

**FORM ADV PART 2A
BROCHURE**

BROOKFIELD BHS ADVISORS LLC (“BHS”)

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This brochure (the “*Brochure*”) provides information about the qualifications and business practices of Brookfield BHS Advisors LLC (“*BHS*”). If you have any questions about the contents of this Brochure, please contact us at 212-549-8400. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“*SEC*”) or by any state securities authority.

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

BHS is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Item 2 – Material Changes

Since the last update to our Brochure, dated March 31, 2021, BHS would like to note the following material changes:

- BHS has revised the disclosure addressing its fees to reflect certain changes to its current fee and expense arrangements for private funds and other separately managed accounts. Please see Items 5 and 6 for a more detailed description of these changes.
- BHS has revised the disclosure in Item 8 to reflect a new series of strategies that it will employ in managing its current multi-strategy hedge fund. Please see Item 8 for a more detailed description of these new strategies.

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Item 4 – Advisory Business

Brookfield BHS Advisors LLC (“BHS”) is a Delaware limited liability company with its principal place of business in New York, New York. BHS manages a multi-strategy, multi-manager hedge fund platform. BHS currently invests third-party investor capital as well as capital of Brookfield Asset Management Inc. (“BAM” or “Brookfield”), its affiliates and related parties across long/short equity market neutral, event-driven and alpha capture strategies. BHS currently manages a multi-strategy hedge fund, Brookfield Multi-Strategy Master Fund LP (the “Flagship Multi-Strategy Fund”). Additionally, BHS may also seek to launch other multi-strategy or single strategy hedge funds or separately managed accounts in the future, each of which may be offered to third-party investors. Currently, the investment strategies pursued by BHS are primarily focused on equity securities. In the future, BHS may pursue investment strategies that are focused on fixed income, credit, and other types of securities.

BHS provides investment advisory services on a discretionary basis to investment companies exempted from the definition of investment company by Section 3(c)(7) of the Investment Company Act of 1940, as amended (“Private Funds”). Investors in Private Funds may include, without limitation, financial institutions, public and private pension plans, insurance companies, fund of funds, family offices, endowments, sovereign wealth funds, foundations and other institutional investors as well as high net worth individuals. In addition, BHS may also in the future provide investment advice to these types of investors via one or more separate accounts (the “Separate Accounts”). The Separate Accounts and Private Funds that are currently or expected in the future to be managed or advised by BHS are collectively referred to as “Client Accounts.”

Generally, BHS expects to have discretion with respect to investment decisions made for the Client Accounts. Investment advisory services will be provided to Client Accounts based on the investment objectives, strategies and restrictions described in the offering and governing documents of the applicable Client Account.

As of December 31, 2021, BHS managed on a discretionary basis approximately \$2.3 billion of capital, inclusive of leverage. This amount also represents BHS’s regulatory assets under management as of that date.

BHS is a wholly-owned indirect subsidiary of BAM, a publicly traded Canadian corporation. BAM shares are listed on the Toronto Stock Exchange (symbol: BAM.A) and the New York Stock Exchange (symbol: BAM). BAM is a leading global alternative asset manager and, inclusive of the Oaktree Entities (as defined below), has approximately \$690 billion in assets under management as of December 31, 2021. BAM has over a 100-year history of owning and operating real assets with a focus on real estate, infrastructure, renewable power, private equity and credit. BAM offers a range of public and private investment products and services.

On September 30, 2019, affiliates of BAM completed the acquisition of all of the previously outstanding Class A common units of Oaktree Capital Group, LLC (“OCG”), an indirect controlling parent of Oaktree Capital Management, L.P. (“Oaktree”, and together with its

“advisory affiliates” and “related persons” (as defined in Form ADV), the “Oaktree Entities”), which together with certain related transactions has resulted in affiliates of Brookfield owning an approximate 61.2% economic interest in Oaktree’s business (the “Acquisition”). It is expected that both Brookfield and Oaktree Entities will continue to operate their respective investment businesses largely independently, with each remaining under its current brand and led by its existing management and investment teams, and Oaktree Entities, Brookfield, Brookfield Public Securities Group LLC (“PSG”), and BHS will manage their investment operations independently of each other pursuant to an “Information Barrier.” Accordingly, BHS, as a wholly owned subsidiary of BAM, who is also subject to the Information Barrier, does not consider the Oaktree Entities or its affiliates to be its “advisory affiliates” or “related persons” for purposes of Form ADV. For more information regarding the Oaktree Entities, please see “Conflicts Relating to Acquisition of the Oaktree Entities by Brookfield.”

Clients can invest in Brookfield strategies via three main channels: public securities, private funds and listed partnerships.

Item 5 – Fees and Compensation

In lieu of charging a management fee, investors in the Flagship Multi-Strategy Fund bear all overhead expenses of BHS, in addition to traditional fund expenses such as trading commissions, fees of service providers, fund organizational and operational expenses and other investment related expenses (the “Full Pass-Through” arrangement). Such overhead expenses include, but are not limited to, employee-related expenses, including all base compensation, salaries, bonuses; facilities and overhead expenses, including rent for office space; expenses related to information technology, such as hardware, software, supplies and services; communications expenses; marketing and investor relations expenses, and travel expenses. In addition, BHS charges investors in the Flagship Multi-Strategy Fund a performance fee, the rate of which varies depending on the class of interests subscribed for. The fees and expenses of the Flagship Multi-Strategy Fund are described in detail in the offering and other constituent documentation of the Flagship Multi-Strategy Fund.

In the future, if BHS launches additional Client Accounts, the fees and expenses of such products will be described in the offering and constituent documentation of such products. BHS may, in its discretion, manage certain Client Accounts with higher or lower fees, different fee structures, and different expense payment arrangements, than those of other Client Accounts and Affiliated Client Accounts.

The specific manner in which fees and expenses may be charged by BHS will be established in each Client Account’s offering documents or other definitive documentation entered into with a client (“Offering Documents”).

Fees may be subject to negotiation and may vary from time-to-time based upon numerous factors such as mandate size, types of securities held and portfolio customization, and BHS has discretion to waive or reduce fees with respect to certain clients.

Brookfield, its related persons and their respective employees will receive a discount on any advisory, performance and other fees in connection with their investment in the Private Funds. At times, Brookfield, its related persons, as well as their current and former employees, may provide the initial seed capital to fund new products or Private Funds.

When BHS manages other Client Accounts in addition to the Flagship Multi-Strategy Fund, BHS generally will seek to allocate shared expenses on a *pro rata* basis according to their respective assets under management, but a particular shared expense may be allocated differently if BHS determines in its discretion that it would be fair and reasonable to do so under the circumstances. In considering whether to allocate a shared expense to certain Client Accounts or *pro rata* among all Client Accounts, BHS will consider factors such as whether the resource or services to which such shared expense relates might ultimately directly or indirectly benefit one or more Client Accounts other than the initial beneficiary, whether such shared expense is *de minimis* in nature, and/or whether the expense associated with determining and administering such allocation would likely be disproportionate relative to the actual shared expense to be allocated.

Certain shared expenses, including expenses for office space, services, personnel, equipment and software, among other things, incurred by BHS in connection with the provision of investment management, administrative or other services to Client Accounts or otherwise in connection with the activities of BHS will generally be allocated among the Client Accounts and the other recipients of the services that generate such items of shared expense. BHS will seek to allocate such shared expenses fairly and equitably among the Client Accounts and such other recipients based upon certain estimates and assumptions that BHS believes are reasonable and appropriate, but which may be imprecise and may result in the Client Accounts bearing a larger portion of such shared expenses than if they were calculated in a different manner. In determining what shared expenses are allocable to Client Accounts or otherwise in connection with the activities of BHS, the need to allocate shared expenses may present a conflict. BHS will attempt to mitigate any such conflicts by making allocations and other judgments on a basis that it believes to be fair and reasonable under the circumstances, although it may not be possible to fully or partially mitigate each such conflict. Assets of BHS, including, without limitation, intellectual property developed in connection with services provided to the Client Accounts, may be utilized in the conduct of other business activities in the sole discretion of BHS without compensation or reimbursement to Client Accounts, including, without limitation, reimbursement of the costs incurred in the development of such assets, but subject to the appropriate allocation of ongoing expenses related to such utilization in accordance with BHS' allocation policies as in effect from time to time.

BHS will have discretion with respect to the selection of brokers, dealers and other counterparties to the Client Accounts, and the amount of commissions or other compensation to be paid by the Client Accounts to such counterparties. Item 12 further describes the factors that BHS will consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions). If any advisory relationship terminates at a time other than the end of the specified period used to determine the market value of the account for the purposes of

calculating compensation, fees will be prorated and an adjustment will be made by BHS, unless a different agreement was made with the Client Account.

Certain Private Funds may be subject to withdrawal fees unless the general partner of such Private Fund elects to waive such withdrawal fee in whole or in part in its sole discretion. Please refer to the applicable Private Fund's offering documents for more information.

Brookfield Oaktree Wealth Solutions LLC ("BOWS"), an SEC-registered broker-dealer and member FINRA and SIPC, serves and/or will serve as placement agent and/or provide wholesaling services and/or private placements to institutional financial intermediaries whose clients may invest in the Private Funds. In addition, other affiliated and unaffiliated broker-dealers, as well as their registered representatives, may be involved in such private placement offerings.

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

BHS currently charges a performance fee to investors in the Flagship Multi-Strategy Fund. The performance fee is calculated at the end of each fiscal year based on the net capital appreciation of each investor's capital account over such fiscal year (after reduction for expenses) in excess of the loss recovery account (i.e., highwater mark). The performance fee will also be charged with respect to net capital appreciation attributable to amounts withdrawn, amounts distributed and amounts transferred (provided that such transfer results in a change in the beneficial ownership of the interest transferred) and in connection with the termination of the Flagship Multi-Strategy Fund. Investments in the Flagship Multi-Strategy Fund made by or with respect to employees of Brookfield, including with respect to deferred compensation arrangements awarded to Brookfield employees, will not bear a performance fee or incentive compensation paid to the Portfolio Managers of BHS.

BHS generally expects to receive an allocation or fee from other Client Accounts that is equal to a percentage of the positive difference between the net asset value of each investor's investment in a Client Account in excess of the loss recovery account (i.e., high water mark) attributable to such investment (the "Performance Allocation or Fee"). The Offering Documents applicable to each Client Account will describe in detail the specific terms governing the calculation of the Performance Allocation or Fee and high water mark, which may vary between Client Accounts.

BHS will structure any Performance Allocation or Fee subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended ("Advisers Act"), in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3 under the Advisers Act. In measuring clients' assets for the calculation of performance-based fees, BHS shall include realized and unrealized capital gains and losses. Performance-based fee arrangements may create an incentive for BHS to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements may also create an incentive to favor higher fee-paying accounts over other accounts in the allocation of investment opportunities. In addition, during the initial start-up phase of a Private Fund or at other times when non-affiliated

investors have redeemed their interests, Brookfield, BHS or personnel of Brookfield and/or BHS may have an interest, controlling or otherwise in the Private Fund, that may create an incentive for BHS to (i) recommend investments which may be riskier or more speculative than those which BHS may recommend to other BHS advised Private Funds and/or Separate Accounts, or (ii) allocate securities to the Private Fund contrary to BHS's standard allocation policies. To address these conflicts, BHS has adopted policies and procedures under which allocation decisions may not be influenced by certain fee arrangements and trades are allocated in a manner that BHS believes is consistent with its obligations as an investment adviser.

Item 7 – Types of Clients

Currently, BHS only manages Private Funds. In the future, BHS may manage additional Private Funds and Separate Accounts whose investors may include financial institutions, public and private pension plans, insurance companies, fund of funds, family offices, endowments and foundations, sovereign wealth funds, high net worth investors and other investor types. Investor qualification and minimum investment amounts will be described in the Offering Documents for each Client Account.

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

BHS currently invests capital across long/short equity market neutral, event-driven and alpha capture strategies and aims to construct a diversified portfolio with low correlation to equity markets and related style factors (e.g., momentum, growth and value). BHS allocates the assets it manages to selected investment strategies, each of which is managed by an investment team. BHS's Chief Investment Officer dynamically allocates capital to each strategy, and BHS may add additional investment teams and investment strategies over time. BHS's current investment strategies primarily emphasize fundamental research and financial analysis to identify investment opportunities. In connection with its current investment strategies, BHS may take both long and short positions in publicly traded companies and in a range of investment instruments, including derivatives.

BHS, as investment manager to the Flagship Multi-Strategy Fund, has broad discretion as to the selection of investment instruments, strategies, markets and countries the Flagship Multi-Strategy Fund may participate in, as well as the type and amount of borrowings that may be utilized in seeking its investment objectives. The Flagship Multi-Strategy Fund is not limited with respect to the types of investment strategies the Flagship Multi-Strategy Fund may employ, and, BHS has the flexibility to capitalize on attractive opportunities wherever it determines they exist. Although BHS is free to diversify by asset class and geography, it is not obligated to do so, and the flexibility of the Flagship Multi-Strategy Fund's mandate is intended to allow BHS to focus where it believes investment opportunities exist.

BHS generally will seek to achieve portfolio optimization through diversification of uncorrelated investment styles. The Chief Investment Officer dynamically allocates assets to add alpha and reduce risk based on the market environment. Strategy weightings are driven

by qualitative analysis, including opportunity set, catalysts, variant perception, crowding and conviction, as well as quantitative analysis, including optimization, statistical, regression, factor and style, inflows and outflows, and attribution. Portfolio-level hedge overlays may also be used to reduce risk.

BHS will opportunistically pursue investment strategies that it believes to be best suited to prevailing market conditions. Over time, the investment strategies utilized by BHS are expected to change and include other strategies, sectors and asset classes, including quantitative and credit strategies and additional sector-focused long/short strategies. In developing investment strategies, BHS aims to create a liquid, risk-controlled portfolio, with returns generated primarily through stock selection (e.g., idiosyncratic risk). BHS targets strategies that will, in its view, consistently generate alpha and protect capital. Strategy attributes include a discernable edge and repeatable process that has potential to exploit market inefficiencies.

BHS may also manage other Client Accounts that have a more specific strategy or set of investment strategies, investment instruments, markets, or countries in which they may invest. Each such Client Account's respective Offering Documents will describe these in detail.

Except as set forth in the Offering Documents for any Client Account, BHS will not be required to implement any particular investment strategies and may discontinue utilizing any particular strategy, without notice to investors.

BHS's investment strategies are generally guided by (i) the limits or restrictions set forth in any Offering Document applicable to a Client Account for which BHS serves as investment adviser or otherwise provides advisory services; and (ii) applicable legal and regulatory requirements.

Following is a description of some of the more significant investment strategies that BHS currently utilizes or expects to utilize on behalf of the Client Accounts, investment instruments in which BHS may have the Client Accounts invest, and the risks associated with them.

EQUITY STRATEGIES

General

The equity strategies focus primarily on investments in the equity and equity-linked securities of companies. BHS may take directional positions, relative value positions and combinations thereof, both long and short, on behalf of Client Accounts, and may invest in a broad range of securities and other financial instruments, including without limitation, options, futures, swaps and other derivatives. Primary emphasis is placed on fundamental research and financial analysis to identify investment opportunities.

Sector Focused Equities Strategies

Several of BHS' investment teams focus their investment strategies on investing in companies operating in a particular industry or sector. These investment teams are responsible for fundamental stock research and security selection within their respective sectors, subject to the risk management policies and guidelines implemented by BHS. Some of the factors considered by the investment teams in selecting companies to invest in are balance sheet strength, quality of income, quality of management, trend in earnings estimates, liquidity, internal and external growth, and asset quality. Sector-focused strategies currently include financials, healthcare, consumer, telecom, media and technology (TMT), industrials and insurance.

Event Driven Equities Strategies

Certain of BHS's investment teams pursue investment strategies that seek to exploit pricing inefficiencies that may occur before or after a corporate event, such as a merger, acquisition, tender offer, spinoff or other restructuring. Event-driven strategies typically include investing in connection with, or in anticipation of, public company announcements, material business disruptions, management team changes or other corporate events that are expected to impact the company's stock price or performance.

BHS's event-driven strategies currently include hard catalyst, soft catalyst, and "primary" strategies. Hard catalyst and soft catalyst strategies are differentiated by the underlying drivers of each strategy. While hard catalyst strategies typically include formal announcements of mergers, restructurings, spinoffs or similar events, soft catalyst strategies typically concern earnings announcements, changes to management teams and other similar events. Primary strategies invest in initial public offerings, follow-ons, block trades and other similar offerings of securities.

Alpha Capture Strategies

BHS's alpha capture strategy analyzes inputs from brokers, research firms and other sell-side firms that reflect high-conviction trade ideas. The strategy systematically tracks trade recommendations, research and market commentary originating from a large number of sell-side firms. Insights or signals are evaluated based on factors that include market knowledge, published research and empirical evidence, and are incorporated into the investment program of the Client Account, as determined by the Portfolio Manager. The Portfolio Manager has developed relationships with numerous sell-side firms and will continually evaluate the quality of research and ideas received.

BHS's equity strategies are initially focused primarily on investments in the equity and equity-linked securities of public companies predominantly located in North America. However, subject to any limitations contained in the Offering Documents for a particular Client Account, BHS may, directly or indirectly, trade, invest in, or otherwise obtain exposure to U.S. and non-U.S. securities and financial instruments of all kinds and descriptions, whether publicly traded or privately offered, on margin or otherwise, and may take directional positions, relative value positions and combinations thereof, both long and short,

and may invest in all types of securities and other financial instruments on behalf of Client Accounts.

UK Equities Strategies

BHS expects to pursue a long/short strategy focused on the publicly-traded equities of issuers that are either domiciled or that derive a substantial part of their revenues from within the United Kingdom or, to a lesser extent, greater Europe, or whose securities are traded in the UK markets or another European market. Such strategy will employ a fundamental approach in analyzing potential investment opportunities.

Dedicated Short Selling Strategies

BHS expects to pursue a dedicated short selling strategy focused on publicly-traded equity securities. Accordingly, BHS may sell short the stock of companies that it deems to have a high likelihood of decline in value, including companies that operate in industries for which BHS has a negative outlook and/or companies with deteriorating business fundamentals, declining cash flow trends, leveraged balance sheets and/or lofty valuations. BHS expects, but is not obligated, to maintain long exposure to ETFs, indices and certain other securities as hedges to the short selling strategy.

MATERIAL RISKS

Clients should understand that all investment strategies and the investments made pursuant to such strategies involve risk of loss, including the potential loss of the entire investment. The investment performance and the success of any investment strategy or particular investment can never be predicted or guaranteed, and the value of a client's investments will fluctuate due to market conditions and other factors.

The following is a summary of the material risks for BHS, its investment strategies, security types and investment techniques. The information contained in this Brochure cannot disclose every potential risk associated with an investment strategy. Rather, it is a general description of the nature and risks of the strategies and securities that clients may include in their investment guidelines. Investors in Private Funds should review the Offering Documents for information regarding the risks associated with those funds.

Equity Securities Risk

Equity securities represent an ownership interest in an issuer, rank junior in a company's capital structure to debt securities and consequently may entail greater risk of loss than debt securities. Equity securities are subject to the risk that stock prices may rise and fall in periodic cycles and may perform poorly relative to other investments. This risk may be greater in the short term.

Certain investment strategies involve investments in equity and equity-linked securities (including equity-based derivatives), the values of which vary with an issuer's performance

and movements in the broader equity markets. Numerous economic factors, as well as market sentiment, political and other factors, influence the value of equities.

The marketplace for publicly traded equity securities is volatile, and the price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic circumstances. An adverse event, such as an unfavorable earnings report, may depress the value of a particular common stock held by a Client Account.

In addition, a common stock may decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive circumstances within an industry and/or the ongoing COVID-19 pandemic and/or other comparable global events with a corresponding economic impact. The value of a particular common stock held by a Client Account may decline for a number of other reasons which directly relate to the issuer, such as management performance, financial leverage, the issuer's historical and prospective earnings, the value of its assets and reduced demand for its goods and services. Also, the price of common stocks is sensitive to general movements in the stock market and a drop in the stock market may depress the price of common stocks to which a Client Account has exposure. Common stock prices fluctuate for several reasons, including changes in investors' perceptions of the financial condition of an issuer or the general condition of the relevant stock market, or when political or economic events affecting the issuers occur. In addition, common stock prices may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase. Common stock in which a Client Account may invest is structurally subordinated to preferred stock, bonds and other debt instruments in a company's capital structure and is therefore inherently more risky than preferred stock or debt instruments of such issuers.

At any given time, a Client Account may have significant investments in companies with smaller market capitalizations. These securities often involve greater risks than the securities of larger, better-known companies, including less liquidity and greater volatility.

Long/Short

The success of BHS's long/short investment strategy depends upon BHS's ability to identify and purchase securities that are undervalued and identify and sell short securities that are overvalued. The identification of investment opportunities in the implementation of BHS's long/short investment strategies is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. In the event that the perceived opportunities underlying BHS's positions were to fail to converge toward, or were to diverge further from values expected by BHS, the strategy may incur a loss. In the event of market disruptions, significant losses can be incurred which may force BHS to close out one or more positions. Furthermore, the valuation models used to determine whether a position presents an attractive opportunity consistent BHS's long/short strategies may become outdated and inaccurate as market conditions change.

Short Sales

Certain investment strategies may include short selling. Short selling involves selling securities not owned by Client Accounts, typically securities borrowed from a broker or dealer. Because Client Accounts remain liable to return the underlying security that it borrowed from the broker or dealer, Client Accounts must purchase the security prior to the date on which delivery to the broker or dealer is required. As a result, subject to applicable regulatory requirements and client investment guidelines, BHS expects to engage in short sales in Client Accounts where it believes the value of the security will decline between the date of the sale and the date Client Accounts are required to return the borrowed security. Short selling may also be used generally for hedging purposes. BHS may also engage in “pair trading.” An equity pairs trade may involve the simultaneous purchase of a security in an industry sector and short sale of a different security in the same industry sector, seeking to capitalize on a valuation disparity between the securities. The making of short sales exposes Client Accounts to the risk of liability for the market value of the security that is sold, which is an unlimited risk due to the lack of an upper limit on the price to which a security may rise. In addition, there can be no assurance that securities necessary to cover a short position will be available for purchase or that securities will be available to be borrowed by Client Accounts at reasonable costs. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a short squeeze can occur, and BHS may be compelled to replace borrowed securities previously sold short in Client Accounts with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short.

Spread Trading

A part of BHS’s strategy may involve spread positions between two or more securities positions. To the extent the price relationships between such positions remain constant, no gain or loss on the positions will occur. Such positions, however, do entail a substantial risk that the price differential could change unfavorably, thus causing a loss to the spread position. BHS’s strategy also may involve arbitraging among two or more securities. This means, for example, that BHS may cause a Client Account to purchase (or sell) securities (on a current basis) and take offsetting positions in the same or related securities. To the extent the price relationships between such positions remain constant, no gain or loss on the positions will occur. These offsetting positions entail substantial risk that the price differential could change unfavorably causing a loss to the position. Moreover, the arbitrage business is extremely competitive, and many of the major participants in the business are large investment banking firms with substantially greater financial resources, larger research staffs and more investment professionals than will be available to BHS. Arbitrage activity by other larger firms may tend to narrow the spread between the price at which BHS may cause a Client Account to purchase a security and the price BHS expects to receive upon consummation of a transaction.

Correlation Risk

A Client Account may be exposed to correlated risks. These occur when funds and other investors hold similar positions and employ similar strategies, resulting in intensified risks leading to potential cascading loss in times of market stress.

Quantitative traders can be particularly susceptible to this type of correlation risk as a result of convergence in their automated trading algorithms and positions held. The high leverage and hedging techniques that many arbitrage-driven quantitative hedge fund managers use can further magnify the effects of correlation risk.

Convertible Securities

Convertible securities may include corporate notes or preferred securities. Investments in convertible securities are not subject to the rating criteria with respect to non-convertible debt obligations. As with all debt securities, the market value of convertible securities tends to decline as interest rates increase and, conversely, to increase as interest rates decline. The market value of convertible securities can also be heavily dependent upon the changing value of the equity securities into which such securities are convertible, depending on whether the market price of the underlying security exceeds the conversion price. Convertible securities generally rank senior to common stocks in an issuer's capital structure and consequently entail less risk than the issuer's common stock. However, the extent to which such risk is reduced depends upon the degree to which the convertible security sells above its value as a fixed-income security.

Concentration Risk

If BHS concentrates its investments in issuers within the same country, state, industry or economic sector, an adverse economic, business or political development may affect the value of a Client Account's investments more than if such Client Account's investments were not so concentrated. Also, to the extent BHS invests a larger percentage of a Client Account in a relatively small number of issuers, it may be subject to greater risks than a more diversified account. That is, a change in the value of any single investment held by a Client Account may affect the overall value of the account more than it would affect an account that holds more investments.

Contracts for Differences

Contracts for differences ("CFDs") are privately negotiated contracts between two parties, buyer and seller, stipulating that the seller will pay to or receive from the buyer the difference between the nominal value of the underlying instrument at the opening of the contract and that instrument's value at the end of the contract. The underlying instrument may be a single security, stock basket or index. A CFD can be set up to take either a short or long position on the underlying instrument. The buyer and seller are both required to post margin, which is adjusted daily. The buyer will also pay to the seller a financing rate on the notional amount of the capital employed by the seller less the margin deposit. As is the case with trading any financial instrument, there is the risk of loss associated with trading a CFD. There may be liquidity risk if the underlying instrument is illiquid because the liquidity of a

CFD is based on the liquidity of the underlying instrument. A further risk is that adverse movements in the underlying security will require the posting of additional margin. CFDs also carry counterparty risk, i.e., the risk that the counterparty to the CFD transaction may be unable or unwilling to make payments or to otherwise honor its financial obligations under the terms of the contract. If the counterparty were to do so, the value of the contract may be reduced. Entry into a CFD transaction may, in certain circumstances, require the payment of an initial margin and adverse market movements against the underlying stock may require additional margin payments. CFDs may be considered illiquid. To the extent that there is an imperfect correlation between the return on BHS's obligation to its counterparty under the CFDs and the return on related assets in its portfolio, the CFD transaction may increase BHS's financial risk.

Contingent Value Rights

In connection with BHS's event-driven strategies, BHS may purchase or receive contingent value rights ("CVRs"), in its capacity as a shareholder of a company engaged in a restructuring or a buyout, or on the open market. CVRs are securities that stipulate that a shareholder will receive certain benefits (typically cash or stock) if a pre-determined event happens by a certain time. If the event does not occur, the CVR will expire worthless. CVRs are unsecured and unguaranteed. The value of a CVR often cannot be determined at the time of purchase, and because it is impossible to predict whether the specified event will occur, there is a real meaningful risk that any CVRs held by BHS will expire without being "in the money". In addition, there may be circumstances whereby BHS will need to take appropriate actions and incur related costs and expenses, either alone or in conjunction with other CVR holders, to enforce its ownership and related rights under operative documents in the event there is a disagreement among the issuer, the trustee and/or investors as to the occurrence or non-occurrence of a trigger-event and related implications.

Construction and Development Risk

Where a Client Account invest in new or development stage infrastructure projects, it is likely to retain some risk that the project will not be completed within budget, within the agreed time frame and to the agreed specification. Delays in the projected completion of the project could result in delays in the commencement of cash flow and an increase in the capital needed to complete construction, which may have a material adverse effect on the Client Accounts' financial performance.

Some infrastructure investments may derive substantial revenues from collecting usage charges from public and/or private users (such as rates charged for usage of toll roads, bridges, tunnels and water utilities). Patronage forecasts are inherently uncertain. There is no guarantee that forecast patronage levels for an investment will be achieved.

Counterparty Risk

A Client Account may be exposed to the credit risk of counterparties with which, or the brokers, dealers, custodians and exchanges through which, it deals in connection with the investment of its assets.

Cybersecurity Risk

BHS relies heavily on the security and reliability of information and communications technology, systems and networks and the use of technology service providers in providing its advisory services. A Client Account, BHS or its service providers may be susceptible to cybersecurity risks that include, among other things, theft, unauthorized monitoring, release, misuse, loss, destruction or corruption of confidential and highly restricted data; denial of service attacks; unauthorized access to relevant systems, compromises to networks or devices that BHS and its service providers use to service BHS and its Client Account's operations; or operational disruption or failures in the physical infrastructure or operating systems that support a Client Account, BHS or its service providers. Cyberattacks against or security breakdowns of BHS or its service providers may adversely impact a Client Account, BHS or its service providers, potentially resulting in, among other things, financial losses; the inability of BHS or its service providers to transact business and BHS or its service providers to process transactions; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs; and/or additional compliance costs. BHS may also incur additional costs for cybersecurity risk management purposes. While BHS has adopted cybersecurity policies and procedures, including an incident response plan, as well as privacy and data protection policies and procedures and controls, business continuity plans and risk management systems designed to prevent or reduce the impact of cybersecurity attacks, such plans and systems have inherent limitations due in part to the ever-changing nature of technology and cybersecurity attack tactics, and there is a possibility that certain risks have not been adequately identified or prepared for. Furthermore, BHS cannot control any cybersecurity plans or systems implemented by its service providers. As the use of technology has become more prevalent, BHS and Client Accounts have potentially become more susceptible to operational risks through cybersecurity attacks. The work-from-home environment necessitated by COVID-19 has also increased the risk of cybersecurity attacks given the increase in cyber-attack surface stemming from the use of personal devices and non-office or personal technology.

Cyber security risks may also impact issuers of securities in which a Client Account or BHS invests, resulting in material adverse consequences for them which may cause a Client Account's or BHS's investment in such issuers to lose value. There can be no assurance that a Client Account or BHS will not suffer losses relating to cyberattacks or other information security breaches in the future.

Dependence on Key Personnel

Client Accounts may rely on certain key personnel of BHS. The departure of any such key personnel or their inability to fulfill certain duties may adversely affect the ability of BHS to effectively implement the investment programs of Client Accounts.

Derivative Instruments

Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, credit risk, legal risk and operations risk. The regulatory and tax environment for derivative instruments in which a Client Account may participate is evolving, and changes in the regulation or taxation of such instruments may have a material adverse effect on a Client Account.

Regulation in the Derivatives Industry

There are many rules related to derivatives that may negatively impact a Client Account, such as requirements related to recordkeeping, reporting, portfolio reconciliation, central clearing, minimum margin for uncleared over-the-counter (“OTC”) instruments and mandatory trading on electronic facilities, and other transaction-level obligations. Parties that act as dealers in swaps, are also subject to extensive business conduct standards, additional “know your counterparty” obligations, documentation standards and capital requirements. All of these requirements add costs to the legal, operational and compliance obligations of BHS and a Client Account, and increase the amount of time that BHS spends on non-investment-related activities. Requirements such as these also raise the costs of entering into derivative transactions, and these increased costs will likely be passed on to a Client Account.

These rules are operationally and technologically burdensome for BHS and a Client Account. These compliance obligations require employee training and use of technology, and there are operational risks borne by a Client Account in implementing procedures to comply with many of these additional obligations.

These regulations may also result in a Client Account forgoing the use of certain trading counterparties (such as broker-dealers and futures commission merchants (“FCMs”)), as the use of other parties may be more efficient for a Client Account from a regulatory perspective. However, this could limit a Client Account’s trading activities, create losses, preclude a Client Account from engaging in certain transactions or prevent a Client Account from trading at optimal rates and terms.

Many of these requirements were implemented under legislation intended to reform the U.S. financial regulatory system, the EU Regulation on OTC Derivatives, Central Counterparties and Trade Repositories (known as the European Market Infrastructure Regulation, or “EMIR”), and similar regulations globally. In the United States, regulatory responsibility for derivatives is divided between the SEC and the CFTC, a distinction that does not exist in any other jurisdiction. The SEC has regulatory authority over “security-based swaps” and the CFTC has regulatory authority over “swaps”. EMIR is being implemented in phases through the adoption of delegated acts by the European Commission. As a result of the SEC and CFTC bifurcation and the different pace at which the SEC, the CFTC, the European Commission and other international regulators have promulgated necessary regulations, different transactions are subject to different levels of regulation. Though many rules and regulations have been finalized,

there are others that are still in the proposal stage, are not fully implemented, or subject to additional phase-in periods.

The following describes derivatives regulations that may have the most significant impact on a Client Account:

Reporting

Most swap transactions have become subject to anonymous “real time reporting” requirements, meaning that information relating to transactions entered into by a Client Account will become visible to the market in ways that may impair a Client Account’s ability to enter into additional transactions at comparable prices or could enable competitors to “front run” or replicate a Client Account’s strategies.

Central Clearing

In order to mitigate counterparty risk and systemic risk in general, various U.S. and international regulatory initiatives, including EMIR, are underway to require certain derivatives to be cleared through central clearinghouses. In the United States, clearing mandates affect certain interest rate, forward rate agreements, overnight index swaps, basis swaps, and credit default swaps. The CFTC and the SEC may introduce clearing requirements for additional classes of derivatives in the future. EMIR also requires OTC derivatives contracts meeting specific criteria to be cleared through central counterparties.

While such clearing requirements may be beneficial for a Client Account in many respects (for instance, they may reduce the counterparty risk to the dealers to which a Client Account would be exposed under non-cleared derivatives), a Client Account could be exposed to new risks, such as the risk that an increasing percentage of derivatives will be required to be standardized and/or cleared through central clearinghouses, and, as a result, a Client Account may not be able to hedge its risks or express an investment view as well as it would have been able to had it used customizable derivatives available in the over-the-counter markets. A Client Account may have to split its derivatives portfolio between centrally cleared and over-the-counter derivatives, which may result in operational inefficiencies and an inability to offset risk between centrally cleared and over-the counter positions, and which could lead to increased costs.

Although standardized clearing for derivatives is intended to reduce counterparty risk (for instance, it may reduce the counterparty risk to the dealers to which a Client Account would have been exposed under OTC derivatives), it does not eliminate risk. Derivatives clearing may also lead to concentration of counterparty risk, namely in the clearinghouse and a Client Account’s FCM, subjecting a Client Account to the risk that the assets of the FCM are insufficient to satisfy all of the FCM’s payment obligations,

leading to a payment default. The failure of a clearinghouse or FCM could have a significant impact on the financial system. Even if a clearinghouse does not fail, large losses could force significant capital calls on FCMs during a financial crisis, which could lead FCMs to default and thus worsen the crisis.

Swap Execution Facilities

In addition to the central clearing requirement, certain swap transactions are required to trade on regulated electronic platforms, such as swap execution facilities (“SEFs”), which require a Client Account to subject itself to regulation by these venues and subject a Client Account to the jurisdiction of the CFTC. CFTC rules governing the operation of SEFs continue to evolve; the SEC has yet to finalize rules related to security-based SEFs.

The EU regulatory framework governing derivatives is set not only by EMIR but also a legislative package known as a recast of MiFID II. Among other things, MiFID II requires transactions in derivatives to be executed on regulated trading venues.

It is not clear whether these trading venues will benefit or impede liquidity, or how they will fare in times of market stress. Trading on these trading venues may increase the pricing discrepancy between assets and their hedges as products may not be able to be executed simultaneously, therefore increasing basis risk. It may also become relatively expensive for a Client Account to obtain tailored swap products to hedge particular risks in its portfolio due to higher collateral requirements on bilateral transactions as a result of these regulations.

Margin Requirements for Non-Cleared Swaps

Rules issued by U.S., EU and other regulators globally (the “Margin Rules”) impose various margin requirements on all swaps that are not centrally cleared, including the establishment of minimum amounts of initial margin that must be posted, and, in some cases, the mandatory segregation of initial margin with a third-party custodian. The variation margin requirements are now effective and the initial margin requirements are being phased-in through September 1, 2022, based on the average daily aggregate notional amount of covered swaps between swap dealers and financial entities. Although the Margin Rules are intended to increase the stability of the derivatives market, the overall amount of margin that a Client Account will be required to post to swap counterparties may increase by a material amount, and as a result a Client Account may not be able to deploy capital as effectively. Additionally, to the extent a Client Account is required to segregate initial margin with a third-party custodian, additional costs will be incurred by a Client Account.

Call and Put Options

A Client Account may incur risks associated with the sale and purchase of call options and put options. Under a conventional cash-settled option, the purchaser of the option pays a premium in exchange for the right to receive upon exercise of the option (i) in the case of a call option, the excess, if any, of the reference price or value of the underlier (as determined pursuant to the terms of the option) above the option's strike price or (ii) in the case of a put option, the excess, if any, of the option's strike price above the reference price or value of the underlier (as so determined). Under a conventional physically-settled option structure, the purchaser of a call option has the right to purchase a specified quantity of the underlier at the strike price, and the purchaser of a put option has the right to sell a specified quantity of the underlier at the strike price.

A purchaser of an option may suffer a total loss of premium (plus transaction costs) if that option expires without being exercised. An option's time value (i.e., the component of the option's value that exceeds the in-the-money amount) tends to diminish over time. Even though an option may be in-the-money to the purchaser at various times prior to its expiration date, the purchaser's ability to realize the value of an option depends on when and how the option may be exercised. For example, the terms of the transaction may provide for the option to be exercised automatically if it is in-the-money on the expiration date. Conversely, the terms may require timely delivery of a notice of exercise, and exercise may be subject to other conditions (such as the occurrence or non-occurrence of certain events, such as knock-in, knock-out or other barrier events) and timing requirements, including the "style" of the option.

Uncovered option writing (i.e., selling an option when the seller does not own a like quantity of an offsetting position in the underlier) exposes the seller to potentially significant loss. The potential loss of uncovered call writing is unlimited. The seller of an uncovered call may incur large losses if the reference price or value of the underlier increases above the exercise price by more than the amount of any premiums earned. As with writing uncovered calls, the risk of writing uncovered put options is substantial. The seller of an uncovered put option bears a risk of loss if the reference price or value of the underlier declines below the exercise price by more than the amount of any premiums earned. Such loss could be substantial if there is a significant decline in the value of the underlier.

Index or Index Options

The value of an index or index option fluctuates with changes in the market values of the assets included in the index. Because the value of an index or index option depends upon movements in the level of the index rather than the price of a particular asset, whether a Client Account will realize appreciation or depreciation from the purchase or writing of options on indices depends upon movements in the level of instrument prices in the assets generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular assets.

Exotic Options

Exotic options are typically, but not always, traded over-the-counter. OTC contracts may not trade in a liquid market and pricing may be opaque. The illiquidity of these markets can be exacerbated in times of market stress. A Client Account may incur substantial costs entering into and exiting positions that could have a material impact on performance. Exotic options may be subject to a higher degree of pricing risk as demonstrated by instances in which different counterparties in the market employ different valuation and pricing methodologies to the same exotic option. Because exotic options can often be highly customised, there is lower visibility with respect to the pricing and valuation of these instruments. Exotic options may be subject to high levels of price volatility. For example, in the case of barrier options, as the price of the asset underlying the option trades closer to a barrier level, the delta of the option (i.e., the ratio of the change in the price of the underlying asset to the corresponding change in the price of the option) and the gamma of the option (i.e., the rate of change of the delta with respect to the underlying asset's price) may become very high. Exotic options may be subject to higher levels of model risk than commonly traded options because standard models are not able to adequately capture or predict the risks associated with the exotic options. Exotic options may be "path dependent". This means that their terminal value (at exercise or expiration) depends upon the value of the underlying asset, not only at the time of exercise or expiration, but also at prior points in time. In this sense, the option's terminal value depends upon the "path" taken by the underlying asset over the life of the option. For example, a barrier option's value at expiration depends upon both the value of the underlying asset at expiration and whether the past value of the underlying asset ever satisfied a barrier condition. In contrast, a vanilla option (e.g., a call option) is not path dependent. Its value at exercise or expiration depends on the value of the underlying asset only at that point in time. The additional features incorporated by exotic options require additional judgments regarding the likelihood of certain conditions being satisfied, any one of which can result in loss if made incorrectly. An OTC option may be closed out only with the counterparty, although either party may engage in an offsetting transaction that puts that party in the same economic position as if it had closed out the option with the counterparty; however, the exposure to counterparty risk may differ. OTC options generally involve greater credit and counterparty risk than exchange-traded options.

Index Futures

The price of index futures contracts may not correlate perfectly with the movement in the underlying index because of certain market distortions. First, all participants in the futures market are subject to margin deposit and maintenance requirements. Rather than meeting additional margin deposit requirements, participants may close futures contracts through offsetting transactions that would distort the normal relationship between the index and futures markets. Second, from the point of view of speculators, the deposit requirements in the futures market are less onerous than margin requirements in the securities market. Therefore, increased participation by speculators in the futures market also may cause price distortions.

Successful use of index futures contracts by a Client Account also is subject to BHS's ability to correctly predict movements in the direction of the market.

Credit Default Swaps

Credit default swaps can be used to implement BHS's view that a particular credit, or group of credits, will experience credit improvement or deterioration. In the case of expected credit improvement, a Client Account may sell credit default protection in which it receives a premium to take on the risk. In such an instance, the obligation of a Client Account to make payments upon the occurrence of a credit event creates leveraged exposure to the credit risk of the referenced entity. A Client Account may also buy credit default protection with respect to a referenced entity if, in BHS's judgment, there is a high likelihood of credit deterioration. In such instance, a Client Account will pay a premium regardless of whether there is a credit event.

Total Return Swaps

Total return swap agreements are contracts in which one party agrees to make periodic payments to another party based on the change in market value of the assets underlying the contract, which may include a specified security, basket of securities or securities indices during the specified period, in return for periodic payments based on a fixed or variable interest rate or the total return from other underlying assets. Total return swap agreements may effectively add leverage to the Client Account's portfolio because, in addition to its total net assets, the Client Account would be subject to investment exposure on the notional amount of the swap.

From time to time a Client Account portfolio may utilize bespoke total return swaps. These types of swaps enable BHS to create a total return swap on a customized basket of securities or other investments selected by BHS. BHS may utilize these bespoke total return swaps to enter into a transaction with prime brokers to gain "long" or "short" exposure to the underlying referenced basket. At times, the price of total return swaps may be volatile with sudden and unexpected upward and downward price swings. If a Client Account portfolio holds a "short" position in an underlying referenced basket, and market prices for assets in the underlying referenced basket rise, the potential loss for the Client Account portfolio could be unlimited. Depending on how quickly prices rise, it may not be possible to close a short position. In addition, a Client Account portfolio could suffer losses up to the amount paid for the total return swap, but not unlimited losses if the Client Account portfolio holds a "long" position and prices of the underlying referenced basket falls.

Futures Contracts

The value of futures contracts depends upon the price of the Securities, such as commodities, underlying them. The prices of futures contracts are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of

governments, as well as national and international political and economic events and policies. In addition, investments in futures contracts are also subject to the risk of the failure of any of the exchanges on which a Client Account's positions trade or of its clearing houses or counterparties. Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a Client Account from promptly liquidating unfavorable positions and subject a Client Account to substantial losses or prevent it from entering into desired trades. Also, low margin or premiums normally required in such trading may provide a large amount of leverage, and a relatively small change in the price of a security or contract can produce a disproportionately larger profit or loss. In extraordinary circumstances, a futures exchange or the CFTC could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract.

Non-U.S. Futures Transactions

Foreign futures transactions involve executing and clearing trades on a foreign exchange. This is the case even if the foreign exchange is formally "linked" to a domestic exchange, whereby a trade executed on one exchange liquidates or establishes a position on the other exchange. No domestic organization regulates the activities of a foreign exchange, including the execution, delivery, and clearing of transactions on such an exchange, and no domestic regulator has the power to compel enforcement of the rules of the foreign exchange or the laws of the foreign country. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs. For these reasons, a Client Account may not be afforded certain of the protections which apply to domestic transactions, including the right to use domestic alternative dispute resolution procedures. In particular, funds received from customers to margin foreign futures transactions may not be provided the same protections as funds received to margin futures transactions on domestic exchanges. In addition, the price of any foreign futures or option contract and, therefore, the potential profit and loss resulting therefrom, may be affected by any fluctuation in the foreign exchange rate between the time the order is placed and the time the foreign futures contract is liquidated or the time the foreign option contract is liquidated or exercised.

Forward Contracts

A Client Account may enter into forward contracts and options thereon, including non-deliverable forwards. The principals who deal in the forward contract market are not required to continue to make markets in such contracts. There have been periods during which certain participants in forward markets have refused to quote prices for forward contracts or have quoted prices with an unusually wide spread between the price at which they were prepared

to buy and that at which they were prepared to sell. The imposition of credit controls or price risk limitations by governmental authorities may limit such forward trading to less than that which BHS would otherwise recommend, to the possible detriment of a Client Account. In its forward trading, a Client Account will be subject to the risk of the failure of, or the inability or refusal to perform with respect to its forward contracts by, the principals with which a Client Account trades. Client Account assets on deposit with such principals will also generally not be protected by the same segregation requirements imposed on certain regulated brokers in respect of customer funds on deposit with them. BHS may order trades for a Client Account in such markets through agents. Accordingly, the insolvency or bankruptcy of such parties could also subject a Client Account to the risk of loss.

Preferred Stock, Convertible Securities, and Warrants

Client Accounts may invest in preferred stock, convertible securities, and warrants. The value of preferred stocks, convertible securities, and warrants will vary with the movements in the equity market and the performance of the underlying common stock, in particular. Their value is also affected by adverse issuer or market information. Thus, for example, as the value of the underlying common stock of an issuer fluctuates, the value of the preferred stock of such issuer would also be expected to fluctuate. Furthermore, warrants will have little to no value if the exercise price is greater than the value of the underlying securities.

Investments in preferred stock involve risks related to priority in the event of bankruptcy, insolvency or liquidation of the issuing company and how dividends are declared. Preferred stock ranks junior to debt securities in an issuer's capital structure and, accordingly, is subordinate to all debt in bankruptcy. Preferred stock generally has a preference as to dividends. Such dividends are generally paid in cash (or additional shares of preferred stock) at a defined rate, but unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Dividends on preferred stock may be cumulative, meaning that, in the event the issuer fails to make one or more dividend payments on the preferred stock, no dividends may be paid on the issuer's common stock until all unpaid preferred stock dividends have been paid. Preferred stock may also be subject to optional or mandatory redemption provisions.

Convertible securities (which may take the form of convertible preferred stock, convertible bonds or debentures, stock purchase warrants, zero-coupon bonds or liquid-yield option notes, stock index notes, mandatories, or a combination of the features of these securities) are securities that may be exchanged or converted into a predetermined number of the issuer's underlying shares or the shares of another company or that are indexed to an unmanaged market index at the option of the holder during a specified time period. Prior to conversion, convertible securities have the same general characteristics as non-convertible fixed income securities. As with all fixed income securities, the market value of such securities tends to decline as interest rates increase and, conversely, to increase as interest

rates decline. However, when the market price of the common stock underlying a convertible security exceeds the conversion price, the convertible security tends to reflect the market price of the underlying common stock. As the market price of the underlying common stock declines, the convertible security tends to trade increasingly on a yield basis and thus, may not decline in price to the same extent as the underlying common stock. Convertible securities rank senior to common stock in an issuer's capital structure and consequently entail less risk than the issuer's common stock. If a convertible security held by the a Client Account is called for redemption, the Client Account will be required to permit the issuer to redeem the security, convert it into the underlying stock or sell it to a third-party. Any of these actions could have an adverse effect on the Client Account's ability to achieve its investment objective.

Exchange-Traded Funds

Exchange-traded funds ("ETFs") are publicly traded unit investment trusts, open-end funds or depository receipts that seek to track the performance and dividend yield of specific indexes or companies in related industries. These indexes may be either broad-based, sector, or international. However, ETF shareholders are generally subject to the same risk as holders of the underlying securities they are designed to track. ETFs are also subject to certain additional risks, including the risk that their prices may not correlate perfectly with changes in the prices of the underlying securities they are designed to track, and the risk of trading in an ETF halting due to market conditions or other reasons, based on the policies of the exchange upon which the ETF trades. Generally, each shareholder of an ETF bears a pro rata portion of the ETF's expenses, including management fees. Accordingly, in addition to bearing their proportionate share of the Client Account's expenses (e.g., operating expenses), investors may also indirectly bear similar expenses of an ETF.

PIPE Transactions

Private investments in public companies whose stocks are quoted on stock exchanges or which trade in the over-the-counter securities market, a type of investment commonly referred to as a "PIPE" transaction, may be entered into with smaller capitalization public companies, which will entail business and financial risks comparable to those of investments in the publicly-issued securities of smaller capitalization companies, which may be less likely to be able to weather business or cyclical downturns than larger companies and are more likely to be substantially hurt by the loss of a few key personnel. In addition, PIPE transactions will generally result in a Client Account acquiring either restricted stock or an instrument convertible into restricted stock. As with investments in other types of restricted securities, such an investment may be illiquid. A Client Account's ability to dispose of securities acquired in PIPE transactions may depend on the registration of such securities for resale. Any number of factors may prevent or delay a proposed registration. Alternatively, it may be possible for securities acquired in a PIPE transaction to be resold in transactions exempt from registration in accordance with Rule 144 under the Securities Act,

or otherwise under the U.S. federal securities laws. There can be no guarantee that there will be an active or liquid market for the stock of any small capitalization company due to the possible small number of stockholders. As a result, even if a Client Account is able to have securities acquired in a PIPE transaction registered or sell such securities through an exempt transaction, a Client Account may not be able to sell all the securities on short notice, and the sale of the securities could lower the market price of the securities. There is no guarantee that an active trading market for the securities will exist at the time of disposition of the securities, and the lack of such a market could hurt the market value of a Client Account's investments.

Repurchase and Reverse Repurchase Agreements

In a reverse repurchase transaction, a Client Account "buys" securities issued from a broker-dealer or financial institution, subject to the obligation of the broker-dealer or financial institution to repurchase such securities at the price paid by a Client Account, plus interest at a negotiated rate. The use of repurchase and reverse repurchase agreements by a Client Account involves certain risks. For example, if the seller of securities to a Client Account under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, a Client Account will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganization under applicable bankruptcy or other laws, a Client Account's ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that a Client Account may not be able to substantiate its interest in the underlying securities. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, a Client Account may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller. Similar elements of risk arise in the event of the bankruptcy or insolvency of the buyer.

Restricted Securities

Restricted securities cannot be sold to the public without registration under the Securities Act. Unless registered for sale, restricted securities can be sold only in privately negotiated transactions or pursuant to an exemption from registration (e.g., under Rule 144A of the Securities Act). Although these securities may be resold in privately negotiated transactions, because there is often little liquidity for these securities, they may be difficult and take a substantial amount of time to sell, and the prices realized from these sales could be less than those originally paid by a Client Account. Restricted securities may involve a high degree of business and financial risk which may result in substantial losses.

Structured Notes

Structured notes, variable rate mortgage-backed and asset-backed securities each have rates of interest that vary based on a designated floating rate formula or index. The value of these investments is closely tied to the absolute levels of such rates or indices, or the market's perception of anticipated changes in those rates or indices. The movements in specific indices or interest rates may be difficult or impossible to hedge.

Undervalued Securities

The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from a Client Account's investments may not adequately compensate for the business and financial risks assumed.

Unlisted Securities

Unlisted securities may involve higher risks than listed securities. Because of the absence of any trading market for unlisted securities, it may take longer to liquidate, or it may not be possible to liquidate, positions in unlisted securities than would be the case for publicly traded securities. Companies whose securities are not publicly traded may not be subject to public disclosure and other investor protection requirements applicable to publicly traded securities.

When-Issued and Forward Commitment Securities

The purchase of securities on a "when-issued" basis involves a commitment by a Client Account to purchase or sell securities at a future date. No income accrues on securities that have been purchased on a when-issued basis prior to delivery to a Client Account. When-issued securities may be sold prior to the settlement date. If a Client Account disposes of the right to acquire a when-issued security prior to its acquisition, it may incur a gain or loss. In addition, there is a risk that securities purchased on a when-issued basis may not be delivered to a Client Account. In such cases, a Client Account may incur a loss.

Debt Securities

Debt securities of all types of issuers may have speculative characteristics, regardless of whether they are rated. The issuers of such instruments (including sovereign issuers) may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal in accordance with the terms of the obligations.

Market Making by Dealers

The value of a Client Account's fixed-income investments will be affected by general fixed income market conditions, such as the volatility and liquidity of the fixed income market, which are affected by the ability of dealers to "make a market" in fixed-income investments. In recent years, the market for bonds has significantly increased while dealer inventories have significantly decreased, relative to market size. This reduction in dealer inventories may be attributable to regulatory changes, such as capital requirements, and is expected to continue. As dealers' inventories decrease, so does their ability to make a market (and, therefore, create liquidity) in the fixed income market. Especially during periods of rising interest rates, this could result in greater volatility and illiquidity in the fixed income market, which could impair a Client Account's profitability or result in losses.

Interest Rate Risk

Changes in interest rates can affect the value of a Client Account's investments in fixed-income instruments. Increases in interest rates may cause the value of a Client Account's debt investments to decline. A Client Account may experience increased interest rate risk to the extent it invests, if at all, in lower-rated instruments, debt instruments with longer maturities, debt instruments paying no interest (such as zero-coupon debt instruments) or debt instruments paying non-cash interest in the form of other debt instruments.

Prepayment Risk

The frequency at which prepayments (including voluntary prepayments by the obligors and accelerations due to defaults) occur on debt instruments will be affected by a variety of factors including the prevailing level of interest rates and spreads as well as economic, demographic, tax, social, legal and other factors. Generally, obligors tend to prepay their fixed rate obligations when prevailing interest rates fall below the coupon rates on their obligations. Similarly, floating rate issuers and borrowers tend to prepay their obligations when spreads narrow.

In general, "premium" securities (securities whose market values exceed their principal or par amounts) are adversely affected by faster than anticipated prepayments, and "discount" securities (securities whose principal or par amounts exceed their market values) are adversely affected by slower than anticipated prepayments. Since many fixed rate obligations will be discount instruments when interest rates and/or spreads are high, and will be premium instruments when interest rates and/or spreads are low, such debt instruments may be adversely affected by changes in prepayments in any interest rate environment.

The adverse effects of prepayments may impact a Client Account's portfolio in two ways. First, particular investments may experience outright losses, as in the case of an interest-only instrument in an environment of faster actual or anticipated prepayments. Second, particular investments may underperform relative to hedges that BHS may have constructed for these investments, resulting in a loss to a Client Account's overall portfolio. In particular, prepayments (at par) may limit the potential upside of many instruments to their principal or par amounts, whereas their corresponding hedges often have the potential for unlimited loss.

Zero-Coupon and Deferred Interest Bonds

Zero-coupon bonds and deferred interest bonds are debt obligations issued at a significant discount from face value. The original discount approximates the total amount of interest the bonds will accrue and compound over the period until maturity or the first interest accrual date at a rate of interest reflecting the market rate of the security at the time of issuance. While zero-coupon bonds do not require the periodic payment of interest, deferred interest bonds generally provide for a period of delay before the regular payment of interest begins. Such investments experience greater volatility in market value due to changes in interest rates than debt obligations that provide for regular payments of interest.

High-Yield

Bonds or other fixed-income securities that are "higher yielding" (including non-investment grade) debt securities are generally not exchange-traded and, as a result, these securities trade in the over-the-counter marketplace, which is less transparent and has wider bid/ask spreads than the exchange-traded marketplace. High-yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions, which could lead to the issuer's inability to meet timely interest and principal payments. High-yield securities are generally more volatile and may or may not be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured by substantially all of the issuer's assets. High-yield securities may also not be protected by financial covenants or limitations on additional indebtedness. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities may be highly leveraged and may not have available to them more traditional methods of financing. In addition, a Client Account may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments.

A Client Account may invest in obligations of issuers that are generally trading at significantly higher yields than had been historically typical of the applicable issuer's obligations. Such investments may include debt obligations that have a heightened probability of being in covenant or payment default in the future or that are currently in default and are generally considered speculative. The repayment of defaulted obligations is subject to significant uncertainties. Defaulted obligations might be repaid only after lengthy workout or bankruptcy proceedings, during which the issuer might not make any interest or other payments. Typically such workout or bankruptcy proceedings result only in partial recovery of cash payments or an exchange of the defaulted security for other debt or equity securities of the issuer or its affiliates, which may in turn be illiquid or speculative.

Corporate Debt

Bonds, notes and debentures issued by corporations may pay fixed, variable or floating rates of interest, and may include zero-coupon obligations. Corporate debt instruments may be subject to credit ratings downgrades. Other instruments may have the lowest quality ratings or may be unrated. In addition, a Client Account may be paid interest in kind in connection with its investments in corporate debt and related financial instruments (e.g., the principal owed to a Client Account in connection with a debt investment may be increased by the amount of interest due on such debt investment). Such investments may experience greater market value volatility than debt obligations that provide for regular payments of interest in cash and, in the event of a default, a Client Account may experience substantial losses.

Mezzanine Debt

Mezzanine debt is typically junior to the obligations of a company to senior creditors, trade creditors and employees. The ability of a Client Account to influence a company's affairs, especially during periods of financial distress or following an insolvency, will be substantially less than that of senior creditors. Mezzanine debt instruments are often issued in connection with leveraged acquisitions or recapitalizations in which the issuers incur a substantially higher amount of indebtedness than the level at which they had previously operated. Default rates for mezzanine debt instruments have historically been higher than for investment-grade instruments. In the event of the insolvency of a portfolio company of a Client Account or similar event, a Client Account's debt investment therein will be subject to fraudulent conveyance, subordination and preference laws.

Bank Loans

Bank loans are generally non-investment grade floating rate instruments that are secured by assets of the borrower. They generally hold a senior position in the capital structure of a borrower. Thus, they are generally repaid before unsecured bank loans,

corporate bonds, subordinated debt, trade creditors, and preferred or common stockholders. Substantial increases in interest rates may cause an increase in bank loan defaults as borrowers may lack resources to meet higher debt service requirements. There is less readily available and reliable information about most bank loans than is the case for many other types of instruments, including listed securities. Bank loans are not listed on any national securities exchange or automated quotation system, and as such, many bank loans are less liquid, meaning that they may not be able to be sold quickly at a fair price. To the extent that a secondary market does exist for certain bank loans, the market is more volatile than for liquid, listed securities and may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement period. The market for bank loans could be disrupted in the event of an economic downturn or a substantial increase or decrease in interest rates. Bank loans may also be subject to structural subordination and, although they may be senior to equity and other debt securities in the borrower's capital structure, may be subordinated to obligations of the borrower's subsidiaries.

Bank loans may become nonperforming for a variety of reasons. Such nonperforming loans may require substantial workout negotiations or restructuring that may entail, among other things, a substantial reduction in the interest rate and/or a substantial write-down of the principal of the loan. In addition, because of the unique and customized nature of a loan agreement and the private syndication of a loan, certain loans may not be as readily purchased or sold as publicly traded securities, and, historically, the trading volume in the loan market has been small, relative to other markets. Loans may encounter trading delays due to their unique and customized nature, and transfers may require the consent of an agent bank or borrower. Risks associated with bank loans include (i) the fact that prepayments may occur at any time without premium or penalty, and that the exercise of prepayment rights during periods of declining spreads could cause a Client Account to reinvest prepayment proceeds in lower-yielding investments; (ii) the borrower's inability to meet principal and interest payments on its obligations (i.e., credit risk); and (iii) price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the borrower and general market liquidity.

Stressed Debt

Stressed issuers are issuers that are not yet deemed distressed or bankrupt and whose debt securities are trading at a discount to par, but not yet at distressed levels. An example would be an issuer that is in technical default of its credit agreement, or undergoing strategic or operational changes, which results in market pricing uncertainty. The market prices of stressed and distressed instruments are highly volatile, and the spread between the bid and the ask prices of such instruments is often unusually wide.

Non-Performing Nature of Debt

Certain debt instruments may be non-performing or in default. Furthermore, the obligor or relevant guarantor may also be in bankruptcy or liquidation. There can be no assurance as to the amount and timing of payments, if any, with respect to such debt instruments.

Troubled Origination

When financial institutions or other entities that are insolvent or in serious financial difficulty originate debt, the standards by which such instruments were originated, the recourse to the selling institution, or the standards by which such instruments are being serviced or operated may be adversely affected.

Sovereign Debt

Several factors may affect (i) the ability of a government, its agencies, instrumentalities or its central bank to make payments on the debt it has issued ("Sovereign Debt"), including securities that BHS believes are likely to be included in restructurings of the external debt obligations of the issuer in question, (ii) the market value of such debt and (iii) the inclusion of Sovereign Debt in future restructurings, including such issuer's (x) balance of trade and access to international financing, (y) cost of servicing such obligations, which may be affected by changes in international interest rates, and (z) level of international currency reserves, which may affect the amount of non-U.S. exchange available for external debt payments. Significant ongoing uncertainties and exposure to adverse conditions may undermine the issuer's ability to make timely payment of interest and principal, and issuers may default on their Sovereign Debt.

Equitable Subordination

Under common law principles that in some cases form the basis for lender liability claims, if a lender (i) intentionally takes an action that results in the undercapitalization of a borrower or issuer to the detriment of other creditors of such borrower or issuer, (ii) engages in other inequitable conduct to the detriment of such other creditors, (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (iv) uses its influence as a stockholder to dominate or control a borrower or issuer to the detriment of other creditors of such borrower or issuer, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors (a remedy called "equitable subordination"). If a Client Account engages in such conduct, a Client Account may be subject to claims from creditors of an obligor that debt held by a Client Account should be equitably subordinated.

Special Purpose Acquisition Companies

A special purpose acquisition company (a “SPAC”) is a publicly traded company formed for the purpose of raising capital through an initial public offering to fund the acquisition, through a merger, capital stock exchange, asset acquisition or other similar business combination, of one or more operating businesses that are typically not publicly-listed. Following the acquisition of a target company, a SPAC’s management team may exercise control over the management of the combined company in an effort to increase its value. Often, though, management of the target company will continue to manage the now publicly-traded business subsequent to completion of its business combination with the SPAC. Capital raised through the initial public offering of securities of a SPAC is typically placed into a trust account until the business combination is completed or a predetermined period of time (typically 24 months) elapses. Investors in a SPAC would receive a return on their investment in the event that a target company is acquired and the combined publicly-traded company’s shares trade above the SPAC’s initial public offering (the “IPO”) price, or alternatively, the market price at which an investor acquired a SPAC’s shares subsequent to its IPO. In the event that a SPAC is unable to locate and acquire a target business by the timeframe established at the time of its IPO (as such timeframe may be extended with shareholder consent), the SPAC would be forced to liquidate its assets, which may result in losses due to the expenses and liabilities of the SPAC, to the extent third-parties are permitted to bring claims against IPO proceeds held in the SPAC’s trust account. Investors in a SPAC are subject to the risk that, among other things, (i) such SPAC may not be able to complete a qualifying business combination by the deadline established at the time of its IPO, (ii) assets in the trust account may become subject to third-party claims against such SPAC, which may reduce the per share liquidation value received by the investors in the SPAC in the event it fails to complete a business combination within the required time period, (iii) such SPAC may be exempt from the rules promulgated by the SEC to protect investors in “blank check” companies, such as Rule 419 promulgated under the Securities Act, so that investors in such SPAC may not be afforded the benefits or protections of those rules, (iv) such SPAC will likely only complete one business combination, which will cause its returns and future prospects to be solely dependent on the performance of a single acquired business, (v) the value of any target business, including its stock price as a public company, may decrease following its acquisition by such SPAC, (vi) the value of the funds invested and held in the trust account may decline, (vii) the inability to redeem due to the failure to hold the securities in the SPAC on the applicable record date to do so, and (viii) if the SPAC is unable to consummate a business combination, public stockholders will be forced to wait until the deadline before liquidating distributions are made. A Client Account may invest in a SPAC that, at the time of investment, has not selected or approached any prospective target businesses with respect to a business combination. In such circumstances, there may be limited basis for a Client Account to evaluate the possible merits or risks of such SPAC’s investment in any particular target business. In addition, to the extent that a SPAC completes a business combination, it may be affected by numerous risks inherent in the business

operations of the acquired company or companies. For these and additional reasons, investments in SPACs are speculative and involve a high degree of risk.

American Depositary Receipts and Global Depositary Receipts

American Depositary Receipts (“ADRs”) are receipts issued by a U.S. bank or trust company evidencing ownership of underlying securities issued by non-U.S. issuers. ADRs may be listed on a national securities exchange or may be traded in the over-the-counter market. Global Depositary Receipts (“GDRs”) are receipts issued by either a U.S. or non-U.S. banking institution representing ownership in a non-U.S. company’s publicly traded securities that are traded on non-U.S. stock exchanges or non-U.S. over-the-counter markets. Holders of unsponsored ADRs or GDRs generally bear all the costs of such facilities. The depository of an unsponsored facility frequently is under no obligation to distribute investor communications received from the issuer of the deposited security or to pass through voting rights to the holders of depositary receipts in respect of the deposited securities. Investments in ADRs and GDRs pose, to the extent not hedged, currency exchange risks (including blockage, devaluation and non-exchangeability), as well as a range of other potential risks relating to the underlying shares, which could include expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains, other income or gross sale of disposition proceeds, political or social instability or diplomatic developments that could affect investments in those countries, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding the underlying shares of ADRs and GDRs, and non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to, or as uniform as, those of U.S. companies. Such risks may have a material adverse effect on the performance of such investments and could result in substantial losses.

Quantitative Analysis

Quantitative Model Risk and Risk Management Risk

BHS expects to implement a quantitative trading strategy in the future. In addition, certain investment teams, as well as BHS’s strategy weightings system, may rely on quantitative models. There can be no assurance that the models to be used by BHS will be viable. The use of a model that is not viable or not completely viable could, at any time, have a material adverse effect on the performance of a Client Account. There can be no assurance that a Client Account will achieve its investment objectives or that the models (even if completely or partially viable) will ultimately be capable of furthering a Client Account’s investment objectives.

In addition, given that the systems may execute trades autonomously, undesired results may only be detected after the fact, perhaps after a significant number of transactions have occurred.

Risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be subject to misinterpretation. In the complex environment in which the Investment Manager operates, effective risk management depends upon many factors, not all of which may be properly identified, and effective assessment, analysis, process creation, control or treatment of risks could be difficult to implement.

At times the Investment Manager may manually override or shut down the operations of a quantitative model. This would generally be done in an effort to mitigate the damage from a deteriorating or malfunctioning model or a model that is reacting negatively to unforeseen market conditions. Such an override or intervention could result in greater losses than would be the case if there had been no intervention and/or could result in the model being overridden or inactive at a time when the model would have achieved gains for the portfolio.

Obsolescence Risk

A Client Account is unlikely to be successful unless the assumptions underlying the models are realistic and either remain realistic and relevant in the future or are adjusted to account for changes in the overall market environment. If such assumptions are inaccurate or become inaccurate and are not promptly adjusted, it is likely that profitable trading signals will not be generated. If and to the extent that the models do not reflect certain factors, the Investment Manager does not successfully address such omission through its testing and evaluation and modify the models accordingly, major losses may result. The Investment Manager will continue to test, evaluate and add new models, as a result of which the existing models may be modified from time to time. Any modification of the models or strategies will not be subject to any requirement that Limited Partners receive notice of the change or that they consent to it. There can be no assurance as to the effects (positive or negative) of any modification on a Client Account's performance.

Crowding/Convergence

There is significant competition among quantitatively-focused managers and the ability of the Investment Manager to deliver returns that have a low correlation with the broader global markets and other hedge funds is dependent on its ability to employ models that are simultaneously profitable and differentiated from those employed by other managers. To the extent that the Investment Manager are not able to develop sufficiently differentiated models, the Limited Partners' investment objectives may not be met, irrespective of whether the models are profitable in an absolute sense. In addition, to the extent that the Investment Manager's models come to resemble those

employed by other managers, the risk that a market disruption that negatively affects predictive models will adversely affect a Client Account is increased, as such a disruption could accelerate reductions in liquidity or rapid repricing due to simultaneous trading across a number of funds in the marketplace.

Risk of Programming and Modeling Errors

The research and modeling process that may be engaged by the Investment Manager would be extremely complex and may involve financial, economic, econometric and statistical theories, research and modeling; the results of that process must then be translated into computer code. Although the Investment Manager seeks to hire individuals skilled in each of these functions and to provide appropriate levels of oversight, the complexity of the individual tasks, the difficulty of integrating such tasks, and the limited ability to perform “real world” testing of the end product raise the chances that the finished model may contain an error.

Involuntary Disclosure Risk

The ability of the Investment Manager to achieve its investment goals for a Client Account is dependent in large part on its ability to develop and protect its models and proprietary research. The models and proprietary research and the Models and Data are largely protected by the Investment Manager through the use of policies, procedures, agreements, and similar measures designed to create and enforce robust confidentiality, non-disclosure, and similar safeguards. However, aggressive position-level public disclosure obligations (or disclosure obligations to exchanges or regulators with insufficient privacy safeguards) could lead to opportunities for competitors to reverse-engineer the Investment Manager’s models, and thereby impair the relative or absolute performance of a Client Account.

Model and Data Risk

Certain Portfolio Managers and the Investment Manager may rely heavily on quantitative and systematic models (both proprietary models developed by the Investment Manager, and those supplied by third-parties) and information and data supplied by third-parties (“Models and Data”). Models and Data can be used to construct sets of transactions and investments, to value investments or potential investments (whether for trading purposes, or for the purpose of determining the net asset value of a Client Account), to provide risk management insights, and to assist in hedging a Client Account’s exposure.

When Models and Data prove to be incorrect, misleading or incomplete, any decisions made in reliance thereon expose a Client Account to potential risks. For example, by relying on Models and Data, the Investment Manager may be induced to buy certain investments at prices that are too high, to sell certain other investments at prices that

are too low, or to miss favorable opportunities altogether. Similarly, any hedging based on faulty Models and Data may prove to be unsuccessful.

All models rely on correct market data inputs. Because BHS's models are usually constructed based on, or employ, historical or current market data supplied by third-parties, the success of relying on Models and Data may depend heavily on the accuracy and reliability of the supplied data, which can contain errors.

Foreign Investing

Investing in the securities of companies outside of the United States involves certain considerations not usually associated with investing in securities of U.S. companies or the U.S. government, including political and economic considerations, such as greater risks of expropriation, nationalization, confiscatory taxation, imposition of withholding or other taxes on interest, dividends, capital gains, other income or gross sale or disposition proceeds, limitations on the removal of assets and general social, political and economic instability; the relatively small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; the evolving and unsophisticated laws and regulations applicable to the securities and financial services industries of certain countries; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict a Client Account's investment opportunities. In addition, accounting and financial reporting standards that prevail outside of the U.S. generally are not as high as U.S. standards and, consequently, less information is typically available concerning companies located outside of the U.S. than for those located in the U.S. As a result, a Client Account may be unable to structure its transactions to achieve the intended results or to mitigate all risks associated with such markets. It may also be difficult to enforce a Client Account's rights in such markets. For example, securities traded on non-U.S. exchanges and the non-U.S. persons that trade these instruments are not subject to the jurisdiction of the SEC or the CFTC or the securities and commodities laws and regulations of the U.S. Accordingly, the protections afforded to a Client Account under such laws and regulations are unavailable for transactions on non-U.S. exchanges and with non-U.S. counterparties. A change in the value of a foreign currency against the U.S. dollar will result in a change in the U.S. dollar value of securities denominated in that foreign currency and in the value of any income or distributions a Client Account may receive on those securities. The value of foreign investments may be affected by exchange control regulations, foreign taxes, higher transaction and other costs, delays in the settlement of transactions, changes in economic or monetary policy in the United States or abroad, expropriation or nationalization of a company's assets, or other political and economic factors. These risks may be greater for investments in developing or emerging market countries.

Non-U.S. Exchanges

A Client Account may trade on exchanges or markets located outside the U.S. Trading on such exchanges or markets is not regulated by the SEC and the CFTC and may, therefore, be subject to more risks than trading on U.S. exchanges, such as the risks of exchange controls, expropriation, burdensome taxation, moratoria and political or diplomatic events. Risks in investments in non-U.S. Securities may also include reduced and less reliable information about issuers and markets, less stringent accounting standards, illiquidity of securities and markets, higher brokerage commissions and custody fees.

Currency Risk

A Client Account may hold investments denominated in currencies other than the currency in which the Client Account is denominated. Currency exchange rates can be extremely volatile and a variance in the degree of volatility of the market or in the direction of the market from BHS's targets may produce significant losses to a Client Account.

Emerging Markets Risk

Securities of companies in emerging markets may be more volatile than those of companies in more developed markets. Emerging market countries generally have less developed markets and economies and, in some countries, less mature governments and governmental institutions. Investing in securities of companies in emerging markets may entail special risks relating to potential economic, political or social instability and the risks of expropriation, nationalization, confiscation or the imposition of restrictions of foreign investment, the lack of hedging instruments, and on repatriation of capital invested.

Hedging Transactions

A Client Account may utilize securities for risk management purposes in order to: (i) protect against possible changes in the market value of the Client Account's investment portfolio resulting from fluctuations in the markets, factors (such as momentum and growth) and changes in interest rates; (ii) protect a Client Account's unrealized gains in the value of its investment portfolio; (iii) facilitate the sale of any securities; (iv) enhance or preserve returns, spreads or gains on any security in a Client Account's portfolio; (v) hedge against a directional trade; (vi) hedge the interest rate, credit or currency exchange rate on any of a Client Account's securities; (vii) protect against any increase in the price of any securities a Client Account anticipates purchasing at a later date; or (viii) act for any other reason that the Investment Manager deems appropriate. A Client Account will not be required to hedge any particular risk in connection with a particular transaction or its portfolio generally. BHS may be unable to anticipate the occurrence of a particular risk and, therefore, may be unable to attempt to hedge against it. While a Client Account may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for a Client Account than if it had not engaged in any such hedging transaction. Moreover, the portfolio will always be exposed to certain risks that cannot be hedged. BHS employs a volatility-based risk

model designed to produce stable returns, limit drawdowns, manage leverage and inform position sizing and portfolio manager risk allocation. Risk management is integrated throughout the investment process. BHS employs disciplined drawdown controls and capital reduction is triggered upon peak-to-trough drawdowns. BHS seeks to identify tail risk through dynamic stress testing and scenario analyses and mitigate tail risks through diversification across strategies and individual positions. Portfolio-level hedges may also be used to reduce risk when deemed appropriate.

Frequent Trading and Portfolio Turnover Rate Risk

BHS expects to engage in active and frequent trading of its portfolio securities. High portfolio turnover (more than 100%) typically results in higher transaction costs, including potentially substantial brokerage commissions, fees and other transaction costs. The sale of portfolio securities may result in the realization and/or distribution to clients of higher capital gains or losses as compared to a strategy with less active trading policies. As a result, high turnover and frequent trading in a Client Account could have an adverse effect on the performance of a Client Account.

Investment Style Risk

Different investment styles tend to shift in and out of favor depending upon market and economic conditions and upon investor sentiment. Client Accounts may outperform or underperform other accounts that invest in similar asset classes but employ different investment styles. BHS may modify or adjust its investment strategies from time to time.

Issuer Risk

The value of equity or fixed income securities may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage, reduced demand for the issuer's goods and services, historical and prospective earnings of the issuer and the value of the assets of the issuer.

Legal, Tax and Regulatory Risks

BHS and certain Client Accounts are subject to legal, tax and regulatory oversight. In the future, there may be legislative, tax and regulatory changes that may apply to the activities of BHS that may require material adjustments to the business and operations or have other material adverse effects on Client Accounts. Any rules, regulations and other changes may result in increased costs and reduced investment and trading opportunities, all of which may negatively impact the performance of Client Accounts.

The legal and regulatory environment worldwide for private investment funds and their managers is evolving. Changes in the regulation of private investment funds, their managers, and their trading and investing activities may have a material adverse effect on the ability of BHS to pursue its investment program and the value of investments held by the Client

Accounts it manages. There has been an increase in scrutiny of the private investment fund industry by governmental agencies and self-regulatory organizations. New laws and regulations or actions taken by regulators that restrict the ability of BHS to pursue its investment program or employ brokers and other counterparties could have a material adverse effect on Client Accounts and the investors' investments therein. In addition, BHS may, in its sole discretion, cause Client Accounts to be subject to certain laws and regulations if it believes that an investment or business activity is in such Client Account's interest, even if such laws and regulations may have a detrimental effect on one or more investors therein.

Leverage Risk

BHS may employ leverage in certain investment strategies. In addition, certain derivatives and other investments involve a degree of leverage. Generally, leverage may occur when, in return for the potential to realize higher gain, an investment exposes the investor to a risk of loss that exceeds the amount invested. If BHS uses derivatives for leverage, the value of a Client Account's portfolio will tend to be more volatile, resulting in larger gains or losses in response to the fluctuating prices of its investments.

Use of Margin Risk

BHS expects to utilize margin in the management of investment portfolios for Client Accounts. While the use of margin borrowing can substantially improve returns, such use may also increase the adverse impact to which a client's portfolio may be subject. Borrowings will usually be from securities brokers and dealers and will typically be secured by the client's securities and/or other assets. Under certain circumstances, such a broker-dealer may demand an increase in the collateral that secures the client's obligations and if the client were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy the client's obligations to the broker-dealer. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of the client's borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the client's profitability.

Illiquidity Risk

BHS expects to invest in certain securities that may be illiquid because, for example, they are subject to legal or other restrictions on transfer or there is no liquid market for such securities. Valuation of such securities may be difficult or uncertain because there may be limited information available about the issuers of such securities. The market prices, if any, for such Securities tend to be volatile and may not be readily ascertainable, BHS may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. BHS may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. As a result, BHS may be required to hold such securities despite

adverse price movements. Even those markets which BHS expects to be liquid can experience periods, possibly extended periods, of illiquidity. Occasions have arisen in the past where previously liquid investments have rapidly become illiquid.

General Economic and Market Conditions

The success of a Client Account's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of a Client Account's investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of the prices and the liquidity of a Client Account's investments. Volatility or illiquidity could impair a Client Account's profitability or result in losses. A Client Account may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets.

Governmental Interventions

Extreme volatility and illiquidity in markets has in the past led to, and may in the future lead to, extensive governmental interventions in equity, credit and currency markets. Generally, such interventions are intended to reduce volatility and precipitous drops in value. In certain cases, governments have intervened on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions have typically been unclear in scope and application, resulting in uncertainty. It is impossible to predict when these restrictions will be imposed, what the interim or permanent restrictions will be and/or the effect of such restrictions on a Client Account's strategies.

Potential Interest Rate Increases

The United States has experienced a sustained period of historically low interest rate levels. In recent years, however, short-term and long-term interest rates have risen. The uncertainty of the U.S. and global economy, changes in U.S. government policy, and changes in the federal funds rate, increase the risk that interest rates will remain volatile in the future. Sustained future interest rate volatility may cause the value of the fixed income securities held by a Client Account to decrease, which may result in substantial withdrawals from the Fund that, in turn, force a Client Account to liquidate such securities at disadvantageous prices negatively impacting the performance of a Client Account.

Discontinuation of LIBOR

Certain derivatives or debt securities, or other financial instruments in which we may invest, as well as certain Investment Companies' committed, revolving line of credit agreements, as

applicable, utilize the London Interbank Offered Rate (“LIBOR”) as the reference or benchmark rate (any such rate, a “Reference Rate”) for interest rate calculations.

LIBOR is a measure of the average interest rate at which major global banks can borrow from one another. It is quoted in multiple currencies and tenors using data reported by a panel of private-sector banks. Following allegations of rate manipulation in 2012 and concerns regarding its thin liquidity, the use of LIBOR came under increasing pressure, and in July 2017, the U.K. Financial Conduct Authority, which regulates LIBOR, announced that it will stop encouraging banks to provide the quotations needed to sustain LIBOR. The ICE Benchmark Administration Limited, the administrator of LIBOR, ceased publishing most LIBOR tenors, including some USD LIBOR tenors, on December 31, 2021, and will cease publishing the remaining and most liquid USD LIBOR tenors no later than June 30, 2023. In anticipation of the end of LIBOR, the United States and other countries have worked to replace LIBOR with alternative Reference Rates. The Secured Overnight Financing Rate (“SOFR”) is the Reference Rate recommended by the Alternative Reference Rates Committee (the “ARRC”). The ARRC and regulators have stated that any party choosing another Reference Rate should do so carefully. As a general matter, the expected discontinuation of LIBOR may significantly impact financial markets; specifically, discontinuation may impact financial contracts to which BHS is a party. Generally, the transition to alternative Reference Rates may (i) cause the value of a Reference Rate to be uncertain or to be lower or more volatile than it would otherwise be; (ii) result in uncertainty as to the functioning, liquidity or value of certain financial contracts; (iii) involve actions of regulators or rate administrators that adversely affect certain markets or specific financial contracts; and (iv) impact the strategy, products, processes, legal positions and information systems of market participants, including BHS and its counterparties. Regulators encouraged market participants to cease entering new contracts that use LIBOR as a Reference Rate by December 31, 2021. As a result, LIBOR’s liquidity and usefulness will likely diminish, and these effects could be experienced until the permanent cessation of the majority of USD LIBOR rates in 2023. Further, the utilization of an alternative reference rate, or the transition process to an alternative reference rate, may adversely affect investment performance.

Foreign Sanctions Risk

It is possible that the U.S., other nations or other governmental entities (including supranational entities) could impose sanctions against issuers in various sectors of certain foreign countries. This could limit a Client Account’s investment opportunities in such countries, impairing the Client Account’s ability to invest in accordance with its investment strategy and/or to meet its investment objective. In addition, an imposition of sanctions upon such issuers could result in an immediate freeze of the issuers’ securities, impairing the ability of a Client Account to buy, sell, receive or deliver those securities. Further, current sanctions or the threat of potential sanctions may also impair the value or liquidity of affected securities and negatively impact a Client Account.

Assumption of Catastrophe Risks

A Client Account may be subject to the risk of loss arising from direct or indirect exposure to various catastrophic events, including the following: hurricanes, earthquakes and other natural disasters; war, terrorism and other armed conflicts; cyberterrorism; major or prolonged power outages or network interruptions; and public health crises, including infectious disease outbreaks, epidemics and pandemics. To the extent that any such event occurs and has a material effect on global financial markets or specific markets or issuers in which a Client Account invests (or has a material negative impact on the operations of BHS or its service providers), the risks of loss can be substantial and could have a material adverse effect on a Client Account and its investors' investments therein.

Coronavirus Risks

The outbreak of the novel coronavirus ("COVID-19") is an unprecedented event that has been, and continues to be, impossible to predict and could have material adverse impacts on the performance of a Client Account. It has led to global travel restrictions, market disruptions, economic uncertainty and recession, and the temporary closure of many corporate offices, retail stores, and manufacturing facilities across the globe, as well as the implementation of travel restrictions and remote working and "shelter-in-place" or similar policies by numerous companies and national and local governments. These actions have resulted in a sharp contraction in many aspects of the global economy, disruption of manufacturing supply chains and consumer demand in certain economic sectors, tightening liquidity, and increasing volatility and uncertainty in capital and other markets. The economic uncertainty and impact of COVID-19 could continue for an extended period of time and result in continuing or further economic volatility and recession. The continued impact of COVID-19 on the operations of BHS and the performance of a Client Account is difficult to predict. Furthermore, health crises caused by outbreaks, such as COVID-19, can exacerbate other pre-existing political, social and economic/market risks. The overall impact of COVID-19 has negatively affected, and other epidemics and pandemics that arise in the future could negatively affect, the worldwide economy, as well as the economies of individual countries, national, state or local governments, individual companies and the market in general in significant, potentially material, and unforeseen ways. These potential impacts, while uncertain, could adversely affect the performance of a Client Account.

Market Disruption and Geopolitical Risk

The value of the instruments in which a Client Account invests may increase or decrease in response to economic, political, military and financial events (whether real, expected or perceived) in the U.S. and global markets. The frequency and magnitude of such changes in value cannot be predicted. Political and military events, including in North Korea, Russia,

Ukraine, Venezuela, Iran, Syria, and other areas of the Middle East, and nationalist unrest in Europe and South America, may cause market disruptions.

Global markets are interconnected, and changes in U.S. and non-U.S. economic and political conditions also could adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment, and other factors affecting the value of Client Accounts' investments. At such times, Client Accounts' exposure to a number of other risks described elsewhere in this section can increase.

Recent military actions involving Russia and Ukraine have negatively impacted the production, distribution, availability and prices of various commodities, including oil, nickel, and wheat, which have had a negative impact on prices of many commodities, further increased the level of inflation, and negatively impacted the world economy. It is unknown how long the military action will continue and its immediate and long-term impact on the world economy, including inflation, stagflation, the prices and availability of commodities, and products produced from those commodities.

Master Limited Partnership ("MLP") Risk

An investment in MLPs involves risks that may differ from a similar investment in equity securities, such as common stock, of a corporation. Holders of equity securities issued by MLPs have the rights typically afforded to limited partners in a limited partnership. As compared to common shareholders of a corporation, holders of such equity securities have more limited control and limited rights to vote on matters affecting the partnership. There are certain tax risks associated with an investment in equity MLP units. Additionally, conflicts of interest may exist among common unit holders, subordinated unit holders and the general partner or managing member of an MLP; for example a conflict may arise as a result of incentive distribution payments.

Real Estate Market Risk

BHS and its affiliates will not invest in real estate directly. Instead, BHS expects to invest in publicly-traded real estate securities and real estate investment trusts ("REITs") and related instruments, including through direct investments in such securities and indirect investments through the use of derivative instruments for certain of its Client Accounts. Since BHS may invest in companies that operate in the real estate industry, an investment may be linked to the performance of the real estate markets, and, therefore, subject to certain risks associated with direct ownership of property.

Risks of Sector Specific Strategies

BHS intends to engage in investment strategies focused on investments in particular market sectors or industries. The market sectors, and corresponding risks of those sectors, that BHS intends to invest in initially are described below.

Consumer Discretionary and Staples

Consumer discretionary products and services are non-essential products and services whose demand tends to increase as consumers' disposable income increases, such as automobiles, apparel, electronics, home furnishings, and travel and leisure products and services. Consumer discretionary industries can be significantly affected by the performance of the overall economy, interest rates, competition, and consumer confidence. Success can depend heavily on disposable household income and consumer spending. Changes in demographics and consumer tastes can also affect the demand for, and success of, consumer discretionary products. Consumer staples tend to be essential products whose demand remains stable over economic cycles, such as food, beverages, tobacco, and household and personal care products. Consumer staples industries can be significantly affected by demographic and product trends, competitive pricing, food fads, marketing campaigns, and environmental factors, as well as the performance of the overall economy, interest rates, consumer confidence, and the cost of commodities. Regulations and policies of various domestic and foreign governments affect agricultural products as well as other consumer staples.

Energy

Energy sector investments primarily consist of companies in the energy field, including the conventional areas of oil, gas, electricity and coal, and newer sources of energy such as nuclear, geothermal, oil shale and solar power. Energy products and services are those related to the exploration, extraction, production, sale, or distribution of energy resources, including oil, gas, electricity, coal, and nuclear, geothermal, and solar power. In addition, MLPs and other companies operating in the energy sector can be significantly affected by the supply of and demand for specific equipment, products or services, the supply of and demand for oil and gas, the price of oil and gas, exploration and production spending, government regulation, world events such as the COVID-19 pandemic, price competition related to crude oil between various oil-producing countries, weather or metrological events, and economic conditions. How long the COVID-19 pandemic may continue and its medium- and/or long-term impact on the demand for crude oil, natural gas and other petroleum products are unknown.

Financials

Investments in the financials sector will consist primarily of companies providing financial services to consumers and industry. The financials industries are subject to extensive government regulation which can limit both the amounts and types of loans and other financial commitments they can make, and the interest rates and fees they can charge. Profitability can be largely dependent on the availability and cost of capital and the rate of corporate and consumer debt defaults, and can fluctuate significantly when interest rates change. Financial difficulties of borrowers can negatively affect the financial services industries. Insurance companies can be subject to severe price competition. The financial

services industries can be subject to relatively rapid change as distinctions between financial service segments become increasingly blurred.

Health Care

Investments in the health care sector consist primarily of companies engaged in the design, manufacture, or sale of products or services used for or in connection with health care or medicine. Health care industries are subject to government regulation and reimbursement rates, as well as government approval of products and services, which could have a significant effect on price and availability. Furthermore, the types of products or services produced or provided by health care companies quickly can become obsolete. In addition, from time to time, a small number of companies may represent a large portion of a single industry or group of related industries as a whole, and these companies can be sensitive to adverse economic, regulatory, or financial developments.

Industrials

Investments in the industrials sector consist primarily of companies engaged in the research, development, manufacture, distribution, supply, or sale of industrial products, services, or equipment. Industrial products, services and equipment, such as capital goods, construction services, machinery, commercial services, and transportation, are generally considered to be sensitive to the business cycle. The industrials industries can be significantly affected by general economic trends, including employment, economic growth, and interest rates, changes in consumer sentiment and spending, commodity prices, legislation, government regulation and spending, import controls, and worldwide competition. Companies in these industries also can be adversely affected by liability for environmental damage, depletion of resources, and mandated expenditures for safety and pollution control.

Insurance

Investments in the insurance industry consist primarily of companies engaged in underwriting, reinsuring, selling, distributing, or placing of property and casualty, life, or health insurance, among other types of insurance. The insurance industry is subject to extensive government regulation and can be significantly affected by interest rates, general economic conditions, and price and marketing competition. Property and casualty insurance profits can be affected by weather catastrophes and other natural disasters. Life and health insurance profits can be affected by mortality and morbidity rates. Insurance companies can be adversely affected by inadequacy of cash reserves, the inability to collect from reinsurance carriers, liability for the coverage of environmental clean-up costs from past years, and as yet unanticipated liabilities. Also, insurance companies are subject to extensive government regulation, including the imposition of maximum rate levels, and can be adversely affected by proposed or potential tax law changes.

Technology

Technology companies can be significantly affected by rapid obsolescence due to technological advancement or development, short product cycles, competition (including innovation by competitors and pricing competition), and changes in government regulation, among other factors. Investments in the technology and media sector may be susceptible to heightened risk of hacking and/or cybersecurity breaches, which could adversely affect their business. Companies in the telecommunications sector are subject to the additional risks of a lack of standardization or compatibility with existing technologies, an unfavorable regulatory environment, and a dependency on patent and copyright protection.

Risks of Event Driven Strategies

BHS intends to engage in certain event driven investment strategies which have certain risks including those described below.

Merger Arbitrage Strategy

BHS utilizes a merger or “risk” arbitrage strategy which depends upon BHS’s ability to identify and exploit merger activity to capture (or sell short) the spread between current market values of Securities and their values after successful completion of a merger, restructuring or similar corporate transaction. Merger arbitrage investments often incur significant losses when anticipated merger or acquisition transactions are not consummated. The consummation of mergers, tender offers and exchange offers can be prevented or delayed by a variety of factors, including: (i) regulatory and antitrust restrictions; (ii) political factors; (iii) industry weakness; (iv) stock-specific events; and (v) failed financings. Merger arbitrage positions also are subject to the risk of overall market movements. To the extent that a general increase or decline in equity values affects the stocks involved in a merger arbitrage position differently, the position may be exposed to loss. Merger arbitrage strategies also depend on success for the overall volume of merger activity, which historically has been cyclical in nature.

Alpha Capture

BHS “alpha capture” strategy depends upon BHS’s ability to identify and implement the best trade ideas from numerous inputs. The strategy relies on a system that gathers trade ideas from investment banks, research firms, and other sell-side participants and analyzes them for a number of factors. Should the system experience an outage, failure, programming error, or similar glitch, BHS may not be able to implement the alpha capture strategy successfully. In addition, there is the risk that BHS will choose to implement unsuccessful trade ideas and may fail to identify better-performing strategies. BHS will develop relationships with a number of sell-side firms to provide input into the system, but BHS will not engage all firms and will only analyze the subset of ideas provided. Advantageous ideas and strategies may exist that will not be analyzed by the system nor implemented by BHS.

Primary Strategies

BHS pursues investments in primary strategies. Investments in primary strategies will primarily consist of investments in initial public offerings, secondaries and follow-on investments and block trades. Investments in initial public offerings involve greater risks than investments in stocks of companies that have traded publicly on an exchange for extended time periods. Investments in initial public offerings are less liquid and difficult to value, and there is significantly less information available about these companies' business models, quality of management, earnings growth potential, and other criteria used to evaluate their investment prospects. Block trades involve the sale or purchase of a significantly large number of equities or bonds being traded at an arranged price between two parties.

Initial Public Offerings

Investments in initial public offerings (or shortly thereafter) may involve higher risks than investments issued in secondary public offerings or purchases on a secondary market due to a variety of factors, including the limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the issuer and limited operating history of the issuer. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them. These factors may contribute to substantial price volatility for such securities and, thus, for the value of a Client Account.

Follow-On Offerings

Client Accounts may purchase shares in follow-on offerings. Follow-on offerings are additional capital raises pursued by a company after its initial public offering and may present additional risks to a Client Account. The issuance of additional shares by a company may have the effect of diluting the value of the company's earnings per share. Companies frequently pursue follow-on offerings to fund projects or inject cash into their business. The success of these projects may not be realized and a company in need of cash may not be able to raise sufficient funds to be profitable.

Block Trades

Client Accounts may purchase or sell securities in block trades, which are privately-negotiated transactions that meet certain quantity thresholds and are typically executed outside of the public market. Blocks are typically effected through intermediaries, such as an investment bank or broker-dealer. Buyers of blocks purchase securities from a broker-dealer, which may have purchased the securities from the seller or may be selling the securities on an agency or "best efforts" basis. Sellers of blocks typically include private equity sponsors, venture capitalists and other large stockholders. Because the price of securities traded as part of a block is fixed at the time it is offered, the risk that the market moves away from the fixed block price is magnified, including as a result of the offering of

the block. In addition, sellers of block trades may be privy to additional information about the issuer, due to their status as large holders, meaning a Client Account could be disadvantaged by information asymmetry in its purchase of blocks.

Each of these investment types may experience increased competition or limited investment opportunities, thus reducing the number and attractiveness of investment opportunities available to BHS and adversely affecting the terms upon which investments can be made. Accordingly, there can be no assurance that BHS will be able to identify sufficient investment opportunities in primary strategies or that it will be able to acquire sufficient investments in primary strategies on attractive terms.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of BHS or the integrity of BHS's management. BHS has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

BHS leases office space and benefits from other resources of Brookfield and its affiliates. BAM offers a range of public and private investment products and services that may provide BHS with a distinct competitive advantage in the markets where we operate.

BHS is an affiliate of PSG and has entered into a services agreement with PSG pursuant to which PSG and its affiliates provide operations, technology, finance, compliance, legal, human resources, fund accounting, marketing and other resources and services to BHS. BHS is controlled by BAM, and is under common control with PSG, an SEC registered investment adviser, that is also controlled by BAM.

The investment universe pursued by the PSG and BHS investment teams overlap with respect to certain asset classes and sectors, including infrastructure, energy and real estate. Where such overlap occurs, BHS and PSG may compete for limited and valuable opportunities, such as participations in initial public offerings or secondary market transactions. As BHS grows its advisory business, BHS anticipates that additional BHS strategies and sectors will overlap with PSG strategies and sectors, and this will have a greater impact on BHS's ability to act on behalf of Client Accounts to acquire a security in the equity markets, or in connection with an initial public offering (IPO) and/or secondary market transaction, and/or increase or decrease the price paid and/or received for a security in open market transactions. To seek to identify, disclose and/or address any potential conflict of interest and to otherwise comply with any applicable regulatory requirements, BHS has adopted and implemented compliance policies and procedures that it believes are appropriate based on its current business model and operations.

BHS has implemented a dual trading desk policy and procedures and related informational barrier to address potential conflicts and prevent the flow of material non-public information, and information related to buy, hold, sell and investment decisions related to

particular securities between PSG and BHS. Please review Item 11 for a more detailed description of the potential conflicts.

BHS is affiliated with:

- Brookfield Oaktree Wealth Solutions LLC, a U.S. registered broker-dealer
- Brookfield Private Advisors LLC, a U.S. registered broker-dealer
- Brookfield Investment Management (Canada) Inc., an exempt market dealer registered in each of the provinces and territories of Canada
- Sera Global Securities US LLC, a U.S. registered broker-dealer
- Sera Global Securities Canada LP, an investment dealer registered in certain of the provinces and territories of Canada
- Sera Global Securities UK LP

BHS is affiliated with the following investment advisory firms:

- Brookfield Asset Management Inc.
- Brookfield Asset Management Private Institutional Capital Adviser (BMG), LLC.
- Brookfield Asset Management Private Institutional Capital Adviser (Private Equity), LP
- Brookfield Asset Management Private Institutional Capital Advisers (Canada) LP
- Brookfield Asset Management Private Institutional Capital Advisers (Credit) LLC
- Brookfield Asset Management Private Institutional Capital Advisers US LLC
- Brookfield Asset Management Reinsurance Advisor LLC
- Oaktree Capital Management, L.P.
- Oaktree Fund Advisers, LLC
- Crystal Capital Advisers LLC
- Brookfield Public Securities Group (UK) Limited¹

BHS's arrangements with its affiliates may or may not be material to its advisory business at any particular time. BHS and its affiliates may refer clients and offer investment opportunities to each other. Brookfield Technology Service Group is another affiliate which provides technology support for BHS and its affiliates.

BHS has established a variety of policies and procedures, restrictions and disclosures designed to address potential conflicts of interests that may arise between BHS, its employees and affiliates. These policies and procedures include information barriers designed to prevent the flow of information between BHS, its employees and certain other affiliates and policies and procedures relating to trading, allocation and employee personal transactions. In addition, BHS's activities and operations are reviewed by its Conflicts

¹ Brookfield Public Securities Group (UK) Limited was previously registered with the UK's Financial Conduct Authority and is currently requesting advisor-related permissions from that agency.

Committee that reviews and considers conflicts of interest related to and/or involving BHS and its business and operations. Additional information about these potential conflicts of interests and the policies and procedures to address them are available in Items 11 and 12 in the Brochure.

Item 11 – Code of Ethics

All BHS's employees are subject to policies and procedures regarding confidential or proprietary information and personal trading. In addition, BHS has adopted both a Code of Business Conduct and Ethics Policy and a Personal Trading Policy (collectively "the "Code" or "Code of Ethics") that applies to all of its officers and employees as required by the Advisers Act and monitoring procedures relating to activities by BHS employees that BHS believes may involve potential conflicts between BHS employees and Client Accounts.

The Code specifies and prohibits certain types of personal securities transactions deemed to create a conflict of interest and establishes reporting requirements and preventive procedures pursuant to the provisions of Rule 204A-1 of the Advisers Act. Under the Code, all employees are prohibited from purchasing or selling, directly or indirectly, any security in which he or she has, or by reason of such transaction, acquired any direct or indirect beneficial ownership and which to his or her actual knowledge at the time of such purchase or sale, is being considered for purchase or sale by or for any client. All employees are also subject to BHS insider trading policies and procedures which prohibit employees from trading securities, either personally or on behalf of others, while in possession of material, nonpublic information regarding such securities. Employees are also prohibited from communicating material nonpublic information to others in violation of the law.

The Code includes certain personal trading restrictions and reporting requirements that apply to all BHS employees, regardless of title. All BHS employees are deemed to be "Access Persons". Access Persons generally include any employee, trustee, director, officer or advisory person of BHS or of any company in a control relationship to BHS or (ii) any employee trustee, director, officer or advisory person of BHS who, with respect to advisory clients, makes any recommendation, or participates in the determination of which recommendation shall be made, or whose principal function or duties relate to the determination of which recommendation shall be made to the advisory clients or who, in connection with his or her duties, obtains any information concerning securities recommendations being made by BHS to advisory clients or (iii) any employee trustee, director, officer or advisory person of BHS who has access to information regarding the portfolio holdings of any reportable fund.

A summary of the restrictions and reporting requirements on the personal investing activities of Access Persons is set forth below. Generally, Access Persons are prohibited from purchasing marketable securities at any time. Marketable securities include stocks; warrants; rights; options; and corporate bonds and debentures. Employees are permitted to transact in securities that are not marketable securities including government and municipal securities, foreign or domestic; short-term instruments, such as certificates of deposit, bankers acceptances, or bank CDs; purchases under DRIPS; open-end mutual funds (or the

equivalent) not managed or sub-advised by Brookfield, PSG and/or BHS; closed-end funds not managed or sub-advised by Brookfield, PSG and/or BHS; exchange-traded funds; non-equity options; foreign exchange securities; commodity futures; insurance products in which underlying investment options are open-end mutual funds, ETFs or a permissible security enumerated above; and 529 college savings plan in which the underlying investment options are open-end mutual funds, ETFs or a permissible security enumerated above.

An Access Person may not, directly or indirectly, dispose of (*i.e.*, sell) beneficial ownership of a marketable security except when such sale has been pre-cleared and approved by the Chief Compliance Officer or his designee.

Notwithstanding the above, Access Persons are permitted to enter into securities trades and are exempt from the pre-clearance obligations of the Code if they are (i) done in a blind trust; or (ii) done in accounts managed by a third-party financial advisor who has full discretion over investment decisions.

Transactions by Access Persons in Brookfield registered and private funds (“Brookfield Funds”) and the securities of Brookfield affiliated companies (“Affiliated Companies”) are permitted provided that all such trades in the securities of Brookfield Funds and Affiliated Companies do not occur during any applicable blackout period and are “pre-cleared” through the BHS Compliance Team. Access Persons are not permitted to, directly or indirectly through any person acting on his or her behalf, buy or sell Brookfield Funds or Affiliated Companies during a trading blackout period.

The Code also includes certain procedures relating to reporting and recordkeeping of personal securities transactions by Access Persons, including disclosure of personal holdings, quarterly reporting of transactions and annual certification of compliance with the Code. All employees also must submit an initial acknowledgment of receipt, compliance and understanding of the Code.

A copy of the Code is available to any client or prospective client upon request by contacting BHS’s Investor Relations Team at ir.bhs@brookfield.com.

Conflicts of Interest

In the course of our normal business, BHS and its affiliates and subsidiaries may encounter situations where BHS faces a conflict of interest or could be perceived to be in a conflict of interest situation. A conflict of interest occurs whenever the interests of BHS or its personnel diverge from those of a client or when BHS or its personnel have obligations to more than one party whose interests are different. BHS believes managing perceived conflicts is as important as managing actual conflicts. In order to enhance BHS’s ability to monitor both perceived and actual conflicts, BHS has established a Conflicts Committee that reviews and considers conflicts of interest related to and/or involving BHS and its business and operations.

Investments by BHS Personnel in Private Funds

BHS personnel, including portfolio managers of Private Funds, from time to time may choose to personally invest, directly and/or indirectly, in one or more of the Private Funds. Such BHS personnel may or may not be in possession of information relating to an applicable Private Fund that is not available to other investors and prospective investors. It is expected that, if such investments are made, the size and nature of these investments will change over time without notice to the other investors in the applicable Private Fund. Investments by BHS personnel in a Private Fund could incentivize portfolio managers of the Private Fund or other BHS employees to increase or decrease the risk profile of the Private Fund.

Allocation of Investment Opportunities

BHS may have potential conflicts in connection with the allocation of investments or transaction decisions for Client Accounts, including situations in which BHS and/or BHS employees may have interests in the investment being allocated and situations in which a BHS account and/or account in which BHS, its affiliates and/or employees invest ("Affiliated Client Account") may receive a certain percentage of the investments being allocated. BHS seeks to manage all Client Accounts and Affiliated Client Accounts in accordance with each account's investment objectives and guidelines, and pursuant to the applicable legal and regulatory requirements.

The advice provided by BHS to a Client Account or an Affiliated Client Account may compete or conflict with the advice provided to another Client Account or Affiliated Client Account or may involve a different timing or course of action taken than with respect to a Client Account or Affiliated Client Account. For example, a Client Account may be competing for investment opportunities with BHS and its Affiliated Client Accounts and other Client Accounts for certain limited investment opportunities.

BHS and its affiliates intend to allocate investment opportunities in a manner which they believe to be appropriate with respect to all the entities involved. Allocation decisions will be made in accordance with the allocation and other conflict management protocols and considerations established by BHS and its affiliates, as may be modified from time to time.

BHS will have no obligation to purchase or sell a security for, or enter into a transaction on or behalf of, or provide an investment opportunity to, any Client Account solely because BHS or its affiliate purchases or sells the same security for, enters into a transaction on behalf of, or provides an opportunity to, any other Client Account or Affiliated Client Account if, in BHS's reasonable opinion, such security, transaction or investment opportunity does not appear to be suitable, practicable or desirable for a particular Client Account.

Fees

BHS may receive greater fees or other compensation, including performance-based fees, from certain Client Accounts and its Affiliated Client Accounts, which may create an incentive for BHS to favor such accounts. Investments by BHS personnel into a Private Fund are occasionally structured so that a portion of the compensation earned by the portfolio

managers and certain other BHS employees is paid in the form of deferred compensation that may be invested into the Private Fund by BHS or an affiliate on behalf of such employees. Additionally, Affiliated Client Accounts may receive discounted or zero fees on accounts managed by BHS. To address these conflicts, BHS has adopted policies and procedures under which allocation decisions may not be influenced by certain fee arrangements and trades are allocated in a manner that BHS believes is consistent with its obligations as an investment adviser. Performance-based fees are described in detail in Item 6 of this document.

Confidential and Material, Non-Public Information Restrictions

BHS may acquire confidential or material, non-public information (“MNPI”) pertaining to an issuer or the issuer’s securities which may prevent or prohibit BHS from providing investment advice to Client Accounts and/or Affiliated Client Accounts with respect to such issuer or the issuer’s securities irrespective of a Client Account’s and/or Affiliated Client Account’s investment objectives or guidelines. Moreover, BHS may have ownership interests in issuers that may prevent BHS from purchasing securities or other instruments from such issuers in its Client Accounts or Affiliated Client Accounts. BHS has adopted appropriate policies and procedures to address potential issues related to MNPI, including the Code of Business Conduct and Ethics Policy, the Personal Trading Policy, and the Insider Trading Policy.

Short vs. Long Positions in the Same Security

BHS may buy or sell positions in certain Client Accounts or Affiliated Client Accounts. At the same time other Client Accounts and/or Affiliated Client Accounts may be undertaking the same or different strategy, which could disadvantage certain Client Accounts and/or Affiliated Client Accounts. For example, a Client Account may buy a security while BHS may establish a short position in that same security in other Client Accounts or Affiliated Client Accounts. Subsequent short sales may result in impairment of the price of the security which is owned or held by the Client Account. Conversely, a Client Account may establish a short position in a security and BHS may buy that same security in other Client Accounts or for Affiliated Client Accounts. Subsequent purchase(s) may result in an increase in the price of the underlying position in the short sale exposure of the Client Account. Lastly, given the multi-strategy, multi-manager platform, certain Client Accounts may establish long and short positions in the same security.

Conflicts may also arise because investment decisions regarding a Client Account may benefit BHS, other Client Accounts or Affiliated Client Accounts. For example, the sale of a long position or establishment of a short position by a Client Account may impair the price of the same security sold short by (and therefore benefit) BHS for other Client Accounts or Affiliated Client Accounts, and the purchase of a security or covering of a short position in a security by a Client Account may increase the price of the same security held by (and therefore benefit) BHS, other Client Accounts or Affiliated Client Accounts.

Additionally, please refer to the section Conflicts Relating to Acquisition of the Oaktree Entities by Brookfield regarding conflicts that may arise regarding short versus long positions held by affiliates of BHS.

Use of Expert Networks

BHS uses “expert networks.” Expert network is a term that is generally applied to a consulting firm that facilitates communications between their consulting clients and retained third-party professionals who possess particular business expertise and experience and agree to help the consulting clients better understand products, services, companies, business issues and industries. BHS expert networks may be used to obtain research and other information that may assist BHS in its investment decision-making process. One potential risk of using an expert network is that the retained expert may communicate material nonpublic information about a company in breach of a confidentiality agreement, another duty, or otherwise in violation of federal or state securities laws. Another potential risk of using an expert network is that the expert may communicate trade secrets or other proprietary or confidential information about a company in breach of a duty of confidentiality or loyalty, the use of which may violate state law. The retention and use of expert networks by BHS personnel is subject to expert network-related provisions of its Compliance Manual as well as other policies and procedures, such as those governing the prevention of illegal insider trading and other misuses of material nonpublic information. These controls are reasonably designed to minimize the chance that retained experts communicate material nonpublic information to BHS. The controls are also reasonably designed to prevent any material nonpublic information that may be inadvertently communicated by retained experts from being incorporated into BHS’s investment decision-making process.

Principal Transactions

BHS may, from time to time, engage in principal securities transactions where it purchases or sells securities between a Client Account and an Affiliated Client Account. In connection with a principal transaction, BHS and its affiliates have a potentially conflicting division of loyalties and responsibilities regarding the applicable Client Account and the other parties to the trade. Execution of principal securities transactions are subject to the applicable client and regulatory requirements. In addition, BHS has developed policies and procedures in relation to such transactions and conflicts.

Cross Transactions

BHS may, from time to time, engage in a cross transaction between two Client Accounts, subject to any regulatory requirements and/or interpretations and/or client restrictions. A cross trade is generally defined as pre-arranged transaction between two or more different funds or accounts, each of which is managed by the same adviser. For example, one Client Account managed by BHS has cash and needs to be invested in a particular security. Whereas, another Client Account managed by BHS has redemptions to meet and/or other need(s) for cash which requires the selling of a security. In certain circumstances and subject to

applicable client and regulatory requirements, BHS may cross the purchase and transaction between the Client Accounts internally and not through a market transaction. If BHS decides to engage in a cross trade, BHS will determine that the trade is in the best interest of both of the Client Accounts involved and take steps to ensure that the transaction is consistent with the duty to obtain best execution for each of those Client Accounts. BHS has policies and procedures to address cross transactions between Client Accounts.

Serve as General Partner and/or Managing Member Conflicts

BHS may have other affiliated persons that serve as general partners in limited partnerships (“Partnerships”) and/or managing members in limited liability companies (“LLCs”). These general partners or managing members may provide additional services to the Partnerships and LLCs, and in certain circumstances may be deemed to be a controlling party of such entities and serve as investment adviser and provide investment advisory and other services. The services provided by such affiliated persons as general partner or managing member may pose and/or create conflicts of interest, which would be addressed in accordance with BHS policies and procedures as described above.

Outside Business Activities

BHS personnel may engage in certain outside business activities that may conflict with its performance of services to its Client Accounts and Affiliated Clients. BHS has implemented policies, procedures and controls to mitigate any potential conflict of interest that may arise between BHS, its personnel, Client Accounts and Affiliated Clients. In addition, Outside Business Activities (“OBAs”) must be approved by BHS’s Chief Compliance Officer and those OBAs that appear or may be considered a conflict are reviewed by the BHS/PSG Conflicts Committee in its review of BHS related matters.

Personal Relationships

BHS personnel may have family members or close relationships that may be employed in the securities industry that could potentially create a conflict of interest. BHS has implemented controls to mitigate any potential conflict of interest that may arise between BHS, its personnel, Client Accounts and Affiliated Client Accounts. Additionally, noted personal relationships may be reviewed by the BHS/PSG Conflicts Committee in its review of BHS related matters.

Board Positions and Affiliations

BHS personnel or their family members may serve on the board of directors of publicly traded companies. BHS has implemented controls, policies and procedures to identify, address, and/or disclose, as appropriate, any potential conflict of interest that may arise between BHS, its personnel, Client Accounts and Affiliated Client Accounts.

Investments in Publicly Traded Affiliates

BHS seeks to avoid investing in the publicly traded securities of companies known to be affiliated with its parent company, BAM, or related Oaktree Entities. However, BHS may, from time to time, purchase or sell publicly traded securities of issuers known to be affiliated with BAM or related Oaktree Entities. Although BHS permits the sale of the securities of BAM affiliates, there could be situations where BHS would be prohibited from selling those securities or required to relinquish any short-term profits. Moreover, there may situations whereby BAM or an affiliate may take a company private or purchase a substantial interest in a company owned by BHS. In those situations, the BHS investments and BHS Compliance Team would monitor and consider the potential impact of continuing to own the securities of the company from a fiduciary and regulatory perspective. Although the general rules noted above would typically apply, each investment situation would need to be independently reviewed and considered with a focus on (i) actions proposed to be taken or taken by BAM, (ii) BHS investment levels in the company (current and proposed), and (iii) any particular regulatory requirements that may apply.

BHS operates independently of PSG, BAM and the Oaktree Entities and in particular, communication regarding any material, non-public information between and/or among PSG, BHS, BAM and the Oaktree Entities related to securities or their issuers is restricted pursuant to the terms and operation of the Information Barrier and/or the PSG/BHS Dual Trading Policy. See the Conflicts Relating to Acquisition of the Oaktree Entities by Brookfield for more information regarding the Information Barrier. The Information Barrier is overseen by the compliance teams of each of BAM, PSG, BHS and the Oaktree Entities.

Valuation Services

BHS, while not expected to be the primary valuation agent of Client Accounts, expects to perform certain fair valuation and related services related to securities and assets in Client Accounts. BHS, through its Valuation Committee which provides oversight of BHS's valuation related services in accordance with its valuation policies and procedures and related methodologies to value securities and other assets based on market values, when available, and based on fair valuations for securities that do not have market values or available market values may not represent the "actual" market value of a security due to events that occurred after a market close or other event. BHS may face a conflict with respect to such valuations as they may affect BHS's compensation. In addition, to the extent BHS utilizes a third-party vendor to perform certain valuation functions, these vendors may have interests and incentives that differ from those of the Client Accounts. BHS has adopted controls and policies and procedures related to the valuation and pricing of securities and other assets owned by Client Accounts and Affiliated Client Accounts.

Dual Trading Desk Policy and Procedures and Informational Barrier between PSG and BHS

As noted in Item 10, certain PSG non-investment personnel provide certain operations, technology, finance, compliance and legal, fund accounting, marketing and other resources and related services to BHS. The investment universe pursued by the PSG and BHS investment teams overlap in certain sub-asset classes within the broader real asset class and investment universes, including those related to infrastructure, real estate and energy

infrastructure generally and in relation to participation in initial public offerings. To address potential conflicts related to the overlap in the investable universes between PSG and BHS, the firms have implemented the “PSG-BHS Dual Trading Desk Informational Barrier” (defined below) between the respective portfolio management and trading teams (individually and collectively, the “Trading Division(s)”).

- The PSG Trading Divisions are separately located in each of Chicago, IL (for the Real Estate Equities, the Infrastructure Equities, the Real Asset Debt Team and the Real Asset Solutions Teams) and Houston, TX (for the Energy Infrastructure Team).
- The BHS Trading Division is separately located in New York, NY.

While the securities in each of the PSG Trading Divisions’ strategies will be traded across the PSG Trading Divisions in each of Chicago and Houston, and the securities in each of the BHS strategies will be traded across the BHS Trading Division in New York, certain securities may be simultaneously and independently traded within different strategies by multiple trading desks (and Trading Divisions). To address potential conflicts of interest and prevent the flow of MNPI and information related to a particular Trading Division’s buy, sell, hold, recommendations or decisions on a per security issuer level (“BSHI”), PSG and BHS have established informational barriers and procedures that seek to prohibit the PSG Trading Division(s) from communicating or distributing any MNPI and/or BSHI related to any securities traded by the PSG Trading Divisions to any BHS investment and/or trading personnel and vice versa (the “PSG-BHS Dual Trading Desk Informational Barrier”).

The PSG-BHS Dual Trading Desk Informational Barrier is premised on maintaining (i) separate office locations, (ii) separate investment and trading personnel, (iii) technology barriers between the PSG and the BHS Trading Divisions so that the investment and trading personnel from one Trading Division (e.g., the PSG Trading Division(s)) may not see and/or access MPNI and/or BSHI related to securities invested in and/or traded by the other Trading Division (e.g., the BHS Trading Division), (iv) training of all PSG and BHS personnel regarding the requirements and limitations of the PSG and BHS Dual Trading Desk Informational Barrier, and (v) general investment and trading monitoring and oversight by the PSG and BHS Compliance Teams with limited “wall crosses” between the Trading Divisions chaperoned by the PSG Compliance Team. Although both (i) the PSG Trading Division(s) and the BHS Trading Division operate on the same investment and trading platforms and systems (e.g., EZE and Geneva), the ability of one Trading Division to see any trading, BSHI and/or holdings data of another Trading Division is restricted based on user roles and portfolio groups with the result that a particular Trading Division may only see its own trading, BSHI and/or holdings data. These technological information barriers are intended to prevent the flow of MNPI and BSHI between the two groups and will permit the two separate Trading Divisions to independently participate in IPOs and secondary offerings separate and apart from one another, among other investment and trading related activities. As noted above, there is no overlap of investment and trading personnel between the PSG Trading Divisions and the BHS Trading Division, and vice versa. However, certain non-investment and trading personnel involved in providing certain back office support services

(e.g., fund accounting, corporate accounting, and operations) as well as other noninvestment and/or trading related services such as legal, compliance, human resources, sales and marketing, etc. are being, and may in the future continue to be provided to BHS by employees of PSG and vice versa.

The two Trading Divisions do and will continue to establish and maintain separate “soft dollar” programs and no soft dollar services will be shared between and/or among the BHS Trading Division and the PSG Trading Division(s), except research that is provided at no additional cost. In addition, no trade aggregation and/or allocation will take place between the PSG Trading Division(s) and the BHS Trading Division or vice versa. Likewise, no individual security pricing will be negotiated between and/or among the Trading Divisions. The BHS Trade and Vendor Management Oversight Working Group and PSG Trade Management Oversight Working Group (and Soft Dollar sub-working group) will serve as the “umbrella” trading practices committee and will take appropriate steps to ensure that no one Trading Division or the funds and/or other investment clients of the related investment teams and Trading Desks is and/or are being systematically disfavored by the separation of the PSG and the BHS Trading Desks. Overall, the PSG and BHS Compliance Teams, in partnership with the BHS and PSG Legal Teams, will oversee the requirements and limitations of the PSG-BHS Dual Trading Desk Information Barrier.

Conflicts Relating to Acquisition of the Oaktree Entities by Brookfield

On September 30, 2019, as noted in Item 4, BAM completed the acquisition of approximately 61.2% of the business of OCG, an indirect controlling parent of Oaktree, which together with certain related transactions resulted in Brookfield owning a majority economic interest in the Oaktree Entities business. Post closing, the Oaktree Entities, Brookfield, PSG and BHS continue to operate their respective investment businesses largely independently, with each operating under its current brand and led by its existing management and investment teams pursuant to the Information Barrier.

There is (and in the future will continue to be) overlap in investment strategies and investments pursued by the Oaktree Entities, Brookfield, PSG and BHS. Nevertheless, BHS generally does not expect to coordinate or consult with Brookfield, PSG or the Oaktree Entities with respect to investment activities and/or decisions made by each entity. While this absence of coordination and consultation regarding investment activities and/or decisions, and the information barrier described above, will in some respects serve to mitigate conflicts of interests between BHS, PSG, the Oaktree Entities and Brookfield, these same factors also will give rise to certain conflicts and risks in connection with BHS’s, PSG’s, Brookfield’s and the Oaktree Entities’ investment activities, and make it more difficult to mitigate, ameliorate or avoid such situations. For example, because each of BHS, PSG, Brookfield and the Oaktree Entities are generally not expected to coordinate or consult with the other about its investment activities and/or decisions, and none of BHS, PSG, Brookfield nor the Oaktree Entities are expected to be subject to any internal approvals over its investment activities and decisions by any person who would have knowledge and/or decision-making control of the investment decisions of the one of others, it is expected that BHS will pursue investment for BHS Client Accounts which are suitable for BHS Client

Accounts and PSG, Brookfield and the Oaktree Entities will pursue investment opportunities for PSG, Brookfield and Oaktree Entities Accounts which are suitable for BHS Client Accounts, but which are not made available to such BHS Client Accounts. BHS, PSG, Brookfield and the Oaktree Entities accounts may also compete for the same investment opportunities. Such competition may adversely impact the purchase price of investments. PSG, Brookfield and the Oaktree Entities will have no obligation to, and generally will not, share investment opportunities that may be suitable for the BHS Client Accounts, and BHS and BHS Client Accounts will have no rights with respect to any such opportunities. In addition, PSG, Brookfield and the Oaktree Entities will not be restricted from forming or establishing new PSG, Brookfield and Oaktree Entities Accounts, such as additional funds or successor funds, some of which may directly compete with BHS Client Accounts for investment opportunities. Any such PSG, Brookfield or Oaktree Entities Private Fund or other PSG, Brookfield or Oaktree Entities Account will be permitted to make investments of the type that are suitable for BHS Client Accounts without the consent of BHS or such BHS Client Accounts. BHS Client Accounts and PSG, Brookfield or Oaktree Entities Accounts may purchase or sell an investment from each other subject to regulatory requirements. BHS, PSG, Brookfield and/or Oaktree Entities Accounts will seek to ensure that any such transaction is executed on an arm's length basis and subject to approvals, if any that may be required from a regulatory or other perspective. In addition, from time to time PSG, Brookfield or Oaktree Entities Accounts are expected to hold an interest in an investment (or potential investment), or subsequently purchase (or sell) an interest in an investment. In such situations, PSG, Brookfield and Oaktree Entities Accounts could benefit from Oaktree accounts' activities. Conversely, BHS Client Accounts could be adversely impacted by PSG's, Brookfield's or Oaktree Entities activities. In addition, as a result of different investment objectives and views, it is expected that PSG, Brookfield and the Oaktree Entities will manage certain of its funds' interests in a way that is different from BHS Client Accounts (including, for example, by investing in different portions of an issuer's capital structure, short selling securities, voting securities in a different manner, and/or selling its interests at different times than BHS Client Accounts), which could adversely impact BHS Client Accounts' interests. PSG, Brookfield and the Oaktree Entities are also expected to take positions, give advice and provide recommendations that are different, and potentially contrary to those which are taken by, given to or provided to BHS Client Accounts, and hold interests that potentially are adverse to those of BHS Client Accounts. BHS Client Accounts and any such PSG, Brookfield or Oaktree Entities Account will have divergent interests, including the possibility that the interest of such BHS Client Account is subordinated to or otherwise adversely affected by virtue of such PSG, Brookfield or Oaktree Entities Account's involvement and actions related to the applicable investment, which could adversely impact the BHS Client Account's interests.

In addition, from time to time, Brookfield, PSG, BHS and/or Oaktree, and/or affiliates thereof, may enter into arms-length contractual and other arrangements to provide advisory, distribution and other services to one another, including (i) advisory and sub-advisory services related to mutual funds, closed-end funds and private funds and (ii) distribution and private placement agent arrangements related to interests in non-traded real estate investment trusts (Non-Traded REITs) and private funds advised by Brookfield, PSG, BHS and/or Oaktree. All of these advisory, distribution and related services would be provided

in accordance with applicable regulatory requirements and the informational policies and procedures that are in place between and among the various entities, including the Information Barrier, the PSG and BHS Dual Trading Desk Informational Barrier and any other information or comparable barrier that may be established from time to time, as well as all applicable policies and procedures of each entity.

Brookfield, PSG, BHS, and Oaktree are likely to be deemed to be affiliates for purposes of certain laws and regulations, notwithstanding their operational independence and information barrier(s). As such, BHS, PSG, Brookfield and the Oaktree Entities likely will need to aggregate certain investment holdings for certain securities law purposes (including securities law reporting, short-swing transactions and time or volume restrictions under Rule 144) and other regulatory purposes (including (i) public utility companies and public utility holding companies; (ii) bank holding companies; (iii) owners of broadcast licenses, airlines, railroads, water carriers and trucking concerns; (iv) casinos and gaming businesses; and (v) public service companies (such as those providing gas, electric or telephone services)). Consequently, PSG's, Brookfield's and the Oaktree Entities activities could result in earlier disclosure of certain of BHS Client Accounts' investments and restrictions on transactions by such BHS Client Account, affect the prices of such BHS Client Account's investments or the ability of such BHS Client Account to dispose of its investments, subject such BHS Client Account to penalties or other regulatory remedy (including disgorgement of profits), or otherwise create conflicts of interests for such BHS Client Account. In conducting any of the activities described herein, PSG, Brookfield and the Oaktree Entities will be acting for their own accounts or on behalf of PSG, Brookfield or Oaktree Entities Accounts and act in its or their own interest, without regard to the interests of BHS Client Accounts.

In addition, BHS may restrict, limit or reduce the amount of a Client Account's investment, or restrict the type of governance or voting rights it acquires or exercises, where Client Accounts (potentially together with Brookfield or Oaktree Entities accounts) exceed a certain ownership interest, or possess certain degrees of voting or control or have other interests. For example, such limitations may exist if a position or transaction could require a filing or a license or other regulatory or corporate consent, which could, among other things, result in additional costs and disclosure obligations for, or impose regulatory restrictions on, PSG, Brookfield, the Oaktree Entities, including BHS and/or any Client Accounts, or where exceeding a threshold is prohibited or may result in regulatory or other restrictions. In certain cases, restrictions and limitations may be applied to avoid approaching such threshold. Circumstances in which such restrictions or limitations may arise include, without limitation: (i) a prohibition against owning more than a certain percentage of an issuer's securities; (ii) a "poison pill" that could have a dilutive impact on the holdings of the Client Accounts should a threshold be exceeded; (iii) provisions that would cause BHS, PSG, Brookfield or the Oaktree Entities to be considered an "interested stockholder" of an issuer; (iv) provisions that may cause BHS, PSG, Brookfield or the Oaktree Entities to be considered an "affiliate" or "control person" of the issuer; and (v) the imposition by an issuer (through charter amendment, contract or otherwise) or governmental, regulatory or self-regulatory organization (through law, rule, regulation, interpretation or other guidance) of other restrictions or limitations.

The potential conflicts of interest described herein may be magnified as a result of the lack of information sharing and coordination between BHS, PSG, Brookfield and the Oaktree Entities. BHS Client Accounts' investment teams are not expected to be aware of, and will not have the ability to manage, such conflicts. This will be the case even if they are aware of PSG's, Brookfield's and the Oaktree Entities investment activities through public information.

PSG, Brookfield, the Oaktree Entities and BHS may decide at any time, and without notice to its clients, to remove or modify the information barrier between BHS, PSG, Brookfield and the Oaktree Entities. In the event that the information barrier is removed or modified, it would be expected that BHS, PSG, Brookfield and the Oaktree Entities will adopt certain protocols designed to address potential conflicts and other considerations relating to the management of their investment activities in a different framework.

Breaches (including inadvertent breaches) of the Information Barrier and related internal controls by PSG, Brookfield and/or Oaktree could result in significant consequences to BHS (and PSG, Brookfield and the Oaktree Entities) as well as have a significant adverse impact on BHS Client Accounts, including (among others) potential regulatory investigations and claims for securities laws violations in connection with BHS Client Accounts' investment activities. These events could have adverse effects on BHS's reputation, result in the imposition of regulatory or financial sanctions, negatively impact BHS's ability to provide investment management services to BHS Client Accounts, and result in negative financial impact to such BHS Client Account's investments.

PSG, Brookfield and the Oaktree Entities will not have any obligation or other duty to make available for the benefit of BHS Client Accounts any information regarding the activities, strategies or views of PSG, Brookfield or Oaktree Entities accounts. Furthermore, to the extent that the Information Barrier is removed or otherwise ineffective and BHS has the ability to access analysis, models and/or information developed by PSG, Brookfield and the Oaktree Entities and their personnel, BHS will not be under any obligation or other duty to access such information or effect transactions on behalf of BHS Client Accounts in accordance with such analysis and models, and in fact may be restricted by securities laws from doing so. BHS Client Accounts may make investment decisions that differ from those they would have made if BHS had pursued such information, which may be disadvantageous to such BHS Client Account.

PSG, Brookfield, the Oaktree Entities or an affiliate thereof may be retained by BHS to provide a variety of different noninvestment management services to BHS and/or BHS Client Account that would otherwise be provided by an independent third-party. Such persons may provide such services at different rates than those charged to BHS and/or any BHS Client Account or its affiliates than it will charge to the PSG, Brookfield or Oaktree Entities funds. While BHS will determine in good faith what rates and expenses it believes are acceptable for the services being provided to BHS and/or any BHS Client Account, there can be no assurances that the rates and expenses charged to BHS and/or any BHS Client Account will not be greater than those that would be charged in alternative circumstances. In addition, BHS may be retained by PSG, Brookfield, the Oaktree Entities or a portfolio company thereof to perform services that it also provides to BHS and/or any BHS Client Account. The rates

charged by BHS for such services to PSG, Brookfield and the Oaktree Entities are expected to be different than those charged to any BHS Client Account, and the rates charged to PSG, Brookfield or the Oaktree Entities may be less than the rates charged to such BHS Client Account.

These conflicts disclosures do not purport to be a complete list or explanation of all actual or potential conflicts that may arise as a result of the Oaktree Entities acquisition by Brookfield, and additional conflicts not yet known by Brookfield, the Oaktree Entities or BHS may arise in the future and that conflicts will not necessarily be resolved in favor of BHS's Client Accounts' interests. Because of the extensive scope of each of PSG's, Brookfield's and Oaktree Entities' activities and the complexities involved in combining certain aspects of existing businesses, the BHS policies and procedures to identify and resolve such conflicts of interest will continue to be developed over time.

Item 12 – Brokerage Practices

As noted above, BHS expects to provide advisory services to various types of Client Accounts and investors.

INVESTMENT, BROKERAGE AND TRADE ALLOCATION GUIDELINES

BHS has adopted investment, brokerage and trading allocation guidelines that set out standards that portfolio managers, traders and other personnel involved in the purchase and sale of securities on behalf of clients must follow when:

- Determining which Client Account(s) will participate in an investment opportunity;
- Seeking best execution for client transactions;
- Using client commissions to acquire brokerage and research services that are provided by broker-dealers (*i.e.*, entering into “soft dollar arrangements”);
- Aggregating client orders and allocating securities and other instruments among clients that participate in aggregated orders; and

A working group composed of personnel with responsibilities in the operations, trading, of investment, fund accounting and compliance functions or trading (“Trade and Vendor Management Oversight Working Group”) oversees the implementation and monitoring of these investment, brokerage and trading allocation guidelines.

BEST EXECUTION

BHS will employ broker-dealers to effect portfolio transactions. Unless a client specifically requests otherwise and in accordance with a client's investment guidelines, BHS intends to retain authority without obtaining specific client consent to determine: (i) what securities are to be bought or sold; (ii) amount of securities to be bought or sold; (iii) the broker or dealer to be used; and (iv) the commission to be paid. BHS will seek best execution for client transactions.

In evaluating the best execution of client transactions, BHS will consider the full range and quality of a broker's services, taking into account all relevant factors. Although it is not possible to create a definitive list of factors to guide this determination, BHS may consider some or all of the following:

- Price of security;
- Competitiveness of commission rate;
- Execution capability, including execution speed and reliability;
- Trading expertise and knowledge of the other side of the trade;
- Financial responsibility;
- Responsiveness;
- Reputation and integrity;
- Capital commitment;
- Value of research or brokerage services or products provided;
- Access to underwritten and secondary market offerings;
- Confidentiality;
- Reliability in keeping records;
- Fairness in resolving disputes;
- Market depth and available liquidity;
- Recent order flow;
- Timing and size of an order; and
- Current market conditions.

In selecting broker-dealers to execute client transactions, BHS will bear in mind that no factor is necessarily determinative and that seeking to obtain best execution for all client trades must take precedence over all other considerations.

ALLOCATION AND AGGREGATION

The overriding principle governing BHS's allocation process with respect to securities is the fair and equitable treatment of all clients that receive an allocation of securities or transaction proceeds. Where a portfolio manager is managing accounts with similar investment objectives and strategies, the portfolio manager will endeavor to allocate investment opportunities to all such accounts pro rata based on either, depending on the investment strategy, (i) the current equity of each Client Account or (ii) current demand after giving effect to any cumulative over/under allocation in previous deals and provided that such shares results in a marketable parcel or round-lot. Some client orders may not be filled due to the specific client's risk tolerance, available cash, investment objectives, restrictions or strategy. When orders are not entirely filled, allocations are made either, depending on the investment strategy, (i) pari passu based on orders received from the portfolio managers or (ii) on tradeable lot size or (iii) or on a rotating basis factoring in past allocations. BHS may, in the future, perform investment management services for various clients. BHS may, in its sole discretion, aggregate purchases or sales of any security, instrument or obligation effected for Client Accounts with purchases or sales, as the case may be, of the same security, instrument or obligation effected on the same day for the accounts of one or more of BHS's

other clients, including Client Affiliate Accounts. Although such concurrent aggregations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they will be effected only when BHS believes that to do so will be in the best interest of the affected accounts. When transactions are so aggregated, (a) the actual prices applicable to the aggregated transaction will be averaged, and each Client Account participating in the aggregated transaction will be deemed to have purchased or sold its share of the security, instrument or obligation involved at that average price, and (b) all transaction costs incurred in effecting the aggregated transaction shall be shared on a pro rata basis among all accounts participating in such aggregated transaction, except to the extent that certain broker-dealers that also furnish custody services may impose minimum transaction charges applicable to some of the participating accounts. When such concurrent aggregations occur, the objective will be to allocate the executions in a manner that is deemed equitable to the accounts involved. Aggregated orders may include transactions for accounts for Client Accounts in which BHS's principals or employees are among the investors.

INITIAL PUBLIC AND SECONDARY OFFERING ALLOCATIONS

Certain Client Accounts may participate in initial public and secondary offerings. When allocating shares in an IPO or secondary offering, BHS may allocate a different percentage or amount of shares for Client Accounts, depending on each Client Account's strategy, investment objectives, aggressiveness, risk tolerance and available cash for investment. BHS's parent company, BAM, will indirectly participate in IPOs through its interest in Private Funds and accounts managed by BHS. All else being equal, BHS generally expects to allocate IPO and secondary offering shares pro rata among all participating Client Accounts managed in the investment strategy. However, BHS may also take into account client specific factors, including, but not limited to, the appropriateness of the IPO or the secondary offering in light of a specific client's risk tolerance, available cash, investment objectives, restrictions and strategy. Certain Client Accounts may be excluded from participations or allocations of shares in initial public or secondary offerings based on their investment guidelines or regulatory status (i.e., client is not a qualified institutional buyer or other regulatory requirement). Consequently, some Client Accounts may (i) be allocated more or less IPOs and secondary offering shares than others depending upon the circumstances or the Client Accounts strategy; or (ii) not participate in one, multiple, or any IPO or secondary offering transaction. BHS generally determines the allocation of IPOs and secondary offering shares, including with respect to which of its investment teams are eligible to participate in a given IPO and secondary offering, before the public offering occurs unless circumstances require a post offering allocation or adjustment.

SOFT DOLLAR PRACTICES

Soft dollars involve the use of client commissions to obtain brokerage and research products and services for Client Accounts. Such products and services include eligible research and brokerage services clarified by the Interpretive Release issued by the SEC on July 18, 2006 and other applicable regulatory guidance and interpretations. Eligible research services

include items which reflect substantive content (i.e., the expression of reasoning or knowledge). In exchange for soft dollars, brokers may provide their own brokerage and research services and products or pay for third-party brokerage and research services and products.

BHS has entered into an agreement with Westminster Research Associates LLC (“Westminster”), a FINRA registered broker-dealer and subsidiary of Cowen Inc. (“Cowen”), under which Westminster has agreed to make available, either directly or facilitate the provision from a third-party broker-dealer or other vendor, certain eligible brokerage and research services. From time-to-time, BHS will place orders with broker-dealers with whom Westminster has a relationship, on behalf of Client Accounts managed by BHS on a discretionary basis. To the extent accepted, the orders will be executed for a negotiated commission and based on the commission rate agreed between BHS and the executing broker, Westminster will credit a portion of agency commissions on securities transactions (or compensation from qualifying riskless principal equity transactions) earned by Westminster to be used for the provision of eligible brokerage and research services to BHS from those broker-dealers (including Cowen) and other broker-dealers and vendors.

BHS may cause a Client Account to pay more than the lowest available commission rate in exchange for soft dollar products and services. Further, BHS uses items obtained with soft dollars to service all Client Accounts and does not seek to allocate such items to Client Accounts proportionately to the amount of brokerage transactions effected in a Client Account.

BHS may use soft dollars to pay for software, hardware which is incidental to the provision of investment management services, data feeds from securities exchanges, tracking data settlements, quotation services, computer services and software used to effect securities transactions and perform functions with respect to transaction execution, and other eligible research and brokerage services.

Certain items that BHS obtains with soft dollars also have an administrative or other function that benefits BHS. These are commonly referred to as “mixed use” items. Whenever BHS decides to use products or services that benefit both BHS and Client Accounts, BHS will make a good faith effort to determine the relative proportion of such products or services which may be attributed to eligible research and brokerage. The portion attributable to eligible research or brokerage services may be paid through client brokerage commissions and the ineligible portion will be directly paid by BHS. BHS has a conflict of interest in determining this allocation since it has an incentive to designate a small amount of the cost as administrative in order to minimize the portion that BHS must pay directly. BHS keeps adequate records as it pertains to the allocation of mixed-use items and makes such allocations in accordance with BHS’s overall fiduciary responsibilities.

The amount of soft dollar items received depends on the amount of brokerage transactions effected with a broker. If the brokers did not provide soft dollar items, BHS would have to pay for these products and services. BHS has an incentive to select or recommend a broker based on its interest in receiving the research or other products or services, rather than on

its clients' interest in receiving most favorable execution. For example, BHS has an incentive to: (i) because Client Accounts to pay a higher commission than BHS might otherwise be able to negotiate, (ii) cause Client Accounts to engage in more securities transactions than would otherwise be optimal, and (iii) only recommend brokers that provide soft dollar benefits.

In addition to the soft dollar arrangements described above, BHS may place transactions with certain brokers and receive benefits from such brokers, without cost or at a discount to BHS, computer software and related systems support. BHS may receive the software and related systems support at no cost because BHS renders investment management services to Client Accounts that maintain assets with those certain brokers. In fulfilling its duties to its clients, BHS endeavors at all times to put the interests of its clients first. BHS's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence BHS's choice of one broker-dealer over another broker-dealer that does not furnish similar software, systems support or services. Unlike the soft dollar arrangements described above, these benefits do not depend directly on the amount of brokerage transactions that BHS directs to the broker.

In connection with BHS's alpha capture strategy, the Flagship Multi-Strategy Fund compensates the sell-side and research firms that generate trade ideas through soft dollars. These payments include a minimum payment amount each quarter which is contingent on that firm providing an agreed-upon minimum number of trade ideas in that quarter as well as an additional payment based on the quality of the ideas and research provided by that firm relative to the other firms that are contributing ideas.

BHS has adopted policies and procedures to guide BHS's use of soft dollars. BHS acts in accordance with its duty to seek best execution and will not continue any arrangements if BHS determines that such arrangements are no longer in the best interest of BHS Client Accounts. Further, BHS analyzes its use of client brokerage commissions annually to determine whether its use of soft dollar falls within the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934. Upon request, additional information will be made available to any client regarding brokerage arrangements, including "soft dollar" arrangements.

TRADE ERROR POLICY

Consistent with BHS's fiduciary duties, contractual obligations and applicable law, BHS has a responsibility to effect investment decisions correctly, promptly and in the interests of its clients and to verify that placed orders are correct and properly executed. Although BHS strives to assure proper execution of investment decisions, errors may occur in the trading process. Consequently, BHS has adopted a policy with respect to the identification, escalation and resolution of trade errors (the "Trade Error Policy"). The Trade Error Policy seeks to assure that appropriate care is taken in implementing investment decisions on behalf of Client Accounts, any potential trade errors are identified and reported promptly, and each identified error is corrected on a timely basis. Pursuant to the Trade Error Policy, BHS will address and resolve trade errors on a case by-case basis, based on each trade error's

facts and circumstances, including the standard of care set forth in the applicable Client Account's governing documents.

ANTI-MONEY LAUNDERING

BHS' anti-money laundering ("AML") Compliance Program is designed to actively prevent money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities by complying with applicable requirements under the Bank Secrecy Act ("BSA"), as amended by the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, and its implementing regulations, and the FinCEN's "Customer Due Diligence Requirements for Financial Institutions". BHS implements controls proper to U.S. Executive Orders (e.g. E.O. 13959, E.O. 14032) and sanctions regarding the evolving Russia/Ukraine situation. BHS also adheres to Financial Transactions and Reports Analysis Centre of Canada, Ontario Securities Commission, and Canadian Securities Administrators "Monthly Suppression of Terrorism and Canadian Sanctions Report", and other global sanctions and regulatory requirements as appropriate.

BHS has contracted with SS&C Technologies, Inc. and SS&C Cayman (collectively "SS&C") to provide Fund Administration services which includes AML due diligence for all prospective investors, including but not limited to: Know Your Customer, Customer Identification Program, and Beneficial Ownership. SS&C will retain documents obtained to validate the identity of prospective investors and update said documents periodically. BHS and SS&C have implemented a risk based approach to AML for clients, including but not limited to, sanctions screening.

BHS has assigned its Chief Compliance Officer as its Money Laundering Compliance Officer.

BHS conducts AML training for new employees shortly after hire and annually for all BHS employees.

Item 13 – Review of Accounts

BHS expects to periodically review its Client Accounts (i) daily through the actions of the BHS Risk Management Team and their associates, and (ii) periodically in preparation for meetings with clients. The portfolio managers or analysts will review each of their accounts on a continuous basis and will be responsible for selecting investments in accordance with each client's investment objectives, strategies, guidelines and restrictions. Each investment team will meet with the Chief Investment Officer, Head of Risk and other supervisory personnel periodically to review their portfolios and compliance with applicable investment and risk guidelines. Reviews typically encompass comprehensive evaluations of performance, positions in the portfolio, strategies, styles and overall investment approach. Account trading is monitored daily and periodically by compliance personnel. The review may relate to the entire portfolio, specific portions of the portfolio, or specific transactions or investments. Triggering factors will include changes in market conditions or investment objectives or other arrangements with the client.

The nature and frequency of reports to clients are expected to be predicated on the requirements of each client and will be determined in accordance with the specific needs of, and arrangements made with, each client. BHS urges all clients to carefully review their account statements and compare them to the custodial records provided to them by the broker-dealer, bank or other qualified custodian. Client Account statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 14 – Client Referrals and Other Compensation

BHS may participate in request for proposals (“RFPs”) issued by certain third-party, unaffiliated consultants to conduct the search for an investment manager. If BHS responds to the RFP and is awarded the mandate from the prospect, BHS may, in certain limited circumstances, pay a portion of its performance fee or other revenues to the third-party consultant hired by the prospect. The portion of the fee paid to the third-party consultant is disclosed to the prospect.

In the ordinary course of business, BHS may send corporate gifts or pay for meals and entertainment such as reasonable golfing and tickets to sporting and cultural events for individuals at firms that do business with BHS or its affiliates, where permitted. BHS’s employees also may be the recipients of reasonable corporate gifts, meals and entertainment. The giving and receipt of gifts and other benefits are subject to limitations under the Code of Ethics and the Gift and Entertainment Policy.

If a client is introduced to BHS by either an unaffiliated or an affiliated solicitor, BHS may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 under the Advisers Act and any corresponding state securities law requirements. In the future, BHS also may pay fees to consultants for their advice and services, prospect introductions and industry information and data. If a particular payment constitutes in BHS’s judgment, a client solicitation arrangement under Rule 206(4)-3 under the Advisers Act, BHS will comply with the rule.

On December 22, 2020, the SEC adopted amendments to Rule 206(4)-1 under the Advisers Act that, among other changes, will replace Rule 206(4)-3 upon the November 4, 2022 compliance date. On or before the compliance date, BHS will implement policies and procedures to the extent necessary to ensure that the solicitation activities described above will conform to the requirements of amended Rule 206(4)-1 (the “Marketing Rule”).

Employees of BHS and certain of its Affiliates (typically those in sales and related positions) may be compensated at the discretion of senior management of BHS or the applicable Affiliate for successful efforts in bringing in new accounts. Senior management of BHS or the applicable Affiliate determines the amount of compensation, taking into account the particular efforts of the employee involved in bringing in the particular account.

Item 15 – Custody

All Private Funds and other Client Accounts for which BHS serves as investment adviser will employ independent qualified custodians, as appropriate, to hold the assets of the Private Fund or Client Account. However, BHS may, in some circumstances, be deemed to have “custody” (as defined in Rule 206(4)-2 under the Advisers Act (the “Rule”)) of client securities and funds, even though it does not actually maintain possession of client assets. For instance, BHS and its Affiliates may be deemed to have custody of client funds or securities due to its role as general partner of a partnership or managing member of a limited liability company. With regard to Private Funds for which BHS is deemed to have custody, BHS will ensure that annual audited financial statements are provided to investors in accordance with the Rule.

Item 16 – Investment Discretion

BHS expects to receive discretionary authority from the client at the outset of an advisory relationship over all investment related decisions, including without limitation, the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The financial institutions to be utilized.

In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular Client Account.

When selecting securities and determining amounts for Separate Accounts, BHS will observe the investment policies, limitations and restrictions of the clients for which it advises.

BHS may, in the future, maintain and provide advisory services to certain non-discretionary portfolios.

Investment guidelines and restrictions must be provided to BHS in writing.

Item 17 – Voting Client Securities

It is the policy and practice of BHS and its Affiliates to vote proxies consistent with its fiduciary duty, the Proxy Voting Policy and Procedures, and the best interests of its clients, in compliance with Rule 206(4)-6 under the Advisers Act. In most, if not all cases, the best interest of clients will mean that the proposals which maximize the value of portfolio securities will be approved. While economic benefit is of primary concern when voting proxies, BHS expects to recognize the increasing role of Environmental, Social, and Governance (“ESG”) issues in maximizing long term shareholder value. BHS may consider ESG issues, including, but not limited to: Gender Equality, Board Diversity, Ecology and Sustainability, Climate Change, Product Safety, Weapons and Military Sales, Human Rights,

Data Security, Privacy, and Animal Welfare, as appropriate. Proxy voting related to ESG issues is governed by the ISS Proxy Voting Guidelines, as discussed below.

BHS has engaged Institutional Shareholder Services Inc. (“ISS”) to act as agent for BHS to vote proxies. BHS has adopted ISS’ Proxy Voting Guidelines. BHS believes that having an independent third party’s framework and analysis help to ensure that all proxy voting decisions are made in the best interests of BHS’s clients after consideration internally by BHS. Unless otherwise specifically provided in the agreement between the client and BHS, ISS will generally be responsible for evaluating and voting on proposals subject to the oversight of BHS’s Proxy Voting Working Group. As appropriate, BHS investment personnel may vote contrary to any ISS recommendation.

BHS’ proxy voting and related activities is subject to the oversight of the BHS/PSG Proxy Voting Working Group that is responsible for overseeing BHS’s review, controls and voting of proxies, among other actions in accordance with BHS’s Proxy Voting Policies and Procedures, due diligence and oversight of ISS, and related activities. The Proxy Voting Working Group meets periodically to address any exceptions and reviews the services of ISS’s actions, including ISS’ Proxy Voting Guidelines, and consider updates to BHS’s Proxy Voting Policy and Procedures. BHS through its relationship with PSG conducts vendor due diligence on ISS (as well as other vendors), including consideration and review of any conflicts of interest related to ISS, and/or ISS’ activities or services. To the extent a conflict is identified, BHS will establish and implement measures reasonably designed to address such conflict, such as by requiring ISS to update BHS of changes to ISS’ conflict policies and procedures or any business changes BHS considers relevant.

As a fiduciary to its clients, BHS’s general policy is to request that ISS cast proxy votes in favor of management proposals and shareholder proposals that we anticipate will enhance the long-term value of the securities being voted in a manner that is consistent with the client’s investment objectives. ISS may also take into account certain proxy voting research and recommendations related to environmental, social, and governance characteristics. However, ISS considers such research and recommendations among many factors it deems relevant to making proxy voting decisions to enhance the long-term value of the securities being voted.

BHS’s Proxy Policies and Procedures, and ISS’ Proxy Voting Guidelines are subject to change as necessary to remain current with applicable rules and regulations and BHS’s internal procedures. BHS’s Proxy Voting Policies and Procedures, and ISS’s Proxy Voting Guidelines are available upon request by contacting BHS Investor Relations at ir.bhs@brookfield.com.

Sometimes securities held in Client Accounts will be the subject of class action lawsuits. BHS and its affiliates actively seek out any open and eligible class action lawsuits for Client Accounts. To this end, BHS has retained a third-party service provider to review class action lawsuits, determine a Client Account’s eligibility, file claim forms and other required

documentation, monitor progress and ultimate resolution of class actions, and ensure receipt of class action proceeds and payment to applicable Client Accounts. BHS monitors the performance of this service provider and receives regular reporting regarding class actions.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about BHS's financial condition. BHS has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

APPENDIX A

PRIVACY NOTICE

FACTS	WHAT DOES BROOKFIELD BHS ADVISORS LLC (“BHS”) DO WITH YOUR PERSONAL INFORMATION?
<u>WHY?</u>	Financial companies choose how they share your personal information. U.S. federal law gives consumers the right to limit some but not all sharing. U.S. federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
<u>WHAT?</u>	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> • Social Security number and income • Account balances and wire transfer instructions • Account numbers, transactions and assets • When you are no longer our customer, we continue to share your information as described in this notice.
<u>HOW?</u>	All financial companies need to share customers’ personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers’ personal information; the reasons BHS chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does BHS share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus ²	Yes	No
For our marketing purposes— to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We don’t share
For our affiliates’ everyday business purposes— information about your transactions and experiences	No	We don’t share
For our affiliates’ everyday business purposes— information about your creditworthiness	No	We don’t share
For our affiliates to market to you	Yes	No
For nonaffiliates to market to you	No	We don’t share

² Certain registered representatives (“Registered Representatives”) of Brookfield Oaktree Wealth Solutions LLC, a FINRA member, are also registered with FINRA on behalf, and under the supervision, of Quasar Distributors (“Quasar”), also a FINRA member, for purposes of marketing and distribution of certain Brookfield-sponsored mutual funds, and Independent Brokerage Solutions, LLC (“IndieBrokers”), also a FINRA member, for purposes of marketing and distribution of a non-traded real estate investment trust (REIT). In order to facilitate Quasar’s and IndieBroker’s supervision of the Registered Representatives’ activities that are conducted through Quasar and/or IndieBroker, Brookfield makes available to Quasar and IndieBrokers such representatives’ e-mail communications for the limited purpose of conducting supervisory reviews, subject to appropriate confidentiality arrangements.

<u>QUESTIONS?</u>	Contact Brian T. Hourihan at (212) 549-8497 or via email at brian.hourihan@brookfield.com .
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<u>Who we are</u>	
Who is providing this notice?	The BHS affiliated entities set forth below
<u>What we do</u>	
How does BHS protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does BHS collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> • open an account or provide account information • give us your contact information or enter into an investment advisory contract • make a wire transfer
Why can't I limit all sharing?	<p>U.S. federal law gives you the right to limit only</p> <ul style="list-style-type: none"> • sharing for affiliates' everyday business purposes—information about your creditworthiness • affiliates from using your information to market to you • sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>

<u>Definitions</u>	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <p>Our affiliates include the following entities:</p> <ul style="list-style-type: none"> • Brookfield Private Advisors LLC • Brookfield Oaktree Wealth Solutions • Sera Global Securities US LLC • Sera Global Securities Canada LP • Sera Global Securities UK LP • Quasar Distributors, LLC/Foreside Fund Services, LLC • Brookfield Investment Management (Canada) Inc. • Brookfield Asset Management Inc. • Brookfield Asset Management Private Institutional Capital Adviser BMG, LLC • Brookfield Asset Management Private Institutional Capital Adviser (Private Equity), LP • Brookfield Asset Management Private Institutional Capital Advisers Canada, LP • Brookfield Asset Management Private Institutional Capital Advisers (Credit), LLC • Brookfield Asset Management Private Institutional Capital Advisers

	<p>US, LLC</p> <ul style="list-style-type: none"> • Brookfield Asset Management Reinsurance Advisor LLC • Brookfield Public Securities Group (UK) Ltd. • Crystal Capital Advisers, LLC • Oaktree Capital Management, L.P. • Oaktree Fund Advisers, LLC
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <p>Nonaffiliates we share with can include fund administrators, custodians, brokers, dealers, counterparties, auditors, and legal advisors.</p>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <p>BHS does not jointly market.</p>

Other important information

Who we are cont'd...

Who is providing this notice?	BROOKFIELD BHS ADVISORS LLC
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