



BP Capital Fund Advisors, LLC

Form ADV Part 2 Brochure

This Brochure (the “Brochure”) provides information about the qualifications and business practices of BP Capital Fund Advisors, LLC (“BPCFA,” the “Adviser,” the “Firm,” “we,” “us” or “our”). If you have any questions about the contents of this Brochure, please contact us at (214) 615-3822. 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 securities authority. Additional information about BPCFA also is available on the SEC’s website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for BPCFA is 168476.

BPCFA is registered as an investment adviser with the SEC pursuant to the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Recipients of this Brochure should be aware that registration with the SEC does not in any way constitute an endorsement by the SEC of an investment adviser’s skill or expertise. Further, registration does not imply or guarantee that a registered adviser has achieved a certain level of skill, competency, sophistication, expertise or training in providing advisory services to its clients.

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Item 2 Material Changes

This Brochure contains updated information about BPCFA's business since the last annual update dated March 25, 2021. This section of the Brochure will address only those "material changes" that have been incorporated since the last annual delivery of this document on the SEC's public disclosure website (IAPD). Since our most recently filed annual amendment, we are no longer sub-adviser any registered investment companies or sponsor a Wrap Fee Program and references thereto have been removed from our brochure.

BPCFA will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, BPCFA's Brochure may be requested by contacting Mr. Patrick Hurley, Chief Compliance Officer at (214) 675-2233 or phurley@bpcfunds.com.

Additional information about BPCFA is also available via the SEC's web site www.adviserinfo.sec.gov. The searchable IARD/CRD number for BPCFA is 168476. The SEC's web site also provides information about any persons affiliated with BPCFA who are registered, or are required to be registered, as investment adviser representatives of BPCFA.



IMPORTANT NOTE ABOUT THIS DISCLOSURE BROCHURE

This Disclosure Brochure is not:

- ***an offer or agreement to provide advisory services to any person***
- ***an offer to sell nor a solicitation of any offer to purchase any security***
- ***an offer to sell interests or shares (or a solicitation of an offer to purchase interests or shares) in any pooled investment vehicle managed by BP Capital Fund Advisors, LLC or any of its affiliates***
- ***a complete discussion of the features, risks or conflicts associated with any security***

As required by the Investment Advisers Act of 1940, as amended, BP Capital Fund Advisors, LLC provides this Brochure to current and prospective clients and may also, in its discretion, provide this Brochure to current or prospective investors or shareholders in a pooled investment vehicle, together with other relevant governing documents, such as the pooled investment vehicle's prospectus and statement of additional information, private placement memoranda, limited partnership agreement or offering circular, prior to, or in connection with, such persons' investment in a pooled investment vehicle.

Although this publicly available Brochure describes investment advisory services and products of BP Capital Fund Advisors, LLC, persons who receive this Brochure (whether or not from BP Capital Fund Advisors, LLC) should be aware that it is designed solely to provide information about BP Capital Fund Advisors, LLC as necessary to respond to certain disclosure obligations under the Investment Advisers Act of 1940, as amended. As such, the information in this Brochure may differ from information provided in relevant governing documents. More complete information about any pooled investment vehicle is included in relevant governing documents, certain of which may be provided to current and eligible prospective investors only by BP Capital Fund Advisors, LLC. To the extent that there is any conflict between discussions herein and similar or related discussions in any governing documents, the relevant governing documents shall govern and control.



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Item 4 Advisory Business

BPCFA is a Delaware limited liability company that was formed on June 19th, 2013 for the purpose of providing discretionary and non-discretionary portfolio management and investment advisory services to registered investment vehicles and separately managed accounts. BPCFA and its affiliates are headquartered in Dallas, Texas. Since August 22nd, 2013, BPCFA has been registered with the SEC pursuant to the Advisers Act. Registration of an investment adviser does not imply any level of skill or training. The primary owners of BPCFA are the Loftin Group, LLC, a Texas limited liability company and TBP MLP Advisors Holdings, LLC, a Delaware limited liability company (which is a holding company controlled by the estate of T. Boone Pickens).

Advisory Services

BPCFA's portfolio management and investment advisory services are offered (directly or indirectly through a sub-advisory arrangement with the client's primary investment adviser) to registered investment companies and High Net Worth investors through separate account management.

BPCFA's investment strategies employ an energy sector focus by primarily investing in publicly-traded equity and debt securities of U.S. energy companies involved in the extraction, processing, distribution or use of natural gas, oil and coal. Additionally, BPCFA focuses its investments on energy infrastructure master limited partnerships ("MLPs"), which own and operate assets that are used in the energy sector, including assets used in exploring, developing, producing, generating, transporting (including marine), transmitting, terminal operation, storing, gathering, processing, refining, distributing, mining or marketing of natural gas, natural gas liquids, crude oil, refined products, coal or electricity, or that provide energy related equipment or services. BPCFA's advisory services consist of managing each of its Client's portfolios, including sourcing, selecting, determining investments in, and monitoring investments in and the execution of transactions on behalf of its Clients. BPCFA generally is responsible for investing and re-investing the assets of each Client account in accordance with the investment objectives, policies and guidelines set forth in the Client's governing documents. With respect to any Client, this Brochure is qualified in its entirety by the Clients' offering memorandum, prospectus, statement of additional information or other similar disclosures and governing documents (collectively, the "governing documents").

BPCFA tailors its investment advice to the specific needs of its Clients and is subject to applicable investment restrictions set forth in the governing documents for the applicable Clients. BPCFA works with Clients to formulate appropriate and agreed-upon investment guidelines. BPCFA works with Clients to determine the feasibility of monitoring proposed restrictions and limitations. Clients who restrict their investment portfolios may experience potentially worse performance results than Clients with unrestricted portfolios even for Clients with similar objectives. BPCFA reserves the right to reject or terminate any Client that seeks restrictions which BPCFA is unable to implement or which may fundamentally alter the investment objective of the strategy selected by the Client. Investors who participate in pooled investment vehicles, such as U.S. registered investment companies, may generally not tailor investment guidelines.

When BPCFA serves as investment adviser, it enters into a written investment management agreement with each of its advisory Clients. Investors in pooled investment vehicles are not considered as BPCFA's advisory Clients and do not enter into investment management agreements with BPCFA. Investment management agreements include provisions related to each Client's management fees, investment strategy, investment guidelines, termination rights, proxy voting and sub-adviser, if applicable. BPCFA's standard investment management contract generally permits either party to terminate the contract at the upon 30 days' written notice. Upon termination, Clients are billed only for the pro-rata portion of the management period. Clients do not pay a termination fee.

Wrap Fee Programs

We do not currently have a Wrap-Fee Program.

Regulatory Assets Under Management



As of December 31, 2022, BPCFA managed approximately \$15 million of advisory assets, all of which were on a discretionary basis. The SEC has adopted a uniform method for advisers to calculate assets under management for regulatory purposes which it refers to as an adviser's "regulatory assets under management." Regulatory assets under management are generally an adviser's gross assets, i.e., assets under management without deduction for outstanding indebtedness or other accrued but unpaid liabilities. BPCFA reports its regulatory assets under management in Item 5 of Part 1 of Form ADV which you can find at www.adviserinfo.sec.gov.

Item 5 Fees and Compensation

Advisory Fees

BPCFA's fees generally depend on the services being provided and vary from product to product based on a variety of factors, including but not limited to, the investment mandate or strategy, investment vehicle, degree of servicing required, account/relationship size, market-place conditions, and other factors BPCFA deems relevant. For investment management services, fees typically are expressed as a percentage of assets under management. BPCFA does not currently charge performance-based fees to any Client. See *Item 6 – Performance-Based Fees and Side-By-Side Management* of this Brochure for more information about performance-based fees.

BPCFA's investment management fees are typically calculated as a percentage of the market value of a Client's assets under management in accordance with its contractual agreements. Fee breakpoints may be available for certain strategies and product types. BPCFA's standard fee schedules, which are subject to change and may be negotiated, are described below under "Fee Schedules". Existing Clients may have different fee arrangements from those described under Fee Schedules. To the extent BPCFA engages a sub-adviser, it will pay the sub-adviser a portion of the management fee that Clients pay to BPCFA. BPCFA's Clients do not pay any fees, commissions, or expenses directly to sub-advisers.

BPCFA may, in its sole discretion, charge lower management fees or waive account minimums based on certain criteria including product type, investment strategy, client type, client domicile, services provided, the client's historical relationship with BPCFA, number of related investment accounts, account composition or size, anticipated future earning capacity, current and anticipated future assets under management, marketplace considerations, early adoption of an investment strategy or investment in a particular vehicle, client's operational or investment limitations or restrictions, level of client servicing required and other factors BPCFA deems relevant. BPCFA, in its sole discretion, may also waive or charge lower management fees and waive account minimums for employees, including portfolio managers, affiliates or relatives of such persons. Assets from related accounts in similar investment vehicles may be aggregated for fee calculation purposes according to BPCFA's policies and procedures.

BPCFA may be limited in its ability to negotiate fees due, in part, to existing Client contracts, which require equivalent pricing. Under the terms of these agreements, BPCFA is generally required to charge the same fee schedule to similarly-situated Clients. Generally, BPCFA considers Clients to be similarly-situated if they are domiciled in the same country, are in the same investment vehicle managed as a component of the same investment composite, are of the same client type, require a similar level of client servicing and have a similar account size among other factors BPCFA deems relevant.

To the extent fees are negotiable, certain Clients may pay more or less than other Clients for the same management services. In cases where a consulting or referral arrangements are in place in which broker-dealers, investment advisers, trust companies and other providers of financial services typically provide Clients with services that complement or supplement BPCFA's services, BPCFA may charge lower management fees for accounts managed.

In addition to BPCFA's investment management fee, Clients may incur operating and transaction fees, costs and expenses associated with maintaining their accounts imposed by custodians, brokers, futures commission merchants, prime brokers and other third parties. Examples of these charges include but are not limited to custodial fees, margin, deferred sales charges, "mark-ups" and "mark-downs" on trades, odd-



lot differentials, transfer taxes, handling charges, exchange fees (including foreign currency exchange fees), interest to cover short positions, wire transfer fees, electronic fund fees, conversion fees for American Depositary Receipts (“ADRs”) and other fees and taxes on brokerage accounts and securities transactions. BPCFA does not receive any portion of these commissions, fees or costs. See, however, *Item 12 – Brokerage Practices* of this Brochure for more information about soft-dollars. See also *Item 12 – Brokerage Practices* of this Brochure for more information about conversion fees for ADRs. To the extent BPCFA should act as a sub-adviser, BPCFA will receive a portion of the management fee the end Clients pay to the adviser; these Clients do not pay any fees, commissions or expenses directly to BPCFA.

BPCFA generally invoices Clients on a monthly or quarterly basis in arrears for its investment management fees. In any partial billing period, BPCFA pro-rates fees based on the number of days an account is open. If a Client requests that BPCFA automatically deduct management fees from its accounts, BPCFA will bill the Client’s custodian directly in accordance with Rule 206(4)-2 (the “Custody Rule”) under the Advisers Act. BPCFA may invest Separate Account assets in unaffiliated pooled investment vehicles that charge fees described in the pooled investment vehicles’ governing documents. Separate Account assets invested in these unaffiliated pooled investment vehicles may pay both BPCFA’s investment management fee and the unaffiliated pooled investment vehicles’ fees and expenses.

Fee Schedules

The following sets forth a basic description of certain advisory fee arrangements, including information on BPCFA’s standard fee schedules. However, fees and other compensation are negotiated in certain circumstances, and arrangements with any particular Client may vary.

Separate Accounts

BPCFA’s investment management fee for managing a separate account are determined through negotiation with each Client and are set forth in the investment management agreement with the Client. Typically, a Separate Account Client will pay management fees ranging from 0.50% to 1.25% annually. Management fees are generally based upon the quarter end portfolio values. Separate Account Clients generally are responsible for brokerage commissions, transfer taxes and other brokerage fees and investment expenses relating to investment instrument transactions in the Separate Account. Separate Account Clients may incur operating and transaction fees, costs and expenses associated with maintaining their accounts imposed by custodians, brokers, futures commission merchants, prime brokers and other third-parties. BPCFA does not receive any portion of these commissions, fees or costs.

Other Fees and Expenses

In addition to the fees described above, Clients may bear other costs associated with investments or accounts including but not limited to: (i) custodial charges, brokerage fees, commissions and related costs; (ii) interest expenses; (iii) taxes, duties and other governmental charges; (iv) transfer and registration fees or similar expenses; (v) costs associated with foreign exchange transactions; (vi) other portfolio expenses; and (vii) costs, expenses and fees (including investment advisory and other fees charged by the investment advisers of funds in which the Client’s account invest) associated with products or services that may be necessary or incidental to such investments or accounts. With respect to such services (which may include, but are not limited to, custodial, securities lending, brokerage, futures, banking, consulting or third-party advisory or legal services) each Client may be required to establish business relationships with relevant service providers or other counterparties based on the Client’s own credit standing. BPCFA will not have any obligation to allow its credit to be used in connection with the establishment of such relationships, nor is it expected that such service providers or counterparties will consider or rely on BPCFA’s credit in evaluating the Client’s creditworthiness.

For an additional discussion of brokerage and other transaction costs, please refer to *Item 12 – Brokerage Practices* of this Brochure.



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

As noted in Item 5 above, BPCFA does not charge performance-based fees to any Clients

We manage accounts, some of which have objectives that are similar to, or which overlap with, those of other Clients. Additionally, we, or our employees, may own interests in those managed accounts. Our ownership interest in these accounts may give us an incentive to favor those accounts over other Client accounts. BPCFA believes that it has reasonable controls in place to mitigate potential conflicts of interest. These controls include trade allocation procedures that govern allocation of securities, including limited offerings and average pricing of executed trades among similar accounts, and analysis of performance achieved by accounts managed in a similar strategy. BPCFA's procedures generally require accounts with similar investment strategies to be managed in a similar fashion, subject to a variety of exceptions, such as particular investment restrictions or policies applicable only to certain accounts, differences in cash flows and account sizes and similar factors. See *Item 11 – Code of Ethics* and *Item 12 – Brokerage Practices* of this Brochure for additional information about BPCFA's trade allocation procedures and for a discussion of other potential conflicts of interest.

Item 7 Types of Clients

As discussed in *Item 4 – Advisory Business* of this Brochure, BPCFA currently provides investment management services, as an investment adviser, to High Net Worth investors through separately managed accounts on a discretionary basis. BPCFA's Clients may include, but are not limited to: financial institutions, registered investment companies, pension funds and other retirement accounts, corporations, banks and thrift institutions, High Net Worth Individuals, and other institutional type accounts.

For new accounts, BPCFA generally requires:

- \$500,000 to establish a Dual Contract Program account,
- \$25 to \$50 million to establish a new Institutional Separate Account depending on the strategy, and
- \$50 million to establish a non-sponsored Fund relationship.

BPCFA may waive these requirements based on certain criteria as described in *Item 5 – Fees and Compensation* and, in its sole discretion, reserves the right to decline any account. BPCFA also reserves the right to close any account which falls below the minimum requirements to establish an account due to Client activity or as a result of market movement. Smaller-sized accounts may not receive or be able to fully implement BPCFA's investment recommendations for a particular strategy depending on the price of securities and the size of the accounts.

BPCFA may seek to obtain, verify, and record information that identifies each Client who retains BPCFA to manage its account or who invests in a pooled investment vehicle managed by BPCFA, in order to help the U.S. government fight the funding of terrorism and money laundering activities.

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

Investing in securities involves risk of loss that Clients should be prepared to bear.

Investment Strategies

BPCFA offers several investment strategies to Clients and in doing so may invest in a wide range of securities and other financial instruments including: equity securities of domestic and foreign issuers (both publicly and privately traded); corporate debt securities of domestic and foreign issuers (both publicly and privately traded); MLPs; derivative securities, including but not limited to futures, options, swaps and forward contracts; warrants; commercial paper; foreign currency contracts; registered investment company securities, including exchange-traded funds ("ETFs"); and U.S. government securities. As financial markets



and products evolve, BPCFA may invest in other instruments or securities, whether currently existing or developed in the future, when consistent with Client guidelines, objectives, and policies. BPCFA generally invests for long-term growth of capital and income. Within that framework, Client objectives and unique circumstances may dictate that short-term positions be taken.

BPCFA's primary objective is to seek consistent positive absolute returns while employing an investment strategy appropriate to the Client's investment goals and objectives. These investment goals and objectives are written in the Investment Policy Statement for each Client and are followed when making investment decisions for the Client's account.

For its fundamental investment strategies, BPCFA seeks to add value versus benchmarks by actively pursuing alpha generation through its own intensive fundamental research. BPCFA strives to find companies possessing BPCFA's key investment criteria (as described below) through proprietary research that emphasizes contact with a company's management team, competitors, suppliers and consumers, as well as in-depth and ongoing financial modeling. This process has been critical in BPCFA's ability to uncover energy companies possessing misunderstood fundamentals and price dislocations, as well as rapidly growing energy companies for certain equity and fixed-income strategies.

Energy Value Chain Strategy

Philosophy and Context

In deploying the Energy Value Chain Strategy, BPCFA seeks total return from capital appreciation, primarily by investing in publicly traded equity and debt securities of U.S. energy companies that operate in a capacity related to the supply, transportation, production, transmission and demand of energy, also known as the energy value chain. BPCFA seeks companies that have the ability to unlock oil and natural gas energy sources with new technologies which offer the potential for a lasting competitive advantage in the global market. BPCFA refers to U.S. companies with this paradigm shift as the "American Energy and Industrial Renaissance." BPCFA believes a well-positioned portfolio across the full spectrum of the energy supply-demand value chain take advantage of the opportunities related to the American Energy and Industrial Renaissance.

Investment Process

BPCFA uses a proprietary research and investment process that involves fundamental and quantitative analysis of various macroeconomic and commodity factors to select the investments and determine the weighting of each investment. BPCFA, in collaboration with its network of relationships within the energy sector, seeks to build a strategically developed core portfolio, designed to take advantage of changing dynamics in the energy, energy infrastructure, industrial and manufacturing and transportation and logistics sectors. This process is incorporated by BPCFA's ability to utilize its financial and industry experience to identify the absolute and relative value investments that, in BPCFA's view, present the best opportunities for income and appreciation. BPCFA's dedicated investment team accomplishes this by seeking companies with strong balance sheets, free cash flow generation, earnings and revenue growth, pricing power, and sustainable competitive advantage, including focusing on factors such as credit quality and outlook, price/earnings, price/book, price/free cash flow and quality of management. The investment team regularly assesses the portfolio to determine what changes might be needed to balance the portfolio risk/reward attributes. As part of the assessment, BPCFA analyzes the macroeconomic factors of physical and financial commodity flows, marginal cost of production and business type concentrations. In applying BPCFA's proprietary research model, the investment team determines target high and low end values for each investment in the portfolio. Based on those targets, the investment team considers other factors such as changes in management or and the fundamental qualities of the investment before either selling completely or reducing the portfolio's position.

Portfolio Construction

In executing the Energy Value Chain Strategy, BPCFA will allocate approximately eighty percent (80%) of



the portfolio in publicly traded equity and debt securities of companies which BPCFA believes are well-positioned to take advantage of the opportunities related to the American Energy and Industrial Renaissance. BPCFA may invest in companies of any market capitalization size including a company's first offering of stock to the public in an initial public offering ("IPO"). In addition, the portfolio may be invested in energy-related MLPs, and in debt securities rated below investment-grade, commonly known as high-yield securities or junk bonds. BPCFA may invest in debt of any maturity or duration.

Primary categories of the energy value chain include:

- *Energy Companies (Supply-side oriented)* – companies across the energy supply chain spectrum, including upstream, midstream and downstream energy companies (i.e., companies engaged in exploration and production; gathering, transporting and processing, and marketing and distribution, respectively), of various energy sources such as natural gas, crude oil, refined products, coal and electricity, as well as companies that provide services to oil and gas companies;
- *Industrial Companies* – energy-intensive chemical, metal, industrial and manufacturing companies and engineering and construction companies that BPCFA expects to benefit from growing U.S. energy production and lower feedstock costs relative to global costs;
- *Infrastructure Companies* – companies which design, manufacture, install, own, operate or service equipment or assets that enable the connectivity of energy supply and demand or provide technology and engineering solutions to industrial, commercial and consumer markets; and *Transportation and Logistics Companies* – companies that provide solutions for transportation and logistics to the U.S. manufacturing industry.

Core Midstream Strategy

Philosophy and Context

In deploying the Core Midstream Strategy, BPCFA seeks capital appreciation through distribution growth along with current income, primarily by investing in energy infrastructure MLPs, which own and operate assets that are used in the energy sector, including assets used in exploring, developing, producing, generating, transporting (including marine), transmitting, terminal operation, storing, gathering, processing, refining, distributing, mining or marketing of natural gas, natural gas liquids, crude oil, refined products, coal or electricity, or that provide energy related equipment or services. BPCFA believes that MLPs are attractive investments for several reasons, including: higher yields relative to most common equity and investment grade debt, generally low correlation to other asset classes, cash flows that remain relatively stable regardless of broader market conditions, and the potential for deferred taxation for taxable investors.

Investment Process

In selecting investments for the portfolio, BPCFA first evaluates the global energy landscape and any trends with a "top-down" deductive reasoning approach. BPCFA then examines the energy commodity environment through its focused research of the entire energy value chain globally and region by region. BPCFA then considers the physical and financial energy commodity flows, exploration and production activity and capital spending patterns, refinery economics, and changes in end-user demand to discern areas of attractive investment. By this process, BPCFA aims to understand potential shifts in regional supply and demand balances in crude oil, refined products, natural gas, natural gas liquids, and coal. The previous step enables BPCFA to identify short-term, intermediate, and long-term trends and potential impacts across the entire energy value chain.

Having established an understanding of how supply and demand patterns could shift over time and their implications for energy infrastructure, BPCFA undertakes detailed bottom-up analysis of individual companies with exposure to the trends identified. This process helps identify companies with potential for above-average distribution growth over multiple years and also helps avoid potential trouble spots.



BPCFA believes in balancing growth with other important attributes, including reliability of current distributions, credit ratings and leverage and considers those factors when evaluating potential investments. Similarly, deterioration in growth prospects, falling distribution coverage, limited liquidity in the face of increasing capital expenditure commitments, and rising leverage are examples of signals that the investment team relies on in deciding whether or not to sell a position.

Portfolio Construction

The portfolio may be invested in debt securities rated below investment-grade, commonly known as high-yield securities or junk bonds. The portfolio may also invest in derivatives (futures, options, swaps, forward contracts). MLPs are generally publicly traded, however the portfolio may also invest in privately placed securities of publicly traded MLPs. The MLP investments may be of any capitalization size including a company's first offering of stock to the public in an IPO.

MLP investments may include, but are not limited to: (i) MLPs structured and taxed as limited partnerships or limited liability companies; (ii) MLPs that are taxed as "C" corporations; (iii) institutional units ("I-Units") issued by MLP affiliates; (iv) taxable "C" corporations that hold significant interests in MLPs; and (v) other equity and fixed income securities and derivative instruments (on stocks, indices, interest rates, debt securities or currencies), including pooled investment vehicles, exchange-traded notes, and exchange-traded funds, that provide exposure to MLPs.

Many of the MLPs in which BPCFA invests in operate oil, gas or petroleum facilities, or other facilities within the energy sector. BPCFA intends to concentrate its investments in the energy sector, with a focus on "midstream" energy infrastructure MLPs. Midstream MLPs are generally engaged in the treatment, gathering, compression, processing, transportation, transmission, fractionation, storage and terminalling of natural gas, natural gas liquids, crude oil, refined products or coal. Midstream MLPs may also operate ancillary businesses including marketing of energy products and logistical services. BPCFA may also invest in "upstream" and "downstream" MLPs. Upstream MLPs are primarily engaged in the exploration, recovery, development and production of crude oil, natural gas and natural gas liquids. Downstream MLPs are primarily engaged in the processing, treatment, and refining of natural gas liquids and crude oil. The MLPs in which BPCFA invests in may also engage in owning, managing and transporting alternative energy assets, including alternative fuels such as ethanol, hydrogen and biodiesel.

Temporary and Defensive Investment Strategies

Each of BPCFA's investment strategies may, from time to time, take temporary or defensive positions in attempting to respond to adverse market, political or other conditions. For temporary defensive purposes, a portfolio may invest up to 100% of its total assets in securities issued or guaranteed by the U.S. government, its agencies, instrumentalities or sponsored enterprises ("U.S. Government Securities"), commercial paper rated at least A-2 by Standard & Poor's Rating Group, P-2 by Moody's Investors Service, Inc. or having a comparable rating by another nationally recognized statistical rating organization (or if unrated, determined by BPCFA to be of comparable credit quality), certificates of deposit, bankers' acceptances, repurchase agreements, non-convertible preferred stocks and non-convertible corporate bonds with a remaining maturity of less than one year, ETFs and other investment companies and cash items. When a portfolio's assets are invested in such instruments, the portfolio may not be achieving its investment objective.

As noted in *Item 4 – Advisory Business* of this Brochure, BPCFA manages Client's accounts in accordance with the terms, conditions, investment objectives and guidelines and limitations set forth in the investment management agreement entered into with each Client. BPCFA generally utilize and pursue the same or similar investment strategies, processes and methods of analysis with respect to Separate Accounts as we utilize and pursue for the Open-End Funds.

BPCFA maintains risk management policies and procedures in connection with its advisory and management services with respect to Client accounts. Such policies and procedures are discussed periodically and considered in connection with ongoing investment advisory activities. BPCFA considers a variety of risks that may affect Client accounts, including margin to equity ratios, liquidity issues and



counterparty risk, among others. T the materiality of these risks with respect to portfolios managed by BPCFA on a periodic basis as part of BPCFA's general compliance program.

The methods of analysis and investment strategies summarized above are not intended to be comprehensive. For more information regarding the investment objective and strategies of each Open-End Fund, please carefully review its applicable governing documents.

Certain Risk Factors

Clients should understand that all investment strategies and the investments made when implementing those investment strategies involve risk of loss and Clients should be prepared to bear the loss of assets invested. There can be no assurance that Clients will achieve their investment objectives or that investments will be successful or profitable. The investment performance and the success of any investment strategy or particular investment can never be predicted or guaranteed, and the value of a Client's investments fluctuates due to market conditions and other factors. Nothing in this Brochure is intended to imply, and no one is or will be authorized to represent, that BPCFA's investment strategies and services are low risk or risk free. The investment decisions made and the actions taken for Clients accounts are subject to various market, liquidity, currency, economic and political risks, and will not necessarily be profitable. Past performance of Clients accounts is not indicative of future performance. Investors and advisory Clients are urged to consult with their own independent financial, legal and tax advisors before making any investment decisions. This Brochure does not include every potential risk associated with an investment strategy, or all of the risks applicable to a particular Client account. Rather, it is a general description of the nature and risks of the strategies and securities and other financial instruments in which Client accounts may invest. The following risks may apply to strategies managed by BPCFA:

- **Acquisition Risk** – BPCFA may invest Client's assets in MLPs which may depend on their ability to make acquisitions that increase adjusted operating surplus per unit in order to increase distributions to unit holders. The ability of such MLPs to make future acquisitions is dependent on their ability to identify suitable targets, negotiate favorable purchase contracts, obtain acceptable financing and outbid competing potential acquirers. To the extent that MLPs are unable to make future acquisitions, or such future acquisitions fail to increase the adjusted operating surplus per unit, their growth and ability to make distributions to unit holders will be limited.
- **Catastrophic Event Risk** – MLPs and other companies operating in the energy infrastructure industry are subject to many dangers inherent in the production, exploration, management, transportation, processing and distribution of natural gas, natural gas liquids, crude oil, refined petroleum and petroleum products and other hydrocarbons. These dangers include leaks, fires, explosions, damage to facilities and equipment resulting from natural disasters, inadvertent damage to facilities and equipment and terrorist acts. Since the September 11 terrorist attacks, the U.S. government has issued warnings that energy assets, specifically U.S. pipeline infrastructure, may be targeted in future terrorist attacks. These dangers give rise to risks of substantial losses as a result of loss or destruction of commodity reserves; damage to or destruction of property, facilities and equipment; pollution and environmental damage; and personal injury or loss of life. Any occurrence of such catastrophic events could bring about a limitation, suspension or discontinuation of the operations of MLPs and other companies operating in the energy infrastructure industry. MLPs and other companies operating in the energy infrastructure industry may not be fully insured against all risks inherent in their business operations and therefore accidents and catastrophic events could adversely affect such companies' financial conditions and ability to pay distributions to shareholders.
- **Commodity Price Risk** – MLPs and other companies operating in the energy infrastructure industry may be affected by fluctuations in the prices of energy commodities, including, for example, natural gas, natural gas liquids, crude oil and coal, in the short- and long-term. Fluctuations in energy infrastructure commodity prices would directly impact companies that own such energy commodities and could indirectly impact MLP companies that engage in transportation,



storage, processing, distribution or marketing of such energy infrastructure commodities. Fluctuations in energy infrastructure commodity prices can result from changes in general economic conditions or political circumstances (especially of key energy-consuming countries); market conditions; weather patterns; domestic production levels; volume of imports; energy conservation; domestic and foreign governmental regulation; international politics; policies of the Organization of Petroleum Exporting Countries (“OPEC”); taxation; tariffs; and the availability and costs of local, intrastate and interstate transportation methods. MLPs, as part of the energy industry, may also be impacted by the perception that the performance of energy industry companies is directly linked to commodity prices. High commodity prices may drive further energy conservation efforts and a slowing economy may adversely impact energy consumption which may adversely affect the performance of MLPs and other companies operating in the energy industry. Low commodity prices may have the effect of reducing investment, exploration and production activities associated with such commodities and may adversely affect the performance of MLPs and other companies operating in the energy infrastructure industry.

- **Concentration Risk** – The increased risk of loss associated with not having a diversified portfolio (i.e., Client accounts concentrated in a geographic region, industry sector or issuer) are more likely to experience greater loss due to an adverse economic, business or political development affecting the region, sector or issuer than an account that is diversified and therefore has less overall exposure to a particular region, sector or issuer.
- **Counterparty Credit Risk** – BPCFA has established relationships to obtain brokerage services all of which permit BPCFA’s Clients to trade in any variety of markets or asset classes over time; however, there can be no assurance that BPCFA will be able to maintain such relationships. An inability to maintain such relationships would limit Client trading activities and could create losses, preclude Clients from engaging in certain transactions and prevent Clients from trading at optimal rates and terms. Moreover, a disruption in the brokerage services provided by any such relationships before BPCFA establishes additional relationships could have a significant impact on the Client’s business due to the Client’s reliance on such counterparties.

Clients are not restricted from dealing with any particular counterparty or from concentrating any or all of their transactions with one counterparty. Moreover, BPCFA’s internal credit function which evaluates the creditworthiness of its counterparties may prove insufficient. The ability of Clients to transact business with any one or more counterparties, the lack of complete and “foolproof” evaluation of the financial capabilities of counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by Clients.

- **Depletion Risk** - MLPs and other energy infrastructure companies engaged in the exploration, development, management, gathering or production of energy commodities face the risk that commodity reserves are depleted over time. Such companies seek to increase their reserves through expansion of their current businesses, acquisitions, further development of their existing sources of energy commodities or exploration of new sources of energy infrastructure commodities or by entering into long-term contracts for additional reserves; however, there are risks associated with each of these potential strategies. If such companies fail to acquire additional reserves in a cost-effective manner and at a rate at least equal to the rate at which their existing reserves decline, their financial performance may suffer. Additionally, failure to replenish reserves could reduce the amount and affect the tax characterization of the distributions paid by such companies.
- **Highly Volatile Markets** – The prices of financial instruments in which BPCFA invest Client assets can be highly volatile. Price movements of the financial instruments in which Client assets are invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. Clients are subject to the risk of failure of any of the exchanges on which their positions trade or of their clearinghouses.

In addition, governments from time to time intervene in certain markets, directly and by regulation, particularly in currencies, futures and options. Such intervention is often intended to directly influence prices and may, together with other factors, cause some or all of these markets to move rapidly in the same direction. The effect of such intervention is often heightened by a group of governments acting in concert.

- **Force Majeure Events** - The value of assets could be adversely affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, major pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). Some force majeure events may adversely affect the ability of a party (including a counterparty to a Fund) to perform its obligations until it is able to remedy the force majeure event. These risks could, among other effects, adversely impact the cash flows available, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost of repairing or replacing damaged assets resulting from such a force majeure event could be considerable. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on an asset. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity. Additionally, a major governmental intervention, including the assertion of control over one or more assets, could result in a loss to investors. Any of the foregoing may therefore adversely affect the performance of investments.

The outbreak of the Novel Coronavirus (COVID-19) in the United States and around the world has adversely impacted global commercial activity and has contributed to significant volatility in financial markets. Any such economic impact could adversely affect the performance of a client's investments and, as a result, the novel coronavirus (COVID-19) presents material uncertainty and risk with respect to overall performance and financial results. In addition, the resulting financial and economic market uncertainty may adversely affect the valuations of investments recommended to clients as well as those investments made by the firm on behalf of its clients.

- **Illiquid Investments** – Under certain market conditions, such as during volatile markets or when trading in an interest or market is otherwise impaired, the liquidity of Client investments may be reduced. In addition, a Client may from time to time hold large positions with respect to a specific type of investment, which may reduce the Client's liquidity. During such times, the Client may be unable to dispose of certain assets, which would adversely affect the Client's ability to rebalance its portfolio or to meet withdrawal requests. In addition, such circumstances may force the Client to dispose of assets at reduced prices, thereby adversely affecting the Client's performance. If there are other market participants seeking to dispose of similar assets at the same time, the Client may be unable to sell such assets or prevent losses relating to such assets. Furthermore, if a Client incurs substantial trading losses, the need for liquidity could rise sharply while its access to liquidity could be impaired. In conjunction with a market downturn, the Client's counterparties could incur losses of their own, thereby weakening their financial condition and increasing the Client's credit risk to them. Many non-U.S. financial markets are not as developed or as efficient as those in the U.S., and as a result, liquidity may be reduced for Client investments.
- **Leverage and Liquidity Risks** – BPCFA may have the authority to borrow funds and may do so when deemed necessary or appropriate. BPCFA may borrow funds on behalf of its Clients from brokers, banks and other lenders to finance its investing and trading operations, which borrowings may be secured by Client assets. The use of such leverage can, in certain circumstances, maximize the losses to which a Client's investment portfolio may be subject. Any event that adversely affects the value of an investment would be magnified to the extent that a particular asset or the Client as a whole is leveraged. The cumulative effect of the use of leverage in a market that moves adversely to Client investments could result in a substantial loss to Clients, which would be greater than if Clients were not leveraged. Leverage may be achieved through, among other methods, direct borrowing and purchases of securities on margin and the use of options and other

derivatives.

The purchase of options generally involves little or no margin deposit and, therefore, will provide substantial leverage. Accordingly, relatively small price movements in these financial instruments may result in immediate and substantial losses to a Client. In addition, a Client may have unlimited discretion to use derivative instruments, which generally provide the economic equivalent of leverage by magnifying the potential gain or loss from an investment.

Leveraging Risk – Certain Client transactions, including futures contracts and short positions in financial instruments, may give rise to a form of leverage. Leverage can magnify the effects of changes in the value of the Client's investments and make the Client's portfolio more volatile. Leverage creates a risk of loss of value on a larger pool of assets than the Client would otherwise have had, potentially resulting in the loss of all assets. The Client may also have to sell assets at inopportune times to satisfy its obligations in connection with such transactions.

- **Limited Diversification and Risk Management Failures** – At any given time, Client assets may not be diversified to any material extent and, as a result, Clients could experience significant losses if general economic conditions, and, in particular, those relevant to the issuers whose securities are owned by BPCFA Clients (i.e., energy-related securities), decline. In addition, Client portfolios could become significantly concentrated in a limited number of issuers, types of financial instruments, industries, strategies, countries or geographic regions, and any such concentration of risk may increase losses suffered by Clients. This limited diversity could expose Clients to losses disproportionate to market movements in general. Other investment funds pursue similar strategies, which creates the risk that many funds may be forced to liquidate positions at the same time, reducing liquidity, increasing volatility and exacerbating losses. Although BPCFA attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Many risk management techniques are based on observed historical market behavior, but future market behavior may be entirely different. Any inadequacy or failure in BPCFA's risk management efforts could result in material losses for Clients.
- **Master Limited Partnership Risk** – Investment in securities of an MLP involves risks that differ from investments in common stock, including risks related to limited control and limited rights to vote on matters affecting the MLP, risks related to potential conflicts of interest between the MLP and the MLP's general partner, cash flow risks, dilution risks and risks related to the general partner's right to require unit-holders to sell their common units at an undesirable time or price. Certain MLP securities may trade in lower volumes due to their smaller capitalizations. Accordingly, those MLPs may be subject to more abrupt or erratic price movements and may lack sufficient market liquidity to enable BPCFA on behalf of its Clients to effect sales at an advantageous time or without a substantial drop in price. Investment in those MLPs may restrict BPCFA and its Client's ability to take advantage of other investment opportunities. MLPs are generally considered interest- rate sensitive investments. During periods of interest rate volatility, these investments may not provide attractive returns.
- **MLP Tax Risk** – A change in current tax law, or a change in the business of a given MLP, could result in an MLP being treated as a corporation or other form of taxable entity for U.S. federal income tax purposes, which would result in the MLP being required to pay U.S. federal income tax, excise tax or another form of tax on its taxable income. The classification of an MLP as a corporation or other form of taxable entity for U.S. federal income tax purposes could reduce the amount of cash available for distribution by the MLP and could cause any such distributions received by the Client to be taxed as dividend income, return of capital, or capital gain. Therefore, if any MLPs owned by the Client were treated as corporations or other forms of taxable entity for U.S. federal income tax purposes, the after-tax return to the Client with respect to its investment in such MLPs could be materially reduced which could cause a material decrease in the asset value of the Client's portfolio.

Natural Resources Risk – BPCFA might periodically invest Client assets in MLPs and companies principally engaged in owning or developing non-energy natural resources (including timber and minerals) and industrial materials, or supplying goods or services to such companies. Investing in natural resources issuers (including MLPs) will be subject to the risk that prices of these investments may fluctuate widely in response to the level and volatility of commodity prices; exchange rates; import controls; domestic and global competition; environmental regulation and liability for environmental damage; mandated expenditures for safety or pollution control; the success of exploration projects; depletion of resources; tax policies; and other governmental regulation. Investments in natural resources issuers can be significantly affected by changes in the supply of or demand for natural resources. The value of investments in natural resources issuers may be adversely affected by a change in inflation.

- **Non-U.S. Investments** – BPCFA might periodically invest Client assets in financial instruments of non-U.S. corporations and governments. Investing in the financial instruments of companies (and, from time to time, governments) outside of the United States involves certain considerations not usually associated with investing in financial instruments of U.S. companies or the U.S. government, including political and economic considerations, such as greater risks of expropriation, nationalization, confiscatory taxation, imposition of withholding or other taxes on interest, dividends, capital gains or other income, limitations on the removal of assets and general social, political and economic instability; the relatively small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; the evolving and unsophisticated laws and regulations applicable to the securities and financial services industries of certain countries; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict investment opportunities. In addition, accounting and financial reporting standards that prevail outside of the U.S. generally are not as high as U.S. standards and, consequently, less information is typically available concerning companies located outside of the U.S. than for those located in the U.S. As a result, BPCFA may be unable to structure Client transactions to achieve the intended results or to mitigate all risks associated with such markets. It may also be difficult to enforce BPCFA's clients' rights in such markets. For example, financial instruments traded on non-U.S. exchanges and the non-U.S. persons that trade these instruments are not subject to the jurisdiction of the SEC or the CFTC or the securities and commodities laws and regulations of the U.S. Accordingly, the protections accorded to Clients under such laws and regulations are unavailable for transactions on foreign exchanges and with foreign counterparties.
- **Regulatory Risks Relating to Energy Sector** – The energy sector is highly regulated. Companies operating in the energy sector are subject to significant regulation of nearly every aspect of their operations by federal, state and local governmental agencies. Examples of governmental regulations which impact companies operating in the energy sector include, without limitation, regulation of the construction, maintenance and operation of facilities, environmental regulation, worker safety regulation, labor regulation, trade regulation and the regulation of the prices charged for products and services. Compliance with these regulations is enforced by numerous governmental agencies and authorities through administrative, civil and criminal penalties. Stricter laws or regulations or stricter enforcement policies with respect to existing regulations would likely increase the costs of regulatory compliance and could impact the price of oil and/or natural gas.
- **Shortages of Drilling Rigs, Equipment, Supplies and Personnel** – In the past, there have been periods where general shortages of drilling rigs, equipment and supplies have occurred. Shortages of drilling rigs, equipment or supplies could delay and adversely affect the oil and gas industry and may affect the value of Client investments. The oil and natural gas industry also may in the future experience variances in the availability of qualified personnel to operate drilling rigs, which could affect certain companies' drilling operations and, in turn, affect their business, financial condition and results of operations. Such variances could have a material effect on the value of oil and

natural gas prices and, consequently, BPCFA's Clients.

- **Supply and Demand Risk** – Client investments may be impacted by the levels of supply and demand for energy commodities. Client investments could be adversely affected by reductions in the supply of or demand for energy commodities. The volume of production of energy commodities and the volume of energy commodities available for transportation, storage, processing or distribution could be affected by a variety of factors, including depletion of resources, depressed commodity prices, catastrophic events, labor relations, increased environmental or other governmental regulation, equipment malfunctions and maintenance difficulties, import volumes, international politics, policies of OPEC, and increased competition from alternative energy sources. Alternatively, a decline in demand for energy commodities could result from factors such as adverse economic conditions (especially in key energy-consuming countries), increased taxation, increased environmental or other governmental regulation, increased fuel economy, increased energy conservation or use of alternative energy sources, or increased commodity prices.
- **Tax, Legal and Regulatory Risks** – The risk of loss due to increased costs and reduced investment and trading opportunities resulting from unanticipated legal, tax and regulatory changes, including the risk that the current tax treatment of securities, such as MLPs, could change in a manner that would have adverse consequences for existing investors.
- **Weather Risk** – BPCFA might periodically invest Client assets in MLPs and other companies principally engaged in the propane sector. Weather plays a role in the seasonality of some MLPs' cash flows. MLPs in the propane sector, for example, rely on the winter season to generate almost all of their earnings. In an unusually warm winter season, propane MLPs experience decreased demand for their product. Although most MLPs can reasonably predict seasonal weather demand based on normal weather patterns, extreme weather conditions, such as hurricanes, can adversely affect performance and cash flows of the MLPs.

Item 9 Disciplinary Information

This Item requests information relating to legal and disciplinary events in which BPCFA or any supervised persons, as defined by the Advisors Act, have been involved that are material to Client's or prospective Client's evaluations of BPCFA's advisory business or management. There are no reportable material legal or disciplinary events related to BPCFA or any of its supervised persons. In the ordinary course of BPCFA's business, BPCFA, its affiliates and employees have not in the past been subject to any formal or informal regulatory inquiries, subpoenas, investigations, legal or regulatory proceedings involving the SEC, or any other regulatory authorities, including private parties and self-regulatory organizations ("SRO")

Item 10 Other Financial Industry Activities and Affiliations

Affiliated Broker-Dealers

BPCFA is not registered, and does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer. BPCFA has a relationship with Foreside Fund Services, LLC, a broker-dealer registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and a registered broker-dealer member with the Financial Industry Regulatory Authority ("FINRA"). . Foreside Fund Services, LLC is not affiliated with BPCFA, its affiliates, or any of its Clients. BPCFA does not execute transactions for any of its Clients through Foreside Fund Services, LLC. Certain affiliated persons listed in Schedule A of BPCFA's Part 1 of Form ADV and affiliated persons (i.e., personnel) of BPCFA are registered representatives of Foreside Fund Services, LLC and hold FINRA licenses but do not receive any compensation from Foreside Fund Services, LLC.

Affiliated CPO and/or CTA



BPCFA is not registered, and does not have an application pending to register, as a futures commission merchant, commodity pool operator, or commodity trading advisor.

Investment Companies

BPCFA acts as sub-adviser to the Hennessy BP Energy Fund and Hennessy BP Midstream Fund, both registered under the Investment Company Act of 1940, as amended. As compensation for BPCFA's advisory services, Hennessy Advisors, Inc. pays a management fee, pursuant to a sub-advisory agreement. See *Item 5 – Fees and Compensation* of this Brochure for information about BPCFA's compensation as an investment adviser to Open-End Funds. For additional detail on these services and fees, please refer to the Open-End Funds governing documents (i.e., prospectus and statement of additional information).

Conflicts Related to Affiliations and Other Legal Restrictions

BPCFA may be restricted by law, regulation, or contract as to how much of a particular security it may invest in on behalf of a Client, and as to the timing of a purchase or sale. For example, holdings of a security on behalf of BPCFA's Clients may, under some SEC or state regulations, be aggregated with the holdings of that security by its affiliates. These holdings on an aggregate basis, could exceed certain regulatory reporting thresholds unless BPCFA, as well as its affiliates, monitors and restricts additional purchases. In addition, BPCFA may from time to time engage third parties to provide certain consulting and strategic advisory services with respect to BPCFA and/or its affiliates. In consideration of such services, BPCFA may provide office space, administrative support and other benefits to such persons.

Item 11 Code of Ethics

BPCFA maintains a policy of strict compliance with the highest standards of ethical business conduct and the provisions of applicable federal securities laws, including rules and regulations promulgated by the SEC, and has adopted policies and procedures described in its code of ethics. The code of ethics has been adopted by BPCFA in compliance with Rule 17j 1 under the 1940 Act and Section 204A of the Advisers Act. The code of ethics applies to each employee of BPCFA and any other "access person" as defined under the Advisers Act. It is designed to ensure compliance with legal requirements of BPCFA's standard of business conduct.

A complete copy of BPCFA's code of ethics ("Code of Ethics") is available upon request to Clients or prospective clients.

The Code of Ethics is based upon the premise that all BPCFA personnel have a fiduciary responsibility to render professional, continuous and unbiased investment advisory services. The Code of Ethics requires all personnel to: (1) comply with all applicable laws and regulations; (2) observe all fiduciary duties and put Client interests ahead of those of BPCFA; (3) observe BPCFA's personal trading policies so as to avoid "front-running" and other conflicts of interests between BPCFA and its Clients; (4) ensure that all personnel have read the Code of Ethics, agreed to adhere to the Code of Ethics, and are aware that a record of all violations of the Code of Ethics will be maintained by BPCFA's Chief Compliance Officer, and that personnel who violate the Code of Ethics are subject to sanctions by BPCFA, up to and including termination.

Standards of Conduct: BPCFA and its access persons are expected to comply with all applicable federal and state laws and regulations. Access persons are expected to adhere to the highest standards of ethical conduct and maintain confidentiality of all information obtained in the course of their employment and bring any risk issues, violations, or potential violations to the attention of the Chief Compliance Officer. Access persons are expected to deal with Clients fairly and disclose any activity that may create an actual or potential conflict of interest between them and BPCFA or Client.

Ethical Business Practices: Falsification or alteration of records or reports, also known as a prohibited financial practice, or knowingly approving such conduct is prohibited. Payments to government officials or government employees are prohibited except for political contributions approved by BPCFA's Chief



Compliance Officer. BPCFA seeks to outperform its competition fairly and honestly and seeks competitive advantages through superior performance, not illegal or unethical dealings. Access persons are strictly prohibited from (i) participating in online blogging and communication with the media, unless approved by the Chief Compliance Officer, and (ii) spreading of false rumors pertaining to any publicly traded company.

Confidentiality: Employees must maintain the confidentiality of BPCFA's proprietary and confidential information and must not disclose that information unless the necessary approval is obtained. BPCFA has a particular duty and responsibility, as investment adviser or sub-adviser, to safeguard Client information. Information concerning the identity and transactions of Clients is confidential, and such information will only be disclosed to those employees and outside parties who may need to know it in order to fulfill their responsibilities.

Gift and Entertainment Policy: Access persons are permitted, on occasion, to accept gifts and invitations to attend entertainment events. When doing so, however, employees should always act in BPCFA's best interests and that of its Clients and should avoid any activity that might create an actual or perceived conflict of interest or impropriety in the course of BPCFA's business relationship. Under no circumstances may (i) gifts of cash or cash equivalents be accepted or (ii) may any gifts be received in consideration or recognition of any services provided to or transactions entered by, Client accounts.

Personal Trading

Personal Trading Policy: In general, no access person may acquire, directly or indirectly, any beneficial ownership in any "covered security" without first obtaining the prior written approval of the Chief Compliance Officer or his delegate. Access persons who violate the personal trading policy are reprimanded in accordance with the sanctions provisions outlined in the Code of Ethics. Personal securities transactions are reviewed by the Chief Compliance Officer or his delegate for compliance with the personal trading policy and applicable SEC rules and regulations.

BPCFA's principals and employees and certain of their affiliates may from time-to-time purchase or sell for their own personal accounts financial instruments that are recommended to, or purchased or sold on behalf of Clients' accounts. BPCFA's principals and employees may also take investment positions in their personal accounts that are different from, or contrary to, those taken by Client accounts. BPCFA's principals and employees may frequently engage in the purchase and sale of public and private securities and other financial instruments for their own personal accounts, including financial instruments that are recommended to, owned by or purchased or sold on behalf of Client accounts. The personal trading activities of BPCFA's principals, employees and affiliates may raise various actual and potential conflicts of interest. BPCFA has implemented various compliance policies and procedures, including personal trading and reporting policies, in an attempt to reduce, mitigate or address any such actual or potential conflicts of interest. For example, as noted above, all access persons generally are required to obtain the prior written consent of the Chief Compliance Officer before buying or selling any "covered security."

Whenever the Chief Compliance Officer determines that one of BPCFA's affiliates or employees is in possession of material non-public information regarding an issuer, such issuer may either be placed on a restricted list or a watch list. When a company is placed on a watch list or restricted list, all employees are prohibited from personal trading in securities of those companies.

Prohibition against Insider Trading: BPCFA forbids any access person from trading, either personally or on behalf of others, including Clients advised by BPCFA, on material non-public information or communicating material non-public information to others in violation of the law or duty owed to another party. This conduct is frequently referred to as "insider trading". The concepts of material non-public information, penalties for insider trading, and processes for identifying insider trading are addressed in detail in the Compliance Manual and Code of Ethics.

Reporting Requirements: In compliance with SEC rules, access persons are required to disclose all of their personal brokerage accounts and holdings within 10 days of initial employment with BPCFA, within 10 days after the end of each calendar quarter of opening a new account, and annually thereafter. Additionally, the last day of the month following each quarter-end, all access persons must report all transactions in



reportable securities over which the access person had any direct or indirect beneficial ownership. Access persons are also required annually to affirm all reportable transactions from the prior year.

Privacy Policy: BPCFA has adopted a privacy policy that explains the manner in which BPCFA collects, utilizes and maintains nonpublic personal information about Clients. BPCFA recognizes and respects the privacy concerns of their potential, current and former Clients. BPCFA is committed to safeguarding this information. As a member of the financial services industry, BPCFA will provide this Privacy Policy for informational purposes to Clients and employees and will distribute and update it as required by law. The Privacy Policy is also available upon request.

Collection of Information and Disclosure of Nonpublic Personal Information: To provide Clients with effective service, BPCFA may collect several types of nonpublic personal information about Clients, including: (i) information from forms that Clients may fill out, such as subscription forms, questionnaires and other information provided by Clients in writing, in person, by telephone, electronically or by any other means. This information includes name, address, nationality, tax identification number, and financial and investment qualifications; (ii) information Clients may give orally; (iii) information about transactions within BPCFA, including account balances, investments and withdrawals; (iv) information about the amount Clients have invested, such as initial investment and any additions to and withdrawals from an investment in the Clients; and (v) information about any bank accounts Clients may use for transfers to or from separately managed accounts (if applicable).

Disclosure of Nonpublic Personal Information: BPCFA does not sell or rent Client information. BPCFA uses this information to conduct business with its Clients: (i) to develop or enhance its products and services; (ii) to understand the financial needs of its Clients so that BPCFA can provide such Clients with quality products and superior service; and (iii) to protect and administer its Clients' records, accounts and funds. BPCFA does not disclose nonpublic personal information about its Clients to nonaffiliated third parties or to affiliated entities, except as permitted or required by law. For example, BPCFA may share nonpublic personal information in the following situations: (i) to service providers in connection with the administration and servicing of BPCFA; this may include attorneys, accountants, auditors and other professionals. BPCFA may also share information in connection with the servicing or processing of Client transactions; (ii) to affiliated companies in order to provide Clients with ongoing personal advice and assistance with respect to the products and services Clients have purchased through BPCFA and to introduce Clients to other products and services that may be of value to such Clients; (iii) to respond to a subpoena or court order, judicial process or regulatory authorities; (iv) to protect against fraud, unauthorized transactions (such as money laundering), claims or other liabilities; and (v) upon consent of a Client to release such information, including authorization to disclose such information to persons acting in a fiduciary or representative capacity on behalf of the Client.

Protection of Client Information: BPCFA's policy is to require that all employees, financial professionals, and companies providing services on its behalf keep Client information confidential. BPCFA maintains safeguards that comply with federal standards to protect Client information. BPCFA restricts access to the personal and account information of Clients to those employees who need to know that information in the course of their job responsibilities. Third parties with whom BPCFA shares Client information must agree to follow appropriate standards of security and confidentiality. BPCFA's privacy policy applies to both current and former Clients. BPCFA may disclose nonpublic personal information about a former Client to the same extent as for a current Client.

Changes to Privacy Policy: BPCFA may make changes to its privacy policy in the future. BPCFA will not make any change affecting any Client without first sending to that Client a revised privacy policy describing the change.

Potential Conflicts

BPCFA, its affiliates and their respective officers, directors, trustees, stockholders, members, partners and employees and their respective funds and investment accounts (collectively, the "Related Parties") engage



in a broad range of activities, including activities for their own account and for the accounts of Clients. This section describes various potential conflicts that may arise in respect of the Related Parties, as well as how we address such conflicts of interest. The discussion below does not describe all conflicts that may arise.

Any of the foregoing potential conflicts of interest will be discussed and resolved on a case-by-case basis. BPCFA's determination as to which factors are relevant, and the resolution of such conflicts, will be made using its best judgment, but in BPCFA's sole discretion. In resolving conflicts, BPCFA will take into consideration the interests of the relevant Clients, the circumstances giving rise to the conflict and applicable laws. Certain procedures for resolving specific conflicts of interest are set forth below.

Allocation of Investment Opportunities: As stated herein above, BPCFA acts as investment adviser to more than one Client that may have similar investment objectives and pursue similar strategies. Certain investments identified by BPCFA may be appropriate for multiple Clients. When it is determined by BPCFA that it would be appropriate for more than one Client to participate in an investment opportunity, BPCFA will generally allocate such investment opportunity among the Clients in proportion to the relative amounts of capital available for new investments, taking into account such other factors as it may, in its sole discretion determine appropriate, including investment objectives, legal or regulatory restrictions, current holdings, availability of capital for investment, the size of investments generally, nature and type of investment or opportunity, risk-return considerations, relative exposure to market trends, targeted leverage level, targeted asset mix, target investment return, diversification requirements, strategic objectives, specific liquidity requirements, as well as any tax consequences, limitations and restrictions on a Client's portfolio that are imposed by such Client's governing documents or other considerations that BPCFA deems necessary or appropriate in light of the circumstances at such time. In addition, if it is fair and reasonable that certain Clients are fully filled of their appetite before others (e.g., for tax considerations, to avoid de minimis partial allocations, to cover or close out an existing position to mitigate risk or losses, etc.), then these Clients may receive full or disproportionate allocations, with the remaining amounts allocated in accordance with normal procedures among the other participating Clients. One or more of the foregoing considerations in this paragraph may (and are often expected to) result in allocations among accounts other than on a *pari passu* basis. Accordingly, a particular investment may be bought or sold for only one Client or in different amounts and at different times for more than one but less than all Clients, even though it could have been bought or sold for other Clients at the same time. Likewise, a particular investment may be bought for one or more Clients when one or more other Clients are selling the investment. In addition, purchases or sales of the same investment may be made for two or more Clients on the same date. There can be no assurance that a Client will not receive less (or more) of a certain investment than it would otherwise receive if BPCFA did not have a conflict of interest among Clients.

In effecting transactions, it is not always possible, or consistent with the investment objectives of BPCFA's various Clients, to take or liquidate the same investment positions at the same time or at the same prices. Certain investment restrictions may limit BPCFA's ability to act for a Client and may reduce performance. Regulatory and legal restrictions (including restrictions on aggregated positions) may also restrict the investment activities of BPCFA and result in reduced performance.

BPCFA seeks to manage and/or mitigate these potential conflicts of interest described by the following procedures with respect to the allocation of investment opportunities for its Clients, including the allocation of limited investment opportunities. BPCFA's allocation policy is based on a fundamental desire to treat each Client account fairly over time.

It is BPCFA's general policy to allocate investments among its Clients in a manner which it believes to be fair and equitable. Allocations of investment opportunities should not be based on any of the following, or similar, reasons: (i) to generate higher fees paid by one account over another, or to produce greater fees to BPCFA; (ii) to develop a relationship with a Client or prospective Client; or (iii) to compensate a Client for past services or benefits rendered to the company or any employee of BPCFA or to induce future services or benefits to be rendered to BPCFA or any employee of BPCFA.

BPCFA's policy, where an opportunity to purchase or sell an investment is appropriate for more than one Client, is to aggregate Client orders when doing so is likely to result in a better overall price or reduced cost for the Client trade. Consistent with its fiduciary duties, BPCFA allocates trades to its Clients on an

equitable basis as set forth in this policy. Each Client who participates in an aggregated order participates at the average price with all transaction costs shared on a pro rata basis pursuant to these written procedures. If all investment orders placed for Client accounts cannot be fully executed under prevailing market conditions, then the securities traded should be allocated among Client accounts a manner BPCFA deems to be equitable, taking into account the size of the order placed for each account and any other relevant factors.

Client directed or other restrictions may affect the allocation of an order. If a Client directed restriction is placed on a particular security or group of securities, the order will be allocated to the other participating accounts as described above.

BPCFA formulates written allocation plans in the form of order memoranda based on the investment guidelines, current exposure levels of each Client and other factors set forth above across the various Client accounts including any ERISA Accounts. When a new investment is being made, BPCFA allocates investment opportunities among those Clients based upon the percentages determined by the plan.

Investment Negotiation: In order to ensure compliance with Section 17(d) under the 1940 Act whenever an investment professional proposes to negotiate a term other than price for an investment (including any amendments), he/she must check to see if the investment (or any other position in the issuer's capital structure) is held (or proposed to be invested) in any BPCFA managed pooled investment vehicle that is a registered investment company (e.g., Open-End Funds). If the investment is held in any BPCFA managed pooled investment vehicles that is a registered investment company, that person must contact the Chief Compliance Officer for guidance. The transaction is generally permitted if all accounts are in the same part of the capital structure and participate in the investment pro rata. Alternatively, impose "Chinese Wall" between retail/institutional investment decision-making. One person can negotiate, provided the final investment decision is still made separately. BPCFA may also consult outside counsel and/or the Open-End Fund board for guidance.

Position Conflicts: Another type of conflict may arise if BPCFA causes one Client account to buy a security and another Client account to sell or short the same security. Currently, such opposing positions are not permitted within the same account or within any accounts managed by the same portfolio manager without prior trade approval by the Chief Compliance Officer. In addition, transactions in investments by one or more affiliated Client accounts may have the effect of diluting or otherwise disadvantaging the values, prices or investment strategies of other Client accounts. Generally, BPCFA does not purchase, sell or hold securities on behalf of Clients contrary to the current recommendations made to other affiliated Client accounts. However, because certain Client accounts may have investment objectives, strategies or legal, contractual, tax or other requirements that differ (such as the need to take tax losses, realize profits, raise cash, diversification, etc.), BPCFA may purchase, sell or continue to hold securities for certain Client accounts contrary to other recommendations. In addition, BPCFA may be permitted to sell securities or instruments short for certain Client accounts and may not be permitted to do so for other affiliated Client accounts.

Cross Trading: In an effort to reduce transaction costs, increase execution efficiency, and capitalize on timing opportunities, BPCFA may execute cross trades, or sell a security for one affiliated Client to another affiliated Client, without interposing a broker-dealer. All cross-trade are subject to the cross-trade procedures set forth in BPCFA's written policies and procedures. Cross trades, however, may present an inherent conflict of interest because BPCFA and/or its affiliates represent the interest of the buyer and seller in the same transaction. As a result, Clients involved in a cross-trade bear the risk that the price obtained from a cross-trade may be less favorable than if the trade had been executed in the open market. In addition, see *Item 12 – Brokerage Practices, Cross Trades* of this Brochure for more information.

BPCFA addresses these conflicts of interest by providing in its Code of Ethics that all supervised persons have a duty to act in the best interests of each Client, providing training to supervised persons with respect to conflicts of interest and how such conflicts are resolved under BPCFA's written policies and procedures, and through the implementation of cross-trade policies and procedures.

Trade Aggregation: In some circumstances, BPCFA may seek to buy or sell the same securities



contemporaneously for multiple Client accounts. BPCFA may, in appropriate circumstances aggregate securities trades for a Client with similar trades for other Clients, but are not required to do so. In particular, BPCFA may determine not to aggregate transactions that relate to portfolio management decisions that are made independently for different accounts or if BPCFA determines that aggregation is not practicable, not required or inconsistent with Client direction. When transactions are aggregated and it is not possible, due to prevailing trading activity or otherwise, to receive the same price or execution on the entire volume of securities purchased or sold, the various prices may be averaged or allocated on another basis deemed to be fair and equitable. In addition, under certain circumstances, the Clients will not be charged the same commission or commission equivalent rates in connection with a bunched or aggregated order. The effect of the aggregation may therefore, on some occasions, either advantage or disadvantage any particular Client.

From time to time, aggregation may not be possible because a security is thinly traded or otherwise not able to be aggregated and allocated among all Client accounts seeking the investment opportunity or a Client may be limited in, or precluded from, participating in an aggregated trade as a result of that Client's specific brokerage arrangements. Also, an issuer in which Clients wish to invest may have threshold limitations or aggregate ownership interests arising from legal or regulatory requirements or company ownership restrictions, which may have the effect of limiting the potential size of the investment opportunity and thus the ability of the applicable Client to participate in the opportunity.

There are instances when circumstances specific to individual Clients will limit BPCFA's ability to aggregate or allocate trades. For example, if a Client requests directed brokerage or if a Client is invested in a Wrap Fee Program in which the Sponsor executes trades, BPCFA may not be able to aggregate or allocate these trades. Additionally, as stated above, there may be times when there is limited supply or demand for a particular security or investment. In such instances a Client may not be able to realize the efficiencies which might exist for larger transactions. In some cases, trade aggregation and/or allocation may adversely affect the price paid or received by an account or the size of the position obtained or liquidated for an account, which could cause performance divergence from similar accounts. In other cases, an account's ability to participate in volume transactions may produce better executions and prices for the account. BPCFA may adjust allocations to eliminate fractional shares or odd lots, or to account for minimum trade size requirements and has the discretion to deviate from its allocation procedures in certain circumstances.

Conflicts Related to Valuation: BPCFA may have a role in determining asset values with respect to Client accounts and may be required to price an asset when a market price is unavailable or unreliable. This may give rise to a conflict of interest because BPCFA may be paid an asset-based fee on certain Client accounts. In order to mitigate these conflicts, BPCFA determines asset values in accordance with valuation procedures, which are set forth in BPCFA's Compliance Manual. In addition, see *Item 12 – Brokerage Practices, Security Valuation* of this Brochure for more information about Valuation.

Conflicts Related to Investments in Affiliated Fund: BPCFA may purchase for its Clients interests in other pooled vehicles, including Open-End Funds, sub-advised by BPCFA. An investment by a Client in such a vehicle means BPCFA would receive an advisory or other fees from the Client in addition to the advisory fees charged for managing the Client's account. In choosing between vehicles managed by BPCFA and those not affiliated with BPCFA, BPCFA may have a financial incentive to choose affiliated vehicles over third parties by reason of additional investment management, advisory or other fees or compensation BPCFA may earn. To the extent BPCFA invests a Client's assets in sponsored (affiliated) pooled investment vehicles (e.g., Open-End Funds), these assets generally will not be included as the Client's assets for purposes of calculating or charging the Client's management fee. The potential for fee offsets, rebates or other reduction arrangements may not necessarily eliminate this conflict and BPCFA may nevertheless have a financial incentive to favor investments in an affiliated vehicle. If BPCFA invest in an affiliated vehicle, a Client should not expect BPCFA to have better information with respect to that vehicle than other investors may have (and if BPCFA does have better information they may be prohibited from acting upon it in a way that disadvantages other investors). Additionally, BPCFA's affiliates may sponsor and manage funds and accounts that compete with BPCFA or make investment with funds sponsored or managed by third-party advisers that would reduce capacity otherwise available to BPCFA's Clients.

Conflicts Related to Information Possessed by or Provided by BPCFA: Certain Related Parties may receive or create information (e.g., proprietary technical models) that is not generally available to the public. BPCFA has no obligation to provide such information to Clients or effect transactions for Clients on the basis of such information and in many cases BPCFA will be prohibited from trading for the same Clients based on the information. Similarly, some Clients may have access to information regarding Related Parties' transactions or views that is not available to other Clients, and may act on that information through accounts managed by persons other than Related Parties. Such transactions may negatively impact other Clients (e.g., through market movements or decreasing availability or liquidity of securities).

Information Barriers and the Restricted List: BPCFA currently operates without ethical screens or information barriers that other firms implement to separate persons who make investment decisions from others who might possess material non-public information that could influence such decisions. In an effort to manage possible risks from BPCFA's decision not to implement such screens, BPCFA maintains a Code of Ethics, as described herein above, and provides training to supervised persons with respect to conflicts of interest and how such conflicts are resolved under BPCFA's policies and procedures. In addition, BPCFA's Compliance Department maintains a list of restricted securities as to which BPCFA or its affiliates may have access to material non-public information and in which Clients are not permitted to trade without prior approval from the Compliance Department. In the event that any employee of BPCFA or its affiliates obtains such material non-public information, BPCFA may be restricted in acquiring or disposing investments on behalf of Clients, which could impact the returns generated for Clients.

Notwithstanding the maintenance of restricted lists and other internal controls, it is possible that the internal controls relating to the management of material non-public information could fail and result in BPCFA, or one of its investment professionals, buying or selling a security while potentially in possession of material non-public information. Inadvertent trading on material non-public information could have adverse effects on the reputation of BPCFA, result in the imposition of regulatory or financial sanctions, and as a consequence, negatively impact BPCFA's ability to perform investment management services on behalf of Clients. In addition, while BPCFA currently operates without information barriers on an integrated basis, BPCFA could be required by certain regulations, or decide that it is advisable, to establish information barriers. In such event, BPCFA's ability to operate as an integrated platform could also be impaired, which would limit BPCFA's access to affiliate's personnel and impair their ability to manage Clients' investments in the manner in which they currently manage investments.

Conflicts Related to Relationships with Third Parties: BPCFA may advise third-parties regarding valuation, risk management, transition management and potential restructuring or disposition activities in connection with proprietary or Client investments, which may create an incentive to purchase securities or other assets from those third parties or engage in related activities to bid down the price of such assets, which may have an adverse effect on a Client.

BPCFA may work with pension or other institutional investment consultants and such consultants may also provide services to BPCFA. Consultants may provide brokerage execution services to Related Parties and Related Parties may attend conferences sponsored by consultants. BPCFA also may be hired to provide investment management or other services to a pension or other institutional investment consultant that works with a Client, which may create conflicts.

Related Parties may in-source or out-source to a third-party certain processes or functions, which may give rise to conflicts. There may be conflict when negotiating with third-party service providers if Related Parties bear operational expenses of various Clients to the extent that a given fee structure would tend to place more expense on Clients for which Related Parties have a greater entitlement to reimbursement or less expense on Clients for which Related Parties have lesser (or no) entitlement to reimbursement. Related Parties may provide information about a Client's portfolio positions to unrelated third parties to provide additional market analysis and research to Related Parties and they may use such analysis to provide investment advice to other Clients.

Related Parties may purchase information (such as periodicals, conference participation, papers, surveys) from professional consultant firms, and such firms may have an incentive to give favorable evaluations of Related Parties to their Clients.



In selecting broker-dealers that provide research or other products or services that are paid with soft dollars, conflicts may arise between BPCFA and a Client because BPCFA may not produce or pay for these benefits but may use brokerage commissions generated by Client transactions. Soft dollar arrangements may also give BPCFA an incentive to select a broker-dealer based on a factor other than BPCFA's interest in receiving the most favorable execution. Conflicts of interest related to soft dollar relationships with brokerage firms may be particularly influential to the extent that BPCFA uses soft dollars to pay expenses it might otherwise be required to pay itself. Furthermore, research or brokerage services obtained using soft dollars or that are bundled with trade execution, clearing, settlement or other services provided by a broker-dealer may be used in such a way that disproportionately benefits one Client over another (e.g., economics of scale or price discounts). For example, research or brokerage services paid for through one Client's commission may not be used in managing that Client's account. Additionally, where a research product or brokerage service has a mixed-use, determining the appropriate allocation of the product or service may create conflicts. See *Item 12 – Brokerage Practices* of this Brochure for information regarding BPCFAs' use of soft dollars.

Conflicts may arise where BPCFA has the responsibility and authority to vote proxies on behalf of its Clients. Please refer to *Item 17 – Voting Client Securities* of this Brochure for information regarding the policies and procedures governing BPCFAs' proxy voting activities.

BPCFA may conduct business with institutions such as broker-dealers or investment banks that invest, or whose clients invest, in pooled vehicles sponsored or advised by BPCFA, or may provide other consideration to such institutions or recognized agents, and as a result BPCFA may have a conflict of interest in placing its brokerage transactions.

Other Accounts and Relationships: As part of BPCFA's regular business, BPCFA and its Related Parties hold, purchase, sell, trade or take other related actions both for their respective accounts and for the accounts of their respective Clients, on a principal or agency basis, subject to applicable law including Section 206(3) of the Advisers Act, with respect to loans, securities and other investments and financial instruments of all types. The Related Parties also provide investment advisory services, among other services, and engage in private equity, real estate and capital markets-oriented investment activities. The Related Parties will not be restricted in their performance of any such services or in the types of debt, equity, real estate or other investments which they may make. The Related Parties may have economic interests in or other relationships with respect to investments made by Clients. In particular, but subject to BPCFA's personal trading policy the Related Parties may make and/or hold an investment, including investments in securities, that may compete with, be *pari passu*, senior or junior in ranking to an, investment, including investments in securities, made and/or held by Clients or in which partners, security holders, members, officers, directors, agents or employees of such Clients serve on boards of directors or otherwise have ongoing relationships. Each of such ownership and other relationships may result in restrictions on transactions by Clients and otherwise create conflicts of interest for Clients. In such instances, the Related Parties may in their discretion make investment recommendations and decisions that may be the same as or different from those made with respect to Client investments. In connection with any such activities described above, but subject to BPCFA's personal trading policy the Related Parties may hold, purchase, sell, trade or take other related actions in securities or investments of a type that may be suitable for Clients. Subject to BPCFA's personal trading policy, the Related Parties will not be required to offer such securities or investments to Clients or provide notice of such activities to Clients. In addition, in managing Client portfolios, BPCFA may take into account its relationship or the relationships of its affiliates with obligors and their respective affiliates, which may create conflicts of interest. Furthermore, in connection with actions taken in the ordinary course of business of BPCFA in accordance with its fiduciary duties to its Clients, BPCFA may take, or be required to take, actions which adversely affect the interests of its Clients.

The Related Parties have invested and may continue to invest in investments that would also be appropriate for Clients. Such investments may be different from those made on behalf of Clients. No related advisor nor any Related Party has any duty, in making or maintaining such investments, to act in a way that is favorable to Clients or to offer any such opportunity to Clients, subject to BPCFA's allocation policy and personal trading policy. The investment policies, fee arrangements and other circumstances applicable to such other parties may vary from those applicable to Clients. Any Related Party may also provide advisory

or other services for a customary fee with respect to investments made or held by Clients, and no stockholders nor Clients shall have any right to such fees except to the extent the governing documents of the applicable Client expressly provide otherwise. Any Related Party may also have ongoing relationships with, render services to or engage in transactions with other Clients, who make investments of a similar nature to those of Clients, and with companies whose securities or properties are acquired by Clients and may own equity or debt securities issued by Clients. In connection with the foregoing activities any Related Party may from time to time come into possession of material nonpublic information that limits the ability of BPCFA to effect a transaction for Clients, and Client investments may be constrained as a consequence of BPCFA's inability to use such information for advisory purposes or otherwise to effect transactions that otherwise may have been initiated on behalf of its Clients.

Although the professional staff of BPCFA will devote as much time to Clients as they deem appropriate to perform their duties, the staff may have conflicts in allocating its time and services among Client accounts.

The directors, officers, employees and agents of the Related Parties may, subject to applicable law, serve as directors (whether supervisory or managing), officers, employees, partners, agents, nominees or signatories, and receive arm's length fees in connection with such service, for Clients or any Related Party, or for any Client joint ventures or any affiliate thereof, and no Clients nor their stockholders shall have the right to any such fees except to the extent the governing documents of the applicable Client expressly provide otherwise.

The Related Parties serve or may serve as officers, directors or principals of entities that operate in the same or a related line of business as Clients, or of other investment funds managed by BPCFA. In serving in these multiple capacities, they may have obligations to other Clients or investors in those entities, the fulfillment of which may not be in the best interests of Clients or their stockholders. Clients may compete with other entities managed by BPCFA for capital and investment opportunities.

There is no limitation or restriction on BPCFA with regard to acting as investment manager (or in a similar role) to other parties or persons. This and other future activities of Related Parties may give rise to additional conflicts of interest. Such conflicts may be related to obligations that BPCFA or its affiliates have to other Clients.

Approach to Other Potential Conflicts: Various parts of this Brochure discuss potential conflicts of interest that arise from BPCFA's asset management business model. BPCFA discloses these conflicts due to the fiduciary relationship with its investment advisory Clients. As a fiduciary, BPCFA owes its investment advisory Clients a duty of loyalty. This includes the duty to address, or at minimum disclose, conflicts of interest that may exist between different Clients; between BPCFA and Clients; or between its employees and its Clients. Where potential conflicts arise, BPCFA will take steps to mitigate, or at least disclose, them. Conflicts that BPCFA cannot avoid (or chose not to avoid) are mitigated through written policies that BPCFA believes protect the interests of its Clients as a whole. In these cases – which include issues such as personal trading and Client entertainment – regulators have generally prescribed detailed rules or principles for investment firms to follow. By complying with these rules, using robust compliance practices, BPCFA believes that it has handled these conflicts appropriately. These interactions are not static; BPCFA's business is continually evolving and changes in BPCFA's activities can lead to new potential conflicts. BPCFA reviews its policies and procedures on an ongoing basis to evaluate their effectiveness and update them as appropriate.

Item 12 Brokerage Practices

As a general rule, BPCFA receives discretionary investment authority from its Clients at the outset of an advisory relationship. Depending on the terms of the applicable investment management agreement, BPCFA's authority may include the ability to select broker-dealers through which to execute transactions on behalf of its Clients, and to negotiate the commission rates, if any, at which transactions are effected. In making decisions as to which securities are to be bought or sold and the amounts thereof, BPCFA is guided by the mandate selected by the Client and any Client-imposed guidelines or restrictions. Unless BPCFA and the Client have entered into a non-discretionary arrangement, BPCFA generally is not required to provide notice to, consult with, or seek the consent of its Clients prior to engaging in transactions.

Brokerage Selection

The overriding consideration in allocating Client orders for execution is the maximization of Client profits (or minimization of losses) through a combination of controlling transaction costs (including market impact) and seeking the most effective uses of a broker's capabilities. When BPCFA has the authority to select broker-dealers to execute transactions for its Clients, it seeks to obtain the best execution reasonably available under the circumstances (which may or may not result in paying the lowest available brokerage commissions or spread). In so doing, BPCFA considers all factors it deems relevant. Such factors may be either venue specific or transaction specific and may include, but are not limited to: (A) for venues: (i) execution capability including speed of execution, quality of communication links to BPCFA, clearance and trade settlement history and capability and ratio of complete versus incomplete trades; (ii) ability to handle large trades in securities having limited liquidity without undue market impact and ability to provide liquidity (as principal, agent or otherwise); (iii) access to market liquidity and quotation sources; (iv) financial condition of the counterparty, including reputation and creditworthiness; (v) responsiveness and reliability in executing trades, keeping records and accounting for and correcting administrative errors; (vi) ability to maximize price improvement opportunities, including the ability to provide ad hoc information or services; and (vii) ability to comply with all regulatory requirements; and (B) for transactions: (i) price and overall cost of the transaction, including any related credit support; (ii) the size, type and timing of the transaction; (iii) existing and expected activity in the market for the security, including any trading patterns of the security and the particular marketplace; (iv) nature and character of the security or instrument and the markets on which it is purchased or sold; (v) value of research provided, if permitted under applicable law or regulation; (vi) fund or portfolio objectives or Client requirements (if permissible), as may be applicable; (vii) if applicable, Client-directed brokerage arrangements; and (viii) applicable execution venue factors.

BPCFA does not consider a broker-dealer's sales of BPCFA's affiliated products, including shares of Open-End Funds or any other advised investment company, when determining whether to select such broker or dealer to execute Client portfolio transactions.

BPCFA's endeavor is to be aware of current charges assessed by relevant broker-dealers and to minimize the expense incurred for effecting portfolio transactions, to the extent consistent with the interests and policies of Client accounts. However, BPCFA will not select broker-dealers solely on the basis of "posted" commission rates nor always seek in advance competitive bidding for the most favorable commission rate applicable to any particular transaction. Although BPCFA generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent as transactions that involve specialized services on the part of a broker-dealer generally result in higher commission rates or equivalents than would be the case with more routine transactions. BPCFA may pay higher commission rates to those brokers whose execution abilities, brokerage or research services or other legitimate and appropriate services are particularly helpful in seeking good investment results.

Unless inconsistent with BPCFA's duty to seek best execution, BPCFA may direct a broker to execute a trade and "step out" a portion of the commission in favor of another broker that provides brokerage or research related services to BPCFA as described above. BPCFA may also use step out transactions in fulfilling a Client-directed brokerage arrangement, to allow for an order to be aggregated, or for regulatory or other purposes. However, BPCFA does not enter into agreements with, or make commitments to, any broker-dealer that would bind BPCFA to compensate that broker-dealer, directly or indirectly, for Client referrals or sales efforts through placement of brokerage transactions; nor will BPCFA use step out transactions or similar arrangements to compensate selling brokers for their sales efforts. BPCFA's Open-End Fund Clients have adopted procedures pursuant to Rule 12b-1(h) under the 1940 Act which provides that neither the funds nor BPCFA may direct brokerage in recognition of the sale of fund shares. Consistent with those procedures, BPCFA does not consider sales of shares of the Open-End Funds, as a factor in the selection of brokers or dealers to execute portfolio transactions. However, whether or not a particular broker or dealer sells shares of BPCFA's Open-End Fund Clients neither qualifies nor disqualifies such broker or dealer to execute transactions for those Open-End Funds.

Soft Dollars

In those circumstances where more than one broker-dealer is able to satisfy BPCFA's obligation to obtain best execution, BPCFA may place a trade order on behalf of Client accounts with a broker-dealer that charges more than the lowest available commission cost or price. BPCFA may do this in exchange for certain brokerage and research services provided either directly from the broker-dealer or through a third party ("Soft Dollar Arrangements"), provided that each of the following is met:

- BPCFA determines:
 - (i) The research or brokerage product or service constitutes an eligible brokerage or research service;
 - (ii) The product or service provides lawful and appropriate assistance in the performance of BPCFA's investment decision making responsibilities; and
 - (iii) In good faith the amount of Client commissions paid is reasonable in light of the value of the products or services provided.
- The brokerage or research is "provided by" a broker-dealer who participates in effecting the trade that generates the commission. BPCFA may not incur a direct obligation for research with a third-party vendor and then arrange to have a broker-dealer pay for that research in exchange for brokerage commissions.
- BPCFA may only generate soft dollars with commissions in agency transactions. BPCFA may not use dealer markups in principal transactions to generate soft dollars. In addition, a trade for a fixed income security or over the counter ("OTC") security may be done on an agency basis only if the trader determines that it would not result in a broker-dealer unnecessarily being inserted between BPCFA and the market for that security.
- No soft dollars are generated on accounts for which:
 - (i) Investment discretion resides with the Client (i.e. non-discretionary accounts);
 - (ii) Client mandates restrict or prohibit the generation of soft dollar commissions;
 - (iii) The Client has a directed brokerage arrangement.
- The brokerage trade placed is for "securities" transactions (and not, for example, futures transactions).

If a Client account is under the custody of one brokerage firm and another brokerage firm is a selling group member for an underwriting syndicate, such a Client account may not be able to participate in the purchase of securities in the underwriting because the custodial brokerage firm was not a selling group member. In addition, to the extent that a Client directs brokerage trades to be placed with a particular broker, the allocation of securities transactions may be impacted.

BPCFA has entered, and may enter into in the future, written or formal or informal agreements with brokers or third parties where BPCFA may use “soft dollars” generated by Client accounts to pay for the research and/or related services provided by brokers described above. The term “soft dollars” refers to the receipt by us of products and services provided by brokers without any cash payment by BPCFA, based on the volume of revenues generated from brokerage commissions for transactions executed for Clients’ accounts. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as quotation equipment).

Using “soft dollars” to obtain investment research and/or related services creates a potential conflict of interest between BPCFA and its Clients’ accounts, because the “soft dollars” may be used to acquire such products and services that are not exclusively for the benefit of the Client accounts that paid such commissions and that may primarily benefit BPCFA. To the extent that BPCFA is able to acquire these products and services without expending BPCFA resources (including management fees paid by Client accounts), BPCFA’s use of “soft dollars” would tend to increase its profitability. Furthermore, BPCFA may have an incentive to select or recommend brokers based on its interest in receiving research or other products or services, rather than on its Clients’ interest in receiving most favorable execution. BPCFA may cause Clients to pay commissions (or markups or markdowns) higher than those charged by other brokers in return for soft dollar benefits. BPCFA does not, however, negotiate higher rates on fees and expenses to be paid by Clients in exchange for lower rates on fees and expenses to be paid by BPCFA.

Research services furnished by brokers through whom BPCFA effects securities transactions may be used in servicing all of BPCFA’s Clients’ accounts, and not all such services may be used in connection with the accounts which paid commissions to the broker providing such services. BPCFA seeks to allocate soft dollar benefits among Client accounts in a fair and equitable manner under the circumstances, but there can be no assurance that we will be successful in this regard.

During the last fiscal year, BPCFA acquired research with Client brokerage commissions.

Section 28(e) of the Exchange Act provides a safe harbor to advisers who use soft dollars generated by Client accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to BPCFA in the performance of investment decision-making responsibilities. BPCFA intends that any soft dollars that it receives in connection with Client-related matters would be within the limitations set forth in Section 28(e) of the Exchange Act. Examples of eligible services and products include independent stock research, economic research, research in specific industry sectors, real time feeds, newswires, strategic analysis, and back-office systems.

Brokerage for Client Referrals

In selecting or recommending brokers, BPCFA does not consider whether it or its Related Persons receive Client or investor referrals from such brokers.

Directed Brokerage

BPCFA does not routinely recommend, request or require that a Client direct BPCFA to execute transactions through a specified broker-dealer. In situations where a Client has directed BPCFA to place trades with a particular broker-dealer, BPCFA may not be free to seek the best price, volume discounts or



best execution by placing transactions with other broker-dealers. Additionally, as a result of directing BPCFA to place trades with a particular broker-dealer, a disparity in commission charges may exist between the commissions charged to Clients who direct BPCFA to use a particular broker-dealer and those Clients who do not direct BPCFA to use a particular broker-dealer as well as a disparity among the brokers to which different Clients have directed trades.

In the case of Dual Contract Programs, BPCFA generally has a duty to seek best execution. Typically, BPCFA places trades with Sponsors (or their affiliated broker-dealers) because trading commissions are included in the fee the Client pays to the Sponsor. See Wrap Fee Program Brokerage Practices in this section for more information about BPCFA's trading practices.

Aggregation of Orders

Orders of Clients may be combined (or "bunched") when possible, to obtain volume discounts resulting in a lower per share commission. Please see *Item 11 – Code of Ethics, Trade Aggregation* of this Brochure for more information regarding BPCFA's trade aggregation procedures.

IPO/Limited Offering Allocations

Clients may from time to time participate in an initial public offering (an "IPO"), or other types of limited offerings, if the portfolio manager managing the portfolio believes that the offering is an appropriate investment based on the portfolio's investment restrictions, risk profile, asset composition and/or cash levels. Clients must be eligible to receive allocations of IPOs pursuant to relevant FINRA regulations. In the event that BPCFA reasonably determines that a Client is not eligible to receive IPO allocations pursuant to these regulations or does not have reasonable assurances that the Client is eligible to receive allocations, BPCFA may prohibit the Client's account from receiving any allocations of an available offering. BPCFA's IPO/limited offering allocation procedures generally require all shares to be allocated on a pro-rata basis to all participating eligible accounts based on the total assets of each account. In certain circumstances, BPCFA may deviate from a pro-rata allocation to account for allocation sizes that are deemed by investment personnel to be de minimis for certain eligible accounts or to address situations specific to individual accounts (e.g., cash limitations, position weightings, etc.). BPCFA cannot assure, in all instances, participation in IPOs or limited offerings by all eligible accounts. In the event an eligible account does not participate in an offering, BPCFA does not reimburse for opportunity costs. See *Item 11 – Code of Ethics, Allocation of Investment Opportunities* of this Brochure for more information regarding potential conflicts of interest.

Cross Trades

In its discretion, BPCFA may, but is not required to, engage in "cross trades", whereby BPCFA causes one of its Clients to sell a security and another of its Clients to purchase the same security at or about the same time, provided such transaction is in the best interests of both accounts and is consistent with BPCFA's best execution obligations. Cross trades may be used in an effort to obtain best execution because cross trades can potentially reduce transaction costs and increase execution efficiency. Cross trades present potential conflicts of interest. For example, there is a risk that the price of a security bought or sold in a cross trade may not be as favorable as it might have been had the trade been executed in the open market. Additionally, there is a potential conflict of interest when a cross trade involves a Client account on one side of the transaction and an account in which BPCFA has substantial ownership or a controlling interest (such as a newly-formed sponsored Fund) or an account in which BPCFA receives a higher management fee on the other side of the transaction.

To address these potential conflicts, BPCFA maintains policies and procedures, which require that all cross trades are made at an independent current market price and are consistent with Section 206 of the Advisers Act. In addition, if one of the parties to the cross trade is a registered investment company, the transaction must comply with procedures adopted under Rule 17a-7 under the 1940 Act. BPCFA does not permit cross trades with accounts subject to ERISA. While BPCFA generally does not execute cross trades among its



Client accounts, BPCFA may execute cross trades among Separate Accounts and/or other accounts managed by BPCFA. See *Item 11 – Code of Ethics, Cross Trades* of this Brochure for more information regarding potential conflicts of interest.

Security Valuation

Equity securities are generally valued on the basis of market quotations. Fixed-income securities are generally valued in accordance with an evaluated bid price supplied by a pricing service. The evaluated bid price supplied by the pricing service is an evaluation that reflects such factors as security prices, yields, maturities, and ratings. Certain short-term instruments maturing within 60 days or less are valued at amortized cost, which approximates market value. If a market quotation or evaluated price is not readily available or is deemed unreliable, or if an event that is expected to affect the value of a portfolio security occurs after the close of the principal exchange or market on which that security is traded, and before the close of the New York Stock Exchange, the fair value of a security will be determined in good faith under policies and procedures established by and under the supervision of BPCFA's Investment Committee. Although BPCFA is not generally the pricing agent for its Clients, BPCFA, in certain cases and upon request, may provide a fair value price to a Client's pricing agent, solely for informational purposes, for a security in cases where market quotations or evaluated prices are not readily available or deemed unreliable due to significant events or other factors. In these instances, the Client's pricing agent makes the ultimate determination of the security's value. Because BPCFA may be compensated based on the value of assets held in an account or based on the performance of the account, BPCFA may have a potential incentive to set a high valuation for a security; however, BPCFA does not intend to use valuations that are higher than fair value. BPCFA believes that this potential conflict may be mitigated by its valuation policy and procedures.

There may be differences in prices for the same security held by BPCFA's Clients because its provided price (for the situations described above) may not be accepted by the relevant pricing agent. In addition, certain Clients, such as Open-End Funds, may utilize a third-party valuation model to value equity securities of non-U.S. issuers to adjust for stale pricing which may occur between the close of the non-U.S. exchanges and the New York Stock Exchange. These pricing models may not be used by the relevant pricing agent. Benchmark indexes generally do not use fair value pricing and use national and regional indices to value securities using unadjusted closing prices in local markets. In addition, the value of assets denominated in non- U.S. currencies is converted into U.S. dollars using exchange rates deemed appropriate by BPCFA, which may also vary from the exchange rates used for calculation on any given index.

Trade Rotation

When BPCFA acts as an adviser to Wrap Fee Programs, certain conflicts of interest may arise between the Wrap Fee Programs and also between Wrap Fee Programs and BPCFAs' other clients, particularly in relation to trading issues. Conflicts of interest may arise particularly because Sponsors (or their affiliated broker-dealers) generally execute the majority of trades for Wrap Fee Programs and as a result, a Sponsor (or its affiliated broker-dealer) may have access to BPCFA's investment recommendations before BPCFA implements the recommendations for its other Clients. Conflicts of interest may also arise when BPCFA, in seeking to obtain best execution or in following directed trading instructions, executes trades in the same security for Wrap Fee Programs through different Sponsors (or their affiliated broker-dealers) and its other Client accounts through other broker-dealers at or near the same time. Therefore, given the separation of the Wrap Fee Programs trading functions and BPCFA's trading for its other accounts, the possibility exists that trades for a Wrap Fee Program may be executed before or after trades, and at different prices, than for other Wrap Fee Programs and BPCFA's other Client accounts.

To address conflicts of interest and trading matters, BPCFA maintains brokerage and trading policies, including policies and procedures for best execution discussed above and trade rotation. BPCFA believes its policies and procedures are consistent with its duties as a fiduciary to treat its Clients fairly in a manner that does not systematically favor one Client (or group of Clients) over another Client (or group of Clients).



Depending on the market capitalization, or market availability, of certain securities, trade orders may take multiple days to complete and may be executed as part of a rotation. If BPCFA determines that there is not sufficient liquidity in the market to support an entire trade or order, BPCFA will take steps to manage the liquidity profile of the order and minimize its impact on the market. In limited circumstances, this may include rotating trades between its Wrap Fee Program accounts and its other Clients. Typically, orders for Wrap Fee Program accounts are rotated between the Sponsors' trading platforms. To the extent BPCFA deems a trade highly illiquid, BPCFA may split the trade into smaller orders and then rotate in the same manner as trades for illiquid securities would be rotated. Rotating trades may result in a longer delay in executing trades and/or a materially better or worse price for Clients that are traded in later rotations.

Wrap Fee Program Brokerage Practices

As discussed in *Item 4 – Advisory Business*, Dual Contract Programs Clients often receive a package of services, in exchange for the Wrap Fee that they pay the Sponsor of the program. In addition to the investment management fee, these services often include trade execution from Sponsors (or their affiliated broker-dealers). Typically, in these instances both BPCFA and the Sponsor have a duty to seek best execution for these clients' trades.

There may be circumstances when BPCFA, in seeking best execution, executes trades through broker-dealers or other security intermediaries other than the Sponsors (or their affiliated broker-dealers). This practice is often referred to as "trading away" or a "step-out" transaction. BPCFA may trade away when a security is illiquid, when a Sponsor (or its affiliated broker-dealer) lacks the capacity or expertise to effectively execute a trade in a particular type of security or to execute a trade at a favorable price or in a timely manner or under other circumstances. In addition, BPCFA may trade away or use step-out transactions when BPCFA believes trading through the Sponsor (or its affiliated broker-dealer) will adversely impact the same or similar trades BPCFA intends to execute for its other Clients. Whenever BPCFA trades away or uses step-out transactions from Sponsors (or their affiliated broker-dealers), there may be additional commissions, spreads, transaction charges or other costs incurred by the Client that are not covered by the Wrap Fee. BPCFA typically is not responsible for such additional commissions, spreads, charges or costs. These additional commissions, charges or costs typically are paid by the Sponsor or the Clients. With respect to Wrap Fee Programs where a Client directs trading to the Sponsor, even where another broker-dealer quotes a more favorable price than that quoted by such Sponsor in a given trade, that lower price along with the added commission, may be on balance less favorable to the Client than the Sponsor's higher quoted price.

Sponsors may include provisions in their agreements with Clients to direct BPCFA to execute all transactions or certain securities (for example, equity securities) through the Sponsor (or its affiliated broker-dealer). In those cases, BPCFA generally requires the Sponsor's agreement to permit BPCFA to trade away or use step-out transactions to execute transactions for Clients through broker-dealers other than the Sponsor (or its affiliated broker-dealer) in seeking best execution for these Clients.

Conflicts of interest can arise between BPCFA's best execution policies and procedures and trading instructions that BPCFA may receive from Client agreements. In those cases, BPCFA will act in a manner that it believes is consistent with the best interests of its Clients and its best execution policies and procedures.

ADRs

In certain circumstances, BPCFA may invest Client assets in ADRs. When doing so, depending upon the existence and/or liquidity of the ADR and other factors, these trades may be executed in the U.S. or in a non-U.S. market. When trades are executed in non-U.S. markets, non-U.S. securities will be acquired and broker-dealers or other securities intermediaries will convert these non-U.S. securities into U.S. ADRs (denominated in U.S. dollars). Broker-dealers or other securities intermediaries may charge commissions, conversion and/or other fees for converting the securities into ADRs, all of which will be included (i.e. netted) into the price of the securities. These conversion fees may be negotiable, may vary, and typically are paid



by the Clients.

For Dual Contract Programs, BPCFA may execute ADR transactions through Sponsors (or their affiliated broker-dealers) or by stepping out such transactions to broker-dealers or other securities intermediaries. See *Wrap Fee Program Brokerage Practices* in this section for more information about step-out transactions.

Additionally, BPCFA may convert a non-U.S. security to an ADR that would be considered highly illiquid when traded in the U.S. This may make it difficult to liquidate a position when Clients close an account, transfer the assets to another firm, request a withdrawal or other transaction that requires the security be traded domestically versus in the foreign security market. The liquidity, or lack thereof, of the converted ADRs in the U.S. market could result in a transaction price that differs substantially from the transaction price that could be obtained if that same security was transacted in the non-U.S. market.

Company Errors

Trade errors may occur either in the investment decision-making process (e.g., a purchase of a security or an amount of security that violates a Client's investment restrictions) or in the trading process (e.g., a buy order executed as a sell, the purchase or sale of a security other than what was intended, or trading an incorrect quantity of securities). Internal or clerical mistakes that affect the investment or trading process and have a financial impact to a Client will also be treated as trade errors. A "trade error" will generally be defined as a transaction that is executed in a manner that was not intentional and results in corrective action being taken. Any mistakes that do not affect the investment decision-making or trading process or cause a violation of a Client's investment policies or restrictions, and do not cause gain or loss to the Client, will not be treated as trade errors.

BPCFA's traders will be responsible for notifying the Chief Compliance Officer promptly of the circumstances of any trade error. Traders will discuss any action taken to correct a trade error (e.g. selling a security in the open market) and/or any other corrective action with the Chief Compliance Officer prior to its implementation as to whether such an action is appropriate.

If a third party creates the error, BPCFA will look to the third party to take corrective action. Broker-dealers may be held responsible for a portion of any loss resulting from a trade error if the actions of such broker-dealer contributed to the error or the loss. BPCFA will require broker-dealers to assist in rectifying a trade error on favorable terms if their actions or inactions contributed to the error or the resulting loss. A broker may absorb the loss from a trade error caused by the broker. BPCFA will not direct brokerage commissions to brokers, or to enter into other reciprocal arrangements with brokers, in order to induce a broker to absorb a loss from a trading error caused by BPCFA. No soft dollars may be used to satisfy any trade errors. In addition, BPCFA may not use the securities in one Client's account to settle the trade error in another Client's account.

Item 13 Review of Accounts

BPCFA's Investment Committee has the responsibility to exercise and maintain prudent supervision and control of the Client's investments and portfolios. The Investment Committee continuously reviews and ensures the investment policies, guidelines, and objectives for each Client's general investment strategy are achieved and attained per the Client's investment policies, guidelines, and objectives as stated in the Client's governing documents. The Investment Committee maintains prudence and effectiveness of each investment of the Client and formulates and oversees the investment policies and management of the Client's assets, and periodically reviews investment strategies and investment performance. In carrying out its duties the Investment Committee provides recommendations on investment opportunities through a stringent due diligence process to identify investment opportunities that meet the Client's stated investment objective and goals; reviews individual investment performance and recommends changes when appropriate; and works closely with staff to ensure that the investment objectives are being met as stated



in the Client's governing documents. In monitoring the Client's portfolio of investments, the Investment Committee ensures (i) the management of investments and capital actions are in compliance and consistent with attainment of the Client's investment policy, financial objectives and strategy goals, and (ii) the Client's portfolio is in compliance with legal and regulatory requirements. The Chief Compliance Officer also performs ongoing reviews of all such accounts for compliance with investment policies and restrictions. In addition to, and not as a substitute for the foregoing, additional reviews are conducted in accordance with Client requests as set forth in the relevant investment management agreement.

The Investment Committee is comprised of Messer's Toby Loftin, Ben Cook and the Chief Compliance Officer, Patrick Hurley. The Investment Committee meets frequently, by meeting in person, telephone conference, or other interactive electronic communication to discuss market conditions, portfolio analysis, and investment transaction matters.

Nature and Frequency of Reporting

The frequency and nature of reports prepared for Clients varies depending on each Client's requirements and interests. BPCFA provides and may in the future provide certain information and documentation to certain Clients that are not distributed or otherwise made available to other Clients. Clients generally receive monthly or quarterly written reports showing portfolio activities and performance on a current and year-to-date basis. These written reports typically disclose all holdings in the Client's account, including cash, together with cumulative year-to-date information about dividends and interest realized by the account. BPCFA may furnish certain account transaction and portfolio holdings to institutional Clients such as Open-End Funds and Separate Accounts and their service providers on a more frequent basis. Depending on the type of account, BPCFA may also provide oral and/ or written presentations about the account's performance on a periodic basis. BPCFA will also provide Clients, upon request, with other information regarding their portfolio within the parameters of its compliance policies. Face-to-face meetings or teleconferences are held at least annually with each Client. Clients may request a meeting with BPCFA at any time. With respect to the Separate Accounts, the qualified custodian generally provides each advisory Client, on at least a quarterly basis, an account statement identifying the amount of the funds and securities in the Clients' account(s) and any transactions in the Clients' account(s) during the applicable calendar quarter. **Clients are urged to compare any account statements that they receive from BPCFA with the account statements that it receives from its qualified custodians.**

Item 14 Client Referrals and Other Compensation

Payments to BPCFA By A Non-Client In Connection With Advice Provided to A Client

Certain retirement and/or pension plan sponsors, if any, may pay management/performance fees in connection with advice provided by BPCFA to such plan directly to BPCFA instead of having the management/performance fee deducted from the retirement or pension plan assets.

Solicitation, Introduction or Placement Arrangements

From time to time, BPCFA may compensate certain affiliated and unaffiliated persons or entities for Separate Account referrals or introductions to BPCFA or placements of interests in Open-End Funds, in compliance with applicable law, including circumstances where, in connection with discrete advisory transactions, BPCFA will pay or split a portion of the fees with an unaffiliated third-party for assisting in obtaining a specific Client. The material terms of such arrangements will be disclosed to relevant Clients or investors. BPCFA will inform each Separate Account investor and any other Client that is the subject of such solicitation services that the third-party solicitor will be compensated by the Separate Account investor, the Client or BPCFA, as the case may be. The name of the third-party providing the services will also be disclosed to each relevant Separate Account investor and any other Client that is the subject to such solicitation services, along with the nature of any affiliation between the third-party and BPCFA.

With respect to Client solicitation arrangements, Rule 206(4)-3 of the Advisers Act (the “Cash Solicitation Rule”) requires that, among other things, compensation to a solicitor be made pursuant to a written agreement and, for third-party solicitor arrangements, that the solicitor provide to each person solicited for BPCFA’s advisory services, a written disclosure statement (the “Solicitor’s Disclosure Statement”) and this Brochure (or alternate brochure required or permitted to be provided). The Solicitor’s Disclosure Statement contains important information with respect to, among other things, the material terms of the solicitor’s compensation from BPCFA, the nature of any relationship or affiliation between the solicitor and BPCFA, whether the Client bears any costs with respect to the solicitation and whether the fees paid by such a Client may differ from fees paid by other similarly situated Clients who are not so introduced, as a result of the solicitation, and these Solicitor’s Disclosure Statements should be reviewed carefully by prospective Clients.

Consistent with BPCFA’s policy and applicable regulation, BPCFA from time to time also pays for, or reimburses broker-dealers to cover various costs arising from, or activities that may result in, the sale of advisory products or services, including: (i) Client and prospective Client meetings and entertainment; (ii) sales and marketing materials; (iii) educational and training meetings or entertainment activities with the registered representatives of such broker-dealers and other personnel from entities that distribute BPCFA products and/or services; and (iv) charitable donations in connection with events involving personnel or Clients of entities that distribute BPCFA’s products and/or services.

Further, from time to time, BPCFA may have arrangements in place to purchase services, publications, general consulting advice, conference attendance, or limited advisory services from third-party consultants. Generally, these consultants do not solicit Clients on behalf of BPCFA or its affiliates but may recommend BPCFA or its affiliated investment advisers to their Clients. To the extent BPCFA enters into a referral arrangement with third-party consultants, such arrangement will be made in accordance with the Cash Solicitation Rule.

As stated in *Item 12 – Brokerage Practices*, BPCFA may allocate portfolio transactions to broker-dealers who provide research and/or related services.

Item 15 Custody

BPCFA does not act as custodian for Client assets. All Clients of BPCFA use a third-party custodian to hold the Clients’ investment assets.

In the case of Separate Accounts, Clients may give BPCFA the power to withdraw funds or securities maintained with a custodian upon request. Without coming to a legal conclusion as to whether BPCFA would have custody over these assets, BPCFA operates as if it does have custody in such situations. Accordingly, any Separate Account Clients will receive account statements from their broker-dealer, bank, or qualified custodian and should carefully review those statements. To the extent BPCFA also delivers statements to such Clients, Separate Account Clients should compare the BPCFA statement to the statements of the qualified custodian. For tax and other purposes, the custodial statement is the official record of a Separate Account Client’s account and assets. Statements received from BPCFA may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies for certain securities. See *Item 13 – Review of Accounts* of this Brochure for more information about BPCFA’s account statements.

Item 16 Investment Discretion

As a general rule, BPCFA receives discretionary investment authority from its Clients at the outset of an advisory relationship. Depending on the terms of the applicable investment management agreement, BPCFA’s authority may include the ability to select broker-dealers through which to execute transactions on behalf of its Clients, and to negotiate the commission rates, if any, at which transactions are effected.



In making decisions as to which securities are to be bought or sold and the amounts thereof, BPCFA is guided by the mandate selected by the Client and any Client-imposed guidelines or restrictions. Unless BPCFA and the Client have entered into a non-discretionary arrangement, BPCFA generally is not required to provide notice to, consult with, or seek the consent of its Clients prior to engaging in transactions. See *Item 4 – Advisory Business* of this Brochure for additional information on Clients' ability to tailor investment guidelines. See *Item 12 – Brokerage Practices* of this Brochure for more information.

Item 17 Voting Client Securities

Securities held in Client Accounts

Clients may direct BPCFA to vote proxies or may retain the ability to vote proxies themselves. To the extent Clients retain the ability to vote proxies themselves, Clients will not receive information about their proxies from BPCFA. Instead, Clients should receive proxies from their custodian, transfer agent or other third-party service providers such as their proxy service provider. If Clients direct BPCFA to vote proxies on their behalf, the following policies and procedures apply.

BPCFA's proxy voting policy ensures proxies are voted on behalf of each Clients' account and in the best economic interests of such Client account, without regard to the interests of BPCFA, its affiliates or any other Client of BPCFA. BPCFA monitors' corporate actions of those securities it has purchased on behalf of its Clients by utilizing a third-party proxy management system provided by Institutional Shareholder Services Inc. ("ISS").

BPCFA will not accept directions as to how to vote individual proxies for which it has voting responsibility from any other person or organization (other than the research and information provided by ISS). Subject to specific provisions in a Client's account documentation related to exception voting, BPCFA only accepts direction from a Client to vote proxies for that Client's account pursuant to BPCFA's Proxy Voting Guidelines (the "Guidelines") or ISS's recommendations, including recommendations under its Proxy Voter Services program. In addition, a Client may instruct BPCFA in its investment management agreement to vote all proxies strictly in accordance with the ISS Taft-Hartley voting guidelines (the "Taft-Hartley Guidelines").

ERISA Plan Policy

On behalf of Client accounts subject to ERISA, BPCFA seeks to discharge its fiduciary duty by voting proxies solely in the best interest of the participants and beneficiaries of such plans. BPCFA recognizes that the exercise of voting rights on securities held by ERISA plans for which BPCFA has voting responsibility is a fiduciary duty that must be exercised with care, skill, prudence and diligence. In voting proxies for ERISA accounts, BPCFA will exercise its fiduciary responsibility to vote all proxies for shares for which it has investment discretion as investment manager unless the power to vote such shares has been retained by the appointing fiduciary as set forth in the documents in which the named fiduciary has appointed BPCFA as investment manager.

Securities held in Open-End Funds

In voting proxies for securities held by an Open-End Fund, BPCFA considers only the interests of the Open-End Fund and will vote such proxies in the best economic interests of such Open-End Fund. BPCFA resolves the conflict of interest by generally following the proxy voting recommendation of a disinterested third party such as ISS, Glass Lewis, or another institutional proxy research firm, unless the applicable fund portfolio manager determines that voting contrary to such recommendation is in the best interest of a particular account.

Should the Open-End Funds participate in a securities lending program under which shares of an issuer may be on loan while that issuer is conducting a proxy solicitation, the Open-End Fund could not vote the



shares. Portfolio managers have discretion to instruct the lending agent to pull back the lent shares before proxy record dates and vote proxies if time permits.

Conflicts of Interest

BPCFA's Chief Compliance Officer is responsible for monitoring and resolving possible material conflicts with respect to proxy voting. Because the Guidelines are pre-determined and designed to be in the best interests of shareholders, application of the Guidelines to vote Client proxies should, in most cases, adequately address any possible conflicts of interest. Similarly, for Clients who have instructed BPCFA to vote proxies in accordance with the Taft-Hartley Guidelines, these guidelines are pre-determined by ISS. As a result, application of the Taft-Hartley Guidelines to vote Client proxies should, in most cases, adequately address any possible conflicts of interest. Additionally, and in instances where a portfolio manager has discretion to vote differently than the Guidelines and proposes to vote a proxy inconsistent with the Guidelines and a potential conflict of interest is identified, the Chief Compliance Officer reviews such proxy votes to determine whether the portfolio manager's voting rationale appears reasonable, and no material conflict exists. A conflict of interest may exist, for example, if BPCFA has a business relationship with (or is actively soliciting business from) either the company soliciting the proxy or a third party that has a material interest in the outcome of a proxy vote or that is actively lobbying for a particular outcome of a proxy vote. In addition, any portfolio manager with knowledge of a personal conflict of interest (i.e., a family member in a company's management) relating to a particular referral item shall disclose that conflict to the Chief Compliance Officer and may be required to recuse himself or herself from the proxy voting process. Issues raising possible conflicts of interest may be referred to the Chief Compliance Officer for resolution. If the Chief Compliance Officer does not agree that the portfolio manager's rationale is reasonable, the Chief Compliance Officer will refer the matter to the Investment Committee to vote the proxy. If a matter is referred to the Investment Committee the decision made and basis for the decision will be documented by the Chief Compliance Officer.

Reporting and Record Retention

Upon request, on an annual basis, BPCFA will provide its Clients with the proxy voting record for that Client's account. On an annual basis, BPCFA will provide its proxy voting record for each Open-End Fund for the one-year period ending on June 30th. In addition, each Open-End Fund's proxy voting record for the most recent 12-month period ended June 30th is available (i) without charge, upon request, and (ii) on the SEC's website (<http://www.sec.gov>). Information as of June 30th each year will generally be available on or about the following August 31st. BPCFA retains proxy statements received regarding Client securities, records of votes cast on behalf of Clients, records of Client requests for proxy voting information and all documents prepared by BPCFA regarding votes cast in contradiction to the Guidelines. In addition, any document prepared by BPCFA that is material to a proxy voting decision such as the Guidelines, Chief Compliance Officer materials and other internal research relating to voting decisions will be kept. Proxy statements received from issuers are either available on the SEC's EDGAR database or are kept by a third-party voting service and are available upon request. All proxy voting materials and supporting documentation are retained for a minimum of six years.

Item 18 Financial Information

BPCFA does not solicit prepayment of more than \$1,200 in fees per Client six months or more in advance, and thus has not provided a balance sheet according to the specifications of 17 CFR Parts 275 and 279.

As an advisory firm that maintains discretionary authority for client accounts, BPCFA is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitment to clients. At this time, BPCFA does not reasonably believe it is unable to meet its contractual commitments. Despite this, the firm is uncertain of the negative financial impact of COVID-19. In light of this economic uncertainty, the firm's desire to maintain a fiduciary level of service for all its clients (particularly in a time of crisis), and



its hope to retain all existing staff, the firm applied for and received a loan in April 2020 under the Paycheck Protection Program of the CARES Act to support its ongoing operations. The firm intends to use this loan to pay qualifying expenses over an eight-week period including: payroll costs, the continuation of healthcare and insurance benefits for its employees, mortgage interest, rent, utilities, and other relevant firm expenses.

BPCFA has not been the subject of a bankruptcy petition.