

Item 1. Cover

National City Equity Partners, Inc.
Form ADV, Part 2A
February 13, 2012

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This Brochure provides information about the qualifications and business practices of National City Equity Partners, Inc. If you have any questions about the contents of this Brochure, please contact us at 216-222-2491. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about National City Equity Partners, Inc. also is available on the SEC’s website at www.adviserinfo.sec.gov.

National City Equity Partners, Inc. may refer to itself as a “registered investment adviser.” You should be aware that registration with the SEC or a state securities authority does not imply a certain level of skill or training.

Item 2. Material Changes

Not applicable.

IMPORTANT NOTE ABOUT THIS BROCHURE

This Brochure is not:

- *an offer or agreement to provide advisory services to any person*
- *an offer to sell interests (or a solicitation of an offer to purchase interests) in the NCEP Fund (as defined below)*
- *a complete discussion of the features, risks or conflicts associated with the NCEP Fund*

As required by the Investment Advisers Act of 1940, as amended (“Advisers Act”), National City Equity Partners, Inc. (“NCEP” or the “Firm”) provides this Brochure to current clients, together with other relevant materials. Additionally, this Brochure is available through the SEC’s Investment Adviser Public Disclosure website. The investors in the NCEP Fund consist of NCEP, which is a wholly owned indirect subsidiary of The PNC Financial Services Group, Inc., and Sixth Street Capital Partners, LLC, all of the interests in which are owned by current and former members of the NCEP management team familiar with the investment strategies of the NCEP Fund. The NCEP Fund is not open to new investors and is not making new investments (other than follow-on investments in existing portfolio companies). Moreover, NCEP does not intend to advise any other clients or accounts.

Although this publicly available Brochure describes investment advisory services and products of NCEP, persons who receive this Brochure (whether or not from NCEP) should be aware that it is designed solely to provide information about NCEP as necessary to respond to certain disclosure obligations under the Advisers Act. As such, the information in this Brochure may differ from information provided in relevant materials.

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Item 4. Advisory Business

The Company

National City Equity Partners, Inc. is a wholly owned subsidiary of The PNC Financial Services Group, Inc. (“PNC”). The Firm was founded in 1981 and registered as an investment adviser with the SEC in 2012. As of December 31, 2011, the Firm had approximately \$747,800,000 of assets under management on a discretionary basis.

Investment Management Services

NCEP provides investment management services to, and is the managing member of, National City Equity Partners, LLC, a pooled investment vehicle that is excepted from the definition of an “investment company” under the Investment Company Act of 1940, as amended (“Investment Company Act”) (the “NCEP Fund” or “Fund”).

The NCEP Fund seeks to provide investors with current return and long-term capital gains by pursuing mezzanine and equity investments in profitable, middle market companies engaged in leveraged buyouts, recapitalizations, restructurings and growth financings. The Firm specializes in private equity and mezzanine investing, and intends to invest principally in subordinated debt securities with an equity component. The Firm may also invest in preferred stock, common stock or other equity securities of an issuer. The Firm’s typical investment ranges from \$5 million to \$20 million, in companies having at the time of investment \$25 million to \$250 million in annual revenues and approximately \$5 million to \$40 million of operating cash flow.

Investments for the NCEP Fund are managed in accordance with the Fund’s investment objectives, strategies and guidelines and are not tailored to the individualized needs of any particular investor in the NCEP Fund. The investors in the NCEP Fund consist of NCEP, which is a wholly owned indirect subsidiary of PNC, and Sixth Street Capital Partners, LLC (“Sixth Street”), all of the interests in which are owned by current and former members of the NCEP management team familiar with the investment strategies of the NCEP Fund. The NCEP Fund is not open to new investors and is not making new investments (other than follow-on investments in existing Fund portfolio companies). NCEP does not intend to advise any other clients or accounts. However, NCEP may manage certain mezzanine and private equity investments for its own account and for the account of PNC and its subsidiaries.

Item 5. Fees and Compensation

Compensation

The Firm serves as the managing member of the NCEP Fund. In that role, NCEP is reimbursed for the operating expenses of the NCEP Fund in connection with the investment management and/or other services provided to the Fund. NCEP provides or pays directly the expenses of its operations for management of the NCEP Fund, including salaries, bonuses and benefits, office facilities, back office support, accounting,

management/finance functions, marketing, travel and other management related costs. NCEP is reimbursed for these costs pursuant to the operating agreement of the NCEP Fund (“Operating Agreement”). NCEP is also reimbursed by PNC or its subsidiaries for the operating expenses in connection with the management of certain mezzanine and private equity investments for the account of PNC and its subsidiaries.

In addition, Sixth Street may be eligible to receive a performance allocation, or “carried interest.” For an additional discussion regarding performance allocations, please refer to Item 6 – *Performance Based Fees and Side-by-Side Management*.

Other Fees and Expenses

Indirectly, investors in the NCEP Fund may bear certain other fees, expenses and costs (in addition to the management fees discussed above) which are incidental or related to the maintenance of the NCEP Fund or the buying, selling and holding of investments, including, but not necessarily limited to: (1) the fees and expenses of professional advisers such as legal counsel (including unreimbursed legal fees in connection with acquiring investments or proposed investments on behalf of the NCEP Fund and disposing of those investments), administrators, custodians, consultants, bookkeeping and accountants (including audit and certification fees and the expenses associated with the preparation of the NCEP Fund’s financial statements and tax returns); (2) any taxes, fees or other governmental charges levied against the NCEP Fund; (3) expenses associated with the preparation, printing and distribution of reports to the members of the NCEP Fund; (4) investment banking and similar consulting and professional fees associated with the acquisition, holding and disposition of investments, including broken deal expenses, brokerage and other transaction costs, and extraordinary expenses (such as litigation, if any); (5) any insurance, indemnity or litigation expenses relating to the NCEP Fund’s activities; and (6) all other costs incurred in connection with the administration of the NCEP Fund or otherwise that may be authorized by the Operating Agreement. For an additional discussion regarding brokerage fees, commissions and other related transactions costs and expenses, please refer to Item 12 – *Brokerage Practices*.

Billing

NCEP, as the managing member of the NCEP Fund, may make capital calls on investors (or otherwise use available cash) for investors’ pro rata share of Fund expenses (including the reimbursable expenses described above) on a quarterly basis. Following the dissolution of the NCEP Fund, NCEP, as the managing member of the NCEP Fund, will, in accordance with the Operating Agreement, make a final allocation of all items of income, gain, loss and expense. After the payment or provision for payment of all liabilities and obligations of the NCEP Fund, the remaining assets, if any, will, in accordance with the Operating Agreement, be distributed among the investors.

Item 6. Performance-Based Fees and Side-by-Side Management

No performance based fees are payable to NCEP. However, in addition to the compensation discussed in Item 5 – *Fees and Compensation*, Sixth Street, all of the interests in which are owned by current and former employees of NCEP, may be eligible to receive a performance allocation, or “carried interest.” Performance allocations are calculated based upon a percentage of the NCEP Fund’s return on its invested capital in a given investment pool (a separate pool is created for investments made by the NCEP Fund in each calendar year (with follow-on investments allocated to the pool for the calendar year in which the initial investment was made)). Any performance allocation will be paid in accordance with Section 205(3) of the Advisers Act, or Rule 205-3 thereunder.

The existence of a carried interest in the NCEP Fund may create an incentive for the owners of Sixth Street who are also NCEP personnel to make more speculative investments on behalf of the NCEP Fund than it would otherwise make in the absence of such performance allocation. In addition, any given member of the NCEP management team may have a different ownership interest in each investment pool and therefore may be incentivized to spend more time and attention on those investments in the pool in which he or she has the most beneficial ownership interest. However, the conflict of interest associated with a carried interest is mitigated by (1) the requirement that invested capital and related expenses for a particular investment pool be returned to investors before Sixth Street benefits from its carried interest from such investment; (2) Sixth Street’s capital investment in the NCEP Fund; and (3) a claw-back feature pursuant to which Sixth Street will contribute to the Fund an amount, if any, by which total distributions to Sixth Street on account of its carried interest exceed a percentage of the Fund’s net profits, calculated on an investment pool by investment pool basis and in a manner set forth in the Operating Agreement.

NCEP is also responsible for directly managing the mezzanine and private equity investments for its own account or the accounts of entities 100% owned by PNC. These investments are not co-investments with the NCEP Fund. Furthermore, the NCEP Fund is not making any new investments (other than follow-on investments in existing portfolio companies).

Item 7. Types of Clients

As discussed in Item 4 – *Advisory Business*, NCEP provides discretionary investment management services to the NCEP Fund, which is a pooled investment vehicle excepted from the definition of “investment company” under the Investment Company Act. The investors in the NCEP Fund consist of NCEP, which is a wholly owned indirect subsidiary of PNC, and Sixth Street, all of the interests in which are owned by current and former members of the NCEP management team familiar with the investment strategies of the NCEP Fund. The NCEP Fund is not open to new investors and is not making new investments (other than follow-on investments in existing Fund portfolio companies). NCEP does not intend to advise any other clients or accounts. However,

NCEP may manage certain mezzanine and private equity investments for its own account and for the account of PNC or its subsidiaries.

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

Methods of Analysis and Investment Strategies

As discussed in Item 4 – *Advisory Business*, the NCEP Fund seeks to provide investors with current return and long-term capital gains by pursuing mezzanine and equity investments in profitable, middle market companies engaged in leveraged buyouts, recapitalizations, restructurings and growth financings. The Firm specializes in private equity and mezzanine investing, and intends to invest principally in subordinated debt securities with an equity component. The Firm may also invest in preferred stock, common stock or other equity securities of an issuer. The Firm's typical investment ranges from \$5 million to \$20 million, in companies with \$25 million to \$250 million in annual revenues and approximately \$5 million to \$40 million of operating cash flow.

NCEP will employ the investment strategy developed successfully by its principals over their tenure in the mezzanine market. The key elements of NCEP's current investment strategy include:

- Sourcing the majority of transactions in situations where competition is limited as a result of relationships and reputation;
- Applying a disciplined investment and diligence process driven by the credit quality of each opportunity while emphasizing equity upside;
- Working actively with portfolio companies before and after the transaction closes;
- Emphasizing those industry segments in which the principals of NCEP have experience; and
- Focusing on transactions in the relatively inefficient lower middle market.

Material Investment Risks

NCEP's investment activities involve a high degree of risk with no certainty of any return of capital. Although mezzanine securities are senior to common stock and other equity securities in the capital structure, they may be subordinated to senior debt and are usually unsecured. Highly leveraged portfolio companies are intrinsically more sensitive to declines in revenues and to increases in interest rates and other expenses. Portfolio companies may face intense competition, changing business and economic conditions or other developments which may adversely affect their performance. The ability of the NCEP Fund to influence a company's affairs and to protect its investments, especially during periods of financial distress or following an insolvency, is likely to be substantially less than that of senior creditors. The debt securities in which the NCEP Fund invests may not always be protected by financial covenants or limitations upon

additional indebtedness, may have limited liquidity and may not be rated by a credit rating agency. The NCEP Fund's investment returns are expected to be driven by the following factors: return of principal, receipt of interest and fees and returns on equity components of investments, including warrants. There can be no assurance that a portfolio company will generate sufficient cash necessary to service its debt obligations or that the entire principal amount of the NCEP Fund's investment will be repaid. The NCEP Fund's investments may be subject to early redemption features, refinancing options, prepayment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by the NCEP Fund earlier than expected. In addition, depending on fluctuations of the equity markets, warrants and other equity securities may become worthless.

As a result of these factors, as well as other risks inherent in any investment, there can be no assurance that the NCEP Fund will meet its investment objective or otherwise be able to successfully carry out its investment program. The following does not purport to be a comprehensive summary of all the risks associated with an investment in the NCEP Fund. In addition to the risks identified below, investors in the NCEP Fund may be subject to additional risks, including the lack of liquidity for interests of the NCEP Fund. Clients of NCEP, as well as investors in the NCEP Fund, should be prepared to incur losses.

Competitive Mezzanine Environment – The activity of identifying, completing and realizing attractive mezzanine investments involves a significant degree of uncertainty, and the NCEP Fund competes with strategic buyers and other investors, including other mezzanine funds, private equity funds, direct investment firms and merchant banks, for investment opportunities. There can be no assurance that the NCEP Fund will be able to locate and complete investments that satisfy its rate of return objectives or realize upon their values or that it will be able to invest fully its commitments.

Lack of Diversification and Reliance on Portfolio Company Management – The NCEP Fund has invested in a limited number of investments. Therefore, the aggregate return of the NCEP Fund may be adversely affected by the negative performance of a relatively few investments. The NCEP Fund does not have fixed guidelines for diversification by industry, and investments may be concentrated in only a few industries. NCEP monitors portfolio company performance; however, it is primarily the responsibility of portfolio company management to operate a portfolio company on a day-to-day basis and there is no assurance that such management will perform in accordance with the NCEP Fund's expectations.

Dependence Upon NCEP and its Affiliates – Decisions with respect to the management of the NCEP Fund and originating, identifying, structuring, executing and monitoring investments consistent with the NCEP Fund's investment objective and policies will be made exclusively by NCEP. Non-managing members have no right or power to take part in the management of the NCEP Fund and will not have an opportunity to evaluate the specific investments made by the NCEP Fund or the terms of any investment. The success of the NCEP Fund will depend significantly upon the skill and expertise of NCEP's principals to select investment opportunities, negotiate appropriate terms of securities purchased, and arrange the profitable disposition of securities. The carried

interest of these principals held through their interest in Sixth Street should discourage them from withdrawing from participation in the NCEP Fund's investment activities. However, there can be no assurance that these principals will continue to be associated with NCEP or its affiliates throughout the life of the NCEP Fund, and the loss of key personnel could have a material adverse effect on the NCEP Fund.

Legal, Tax and Regulatory Risk – Legal, tax and regulatory changes could occur during the term of the NCEP Fund that may adversely affect the NCEP Fund and its portfolio companies or members.

Risks Upon Disposition of Investments – In connection with the disposition of an investment in a portfolio company, or the public sale of securities of a portfolio company, the NCEP Fund may be required to make representations about the business and financial affairs of the portfolio company or to assume responsibility for the contents of disclosure documents under applicable securities laws and to indemnify the purchasers of such investments or underwriters of securities of a portfolio company, to the extent that any such representations or disclosure documents turn out to be inaccurate. These arrangements may result in contingent liabilities of the NCEP Fund. The Operating Agreement contains provisions to the effect that a member may be required to return distributions received from the NCEP Fund for purposes of meeting its ratable share of the NCEP Fund's indemnity or other obligations in an amount not exceeding the aggregate amount of distributions actually received by such member.

Illiquid and Long-Term Investments – NCEP, as managing member of the NCEP Fund, intends to achieve targeted returns for a given investment over a three- to five-year period, however other factors, such as overall economic conditions, the competitive environment and the availability of potential purchasers of the securities, may shorten or lengthen the NCEP Fund's holding period. Although a majority of the investments of the NCEP Fund are expected to generate some current income, a significant portion of investments may have a contractual return that is not paid entirely in cash, but rather is paid partially or wholly in-kind or as an accreting liquidation preference, thus lengthening the time before cash is received which may be distributed to the members and increasing the NCEP Fund's risk exposure to the portfolio company. In addition, there can be no assurance that the distributions, if any, from the NCEP Fund to its members will be sufficient to cover any member's tax obligations arising from its allocable share of taxable income of the NCEP Fund. It is anticipated that there will not be a public market for all or a substantial portion of the securities held by the NCEP Fund at the time of their acquisition. The NCEP Fund will generally not be able to sell its securities publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. Practical limitations may inhibit the NCEP Fund's ability to liquidate its investments in privately held portfolio companies since the NCEP Fund will own debt securities and/or a relatively small percentage of the issuer's equity securities, limiting the NCEP Fund's ability to cause a liquidity event. Sales also may be limited by market conditions which may be unfavorable for sales of securities of particular issuers or issuers in particular industries. In some cases, the NCEP Fund may be prohibited by contract from selling certain securities for a period of time. The expenses of operating the NCEP Fund may

exceed its income, with the difference having to be paid from capital. Losses on unsuccessful investments may be realized before gains on successful investments are realized.

Follow-On Investments – The NCEP Fund may be called upon to provide additional funding to, or have the opportunity to increase its investment in, its portfolio companies. There can be no assurance that the NCEP Fund will wish to make follow-on investments or that it will have sufficient funds to do so. Any decision not to make a follow-on investment or the inability of the NCEP Fund to make such an investment may have a substantial negative impact on a portfolio company in need of such an investment and may diminish the NCEP Fund's ability to influence the portfolio company's future development.

Non-Controlling Investments – The NCEP Fund will generally hold a non-controlling interest in portfolio companies and, therefore, may have to rely solely on contractual covenants which may be limited to protect its position in such portfolio companies.

Financial Market Fluctuations – General fluctuations in the market prices of securities may affect the value of the investments held by the NCEP Fund. Instability in the securities markets may also increase the risk inherent in the NCEP Fund's investments. The ability of portfolio companies to refinance or redeem mezzanine and equity securities held by the NCEP Fund may depend on their ability to sell new securities in the market.

Interest Rate Fluctuations – General interest rate fluctuations may have a substantial negative impact on the NCEP Fund's investments and investment opportunities and, accordingly, may have a material adverse effect on the NCEP Fund's investment objectives and the rate of return on invested capital. In addition, an increase in interest rates would make it more expensive for portfolio companies to finance operations and indirectly affect the credit quality of the NCEP Fund's investments.

Failure to Make Contributions – If a member fails to pay installments of its commitment to the NCEP Fund when due, and the contributions made by the non-defaulting member and borrowings by the NCEP Fund are inadequate to cover the defaulted contribution, the NCEP Fund may be unable to pay its obligations when due. As a result, the NCEP Fund may be subjected to significant penalties that could materially adversely affect the returns to members (including the non-defaulting member). If a member defaults with respect to its obligations to fund required capital contributions, then the member will be subject to the potential of a claim of breach of the Operating Agreement.

Operating and Financial Risks of Portfolio Companies – One of the fundamental risks associated with the NCEP Fund's investments is credit risk, which is the risk that an issuer will be unable to make principal and interest payments when due. While the NCEP Fund will generally target investing in high quality companies, these companies could still present a high degree of business and credit risk. Portfolio companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing, and other capabilities and a larger number of qualified personnel. Companies in which the NCEP Fund invests

could deteriorate as a result of, among other factors, an adverse development in their business, a change in the competitive environment, or an economic downturn. The companies in which the NCEP Fund invests may be highly leveraged. The incurrence of indebtedness may subject the NCEP Fund's investee companies to restrictive financial and operating covenants, impairing their ability to finance future operations and capital needs and limiting their flexibility to respond to changing business and economic conditions and business opportunities. A leveraged company's income and net assets will tend to increase or decrease at a greater rate than if borrowed money were not used. The leveraged capital structure of such companies will increase their exposure to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the financial condition of the company or its industry. A portfolio company's failure to satisfy covenants in its loan documents could lead to default and possible termination of its loans and foreclosure on its secured assets which could trigger cross-defaults under other agreements and jeopardize a portfolio company's ability to meet its obligations under the securities held by the NCEP Fund. The NCEP Fund may incur expenses if it is required to seek recovery upon default or to negotiate new terms with a defaulting portfolio company. In addition, it is possible that a bankruptcy court would re-characterize the NCEP Fund's position in such company's capital structure as equity and subordinate its claims to the claims of other creditors. When successful, or when there is a decline in interest rates, a portfolio company may pay the principal on an obligation held by the NCEP Fund earlier than expected. Early repayments of the NCEP Fund's investments may have a material adverse effect on its investment objectives and the rate of return on invested capital. To address this risk, the NCEP Fund may, from time to time, seek to negotiate prohibitions on prepayment for a period of years and/or a call premium or other pre-payment penalty to be paid by the issuer on prepayment.

Subordination – The investments of the NCEP Fund will typically be subordinated to the senior obligations of an issuer, either contractually (in the case of debt securities) or because of the nature of the security (in the case of preferred stock, common stock, or holding company debt). Such subordinated investments may be characterized by greater credit risks than those associated with the senior obligations of the same issuer. In addition, the NCEP Fund may not have control over the amount of senior debt of the companies in which it has mezzanine investments. Adverse changes in the financial condition of an issuer or in general economic conditions (or both) may impair the ability of such issuer to make payments on the subordinated securities and result in defaults on and declines in the value of such securities more quickly than in the case of the senior obligations of such issuer.

No Assurance of Investment Return – There can be no assurance that the NCEP Fund will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of companies and transactions described herein. Past activities of investment entities associated with NCEP and its affiliates and principals provide no assurance of future success.

Investment in Restructurings and Reorganizations – The NCEP Fund may make investments in restructurings which involve companies that previously have experienced or are experiencing financial difficulties. These severe financial difficulties may never be

overcome and may cause such companies to become subject to bankruptcy proceedings. As such, these investments could subject the NCEP Fund to certain additional potential liabilities that may exceed the value of the NCEP Fund's original investment therein. For instance, under certain circumstances, payments to the NCEP Fund (and distributions to its members) may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment or similar transaction under applicable bankruptcy and insolvency laws. Investments in restructurings also may be adversely affected by statutes relating to, among other things, lender liability and the court's discretionary power to disallow, subordinate or disenfranchise particular claims.

Bridge Investments – The NCEP Fund may provide bridge financing in connection with one or more of its investments. While such securities are outstanding, the NCEP Fund will bear the risk of changes in the capital markets that may adversely affect the ability of a portfolio company to refinance bridge investments. If the portfolio company is unable to complete a refinancing of the bridge loan, for example, the NCEP Fund could have a long-term investment in a junior security or that junior security might be converted to equity.

Indemnification – The NCEP Fund will be required to indemnify NCEP, its affiliates and each of their respective members, officers, directors, employees, stockholders, shareholders, partners and other persons who serve at the request of the managing member on behalf of the NCEP Fund for liabilities incurred in connection with the affairs of the NCEP Fund. Sixth Street, as the former managing member of the NCEP Fund, also will be entitled to the benefit of certain indemnification and exculpation provisions as set forth in the Operating Agreement. Liabilities resulting from such indemnification obligations may be material. The indemnification obligation of the NCEP Fund would be payable from the assets of the NCEP Fund. If the assets of the NCEP Fund are insufficient, the managing member may recall distributions previously made to the members, subject to certain limitations set forth in the Operating Agreement.

General Tax Considerations – The NCEP Fund is expected to be treated as a partnership for U.S. federal income tax purposes. An investment in the NCEP Fund may give rise to a variety of complex U.S. federal income tax and other tax issues for members. Prospective investors are urged to consult their own tax advisors with specific reference to their own situations concerning an investment in the NCEP Fund.

Item 9. Disciplinary Information

Registered investment advisers are required to disclose facts regarding any legal or disciplinary events that would be material to your evaluation of the Firm or the integrity of the Firm's management in this Item. NCEP has no legal or disciplinary events to report.¹

¹ We note that registered advisers are required to report all disciplinary events regardless of whether they are material in Part 1A of Form ADV. NCEP has no disciplinary events of any kind to report.

Item 10. Other Financial Industry Activities and Affiliations

NCEP is part of a broad financial services organization and is therefore affiliated with other entities engaged in a variety of financial services businesses. In some cases, the Firm has business arrangements with its affiliates that are material to its advisory business or to its clients. These are described in more detail below and, in some cases, may cause NCEP's or a related person's interests to diverge from the best interests of the NCEP Fund.

The PNC Financial Services Group, Inc.

PNC is a diversified financial services company. PNC is engaged in retail banking, corporate and institutional banking, asset management, and residential mortgage banking. Through its indirect wholly owned subsidiaries, PNC is the indirect owner of NCEP. The Firm also manages the proprietary mezzanine and private equity investments of PNC and/or its subsidiaries, including PNC Capital Finance, LLC.

PNC Bank, National Association

PNC Bank, National Association ("PNC Bank"), a member of the Federal Deposit Insurance Corporation, is a full service bank engaged in traditional lending, cash and/or treasury management and other services. From time to time, PNC Bank may provide such services to a portfolio company in which the NCEP Fund has invested. PNC Bank also acts as the custodian to the NCEP Fund.

PNC Capital Finance, LLC

PNC Capital Finance, LLC, an indirect, wholly owned subsidiary of PNC, makes subordinated debt and/or equity investments in private companies. PNC Capital Finance does business under the names "PNC Mezzanine," "PNC Erieview" and "PNC Riverarch."

PNC Investments LLC

PNC Investments LLC, a wholly owned subsidiary of PNC Bank, is a registered broker dealer and investment adviser which provides full service brokerage and wrap fee programs to its clients.

PNC Capital Advisors LLC

PNC Capital Advisors LLC, a wholly owned subsidiary of PNC Bank, provides discretionary investment advisory services to registered investment companies, institutional accounts, and personal investment management accounts.

PNC Mezzanine Management Corp.

PNC Mezzanine Management Corp., an indirect, wholly owned subsidiary of PNC, provides discretionary investment advisory services to pooled investment vehicles

excepted from the definition of “investment company” under the Investment Company Act. PNC Mezzanine Management Corp. primarily invests in subordinated debt and/or equity investments in private companies.

PNC Realty Investors, Inc.

PNC Realty Investors, Inc., an indirect, wholly owned subsidiary of PNC, provides investment supervisory services to institutional investors in connection with investments in commercial real estate throughout the United States.

PNC Capital Markets, LLC

PNC Capital Markets, LLC, an indirect, wholly owned subsidiary of PNC, offers loan syndication, public finance underwriting and advisory services, securities underwriting and trading, private placements, asset securitizations and merger and acquisition advisory services.

Harris Williams LLC

Harris Williams LLC (“Harris Williams”), a subsidiary of PNC, is one of the largest mergers and acquisitions advisory firms in the country focused exclusively on the middle market. From time to time, Harris Williams may provide such services to a portfolio company in which the NCEP Fund has invested.

BlackRock Inc.

BlackRock Inc. (“BlackRock”), the largest publicly-traded investment management firm in the United States, manages assets on behalf of institutions and individuals worldwide through a variety of equity and balanced, fixed income, cash management and alternative investment products. As of September 30, 2011, PNC owned approximately 24% of the outstanding voting securities of BlackRock (with an economic interest of approximately 21%) and PNC Investments is indirectly affiliated with a significant number of BlackRock investment adviser and broker dealer subsidiaries.²

PNC Insurance Services LLC

PNC Insurance Services LLC is a wholly owned subsidiary of PNC Bank and a licensed insurance agency which provides a variety of insurance products and advice.

PNC or its affiliates may provide broker-dealer or other services to the NCEP Fund and may receive broker-dealer fees and investment banking fees with respect to portfolio

² Those subsidiaries include State Street Research & Management Company, BlackRock Realty Advisors, BlackRock Advisors LLC, BlackRock Financial Management, Inc., BlackRock Institutional Management Corp., BlackRock International, Limited, BlackRock Capital Management, Inc., BlackRock Investments, Inc., BlackRock Investment Management LLC, BlackRock Capital Markets LLC, BlackRock Fund Advisors, BlackRock Execution, BlackRock Fund Distribution and BlackRock Kelso Capital Advisors.

company transactions. The NCEP Fund will not receive any of the fees paid by the portfolio companies for such services. Furthermore, PNC or its affiliates, such as Harris Williams, acting as underwriters or broker-dealers, may be chosen by a portfolio company of the NCEP Fund to effectuate, among other things, sales or offerings, with or without the input of NCEP.

The relationship between NCEP and its affiliates, including an affiliated broker-dealer, may give rise to a material conflict of interest between NCEP and the NCEP Fund if the NCEP Fund has an interest in any portfolio companies with respect to which an affiliate provides services. NCEP may have an incentive to seek to influence the management of a portfolio company to retain an affiliate to provide broker-dealer or other services, or to borrow from, or otherwise transact with, an affiliate of NCEP, rather than an unaffiliated entity. However, NCEP will approve such transactions only on terms that are believed to be commercially reasonable to the NCEP Fund. Moreover, if the Firm holds one or more seats on the board of directors of an NCEP Fund portfolio company, and the board is being asked to vote on a matter involving a PNC affiliate (other than the NCEP Fund or NCEP), then the NCEP representative(s) will: (1) vote on such matter in good faith in a manner they believe to be in the best interests of the NCEP Fund and (2) request that the portfolio company obtain approval both from a majority of all board members and from a majority of the non-PNC board members.

In the ordinary course of its business, PNC or its affiliates may engage in activities in which their interests may potentially conflict or compete with those of the NCEP Fund and its members, including (1) making direct or indirect investments in companies which would otherwise be suitable portfolio company investments for the NCEP Fund; (2) investing as a passive limited partner in funds that compete with the NCEP Fund; or (3) lending to a portfolio company in which the NCEP Fund has made an investment at a level that is senior in the capital structure to the NCEP Fund's investment. PNC or its affiliates may also represent potential purchasers, sellers and other involved parties with respect to businesses which may be suitable for investment by the NCEP Fund. In addition, if PNC or one of its affiliates is engaged to provide investment banking or underwriting services to portfolio companies in which the NCEP Fund has invested, the NCEP Fund will not receive any of the fees paid by portfolio companies to PNC or such affiliate in connection with such services.

As discussed above, certain portfolio companies in which the NCEP Fund has invested have borrowed from PNC Bank. These loans are senior in the capital structure to the NCEP Fund's investment. While the principals of NCEP believe that such loans promote attractive deal flow for the NCEP Fund and thereby benefit the NCEP Fund, loans by PNC Bank at a level senior to that of the NCEP Fund's investments present inherent conflicts of interest between PNC Bank and the NCEP Fund. For example, in the event of restructuring or insolvency, the holders of senior debt may exercise remedies and take other actions that are not in the interest of or are adverse to the NCEP Fund.

Furthermore, by reason of the investment banking and related activities of PNC and its affiliates, PNC or its affiliates may acquire confidential or material non-public information and therefore be restricted from initiating transactions in certain securities.

In addition, under certain circumstances, the NCEP Fund may not be given access to material non-public information in the possession of PNC or its affiliates which may be relevant to an investment decision to be made by the NCEP Fund.

While the risk of these conflicts cannot be eliminated, policies and procedures have been designed and implemented, such as information barriers, to address certain of these conflict situations, to provide that NCEP will seek to act on an arms' length basis from PNC and its affiliates in such conflict situations.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics and Personal Trading

NCEP has adopted a Code of Ethics which consists of certain general principles including: (1) the interest of the NCEP Fund (and investors therein) must be placed first at all times; (2) all personal securities transactions must be conducted consistent with the Code of Ethics and in such a manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility; (3) access persons (as defined in the Adviser Act) should not take inappropriate advantage of their positions; (4) access persons must comply with applicable federal securities laws; and (5) access persons must comply with all applicable compliance policies and procedures of the Firm. In addition, the Code of Ethics includes provisions relating to the reporting of personal securities holdings and trading activity. All access persons at NCEP must acknowledge the terms of the Code of Ethics annually. A copy of the Code of Ethics will be provided to any client upon request. NCEP's contact information appears on the cover page of this Brochure.

NCEP employees are also subject to the PNC Employee Conduct Policies, among other policies and procedures, which cover matters including compliance with law, conflicts of interest, insider trading, outside activities, and safeguarding confidential information.

Participation or Interest in Client Transactions

As discussed in Item 10 – *Other Financial Industry Activities and Affiliations*, PNC Bank may provide traditional lending, cash and/or treasury management and other services to a portfolio company in which the NCEP Fund has invested. However, such services offered by PNC Bank are separate from the management services provided by NCEP. Policies and procedures have been designed and implemented to address these conflict situations.

Item 12. Brokerage Practices

Broker Selection and Best Execution

As a private investment firm, NCEP's typical acquisition or disposition of a security will involve a privately negotiated transaction with the issuer of the securities or prospective

purchasers, and generally will not involve the services of a broker or dealer. In those cases, NCEP seeks to negotiate and execute transactions in an efficient manner and consistent with its fiduciary duties to the NCEP Fund. In limited circumstances, however, NCEP may dispose of a security through a broker or dealer. When it is appropriate to execute portfolio transactions through brokers or dealers, NCEP seeks the best overall terms available on behalf of the NCEP Fund. In assessing the best overall terms available for any transaction, NCEP considers the full range and quality of a broker or dealer's services and other considerations, including cost, expertise and reputation.

Allocation and Aggregation of Trades

NCEP only advises one fund, the NCEP Fund, and does not permit the Fund to co-invest with PNC or other investors in the NCEP Fund. In addition, the investment period of the NCEP Fund has expired and, with the exception of certain follow-on investments and the liquidation of existing portfolio company positions, the NCEP Fund will not engage in additional transactions.

Item 13. Review of Accounts

NCEP's investment professionals will actively monitor and review the NCEP Fund's investment portfolio on a periodic basis. The team generally includes the President, Managing Directors, Directors, and other investment professionals of NCEP. During this process, the investment professionals analyze existing portfolio company positions in an attempt to identify issues early on and to take any necessary actions. The Investment Committee of the NCEP Fund will meet on a quarterly basis, or at such other times as necessary or appropriate, to discuss the investment portfolio of the Fund and, as necessary, implement any action recommended by the Firm's investment professionals.

NCEP will provide written reports at such frequency as required by the Operating Agreement. NCEP will provide, among other things, (1) unaudited financial statements and other information on an annual basis and (2) unaudited summary financial and other information on a quarterly basis, to the investors in the NCEP Fund.

Item 14. Client Referrals and Other Compensation

NCEP receives, in the ordinary course of its business, compensation from certain portfolio companies in which the NCEP Fund has invested in connection with managerial and other services provided to the portfolio companies. The Firm may also receive fees and other compensation, such as breakup fees, from transactions not consummated by the NCEP Fund in connection with the NCEP Fund's proposed investment in such transactions. Such fees and other compensation are paid to the NCEP Fund except that, in some instances, NCEP personnel may serve on a portfolio company board and receive a board fee that is retained by the NCEP individual so serving.

Item 15. Custody

NCEP is deemed to have "custody" over the NCEP Fund within the meaning of Rule 206(4)-2 under the Advisers Act. To comply with this Rule, NCEP has engaged PNC Bank, National Association as its custodian. On at least a quarterly basis, PNC Bank, National Association will provide an account statement, which will identify the amount of funds and of each security in the account of NCEP Fund at the end of the relevant period and set forth all transactions in the account during that period, to the NCEP Fund and investors therein. Each investor of the NCEP Fund should review these statements carefully. In addition, NCEP will provide to members certain unaudited financial statements of the NCEP Fund on a quarterly and annual basis. Investors should review these statements, and compare them against the account statements provided by PNC Bank, National Association.

Item 16. Investment Discretion

As discussed in Item 4 – *Advisory Business*, NCEP provides, pursuant to an Operating Agreement, investment management services to the NCEP Fund on a discretionary basis. The limits upon the Firm's investment discretion are set forth in the Operating Agreement. NCEP's investment discretion is further limited to certain follow-on investments and the liquidation of existing portfolio company positions. NCEP does not intend to advise any additional funds or accounts.

Item 17. Voting Client Securities

NCEP, in its role as managing member of the NCEP Fund, will vote proxies and/or execute consents for client accounts. In addition, the NCEP Fund may, from time to time and under certain circumstances, be asked to consent to certain corporate actions (*e.g.*, consent to changes in features of debt securities). The general principle of NCEP's Portfolio Securities Voting and Consent Policy and Procedures is to exercise any voting and/or consent rights prudently and solely in the best long-term economic interest of its clients considering all relevant factors and without undue influence from individuals or groups who may have an economic interest in the outcome of such vote or consent.

NCEP's Portfolio Securities Voting and Consent Policy and Procedures are designed to ensure that if a material conflict of interest is identified in connection with a particular

proxy vote or consent, the vote or consent is not improperly influenced by the conflict. For example, in the event that an investment professional determines that he or she may have a material conflict of interest, the investment professional may vote such matter in accordance with the recommendation of any service provider (if applicable) or as instructed by the investors in the NCEP Fund (if applicable).

Written requests for copies of the complete Portfolio Securities Voting and Consent Policy and Procedures and information about how NCEP exercised any voting and/or consent rights should be directed to NCEP at 1900 East Ninth Street, 17th Floor, Cleveland, Ohio 44114.

Item 18. Financial Information

Not applicable.