve as the general partners of the Funds (each such entity in such capacity, a "**General Partner**," and collectively, the "**General Partners**," and together with BPCM and their affiliated entities, "**Brighton Park**").

Each General Partner is subject to the Advisers Act pursuant to BPCM's registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partners, which operate as a single advisory business together with BPCM.

The Funds are private equity funds and invest through negotiated transactions in operating entities, generally referred to herein as "portfolio companies." Brighton Park's investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Although investments are made predominantly in non-public companies, investments in public companies are permitted in certain circumstances. From time to time, where such investments consist of portfolio companies, the senior principals or other personnel of Brighton Park generally serve on such portfolio companies' respective boards of directors or otherwise act to influence control over management of portfolio companies in which the Funds have invested.

Brighton Park's advisory services to the Funds are detailed in the applicable private placement memoranda or other offering documents (each, a "**Memorandum**"), investment management agreements, limited partnership or other operating agreements (each, a "**Partnership Agreement**" and, as applicable, together with any relevant Memorandum, the "**Governing Documents**") and are further described below under "Methods of Analysis, Investment Strategies and Risk of Loss." In performing investment advisory services for the Funds, BPCM acts as the manager (the "**Management Company**"), to provide advisory personnel and services. The advisory services of the Management Company are described herein. Investors in the Funds participate in the overall investment program for the applicable Fund, but in certain circumstances

can be excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the relevant Governing Documents; such arrangements generally do not and will not create an adviser-client relationship between Brighton Park and any investor. The Funds or the General Partners generally enter into side letters or other similar agreements (“**Side Letters**”) with certain investors that have the effect of establishing rights under, or altering or supplementing the terms (including economic or other terms) of, the relevant Governing Documents with respect to such investors.

Additionally, from time to time and as permitted by the relevant Governing Documents, Brighton Park provides (or agrees to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, Brighton Park’s personnel and/or certain other persons associated with Brighton Park (e.g., a vehicle formed by Brighton Park’s principals to co-invest alongside a particular Fund’s transactions). Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle (including a co-investing Fund) purchases a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility. Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund’s completion of the investment to avoid any changes in valuation of the investment. Where appropriate, and in Brighton Park’s sole discretion, Brighton Park reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund.

As of March 15, 2020, Brighton Park managed approximately \$634,001,855 in client assets on a discretionary basis. Brighton Park Capital Management, L.L.C., a Delaware limited liability company, acts as the general partner of BPCM. BPCM is controlled by Brighton Park Capital Management, L.L.C.

## **FEES AND COMPENSATION**

In general, Brighton Park receives a management fee and a carried interest in connection with advisory services. BPCM or other Brighton Park entities or affiliates expect to receive additional compensation in connection with management and other services performed for portfolio companies of Funds and such additional compensation will offset in whole or in part the management fees otherwise payable to Brighton Park in accordance with the relevant Governing Documents. In addition, in certain circumstances Brighton Park expects to receive compensation for management and other services performed in connection with co-investments made in portfolio companies of the Funds. Investors in a Fund also bear certain expenses including those discussed below.

## Management Fees

As more fully described in the applicable Governing Documents of each Fund, the Funds generally have a fee structure similar to the fee terms described below. Each Fund pays BPCM (or an affiliate thereof) an annual management fee (the “**Management Fee**”), payable quarterly in advance, equal to 2% of aggregate investor capital commitments (“**Commitments**”) in the Fund. Investors participating in a closing after the initial closing date will be assessed Management Fees retroactive to the initial closing date, as well as an amount of interest thereon, calculated from the date such Management Fee payments would have been due if such investor were admitted for its full Commitment on the initial closing date. Any such amounts will be paid to the relevant General Partner. The Management Fees are paid out of current income and investment proceeds of the Funds and/or, in the General Partners’ discretion, from drawdowns that will reduce unfunded Commitments. Except as otherwise agreed, the General Partners and certain investors who are affiliates, employees or other designees of the General Partners will not be subject to carried interest or Management Fees.

Commencing with the first Management Fee due date after the expiration of the investment period as defined in the Partnership Agreements or earlier upon the occurrence of certain events as set forth in the Partnership Agreements, the Management Fee shall be calculated going forward at 2% of (i) the aggregate investment contributions made (or payable to a Fund pursuant to capital call notices then issued or to be issued to repay indebtedness incurred by the Fund and used to fund an investment), less (ii) the aggregate amount of investment contributions with respect to the portion of each investment that has been disposed of or permanently written-down; provided that investments in a portfolio company will be treated as having been disposed of or permanently written down only to the extent that, as of the date of any such disposition or write-down, the aggregate fair market value of all remaining investments of a Fund in such portfolio company is less than the Fund’s aggregate investment contributions made with respect to such portfolio company. The Management Fee will be payable until the final distribution of the Partnership’s assets pursuant to the Partnership Agreements.

Installments of the Management Fee payable for any period other than a full three-month period (including the first Management Fee payment) shall be adjusted on a *pro rata* basis according to the actual number of days in such period.

The Management Fee will be reduced by an amount equal to 100% of transaction fees attributable to investors not designated as “affiliated partners” by a relevant General Partner. “Transaction fees” include: (i) directors’ fees, financial consulting fees or advisory fees paid to a General Partner with respect to any investment of a Fund; (ii) transaction fees paid to a General Partner with respect to any investment of a Fund; and (iii) break-up fees with respect to transactions not completed by a Fund that are paid to a General Partner, in each case net of certain expenses as set forth in the Partnership Agreement; but not including, in any event, any amount received by a General Partner, any special advisory group established by a General Partner (the “**Special Advisory Group**”) or a member thereof or other person from a portfolio company (a) as reimbursement for expenses directly related to such portfolio company, (b) as payment for services provided to such portfolio company in the ordinary course of such portfolio company’s business, (c) as compensation for services provided by the relevant General Partner or other person as an employee of or in a similar capacity for such portfolio company or (d) as compensation (including

fees, incentive equity or other stock awards) for services rendered by the Special Advisory Group (or a member thereof) to a portfolio company or prospective portfolio company. Various costs and expenses will reduce transaction fees (and therefore such amounts will not reduce the Management Fee), including out-of-pocket costs and expenses (including travel expenses) incurred by a General Partner in connection with any consummated or unconsummated transaction or in connection with generating any such transaction fees. Any transaction fees with respect to an investment or potential investment (including a transaction not consummated) shall be allocated to a Fund (and offset against the Management Fee as described above) only to the extent of the Fund's relative ownership (or anticipated ownership) of such investment or potential investment on a fully diluted basis. Accordingly, a Fund will, in most cases, only benefit from the Management Fee reduction described above with respect to its allocable portion of any such transaction fee and not the portion allocable to any other person that holds an economic interest in (or, in the case of a transaction not consummated, would have held an economic interest in) the applicable investment.

As a matter of practice, BPCM is typically paid fees of the type referred to in the preceding paragraph from, on behalf of or with respect to co-investors in an investment. The receipt of such fees will not reduce the Management Fee payable by any Fund(s) that have also invested in such investment, and as a result a Fund will, in most cases, only benefit with respect to its allocable portion on a fully diluted basis of any such fee and not the portion of any fee that relates to such co-investors or potential co-investors, which have the potential to be significant. Transaction fee offsets generally are performed on a net basis, after giving effect to certain taxes and other expenses in connection with the receipt of such fees or the provision of related services. Similarly, in certain circumstances, BPCM expects that co-investors, lenders, consultants or other parties will negotiate the right to share a portion of such fees from a particular investment, and the above-described offset percentage will be applied after excluding any amounts paid to such persons. Additionally, as further described below and in the applicable Memorandum and/or Partnership Agreement of each Fund, it is BPCM'S practice to use or retain certain Special Advisors (defined below) to provide services to (or with respect to) certain portfolio companies in which one or more Funds invest. Such Special Advisors generally receive compensation and other amounts described herein from the relevant portfolio companies or Funds to which they provide services, but no such amounts will offset or reduce the Management Fee. For the avoidance of doubt, Brighton Park also will not offset compensation received from outside sources, such as residual employee board seats at entities that are no longer Fund portfolio companies.

Certain Governing Documents permit BPCM to waive or agree to reduce the Management Fee. Certain waived portions of the Management Fee are treated by the Governing Documents as a deemed capital contribution by the relevant General Partner, which is effectively invested in the relevant Fund on such General Partner's behalf, and operates to reduce the amount of capital such General Partner would otherwise be required to contribute to the Fund. The limited partners of the Fund would, in such circumstances, be required to make a *pro rata* contribution according to their respective Commitments to fund any contribution that would otherwise be required of BPCM in connection with any such waiver or reduction as described above and, as a result, the exercise of such waiver may result in an acceleration (or delay) of investor capital contributions. Waived or reduced Management Fees are not subject to the Management Fee offsets described above, and the amount of such waived or reduced Management Fees has the potential to be significant. Due to waived or reduced Management Fees by BPCM and/or timing of receipt of compensation subject

to offsets (as described above), it is possible that Management Fee offsets will be delayed or not be fully realized by investors in the Fund, resulting in a net additional benefit to BPCM.

### **Carried Interest**

As more fully described in the applicable Governing Documents of each Fund, the relevant General Partner generally receives a carried interest with respect to a Fund, generally equal to a percentage of all realized profits. In certain cases, such carried interest may be subject to a compound preferred return. The carried interest distributed to a General Partner is subject to a potential giveback at the end of life of the Fund if the General Partner has received excess cumulative distributions and at certain interim intervals as provided in the Governing Documents.

### **Other Information**

Brighton Park is permitted to exempt certain “affiliated partner” investors or Special Advisors, as defined below, in the Funds from payment of all or a portion of Management Fees and/or carried interest, including any investors designated by General Partner. The General Partner reserves the right to make any such exemption from fees and/or carried interest by a direct exemption, a rebate by Brighton Park, or through other Funds which co-invest with a Fund. For example, in instances where a Brighton Park professional (or an affiliated entity thereof) or Special Advisor invests in a Fund, such professional (or such affiliated entity) generally will be exempt from payment of the Management Fee and carried interest with respect to such Fund. In general, the Management Fee offsets described above apply only with respect to the capital commitments of fee-paying investors.

The Funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the Governing Documents, over the term of the relevant Fund, and investors generally are not permitted to withdraw or redeem interests in the Funds.

Principals or other current or former employees of Brighton Park generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Management Fee, carried interest or other compensation received by Brighton Park.

In addition to the Management Fee and carried interest payable to Brighton Park, each Fund bears certain expenses. As set forth more fully in the applicable Governing Documents of each Fund, a Fund bears all fees, costs, expenses, liabilities and obligations relating to the Fund’s (and its subsidiaries’ and intermediate entities’) activities, investments and business to the extent not reimbursed by a portfolio company or applied to reduce Management Fees, including all fees, costs, expenses, liabilities and obligations relating or attributable to: (i) activities with respect to origination and sourcing of investment opportunities for the Fund, including meeting with broker-dealers, investment banks and other sources of investments and developing an investment pipeline; (ii) activities with respect to the structuring, organizing, negotiating, consummating, financing, refinancing, diligencing (including any subscriptions to periodicals or databases), acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, dissolving or otherwise disposing of, as applicable, the Fund’s portfolio companies and its actual and potential investments

(including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, tax professionals, investment bankers, lenders, third-party diligence software and service providers, consultants and similar professionals in connection therewith and any fees and expenses related to transactions that may have been offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful; (iii) indebtedness of, or guarantees made by, the Fund, the Management Company, the relevant General Partner or any “affiliated partner” on behalf of the Fund (including any credit facility, letter of credit or similar credit support), including repayment of principal and interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iv) financing, commitment, origination and similar fees and expenses; (v) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services; (vi) brokerage, sale, custodial, depository (including a depository appointed pursuant to the European Union Alternative Investment Fund Managers Directive (the “AIFMD”) or any law, rule or regulation relating to the implementation thereof in any relevant jurisdiction), Swiss representative and paying agent (pursuant to the Swiss Collective Investment Schemes Act (as amended) including any law, rule or regulation relating to the implementation thereof), trustee, record keeping, account and similar services; (vii) legal, accounting, research, auditing, administration (including fees and expenses associated with the Fund’s third-party administrator and administration, tracking or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services), consulting (including consulting and retainer fees and other compensation paid to the Special Advisory Group or any of its members, consultants performing investment initiatives and other similar consultants), tax and other professional services; (viii) reverse breakup, termination and other similar fees; (ix) directors and officers liability, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance and regulatory expenses, including any costs and expenses related to any retention or deductibles; (x) filing, title, transfer, registration and other similar fees and expenses; (xi) printing, communications, marketing and publicity; (xii) the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s, other communications with Partners, or any other administrative, compliance or Fund-related or investment-related regulatory filings or reports (including Form PF), including fees and costs of any third-party service providers and professionals related to the foregoing; (xiii) the Management Company’s, the relevant General Partner’s and the Fund’s compliance with the requirements of the AIFMD (excluding, for clarity, the initial and/or preliminary registrations, filings and compliance related thereto), as implemented in any relevant jurisdiction and including any secondary legislation, regulations, rules and/or associated guidance, and any related requirements; (xiv) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of the Fund or the investors; (xv) any activities with respect to protecting the confidential or non-public nature of any information or data; (xvi) to the extent provided in the Partnership Agreement, or otherwise approved by the relevant General Partner in its sole discretion, activities or proceedings of the Advisory Board (defined below) (including any costs and expenses incurred by representatives of the relevant General Partner, the Advisory Board members, permitted observers and other persons in attending or otherwise participating in meetings of the Advisory Board); (xvii) indemnification (including any fees, costs



and expenses incurred in connection with indemnifying any investor or other person pursuant to the Partnership Agreement and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the Partnership Agreement), except as otherwise set forth in the Partnership Agreement; (xviii) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including the costs and expenses of any discovery related thereto and any judgment, other award or settlement entered into in connection therewith; (xix) any annual investors meeting or other periodic, if any, meetings of the investors, any other conference or meeting with any investor(s) and any periodic executive forum of portfolio company management and other persons; (xx) except as otherwise determined by the relevant General Partner in its sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a Fund expense or organizational expense as defined in the Partnership Agreement if it were incurred in connection with the Fund, and any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to the Fund to the extent not paid by the investors investing in such entities and any other costs and expenses related to any structuring or restructuring of the Fund and/or its affiliated entities; (xxi) the termination, liquidation, winding up or dissolution of the Fund; (xxii) defaults by investors in the payment of any capital contributions; (xxiii) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Fund, the relevant General Partner and related entities and any alternative investment vehicle of the Fund, including the preparation, distribution and implementation thereof; (xxiv) complying with any law, regulation or policy related to the activities of the Fund (including any legal fees and expenses related thereto and any regulatory expenses of the relevant General Partner incurred in connection with the operation of the Fund); (xxv) any litigation or governmental inquiry, investigation or proceeding involving the Fund, including any costs and expenses of discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith, except as set forth in the Partnership Agreement; (xxvi) any third-party experts, including independent appraisers, engaged by the relevant General Partner in connection with the Fund considering, making or holding an investment in the same entity as one or more investment vehicles (other than the Fund) managed or controlled by the relevant General Partner or any of its affiliates; (xxvii) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer by an investor; (xxviii) any taxes, fees and other governmental charges levied against the Fund and all expenses incurred in connection with any tax audit, investigation settlement or review of the Fund (except to the extent that the Fund is reimbursed therefor by an investor or such tax, fee or charge is treated as having been distributed to the investors pursuant to the Partnership Agreement); (xxix) distributions to the investors and other expenses associated with the acquisition, holding and disposition of the Fund's investments, including extraordinary expenses; (xxx) unreimbursed expenses and unpaid fees of the Special Advisory Group or its members, employees or other persons engaged by the Special Advisory Group; (xxxi) compliance or regulatory matters related to the Fund, except as otherwise set forth in the Partnership Agreement; (xxxii) any travel (including, where appropriate as determined by the relevant General Partner, the cost of using or chartering private aircraft or other private air travel at a cost not to exceed the cost of corresponding first class commercial airfare), lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition

opportunities; (xxxiii) any organizational expenses as defined in the Partnership Agreement; (xxxiv) any placement fees; and (xxxv) any other fees, costs, expenses, liabilities or obligations approved by the Advisory Board.

The Funds also bear expenses indirectly to the extent a portfolio company (or intermediate entity) pays expenses, including expenses of Brighton Park. Generally included in the expenses permitted to be borne by a Fund are the fees, costs, expenses, liabilities and obligations of legal counsel, consultants and/or other service providers to procure, develop, establish, review, revise, customize, upgrade and/or negotiate relationships relating to the foregoing items, which generally are expected to be significant. Excluded from Fund expenses are (A) ordinary overhead and administrative expenses that are payable by a General Partner and/or the Management Company pursuant to the applicable Partnership Agreement and (B) any investment contributions as set forth in the applicable Partnership Agreement. In certain cases, these or similar expenses (and/or transaction fees) are expected to be charged to portfolio companies, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio company. As is typical for private equity funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds, and there can be no assurance that the benefits to investors will be commensurate with such expenses. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in “Brokerage Practices.”

In certain circumstances, one Fund is expected to pay an expense or obligation common to multiple Funds (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 their share of such expenses or obligations, without interest. While Brighton Park believes such circumstances to be highly unlikely, it is possible that one of the other Funds could default on its obligation to reimburse the paying Fund. In certain circumstances, Brighton Park is expected to advance amounts related to the foregoing and receive reimbursement from the Funds to which such expenses relate.

As described above, in certain circumstances, the relevant General Partner is expected to permit certain investors to co-invest in portfolio companies alongside one or more Funds, subject to Brighton Park’s related policies and the relevant Governing Documents and/or Side Letter(s). Where a co-invest vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of a General Partner, ultimately is not consummated, all fees and expenses, or other liabilities or obligations, incurred for such transactions (“**Broken Deal Expenses**”) are expected to be borne by the Fund(s), and not by any potential co-investors, that were to have participated in such transaction. However, to the extent that such co-investors have already invested in a co-investment or other vehicle in connection with such transaction, such vehicle may bear its share of such Broken Deal Expenses.

Brighton Park generally has discretion over whether to charge transaction fees, monitoring fees or other compensation to a portfolio company 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 most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of such compensation generally will give rise to potential conflicts of interest between the Funds, on the one hand, and Brighton Park on the other hand.

## **Special Advisors**

It is Brighton Park's practice for the General Partners to retain, on behalf of one or more Funds and/or portfolio companies, as applicable, operating partners, special advisors, executive advisors and other consultants, including members of the Special Advisory Group (collectively, the "**Special Advisors**"), which may be affiliates of the General Partner, employees of such affiliates, portfolio companies of other funds managed by the General Partner or its affiliates, third party consultants (including individual Special Advisors, consultants and external executives), "strategic partners," "executive partners" or "senior advisors." The Special Advisors are expected to regularly provide services to, or in connection with, one or more Funds in relation to their activities, or to one or more portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such portfolio companies, including operational aspects of such companies ("**Services**").

Pursuant to the Partnership Agreement, fees and expenses associated with the Services (collectively, "**Consulting Fees and Expenses**"), may be paid and/or reimbursed by applicable portfolio companies, and Consulting Fees and Expenses do not offset or reduce the Management Fee. Consulting Fees and Expenses generally include cash fees, profits or equity interests in a portfolio company, a share of proceeds upon sale of a portfolio company and/or other incentive-based compensation to the Special Advisors, which may be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Special Advisors, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company. Additionally, portfolio companies may provide opportunities for the Special Advisors to invest in such portfolio company and reimburse costs and expenses incurred by the Special Advisors. Special Advisors also may receive remuneration from the General Partners and/or the Funds or affiliates and/or be entitled to other forms of compensation, including equity grants in portfolio companies. Such investment opportunities, reimbursements and other compensation paid to the Special Advisors will not offset or reduce the Management Fee. The Special Advisors may have a limited partnership or profit interest in the Funds, the General Partners, one or more other investment funds sponsored by the General Partners or in the affiliates of the General Partners. Although the General Partners intend to retain the Special Advisors with a view to reducing costs to portfolio companies (and, ultimately, the Funds) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. In addition, the General Partners intend to retain only such Special Advisors 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.

Pursuant to the Governing Documents, Special Advisors are not employees, members, or partners of the Management Company although their arrangements with Brighton Park may, in certain cases, bear some indicia of employment-like arrangements, including, but not limited to, the provision of Brighton Park office space or the use of Brighton Park's information technology and other resources. Special Advisors may have equity and/or carried interests in any investment made by the Funds. Certain Special Advisors are paid by a combination of the Management Company and portfolio companies. The portion of such compensation or other amounts paid and/or reimbursed by a portfolio company, prospective portfolio company, or the Funds to a Special Advisors will not offset or reduce the Management Fee.

#### **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As described under "Fees and Compensation," the relevant General Partner receives a carried interest allocation on certain realized profits in a Fund. Brighton Park generally has the authority to waive carried interest with respect to certain affiliated partners as described under "Fees and Compensation," and certain Funds advised by Brighton Park are not subject to a carried interest. Additionally, to the extent that Brighton Park has Funds with varying carried interest terms and/or Brighton Park personnel are assigned varying percentages of carried interest from the Funds, Brighton Park and such personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage.

Brighton Park seeks to address the potential for conflicts of interest in these matters with allocation policies that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Fund's investment guidelines and Governing Documents, as well as other factors that do not include the amount of performance-based compensation received by Brighton Park or any personnel.

The existence of performance-based compensation has the potential to create an incentive for a General Partner to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although Brighton Park generally considers performance-based compensation to better align its interests with those of its investors.

#### **TYPES OF CLIENTS**

Brighton Park provides investment advice solely to its Fund clients, and references throughout this Brochure to "clients" and to Brighton Park's related duties to and practices on behalf of its clients and/or investors should be construed accordingly. The Funds generally include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The investors participating in the Funds generally include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and from time to time include, directly or indirectly, principals or other employees of Brighton Park and members of their families, Special Advisors or other service providers retained by Brighton Park.

The relevant General Partner also generally is permitted from time to time to establish Funds that are alternative investment vehicles in order to permit certain investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the related Fund.

Brighton Park currently offers Fund interests solely to qualified purchasers (or qualified knowledgeable Brighton Park personnel). As set forth in detail in the applicable Governing Documents, each Fund has a specified minimum investment for third-party investors, and Brighton Park generally is permitted to waive such minimum investment amount.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **General**

Brighton Park's investment objective is to make investments on behalf of the Funds across software, information and technology-enabled services with a strong emphasis on companies located in North America. The Funds may make both significant minority and select control investments. Brighton Park seeks to invest in companies that are profitable (or have a clear path to profitability), that require relatively low capital expenditure, and that are well capitalized. An important part of Brighton Park's strategy is to invest in companies and provide meaningful capital that will help sustain or accelerate their revenue growth. In evaluating potential investment opportunities, Brighton Park looks to invest in markets with large, sustainable growth with macro tailwinds, new and emerging markets supported by innovative technology, mature markets where unique technology disruption allows for large market share gain, and fragmented market landscapes with opportunities for consolidation.

Brighton Park seeks to pursue a thematic approach to investing within the software, technology-enabled services, and information industries, specifically in sectors that offer, what it believes to be, the most compelling opportunity to maximize risk-adjusted returns for investors. Brighton Park is committed to completing significant core research to help identify the most compelling trends and areas where customers are rapidly adopting new technologies or services. This capability to develop and validate key investment themes and then to find the companies provides Brighton Park with an important competitive advantage. This strategy allows Brighton Park resources to be highly targeted on end markets where it is highly likely to find attractive growth companies. Brighton Park believes this top-down, targeted, and thematic approach will allow it to identify and develop credibility with the CEOs and owners of the target companies and thus position the Funds as a preferred investment partner.

There can be no assurance that Brighton Park will achieve the investment objectives of any Fund and a loss of investment is possible.

### **Investment and Operating Strategy**

***Deal Sourcing and Due Diligence.*** Brighton Park's deal sourcing strategy generally begins with primary research through conversations with senior level executives of companies in its target markets, as well as with senior managers that run large business units or operations within large

companies. In pursuing these discussions, Brighton Park’s intent is to learn where these companies (both big and small) are likely to invest in new technologies, new services, and new data opportunities. By having a series of such discussions, the Brighton Park can seek to develop hypotheses as to what types of companies are likely to benefit from these spending trends. Brighton Park also spends significant time with industry analysts, research analysts, experts in specific end markets, entrepreneurs, consultants, and other “angel” investors to gain additional insight.

Brighton Park is committed to a thorough, fact-and-data-based assessment and evaluation of any company under consideration by the Funds. Brighton Park will strive to not invest in any company where the Brighton Park team has not had access to, what the Brighton Park team believes to be, critical aspects of a company’s operations, technology, customers, financial performance (including audit and tax), legal, compliance and regulatory information, and other necessary information.

***Build Management Team.*** Brighton Park aims to help build, nurture, and develop a portfolio company’s management team. Brighton Park believes its active involvement in helping attract and retain the highest quality human capital will allow the Funds’ companies to best position themselves for future success. In many cases, such companies will need to add to their existing management teams or to upgrade certain C-level positions as they increase in size. In such cases, Brighton Park generally will seek to offer assistance with organizational design, leadership development, training, and implementation of what it believes to be best human resource practices. Brighton Park also expects to take a lead role in helping portfolio companies on governance issues. This may include helping to attract qualified, independent board members.

***Build Business Development Team.*** Brighton Park also aims to work closely with the Funds’ portfolio companies to build a business development team, if one does not already exist. Where applicable, Brighton Park also plans to work closely with portfolio companies to develop their marketing capabilities.

***Develop Strategic Relationship.*** Brighton Park also seeks to assist the Funds’ portfolio companies in engaging with other mid-size and larger enterprises in an effort to develop business or strategic relationships.

***Operation and Evaluation.*** Brighton Park intends to play a role in helping portfolio companies take advantage of key emerging technologies, including machine learning, artificial intelligence and advanced analytics. BPCM also expects to work with the Funds’ portfolio companies on pricing of their products and services and the technologies related to pricing. Where relevant, Brighton Park will also work closely with portfolio companies on their digital customer acquisition strategy.

Brighton Park anticipates that it will also play a role in helping companies develop the right set of metrics, key performance indicators, and financial and operating information, which will help both the management team of portfolio companies as well as Brighton Park to better understand the operating and financial performance and cadences of the underlying companies.

**Exit Strategy.** Exit strategies that Brighton Park may consider for a portfolio company may include, but are not limited to, the following: (1) strategic sale; (2) sale to larger private investment firms; (3) IPO; and (4) recapitalization.

## **Risks of Investment**

Each Fund and its investors bear the risk of loss that Brighton Park's investment strategy entails. The risks involved with Brighton Park's investment strategy and an investment in a Fund include, but are not limited to:

**Business Risks.** A Fund's investment portfolio is expected to consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk which can result in substantial losses.

**Future and Past Performance.** The performance of Brighton Park's principals' (the "Principals") prior investments is not necessarily indicative of a Fund's future results. While Brighton Park intends for a Fund to make investments that have estimated returns commensurate with the expected risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible. A Fund's investment program should be evaluated on the basis that there can be no assurance that Brighton Park's strategies will be executed in whole or in part, or that such Fund will achieve its objective investment.

**Investment in Junior Securities.** The securities in which a Fund will invest may be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect a Fund's investment once made.

**Concentration of Investments.** Each Fund will participate in a limited number of investments and may seek to make several investments in one industry or one industry segment or within a short period of time. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, a Fund may invest in fewer portfolio companies and thus be less diversified.

**Lack of Sufficient Investment Opportunities.** The business of identifying, structuring and completing private equity transactions is highly competitive and involves a high degree of uncertainty. It is possible that a Fund will never be fully invested if enough sufficiently attractive investments are not identified. However, investors will be required to bear Management Fees through such Fund during the investment period defined in the applicable Partnership Agreement based on the entire amount of the investors' Commitments and other expenses as set forth in the applicable Partnership Agreement.

**Dynamic Investment Strategy.** While Brighton Park generally intends to seek attractive returns for a Fund primarily through making private equity investments as described herein, Brighton Park may pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process and investment techniques as it determines

appropriate. Brighton Park may pursue investments outside of the industries and sectors in which the Principals have previously made investments or have internal operational experience.

***Growth Equity Transactions.*** A Fund's strategy is primarily focused on targeting growth-equity investments. While growth-equity investments offer the opportunity for significant capital gains, such investments may involve a higher degree of business and financial risk that can result in substantial or total loss. Growth-equity portfolio companies may operate at a loss or with substantial variations in operating results from period to period, and many will need substantial additional capital to support additional research and development activities or expansion, to achieve or maintain a competitive position, and/or to expand or develop management resources. Growth-equity portfolio companies may face intense competition, including from companies with greater financial resources, better brand recognition, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

***Impact of Government Regulation, Reimbursement and Reform.*** Certain industry segments in which a Fund may invest are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. Certain segments may be highly dependent upon various government (or private) reimbursement programs. While a Fund intends to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which a Fund invests.

***Illiquidity; Lack of Current Distributions.*** An investment in a Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating a Fund (including the Management Fee payable to BPCM) may exceed its income, thereby requiring that the difference be paid from such Fund's capital, including unfunded Commitments.

***Leveraged Investments.*** A Fund may make use of leverage by incurring or having a portfolio company incur debt to finance a portion of its investment in such portfolio company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both the 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 (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a Fund's investments to any deterioration in a



company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Fund's investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Fund. Furthermore, should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which a Fund will invest generally will not be rated by a credit rating agency.

A Fund may also borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt) or otherwise be liable therefor, and in such situations, it is not expected that the Fund would be compensated for providing such guarantee or exposure to such liability. The use of leverage by a Fund also will result in interest expense and other costs to the Fund that may not be covered by distributions made to the Fund or appreciation of its investments. A Fund may incur leverage on a joint and several basis with one or more other investment funds and entities managed by Brighton Park and may have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts may be secured by capital commitments made by the Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of the Fund.

***Use of Credit Facility.*** A Fund will be permitted to borrow funds pursuant to a revolving credit facility or other debt facility, including a facility based on the aggregate Commitments available to be called. A Fund's use of such facilities will be determined by Brighton Park, and the performance of the Fund may be impacted by how Brighton Park causes the Fund to utilize such facilities. Although the use of such a facility may increase the Fund's ability to swiftly invest capital, it also will cause the Fund to incur interest expense. 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, which in certain circumstances enhances the relevant Fund's internal rate of return calculations and thereby may be deemed to benefit the marketing efforts of the General Partner and its affiliates. 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, 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 and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

For administrative convenience, capital calls, including those used to pay interest on credit facilities, asset-back facilities and other indebtedness, may from time to time be "batched" together into larger, less frequent capital calls or closings, with a Fund's interim capital needs being satisfied by the Fund borrowing money from such facilities. In particular, it is expected that capital needs of a Fund during the fundraising period may be met through drawdowns from such credit facilities rather than capital calls. The interest expense and other costs of any such borrowings will be Fund expenses and, accordingly, decrease net returns of the Fund. In addition, the batching of capital calls may amplify the magnitude of potential defaults by investors as a result of there being fewer but larger capital calls. To the extent a subscription facility is due upon demand by a lender, such a demand may be issued at an inopportune time at which liquidity is generally constrained,

potentially resulting in greater defaults as a result of liquidity constraints on investors and/or investors facing similar capital calls in multiple funds and being unable to satisfy all such demands simultaneously. Finally, the existence of a subscription facility may impair an investor's ability to transfer its interest in the Fund as a result of restrictions imposed on such transfers by the lender.

***Limited Transferability of Fund Interests.*** There will be no public market for a Fund interests, and none is expected to develop. There are substantial restrictions upon the transferability of Fund interests under the Partnership Agreement and applicable securities laws. In general, withdrawals of Fund interests are not permitted. In addition, Fund interests are not redeemable.

***Restricted Nature of Investment Positions.*** Generally, there will be no readily available market for Fund investments, and hence, most of a Fund's investments will be difficult to value. Certain investments may be distributed in kind to the investors and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such investor. After a distribution of securities is made to the investors, many investors may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such investors may be lower than the value of such securities determined pursuant to the Partnership Agreement, including the value used to determine the amount of carried interest available to Brighton Park with respect to such investment.

***Reliance on Brighton Park and Portfolio Company Management.*** Control over the operation of a Fund will be vested with Brighton Park, and the Fund's future profitability will depend largely upon the business and investment acumen of the Principals. The loss or reduction of service of one or more of such Principals could have an adverse effect on the Fund's ability to realize its investment objectives. In addition, the Principals currently, and may in the future, manage or advise other investments and/or investment funds besides the Fund and the Principals may need to devote substantial amounts of their time to the investment activities of such investments and/or other funds, which may pose conflicts of interest in the allocation of the time of the Principals. Investors generally have no right or power to take part in the management of a Fund, and as a result, the investment performance of the Fund will depend on the actions of Brighton Park. In addition, certain changes in Brighton Park or circumstances relating to Brighton Park may have an adverse effect on a Fund or one or more of its portfolio companies including potential acceleration of debt facilities.

Although Brighton Park will monitor the performance of each Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day to day basis. Although a Fund generally intends to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the management of such companies will be able or willing to successfully operate a company in accordance with the Fund's objectives.

***Absence of Operating History.*** The Funds have no operating history and will be entirely dependent on Brighton Park. There can be no assurance that a Fund's investments will achieve results similar to those attained by previous investments of the Principals. In addition, a Fund's investments may differ from previous investments made by the Principals in a number of respects, including target return levels, level of risk associated with a particular investment, amount invested

in a particular company, types of companies within a particular industry sector, amount of leverage used, structure, and holding period.

**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, with adjustments to such projections made by Brighton Park in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

The projections have been prepared based on Brighton Park's current view in relation to future events, and various other estimations and assumptions made by Brighton Park, including estimations and assumptions about events that have not occurred, any of which may prove to be incorrect. Therefore, the projections are subject to uncertainties, changes and other risks that are beyond Brighton Park's control and any of which may cause the relevant actual, financial and other results to be materially different from the results expressed or implied by such projections.

The projections are subject to a number of important risks, qualifications, limitations, and exceptions. The projections reflect assumptions about market and economic conditions such as the availability of investments for purchase, any of which, if not true, could materially alter the hypothetical performance expressed or implied by the projections. There are numerous factors related to the markets in general or the implementation of any specific investment program that cannot be fully accounted for in the preparation of hypothetical performance results, all of which can adversely affect actual investment results.

**Need for Follow On Investments.** Following its initial investment in a given portfolio company, a Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There is no assurance that the Fund will make follow on investments or that the Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make follow on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such failure to make such investments may result in a lost opportunity for the Fund to increase its participation in a successful portfolio company or the dilution of the Fund's ownership in a portfolio company if a third party invests in such portfolio company.

**Non-U.S. Investments.** A Fund may invest in portfolio companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Fund), the application of complex U.S. and non U.S. tax rules

to cross-border investments, possible imposition of non-U.S. taxes on the Fund and/or the investors with respect to the Fund's income, and possible non-U.S. tax return filing requirements for the Fund and/or the investors.

Additional risks of non-U.S. investments include: (i) economic dislocations in the host country; (ii) less publicly available information; (iii) less well-developed and/or more restrictive laws, regulations, regulatory institutions and judicial systems; (iv) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (v) civil disturbances; (vi) government instability; and (vii) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

***Hedging Arrangements; Related Regulations.*** Brighton Park may (but is not obligated to) endeavor to manage a Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. A Fund may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used.

In some cases, particularly in OTC contexts, hedging arrangements will subject the Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose the Fund to additional liquidity risks if such contracts cannot be adequately settled.

Certain hedging arrangements may create for Brighton Park an obligation to register with the U.S. Commodity Futures Trading Commission ("CFTC") or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of a Fund or a portfolio company to hedge its exposures becomes limited by such requirements.

***Public Company Holdings.*** A Fund's investment portfolio may contain securities and debt issued by publicly held companies. Such investments may subject the Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include 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 and debt at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including the Principals, and increased costs associated with each of the aforementioned risks.

***Non-controlling Investments.*** A Fund's strategy includes holding meaningful minority stakes in privately held companies and in some cases the Fund may have limited minority protection rights. In addition, during the process of exiting investments, a Fund at times may hold

minority equity stakes of any size such as might occur if portfolio companies are taken public. As is the case with minority holdings in general, such minority stakes that the Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where a Fund holds a minority stake, it may be more difficult for the Fund to liquidate its interests than it would be had the Fund owned a controlling interest in such company. Even if the Fund has contractual rights to seek liquidity of the Fund's minority interests in such companies, it may be very difficult to sell such interests or seek a sale of such company upon terms acceptable to the Fund, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals.

***Director Liability.*** A Fund will often seek to obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which it invests. Serving on the board of directors (or similar governing body) of a portfolio company exposes the Fund's representatives, and ultimately the Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from the Fund's investment activities.

***Limitation of Recourse and Indemnification.*** The Partnership Agreement will limit the circumstances under which Brighton Park will be held liable to the Fund. As a result, investors may have a more limited right of action in certain cases than they would have in the absence of such provision. In addition, the Partnership Agreement will provide that the Fund will indemnify Brighton Park for certain claims, losses, damages and expenses arising out of its activities on behalf of the Fund. Such indemnification obligations could materially impact the returns to investors.

***Litigation.*** In the ordinary course of its business, a Fund may be subject to litigation from time to time. The outcome of such proceedings may materially adversely affect the value of the Fund and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of Brighton Park's and the Principals' time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

***Side Letters.*** Brighton Park or a Fund may enter into Side Letters or other similar agreements with investors in connection with their admission to the Fund as limited partners. Such Side Letters would have the effect of establishing rights under, altering or supplementing the terms of the Partnership Agreement with respect to one or more such investors in a manner more favorable to such investors than those applicable to other investors. Such rights or terms in any such Side Letter or other similar agreement may include, without limitation, (i) fee and other economic arrangements (including discounts and terms applicable in exchange for closing by a specified deadline) with respect to such investors; (ii) excuse or exclusion rights applicable to particular investments or withdrawal rights from the Fund, including without limitation, as a result of an investor's specific policies or certain violations of federal, state or non-U.S. laws, rules or regulations, such as so-called "pay-to-play" rules with respect to public pension plan investors (which may materially increase the percentage interest of other investors in, and their contribution obligations, for future investments and expenses, and reduce the overall size of the Fund); (iii)

Brighton Park's agreement to extend certain information rights or additional reporting to such investor, including, without limitation, to accommodate special regulatory or other circumstances of such investor; (iv) additional or modified reporting obligations of Brighton Park and the Fund; (v) waiver of certain confidentiality obligations; (vi) prior consent of Brighton Park to certain transfers by such investor or other exercises by Brighton Park of its discretionary authority under the Partnership Agreement for the benefit of such investor; (vii) restrictions on, or special rights of such investor with respect to the activities of Brighton Park; (viii) special rights and terms with respect to co-investment allocation and participation; (ix) rights or terms necessary in light of particular legal, regulatory or policy characteristics of an investor (including with respect to limitations on the ability to provide indemnification); (x) certain adjustments with respect to economic provisions (including potential mandatory waivers of compensation as a result of certain violations of law with regard to public pension plan investors); (xi) additional obligations and restrictions of Brighton Park and the Fund with respect to the structuring of any particular investment in light of the legal, tax and regulatory considerations of particular investors (including with respect to alternative investment vehicles); (xii) agreements to assist with the taking or defending of tax positions; (xiii) right of Brighton Park to waive any requirements of investors to execute acknowledgements or other documents in connection with any subscription line or other credit facility; and (xiv) certain obligations or restrictions on Brighton Park with respect to the exercise of its discretion on certain matters, including amendments, exercising default remedies and waiving confidentiality or terms. Any rights established, or any terms of the Partnership Agreement or any subscription agreement related thereto altered or supplemented in a Side Letter or other similar agreement with an investor will govern solely with respect to such investor, notwithstanding any other provision of the Partnership Agreement related thereto.

***Advisory Board.*** Brighton Park will appoint one or more investor representatives to an advisory board (each, an “**Advisory Board**”) pursuant to a Fund's Partnership Agreement. The Partnership Agreement will provide that to the fullest extent permitted by applicable law, none of the Advisory Board members shall owe any fiduciary duties to the Fund or any other investor. In addition, representatives of the Advisory Board may have various business and other relationships with the Management Company and its partners, employees and affiliates. These relationships may influence their decisions as members of the Advisory Board.

***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 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 the Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon the Fund's portfolio companies.

**Market Conditions.** The capital markets have experienced great volatility and financial turmoil. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for a Fund and may affect a Fund's ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in a Fund's investments and could have a negative impact on the performance and/or valuation of the portfolio companies. A Fund's performance can be affected by deterioration in the capital markets and by market events, such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and a Fund's performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of a Fund to sell and/or partially dispose of its portfolio company investments. Such adverse effects may include the requirement of a Fund to pay break-up, termination or other fees and expenses in the event the Fund is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of a Fund to dispose of investments at prices that Brighton Park believes reflect the fair value of such investments. The impact of market and other economic events may also affect a Fund's ability to raise funding to support its investment objective.

**Deterioration of Credit Markets May Affect Ability to Finance and Consummate Investments.** In the event that the global credit markets deteriorate and it becomes more difficult for investment funds such as a Fund to obtain favorable financing for investments, the Fund's ability to generate attractive investment returns may be adversely affected. Moreover, to the extent that such deterioration is not temporary, it may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such deterioration also may restrict the ability of a Fund to realize its investments at favorable times or for favorable prices.

**Limited Access to Information.** Limited partners' rights to information regarding a Fund, the relevant General Partner or Brighton Park generally will be specified, and in many cases strictly limited, by the Governing Documents. In particular, it is anticipated that the General Partner and its affiliates 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 Brighton Park's control. Decisions by Brighton Park 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 Brighton Park and its performance. Additionally, it is anticipated that limited partners that designate representatives to participate on a Fund's advisory board 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, state freedom

of information laws and other laws, whether or not the relevant Fund succeeds in asserting confidentiality for requested documents and other materials, and Brighton Park reserves the right to withhold certain information from investors subject to such laws for reasons relating to Brighton Park's public reputation, business strategy or other reasons.

***Material Non-Public Information.*** As a result of the operations of the Management Company and its affiliates, as well as in connection with officerships or directorships of Brighton Park personnel, the Management Company may come into possession of confidential or material, non-public information. Therefore, the Management Company 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, the 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 the Management Company's internal policies. Due to these restrictions, the 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.

***Unfunded Pension Liabilities of Portfolio Companies.*** Recent court decisions 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 Funds intend to manage their investments to minimize any such exposure, a Fund may, from time to time, invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where a Fund may own an 80% or greater interest in such a portfolio company. If a Fund (or other 80%-owned portfolio companies of the 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 the 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 Memorandum, which may change in the future as the case law and guidance develops.

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

***Contingent Liabilities Upon Disposition.*** In connection with the disposition of an investment, a Fund and Brighton Park 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.

***Cybersecurity Risks.*** Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject. To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or portfolio company financial information; (iii) portfolio company software, contact lists or other databases; (iv) portfolio company proprietary information or trade secrets; or (v) other items. In certain events, a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a portfolio company, or the Funds, to substantial losses. In addition, in the event that such a cyber-attack or other unauthorized access is directed at Brighton Park or service providers holding its financial or investor data, Brighton Park or the Funds may also be at risk of loss.

***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 the current outbreak of COVID-19 (as defined below), have and are resulting in market volatility and disruption, 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 a Fund.

Currently, there is an ongoing outbreak of a novel and highly contagious form of coronavirus ("COVID-19"), which the World Health Organization formally declared in March 2020 to constitute a global "pandemic." This outbreak has caused a worldwide public health emergency, straining healthcare resources and resulting in extensive and growing numbers of infections, hospitalizations and deaths. In an effort to contain COVID-19, national, regional and local governments, as well as private businesses and other organizations, have taken severely restrictive measures, including instituting local and regional quarantines, restricting travel (including closing certain international borders), prohibiting public activity (including "stay-at-home" and similar orders), and ordering the closure of large numbers of offices, businesses, schools and other public venues. As a result, COVID-19 has significantly diminished global economic production and activity of all kinds and has contributed to both volatility and a severe decline in all financial markets. Among other things, these unprecedented developments have resulted in material reductions in demand across most categories of consumers and businesses, dislocation (or in some cases a complete halt) in the credit and capital markets, labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment.

The ultimate impact of COVID-19 — and the resulting precipitous decline in economic and commercial activity across several of the world’s largest economies — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, although ongoing and potential additional materially adverse effects, including a further global or regional economic downturn (including a recession) of indeterminate duration and severity, are possible. The extent of COVID-19’s impact will depend on many factors, including the ultimate duration and scope of the public health emergency and the restrictive countermeasures being undertaken, as well as the effectiveness of other governmental, legislative and financial and monetary policy interventions designed to mitigate the crisis and address its negative externalities, all of which are evolving rapidly and may have unpredictable results. Even if and as the spread of the COVID-19 virus itself is substantially contained, it will be difficult to assess what the longer-term impacts of an extended period of unprecedented economic dislocation and disruption will be on future macro- and micro-economic developments, the health of certain industries and businesses and commercial and consumer behavior.

The ongoing COVID-19 crisis and any other public health emergency could have a significant adverse impact and result in significant losses to a Fund. The extent of the impact on a Fund’s and its 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 a Fund 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 a Fund intends to pursue, all of which could adversely affect a Fund’s ability to fulfill its 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 a Fund, its portfolio companies, its General Partner and Brighton Park may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency, 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.

## **Conflicts of Interest**

Brighton Park and its related entities engage, or in the future may engage, in a broad range of advisory and non-advisory activities, including investment activities for their own accounts and for the accounts of other Funds, and providing transaction-related, legal, management and other services to Funds and portfolio companies. Brighton Park will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the relevant Governing Documents, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of

Brighton Park conducting its activities, the interests of a Fund likely will conflict with the interests of Brighton Park, one or more other Funds, portfolio companies or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, Brighton Park will determine all matters relating to structuring transactions and Fund operations using its reasonable judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the Advisory Boards of the participating Funds.

During the commitment period of a Fund, all appropriate investment opportunities will be pursued by the Principals through such Fund, subject to Brighton Park's allocation policies and certain exceptions set forth in the Fund's Governing Documents. Without limitation, the Principals expect in the future to manage, other investments similar to those in which a Fund will be investing, and expect to direct certain relevant investment opportunities or resources to those investments. Following the commitment period of a Fund, the Principals reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to such Fund's investments.

From time to time, Brighton Park will be presented with investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles operated by Brighton Park. In determining which investment vehicles should participate in such investment opportunities, Brighton Park is subject to conflicts of interest among the investors in such investment vehicles. Except as required by the relevant Governing Documents, Brighton Park is not obligated to recommend any investment to any particular investment vehicle. Investments by more than one Fund or other client of Brighton Park in a portfolio company also have the potential to raise the risk of using assets of another Brighton Park Fund or client to support positions taken by other Funds or clients.

In situations such as those described above, Brighton Park must determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. Brighton Park generally will assess whether an investment opportunity is appropriate for a particular Fund based on the Fund's Governing Documents, as well as factors including, but not limited to: each Fund's investment restrictions and objectives (including those set forth in the relevant fund's Partnership Agreements, where applicable), strategy, capital structure, risk profile, time horizon, investment size, tax sensitivity, tolerance for turnover, asset composition, cash level (if any), applicable regulatory restrictions, life cycle and structure. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. A Fund generally reserves the right to invest together with other Funds advised by an affiliated adviser of Brighton Park in the manner set forth in the relevant Governing Documents and Brighton Park's Investment Allocations/Co-Investment Policy. Brighton Park will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable to its clients under the circumstances over time and consistent with Brighton Park's obligations, and reserves the right to take into consideration factors such as those set forth above.

Following such determination of allocation among Funds, Brighton Park will determine if the amount of an investment opportunity in which one or more Funds will invest exceeds the amount that would be appropriate for such Fund(s) and Brighton Park reserves the right to offer any such excess to one or more potential co-investors, including third parties, as determined by

the Funds' Governing Documents, Side Letters and Brighton Park's procedures regarding allocation. Brighton Park's procedures permit it to take into consideration a variety of factors in making such determinations, including, but not limited to: relevant industry knowledge, prior co-investing experience, expressed interest in co-investment opportunities, likelihood that an investor may invest in a future Fund sponsored by Brighton Park, speed and certainty of closing, prior, current and potential future commitment levels, existence of a formal or informal strategic relationship with the prospective co-investor, and tax, regulatory and securities laws and/or other legal considerations (e.g., qualified purchaser or qualified institutional buyer status). Although Brighton Park reserves the right to consider a prospective co-investor's willingness to invest in future Funds, such willingness generally will not be the sole determining factor considered by Brighton Park in identifying co-investors. Brighton Park reserves the right to grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in Fund portfolio companies or otherwise to have priority in co-investment opportunities.

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

Furthermore, Brighton Park or its related persons expect to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a lender or co-sponsor. Co-investment opportunities typically will be offered to some and not to other Fund investors, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. When and to the extent that employees and related persons of Brighton Park make capital investments in or alongside certain Funds, Brighton Park is subject to potentially conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Brighton Park's allocation of investment opportunities among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations likely will be more or less advantageous to some such persons relative to others. While Brighton Park will allocate investment opportunities in a manner that it believes is fair and equitable to its clients under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the potential conflicts of interest to which Brighton Park expects to be subject, discussed herein, did not exist.

In certain cases, Brighton Park will have opportunity (but, subject to any applicable restrictions or procedures in the relevant Governing Documents, no obligation) to identify one or

more secondary transferees of interests in a Fund. In such cases, Brighton Park will not receive compensation for identifying such transferees, and will use its discretion to select such transferees based on eligibility and other factors, and unless required by the relevant Governing Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

Where multiple Funds invest at the same, different or overlapping levels of a portfolio company's capital structure, there is a potential for conflicts of interest in determining the terms of each such investment. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any workout or restructuring may raise conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio company. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, Funds 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 Brighton Park in its sole discretion. Because of the different legal rights associated with debt and equity of the same portfolio company, Brighton Park expects to face a potential conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of one Fund versus another Fund (e.g., the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). If a Fund enters into any indebtedness with another Fund on a joint and several basis, the applicable General Partner is expected to enter into one or more agreements that provide each Fund with a right of contribution, subrogation or reimbursement. In administering, or seeking to reinforce, these agreements, Brighton Park expects to be subject to potential conflicts of interest, for example between a Fund with a reimbursement obligation and a Fund seeking reimbursement. In certain circumstances Funds are expected to be prohibited from exercising (or Brighton Park may deem it appropriate to refrain from exercising) voting or other rights in order to mitigate the relevant potential conflicts, notwithstanding the fact that the investment(s) of one Fund or the other may be subject to creditor claims regarding subordination of interests. Brighton Park intends to mitigate any potential conflicts by structuring such agreement in a manner intended to cause each Fund to bear its proportionate share of the applicable indebtedness, without undue favoritism over time.

Potential conflicts are expected to arise when and to the extent that a Fund makes investments in conjunction with an investment being made by another Fund, or if it were to invest in the securities of a company in which another Fund has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as such other Funds. This likely will result in differences in price, investment terms, leverage and associated costs between such Funds. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. Brighton Park may from time to time express inconsistent views of commonly held investments or of market conditions more generally, including in instances where different portfolio managers express different views regarding the same investment. There can be no assurance that the return on one Fund's investments will be the same as the returns achieved by other Funds participating in a given transaction. Given the nature of these conflicts, there can be no assurance that any such conflict

can be resolved in a manner that is beneficial to both Funds. In that regard, actions taken for one or more Funds may adversely affect other Funds.

Subject to any relevant restrictions or other limitations contained in the Governing Documents of the Funds, Brighton Park, in its sole discretion, will allocate fees and expenses in a manner that it believes is fair and equitable to its clients under the circumstances over time and considering such factors as it deems relevant. In exercising such discretion, Brighton Park expects to be faced with a variety of potential conflicts of interest.

As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-invest vehicles eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions will generally be made by Brighton Park using its reasonable judgment, considering such factors as it deems relevant, but in its sole discretion. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining whether to allocate *pro rata* based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has greater benefit to a Fund or Brighton Park. The Funds generally have different expense reimbursement terms, including with respect to Management Fee offsets, which are expected from time to time to result in different Funds bearing different levels of expenses with respect to the same investment.

As a result of the Funds' controlling interests in portfolio companies, Brighton Park typically has the right to appoint portfolio company board members (including current or former Brighton Park personnel or persons serving at their request), or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company board members approve compensation and/or other amounts payable to Brighton Park in connection with services provided. Except to the extent such amounts are subject to the Governing Documents' offset provisions, they will be in addition to any Management Fees or carried interest paid by a Fund to Brighton Park. Brighton Park's authority to appoint or influence the appointment of portfolio company board members who may be involved in approving compensation payable to Brighton Park subjects Brighton Park and any such portfolio company board appointees to potential conflicts of interest.

Additionally, a portfolio company typically will reimburse Brighton Park or service providers retained at Brighton Park's discretion for expenses (including without limitation travel expenses) incurred by Brighton Park or such service providers in connection with its performance of services for such portfolio company. This subjects Brighton Park to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Brighton Park determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, their effect is reflected in each Fund's audited financial statements, and any fee paid or expense reimbursed to Brighton Park or such service providers generally is subject to: agreements with or review by sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies;

and/or third party co-investors in its transactions. These factors, where applicable, help to mitigate related potential conflicts of interest.

Over the life of a Fund, Brighton Park generally expects to exercise its discretion to recommend to the Fund or to a portfolio company thereof that it contract for services with various service providers, potentially including, among others: (i) Brighton Park (or an affiliate, which may include other portfolio companies of the Funds or other Funds sponsored by Brighton Park or an affiliate) and at rates determined or substantively influenced by Brighton Park; (ii) an entity with which Brighton Park or current or former members of their personnel has a relationship or from which such person derive a financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where Brighton Park personnel are seconded, or from which Brighton Park receives secondees; (iii) an investor or its affiliates; or (iv) Special Advisors (including the Special Advisory Group and its members). This subjects Brighton Park to potential conflicts of interest, because although it intends to select service providers that it believes are aligned with its operational strategies and that will enhance portfolio company performance, Brighton Park has a potential incentive to recommend the related or other person because of its financial or business interest. Additionally, there is a possibility that Brighton Park, because of such incentives or for other reasons (including whether the use of such persons could establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to Brighton Park, the Funds or other investment funds sponsored by Brighton Park), would favor such retention or continuation even if a better price and/or quality of service provider could be obtained from another person. Brighton Park will not necessarily seek out the lowest cost options when incurring (or causing the Fund or its portfolio companies to incur) such expenses. Although Brighton Park generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived sector competence or expertise, familiarity, onboarding speed or other other factors in retaining or recommending service providers. In certain circumstances where Brighton Park commits or has committed to seek “market” or “arms-length” rates or terms, Brighton Park will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. Consequently, Brighton Park undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking relates specifically to the assets or services to which such rates or terms relate. Whether or not Brighton Park has a relationship with or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

In certain circumstances, current or former Brighton Park personnel are expected to serve in interim or part-time roles at a portfolio company, or provide services to a portfolio company as a secondee or in similar capacities, whether or not while maintaining certain legacy economic arrangements, benefits, support services or indicia of employment at Brighton Park. Under such arrangements, Brighton Park and/or the relevant portfolio company may pay all or a portion of the personnel costs of such employee, or supervise or oversee such employee. These arrangements have the potential to create conflicts of interest, in that amounts paid by a portfolio company in connection with secondee relationships or to former employees generally will not offset or reduce the Management Fee. Due to the nature of secondee relationships, which are often initiated to meet a temporary portfolio company need, the arrangements between such employees and the related portfolio company are expected to change over time, and in many cases will be terminated when

the portfolio company is sold or when the position can be filled on a longer-term or permanent basis. Employees may or may not return to Brighton Park at the end of such secondees arrangement.

Brighton Park may retain, on behalf of a Fund and/or the portfolio companies, as applicable, Special Advisors, which may be affiliates of Brighton Park, employees of such affiliates, portfolio companies of other funds managed by Brighton Park, third party consultants (including individual Special Advisors, consultants and external executives), “strategic partners,” “executive partners” or “senior advisors.” The Special Advisors may regularly provide services to, or in connection with, a Fund in relation to its activities, or to one or more portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such portfolio companies, including operational aspects of such companies (“**Services**”).

Pursuant to the Partnership Agreement, fees and expenses associated with the Services (collectively, “**Consulting Fees and Expenses**”), may be paid and/or reimbursed by applicable portfolio companies, and Consulting Fees and Expenses do not offset or reduce the Management Fee. Consulting Fees and Expenses are expected to include cash fees, profits or equity interests in a portfolio company, a share of proceeds upon sale of a portfolio company and/or other incentive-based compensation to the Special Advisors, which may be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Special Advisors, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company. Additionally, portfolio companies may provide opportunities for the Special Advisors to invest in such portfolio company and reimburse costs and expenses incurred by the Special Advisors. Special Advisors also may receive remuneration from Brighton Park and/or the Funds or affiliates and/or be entitled to other forms of compensation, including equity grants in portfolio companies. Such investment opportunities, reimbursements and other compensation paid to the Special Advisors will not offset or reduce the Management Fee. The Special Advisors may have a limited partnership or profit interest in a Fund, Brighton Park, one or more other investment funds sponsored by Brighton Park or in an affiliate of Brighton Park. Although Brighton Park intends to retain the Special Advisors with a view to reducing costs to portfolio companies (and, ultimately, the Fund) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. In addition, Brighton Park intends to retain only such Special Advisors 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.

As described in the Governing Documents, members of the Special Advisory Group are not employees, members, or partners of the Management Company. In certain cases, however, their arrangements with Brighton Park may bear some indicia of employment-like arrangements, including, but not limited to, the provision of Brighton Park office space or the use of Brighton Park’s information technology and other resources. Special Advisory Group members may have equity and/or carried interests in any investment made by the Funds. Certain Special Advisory Group members are paid by a combination of the Management Company and portfolio companies. The portion of such compensation or other amounts paid and/or reimbursed by a portfolio company, prospective portfolio company, or a Fund to a Special Advisory Group member will not offset or reduce the Management Fee.



Although uncommon, Brighton Park reserves the right from time to time to cause a Fund to enter into a transaction whereby the Fund purchases securities from, or sells securities to, other Funds, or co-investors or co-investment vehicles. Such transactions may arise in the context of automatic or other re-balancing of an investment among parallel investing entities or in contexts where a portfolio company owned by one Fund is acquired by a portfolio company acquired by another Fund. Certain of such transactions raise potential conflicts of interest, including where the investment of one Fund supports the value of portfolio companies owned by another Fund. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the relevant Funds' Governing Documents or otherwise in the sole discretion of Brighton Park, Brighton Park reserves the right to seek to mitigate such conflicts by seeking, at the Funds' expense, the opinion of an unaffiliated third party (including the use of a consultant or investment banker to opine as to the fairness of a purchase or sale price) or by obtaining the consent of the relevant Fund(s) (including, where authorized, the consent of each Fund's Advisory Board) to such transactions. In certain circumstances, Brighton Park reserves the right to determine that the willingness of a third party to make an investment on the same terms demonstrates the fairness of the relevant transaction to the Fund under then-current market conditions. Brighton Park intends that any such transactions be conducted in a manner that it believes to be fair and equitable to each Fund under the circumstances, including a consideration of the potential present and future benefits with respect to each Fund.

Although Brighton Park generally structures Funds to avoid cross-guarantees and other circumstances in which one Fund ultimately bears liability for all or part of the obligations of another Fund, in certain circumstances lenders and other market parties negotiate for the right to face only select Fund entities, which may result in a single Fund being solely liable for other Funds' share of the relevant obligation and/or joint and several liability among Funds. In such case, Brighton Park intends to cause the relevant other Funds to enter into a back-to-back guarantee, indemnification or similar reimbursement arrangement, although the Fund undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements.

Brighton Park reserves the right to employ personnel, or engage Special Advisors, with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by Brighton Park; conversely, current or former personnel or executives of Brighton Park, or current or former Special Advisors, may from time to time serve in significant management roles at portfolio companies or service providers recommended by Brighton Park. Similarly, Brighton Park and/or personnel and/or Special Advisors maintain relationships with (or may invest in) financial institutions, service providers and other market participants and their respective affiliates and personnel, 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 employees, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Brighton Park and/or the Funds or other investment vehicles they advise. Brighton Park expects to be subject to a potential conflict of interest with a Fund in

recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide Brighton Park information about markets and industries in which Brighton Park operates (or is contemplating operations) or will provide other services that are beneficial to Brighton Park or one or more other Funds. Brighton Park expects to be subject to a potential conflict of interest in making such recommendations, in that Brighton Park has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to the portfolio companies held by a Fund.

Brighton Park, and its equity holders, officers, principals and employees reserve the right to buy or sell securities or other instruments that Brighton Park has recommended to a Fund. In addition, officers, principals and employees reserve the right to buy securities in transactions offered to but rejected by a Fund. Such transactions are subject to any restrictions in the Partnership Agreement and any policies and procedures set forth in the Management Company's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of a Fund. Employees and related persons of Brighton Park, and, potentially, Special Advisors, have, and are expected to continue to have, capital investments in or alongside a Fund, or in prospective portfolio companies directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors, and therefore expect to have additional potential conflicting interests in connection with these investments.

The fact that a General Partner's carried interest is based on a percentage of net profits creates an incentive for Brighton Park to cause a Fund to make riskier or more speculative investments or to hold an investment longer than otherwise would be the case. In addition, because there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure creates an incentive to deploy capital when Brighton Park may not otherwise have done so.

Since Brighton Park is permitted to retain certain Transaction Fees (as described under "Fees and Compensation") in connection with Fund investments, it expects to be subject to a potential conflict of interest in connection with approving transactions and setting such compensation. Additionally, Brighton Park, its personnel, affiliates or others designated by Brighton Park, such as Special Advisors, are expected from time to time to receive compensation in the form of portfolio company securities. To the extent any such securities are received, after any applicable offset provisions in the relevant Governing Documents are applied, Brighton Park and/or such other recipients will be permitted to retain such securities as Transaction Fees, and in doing so will be subject to potential conflicts of interest in determining whether to sell such securities (subject to restrictions imposed by the portfolio company and/or Brighton Park) or to retain such securities for a period consistent with their own financial and investment objectives, which may differ from those of the relevant Fund. In addition, because portfolio company securities typically represent newly issued incentive equity (whether in the form of common stock, warrants or options to buy common stock, or similar instruments), the receipt of compensation in the form of securities typically has the result of diluting a Fund's relative ownership of the portfolio company awarding such compensation.

Brighton Park reserves the right to enter into Side Letters with certain investors in a Fund, providing such investors with different or preferential rights or terms, including, but not limited to, different fee structures (including discounted or rebated compensation terms), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, and liquidity or transfer rights. Side Letters may also relate to strategic relationships under which an investor agrees to make capital commitments to multiple Funds. Except where required by Governing Documents, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, 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. As a consequence of one or more limited partners being excused or excluded, or from regulatory or other factors limiting their participation in investments, the aggregate returns realized by participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments.

It is possible that Brighton Park will institute a program under which portfolio companies owned by the Funds are given the option or required to participate in purchasing, vendor, or similar arrangements with Brighton Park and/or other portfolio companies. Program participants would be expected to receive discounts negotiated with various vendors and service providers on a group wide basis. To the extent formed, participants may participate in the program without cost, or Brighton Park may allocate costs for the program to the Funds and/or the portfolio companies. Brighton Park may also have the option to participate in the program and receive similar benefits and discounts as the portfolio companies participating therein. No such amounts will offset or reduce the Management Fee. Brighton Park believes the potential for conflicts relating to such arrangements would be mitigated by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the Funds that will result if the rates for goods and services are discounted relative to those widely available in the market).

Brighton Park has incentives to use or to recommend products or services of one portfolio company to another, which may involve fees, commissions, servicing payments or other compensation. Potential conflicts of interest arise in making such recommendations, as Brighton Park has incentives to maintain goodwill with former, existing and prospective portfolio companies, and as a result the products or services recommended may not necessarily be the best or lowest cost option. From time to time, Brighton Park and its personnel expect to receive the benefit of “friends and family” and similar discounts from portfolio companies owned by the Funds under which such portfolio companies make their goods and/or services available at reduced rates. Brighton Park and its personnel generally refrain from requesting or negotiating for such discounts in the ordinary course. Discounted prices or better terms offered by a portfolio company to Brighton Park, any other portfolio company or third parties have the potential to affect the returns of the portfolio company.

Any of these situations subjects Brighton Park to potential conflicts of interest. Brighton Park attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Brighton Park’s advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds and such investment vehicles in a manner it believes to be fair and equitable to the Funds under the circumstances over time. To the extent that an investment or relationship raises particular

conflicts of interest, Brighton Park will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, Brighton Park consults and receives consent to conflicts from an advisory committee consisting of limited partners of the relevant Fund(s) and such other investment vehicles.

### **DISCIPLINARY INFORMATION**

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

### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

BPCM is affiliated with the General Partners and equivalent entities formed from time to time and subject to the Advisers Act pursuant to BPCM's registration in accordance with SEC guidance. The General Partners and other Brighton Park entities operate as a single advisory business together with BPCM and serve as managers or general partners of the Funds and other pooled vehicles and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.

### **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Brighton Park has adopted the Code of Ethics and Securities Trading Policy (the "**Code**"), which sets forth standards of conduct that are expected of the Principals and employees and addresses conflicts that arise from personal trading. The Code requires certain Brighton Park personnel to report and pre-clear most personal securities transactions, prohibits or requires pre-clearance for Brighton Park personnel from directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits Brighton Park personnel from directly or indirectly acquiring beneficial ownership of securities with limited exceptions, without first obtaining approval from the Brighton Park Chief Compliance Officer. In addition, the Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information. A copy of the Code will be provided to any investor or prospective investor upon request to Erica Blob, the Brighton Park Chief Compliance Officer, at (203) 542-0748. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

Brighton Park may come into possession, from time to time, of material non-public or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, Brighton Park would be prohibited from improperly disclosing or using such information for its personal benefit or for the benefit of any person, regardless of whether such person is a client of Brighton Park.

Accordingly, should Brighton Park come into possession of material non-public or other confidential information with respect to public and non-public company, Brighton Park generally would be prohibited from communicating such information to clients, and Brighton Park will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar

restrictions may be applicable as a result of Brighton Park personnel serving as directors of public companies and may restrict trading on behalf of clients, including a Fund.

The Principals and employees of Brighton Park generally are expected to directly or indirectly own an interest in one or more Funds, including certain co-invest vehicles. To the extent that co-invest vehicles exist, such vehicles are expected to invest in one or more of the same portfolio companies as a Fund. Co-invest opportunities generally are also expected to be presented to certain affiliates of Brighton Park, as well as third-party investors and other persons, and such co-investments may be effected through co-invest vehicles, directly in a particular portfolio company or through an intermediate entity in a portfolio company's structure. Such co-investment opportunities generally will be allocated in the manner described under "Methods of Analysis, Investment Strategies and Risk of Loss."

Brighton Park and its principals and employees expect from time to time to carry on investment activities for their own accounts, for personal or employee investment vehicles and, potentially, for family members, friends or others who do not invest in a Fund, as well as give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, any Fund, even though their investment objectives are the same or similar. The operative documents and investment programs of certain Funds generally restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Funds or give priority with respect to investments to such Funds. Some of these restrictions could be waived by investors (or their representatives) in such Funds or be subject to limitations (e.g., by time or percentage of capital deployed).

From time to time, Brighton Park reserves the right to advance funds on behalf of a Fund and contribute such amounts to the relevant Fund as a special interim capital contribution for investment, to be redeemed at a later date. A yield amount in connection with such borrowing typically is borne by the relevant Fund, consistent with the Governing Documents.

In borrowing on behalf of a Fund, Brighton Park is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund's preferred return, is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when the Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which the limited partners would otherwise be entitled had the General Partner called capital, and thus could result in the relevant General Partner receiving carried interest sooner than it would without borrowing. In addition, when the Management Fee is calculated as a percentage of invested capital, a limited partner may pay Management Fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and

there can be no assurance that the benefits to limited partners will be commensurate with such costs.

Brighton Park will effect such borrowings consistent with a Fund's Governing Documents and in a manner it believes to be fair and equitable under the circumstances to the relevant Fund.

### **BROKERAGE PRACTICES**

Brighton Park focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, Brighton Park reserves the right to distribute securities to investors in a Fund or sell such securities, including through using a broker-dealer, such as where a public trading market exists. Although Brighton Park does not intend to regularly engage in public securities transactions, to the extent it does so, it intends to follow the brokerage practices described below.

If Brighton Park sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by Brighton Park. In such event, Brighton Park will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, Brighton Park reserves the right to consider a variety of factors, including, but not limited to: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

Brighton Park has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although Brighton Park generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with Brighton Park seeking to obtain best execution, brokerage commissions on client transactions are permitted to be directed to brokers in recognition of research furnished by them, although Brighton Park generally does not make use of such services at the current time and has not made use of such services since its inception.

In Brighton Park's private company securities transactions on behalf of the Funds, Brighton Park reserves the right to retain one or more broker-dealers or investment banks, the costs of which will be borne by the relevant Fund and/or its portfolio companies. In determining to retain such parties, Brighton Park reserves the right to consider a variety of factors, including, but not limited to: (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although Brighton Park generally will seek reasonable rates for such

services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds may not pay the lowest commission or fee for such services.

### **REVIEW OF ACCOUNTS**

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, Brighton Park monitors companies in which the Funds invest.

Each Fund generally will provide to its limited partners (i) audited financial statements annually commencing with the first fiscal year in which it either is in operation for the full year or makes an investment, (ii) unaudited financial statements for the first three quarters of each fiscal year commencing with the first fiscal quarter in which the Fund delivers a capital call notice, (iii) annual tax information necessary for each Partner's U.S. tax returns, and (iv) descriptive investment information for each portfolio company annually.

### **CLIENT REFERRALS AND OTHER COMPENSATION**

Brighton Park intends to provide certain business or consulting services to companies in a Fund's portfolio and expects to receive compensation from these companies in connection with such services. As described in the Governing Documents and discussed above, this compensation will not offset or reduce the Management Fees paid by such Fund.

Brighton Park reserves the right from time to time to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. Any fees payable to any such placement agents generally will be borne by Brighton Park indirectly through an offset against the Management Fee under the Governing Documents, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including, but not limited to, placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s).

### **CUSTODY**

Brighton Park maintains custody of assets held in the name of each Fund with one or more qualified custodians.

### **INVESTMENT DISCRETION**

Brighton Park has discretionary authority to manage investments on behalf of each Fund. As a general policy, Brighton Park does not allow clients to place limitations on this authority. Pursuant to the terms of the Governing Documents, however, Brighton Park has entered, and expects to enter, into Side Letters with certain limited partners whereby the terms applicable to such limited partner's investment in a Fund are altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. Brighton Park assumes this authority pursuant to the terms of the Governing Documents and powers of attorney executed by the limited partners of such Fund.

## VOTING CLIENT SECURITIES

Brighton Park has adopted proxy voting policies and procedures (the “**Proxy Policy**”) to address how it will vote proxies, as applicable, for a Fund’s portfolio investments. The Proxy Policy seeks to ensure that Brighton Park votes proxies (or similar instruments) in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. Brighton Park generally believes its interests are aligned with those of each Fund’s investors, for example, through the Principals’ beneficial ownership interests in such Fund and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that Brighton Park may address the conflict using several alternatives, including by voting the proxy in the best interest of the Funds, use of a pre-established voting policy or plan that affords little or no discretion to Brighton Park, or use of a recommendation of an independent third party or through other alternatives set forth in the Proxy Policy. Additionally, a Fund’s Advisory Board is authorized to approve Brighton Park’s vote in a particular solicitation. Brighton Park does not consider service on portfolio company boards by Brighton Park personnel or Brighton Park’s receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by Brighton Park when voting proxies on behalf of a Fund. Clients or investors that would like a copy of Brighton Park’s complete Proxy Policy or information regarding how Brighton Park voted proxies for particular portfolio companies may contact Erica Blob, the Brighton Park Chief Compliance Officer, at (203) 542-0748, and it will be provided at no charge.

## FINANCIAL INFORMATION

Brighton Park does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.