

Form ADV Part 2A: Firm Brochure

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March 2020

This brochure provides information about the qualifications and business practices of Bay Point Advisors, LLC (“BPA” or the “Adviser”). If you have any questions about the contents of this brochure, please contact us at (404) 963-6031. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

The Adviser 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 about the Bay Point Advisors, LLC is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

There have been no material changes since the most recent filing in August 2019. However, subsequent to this filing, effective April 1, 2020, Kevin Brawner will serve as Chief Compliance Officer of Bay Point.

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Item 4 – Advisory Business

Bay Point Advisors, LLC (“BPA” or the “Adviser”, “General Partner”, “we”, “us” or “our”) is a limited liability company organized under the laws of Delaware. BPA, is a registered investment adviser with the Securities and Exchange Commissions (“SEC”) and is therefore subject to the Investment Advisers Act of 1940, as amended (“Advisers Act”). BPA has current business activities that primarily consist of providing investment advisory services to private funds (“Funds”). Certain of BPA’s Funds operate under exemptions available under the Investment Company Act of 1940, as amended (“ICA”). BPA also serves as investment adviser to a private investment fund structured as a Cayman Islands exempted company incorporated pursuant to the Companies Law (as amended) of the Cayman Islands. In addition, BPA facilitates loan participation interests with investors in exchange for service fees that are negotiated under a participation agreement (or “Side Letter”).

BPA is owned by these entities: Bay Point Venture Corp., a company incorporated under Delaware laws; Andros Holdings, LLC, a limited liability company organized under Georgia laws; and GEJ Investment Corp., a company incorporated under Georgia laws. The indirect owners and principal officers of the Adviser as well as the General Partner to BPA’s Funds include: James Kauffmann, Managing Member; Charles Andros, Managing Member; and Gregory Jacobs, Managing Member.

BPA, more specifically, serves as Adviser and General Partner to these private funds:

- Bay Point Capital Partners I, LP (“Fund I”);
- Bay Point Capital Partners II, LP (“Fund II” or “Master Fund”); and
- BPCP II Offshore, Ltd. (“Offshore Fund” or “Feeder Fund”).

Consequently, the Funds themselves are the clients of the Adviser and the investment advice is based on the investment objectives of the Funds and not the Limited Partners in the Funds (or “Limited Partners”) who are not clients of the Adviser. Limited Partners must meet the criteria attendant to being deemed a “qualified client” as defined under the Advisers Act for investment in Fund I whereas Limited Partners in the Master Fund and Offshore Fund must meet more rigorous requirements as “qualified purchasers” as defined under the ICA. Each General Partner is an affiliate of and under common control with the Adviser. Furthermore, each General Partner is subject to the Advisers Act pursuant to the Adviser’s registration in accordance with SEC guidance. The General Partners, too, operate as a single advisory business together with the Adviser.

The strategic objective of the Funds is to generate consistent, low volatility returns and generate current income primarily by making or purchasing loans and by otherwise identifying securities and other investments that the Adviser believes can be purchased at a discount to their long-term intrinsic value. The Funds typically invest, either directly or indirectly, in privately negotiated investments in a variety of secured or unsecured loan types (as described in further detail within Section 8: Methods of Analysis, Investment Strategies and Risk of Loss.)

The Adviser’s specific advisory services with respect to each Fund are detailed in the applicable private placement memoranda (or similar offering documents), investment management agreements, Limited Partner Agreements, other operating agreements (together “Governing Documents”).

BPA presently provides investment advice only to the Funds and, as such, does not tailor its advisory services or investment objectives or strategies to the requests or needs of individual Limited Partners in the Funds, nor does it generally accept underlying investment restrictions from Limited Partners in the Funds, although certain Limited Partners may be excused from a particular investment due to legal, regulatory or other agreed upon circumstances in BPA's sole discretion. As noted, BPA facilitates loan participation interests through Participation Agreements which, at times, may cause a conflict of interest in connection to the management of the Funds and by extension to the Funds' Limited Partners in the Funds. BPA has adopted controls to mitigate the conflicts in keeping with its fiduciary standard as a registered investment adviser.

Bay Point Capital Partners II, LP ("Fund II" or "Master Fund") has entered into master-participation agreement (i.e., contract between these parties to facilitate joint purchases) with Bay Point Capital Partners, LP ("Fund I"). Both Fund I and Fund II maintain the same investment objective (as outlined above) and substantially the same investment strategy. The only material difference between the Fund I and Fund II is that Fund I operates pursuant to an exemption from registration under the ICA provided by Section 3(c)(1), which requires that Fund I interests not at any time be owned by more than 100 beneficial owners, whereas Fund II (and the Offshore Fund) operates pursuant to an exemption from registration under the ICA provided by Section 3(c)(7), which requires that all investors be "qualified purchasers" (as defined in Section 2(a)(51) of the ICA). BPCP II Offshore, Ltd. ("Offshore Fund") is a specialty investment company that seeks to achieve its investment objective of providing investors with consistent above-average risk-adjusted returns with low volatility. The Offshore Fund seeks to achieve its objective by purchasing revolving loan and non-voting equity in Bay Point Capital Partners ("BPCP") II Holding LLC, a Delaware limited liability company taxed as a corporation for U.S. federal income taxes. BPCP II Holding LLC invests all of its capital in the Master Fund, which is limited to U.S. or foreign investors (or "Limited Partners") who qualify as "qualified purchasers" as defined under the ICA. In short, the Offshore Fund is a Feeder Fund to the Master Fund.

The Governing Documents describe the investment strategy and guidelines for BPA Funds inclusive of any applicable restrictions and the ability to vary therefrom. The Adviser then seeks to locate assets for each Fund that are within such guidelines and consistent with the overall portfolio needs of each Fund. For more detailed information regarding such restrictions, please refer to the Funds' respective Governing documents.

As of June 30, 2019, the Adviser has approximately \$272,816,046 in regulatory assets under management, all of which are managed on a discretionary basis.

Item 5 – Fees and Compensation

The Adviser assesses a management fee to the General Partner of Fund I, Fund II, and Offshore Fund that is paid quarterly and in advance. The management fees are equal to 0.50% (2.0% per annum) of the beginning Capital Account of each Limited Partner for each quarter, including, for this purpose, such Limited Partner's interest in all Side Pocket Investments. Neither the Offshore Fund or BPCP II Holding LLC (which is classified as a Corporate Fund) will pay a management fee on account of any investment in Fund II. All expenses of the Offering and organization of Fund I and Fund II—including legal and other expenses—are classified as "Organizational Expenses" and were paid by the General Partner, who subsequently is reimbursed by the Limited Partners of Fund I and Fund II.

With respect to Fund I and Fund II, BPA will receive a management fee of 2% of the assets under management and an incentive allocation equal to 20% of any profits generated for each Limited Partner (subject to a highwater mark) up to a 15% return for each calendar year. Bay Point Advisors will receive an incentive fee of 50% for any profits generated for a Limited Partner above a 15% return for each calendar year. The Incentive Allocation is calculated as follows: 80% to the Limited Partner and 20% to the Investment Manager until the Limited Partner has received a 15% return on capital for the year, with any excess profits shared equally between the Limited Partner and Investment Manager.

To calculate the Incentive Allocation, each Fund maintains a memorandum loss recovery account for each Book Capital Account of each Fund investor (a "Loss Recovery Account"), the opening balance of which is zero. At the end of each Measurement Period and before giving effect to any withdrawals, any aggregate losses allocated to a Fund investor's Book Capital Account for that Measurement Period will be added to the Loss Recovery Account and any aggregate profits (prior to the accrual of the Incentive Allocation for such Measurement Period) will be subtracted from the Loss Recovery Account. Each Loss Recovery Account will be reduced proportionately with respect to any partial withdrawals from the Book Capital Account to which such Loss Recovery Account relates. The balance in the Loss Recovery Account will never be reduced below zero for any Measurement Period. The Offshore Fund will, under the Performance Allocation, calculate profits initially allocable to each Limited Partner in Offshore Fund to be allocated in the same manner as described above for the other Funds.

The General Partner of the applicable Fund in which the referenced Limited Partner's investment is made compensates the unaffiliated organization or individual (collectively "Solicitors") responsible based on the attendant referral contractual agreement. Further, any such compensation is not borne by any investor in such Fund. Selling commissions and/or referral fees may be paid in connection with the offering of the Fund(s) interests of the Funds.

BPA, however, does not have any supervised persons who act as solicitors or receive additional compensation through referrals to the Funds. Such a practice presents a conflict of interest and gives the supervised persons an incentive to recommend an investment in the Funds based on the compensation received, rather than on an investor's needs. All prospective investors referred by such Solicitors are notified of this relationship prior to the time the investor invests in the applicable Fund.

BPA, as noted, will negotiate service fees under a participation agreement ("Side Letter") with certain investors in exchange for facilitating loan participation interests (or "LPI"). The investors entering a Side Letter agreement with BPA are doing so outside the scope of the Funds; therefore, fees that are charged by BPA will vary depending on multiple factors involving each LPI.

Each Fund will pay its offering and organizational expenses as well as all ordinary operating and other expenses, including, but not limited to, investment-related expenses (such as brokerage commissions, finders or referral fees, clearing and settlement charges, custodial fees, interest expenses, expenses relating to consultants, brokers or other professionals or advisors who provide research, legal, advice or due diligence services with regard to investments, dead deal expenses, appraisal fees and expenses and investment banking expenses, and fees and expenses to Independent Contractors); the cost of monitoring or servicing investments, including without limitation travel expenses, third party servicing fees, appraisals, inspection costs, and the cost of

specialized computer software utilized to monitor or service investments; research costs and expenses (including fees for news, quotation and similar information and pricing services); legal expenses (including, without limitation, the costs of on-going legal advice and services, blue sky filings and all costs and expenses related to or incurred in connection with the General Partner's compliance obligations under applicable federal and state securities and related regulations arising out of its relationship to the Fund as well as extraordinary legal expenses, such as those related to litigation or regulatory investigations or proceedings); the Management Fee; accounting fees and audit expenses; administrative fees; tax preparation expenses and any applicable tax liabilities (including transfer taxes and withholding taxes); other governmental charges or fees payable by the Fund; costs of printing and mailing reports and notices; costs of insurance against any loss or expense that would otherwise be an expense borne by the Fund, including against claims or losses for which the Fund has provided indemnification; and other similar expenses related to the Fund, as the General Partner determines in its sole discretion. The General Partner may elect to pay any of the foregoing expenses, including any portion of the organizational expenses, from the General Partner's own resources for any period, in the sole discretion of the General Partner.

To the extent the Fund is responsible for costs and expenses for which other investment funds or accounts managed by the General Partner also receive a benefit, the General Partner shall allocate such costs and expenses between the Funds and the other accounts in a reasonable manner.

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

The performance-based fees payable to the General Partner that are described Item 5, above, have the potential to create an incentive for the Adviser to make investments that are riskier or more speculative than those which would be made under a different fee arrangement. In general, though, the Adviser considers performance-based compensation to better align its interests with those of the Funds' Limited Partners.

As BPA does not manage any client accounts, including other Funds, that would not be subject to a performance fee under the contract or Governing Documents, the actual conflicts of interest posed by managing accounts incentivized by performance fees paid to the Adviser alongside non-eligible performance fee accounts does not currently exist.

Item 7 – Types of Clients

The Adviser provides investment advice to the Funds. The Funds may include investments in funds or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the ICA. The investors participating in the Funds may 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 may include, directly or indirectly, principals or other employees of the Adviser and its affiliates and members of their families, or other service providers retained by the Adviser.

Whereas Fund I and Fund II have a minimum investment amount of \$250,000 for third-party Limited Partners, the Offshore Fund requires a minimum investment amount of \$1,000,000. The Funds also maintain their own criteria for eligibility. Fund I interests are offered and sold

solely to individuals or entities classified as “qualified clients” as defined by Rule 205-3 of the Advisers Act whereas Fund II and the Offshore Fund are offered exclusively to individuals and entities classified as “qualified purchasers” as defined in Section 2(a)(51) of the ICA. The Offshore Fund also requires investors to be a “Sophisticated Investor.” A Sophisticated Investor is a person (a) who does not require immediate liquidity for his or her investments, (b) for whom an investment in the Fund does not constitute a complete investment program, and (c) who fully understands and is willing to assume the risks involved in the Offshore Fund’s investment program.

Pursuant to regulatory standards, Fund I is limited to 100 Limited Partners (excluding the General Partner interest) whereas Fund II and the Offshore Fund are each limited to 1,999 Limited Partners (including the General Partner interest) or a number of Limited Partners fewer than permitted by the regulatory standard as determined at the sole discretion of BPA.

As BPA has full discretionary authority as both the Adviser and General Partner to manage loans that are acquired or liquidated by the Funds, it is important for Limited Partners to understand that the investments are made in accordance with the procedures set forth in the organizational documents of such vehicles and the related Fund and not in a manner tailored to the individual Limited Partner.

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

Methods of Analysis. BPA typically originates and invests in short-term, senior secured, deep loan-to-value loans to small businesses, specialty finance and seasoned real estate holdings primarily within the southeastern United States. BPA searches for opportunities where capital is scarce for reasons unrelated to value. The Adviser seeks to avoid the disruptive forces associated when massive capital flows overwhelm income generating sectors as individual investors and institutions relentlessly search for yield. The Adviser will generally allocate capital to niche markets that are difficult to access, require in-depth research, and are less efficient. New investments must pass the underwriting standards by the Adviser’s Investment Committee. The Investment Committee methodically researches each potential investment, applying proven due diligence methods to analyze and measure the risk and reward. Since BPA’s target markets are generally smaller in size, these assets require specialized due diligence, origination, and servicing that we believe is uncommon in the asset management industry. Fundamentally, BPA selects opportunities that withstand the Advisor’s rigorous credit review process. Before committing capital, the Adviser must believe that the borrower has sound judgment, a solid reputation as a business partner, that the capital committed can solve a problem, and a viable exit exists.

Investment Strategies. The strategic objective of the Adviser is to generate consistent, low volatility returns and generate current income for the Funds primarily by making or purchasing loans and by otherwise identifying securities and other investments the Adviser believes can be purchased at a discount to their long-term intrinsic value. The Funds invest, either directly or indirectly in privately negotiated investments, including, but not limited to: commercial real estate loans, secured business loans, secured equipment loans, secured receivables/inventory financing, tax deeds, preferred equity securities, and unsecured loans attendant to the overall investment strategies of the Adviser. As a general principle, the

Investment Committee emphasizes collateral value, short duration, and the ability to obtain control for the Funds' portfolio selections.

Investment Risks. Investment in the Funds is subject to risk of loss and, in particular, those specific risks described more fully in the Governing Documents applicable to Fund I and Fund II.

While a complete discussion of the material risks is included in the Governing Documents, the following information furnishes a representative summary of the associated risks of making investments in the Funds.

The Fund(s)'s success depends on the General Partner's ability to implement its investment strategy. Any factor that would make it more difficult to execute timely trades, such as a significant lessening of liquidity in a particular market, may also be detrimental to profitability. No assurance can be given that the investment strategies to be used by the Fund(s) will be successful under all or any market conditions.

No Assurance of Investment Return. The General Partner's task of identifying and evaluating investment opportunities, managing such investments and realizing a return for investors is difficult. Certain markets in which the Fund(s) will invest are extremely competitive for attractive investment opportunities and, as a result, there may be reduced investment returns. Many organizations operated by persons of competence and integrity have been unable to make, manage and realize on such investments successfully. There is no assurance that the Fund(s) will be able to invest its capital on attractive terms or generate returns for its investors. Limited Partners could experience a loss of their entire investment.

Limited Fund(s) Interests. The Fund(s) is intended for long-term investors who can accept the risks associated with the Fund(s)'s investment objective, which involves a high degree of financial risk and investments in potentially illiquid securities.

Possible Disproportionate Impact of Suspensions of Withdrawals. Limited Partners who have the right to withdraw from their Capital Accounts at times when other Limited Partners are subject to restrictions on their withdrawal rights may be able to withdraw from the Fund(s) before the suspension of withdrawals or other events that may affect the value and Fund(s) of the Interests.

Market Disruptions. The Fund(s) may incur major losses in the event of disrupted markets and other extraordinary events. The risk of loss from pricing distortions is compounded by the fact that many positions become illiquid in disrupted markets.

Investment and Trading Risks. All investments involve the risk of a loss of capital. The General Partner believes that the Fund(s)'s investment program and its research and risk-management techniques moderate this risk through the careful selection of portfolio investments. No guarantee or representation is made that the Fund(s)'s investment program

will be successful, and investment results may vary substantially over time.

Liquidity of Investments. The Fund(s) invests in securities/financial instruments, including Mortgage Loans, Side Pocket Investments, and other assets for which no (or only a limited) liquid market exists or that are subject to legal or other restrictions on transfer. The market prices, if any, for such investments tend to be volatile, and may fluctuate due to a variety of factors that are inherently difficult to predict, including, without limitation, changes in interest rates, prevailing credit spreads, economic conditions, financial market conditions, domestic or international economic or political events, developments or trends in any particular industry and the financing condition of the obligors on the Fund(s)'s investments.

Unspecified Investments. The Fund(s)'s investments will vary based on the General Partner's analysis. As a result, it is not possible to predict the nature of all of the specific investments that the Fund(s) will make. The Limited Partners will not have the opportunity to personally evaluate each specific investment that the Fund(s) will make, nor will they be able to monitor those investments.

Investments in Distressed Assets. The Fund(s) may invest in distressed assets and portfolios of distressed assets, including high yield securities and noninvestment grade obligations of U.S. and foreign companies (including companies in significant financial or business difficulties), delinquent and charged-off consumer loans, commercial and residential mortgage loans, small business loans and real estate. Although such investments may result in significant returns to the Fund(s), they involve a substantial degree of risk.

Loan Origination, Credit Risks and Fraud. The Fund(s) engages in certain loan origination activities and may take a larger position in a particular lending opportunity if the General Partner perceives a possibility of selling, issuing participations or otherwise transferring in the future all or part of such loans to other persons or entities, as applicable. While loans and other assets purchased or originated by the Fund(s) will generally be collateralized, the Fund(s) will be exposed to losses resulting from default. Of paramount concern in purchasing or originating loans and other assets is the possibility of material misrepresentation or omission on the part of a counterparty.

High-Yield Securities. The Fund(s) may invest in high-yield securities. Such securities are generally not exchange traded and, as a result, these instruments trade in a smaller secondary market than exchange-traded bonds. In addition, the Fund(s) may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments.

Reliance on Key Individuals. The success of a particular portfolio for a Fund is dependent on the expertise of the Underlying Manager for that Portfolio Fund. Certain Underlying Managers may have only one or a limited number of key individuals.

Illiquid Investments. The Fund(s) may invest in securities, loans or other assets for which no (or only a limited) market exists or that are subject to legal or other restrictions or transfer. It may take the Fund(s) longer to liquidate these positions (if they can be liquidated) than would be the case for more liquid investments.

Concentration of Investments. The Fund(s) expects its assets to be concentrated in Mortgage Loans, private commercial loans and real estate. Exposure to a single investment will generally be limited to no more than 10% of the Fund(s)'s Net Asset Value; however, the amount invested in a single investment could exceed 10% due to withdrawals from the Fund(s) losses on other investments.

Force Majeure. Social, political, economic and other conditions and events (such as natural disasters, epidemics and pandemics, terrorism, conflicts and social unrest) will occur that have significant impacts on issuers, industries, governments and other systems, including the financial markets. As global systems, economies and financial markets are increasingly interconnected, events that once had only local impact are now more likely to have regional or even global effects. Events that occur in one country, region or financial market will, more frequently, adversely impact issuers in other countries, regions or markets. These impacts can be exacerbated by failures of governments and societies to adequately respond to an emerging event or threat. Clients will be negatively impacted if the value of their portfolio holdings decreases as a result of such events, if these events adversely impact the operations and effectiveness of the adviser or key service providers or if these events disrupt systems and processes necessary or beneficial to the management of accounts.

Item 9 – Disciplinary Information

Neither the Adviser, General Partners, nor members of our management have ever been the subject of any legal or disciplinary event that would be material to a client's or a prospective client's evaluation of the Adviser's business or the integrity of its management.

Item 10 – Other Financial Industry Activities and Affiliations

BPA is engaged in providing investment advisory services to the Funds as its primary operation while also engaging in origination of loan participation interests to be transacted in coordination with eligible and suitable investors who pay a service fee to BPA. In connection to these pursuits, BPA engages a third party, Clifton Property Trust ("CPT")—a commercial real estate investment firm operating in the Southeast U.S.—to perform due diligence of potential loan investments for the BPA Funds. Key personnel of CPT, including the Managing Principal and Portfolio Manager perform services for BPA that involve investment research and financial recommendations. CPT is compensated for this work via charges to the investment under consideration, or if not consummated, paid directly by the Fund. Consequently, there is a potential conflict of interest that exists in this arrangement. To mitigate this risk, the individuals who jointly perform investment-related services for both organizations are subject to the BPA Code of Ethics and related requirements described in Item # 11 below. BPA does not have any other financial industry activities or affiliations.

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

In order to detect and prevent potential conflicts of interest and mitigate risks posed by such conflicts, Adviser has adopted a written Code of Ethics (the “Code”) with written policies and procedures designed to identify, detect and prevent conflicts of interest between the Adviser, its affiliates or any affiliated employees, and its clients. The Code addresses ethical issues such as: the Adviser’s fiduciary obligation to its clients, personal trading and prevention of misuse of material nonpublic information, conflicts of interest posed by the giving and receipt of gifts or entertainment by the Adviser or affiliates, political contributions, charitable donations, outside business activities, and other important ethical scenarios which could, either consciously or unconsciously, create conflicts of interest. Procedures have been adopted to ensure compliance with the provisions of the Code, including pre-approval of certain personal securities transactions, annual affirmations of compliance, and reviews of holdings and transactions. The Code is predicated on the belief that Adviser’s clients and its investors shall be treated with honesty and good faith, and that the Adviser shall put the interests of its clients and its investors ahead of its employees and principals, particularly where the Adviser’s interests conflict with those of its clients and its investors. To that end, the Code, among other things, requires Supervised Persons to comply with all applicable federal and state laws and regulations, and further imposes certain transaction restrictions on persons who are likely to know about Adviser’s transaction activity.

Certain employees have legacy investments alongside Fund investments in the same issuer/borrower. In addition, certain employees have investments in investments of a type similar to those in which the Fund invests. BPA monitors such investments for potential conflicts of interest and ensure that Fund interests are considered ahead of any employee’s personal interest.

A copy of Adviser’s Code of Ethics shall be provided to any investor or prospective investor upon request by contacting the Adviser’s Chief Compliance Officer at (404) 963-6031.

Item 12 – Brokerage Practices

In managing the Funds, the Adviser seeks to acquire interests in certain assets via originators and service partners. The Funds will occasionally pay a market-based origination and service fee, which is ultimately borne by the respective Fund, and which benefits the Adviser. Where the Fund(s) uses a third-party originator or servicer, the General Partners attempt to negotiate the best possible price and transaction costs for the Fund(s).

As noted above, where a General Partner uses an originator or servicer affiliated with the Adviser, such as the servicer, the General Partner will seek to pay fair market value for such origination and servicing.

Given the Adviser is focused on making investments in private credit and specialty finance assets in lieu of acquiring publicly-traded securities, BPA does not therefore transact through broker-dealers to effectuate investment transactions. The Adviser does not engage in directed brokerage either. However, such transactions are a potential for the Funds in the manner described in the Governing Documents should the Adviser determine that publicly-traded securities are to be part

of the investment strategy for the Fund(s). In these circumstances, BPA will endeavor to select those brokers or dealers which will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on the broker's stability, reputation, ability to provide professional services, competitive commission rates and prices. BPA will seek to use trade aggregation (or block trades) where possible and when advantageous to the Funds. In doing so, the Adviser will take steps to ensure that allocations made to the Funds are performed in fair and equitable manner over time.

As the Adviser, moreover, does not exercise transactions in publicly-traded securities, the use of "soft dollars," which are commonly used by registered investment advisers to receive research or other products or services other than execution in connection with client securities transactions, is not applicable to BPA or its Funds.

Investment Allocations - BPA's Funds participate in investments through loan participation interests ("LPs"). The allocation between Funds is determined based on the relative assets under management of each Fund as of each calendar quarter. The allocation ratio is reviewed and updated quarterly, and the basis for the quarter's allocations is documented. BPA periodically reviews LPI allocations among Funds to ensure that they are being allocated in accordance with the governing allocation ratio.

Allocations on a basis other than that described above must be approved in writing by the CCO in advance of the allocation, and the rationale for the allocation must be documented. Allocations will only be made on a basis that is fair to all Clients.

Item 13 – Review of Accounts

The applicable General Partner (which is a related entity to the Adviser) will monitor the financial and operating progress of the Funds' investments on a monthly basis, with more formal reviews being performed on an as needed basis. Such reviews will be conducted by one or more of the Adviser's supervised persons.

As limited partners in the Funds, Limited Partners receive periodic reports from the Funds' Administrator that are consistent with the requirements of each Fund's applicable Governing Documents, advisory agreements and industry customs and practices, including, monthly Capital Account Statements and Quarterly Commentary updates. The Administrator for the Funds distributes these reports directly to the Limited Partners.

Each of the Funds is audited on a yearly basis by an independent Public Company Accounting Oversight Board ("PCAOB") auditing firm. The PCAOB-audited financial statements will be delivered to each Limited Partner invested in the Funds within 120 calendar days of the Fund's fiscal year end. Additionally, the Limited Partners shall receive unaudited quarterly statements of the Fund(s).

Item 14 – Client Referrals and Other Compensation

BPA compensates firms or individuals (together “Solicitors”) that are independent of and unaffiliated with the Adviser or General Partners for referrals that result in a prospective investor becoming a Limited Partner in a Fund. The Adviser takes reasonable steps to ensure that the use of Solicitors is done in a manner consistent with Rule 206(4)-3 of the Advisers Act, including, reviewing individual’s regulatory history to ensure they have not been found to be in violation of Rule 206(4)-3(a)(1)(ii), and thus, ineligible from operating as a Solicitor for a registered investment adviser. In doing so, BPA reviews that such compensation is borne solely by the Adviser of the applicable Fund where the referred investor’s investment is made, and not by any Limited Partner in such Fund. The Adviser has also engaged broker-dealers to make offers or sales of interests in their respective Funds. The General Partner of the applicable Fund in which the referred investor’s investment is made compensates Solicitors and any such compensation is not borne by any Limited Partner in such Fund.

Aside from management and incentive fees and servicing fees paid to BPA for which the Adviser and its owners indirectly benefit, the Adviser does not receive any other economic benefits from non-investors in connection with the provision of investment advice to the Funds.

Item 15 – Custody

BPA, as noted, serves as both the Adviser and General Partner for each of the Funds. As the Funds’ Adviser and General Partner are under common control, BPA is deemed to have custody of the Funds’ cash and other portfolio assets because of certain rules under the Advisers Act. While cash is held by a qualified custodian, the Fund’s assets (which are non-public investments) are custodied with the General Partner in accounts in the name of one or more Funds with an unaffiliated qualified custodian.

In keeping with the applicable rules under the Advisers Act, a PCAOB auditing firm conducts an annual audit of each of the Funds prepared in accordance with United States Generally Accepted Accounting Principles (“GAAP”).

The Funds’ Limited Partners, as referenced, are furnished audited financials of the Fund in which they are a Limited Partner within 120 days of the Funds’ fiscal year end. To provide additional reporting information about the Funds, BPA has engaged an Administrator to supply monthly reports directly to the Limited Partners.

BPA, for its part, does not independently generate monthly statements that are distributed to any Limited Partners.

On Dec. 20, 2018, the staff of the Division of Investment Management of the SEC granted conditional no-action relief to Madison Capital under Rule 206(4)-2 (“Madison Letter”) for administrative agents under syndicated loans that also act (or that have affiliates that also act) as investment adviser to pooled investment vehicles, or separately managed accounts, that are lenders under such syndicated loans. BPA acts as agent for a small number of loans. Syndicate participants include Clients and non-clients. Client and non-client assets are commingled in a single bank account for the purpose of servicing the loans. BPA has custody of such assets and has taken steps

to comply with the custody requirements as outlined in the Madison Letter.

Item 16 – Investment Discretion

BPA, by virtue of its affiliation with the General Partners and due to the fact that these entities are under common control, maintains full discretionary authority over the portfolio selection, transactional activities, and overall operations of the Funds. This discretionary authority is subject only to any restrictions or limitations, where applicable, that are memorialized in the Governing Documents of the respective Funds.

Item 17 – Voting Client Securities

Whereas BPA has not engaged in transactions for the Funds involving publicly-traded securities, it does not anticipate being called upon to vote proxies given the nature of the portfolio assets in which the Fund invests. In the event the Adviser does own a security that requires voting of a proxy, it will vote such proxy in the relevant Fund's best interest, taking into account any potential conflicts of interest.

The Adviser will also act in the best interest of Clients when voting arises with respect to consent rights relating to fixed-income securities, including but not limited to, plans of reorganization, waivers and consents under applicable indentures. BPA will exercise its voting and/or consent rights in a manner reasonably expected to ensure that voting and consent rights are exercised in the best interests of Clients.

For the voting of fixed-income securities, BPA believes the potential for material conflicts of interest between Clients and BPA is limited. However, potential conflicts may arise where BPA or its related persons or entities are named parties to, or are participating in, a bankruptcy work-out or similar committee. In such instances, BPA will consider potential conflicts of interest prior to casting any decision on behalf of Clients.

Item 18 – Financial Information

BPA does not require prepayment of management fees more than six months in advance and does not have any other events requiring disclosure under this item.