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# BEDFORD

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## Bedford Ridge Capital LP

### Part 2A of Form ADV; Firm Brochure

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March 31, 2023

This Brochure provides information about the qualifications and business practices of Bedford Ridge Capital LP (“**BRC**” or the “**Firm**”). Information provided herein is provided in response to instructions and guidance issued in connection with Form ADV Part 2A. You should refer to those materials, including defined terms used therein, in reviewing this brochure. If you have any questions about the contents of this brochure, please contact BRC President and Chief Executive Officer, Andrew Klaber, by phone at 212-599-6331 or by email at [andrew@bedfordridgecapital.com](mailto:andrew@bedfordridgecapital.com) or the Firm’s Chief Compliance Officer (“**CCO**”), Nicole De La Roca, at 469-802-0680 or by email at [nicole@bedfordridgecapital.com](mailto:nicole@bedfordridgecapital.com). 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 BRC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). An investment adviser's registration with the SEC does not imply a certain level of skill or training.

## **Important Note About This Brochure**

This Brochure is not:

- an offer or agreement to provide advisory services to any person;
- an offer to sell interests or a solicitation of an offer to purchase interests in any investment product or vehicle advised by BRC;
- a complete discussion of the features, risks or conflicts associated with any account advised by BRC; or
- to be relied on in determining whether to invest in any private fund or establish an advisory relationship with BRC.

As required by the Investment Advisers Act of 1940, as amended (the “*Advisers Act*”), BRC provides this Brochure to current and prospective clients and may also, in its discretion, provide this Brochure to current or prospective investors in a private fund, together with other relevant offering materials, prior to, or in connection with, such persons’ establishment or consideration of a client relationship or an investment in a private fund.

Persons who receive this Brochure (whether or not from BRC) should be aware that it is designed solely to provide information about BRC as necessary to respond to certain disclosure obligations under the Advisers Act. Therefore, the information in this Brochure may differ from information provided in the materials that govern an account or investor relationship such as an advisory contract or a private fund’s Governing Documents (as defined below).

More complete information about any private fund, as well as BRC’s investment management services in general, is included in relevant Governing Documents, certain of which may be provided to current and eligible prospective clients or investors (as defined below) only by BRC or another designated party. 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.

**In no event should this Brochure be considered an offer of interests in a private fund or relied upon in determining to invest. It is also not an offer of, or agreement to provide, advisory services directly to any recipient.**

## ITEM 2. MATERIAL CHANGES

The following is a discussion of material changes to the Firm's Brochure since the annual update on March 31, 2022.

### *Advisory Client*

- We have updated relevant sections throughout the Brochure to add a new advisory client relationship.

### *Item 4 – Advisory Business*

- Updated to reflect regulatory assets under management generally as of December 31, 2022.

### *Item 8 – Method of Analysis, Investment Strategies and Risk of Loss*

- Updated disclosure of key risk factors. For a more complete discussion of risks, investors should refer to the appropriate offering documents.

All clients and investors are encouraged to review this document in its entirety. The information set forth in this brochure is qualified in its entirety by the applicable agreements or other documents entered into with each client. In the event of a conflict between the information set forth in this brochure and the information in the agreements or other documents entered into with any client, those agreements or other documents shall control.

### ITEM 3. TABLE OF CONTENTS

ITEM 2. MATERIAL CHANGES .....	3
ITEM 3. TABLE OF CONTENTS .....	4
ITEM 4. ADVISORY BUSINESS .....	5
ITEM 5. FEES AND COMPENSATION .....	8
ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....	11
ITEM 7. TYPES OF CLIENTS .....	12
ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....	13
ITEM 9. DISCIPLINARY INFORMATION .....	22
ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....	23
ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	25
ITEM 12. BROKERAGE PRACTICES.....	27
ITEM 13. REVIEW OF ACCOUNTS.....	30
ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION.....	31
ITEM 15. CUSTODY .....	32
ITEM 16. INVESTMENT DISCRETION .....	33
ITEM 17. VOTING CLIENT SECURITIES.....	34
ITEM 18. FINANCIAL INFORMATION .....	35

## ITEM 4. ADVISORY BUSINESS

Bedford Ridge Capital LP (“**BRC**” or the “**Firm**”), is a Delaware limited partnership that was formed in 2020, with its principal place of business in New York, New York. Andrew Klaber serves as BRC’s President, Chief Executive Officer (“**CEO**”), Director, and Portfolio Manager, Michael Reidler serves as the Firm’s Chief Financial Officer (“**CFO**”) and Nicole De La Roca serves as the Firm’s Chief Compliance Officer (“**CCO**”). The Firm is controlled by its general partner, Bedford Ridge Capital Management LLC, a Delaware limited liability company, which is controlled by Andrew Klaber (the “**Principal**”).

As of December 31, 2022, the Firm had approximately \$729 million in regulatory assets under management (“**RAUM**”). Total RAUM reflects assets as of December 31, 2022, with the exception of the values reported for any publicly-traded securities, which reflect assets as of March 31, 2023.

	<i>Discretionary</i>	<i>Non-Discretionary</i>	<i>Total</i>
<b><i>Total Regulatory Assets Under Management</i></b>	\$ 454,300,036	\$ 275,022,489	\$ 729,322,525

### *Nature of Clients and Investors*

The Firm provides investment management services to pooled investment vehicles that are exempt from registration under the Investment Company Act of 1940 (“**Company Act**”), as amended, and whose securities are not registered under the Securities Act of 1933 (“**Securities Act**”), as amended (“**private funds**”). The Firm manages Paulson Investment Company I LP (“**PIC I**”), Paulson ESP Segregated Portfolio Company 2 (“**SPC 2**”), Bedford Ridge Investment Company II LP (“**BRIC I**”), Bedford Ridge Investment Company II LP (“**BRIC II**”), Bedford Ridge Investment Company III LP (“**BRIC III**”), and Bedford Ridge Investment Company IV LP (“**BRIC IV**”) (collectively, the “**Funds**”). All assets for the funds are managed on a discretionary basis.

Bedford Ridge Capital GP LLC (“**BRC GP**”), an affiliate of BRC, serves as the general partner of PIC I, BRIC I, BRIC II, BRIC III, and BRIC IV (the “**General Partner**”) and as portfolio manager of SPC 2 (the “**Portfolio Manager**”).

PIC I is a Cayman Islands exempt limited partnership while SPC 2 is a Cayman Islands exempted segregated portfolio company. BRIC I, BRIC II, BRIC III, and BRIC IV are all Delaware-registered limited partnerships. The Funds are not registered or required to be registered under the U.S. Investment Company Act of 1940 (the “**Investment Company Act**”) or the U.S. Securities Act of 1933 (the “**Securities Act**”) and are privately placed to qualified investors in the United States. See, also Item 7 below.

In addition to the investment management services it provides to its Funds, BRC provides investment advisory services to a single institutional investor, organized as a Delaware limited partnership (the “**Advisory Client**”, together with the Funds, “**Clients**”). The Advisory Client is identified as a separately managed account in the Form ADV Part 1A The Firm may in the future serve

as investment advisor for other private funds or advisory clients. BRC does not have a separate client relationship with investors in the Funds, which are referred to throughout this Brochure as “**Investors**”, “**Limited Partners**”, or “**Shareholders**”. Investors in the Funds generally include high net worth individuals, endowments, foundations, and family offices that are accredited investors and qualified clients.

Until September 2020, PIC I and SPC 2 were managed by Paulson & Co. Inc. (the “**Prior Manager**”). The Prior Manager converted to a private investment office and as such no longer manages third party capital. As part of a restructuring agreement, the Principal, a long-time partner at the Prior Manager, created both BRC and the General Partner/Portfolio Manager to fulfill the roles previously filled by the Prior Manager and its affiliated entities. The Prior Manager currently has no role in the investment management services provided to these funds.

### ***Investment Mandates***

The Funds are managed in accordance with the investment objectives, strategies and guidelines as set forth in each Fund’s confidential offering memorandum, organizational documents and other related documents (collectively “**Governing Documents**”). In all cases investments are selected on the basis of the Fund’s investment strategy and objectives.

The Funds are not tailored to the individualized needs of any particular Investor, though the Funds may take into consideration the general characteristics (e.g., tax status) of its target Investors when structuring its operations. An investment in the Funds does not, in and of itself, create an advisory relationship between the Investor and BRC, and BRC typically does not enter into separate advisory arrangements with any Investor. Therefore, each Investor must consider for itself whether any private fund meets the Investor’s investment objectives and risk tolerance before investing in the Funds. Information about each Fund is set forth in its Governing Documents, which are available to current and eligible prospective investors only through BRC.

BRC provides the Advisory Client with continuous monitoring and advisory services of certain publicly-traded and privately-held securities. These assets are managed on a non-discretionary basis and in accordance with an agreement between BRC and the Advisory Client.

### ***Side Letters***

BRC has entered or may enter into arrangements (“**Side Letters**”) with certain prospective or existing Investors, in connection with the investor’s admission into a Fund, without the approval of any other investor. The arrangements have the effect of establishing rights under, or supplementing or modifying the terms of, the Governing Documents of the relevant Fund with respect to the investor, and typically include rights or terms necessary to address specific legal, regulatory, investment, or public policy restrictions of an investor. BRC may also enter into side letter agreements with Investors that may establish rights under, or alter or supplement the terms of, a Fund’s Governing Documents in a manner that may be more favorable to such investors than those applicable to other investors. For example, such terms and conditions may provide for special rights to make future investments in a Fund, other investment vehicles or managed accounts; a reduction or rebate in management fees or incentive allocations to be paid by the investor; and such other rights as may be negotiated by the Funds and such investors. The modifications are

solely at the discretion of the Funds and may, among other things, be based on the size of the investor's investment in a Fund or affiliated investment entity, an agreement by an investor to maintain such investment in a Fund for a significant period of time or other similar commitment by an investor to a Fund or may be granted to founding or strategic investors. Subject to the terms of the relevant Fund's Governing Documents, Investors may become beneficiaries of more favorable side letter terms granted to other Investors.

All Side Letters must be approved by the Principal and CFO. The Principal and CFO are responsible for monitoring compliance with each side letter, with assistance from the CCO and/or outside counsel, as applicable.

## ITEM 5. FEES AND COMPENSATION

### *Management and Performance Fees*

BRC receives fees from the Funds as set forth in the each of the Fund's Governing Documents ("**Management Fees**"). Management Fees, generally calculated either quarterly or semiannually and payable in advance, are based on the net asset value of each Limited Partner's capital account at such time. The Management Fee Rate varies depending on the Fund and specific Fund share class. Once paid, the Management Fee is non-refundable. BRC shall have the right to waive receipt, in whole or in part, of any Management Fees with respect to any Limited Partners (including, without limitation, affiliates of the Firm) in its sole discretion without notice to or the consent of the other Limited Partners. Capital contributions may be called to fund Management Fees in accordance with Fund Governing Documents.

In addition to Management Fees, BRC GP is generally entitled to receive a performance or incentive allocation as set forth in the each of the Fund's Governing Documents. Immediately preceding a distribution to a Limited Partner of all or any portion of the capital in its capital account (whether following a disposition, in connection with an involuntary withdrawal, or the dissolution of the Partnership), the applicable performance fee or incentive allocation, calculated in accordance with Fund Governing Documents, is reallocated to BRC GP's capital account. If an in kind distribution is made to a Limited Partner, such incentive allocation may similarly be taken in kind or capital contributions may be called to cover the applicable fee in accordance with Fund Governing Documents.

Each class of interests in the Funds represents a separate pool of assets. BRC GP may receive a performance or incentive allocation with respect to capital accounts corresponding to certain classes of interests irrespective of whether such Limited Partners also have capital accounts corresponding to additional investment classes that are experiencing net losses. BRC GP, in its sole discretion, may waive or reduce the performance or incentive allocation with respect to any Limited Partner (including, without limitation, affiliates of the BRC) for any period of time, or agree to apply a different performance or incentive allocation for any Limited Partner, in each case, without notice to or the consent of the other Limited Partners.

As it relates to SPC 2, BRC GP has been issued separate classes of shares of each SPC 2 segregated portfolio (the "**Class P Shares**"). The performance allocation may be charged against the applicable shares and then reallocated by each SPC 2 segregated portfolio to the Class P Shares. As the owner of the Class P Shares, BRC GP is entitled to receive the performance allocation. After the Fund was restructured in October 2020, the Fund's Prior Manager transferred all but one (1) Class P Shares to BRC GP. The Prior Manager thereby retains the right to receive a portion of the performance allocation via its retained Class P Share. Similarly, the Prior Manager also retains the right to receive a portion of the performance allocation for PIC I.

In accordance with the agreement between the Advisory Client and BRC, the Firm is entitled receive certain performance-based fees upon liquidation of the assets.

### *Fund Expenses*

Each Fund will bear all expenses incidental to its organization, operations and business, including, but not limited to, organizational expenses (including formation costs and costs of preparing the Offering Memorandum and other Fund Governing Documents), fees and expenses associated with Fund investments (including brokerage commissions and the costs associated with purchasing, maintaining and disposing of investments), interest expenses and commitment fees on loans and debit balances, income taxes, withholding taxes, transfer taxes and other governmental charges and duties, legal expenses (including legal fees in connection with any litigation and regulatory matters), accounting (including without limitation the costs of an outsourced accounting service to provide financial accounting, tax and book keeping services) and audit fees and expenses, Management Fees, administrative fees and expenses, and fees and expenses of other service providers, including third party valuation agents, investor reporting costs, the expenses associated with regulatory and statutory filings (such as filings for FATCA, CRS, Form D, Form PF and blue sky), costs and expenses related to or incurred in connection with BRC's compliance obligation under applicable law or otherwise (including, without limitation, the fees and costs associated with any third party compliance firms, and fees and expenses incurred in connection with any amendments to BRC's Form ADV (excluding the initial Form ADV already filed)), costs and expenses associated with implementing and maintaining the Firm's information technology platform, the cost of maintaining the Fund's registration in the Cayman Islands (if applicable), the formation and legal costs associated with any acquisition vehicles utilized to acquire the Investment, and insurance costs.

BRC and its affiliates are responsible for the cost of its employees and office space required for the performance of such employees' services. To the extent the Funds share trading and other expenses with other funds and/or accounts managed by BRC, BRC GP, or their affiliates, each Fund will bear an equitable share of the associated expenses, as determined in the applicable General Partner or Portfolio Manager's discretion. Fees previously charged, and expenses previously incurred, by the Prior Manager related to services provided by the Prior Manager to SPC 2, have been accrued by the Fund and are expected to be paid to the Prior Manager in conjunction with the liquidation of the Fund. Since SPC 2's transition to BRC, any continued expenses borne by the Prior Manager have been and will continue to be the sole responsibility of the Prior Manager. Future expenses relating to or involving the Prior Manager will not be borne by the Funds.

Expenses relating to a specific Class shall be allocated to the capital accounts of the Limited Partners participating in such Class, and expenses of the Fund not relating to a specific Class shall be allocated among all of the Classes in the Fund in proportion to their respective net assets or in such other manner as the applicable General Partner or Portfolio Manager shall determine to be equitable.

Except as stipulated otherwise in each Fund's Governing Documents, BRC shall not be required to pay any expenses of the Funds, and to the extent that it incurs any expense for which a Fund is responsible, the Fund shall reimburse the Firm for such expense promptly following receipt by the Fund of an invoice therefor.

### **Compensation for the Sale of Securities or Other Investment Products**

Neither the Firm, nor any of its supervised persons will accept compensation for the sale of securities or other investment products.

## ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As noted above, BRC receives a performance incentive based on the increase in Net Asset Value of shares held in the Fund and/or underlying segregated portfolio and is entitled to a performance incentive on any profits generated by the positions held by the Advisory Client. BRC's receipt of performance-based fees raises certain conflicts of interest, which are described below.

***Investment Selection.*** Performance-based fees and other arrangements where the incentive to achieve gains may exceed the disincentive to suffer losses may cause BRC to choose investments that are riskier or more speculative than might otherwise have been chosen. Such arrangements include those in which a BRC employee is entitled to receive a specified percentage of any completed investment deal he or she sources. To mitigate these conflicts, BRC's policies and procedures seek to provide that investment decisions are made in accordance with the fiduciary duties owed to its Clients and without consideration of BRC's pecuniary, investment or other financial interests.

Because the performance allocation may be calculated on a basis that includes unrealized appreciation in the Fund's underlying investments based upon values assigned by BRC, there is a potential conflict of interest in valuing each Fund's portfolio. These conflicts may be mitigated by BRC's use of an unaffiliated third-party valuation agent and are addressed through full and fair disclosure in the Fund's Governing Documents. The Company and/or an independent valuation agent generally prepares valuations for each investment quarterly based upon the fair market value of each investment. Further mitigating potential conflicts, for private investments, valuations are typically not updated unless the investment issuer conducts a new equity offering, has an initial public offering, or commences bankruptcy proceedings (a "***Valuation Determination Event***").

***Side-by-Side Management.*** Different Funds or Fund share classes have or may have different performance incentive arrangements as specified in Fund Governing Documents, including differences based on the date and/or value on which such amounts are calculated. Such differences have resulted and may result in certain Investors being subject to a performance incentive based on an unrealized gain as of a certain calculation date, regardless of the subsequent valuation of the portfolio company or whether a gain is ultimately realized. Differences in performance incentive arrangements could incent BRC to favor one Fund or share class over another in its investment allocations, make investments in subsequent Funds or share classes that are intended to prop up investments in a prior Fund or share class, accelerate or delay the liquidation or distribution of shares, or otherwise manipulate the sequence of dispositions. These potential conflicts are mitigated by the fact that each share class represents a different set of assets and multiple share classes are generally not making new investments concurrently. Furthermore, liquidation rights are generally specified in Fund Governing Documents and Investors may select between different options. Any deviations from agreed upon liquidation procedures would generally be offered to all remaining investors in a Fund.

## **ITEM 7. TYPES OF CLIENTS**

The Firm provides investment advisory services to affiliated private funds exempt from registration under the Investment Company Act as well as to a single institutional investor

The minimum initial capital contribution or subscription amount required for an investor in PIC I, BRIC I, BRIC II, BRIC III, and BRIC IV is \$1,000,000 and \$5,000,000 for SPC 2, although capital contributions or subscriptions of lesser amounts may be accepted in the Firm's discretion.

To invest in the Fund, each investor generally is required to certify that it is, among other things, an "accredited investor" (as such term is defined in Rule 501(a) of Regulation D under the Securities Act) and, for applicable Funds, a "qualified purchaser" (as such term is defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended). Each prospective investor generally is required to complete and return various subscription documents to the applicable Fund, which are designed to provide the Fund, the administrator, the Firm and its affiliates and agents with important information about the investor. Subscriptions may be accepted or rejected, in whole or in part, in the Firm's sole discretion.

The Advisory Client is both an accredited investor and a qualified purchaser.

## **ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

BRC's investment objective is to find unique growth equity and co-investment opportunities.

### **Certain Risk Factors**

In the normal course of business, BRC manages a variety of risks including market risk, credit risk and liquidity risk.

Market risk is the potential for changes in the value of investments due to market changes, including interest and foreign exchange rate movements and fluctuations in security prices. Market risk is directly impacted by the volatility and liquidity in the markets in which the underlying assets are traded. Each Fund manages its exposure to market risk related to trading instruments on an aggregate basis combining the effects of cash instruments.

Credit risk is the possibility that a loss may occur due to the failure of a counterparty to perform according to the terms of a contract including the inability of brokers to deliver cash balances or securities, or clear security transactions on the Funds' behalf. The credit risk of exchange-traded financial instruments, such as exchange-traded futures and option contracts, is reduced by the regulatory requirements of the individual exchanges on which the instruments are traded.

Liquidity risk is the potential for a lack of marketability of an investment that can't be bought or sold quickly enough to prevent or minimize a loss. It is typically reflected in unusually wide bid-ask spreads or large price movements. A Fund might be unable to convert an asset into cash without giving up capital and income due to a lack of buyers or an inefficient market. The smaller the size of the security or its issuer, the larger the liquidity risk.

*There can be no assurance that the Firm will achieve its investment objective. The Firm's investment strategies involve a substantial degree of risk, including risk of complete loss. Nothing in this brochure is intended to imply, and no one is or will be authorized to represent, that an investment in the Fund or pursuant to the Firm's strategy is low-risk or risk-free. The investment strategies and programs of the Firm are appropriate only for sophisticated persons who fully understand and are capable of bearing the risks of investment. Prospective Fund investors are encouraged to carefully consider the risk factors set forth in the offering memorandum, among others, before making any investment decisions. Certain of the risks that may be associated with an investment in the Funds are set forth below. The various risks outlined below are not the only risks that may be associated with the Funds' investment strategies and processes. The following risks are qualified in their entirety by the risks set forth in the applicable offering documents.*

### **General Investment and Portfolio Risks**

*General Economic and Market Conditions.* The success of the Firm's investment activities may be affected by general economic and market conditions, such as changes in interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of Client's investments), supply chain disruptions, sanctions, trade barriers, currency exchange controls and national and international political circumstances (including wars,

terrorist acts, natural disasters or security operations). These factors may affect the level and volatility of securities prices and the liquidity of investments. Volatility and/or illiquidity could impair Client's profitability or result in losses. Clients could incur material losses even if the Firm reacts quickly to difficult market conditions, and there can be no assurance that the Funds will not suffer material losses and other adverse effects from broad and rapid changes in economic and market conditions in the future. Investors should realize that markets for the financial instruments in which the Firm invests can correlate strongly with each other at times or in ways that are difficult for the Firm to predict. Even a well-analyzed approach may not protect Clients from significant losses under certain market conditions. The capital markets have experienced great volatility and financial turmoil, including, without limitation, following the COVID-19 outbreak and the recent outbreak of war between Russia and Ukraine. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature – including sanctions) may have a negative effect on market conditions. General fluctuations in the market prices of investments and economic conditions generally may affect the Funds' ability to make investments. Instability or volatility in the markets and economic conditions generally (including during periods of high inflation and/or a slow-down in economic growth) may also increase the risks inherent in the Funds' investments and could have a negative impact on the performance and/or valuation of the investments.

*Investment Judgment; Market Risk.* The profitability of Client investments depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that the Firm will be able to predict accurately these price movements. With respect to the investment strategy utilized, there is always some, and occasionally a significant, degree of market risk.

*Reliance on Key Person.* The Firm will be substantially dependent on the services of its Principal, Andrew Klaber. In the event of the death, disability, departure or insolvency of Mr. Klaber, or the complete transfer of Mr. Klaber's interest in the Firm, Client's investment activities may be adversely affected. Mr. Klaber will devote such time and effort as he deems necessary for the management and administration of the Firm's business. However, the Principal may engage in various other business activities in addition to managing Client accounts, and consequently may not devote all of his time to such activities.

*Illiquidity.* The investments made by the Firm may be or may become illiquid, and consequently Clients may not be able to sell such investments at prices that reflect the Firm's assessment of their value or the amount paid for such investments by Clients. Illiquidity may result from the absence of an established market for the investments as well as legal, contractual or other restrictions on their resale by a Fund and other factors. Furthermore, the nature of the Firm's investments may require a long holding period prior to profitability. Fund Governing Documents may authorize the General Partner or Portfolio Manager to make distributions in kind of securities in lieu of or in addition to cash. In the event the General Partner or Portfolio Manager makes distributions of securities in kind, such securities could be illiquid or subject to legal, contractual and other restrictions on transfer.

*Large-Capitalization Companies.* Large capitalization companies in which the Firm may invest may lag the performance of smaller capitalization companies because large capitalization

companies may experience slower rates of growth than smaller capitalization companies and may not respond as quickly to market changes and opportunities.

*Small- and Mid-Capitalization Companies.* Small- and mid-capitalization companies in which the Firm may invest may be more vulnerable to adverse business or economic events than larger, more established companies. In particular, these small- and mid-capitalized companies may pose additional risks, including liquidity risk, because these companies tend to have limited product lines, markets and financial resources, and may depend upon a relatively small management group. Moreover, small- and mid-capitalization companies that are privately held may not have as robust corporate governance practices as larger, more established public companies. Therefore, small- and mid- cap stocks may be more volatile than those of larger companies.

*Micro-Capitalization Companies.* Micro-capitalization companies may be newly formed or in the early stages of development with limited product lines, markets or financial resources. Therefore, micro-capitalization companies may be less financially secure than large-, mid- and small-capitalization companies and may be more vulnerable to key personnel losses due to reliance on a smaller number of management personnel. In addition, there may be less public information available about these companies. Micro-cap stock prices may be more volatile than large-, mid- and small-capitalization companies and such stocks may be more thinly traded and thus difficult for the Fund to buy and sell in the market.

*Preferred Stock.* Preferred stocks in which the Firm may invest are sensitive to interest rate changes, and are also subject to equity risk, which is the risk that stock prices will fall over short or extended periods of time. The rights of preferred stocks on the distribution of a company's assets in the event of a liquidation are generally subordinate to the rights associated with a company's debt securities.

*Convertible Securities.* The value of any convertible security in which the Firm invests is influenced by changes in interest rates (with investment value declining as interest rates increase and increasing as interest rates decline) and the credit standing of the issuer. The price of a convertible security will also normally vary in some proportion to changes in the price of the underlying common stock because of the conversion or exercise feature.

*Warrants.* Warrants in which the Firm may invest are instruments that entitle the holder to buy an equity security at a specific price for a specific period of time. Warrants may be more speculative than other types of investments. The price of a warrant may be more volatile than the price of its underlying security, and an investment in a warrant may therefore create greater potential for capital loss than an investment in the underlying security. A warrant ceases to have value if it is not exercised prior to its expiration date.

*Non-U.S. Securities.* Investments in non-U.S. securities, either directly or through American Depositary Receipts (“*ADRs*”), involve certain factors not typically associated with investing in U.S. securities, such as risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar (the currency in which the books of the Client are maintained) and the various non-U.S. currencies in which Clients' portfolio securities will be denominated and costs associated with conversion of investment principal and income from one

currency into another; (ii) differences between the U.S. and non-U.S. securities markets, including the absence of uniform accounting, auditing and financial reporting standards and practices and disclosure requirements, and less government supervision and regulation; (iii) political, social or economic instability; (iv) imposition of non-U.S. income, withholding or other taxes; and (v) the extension of credit, especially in the case of sovereign debt. While ADRs provide an alternative to directly purchasing the underlying non-U.S. securities in their respective national markets and currencies, investments in ADRs continue to be subject to many of the risks associated with investing directly in non-U.S. securities.

*Emerging Market Securities.* The Firm may invest in securities of companies located in emerging market countries. The value of emerging market securities may be drastically affected by political developments in the country of the company's location. In addition, the existing governments in the relevant countries have in the past and/or could in the future interfere in the business of companies in their jurisdictions or take actions that could have a negative impact on Clients, including nationalization, expropriation, imposition of regulatory restrictions, fines, tariffs, penalties or confiscatory taxation or regulation or imposition of withholding taxes on distributions.

*Foreign Currency Risk.* As a result of the Firm's investments in securities or other investments denominated in, and/or receiving revenues in, foreign currencies, Clients will be subject to currency risk. Currency risk is the risk that foreign currencies will decline in value relative to the U.S. dollar, in which case, the dollar value of an investment in a Fund would be adversely affected.

*Concentration of Holdings.* The Firm historically has held a concentrated position in a single company and may in the future select positions that are concentrated in a particular market or industry, or in a limited number or type of securities. The Firm does not expect to invest in diversified portfolios and limited diversity could expose the Fund to losses disproportionate to general market movements if there are disproportionately greater adverse price movements in those positions.

*Non-Public Information.* From time to time, the Firm may come into possession of non-public information concerning specific companies. Under applicable securities laws, this may limit the Firm's flexibility to buy or sell portfolio securities issued by such companies. The account's investment flexibility may be constrained as a consequence of the Firm's inability to use such information for investment purposes.

*Valuations.* From time to time, certain situations affecting the valuation of Client investments (such as limited liquidity, unavailability or unreliability of third-party pricing information and acts or omissions of service providers to the Fund) could have an impact on the net asset value of a Fund, particularly if prior judgments as to the appropriate valuation of an investment should later prove to be incorrect after a net asset value-related calculation or transaction is completed. The Funds are not required to make retroactive adjustments to prior subscription transactions, or Management Fees based on subsequent valuation data.

*Forecasting, Future Assumptions, and Forward-Looking Statements.* From time to time, in marketing materials or communications to investors or others, the Firm may include certain forward-looking statements, including, but not limited to, those identified by the expressions

“expect”, “intend”, “will” and similar expressions to the extent they relate to the investment vehicles discussed therein. Forward-looking statements are not historical facts but reflect the Firm’s expectations at that time regarding future results or events. Forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from original expectations. Although the Firm believes that the assumptions inherent in any forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and, accordingly, readers are cautioned not to place undue reliance on such statements due to the inherent uncertainty therein. The Firm undertakes no obligation to update publicly or otherwise revise any forward-looking statement or information whether as a result of new information, future events or other such factors which affect the previously reported information, except as required by law.

*Trade Errors.* Trading errors are an intrinsic factor in any complex investment process and may occur notwithstanding the execution of due care and the existence of procedures reasonably designed to prevent such errors. If trading errors do occur in the conduct of the investment activities of any Client account, any gain or loss as a result of such error shall accrue to the Client, unless such error is the result of conduct inconsistent with the standard of care of the Firm.

## **Operational and Regulatory Risks**

*General Operational Risks.* The volume and complexity of the Firm’s transactions may place substantial burdens on the Firm’s operational systems and resources, including those related to trade entry and execution, position reconciliation, corporate actions, collateral and margin maintenance, marking procedures, finance, accounting, profit and loss reporting, internal management and risk reporting and funds transfers. Human error (including, without limitation, trading errors), system failure or other problems with any of these processes could result in material losses or costs, which will generally be borne by the Fund.

*Broker Insolvency Risk.* Transactions may be executed on various U.S. and non-U.S. exchanges and may be cleared and settled through various clearing houses, custodians, depositories, broker-dealers and prime brokers throughout the world. While U.S. rules and regulations applicable to these brokers may offer significant protections to the assets of their clients if one of them were to become insolvent, Client accounts held at such broker could be at risk. For example, while brokers are required to segregate Client assets from their proprietary assets and are required to hold specified amounts of capital in reserve, client assets are normally held in pooled client accounts for the benefit of all clients and not specifically in the name of the Client. Additionally, the broker may be able to transfer Client assets out of such Client accounts in the ordinary course of its business. Clients could experience losses if the Clients’ aggregate claims exceeded the amount of Client assets such broker actually held at the time of the insolvency. In addition, while the return of Client property is designed to occur on an expedited basis (usually by transfer of the accounts to a solvent broker), the Client may be unable to trade the securities that were held by the insolvent broker during this transfer period.

Client assets also may be held by non-U.S. brokers. Although certain non-U.S. jurisdictions provide similar protections to Client assets, there can be no assurance that Clients will not experience losses in any insolvency of such a non-U.S. broker. The Firm will attempt to execute,

clear and settle transactions through entities that the Firm believes to be sound, but there can be no assurance that a failure by any such entity will not lead to a loss to a Client. In addition, the SEC, other regulators, self-regulatory organizations and exchanges in the United States and other countries are authorized to take extraordinary actions in the event of market emergencies. Such actions could lead to a loss as a result of delay in settling transactions or other circumstances.

*Custodians.* All Client securities and other assets are held in the custody by an independent third party appointed as the custodian or other counterparty, as determined by the Firm. Clients may be eligible for insurance coverage against loss with respect to assets held in the custody of a broker in the event of the bankruptcy or liquidation of a broker to the same extent as that broker's other customers. Such insurance may be limited and is not expected to cover the entire value of the Client's assets held in an account with its custodian.

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

Any Distress Event has a potentially adverse effect on the ability of the Firm to manage the Funds and their investments and on the ability of the Firm and the Funds to maintain operations, which in each case could result in significant losses. Such losses have the potential to include a loss of funds and the inability of Funds to acquire or dispose of investments or acquire or dispose of such investments at prices that the Firm believes reflect the fair value of such investments. If a Distress Event leads to a loss of access to a Financial Institution's services, it is also possible that the Funds will incur additional expenses or delays in putting in place alternative arrangements or that such alternative arrangements will be less favorable than those formerly in place (with respect to economic terms, service levels, access to capital or otherwise). Although the Firm expects to exercise contractual remedies under agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays. The Funds are subject to similar risks if a Financial Institution utilized by investors in the Funds or by suppliers, vendors, service providers or other counterparties of the Funds becomes subject to a Distress Event, which could have a material adverse effect on the Funds.

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

*Information Security.* The Firm, Firm affiliates, Clients, and their respective services providers and relevant listing exchanges are heavily reliant upon internet connected information technology systems which are inherently vulnerable to attacks by malicious third parties and unauthorized disclosure due to incorrect configuration, operating error(s), known and unknown vulnerabilities and system behavior(s). Similar types of risks are also present for issuers of securities in which the Firm invests, which could result in material adverse consequences for such issuers and cause the Firm's investment in such portfolio companies to lose value. The Firm and its affiliates have implemented controls which comply with applicable laws and regulations, but they, and the issuers of securities in which the Firm invests, and their respective vendors, are unable to completely prevent unauthorized access to their information systems and may be unable to anticipate evolving threat vectors and as a result be unable to prepare mitigating mechanisms to limit these inherent risks. If an information system compromise or disruption occurs, Clients, the Firm, the Firm affiliates, or the issuers of securities in which the Firm invests may face material increases in their costs associated with response, repair, and mitigation which may result in material adverse consequences for such affected party. Compromise or disruption could also result in the inability of the impacted party to operate its business, violations of applicable laws, regulatory fines, reputational damage, and the compromise of sensitive Investor information resulting in a direct financial loss through identity or account theft. These risks may not be covered by insurance, and insurance policies which do cover such risks may exist only on the surplus lines market and may be subject to extensive exclusions and limitations. The systems (including hardware, networking, software, SaaS, and PaaS), including the data stored thereon, used by Clients, the Firm, the Firm affiliates, the issuers of securities in which the Firm invests, and their respective service providers are at risk of unauthorized access by internal and external parties, including via misconfiguration, credential mismanagement, unauthorized privilege escalation, failures to limit account access, unmitigated known vulnerabilities, previously unknown vulnerabilities ("zero-day" attacks), the compromise of any entity within the supply chain (including during the provision of software updates), phishing and identity falsification attacks, organized criminal activity, the actions of Advanced Persistent Threats ("APT's"), ransomware, insecure APT's, code development practices, and the violation of information policies and practices by agents or employees. It may not be possible to recover or repair systems or data which become compromised through any of these means and such unauthorized access may result in the disclosure of sensitive personal data resulting in a material adverse effect for party experiencing the compromise including potential legal claims and adverse regulatory actions. The systems are also at risk of being rendered inoperable even without a security breach as a result of a failure of the internet infrastructure (including telecommunications providers, local connection exchanges, DNS managers and providers), poor maintenance or redundancy practices, lack or failure of business

continuity/disaster recovery procedures, denial of service attacks and similar attacks which are likely to proliferate with and become increasingly disruptive as a result of broader adoption of the Internet of Things can each result in operational disruption which prevents the impacted party from operating its business for a period of time, potentially incurring financial loss and loss of customer goodwill.

*Data Privacy & Cybersecurity Laws.* Governments continue to address the evolving use of information systems and the transfer and management of personal data. These regulations, including the European General Directive on Privacy Regulation and potential future regulation could impose material operational costs on Clients, the Firm, the issuers of securities in which Clients invest, and their respective service providers, and a failure by any of these parties to comply with such regulations could result in substantial fines and other regulatory enforcement action which results in a materially adverse effect. Industry specific regulations, including those promulgated by states, may impose additional operating costs, materially conflict in a manner which excludes market access to a particular territory, and otherwise adversely impact the financial performance of the regulated party.

*Epidemics, Pandemics, and Public Health Issues.* The Firm's business activities as well as its Clients and their operations and investments could be adversely affected by the outbreaks of epidemics globally and in the United States, such as Coronavirus, Ebola, H1N1 flu, H7N9 flu, H5N1 flu, Severe Acute Respiratory Syndrome, or SARS, or other epidemics. Specifically, Coronavirus, or COVID-19, has been spreading rapidly around the world in recent years, resulting in an ongoing global pandemic. The COVID-19 global pandemic has materially and negatively affected the global economy and the stock market. The transmission of COVID and efforts to contain its spread have resulted in travel restrictions and disruptions, market volatility, disruptions to business operations, supply chains and customer activity and quarantines. With widespread availability of vaccines, the U.S. Centers for Disease Control and Prevention has revised its guidance, travel restrictions have started to lift, and businesses have reopened. However, the COVID pandemic continues to evolve and the extent to which our investment strategies will be impacted will depend on various factors beyond our control, including the extent and duration of the impact on economies around the world and on the global securities and commodities markets. Volatility in the U.S. and global financial markets caused by the COVID pandemic may continue and could impact our firm's investment strategies. Although currently there has been no significant impact, the COVID outbreak, and future pandemics, could negatively affect vendors on which our firm and clients rely and could disrupt the ability of such vendors to perform essential tasks. An outbreak or recurrence of any kind of epidemic, communicable disease or virus or major public health issue could cause a slowdown in the levels of economic activity generally, which would adversely affect the business, financial condition and operations of us and our clients.

*Force Majeure and other Catastrophes.* The Firm, the Funds and the companies in which the Funds invest may be subject to operational risk from unforeseeable and uncontrollable catastrophic events, including fires, floods, earthquakes, adverse weather conditions and related power outages, water shortages or other damage caused by such events, changes in law, eminent domain, wars, riots, terrorist attacks, pandemics, and other similar risks, which may be uninsurable or insurable at rates that the Firm deems uneconomic. These events could result in loss and litigation, among other potentially detrimental effects. Certain force majeure events (such as an outbreak of an infectious disease (including the COVID-19 global pandemic)) could have a broader negative

impact on the world economy and international business activity generally, or in any of the countries or jurisdictions in which investments are located. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over an investment, could result in a loss to a Fund. Any of the foregoing would therefore adversely affect the performance of a Fund or any of its investments. In February 2022, armed conflict escalated between Russia and Ukraine and Russia invaded Ukraine. In response to Russia's invasion of Ukraine, the United States, the United Kingdom, the European Union and various other countries have announced, and continue to announce and expand, sanctions against or targeting Russia and various important Russian people and companies. These sanctions currently include, among others, restrictions or bans on selling or importing goods, services or technology in or from Russia, bans on Russian energy imports, and travel bans and asset freezes impacting connected individuals and political, military, business and financial organizations in Russia. The U.S. and other countries could impose wider or more significant sanctions and take other actions against Russia or its interests should the conflict further escalate or deteriorate. The Ukraine-Russian conflict has led to, and may continue to lead to, significant political, geopolitical, economic and market turmoil and volatility, including dramatic increases in oil and gas prices and further supply chain disruptions. It is not possible to predict the broader consequences of this conflict or the sanctions imposed or applied as a result thereof, which could include further sanctions, embargoes, regional instability, geopolitical shifts, conflicts and adverse effects on macroeconomic conditions, currency exchange rates and financial markets, all of which could impact a Fund's or Fund investment's business, financial condition and results of operations.

**THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE DESCRIPTION OF ALL OF THE RISKS ASSOCIATED WITH THE FUNDS' INVESTMENT PROGRAMS OR THE FIRM'S INVESTMENT STRATEGIES. PROSPECTIVE INVESTORS ARE STRONGLY ENCOURAGED TO REVIEW THE APPLICABLE OFFERING MATERIALS OF ANY FUNDS IN THEIR ENTIRETY BEFORE MAKING ANY INVESTMENT DECISIONS. THE FOREGOING RISK FACTORS ARE QUALIFIED IN THEIR ENTIRETY BY THE RISK FACTORS SET FORTH IN FUND OFFERING DOCUMENTS.**

## **ITEM 9. DISCIPLINARY INFORMATION**

The Firm is required to disclose all material facts regarding any legal or disciplinary events that would be material to an Investor's evaluation of the Firm, or the integrity of its management.

The Firm has no information to disclose in response to this Item.

## ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

### **Affiliated General Partner**

As noted in Item 4, BRC GP, a Delaware limited partnership, serves as the General Partner for PIC I, BRIC I, BRIC II, BRIC III, and BRIC IV and as the Portfolio Manager for SPC 2. BRC GP is controlled by the Principal.

### **Other Registrations**

Neither the Firm, any affiliate, nor any management person is registered, or has an application pending to register as a securities broker-dealer, a registered representative of a broker-dealer, a futures commission merchant, commodity pool operator or commodity trading advisor.

### **Paulson & Co**

Until September 2020, PIC I and SPC 2 were managed by Paulson & Co. Inc. as the Prior Manager. The Prior Manager converted to a private investment office and as such no longer manages third party capital. As part of a restructuring agreement, the Principal, a long-time partner at the Prior Manager, created both BRC and BRC GP to fulfill the roles previously filled by the Prior Manager and its affiliated entities. The Prior Manager now has no role in the investment management services provided to these funds. The Principal continues to hold and provide investment updates, advisory investment research and consulting services, and information to the Prior Manager and/or its related persons with respect to certain legacy investments initiated during his tenure with the Prior Manager. As part of the aforementioned restructuring agreement, the Principal is entitled receive certain performance-based fees relating to legacy positions held at the Prior Manager, despite the fact that he is no longer employed by the Prior Manager. Employees of the Prior Manager who were invested in the Funds prior to the restructuring continue to be a part of an employee share class for which management and incentive fees have been waived. There is no sharing of information between the Prior Manager and BRC as it relates to the Funds, and BRC information system access is restricted to BRC personnel only.

### **Involvement in Portfolio Companies**

The Principal and certain supervised persons of BRC spend a substantial portion of their business time on one or more of the Funds as required under the terms of each Fund's Governing Documents. Please refer to *Item 4 – Advisory Business* for a discussion of this component of BRC's services. In addition, the Principal and/or certain supervised persons serve or may serve on the board of one or more portfolio companies. The Principal or supervised person's involvement with portfolio company operations may introduce a conflict of interest between the fiduciary duty he or she owes as a member of a portfolio company board and the fiduciary duty he or she owes to the applicable Fund. As a result of such service, the Principal or supervised persons may become aware, from time to time, of material non-public information about the portfolio company or public companies affiliated with or that otherwise do business with the portfolio company. Such knowledge of material non-public information is likely to be attributed to BRC and may create a conflict of interest between the portfolio company and BRC. BRC's *Code of Ethics* and related internal controls with respect to insider trading seek to prevent the potential misuse of such material non-public information. The Firm has engaged an outsourced CCO, who is a Managing Director and Sr. Compliance Officer of CORE-CCO Services, LLC, a service provider that

provides compliance services to other private fund managers. Employees and the CCO are subject to BRC's Code of Ethics and Insider Trading Policy, which govern, among other things, personal trading activities, business activities outside the Firm, handling of material non-public information obtained either through the Firm or activities outside the Firm, and potential conflicts of interest related to such activities. See the discussion of the *Code of Ethics* under *Item 11* of this Brochure.

### **Outside Activities**

As further discussed in *Outside Employment and Business Activities* under *Item 11*, BRC employees are generally expected to devote their business time and efforts to the Firm. The Principal and other supervised persons of BRC have participated as officers in a non-BRC affiliated special purpose acquisition company ("*SPAC*") and may participate in other such opportunities in the future. Such participation, which may raise actual or potential conflicts of interest with respect to the Firm or any of its Clients, will be reviewed and approved in accordance with the procedures outlined under *Item 11* as well as in the Firm's compliance manual. See also the discussion of *Allocation of Investment Opportunities* under *Item 12* of this Brochure.

### **Strategic Relationships**

The Investment Manager has allocated a portion of the anticipated Carry for BRIC I to a third party associated with a portfolio company who performed other services for the General Partner and the Investment Manager. The third party does not have any authority over the management or operations of the Investment Manager, including the trading, investments, or other activities of, and does not owe any fiduciary duties or other special duties or obligations to, the Investment Manager, BRIC I, or any other Funds managed by the Investment Manager.

The Firm may in the future enter into other strategic relationships or arrangements with third parties who provide assistance with deal sourcing, due diligence, investment analysis, or other key services, consistent with the terms and disclosures in Fund governing and offering documents.

## **ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **Code of Ethics**

The Firm has adopted and implemented a code of ethics, which sets forth standards of business conduct for its supervised persons. BRC's code of ethics is designed to educate supervised persons about the Firm's philosophy regarding ethics and professionalism, emphasize its fiduciary duties to clients, encourage supervised persons to comply with applicable laws, prevent the misuse of material non-public information, the circulation of rumors and other forms of market abuse and address material conflicts of interest that arise from personal trading. Subject to the terms of the code of ethics, the Firm generally imposes restrictions on employees relating to the purchase or sale of securities for their own accounts and the accounts of certain affiliated persons. Employees generally must seek prior approval from the CCO before buying or selling certain securities, as defined in the Code of Ethics, in personal accounts. In addition, all employees generally will be required to submit (i) initial and annual reports of their personal securities holdings and (ii) quarterly reports of all of their personal securities transactions within 30 days after the close of each calendar quarter. Notwithstanding these restrictions, employees may be permitted to buy, sell or hold securities that are held by, have been purchased or sold by, or are being considered for purchase or sale by the Funds. Employees are strictly prohibited from front-running Client trades, and the CCO will monitor employee personal trading for potential conflicts with respect to Client trading.

BRC forbids any employee from trading, either personally or on behalf of others, including Clients advised by BRC, on material non-public information or communicating material non-public information to others in violation of the law or duty owed to another party. The prohibition of trading while in possession of material non-public information, penalties for insider trading, and processes for identifying insider trading are addressed in detail in the Firm's personal trading policy. The Firm's Code of Ethics requires employees to immediately notify the CCO if they feel that they have received material non-public information.

The Firm also maintains certain policies and procedures designed to address certain actual and potential conflicts of interest that may arise when supervised persons engage in outside business activities or accept, provide, offer or give gifts or entertainment events. The Firm will furnish a copy of its code of ethics to Clients or investors upon request.

### **Transactions Involving Conflicts of Interest**

The Firm may cause Clients to enter into transactions and arrangements involving actual or potential conflicts of interest. BRC will review any transactions involving material conflicts of interest and take such actions as it deems necessary or appropriate in an attempt to ensure that the terms of such transactions are fair and reasonable under the circumstances and, if it approves, the Firm may consent thereto on behalf of the Funds and the investors.

## **Outside Employment and Business Activities**

Except as otherwise permitted by Fund governing documents and as otherwise disclosed in this Brochure, BRC employees are generally expected to devote their business time and efforts to the Firm. Employees must receive written pre-approval before serving as directors, managers, partners, members, trustees, officers, employees or contractors of, or receiving compensation from, outside organizations that engage in investment-related activity, are not exclusively charitable, or may otherwise raise actual or potential conflicts of interest with respect to the Firm or any of its Clients.

## **Gifts & Entertainment**

BRC employees may on occasion accept gifts or invitations to entertainment but must always act in the best interest of the Firm and its Clients and avoid any activity that might create an actual or perceived conflict of interest or impropriety in the course of the Firm's business relationships. The Firm's gifts and entertainment policy implements internal controls to monitor such activity, which include reporting or seeking pre-approval before giving or accepting gifts and entertainment of significant value and prohibiting or limiting the provision or receipt of cash gifts, as well as gifts or entertainment to government employees, foreign officials and certain other categories of recipients.

## **Political Contributions**

BRC's policy generally prohibits employees from making any direct or indirect contributions to (i) federal, state or local public officials; (ii) individuals running for elected office; and (iii) PACs, unless expressly permitted by the CCO.

## **ITEM 12. BROKERAGE PRACTICES**

### **Broker Selection & Best Execution**

Though the Firm generally focuses on making private investments in line with a Client's governing documents and investment mandate, any public securities transactions conducted by the Funds are executed with major broker-dealers.

The Firm generally has authority to select the brokers and other counterparties to be used for Fund transactions, and to negotiate commission rates and other compensation paid by a Fund to such brokers and counterparties. BRC selects or may select broker-dealers and other counterparties on the basis of best execution and in consideration of the broker's ability to effect the transactions; its facilities, reliability and financial responsibility; the provision or payment by the broker of the costs of research and research-related services which are of benefit to the Firm and Clients; and such other factors as the Firm deems appropriate and consistent with applicable law. The Firm may cause Clients to pay higher commissions to brokers believed to offer superior service under the circumstances, including brokers that provide investment research and analysis to their clients, including Firm Clients. Accordingly, when the Firm determines in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the overall services provided to the Fund, including internally-developed research and other services provided by such broker, it may cause a Fund to pay commissions to such broker in an amount greater than the amount another broker might charge.

BRC has adopted policies and procedures that it believes are reasonably designed to ensure that Clients achieve best net execution and that brokers utilized have been selected based on the Clients' best interests.

BRC does not have discretion or trading authority over the Advisory Client assets.

### **Soft Dollar Practices**

The Firm may use soft dollars generated by client accounts to pay for certain research and/or related services provided by brokers described above. The term "soft dollars" refers to the receipt by an investment manager of products and services (including research) provided by brokers without any cash payment by the investment manager, based on the volume of revenues generated from brokerage commissions for transactions executed for clients of the investment manager. 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 conflict of interest between the Firm and its Clients. Soft dollars may be used to acquire products and services that are not exclusively for the benefit of Clients which paid the commissions and that may primarily or exclusively benefit the Firm. If the Firm is able to acquire these products and services without expending its own resources (including management fees paid by clients), its use of soft dollars would tend to increase profitability. Furthermore, BRC 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. The Firm may cause Clients to pay commissions (or markups or markdowns) higher than those charged by other brokers in return for soft dollar benefits.

Section 28(e) of the Securities Exchange Act of 1934, as amended (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 the Firm in the performance of investment decision-making responsibilities. The Firm 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.

As of the date of this filing, BRC has not entered into any formal soft dollar or commission sharing arrangements.

### **Brokerage for Client Referrals**

The Firm does not consider whether BRC or a related person may receive client referrals from a broker-dealer or third party in selecting or recommending broker-dealers.

### **Directed Brokerage**

BRC does not expect to permit a Client to direct brokerage for order execution purposes.

### **Allocation of Investment Opportunities**

In the event more than one Fund or Client is making new investments at the same time, the Firm generally will allocate investment opportunities among Clients in a fair and equitable manner based upon, among other things, the available capital, investment objectives, guidelines and restrictions, risk profiles, financial conditions and tax status of each Client. Investment opportunities may be allocated to each eligible Client pro rata based on available capital or pursuant to an alternative allocation procedure as determined by the Firm in its discretion, provided that all eligible Clients are treated fairly and equitably.

Subject to the terms set forth in the applicable governing documents for each Fund, the Firm may provide co-investment opportunities (i.e., the opportunity to invest alongside a Fund in an investment) (“Co-investment Opportunities”) to strategic investors, lenders, employees of the Firm or any portfolio company and/or any limited partner. Co-investment Opportunities generally (i) will be provided on such terms and conditions as BRC shall determine are reasonable and appropriate under the circumstances, (ii) may take the form of senior debt, subordinated debt, equity or equity related securities and (iii) may be made available through limited partnerships or other entities formed to make such investments. Co-investment Opportunities will be made available as determined by the applicable Fund’s general partner or portfolio manager, as applicable; provided, however, neither the Firm, nor any of its affiliates, officers or employees generally may participate in any Co-investment Opportunity, unless such opportunity and the terms and conditions thereof are approved in advance by the applicable Fund’s investors or, when

and if created, the Fund's Advisory Committee, if applicable, (subject to the terms set forth in the applicable governing documents) or are otherwise provided for in the applicable governing documents. In addition, any Co-investment Opportunity that provides the Firm or any of its affiliates with fees, compensation or incentive interests (including, without limitation, carried interests) generally will be required to be approved in advance by the applicable Advisory Committee (subject to the terms and conditions set forth in the applicable governing documents).

In general, Co-investment Opportunities, and the allocation thereof, are made and determined on a fund-by-fund and case-by-case basis in the discretion of the general partner or portfolio manager of the applicable Fund (and in accordance with the applicable governing documents of such Fund). Co-investment opportunities are typically offered to the respective Fund's largest investor(s) who have expressed an interest in participating in Co-investment Opportunities. Actual or potential material conflicts of interest should be brought to the CCO's attention. Except as otherwise determined by the CCO (in consultation with the CEO) any potential co-investment activities or transactions involving actual or potential material conflicts of interest generally must be presented to the relevant Fund's Advisory Committee, if applicable, for review and approval. BRC shall document its Co-investment procedures (and the reasons therefor).

### **Order Aggregation**

If more than one Client or Client share class intends to purchase or sell the same security, or a Client is liquidating positions for multiple investors in line with fund governing documents, the Firm may aggregate orders or block trades for multiple Clients, share classes, or investors when advantageous such parties, when not favoring certain Clients, share classes, or investors over others and when consistent with the duty of best execution. The Firm's primary consideration is fair and equitable treatment of all Clients and investors, and not simply lowering commissions. Whenever possible, the discretionary purchase or sale (execution) price of a security bought or sold during the same day effected by the same broker-dealer will be equitably averaged and aggregated with similar discretionary purchases and sales for other Clients, share classes, and investors, including for related persons. If each participating Client, share class, or investor receives less than its full allocation, then each participating party will generally receive its pro rata portion of the executed order.

### **Trade Errors**

The Firm has adopted policies and procedures around trade errors in its compliance manual. Consistent with its fiduciary duties, BRC's policy is to use the utmost care in making and implementing investment decisions with respect to client accounts. Trading errors are an intrinsic factor in any complex investment process and may occur notwithstanding the execution of due care and the existence of procedures reasonably designed to prevent such errors. If trading errors do occur in the conduct of the investment activities of any Client account, any gain or loss as a result of such error shall accrue to the Client, unless such error is the result of conduct inconsistent with the standard of care of the Firm.

## **ITEM 13. REVIEW OF ACCOUNTS**

### **Reviews of Accounts**

The Firm generally conducts reviews of Clients' portfolios at least quarterly, but potentially more frequently if there is relevant news or activity concerning the Funds' investments or investments held by the Advisory Client. The Principal is primarily responsible for reviewing Clients' portfolios and investment activities. With respect to accounting matters, the Firm engages WithumSmith+Brown, PC to conduct annual audits of SPC 2, PIC I, BRIC I, BRIC II, and BRIC IV financial statements. CohnReznick LLP conducts an annual surprise examination of the accounts held at BRIC III.

The Firm invests Funds' assets in securities and other financial instruments. In monitoring the performance of investments, the Firm performs various levels of review. Among other items, BRC considers short- and long-term rates of return, investment performance and various risk metrics.

As a registered adviser and fiduciary to the Funds, BRC requires that all portfolio holdings reflect current, fair and accurate investment valuations. BRC's valuation procedures are based on valuations provided by company management of the underlying investment(s). BRC and its unaffiliated third-party valuation agent review and revise (as applicable) this information as part of their quarterly calculation of NAV for the Funds. As noted in Item 6, for private investments, valuations are typically not updated unless a Valuation Determination Event occurs, such as the investment issuer conducts a new equity offering, has an initial public offering, or commences bankruptcy proceedings.

### **Factors Triggering Additional Reviews**

While the Firm generally conducts reviews of Clients' portfolios at least quarterly, it may conduct additional or more frequent reviews in the event of any capital contribution or distribution.

### **Reports to Clients and Investors**

The Firm generally provides (or causes the administrator or auditor to provide, as applicable) to investors as soon as reasonably practicable after the end of each fiscal year (or as otherwise required by law) annual reports containing financial statements audited by a Fund's independent auditor, if applicable, and any other tax information required by law or reasonably requested by an investor. The Firm also may provide investors with quarterly performance updates or other periodic investor letters and reports relating to the performance and activities of a Fund. All such statements and reports are written.

## **ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION**

### **Third Party Compensation**

Except as otherwise disclosed herein, the Firm does not currently receive any economic benefit from any person who is not a Client in exchange for the provision of investment advice or other advisory services to its Clients.

### **Referrals**

The Firm has previously engaged placement agents with respect to PIC I, BRIC I, and BRIC IV and may in the future engage placement agents with respect to new Funds or offerings, as disclosed in Form ADV Part 1A, Section 7.B.(1), the relevant Fund's private placement memorandum and applicable due diligence responses. Compensation paid by the Fund to any placement agent or third-party marketer will be disclosed in Fund financial statements and typically in Form D filed with the SEC. The Firm has had and may continue to have fee sharing arrangements with certain investors into the Funds. In the event that the Firm receives introductions or referrals on a non-compensated basis, these parties will not be disclosed in financial statements or on Form D filings. All placement agent activities will be conducted in accordance with applicable law.

## ITEM 15. CUSTODY

The General Partner or Portfolio Manager for each Fund is generally deemed to have custody of client funds and securities for purposes of Rule 206(4)-2 under the Advisers Act. In order to comply with Rule 206(4)-2, BRC utilizes the services of qualified custodians (as defined under Rule 206(4)-2) to hold client assets, to the extent required by the Rule. BRC is not required to comply with the requirement to use a qualified custodian with respect to “privately offered securities,” as defined in Rule 206(4)-2 under the Advisers Act or with respect to certain private stock certificates; however, BRC has implemented procedures in its Compliance Manual that are designed to safeguard these privately offered securities. Cash is maintained at a bank. Any public securities will be maintained at a custodian broker-dealer. BRC ensures that each qualified custodian maintains these assets in an account that contains only Client assets, under the Client’s name. Custodians are disclosed in Item 23 of Section 7.B.(1) of Form ADV Part 1A with respect to each Fund.

In accordance with Rule 206(4)-2, BRC (i) has engaged an independent auditor, registered with and subject to inspection by the PCAOB to audit each Fund (with the exception of BRIC III) at the end of each fiscal year and (ii) distributes or will distribute the results of the audit in audited financial statements that are prepared in accordance with generally accepted accounting principles to all Investors in the Funds within 120 days after the end of the fiscal year for each Fund. The independent auditor is disclosed in Item 23 of Section 7.B.(1) of Form ADV Part 1A with respect to each Fund. BRIC III is subject to a surprise exam by the examiner disclosed in Section 9 of the Part 1A. In addition, BRC has provided notice to BRIC III Investors regarding the qualified custodians where assets are held and ensured that the qualified custodians send account statements directly to Investors at least quarterly.

BRC does not have actual or constructive custody of the Advisory Client cash or securities.

## **ITEM 16. INVESTMENT DISCRETION**

BRC provides investment advisory services to the Funds on a discretionary basis, subject to the overall supervision of the General Partner or Portfolio Manager. The investment objectives and restrictions of the Funds are set forth in the relevant Governing Documents. Investors in the Funds do not have authority to impose any restrictions upon BRC's discretionary authority. However, BRC may, under certain circumstances, enter agreements or side letters with Investors that limit certain fund investments to address specific legal, regulatory, tax or policy restrictions of the Investor.

Prospective Investors in the Funds are provided with a Private Placement Memorandum or other offering documents prior to their investment and are encouraged to carefully review all offering materials and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. Prospective Investors must also execute a subscription agreement, in which they make various representations, including representations regarding their suitability to invest in a privately placed pooled investment vehicle.

BRC does not have discretion or trading authority over the Advisory Client assets.

## ITEM 17. VOTING CLIENT SECURITIES

As a result of each Fund's investment strategies, unless or until a Fund investment goes public, BRC does not anticipate that the Firm will regularly have the opportunity to vote proxies on behalf of any Fund.

Nevertheless, BRC generally will have the authority to vote proxies and other securities on behalf of its Funds, but not the Advisory Client. Accordingly, the Firm has adopted proxy voting policies and procedures consistent with Rule 206(4)-7 of the Advisers Act to ensure that any proxies are voted in the best interests of clients.

It is the Firm's policy to exercise proxy votes in the best interest of the Funds and to identify and avoid any conflicts of interest in voting proxies. The Firm may consider multiple factors when determining whether or how to vote a proxy, including the size of the position and whether the Firm's vote will make a difference in the vote, the perceived significance of the issues addressed in such proxy vote, and other factors as deemed relevant by the investment team. Based on such analysis, BRC may vote in favor or against such matters, may abstain from voting, or may simply not cast a vote at all.

While facts and circumstances will dictate the Firm's proxy voting decisions, as a general rule BRC expects to vote proxies in accordance with the recommendation of company management for routine matters that do not measurably change the structure, management, control or operation of the company or its employee or management compensation policies, and that are consistent with customary industry standards and practices, as well as applicable law. Examples of routine matters include uncontested elections for directors, selection of auditors, and increases in common stock.

Any matter that would fundamentally alter a company's organization, its governance, tax status, compensation structure, or similar matter generally will be deemed to be a non-routine matter. BRC generally will vote non-routine matters and may vote against a proposal or recommendation of management if it determines that such a vote is in the best interest of the client. The Firm will decide these issues on a case-by-case basis.

Clients or Investors may receive a copy of the Firm's proxy voting policies and procedures, as well as information on how proxies were voted by request to the CCO.

## **ITEM 18. FINANCIAL INFORMATION**

The Firm does not have any financial commitment that impairs its ability to meet contractual and fiduciary commitments to its clients, nor has it been the subject of any bankruptcy proceeding.