

**INVESTMENT ADVISER BROCHURE**

**BRUCKMANN, ROSSER, SHERRILL & CO. MANAGEMENT, L.P.**

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**This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Bruckmann, Rosser, Sherrill & Co. Management, L.P., a Delaware limited partnership (“BRS Management”). If you have any questions about the contents of this Brochure, please contact us at 212-521-3700. 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.**

BRS Management 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 BRS Management is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **MATERIAL CHANGES**

BRS Management filed its most recent Form ADV Part 2 on March 5, 2021. This annual amendment reflects updates to the descriptions of potential conflicts of interest and the business practices of the registrant and supplements existing disclosures relating to BRS Management's practices and related potential conflicts of interest under "Fees and Compensation" and "Methods of Analysis, Investment Strategies and Risk of Loss."

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## ADVISORY BUSINESS

Bruckmann, Rosser, Sherrill & Co. is a private investment management firm, including registered investment advisory entities and other organizations affiliated with Bruckmann, Rosser, Sherrill & Co. Management, L.P., a Delaware limited partnership (“**BRS Management**” and, together with such affiliated organizations, collectively, “**BRS**”), that manages approximately \$625.4 million in private fund assets.

BRS Management is a registered investment adviser that commenced operations in August 2007. BRS Management and, as more fully described below, its affiliated investment advisers provide investment advisory services to the following private investment funds: Bruckmann, Rosser, Sherrill & Co. II, L.P., a Delaware limited partnership (“**Fund II**”), Bruckmann, Rosser, Sherrill & Co. III, L.P., a Delaware limited partnership (“**Fund III**”), BRS Coinvestor III, L.P., a Delaware limited partnership (“**Coinvest III**”), BRS & Co. IV L.P., a Delaware limited partnership (“**Fund IV**”), and BRS Coinvestor IV, L.P. a Delaware limited partnership (“**Coinvest IV**”, and together with Fund II, Fund III, Coinvest III, Fund IV and Coinvest IV, each a “**Fund**” and collectively, the “**Funds**”, and the Funds, together with any future private investment fund managed by BRS Management, the “**Private Investment Funds**”).

The Funds and any other Private Investment Funds are private equity funds and invest through negotiated transactions in operating entities generally referred to herein as “portfolio companies”. BRS Management’s investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for such investments. Investments are made predominantly in non-public companies, although investments in public companies are permitted subject to certain limitations set forth in the applicable Fund’s limited partnership or other operating agreements or governing documents (each a “**Limited Partnership Agreement**”). The senior principals or other personnel of BRS Management or its affiliates typically serve on the portfolio companies’ respective boards of directors or otherwise act to influence control over the management of a Fund’s portfolio companies. The Fund II commitment period has expired. Fund II is no longer investing or making follow-on investments and is in the process of selling its existing investments. The Fund III commitment period has expired. Fund III is no longer making new investments but will continue to make follow-on investments. Fund IV is currently making new investments.

BRS Management’s advisory services to the Private Investment Funds are further detailed in the applicable private placement memorandum and the supplements thereto (each, a “**Private Placement Memorandum**” and, collectively, the “**Private Placement Memoranda**”) and the Limited Partnership Agreements of the Funds and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” Investors in the Private Investment Funds participate in the overall investment program for the applicable Fund, but in certain circumstances are excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the relevant Limited Partnership Agreement. Such arrangements do not and will not create an adviser-client relationship between BRS Management and any investor. The Funds or the General Partners have entered into side letters or other similar agreements (“**Side Letters**”) with certain investors that have the effect of establishing rights (including economic or

other terms) under, or altering or supplementing the terms of, the relevant Limited Partnership Agreement with respect to such investors.

The Fund II, Fund III and Fund IV related investment advisers affiliated with BRS Management are comprised of the following:

BRSE, L.L.C. (“**Fund II GP**”), BRS GP III, L.P. (“**Fund III GP**”), BRS Coinvestor GP III, L.L.C. (“**Coinvest III GP**”), BRS GP IV, L.P. (“**Fund IV GP**”), BRS Coinvestor GP IV, L.L.C. (“**Coinvest IV GP**”), and together with Fund II GP, Fund III GP, Coinvest III GP and Fund IV GP, the “**General Partners**”), Bruckmann, Rosser, Sherrill & Co., L.L.C. (“**Fund II Manager**” or “**BRS LLC**”), BRS Management III, L.P. (“**Manager III**”), BRS Management IV, L.P. (“**Manager IV**” and together with the General Partners, Fund II Manager and Manager III, the “**Affiliated Advisers**” and the Affiliated Advisers together with BRS Management, the “**Advisers**”).

Fund II GP, a Delaware limited partnership is the general partner of Fund II and has delegated the management of the business and affairs of Fund II to BRS LLC, which in turn has delegated such management to BRS Management. Fund III GP, a Delaware limited partnership, is the general partner of Fund III and has delegated the management of the business and affairs of Fund III to Manager III, which in turn has delegated such management to BRS Management. Coinvest III GP, a Delaware limited liability company, is the general partner of Coinvest III. Fund IV GP, a Delaware limited partnership, is the general partner of Fund IV and has delegated the management of the business and affairs of Fund IV to Manager IV, which in turn has delegated such management to BRS Management. Coinvest IV GP, a Delaware limited liability company, is the general partner of Coinvest IV. In its capacity as the investment manager of the Funds, either directly or indirectly through one or more of its affiliates, BRS Management has the authority to manage business and affairs of such Funds.

Additionally, from time to time and as permitted by the relevant Limited Partnership Agreement, the Advisers expect to provide (or agree 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, BRS Management’s personnel and/or certain other persons associated with BRS Management and/or its affiliates (to the extent not prohibited by the applicable Limited Partnership Agreement). 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 BRS Management’s sole discretion, BRS Management reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle, 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 December 31, 2020, BRS Management managed \$625.4 million in client assets on a discretionary basis. BRS Management is controlled by its general partner, BRS LLC, which is controlled by Bruce C. Bruckmann, Stephen C. Sherrill and Thomas J. Baldwin (the “**Managing Partners**”). The Managing Partners are the principal owners of BRS Management. Bruce C. Bruckmann, Stephen C. Sherrill and Harold O. Rosser are the principal owners of BRS LLC. Manager III is controlled by its general partner, Bruckmann, Rosser, Sherrill & Co. III, L.L.C. (“**Fund III UGP**”), which is controlled by the Managing Partners. The Managing Partners are (directly or indirectly) the principal owners of Manager III. The Managing Partners are the principal owners of Fund III UGP. Manager IV is controlled by its general partner, BRS & Co. IV, L.L.C. (“**Fund IV UGP**”), which is controlled by the Managing Partners. The Managing Partners are (directly or indirectly) the principal owners of Manager IV. Each Adviser is subject to the Advisers Act pursuant to BRS Management’s registration in accordance with SEC guidance. This Brochure also describes the business practices of each Adviser, which operates as a single advisory business together with BRS Management.

## **FEES AND COMPENSATION**

BRS Management receives a management fee (“**Management Fee**”) paid by Fund III and Fund IV in connection with advisory services it provides. BRS Management receives additional compensation in connection with management and other services performed for portfolio companies of Fund II, Fund III and Fund IV and such additional compensation will offset in whole or in part the Management Fee otherwise payable by the Funds. Limited partners in the Funds also bear certain fund expenses.

### **Management Fees**

#### *Fund II*

Fund II no longer pays any Management Fee.

#### *Fund III*

Unless waived by Manager III, Fund III pays a Management Fee in advance on a semi-annual basis for the semi-annual period commencing on January 1 and July 1 of each year, payable on March 30 and September 30 of each such year, in arrears with respect to the first ninety days of the period and in advance for the remainder of such period. During the Fund III commitment period, the Management Fee is equal to 2% per annum of the partners’ aggregate capital commitments. Effective at the end of the commitment period and running through the final distribution of Fund III’s assets, the Management Fee will be 1.75% per annum of the aggregate amount of capital contributions for investments with respect to portfolio company investments that have not been disposed of or completely written-off for U.S. federal income tax purposes. Payments of the Management Fee will reduce unfunded commitments.

The Management Fee payable by Fund III to BRS Management will be reduced by (i) 100% of any private placement agent fees paid by Fund III, (ii) organizational expenses in excess of \$1.5 million and (iii) 80% of Portfolio Company Fees (as defined below) received by BRS Management that are attributable to Fund III (“**Offset Fees**”). All Offset Fees received by BRS Management will reduce the Management Fee for the semi-annual period immediately

following the Fund's semi-annual period of receipt and, if the amount of such Offset Fees exceeds the Management Fee for such semi-annual period, each subsequent semi-annual period. "**Portfolio Company Fees**" means closing fees, commitment fees, monitoring fees, director's fees, breakup fees, consulting fees, managing fees or any other similar fees received by BRS Management from a portfolio company or a prospective portfolio company of Fund III.

Manager III reserves the right to waive all or a portion of any installment of the Management Fee. Any waived portion of a Management Fee installment shall (i) reduce later capital contributions of Manager III, in its capacity as a limited partner, to Fund III and (ii) correspondingly, increase later capital contributions of the other limited partners to Fund III. Waived or reduced Management Fees are not subject to the Management Fee offsets described below. Due to waived or reduced Management Fees by Manager III and/or timing of receipt of compensation subject to offsets (as described below), it is possible that Management Fee offsets will not be fully realized by investors in Fund III, resulting in a net additional benefit to Manager III or BRS Management.

Fund III will also pay (or reimburse Manager III) for certain out-of-pocket organizational expenses (excluding placement agent fees) incurred in connection with the organization and funding of Fund III, Fund III GP and Manager III. Manager III will bear responsibility for such organizational expenses in excess of \$1.5 million through an offset against the applicable Management Fee (as described above). Any placement agent fees will be paid by Fund III but applied as an offset against the applicable Management Fee as described above.

The Management Fee will be further reduced in the circumstances and by the amounts described in the Fund III Limited Partnership Agreement.

#### Coinvest III

Coinvest III is not subject to a Management Fee.

#### Fund IV

Unless waived by Manager IV, Fund IV pays a Management Fee in advance on a semi-annual basis for the semi-annual period commencing on January 1 and July 1 of each year, payable on April 1 and October 1 of each such year, in arrears with respect to the first ninety days of the period and in advance for the remainder of such period. During the Fund IV commitment period, the Management Fee is equal to 2% per annum of aggregate capital commitments. After the earlier of (i) the end of the commitment period and (ii) the date Fund IV GP begins receiving management fees from a successor fund, the Management Fee will be 1.75% per annum of the aggregate amount of capital contributions that were used to fund, and remain invested in, portfolio company investments. Payments of the Management Fee will reduce unfunded commitments.

The Management Fee payable by Fund IV will be reduced by (i) 100% of any private placement agent fees paid by Fund IV, (ii) organizational expenses in excess of \$1.5 million and (iii) 100% of Portfolio Company Fees (as defined below) received by BRS Management ("Offset Fees"). All Offset Fees received by BRS Management will reduce the Management Fee for the semi-annual period immediately following the Fund's semi-annual period of receipt and, if the amount of such Offset Fees exceeds the Management Fee for such semi-annual period, each

subsequent semi-annual period. “Portfolio Company Fees” means closing fees, commitment fees, monitoring fees, director’s fees, break-up fees, consulting fees, managing fees or any other similar fees received by Fund IV GP, Manager IV or BRS Management from a portfolio company or a prospective portfolio company of Fund IV attributable to Fund IV partners not designated as “affiliated partners” by Fund IV GP.

Manager IV reserves the right to waive all or a portion of any installment of the Management Fee. Any waived portion of a Management Fee installment shall (i) reduce later capital contributions of Manager IV, in its capacity as a limited partner, to Fund IV and (ii) correspondingly, increase later capital contributions of the other limited partners to Fund IV. Waived or reduced Management Fees are not subject to the Management Fee offsets described below. Due to waived or reduced Management Fees by Manager IV and/or timing of receipt of compensation subject to offsets (as described below), it is possible that Management Fee offsets will not be fully realized by investors in Fund IV, resulting in a net additional benefit to Manager IV or BRS Management.

Fund IV will also pay (or reimburse Manager IV) for certain out-of-pocket organizational expenses (excluding placement agent fees) incurred in connection with the organization and funding of Fund IV, Fund IV GP and Manager IV. Manager IV will bear responsibility for such organizational expenses in excess of \$1.5 million through an offset against the applicable Management Fee (as described above). Any placement agent fees will be paid by Fund IV but applied as an offset against the applicable Management Fee as described above.

The Management Fee will be further reduced in the circumstances and by the amounts described in the Fund IV Limited Partnership Agreement.

#### Coinvest IV

Coinvest IV is not subject to a Management Fee.

#### **Other Fees**

As a matter of practice, BRS Management is typically paid fees of the type referred to in the preceding paragraphs 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 of any such fee and not the portion of any fee that relates to such co-investors or co-investors, which have the potential to be significant. In certain circumstances, BRS Management expects that co-investors, lender, consultants or other parties from time to time will negotiate the right to share a portion of such fees from a particular investment, and the above-described Management Fee offsets will be applied after excluding any amounts paid to such persons. Additionally, as further described below and in the applicable Private Placement Memorandum, it is the Advisers’ practice to retain certain operating managers to provide services to (or with respect to) certain portfolio companies in which one or more Funds invest. Such operating managers 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, BRS Management also will not

offset compensation received from outside sources, such as residual employee board seats at entities that are no longer Fund portfolio companies.

## **Other Information**

BRS Management is permitted to exempt certain investors in the Funds from payment of all or a portion of Management Fees and/or carried interest, including BRS Management and any other person designated by BRS Management, such as “friends and family” of BRS Management or its personnel, or other investors meeting certain qualification requirements. BRS Management reserves the right to make any such exemption from fees and/or carried interest by a direct exemption, a rebate by BRS Management and/or its affiliates, or through other Funds which co-invest with a Fund. In general, the Management Fee offsets described above apply only with respect to the capital commitments of fee-paying investors. BRS Management retains flexibility to structure its compensation from investors and expects in certain circumstances to agree to invoice an investor directly for Management Fees or other compensation, rather than deducting such amounts from the investor’s capital account(s).

The Funds and any other Private Investment Funds invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the Limited Partnership Agreements over the term of the Funds (or the relevant Private Investment Funds, as applicable) and limited partners are not permitted to withdraw or redeem interests in the Funds (or other relevant Private Investment Funds, as applicable).

Principals or other current or former employees of BRS Management generally receive a portion of the Management Fee, carried interest or other compensation received by BRS Management or its affiliates.

In addition to the Management Fee and Carried Interest (as defined below), the Funds bear certain expenses. As set forth in their Limited Partnership Agreements, the Funds bear certain 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 paid by portfolio companies or applied to reduce Management Fees, including legal, accounting, auditing, investment banking, travel, printing, consulting, research, brokerage, finder’s fees, custody, transfer, government and registration, insurance, advisory board, interest, taxes and other similar fees and expenses. Brokerage fees may be incurred in accordance with the practices set forth in “Brokerage Practices.” As set forth in their Limited Partnership Agreements, certain Funds are expected to also bear certain costs, expenses, liabilities and obligations relating to transactions that are not consummated (including, without limitation, legal, accounting, auditing, insurance, travel, consulting, finders’, financing, appraisal, filing, printing, real estate title and other fees and expenses, break-up or topping fees) (“**Broken Deal Expenses**”). To the extent holding or intermediate entities include one or more special purpose acquisition companies (“SPACs”), the relevant Fund(s) will bear the costs of organizing and offering such SPACs, as well as the amount and dilutive effect of any founders’ equity or similar interests issued thereby that are not held directly or indirectly by the Fund, and except where prohibited by the Limited Partnership Agreements, such interests have the potential to be issued to BRS Management and its personnel. Certain co-investors’ participation is expected to be confirmed, in connection with the consummation of a transaction. Accordingly, 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, ultimately is not consummated, and no other co-investors' participation had previously been confirmed, all Broken Deal Expenses relating to such unconsummated transaction will be borne by the Fund(s) that were to have participated in such transaction, and not by any such prospective co-investors.

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. To the extent the paying Fund makes use of a credit facility to pay such expense, it generally will not be reimbursed separately by other Funds for use of the facility. While BRS Management 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, BRS Management or an affiliate thereof is expected to advance amounts related to the foregoing and receive reimbursement from the Funds to which such expenses relate.

BRS and/or its affiliates generally have discretion over whether to charge transaction fees, monitoring fees or other compensation to a portfolio company ("**Supplemental Fees**") and, if so, the fee rate, method, timing 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 cases, 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 Private Investment Funds, on the one hand, and BRS and/or its affiliates on the other hand.

## **Operating Managers**

Additionally, as further described herein and in the applicable Private Placement Memorandum and/or Limited Partnership Agreement of each Fund, it is the Advisers' practice to retain certain operating managers, including but not limited to individuals from BRS Management's network of industry professionals, to provide services to (or with respect to) one or more Funds or certain current or prospective portfolio companies in which one or more Funds invest. Such operating managers are not employees, members or partners of BRS Management and generally provide services in relation to the identification, acquisition, holding, improvement and disposition of portfolio companies, including operational aspects of such companies. In certain circumstances, these services also include serving in management or policy-making positions for portfolio companies. Operating managers receive compensation, including, but not limited to cash fees, retainers, discretionary bonuses (whether or not based on pre-determined milestones), transaction fees, a profits, participation or equity interest in a portfolio company or holding company, incentive equity and stock awards, profits or equity interests in one or more Funds or General Partners, remuneration from BRS Management and/or its Funds or affiliates, or other compensation, the amount of which typically are determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of such operating managers, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts believed to be charged by other providers for comparable services and/or a percentage of cash flows from such company. Compensation in the form of profits or equity interests in a portfolio company or intermediate holding company

generally has a dilutive impact on the Fund's investment, and the relevant Fund typically will bear the costs of all operating manager compensation as well as fees, costs and expenses of structuring operating manager arrangements. Operating managers also generally will be reimbursed for certain travel and other costs in connection with their services. As described above, no such amounts will offset or reduce the Management Fee. The use of operating managers subjects the Advisers to potential conflicts of interest, as discussed under "Conflicts of Interest," below.

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

BRS Management does not receive a carried interest allocation ("**Carried Interest**") for its advisory services to the Funds. Rather, each of Fund II GP, Fund III GP and Fund IV GP receive a Carried Interest equal to 20% of aggregate realized profits from each of Fund II, Fund III and Fund IV, respectively, in each case if and only if the gains of the third party limited partners exceed an 8% compounded internal rate of return, subject to a General Partner catch-up as more fully described in the applicable Fund's Limited Partnership Agreement. If any General Partner receives Carried Interest distributions during the life of the applicable Fund which are, in the aggregate, in excess of 20% of such Fund's cumulative net profits, then such excess Carried Interest distributions will be subject to repayment by such General Partner in accordance with the applicable Limited Partnership Agreement. Except for Coinvest III and Coinvest IV, the Advisers do not advise Private Investment Funds not subject to a Carried Interest.

To the extent that BRS Management personnel are assigned varying percentages of Carried Interest from the Funds, 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 a higher Carried Interest percentage. BRS Management seeks to address the potential for conflicts of interest in these matters with allocation procedures that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Fund's investment guidelines and Limited Partnership Agreement, and in any event based on factors that do not include the amount of performance-based compensation received by any person.

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

#### **TYPES OF CLIENTS**

BRS Management provides investment advice solely to Private Investment Funds, including the Funds, and references throughout the Brochure to "clients" and to BRS Management's related duties to and practices on behalf of its clients and/or investors should be construed accordingly. Private Investment 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 Private Investment Funds generally include individuals, banks or thrift institutions, other investment entities, university endowments, 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 BRS Management and its

affiliates and members of their families or other service providers retained by BRS Management, as well as executives of portfolio companies.

The Funds are closed to new investors subscribing for new interests. The Funds generally had a minimum investment amount of \$1 million, although the General Partners accepted smaller participations. Fund II, Fund III and Fund IV interests were offered, on occasion, and sold solely to accredited investors within the meaning of the rules promulgated under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) who are also qualified clients (or qualified knowledgeable BRS personnel).

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

### **General**

The Advisers provide investment advisory services to the Funds, as applicable, and share common owners and personnel. Accordingly, the Advisers’ investment methodology is described below.

BRS Management typically seeks to create a diversified portfolio for its Private Investment Funds consisting primarily of control investments in U.S. consumer (and consumer-related) goods and services businesses (or suppliers of those businesses) with enterprise values of between \$50 million and \$250 million.

There can be no assurance that the Advisers will achieve the investment objectives of the Funds and a loss of investment is possible.

### **Investment and Operating Strategy**

#### Target Market

BRS Management believes its target market is attractive for potential acquisitions because of its consistent volume of acquisition opportunities, the Managing Partners’ relevant investment experience, and the potential for businesses in the target market to grow earnings and generate returns across and financial cycles.

*Large Volume of Acquisition Opportunities.* BRS Management believes that its target market provides opportunities to achieve investment returns over time due to:

- what BRS Management perceives as a steady flow of businesses for sale, including family businesses, portfolio companies of private equity funds, divisions of larger companies and small public companies.
- what BRS Management perceives as a large universe of businesses that are large enough to be proven enterprises with a sustainable market position and a full management team, yet still have, in BRS Management’s opinion, significant growth opportunities.

*BRS Management Experience.* BRS Management believes it is structured to succeed in its target market by reason of the relevant investment experience of the Managing Partners and their involvement in each BRS transaction.

BRS Management believes that its experience in the consumer sector gives it an appreciation for the factors that are critical to consumer businesses (e.g., same-store sales growth, return on invested capital, scalability, concept appeal, restaurant management). In addition, BRS Management believes that the Managing Partners' experience has built a network of contacts and relationships that help to source investments and may add value both during due diligence and post-investment.

BRS Management believes that by investing in businesses that generate earnings growth, BRS Management will be able to produce returns over time that are not dependent upon the availability of favorable financial market conditions.

#### Differentiated Business Model

BRS Management believes that it employs a business model structured to address the particular requirements of creating and managing a diversified portfolio of control investments in lower middle-market companies. Each portfolio company and each targeted acquisition receives the benefit of the involvement of one of the Managing Partners.

*Role of the Managing Partners.* The senior leadership of the firm is shared among experienced individuals, all of whom remain dedicated to active involvement in the investment process on a deal-by-deal basis.

Each of the Managing Partners participates equally in all investment decisions. Each of the Managing Partners has made a significant personal financial commitment to BRS Management.

#### *BRS Management Investment Process.*

- *Investment approval process* – Every investment by a Fund requires approval by the investment committee. Because the acquisition process typically lasts months, the Managing Partners typically review each transaction at several stages over the course of the acquisition process (e.g., initial introduction, indication of interest, final proposal, binding contract, final closing). At each stage, analytical support is provided to the Managing Partners by BRS Management's professional staff.
- *Transaction structuring* – The Managing Partners make all decisions regarding the fundamental aspects of transaction structuring, including: (1) resolution of key issues in the acquisition agreement (e.g., price, form of consideration and recourse against the seller with respect to issues of concern which are uncovered through due diligence); (2) determination of the appropriate capital structure used to finance the acquisition and selection of the financing sources; (3) determination of the appropriate transaction structures; and (4) structuring appropriate, tax-efficient equity participation in the transaction for management and the seller, as appropriate. BRS Management believes that investment returns can be enhanced with proper attention to transaction structuring and

financial engineering, but these are secondary to the quality of the acquired business and its management.

- *Value-added portfolio company oversight* – In almost all situations, at least one Managing Partner sits on the board of directors or similar governing body of, and bears overall responsibility for, each portfolio investment. The responsible Managing Partner works with management to establish fundamental business strategy, approve annual plans, undertake refinancing and acquisition opportunities, and make appropriate changes in the management team.

The Managing Partners have obtained assistance in portfolio company oversight and management from the network of operating managers with whom the Managing Partners have built relationships over their years of private equity investing. These managers have joined many of the boards of directors of BRS Management portfolio companies and have, in BRS Management's opinion, meaningful operating roles in those companies.

- *Realization strategy and timing* – The Managing Partners are responsible with respect to each portfolio company for determining the strategy for realizing a return upon investment in a manner which, in BRS Management's opinion, will generate both a superior IRR and a superior multiple of capital invested. To accomplish this balance, the Managing Partners must make determinations as to the future earnings growth of each business, the potential for additional growth in value at any given point in time, market conditions for achieving liquidity, the potential for a recapitalization which will allow a partial realization without complete sale of a business, the prospects for sale of a business and the prospects for an IPO for a business, in which case additional decisions need to be made as to the timing of the sale of securities in the IPO or in subsequent offerings.

With respect to recapitalizations and partial realizations, the Managing Partners have experience using the capital markets to obtain a distribution for investors while maintaining equity upside.

*Role of BRS Management Professionals.* BRS Management believes that the ability of the Managing Partners to perform their functions is supported by the BRS Management professional team's ability to: (1) stay informed about and bring to the attention of the Managing Partners businesses that are for sale; (2) accumulate and synthesize for the Managing Partners the business, financial and other due diligence relevant to acquisition opportunities; (3) execute deals (including arrangement of all financing and negotiation of acquisition documentation); (4) perform portfolio company oversight; and (5) assist in execution of financings, acquisitions and other activity of portfolio companies, including execution of sales and other realization events.

## **Risks of Investment**

Each Fund and its investors bear the risk of loss that the Advisers' investment strategy entails. Investors should review each Fund's Private Placement Memoranda for information regarding risks specific to each Fund. In general, the risks involved with the Adviser's investment strategy and an investment in the Funds include, but are not limited to:

*Business Risks.* The Funds' investment portfolios will consist primarily of securities issued by highly leveraged, 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 that can result in substantial losses.

*Future and Past Performance.* The performance of the Managing Partners' prior investments is not necessarily indicative of the Funds' future results. While the General Partners intend for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that the targeted internal rates of return will be achieved. On any given investment, or for any and each Fund, loss of principal is possible. Furthermore, there can be no assurance that a Fund's investments will achieve results similar to those attained by previous investments made by the Advisers. In addition, a Fund's investments may differ from previous investments made by the Advisers in a number of respects, including target return levels, level of risk associated with a particular investment, amount invested in a particular company, market and economic conditions at the time of acquisition or exit, types of companies within a particular industry sector, amount of leverage used, structure and holding period.

*Dynamic Investment Strategy.* While the Advisers generally intend to seek attractive returns for the Funds primarily through making private equity and control-oriented, growth equity investments as described herein, each Adviser is permitted to pursue additional investment strategies and/ or modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. Many factors may contribute to changes in emphasis in the investment strategy, including changes in market or economic conditions or regulations as they affect various industries and changes in the political or social situations in particular countries. The Advisers are permitted to pursue investments outside of the industries and sectors in which the Advisers have previously made investments or have internal operational experience.

*Investment in Junior Securities.* The securities in which the Funds 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 an investment once made.

*Concentration of Investments.* The Funds will participate in a limited number of investments and may seek to make several investments in one industry or one industry segment. As a result, the Funds' investment portfolios could become highly concentrated, and the performance of a few holdings may substantially affect aggregate returns. Furthermore, to the extent that the capital raised by a Fund is less than such Fund's targeted amount, that Fund may invest in fewer portfolio companies than it would ordinarily target and thus be less diversified. In addition, an investor's participation in Fund's investments may be limited by virtue of the relevant General Partner's right to exclude an investor from, or an investor's right to be excused from, participating in certain of the Fund's investments as set forth in the relevant Limited Partnership Agreement, thereby increasing the participation of other investors. As a consequence of one or more investors being excused or other factors limiting investments, the aggregate returns realized by the participating investors could be adversely affected in a material manner by the unfavorable performance of even one investment by a Fund.

*Growth Equity Transactions.* A Fund's strategy may include 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.

*Lack of Sufficient Investment Opportunities.* It is possible that the Funds will never be fully invested if enough sufficiently attractive investments are not identified. The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty. However, limited partners will be required to pay annual management fees during the commitment period based on the entire amount of their Commitments and other expenses as set forth in the relevant Limited Partnership Agreement.

*Illiquidity; Lack of Current Distributions.* An investment in a Fund should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments, if any, are realized. The return of capital and the realization of gains, if any, will generally occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is not generally expected that this will 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 annual management fee payable to any of the Advisers) may exceed its income, thereby requiring that the difference be paid from such Fund's capital, including, without limitation, unfunded capital commitments. In addition, there can be no assurance that a Fund will have sufficient cash flow to permit it to make annual distributions in the amounts necessary for the limited partners to pay all tax liabilities resulting from the limited partners' ownership of limited partner interests.

*Leveraged Investments.* A Fund is permitted to generally make use of leverage by causing its portfolio companies to incur debt to finance a portion of their purchase or recapitalization. Leverage generally magnifies both the Fund's opportunities for gain, if any, 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 by a Fund will also result in interest expense and other costs to such Fund that may not be covered by distributions made to such Fund or appreciation of its investments. While Fund-level borrowings generally will be interim in nature, asset-level leverage generally will not be subject to any limitations regarding the amount of time such leverage may remain outstanding. In addition, to the extent a Fund incurs leverage, such amounts may be secured by capital commitments made by such Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of the Fund.

*Bridge Financings.* From time to time, a Fund is permitted to lend or otherwise provide capital to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities or other refinancing or syndication. Such bridge loans may be convertible into a more permanent, long-term security; however, for reasons that may not be in a Fund's control, such long-term securities issuance or other refinancing or syndication may not occur and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by a Fund, and a Fund's portfolio could become more concentrated than initially expected.

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

In addition, Fund-level borrowing will result in incremental partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring, maintenance, renegotiating or terminating the facility and negotiation of the terms of the borrowing facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the Limited Partnership Agreement, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the relevant Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the relevant Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, which in certain circumstances enhances the relevant Fund's internal rate of return calculations and thereby 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 (including one or more co-investing Funds), as to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line 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.

A credit agreement will frequently contain other terms that restrict the activities of a Fund and its limited partners or impose additional obligations on them. For example, a subscription line may impose restrictions on the relevant General Partner's ability to consent to the transfer of a limited partner's interest in a Fund or impose concentration or other limits on the Fund's investments. In addition, in order to secure a subscription line, the relevant General Partner may request certain

financial information and other documentation from limited partners to share with lenders. The General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more limited partners.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows a General Partner to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had the relevant General Partner called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time. A Fund is also permitted to utilize Fund-level borrowing when its General Partner expects to repay the amount outstanding through means other than limited partner capital, including as a bridge for equity or debt capital with respect to an investment. If a Fund ultimately is unable to repay the borrowings through those other means, limited partners would end up with increased exposure to the underlying investment, which could result in greater losses.

*Limited Transferability of Partnership Interests.* There will be no public market for the Fund interests, and none is expected to develop. There are substantial restrictions upon the transferability of Fund interests under the Limited Partnership Agreements 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 initially be no readily available market for the Fund's investments, and hence, most of the Fund's investments will be difficult to value. Certain investments may be distributed in-kind to investors. Certain investments may be distributed in kind to 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 investors. After a distribution of securities is made to 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 relevant Limited Partnership Agreement, including the value used to determine the amount of carried interest available to the relevant General Partner with respect to such investment.

*Reliance on the General Partners and Portfolio Company Management.* Control over the operation of the Funds will generally be vested entirely with the General Partners, and each Fund's future profitability will depend largely upon the business and investment acumen of the relevant Fund. The loss or reduction of service of one or more of the principals could have an adverse effect on a Fund's ability to realize its investment objectives. Limited partners generally have no right or power to take part in the management of the Funds, and as a result, the investment performance of a Fund will depend entirely on the actions of the relevant General Partner. In addition, certain changes in the General Partners or circumstances relating to the General Partners may have an adverse effect on the Funds or one or more portfolio companies including potential acceleration of debt facilities. Although the General Partners will monitor the performance of the relevant Fund's

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 the Funds generally intend 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 a Fund's objectives.

*Projections.* Projected operating results of a company in which a Fund invests normally will be based on financial projections prepared by each company's management, with adjustment to such projections made by the applicable General Partner 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 upon 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.

*Risks Relating to Due Diligence of and Conduct at Portfolio Companies.* Before making investments, each Adviser or one of its designated affiliates will typically conduct such due diligence as they deem reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment and the facts and circumstances related thereto and the each Adviser and/or one of its designated affiliates may rely on the advice received from such third parties. The due diligence investigation carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in an investment being successful or even ensure a return of invested capital.

*Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes.* There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on a Fund's activities, including the ability of a Fund to effectively and timely address such regulations, implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives.

The combination of such scrutiny of private equity firms (along with other alternative asset managers) and their investments by various politicians, regulators and market commentators, and the public perception that certain alternative asset managers, including private equity firms, contributed to the recent downturn in the U.S. and global financial markets, may complicate or prevent a Fund's efforts to structure, consummate and/or exit investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, a Fund may invest in fewer transactions or incur greater expenses or delays in completing or exiting investments than it otherwise would have.

Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as the Funds (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law is treated as an

allocation of the partnership's income, which may be taxed at lower rates than ordinary income. Enactment of any such legislation, whether during or after the initial closing of a Fund, could adversely affect the ability of the principals, employees or other individuals associated with the Funds or the Advisers who were or may in the future be granted direct or indirect interests in the relevant General Partner, to benefit from carried interest taxed at lower rates. This may reduce such persons' after-tax returns from the relevant Fund and its General Partner, which could make it more difficult for the Advisers and their affiliates to incentivize, attract and retain individuals to perform services for its Fund. These same issues may also apply to officers, directors and employees of a Fund's portfolio companies if such persons receive a profits interest in such companies.

*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 Funds will make follow-on investments or that any 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 a Fund to increase its participation in a successful portfolio company or the dilution of a 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 have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risk 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 such Fund), the application of complex U.S. and foreign tax rules to cross-border investments, possible imposition of foreign taxes on such Fund and/or the Partners with respect to such Fund's income, and possible foreign tax return filing requirements for such Fund and/or the partners.

Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less well-developed and/or more restrictive laws, regulations, regulatory institutions and judicial systems; (c) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (d) civil disturbances; (e) government instability; (f) nationalization and expropriation of private assets; (g) accounting, auditing and financial reporting standards that may result in less or less useful publicly available information when compared with the information that is generally available with respect to issuers organized in the U.S. and similar jurisdictions; (h) inflation matters, including rapid fluctuations in inflation rates; (i) risks in the securities markets including potential price volatility in and relative illiquidity of some non-US securities markets and potential restrictions on the flow of international capital; (j) adverse changes in investment or exchange control regulations and the possibility of expropriation or confiscatory taxation; (k) withholding taxes payable on certain securities, which may reduce amounts available to make distributions to Limited Partners, the possible imposition of non-U.S. taxes on income and gains recognized with respect to such

securities and the possible non-U.S. tax return filing requirements for the Funds and/or investors; and (l) and the possibility of difficulties in pursuing legal remedies and collecting judgments.

Certain countries may have a lower per-capita gross national product and/or a low-income economy. Markets for investments in these types of markets are not as large or as liquid as the securities markets in the U.S. and similar jurisdictions. Because of these and other factors, many of the investments in these countries sometimes experience limited liquidity and high volatility. Moreover, the financial and market systems of certain countries are generally less developed than those of the U.S. and similar jurisdictions. This can contribute to inadequate or inaccurate market information, and other investment risks. Also, the corporate and securities laws of those countries regarding fiduciary responsibility and protection of shareholders or creditors generally are less developed than those of the U.S. and similar jurisdictions.

*United Kingdom (“UK”) Exit from the European Union (the “EU”).* On March 29, 2017, the United Kingdom formally notified the European Council of its intention to leave the EU (“Brexit”). The UK formally left the EU on January 31, 2020, and entered a transition period that ended on December 31, 2020. On December 24, 2020, the UK government and the EU Commission provisionally agreed a trade and cooperation agreement governing their future relationship, which, following a ratification process, is expected to apply on a provisional basis through an additional transition period.

Although provisionally agreed, the terms of UK’s ongoing and future relationship with the EU are still uncertain, including the extent to which UK businesses will have access to the EU single market and the extent to which EU businesses have access to the UK market. There is also risk of significant disruption to trade between the UK and the EU, particularly as new trade arrangements are intended to be ratified and implemented.

There can be no assurance that any renegotiated laws or regulations will not have an adverse impact on a Fund and its investments, including the ability of a Fund to achieve its investment objectives.

The legal, political and economic uncertainty generally resulting from the UK’s exit from the EU may adversely affect both EU and UK-based businesses, including the Advisers and Fund portfolio companies. This uncertainty may also result in an economic slowdown and/or a deteriorating business environment in the UK and in one or more EU Member States.

*Hedging Arrangements.* The Advisers may (but are not obligated to) endeavor to manage each Fund’s or any portfolio company’s currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. The Funds 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 a 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 a Fund to additional liquidity risks if such contracts cannot be adequately settled.

Certain hedging arrangements may create for an Adviser and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission 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.

*Currency and Foreign Exchange Risks.* Each Fund's books and records will be denominated in United States dollars, and distributions will generally be made in United States dollars. However, a Fund may make investments in other currencies, and changes in the exchange rates between such currencies and the United States dollar could have an adverse effect on such Fund, including the amounts available for distribution and the value of securities to be distributed in-kind.

*Significant Default Penalties.* The Limited Partnership Agreements provide for significant penalties and other adverse consequences to a limited partner in the event that a limited partner defaults on its commitment or other payment obligations. In addition to losing its right to potential distributions from a Fund, a defaulting limited partner may be forced to transfer its interest in such Fund for an amount that is less than the fair-market value of such interest.

*General Partner's Carried Interest.* The fact that a General Partner's carried interest is based on a percentage of net profits, and that such carried interest may be payable only after a preferred return has been paid to limited partners, may create an incentive for a General Partner to cause a Fund to make riskier or more-speculative investments than would otherwise be the case.

*Public Company Holdings.* A Fund's investment portfolio may contain securities 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, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Fund to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members, including the Managing Partners, and increased costs associated with each of the aforementioned risks.

*Non controlling Investments.* The Funds may hold meaningful minority stakes in privately-held companies and in some cases may have limited minority protection rights. In addition, during the process of exiting investments, the Funds 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 in portfolio companies that the Funds may hold may lack some or all of control characteristics of majority stakes in such portfolio companies, as well as the valuation premiums accorded majority or controlling stakes, and such portfolio companies may be controlled or influenced by persons who have economic or business interests or goals or tax or other considerations that differ from or are inconsistent with those of the relevant Fund or its investors. Where a Fund holds a minority stake, it will be more difficult for such Fund to liquidate its interests than it would be had such 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 they invest. Serving on the board of directors (or similar governing body) of a portfolio company exposes a Fund's representatives, and ultimately such Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies and the Funds 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 a Fund's investment activities.

*Tax Issues.* The U.S. federal, state and local income taxation of partnerships is extremely complex, raising, among other things, significant issues as to the character and timing of realization of gains and losses. In particular, a Partner may be allocated a portion of taxable income of a Fund without regard to actual cash distributions. Accordingly, such Partner's tax liability could exceed the cash distributions to it in any tax year. Prospective investors are urged to consult their tax advisors concerning their specific tax situations, including any applicable U.S. federal, state, local and non-U.S. taxes.

*Litigation.* In the ordinary course of its business, a Fund may be subject to litigation from time to time. An adverse outcome of such proceedings would materially adversely affect the value of the Fund and may continue without resolution for long periods of time. Any litigation is likely to consume substantial amounts of the Advisers' and the Managing Partners' 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.

*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 portfolio companies in which a Fund makes investments.

*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 the Funds.

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. In many jurisdictions, restrictive measures have been re-imposed to address subsequent waves of infection. 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 (including the effectiveness of vaccines and the implementation of vaccination programs) 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 the Funds. The extent of the impact on the Funds’ and their portfolio companies’ operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Funds to source, diligence and execute new investments and to manage, finance and exit

investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Funds intend to pursue, all of which could adversely affect the Funds' ability to fulfill their investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Funds, their portfolio companies, the General Partners and BRS Management 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.

*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 the Funds and may affect the Funds' 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 the Funds to sell and/or partially dispose of their 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 a 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 the relevant Adviser 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.

*Monetary Policy and Governmental Intervention Affecting the Broader Investment Climate.* In response to the global financial crisis in 2008, the Board of Governors of the U.S. Federal Reserve System (the "**Federal Reserve**") and certain non-U.S. central banks, including the European Central Bank, acted to hold interest rates to historic lows in addition to taking other governmental actions to stabilize markets and seek to encourage economic growth. These and other actions by the Federal Reserve and other central banks, including changes in policies, may continue to have a significant effect on interest rates and on the U.S. and world economies generally, which in turn may affect the performance of a Fund's investments on an absolute and/or relative basis. In

addition, the consequences of the extensive changes to the regulation of various markets and market participants contemplated by the legislation and increased regulation arising out of the global financial crisis have not been fully implemented in all cases and therefore the ultimate effects thereof are difficult to predict or measure with certainty. Recently, certain U.S. banks, citing Federal Reserve liquidity requirements and/or the costs and/or decreased profitability of holding capital deposits, have pursued imposing a negative interest rate and/or a balance sheet utilization fee on certain deposits from certain institutional customers. Other non-U.S. banks have also adopted similar measures. Negative interest rates and/or fees of this type could have an adverse effect on private equity funds such as the Funds. The Funds may be forced to bear such costs, effectively losing money on cash deposits, or seek to find alternative means of holding short term reserves and cash balances. Such alternative arrangements may bear greater risk of loss of principal, longer lock-up periods (e.g., money market funds or certificates of deposit), or other less favorable terms. In addition, as a result of the foregoing, the Funds may choose to keep less cash or reserves on hand which could result in a greater frequency of capital calls from limited partners and/or greater reliance on borrowing, along with related costs. Further, in response to interagency guidance on leveraged lending by the Federal Reserve, the Office of the Comptroller of the Currency in the U.S. and the U.S. Federal Deposit Insurance Corporation intended to curtail certain leveraged lending to market participants such as private equity firms in connection with their investment activities, private equity funds may need to finance portfolio investments with a greater proportion of equity relative to prior periods and the terms of debt financing may be less flexible or advantageous for borrowers compared to prior periods. These developments may impair a Fund's ability to consummate transactions and/or cause such Fund to seek alternative capital sources and/or enter into transactions on less favorable terms, including both acquisitions and exits as borrowings may be limited or certain loan terms may no longer be available to potential buyers.

*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 the Funds to obtain favorable financing for investments, a Fund's ability to generate attractive investment returns may be adversely affected to the extent such Fund is unable to obtain favorable financing terms for its investments. Moreover, to the extent that such marketplace events are not temporary and continue, they 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 marketplace events also may restrict the ability of a Fund to realize its investments at favorable times or for favorable prices.

*Side Letters.* A Fund or its General Partner may enter into a side letter or other similar agreement with a particular limited partner in connection with its admission to such Fund without the approval of any other limited partner, which would have the effect of establishing rights under or supplementing the terms of the relevant Limited Partnership Agreement with respect to such limited partner in a manner more favorable to such limited partner than those applicable to other limited partners and such rights may be significant. Such rights or terms in any such side letter or other similar agreement may include, without limitation, (i) excuse rights applicable to particular investments (which may increase the percentage interest of other limited partners in, and contribution obligations of other limited partners with respect to, such investments); (ii) reporting obligations of the General Partner; (iii) waiver of certain confidentiality obligations; (iv) consent of the General Partner to certain transfers by such limited partner; or (v) rights or terms necessary in light of particular legal, regulatory or public policy characteristics of a limited partner. Limited

partners may request to see such side letters and to obtain certain rights applicable to them under such letters subject to certain exceptions provided in applicable Limited Partnership Agreement.

*Limited Access to Information.* Limited partners' rights to information regarding a Fund, the relevant General Partner or BRS Management generally will be specified, and in many cases strictly limited, by the Limited Partnership Agreement. 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 BRS Management's control. Decisions by BRS Management or its affiliates 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 BRS Management 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, similar freedom of information and other laws, whether or not the relevant Fund succeeds in asserting confidentiality for requested documents and other materials, and BRS Management reserves the right to withhold certain information from investors subject to such laws for reasons relating to BRS Management's public reputation, business strategy or other reasons.

*Material Non-Public Information.* As a result of the operations of the Advisers and their affiliates, as well as in connection with officerships or directorships of the Advisers' personnel, the Advisers may come into possession of confidential or material non-public information. Therefore, the Advisers and their affiliates may have access to material non-public information that may be relevant to an investment decision to be made by the Funds. Consequently, the Funds may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, might have been undertaken on account of applicable securities laws or the Advisers' internal policies and practices.

Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent the Advisers or the Funds from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or portfolio companies owned or operated by such persons, or located in jurisdictions identified from time to time by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the United States Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust restrictions relating to one Fund's acquisition of a portfolio company may preclude other Funds from making an attractive acquisition or require one or more other Funds to sell all or a portion of certain portfolio companies owned by them.

As a result of any of the foregoing, a Fund may be adversely affected because of the Advisers' inability or unwillingness to participate in transactions that may violate such laws or regulations, or by remedies imposed by any regulators or governmental bodies. Any such laws or regulations may make it difficult or may prevent a Fund from pursuing investment opportunities, require the sale of part or all of certain portfolio companies on a timeline or in a manner deemed undesirable by the Advisers or may limit the ability of one or more portfolio companies from conducting their intended business in whole or in part. Consequently, there can be no assurance that any Fund will be able to participate in all potential investment opportunities that fall within its investment objectives.

*Valuation of Investments.* Generally, the relevant General Partner will determine the value of all the related Private Investment Fund's investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for virtually all of a Private Investment Fund's investments because, among other things, the securities of portfolio companies held by such Private Investment Fund generally will be illiquid and not quoted on any exchange. Each General Partner will determine the value of all the Private Investment Fund's investments that are not readily marketable based on ASC 820 guidelines as promulgated by the Financial Accounting Standards Board and any subsequent valuation guidelines required of an investment fund reporting under generally accepted accounting principles as promulgated in the United States. There can be no assurance that the relevant General Partner will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of a General Partner with respect to an investment will represent the value realized by the relevant Private Investment Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. Accordingly, the valuation decisions made by such General Partner may cause it to ineffectively manage the relevant Private Investment Fund's investment portfolios and risks, and may also affect the diversification and management of such Private Investment Fund's portfolio of investments.

*Cybersecurity Risks.* Cyber-attacks and other malicious Internet-based activity continue to increase in frequency and magnitude. Recent events have illustrated such ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries such as the food services and retail industries. Techniques used to sabotage, or to obtain unauthorized access to, systems or networks change frequently and generally are not recognized until launched against a target. Therefore, companies, as well as their third-party partners (including vendors and portfolio companies), may be unable to anticipate these techniques, react in a timely manner, or implement adequate preventive measures. Each Adviser's and its portfolio companies' information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, denial-of-service attacks, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes.

Although BRS Management has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, BRS Management, the Funds and/or a portfolio company may incur

specific time or expense to fix or replace them and to seek to remedy the effects of such issues. 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, including personal information relating to investors (and the beneficial owners of investors); (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. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks. Any of such circumstances could subject a portfolio company, or the relevant Private Investment Fund, to substantial losses, including losses relating to: misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm. In addition, in the event that such a cyber-attack or other unauthorized access is directed at BRS Management or one of its service providers holding its financial or investor data, BRS Management, its affiliates or the Private Investment Funds may also be at risk of loss, despite efforts to prevent and mitigate such risks under BRS Management's policies and practices.

*Unfunded Pension Liabilities of Portfolio Companies.* Certain 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 each Fund intends to manage its 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 such Fund may own an 80% or greater interest in such a portfolio company. If a Fund (or other 80%-owned portfolio companies of such Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the Fund and the companies in which such Fund invests. This discussion is based on current court decisions, statute and regulations regarding ERISA control group liability as in effect as of the date herein, which may change in the future as the case law and guidance develops.

*Investments Longer than Term.* The Funds may make investments which may not be advantageously disposed of, or have liabilities that may not be resolved, prior to the date that a Fund will be dissolved, either by expiration of a Fund's term or otherwise. Although each General Partner expects that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution and each General Partner has a limited ability to extend the term of its Fund, the Funds may have to sell, distribute or otherwise dispose of investments or resolve litigation or other contingent liabilities at a disadvantageous time as a result of dissolution. In addition, there can be no assurances with respect to the time frame in which the winding up and the final distribution of assets to the investors will occur.

*Contingent Liabilities upon Disposition.* In connection with the disposition of an investment, a Fund and its General Partner may be required to make (and/or be responsible for another person's or entity's breach of) representations and warranties; for example, 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 the applicable Fund and, ultimately, its investors. The relevant General Partner may establish reserves as appropriate to provide for such contingent liabilities. In the event that the amount of such contingent liabilities exceeds the reserves and other assets of a Fund, the investors in such Fund may be required to repay to such Fund all or a portion of distributions previously received by them in respect of such portfolio company.

### **Conflicts of Interest**

BRS Management and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Private Investment Funds, and providing transaction-related, legal, management and other services to Private Investment Funds and portfolio companies. BRS Management will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Private Investment Funds in an appropriate manner, as required by the relevant Limited Partnership Agreement, although the Private Investment Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of BRS Management conducting its activities, the interests of a Private Investment Fund likely will conflict with the interests of BRS Management, one or more other Private Investment Funds, portfolio companies or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, BRS Management will determine all matters relating to structuring transactions and Private Investment Fund operations using its best judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committees of the participating Private Investment Funds.

During the commitment period of each Private Investment Fund, all appropriate investment opportunities will be pursued by the Managing Partners through the respective Private Investment Fund, subject to certain limited exceptions set forth in the Private Investment Fund's Limited Partnership Agreement and BRS Management's procedures regarding allocation. Without limitation, BRS Management principals currently manage, and expect in the future to manage, several other investments similar to those in which a Private Investment Fund will be investing, and expect to direct certain relevant investment opportunities or resources to those investments. BRS Management personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, and to pay or receive compensation relating to these arrangements. BRS Management's principals and BRS Management's investment staff will continue to manage and monitor such investments until their realization. Such other investments that BRS Management principals expect from time to time to control or manage generally have the potential to compete with companies acquired by a Private Investment Fund. Following the commitment period of a Fund, the Managing Partners reserve the

right to and likely will focus their investment activities on other opportunities and areas unrelated to the Fund's investments. Unless restricted by the Limited Partnership Agreements, BRS Management personnel are permitted to serve on boards or act in other roles unaffiliated with BRS Management, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles.

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

Following such determination of allocation among Private Investment Funds, BRS Management will determine if the amount of an investment opportunity in which one or more Private Investment Funds will invest exceeds the amount that would be appropriate for such Private Investment Fund(s) and BRS Management reserves the right to offer any such excess to one or more potential co-investors, including third parties, as determined by the Private Investment Funds' Limited Partnership Agreements, Side Letters and BRS Management's procedures regarding allocation.

BRS Management's procedures permit it to take into consideration a variety of factors in making such determinations, including but not limited to: the size of the investment allocation available to BRS; lender requirements; the knowledge of the proposed co-investor with respect to the issuer, segment, industry, geographic region or other relevant characteristics; the co-investor's ability to approve the investment in a timely manner; any tax, regulatory and/or securities law considerations; perceived ease of process in coordinating or completing the investment with the prospective co-investor or co-investors similar thereto; perceived public relations and reputational benefits or costs; existence of a formal or informal strategic relationship with the prospective co-investor; and other factors that BRS Management considers important in connection with the specific transaction or investment, including, without limitation, expected investment holding period, services provided by the co-investor to the issuer (or otherwise provided by the co-investor with respect to the investment) and other factors. Although BRS Management reserves the right to consider a prospective co-investor's willingness to invest in future Private Investment Funds, such

willingness generally will not be the sole determining factor considered by BRS Management in identifying co-investors. The Advisers reserve 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.

Furthermore, BRS Management 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 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 BRS Management and its affiliates make capital investments in or alongside certain Private Investment Funds, BRS Management and its affiliates are subject to potentially conflicting interests in connection with these investments. There can be no assurance that any Private Investment Fund's return from a transaction would be equal to and not less than another Private Investment Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

BRS Management's allocation of investment opportunities among the persons and in the manner discussed herein 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 BRS Management 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 Private Investment 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 BRS Management expects to be subject, discussed herein, did not exist.

Subject to any relevant restrictions or other limitations contained in the Limited Partnership Agreements of the Private Investment Funds, BRS Management will allocate fees and expenses in a manner that it believes in good faith is fair and equitable to its clients under the circumstances and considering such factors as it deems relevant, but in its sole discretion. In exercising such discretion, BRS Management expects to face with a variety of potential conflicts of interest.

As a general matter, Private Investment Fund expenses typically will be allocated among all relevant Private Investment 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 BRS Management or its affiliates using their best judgment, considering such factors as they deem relevant, but in any case in its sole discretion. The allocations of such expenses will not always be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining whether to allocate pro rata based on number of Private Investment 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 Private Investment Fund or BRS Management. The Private Investment Funds generally have different expense reimbursement terms, including with respect to Management Fee offsets, which is expected from time to time to result in the Private Investment Funds bearing different levels of expenses with respect to the same investment.

As a result of the Private Investment Funds' controlling interests in portfolio companies, BRS Management and/or its affiliates typically have the right to appoint portfolio company board members, 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 BRS Management and/or its affiliates. Such amounts will be in addition to any Management Fees or carried interest paid by a Private Investment Fund to BRS Management.

Additionally, a portfolio company typically will reimburse BRS Management or service providers retained at BRS Management's discretion for expenses (including without limitation travel expenses) incurred by BRS Management or such service providers in connection with its performance of services for such portfolio company. This subjects BRS Management and its affiliates to conflicts of interest because the Private Investment 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. BRS Management 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 Private Investment Fund, their effect is reflected in each Private Investment Fund's audited financial statements, and any fee paid or expense reimbursed to BRS Management or such service providers generally is subject to: agreements with 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 help to mitigate related conflicts of interest.

In connection with its services to the Funds and their investments, BRS Management, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of BRS Management's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, BRS Management and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "**BRS Information**"). In many cases, BRS Information will include tools, procedures and resources developed by BRS Management to organize or systematize BRS Information for ongoing or future use. Although BRS Management expects its Funds and their portfolio companies generally to benefit from BRS Management's possession of BRS Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies and not by the Fund or portfolio company from which BRS Information was originally received. BRS Information will be the sole intellectual property of BRS Management and solely for the use of BRS Management. BRS Management reserves the right to use, share, license, sell or monetize BRS Information, without offset to Management Fees, and the relevant Fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to the Funds or portfolio companies are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, "points," "cash back," rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such terms are expected to vary from time to time, and any such rewards (whether or not *de minimis* or difficult to value) generally will inure to the benefit of the personnel participating in the rewards

program, rather than the portfolio companies, the Funds or their respective investors; no such rewards will offset Management Fees.

BRS Management generally exercises its discretion to recommend to a Private Investment Fund or to a portfolio company thereof that it contract for services with certain service providers, and from time to time, such service providers are expected to include: (i) BRS Management or a related person of BRS Management (including a portfolio company of such Private Investment Fund), (ii) an entity with which BRS Management or its affiliates or current or former members of their personnel has a relationship or from which BRS Management or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where BRS Management personnel are seconded, or from which BRS Management receives secondees; or (iii) certain limited partners or their affiliates. For example, BRS Management expects be presented with opportunities to receive financing and/or other services in connection with a Private Investment Fund's investments from certain limited partners or their affiliates that are engaged in lending or related business. This subjects BRS Management to conflicts of interest, because although BRS Management selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Private Investment Fund, BRS Management has a potential incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that BRS Management, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Private Investment Funds or BRS Management), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Whether or not BRS Management has a relationship 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. Although BRS Management 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.

BRS Management and/or its affiliates reserve the right to employ personnel with pre-existing ownership interests in portfolio companies owned by the Private Investment Funds or other investment vehicles advised by BRS Management and/or its affiliates; conversely, former personnel or executives of BRS Management and/or its affiliates are expected from time to time to serve in significant management roles at portfolio companies or service providers recommended by BRS Management. Similarly, BRS Management, its affiliates and/or personnel maintain relationships with (and invest in) financial institutions, service providers and other market participants, including managers of private funds, banks and brokers. 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, BRS Management and/or its affiliates, and/or the Private Investment Funds or other investment vehicles they advise. BRS Management expects to be subject to a conflict of interest with a Private Investment Fund in recommending the retention or continuation of a third-party service provider to such Private Investment 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 Private Investment Funds, will provide BRS Management information about markets and industries in which BRS Management

operates (or is contemplating operations) or will provide other services that are beneficial to BRS Management or one or more Funds. BRS Management expects to be subject to a potential conflict of interest in making such recommendations, in that BRS Management has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Private Investment Fund, while the products or services recommended will not always necessarily be the best available to a Private Investment Fund or its portfolio companies.

BRS Management also has incentives to use or to recommend products or services of one portfolio company to another, which would involve fees, commissions, servicing payments or other compensation. Potential conflicts of interest arise in making such recommendations, as BRS Management has incentives to maintain goodwill between it and its former, existing and prospective portfolio companies, and as a result the products or services recommended will not always necessarily be the best or lowest cost option. In most cases, the relevant Fund(s) will not consent, participate in the negotiations or be directly involved in such arrangements.

BRS Management, its affiliates, and equity holders, officers, principals and employees of BRS Management and its affiliates reserve the right to buy or sell securities or other instruments that BRS Management has recommended to a Private Investment Fund. In addition, officers, principals and employees reserve the right to buy securities in transactions deemed unsuitable for a Private Investment Fund. Such transactions are subject to the policies and procedures set forth in BRS Management's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Private Investment Fund. Employees and related persons of BRS Management have, and are expected to continue to have, capital investments in or alongside certain Private Investment Funds, or in prospective portfolio companies directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors, and therefore expects to have additional potential conflicting interests in connection with these investments.

Except to the extent prohibited by the Limited Partnership Agreements, BRS Management and its personnel are permitted to market, organize, sponsor or act in other capacities (including as director, founder or manager) for other pooled investment vehicles, accounts or SPACs the investment or business strategy of which does not overlap with the Fund(s) and to receive compensation (including in the form of management fees, performance-based compensation, founders' equity or similar interests) relating thereto. Subject to any limitations imposed by the Limited Partnership Agreements and anti-"assignment" provisions of the Advisers Act, BRS Management and its personnel are also permitted to offer, restructure and monetize interests in BRS Management.

Since BRS Management has discretion to retain certain Supplemental 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. In many cases, Supplemental Fees are based on enterprise value or other metrics relating to a portfolio company, and there can be no assurance that the amount of Supplemental Fees charged will be proportional to the amount of hours of work performed on behalf of the portfolio company. Additionally, BRS Management, its personnel, affiliates or others designated by BRS Management expect 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 Governing Documents are applied (typically based on the then-present value of such securities), BRS Management and/or such other recipients will be permitted to retain such securities as Supplemental 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 BRS Management) or 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.

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

Because certain expenses are paid for by a Private Investment Fund and/or its portfolio companies or, if incurred by BRS Management, are reimbursed by a Private Investment Fund and/or its portfolio companies, BRS Management will not necessarily seek out the lowest cost options when incurring (or causing a Private Investment Fund or its portfolio companies to incur) such expenses.

In addition, as described above, portfolio companies (and, to a lesser extent, the Private Investment Funds) typically pay certain fees and expense reimbursements to operating managers and other consultants (including consultants introduced or arranged by BRS Management and/or affiliates that regularly provide services to one or more portfolio companies), and such fees do not offset the Management Fee as described herein. Operating managers generally make use of BRS resources or otherwise are associated with BRS Management. Operating managers generally receive investment opportunities, reimbursements and other compensation that do not offset the Management Fee of any Private Investment Fund as described herein. Although the use of operating managers and the allocation of compensation paid to them by BRS Management, its affiliates and/or the portfolio companies subjects BRS Management and/or its affiliates to potential conflicts of interest, BRS Management believes that such potential conflicts may be reduced by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Private Investment Fund(s)) that will result if the cost of the operating manager is lower than market rates for the services provided and/or if the services of the operating manager align with BRS Management's model for the portfolio company and improve portfolio company performance. Although BRS Management seeks to retain managers with a view to reducing costs to portfolio companies (and, ultimately, the Private Investment Funds) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. BRS Management also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that BRS Management believes will align such persons' interests with those of the Private Investment Funds' limited partners, and seeks to retain only operating managers and service providers which

it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Any of these situations subjects BRS Management and/or its affiliates to potential conflicts of interest. BRS Management attempts to resolve such conflicts of interest in light of its obligations to investors in its Private Investment Funds and the obligations owed by BRS Management's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Private Investment Fund, other Private Investment Funds and such investment vehicles in a fair and equitable manner. To the extent that an investment or relationship raises particular conflicts of interest, BRS Management will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, BRS Management consults and receives consent to conflicts from an advisory committee consisting of limited partners of the relevant Private Investment Fund(s) and such other investment vehicles.

### **DISCIPLINARY INFORMATION**

BRS Management 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**

BRS Management is affiliated with other BRS investment advisers registered, including the General Partners and equivalent entities formed from time to time and subject to the Advisers Act pursuant to BRS Management's registration in accordance with SEC guidance. These advisers also include BRS Management's relying advisers that are registered under the Advisers Act pursuant to BRS Management's registration. These affiliated investment advisers operate as a single advisory business together with BRS and serve as managers or general partners of private investment funds and other pooled vehicles and share common owners, officers, partners, employees, consultants or persons occupying similar positions.

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

The Advisers have adopted the BRS Code of Ethics and Securities Trading Policy and Procedures (the "**Code**"), which sets forth standards of conduct that are expected of BRS principals and employees and addresses conflicts that arise from personal trading. The Code requires certain BRS personnel to report their personal securities transactions, prohibits or requires pre-clearance for BRS personnel from directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits BRS personnel from directly or indirectly acquiring beneficial ownership of securities with limited exceptions, without first obtaining approval from the BRS 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 limited partner or prospective limited partner upon request to Afua Wilson, the BRS Chief Compliance Officer, at (212) 521-3700.

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.

The Advisers and their affiliated persons come into possession, from time to time, of material nonpublic 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, the Advisers and their affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of the Advisers.

Accordingly, should the Advisers or any of their affiliated persons come into possession of material nonpublic or other confidential information with respect to any public company, the Advisers would be prohibited from communicating such information to clients, and the Advisers 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 would be applicable as a result of the Advisers' personnel serving as directors of public companies and would restrict trading on behalf of clients, including the Funds.

Managing Partners and employees of the Advisers and their affiliates generally are expected to directly or indirectly own an interest in Private Investment Funds, including the Funds or certain co-investment 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 expected to be presented to certain affiliates of the Advisers, as well as third party investors and other persons, and such co-investments may be effected through co-invest vehicles or 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."

The Advisers and their affiliates, principals and employees expect from time to time to carry on investment activities for their own account, for personal or employee investment vehicles, and potentially, for family members, friends or others who do not invest in the Funds, and as well as give advice and recommend securities to vehicles which differs from advice given to, or securities recommended or bought for the Funds even though their investment objectives are the same or similar.

The Limited Partnership Agreement and investment programs of certain Private Investment Funds generally restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Private Investment Funds or give priority with respect to investments to such Private Investment Funds. Some of these restrictions could be waived by limited partners (or their representatives) in such Private Investment Funds or be subject to limitations (*e.g.*, by time or percentage of capital deployed).

From time to time, a General Partner reserves the right to advance funds on behalf of a Private Investment Fund and contribute such amounts to the relevant Private Investment 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 Private Investment Fund, consistent with the relevant Limited Partnership Agreement.

In borrowing on behalf of a Private Investment Fund, the Advisers are subject to conflicts of interest between repaying the relevant obligations and retaining such borrowed amounts for the benefit of the Private Investment Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Private Investment Fund's preferred return, the Advisers are expected to have incentives to cause the Private Investment 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 relevant Private Investment 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 Private Investment Fund's General Partner called capital, and thus could result in the relevant General Partner receiving carried interest sooner than it would without borrowing. The relevant General Partner generally will not participate in a Fund-level borrowing facility, and generally will not bear the related costs attributable thereto, including interest expenses or costs payable, in which case such amounts will be borne by the limited partners. 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.

The Advisers will effect such borrowings consistent with the applicable Limited Partnership Agreement in a manner they believe to be fair and equitable under the circumstances to the relevant Private Investment Fund.

### **BROKERAGE PRACTICES**

The Advisers focus on securities transactions of private companies and generally purchase and sell such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, the Advisers reserve 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 the Advisers do not intend to regularly engage in public securities transactions, to the extent they do so, it intends to follow the brokerage practices described below.

If the Advisers sell publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by the Advisers. In such event, the Advisers will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, the Advisers reserve the right to consider a variety of factors, including: (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.

The Advisers have 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 the Advisers generally seek competitive commission rates, they will not always necessarily pay the lowest commission or commission equivalent. Transactions that involve specialized services on the part of the broker involved often will entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with the Advisers 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 the Advisers generally do not make use of such services at the current time and have not made use of such services since its inception. Such research services could include economic research, market strategy research, industry research, company research, fixed-income data services, computer-based quotation equipment and research services and portfolio performance analysis. As a general matter, research provided by these brokers would be used to service all of the Advisers’ Private Investment Funds. However, each and every research service will not be used for the benefit of each and every Private Investment Fund managed by the Advisers, and brokerage commissions paid by one Private Investment Fund is expected to be applied towards payment for research services that might not be used in the service of such Private Investment Fund. Research services will be shared among the Advisers and their affiliates.

The Advisers do not employ any agreement or formula for the allocation of brokerage business on the basis of research services; however, the Adviser, in their discretion reserve the right to cause the Private Investment Funds to pay such brokers a commission for effecting portfolio transactions in excess of the amount of commission another broker adequately qualified to effect such transactions would have charged for effecting such transactions. This generally arises where the Advisers have determined in good faith that such commission is reasonable in relation to the value of brokerage and research services received. In reaching such a determination, the Advisers would not be required to place or attempt to place a specified dollar value on the brokerage or research services provided by such broker.

The Advisers will periodically determine which brokers have provided research that has been helpful in the management of Private Investment Funds. To the extent consistent with the Advisers’ goal to obtain best execution for the Funds, the Advisers reserve the right to seek to place a portion of the trades that they direct with the brokers who are identified through this process.

To the extent that the Adviser allocates brokerage business on the basis of research services, it expects to have an incentive to select or recommend broker-dealers based on the interest in receiving such research or other products or services, rather than based on its Private Investment Funds’ interest in receiving most favorable execution.

The Advisers do not anticipate engaging in significant public securities transactions; however, to the extent that the Advisers engage in any such transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of

order receipt. To the extent that orders for Private Investment Funds are completed independently, the Advisers reserve the right to purchase or sell the same securities or instruments for several Private Investment Funds simultaneously. From time to time, the Advisers expect to, but are not obligated, to purchase or sell securities for several client accounts at approximately the same time. Such orders are permitted to be combined or “batched” to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Private Investment Fund of the Advisers is favored over any other Private Investment Fund. When an aggregated order is filled in its entirety, each participating Private Investment Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. To the extent such orders are not batched, they would have the effect of increasing brokerage commissions or other costs.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Private Investment Fund participating in such buy or sell order in accordance with the amount of securities originally requested for such Private Investment Funds.

Each Private Investment Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to pro rata allocations are permissible provided the Advisers believe they are fair and equitable to their clients under the circumstances over time.

In BRS Management’s private company securities transactions on behalf of the Funds, BRS Management 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, BRS Management reserves the right to consider a variety of factors, including: (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 BRS Management 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 will not always 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, BRS Management closely monitors companies in which the Funds invest, and the BRS Chief Compliance Officer periodically checks to confirm that each Private Investment Fund is maintained in accordance with its stated objectives.

Each Fund will provide to each of its limited partners (i) annual GAAP audited and quarterly unaudited financial statements, (ii) annual tax information necessary for each limited partner’s tax return and (iii) at the time of delivery of the financial statements, reports providing a description of all investments held by the Funds and a narrative summary of the status of each such investment.

## CLIENT REFERRALS AND OTHER COMPENSATION

BRS Management and/or its affiliates intend to provide certain business or consulting services to companies in each Fund's portfolio and expect to receive compensation from these companies in connection with such services. As described in the Funds' Limited Partnership Agreements, this compensation may offset a portion of the Management Fees paid by Funds. However, in other cases (e.g., reimbursements for out of pocket expenses directly related to a portfolio company), these fees are in addition to Management Fees. See "Fees and Compensation."

The Advisers reserve the right from time to time to enter into solicitation arrangements pursuant to which they compensate third parties for referrals that result in a potential limited partner becoming a limited partner in a Fund or other Private Investment Fund. Any fees and expenses payable to any such placement agents generally will be borne by BRS Management indirectly through an offset against the Management Fee under the Limited Partnership Agreements, 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

BRS Management maintains custody of the Funds' assets held in each Fund's name with the following qualified custodian: First Republic Bank.

## INVESTMENT DISCRETION

BRS Management has discretionary authority to manage the investments on behalf of each Fund pursuant to the Limited Partnership Agreements described under "Advisory Business." As a general policy, the Advisers do not allow clients to place limitations on this authority. Pursuant to the terms of the Limited Partnership Agreements, however, the Advisers have entered, and expect to enter, into Side Letters with certain limited partners whereby the terms applicable to such limited partners' investment in the Funds are altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. BRS Management assumes this authority pursuant to the terms of the Limited Partnership Agreements.

## VOTING CLIENT SECURITIES

The Advisers have adopted Proxy Voting Policies and Procedures (the "**Proxy Policy**") to address how they will vote proxies, as applicable, for each Fund's (and any Private Investment Fund's) portfolio investments. The Proxy Policy seeks to ensure that the Advisers vote proxies (or similar instruments) in the best interest of the Funds, including where there are material conflicts of interest in voting proxies. Each of the Advisers generally believes its interests are aligned with those of each Fund's limited partners through the principals' beneficial ownership interests in the Funds and therefore will not seek limited partner approval or direction when voting proxies. In the event that there is an actual or potential conflict of interest in voting proxies, the Proxy Policy provides that the Adviser may address the conflict using several alternatives, including by seeking the approval or concurrence of the Funds' advisory boards on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, the Funds' advisory boards are authorized to approve the Adviser's vote in a particular solicitation. The Advisers do not consider

service on portfolio company boards by BRS personnel or their 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 the Advisers when voting proxies on behalf of the Funds. If you would like a copy of the Adviser's complete Proxy Policy or information regarding how the Advisers voted proxies for particular portfolio companies, please contact Afua Wilson, the BRS Chief Compliance Officer, at (212) 521-3700 and it will be provided to you at no charge.

#### **FINANCIAL INFORMATION**

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

**SUPPLEMENTAL INFORMATION ABOUT  
CERTAIN MANAGING PARTNERS OF BRS MANAGEMENT**

**Bruce C. Bruckmann**

*Educational Background and Business Experience*

Bruce C. Bruckmann, born 1953, co-founded BRS and serves as a Managing Partner and Managing Director. Previously, Mr. Bruckmann spent 11 years at CVC as an officer. Prior to joining CVC, Mr. Bruckmann was an associate at the New York law firm of Patterson, Belknap, Webb & Tyler. Mr. Bruckmann received his AB from Harvard College and his JD from Harvard Law School. Mr. Bruckmann currently serves as a director of Mohawk Industries, Inc., H&E Equipment Services, Inc., Heritage-Crystal Clean, Inc. and EOS Fitness Holdings, LLC.

*Disciplinary History*

There are no legal or disciplinary events to disclose with respect to Mr. Bruckmann.

*Other Business Activities*

Mr. Bruckmann is not engaged in any investment-related business outside of his roles with BRS Management and its affiliates.

*Additional Compensation*

Mr. Bruckmann does not receive any additional compensation that is required to be disclosed.

*Supervision*

As a Managing Director of BRS, Mr. Bruckmann is responsible for implementing and overseeing the investment strategy of the clients of BRS. Mr. Bruckmann is subject to the Compliance Manual of BRS but otherwise is not subject to the supervision of any other individual.

## **Stephen C. Sherrill**

### *Educational Background and Business Experience*

Stephen C. Sherrill, born 1953, co-founded BRS and serves as a Managing Partner and a Managing Director. Previously, Mr. Sherrill spent 11 years at CVC as an officer. Prior to joining CVC, Mr. Sherrill was an associate at the New York law firm of Paul, Weiss, Rifkind, Wharton & Garrison. Mr. Sherrill received his BA at Yale University and his JD at Columbia Law School. Mr. Sherrill is Chairman of the Board of Directors of B&G Foods, Inc. and is a director of BRS Air Device Holdings, LLC and Organika Health Products, Inc.

### *Disciplinary History*

There are no legal or disciplinary events to disclose with respect to Mr. Sherrill.

### *Other Business Activities*

Mr. Sherrill is not engaged in any investment-related business outside of his roles with BRS Management and its affiliates.

### *Additional Compensation*

Mr. Sherrill does not receive any additional compensation that is required to be disclosed.

### *Supervision*

As a Managing Director of BRS, Mr. Sherrill is responsible for implementing and overseeing the investment strategy of the clients of BRS. Mr. Sherrill is subject to the Compliance Manual of BRS but otherwise is not subject to the supervision of any other individual.

## **Thomas J. Baldwin**

### *Educational Background and Business Experience*

Thomas J. Baldwin, born 1959, joined BRS in 2000 and serves as a Managing Partner and as a Managing Director. Previously, Mr. Baldwin spent 7 years at The INVUS Group, Ltd., a private equity investment firm, first as Vice President and then as Managing Director. Prior to joining The INVUS Group, Ltd., Mr. Baldwin was a consultant with the Boston Consulting Group, a strategy consulting firm. Mr. Baldwin received a BBA from Siena College and his MBA from Harvard Business School. Mr. Baldwin is a director of Not Your Average Joe's, Inc.

### *Disciplinary History*

There are no legal or disciplinary events to disclose with respect to Mr. Baldwin.

### *Other Business Activities*

Mr. Baldwin is not engaged in any investment-related business outside of his roles with BRS Management and its affiliates.

### *Additional Compensation*

Mr. Baldwin does not receive any additional compensation that is required to be disclosed.

### *Supervision*

As a Managing Director of BRS, Mr. Baldwin is responsible for implementing and overseeing the investment strategy of the clients of BRS. Mr. Baldwin is subject to the Compliance Manual of BRS but otherwise is not subject to the supervision of any other individual.