

**INVESTMENT ADVISER BROCHURE
PART 2A OF FORM ADV**

BERNHARD CAPITAL PARTNERS MANAGEMENT, LP

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March 29, 2023

This Investment Adviser Brochure (“**Brochure**”) provides information about the qualifications and business practices of Bernhard Capital Partners Management, LP (the “**Management Company**” or “**BCP**”). If you have any questions about the contents of this Brochure, please contact us at (225) 228-2500. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state authority.

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

Additional information regarding the Management Company is also available on the SEC’s website at www.adviserinfo.sec.gov.

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Material Changes

Bernhard Capital Partners Management, LP (the “**Management Company**” or “**BCP**”) filed its last Brochure on March 29, 2022. This annual amendment updates the description of business practices of BCP and its affiliates and supplements existing disclosures relating to BCP’s practices and related potential conflicts of interest under “Fees and Compensation,” “Method of Analysis, Investment Strategies and Risk of Loss,” “Other Financial Industry Activities and Affiliations” and various other non-material changes.

Advisory Business

BCP, a Delaware limited partnership and a registered investment adviser, and its affiliated investment advisers provide investment advisory services to investment funds privately offered to qualified investors in the United States and elsewhere. BCP commenced operations in March 2013.

BCP’s clients are private investment funds (each, a “**Fund**”). The general partner entities (each, a “General Partner,” and collectively, together with any future affiliated general partner entities, the “**General Partners**,” and together with BCP and their affiliated entities “**Bernhard Capital**”) of the Funds are affiliated with the Management Company (each, an “**Adviser**,” and together with the Management Company, the “**Advisers**”).

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

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

BCP’s advisory services for each Fund are detailed in the applicable private placement memorandum or other offering documents (each, a “**Memorandum**”), limited partnership or other operating agreements or governing documents (each, a “**Partnership Agreement**,” and together with any relevant Memorandum, the “**Governing Documents**”) and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” Investors in Funds (generally referred to herein as “investors” or “limited partners”) participate in the overall investment program for the applicable Fund, but may be excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the relevant Governing Documents. Such arrangements generally do not and will not create an adviser-client relationship between BCP and any investor. The Funds or the General Partners generally enter into side letters or other similar agreements (“**Side Letters**”) with certain investors that have the effect of

establishing rights (including economic or other terms) under, or altering or supplementing the terms of, the relevant Governing Documents with respect to such investors.

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

As of December 31, 2022, BCP managed approximately \$ 3,431,505,745 in client assets on a discretionary basis. The Management Company is controlled by J.M. Bernhard, Jr.

Fees and Compensation

In general, BCP receives a management fee and a carried interest in connection with advisory services. BCP or other Bernhard Capital entities or affiliates receive additional compensation in connection with management and other services performed for portfolio companies of the Funds and such additional compensation will offset in whole or in part the management fees otherwise payable to BCP. Investors in a Fund also bear certain expenses.

Management Fees

During the investment period, a Fund will pay the General Partner an annual management fee (the "**Management Fee**"), payable quarterly in advance, based on a percentage of aggregate investor capital commitments ("**Commitments**"), as described in the relevant Governing Documents. The Management Fee will be payable until proceeds from all portfolio investments are distributed or until BCP's relationship with the Funds is terminated for other reasons (as further described in the relevant Governing Documents). Installments of the Management Fee payable for any period other than a full three-month period are adjusted on *pro rata* basis according to the actual number of days in such period. As a general matter, Management Fees will be payable during term extensions unless otherwise agreed with investors.

Certain Funds' Management Fees will be calculated and charged on a basis that generally is not tied to the Fund's then-current net asset value. As further specified in the Governing Documents, from the effective date of the relevant Fund until a date specified in the Governing Documents (generally representing the earlier of (i) the end of the Fund's defined investment period, (ii) the date the relevant General Partner (or an affiliate thereof) first begins receiving or accruing management fees from another Fund meeting certain criteria and (iii) subject to the criteria set forth in the Governing Documents, following the date certain key persons of the relevant Fund cease to be active in such Fund's affairs (such earlier date, the "**Stepdown Date**")). Management Fees generally will be charged based on a percentage of the amount of the relevant Fund's aggregate Commitments. After the Stepdown Date, Management Fees generally will be charged and calculated based on a percentage of the amount of investment contributions made by the relevant Fund that have not been disposed of or permanently written down. Additionally, where there has been a partial distribution, partial write-down or partial sale of an investment and the fair market value of the remaining portion of such investment following such event exceeds the total amount of investment contributions relating to such investment, the Governing Documents do not require Management Fees after the Stepdown Date to be reduced.

As a result, the amount of Management Fees generally will not correspond with fluctuations in the Fund's net asset value, including following the investment period, and will not be reduced in connection with any write-downs (whether temporary or permanent), except in the case of investments permanently written down. Except where the Governing Documents expressly provide to the contrary, Management Fees will not be reduced (in whole or in part) in the case of partial distributions or partial sales of investments.

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

The Governing Documents set forth the full list of terms under which Management Fees will be reduced, offset or otherwise be limited, and consequently investors should expect to bear the full specified Management Fee rate in the Governing Documents until they are reduced in the circumstances and on the date(s) specified therein.

In addition, the Management Fee will be reduced by 100% of a Fund's share of any (i) directors' fees, financial consulting fees or advisory fees paid to the General Partner with respect to any Fund investment; (ii) transaction fees paid to the General Partner with respect to any Fund investment; and (iii) breakup fees (net of unreimbursed Fund expenses) with respect to Fund transactions not completed that are paid to the General Partner; but not including, in any event, any compensation or reimbursement paid to any person (x) in connection with certain services performed by third-party operators and/or consultants or any other person operating in a similar capacity, including in certain instances, the Management Company's operating partners, or (y) related to consulting, advising or similar services in connection with the operations of a portfolio company, which services would otherwise be provided by other persons to the portfolio company, at rates not to exceed market rates. To the extent that such an offset credit would reduce the Management Fee for a given quarter period below zero, the credit will be carried forward for future

application against payable Management Fees; and if a credit remains upon liquidation a payment will be made crediting limited partners unless a limited partner has elected to waive such amount (e.g., where an adverse tax consequence may result).

Additionally, as further described below and in the applicable Governing Documents of each Fund, it is the Adviser's practice to retain certain third-party consultants, and in certain instances Management Company operating partners, who provide services to (or with respect to) certain portfolio companies in which one or more Funds invest. Such operating partners receive compensation, including but not limited to transaction fees and other items detailed herein, and such compensation will not result in additional offsets to the Management Fee.

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

Carried Interest

The General Partner will receive a carried interest with respect to the Funds equal to a percentage of all realized profits subject to a preferred return, as more fully described in the Governing Documents. The carried interest distributed to the General Partner is subject to a potential clawback or giveback at the end of life of the Funds if the General Partner has received excess cumulative distributions and possibly at certain interim intervals as provided in the Governing Documents.

Other Information

Except as otherwise agreed, the General Partner and limited partners who are affiliates, employees or other designees of the General Partner (such persons, "**affiliated partners**") may not be subject to carried interest or the Management Fee, such as the BCP Energy Services Executive Fund, LP and BCP or its personnel, or other investors meeting certain qualification requirements based on commitment size. The General Partner also may exempt certain investors in Funds from payment of all or a portion of Management Fees and/or carried interest, including BCP and any other person designated by the General Partner. The General Partner reserves the right to make any such exemption from fees and/or carried interest by a direct exemption, a rebate by the General Partner and/or its affiliates, or through other Funds which co-invest with a Fund.

For example, in instances where a BCP professional (or an affiliated entity thereof) invests in a Fund, such professional (or such affiliated entity) may be exempt from payment of the Management Fee and carried interest with respect to such Fund. Additionally, to the extent permitted by the Governing Documents, certain Advisers have the right to permit investors, affiliated with an Adviser or otherwise, to co-invest without bearing management fees or carried interest. BCP retains flexibility to structure its compensation from investors and expects in certain circumstances to agree to invoice an investor directly for Management Fees or other compensation, rather than deducting such amounts from the investor's capital account(s).

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

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

The General Partner will pay all ordinary administrative and overhead expenses incurred in connection with maintaining and operating its office(s), including employees' salaries, rent, utilities, etc.

In addition to the Management Fee and carried interest payable to BCP, each Fund bears certain expenses. As set forth more fully in the applicable Governing Documents, such Fund bears all other costs and expenses of such Fund that are not reimbursed by portfolio companies (which reimbursements may be for travel (including, where appropriate, the chartering of private aircraft) and any other out-of-pocket expenses incurred in connection with the making, structuring, organizing, acquiring, managing, monitoring, operating, holding, winding up, liquidating, dissolving and/or disposing of such portfolio company investments, including follow-on investments and refinancings), including legal, auditing, consulting, financing, accounting, administration, information services, software licenses and custodian, depositary, transfer, registration and other similar fees and expenses; expenses associated with the Funds' financial statements, tax returns, Schedule K-1 or any other administrative, regulatory or other Fund-related reporting or filing obligations; regulatory related fees and expenses (including fees and expenses related to the preparation and filing of Form PF); out-of-pocket expenses, break up or topping fees or other liabilities or obligations, incurred in connection with transactions not consummated ("**Broken-Deal Expenses**"), including Broken-Deal Expenses relating to transactions that have been offered to certain co-investors; expenses of the advisory board and annual meetings of the limited partners and any other meeting with any limited partner(s); insurance (including directors and officers insurance); other expenses associated with the acquisition, holding and disposition of its investments, including extraordinary expenses (such as litigation, if any); costs of past or anticipated Fund restructurings or secondary transactions; and any taxes, fees or other governmental charges levied against a Fund. As a general matter, Broken-Deal Expenses and other expenses relating to the diligence or evaluation of a prospective investment are allocated among investors within a Fund regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment. The Funds also bear expenses indirectly to the extent a portfolio company (or intermediate entity)

pays expenses, including expenses of BCP and its Operating Partners, the General Partner and/or their affiliates. Generally included in the expenses permitted to be borne by a Fund are the fees, costs, expenses, liabilities and obligations of legal counsel, consultants and/or other service providers to procure, develop, establish, review, revise, customize, upgrade and/or negotiate relationships relating to the foregoing items, which generally are expected to be significant. In certain cases, these or similar expenses (and/or supplemental fees) are expected to be charged to portfolio companies, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio company. To the extent holding or intermediate entities include one or more special purpose acquisition companies (“SPACs”), the relevant Fund(s) will bear the costs of organizing and offering such SPACs as well as the amount and dilutive effect of any founders’ equity or similar interests issued thereby that are not held directly or indirectly by the Fund, and except where prohibited by the Governing Documents, such interests are permitted to be issued to BCP and its personnel.

Each Fund also generally will bear the costs of implementing, reporting (as applicable), monitoring and complying with investment guidelines and directives relating to the Fund’s strategy, including in Side Letters relating thereto, and (where applicable) environmental, social, governance and other standards to which the relevant General Partner has committed in making investments on behalf of the Fund. Additionally, subject to the Governing Documents, a Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests. As is typical for private equity funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds, and there can be no assurance that the benefits to investors will be commensurate with such expenses. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in “Brokerage Practices.”

The Funds may include alternative investment vehicles established from time to time in order to permit one or more investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the related Fund.

In certain circumstances, one Fund is expected to pay an expense or obligation common to multiple Funds and/or co-investors (including, without limitation, legal expenses for a transaction in which all such Funds and/or co-investors participate, or other fees or expenses in connection with services the benefit of which are received by other Funds and/or co-investors over time), and be reimbursed by the other Funds for their share of such expenses or obligations, without interest. To the extent the paying Fund makes use of a credit facility to pay such expense, it generally will not be reimbursed separately by other Funds for use of the facility. While BCP believes such circumstances to be highly unlikely, it is possible that one of the other Funds could default on its obligation to reimburse the paying Fund. In certain circumstances, BCP, the relevant General Partner or an affiliate thereof is expected to advance amounts related to the foregoing and receive reimbursement from the Funds to which such expenses relate.

As described above, in certain circumstances, the relevant General Partner is expected to permit certain investors to co-invest in portfolio companies alongside one or more Funds, subject to BCP's related policies and practices and the relevant Governing Documents and/or Side Letter(s). Where a co-investment vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the General Partner, ultimately is not consummated, all Broken-Deal Expenses relating to such proposed transaction will be borne by the Funds, and not by any potential co-investors, that were to have participated in such transaction. To the extent that such co-investors have already invested in a co-investment or other vehicle in connection with such transaction, such vehicle is expected to bear its share of such Broken-Deal Expenses where permitted by such vehicle's Governing Documents. The Adviser's practice of allocating Broken-Deal Expenses among investing Funds is discussed under "Conflicts of Interest," below. To the extent the Fund makes use of a credit facility to invest in a portfolio company or pay related expenses, it generally will not be reimbursed separately by co-investors for use of the facility.

The Adviser and/or its affiliates generally have discretion over whether to charge transaction fees, monitoring fees or other compensation to a portfolio company and, if so, the rate, timing and/or amount of such compensation. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of such compensation generally will give rise to potential conflicts of interest between the Funds, on the one hand, and the Adviser and/or its affiliates, on the other hand.

In the event that BCP proposes to structure an investment using a blocker corporation or other intermediate entity, all costs, expenses and reduction in proceeds attributable to such blocker corporation or other intermediate entity, including, without limitation, those related to the structuring, formation, operation and liquidation of, and all taxes incurred in connection with, related to or imposed on, a blocker corporation or other intermediate entity will be borne solely by the limited partners investing through such intermediate entity.

Operating Partners

Additionally, as further described herein and in the Governing Documents of each Fund, it is Bernhard Capital's practice to retain certain operating partners (including entities formed for the benefit of such persons and/or to facilitate the provision of their services) to provide services to (or with respect to) one or more Funds or certain current or prospective portfolio companies in which one or more Funds invest. Such operating partners generally may provide services in relation to the identification, acquisition, holding, improvement and disposition of portfolio companies, including operational aspects of such companies. In certain circumstances, these services may also include serving in management or policy-making positions for portfolio companies. Operating partners receive compensation, including but not limited to cash fees, retainers, discretionary bonuses (whether or not based on predetermined milestones), transaction fees, a profits, participation or equity interest in a portfolio company or holding company, incentive equity and stock awards, profits or equity interests in one or more Funds or General Partners, remuneration from BCP and/or its Funds or affiliates, guaranteed minimums or other

compensation, the amount of which typically are determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of such operating partners, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts believed to be charged by other providers for comparable services and/or a percentage of cash flows from such company. Compensation in the form of profits or equity interests in a portfolio company or intermediate holding company generally has a dilutive impact on the Fund's investment, and has the potential to result in economic effects greater than the original amount of compensation, and the relevant Fund typically will bear the costs of all operating partner compensation as well as the fees, costs and expense of structuring operating partner arrangements. Operating partners also generally will be reimbursed for certain travel and other costs in connection with their services. As described above, no such compensation or reimbursements will offset or reduce the Management Fee.

Performance-Based Fees and Side-by-Side Management

As described under "Fees and Compensation," the relevant General Partner generally receives a carried interest allocation on certain realized profits in the Funds. BCP does not advise Funds not subject to a carried interest, although it generally has the authority to waive carried interest with respect to certain affiliated partners as described under "Fees and Compensation."

The existence of performance-based compensation has the potential to create an incentive for the General Partner to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although BCP generally considers performance-based compensation to better align its interests with those of its investors, particularly in instances where the Governing Documents include terms requiring giveback of performance-based compensation amounts at the end of the relevant Fund's life or at certain interim intervals.

Additionally, to the extent that BCP has Funds with varying carried interest terms (including amount, timing, waterfall conditions or other terms) and/or BCP personnel are assigned varying percentages of carried interest from the Funds, BCP and such personnel are subject to potential conflicts of interest in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage.

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

Types of Clients

BCP provides investment advice primarily to its Fund clients, and references throughout this Brochure to "clients" and to BCP's related duties to and practices on behalf of its clients and/or investors should be construed accordingly. The Funds may include investment partnerships or other investment entities formed under U.S. or non-U.S. laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The investors participating in the Funds from time to time include individuals; banks or thrift institutions; other investment entities;

pension and profit-sharing plans; trusts, estates, university endowments or charitable organizations or other corporations or business entities; and may include, directly or indirectly, principals or other employees of BCP and its affiliates and members of their families, operating partners or other service providers retained by BCP; as well as executives of portfolio companies.

The Funds generally have a minimum investment amount for third-party investors. Generally, investors must be “accredited investors” as defined under Regulation D of the Securities Act of 1933, and may also be required to be either “qualified purchasers” or “knowledgeable employees” as defined under the Investment Company Act. The General Partner is permitted to waive such minimum investment amounts and qualification requirements. BCP is permitted to enter into engagements to provide transaction advisory services to non-Fund clients.

Methods of Analysis, Investment Strategies and Risk of Loss

General

BCP is a private investment firm that seeks to primarily invest in businesses that provide critical services to the industrial, power, and infrastructure markets. BCP investment advisory services consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for investments. Investments are predominantly in non-public companies although investments in public companies are permitted. The following is a summary of the investment strategies and methods of analysis generally employed by BCP on behalf of the Funds. There can be no assurance that BCP will achieve the investment objectives of any Funds and a loss of investment is possible.

Investment and Operating Strategy

BCP intends to harness the extensive relationship network, industry knowledge, operationally minded value creation skills and transaction expertise of its investment team with the goal of generating attractive investment returns. The Firm has experience using a formal and prudent process for executing upon a stated investment strategy. BCP’s investment process will seek to involve a disciplined and systematic approach to committing and harvesting capital that is categorized in the following five steps:

- Active transaction sourcing
- Rigorous and disciplined due diligence and investment underwriting
- Thoughtful deal structuring
- Persistent and rational value creation processes
- Efficient execution of exit strategies

Active Transaction Sourcing

BCP is committed to actively sourcing proprietary investment opportunities outside competitive sales processes. Transaction origination is expected to be the deep industry knowledge and extensive industry relationships maintained by the BCP investment team. Capitalizing on the BCP investment team’s extensive involvement in the industrial, power, and infrastructure sectors, BCP intends to build on its team’s existing relationships with global oil & gas firms, midstream

energy service providers, international engineering & construction firms, specialized equipment manufacturers & suppliers, U.S. utilities & independent power producers, project developers and governmental agencies to strategically address their capital needs and service requirements. BCP intends to maintain an ongoing dialogue with these organizations to understand their objectives and identify underlying market fundamentals to support the development of unique and proprietary investment opportunities.

In all cases, BCP strives to source transactions that offer significant opportunities for it to apply its unique operational expertise within industrial, power, and infrastructure services to promote growth, mitigate downside risk and generally influence the trajectory of each investment.

A core component of BCP's active sourcing strategy will be to utilize both "top-down" and "bottom-up" sourcing tactics. BCP draws upon its deep and broad network of industry, capital markets and regulatory contacts to develop a sector thesis and utilizes this direction to target specific companies with the most favorable market and competitive characteristics. With the specific asset and investment thesis in hand, significant effort and resources are then dedicated to (i) evaluate the market and competitive dynamics to test the investment thesis and ultimately test its validity and (ii) determine how BCP can adapt the original thesis to better position the potential investment for success.

Rigorous and Disciplined Due Diligence and Investment Underwriting

BCP will conduct due diligence and ultimately underwrite its investments utilizing the approach the investment team has collectively developed through its members' prior experiences. The team will leverage their collective experiences to promote a culture of collaboration and constructive scrutiny when evaluating potential investment decisions. The due diligence effort for each potential transaction will be conducted by a dedicated deal team with regular input from and communication with BCP's investment committee (the "**Investment Committee**"). Each deal team is expected to include a full complement of BCP investment professionals who, in most cases, will further retain outside experts.

The Investment Committee, utilizing its unique market knowledge, will initially screen each investment opportunity. Those opportunities that pass the initial screen will then be subjected to a comprehensive due diligence process that begins by leveraging BCP's primary industry experience. The full evaluation process is performed in stages to ensure efficient allocation of time and resources only to those opportunities able to withstand increasing levels of scrutiny.

A comprehensive due diligence plan is the cornerstone of the BCP investment evaluation process. A thorough and staged review of both common and tailored diligence topics is performed on each potential investment opportunity that passes the Investment Committee's initial screen. The due diligence effort focuses on the key value drivers for each investment. The determination of these key drivers of value is rooted in BCP's primary operating experience in the same sectors in which the Funds invest and its access to other sector experts. BCP believes this provides for more insightful, detailed and efficient evaluation.

Prior to signing any acquisition-related, financing-related or other document that commits the firm's capital or resources, each opportunity is presented to the Investment Committee for final

review and vote. In this discussion, the deal team will present all aspects of the transaction including their relevant diligence findings, the proposed business plan and capital structure, and results of management partner evaluations, among others, as well as the projected base-, downside- and upside-case investment return scenarios.

Thoughtful Deal Structuring

Each opportunity will be structured with specific focus on risk mitigation and flexibility. Risk mitigation will minimize downside risk in the event an investment faces unforeseen obstacles. Flexibility will promote growth and provide adaptability in the execution of the business plan. In general, the deal team, with counsel from the Investment Committee, will focus on four key areas when structuring an investment: management alignment and incentives; debt terms and conditions; governance; and minimization of tax and liability exposure.

Persistent and Rational Value-Creation Processes

BCP attempts to unlock value through use of its service company operational expertise, industry knowledge and relationships. In addition to the investment team's internal expertise, BCP has a broad network of experienced industry professionals, many of whom will provide valuable insight and investment support throughout a Fund's lifecycle. These individuals bring a wealth of experience and insight in both analyzing complex opportunities prior to acquisition and adding value post-acquisition through their industry expertise. Their involvement may range from assistance in sourcing proprietary investment opportunities, to business evaluation and technical due diligence to service as an active member of the board of a portfolio company, among other activities. BCP believes its unique industry network further differentiates its ability to successfully grow and manage industrial, power, and infrastructure service companies.

Prior to completing an acquisition, BCP will develop a plan seeking to utilize all relevant tools to create value at the acquired company. In general, the plan for value creation will focus on a number of specific areas, including:

- Establishing a regular financial and operating performance reporting cadence
- Leveraging BCP's unique insight to improve operational productivity
- Developing strategy to expand and diversify operations across multiple services and infrastructure verticals
- Augmentation of management team and other staff, as necessary
- Facilitating access to relevant client and partner relationships
- Optimizing financing size, terms and conditions, and interest rate exposure
- Optimizing contractual relationships
- Providing access to additional capital, if appropriate
- Developing standards and monitoring ESG-specific metrics
- Reducing and actively managing commodity price risk over time, as applicable

Exit Strategies

BCP understands that a successful investment process can only be realized through a timely, efficient and thoughtful exit strategy. Monetization flexibility is a core tenant of BCP's

investment mindset and the firm strives to maintain optionality in this regard. BCP plans to consistently utilize its market insight and that of its network to evaluate strategies to most profitably exit its investments depending upon current market conditions. BCP expects to rely primarily on four approaches to achieve its targeted returns:

- Strategic mergers and sales
- Sales to financial sponsors
- Public market sales
- Recapitalizations

Risks of Investment

Each Fund and its investors bear the risk of loss that BCP's investment strategy entails. Although the following risk factors are generally applicable to BCP's Funds, investors should also refer to a Fund's Memorandum for risk factors specific to their Fund. The risks involved with BCP's investment strategy and an investment in a Fund include, but are not limited to:

Business Risks. A Fund's investment portfolio will, in certain cases, consist of securities issued by privately held companies that face a variety of operational, financial, or strategic challenges, and operating results in a specified period could be difficult to predict. Such investments often involve a high degree of business and financial risk, which can result in substantial losses. Indeed, investments in companies facing such challenges often involve a higher degree of risk than other investments.

Future and Past Performance. While the General Partner intends for a Fund to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

Valuation of Assets. There is not expected to be an actively traded market for most of the securities owned by a Fund. When estimating fair value, the General Partner will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold. The exercise of discretion in valuation by the General Partner may give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of management fees. There can be no assurance that the valuation decision of a General Partner with respect to an investment will represent the value realized by the relevant Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation.

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

Concentration of Investments. A Fund will participate in a limited number of investments and intends to make most of its investments in one industry or one industry segment or within a short period of time. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect its aggregate return. Moreover, since all of a Fund's investments cannot reasonably be expected to perform well or even return capital, for the Fund to achieve above-average returns, one or a few of its investments must perform very well. There can be no assurance that this will be the case. In addition, subject to the terms of the Governing Documents, limited partners have no assurance as to the degree of diversification of a Fund's portfolio investments, either by geographic region, asset type or domain. Furthermore, to the extent that the capital raised is less than the targeted amount, a Fund could choose to invest in fewer portfolio companies and thus be less diversified. To the extent a Fund concentrates investments in a particular issuer, industry, security or geographic region, its investments will become more susceptible to fluctuations in value resulting from adverse economic and business conditions with respect thereto. Furthermore, if a Fund co-invests with other private equity funds, a limited partner may have exposure to portfolio investments through more than one fund. In circumstances where the General Partner intends to refinance all or a portion of the capital invested in a transaction, there will be a risk that such refinancing may not be completed, which could lead to increased risk as a result of the Fund having an unintended long-term investment as to a portion of the amount invested and/or reduced diversification.

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

Lack of Sufficient Investment Opportunities. It is possible that a Fund will never be fully invested if enough sufficiently attractive investments are not identified and/or consummated. The business of identifying, structuring and completing private equity transactions is highly competitive, involves a high degree of uncertainty and is subject in some cases to the prevailing capital market, regulatory or political environment. A Fund will encounter competition from other entities having similar investment objectives. Potential competitors include other investment partnerships and corporations; governments; individuals; financial institutions; family offices; strategic industry acquirers and other financial investors, including hedge funds, investing directly or through affiliates. Further, over the past several years, an ever-increasing number of private equity funds have been or are being formed (and many existing funds have grown in size). Additional funds with similar investment objectives may be formed in the future by other unrelated parties. Some of these competitors may have more relevant experience, greater financial resources, a greater willingness to take on risk and more personnel than the General Partner, the Funds and their affiliates. The availability of investments generally will be subject to market conditions, including perceptions of the Fund's ability to consummate transactions. Moreover, there can be no assurance that a Fund will be able to locate, complete and exit investments which satisfy the Fund's investment objectives, or realize upon their values, or that it will be able to invest fully its committed capital. However, limited partners will be required to bear management fees through

such Fund during the commitment period based on the entire amount of limited partners' commitments to the Funds. To the extent that a Fund encounters competition for investments, returns to limited partners may decrease, including as a result of higher pricing, foregoing opportunities or negotiating fewer transactional protections in order to remain competitive. Additionally, a Fund may incur bid, due diligence, negotiating, consulting or other costs of investments which may not be successful. As a result, such Fund may not recover all of its costs, which would adversely affect returns.

Due Diligence and Conduct of Portfolio Companies. Before making investments, the General Partner of each Fund will typically conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence entails evaluation of important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third-party advisors or consultants may present a number of risks primarily relating to the General Partner's reduced control of the functions that are outsourced. In addition, if the General Partner is unable to timely engage third-party providers, its ability to evaluate and acquire more complex targets could be adversely affected. When conducting due diligence and making an assessment regarding an investment, the General Partner will rely on the resources available to it, including information provided by the target of the investment and, in some circumstances, third-party investigations. There exists a risk that the due diligence investigation that a General Partner carries out with respect to any investment opportunity does not reveal or highlight all relevant facts that are necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful. There can be no assurance that attempts to provide downside protection with respect to investments will achieve their desired effect and potential investors should regard an investment in a Fund as being speculative and having a high degree of risk. There can be no assurance that a Fund will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or during its efforts to monitor the investment on an ongoing basis or that any risk management procedures implemented by the Fund will be adequate. In the event of fraud by any portfolio company or any of its affiliates, a Fund may suffer a partial or total loss of capital invested in that portfolio company.

An additional concern is the possibility of material misrepresentation or omission on the part of the portfolio company or the seller. Such inaccuracy or incompleteness increases the risk that the value of a Fund's investment in such portfolio company will be adversely effected. The Funds will rely upon the accuracy and completeness of representations made by portfolio companies and in certain instances their former owners in the due diligence process when they make investments, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to a Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

In addition, conduct occurring at portfolio companies, even activities that occurred prior to a Fund's investment therein, could have an adverse impact on the Fund. For example, the European Commission recently held that certain private fund entities associated with a financial sponsor that were owners of a former portfolio company that was found to have participated in anticompetitive

cartel activities were liable for the underlying conduct on the basis that the funds had exercised decisive influence over the former portfolio company. This precedent illustrates the risk that even if private equity funds are only involved in the high-level strategy and commercial policy of their portfolio companies, it does not exclude them from liability in a context of aggressive courts and/or regulators.

Investment analyses and decisions by a General Partner may often be undertaken on an expedited basis in order for a Fund to take advantage of investment opportunities. In such cases, information available to the General Partner at the time of an investment decision may be limited, and the General Partner may not have access to the detailed information necessary for a full evaluation of the investment opportunity.

Dynamic Investment Strategy. A Fund's General Partner may pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. The General Partner is also permitted to pursue investments outside of the industries and sectors in which BCP has previously made investments or has internal operational experience.

Environmental Matters. Environmental laws, regulations and regulatory initiatives play a significant role in the sectors in which BCP invest and can have a substantial impact on investments in this industry. For example, global initiatives to minimize pollution have played a major role in the increase in demand for gas and alternative energy sources, creating numerous new investment opportunities. Conversely, required expenditures for environment compliance have adversely impacted investment returns in a number of segments of the industry. The industrial, power, and infrastructure sectors will continue to face considerable oversight from environmental regulatory authorities. The Funds may invest in portfolio companies that are subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements.

There can be no guarantee that all costs and risks regarding compliance with environmental laws and regulations can be identified. New and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on portfolio companies or potential investments. Compliance with such current or future environmental requirements does not ensure that the operations of the portfolio companies will not cause injury to the environment or to people under all circumstances or that the portfolio companies will not be required to incur additional unforeseen environmental expenditures. Moreover, failure to comply with any such requirements could have a material adverse effect on a portfolio company, and there can be no assurance that portfolio companies will at all times comply with all applicable environmental laws, regulations and permit requirements. Past practices or future operations of portfolio companies could also result in material, personal injury or property damage claims.

Under certain circumstances, environmental authorities and other parties can seek to impose personal liability on the limited partners of a partnership (such as a Fund) subject to environmental liability. However, a limited partner investor in a Fund can reduce its risk of such personal liability by avoiding activities with respect to the Fund's portfolio investments other than as specifically contemplated by the Governing Documents.

Environmental Matters; Infrastructure. Large-scale infrastructure projects, such as those in which certain Funds intend to invest, will be major factors in their local environments and may have a significant impact on those environments and/or be particularly susceptible to events or changes in those environments or to requirements of political or administrative authorities in respect of their environmental impact. Under various federal, state and local laws, ordinances and regulations, an owner of infrastructure assets may be liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such asset. Such laws often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. The cost of any required remediation and therefore the owner's liability as to any asset are generally not limited under such laws and could exceed the value of the asset and/or the aggregate assets of the owner. Environmental liabilities may arise as a result of a large number of factors, including changes in laws or regulations and the existence of conditions that were unknown or unanticipated at the time of acquisition or operation. The presence of hazardous or toxic substances, or the failure to properly remediate contamination from such substances, may adversely affect the owner's ability to sell the infrastructure asset or to borrow funds using such asset as collateral, which could have an adverse effect on a Fund's return from such investment.

Commodity Risk; Price Volatility. A Fund's investments may be subject to commodity price risk, including, without limitation, the price of electricity and the price of fuel. Historically, the markets for oil, gas, coal and power have been volatile, and such markets are likely to continue to be volatile in the future. The operation and cash flows of a Fund's investments may, in certain circumstances, depend, in substantial part, upon prevailing market prices for energy commodities. These market prices can fluctuate materially depending upon a wide variety of factors that are beyond the control of the General Partner or the Funds, including, without limitation, seasonality and weather conditions; market supply and demand; technological changes; force majeure (including earthquakes, hurricanes, tornadoes and floods); changes in law; the refining capacity of crude oil purchasers; domestic and foreign governmental regulations; the price and availability of alternative fuels and energy sources; the availability of fuel transportation and electric transmission facilities; political conditions in the Middle East and other oil and natural gas producing regions; terrorist acts or threats thereof; actions of the Organization of Petroleum Exporting Countries (and other oil and natural gas producing nations); the foreign supply of (and demand for) oil and natural gas; the price of foreign imports; coal supplies and rail capacity; and overall economic and market conditions.

Effects of Ongoing Changes in the Utility Industry. Certain Funds are permitted to make investments in electric utility industries both in the U.S. and abroad. In many regions, including the U.S. the electric utility industry is experiencing increasing competitive pressures, primarily in wholesale markets, as a result of consumer demand, technological advances, greater availability of natural gas and other factors. In response, for example, the Federal Energy Regulatory Commission (the "FERC") has implemented regulatory changes to increase access to the nationwide transmission grid by utility and non-utility purchasers and sellers of electricity; similar actions are being taken or contemplated by regulators in other countries. A number of countries, including the U.S., are considering or have implemented methods to introduce and promote retail competition. To the extent competitive pressures increase and the pricing and sale of electricity assumes more characteristics of a commodity business, the economics of independent power generation projects into which the Fund may invest could come under increasing pressure.

Changes in regulation could result in consolidation among domestic utilities and the disaggregation of many vertically integrated utilities into separate generation, transmission and distribution businesses. As a result, additional significant competitors could become active in the independent power industry. In addition, independent power producers could find it increasingly difficult to negotiate long-term power sales agreements with solvent utilities, which would likely affect the profitability and financial stability of independent power projects.

There can be no assurance that (i) existing regulations applicable to electric utility portfolio companies will not be revised or reinterpreted; (ii) new laws and regulations will not be adopted or become applicable to electric utility companies; (iii) the technology and equipment selected by such companies to comply with current and future regulatory requirements will meet such requirements; (iv) such companies' business and financial conditions will not be materially and adversely affected by such future changes in, or reinterpretation of, laws and regulations (including the possible loss of exemptions from laws and regulations) or any failure to comply with such current and future laws and regulations; or (v) regulatory agencies or other third parties will not bring enforcement actions in which they disagree with regulatory decisions made by other regulatory agencies.

Pursuant to certain federal statutes, the FERC has jurisdiction over the transmission and wholesale sale of electricity in interstate commerce and over the transportation, storage and certain sales of natural gas in interstate commerce, including the rates, charges and other terms and conditions for such services, respectively. Failure to comply with applicable FERC regulations could result in the prevention of operation of a FERC-jurisdictional facility or prevention of the sale of such a facility to a third party as well as the loss of certain rate authority, refund liability, penalties and other unnamed remedies, all of which could result in additional costs to a portfolio company and adversely affect a Fund's investment results.

Infrastructure Investments. Most infrastructure assets have unique locational and market characteristics, which could make them highly illiquid or appealing only to a narrow group of investors. Political and regulatory considerations and popular sentiments could also affect the ability of Bernhard Capital to buy or sell investments on favorable terms. Infrastructure assets can have a narrow customer base, should any of the customers or counterparties fail to pay their contractual obligations, significant revenues could cease and become irreplaceable. This would affect the profitability of the infrastructure assets. Infrastructure projects are generally heavily dependent on the operator of the assets. There are a limited number of operators with the expertise necessary to successfully maintain and operate infrastructure projects. The insolvency of the lead contractor, a major subcontractor or a key equipment supplier could result in material delays, disruptions and costs that could significantly impair the financial viability of an infrastructure investment project.

Additional Infrastructure Risks. Investments in the infrastructure sector may be subject to a variety of additional risks, not all of which can be foreseen or quantified. Such risks may include, but are not limited to; (i) the risk that the technology employed in an infrastructure asset will not be effective or efficient; (ii) risks of equipment failures, fuel interruptions, loss of sale and supply contracts, decreases or escalations in power contract or fuel contract prices, bankruptcy of key customers or suppliers, and tort liability in excess of insurance coverage; (iii) the risk of changes in values of assets in the infrastructure sector whose operations are affected by changes in prices

and supplies of energy fuels (including due to changes in international politics, energy conservation, the success of exploration projects, the tax and other regulatory policies of various governments, and the economic growth of populations that are large consumers of energy as well as other factors); (iv) the risks associated with the employment of personnel and unionized labor; and (v) the risk that due to political pressure, governments may decide not to pursue asset sales or privatization transactions. The occurrence of events related to the foregoing may have a material adverse effect on a Fund and its portfolio investments.

Risks relating to the Power Sector. For much of its history, the power sector, and particularly the utility industry within this broader sector, was characterized by institutional stability and predictability of financial performance. The advent of utility deregulation, privatization, technological change, environmental regulations, commodity price fluctuations and market volatility has created a much less stable sector with substantially greater variability of company performance. There can be no assurance that the pace or direction of the change will be in accord with Bernhard Capital's expectations, or that the industry changes will benefit investments made by a Fund. Investing in power facilities and related assets and the companies that provide the equipment, services and systems to such power facilities and related assets is subject to a variety of risks, not all of which can be foreseen or quantified, including operating, economic, environmental, commercial, regulatory, political and financial risks. There is no assurance that the Fund's investments will be profitable or generate cash flow sufficient to service their debt or provide a return on, or recovery of, amounts invested therein.

Regulatory Approvals and Related Portfolio Company Matters. A Fund may invest in portfolio companies it believes have obtained all material energy-related federal, state, local or non-U.S. approvals required as of the date thereof. In addition, a Fund may require the consent or approval of applicable regulatory authorities in order to acquire or hold particular portfolio companies. A portfolio company could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such company. Moreover, additional regulatory approvals, including without limitation, renewals, extensions, transfers, assignments, reissuances or similar actions, may become applicable in the future due to a change in laws and regulations, a change in the companies' customer(s) or for other reasons. There can be no assurance that a Fund or any portfolio company will be able (i) to obtain all required regulatory approvals that it does not yet have or that it may require in the future; (ii) to obtain any necessary modifications to existing regulatory approvals; or (iii) to maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals, or amendments thereto, or delay or failure to satisfy any regulatory conditions or other applicable requirements could prevent operations or sales to third parties or could result in additional costs to a portfolio company. In connection with the regulatory approval, licensing or review processes for any portfolio company, disclosures and other undertakings could be required from, or in respect of, the existing or prospective owners of such portfolio company, potentially including the Fund and, in turn, the limited partners.

Portfolio Company Development, Construction and Operational Risks. Certain portfolio investments may involve projects in the construction phase of development. In connection with any new development project, expansion of a facility or acquisition of a facility in the development stage, a portfolio investment may also face construction risks typical for gathering, transportation

and other midstream businesses, including, without limitation; (i) labor disputes, shortages of material and skilled labor or work stoppages; (ii) slower-than-projected construction progress and the unavailability or late delivery of necessary equipment; (iii) adverse weather conditions and unexpected construction conditions; (iv) less than optimal coordination with public utilities in the relocation of their facilities; (v) accidents or the breakdown or failure of construction equipment or processes; (vi) political opposition; (vii) regulatory and permitting delays; (viii) delays in procuring real property rights; (ix) transmission grid interconnection delays; (x) failure by one or more of the construction participants to perform in a timely manner (or at all) its or their contractual, financial or other commitments; (xi) accidents, breakdowns or failures of equipment or processes; and (xii) catastrophic events such as explosions, fires and terrorist activities and other similar events beyond a Fund's control, such as any event of force majeure. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of construction activities once undertaken, any of which could have an adverse effect on a Fund and on the amount of funds available for distribution. Construction costs may exceed estimates for various reasons, including inaccurate engineering and planning, labor and building material costs in excess of expectations and unanticipated problems with project start-up. Such unexpected increases may result in increased debt service costs and funds being insufficient to complete construction. Such increases may also result in the inability of project owners to meet the higher interest and principal repayments arising from the additional debt required. Delays in project completion can result in an increase in total project construction costs through higher capitalized interest charges and additional labor and material expenses and, consequently, an increase in debt service costs. They may also affect the scheduled flow of project revenues necessary to cover the scheduled operations-phase debt service costs, operations and maintenance expenses and damage payments for late delivery. In addition, there are risks inherent in certain construction work that may give rise to claims or demands against a portfolio investment from time to time. Delays in the completion of any construction project may result in lost opportunities or revenues or increased expenses, including higher operation and maintenance costs related to a portfolio investment. Assets under development or assets acquired to be developed may receive little or no cash flow from the date of acquisition through the date of completion of development and may experience operating deficits after the date of completion. In addition, market conditions may change during the course of development that make such development less attractive than at the time it was commenced.

While portfolio companies may maintain insurance to protect against certain operational risks, such as business interruption insurance, such insurance is subject to customary deductibles and coverage limits and may not be sufficient to recoup all of a portfolio company's losses. In addition, events outside the control of the portfolio company, such as force majeure events, could significantly reduce the revenues generated or significantly increase the expense of operating, maintaining or restoring facilities. Such operational interruptions or the occurrence of such force majeure events could adversely affect the amount of revenues from operations, which in turn may impair a portfolio company's ability to repay its debt or make distributions to a Fund. The cost of repairing or replacing assets damaged by a force majeure event could be considerable. In addition, repeated or prolonged service interruptions resulting from a force majeure event may cause a permanent loss of customers, substantial litigation, or significant penalties for regulatory or contractual non-compliance; though in some cases, agreements may be terminable if a force majeure event is so catastrophic as to render it incapable of remedy within a reasonable, pre-agreed

time period. The occurrence of a force majeure event may, directly or indirectly, have a material adverse effect on a Fund and/or any of the portfolio investments.

Potential Liability related to Portfolio Company Operations. A Fund may invest in businesses that engineer, construct and perform services in large industrial facilities where accidents or system failures can have significant consequences. Any such accident or failure at a site where a portfolio company provided engineering, procurement and construction (“EPC”) or similar services could result in significant professional liability, product liability, warranty and other claims against such portfolio company, a Fund, the General Partner or persons, regardless of whether their products or services caused the incident. Further, the engineering and construction projects a portfolio company may perform may expose them to additional risks including, but not limited to, equipment failures, personal injuries, property damage, shortages of materials and labor, permitting delays, work stoppages, labor disputes, weather problems and unforeseen engineering, architectural, environmental and geological problems, each of which could significantly impact such portfolio company’s performance.

Illiquidity; Lack of Current Distributions. An investment in a Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating a Fund (including the Management Fee payable to the General Partner) may exceed its income, thereby requiring that the difference be paid from the Funds’ capital, including, without limitation, unfunded Commitments.

Leveraged Investments. A Fund is permitted to make use of leverage by having a portfolio company or intermediate entity incur debt to finance a portion of its investment, including in respect of companies not rated by credit agencies. Leverage generally magnifies both a Fund’s opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and will constrain its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a Fund’s investments to any deterioration in a company’s condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Funds’ investments in the leveraged portfolio companies in a down market. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio company’s creditworthiness is such that it must borrow at higher interest rates than are available to the relevant Fund. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Funds. Furthermore, should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, the Funds may not achieve

an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which a Fund will invest generally will not be rated by a credit rating agency. Except where otherwise required by the relevant Governing Documents, a Fund will not be obligated to borrow on behalf of a portfolio company, even in circumstances where the Fund's creditworthiness would permit borrowing at a lower rate than is available to the portfolio company.

Certain Funds are also permitted to borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt). The use of leverage by a Fund also will result in interest expense and other costs to the Fund that may not be covered by distributions made to the Fund or appreciation of its investments. A Fund could incur leverage on a joint, several, joint and several or cross-collateralized basis, with one or more other investment funds and entities managed by the General Partner or any of its affiliates including through Fund subsidiaries and other intermediate entities, and may have a right of contribution, subrogation or reimbursement from or against such entities. It is also possible that certain co-investors (including management, any roll-over investors and/or third-party co-investors) will not share in incurring such leverage and that the Fund will disproportionately bear the risk and/or costs of leverage arrangements. The incurrence of leverage by a Fund or by a flow-through portfolio investment of the Fund may cause tax-exempt partners to recognize UBTI.

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

In addition, Fund-level borrowing will result in incremental expenses that will be borne by the limited partners. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line and other one-time and recurring fees and/or expenses as well as legal fees relating to the establishment, structuring and negotiation of the terms of the subscription line; as well as expenses relating to maintaining, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the limited partners and the terms of its organizational documents, such rate may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than a Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, or results in short-term gains to a Fund, which in certain circumstances enhances the Fund's internal rate of return calculations and thereby may be deemed to benefit the marketing efforts of the General Partner and its affiliates and increases the likelihood that any hurdle or preferred return component in the Fund's carried interest arrangements will be met. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's Management Fee calculation, such as during periods where Management Fees are based in whole or in part on an acquisition cost that

includes a borrowing component. The use of Fund-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of a Fund's investment period, and cause or defer a related change in the basis of the relevant Fund's Management Fee calculation under the Governing Documents. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors, as to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line. A Fund shall bear the cost of all fees and expenses related to the use of such subscription lines, including those related to investments in which co-investors also participate.

A credit agreement frequently will contain other terms that restrict the activities of a Fund and the limited partners or impose additional obligations on them. In addition, in order to secure a subscription line, the General Partner may request certain financial information and other documentation from limited partners to share with lenders. The General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more investors. In certain circumstances, due to separate evaluations of creditworthiness by lenders or facility providers, a portfolio company or other Fund subsidiary is expected to bear higher rates under a borrowing facility than are borne by the Fund, resulting in a potential net benefit to the Fund or additional potential liquidity constraints or other burdens on the relevant portfolio company or Fund subsidiary.

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

If an investment appreciates in value and is disposed of prior to repayment, the relevant Fund generally would apply disposition proceeds to repay the borrowing and related interest and expenses, the absence of invested capital funded by limited partners potentially will result in a distribution of net proceeds without a preferred return accrual on the amount invested. Accordingly, borrowings have the potential to support the distribution of proceeds to limited partners and increase the potential carried interest for the relevant General Partner, as reduced by the interest incurred by the relevant Fund. Subject to any limitations in the Governing Documents, this scenario potentially incentivizes the relevant General Partner to permanently fund the acquisition and ongoing capital needs of a Fund's investments and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis; and, accordingly, capital contributions to repay such borrowings may be required only at the time

of the disposition of an investment (or never, if principal and interest on such borrowings are always repaid out of disposition proceeds).

Financial Institution Risk; Distress Events. An investment in a Fund is subject to the risk that one of the Fund's banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Fund's assets (each, a "**Financial Institution**") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty, similar to that experienced by Silicon Valley Bank and Signature Bank in March 2023 (each, a "**Distress Event**"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, Bernhard Capital, the Funds and/or their portfolio companies may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation ("**FDIC**"), in the case of banks, or the Securities Investor Protection Corporation ("**SIPC**"), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of Bernhard Capital to manage the Funds and their investments, and on the ability of Bernhard Capital, any Fund and/or portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses have the potential to cause a Fund to pay fees and expenses in the event the Fund is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of investors to make capital contributions or otherwise), as well the inability of a Fund to acquire or dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments and/or the inability of portfolio companies to make payroll, fulfill obligations and maintain operations. Although Bernhard Capital expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays.

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

Limited Transferability of Fund Interests. There will be no public market for Fund interests, and none is expected to develop. There are substantial restrictions upon the transferability of Fund

interests under the Governing Documents and applicable securities laws. In general, withdrawals of Fund interests are not permitted. In addition, Fund interests are not redeemable.

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

Reliance on the General Partner and Portfolio Company Management. Control over the operation of a Fund will be vested with the General Partner, and the Funds' future profitability will depend largely upon the business and investment acumen of the General Partner. The loss or reduction of service of one or more of the General Partner's employees could have an adverse effect on a Fund's ability to realize its investment objectives. Limited partners generally have no right or power to take part in the management of the Funds, and as a result, the investment performance of a Fund will depend on the actions of the General Partner.

Although a Fund's General Partner will monitor the performance of each Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day-to-day basis. Although the Funds generally intend to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the existing management team, or any successor, of such companies will be able or willing to successfully operate a company in accordance with the relevant Fund's objectives. There can be no assurance that the management team of a portfolio company on the date a portfolio investment is made will remain the same or continue to be affiliated with the company throughout the period the portfolio investment is held.

Absence of Operating History. The Funds have limited operating history and will be entirely dependent on the General Partner. While the principals of the General Partner have previous experience managing investments similar to those contemplated by the Funds, the principals have limited experience managing and investing a committed pool of funds.

Projections. The General Partner will generally establish the capital structure of portfolio companies and the terms and targeted returns of investments on the basis of financial and other projections for such investment. Estimates or projections of economic and market conditions, supply and demand dynamics and other key investment-related considerations are key factors in evaluating potential investment opportunities and valuing a Fund's investment program. It is possible for such estimates and projections to be significantly revised from time to time, creating significant changes in the value of any such portfolio company subject to such factors. Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by each company's management, with adjustments to such projections made by the General Partner in its discretion. In all cases, projections are only estimates

of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be accurate or will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections. Assumptions or projections about asset lives, the stability, growth or predictability of costs, demand or revenues generated by an investment or other factors associated therewith may, due to various risks and uncertainties including those described herein, differ materially from actual results. Certain portfolio companies, as well as the Funds, will from time to time rely on the reports of technical consultants when evaluating the condition of certain assets. The actual condition of the assets may be worse than anticipated, requiring additional capital or maintenance expenditures that may not be recoverable, allocable to end users or economical from a stand-alone perspective.

U.S. Taxation of Carried Interest. U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Funds as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset that generated such gain for more than three years. Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as a Fund (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law are treated as an allocation of the partnership's income (and which may be taxed at lower rates than ordinary income). Such rules as well as any such legislation that may be enacted in the future could apply to reduce the after-tax returns of individuals associated with a Fund, its General Partner or the Adviser who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the relevant General Partner and its affiliates to incentivize, attract and retain individuals to perform services for a Fund. This creates potential incentives for the Adviser to cause a Fund to hold investments for a longer period than would be the case if such greater-than-three-year holding period requirement did not exist.

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

Secondaries and Other GP-Led Transactions. There continues to be a significant market in the private fund sector for secondary sales, GP-led transactions, continuation funds, successor fund investments and other transactions for the disposition of investments. Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase a portion of one or more investments that will continue to be managed by

the Adviser following the transaction. Such transactions are undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing limited partners and maintaining exposure to an asset where the Adviser believes there is the potential for additional value generation. Where undertaken, existing limited partners typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including a portfolio that combines assets from multiple Funds sponsored by the Adviser and its affiliates). However, certain of such transactions are expected to require a limited partner to invest additional capital in the existing Fund and/or other investment vehicles, a greater exposure to one or more particular portfolio company and/or a delay in the full liquidation of its investment. In other circumstances, even limited partners that elect to continue to hold a direct or indirect interest in the relevant portfolio company will have their interest adjusted as if distributed (*i.e.*, a portion of such interest will be allocated to the relevant General Partner to the extent of its right to receive carried interest, if any), effectively diluting their interests.

Each of these transactions has the potential for conflicts between the interests of a Fund or limited partner and those of the Adviser or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where the Adviser or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction, their incentives are expected to diverge from those of limited partners who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Fund, the Adviser, the relevant General Partner and any buyer group relating to the valuation and consideration offered for the investment(s) subject to the transaction. Further, the relevant General Partner is expected to be incentivized to make investments in portfolio companies with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as limited partners in the relevant Fund, and in such circumstances the Adviser reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain limited partners will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are disclosed to limited partners and/or the relevant advisory board prior to the closing of the transaction, there can be no assurance that the Adviser will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of Fund or any individual limited partner or group of limited partners. However, the Adviser reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant Governing Documents.

Need for Follow-On Investments. Following its initial investment in a given portfolio company, a Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There is no assurance that a Fund will make follow-on investments or that a Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make follow-on investments or its inability to make such

investments may have a substantial negative effect on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such failure to make such investments may result in a lost opportunity for a Fund to increase its participation in a successful portfolio company or the dilution of a Fund's ownership in a portfolio company if a third party invests in such portfolio company.

Non-U.S. Investments. A Fund may invest in portfolio companies that are organized and/or headquartered or have substantial sales or operations outside of the United States, its territories and possessions. Such investments may be subject to certain additional risks due, among other things, to potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, and capital repatriation regulations (as such regulations may be given effect during the term of a Fund); and the application of complex U.S. and non-U. S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on a Fund and/or the limited partners with respect to such Fund's income and possible non-U.S. tax return filing requirements for such Fund and/or the limited partners.

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

Further, non-U.S. investment in securities of companies in certain of the countries in which a Fund may invest is restricted or controlled to varying degrees. These restrictions or controls may at times limit or preclude non-U.S. investment above certain ownership levels or in certain sectors of the country's economy and increase the costs and expenses of such Fund. While regulation of non-U.S. investment has liberalized in recent years throughout much of the world, there can be no assurance that more restrictive regulations will not be adopted in the future. Some countries require governmental approval for the repatriation of investment income, capital or the proceeds of sales by non-U.S. investors and non-U.S. currency. A Fund could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital interests and dividends paid on securities held by such Fund, and income on such securities or gains from the disposition of such securities may be subject to withholding taxes imposed by certain countries where the Fund invests or in other jurisdictions.

Anti-Corruption Laws and Regulations. Conducting business on a worldwide basis requires portfolio companies to comply with the laws and regulations of the U.S. government and various international jurisdictions, and their failure to comply with these rules and regulations may expose both a Fund and such portfolio companies to liabilities. These laws and regulations may apply to companies, individual directors, officers, employees and agents, and may restrict a portfolio companies' operations, trade practices, investment decisions and partnering activities. In particular, international portfolio companies may be subject to U.S. and foreign anti-corruption laws and regulations, such as the Foreign Corrupt Practices Act ("FCPA"). The FCPA prohibits U.S. companies and their officers, directors, employees and agents acting on their behalf from corruptly offering, promising, authorizing or providing anything of value to foreign officials for

the purposes of influencing official decisions or obtaining or retaining business or otherwise obtaining favorable treatment. The FCPA also requires companies to make and keep books, records and accounts that accurately and fairly reflect transactions and dispositions of assets and to maintain a system of adequate internal accounting controls. As part of their business, portfolio companies deal with state-owned business enterprises, the employees and representatives of which may be considered foreign officials for a Fund's purposes of the FCPA. In addition, some of the international locations in which portfolio companies operate may lack a developed legal system and have elevated levels of corruption. As a result of the above activities, portfolio companies are exposed to the risk of violating anti-corruption laws. Violations of these legal requirements are punishable by criminal fines and imprisonment, civil penalties, disgorgement of profits, injunctions, debarment from government contracts as well as other remedial measures. Each General Partner has established policies and procedures designed to assist personnel and portfolio companies in complying with applicable U.S. and international laws and regulations. However, a portfolio company's employees, subcontractors and agents could take actions that violate these requirements, which could adversely affect a portfolio company's reputation, business, financial condition and results of operations.

Hedging Arrangements. Each applicable General Partner may (but is not obligated to) endeavor to manage a Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. Each Fund is permitted to incur costs related to such hedging arrangements, which could be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements will result in losses greater than if hedging had not been used. Further, there may be circumstances where a Fund elects not to employ hedging techniques. In such circumstances, the lack of a hedge may permit such Fund to take advantage of favorable movements in commodity prices, interest rates and currency exchange rates but may expose a Fund to risks of adverse commodity price, interest rate or currency exchange rate movements.

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

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

Public Company Holdings. A Fund's investment portfolio may contain securities and debt issued by publicly held companies (including formerly privately held portfolio companies that have consummated IPOs during the Fund's holding period). Such investments may subject a Fund

to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of a Fund to dispose of such securities at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including the principals, and increased costs associated with each of the aforementioned risks.

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

Material, Non-Public Information; Other Regulatory Restrictions. As a result of the operations of BCP and its affiliates as well as in connection with officerships or directorships of BCP personnel BCP frequently comes into possession of confidential or material, non-public information. Therefore, BCP and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Fund. Consequently, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or BCP's internal policies and practices. Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent BCP or the Funds from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with, or the provision of services to, certain individuals or portfolio companies owned or operated by such persons, or located in jurisdictions identified from time to time by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the United States Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on or reject certain transactions. In certain circumstances, antitrust remedies relating to

one Fund's acquisition of a portfolio company may require one or more other Funds to sell all or a portion of certain portfolio companies owned by them.

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

Non-Controlling Investments. Certain Funds are permitted to hold meaningful minority stakes in privately held companies and in some cases could have limited minority protection rights. Such privately held companies may be controlled or influenced by persons who have economic or business interests or goals or tax or other considerations that differ from or are inconsistent with those of such Funds or their limited partners or may be in a position to take action contrary to such Funds' business, tax or other interests, and such Funds may not be in a position to limit such contrary actions or otherwise protect the value of the Funds' investments. In addition, during the process of exiting investments, a Fund at times may hold minority equity stakes of any size such as might occur if portfolio companies are taken public. As is the case with minority holdings in general, such minority stakes that a Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where a Fund holds a minority stake, it could be more difficult for the Fund to liquidate its interests than it would be had the Fund owned a controlling interest in such company. Even if a Fund has contractual rights to seek liquidity of the Fund's minority interests in such companies, it could be very difficult to sell such interests or seek a sale of such company upon terms acceptable to the Fund, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals. In addition, even if the Fund is the majority investor or the controlling shareholder in certain circumstances, it may not have unilateral control of all of its portfolio companies.

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

Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. Furthermore, such confidence may be adversely affected by local, regional or global health crises including, but not limited to, the rapid and pandemic spread of

novel viruses commonly known as SARS, MERS and COVID-19. Such health crises could exacerbate political, social and economic risks previously mentioned and result in significant breakdowns, delays and other disruptions on a local, regional and global scale, which may have adverse effects on the operating performance of affected portfolio companies. A climate of uncertainty, including the spread of infectious viruses or diseases, may reduce the availability of potential investment opportunities and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by such Fund and result in longer holding periods for investments. Furthermore, such uncertainty, including the uncertainty stemming from the spread of infectious viruses or diseases, or general economic downturn may have an adverse effect upon portfolio companies in which a Fund makes investments.

Monitoring Fee Acceleration. Agreements made with portfolio companies have the potential to, in certain cases, require the acceleration of future monitoring fees and other fees payable by a portfolio company at the sale or public offering of such portfolio company and an agreed-upon value of such fees will generally be paid to the applicable Fund's General Partner at such time even though the General Partner will no longer be monitoring such portfolio company. The payment of such fees will dilute the value of a portfolio company.

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

Cybersecurity Risks. Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries such as the food services and retail industries. To the extent a portfolio company, Fund, General Partner, BCP or one or more of their respective service providers is subject to cyberattack or if other unauthorized access is gained to their systems, substantial losses may occur in the form of stolen, lost or corrupted (i) data or payment information; (ii) financial information; (iii) software, contact lists or other databases; (iv) proprietary information or trade secrets; or (v) other items. If technology systems are compromised, become inoperable for extended periods of time or cease to function properly, BCP, the General Partners, the Funds and/or portfolio companies may incur significant time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in BCP's, the General Partners', the Funds', portfolio companies' and/or service providers' operations, including the ability to make distributions to limited partners, and

result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). In certain events, a failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of Internet- or cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments. Any of such circumstances could subject a portfolio company, or the relevant Fund, to substantial losses, including losses relating to misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm. In addition, in the event that such a cyberattack or other unauthorized access is directed at BCP or one of its service providers holding its financial or investor data, BCP, its affiliates or the Funds may also be at risk of loss, despite efforts to prevent and mitigate such risks under BCP's policies and practices.

CFIUS and National Security Clearance Considerations. Certain investments are expected to be subject to or require review and approval by the U.S. Committee on Foreign Investment in the United States (“CFIUS”), such as where CFIUS-related laws, regulations or guidance deem non-U.S. persons or entities under their control (such as a Fund, co-investors and/or rollover sellers) to be acquiring a U.S. business (including a business with assets, employees, facilities, and/or operations in the United States). CFIUS has the authority to review proposed or existing transactions or investments or to seek to impose limitations on or prohibit investments, and CFIUS filings and other considerations can materially impact transaction timing, feasibility, certainty and costs. In certain circumstances, CFIUS considerations have the potential to prevent a Fund from maintaining or pursuing investments, or limit the universe of available buyers for an existing investment. Any of these factors have the potential to adversely affect a Fund's performance, and the likelihood that CFIUS considerations will be implicated is expected to increase where non-U.S. limited partners comprise a substantial percentage of a Fund. Under the Governing Documents, the relevant General Partner generally is authorized, although not required, to excuse or otherwise limit non-U.S. limited partners' ability to invest in U.S. businesses (or to exercise voting or advisory board rights with respect thereto) in order to anticipate or comply with CFIUS considerations. However, there can be no assurance that invoking any such excuse provisions or other limitations will allow the Fund to proceed with or maintain any investment, or to avoid losses relating thereto. Similar considerations are expected to apply with respect to reviews by non-U.S. national security or investment clearance regulators.

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

applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which a Fund may invest.

Additionally, the SEC has indicated that it intends to seek to enact changes to numerous areas of law and regulations that would impact the business of BCP and the Funds. In particular, the SEC has signaled an increased emphasis on investment adviser and private fund regulation and has proposed a number of new rules that, if adopted, would impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose additional changes in the future. Any such changes are expected to materially impact BCP and its affiliates, the Funds and/or their investments, as well as increasing their expenses. Significant time and resources may be required to comply with new regulations, which potentially will detract from the time and resources dedicated to the Funds.

Outbreaks of Infectious or Contagious Diseases. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and the current outbreak of COVID-19, have and are resulting in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Fund.

In an effort to contain such health emergencies, national, regional and local governments as well as private businesses and other organizations have taken or have the potential to take restrictive measures, including instituting local and regional quarantines, restricting travel (including closing certain international borders), prohibiting public activity (including “stay-at-home” and similar orders), and ordering the closure of large numbers of offices, businesses, schools, and other public venues. Any such measures have the potential to significantly diminish economic production and activity of all kinds and contribute to volatility in financial markets, demand across categories of consumers and businesses as well as in the credit and capital markets. Restrictive measures, whether on an initial or reimposed basis, also have the potential to cause labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, increases in unemployment levels and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment.

The ultimate impact of any such health emergency—and any resulting decline in economic and commercial activity—on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, but could have a significant adverse impact and result in significant losses to the Funds. The extent of the impact on the Funds’ and their portfolio companies’ operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Funds to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Funds intend to pursue, all of which could adversely affect the Funds’ ability to fulfill their investment objectives. They may also impair the

ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Funds, their portfolio companies, the General Partners and Bernhard Capital may be significantly impacted, or even temporarily or permanently halted, as a result of any such health emergencies, or any measures, restrictions, remote-working requirements and other factors related thereto, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

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

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

Conflicts of Interest

Bernhard Capital, its related entities and individuals engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Funds, and providing transaction-related, investment advisory, legal, management and other services to Funds, SPACs and portfolio companies. In the ordinary course of conducting its activities, the interests of a Fund likely will conflict with the interests of Bernhard Capital, the General Partners, one or more other Funds, portfolio companies or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. These include, among other things, conflicts of interest arising from other investment funds managed by Bernhard Capital, the limited time and attention of Bernhard Capital's management team, the form of compensation paid to the General Partners or Bernhard Capital, the diverging interests of members of each Fund's advisory board, a Fund's parallel fund structure and the diversity of interests of limited partners. There can be no assurances that Bernhard Capital will resolve all conflicts of interest that arise in a manner that is favorable to a Fund, and prospective investors should note that the Governing Documents contain provisions that, subject to applicable law; (i) reduce or

eliminate the duties (including fiduciary and other duties) to which the General Partners would otherwise be subject in respect of its activities relating to a respective Fund and investors in the Fund; (ii) waive duties or consent to the conduct of the General Partner that might not otherwise be permitted pursuant to such duties; and (iii) limit the remedies available to limited partners in respect of any breaches of such duties. On any matter involving a potential conflict of interest, Bernhard Capital will be guided by its reasonable judgment as to the best interests of the Funds in accordance with applicable law, and will take such actions as are determined by Bernhard Capital to be necessary or appropriate to ameliorate such potential conflicts of interest, including but not limited to referring such matter to the applicable Fund's advisory board for approval. Nevertheless, as a practical matter, limited partners will have to rely on the business judgment of the respective General Partner and Bernhard Capital's officers and employees, and it will be difficult for limited partners to monitor closely the activities of these persons and their affiliates.

During the commitment period of a Fund, all appropriate investment opportunities will be pursued by BCP principals through such Fund, subject to certain limited exceptions. However, BCP may manage, and expects in the future to manage, other investments similar to those in which a Fund will be investing and expects to direct certain relevant investment opportunities or resources to those investments. BCP personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing. Bernhard Capital's principals and investment staff will continue to manage and monitor such investments until their realization. Such other investments that Bernhard Capital principals may control or manage may potentially compete with companies acquired by a Fund. Following the commitment period of a Fund, Bernhard Capital principals reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to such Fund's investments. To the extent an advisory opportunity is received that is unsuitable for a Fund, in BCP's sole discretion, BCP and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the Governing Documents, BCP personnel are permitted to serve on boards or act in other roles unaffiliated with BCP, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles, none of which will offset or otherwise reduce Management Fees.

From time to time, Bernhard Capital will be presented with investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of Bernhard Capital. In determining which investment vehicles should participate in such investment opportunities, Bernhard Capital and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Investments by more than one client of Bernhard Capital in a portfolio company also have the potential to raise the risk of using assets of a client of Bernhard Capital to support positions taken by other clients of Bernhard Capital.

BCP must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. BCP generally assesses whether an investment opportunity is appropriate for a particular Fund based on a Fund's Governing Documents as well as factors including, but not limited to: investment restrictions and objectives, (including those set forth in the relevant client's

Governing Documents, where applicable), strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition, diversification limitations, cash level (if any), applicable tax and regulatory considerations, lifecycle, structure and other relevant factors. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. In other circumstances, during the period that a portfolio company is owned by a Fund, it could acquire size, revenue or other characteristics that would make it a suitable investment for one or more other Funds.

Following such determination of allocation among the applicable Funds, BCP reserves the right to offer co-investment opportunities to one or more potential co-investors, including operating partners, vendors, service providers and/or other third parties, as determined by the Funds' Governing Documents, Side Letters and BCP's procedures regarding allocation. BCP's procedures permit it to take into consideration a variety of factors in making such determinations, including but not limited to expressed interest in co-investment opportunities; expertise of the prospective co-investor in the industry to which the investment opportunity relates; perceived ability to quickly execute on transactions; tax, regulatory, securities laws and/or other legal considerations (*e.g.*, qualified purchaser or qualified institutional buyer status); confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; perceived ease of process in coordinating or completing the investment with the prospective co-investor or co-investors similar thereto; BCP's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair BCP's ability to execute the relevant transaction in the desired time or on desired terms; size of the investment allocation and practicality of dividing it up among multiple co-investors; lender requirements; perceived public relations and reputational benefits or costs; and the existence of a formal or informal, strategic or priority relationship with the prospective co-investor. BCP reserves the right to grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in Fund portfolio companies or otherwise to have priority in co-investment opportunities. The General Partner will therefore be presented with inherent conflicts of interest in connection with the allocation of investment opportunities to the Funds and limited partners.

Furthermore, BCP or its related persons expect to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a lender or co-sponsor. Co-investment opportunities typically will be offered to some and not to other Fund investors and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and BCP expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund because (i) co-invest opportunities generally appeal to Fund investors and third parties; (ii) to the extent co-investments made by Fund investors are not subjected to Management Fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons; and (iii) co-investors' proportionate share of a particular investment typically is not subject to the Management Fee offset provisions of a Fund's Governing Documents. In order to facilitate the acquisition of a portfolio company, a Fund reserves the right to make (or commit

to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition. In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including, for example, the risk that a portion of the investment will be syndicated at reduced cost, at cost or at a lower amount at a time when the General Partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the General Partner's interest in limiting the Fund's exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors); (ii) hold a larger-than-expected investment in such portfolio company; (iii) receive less than fair-market value for the syndicated portion of the investment; and/or (iv) be diluted or realize lower than expected returns from such investment. When and to the extent that clients, employees and related persons of Bernhard Capital and its affiliates make capital investments in or alongside certain Funds, Bernhard Capital and its affiliates are subject to potentially conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

BCP may appoint one or more limited partner representatives to the advisory board of certain Funds. The advisory board will provide advice and counsel as requested by BCP in connection with such Fund's investments, potential conflicts of interest, and other of the Fund's matters as set forth in the relevant Governing Documents, including any acquisition of all or a portion of an investment from prior Funds. While BCP will retain ultimate responsibility for all decisions relating to the operation and management of the Funds, the Funds' advisory boards are empowered under the relevant Governing Documents to make certain decisions affecting a Fund and the limited partners' investments in such Fund, including whether to permit certain follow-on investments and whether to extend the investment period, among other things. Interests of the limited partners represented on the advisory board will, from time to time, diverge significantly from other limited partners of a Fund, and the decisions of the advisory board could reflect such diverging interests. In addition, representatives of the Funds' advisory boards will often have various business and other relationships with BCP and its partners, employees and affiliates, including being an investor in another BCP fund that is the counter party in a conflict transaction. These relationships will likely influence their decisions as members of a Fund's advisory board and they will not be required to recuse themselves from any such conflicted transaction. The Funds' Governing Documents will provide that to the fullest extent permitted by applicable law, none of the advisory board members shall owe any fiduciary duties to a Fund or any other Fund partner.

In addition, the Funds are permitted to co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments involve risks not present in investments where a third party is not involved, including the possibility that a third-party co-venturer or partner will at any time have economic or business interests or goals that are inconsistent with those of the respective Funds, or will be in a position to take action contrary to

the investment objectives of such Funds. In certain circumstances, a Fund could be liable for actions of its third-party co-venturer or partner.

Limited partners in a Fund could be subject to different overall rates of return as a consequence of the Fund's parallel fund structure. Investors in the main fund and/or the parallel fund could be subject to lower rates of return because of the use of blocker corporations pursuant to the Fund's Governing Documents. Limited partners in different parallel funds will also receive diverging benefits from Management Fee offsets and other items allocated on the basis of the relative commitments of each parallel fund, as set forth in the relevant Fund's Governing Documents.

In certain cases, the Adviser will have the opportunity (but, subject to any applicable restrictions or procedures in the relevant Governing Documents, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, the Adviser will use its discretion to select such transferees based on suitability and other factors, and unless required by the relevant Governing Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

The Adviser's allocation of investment opportunities among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations likely will be more or less advantageous to some such persons relative to others. While the Adviser will allocate investment opportunities in a manner that it believes in good faith is fair and equitable to its clients under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the potential conflicts of interest to which the Adviser expects to be subject, discussed herein, did not exist. Additionally, the Adviser may be faced with a variety of potential conflicts of interest when it determines allocations of various fees and expenses related to an investment that is allocated to more than one Fund. The Adviser, in its sole discretion, will allocate fees and expenses in accordance with the Relevant Governing Documents and in a manner that it believes is fair and equitable to the Funds under the circumstances and considering such factors as it deems relevant. The allocation of such expenses may not be proportional, and any such determination involves inherent matters of discretion.

As a result of a Fund's controlling interests in portfolio companies, the General Partner and/or its affiliates typically have the right to appoint board members to such portfolio companies, or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company board members approve compensation and/or other amounts payable to the General Partner and/or its affiliates. The General Partner's authority to appoint or influence the appointment of portfolio company board members who may be involved in approving compensation payable to the General Partner subjects the General Partner and any such portfolio company board appointees to potential conflicts of interest. The General Partner and/or its affiliates may also, from time to time, employ personnel with preexisting ownership interests in portfolio companies owned by a Fund or other investment vehicles advised by BCP and/or its affiliates, conversely, former personnel or executives of BCP could also serve in significant management roles at portfolio companies or service providers recommended by

BCP. Such amounts will be in addition to any Management Fees or carried interest paid by a Fund to Bernhard Capital.

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

In connection with its services to the Funds and their investments, Bernhard Capital, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of Bernhard Capital's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, Bernhard Capital and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "**Bernhard Capital Information**"). In many cases, Bernhard Capital Information will include tools, procedures and resources developed by Bernhard Capital to organize or systematize Bernhard Capital Information for ongoing or future use. Although Bernhard Capital expects its Funds and their portfolio companies generally to benefit from Bernhard Capital's possession of Bernhard Capital Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies (or by Bernhard Capital and its personnel) and not by the Fund or portfolio company from which Bernhard Capital Information was originally received. Bernhard Capital Information will be the sole intellectual property of Bernhard Capital and solely for the use of Bernhard Capital. Bernhard Capital reserves the right to use, share, license, sell or monetize Bernhard Capital Information, without offset to Management Fees, and the relevant Fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to the Funds or portfolio companies are expected to be charged using credit cards or other widely available, third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, "points," "cash back," rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such terms are expected to vary from time to time, and any such rewards (whether or not *de minimis* or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio companies, the Funds or their respective investors; no such rewards will offset Management Fees.

Bernhard Capital generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with certain service providers, and from time to time

such service providers are expected to include: (i) Bernhard Capital or a related person of Bernhard Capital (which may include a portfolio company of a Fund); (ii) an entity with which Bernhard Capital or its affiliates or current or former members of their personnel has a relationship or from which Bernhard Capital or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where Bernhard Capital personnel are seconded, or from which Bernhard Capital receives secondees; or (iii) certain limited partners or their affiliates. For example, Bernhard Capital expects to be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain limited partners or their affiliates that are engaged in lending or related business. This discretion subjects Bernhard Capital to conflicts of interest, because although Bernhard Capital selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, Bernhard Capital has a potential incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that Bernhard Capital, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or Bernhard Capital), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Although Bernhard Capital generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. In certain circumstances where Bernhard Capital commits or has committed to seek "market" or "arm's length" rates or terms, Bernhard Capital will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. Bernhard Capital reserves the right to deem third-party investment in a transaction to be verification that the transaction was entered into at a value that is "arm's length." Consequently, Bernhard Capital undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking ultimately will be accurate, comparable or relates specifically to the assets, services, geographies or comparable markets to which such rates or terms relate. Where such rates or terms include hourly components, Bernhard Capital reserves the right to rely on approximations or estimates of time spent for purposes of allocating or charging for services. Any methodology, or choice among methodologies, involves potential conflicts of interest. Whether or not Bernhard Capital has a relationship or receives a financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at a lesser cost.

Bernhard Capital reserves the right, from time to time, to cause a Fund to enter into a transaction whereby the Funds purchases securities from or sells securities to other Funds managed by Adviser, or co-investors or co-investment vehicles. Certain of such transactions raise potential conflicts of interest, including where the investment of one Fund supports the value of portfolio companies owned by another Fund. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the relevant Funds' Governing Documents or otherwise in the sole discretion of Adviser, Adviser reserves the right to seek to mitigate such conflicts by seeking input from an unaffiliated third party (including the use of a

consultant or investment banker to opine as to the fairness of a purchase or sale price, whether or not part of a formal fairness opinion, “request for proposal” process, or proposal or quotation provided exclusively for the benefit of the Adviser) or by obtaining the consent of the relevant Funds (including, where authorized, the consent of each Fund’s advisory board) to such transactions. In certain circumstances, Adviser reserves the right to determine that the willingness of a third party to make an investment on the same terms demonstrates the fairness of the relevant transaction (including its value) to the Funds under then-current market conditions. Adviser intends that any such transactions be conducted in a manner that it believes in good faith to be fair and equitable to each Fund under the circumstances, including a consideration of the potential present and future benefits with respect to each Fund. Conflicts of interest can also arise if a Fund makes an investment in a portfolio company in conjunction with an investment made by another Fund sponsored by the General Partner or an affiliate. For instance, a Fund may not invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as such other fund. This may result in differences in price, investment terms, leverage and associated costs between the Fund and any other investing fund sponsored by the General Partner or an affiliate. There can be no assurance that any Fund will exit the investment at the same time or on the same terms, and there can be no assurance that a Fund’s return on such an investment will be the same as the returns achieved by such other Fund participating in the transactions. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to each Fund.

Although Adviser generally structures Funds to avoid circumstances in which one Fund ultimately bears liability for all or part of the obligations of another Fund or any Adviser affiliate, in certain circumstances lenders and other market participants may negotiate for the right to face only select Fund entities, which may result in a single Fund being solely liable for other Funds’ share of the relevant obligation and/or joint and several liability among Funds. In such cases, Adviser intends to cause the relevant other Funds to enter into a back-to-back guarantee, indemnification or similar reimbursement arrangement, although the Funds undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements. In other circumstances, lenders and other market parties are expected to seek “cross default” rights under which a Fund will be treated as in default under the relevant facility in the event of a default by another Fund or an Adviser affiliate relating to their respective lending or other facilities; if any such provision were to be triggered, a Fund’s limited partners could suffer adverse effects resulting from any default by any Fund or an Adviser affiliate, whether or not related to the Fund in which such limited partners have invested.

Bernhard Capital and/or its affiliates reserve the right to employ personnel with pre-existing ownership interests in portfolio companies owned by a Fund or other investment vehicles advised by BCP and/or its affiliates. Similarly, Bernhard Capital, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Bernhard Capital and/or its affiliates, and/or the Funds or other investment vehicles they

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

Bernhard Capital and its affiliates reserve the right to buy or sell securities or other instruments that Bernhard Capital has recommended to a Fund. In addition, Bernhard Capital officers, principals and employees reserve the right to buy securities in transactions deemed unsuitable for a Fund, but will not in such circumstances be required to share in or reimburse the relevant Fund for due diligence or other expenses (including Broken-Deal Expenses) incurred by the Fund in connection with the Fund's consideration of the relevant investment opportunity. Such transactions are subject to the policies and procedures set forth in Bernhard Capital's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Employees and related persons of Bernhard Capital have, and are expected to continue to have, directly or indirectly, capital investments in or alongside certain Funds or in prospective portfolio companies as well as investment vehicles (including private funds) sponsored by potential competitors and therefore expect to have additional potential conflicting interests in connection with these investments.

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

In addition, as described above, portfolio companies (and, to a lesser extent, the Funds) typically pay certain fees to operating partners and other consultants (including consultants introduced or arranged by Bernhard Capital and/or its affiliates that regularly provide services to one or more portfolio companies), and such fees do not offset or reduce the Management Fee as described herein. Operating partners generally make use of Bernhard Capital's resources or otherwise are associated with Bernhard Capital. Bernhard Capital and/or its affiliates reserve the right to agree to compensate certain of such persons to the extent portfolio company-related compensation falls below certain specified levels on an aggregate annualized basis, or provide other compensation. Operating partners generally receive investment opportunities, reimbursements and other compensation paid to an operating partner that will not offset or reduce the Management Fee of any Fund as described herein, and the use of operating partners is expected to fluctuate an/or expand over time. To the extent that operating partners are paid retainers or guaranteed minimum compensation amounts, there is the possibility that certain portfolio companies or Funds will bear a greater share of such compensation due to the utilization of the operating partner's services at a time when fewer portfolio companies or Funds make use of such operating partner. Under many of these arrangements, there can be no assurance that the amount of compensation paid in a particular year will be proportional to the amount of hours worked or the amount or written work product generated by the operating partner. Although the use of operating partners and the allocation of compensation paid to them by Bernhard Capital, its affiliates and/or the portfolio companies subjects Bernhard Capital and/or its affiliates to potential conflicts of interest, Bernhard Capital believes that such potential conflicts have the potential to be reduced by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) that will result if the cost of the operating partner is lower than market rate for the services provided and/or if the services of the operating partner align with Bernhard Capital's model for the portfolio company and improve portfolio company performance. Although Bernhard Capital seeks to retain operating partners with a view to reducing costs to portfolio companies (and, ultimately, the Funds) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. Bernhard Capital also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that Bernhard Capital believes will align such persons' interests with those of the Funds' limited partners, and seeks to retain only operating partners and service providers which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

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

Because there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because Management Fees are, at certain times

during the life of a Fund, based upon capital invested by such Fund, this fee structure creates an incentive to deploy capital when Bernhard Capital may not otherwise have done so. Since Bernhard Capital is permitted to retain certain fees (as described under “Fees and Compensation”) in connection with Fund investments, it will be subject to a potential conflict of interest in connection with approving transactions and setting such compensation. Additionally, BCP, its personnel, affiliates or others designated by BCP may from time to time to receive compensation in the form of portfolio company securities. After any applicable offset provisions in the relevant Governing Documents are applied, BCP and/or such other recipients will be permitted to retain such securities as supplemental fees, and in doing so will be subject to potential conflicts of interest in determining whether to sell such securities (subject to restrictions imposed by the portfolio company and/or BCP) or retain such securities for a period consistent with their own financial and investment objectives, which may differ from that of the relevant Fund. In addition, because portfolio company securities typically represent newly issued incentive equity (whether in the form of common stock, warrants or options to buy common stock, or similar instruments), the receipt of compensation in the form of securities typically has the result of diluting a Fund’s relative ownership of the portfolio company awarding such compensation.

Bernhard Capital and/or its affiliates reserve the right to enter into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures or arrangements (including discounted or rebated compensation terms, modified waterfall mechanics and/or receipt of a portion of BCP’s compensation, none of which generally will be subject to the “most-favored nation” provisions of a Fund’s Governing Documents), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, rights to serve on the Fund’s advisory board, liquidity or transfer rights, confidentiality protections and disclosure rights, modification of default remedies, investment pacing restrictions as well as economic, procedural and other terms. Side Letters may also relate to strategic relationships under which an investor agrees to make capital commitments to multiple Funds. Except where required by Governing Documents, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, the relevant General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such Side Letters. Side Letters subject BCP to potential conflicts of interest, including in circumstances where an investor’s right to serve on the relevant Fund’s advisory board results in the investor receiving additional information relative to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. Other Side Letter rights are likely to confer benefits on the relevant limited partner at the expense of the relevant Fund or of limited partners as a whole, including in the event that a Side Letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Fund.

As a consequence of one or more limited partners being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments or ability to bear certain liabilities or obligations, the aggregate returns realized by participating or non-participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments; similar considerations apply in the event a limited partner defaults on a drawdown in respect of an investment. Although BCP believes it to be unlikely,

excuse or other rights requested or received by one or more limited partners (or such regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of a Fund have the potential to create significant variations in limited partner investment returns or exposures to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by the General Partner on behalf of the relevant Fund as a whole. A limited partner's voting rights for regulatory or other reasons can be limited in circumstances specified in the Governing Documents; conversely, a limitation on one or more limited partners' voting rights generally will increase the voting rights percentage of other limited partners in the relevant Fund. Further, limited partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, *e.g.*, based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Fund.

The limited partners could have conflicting investment, tax, and other interests with respect to their investments in a Fund. The conflicting interests of individual limited partners are expected to relate to or arise from, among other things, the nature of the Fund's investments made by a Fund, the structuring or the acquisition of the Fund's investments, and the timing of disposition of the Fund's investments. As a consequence, conflicts of interest will arise in connection with decisions made by a Fund's General Partner, including with respect to the nature or structuring of investments that could be more beneficial for one limited partner than for another limited partner, particularly with respect to limited partners' individual tax situations. In selecting and structuring investments appropriate for a Fund, its General Partner will consider the investment and tax objectives of the Fund and its investors as a whole, and not the investment, tax or other objectives of any limited partner individually.

Any of these situations subjects BCP, the General Partner and/or their affiliates to potential conflicts of interest. Bernhard Capital attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Bernhard Capital's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds and such investment vehicles in a manner it believes to be fair and equitable to the Funds under the circumstances over time. To the extent that an investment or relationship raises particular conflicts of interest, Bernhard Capital will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, Bernhard Capital consults and receives consent to, or waivers of, conflicts from an advisory board consisting of limited partners of the relevant Fund and such other investment vehicles.

Disciplinary Information

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

Other Financial Industry Activities and Affiliations

As described under "Advisory Business" above, the Management Company is affiliated with other Bernhard Capital investment advisers including General Partners and equivalent entities formed from time to time and subject to the Advisers Act pursuant to the Management Company's

registration in accordance with SEC guidance. These entities serve as general partners of the Funds and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.

In addition, one or more of the principals of BCP may own interests in other entities involved in making investments. BCP has entered into a strategic relationship with a leading alternative asset manager (the “**Strategic Investor**”) in which the Strategic Investor has acquired a minority economic interest in BCP and/or one or more of its affiliates. The Strategic Investor is a passive investor and has no approval, veto or similar governance rights with respect to the investment decisions by BCP or any portfolio company operations. In certain circumstances, a Fund may purchase investments from those related entities. In such circumstances, BCP will attempt to resolve any conflicts of interest as described herein and in the applicable Funds’ governing documents. Additionally, a third-party institutional investor owns a minority interest in BCP. In return, such investor is entitled to certain specified proceeds, including via the pledge of a portion of BCP’s management fee and carried interest streams over time. While such investor has negotiated certain customary minority investor rights, such investor has (1) no authority over the day-to-day management or operations of the Adviser, and (2) no voting or decision-making authority with respect to portfolio investments of the Funds.

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

BCP has adopted a Code of Ethics and Securities Trading Policy (the “**Code**”), which sets forth standards of conduct that are expected of BCP principals and employees and addresses certain conflicts that may arise from personal securities trading. The Code requires BCP personnel to:

- report their personal securities transactions;
- pre-clear any proposed purchase of any initial public offering or limited offering; and
- comply with policies and procedures reasonably designed to prevent the misuse of or trading upon material, non-public information.

A copy of the Code will be provided to any client or prospective client upon request to the BCP Chief Compliance Officer at (225) 228-2500. Personal securities transactions by BCP personnel are required to be conducted in a manner that prioritizes the client’s interests in client eligible investments.

BCP and its affiliated persons may come into possession, from time to time, of material nonpublic or other confidential information about public companies which, if disclosed, might affect an investor’s decision to buy, sell or hold a security. Under applicable law, BCP and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of Bernhard Capital. Accordingly, should BCP or any of its affiliated persons come into possession of material, non-public or other confidential information with respect to any public company, BCP would be prohibited from communicating such information to clients; and BCP will have no responsibility or liability for failing to disclose such information to clients as a result of following

their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of BCP personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Funds.

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

BCP and its affiliates, principals and employees may carry on investment activities for their own account, for personal or employee investment vehicles and, potentially, for family members, friends or others who do not invest in the Funds, as well as give advice and recommend securities to vehicles that may differ from advice given to, or securities recommended or bought for, the Funds, even though their investment objectives may be the same or similar.

A Fund's General Partner reserves the right to borrow funds on behalf of a Fund and contribute such borrowed amounts to the relevant Fund as a special capital contribution for investment, to be redeemed at a later date. Interest in connection with such borrowing is borne by the relevant Fund as a Fund expense, consistent with the Governing Documents and the expense policy described under "Fees and Compensation." In borrowing on behalf of a Fund, the General Partner is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of such Fund and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund's preferred return, is expected to have incentives to cause the Funds to borrow in this manner rather than drawing down capital commitments. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs. The General Partner will effect such borrowings consistent with a Fund's Governing Documents and in a manner it believes to be fair and equitable under the circumstances to the Funds.

Brokerage Practices

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

If BCP sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by BCP. In such event, BCP will seek to select brokers on the basis of best price and execution capability. In selecting a broker

to execute client transactions, BCP can consider a variety of factors, including (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; (iv) gross compensation paid to the broker; and (v) financial information of the broker.

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

Consistent with BCP seeking to obtain best execution, brokerage commissions on client transactions are permitted to be directed to brokers in recognition of research furnished by them, although BCP generally does not make use of such services at the current time. As a general matter, research provided by these brokers would be used to service all of BCP’s Funds. However, each and every research service may not be used for the benefit of each and every Fund managed by BCP, and brokerage commissions paid by one Fund may apply towards payment for research services that might not be used in the service of such Fund.

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

BCP does not anticipate engaging in significant public securities transactions; however, to the extent that BCP engages in any such transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for Funds are completed independently, BCP also reserves the right to purchase or sell the same securities or instruments for several Funds simultaneously. From time to time, BCP expects, but is not obligated, to purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or “batched” to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs.

When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Fund participating in such buy or sell order. Each Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to *pro rata* allocations are permissible provided BCP believes they are fair and equitable to the Funds under the circumstances over time.

In Bernhard Capital's private company securities transactions on behalf of the Funds, Bernhard Capital reserves the right to retain one or more broker-dealers or investment banks, the costs of which will be borne by the relevant Fund and/or its portfolio companies. In determining to retain such parties, Bernhard Capital reserves the right to consider a variety of factors, including (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although Bernhard Capital generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds may not pay the lowest commission or fee for such services.

Review of Accounts

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, BCP closely monitors companies in which the Funds invest, and the Chief Compliance Officer periodically checks to confirm that each Fund is managed in accordance with its stated objectives.

Each Fund generally will provide to its limited partners (i) audited financial statements annually; (ii) unaudited financial statements for the first three quarters of each fiscal year; (iii) annual tax information necessary for each limited partner's U.S. tax returns; and (iv) descriptive investment information for each portfolio company periodically.

Client Referrals and Other Compensation

BCP and/or its affiliates may provide certain business or consulting services to companies in a Fund's portfolio and expect to receive compensation from these companies in connection with such services. As described in the Governing Documents, this compensation in certain circumstances, will offset all or a portion of the Management Fees paid by such Fund. However, in other circumstances, these fees are in addition to the Management Fee. BCP reserves the right from time to time to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. Any fees payable to any such placement agents generally will be borne by BCP indirectly through an offset against the Management Fee under the Governing Documents, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s).

Custody

BCP generally expects that it will be deemed to have "custody" (within the meaning of Advisers Act Rule 206(4)-2 (the "**Custody Rule**")) of funds or securities held in the name of one or more Funds, subject to certain exceptions set forth in the Custody Rule and related guidance. BCP maintains custody of assets held in the name of the Funds with the following qualified custodians: Regions Bank and Silicon Valley Bank. The Funds are subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. Each such Fund's audited financial statements is

prepared in accordance with generally accepted accounting principles and distributed to that Fund's investors within 120 days of such Fund's fiscal year end.

Investment Discretion

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

Voting Client Securities

BCP has adopted Proxy Voting Policies and Procedures (the "**Proxy Policy**") to address how it will vote proxies, as applicable, for a Fund's portfolio investments. The Proxy Policy seeks to ensure that BCP votes proxies (or similar instruments) in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. BCP generally believes its interests are aligned with those of each Fund's investors, for example, through the principals' beneficial ownership interests in such Fund and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that BCP may address the conflict using several alternatives, including by seeking the approval or concurrence of a Fund's advisory board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, a Fund's advisory board is authorized to approve BCP's vote in a particular solicitation. BCP does not consider service on portfolio company boards by BCP personnel or BCP's receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by BCP when voting proxies on behalf of a Fund. If a client or prospective client would like a copy of BCP's complete Proxy Policy or information regarding how BCP voted proxies for particular portfolio companies, they should contact the BCP Chief Compliance Officer at (225) 228-2500, and it will be provided at no charge.

Financial Information

BCP does not require prepayment of Management Fees more than six months in advance or have any other event requiring disclosure under this item of the Brochure.