CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

CALENDAR OF ITEMS

REGULAR BOARD MEETING JUNE 23, 2020

SECTION 3 OF 3

AGENDA ITEM 5.C. INVESTMENT

PRIVATE CREDIT OPPORTUNITIES PRESENTATIONS

Manager Research Report

SUMMARY

INVESTMENT OPINION

The BC Partners Special Opportunities Fund II strategy (the "Strategy") managed by BC Partners Advisors L.P. is rated Recommended Pending Background Checks as of 6/1/2020. The key observations relating to our Seven Principles are summarized below:

- BC Partners is an alternative investment management organization with a presence across the private equity, credit, and real estate asset classes. The Firm manages roughly \$25 billion, most of which stems from private equity. Credit represents roughly \$2 billion. The Firm employs over 150 professionals and maintains offices in London, Hamburg (Germany), Paris, and New York City. BCP is 85% owned and managed by 18 active Partners of the Firm. Blackstone Alternative Asset Management's Strategic Capital Group holds a passive minority ownership interest in the management company of less than 15%.
- BCP Credit is led by Ted Goldthorpe, Matthias Ederer, and Henry Wang. In total, there are 16 dedicated investment professionals. The senior investment team has roughly 14 years of experience investing in line with the strategies pursued by BCP Credit.
- Special Opportunities Fund II is a multi-strategy credit offering that employs Private Capital and Special Situations strategies. With such categories, the Strategy is flexible across investment type and also considers current and expected default rate environments. The Fund is middle market focused and seeks to remain diversified by sector and region. Regionally, the Fund is expected to be 75% North America / 25% European developed markets. The Fund targets a 12% to 15% net Internal Rate of Return ("IRR") and a 1.5x Multiple of Invested Capital ("MOIC"). In achieving such returns, the Fund intends to recycle capital.
- BCP Credit employs a multi-phase investment process that is well-detailed and applied consistently. The process is also designed to leverage the broader capabilities available at the Firm, from deal sourcing, to underwriting, to execution. The Investment Committee is actively involved throughout the due diligence process. With respect to voting, the IC requires a majority of three out of five of its members for approval; however, BCP Credit often finds a unanimous approval is reached.
- The Firm maintains a well-developed operations infrastructure. Processes are well-documented and are transparent. BC Partners has individuals with significant relevant experiences in each respective central function.
- Inception to date (4Q 2017) as of December 31, 2019, Special Opportunities Fund I has generated a 23.3% gross Internal Rate of Return ("IRR") and a 1.19x gross Multiple of Money (total value divided by total invested cost). On a net basis, the Fund has delivered a 17.9% IRR and a 1.15x MoM.
- Terms of the Strategy are on par with closed-end private market peers. Special Opportunities Fund II charges a 1.50% management fee on invested capital and a 20% incentive fee subject to the full return of invested costs and expenses. Incentive fees are also subject to a 6% compounded preferred return. The Strategy requires a \$1 million minimum investment.

MANAGER ASSESSMENT

ORGANIZATION

Description:

BC Partners ("BCP" or the "Firm") is an alternative investment management organization with a focus on private markets investing. The Firm manages assets across the Private Equity, Credit, and Real Estate asset classes. As of year-end 2019, BCP had roughly \$25 billion in assets under management, the majority of which stem from private equity. The Firm maintains

offices in London, Hamburg (Germany), Paris, and New York City.

BCP was founded in 1986 as a private equity investment management organization, commonly referred to a "BCP PE". BCP PE grew and evolved with the European private equity market, focusing on leveraged buyout ("LBO") transactions in the region. Later, the Firm expanded its operations to North America in an effort to invest in the U.S. and around the world. In February 2017, BC Partners launched its credit platform, commonly referred to as "BCP Credit" or "credit team". Additionally, the Firm launched a real estate platform in 2018, commonly referred to as "BCP RE". All three platforms operate as integrated businesses within the BC Partners organization.

Ted Goldthorpe leads BCP Credit. Goldthorpe previously led Apollo's public and private Business Development Companies ("BDCs") and U.S. Opportunistic platform. He joined BCP to build a credit business that leverages the investment due diligence information and deal flow of BCP's established private equity business, forming a strategic capital solutions provider predominantly focused on the U.S. and Europe. Upon joining BCP Credit, Goldthorpe brought two partners on board, Matthias Ederer and Henry Wang, with whom he had previously worked at Goldman Sachs in the Special Situations Group, a proprietary investing platform. Goldthorpe then served as Head of Principal Investing with the Special Situations Group and also ran the Bank Loan Distressed Investing desk. Goldthorpe, Ederer, and Wang form the core of BCP Credit's investment team.

BCP Credit is an integrated credit platform offering both opportunistic and yield strategies. BCP Credit first managed third-party capital in 2017 with the raise of its first fund, BCP Special Opportunities Fund I ("SOF I"). In 2018, the credit team began raising capital for BC Partners Lending Corporation ("BCPL"), a private BDC that is primarily engaged in direct lending. Similarly, BCP Credit manages Portman Ridge Finance Corporation, another publicly traded BDC primarily engaged in direct lending. In addition, the credit team manages separately managed accounts on behalf of institutional investors. As of April 2020, BCP Credit consists of 16 dedicated investment professionals with roughly \$2.0 billion in assets under management.

BCP consists of 87 investment professionals, including: those on the credit team, over 60 dedicated to private equity, and 9 dedicated to real estate. The Firm employs over 150 professionals.

BC Partners maintains a diversified investor base, as highlighted through commitments to its latest private equity fund offering (BC Partners European Capital X, a 2017 vintage), including: 40% Public Pension; 19% Sovereign Wealth Fund; 11% Fund of Funds; 10% Bank/Insurance; 10% Family Office/High-Net-Worth Individuals; 5% Corporate Pension; and 5% other. In total, the Firm's current investor base is comprised of over 250 institutions.

BC Partners' management company is controlled by the Partners of the Firm. No one holds more than 10%. In August 2019, BC Partners was engaged by Blackstone Alternative Asset Management's Strategic Capital Group ("BAAM"), and a minority ownership transaction closed in the fourth quarter of 2019. BAAM holds a passive ownership interest in the management company of less than 15%, with BC Partners owning the balance. This investment is intended to provide the Firm with an enhanced balance sheet to further investment its business and expand its capabilities in like with needs of the Firm's investors. There are 18 Partners as of year-end 2019 with an average tenure of 11 years. While there have been Partner transitions over time, the existing Partners have participated in 80% of all capital deployed.

BC Partners Advisors L.P. became registered as an investment advisor with the U.S. Securities and Exchange Commission ("SEC") in 2017. BC Partners Advisors L.P. is a subadvisor to BC Partners LLP and the adviser for BCPL.

Opinion:

BC Partners is a well-established, reputable investment manager particularly in the private equity arena. While BCP Credit is relatively new, leaders of the unit are highly respected investment professionals and have developed the credit business in a thoughtful manner over recent years. The expansion of the Firm's platform into credit and real estate is viewed as relatively unique in the private markets realm, mirroring the paths of a select few highly respected organizations. BC Partners' integrated platform serves to boost the standalone capabilities of the credit team and is viewed as highly synergistic and complementary. Going forward, the Firm is able to leverage sector expertise, human capital, and deal flow to its advantage, positioning itself as a capital solutions provider as opposed to "forcing" equity or credit in any single investment opportunity. This integration is supported by BCP's Investment Committee structure, which is further detailed later in this report but allows for a structured sharing of information and oversight by business unit leads on an ongoing basis. The Firm has detailed processes related to the management of information flow to address potential conflicts of interest and allocation issues, and

applies a high standard of compliance.

The Firm's footprint is diversified across region and client type. BCP has meaningful experiences working with institutional investors, as does the credit team. This is viewed as key for a relatively young firm as it has a sound understanding of the interests of its target Limited Partners. Additionally, a diversified client mix is believed to limit overall business risk, a positive for incoming Limited Partners.

Last, BCP has a robust ownership group with interests being well-diversified across 18 Partners. This is a positive for potential investors in that it limits the risk of irresponsible decision making by a single individual. BC Partners has experienced Partner transitions (i.e. departures, retirements) and has developed a process for handling such situations. The Firm's original Founding Partners have all transitioned out of the business, so generally speaking, succession planning has already occurred and limits the risk going forward. Ted Goldthorpe is relatively young and intends to be actively engaged for the foreseeable future.

TEAM

Description:

The credit team's operations are supported by firm-wide resources, including: 10 Operating Advisors; 9 Operations Team; 12 Investor Relations; 3 Capital Markets, Human Capital and Legal; and 37 Finance, Operations and Administrative functions.

BCP Credit's core is comprised of Ted Goldthorpe (Partner, Head), Matthias Ederer (Managing Director), and Henry Wang (Managing Director).

- Ted Goldthorpe has 21 years of industry experience, most recently at Apollo. While there, Goldthorpe served as Head
 of the U.S. Opportunistic Credit Platform and Private Originations, President of Apollo Investment Corporation and
 Chief Investment Officer of Apollo Investment Management. He served as part of a firm-wide senior management
 committee. Before that he was responsible for the bank loan distressed investing desk at Goldman Sachs, where he
 works for 13 years, and previously as head of Principal Capital Investing for the Special Situations Group. Goldthorpe
 holds a Bachelor of Commerce from Queens University.
- Matthias Ederer has 15 years of industry experience, most recently at Wingspan Investment Management, where he
 was a Partner and founding team member. Founded in 2013, Wingspan Investment Management previously operated
 as an \$800 million hedge fund focused on long/short, middle-market focused credit investments. Prior to this, Ederer
 spent seven years at Goldman Sachs in the Special Situations Group and Bank Loan Distressed Investing group. He
 holds an MPhil (Master of Philosophy) Economics from Oxford University, and a Bachelor of Science in Economics
 from the University of Warwick.
- Henry Wang has 18 years of experience, most recently at Stonerise Capital Partners, where he was a Partner and spent over five years. Founded in 2007, Stonerise focuses primarily on North American small-to-mid cap equities and applies a long-term investment horizon, typically two to four years holding periods. Wang previously worked at Goldman Sachs in the Special Situations Group and Investment Banking Division, where he spent over seven years. Wang has also worked at Vulcan Capital (the investment firm of Microsoft co-founder Paul Allen) and Thomas Weisel Partners. He holds an MBA from the Kellogg School of Management at Northwestern University, and a BSBA from Boston University.

Supporting investment professionals include: four Managing Directors (excluding Ederer and Wang); two Principals; five Associates; and two Analysts. The team is currently comprised of the following individuals: Ivelin Dimitrov (Managing Director); Dayl Pearson (Managing Director); Patrick Schafer (Managing Director); Phil Warren (Managing Director); Graham Kohan (Principal); Kim Kuoch (Principal); Olivier Fioroni (Associate); Peter Karas (Associate); Brendan Russell (Associate); Mitch Schinbein (Associate); Peter Sack (Associate); Michael Benzinger (Analyst); and Young Lee (Analyst). The skillsets of the investment team are wide-ranging, including: restructuring, direct lending, asset investing, opportunistic credit, among others. As is common, Associates and Analysts have typical experience in financial services, from asset managers and leveraged finance groups. Senior investment professionals hold a wider-range of experiences and prior investment institutions. Prior institutions include Apollo, Carlyle, and TPG, among others.

Related to the allocation of time, Partners and Managing Directors spend more time on sourcing deals, while Principals and Associates spend the majority of their time on due diligence and monitoring. All investments require approval from the Investment Committee (detailed in the Investment Process section of this report) and are monitored regularly, although at least quarterly.

BCP Credit also maintains a Senior Advisor relationship with R. Rudolph ("Rudy") Reinfrank. He was engaged by BC Partners as an operating advisor in 2018 and holds over 30 years of private equity investment, strategic advisory, and counseling background, and financing expertise. A more thorough review of Reinfrank's experience is available in the Biography section of this report. However, it is important to note that Operating Advisors (like Reinfrank) are not employees of BC Partners.

The senior investment team, including Goldthorpe, Ederer, Wang, and the four Managing Directors, averages roughly 14 years of experience working on strategies in line with those pursued by BCP Credit and 7 years of experience working together.

There has been no turnover on the credit team since inception of the BCP Credit business. Relatedly, there are no plans to hire additional personnel at this time.

Compensation is structured in a manner that remains consistent with financial services peers. The goal of BCPs compensation structure is to align employees with investment performance and reward collaboration across business platforms. Carried interest will be distributed widely, directly or indirectly, amongst the Investment Team, Investor Relations, Senior Support teams, taking into consideration seniority, longevity, and performance (sourcing and execution being two of many factors). BC Partners believes wide spread carried interest promotes a sense of ownership and teamwork at more junior levels, and encourages cooperation.

With respect to diversity and representation of minorities within the credit team, of the 16 investment professionals, 15 are male, while Kim Kuoch is the only female. Furthermore, 13 men are Caucasian and two men are Asian. Kuoch is Asian as well. Diversity and inclusion is an area where BC Partners has attempted to make strides in recent years, across the organization. Specifically, the Firm has maintained a dedicated Talent Management function since February 2017, which developed a Diversity & Inclusion Strategy. Given that BC Partners tends to promote from within, it has focused its efforts first at the Associate-level but admits there is still more to do. BC Partners has gathered statistics on ethnicity, national origin, and gender. Going forward, management has developed a roadmap with detailed markers defining success.

Opinion:

BCP Credit is led by well-experienced professionals with backgrounds at top-quality investment management organizations. Goldthorpe, Ederer, and Wang's involvement with Goldman Sachs Special Situations Group is particularly interesting, a group which is highly regarded within the special situations equity and credit investment arena. Each individual is thoughtful, energized, and demonstrates a deep knowledge of the sub-strategies pursued. Goldthorpe in particular displays a grounded and consistent perspective as it relates to the balance of risk and return. These qualities, as well as the fact that each of Goldthorpe, Ederer, and Wang have invested throughout credit cycles previously, is viewed positively for Limited Partners. There is no substitute for real-world experience. In this vein, the experiences and expertise available across BCP's integrated platform is viewed as adding tremendous value over the long-term, with respect to sourcing transactions, areas of focus, company management (if necessary), among others. The 30-years of sector expertise held by BCP is powerful and is believed to position the BCP Credit team well, aside from the institutional knowledge the group holds directly.

Goldthorpe, Ederer, and Wang are supported by a stable group of investment professionals that have operated as a single unit with no departures dating back to early 2017. Furthermore, many individuals have overlapped with each other at prior investment institutions, so there is an additional layer of familiarity embedded in the statistics that is positive for Limited Partners. Professionals are energized, engaged, and hold the necessary experiences. Past experiences are consistent with what is observed across the industry. In terms of quantity, the size of the team is significant when considering current assets under management (as well as with active fundraising efforts).

Aside from leveraging private equity investment professionals, BCP Credit also has the ability to leverage BCP's Operations Team, a private equity sub-division that works directly with management teams to drive change and create value. This allows BCP Credit to credibly present itself as a value-added partner as opposed to the more traditional and limited capabilities of a

pure financial partner. This is believed to position BCP Credit strongly with respect to deal sourcing. The Operations Team have experienced in structuring, resourcing, and implementing various value creation programs, addressing top-line and bottom-lines of businesses. The group also has experience with recovery strategies for those businesses in stressed scenarios. Overall, this element supports BCP Credit's ability to create value, protect the downside, and if necessary, take control of a business in the event of default or restructuring. These abilities are relatively unique in the credit investment arena.

BC Partners' compensation scheme aligns with its business objective of developing a supportive platform that shares information. Diversity & Inclusion has not been widely achieved to date; however, the Firm is dedicated to addressing the topic within its ranks.

STRATEGY

Description:

BCP Special Opportunities Fund II LP ("SOF II" or the "Fund") is a multi-strategy credit offering that seeks to capture attractive risk-adjusted returns throughout the credit cycle, predominantly in the North American and European developed markets. However, investments may be made globally. The Fund is expected to utilize a variety of credit strategies, which can be largely summarized as either Special Situations or Private Capital strategies. Special Situations tend to involve relatively more liquid situations and can be further dissected into either Event Driven or Stressed/Distressed investments. Generally, Special Situations include opportunities where idiosyncratic (company-specific) events or overall market conditions have caused a dislocation between price and fundamental value. Private Capital strategies tend to be less liquid and can be assorted into either Asset Investing or Private Lending & Structured Equity. Generally, Private Capital investments focus on capturing the illiquidity premium through structured instruments in borrowers and assets supported by strong cash flows. Furthermore, given that SOF II targets opportunities "throughout the credit cycle," the Fund is flexible across the Default Rate Environment, so the Fund's opportunity set should be expected to evolve over time. The following is an outline of the expected types of investments by category:

Special Situations: Event-Driven

- Low levered bank loans: primarily secured bank loans with low loan-to-value metrics. Typically used during market or sector dislocation, or when there is a deviation between price and perceived fundamental value.
- Total Return Swap baskets: investments in par or near-par performing bank loans via Total Return Swaps or similar instruments.
- Bridge Loans/Revolvers: investments in mostly unfunded or partially funded liability instruments with shorter average duration and quality collateral. Typically sought in a low default rate environment.
- Debtor-in-possession ("DIP") financing: Loans to borrowers undergoing financial restructurings under corporate bankruptcy law. Generally benefit from first position in terms of the repayment waterfall, and therefore typically have strong downside protection. Typically sought in a high default rate environment.
- Exit/Rescue Financings: opportunistic loans to companies in abnormal financial situations. Typically sought in a high default rate environment.
- Liquidations/Litigations: claims in bankrupt liquidating entities or litigations with strong downside protection and asymmetric risk-reward profiles. Tend to be longer duration investments sought across the default rate environment spectrum.

Special Situations: Stressed/Distressed Debt

- Non-par syndicated credit: investments in loans trading at deep discounts to fundamental value. Typically sought in medium-to-high default rate environments.
- Loan-to-own: primary or secondary loans with the goal of assuming ownership and/or control of the company.

Typically sought in a high default rate environment.

 Restructurings: investments in a broad set of credit instruments in companies undergoing financial reorganization of their liabilities. Typically sought in a high default rate environment.

Private Capital: Asset Investing

- Aircraft Leasing: financing agreements that allow the use of aircrafts for a specific time period in return for lease compensation. Typically sought in a low default rate environment.
- Receivables Pools: investments backed by a diverse portfolio of receivables allowing corporates to receive early
 payment on outstanding invoices, loans, and claims. Investments can take the form of asset-based lending, factoring,
 or selective accounts receivable financing. Typically sought across the default rate environment spectrum.
- Renewables: financing solutions for the construction and development of renewable energy assets. Generally not a
 focus of the fund in the current market environment.

Private Capital: Private Lending & Structured Equity

- Private Lending: providing creative financing solutions to borrowers with custom documentation. Typically sought
 across the default rate environment spectrum.
- Primary and secondary structured products: opportunistic investments in non-traditional credit instruments with diversified counterparty risk. Typically sought across the default rate environment spectrum.
- Regulatory capital relief: structured financing solutions to mitigate regulatory capital constraints for borrowers. Typically sought across the default rate environment spectrum.
- Mortgage servicing rights ("MSRs"): investment in contractual rights to perform and control servicing of mortgage loans.
- Structured Equity: invests in minority structured convertible preferred equity with downside protection through company selection and negative controls. Typically sought across the low-to-medium default rate environments.

Investors of the Fund should expect an average holding period for investments between one and five years, depending on the strategy employed. Initial maturities of the Fund's investments may range from three to ten years. BCP Credit expects half of its overall return will be generated through coupon payments (current income) and half through appreciation.

SOF II is expected to hold roughly 50% publicly-traded securities and 50% privately originated deals; however, this split is subject to significant change dependent on the current market environment. For example, due to perceived rich valuations in the public markets for the majority of SOF I's investment period, BCP Credit generally found the most attractive risk-adjusted return opportunities in privately originated deals. As of year-end 2019, SOF I was entirely privately originated deals. Investors should expect roughly 20 to 30 investments with a typical investment size between 3% and 5% of commitments, with a single name concentration limit of 20%. The Fund will primarily pursue investments in North America and Europe, with an expected composition of 75% and 25%, respectively. Investments may be made globally. Sectors of focus are intended to be Consumer, Business Services, Financial Services, Healthcare, Industrials, Retail, and TMT, leveraging the expertise embedded in the BC Partners platform. Targeted businesses are high-quality borrowers that display certain attributes, such as: predictable revenue streams, favorable industry trends, commodity hedging transactions, strong cash flow generation, competitive advantages, and experienced management teams, among others.

The Fund targets a 12% to 15% net Internal Rate of Return ("IRR") and a 1.5x Multiple of Invested Capital ("MOIC"). In achieving such returns, the Fund intends to recycle capital.

SOF II will not utilize fund-level leverage, other than a short-term subscription facility to optimize working capital. A similar facility was provided by Wells Fargo for SOF I. SOF II will opportunistically seek to use asset-level leverage on individual investments. Such investments typically involve individual investments where there is visibility into cash flows. As of September 30, 2019, only two of the 21 investments in SOF I used asset-level leverage.

Opinion:

BCP Credit's Special Opportunities Fund II is a wide-ranging strategy that is uniquely positioned to capitalize on various segments of the credit market. While the sub-strategy nomenclature may be somewhat difficult to follow, the key takeaway is that SOF II is able to be flexible throughout the credit cycle and aims to capture the best risk-adjusted return profile over time. In a post-COVID-19 environment featuring heightened uncertainty in markets as well as in the trajectory of a global economic recovery, the ability to be opportunistic and quickly shift focus is viewed as tremendously value-additive to Limited Partners.

BC Partners believes structural protections aimed at capital preservation are key, including elements such as: covenants, asset liens, change of control rights, liquidation preferences, call protections, scheduled amortizations, excess cash flow sweeps, among others. Certain investment attributes seek to mitigate volatility and minimize change of impairment, such as: cash coupons, equity cushions, multiple exit options, seniority, board seats, and observation rights. The focus on downside protection and capital preservation is evident and should serve as a strong guiding force for the Fund over the long term.

In terms of upside, BCP's integrated platform allows for differentiated ways to generate returns. These tactics are generally described in three components: Value-Added Lending; Path to Liquidity; and Market Dislocations. Value-added lending involves offering companies the resources available across the BC Partners business, including industry knowledge, operational expertise, and value beyond capital provided by traditional lenders. These value-added tactics are believed to better position BCP Credit in its investments via preferential terms, such as board seats, enhanced covenant packages, among others. Path to Liquidity involves the origination of illiquid credit investments and monetization of the illiquidity premium by bringing investments to liquid markets. This involves techniques such as pursuing private credit ratings, securitizing illiquid credit instruments, among others. This allows BCP Credit to de-risk its investment and collapse the illiquidity premium. Last, SOF II will seek to take advantage of market dislocations through expertise in stressed and distressed credit situations. BCP Credit maintains deep understanding and experience with respect to bankruptcy process-oriented investments. Each component of generating returns is viewed favorably and should allow the credit team to remain opportunistic, highly-selective, as well as efficient in its use of capital during the investment period.

In terms of diversification, the Fund intends to be well-diversified, limiting concentration risk to regions, sectors, issuers, and investment type. BCP Credit intends to be conservative with its use of leverage, only applying leverage selectively on specific assets where there is clear visibility on cash flows and downside. These elements each serve Limited Partners well and protect against situations of forced selling.

INVESTMENT PROCESS

Description:

BCP Credit intends to utilize a structured investment process, ranging from deal sourcing to monitoring, through exit. The typical underwriting process takes anywhere from one to three months; however, this can be adjusted as necessary by the reallocation of internal resources. Investment decisions will be made by a five-member investment committee comprising three members of BCP Credit, one member of BCP PE, and the Firm's Chief Operating Officer (detailed further in this section).

Phase One: Deal Sourcing and Screening

BCP Credit will utilize long-standing relationships across the credit, private equity, and real estate asset classes with groups such as: intermediaries, advisors, corporations, other funds, financial institutions, sponsors, and management teams. Proprietary deal flow is to be complemented by deal flow across BC Partners' integrated platform, positioning the Firm as a capital solutions provider. Sourcing channels include: proprietary efforts by the credit team, deal flow from the BC Partners platform, and industry contacts. In the trailing 12-month period as of year-end 2019, BC Partners' platform (including all divisions) has sourced over 650 deals, 50% of which have made it to initial due diligence. 20% of those have made it through full due diligence. 28 deals have been completed, 25 of which were proprietary. This equates to roughly a 4% selection rate across the platform.

Phase Two: Investment Opportunity Review

Generally, there are two sub-phases to note here: Initial Credit Review, and Full Credit Review. These typically occur in

sequence, resulting in a Final Investment Memorandum; however, in certain market driven situations this process may be slightly altered to expedite the time-to-execution. In such cases, the Initial Credit Review may be abbreviated or eliminated in favor of the Full Credit Review process. All investment opportunities require Investment Committee approval before proceeding to execution.

Initial Credit Review

Involves a high-level credit analysis and more in-depth assessment of actionability. Here, an initial investment idea, preliminary set of deal terms, and a proposed potential structure will be determined and will be presented in a standard investment memo, referred to as the "ICR." This memo covers the opportunity, situation, investment thesis, an assessment of business fundamentals, valuation, and a summary of the opportunity's attractions and areas of initial concern.

Full Credit Review

Following the Initial Credit Review, the team will further its due diligence to include a detailed fundamental credit analysis, and an absolute and relative risk-reward assessment. Private equity-like fundamental analyses of current intrinsic and future value are completed. This process is followed by a detailed Final Investment Memorandum, which is circulated to the members of BCP's Credit Investment Committee for review, discussion, and final approval to invest. The Final memos include a wide range of topics, including but not limited to: an assessment of the deal situation, management team, business fundamentals, legal documentation analysis, market positioning, updated valuations, and return projections.

Phase Three: Investment Committee Approval

BCP Credit operates under a five-person Investment Committee ("IC"). The IC is made up of Goldthorpe; Ederer; Wang; Raymond Svider (Partner, Chairman of BC Partners); and Graeme Dell (Partner, Chief Operating Officer of BC Partners). Goldthorpe serves as Chairman of the Investment Committee. Svider and Dell are both members of BCP PE and BCP RE's investment committees. Additionally, Goldthorpe is occasionally invited to sit on the BCP PE Investment Committee. BCP intends for this cross-pollination of its investment committees in an effort to further integrate its processes and institutional knowledge. The Firm has strict procedures regarding the management of information flow to which it applies high compliance standards. This is meant to address potential conflicts of interest and allocation issues. In terms of voting, the IC requires a majority of three out of five of its members for approval; however, BCP Credit often finds a unanimous approval is reached.

To provide some additional detail, aside from serving as Partner and Chairman of the Firm, Svider is located in the Firm's New York office and has been with BCP for 27 years. He joined BCP in Paris in 1992, then moved to London in 2000 to lead investments in technology and telecommunications industries. Svider then moved to New York in 2008. Aside from experiences at BCP, Svider was previously involved in investment banking at Wasserstein Perella in New York and Paris, and at the Boston Consulting Group in Chicago. Graeme Dell is a Partner of the Firm and serves as COO. Dell is also a member of the Executive Committee. He is located in London and has been with the Firm for five years. Prior to joining BCP, Dell spent six years at Ashmore Group plc, a UK listed asset management firm that invests across emerging markets debt, where he served ad Group Finance Director. He maintains prior operations and finance experience from a number of institutions, including Goldman Sachs and Deutsche Bank. Dell joined BCPs London office in 2014 in an effort to build out its support functions, including: fund administration, compliance, finance, information technology, human resources, and risk management.

Phase Four: Monitoring, Value Creation, and Exit

BCP Credit utilizes a formal ongoing monitoring process, applied between the date of closing and date of exit. Deal underwriters are involved with investments throughout each phase of the investment process to limit information leakage between "deal underwriters" and "asset managers." Full portfolio reviews occur formally on a quarterly basis, although there are continuous assessments of fund-level risk-reward and comprehensive scenario sensitivities. Covenant packages are frequently tested for compliance, as well as stress tested. As appropriate, the credit team will engage with portfolio company management teams on value-add initiatives with the support of BCP PE Operations Team, as well as the BC Partners' Operating Advisor and CEO networks. Value-add initiatives are wide ranging, in the manner described in the Opinion of the Strategy section of this report. Active ongoing monitoring of investments and market conditions are collectively used to determine appropriate exit opportunities. Exit opportunities come as a result of either (i) an initial return target has been met,

or (ii) an evolving situations suggests an early exit is most appropriate. Exits requires the approval of the Investment Committee.

Environmental, Social, and Governance ("ESG")

BC Partners views ESG as important for making sound investment decisions. The Firm has formalized its commitment via a proprietary ESG policy. Since March 2009, BC Partners has been a signatory of the United Nations supported Principles for Responsible Investment.

Opinion:

BCP Credit is expected to benefit from the broader BC Partners platform, particularly on deal flow. BC Partners expected BCP Credit to be provided information on over 200 opportunities that pass through the Firm's private equity deal flow pipeline per year. This is a tremendous number of opportunities in addition to the direct sourcing capabilities of the BCP Credit team. Additionally, the Firm's integrated platform is expected to provide access to a network of CEOs and Operating Advisors with meaningful experiences across a range of sectors and regions. These qualities are viewed positively, as they collectively distinguish BCP Credit and position it as a partner of choice.

The credit team maintains a robust and detailed multi-phase investment process. A key element of the process is the fact that deal underwriters remain with the asset post-closing of a transaction. This meaningful limits information leakage and positions BCP Credit well in the event it needs to move quickly to resolve an issue, or identify a potential problem before it rises to being an issue. Active ongoing monitoring efforts are clearly delineated from ongoing investment activity. This is viewed favorably given that each element serves as a risk mitigation tactic for the Strategy.

BCP Credit's Investment Committee structure is viewed favorably as well, as it leverages the private equity experience the Firm has to offer in a structured manner. Participation by BC Partner executives displays a commitment to a "one-firm" philosophy and appropriate management of operational and investment risks.

OPERATIONS

Description:

As part of the BC Partners platform, BCP Credit leverages an established infrastructure, including: 23 professionals in fund control; six in finance; three in information technology; and five compliance & risk. Graeme Dell serves as Chief Operations Officer, as mentioned, and oversees each of the departments outlined here. There is a structured hierarchy of professionals overseeing each sub-division of the operations team as well. The compliance, fund control, finance, and information technology heads are:

- Andrew Devine, Head of Compliance: 17 years of relevant experience in compliance and regulatory law at institutions including Apax Partners, Partners Capital, FSA, S&P Global, and PricewaterhouseCoopers ("PwC").
- Mark Spink, Head of Fund Control: 20 years of relevant experience in finance and fund accounting at institutions including Citi, Bridgepoint, Standard Bank, and Deloitte & Touche ("Deloitte"). Spink is supported by Altax Jhetam, who serves as Fund Financial Controller. Ted Gilpin serves as Chief Financial Officer of the Regulated Investment Vehicles, and is supported by a team that all collectively reside within the Fund Control group. Jim O'Keefe serves as Controller of the Regulated Investment Vehicles, while Joseph Barillaro serves as Control and Credit Operations specialist for the closed-end funds and separately managed accounts. Specifically related to Barillaro, he joined in April 2017 and maintains over 15 years of experience including roles at Highbridge Capital Management, Wingspan Investment Management, Salomon Smith Barney. Barillaro leads the BCP Credit Fund Control team.
- Chris Heyworth, Head of Finance: 15 years of relevant experience as a financial controller at institutions including Goldman Sachs and Investec.
- Stuart Mair, Head of Information Technology: 27 years of IT development and support experience at institutions including Cognite, Barclays, and Texas Instruments.

Treasury and Cash Management

BC Partners operates with a defined Treasury policy to ensure that all calls, distributions, deposits, and foreign exchange transactions are appropriately managed. The aim of the policy is to ensure that the funds maintain minimal cash balances between calls and distributions. The underlying calculations for all call and distribution notices are prepared by Citco with a parallel calculation being prepared by Fund Support. There is a rigorous process for the preparation and distribution of call and distribution notices. Citco is the only authorized signatory on the capital banks accounts.

Valuation Methodology

Fair value of the credit portfolio is calculated in line with U.S. Generally Accepted Accounting Principles ("U.S. GAAP")(ASC820, Fair Value Measurement), confirming to the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction taking into consideration market conditions and appropriate risk adjustments. Citco will independently verify the fair value of the investments at quarter-end, subject to the final approval of the Fair Value Committee ("FVC"). If Citco is unable to provide a price for an investment or the FVC believes that one or more investments verified by Citco is materially inaccurate, then the FVC will initiate the Independent Broker-Dealers Pricing Process for such investments. This sub-process involves independent verification of fair value with at least three independent broker-dealers. Citco receives such information and submits the prices to the FVC for their review and approval. The FVC serves many purposes; however, the body does approve the final fair value and provides it to Citco. All valuations, underlying materials, and calculates are made available to the auditor as part of their year-end audit. The FVC compresses the Chief Operating Officer, Head of BCP Credit, BCP Fund Controller, and the Chief Compliance Officer as an observer.

Information Technology, Cybersecurity, and Disaster Recovery

BCP maintains detailed processes and a dedicated team of individuals - supported by external third-party service providers - on the topics of its information technology infrastructure, hardware and software used, cybersecurity, and disaster recovery. Such processes have been detailed as part of due diligence.

Compliance and Risk: Conflicts of Interest, Operational Risk Management, and Investment Risk Management

BCP has structured processes in place in each of these critical categories. With respect to Operational Risk Management, BC Partners operates a "top-down" and "bottom-up" approach to operational risk, where senior management are responsible for setting the risk appetite and each operational function is responsible for mitigating and upwardly reporting the operational risks in their respective areas. The Firm maintains an Operational Risk Committee ("ORC") that meets twice a year to discuss key operational risks and to determine whether further mitigation is required. Investment Risk Management is a core process of the BCP Credit team and is embedded within the investment process.

Finance: Insurance

BC Partners maintains PI & D&O insurance, which renews annually in November as part of a comprehensive renewal process with wide insurer engagement via annual presentation.

Opinion:

BC Partners has well-developed operations infrastructure. This infrastructure has seen meaningful improvement in recent years, as Graeme Dell has further developed the Firm's approach. The Firm maintains documentation and processes in each of the critical areas and is committed to continuing its development in years to come. As part of the operations infrastructure, BCP Credit is able to leverage dedicated resources in capital markets, human capital, and legal. Each of these professionals maintains significant relevant experience in their respective fields. Collectively, the infrastructure is viewed as sound and there are no immediate concerns for potential investors at this time.

PERFORMANCE

Description:

BCP Special Opportunities Fund I ("SOF I") was BCP Credit's inaugural opportunistic fund. It closed on \$200 million of

capital commitments, exceeding its fundraising target of \$150 million. Fund size was intentionally controlled, as BCP Credit worked to prove its strategy and investment process, as well as add resources to its platform. The Fund's inception occurred in September 2017 and made its first investment in November 2017. Inception to date, as of December 31, 2019, the Fund has generated a 23.3% gross Internal Rate of Return ("IRR") and a 1.19x gross Multiple of Money (total value divided by total invested cost). On a net basis, the Fund has delivered a 17.9% IRR and a 1.15x MoM. As of the same date, the Fund had a weighted average Loan-to-Value of roughly 50% and a yield of roughly 9.5% (roughly equally split between cash and Payment-in-Kind).

As of year-end 2019, the Fund contained exposure to 33 issuers (issuers meaning unique counterparties), 12 of which have been realized to date (through mid-March 2020). Total realized investments have generated a 47% gross IRR and a 1.22x gross MoM. 21 issuers remain in the portfolio. Realizations through mid-March 2020 total \$106.8 million. With respect to diversification, the portfolio can be assorted as follows:

By Strategy (in order of size; down)

65% Private Lending, Mezzanine, and Structured Equity (Private Capital)

13% Asset Investing (Private Capital)

10% Event Driven / Special Situations (Special Situations)

10% Stressed/Distressed Debt (Special Situations)

7% Dislocated Structured Credit / Regulatory Capital Relief (Private Capital)

By Asset Type (in order of size; left to right)

42% Secured; 26% Unsecured; 19% Structured Yield; 13% Preferred Equity

By Industry (in order of size; left to right, then down)

21% Diversified Financials; 16% Transportation; 16% Software & Services; 14% Health Care Equipment & Services;

11% Commercial & Professional Services; 6% Capital Goods; 5% Media & Entertainment;

4% Technology Hardware & Equipment; 3% Consumer Durables & Apparel; 3% Telecommunication Services

SOF I was supported by a diversified investor base, including: 31% Bank/Insurance; 19% Fund of Funds; 19% Family Office/High-Net-Worth Individuals; 18% Public Pension; and 13% Corporate Pension.

SOF II, which has held two closes through March 2020, has called 60% of capital commitments raised to date (roughly \$300 million). The Fund has actively deployed capital across several liquid credits during the market selloff and has fully realized two investments. SOF II has completed four privately originated deals. The remaining capital has been invested in 1st lien senior secured risk in "coronavirus- and oil-isolated areas" in sectors that have seen price declines due to the market downturn.

Opinion:

BCP Credit's Special Opportunities Fund I is performing in line with the top half of peers, regardless of the peer group applied. However, given the variety of underlying sub-strategies utilized by the Firm, the Strategy can be somewhat difficult to benchmark on a direct basis. To date, SOF I is delivering on its Internal Rate of Return and diversification objectives. The Fund has yet to achieve its Multiple of Invested Capital return target; however, this is expected when considering the Fund's life. With respect to risk management, the Fund has not experienced a single quarterly loss, including the first quarter of 2020. Additionally, SOF I has been able to steadily decrease capital at risk through its yield component, which is over 9% and roughly equally split in terms of cash income and payments-in-kind (i.e. capital appreciation). The yield obtained by SOF I is significant relative to yields available in public markets on a risk-adjusted basis and rivals yields available in other private

credit strategies.

With respect to SOF II, BCP is targeting the size of its capital raise to the relevant opportunity set. While larger than SOF I, the Firm has detailed the manner in which it would scale SOF II's exposure to a consistent pipeline of opportunities. BCP Credit intentionally managed the size of its inaugural opportunity to demonstrate an ability to manage assets, execute deals, and a variety of other proof statements emerging managers are faced with. SOF II is sized such that smaller capital structures, which would not normally be compelling for the size of fund that typically has access to the level of resources BCP Credit does, are able to account for meaningful investment opportunities. Last, given the recent shift in market environment, SOF II is arguably better positioned to achieve its target return metrics in an enhanced risk-adjusted position due to the Strategy's ability to be a capital solutions provider to an above-average quality cohort of businesses.

TERMS

Description:

Legal Reference: BCP Special Opportunities Fund II LP ("SOF II")

Vehicle: Cayman Islands exempted limited partnership. Offshore feeder vehicle available as well, although with a slightly modified "Legal Reference".

General Partner: BCP Special Opportunities Fund II GP LP, a Cayman Islands exempted limited partnership

Investment Advisor to the Fund: BC Partners Advisors L.P.

Target Aggregate Capital Commitments: \$750 million to \$1,000 million

Aggregate Capital Commitments to Date: \$275 million as end of May 29, 2020

Minimum Commitment: \$1 million

General Partner Commitment: Minimum of 2% of aggregate capital commitments of unaffiliated Limited Partners

Final Closing: December 23, 2020, although may be September 30, 2020 due to Limited Partners engaged in due diligence.

Investment Period: 3 years from final close with 2 one-year extensions (no intent to use at time of underwriting, although subject to change over time)

Term: 8 years from final close with up to 2 additional one-year extensions (no intent to use at time of underwriting, although subject to change over time).

Management Fee: 1.5% per annum of Invested Capital for LPs less than \$100 million, subject to fee reductions for volume and/or first close investors at the discretion of the manager. 1.25% per annum of Invested Capital for LPs greater than or equal to \$100 million. 100% of third-party LPs' share of directors, break-up, topping and monitoring fees, net of unreimbursed expenses, are offset.

Incentive Fee ("Carried Interest"): 20% applied on an investment-by-investment basis

Preferred Return: a full return of invested cost and expenses, as well as a 6% compounded return

Catch Up: Yes, 100% applied on a cumulative basis

Clawback Clause: Yes

GP Removal Clause: Yes

Tax Considerations: The Fund will evaluate and utilize AIVs and/or parallel vehicles as appropriate. The General Partner may form alternative structures through which tax-exempt investment will participate in investments, including through entities treated as corporations for U.S. federal income tax purposes, in an effort to mitigate UBTI issues for tax-exempt

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Managing Director

Matthias Ederer joined BCP Credit in New York in 2017. Matthias joined as part of the creation of BC Partners Credit having previously been a partner and founding team member of Wingspan Investment Management, which he joined in 2013. Prior to Wingspan, he spent seven years in Goldman Sachs' Special Situations Group and Bank Loan Distressed Investing Group in New York and London. Matthias has an MPhil in Economics from Oxford University and a BSc Economics from the University of Warwick.

Henry Wang

Managing Director

Henry Wang joined BCP Credit in New York in 2017. Henry joined BC Partners Credit, having formerly been a Partner at Stonerise Capital Partners where he spent over five years. Previously, he worked for over seven years at Goldman Sachs in its Special Situations Group and Investment Banking Division. Henry also worked for Vulcan Capital (Paul Allen's investment firm, co-founder of Microsoft) and Thomas Weisel Partners. Henry holds a MBA from the Kellogg School of Management at Northwestern University and a degree from Boston University.

Raymond Svider

Partner and Chairman

Raymond Svider is a Partner, Chairman of BC Partners, Chairman of the Executive Committee, and covers the North American business services, TMT, consumer and retail sectors. Raymond joined BC Partners in Paris in 1992 before moving to the London office in 2000 to lead its investments in the technology and telecoms industries. Raymond then relocated to New York in 2008. Previously, Raymond worked in investment banking at Wasserstein Perella in New York and Paris and at the Boston Consulting Group in Chicago.

Graeme Dell

Partner and Chief Operating Officer

Graeme joined BC Partners in London in 2014 to further develop the Finance, Fund Administration, Compliance, and Information Technology Functions within the organization. Previously, Graeme spent 6 years at Ashmore Group plc, a UK quoted asset management firm where he was Group Finance Director. Prior to this, he was Group Finance Director for 6 years at Evolution Group plc, another UK quoted financial services organization. He initially qualified as a chartered accountant at Coopers & Lybrand before performing roles in operations and finance at Goldman Sachs and Deutsche Bank. Graeme is a nonvoting attendee of the Investment Committee

R. Rudolph ("Rudy") Reinfrank

Senior Advisor

R. Rudolph Reinfrank was engaged by BC Partners as an operating advisor in 2018 and brings over 30 years of private equity investment, strategic advisory and counseling background, and financing expertise. He has served since 2009 as the founder and managing general partner of Riverford Partners, LLC, a strategic advisory and investment firm which acts as an investor and strategic advisor to growth companies and companies in transition. Mr. Reinfrank is on the board of directors and is chairman of the audit committee of Apollo Investment Corporation and he is board member and chairman of the audit committee of Kayne Anderson Acquisition Corp. In 2000, Mr. Reinfrank co-founded and served as a managing general partner of Clarity Management, LLC, the general partner and the management company for Clarity Partners, L.P., an investment firm, until 2009.

Mark Spink

Head of Fund Control

Mark Spink joined BC Partners in London in 2017 to lead the development of fund support. Previously, Mark was at Bridgepoint where he spent six years as Head of Fund Control responsible for fund accounting and administration. Prior to that, Mark held Finance Manager roles for six years at Standard Bank in their Emerging Markets PE business. He has also held accounting and audit roles at CitiGroup and Touche Ross respectively for a combined six years.

Joseph Barillaro

Controller, BCP Credit

Joseph Barillaro joined BC Partners Credit, having previously spent four years as Controller at Wingspan Investment

Management. Prior to Wingspan Joseph worked as a Vice President at Highbridge Capital Management for 10 years after starting his career at Salomon Smith Barney. He holds a degree in accounting from Plattsburg State University of New York.

Andrew Devine

Chief Compliance Officer

Andrew Devine joined BC Partners in London as the Head of Compliance in 2015. Previously, Andrew worked at Standard and Poor's, PwC Legal, Apax Partners and Partners Capital. Prior to this, he started his career at the UK Financial Conduct Authority in their Enforcement Division, where he spent 5 years.

Veena Malpani

U.S. Compliance Officer

Veena Malpani joined BC Partners in New York in 2017. Previously, Veena was a legal & compliance officer at CCMP Capital Advisors for almost 3 years. Prior to this, she was a legal & compliance associate at Centerbridge Partners. Veena holds a JD from American University, Washington College of Law, and a BA in Political Science from Emory University.

Stuart Mair

Head of Information Technology

Stuart Mair joined BC Partners in London in 2011. Previously, Stuart was a founding partner at Cognite, an internet and IT services consultancy, where he was responsible for all aspects of project delivery and software development for 12 years. Prior to this, he was development manager at ThinkIT. Stuart also held various IT consulting roles with CMG, Texas Instruments Software and James Martin Associates. Stuart was also part of the ICI computing and telecoms graduate programme.

Jason Schaefer

General Counsel

Jason joined joined BC Partners in New York in January 2019 as General Counsel, working alongside the investment teams in private equity, credit and real estate, and in support of all fundraising processes. Prior to joining BC Partners, Jason spent 5 years as Executive Vice President and General Counsel of Iconix Brand Group, Inc., a public company. From May 2008 until September 2013, Jason served as General Counsel of Pegasus Capital Advisors, L.P., a private equity fund. From March 2006 to May 2008, he advised on transactions in both the private and public space at Akin Gump Strauss Hauer and Feld LLP. Prior to that, Mr. Schaefer was a member of the corporate group of Paul Weiss Rifkind Wharton and Garrison LLP.





Biographical Information



Ted GoldthorpePartner, Head of BC Partners Credit

Ted is a Partner and the Head of BC Partners Credit. He joined the firm in New York in 2017 to establish the Credit business. Previously, Ted was President at Apollo Investment Corporation and the Chief Investment Officer of Apollo Investment Management where he was the head of its US Opportunistic Platform and also oversaw the Private Origination business, serving as a member of the Senior Management Committee. Prior to Apollo, he worked at Goldman Sachs for 13 years where he most recently ran the bank loan distressed investing desk. He was previously the head of Principal Capital Investing for the Special Situations Group. Ted holds a Bachelor of Commerce from Queen's University.

Contact Information: Ted.Goldthorpe@bcpartners.com or (212) 891-2894



Migo Terjanian Managing Director, Investor Relations

Migo Terjanian joined BC Partners in New York in 2019. Previously, Migo spent 4 years at Littlejohn & Co. as Head of Investor Relations, leading marketing, capital raising and relationship management efforts for private equity and credit strategies. Prior to that, Migo was a director at H.I.G. Capital responsible for investor relations activities across domestic and international private equity, credit and real estate funds. Migo holds an MBA from Fordham University and a BSBA from Villanova University.

Contact Information: Migo. Terjanian @bcpartners.com or (212) 891-2992



The BC Partners Platform

BC Partners:

An independent partnership with engaged leadership and the diverse experience to explore an ideal mix of investments across strategies, sectors and geographies

Private Equity: A 30-year Investment History

The expansion of BC Partners' strategic offering to establish credit and real estate platforms is a continuation of the Firm's evolution and development in line with the market

Credit: Launched 2017

Real Estate: Launched 2018

88 INVESTMENT PROFESSIONALS

ACROSS 3 STRATEGIES

Investment Professionals

PRIVATE EQUITY: 63

CREDIT: 16

REAL ESTATE: 9

Investing across Europe and North America from a network of established local offices



London

Hamburg

Paris

New York City

- Consistent investment philosophy across asset classes
- Defensive markets and business models
- Cash flow generation
- Growth potential with multiple operating levers
- Attractive exit alternatives

Experienced platform with strong alignment of interest

- Experience investing across multiple geographies and sectors
- Proactive sourcing and rigorous investment process
- Meaningful GP commitment across strategies





Platform Overview

- Launched in early 2017 and headquartered in New York
- Investments in North America and Europe
- Fully integrated with the BC Partners platform
- Led by Ted Goldthorpe, Matthias Ederer and Henry Wang
- Core senior investment professionals worked together at Goldman Sachs Special Situations Group
- 16 dedicated investment professionals
- Currently managing over \$2 billion across yield and opportunistic strategies¹
- Significant co-investment opportunity for BC Partners' investors

Credit Strategies

Yield

- Direct lending focused on less competitive segments of the performing U.S. middle-market
- Balanced portfolio of sponsor-backed and non-sponsor companies
- Proprietary sourcing channels
- High current income generation

Opportunistic

- Mandate to invest where other capital is retrenching due to limited duration and regulatory restrictions
- Ability to invest across the capital structure
- Price opportunities with adequate compensation for risk and illiquidity
- Mix of current income and price appreciation
- ✓ Flexible and opportunistic approach to deploying capital
 - ✓ Focus on capital preservation
 - ✓ Utilize private equity style investment process
 - ✓ Leverage deep niche and industry expertise



Integration with BC Partners Platform

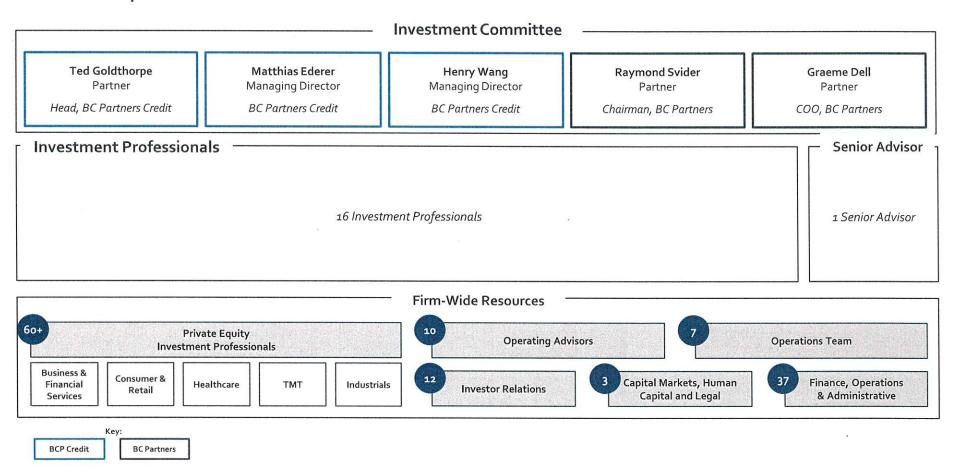
Full integration with the BC Partners platform provides an edge at every stage of the investment process

BENEFITS OF BC PARTNERS PLATFORM **RESOURCES INCLUDE** ■ 150+ EMPLOYEES Operating advisor and external network **DEAL SOURCING &** Industry and company insight from 60+ PE investment professionals including 7-member **SCREENING** Private Equity deals reviewed Operations Team 12 Investor Relations professionals 41 Support professionals Sector expertise from Investment Professionals, including Operations Team **10** OPERATING ADVISORS **CREDIT REVIEW** Rigorous PE-style diligence and underwriting \$23 BILLION IN PE AUM across commingled funds and co-investment commitments \$37 BILLION INVESTMENT Investment Committee includes in annual revenue across current PE portfolio **APPROVAL** Chairman of PE and firm COO BROAD SECTOR EXPOSURE PE DEAL FLOW Access to senior Operational experts **MONITORING &** 200+ opportunities sourced Ability to provide borrowers with value-add **VALUE- ADD** initiatives including M&A assistance and 3-4 investments completed per annum BCP cost synergy programs



Experienced Team and Established Platform

BC Partners Credit combines a team of experienced credit investors with the resources of an established alternatives platform







BC Partners Credit Special Opportunities Fund II

Flexible strategy targeting a diversified, uncorrelated portfolio of asymmetric risk-return opportunities with strong downside protection and upside optionality across credit markets in North America and Europe

Why Special Opportunities Fund II

Compelling Opportunity

- Secular changes have restricted borrower access to traditional capital providers
- Cyclical market dislocations and idiosyncratic industry and company stress present opportunity for patient, disciplined capital
- Flexible mandate allows SOF to propose solutions tailored to each borrower's unique objectives

Experienced Team

- Dedicated team of experienced credit investors fully integrated within an established alternatives platform
- Team is led by Ted Goldthorpe who most recently ran Apollo's US Opportunistic Credit business and oversaw the Private Originations business
- Senior investment professionals worked together at Goldman Sachs, where Ted was Head of Principal Investing within the Special Situations Group & also ran the Bank Loan Distressed Investing desk

Established Platform

- BC Partners has over 30 years of experience operating in private markets
- Private Equity platform has executed 100+ deals and currently manages \$23bn in assets
- Experience across Credit and Private
 Equity team to actively manage, operate
 and restructure debt and equity
 situations



Differentiated Ways to Generate Attractive Risk-Adjusted Returns

BCP Credit believes that the 3 approaches outlined below drive attractive risk-adjusted returns for its flagship strategy of Opportunistic Credit ("SOF")

Value-Added Lending

Structure value-added lending opportunities by offering companies BC Partners' resources, knowledge, and expertise in addition to flexible capital solutions

Path to Liquidity

Originate illiquid credit investments and monetize the illiquidity premium by bringing them to liquid markets

Market Dislocations

Take advantage of market dislocations through leveraging deep expertise in stressed and distressed credit



Key Differentiators of BCP Special Opportunities Strategies

Opportunistic Credit is BCP Credit's highly differentiated flagship strategy

Flexible Mandate

- SOF allocates capital flexibly across 4 strategies to, in our view, the most compelling areas of credit depending on the market opportunity
- In SOF I, the team successfully sourced and executed deals in all 4 verticals
- Ability to deploy capital through all credit environments

Focus on Originated Assets

- 80%+ of SOF I's positions are originated
- Limits correlation with overall markets: broadly syndicated credits are subject to fund flows which can create unfavorable market technicals in times of volatility
- Optimally levers the integrated platform of BCP Credit with BCP Private Equity as we source many of our transactions through the broader BC Partners network
- PE Style due diligence focused on structural protections, investment attributes and business characteristics

Appropriately Sized

- Fund size tailored for the investment opportunity
- We believe the Fund can scale to \$1B with existing positions and large co-investment
- Opportunistic Credit is the team's core expertise

Unique, Multi-Pronged Investment Approach

- BC Partners Credit aims to generate attractive risk-adjusted returns through 3 unique investment approaches:
 - Value-Added Lending
 - Path to Liquidity
 - Market Dislocation

investments made by SOFI.

Integrated Platform

- PE and Credit are integrated, sharing deal flow, sourcing channels, network of senior executives
- Limited number of platforms run such integrated PE/Credit businesses

Proven Track Record

Performance of SOF I as of 3/31/20:

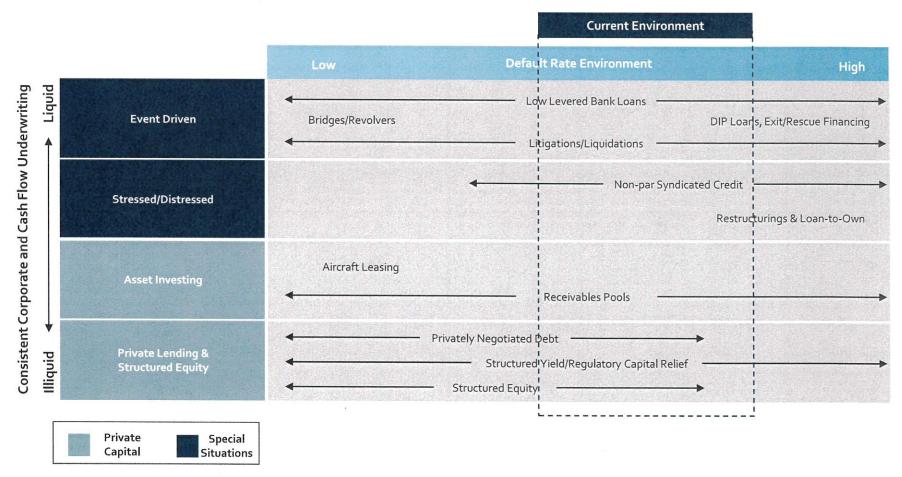
- 15.9% net IRR & 1.17x net MOIC
- 20.8% gross IRR & 1.22x gross MOIC
- Weighted average LTV: 51%
- Q4 '18 & Q1 '20 was up vs. significant market sell-off
- No realized losses since inception

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Market-Cycle Agnostic Strategy

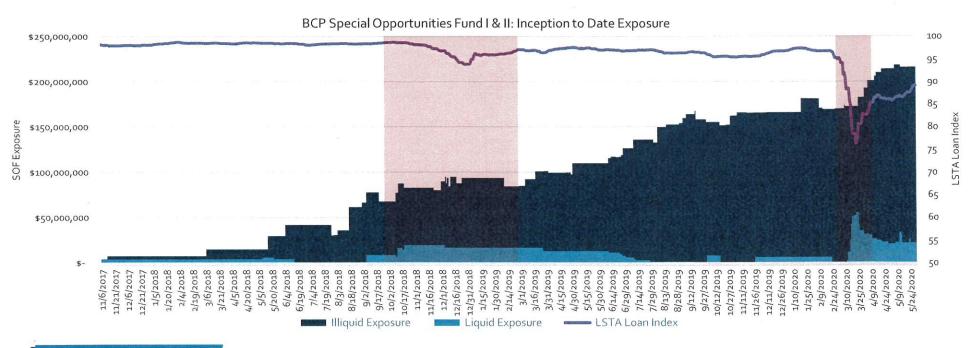
The team applies consistent corporate/asset credit underwriting to seek and optimize risk-adjusted returns throughout all market environments





Special Opportunities Fund: Flexible Mandate

SOF I & II continue to deploy capital through all credit environments, capitalizing on the most attractive risk-reward opportunities in liquid and illiquid credit markets



Monthly Exposure

	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18			5 - S X	Jan 19		Mar 19	Apr 19	May 19	188	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20
Illiquid Exposure		65%	65%	65%	79%	79%	88%	100%	100%	100%	89%	81%	82%	85%	85%	84%	89%	90%	91%	95%	99%	99%	95%	100%	100%	96%	97%	100%	76%	91%	91%
Liquid Exposure	22,0	35%	35%	35%	21%	21%	12%	0%	0%	0%	11%	19%	18%	15%	15%	16%	11%	10%	9%	5%	1%	1%	5%	0%	0%	4%	3%	0%	24%	9%	9%



Loan Market – March Dislocation Drivers (1/2)

A combination of recessionary pressure related to COVID-19, low interest rates and forced technical selling caused a rapid decline in price of syndicated loans which presents a highly attractive return opportunity with strong downside protection

Recession Risk Driven by COVID-19

- Concerns about COVID-19's impact on supply chains and travel and leisure industries started a sell-off
- The dislocation spread across the broader economy as uncertainty about containment measures remained elevated (i.e. length of shutdowns and measures to assist individuals/small businesses/corporations, etc.)
 - Economic data releases expected to worsen significantly in near term as unemployment rises and aggregate demand declines
- Near-term recession expectations have increased credit risk, resulting in loan prices trading off
 - Driving ratings downgrades (including sector-wide negative CreditWatch actions in more cyclical industries like energy, travel, etc.)
 and liquidity concerns as numerous issuers begin to significantly draw on revolvers

Rapid Decline in Interest Rates

- Global central banks continue to implement a variety of measures to aid the global financial system, including significant rate cuts
- On March 15th, U.S. Federal Reserve lowered interest rates to near-zero levels resulting in a contraction in loan prices as floating rate instruments' future income was pricing in higher interest rates
 - Generally, an upward-sloping LIBOR curve is beneficial to loan yields, as future coupon payments would be greater than current payments
 - As the forward LIBOR curve inverted, implying that investors will receive less coupon income in future than they currently do, loans became less attractive



Loan Market – March Dislocation Drivers (2/2)

A combination of recessionary pressure related to COVID-19, low interest rates and forced technical selling caused a rapid decline in price of syndicated loans which presents a highly attractive return opportunity with strong downside protection

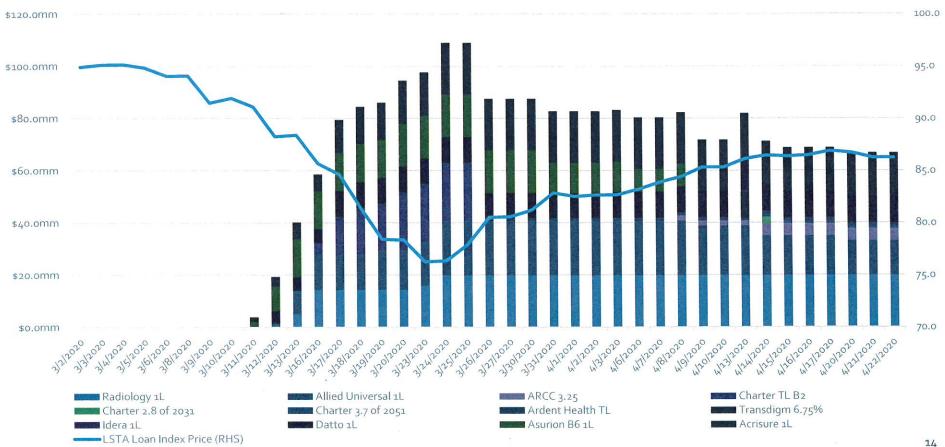
Mass Fund Flows Out of Credit Markets

- The first two factors triggered a flight to quality, leading to historic selling and evaporating liquidity
- Outflows accelerated during the week of March 23 with many asset classes reporting record outflows ETFs, mutual funds, and collateralized loan obligations ("CLOs") are major holders in the loan market (representing c. 75% of loan market holdings)
 - Leveraged loan funds recorded \$2.6bn of outflows, representing c. 4% of the outstanding AUM <u>biggest one-week percentage loss on</u> record
- CLO warehouses, which a majority of managers use to ramp up portfolios at a more moderate pace, tend to contain market value-based tests that can halt reinvestment or, in much fewer cases, even give the senior lender an option to call for liquidation of the portfolio
 - When loan prices were down c. 20% YTD, many CLO managers faced underwater warehouses and pressure to liquidate portfolios as they triggered mark-to-market tests
 - Barclays estimated there was c. \$12-\$13bn of loans in U.S. CLO warehouses across 120-130 facilities, many, if not all, of which were likely in violation of senior mark-to-market ratio tests



Deployment in Liquid Credit During COVID-19 Crisis

- With credit markets coming under pressure during the month of March 2020 amidst the COVID-19 Crisis, the BC Partners Credit platform deployed ~\$110mm in liquid credit across its vehicles, with a strong focus on 1L loans in high quality, defensive businesses with limited impact from the global epidemic to ensure strong downside protection.
- As asset prices started to recover in response to aggressive fiscal and monetary policy actions, BC Partners Credit opportunistically reduced its liquid credit exposure by roughly 40% across the platform, with SOF I and SOF II reducing their exposure by 42% and 64% respectively.

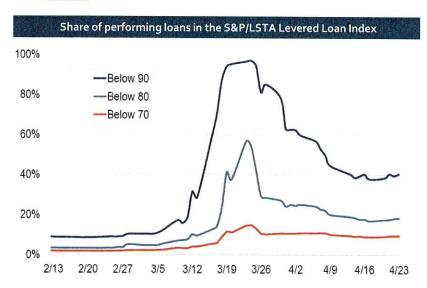


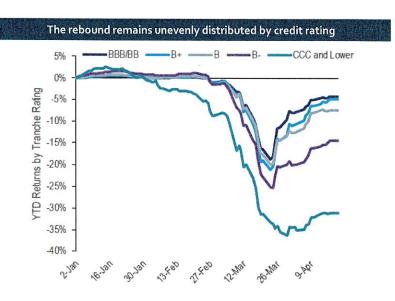


Market Rebound to Date

Amid unprecedented actions by the Fed over the last two months, there has been a sharp rebound in credit markets – although the rebound has been unevenly distributed by credit quality, liquidity, and industry

- Over the past two months, the U.S. Federal Reserve and the U.S. government as well other Central Banks and governments worldwide have initiated a series of unprecedented measures to stimulate economic conditions and support market liquidity
- However, rising unemployment, weak economic data releases, challenged corporate earnings, oil price volatility, and broader uncertainty
 around the post-COVID-19 recovery continue to shroud the overall market and present an increasing probability of another market dislocation.
 Downgrades from credit agencies add technical pressure to the fundamental headwinds for Leveraged Loans
- The speed of the March selloff and magnitude of recompression has left investors scrambling to reassess relative value in the context of diverging forces, including defaults, downgrades and Fed/government support; accordingly, considerable uncertainty and opportunity remain





20.8% gross IRR² net IRR²

1.22X gross MOIC²
1.17X net MOIC²

51% 9.3%

weighted average LTV yield

 $(6.3\% \cosh + 3.0\% PIK)$

Positions with warrants & liquidation preferences

0

losses realized since inception

Diversity of exposures

8 industries and all 4 strategies represented; Counterparties of every type, companies of every stage Lack of correlation to the broader markets

and positive gross returns in every quarter since inception

1. Inception to date including unfunded DDTL commitments

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All figures are unaudited and subject to material change

Views expressed are those of BCP Credit. Actual terms may differ. The information presented hereins for illustrative purposes only. There can be no assurance that the proposed entity will have access to the number and type of investment opportunities shown above or that the entity's portfolio will be consistent with the hypothetical information shown on this page. Past performances not indicative of future results, This information has been included for illustrative purposes only and is intended to provide insights into the types of investments BC Partners Credit Special Opportunities Fund II is expected to make. Please refer to the important information section of this presentation for further details.

Special Opportunities Fund I Update

Special Opportunities Fund I was the first fund raised on the BC Partners Credit platform and closed on \$200 million of committed capital

Since inception, \$299.9 million^{1,3} has been invested across 38 investments

- \$120.5 million² realized representing a 1.21x gross MOIC and 48.8% gross IRR across 12 fully realized investments and one partially realized investment³
- 300+ deals reviewed representing close to \$30 billion of opportunity
- \$1.7 billion of co-investment offered and over \$200 million completed³



SOF I Portfolio Overview as of 3/31/2020

SOFI	4.22.46(2016)2.46.25.2010。	as of 3/31	1/2020 unless otherwise noted
INCEPTION DATE	TOTAL FUND SIZE	NET FUND IRR¹//MOIC¹	CUMULATIVE GROSS CAPITAL INVESTED ² / MAX CAPITAL CALLED
September	\$200 million	15.9%	\$299.9 million
2017		1.17X	\$176.2 million
NUMBER OF TOTAL ISSUERS	TOTAL AMOUNT REALIZED	NUMBER OF FULLY REALIZED INVESTMENTS	NUMBER OF CURRENT ISSUERS
38	\$120.8 million	12	26



^{1.} Net multiple equals current NAV (net of operating expenses, management fees and carried interest), divided by the maximum net called amount by the Fund. Includes usage of the capital call credit facility and/or asset level financing. Net IRR is net of operating expenses, management fees and carried interest and is calculated on the basis of fund investment level cashillows in USD.

Includes recycling of capital.

Investment Amounts and Breakouts assume unfunded DDTL commitments are fully funded. All figures are unaudited and subject to material change.



SOF I Realized Investments as of 3/31/2020

Investment Name	Asset Type	Industry	Geography	Initial Investment Date	Realized Date	Initial Investment Cost ¹	Realized Proceeds ²	Estimated Remaining Value ³	Total Value'	Gross Multiple	Gross IRR 6,7,8
Fully Realized:						and the second second second		CHARLES ECONOMIC SHOWS	COSC VENEZOS VENEZOS		的一定的工作中的
Asset Investing											
Plum Point	Secured	Utilities	United States	May-18	Apr-19	14.8	16.1		16.1	1.19X	>100%
Stressed/Distressed Debt											
PetSmart Inc	Secured, Unsecured	Retailing	United States	Jun-18	Jan-19	11.0	17.3	-	17.3	1.57X	>100%
Intelsat Jackson Hldg	Unsecured	Telecommunication Services	Europe	Dec-19	Feb-19	6.2	6.5		6.5	1.04X	>100%
Event Driven/Special Situations										27047	- 10077
Riverbed	Unsecured	Software & Services	United States	May-18	May-18	1.8	1.9		1.9	1.04X	>100%
Windstream	Secured	Telecommunication Services	United States	Nov-17	Jun-18	4.0	4.1	100	4.1	1.05X	7.7%
Navex Global	Secured	Software & Services	United States	Oct-18	Sep-19	8.5	10.4		10.4	1.23X	43.3%
Charter Communications	Secured	Telecommunication Services	United States	Mar-20	Mar-20	12.5	13.2		13.2	1.12X	>100%
Aston Finco	Secured	Software & Services	Europe	Sep-19	Mar-20	10.4	10.8	12	10.8	1.10X	30.3%
Nine West	Secured	Consumer Durables & Apparel	United States	Apr-19	Jul-19	8.7	9.2		9.2	1.06x	51.4%
Private Lending, Mezz & Structured Equity											3-4
Biogold Canada LLC	Secured	Health Care Equipment & Services	Canada	May-19	Nov-19	5-5	7.5	(2)	7.5	1.37X	98.9%
Gastro Health	Secured	Health Care Equipment & Services	United States	Sep-18	Feb-20	7.6	8.4	-	8.4	1.10X	15.4%
GFL Environmental Holdings Inc.	Unsecured	Commercial & Professional Services	Canada	Jun-18	Mar-20	9.5	12.2		12.2	1.28x	16.4%
Phynet Dermatology	Secured	Health Care Equipment & Services	United States	Sep-18	Feb-20	2.4	2.8		2.8	1.16x	45.1%
Total Fully Realized:						\$ 103.0				1.21X	48.8%

Realized proceeds includes all lash proceeds received including sales proceeds, interest and dividends, net of realized interest expense and FX hedges. Estimated remaining value represents the fair value for investments not yet realized and includes accrued interest, dividends receivable and FX hedges.

Total Value represents the sum of Realized Proceeds and Estimated Remaining Value.

Gross Multiple is derived by taking Total Value divided by Total Invested Cost.

^{6.} Figures for Gross Multiple and Gross IRR include the usage of the capital call facility and/or asset level financing, and the impact of FX hedges.

^{7.} NM is used for those investments whose holding period has been for a short duration.

8. Please refer to the "Summary Fund Information" section for aggregate performance information (i.e. Gross/Net Multiple and Gross/Net IRR) for the Fund.

Totals may not sum due to rounding.

Past performance is not indicative of future results. Please see page 2 of this report for additional information regarding the presentation of performance information.



SOF I Schedule of Investments as of 3/31/2020

Investment Name	Asset Type	Industry	Geography	Initial Investment Date	Realized Date	Initial Investment Cost¹	Realized Proceeds ²	Estimated Remaining Value ³	Total Value'	Gross Multiple s, 6	Gross IRR 6, 7, 8
Partially Realized and Unrealized:											
Asset Investing											
ASAL 30	Structured Yield	Transportation	Europe	Aug-19		10.0	0.3	11.0	11.3	1.13X	26.9%
CLAST	Structured Yield	Transportation	Europe	Dec-18		10.2	3.1	9.2	12.3	1.21X	18.8%
HAC Aviation	Structured Yield	Transportation	United States	Jun-19		3.1	0.7	3.6	4.2	1.36x	58.7%
Location Services	Secured	Commercial & Professional Services	United States	Nov-19		2.2	0.0	2.3	2.3	1.06x	34.8%
McHutchison, Inc. and Vaughan's Horticulture, L.L.C.	Structured Yield	Consumer Discretionary	United States	Mar-20		10.0		10.0	10.0	1.00X	NM
Dislocated Structured Credit/Regulatory Capital											
AAPC Holdings, LLC	Preferred Equity, Options & Swap Agreement	Health Care Equipment & Services	United States	May-19		5.5	0.5	5.6	6.1	1.11X	16.8%
Cion Funding LLC	Structured Yield	Diversified Financials	United States	Oct-19		4.5	0.2	4.0	4.1	0.92x	-15.6%
BCP Great Lakes Holdings LP ⁹	Structured Yield	Diversified Financials	United States	Dec-18		8.1	0.5	8.0	8.5	1.05X	5.1%
Event Driven/Special Situations											
Liberty Bridge Finco	Preferred Equity, Secured	Diversified Financials	United States	Jun-19		14.9	2.8	14.0	16.8	1.13×	15.9%
Radiology Partners	Secured	Health Care Equipment & Services	United States	Mar-20		10.2	1.5	7-9	9.5	o.85x	NM
Acrisure, LLC	Secured	Insurance	United States	Mar-20		12.6	1.2	11.3	12.5	0.99x	NM
PHI, Inc.	Secured	Transportation	United States	Sep-19		9.6	2.4	7-3	9.8	1.05X	11.8%
Private Lending, Mezz & Structured Equity											
Anthem Sports & Ent. Inc.	Secured, Warrants	Media & Entertainment	United States	Sep-19		4.4	0.3	4-4	4.6	1.04X	7.6%
AKAM	Secured	Commercial & Professional Services	United States	Feb-20		0.5	0.0	0.5	0.5	1.01X	NM
CeramTec	Preferred Equity	Capital Goods	Europe	Mar-18		9.2	0.7	12.4	13.1	1.42X	22.6%
Cion	Unsecured	Diversified Financials	United States	Aug-19		7.0	0.1	7-3	7.4	1.06x	9.2%
Electro Rent	Secured	Technology Hardware & Equipment	United States	Nov-17		7.9	2.0	8.0	10.0	1.27X	12.1%
GardaWorld	Unsecured	Commercial & Professional Services	Canada	Oct-19		9.7	12	10.2	10.2	1.05X	13.1%
Getronics	Secured	Software & Services	United States	Aug-18		5.8	0.6	3.3	3-9	0.67x	-28.3%
ldera, Inc.	Secured	Software & Services	United States	Jun-19		7.5	0.6	7.2	7.8	1.06x	8.7%
Institutional Shareholder Services Inc.	Secured	Diversified Financials	United States	Mar-19		7.3	0.8	7.2	8.0	1.10X	10.5%
Keter	Unsecured	Consumer Durables & Apparel	Europe	Aug-18		6.1	1.2	6.7	7-9	1.30X	21.0%
NueHealth Performance, LLC	Unsecured	Health Care Equipment & Services	United States	Aug-18		12.8		16.7	16.7	1.31X	23.6%
Symplr	Preferred Equity	Software & Services	United States	Nov-18		10.1	0.3	11.5	11.8	1.17×	14.2%
Urban One	Secured, Unsecured	Media & Entertainment	United States	Dec-18		5.9	1.7	5.1	6.8	1.16x	13.8%
Total Partially Realized & Unrealized:						s 194.7	\$ 21.6		s 216.1		
. 10									lest/VK		
Additional Unfunded DDTL Commitments 10						2.1		: : :	2.1		
Grand Total						\$ 299.9	\$ 142.1	194.4	\$ 338.7		

Realized proceeds includes all cash proceeds received including sales proceeds, interest and dividends, net of realized interest expense and FX hedges.

Estimated remaining value represents the fair value for investments not yet realized and includes accrued interest, dividends receivable and FX hedges.
Total Value represents the sum of Realized Proceeds and Estimated Remaining Value.

Gross Multiple is derived by taking Total Value divided by Total Invested Cost.

^{6.} Figures for Gross Multiple and Gross IRR include the usage of the capital call facility and/or asset level financing, and the impact of FX hedges.

NM is used for those investments whose holding period has been for a short duration.

^{8.} Please refer to the "Summary Fund Information" section for aggregate performance information (i.e. Gross/Net Multiple and Gross/Net IRR) for the Fund.

^{20.} Delayed draw term loans are shown net of unfunded commitments.

 $Totals \ ray \ not \ sum \ due to \ rounding. Past \ performance is not inducative of future results. \ Please see \ page 2 of this report for \ additional information regarding the \ presentation of performance information.$



SOF II as of 6/1/2020

10	\$54.1 million	3/3	7		
NUMBER OF TOTAL ISSUERS	TOTAL AMOUNT REALIZED	NUMBER OF FULLY/PARTIALLY REALIZED INVESTMENTS ³	NUMBER OF CURRENT ISSUERS		
2020		1.01X	\$80.2 million		
January	\$1 billion	NM	\$145.7 million		
VINTAGE	TARGET FUND SIZE	NET FUND IRR ^{1,2} /MoM ^{1,2}	CUMULATIVE GROSS CAPITAL INVESTED3/ MAX CAPITAL CALLED		
SOF II		as of 6/1/202	20 unless otherwise noted		





^{2.} As of March 31, 2020.

Includes recycling of capital.
 Investment Amounts and Breakouts assume unfunded DDTL commitments are fully funded. All figures are unaudited and subject to material change.



SOF II Schedule of Investments as of 3/31/2020

Investment Name	Asset Type	Industry	Geography	Initial Investment Date	Realized Date	Initial Investment Cost ¹	Realized Proceeds ²	Estimated Remaining Value³		otal alue'	Gross Multiple s 6	Gross IRR 6,7,8
Fully Realized:												
Event Driven												
Charter Communications	Secured	Telecommunication Services	United States	Mar-20	Mar-20	7.:	2 7-	6	-	7.6	1.06×	NM
Total Fully Realized:						\$ 7.	2 \$ 7	6 \$	- \$	7.6	1.06x	NM

Investment Name	Asset Type	Industry	Geography	Initial Investment Date	Realized Date	Initial Investment Cost ¹	Realized Proceeds ²	Estimated Remaining Value ³	Total Value'	Gross Multiple s 6	Gross IRR 6, 7, 8
Partially Realized and Unrealized:											
Event Driven											
Allied Universal	Secured	Commercial & Professional Services	United States	Mar-20		9.	6 -	9.8	9.8	1.03X	NM
Asurion	Secured	Insurance	United States	Mar-20		9	.3 3.8	5.7	9-5	1.03X	NM
Datto	Secured	Software & Services	United States	Mar-20		6	.7 -	6.8	6.8	1.01X	NM
Private Lending & Structured Equity											
Advantage Capital Holdings, LLC	Secured	Insurance	United States	Jan-20		21.	0 0.	1 21.3	21.4	1.02X	14.2%
Total Partially Realized & Unrealized	d:					\$ 46	.7 \$ 4	.0 \$ 43.0	5 \$ 47.6		37
Additional Unfunded DDTL Commitme	nts ⁹					2.	5-3	.ee.	25.	1	
Grand Total						\$ 79).1 \$ 11	.6 \$ 43.	5 \$ 8o.	;	

^{2.} Realized proceeds includes all cash proceeds received including sales proceeds, interest and dividends, net of realized interest expense and FX hedges.

^{3.} Estimated remaining value represents the fair value for investments not yet realized and includes accrued interest, dividends receivable and FX hedges.

^{4.} Total Value represents the sum of Realized Proceeds and Estimated Remaining Value.

^{5.} Gross Multiple is derived by taking Total Value divided by Total Invested Cost.

^{5.} Figures for Gross Multiple and Gross IRR include the usage of the capital call facility and/or asset level financing, and the impact of FX hedges.

7. NM is used for those investments whose holding period has been for a short duration.

8. Please refer to the "Summary Fund Information" section for aggregate performance information (i.e., Gross/Net Multiple and Gross/Net IRR) for the Fund.

9. Delayed draw term loans are shown net of unfunded commitments.

Past performance is not indicative of future results. Please see page 2 of this report for additional information regarding the presentation of performance information.





Fund	BCP Special Opportunities Fund II
Target Size	US\$ 1.0 billion
Investment Period/Term	Investment period of 3 years from final close with 2 one-year extensions Term of 8 years from final close with up to 2 additional one-year extensions
Additional Closings	12 months from initial closing, with 6 month extension
GP Commitment	Minimum of 2% of aggregate capital commitments of unaffiliated LPs
Minimum Commitments	US\$ 5 million
Fund Structure	Private equity format with a draw-down structure
Base Management Fee	1.5% per annum of Invested Capital - Management fee reductions for volume and/or first close investors at the discretion of the manager
Base Carried Interest	20% and a 100% catch-up (with a 6% preferred return)
Management Fee Offset	100% of third party LPs' share of directors, break-up, topping and monitoring fees, net of unreimbursed expenses
Investment Concentration Limit	20% concentration limit in any one investment/portfolio issuer, except for designated bridge investments
Accounting Firm	KPMG
Tax Advisor	PricewaterhouseCoopers LLP
Prime Brokers	Goldman Sachs & Co.
Legal Counsel	Simpson Thacher & Bartlett LLP
Fund Administrator	Citco Fund Administration



Appendix



Investment Committee Biographies

Chairman
Partner
Head, BC Partners Credit

Ted Goldthorpe

21 years experience (founded BC Partners Credit, February 2017)

Prior Experience:

Head of U.S. Opportunistic Credit Platform and Private Originations business at Apollo

President of Apollo Investment Corporation and Chief Investment Officer of Apollo Investment Management

Firm-wide Senior Management Committee

Previously ran bank loan distressed investing desk at Goldman Sachs and head of Principal Capital Investing for the Special Situations Group

Education:

Bachelor of Commerce, Queens University



Managing Director BC Partners Credit

15 years experience (joined BC Partners Credit at inception, February 2017)

Prior Experience:

Partner and founding team member of Wingspan Investment Management

Seven years at Goldman Sachs in the Special Situations Group and Bank Loan Distressed Investing group

Education:

MPhil Economics, Oxford University BSc Economics, University of Warwick



Henry Wang

Managing Director BC Partners Credit

18 years experience (joined BC Partners Credit at inception, February 2017)

Prior Experience:

Partner at Stonerise Capital Partners

Over seven years at Goldman Sachs in the Special Situations Group and Investment Banking Division

Vulcan Capital (investment firm of Microsoft co-founder Paul Allen)

Thomas Weisel Partners

Education:

MBA, Kellogg School of Management at Northwestern University BSBA, Boston University



Raymond Svider

Partner & Chairman BC Partners

28 years experience (28 years at BC Partners)

BCP Roles:

Chairman of BC Partners Executive
Committee

Chairman of Credit and Real Estate Management Committees

Prior Experience:

Wasserstein Perella

Boston Consulting Group

Education:

MBA, University of Chicago

Masters in science engineering, Ecole
Polytechnique

Degree in electrical engineering, Ecole
National Superieure des

Telecommunications



Graeme Dell

Partner & Chief Operating Officer BC Partners

30 years experience (5 years at BC Partners)

BCP Roles:

Member of Executive Committee

Member of Remuneration Committee

Member of Credit and Real Estate Management Committees

Prior Experience:

Group Finance Director at Ashmore Group and Evolution Group

Coopers & Lybrand, Operations and Finance roles at Goldman Sachs and Deutsche Bank

Education:

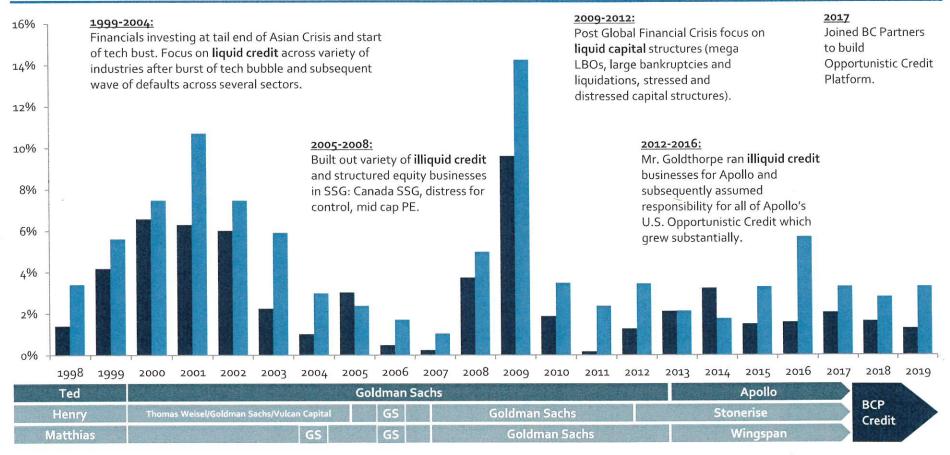
Degree in engineering, economics and management from Oxford University Fellow Chartered Accountant (FCA)



An Experienced Team Who Have Invested Through Market Cycles

The core of the BCP Credit team is Ted Goldthorpe and two partners, Matthias Ederer and Henry Wang, who invested together successfully at Goldman Sachs in the Special Situations Group ("SSG") and the Distressed Investing Group

Default Rates 1998-2019: U.S. Leveraged Loans and High Yield







BCP Credit utilizes complementary sourcing channels to access proprietary investment deals and constantly evaluate risk-reward opportunities

PROPRIETARY

BC Partners Credit Team

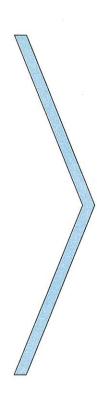
- Proactive outreach based on industry analysis & sector screens
- Weekly idea meetings
- Relationships with sponsors, entrepreneurs & management teams
- Strategic Partnerships
- Other credit firms with complementary strategies

BC Partners Platform

- Fully integrated team of 60+ private equity investment professionals evaluates close to 200 deals annually
- Management teams not looking to sell
- Operating Advisors and C-suite executives at current and former portfolio companies

Industry Contacts

- Financial intermediaries including Investment bankers, capital markets relationships and regional banks
- Consultants
- Law firms
- Accountants



Focus on developing active pipeline of highquality opportunities utilizing proprietary and non-proprietary sourcing and then filtering appropriately to target highest probability of successful execution

Trailing 12 months

~650+ deals sourced

~50% initial diligence

~20% full diligence



Differentiated Ways to Generate Attractive Risk-Adjusted Returns

Value-Added Lending

Value-Added Lending

Path to Liquidity

Market Dislocations

Structure value-added lending opportunities

- BCP Credit's integration with Private Equity allows for a differentiated lending strategy that garners excess return and superior downside protection through leveraging the broader BC Partners platform
- Offering deep industry knowledge, best-in-class operational expertise and access to a large Private Equity network makes BCP Credit a partner offering tangible value beyond just capital provided by traditional lenders
- In return for BCP Credit's value-added initiatives, borrowers are anticipated to offer superior returns (e.g. liquidations preferences), control (e.g. board seats) and protections (e.g. enhanced covenant packages; first loss pieces) thereby enhancing the risk-adjusted returns of LPs in BCP SOF II

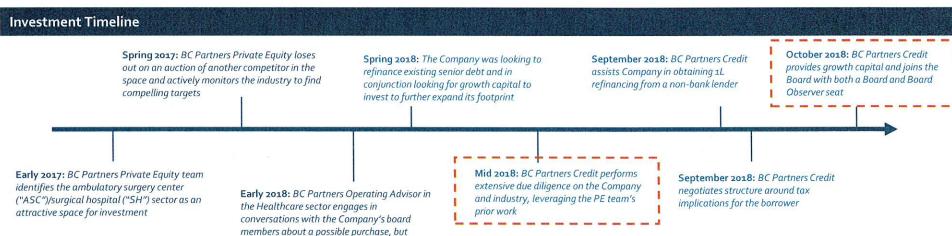


Value-Added Lending Case Study 1: Project Operation

Investment Highlights	
Date of Investment	September 2018
Strategy	Private Lending
Sector	Healthcare
Security	Senior Convertible PIK Note
Maturity	April 2024
Financial Terms	10% PIK plus 1.9x liquidation preference ¹
LTV / Total Leverage	37% / 4.7×
Base Case Target Return (Gross)	21% IRR 2.6x MOIC

Business Description and Investment Thesis

- Project Operation is privately held company which develops, owns, and manages purpose-driven and hyper specialized surgical hospitals and ambulatory surgery centers ("ASCs") with a particular focus on treating muscoskeletal issues.
- The Company is involved with 56 facilities across 21 states and offers expert management with proven benefits to these facilities (14.6% revenue growth at top 15 facilities since 2014).
- The industry benefits from positive tailwinds, with ASCs experiencing continuous care volume growth as
 payors benefit from the lower healthcare costs associated with outpatient facilities while patients enjoy
 equivalent or better critical outcomes and often lower infection rates.
- Additionally, reimbursement rates for ASCs have been increasing 1.0%-2.0% per annum over the last few years and more complex procedures have been added to the ASC payable list.



^{1.} Liquidation preference starts at 1.2x in Year 1 and steps up to 1.9x over time (with quarterly step ups in years 3, 4 and 5)

Notes: Investment of SOF I target return based on expected return to 5 year maturity at time of investment. Target returns are provided for illustrative purposes only and do not reflect any actual performance achieved by the Fund and do not represent guaranteed returns. Any target, estimate or projection has inherent limitations, including that actual market or economic factors, or future assumptions of differ materially from those currently anticipated by BCP Credit. Target returns reflect gross returns and do not reflect deduction of any fees, expenses or carried interest, which are not yet determined and in aggregate are expected to be substantial. The returns would be lower if shown net of fees and expenses. The case studies are presented herein for illustrative purposes and should not be relied upon for investment decision making. This information is being furnished for the sole purpose of providing information about BC Partners. For a list of all investments made by, and detailed gross and net performance of, BC Partners Credit Special Opportunities Fund I managed by BC Partners Credit since its inception, please refer to the slide titled "Schedule of Investments". See also the disclosures in "Importation" at the beginning of this Presentation.

Company founder is reluctant to sell



Value-Added Lending Case Study 2: Project O Canada

Investment Highlights	
Date of Investment	September 2019
Strategy	Private Lending
Sector	TMT
Security	Unitranche Term Loan
Maturity	June 2024
Financial Terms	L+950 (675 cash & 275bps PIK), warrants
LTV/Total Leverage	47% LTV / 3.2x net leverage
Base Case Target Return (Gross) ¹	14.5%-15.0% 1.6-1.7x MOIC
Revenue Composition	

Ad Sales 20% Licensing Revenue 80%

Business Description and Investment Thesis

- BC Partners Credit has been working with the Company to provide acquisition financing to support their
 acquisition of the Target. The Company is acquiring a 60% stake in the Target at a \$100 million EV and
 contributing its existing business to the collateral package.
 - The PF business will combine attractive carrier distribution (via the Target) with proprietary content (via the Company) and operational expertise.
- BC Credit views this opportunity to achieve mid-teens returns at low leverage based on identifiable and achievable synergies that will significantly delever the term loan further through cash generation.
- The Target operates two US cable channels, one with distribution in over 50 million homes and the other with distribution in 18 million homes.
- The Company is a media company based in North America that operates targeted sports specialty
 channels on linear, digital, and mobile platforms.

Sourcing/Structuring

- BCP Credit has had a relationship with the owner of the Company for many years and has been working with them on this acquisition for over a year.
- The Company has partnered with the Target on projects over time and built a relationship with the Sellers. One of the Sellers proposed that the Company acquire the Target and optimize its costs and advertising revenues.
- BCP Credit retains a board seat & board observer seat as well as warrants for 5% ownership in the company.

Current Status

Investment approved and completed.

Notes: Investment of SOF1 target return based on BCP Credit assumptions regarding loss rates and case duration at time of underwrite. Target returns are provided for illustrative purposes only and do not reflect any actual performance achieved by the Fund and do not represent guaranteed returns. Any target, estimate or projection has inherent limitations, including that actual market or economic factors, or future assumptions of BCP Credit may differ materially from those currently anticipated by BCP Credit. Target returns reflect gross returns and do not reflect deduction of any fees, expenses or carried interest, which are not yet determined and in aggregate are expected to be substantial. The returns would be lower if shown net of fees and expenses. The case studies are presented herein for illustrative purposes and should not be relied upon for investment decision making. This information is being furnished for the sole purpose of providing information about BC Partners. For a list of all investments made by, and detailed gross and net performance of, BC Partners Credit Special Opportunities Fund I managed by BC Partners Credit since its inception, please refer to the slide titled "Schedule of Investments". See also the disclosures in "Important Information" at the beginning of this Presentation.



Differentiated Ways to Generate Attractive Risk-Adjusted Returns Path to Liquidity

Value-Added Lending

Path to Liquidity

Market Dislocations

Originate illiquid credit investments and monetize the illiquidity premium by making them liquid

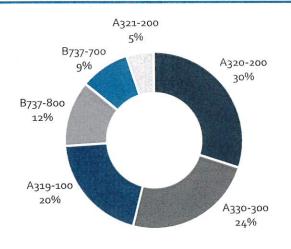
- BCP Credit's long duration capital and private equity-style underwriting lends itself to identifying, underwriting, and capturing the illiquidity premium in credit investments
- Monetizing the illiquidity premium to drive attractive returns by making illiquid credit investments liquid is a core expertise
 of the team and differentiator for BCP's Special Opportunities Fund strategy
- Making illiquid credit investments accessible to a broader universe of credit investors through a variety of techniques (e.g. pursuing private credit ratings, securitizing illiquid credit instruments) allows for a collapsing of the illiquidity premium and a derisking of BCP Credit's investments (e.g. creating our own catalyst)



Path to Liquidity Case Study 1: Project Jordan

Investment Highlights	
Date of Investment	October 2018
Strategy	Asset Investing
Sector	Industrials
Security	Equity Certificate/E-note
Maturity	June 2024
Base Case Target Return (Gross)	15% IRR 1.8x MOIC

Aircraft by Platform



Business Description and Investment Thesis

- In July 2018, BCP Credit was shown the opportunity by Goldman Sachs to purchase a portion of the
 equity in an ABS structure, which owns a diverse pool of 43 liquid mid-life aircraft on lease to 16 lessees
 in 11 different countries.
- As part of the transaction, BCP Credit partnered with a reputable, highly capable global aircraft lessor
 and servicer. The partner's familiarity with the assets provides an analytical edge, and their ability to
 invest in the equity alongside BCP Credit aligns incentives between parties.
- The long-dated lease expiries, staggering of lease maturities, and diversity and quality of the lessee base create a portfolio well-insulated from market volatility.
- All cash flows from the aircraft leases and dispositions are captured into a single pool that is used to pay
 expenses, debt service, and equity dividends. The monthly cash distributions provide BCP Credit with
 current cash payments and de-lever the portfolio significantly through maturity.

Sourcing/Structuring

- BCP Credit sourced the opportunity through the team's strong relationship with Goldman Sachs and the majority equity holder / servicer of the portfolio.
- Members of the BCP Credit team have extensive experience in the aircraft leasing space. BCP Credit has
 a dedicated aircraft investment strategy through which the team has evaluated a number of
 opportunities since inception.

Current Status

- Investment approved and completed.
- After closing, BCP Credit was presented with the opportunity to convert its investment to tradable enotes, which allowed SOFI to realize a favorable return on a portion of its holdings at a higher valuation.

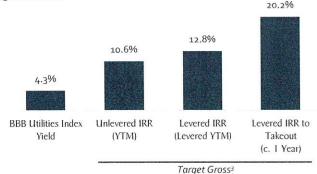


Path to Liquidity Case Study 2: Project Rabbit

Investment Highlights	
Date of Investment	May 2018
Strategy	Asset Investing
Sector	Utilities
Security	Term Loan, Letter of Credit
Maturity	December 2025
Date of Exit	April 2019
Realized Return (Gross) ¹	>100 % IRR 1.2x MOIC

Relative IRR² at Time of Investment

Return of Project Rabbit is driven by cash flows from long-term contracts with counterparties rated BBB or higher (i.e. investment-grade rated)



Business Description and Investment Thesis

- Project Rabbit is a majority owner of a strategically positioned coal generation power plant in Arkansas,
 U.S. with modern, state-of-the-art environmental controls.
- The plant benefits from long-term power purchase agreements until 2040 with high-quality, investment grade counterparties which go 15 years beyond the maturity of the loan.
- Pass-through contracts for fuel and operating costs matching the duration of the long-term power purchase contracts insulate the investment from commodity price volatility.
- An established global investment bank was hired with a plan to rate the asset and to market the investment to yield focused investors which could provide near term upside and making the original investment more liquid. Project Rabbit's return profile and cash flow characteristics tied to investment grade counterparties has sparked interest from investors outside of the US that continue to search for stable, cash yielding investments in the power space.

Sourcing/Structuring

- BCP Credit sourced Project Rabbit as part of a wind-down transaction of a European bad bank portfolio.
 The attractive entry prices of 74.5 (Term Loan) and 70.0 (Letter of Credit) offered strong downside protection and optionality for yield compression driven through re-rating.
- BCP Credit invested alongside the balance sheet capital from the global investment bank running the syndication process described above.

Current Status

 Initial partial realization in July 2018 and final realization in April 2019 for an aggregate gross IRR of >100% / MOIC of 1.2x1.

^{1.} Includes impact from capital call credit facility.

^{2.} BBB Utilities Index Yield as represented by the JP. Morgan US Liquid Index, Utilities Sector, BBB-rated, 7-10 Year Maturity Portfolio Yield as of April 2018.

^{3.} Target return based on expected return to one-year takeout including asset level leverage at time of underwriting.

Notes: Investment of SOF1 target returns are provided for illustrative purposes only and do not reflect any actual performance achieved by the Fund and do not represent guaranteed returns. Any target, estimate or projection has inherent limitations, including that actual market or economic factors, or future assumptions of BCP Credit may differ materially from those currently anticipated by BCP Credit. Target returns and do not reflect deduction of any fees, expenses or carried interest, which are not yet determined and in aggregate are expected to be substantial. The returns would be lower if shown net of fees and expenses. The case studies are presented herein for illustrative purposes and should not be relied upon for investment decision making. This information is being furnished for the sole purpose of providing information about BC Partners. For a list of all investments made by, and detailed gross and net performance of, BC Partners Credit Special Opportunities Fund I managed by BC Partners Credit since its inception, please refer to the slide titled "Schedule of Investments". See also the disclosures in "Important Information" at the beginning of this Presentation.



Differentiated Ways to Generate Attractive Risk-Adjusted Returns Market Dislocations

Value-Added Lending

Path to Liquidity

Market Dislocations

Capitalize on market dislocations through leveraging deep expertise in stressed and distressed credit

- The combination of a SOF's flexible mandate, the team's distressed expertise and real-time sharing of information between BCP Private Equity and Credit ideally positions BCP SOF II to take advantage of market dislocations
- BCP Credit's investment team ran the Distressed Investing Desk at Goldman Sachs giving them best in class distressed credit expertise
- Through the integration with BCP Private Equity and access to its broad PE portfolio, BCP Credit has real-time insight into the economy and the performance of companies with levered capital structures
- Intimate knowledge and experience with bankruptcy process-oriented investments



Market Dislocations

Case Study 1: Project Brian

Investment Highlights	
Date of Investment	June 2018
Strategy	Stressed / Distressed
Sector	Consumer
Security	(i) Term Loan, (ii) Secured Notes, (iii) Unsecured Notes
Financial Terms	(i) L+300, (ii) 5.875% Secured, (iii) 7.125% Unsecured, 8.875% Unsecured
LTV/Total Leverage	Secured: 51% / 6.6x Unsecured: 73% / 9.5x
Date of Exit	July 2019
Realized Return (Gross) ¹	>100% IRR 1.57× MOIC

Business Description and Investment Thesis

- Project Brian is a leading specialty provider of products, services, and solutions for the needs of pets.
- BCP Credit took advantage of the price volatility in the debt instruments of Project Brian to acquire debt at significant discounts.
 - A combination of market volatility and uncertainty around the earnings trajectory of Project Brian saw prices of its debt instruments trade to distressed levels in 2018.
 - Over a period of five months BCP Credit opportunistically acquired secured debt at an average price of 8oc and unsecured debt for an average price of 61c.
- A series of positive catalysts including continued EBITDA stability at Project Brian, the successful IPO of the Company's e-commerce platform, as well as the subsequent credit ratings upgrade of the Company in June 2019 saw debt prices rebound allowing for a near-par monetization of the debt position.
- In June and July 2019, BC Partners Credit sold its entire position in the secured and unsecured debt at average prices of 97c and 94c, respectively, resulting in a gross MOIC of 1.57x, and a gross IRR of >100%. 1

Historical Trading



Sourcing/Structuring

BCP Credit sourced Project Brian as part of its relationship with BCP Private Equity.

Current Status

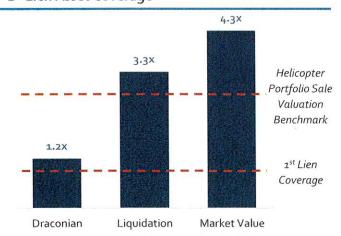
Final realization in July 2019 for an aggregate gross return of >100% / 1.57x.¹

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Market Dislocations Case Study 2: Project Chopper

Investment Highlights	
Date of Investment	September 2019
Strategy	Event Driven / Special Situations
Sector	Industrials
Security	1 st Lien Senior Secured Term Loan
Maturity	September 2024
Financial Terms	L+700 @ 98.0
LTV/Asset Coverage	15.7% / 4.3×
Base Case Target Return (Gross)	Unlevered: 10.6% / 1.2x MOIC Levered: 21.9% / 1.4x MOIC
1st Lien Asset Coverage	



Business Description and Investment Thesis

- The Company is a global provider of helicopter transportation services to the air medical and oil and gas industries, with a fleet of 213 aircraft, predominantly in established jurisdictions.
- Amid the prolonged cyclical downturn in oil and gas and an impending maturity of their Unsecured Notes, the Company filed for Chapter 11 bankruptcy.
- To refinance the existing debt and provide additional liquidity following emergence from bankruptcy, the Company sought a 1st Lien Term Loan levered through 2.35x net leverage.
- The 1st Lien Term Loan's collateral package (213 helicopters) is valued at \$734m under a liquidation scenario by a reputable appraisal firm; implying 3.3x asset coverage.
- BCP Credit constructed a draconian asset value scenario after numerous expert calls around the valuation of various helicopter models in the collateral portfolio – 1st Lien remained >1.0x covered (excl. underlying strategic business value).

Sourcing/Structuring

- BCP Credit, through a relationship with another lender and a law firm around the case, previously underwrote the financing facility that effectively served as the DIP financing
- BCP Credit leveraged its expertise from the previous underwrite to participate in the 1st Lien Term Loan Exit Financing that was brought to market in June.
- 1st Lien Term Loan has a minimum liquidity covenant and restrictions on debt incurrence and restricted payments. Through direct conversations with the underwriter, BCP Credit negotiated the asset sale provision where if the air medical segment is sold, 50% of the net proceeds must be used to pay down debt at par.

Current Status

Investment approved and completed.



Illiquidity Premium

Special Opportunities Strategy is structured to capture a meaningful illiquidity premium

Opportunity	Completed Deal Example	Illiquid Yield ¹	Comparable Liquid Yield ²	Difference
Asset Investing	Project Rabbit	10.6%	4.3% BBB Utilities Index	630 bps
	Project Jordan	13.3%	6.4% ABS Index	690 bps
Private Lending & Structured Equity	Project Walkman Project O Canada	13.7% 15.0%	6.4% Leveraged Loan Index	570 – 860 bps
	Project Operation Project White	21.0% 16.0%	11.8% CCC Index	420 – 920 bps

^{1.} Illiquid Yield represented by the gross target return estimated by BCP Credit at time of underwrite. Project Rabbit based on expected return to one-year takeout including asset level leverage. Project Jordan based on BCP Credit assumptions at time of investment regarding residual values, re-lease rates and maintenance costs if held to anticipated refinancing date of June 2024. Project Walkman based on blended expected return to maturity. Project Transformers based on expected return to maturity including BCP Credit assumptions regarding equity value. Project Operation based on expected return if held to maturity. Project White based on BCP Credit assumptions regarding exit multiple assuming investment duration of 36 months. Target returns reflect gross returns and do not reflect deduction of any fees, expenses or carried interest, which are not yet determined and in aggregate are expected to be substantial. The returns would be lower if shown net of fees and expenses.

Comparable Liquid Yield represented by Current Yield of reference index at time of investment of completed deal example. BBB Utilities Index Yield as represented by the JP. Morgan US Liquid Index, Utilities Sector, BBB-rated, 7-10 Year Maturity Portfolio Yield as of April 2018. ABS Index as represented by the J.P. Morgan US Liquid Index, Utilities Sector, BBB-rated, 7-10 Year Maturity Portfolio Yield as of represented by the J.P. Morgan Developed Market HY CCC/Split CCC Yield to Worst as of November 2018. Leveraged Loan Index as represented by the J.P. Morgan Developed Market HY CCC/Split CCC Yield to Worst as of November 2018.



Investment Process

BC Partners Credit follows a robust investment process with the Investment Committee as the ultimate decision maker



Typically 1 to 3-month process

Sourcing

- BC Partners Credit relationships
- BC Partners Platform
- Strategic Relationships

Screening

- Industry
- Deal terms

Initial Diligence:

- High-level credit analysis and actionability
- Business model overview and analysis
- Risks and diligence questions raised
- Preliminary deal terms and structuring
- Create consensus on diligence path through inperson credit meeting

Full Diligence:

- Detailed fundamental credit analysis focused on credit support, downside protection, and downside performance scenarios
- Absolute and relative risk/return assessment
- Investment structuring/covenant package
- Standardized investment memo

Post-Close:

- Quarterly full portfolio reviews
- Active dialogue with company
- Frequent risk-reward assessments
- Covenant package compliance
- Portfolio company valueadd initiatives



Consistent Corporate Underwriting Investment Process

BCP Credit applies consistent corporate underwriting across opportunities and provides a differentiated approach from sourcing to execution





Consistent Corporate Underwriting



Value-Added Lending

- BCP PE Platform Diligence
- Global Senior Advisor Network

At Entry

- Sector Expertise & Knowledge Repository
- Senior Management Executives, Lawyers

- Loan-to-Value
- Business Diligence
- Competitive Analysis
 Customer Value
- Unit Economics
- Business Model

- Capital Expenditure
- Counter-party Risk
- Customer Value Proposition
- Customer Diligence

- BC Operations Team
- Strategic Initiatives
- Sales & Marketing Support
- Supply Chain Expertise
- Board of Directors Support

Liquid

Dislocated markets
Hard catalyst
Anchor backstop
Quick lender feedback
Committee representation

Illiquid

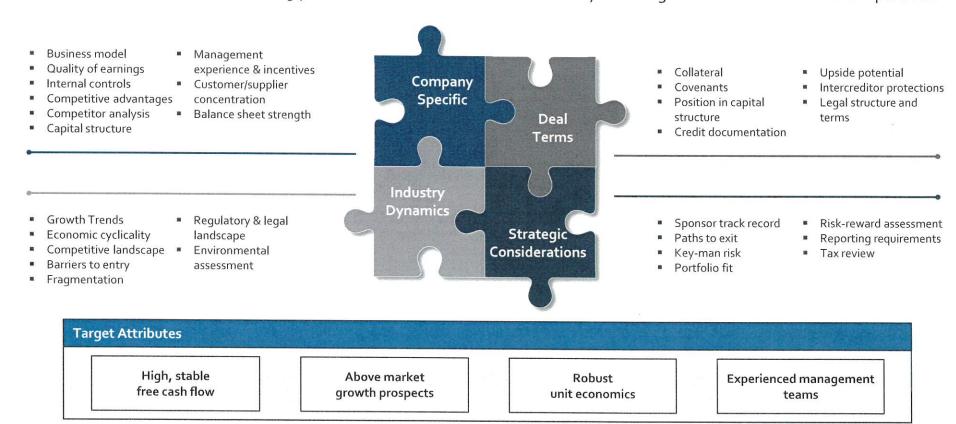
Creative capital solutions
Custom documentation
Financial covenants
Unique structural
protections
Asset coverage



Underwriting Overview

BC Partners Credit team completes rigorous financial analysis and deep credit underwriting on potential investments with an emphasis on the preservation of capital and downside protection

• We believe our underwriting process is differentiated & enhanced by full integration with the BC Partners platform

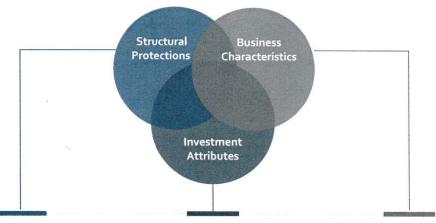




Focus on Preservation of Capital

Our investment process is focused on identifying opportunities with a unique combination of structural protections, investment attributes and business characteristics collectively aimed at the preservation

of capital



Structural Protections

- Covenants
- Asset Liens
- Parent Guarantee
- Liquidation Preference
- Change of Control provision
- Call Protection
- Structured Return
- Excess Cash Flow Sweep
- Scheduled Amortization

Investment Attributes

- Contracted Cash Coupon
- Seniority
- Asset Coverage
- Equity Cushion
- Attractive Entry Point
- Board Seats or
 Observation Rights
- Multiple Exit Options

Business Characteristics

- Predictable Revenue Streams
- Strong Cash Flow Generation
- Distinct Competitive Advantage
- Favorable Industry Trends
- Commodity Hedging Transactions
- Experienced & Incentivized
 Management Team

Project O Canada

- ✓ Long-term licensing agreements that are 3-5 years in length
 ✓ Significant synergy opportunities which have the opportunity to
 - double EBITDA within the first two years
- ✓ Enterprise value coverage (47% LTV through our term loan)
- ✓ Strong cash flow generation
- ✓ Strong call protection: MW, 104, 103, 100
- ✓ Board and Board Observer Seat

Project Operation

- ✓ Liquidation Preference stepping up to 1.9x in Year 5 + 10% PIK
- ✓ Board and Board Observer Seat
- Approval rights on affiliate transactions, dividend payments, permitted acquisitions above certain thresholds, incremental indebtedness above certain threshold, management changes, dispositions or material contracts above certain thresholds

Project Walkman

- ✓ Strong Call Protection: 103/101/100
- ✓ Mandatory Amortization and Free Cash Flow Sweep
- ✓ Excess Collateral Value attributable to Loan
- Financial Covenants: Gross Total Leverage w/ Step Downs
- Management bonuses tied to deleveraging

Project Chapman

- ✓ Strong asset coverage with a low single digit LTV %
- ✓ Nascent, countercyclical repossession market with less sophisticated competition
- Borrowing base is capped at 65% of eligible receivables and all asset sales must pay down loan if not reinvested



BC Partners has the ability to effectively deploy incremental capital from existing deal flow BC Partners deal flow results in meaningful opportunity for incremental investment and co-investment

SOF I Ability to Scale

(\$ in millions)

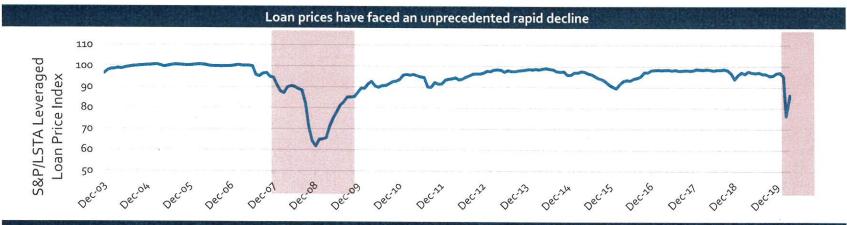
	Investment Amount ¹	Max Capacity Available ²	Scalable?
Aston	10.2	31	✓
Bears	9.7	399	✓
Biogold	5.5	20	✓
Brian	11	809	✓
hapman	1.9	9	✓
Chopper	9.5	45	✓
Ooha	10	58	✓
Dr. No	9.9	50	✓
ls	5.7	45	✓
atCat	4.4	50	✓
leet	7.9	54	✓
HAC (Isabella & Tubbs)	3.1	25	✓
lamilton	2.1	62	✓
Hulk	9.5	150	✓
con	7.3	50	√
ordan	10.2	44	✓
_ion	7	10	✓
Moon	6.6	483	✓
Navigator	8.5	56	√
O Canada	4.9	57	······✓
Operation	12.7	81	✓
Rabbit	14.8	222	✓
Robot	7.4	50	✓
Saint	8.9	26	✓
Scope	7.7	43	✓
Solo	8. ₇	163	✓
Fornado	4	450	✓
Transformers	4.9	125	✓
Jpcode	5.5	31	✓
Vinny		65	✓
Walkman	14.9	120	√
Waterbed	5.9 1.8		·······
White	9.7	525 83	

^{1.} Investment Amount assumes unfunded DDTL commitments are fully funded

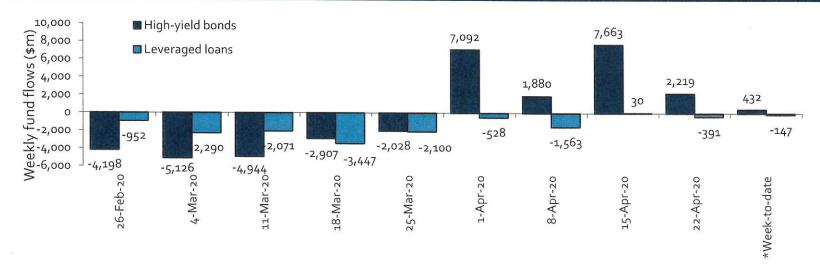
^{2.} Max Capacity Available for liquid securities represented by Tranche Size



COVID-19 – Market Impact

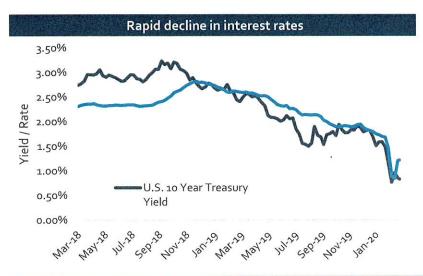


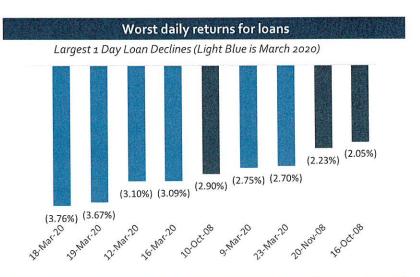
Strong outflows persist in Leveraged Loans while HY flows remain volatile





COVID-19 – Market Impact

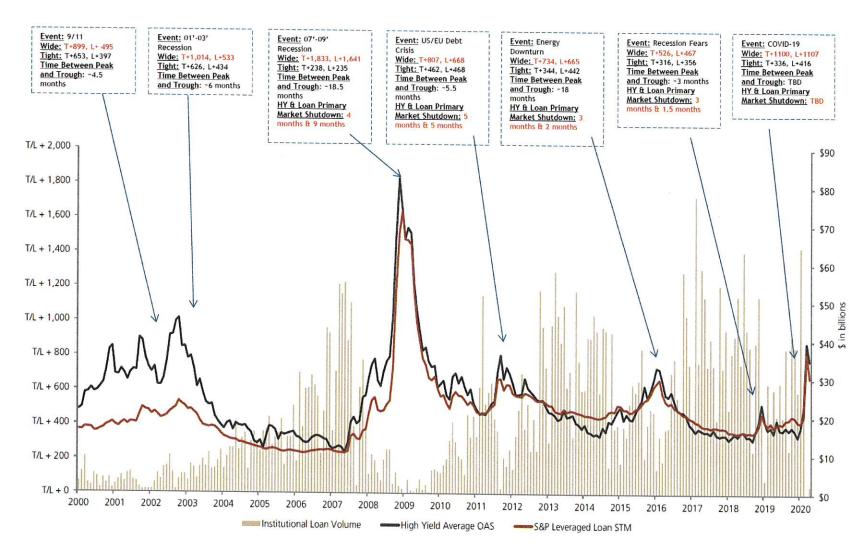








Leveraged Finance Market Volatility Events (2000-2020)



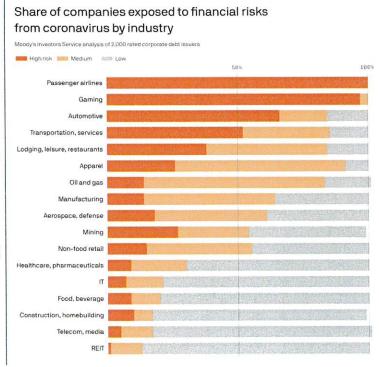


Dislocation in Prices Created an Attractive Opportunity

As volatility in liquid credit markets has picked up over the last 2 weeks due the combination of the coronavirus pandemic and the dramatic drop in oil prices, the credit team has dedicated significant resources to opportunities in the secondary trading credit market.

As credit spreads have widened BCP Credit Team identified 3 buckets of opportunities:

- Safe, strong downside protected 1st lien senior secured risk in "coronavirus- and oil-isolated areas" where we have deep sector knowledge that have seen price declines due to overall market volatility. This is the area where BCP Credit has dedicated by far most of their resources and began deploying capital in this segment in March.
- 2 1st lien senior secured risk in "irreplaceable businesses" that have strong liquidity but are temporarily impacted by the coronavirus pandemic. BCP Credit has analyzed, reviewed and screened credits in this segment, but has yet to deploy capital.
- 3 1st lien senior secured risk in industries that are directly impacted by the coronavirus pandemic and/or oil price decline. BCP Credit continues to actively monitor these opportunities but has yet to make any investments.





Changes in Regulatory Environment

- Significant impact on capital markets as regulatory regimes focus on reducing systemic financial market risk post-2008-2009 crisis
- Resulting retreat of traditional sources of capital from leveraged credit markets leaves opportunity for institutional investors to fill void
- Low interest rates resulting from central bank monetary policies have left fixed income investors seeking yield

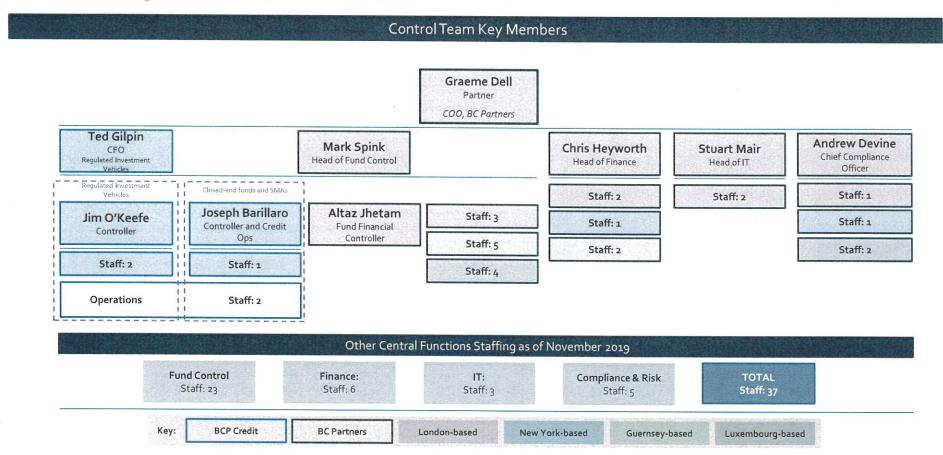
Regulations Impacting Capital Markets in North America and Europe

		10 * 1	
	Basel III (2014-2019 phasing in)	International set of regulatory capital standards which seeks to limit ability of banks to take risk in order to promote stability in international financial system	Introduced tighter capital requirements based on type and risk level of regulatory capital (type 1, type 2, etc.) Capital surcharge on banks deemed systemically important
	Volcker Rule (finalized 2013, implemented 2015)	Part of the Dodd-Frank Act; a U.S. rule prohibiting banks from conducting certain investment activities with their own accounts and limiting bank ownership of "covered funds" (i.e., hedge funds and private equity funds)	Banks cannot engage in certain investing activities if doing so would create a material conflict of interest or expose the institution to highrisk assets or trading strategies Investment in covered funds limited to 3% of a bank's tier 1 capital and must be below 3% of total commitments to a covered fund
	Leveraged Lending Guidance (effective 2013, updated guidance through 2014)	Provided by the Office of the Comptroller of the Currency ("OCC") in the U.S.; defines "leveraged loans" and sets minimum lending standards	Leveraged lending defined as in excess of 3.1x senior debt/EBITDA or 4.1x total debt/EBITDA Loans with leverage over 6.0x face higher regulatory scrutiny as do covenant-lite and PIK-toggle structures



BCP Credit Other Central Functions

BC Partners Credit has dedicated professionals integrated with the broader BC Partners Support team in order to leverage the firm's full Central Functions infrastructure





Risk Management and Operations

Risk Management

Investment Risk

Operational Risk

Portfolio Level

Investment Level

Full quarterly reviews

- Concentration limits
- Continuous assessment of fund level risk-reward profile
- Internal proprietary risk management tools
- Continuous stress testing analysis
- Comprehensive scenario sensitivities

Deep fundamental research at entry + ongoing review during hold periods

- Risk mitigation through asset selection and investment sizing
- Ongoing and active dialogue with company management and industry experts
- Liquidity considerations
- Stress scenarios
- Idiosyncratic hedging

Reconciliations to the administrator, prime brokers, and counterparties

- Documented policies and procedures
- Integrated compliance and trading platform
- Pre- and post-trade allocation oversight by investment committee and compliance
- Valuation committee
- Pro-active approach to mitigating operational risks
- Annual review of vendors, policies and procedures



Risk Factors and Potential Conflicts of Interest



Risk Factors and Potential Conflicts of Interest

Potential investors should be aware that an investment in the Fund is speculative and involves a high degree of risk, and is suitable only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of an investment in the Fund and for which the Fund does not represent a complete investment program. An investment should only be considered by persons who can afford a loss of their entire investment. The following is a summary of only certain considerations and is qualified in its entirety by the more detailed risks and conflicts in the Fund's PPM. Investors are urged to consult with their own tax and legal advisors about the implications of investing in the Fund. Fees and expenses can be expected to reduce the Fund's return.

General Risks. BC Partners cannot provide assurance that it will be able to choose, make and realize investments in any particular company or portfolio of companies. There is no assurance that the Fund will be able to generate returns for the investors or that returns will be commensurate with the risks of investing in the type of companies and investments in which the Fund may invest, An investment in the Fund should only be considered by persons who can afford a loss of their entire investment. There can be no assurance that the Fund's investment objective will be achieved or that investors will receive a return of their capital.

Limited Operating History. Although the investment professionals of the general partner and the Advisor have substantial credit-oriented investment experience generally, the Fund and the general partner are recently formed entities with limited operating history upon which to evaluate the Fund's likely performance. Accordingly, there can be no assurances that the investment team will be able to implement the Fund's investment objectives, find investments that fit the Fund's investment criteria or avoid substantial losses. The past performance of the investment team and/or BC Partners' investment activities generally is not a reliable indicator of the future performance of the Fund and there can be no assurance that similar results will be achieved.

Flexible Opportunistic Credit-Oriented Strategy. While the Fund is expected to seek to make credit-oriented investments on an opportunistic basis utilizing a variety of investment techniques and structures, the Advisor will implement on behalf of the Fund whatever strategies or discretionary approaches it believes from time to time may be best suited to prevailing credit market conditions in furtherance of that purpose, subject to the limitations set forth in the Partnership Agreement. There can be no assurance that the Advisor will be successful in implementing any particular aspect of the Fund's credit-oriented opportunistic investment strategies may evolve over time and/or involve risks that are not described in this Presentation, which could prove substantial and impact the Fund's investment program.

Diversification. The Fund will make a limited number of investments and, as a consequence, to the extent the Fund concentrates Investments in a particular issuer, security or geographic region, its Investments will become more susceptible to fluctuations in value resulting from adverse economic or business conditions affecting that particular issuer or region.

Targeted Returns. The Fund will make investments based on BC Partners' estimates or projections of internal rates of return. There can be no assurance that actual internal rates of return will equal or exceed BC Partners' expectations.

Competition. The activity of identifying, completing, and realizing attractive investments is highly competitive, and involves a high degree of uncertainty.

Limited Current Return. Although investments by the Fund are generally expected to generate some current income, the return of capital and the realization of gains, if any, may occur only upon the partial or complete loan payoff or refinancing.

Illiquidity; Transfer Restrictions. Interests in the Fund are highly illiquid and subject to restrictions on transfer.

No Right to Control the Fund's Operations. The Fund will be managed exclusively by the general partner and the Advisor of the Fund. Limited partners will not make decisions with respect to the management, disposition or other realization of any investment, except for limited circumstances set forth in the Partnership Agreement.

Failure to Make Capital Contributions. If an investor fails to pay when due installments of its Capital Commitment to the Fund or any amount otherwise due under the Partnership Agreement, it may be subject to various remedies as provided in the Partnership Agreement. A default by an investor may also subject the Fund to significant penalties that could materially adversely affect the returns to the investors and/or limit the Fund's availability to incur borrowings. The general partner may, subject to certain limitations, require an additional funding of capital contributions from the non-defaulting investors to fund the shortfall caused by the defaulting investors for by the defaulting investors to fund the shortfall caused by the defaulting investors for such as a fundamental funding and the fundamental fundam

Financial Leverage. The Fund expects to utilize substantial leverage as part of its investment program. The use of leverage involves a high degree of financial risk and will increase the exposure of the Investments to adverse economic factors such as rising interest rates, downturns in the economy or further deteriorations in the credit markets generally. Although borrowings by the Fund have the potential to enhance overall returns that exceed the Fund's cost of funds, they will further diminish returns (or increase losses on capital) to the extent overall returns are less than the Fund's cost of funds.

Hedging Activity. The Fund may utilize a wide variety of derivative financial instruments for risk management purposes. The successful utilization of hedging and risk management transactions requires skills that are separate from the skills used in selecting and monitoring investments, and such transactions may entail greater than ordinary investment risks. Costs related to hedging arrangements will be borne by the Fund and there can be no assurance that any such hedging transactions will be effective in mitigating risk, which may result in losses to the Fund.

Foreign Investments. Investments in foreign countries may involve a number of risks, including the risk of adverse political developments such as nationalization, confiscation without fair compensation or war, and the risk of regulations which might prevent the implementation of cost cutting or other operational improvements. In addition, the risks associated with investments in foreign countries that are "emerging markets" are generally more heightened.

Indemnification. Under certain circumstances, the Fund may be required to indemnify its general partner, the Advisor, other members of BC Partners and their respective shareholders, contractors, employees, agents and affiliates, and any member of any advisory committee(s), for any loss or damage incurred by such person in connection with its activities in relation to the Fund. This could have an adverse effect on the returns to the limited partners.

Absence of Regulatory Oversight. The Fund is not and will not be registered as an investment company and, accordingly, the provisions of the Investment Company Act of 1940, as amended, will not be applicable to an investment in the Fund.

Tax Considerations and Regulatory Matters. Prospective investors are strongly urged to carefully read the Fund's PPM which discusses tax considerations and to discuss these matters with their own tax advisers.

Access to Non-Public Information. As a result of the Advisor's relationship with BC Partners, the Advisor may come into possession of material non-public information with respect to issuers in which BC Partners has, or may be considering making, an investment. As a result, the Advisor may be precluded from trading in the securities of those issuers. Information is expected to be shared between the general partner, the Fund and other BC Partners affiliates, subject to compliance with applicable law and regulation regarding the sharing of information and BC Partners' policies and procedures related thereto. The sharing (or possession) of such information may, in certain circumstances, restrict the activities of the Fund. There can be no assurance that a violation of such policies and procedures will not occur and, in the event any unlawful trading was to occur, the Fund, the Advisor, and their affiliates could be exposed to liability.



Risk Factors and Potential Conflicts of Interest (Cont.)

Potential Conflicts of Interests. Prospective investors are urged to read the PPM which describes certain conflicts of interest between the general partner, the Advisor and BC Partners on the one hand and the Fund and its limited partners on the other. These conflicts include various potential and actual conflicts of interest that may arise as a result of the investment activities of the Fund, the BCP Credit platform, the general partner, the Advisor and their affiliates. In addition, conflicts of interest may arise in connection with the allocation of investment opportunities between the Fund and certain investment vehicles eligible to invest alongside the Fund in such investments.

BCP Credit Platform; Adjacent Vehicles. It is anticipated that the Fund will be part of a broader BC Partners opportunistic credit-oriented investment platform, the BCP Credit platform, which will seek to provide investors with exposure to credit-oriented investments on an opportunistic basis utilizing a variety of credit investing strategies, the BC Partners Opportunistic Credit-Oriented Investment Strategy. BC Partners vehicles and/or accounts that are managed by 6F Partners each, a "BC Partners Vehicles" (lincluding other private funds, investment vehicles and/or accounts that are managed by 6F Partners Vehicles funds-of-one and/or separately managed accounts for the benefit of one or more investors) that seek to provide funds, investment strategy to the Fund and that are part of the broader BCP Credit Platform (including, without limitation, the Evergreen Credit Fund, SOF I and the evergreen credit fund related to BCP SOF I, but excluding any co-investment vehicles) (the "Adjacent Vehicles"). For any investments that fall within the investment objectives of the Fund and any Adjacent Vehicles for established), such investments will generally be allocated on a fair and reasonable basis as described in more detailed in the PPM. In addition, the Fund may from time to time participate in investments in or relating to portfolio entities in which Adjacent Vehicles or Other BC Partners Vehicles already have an investment (or vice versa), and any successor fund of the Fund may also participate in investments being subject to dilution and may give rise to other significant risks and conflicts of interests and there can be no assurance that the Fund will not be adversely affected by such arrangements.

Data. BC Partners receives or obtains various kinds of data and information from the Fund, Other BC Partners Vehicles and their Portfolio Entities, including data and information relating to business operations, trends, budgets, customers and other metrics, some of which is sometimes referred to as "big data". Although BC Partners believes that these activities improve BC Partners' investment management activities on behalf of the Fund and Other BC Partners Vehicles, information obtained from the Fund and its Portfolio Entities also provides material benefits to BC Partners Vehicles without compensation or other benefit accruing to the Fund or investors. Furthermore, except for contractual obligations to third parties to maintain confidentiality of certain information, and regulatory limitations on the use of material nonpublic information, BC Partners is generally free to use data and information from the Fund's activities to assist in the pursuit of BC Partners' various other activities, including to trade for the benefit of BC Partners or an Other BC Partners vehicle. Any confidentiality obligations in the Fund Agreement do not limit BC Partners' ability to do so. The sharing and use of "big data" and other information presents potential conflicts of interest and the investors acknowledge and agree that when the Fund or investors. As a result, BC Partners has an incentive to pursue Investments that have data and information that can be utilized in a manner that benefits BC Partners Vehicles.



This presentation (the "Presentation") is being furnished to specific sophisticated investors and institutions at their request, on a confidential basis and for the sole purpose of providing information about BC Partners and BC Partners Credit and prospective investment opportunities as further described herein. Your acceptance of this Presentation from BC Partners constitutes your agreement to (i) keep confidential all the information contained in this Presentation, as well as all information derived by you from the information contained herein and inthe documents referred to herein (collectively, "Confidential Information") and not disclose any such Confidential Information to any other person, (ii) not use any of the Confidential Information for any purpose other than to evaluate an investment in the Fund (including not trading in any security on the basis of such Confidential Information), and (iii) promptly return this document and any copies hereof to BC Partners upon B "Advisor") or BC Partners, then it is not intended to be read by you and the copy should be destroyed.

This Presentation is not, and under no circumstances is it to be construed as, a prospectus or an advertisement and the communication of this Presentation is not, and under no circumstances is it to be construed as, an offer to sell or a solicitation of an offer to purchase an Interest in BCP Special Opportunities Fund II LP, a Cayman Islands exempted limited partnership (together with its related entities, the "Fund" or "SOF II"). No reliance should be placed upon the contents of this Presentation by any person who may subsequently decide to apply to acquire limited partnership interests in a Fund. Any offering of interests in a Fund may be subject to the receipt of regulatory approvals invarious jurisdictions and any prospective investor who subsequently acquires interests in a Fund must rely on the final private placement memorandum to be issued in respect of such Fund (the "PPM") and the final form limited in the final fopartnership agreement(s) (the "Partnership Agreement") and other legal documents constituting such Fund (together the "Fund Documentation") which alone will form the basis of any subscriptions to the Fund. In the case of any discrepancy between the contents of this Presentation and any Fund Documentation, Fund Documentation shall prevail.

All track record data in this Presentation is as of 31 March 2020 and all other information and statements are stated as at 31 March 2020 unless, in each case, otherwise indicated. Under no circumstances, should a recipient of this Presentation assume that such information has been compiled as of any time subsequent to such date. Certain information contained in this Presentation may have been obtained from published sources prepared by other parties. Such information is believed to be reliable, but has not been independently verified or audited. None vehicles, "SOFI") is not the performance of the Fund and is not an indication of how the Fund would have performed in the past or will perform in the future. Similarly, there can be no of the Manager, any of the other BC Partners entities, their associates or any of their respective directors, officers, employees, partners, members, agents, professional advisers, representatives or consultants (the "BC Partners Parties"): (i) makes any representation, warranty or guarantee, express or implied, as to the fairness, accuracy, completeness, reliability, reasonableness or currency of the information contained in this Presentation, or (ii) undertakes to provide any additional information or statements—future performance of the Fund. This information is provided solely to illustrate BC Partners' investment experience, processes and strategies used by BC Partners in the past with respect to (including, but not limited to, forward looking statements) in this Presentation which it becomes aware were incorrect or incomplete at the date of this Presentation, or which subsequently, other investment funds become incorrect or incomplete, due to any subsequent event or as a result of new information, future developments or otherwise. No representative of the Manager or BC Partners has authority to represent otherwise. To the maximum extent permitted by law, none of the BC Partners Parties will be responsible or liable what so ever with respect to any use or reliance by any The performance of any indices listed herein has not necessarily been selected to represent the most appropriate benchmark to compare to the performance of the relevant BC Partners. person upon any of the information contained in this Presentation (other than with respect to fraud on the part of such BC Partners Party).

the Fund and as to legal, tax, financial, and other relevant matters.

Due to various known and unknown risks and uncertainties, actual events or results or the actual performance or valuation of investments may differ materially from those reflected or contemplated in this Presentation. In particular, there can be no assurance that unrealized investments will be realized at the valuations shown. The valuations of unrealized BC Partners (private equity platform) investments are prepared in line with International Private Equity and Venture Capital Valuation quidelines and, unless otherwise indicated, have not been audited. Actual realized returns will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs, and the timing and manner of any sale, all of which may differ from the assumptions contained herein.

In reviewing any past performance information contained herein, recipients should bear in mind that past performance is not necessarily indicative of future performance. Any forward looking statements, results, opinions, valuations, or projections contained herein are based upon current assumptions and BC Partners' own assessment and interpretation of information and opinions are projections as the projection of the projecavailable to it as at the date of this Presentation, may be simplified, may depend upon events outside of BC Partners' control, and are subject to change without notice. Other events, whichwere not taken into account, may occur and may have a material adverse impact on any statements, results, opinions, valuations or projections. Actual results may therefore be materially different from any statement, result, opinion, projection or valuation contained herein.

Statements contained herein (including those relating to current and future market conditions and trends in respect thereof) that are not historical facts are based on current expectations, and the properties of the propertiesestimates, forecasts, opinions and beliefs, and may constitute "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," will," "should," "expect," "anticipate," "target," estimate," "intend," continue," or "believe," or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance may differ materially from those reflected or contemplated in such forward-looking statements. Prospective investors should pay close attention to the assumptions underlying the analyses and forecasts contained in this Presentation. The analyses and forecasts contained in this Presentation are based on assumptions believed to be reasonable in light of the information presently available. Such assumptions (and the resulting analyses and forecasts) may require modification as additional analyses. The resulting analyses are forecasts and forecasts are required to be reasonable in light of the information presently available. Such assumptions (and the resulting analyses and forecasts) may require modification as additional analysis and the resulting analyses and forecasts are required to be reasonable in light of the information presently available. Such assumptions (and the resulting analyses and forecasts) may require modification as additional analysis and the resulting analysis and forecasts are required to the resulting analysis and the resulting analysis and the resulting analysis and the resulting analysis and forecasts are required to the resulting analysis and the resulting analysis and the resulting analysis are required to the resulting analysis and the resulting analysis are required to the resulting analysis and the resulting analysis are required to the resulting analysis and the resulting analysis are required to the resulting analysis and the resulting analysis are required to the resulting analysis are required to the resulting analysis and resulting analysis are required to the resulting analysis and resulting analysis are required to the resulting analysis and resulting analysis are required to the resulting analysis are required to the resulting analysis and resulting analysis are required to the resulting analysis and resulting analysis are required to the resulting analysis and resulting analysis are required to the resulting analysis and required to the resulting analysis are required to the resulting analysis are required to the resulting analysis and required to the resulting analysis are required to the resulting analysis and required to the resulting analysis are required to the resulting analysis and required to the resulting analysis are required to the resulting analysis and requirinformation becomes available and as economic and market developments warrant. Any such modification could be either favorable or adverse. Nothing contained in this Presentation may be relied upon as a guarantee, promise, assurance or a representation as to the future.

Unless otherwise indicated, all internal rates of return ("IRR") and multiples of invested capital ("MOIC") are presented on a "gross" basis and are calculated on the basis of cash flows to and from all partners, but disregarding the payment by limited partners (or, in the case of unrealized investments, accrual) of carried interest, fees (including management fees), expenses and taxes borne by limited partners (whether actually paid or, including in respect of carried interest on unrealized investments, accrued), which will reduce returns and, in the aggregate, are expected to be substantial. Generally, where the fund borrows on a temporary basis prior to calling capital, if calculations of IRR at the fund level used the dates of each investment rather than the dates capital contributions were used to make each investment, then the IRR would be lower since the calculation would incorporate longer periods of time. Due to the current short holding period for the investments held by BCP Special Opportunities Fund ILP, a Cayman Islands exempted limited partnership (together with any Parallel Funds, Feeder Vehicles and Investments and InvestmeAlternative Investment Vehicles (each as defined herein) ("SOFI"), Gross and Net IRR figures are likely less meaningful than were they to be held for longer periods. A description of any fees, "carried interest" and expenses applicable in respect of any limited partnership or other investment vehicle comprising a Fund will be detailed in such Fund Documentation and Part II of Form ADV maintained by the Advisor, a copy of which will be furnished to each investor prior to its admission to the Partnership.

As used in this Presentation, and unless otherwise indicated, "Gross IRR" and "Net IRR" shall mean an aggregate, compound, annual, gross or net, as applicable, internal rate of return on investments. Gross IRRs and Net IRRs are based on daily cash flows.

Investors should note that the carried interest, management fee and expense terms of the Fund may differ from those of any of the funds presented and, depending on the circumstances, and the funds presented and depending on the circumstances. The funds presented and depending on the circumstances are the funds presented and depending on the circumstances. The funds presented and depending on the circumstances are the funds presented and depending on the circumstances. The funds presented and depending on the circumstances are the funds presented and depending on the circumstances are the funds presented and depending on the circumstances are the funds presented and depending on the circumstances are the funds presented and depending on the circumstances are the funds presented and depending on the circumstances are the funds presented and depending on the circumstances are the funds presented and depending on the circumstances are the funds presented and depending on the circumstances are the funds presented and depending on the circumstances are the funds presented and depending on the circumstances are the funds presented and depending on the circumstances are the funds presented and depending on the circumstances are the funds presented and depending on the circumstances are the funds presented and depending on the circumstances are the funds presented and depending on the circumstances are the circumsmay be higher (resulting in reduced net returns). Net IRRs and Net MOICs do not include the investment by the general partner of the relevant fund. Net IRRs and Net MOICs do include the investment by the general partner of the relevant fund. Net IRRs and Net MOICs do include the investment by the general partner of the relevant fund. Net IRRs and Net MOICs do include the investment by the general partner of the relevant fund. Net IRRs and Net MOICs do include the investment by the general partner of the relevant fund. Net IRRs and Net MOICs do include the investment by the general partner of the relevant fund. Net IRRs and Net MOICs do include the investment by the general partner of the relevant fund. Net IRRs and Net MOICs do include the investment by the general partner of the relevant fund. Net IRRs and Net MOICs do include the investment by the general partner of the relevant fund. Net IRRs and Net MOICs do include the investment by the general partner of the relevant fund. Net IRRs and Net MOICs do include the investment by the general partner of the relevant fund. Net IRRs and Net MOICs do include the investment fund. Net IRRs and Net MOICs do include the investment fund. Net IRRs and Net MOICs do include the investment fund. Net IRRs and Net MOICs do include the investment fund. Net IRRs and Net MOICs do include the investment fund. Net IRRs and Net MOICs do include the investment fund. Net IRRs and Net MOICs do include the investment fund. Net IRRs and Net MOICs do include the investment fund. Net IRRs and Net MOICs do include the investment fund. Net IRRs and Net MOICs do include the investment fund. Net IRRs and Net MOICs do include the investment fund. Net IRRs and Net MOICs do include the investment fund. Net IRRs and Net MOICs do include the investment fund. Net IRRs and Net MOICs do include the investment fund. Net IRRs and Net MOICs do include the investment fund. Net IRRs and Net MOICs do include the investment fund. Net IRRs and Net MOICs do include the investment fund. Net IRRs and Net MOICinvestment by affiliates of the general partner and proprietary limited partners, some of whom may pay reduced and/or no management fees and carried interest, which has the general effect of increasing Net IRRs and Net MOICs are average returns for all limited partners. Since Net IRRs and Net MOICs are average returns for all limited partners, they do not necessarily reflect the actual return of any particular investor. Investors should not ethat there are significant limitations on the use of IRR to evaluate prior performance. For example, the timing of distributions can have a material impact on the IRR from a fund as a successful disposition of an investment early in the life of a fund can disproportionately increase IRR. In addition, IRRs do not reflect the level of risk involved in an investment,

Unless stated otherwise herein, unrealized investments are carried at fair value, as of 31 March 2020 based upon analysis of relevant factors, including market comparables, income and

Important Information

earnings, and cost, as deemed appropriate by BC Partners in the circumstances. Significant judgment and estimation are involved in arriving at fair values for unrealized investments which are subject to uncertainties and contingencies which are difficult to predict. The actual values realized with respect to the investments valued at fair value could be materially different from valuations based on these methodologies. There can be no assurance that investments will ultimately be realized for amounts equal to, or greater than these valuations, or that the past performance information based on such valuations will accurately reflect the realization value of such investments. While valuations of partially or fully unrealized investments of BC Partners funds are based on assumptions that the Advisor believes are reasonable under the circumstances, the actual realized returns on unrealized investments will depend on, among other factors, the assumptions on which the valuations used in the prior performance data contained herein are based. Accordingly, the actual realized returns generated by these unrealized investments may differ materially from the returns indicated herein. Valuations are subject to determinations, judgments and opinions and other third parties or investors may disagree with such

For purposes of the realized figures and performance calculations herein, realized value represents any proceeds from disposition and dividends or other forms of current income from the realized figures and performance calculations herein, realized value represents any proceeds from disposition and dividends or other forms of current income from the realized figures and performance calculations herein, realized value represents any proceeds from disposition and dividends or other forms of current income from the realized figures and performance calculations herein, realized value represents any proceeds from disposition and dividends or other forms of current income from the realized figures and performance calculations herein, realized value represents any proceeds from the realized figures and the realizedestments that have been distributed to investors including amounts deemed to have been distributed. Investment-specific expenses that are not capitalized as part of the relevant investment's cost basis are paid out of investment proceeds of the relevant investment before the applicable fund recognizes those proceeds. As a result, the realized value of an investment is reduced when such investment-specific expenses are paid, and realized value is therefore net of those paid investment-specific expenses. General fund expenses may also be paid out of the paid out of thinvestment proceeds of an investment before the applicable fund recognizes those proceeds. In those circumstances, the realized value of an investment is reduced when such general fund the proceeds of the realized value of an investment of the proceeds of the realized value of the reexpenses are paid, and realized value for that investment is therefore net of those paid general fund expenses.

The track record of BCP Special Opportunities Fund I LP, a Cayman Islands exempted limited partnership (together with certain parallel funds, feeder vehicles and alternative investment assurance that the Fund will achieve, or be able to achieve, comparable results. The Fund's performance will be different from the performance shown due to factors including, but not limited to, differences in cash flows, fees, expenses and portfolio sizes and composition. Past performance of any BC Partners fund or investment referred to herein is not indicative of the

fund or investment, but rather is disclosed to represent what BC Partners believes to be the relevant benchmark for each of the selected investments. The indices listed may employ different investment quidelines and criteria than the referenced BC Partners fund and, therefore, the securities held by such BC Partners fund may differ significantly from the securities that comprise Investors should not construe the contents of this Presentation as legal, tax, accounting, investment or other advice. Each investors should make its own inquires and consult its advisors as to such index. The Fund also differs from the indices listed in that it is an actively managed entity that bears fees and uses leverage. No representation is made as to the risk profile of any index. listed relative to the risk profile of the Fund's investments. The market volatility, liquidity and other characteristics of credit-oriented investments are materially different from those of the indices listed. Broad-based public indices are comprised of publicly traded securities and loans on the respective exchanges or as combined by market database providers, while the Fund's investments are made in different types of securities. Accordingly, investors should attach correspondingly qualified consideration to the comparisons above.



Targeted returns are not intended to forecast or predict future events, but rather to indicate the returns that the Fund expects to seek to achieve on the Fund's overall portfolio of investments. In addition, such target returns do not reflect the actual or expected returns of any portfolio strategy. In the case of any target performance information (including projected returns of any portfolio strategy). In the case of any target performance information (including projected returns of any portfolio strategy). In the case of any target performance information (including projected returns of any portfolio strategy). In the case of any target performance information (including projected returns of any portfolio strategy). In the case of any target performance information (including projected returns of any portfolio strategy). In the case of any target performance information (including projected returns of any portfolio strategy). In the case of any target performance information (including projected returns of any portfolio strategy). In the case of any target performance information (including projected returns of any portfolio strategy). In the case of any target performance in the case of any target performance in the case of any portfolio strategy and the case of anycash on cash yields), such information is based upon the proceeds estimated and projected to be received and based on BC Partners' basecase underwriting (as updated from time to time). Actual, estimated and projected inflows and outflows are aggregated and used in the calculation of yields, and actual returns on unrealized investments are subject to a number of significant investment in any securities, if offered, for an indefinite period of time. risks and uncertainties. Any unrealized projected return information included in this Presentation are based on the assumptions that no investment fails to perform as expected and rely upon numerous other assumptions being accurate, including, among others, BC Partners' belief about the returns that may be achievable on investments that the Fund intends to pursue in light of the experience of BC Partners with similar investments historically, their view of current market conditions in the Fund's target jurisdictions, potential investment opportunities that BC Partners is currently or has recently reviewed, availability of financing and certain assumptions about investing conditions and market fluctuations. Targeted returns on specific investments are based on models, estimates and assumptions about performance believed to be reasonable under the circumstances, but the actual realized returns on unrealized investments will depend on, among other factors, future operating results of the Fund, economic and market conditions during the term of the Fund, any related costs and the timing and manner of exit, all of which may differ from the assumptions on which the estimates and projections used in the performance data contained herein are based. For example, BC Partners has created models based on potential or hypothetical transactions in which it has made certain assumptions, including with respect to investment pace, investment hold periods, cost of investment leverage, initial yields, exit capitalization rates, purchase and sale prices There is no guarantee that the facts on which such assumptions are based will materialize as anticipated, that market conditions will not deteriorate or that investment opportunities satisfying the Fund's targeted returns will be available. Any changes in such assumptions, market conditions or availability of investments may have a material impact on the target returns presented. Actual events and conditions may differ materially from those used to establish target returns. There can be no assurance that investors will receive a return of capital or that the Fund will achieve its overall target return. Targeted returns may change over time and may go down as well as up. The timing of the realization of an asset (which may be required, for example, at the end of the life of the Fund) may materially impact the returns generated by such investment. Target returns for individual investments may be greater or less than the Fund's overall target gross or net returns. Prospective investors are encouraged to contact representatives of the Advisor to discuss. Notwithstanding any term or condition of this Presentation to the contrary, to comply with U.S. Treasury Regulation Section 1.601-4(b)(3)(i), each recipient of this Presentation (and each the procedures and methodologies (including assumptions) used to calculate the Fund's targeted returns.

Illiquidity premium information herein is provided solely for illustrative purposes to show the overall attractiveness of investing in private, illiquid credit relative to buying publicly traded debt. "Illiquid Yield" as used herein refers to the target returnestimated by the relevant BC Partners fund at the time of investment. It reflects BC Partners' current good faith views on the spread achieved relative to public markets for similar instruments, which views are dependent upon market conditions and highly fact specific. Historic market trends are not necessarily reliable indicators of actual future market behavior or future performance of any particular investment or any BC Partners fund, vehicle or account which, may differ materially, and are not to be

Please be advised that the targeted investment allocations, strategies and themes, selected examples and case studies presented in this Presentation are provided for illustrative purposes only and are intended to provide insight into the investment strategy of the Fund and are not representative of the number and types of opportunities that will be available to the Fund, the opportunities that the Advisor will consider suitable for investment by the Fund or the investments that will be made by the Fund, and it should not be assumed that the Fund will make comparable investments or that the Advisor will be successful in identifying any investment opportunities similar to the hypothetical opportunities set forth in this Presentation in the future or otherwise be able to implement the Fund's investment strategy or avoid substantial losses. The actual investment portfolio of the Fund may differ materially in terms of diversity. concentration and asset class, among other factors, from the allocations, strategies, themes and examples provided in this Presentation. Moreover, the actual investments made by the Fund will be made under market conditions that cannot be anticipated with any certainty and will be different from those investments used as references to establish the case studies set for thin this Presentation. Prospective investors should also note that the selected examples, case studies and/or transaction summaries presented in or referred to in this Presentation may not have involved all of the BC Partners professionals who will be involved with the management and operations of the Fund. In addition, certain of the persons that were involved in the investment program of SOF1 (including any parallel fund), the Fund's predecessor funds (including certain members of the investment committee thereof), may not be actively involved inthe Fund or may function in different roles at BC Partners, which may impact the Fund's ability to achieve comparable returns. There is no quarantee that if the Fund had been operating during the period referenced, the Fund would have invested in any such opportunities or, if the Fund had made any such investments, that such investments would have been successful.

The biographies provided herein for certain investment professionals may include information regarding such investment professionals' respective prior employers, including performance information. Such information is provided for informational purposes only and, in respect of any performance information, there can be no assurance that the applicable investment professional had any involvement in assisting the applicable firm to achieve such performance or any other successes, or that such investment professional will be able to make similar to the performance of the performanccontributions to BC Partners or the Fund. Furthermore, such information is not meant to create any comparison between the applicable firm and BC Partners or the Fund. Although the investment team involved in the activities of the Fund have extensive investment experience in credit-oriented investing in the debt markets, the past activities and/or performance results of the members of the investment team (including, in certain instances, at their prior firm(s)) are not indicative of the future activities or performance of the Fund. Past performance of any investment entities associated with BC Partners and/or entities associated with the Fund's investment team (including in certain instances, at their prior firm(s)) is not indicative of future results or performance and provides no assurance of future results.

Prospective investors should note that the investment programs and objectives of BC Partners' buyout funds (collectively, the "BCEC Funds") are substantially different from the investment program and objectives of the Fund. The BCEC Funds and the Fund have different investment objectives and strategies and are managed on a day-to-day basis by different investment teams of BC Partners investment professionals. The information provided herein regarding the investment performance of the BCEC Funds is, therefore, provided solely for background purposes and should not be considered as an indication of future performance by the Fund.

Although the investment team involved in the activities of the Fund have extensive investment experience in credit-oriented investing in the debt markets, the past activities and/orperformance results of the members of the investment team (including, in certain instances, at their prior firm(s)) are not indicative of the future activities or performance of the Fund. Past performance of any investment entities associated with BC Partners and/or entities associated with the Fund's investment team (including in certain instances, at their prior firm(s)) is not indicative of future results or performance and provides no assurance of future results.

BCP Credit's integration within and access to certain parts of BC Partners (including certain personnel involved with PE) may be limited in certain instances by a number of factors, including applicable law and regulation, third party confidentiality obligations and information barriers established by BC Partners in order to manage potential conflicts of interest. Due to the short holding period for these investments, the gross IRR figure presented may be less meaningful than if such investments were held for a longer period.

This Presentation is only provided to identified persons to whom it may lawfully be provided in any particular jurisdiction. Accordingly no recipient of this Presentation may provide it to any other person. By accepting and not immediately returning this Presentation, recipients warrant that they qualify under applicable laws as a person to whom this Presentation can be provided and that they will not use it in making any investment decision. It is the responsibility of each prospective investor to satisfy itself as to full compliance with the applicable laws and regulations of any relevant territory, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such territory. No action has been taken by any person to permit any such offerings in any jurisdiction where action for that purpose would be required and in the event you gain access to this Presentation in a jurisdiction where action is required to obtain (i) any requisite governmental or other consent and/or (ii) any other formality, you must immediately inform BC Partners. Offers and sales of interests in a Fund will only be made to persons sophisticated in business and financial matters, who have the knowledge and experience to evaluate the merits and risks of an investment in a Fund and who have sufficient financial means to bear the risk of loss of their investment. Investors should be aware that they will be required to bear the financial risks of their investment for an indefinite

Any securities, if offered, will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or any non-U.S. securities law, and will be offered and sold for investment of the securities and the securities are the securities and the securities are the securities and the securities are th

Important Information (Cont.)

only to qualified recipients of the PPM pursuant to the exemption from the registration requirements of the Securities Act provided by Section 4(2) thereof and/or regulations promulgated thereunder, and in compliance with any applicable non-U.S. securities laws. Any such securities may not be transferred or resold except as permitted under the Securities Act and applicable

Except with the express prior consent of the Advisor, interests in a Fund may only be acquired by professional investors. For this purpose, a "professional investor" is every investor that is a fund of the Advisor, interests in a Fund may only be acquired by professional investors. For this purpose, a "professional investor" is every investor that is a fund of the Advisor, interests in a Fund may only be acquired by professional investors. For this purpose, a "professional investor" is every investor that is a fund of the Advisor. The Advisor is a fund of the Advisor is a fund of the Advisor in thconsidered, or may be treated based on a request to the Advisor (as the non-EU AIFM), as a professional client within the meaning of paragraph of Annex II of the Markets in Financial Instruments Directive (2004/29/EC). Accordingly, the distribution of this Presentation is restricted to, (i) "professional investors", or (ii) persons to whom the Advisor may otherwise lawfully nicate. Persons of any other description may not receive and should not act or rely on this Presentation or any other marketing materials relating to a Fund.

For the purposes of this Presentation, references to "BC Partners" and the "Firm" mean BC Partners LLP provided that, where the context requires, such term shall also include reference to the parent company of the BC Partners group, BC Partners Holdings Ltd and that company's subsidiaries. Any statement referring to management or investment activity conducted by BC Partners is a reference to the actions of the manager of each of BC Partners' funds acting upon the advice of BC Partners and is not a reference to BC Partners LLP or to any other entity which provides advice to such managers and, in particular, in relation to any Fund, is a reference to the actions of the Advisor, BC Partners LLP is authorized and regulated by the United Kingdom Financial Conduct Authority, BC Partners Advisors LP is registered as an investment adviser in the United States of America with the U.S. Securities and Exchange Commission,

employee, representative or other agent of such recipient) may disclose to any and all persons, without limitation of any kind, the U.S. federal income tax structure and tax treatment of the limited partnerships comprising a Fund and any transactions undertaken by such Fund and all materials of any kind (including any opinions or other analysis) that are provided to the recipient relating to such tax structure or tax treatment; provided, however, that such disclosure shall not include (1) the name (or other identifying information not relevant to such tax structure or tax treatment) of any person; (2) any performance information relating to any Fund or its investments; (3) any performance or other non-tax information relating to previous funds or investments sponsored, managed or advised by BC Partners or its affiliates; or (4) any information for which non-disclosure is reasonably required to comply with applicable securities laws.

By accepting delivery of this Presentation, each recipient agrees to the terms and conditions set out in this Important Information and agrees to return this Presentation promptly upon

Swiss representative: Mont-Fort Funds AG, 63 Chemin Plan-Pra, 1936 Verbier, Switzerland

Swiss paying agent: Banque Cantonale de Genève 17 quai de l'Ille 1207 Geneva Switzedand Place of performance and jurisdiction: In respect of the Interests distributed in or from Switzerland, the place of performance and jurisdiction is the registered office of the Swiss

Manager Research Report

INVESTMENT OPINION

SUMMARY

The Brightwood Capital Fund V strategy (the "Strategy") managed by Brightwood Capital Advisors is rated Recommended as of 6/19/2020. The key observations relating to our Seven Principles are summarized below:

- Brightwood Capital Advisors ("Brightwood") was founded in 2010 by Sengal Selassie and Damien Dwin. Middle market direct lending is the firm's sole business and they currently manages \$4.6 billion of assets. The firm is headquartered in New York City and has regional offices in six other cities in the U.S. The firm is 100% minority-owned and as such qualifies as a Minority Women Business Enterprise (MWBE) firm. There is a strong alignment of interest between employees (including affiliates) and investors through significant GP commitment (over \$100 million) across Brightwood funds. The firm is also signatory to the UNPRI and it has been investing at least 25% of its capital towards minority and/or women owned businesses which we find commendable. In addition, the diversity of its LP base combined with the lack of client concentration provides stability to the firm.
- Selassie and Dwin, co-founders and co-CEOs of the firm, spent over a decade at Societe Generale, Goldman Sachs, and Credit Suisse managing credit-oriented portfolios prior to founding the firm. Given their broad and complementary skill sets, extensive experience and expertise in credit, we think highly of them as key decision makers.
 - They are supported by a seasoned team of talented investment professionals. The investment team is comprised of 27 investment professionals (out of 53 total employees) averaging 20 years of experience. The team is organized by functional areas (origination, underwriting and risk management).
 - The firm has a dedicated and independent seven-person portfolio risk management team which is quite unique for a firm of this size. However, the firm has experienced some personnel turnover but we do not believe that it rises to a level of concern as those individuals were replaced with higher caliber professionals.
- Fund V is a US-focused, predominantly non-sponsored (70%), core middle market (\$25 to \$75 million in Co EBITDA) strategy. A key attribute of the strategy is the blended approach between sponsored and non-sponsored. The strategy will predominently invest in first lien senior secured transactions and will utilize up to one turn of leverage. Similar to the firm's prior funds, Fund V will invest up to 25% of its capital in minority and/or women owned businesses which we find to be the most unique feature of the strategy.
- The Investment Committee has the ultimate investment decision-making authority on every proposed investment opportunity. Overall, we believe that Brightwood has a unique origination model that relies upon its in-house originators as well as its network advisors for their specialized industry knowledge and advice. This proprietary sourcing channel is a distinct differentiator and a source of value add. The firm also employs a rigorous underwriting process and maintains continuous credit monitoring by a seasoned risk management team. The risk team renders an independent risk assessment on every borrower on a monthly and/or quarterly basis.
- Brightwood has a robust operational infrastructure consisting of 18 professionals across these various functional areas: Legal/compliance, finance/accounting, and operations. Seven of the 18 professionals have committed an aggregate amount of \$6.7 million of their own capital to Brightwood Funds. We view favorably the delineation of roles and responsibilities across the back office platform. The firm is currently undergoing its first SEC audit and management is not expecting any material findings.
- Historical performance has been mixed. Fund I performance was spectacular (15.7% net IRR). Fund II was an ESG-focused fund and performance was respectable (8% net IRR). However, Fund III performance was poor (5.1% net IRR) due to heavy concentration to the energy sector. The manager recognized its mistakes and revamped and strenghtened its risk management team by adding additional personel and limit the number of credits each analyst would cover. In addition, the firm immediately instituted changes to its investment guidelines by limiting issuer concentration to 2.5% and avoid

ership is evenly split between 1 In he firm. the management is led by ; margin of er try The firm is headquartered in New ; for more than a W 's size. | Minneapolis. In addition, 7ear . for ate as adequate en his of covenant default, nd close to \$3 billion without and is a moderate to , and traditional limited ne h recent ance may be strained. ecifically, \$37.5 million represent ny of ment default. balance consist of affiliate capital hat nonoration appears perating partners and they are vn set for provide operational and strategic dustries. They have, on average, of have the ability to e or carried interest, in exchange lave been ment default is very ce deals. Credit olved. In 2019, the firm generated not have the ability to ns nited. The prospects able. strategy apanies (17%) and the remaining d-of-funds, and High Net Worth. nal as mainly e firm's als former C-level sents less than 10% of total AUM. o be the the firm will also funds. m of rcles 80% of the icern mittee is minority (50% African-'m's portfolio companies are 12015. vestment ouse originators as mien Dwin. Middle market ng channel is a firm is headquartered in New vith the investment s (\$25 ied and as such qualifies as a anagement, to s non-SS tween employees (including nat will vood funds. The firm is also se, ıt seasoned risk nd/or women owned businesses al loan gful ly and/or quarterly of client concentration provides * Segal Marco Advisors ial Marco Advisors Advisors

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OPERATIONS

Description:

Brightwood's Compliance Department, led by its CCO, Darilyn Olidge, is responsible for the implementation of the Firm's Compliance Program and Josh Joyce, our Compliance Director. The Compliance Department conducts routine monitoring and testing of the Firm's policies and procedures to ensure adherence by employees and adequacy of implementation. The Compliance Department utilizes MyCompliance Office to streamline certain compliance processes, including the administration of certain Code of Ethics requirements.

Brightwood's Loan Operations group is run by Jennifer Patrickakos, who brings more that 20 years of experience to the job. Before joining Brightwood, she was Global Head of Investment Operations at CVC Credit Partners, a \$14 billion investment firm focused Performing Credit, Credit Opportunities and Middle Market Direct Lending. She leads a team of five professionals that manages the firms Loan Operations.

The firm's Valuation Committee is chaired by Phil Daniele, the Chief Risk Officer. Unlike a number of their peers, the firm has every asset priced by third party valuation firms, either Houlihan Lokey, Valuation Research or Lincoln International. The Committee has four other members, including the two founders as well as the Head of Finance and Head of Loan Operations.

Brightwood uses Wall Street Office as the portfolio management system for position management.

The firm had one Cybersecurity breach in September 2015. However, they have updated wire verification procedures to involve multiple sign offs and touchpoints. Additionally, they now have \$1 million of Cybersecurity coverage as part of their insurance. Below is the firm's cybersecurity protocols:

Brightwood implements a layered defense in depth approach to cybersecurity via multiple solutions designed to facilitate detection, prevention, containment and mitigation of potential threats. Brightwood has engaged RFA to provide cybersecurity consulting and solution implementation in conjunction with the internal Brightwood Compliance team.

A high-level overview of the firm's cyber-specific deployments is detailed below:

Managed Detection and Response (MDR): The MDR service combines two next-generation advanced AI solutions at the network and endpoint level which use behavioral and predictive analytics to identify potential threats in real time. The OTM (Open Threat Management) solution monitors inbound/outbound and lateral network traffic for potential threats and suspicious activity. The EDR (Endpoint Detection and Response) solution is a post-execution agent that monitors live applications, executables and scripts across all machines and servers within the corporate environment. Security alerts and events are aggregated and correlated in an aiSIEM solution and monitored 24x7 by RFA's Security Operations Center (SOC) team. The SOC team leverages automated triage and escalation protocols to efficiently evaluate and block threats.

Next-Generation Firewalls: Next-gen firewalls are deployed at the network perimeter to monitor inbound/outbound network information and provide network traffic monitoring, web content filtering and application control functionality.

Next-Generation Endpoint Protection: The solution provides pre-execution threat monitoring on all workstations and servers. Leveraging predictive and behavioral analytics, the solution analyzes inbound executables and attachments to proactively identify and block potential threats.

Data Governance: The solution provides monitoring, alerting and reporting for file and folder access along with user permissions changes.

Secured Remote Access: A Citrix solution is deployed to facilitate remote access while maintaining the integrity of the network security posture and preventing direct local connections to the corporate environment and corporate data. A multifactor authentication solution is also deployed to augment remote login security.

Mobile Device Management (MDM): The solution is deployed on all mobile devices connecting to corporate resources and facilitates remote enforcement of firm policies, segregation of corporate and personal data, and remote wiping of corporate data if the device is lost, stolen or otherwise compromised.

Investment Period: 2 years from the final close, subject to one 6 month extension

Fund Term: 5 years from final close, subject to two additional one-year extensions

Management Fee: 1.5% (on invested equity capital)

Carried Interest: 15% (Modified European waterfall)

Preferred Return: 6.5% per annum

Leverage: 1:1

Catch-up: 100%

Clawback: Yes

ERISA Capacity: Yes

UBTI Blocker Vehicle (Yes/No): Yes

Key Person Provision: Yes, Selassie and Dwin

Note: Here is an example of a modified European waterfall compared to a traditional European waterfall and to an American waterfall. Let's assume the manager calls \$2 billion of capital, \$1 billion of which has been realized and \$100 million of which has had an impairment. In a traditional European waterfall, the GP would have to return \$2 billion plus the preferred return. In the modified European, on any realization, the manager would have to return \$1.1 billion plus the preferred return before earning carry. In the modified European Waterfall, the manager also has to escrow to guard against the case of any significant negative performance later in the funds. In an American waterfall, the manager will earn carry on a deal-by deal basis.

Opinion:

Fund V management fees are only charged on the equity invested capital (excluding leverage) which we find appealing. However, the 15% carried interest over a 6.5% preferred return is in line with the market. The carried interest is evenly split between the two founders and the rest of the team. We find this fee structure appropriate and ensures the investment team is adequately incentivized.

BIOS

Sengal Selassie, Co-CEO and Co-Founder

Mr. Selassie has been involved in all phases of the firm's development since its founding in March 2010. He is a member of the Executive Committee and serves on the Investment Committee of all Brightwood Managed Funds. Prior to forming Brightwood, Mr. Selassie led a spinout from SG Capital Partners LLC ("SG Capital"), co-founding Cowen Capital Partners, LLC ("Cowen Capital"), where he served as Managing Partner from 2006 to 2009. Cowen Capital went on to form Trinity Investors. Mr. Selassie joined Cowen Capital from SG Capital, Cowen Capital's predecessor fund where he worked from 1998 through 2006. At SG Capital he was a Managing Director and served as group head starting in 2002. While at Cowen Capital and SG Capital, Mr. Selassie made more than 25 investments in 11 portfolio companies. Prior to SG Capital, Mr. Selassie worked in the Mergers & Acquisitions Group at Morgan Stanley where he helped media and telecommunications companies execute strategic transactions from 1996 to 1998. He began his career in the Corporate Finance Group of the Investment Banking Division of Goldman Sachs in 1990. He is a member of the New York and Connecticut Bar Associations. Mr. Selassie earned his M.B.A. with distinction and J.D. cum laude from Harvard University. He has an A.B. in Economics magna cum laude from Harvard College.

Damien Dwin, Co-CEO and Co-Founder

Mr Dwin has been involved in all phases of the firm's development since its founding in March 2010. He is a member of the Executive Committee and serves on the Investment Committee for all Brightwood managed funds. Additionally, Mr. Dwin

Brightwood Capital Advisors, LLC

Presentation to City of Hollywood Employees' Retirement Fund



PROPRIETARY AND CONFIDENTIAL

Brightwood Overview

SCALED PLATFORM

- Founded in 2010 by Sengal Selassie and Damien Dwin
- \$4.6 billion in Assets Under Management across SBICs, limited partnerships, SMAs and a middle market CLO^{1,2}
- 53 employees 45% diverse, 39% women; 17 in risk / underwriting focused on downside protection
 - Deployed \$8.1 billion to 160 borrowers since inception
- Institutional LP base; 10 investors with ≥\$100 million invested in Brightwood funds

DIFFERENTIATED STRATEGY

- Direct origination of senior debt focused on US-based Family, Founder, Entrepreneur-owned businesses ("FFE")
- Middle market borrowers with \$5 million to \$75 million of EBITDA (average ~\$40 million)
- Investments are structured with covenants, conservative loan-to-value and downside protection
- Five industry verticals where Brightwood has deep domain knowledge and extensive investment history

TRANSPARENCY

- Strong emphasis on covenants at underwriting
- Third parties are engaged to value each asset quarterly (Houlihan Lokey, VRC, Lincoln International)
- All investments marked to market quarterly based on external valuation agency reports
- External credit ratings of all new investments completed by Moody's, S&P or DBRS

ALIGNMENT

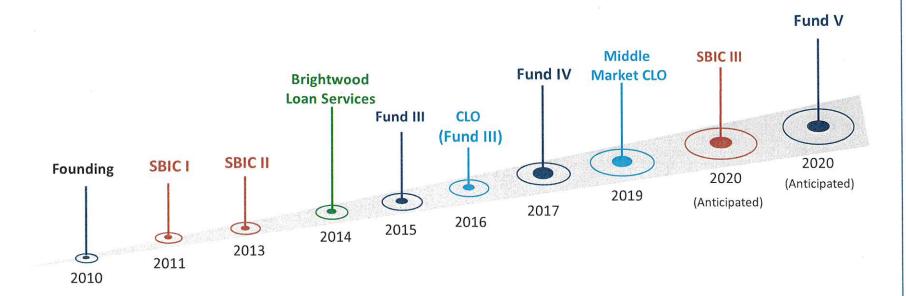
- More than \$100 million of capital committed in Brightwood funds by employees & affiliates
- Senior investment team, both investment and stewardship functions, are investors in Brightwood funds
- Focused strategy allows tight alignment of organization structure and incentives to fund goals
- Portfolio ramp and interest payout help mitigate J-curve

All information as of December 31, 2019.

- 1. As of December 31, 2019. AUM excludes amounts drawn on capital call facilities that were outstanding as of the date referenced herein. Note that such amounts are included in AUM for U.S. regulatory filing purposes and regulatory AUM as of December 31, 2019 is \$4.9 billion.
- 2. As used here, "SMA" refers to a pooled investment vehicle formed for the exclusive benefit of a limited number of institutional investors who are affiliated with one another.

Brightwood Fund History

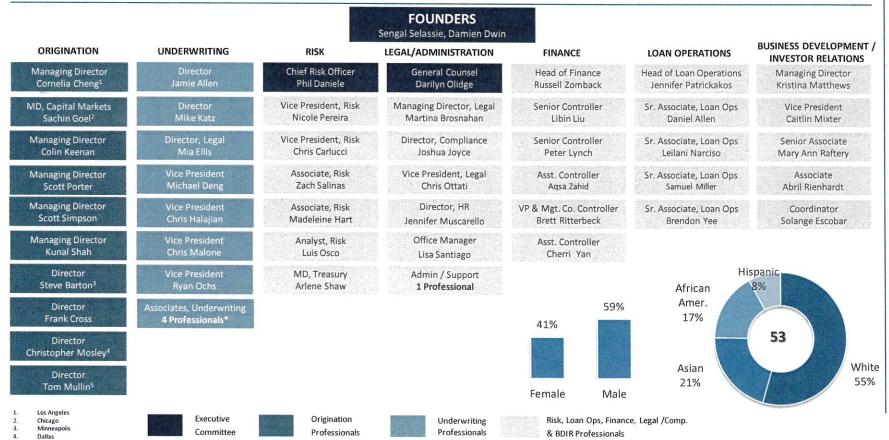
Brightwood Capital has grown to \$4.6 billion in AUM since its founding.



As of 12/31/19. AUM includes uncalled capital commitments and leverage (excluding amounts drawn on subscription lines of credit).

Team of Professionals

 Philadelphia Note As of April 8, 2020



Alignment of Interest

Brightwood employees & affiliates have committed over \$100 million in capital across Brightwood funds

Co-Founders		Affiliates		
	Commitment (\$MM)	Name	Commitment (\$MM)	
		Board of Advisors	\$9.0	
FOUNDERS	\$26.7	Network Advisers	\$57.7	
		SUBTOTAL	\$66.7	

Investment Professionals			Non-investment Professionals				
Name	Title	Years Experience	Commitment (\$MM)	Name	Title	Years Experience	Commitment (\$MM)
Scott Porter	Managing Director	21	\$1.3	Philip Daniele	Chief Risk Officer	36	\$2.4
Scott Simpson	Partner	23	\$1.0	Russell Zomback	Managing Director	27	\$2.4
Colin Keenan	Managing Director	20	\$0.8	Darilyn Olidge	General Counsel	32	\$1.0
Sachin Goel	Managing Director	15	\$0.7	Kristina Matthews	Managing Director	35	\$0.5
Kunal Shah	Managing Director	13	\$0.5	Other Sr. Prof.			\$0.5
Other Sr. Prof.			\$0.1				
SUBTOTAL			\$4.4	SUBTOTAL			\$6.7

Note: As of December 31, 2019. Brightwood employees and affiliates are subject to terms that differ from unaffiliated investors, including terms related to management fees and carried interest.

Performance History

Over the past 10 years Brightwood has managed four flagship funds delivering a consistent mandate to LPs.

FUND	VINTAGE ¹	FUND SIZE (\$M) ²	AUM (\$M) ³	CAPITAL INVESTED (\$M)	PAYOUT RATIO ⁴	NET IRR ⁵	NET TVPI ⁶	STATUS
SBIC I ⁷	2011	\$231	\$112	\$664	17.4%	15.7%	2.19x	Harvesting
SBIC II—ESG FUND ⁸	2013	\$152	\$80	\$189	5.3%	8.0%	1.36x	Harvesting
FUND III ⁹	2014	\$1,823	\$1,151	\$2,793	9.0%	5.1%	1.21x	Harvesting
FUND IV ONSHORE ¹⁰	2017	\$1,907	\$1,582	\$3,660	8.0%	5.7%	1.06x	Investing
FUND IV OFFSHORE ¹¹	2017	\$776	\$606	\$749	5.9%	1.1%	1.01x	Investing

6

Industry Focus

Brightwood seeks opportunities across five business verticals.



BUSINESS SERVICES



FRANCHISING



HEALTHCARE SERVICES



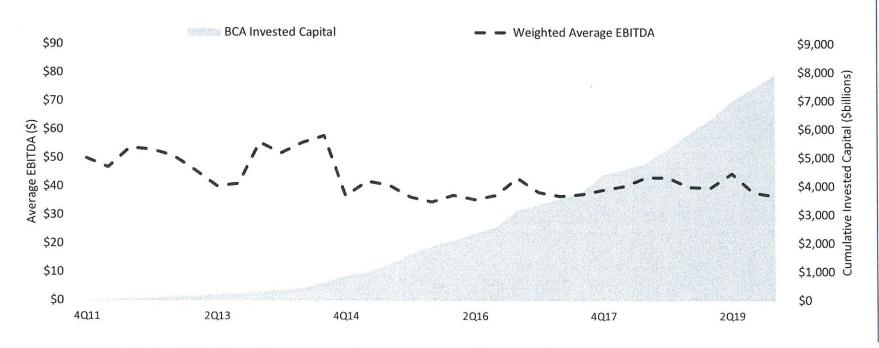
TRANSPORTATION & LOGISTICS



TECHNOLOGY & TELECOMMUNICATIONS

Deployment Growth at Consistent EBITDA

Brightwood has deployed more than \$8.1 billion to 160 borrowers. Weighted average portfolio company EBITDA is ~\$40 million.



Note: As of December 31, 2019. Represents all Brightwood managed funds since inception. There can be no assurance that historical trends will continue or that successor funds will achieve comparable results.

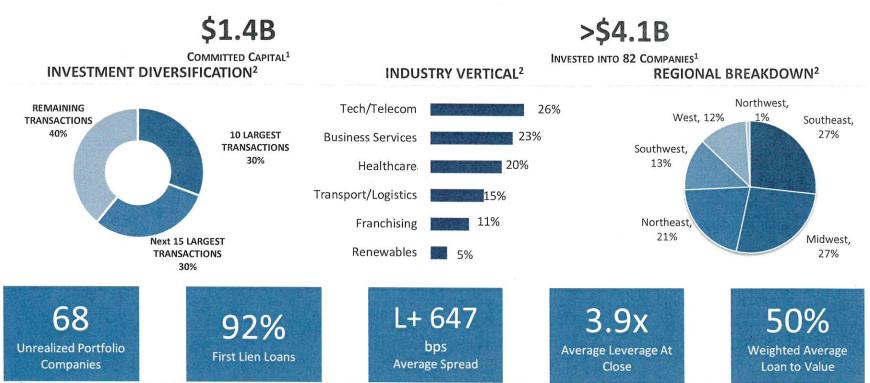
PROPRIETARY AND CONFIDENTIAL

Risk Management and Transparency

Brightwood is committed to managing investment and non-investment risk. There are 25 professionals in Risk, Legal, Compliance, and Accounting/Finance, including dedicated analysts that cover each portfolio company.



Fund IV - Current Portfolio



As of December 31, 2019. Past performance is not indicative of future results. Portfolio composition and related statistics are based on total invested capital since inception, inclusive of Brightwood Capital Fund IV, LP and BCOF vehicles only.

Diversification does not ensure a profit or protection against loss. There can be no assurance that successor funds will achieve comparable results.

PROPRIETARY AND CONFIDENTIAL

^{1.} Reflects the aggregate amount of capital commitments and capital deployed across all Fund IV investment vehicles, including Brightwood Capital Fund IV, LP, Brightwood Capital Offshore Fund IV, Brightwood Capital Fund IV-U, LP and Brightwood Capital Offshore Fund IV, LP. Excludes SMAs and sub-advisory accounts. Reflects total number of portfolio companies since inception.

Fund V—Key Terms

The Partnership	Brightwood Capital Fund V, LP, a Delaware Limited Partnership ("the Fund")
General Partner	Brightwood Capital Managers V, LLC, a Delaware LLC (the "General Partner")
Target Fund Size	\$2.5 billion total fund size
Target Leverage	1:1 debt to Limited Partner capital contributions
GP Commitment	1% of LP commitments
Investment Period	2 years
Harvest Period	3 years plus extensions
Management Fee	1.5% on invested equity capital
Preferred Return	6.5% per annum compounded
Carried Interest	15%
Qualified Investors	Accredited Investor / Qualified Purchaser
Minimum investment	\$10 million

The proposed terms set forth herein are for discussion purposes only and subject to change. Final terms will be documented in the Fund's private placement memorandum, which will be made available to prospective investors prior to accepting any subscriptions to the Fund.

Executive Committee Biographies

Damien Dwin

Co-CEO and Co-Founder

Damien Dwin is Co-CEO and Co-Founder of Brightwood and has been involved in all phases of the firm's development since its founding in March 2010. He is a member of the Executive Committee and serves on the Investment Committee for all Brightwood managed funds. Additionally, Mr. Dwin participates on the boards of many of Brightwood's portfolio companies. Prior to forming Brightwood, Mr. Dwin was the co-founder and Head of North American Special Opportunities at Credit Suisse from 2004 to 2010. In this capacity, Mr. Dwin was responsible for creating, building-out and investing capital for Credit Suisse in private equity and private debt deals sourced from within the organization. Mr. Dwin also ran the Credit Suisse Fixed Income Division Credit Training Program from 2004 until 2009. and served on the Vice President Selection Committee. From 1998 to 2004. Mr. Dwin was a trader at Goldman Sachs in New York and London, where he held a number of positions in Fixed Income, Currencies and Commodities. In 2002 he was honored, for his work in developing a market to finance and short-sell bank loans, with the Michael P. Mortara Award for Innovation, an award established by Goldman Sachs to recognize the team or individuals who best capture the firm's spirit of creative and entrepreneurial thinking. Mr. Dwin is committed to philanthropic work and serves on numerous boards such as the NAACP Legal Defense and Education Fund and Children's Hospital of Philadelphia. Additionally he is Chair of the board of trustees for Vera Institute of Justice and he serves as Trustee for several organizations of which The Boys' Club of New York is representative. Mr. Dwin received both a B.S. and B.A. from Georgetown University where he served two terms on the Board of Regents.

Sengal Selassie

Co-CEO and Co-Founder

Sengal Selassie is Co-CEO and Co-Founder of Brightwood. Mr. Selassie has been involved in all phases of the firm's development since its founding in March 2010. He is a member of the Executive Committee and serves on the Investment Committee of all Brightwood Managed Funds. Prior to forming Brightwood, Mr. Selassie led a spinout from SG Capital Partners LLC ("SG Capital"), co-founding Cowen Capital Partners, LLC ("Cowen Capital"), where he served as Managing Partner from 2006 to 2009. Cowen Capital went on to form Trinity Investors. Mr. Selassie joined Cowen Capital from SG Capital, Cowen Capital's predecessor fund where he worked from 1998 through 2006. At SG Capital he was a Managing Director and served as group head starting in 2002. While at Cowen Capital and SG Capital, Mr. Selassie made more than 25 investments in 11 portfolio companies. Prior to SG Capital, Mr. Selassie worked in the Mergers & Acquisitions Group at Morgan Stanley where he helped media and telecommunications companies execute strategic transactions from 1996 to 1998. He began his career in the Corporate Finance Group of the Investment Banking Division of Goldman Sachs in 1990. He is a member of the New York and Connecticut Bar Associations. Mr. Selassie earned his M.B.A. with distinction and J.D. cum laude from Harvard University. He has an A.B. in Economics magna cum laude from Harvard College.

Executive Committee Biographies

Philip Daniele Partner, Chief Risk Officer

Philip Daniele is a Partner and Chief Risk Officer of Brightwood, Executive Committee member, and serves on the Valuation Committee. In his role, Mr. Daniele is responsible for creating and enforcing an integrated risk framework for evaluating and monitoring all of Brightwood's fund investments. In this capacity, Mr. Daniele oversees Brightwood's finance, loan operations and credit teams. Prior to joining Brightwood, Mr. Daniele worked at Credit Suisse where he was the Chief Credit Officer for the Americas and was responsible for approving all credits made the Americas portfolio including corporates, financial institutions, hedge funds and private clients. Prior to this role, Mr. Daniele served as Head of Corporate Credit Americas, which included the Credit Suisse Leveraged Finance business. Mr. Daniele began his career at CIT Factoring in 1984. Mr. Daniele earned both his undergraduate degree and M.B.A. from Pace University.

Darilyn Olidge Partner, General Counsel

Darilyn Olidge is a Partner, General Counsel and Chief Compliance Officer of Brightwood and Executive Committee member. Prior to joining Brightwood, Ms. Olidge was a Managing Director in the General Counsel Division of Credit Suisse ("GCD"), serving as Lead Advisory Counsel to the Prime Services Group, Co-Manager of GCD's Center of Excellence Documentation Team and a member of the GC Americas Management Operating Committee. She joined Credit Suisse from Morgan Stanley where she last served as Executive Director, advising on various legal and regulatory matters in its fixed income and institutional equities businesses. Prior to joining Morgan Stanley, she was an Associate at Cravath, Swaine & Moore in New York and clerked for the late Hon. Constance Baker Motley, United States District Court, Southern District of New York. Ms. Olidge earned her B.B.A. degree in Accounting from Loyola University of New Orleans and her J.D. from New York University School of Law, where she was a member of the Law Review and is currently a Trustee.

Performance Footnotes

- 1. "Vintage" refers to the year when the fund was licensed for SBIC funds and the year when material operations commenced for all other funds.
- 2. Fund size includes total capital commitments and leverage (actual for funds in their harvest periods; anticipated for funds in their investment periods.)
- 3. "AUM" represents assets under management as of December 31, 2019. AUM excludes amounts drawn on capital call facilities that were outstanding as of the date referenced herein. Note that such amounts are included in AUM for U.S. regulatory filing purposes.
- 4. "Payout Ratio" includes distribution payments made in January 2020 over the weighted average capital contributed through December 2019 for SBIC I, SBIC II, and Fund III. Fund IV Onshore and Fund IV Offshore distribution payments were made in February 2020 over the weighted average capital contributed through December 2019.
- 5. "Net IRR" represents the inception to date aggregate, annual, compound, internal rate of return on investments net of fees and expenses. Net IRR reflects the use of subscription lines of credit, which can cause Net IRR to be higher than it otherwise would be if the subscription lines of credit were not used. Net IRR is based on the actual management fees, expenses and carried interest paid by fund investors as a whole. The management fees paid by certain investors are materially different from those paid by other investors. Accordingly, Net IRR does not necessarily represent the investment experience of any individual investor. Additional information related to fee structures is available upon request.
- 6. "Net TVPI" represents the inception to date total value to paid in multiple net of fees and expenses. Net TVPI is based on the actual management fees, expenses and carried interest paid by fund investors as a whole. The management fees paid by certain investors are materially different from those paid by other investors. Accordingly, Net TVPI does not necessarily represent the investment experience of any individual investor. Additional information related to fee structures is available upon request.
- 7. "SBIC I" refers to Brightwood Capital SBIC I, LP.
- 8. "SBIC II" refers to Brightwood Capital SBIC II, LP.
- 9. Unless otherwise indicated, "Fund III" information is represented by Brightwood Capital Fund III, LP ("Fund III Onshore"). Fund III Onshore and Brightwood Capital Fund III -Institutional, LP ("Fund III Offshore") are feeder funds that each invest in Brightwood Capital Fund III Holdings"). The investment strategy for Fund III Holdings includes the use of leverage. Fund III Offshore is excluded from the presentation because the performance of Fund III Offshore was adversely affected by unintended tax consequences that were a result of Fund III Offshore's legal tax structure, not its investment strategy. Accordingly, Brightwood deems the performance of Fund III Onshore as more indicative of the investment strategy than Fund III Offshore. Brightwood Capital Fund III-U, LP ("Fund III-U"), a parallel fund to Fund III Holdings, is also excluded from the presentation because the investment strategy for Fund III-U does not include the use of leverage. As of December 31, 2019, the performance of Fund III Onshore and the performance of Fund III Onshore and Fund III Onshor
- 10. "Fund IV Onshore" refers to Brightwood Capital Fund IV, LP. The performance of Fund IV Onshore includes the performance of investments indirectly held through a financing subsidiary, BCOF Capital, LP ("BCOF"), which is 99.8% owned by Fund IV Onshore. The investment strategy for Fund IV Onshore includes the use of leverage. Brightwood Capital Fund IV-U, LP ("Onshore Fund IV-U"), a parallel fund to Fund IV Onshore, is excluded from the presentation because the investment strategy for Onshore Fund IV-U does not include the use of leverage. As December 31, 2019, the performance of Onshore Fund IV-U was lower than the performance of Fund IV Onshore. Capital Invested for Fund IV Onshore includes Fund IV Onshore and BCOF (excluding transfers made between the vehicles).
- 11. "Fund IV Offshore" refers to Brightwood Capital Offshore Fund IV, LP. Fund IV Offshore is a master fund in a master-feeder structure that includes two feeder funds. The investment strategy for Fund IV Offshore includes the use of leverage. Brightwood Capital Offshore Fund IV-U, LP ("Offshore Fund IV-U"), a parallel fund to Fund IV Offshore, is excluded from the presentation because the investment strategy for Offshore Fund IV-U does not include the use of leverage. As of December 31, 2019, the performance of Offshore Fund IV-U was lower than the performance of Fund IV Offshore.

Disclaimer

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This Presentation does not constitute an offer to sell or a solicitation of an offer to buy an interest in any investment fund managed by Brightwood (each, a "Fund" and collectively, the "Funds"). An offering of interests in a Fund will only be made pursuant to the confidential private placement memorandum (as amended or supplemented from time to time, the "Offering Memorandum") and related subscription documents, which will be furnished to eligible investors on a confidential basis at their request for their consideration in connection with an offering of interests in a Fund. This Presentation does not constitute a part of the Offering Memorandum for any Fund.

The information contained in this Presentation is provided for informational and discussion purposes only and is not, and may not be relied on in any manner as, legal, tax or investment advice. Prospective investors should make their own investigations and evaluations of the information contained herein and should consult their own attorneys, business advisors and tax advisors as to legal, business, tax and related matters concerning the information contained herein.

In considering any performance data contained herein, prospective investors should bear in mind that past or targeted performance is not indicative of future results and there can be no assurance that trends will continue for the Funds or that future funds or accounts managed by Brightwood will achieve comparable results or that target returns will be met. Nothing contained herein is deemed, and should not be construed as, a prediction or projection of future performance of any Fund.

An investment in the Funds has not been recommended or approved by any U.S. federal or state or any non-U.S. securities commission or regulatory authority. Furthermore, the foregoing authorities have not passed upon the accuracy or determined the adequacy of this Presentation. The distribution of this Presentation in certain jurisdictions may be restricted by law. This Presentation is only directed at persons to whom it may be lawfully distributed, and any investment activity to which this Presentation relates will only be available to such persons. It is the responsibility of any potential investor to satisfy itself as to the full compliance with applicable laws and regulations of any relevant jurisdiction, including obtaining any governmental or other consent and observing any other formality prescribed in such jurisdiction.

Certain information contained in this Presentation has been obtained from third party sources. While Brightwood believes such information to be reliable for the purposes used herein, it has not been independently verified and neither Brightwood, nor any of its affiliates or partners, members or employees, assume any responsibility for the completeness or accuracy of such information.

Certain information contained in this Presentation constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "target," "project," "estimate," "intend," "continue" or "believe," or the negatives thereof or other variations thereon or comparable terminology. These statements are only predictions based on current expectations and projections about future events. Due to various risks and uncertainties, actual events or results or the actual performance of the Funds may differ materially from those reflected or contemplated in such forward-looking statements. Although Brightwood believes the expectations reflected in the forward-looking statements are reasonable, Brightwood cannot guarantee future results, level of activity, performance or achievements. Moreover, neither Brightwood nor any other person assume responsibility for the accuracy and completeness of any of these forward-looking statements or have any duty to update such forward-looking statements. Investors should not rely on forward-looking statements in making their investment decisions.

AGENDA ITEM 5.D. INVESTMENT WORK PLAN 2020

City of Hollywood Employees' Retirement Fund

Draft 2020 Work Plan*

MEETING DATE	BOARD MEETING	INVESTMENT COMMITTEE MEETING
January 21	November Flash Report 3Q Performance Report	ALM Study: Interactive Review of Potential Candidate Portfolios
February 25	January Flash Report ALM Study: Review Potential Candidate Portfolios 2020 Investment Ideas Discussion	No Meeting
March 31	Market Update February Flash Report	No Meeting
April 28	ALM Study: Delivery of Final Report 2020 Work Plan Discussion March Flash Report	No Meeting
May 19	Private Credit Opportunities Presentations EnTrust Blue Ocean Fund Nuveen TALF Opportunity Fund April Flash Report	No Meeting
June 23	 Private Credit Opportunities Presentations > Brightwood Capital > BC Partners May Flash Report 	No Meeting
July 28	 Emerging Markets Search Book Review TSW SMID Value Discussion Investment Policy Statement Draft June Flash Report 	No Meeting
August 25	 Emerging Markets Equity Presentations Manager 1 TBD Manager 2 TBD July Flash Report 	No Meeting
September 22	 Emerging Manager Program Structure Considerations - Segal August Flash Report 	• TBD
October 27	September Flash Report	• TBD
December 8	October Flash Report	No Meeting

^{*}This is a working document and subject to change.

AGENDA ITEM 6.A.

LEGAL

EMILY GLOVER, INDIVIDUALLY AND AS PERSONAL REPRESENTATIVE OF THE ESTATE OF GEORGE GLOVER V. FERIHAJA KOLARI, CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND AND CITY OF HOLLYWOOD

IN THE CIRCUIT COURT OF THE 17th JUDICIAL CIRCUIT, IN AND FOR BROWARD COUNTY, FLORIDA

CASE NO.: CACE 19-16782 (08)

EMILY GLOVER, individually, and As Personal Representative of the ESTATE OF GEORGE GLOVER,

Plaintiff,

VS.

FERIHAJA KOLARI, CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND, and CITY OF HOLLYWOOD

Defendants,

STIPULATION FOR DISMISSAL WITH PREJUDICE

The parties to this action, pursuant to Fla.R.Civ.P.1.420(B), hereby stipulate to the dismissal of this action with prejudice.

Dated this 5th day of June, 2020.

ATTORNEYS FOR PLAINTIFFS EMILY GLOVER, INDIVIDUALLY, AND AS PERSONAL REPRESENTATIVE OF THE ESTATE OF GEORGE GLOVER

Layne Verebay, P.A.

Layne Verebay, Esq. 7800 W. Oakland Park Blvd., B-104 Sunrise, FL 33351

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By: <u>/s/Layne Verebay</u> **Layne Verebay**Fla. Bar No. 442526

ATTORNEYS FOR DEFENDANT, CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

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By: /s/ Ronald J. Cohen

Ronald J. Cohen Fla. Bar. No. 235504

Attorney for City of Hollywood

Office of the City Attorney

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By: /s/John Wien_ John Wien

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By: /s/ Ellen S. Morris

Ellen S. Morris

Florida Bar No. 850306

AGENDA ITEM 6.B.

LEGAL

WELLS FARGO/PRINCIPAL TRANSITION AGREEMENT





January 24, 2020 Phyllis Shaw City of Hollywood

RE: City of Hollywood Florida Employees' Retirement Fund

Dear Phyllis:

In July 2019, we shared with you that the Principal Financial Group® ("Principal®") acquisition of Wells Fargo Bank, N.A. ("Wells Fargo") Institutional Retirement & Trust had closed. Now we're ready to embark on the next step: continuing your service at Principal. Soon to follow will be enhancements that bring you the best-of-the-best from both organizations.

Seamless transition of services

Moving your business to Principal will be a simple two-step process. The first step is to sign the necessary consent and authorization documents, enclosed here (collectively, the "Consent"). Signing these documents will allow us to continue providing the service you value throughout and beyond the transition. The second step is the actual transfer of assets and services. This step will occur on a future date as we are currently assessing system capabilities and performing the necessary analysis to ensure best in class service continuity. We'll notify you in writing prior to that transfer date. Your Consent will be effective as of the transfer date (the "Effective Date"). We'll keep you updated throughout the process and communicate specific dates later this year.

What's this all mean?

It simply means that until the Effective Date, Wells Fargo will continue providing services to you under your current agreements. On and after the Effective Date, Principal will provide those services. Through it all, we're committed to a seamless transition process.

As of the Effective Date, Delaware Charter Guarantee & Trust Company, conducting business as Principal Trust CompanySM ("Principal Trust"), will be providing your trust or custodial services.

One thing you should know: If your organization has more than one account that will be transitioned to Principal, you'll receive a separate Consent package for each account. This is because each account may require different forms, services, and other approvals.

In addition, Principal will need some initial authorizations from you. Each authorization will note whether it is effective as of the Effective Date or an earlier date.

Consent to assign agreements and services

According to our records, you have entered into a Custodial Agreement with Wells Fargo (the "Custodial Agreement.") As part of the transfer process, you'll need to consent to the assignment of the Custodial Agreement.

Also, you'll be asked to confirm that Principal may rely on all account-related agreements, disclosures and account setup documentation you've previously provided to Wells Fargo, including but not limited to designation of authorized signors and agents, fee agreement, selection of a sweep investment for cash balances, investment directions, Shareholder Communications Act Disclosure direction and other directions, and that this information can be used for future transactions. Including this confirmation here alleviates the burden of additional documents for you to sign.

Additional authorizations and disclosures

In addition to consenting to assign the Custodial Agreement, we've also included certain disclosures we need to provide to you and initial authorizations we need from you.

Except as specifically stated otherwise in the Consent, all terms and conditions of the Custodial Agreement, including amounts charged for any services, will remain the same at the time of the transfer to Principal.

Please review each section below and sign where indicated:

Park St. 2000 Block and the street of the

- · Consent, Resignation & Appointment
- Acceptance of additional Authorizations and Disclosures

If you prefer to print these documents, sign them and send them to us electronically, please return your signed documents to Karl.Hutchinson@wellsfargo.com.

Consent timing

We want to give you plenty of time to review these consent materials. The Consent documentation needs to be signed (and if you decide to sign hard copies, returned to us) no later than July 24, 2020.

PLEASE NOTE: If we haven't received your signed consents by July 24, 2020, Wells Fargo may notify you of its intention to terminate the Custodial Agreement and resign its role, as applicable, pursuant to the terms of the Custodial Agreement.

Our top priority is to ensure you receive uninterrupted service. We're here to help make this transition as seamless as possible and are happy to answer any questions you may have relating to these documents. If you do have questions, please contact Karl Hutchinson at 561-795-9934.

Thank you for your assistance and cooperation. Welcome to our client community! We look forward to servicing your account.

Sincerely,

Joe Ready

Executive Vice President

Wells Fargo Bank, N.A.

Sri Reddy

SVP-Retirement & Income Solutions

Retirement and Income Solutions - RIS Annuity Staff

Bank products and services are provided through Principal Bank®, member FDIC. Principal Bank is a member of Principal Financial Group, Des Moines, IA 50392.

Principal Trust CompanySM is a trade name of Delaware Charter Guarantee & Trust Company, a member company of the Principal Financial Group.

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CONSENT, RESIGNATION & APPOINTMENT

Customer Name: City of Hollywood Florida Employees' Retirement Fund

City of Hollywood Florida Employees' Retirement Fund ("Customer") acknowledges receipt of a letter from Wells Fargo Bank, N.A. ("Wells Fargo") and Principal Financial Group® ("Principal®") describing the transfer of Wells Fargo's Institutional Retirement and Trust business to Principal and the need for Customer's consent to the assignment of Wells Fargo's contractual arrangements concerning Customer's custodial account (the "Account") to Principal. Customer has reviewed the materials provided by Wells Fargo and Principal and has contacted Wells Fargo with any questions about the transfer and the consent process it may have.

Customer acknowledges and agrees that, upon signature by the undersigned individual, a duly authorized representative of Customer, this Consent will become effective on the date Customer's business actually transfers to Principal (the "Effective Date"), and that Principal will provide prior written notice of the Effective Date to Customer.

Customer further acknowledges the fiduciary nature of various actions contemplated by this Consent and that he or she has been duly authorized and empowered by corporate resolution (or similar action) to sign this Consent on behalf of the Customer with respect to the Account.

As of the Effective Date, Wells Fargo hereby assigns its role as Custodian under the terms and conditions of the Custody Agreement between Wells Fargo and Customer (the "Custody Agreement") to Delaware Charter Guarantee & Trust Company, conducting business as Principal Trust CompanySM ("Principal Trust"), and Principal Trust accepts such assignment as successor Custodian as of such date. The Customer and Wells Fargo agree, however, that all provisions under the Custody Agreement with respect to the transition of custody services and custody records to a successor custodian will continue to apply. As of the Effective Date, the Customer hereby appoints Principal Trust, as successor Custodian under the Custody Agreement and Principal Trust hereby accepts such appointment under the terms and conditions of the Custody Agreement as of the Effective Date. In the event the Custody Agreement or Customer's policies and procedures impose requirements on successor custodians, Customer hereby waives such requirements with respect to the assignment to Principal Trust.

Additionally, as of the Effective Date, the Customer hereby consents to and authorizes the following:

• The reliance by Principal Trust on Account-related agreements, disclosures account setup documentation, as well as any information, forms and directions that Customer previously provided to Wells Fargo or were approved by Customer for servicing the Account, including but not limited to designation of authorized signors and agents, fee agreement, direction regarding the selection of a sweep investment for cash balances, investment directions, and Shareholders Communication Act Disclosure direction.

As of the date of this Consent, Customer acknowledges and agrees that Wells Fargo may begin sharing with Principal any and all Account information, including but not limited to individual contracts, deemed necessary to effectuate the transfer of assets and services from Wells Fargo to Principal. Furthermore, Principal shall also be authorized to begin providing additional resources as they become available prior to migration. Also, Principal shall be permitted to share this information or data with affiliates and subcontractors if such information or data is necessary to provide Account-related services.

The Customer also agrees to timely sign such other forms as are reasonably requested by Principal pertinent to the assumption of custodial duties by Principal Trust on the Effective Date. In the event it is determined that minor operational differences will arise upon the transition to Principal as a result of the different manner in which Principal Trust provides certain services under the Custodial Agreement, Principal will notify Customer of the same, and Customer hereby consents to any such minor change of which it is notified.

Except to the extent that changes are required as part of the transition process, Customer directs Principal to continue to rely on custodial and related service information previously provided by Customer and currently maintained by Wells Fargo with respect to the Account including, by way of example, the currently designated persons authorized to act on behalf of the Account, Letters of Direction, and related forms, and Customer agrees that Principal will be protected in its reliance upon such information and records. Customer further understands and agrees that Principal will have no liability to Customer or the Account for any actions or omissions by Wells Fargo under the agreement defined above that would have occurred prior to the July 1st, 2019 close date of the Principal acquisition of Wells Fargo IRT.

IN WITNESS WHEREOF, each party has caused this Agreement, including the below authorizations, notices and disclosures, to be signed by its duly authorized representative on the date specified below.

Phyllis Shaw City of Hollywood

Sri Reddy

SVP-Retirement & Income Solutions

Retirement and Income Solutions -

RIS Annuity Staff

Solado

Joe Ready Executive Vice President Wells Fargo Bank, N.A.

Kristin Camp

President

Delaware Charter Guarantee & Trust Company, conducting business as Principal Trust Company

ACCEPTANCE OF ADDITIONAL AUTHORIZATIONS AND DISCLOSURES

The Authorizations and Disclosures set forth below contain information specific to the transfer of your custodial account (the "Account") from Wells Fargo Bank, N.A. ("Wells Fargo") to Principal Financial Group®. The Authorizations and Disclosures incorporate doing business with Principal Life, Principal Trust, Principal Bank or affiliates ("we", "us", "our", "Principal").

The undersigned individuals represent that they are duly authorized to take action on behalf of Customer, Principal, and Wells Fargo, respectively. The parties certify that they are executing this Acceptance to signify receipt of, and agreement to the terms and conditions specified in the Authorizations and Disclosures listed below, as of the date the Customer's business actually transfers to Principal (the "Effective Date").

Authorizations and Disclosures:

- Principal disclosures and certain Principal notices
- Customer Electronic Consent and Disclosure
- Consent to Electronic Delivery of Regulatory Materials

Phyllis Shaw City of Hollywood

Joe Ready

Executive Vice President

Wells Fargo Bank, N.A.

Sri Reddy

SVP-Retirement & Income Solutions

Retirement and Income Solutions - RIS Annuity Staff

AUTHORIZATIONS AND DISCLOSURES

Principal disclosures and certain Principal notices:

Breakage: From time to time, inadvertent administrative errors may occur in processing transactions so that Principal standard procedures are not followed. If we are responsible for the error, we are committed to restoring to the Account the value that would have applied if the error had not occurred, and we will reimburse the Account for any loss caused by our errors. In exchange for our commitment to correct losses resulting from errors, and other services to the Account, we will be entitled to retain amounts remaining after errors are corrected ("gains") as part of our compensation for services.

Float: When providing services, Principal may earn additional compensation for the services it provides in the form of short-term interest ("float") on certain funds held in connection with the Account. The funds that may generate float include amounts (i) awaiting investment and (ii) to cover checks issued and electronic funds transfers initiated for participant distributions and other plan payments. Principal holds these funds in omnibus deposit accounts maintained at one or more custodial banks with like funds from other plans for which Principal provides similar services. The length of time funds are held in the custodial accounts varies by transaction type. Funds awaiting investment are typically held in the custodial accounts for one business day. Principal may hold funds longer if it does not have proper directions from a person or entity authorized to provide such directions. Funds to cover checks, electronic funds transfers and wire transfers are transferred into custodial accounts on the day the check is issued, or the electronic funds transfer or the wire transfer is initiated. The amount of time Principal holds funds to cover checks depends on when the check is cashed, which is beyond Principal's control. Funds distributed via electronic fund transfers generally remain in a custodial account for one or two business days. Funds distributed by wire transfer are generally sent on the same day they are deposited into the custodial accounts. Amounts held in the custodial accounts earn interest or fee credits, generally at an annual interest rate equal to the Interest Rate on Excess Reserves (known as the IOER) determined by the Federal Reserve Board minus five to fifteen basis points, subject to market conditions, which the custodial banks pay or credit to Principal. Any interest or fee credits earned on amounts held in the custodial accounts will not be allocated among plans for which Principal provides services. It is the plan fiduciary's responsibility to determine whether the compensation paid to Principal is reasonable.

Authorization to share information: "Authorized Employees" means our employees who have a need to know or otherwise access account-level information to enable us to perform our service obligations. "Authorized Persons" means (i) Authorized Employees; and (ii) our contractors, agents, suppliers and auditors who have a need to know or otherwise access account-level information to enable us to perform our service obligations, and who are bound in writing by confidentiality obligations sufficient to protect account-level information. If applicable, we provide account-level information to your financial professional(s), broker dealer and registered investment advisor.

Permission to pay sales compensation: fees or sales compensation include any sales commissions or other compensation payable to a duly licensed individual who may legally receive them, including an insurance agent, registered investment adviser, or other person as designated by you in the Acknowledgment of Compensation and Contract Information, the Principal Financial Group® Disclosure Statement, or similar disclosure, with regard to the sale of any investment option. We are authorized and directed by you to pay that fee or compensation. In the event of some change in circumstances under which payments can no longer be made to the licensed individual, you agree to duly appoint another. We will assist you in this process.

Customer Electronic Consent and Disclosure

By signing the above Acceptance of additional Authorizations and Disclosures, the Authorized Representative ("you, "your") consents to the electronic delivery of documents and to conduct business electronically with Principal. The consents described herein shall become effective upon the date the Customer's business actually transfers to Principal and remain in effect until you withdraw your consent.

Consent: By consenting to electronic delivery of documents, you agree that Principal will transmit documents related to your account (collectively "Electronic Documents"), including the account documents, privacy notices, contract application and related documents, general communications concerning your account, custodial documents, transition documents,

investment information, annual and periodic statements, and documents that are substantially similar to these forms, by electronic means, to the extent that electronic transmission is consistent with applicable state and federal law.

You further agree and consent that you may execute via electronic means Electronic Documents; and be bound with the same force and effect as if you had affixed your signature on paper by hand when you apply your electronic signature to Electronic Documents.

Principal will deliver communications and information, including the above referenced Electronic Documents electronically.

You agree that documents transmitted electronically by Principal are in lieu of all other forms of communication, including regular U.S. Mail delivery. You accept that electronic delivery of documents by Principal is sufficient to meet all reporting requirements, to the extent that electronic delivery is consistent with applicable state and federal law. You must provide us with a current, valid e-mail address. If we are unable to deliver Electronic Documents to your e-mail address, we will resend such documents to you via U.S. Mail.

Withdrawal: You are not required to consent to the electronic delivery of documents and to conduct business with Principal electronically and may withdraw your consent at any time. Upon revocation of this consent, Principal will deliver all future Electronic Documents via regular U.S. Mail to the last known designated address, unless previously instructed otherwise by you.

If at any time you would like to revoke your consent to the electronic delivery of documents and to conduct business with Principal electronically, you will need to provide Principal with written notice of your withdrawal of your consent. Your withdrawal of consent will become effective two (2) business days after Principal's receipt of your withdrawal. You are required to notify Principal at the following address: Principal, 711 High Street, Des Moines, Iowa 50392-0001.

Please include your account number and the name of your Principal representative in such notification.

You acknowledge that a request for a paper copy of any of the Electronic Documents does not constitute revocation of this consent. Principal will a provide paper copy of any document to you at no charge.

Systems Requirements: You must have access to a computer capable of accessing the employer login at www.principal.com and viewing PDF files. You must also have Internet access through an Internet service provider ("ISP"). You further agree to receive electronic documents using the Adobe Acrobat PDF format.

Contact Information: If you have questions regarding this consent, need to update your contact information including your email address, or to request a paper copy of an Electronic Document, please contact your Principal representative, visit Principal's website at www.principal.com, or contact Principal Life at the following address:

Principal Life Insurance Company 711 High Street, Des Moines, Iowa 50392-0400

Please include your account number and the name of your Principal representative in such communication.

By signing the above Acceptance of additional Authorizations and Disclosures you agree that you have read and understand the terms of this Customer Electronic Consent and Disclosure and consent to the electronic delivery of the Electronic Documents and you agree to conduct business electronically with Principal, as described in this document.

Consent for Electronic Delivery of Regulatory Materials

Principal delivers regulatory material, including updates thereto, such as prospectuses, supplements, annual reports, and semi-annual reports ("Regulatory Materials"), to customer. Customers have the option to receive Regulatory Materials or Internet links to Regulatory Materials via email by consenting to electronic delivery.

As a required recipient of Regulatory Materials for the Account, you elect and understand your election to receive Regulatory Materials electronically ("Electronic Delivery"); no physical copy will be mailed. Electronic Delivery will include email messages from Principal with Internet links to Regulatory Materials for your Account's mutual funds.

Your signature above indicates your agreement with the described Electronic Delivery method. If you wish to continue receiving paper documents, you do not need to complete this form.

What You Need to Know About Electronic Delivery

- If we are unable to contact you by email, we will contact you to tell you our email notification was unsuccessful and to give you directions on how to access the Regulatory Materials online. If Electronic Delivery is not possible, a paper copy will be mailed to the customer contact on our records responsible for this material.
- To view, download and/or save the Regulatory Materials, you will need access to an Internet service provider and an Internet browser. Normal Internet provider costs will apply.

- At any time, you may request a paper copy of any or all of the Regulatory Materials for your account's mutual funds at no additional cost by contacting us at 1-800-547-7754 or at www.principal.com.
- This Consent only affects a customer required receipt of Regulatory Materials. It does not affect the current access to or delivery of Regulatory Documents, electronically or otherwise.
- Your Consent remains valid unless you change or revoke it at any time for any reason by contacting us at 1-800-547-7754 or at www.principal.com.
- You will receive email alerts as soon as these Regulatory Materials are available.

By signing the above Acceptance of additional Authorizations and Disclosures, you represent that you have the authority to consent to the Electronic Delivery of Regulatory Materials and will be bound by it.

AGENDA ITEM 6.C.

LEGAL

APPOINTMENT OF CITIZEN MEMBER OF THE BOARD OF TRUSTEES

(NO BACKUP FOR THIS SECTION)

AGENDA ITEM 6.D.

LEGAL

PRIVATE CREDIT CONTRACT UPDATES

(NO BACKUP FOR THIS SECTION)

AGENDA ITEM 7.A. EXECUTIVE DIRECTOR'S REPORT

CITY COMMISSION COMMUNICATION

CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND



2600 Hollywood Blvd. • City Hall Annex Building, 2ND Floor, Room 20 • Hollywood, FL 33020 (954) 921-3333 • (954) 921-3332 Fax • www.hollywoodpension.com

CITY COMMISSION COMMUNICATION June 2020

The following information is provided to the City Commission for informational purposes only.

BOARD OF TRUSTEES

Phyllis Shaw – Chair

George Keller – Vice-Chair

Robert Strauss - Secretary

Christopher Cassidy

Jeffery Greene

Charles Howell

Cintya Ramos

All Trustees attended the May 19, 2020 Meeting of the Board of Trustees. The meeting was held telephonically.

ITEMS OF INTEREST TO THE CITY COMMISSION

- The estimated value of the Fund's assets available for investments on April 30, 2020 was \$327.0 million, an estimated net fiscal year-to-date return of negative 2.89%.
- The Fund Office has been closed to the public since March 16, 2020 and reopened on June 10, 2020.
- The Actuary completed the Fund's Actuarial Valuation Report as of October 1, 2019. He noted that the required City biweekly contribution for FY2021 totaled \$30.198 million or \$29.106 million, if paid in full on October 1, 2020.
- The Board approved two Private Credit Investments, EnTrust Blue Ocean Onshore Fund and Nuveen Term Asset-backed Security Loan Facility (TALF) Fund at \$5 million each.
- The Fund updated its Investment Policy Statement to include the ability to invest in group trusts and collective trust funds described in IRS Revenue Ruling 2011-1.
- The Fund has settled litigation regarding the death benefit of a deceased member and paid the death benefit as originally determined. The Fund also recovered \$900 in legal fees.
- The Board has been advised by the City that there had been no application for the position of Citizen Member of the Board of Trustees. The Board concurred with the City's position that Jeffery Greene will holdover as Trustees until a new appointment is made by the Commission.

MEETING SCHEDULE 2020 – to be updated based on discussion at the June 23, 2020 Board Meeting Unless otherwise stated all Regular Meetings of the Board of Trustees are held at 9:00 am in the Fund Office.

July 28, 2020 August 25, 2020 September 22, 2020 October 27, 2020 at 6PM

December 8, 2020

Please be advised that the Next Regular Meeting of the Board of Trustees will be held on Tuesday, July 28, 2020 at 9:00am.

AGENDA ITEM 7.B. EXECUTIVE DIRECTOR'S REPORT

BOARD MEETING SCHEDULE 2020

CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

2020 BOARD MEETING SCHEDULE

(Proposed June 23, 2020)

DATES	Location
July 28, 2020 – 9:00AM	Sun Credit Union
August 25, 2020 – 10:30AM	City Hall, Room 215
September 22, 2020 – 9:00AM	City Hall, Room 215
October 27, 2020 – 10:30AM Currently 6:00PM – 8:00PM	City Hall, Room 215
November 17, 2020 – 10:30AM – 5:00PM Proposed Strategic Planning Workshop	Sun Credit Union
December 8, 2020 – 10:30AM	City Hall, Room 215

AGENDA ITEM 7.C. EXECUTIVE DIRECTOR'S REPORT

POLICY ON BENEFIT RECALCULATION
OF ANNUITANT PAYMENTS

CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND POLICY ON OVERPAYMENTS TO MEMBERS OR BENEFICIARIES

All overpayments totaling \$2,000.00 or less will be handled administratively by the Executive Director.

If the Hollywood Employees Retirement Fund learns that a person is being overpaid and the overpayment is more than \$2,000.00, it should be placed on the agenda for discussion at the regularly scheduled meeting of the Board of Trustees. The Board shall determine if the Pension Staff should cease making any overpayments immediately and/or if the overpayments should be confirmed by the Fund's Actuary before any attempt to recoup the overpayment is made.

The Board of Trustees shall cause the person receiving the overpayment to be notified of the overpayment, the amount of the overpayment, and the reason for the overpayment. The person receiving the overpayment shall be notified of the date and time of the Board of Trustees meeting where the overpayment will be placed on the agenda. The person being overpaid shall be permitted at least five minutes to be heard on whether the overpayment has been made, the amount of the overpayment, and the proper method of recovery of the overpayment.

If the Board has determined that there has been an overpayment, the Board shall consider recoupment of the overpayment. Customarily, this will be accomplished by a reduction from future pension payments. Unless a shorter timetable is agreed to by the retiree or beneficiary, the amount to be repaid should customarily be recovered

- over a period of not more than five years, and
- the minimum amount of each monthly payment to be recovered will be five percent of the new monthly payment, and
- the maximum amount of each monthly payment to be recovered will be twenty percent of the new monthly payment.

If, however, the overpayments have continued for a period in excess of five years, the repayment may be for a period of time no longer than the period of time that the overpayment has been made.

The Board has discretion in determining the amount of the overpayment to be recovered from each monthly payment and the method of recoupment of the overpayment. The Board shall base its discretion on such factors as the hardship to the participant, the participant's reliance on the overpayment, and the length of time that the overpayments shall have been made, and other lawful considerations.

Unless otherwise specified by the Board of Trustees, interest will be charged on the overpayment as follows:

 If the overpayment is repaid in a lump sum within 30 days of the date of the notification letter to the member requesting repayment, interest shall not be charged on the overpayment.

- If the overpayment is repaid in a lump sum after 30 days of the date of the notification letter to the member requesting repayment, interest shall be charged from the date of the notification letter through to the date that the overpayment is repaid.
- If the overpayment is repaid partially, including in installments, interest will be charged on the outstanding balance from the date of the notification letter to the member requesting repayment through to the date that the overpayment is repaid in full.
- Interest shall accrue at the Actuarially Assumed Interest Rate of Return.

AGENDA ITEM 7.D. EXECUTIVE DIRECTOR'S REPORT

RECOUPMENT OF BENEFIT OVERPAYMENT

Agenda Item 7 D - Recoupment of Benefit Overpayment from a Member

Member Name	Reason for Recoupment	Amount of Recoupment	Method of Recoupment	
		\$9,252.60 - 28 payments of \$330.45. No interest charged.	Recoupment over member's life expectancy - 260 payments of \$35.59. Began at Age 65.	
Denise Beltran 2011	Return of refund after reinstatement of \$8,720.34 - employee contributions of \$7,421.43 plus 4% simple interest \$1,484.29.	\$13,410.23 - representing contributions as of separation date, \$7,421.43 plus 4% simple interest through 10/31/2011 plus Plan actual rate of return during that period.	Paid in lump sum in 2011 puruant to 10/21/2011 Amendment to 6/30/2003 Settlement Agreement	
Thea Gordon 2019	Return of refund after reinstatement of \$20,796.95 - employee contributions of \$18,568.78 plus 4% simple interest \$2,228.17.	\$20,796.95 - representing contributions refunded to be returned in a lump sum. Member requested and the Board approved two separate hardships. Initial proposal was repayment with 4% simple interest over 5 years. Extended agreement was repayment by normal retirement date (7 years) with compound interest of 4% per annum from date of second hardship request to date of final payment.	years - 182 payments of \$123.02 plus a final payment of \$122.36	
Jeffery Sheffel 2019	Post 2011 benefit paid on separation in error, should be paid at Age 65.	\$40,063.43 - representing overpayment of post 2011 benefits. The member requested and the Board approved a hardship request. Initial proposal was \$2,587.43 for 15 payments with a final payment of \$1,251.98. No interest charged.	Hardship proposal was \$1,252.00 for 31 payments with a final payment of \$1,251.43. Member has currently expedited the repayment and is repaying \$4,102.01 per month.	

Agenda Item 7 D - Recoupment of Benefit Overpayment from a Member

Recommendation	Reason for Recoupment	Amount of Recoupment	Recommended Method of Recoupment	
Matthew Lalla 2020	Benefit paid at Age 55 in error,	\$9,155.72- aprroximately 36.5 payments of \$205.66		
	should be paid at Age 60		days (by July 31, 2020). No interest charge.	
			If repayment begins July 2020 - 36 monthly payments of approximately \$285. Interest charge at Actuarially Assumed Rate of Returm. Interest to be charge at a compound rate of 7.5% per annum beginning July 1, 2020 (date of notification letter to member with repayment options).	
			If repayment is delayed until pension benefits commence in January 2022 - approximately 40 monthly payments of \$300 beginning 1/16/2022. Interest charge at Actuarially Assumed Rate of Returm. Interest to be charged at a compound rate of 7.5% per annum beginning July 1, 2020 (date of notification letter to member with repayment options).	

AGENDA ITEM 7.E. EXECUTIVE DIRECTOR'S REPORT

COMMUNICATION FROM THE EXECUTIVE DIRECTOR



Communications – June 23, 2020

- 2019 Life Certificates
 - Final outstanding life certificate received. Benefits Restate for Alfonso Vassall
- 2020 Life Certificates
 - 155 Life Certificates outstanding.
- Supplemental Pension Distribution 2012
 - 52 remaining distributions totalling \$325,874.80
- Public Official Bond Renewed
- Benefit Calculation for Rose Mone
- City Commission Operating Budget Workshop
- DROP Participant List
- Planned Retirement Participant List



City of Hollywood, Florida General Employees Pension Calculation of Retirement Benefits

Name :		Rose Mor	e Dept:	Police		Date of Birth/Age	e: _	07/15/1961	5
			Term Date:	06/30/2019					
Hire Date :	06/2	7/1988	_Retirement Date :	07/01/2014	Ye	ars of Service :	C:_		
Name of Benefic	ciarv	None - No	rmal Annuity				S:_		
	•	110110 110	That 7 throaty						-
Date of Birth/Ag	je				Social Security	Number:			
					Hours	Faurinas (instru	and in final annual	·	
				Sick	9.36	Earnings (includ	259.08	ings)	
Earnings 10 Year	ars Pre	cedina Retir	ement	Vacation	57.66	•	1,596.03		
Year		Gros		Holiday		\$	•		
				Comp.		\$	-		
2005 \$		41,133.88		Bld Comp.		\$	-		
2006 \$		44,169.94	1	Total	67.02	\$	1,855.11		
2007 \$		45,932.24							7
2008 \$		47,479.33						Adjusted	1
2009 \$		49,060.71		Year		•	Overtime	Salary	1
2010 \$		47,462.40		2014				\$ -	1
2011 \$ 2012 \$		45,474.16 43,472.40		2015 2016				\$ -	
2012 \$		44,324.80		2016	26 7			\$ - \$ -	
2014 \$		24,117.92		2017	•			Ψ -	
Highest Consec	utive 7	8 Pays		TOTAL	. 78	\$ -	\$ -	\$ -	┨
V N- 1						AADUED DEN			_
Year No. 1			A 00.007.40			CCRUED BENE			П
2001	16		\$ 29,897.49			Avg. Per Month	ı (grossısı)		
2002	26		\$ 48,407.79			Multiplier			
2003	26		\$ 56,320.42			Monthly benefi		ce	
2004	10		\$ 19,496.00			Years of Service			1
Total	78	\$	154,121.70		\$3,379.50	Monthly Norma	al Annuity		1
Leave Payout		\$	1,855.11						1
Totals		\$	155,976.81						
Options:									
5 Year -		= \$ -	_	İ	TOTAL MO	ONTHLY NORM	AL ANNUITY		
10 Year -		= \$ -			\$3,379.50		·		ŀ
20 Year -		= \$ -		Particular					
Equal -		= \$ -	- -				• .		7
Haif -		= \$ -		PAYABL	E ANNUITY:	\$3,379.50			
		_	-	#				•	-

NOTE: As an IRS qualified retirement plan, the City of Hollywood Employees' Retirement Fund Is subject to the maximum benefit limitations contained in Section 415 of the Internal Revenue Code. Your benefit as shown above may be reduced by the operation of IRC Section 415.

CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

DROP

June 2020 Regular Pension Board Meeting

					Payroll Reports	Pension
	Name		DROP Start Date	DROP end Date	Received	Processed
1	Paquet	Joel	September 1, 2015	August 31, 2020	Yes	
	Thomas	Cory	December 1, 2015	November 30, 2020	Yes	
3	McKinney	Michael	May 1, 2016	April 30, 2021	Yes	
4	Hilbert	James	May 31, 2016	May 31, 2021	Yes	
5	Victory	Glenroy	June 1, 2018	May 31, 2021	Yes	
6	Baker	Carletha	July 1, 2016	June 30, 2021	Yes	
7	Ekelund	Eugenia	July 1, 2016	June 30, 2021	Yes	
8	Paicely	Yvonne	July 1, 2016	June 30, 2021	Yes	
9	Witherspoon	Jonathan	November 1, 2016	October 31, 2021	Yes	
10	Dec	Robert	January 1, 2017	December 31, 2021	Yes	
11	Aide	Anglade	February 1, 2017	January 31, 2022	Yes	
12	Estyle	Yolette	February 1, 2017	January 31, 2022	Yes	
13	Holmes	Clarence	April 1, 2017	March 31, 2022	Yes	3
14	Powell	Marie	May 8, 2017	May 7, 2022	Yes	
15	Babich	James	June 1, 2017	May 31, 2022	Yes	
16	Epstein	Jeff	July 1, 2017	June 30, 2022	Yes	
17	Samuels	Brenda	July 1, 2017	June 30, 2022	Yes	
18	Ducker	Elizabeth	August 1, 2017	July 31, 2022	Yes	
19	McLarty	Horace	August 1, 2017	July 31, 2022	Yes	
20	Polistina	Salvatore	September 1, 2017	July 31, 2022	Yes	
21	Sparkman	Steven	August 1, 2017	July 31, 2022	Yes	
22	Leal	Xavier	September 1, 2017	August 31, 2022	Yes	
	Brummer	John	December 1, 2017	November 30, 2022	Yes	
24	Clarke	Janet	January 1, 2017	December 31, 2022	Yes	
25	Leon	Frank	April 1, 2018	March 31, 2023	Yes	
	Ballica	Lucille	September 1, 2018	August 31, 2023		
27	Listhrop	Anselm	September 1, 2018	August 31, 2023	Yes	
28	Moss	John	October 1, 2018	September 30, 2023	Yes	
29	Ferrante	Joseph	February 1, 2019	January 31, 2024	. Yes	
30	Scrivani	Lora	March 1, 2019	February 29, 2024	Yes	
	Lancaster	Lawrence	April 1, 2019	March 31, 2024	Yes	
32	Baculi	Narciso	August 1, 2019	July 31, 2024	Yes	
33	Grandinetti	Donna	August 1, 2019	July 31, 2024	Yes	
34	Linares	Teresa	August 1, 2019	July 31, 2024	Yes	
35	Lopez	Angel	August 1, 2019	July 31, 2024	Yes	
36	Mincy	Donald	August 1, 2019	July 31, 2024	Yes	

CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND

DROF

June 2020 Regular Pension Board Meeting

					Payroll Reports	Pension
	Nam	e	DROP Start Date	DROP end Date	Received	Processed
37	Montalvan	Mario	August 1, 2019	July 31, 2024	Yes	
38	Myrvil	Jean	August 1, 2019	July 31, 2024	Yes	-
39	Wallace	Telford	August 1, 2019	July 31, 2024	Yes	
40	Thornton	Tamara	September 1, 2019	August 31, 2024	Yes	
41	Reese	Debra-Ann	October 1, 2019	September 30, 2024	Yes	
42	De Liso	Domenico	November 1, 2019	October 31, 2024	Yes	
43	Doklean	Dana	November 1, 2019	October 31, 2024	Yes	
44	D'Arpino Vazquez	Linda	January 1, 2020	December 31, 2024	Yes	
45	Erickson	Barry	January 1, 2020	December 31, 2024	Yes	
46	Foard	Timothy	January 1, 2020	December 31, 2024	Yes	
47	Keller	George	January 1, 2020	December 31, 2024	Yes	
48	Nelson	Barbara	January 1, 2020	December 31, 2024	Yes	•
49	Saint Remy	Jean	January 1, 2020	December 31, 2024	Yes	
50	Williams	Horace	January 1, 2020	December 31, 2024	Yes	
51	Zaske	Michael	January 1, 2020	December 31, 2024	Yes	
52	Cassidy	Christopher	March 1, 2020	February 28, 2025	Yes	
53	Knauer	Keith	March 1, 2020	February 28, 2025	Yes	
54	Seidl	Luanne	July 1, 2020	June 30, 2025		
55	Stanley	Angella	August 1, 2020	July 31, 2025		

CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND Planned Retirement June 2020 Regular Pension Board Meeting

	Name		Start Date	Last Date Of Employment No Later Than:
1	Huffaker	Daniel	June 1, 2017	May 31, 2022
2	Perez	Gilda	August 16, 2019	August 15, 2024
3	Azueta	Gail	February 16, 2020	February 15, 2025

AGENDA ITEM 8 PUBLIC COMMENT

(NO BACKUP FOR THIS SECTION)

AGENDA ITEM 9 TRUSTEE REPORTS, QUESTIONS AND COMMENTS

(NO BACKUP FOR THIS SECTION)

AGENDA ITEM 10 ADJOURNMENT

(NO BACKUP FOR THIS SECTION)