

FIRM BROCHURE
(PART 2A OF FORM ADV)

PPC Enterprises LLC
500 Park Avenue, 4th Floor
New York, NY 10022
(212) 768-4554

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This brochure (“Brochure”) provides information about the qualifications and business practices of PPC Enterprises LLC (the “Adviser” or “PPC”). If you have any questions about the contents of this Brochure, please contact Jeffrey M. Krauss at (212) 768-4554 ext. 230 or by email at jkrauss@ppcenterprises.com. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “SEC”) or by any state securities authority. PPC may refer to itself as a “registered investment adviser” which does not imply a certain level of skill or training.

Additional information about PPC is available on the SEC’s website at **www.adviserinfo.sec.gov**.

Item 2 – Material Changes

The following is a discussion of the material changes to PPC’s brochure since its last amendment was filed with the SEC on May 14, 2014.

Regulatory Assets Under Management

- Pursuant to Rule 203A-2(c) under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), PPC has updated its disclosures, primarily under *Item 4 — Advisory Business*, to reflect that it now is managing the assets of Series A of Public Pension Capital, LLC (the “Company”).

PPC will amend its Brochure at least annually. Upon making material changes to the Brochure, PPC will identify and describe those changes as compared to the previous version of the Brochure and will provide the date of the last annual update of its Brochure. A summary of the material changes will appear in this item or as a separate document accompanying the Brochure.

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 buy interests) in the Fund (as defined in this Brochure) advised by PPC; or*
- *a complete discussion of the features, risks or conflicts associated with the Fund advised by PPC.*

As required by the Advisers Act, PPC provides this Brochure to current and prospective clients. PPC may also, in its discretion, provide this Brochure to current or prospective investors in the Fund, together with other relevant offering materials, such as the Fund's private placement memorandum (the "PPM"), prior to, or in connection with, such persons' investment in the Fund.

Although this Brochure describes the investment advisory services of PPC, persons who receive this Brochure (whether or not from PPC) should be aware that it is designed solely to provide information about PPC 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 the offering materials for the Fund.

More complete information about the Fund advised by PPC is included in the offering materials for the Fund, which may be provided to current and eligible prospective investors only by PPC or its authorized agents. If there is any conflict between information conveyed in this Brochure and that conveyed in any offering materials, the information contained in this Brochure will govern and control.

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Item 4 – Advisory Business

1. The Adviser

PPC Enterprises LLC, a Delaware limited liability company, commenced operations in 2011 and has its principal office in New York, NY. This Brochure provides an overview of the Adviser. Perry Golkin and Michael T. Tokarz (the “Co-Founders”) are the founders of the Adviser and Perry Golkin is the principal owner of the Adviser. Additional information related to the ownership of the Adviser can be found on Schedule A of PPC’s Form ADV Part 1.

The Adviser provides investment management services exclusively to entities that qualify as “accredited investors” under Regulation D promulgated under the Securities Act of 1933, as amended (the “Securities Act”). The Fund will not be required to register with the SEC as an investment company in accordance with the exemptions set forth in Sections 3(c)(1) and 3(c)(7) of the Investment Company Act of 1940, as amended (the “Investment Company Act”).

The Adviser provides advisory services to Series A of the Company and intends to provide any additional series that may be established in accordance with the Company’s limited liability company agreement (the “LLC Agreement”) and any co-investment vehicle that may be formed by the Company’s managing member, PPC MM, L.P., a Delaware limited partnership (the “Managing Member”), or its affiliates for the purpose of co-investing alongside any series of the Company in accordance with the LLC Agreement.

The Company does not intend to make any investments on its own behalf. Instead, the Company’s assets and its associated liabilities will be divided into separate series of interests through which it will conduct its business. Each series will be separate and distinct from the Company and from each other series, and the interest of any member in a series will be separate and distinct from a member’s interest in any other series. Initially, the Company will have only one series, called “Series A.” Unless and until another series is established in accordance with the LLC Agreement under the limited circumstances provided therein, all investments by the Company will be made by it on behalf of Series A and will be assets of Series A, and all liabilities incurred by the Company or Series A will be liabilities of Series A. The establishment of a new series may only occur after the third anniversary of the first closing of the Company in connection with the reduction in the capital commitment of one of the Company’s founding special members or such special member’s withdrawal from Series A.

For ease of reference, the term “Fund,” as used in this Brochure, shall mean each series established in accordance with the terms of the LLC Agreement (including Series A), or all series so established, as the context may require.

As of May 16, 2014, the Fund had \$400 million in capital commitments. As of May 16, 2014, PPC had approximately \$400 million in regulatory assets under management in respect of which PPC or an affiliate of PPC has full investment discretion, subject to the Fund’s established investment guidelines. PPC does not manage any client assets on a non-discretionary basis.

a. Investment Team and Relationship with TTGA

PPC's investment team (the "Investment Team") is led Mr. Golkin, who is the chief executive officer of the Adviser (the "CEO"), Mr. Tokarz, Mr. Krauss and James Fisher. The Investment Team has significant private equity, investment banking, corporate finance, entrepreneurial leadership, acquisition integration, intellectual property, operations and turnaround experience. Additional senior and junior investment professionals are expected to join the Investment Team as PPC grows its operations.

Mr. Tokarz, a Co-Founder, is also a manager of The Tokarz Group Advisers, LLC ("TTGA"), a registered investment adviser that provides advisory services to MVC Capital, Inc. ("MVC"), MVC Private Equity Fund, L.P. (the "MVC PE Fund," and, together with MVC, the "TTGA Funds") and all of their subsidiaries and portfolio companies. Mr. Tokarz provides investment advisory services to assist the Adviser in its management of the Fund, including the referral to the Adviser and the Fund of potential investments within the Fund's investment focus. Pursuant to a shared services agreement between PPC and TTGA (the "Shared Services Agreement"), the Investment Team also includes certain of TTGA's investment professionals, who provide investment advisory services to the Fund as needed, and TTGA also provides certain administrative services to PPC. Certain employees of TTGA are "associated persons" of PPC when providing certain services on behalf of PPC and, in this capacity, are subject to PPC's oversight and supervision. TTGA has an existence independent of PPC. For purposes of this Brochure, references to "PPC" and the "Adviser" do not include references to TTGA.

2. Description of Advisory Services

a. Advisory Services

PPC provides investment advisory services only to Series A of the Company pursuant to a management agreement with Series A and the Managing Member. If any additional series is established in accordance with the LLC Agreement or any co-investment vehicle is formed for the purpose of co-investing alongside any series of the Company in accordance with the LLC Agreement, then PPC also intends to provide investment advisory services to any such series and co-investment vehicle. The Adviser's services are furnished pursuant to a management agreement with the applicable series and the Managing Member or applicable co-investment vehicle, as the case may be. Pursuant to the management agreement, the Adviser identifies and makes recommendations regarding prospective investments and exit strategies and other liquidity options and provides such other management, advisory and strategic assistance as the Fund may request from time to time.

The Adviser tailors its advisory services to the specific investment objectives and restrictions of the Fund pursuant to the investment guidelines and restrictions set forth in the Company's PPM, the LLC Agreement, the subscription agreements between the Fund and each investor and other governing documents (collectively, the "Governing Documents").

Information about the Fund and its investment objectives, strategies, restrictions and risks associated with an investment are described in the Governing Documents, which are made

available to investors only through PPC and its authorized agents. *See Item 8 — Methods of Analysis, Investment Strategies and Risk of Loss and Item 16 — Investment Discretion.*

The Fund has two classes of members: managing members and special members. The special members of the Fund (excluding members of the Investment Team and any of their affiliates and affiliates of the Managing Member and the Adviser) are referred to herein as the “Special Members.” The Special Members are U.S. public pension plans (e.g., state and local governmental public pension plans) and other long-term investors. Investment strategies and guidelines are not tailored to the individualized needs of any particular investor in the Fund.

Subject to the terms of the LLC Agreement, Special Members are permitted to opt out of a particular investment if their participation in such investment would constitute a breach of law or if the LLC Agreement otherwise permits such opt-out. Investments in the Fund involve significant risks and should be regarded as long-term in nature, forming only one portion of an investor’s diversified investment portfolio. There can be no assurance that the investment objectives of any client will be achieved. *See Item 8 — Methods of Analysis, Investment Strategies and Risk of Loss — Material, Significant or Unusual Risks Relating to Investment Strategies.*

The investment committee of the Company (the “Investment Committee”) will be responsible for approving all of the Fund’s investment opportunities. The composition of the Investment Committee is subject to change and initially consists of Messrs. Golkin and Tokarz.

b. Investment Strategies and Types of Investments

The Fund’s investment objective is to make equity or equity-oriented investments (including debt or hybrid debt/equity investments expected to offer equity-like returns) in small or middle-market companies located in the United States and Canada. The Fund focuses primarily on investments in companies in the following three industry sectors: (i) financial services; (ii) specialty chemicals; and (iii) certain segments of the healthcare industry, such as healthcare services, healthcare information, medical technology and medical devices. The Fund also opportunistically pursues transactions in certain segments of energy, general industrial, and consumer businesses in light of the experience of its investment professionals in such industries.

The Fund seeks to invest in stable businesses with defensible market positions and strong management teams where there is either (i) an opportunity to remove structural, market or operational impediments, or (ii) an opportunity to provide needed capital, that the Fund believes will lead to revenue and earnings growth.

The Fund focuses on making investments in companies that (i) are expected to require either at the time of the Fund’s initial investment or over time between \$25 million and \$100 million (or possibly higher if capital commitments in excess of \$500 million are received from Special Members) in aggregate equity capital from the Fund and (ii) have annual revenue and earnings before interest, taxes, depreciation and amortization (“EBITDA”) in excess of \$150 million and \$25 million, respectively.

The Fund primarily invests in private companies, although it may invest in public companies subject to any limits set forth in the Fund’s Governing Documents. The Fund also may hold

public company investments as a result of a sale of all or a portion of the Fund's investments in a portfolio company, such as when a portfolio company conducts an initial public offering or is sold to a public company and the Fund receives public company stock in connection with the sale.

Following an investment in a portfolio company, PPC personnel may serve on the portfolio company's board of directors, or otherwise act to influence the management of the companies until the Fund exits the investment. *See Item 10 — Other Financial and Industry Activities and Affiliations.*

PPC provides investment management services exclusively to the Fund and, if formed, certain co-investment vehicles, and offers no other advisory services. However, certain employees of TTGA who provide services to PPC under the Shared Services Agreement also provide investment management services to the TTGA Funds, and certain of PPC's principals and other investment professionals employed by PPC may make themselves available from time to time to consult with TTGA on investment matters relating to the TTGA Funds. Neither PPC nor such principals and other investment professionals will be compensated for these consultations. See “–The Adviser – Investment Team and Relationship with TTGA” and *Item 11— Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*. PPC does not perform any type of financial planning, quantitative analysis, tax planning or market timing services for any client. It also does not participate in wrap fee programs.

Item 5 – Fees and Compensation

1. Fees and Compensation

Except for the initial period from the formation of the Fund on May 9, 2014 through March 31, 2015, PPC charges an annual management fee with respect to each budget year of the Fund (from April 1 through March 31) determined in accordance with the budget process described in the Governing Documents. During the initial period, PPC receives a fixed management fee paid as follows: an amount equal to 1.5% of the aggregate capital commitments of the Special Members to Series A as of the first day of the budget year, plus the capital commitments of any additional Special Members admitted, and Special Members who increased their capital commitments to Series A, on or prior to April 1, 2015 (which fee may not exceed \$7,500,000), for the initial period (pro-rated based on the number of days in such initial period as compared to a full budget year). The management fee for each budget year after the initial period is payable in four equal installments on April 15, July 15, October 15 and January 15 for the three-month periods commencing on April 1, July 1, October 1, and January 1 of such budget year. The management fee for the initial period is payable as follows: 25% of 1.5% of the aggregate capital commitments of the Special Members will be payable on or about the first closing date, and on each of July 1, 2014, October 15, 2014 and January 15, 2015, with adjustments to account for additional Special Members and Special Members who increase their capital commitments as of each subsequent closing date as provided in the Governing Documents. The budget process will involve the participation of the Fund's Board of Investors (described in *Item 11 — Code of Ethics, Participation or Interest in Client Transactions and Personal Trading - Board of Investors*).

The Special Members are responsible for paying to Series A (or the subsequently established series, if any) or, at the Managing Member's direction, the Adviser, when due their pro rata share of the annual management fee (which pro rata share will be based on each Special Member's relative undrawn capital commitments to all series of the Fund plus the proportionate amount of its capital invested in portfolio companies owned by all series of the Fund for not more than five years). PPC provides at least ten business days prior written notice to the Special Members specifying the amount and due date for each such payment. Each Special Member's obligation to pay management fees is in addition to its obligation to make capital contributions in respect of its capital commitments to the Fund; no payment of management fees is considered a capital contribution by a Special Member to the Fund nor applied to reduce a Special Member's undrawn capital commitments. Fund investors do not have the ability to choose to be billed directly for fees incurred.

Special Members admitted to the Fund on or prior to April 1, 2015, are required to pay their proportionate share of the management fees paid by the previously admitted Special Members.

Investors should carefully review the Governing Documents of the Fund in conjunction with this Brochure for complete information about fees and compensation to PPC.

Similar advisory services may be available from other investment advisers for higher, similar or lower fees.

a. Management Fee Offsets

Throughout the term of a Fund investment, PPC and its supervised persons may receive cash fees in connection with the business of the Fund, including fees received from portfolio companies or proposed portfolio companies, break-up fees, closing fees, commitment fees, monitoring fees and transaction fees.

To the extent that any such fees are allocable to PPC's activities on behalf of the Fund, such fees, together with any organizational expenses in excess of \$1,250,000, will be applied on a dollar-for-dollar basis to reduce the management fees otherwise payable by the Fund to PPC. In the event that any such fees or expenses exceed the management fee payable in respect of the immediately succeeding budget year, such excess will be applied against future management fees (in the order payable until fully used), but will not be carried back to prior periods. To the extent any such excess amount remains unapplied following the dissolution of the Fund, the Adviser will pay each Special Member its proportionate share of such excess fees and expenses.

b. Performance-based Compensation

In addition to the payment of ongoing management fees, the Fund (and indirectly the Special Member investors) is also required to pay the Managing Member, an affiliate of the Adviser, performance fees based upon a percentage of each Special Member's return on invested capital. For additional details about such performance-based compensation, please refer to *Item 6 — Performance-Based Fees and Side-by-Side Management*.

Management fees, performance-based compensation, and/or any other compensation payable to PPC or its affiliates by the Fund are generally negotiated with the Fund or its underlying investors and may depend on, among other factors, the amount of capital committed to the Fund.

2. Other Fees and Expenses

PPC will be responsible for and will pay (except to the extent paid by a portfolio company or any other person) all expenses incurred in the ordinary course of business of the Fund, the Managing Member or the Adviser, including, without limitation, the following:

- ◆ the compensation of all employees of the Fund, the Managing Member and the Adviser and payroll taxes relating thereto;
- ◆ the costs of rent and general office overhead of the Managing Member and the Adviser;
- ◆ the costs of monitoring investments;
- ◆ domestic and foreign taxes payable by the Fund and all other taxes, stamp and other duties and other governmental charges payable by or on behalf of the Fund;
- ◆ fees and disbursements of outside auditors relating to any audit of, or accounting services with respect to, the books and records of the Fund, the Managing Member or the Adviser;

- ◆ fees and disbursements of attorneys, consultants, accountants, third party appraisers, third party loan reviews, fund administration service providers and valuation experts and other professionals;
- ◆ interest expenses on borrowings permitted by the terms of the LLC Agreement and all expenses incurred in negotiating, entering into, effecting, maintaining, varying and terminating any borrowing or guarantee permitted to be incurred by the LLC Agreement;
- ◆ broken deal expenses;
- ◆ expenses of members of the Board (as defined herein);
- ◆ expenses incurred in connection with meetings of the Fund;
- ◆ all insurance premiums or similar expenses incurred by the Fund, the Managing Member or the Adviser in connection with the activities and management of the Fund;
- ◆ all costs and expenses incurred in relation to obtaining waivers, consents or approvals pursuant to the LLC Agreement and all reasonable costs and expenses of, and/or incidental to, the preparation of amendments to the LLC Agreement;
- ◆ the costs of registration of the Adviser as an investment adviser under, and ongoing compliance with, the Advisers Act;
- ◆ all expenses incurred in relation to the registration of any securities of a portfolio company or the custody of the documents of title thereto (including, without limitation, bank charges, insurance of documents of title against loss in shipment, transit or otherwise, and charges made by agents of the Managing Member or the Adviser retaining documents in safe custody);
- ◆ the costs of forming any alternative investment vehicle; and
- ◆ all other costs incurred in connection with the administration of the Fund, the Managing Member or the Adviser.

Each series will be responsible for and will pay (except to the extent paid by a portfolio company or any other person (other than PPC)) or reimburse PPC for, all extraordinary expenses of such series (*i.e.*, those expenses which are not incurred in the ordinary course of such series' business). The Special Members and the Managing Member of the series (and any other members thereof, including the Investment Team and affiliates of the Managing Member and the Adviser) will be responsible for paying their *pro rata* share of such expenses, which will be paid either from (i) capital contributions to such series, (ii) investment proceeds or short-term investment income of such series or (iii) reserves established for such series by the Managing Member, as determined by the Managing Member.

Series A will be responsible for and will pay to the Managing Member or the Adviser all of the organizational expenses of the Fund, the Managing Member and the Adviser, subject to the management fee offsets described above for organizational expenses in excess of \$1,250,000 and the rebates described below.

Special Members admitted to Series A on or prior to April 1, 2015, will be responsible for and will pay their proportionate share of the organizational expenses of the Fund, which include those expenses (including, without limitation, attorneys' fees and accounting fees) incurred by or on behalf of the Fund, the Managing Member or Adviser in connection with (i) the organization of the Fund, the Managing Member and the Adviser and (ii) the offering of interests in the Fund. Special Members that increase their capital commitments on or prior to such date will also bear an additional portion of such organizational expenses.

Additional Special Members admitted to the Fund after April 1, 2015, and Special Members that increase their capital commitments after April 1, 2015 (and any other members so admitted or who so increase their capital commitments), will not be required to pay any portion of the organizational expenses or management fees previously paid by the Special Members, but will be required to pay, in addition to their own expenses, any expenses incurred by the Fund in connection with their admission to the Fund or the increase in capital commitments.

Each Special Member will be entitled to a refund from the series of 10% of any payments made by it to such series in respect of (i) management fees for each budget year and (ii) the first \$1,250,000 of organizational expenses. Each such refund will be paid in three equal installments on the fifth, sixth and seventh anniversaries of September 30 of the budget year to which such management fees relate or such organizational expenses were paid, as applicable.

a. Excused Investments

The Fund will not have a fixed "investment period" during which capital may be called to fund new investments. Instead, effective as of a Special Member's adjustment date (as defined in the Governing Documents), such Special Member may reduce or cancel its undrawn capital commitment to a series other than with respect to its pro rata share of (i) the purchase price for investments that are subject to a binding commitment of such series as of such adjustment date that are consummated within 12 months thereafter, (ii) follow-on investments made by such series within two years after such adjustment date and (iii) extraordinary expenses of such series.

b. Transaction Costs

All fees, costs and expenses incurred by or on behalf of a series in connection with the origination, identification, investigation, negotiation, consummation, distribution or disposition of an investment by such series, to the extent such investment or disposition is consummated, will be considered to be part of the purchase or sale price of such investment and generally will be borne proportionately by such series (and the Special Members participating in such investment or disposition) and any participating co-investors.

For discussion of PPC's practices relating to brokerage fees, commissions and other related transaction costs and expenses, please refer to *Item 12 — Brokerage Practices*.

c. Indemnification

It should be recognized that portfolio companies may have standard indemnification obligations relating to any legal or other proceedings brought against any officers, directors and other parties involved with a particular portfolio company (each, an "Indemnitee") alleging improper conduct

by the Indemnatee in connection with his or her actions for or on behalf of the portfolio company. Such indemnification provisions may include an obligation by the portfolio company to pay or reimburse the Indemnatee for its legal and related expenses in advance of a final decision in such proceedings. However, if that decision finds that the Indemnatee did not meet certain standards of conduct then the Indemnatee would be required to repay such amounts.

3. Co-Investments

Participating co-investors may be charged management fees and expenses on co-investment amounts as if they invested such additional amounts in the Fund. If the Managing Member intends to charge such fees and expenses, it will notify the Special Members at the time it notifies them of the co-investment opportunity. Additionally, participating co-investors generally will be charged their proportionate share of transaction costs, as described under “Transaction Costs” above.

Investors should carefully review the Governing Documents of any co-investment in conjunction with this Brochure for complete information about fees and compensation to PPC.

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

Performance-Based Fees

As discussed in *Item 5 — Fees and Compensation*, the Managing Member is eligible to receive performance-based compensation from the Fund. Any performance-based compensation will be paid in accordance with Section 205(3) of the Advisers Act and the rules promulgated thereunder, which specify certain qualification thresholds for clients of PPC being assessed such a fee.

The Managing Member's performance-based compensation consists of a carried interest in each investment to the extent that distributions of investment proceeds from such investment exceed the aggregate capital contributions made by the Special Members with respect thereto *plus* a required minimum annual compounded return in respect thereof, as described in the Governing Documents. In calculating the Managing Member's carried interest with respect to any investment, neither management fees nor extraordinary expenses with respect to other investments funded by the Special Members nor (except with respect to the limited loss recapture mechanism described in the Governing Documents) realized or unrealized losses resulting from other investments made by the Fund will be taken into account. Special Members will, however, be entitled to a refund of a portion of the management fees and organizational expenses paid by them. See *Item 5 — Fees and Compensation*, under "Other Fees and Expenses." The Managing Member's carried interest in each investment will be based on the rate of return, compounded annually, achieved by each Special Member on the capital contributions with respect to such investment, and will be equal to between 5% and 10% of the profits with respect to such investment, assuming the Special Member's rate of return is between 4% and 8% or 8% or greater, respectively. The performance-based compensation paid to the Managing Member is separate and distinct from the management fees charged by the Adviser for advisory services to the Fund.

The Managing Member's right to receive the carried interest will be shared with the Investment Team, including certain of the investment professionals employed by TTGA (on an individual basis), in amounts to be determined by the Co-Founders.

Mitigating Conflicts of Interest Associated with Carried Interest

The Managing Member's carried interest may create a potential incentive for the Managing Member to make more speculative investments for the Fund than it would otherwise make in the absence of such performance-based compensation. For instance, a carried interest generally entitles the Managing Member to a percentage of net profits of the Fund, subject to certain terms and conditions set forth in the Governing Documents. However, conflicts of interest associated with a carried interest are mitigated by: (i) the capital commitment of the Managing Member (and, indirectly, principals and investment professionals of the Adviser and the Managing Member, and affiliates and related persons of the foregoing) to the Fund of at least 5% of the total capital commitments (up to \$1 billion) of the Special Members to the Fund and (ii) the ability of a Special Member to recapture a certain portion of its realized losses from a portion of the carried interest otherwise payable to the Managing Member. In addition, for the first five years following the first closing of the Fund, certain investment professionals of the Adviser and

their affiliates and related persons (directly or indirectly through the Managing Member or as a Special Member) must maintain aggregate capital commitments to the Fund of at least \$50 million.

Mitigating Conflicts of Interest Associated with Carried Interest of TTGA Investment Professionals

Mr. Tokarz will hold, and each of TTGA's other investment professionals may receive, a carried interest in one or more of the portfolio company investments of the Fund, as well as a profit sharing interest in one or more of the TTGA Funds. The TTGA Funds are managed by an entity that functions independently of PPC; however, Mr. Tokarz must approve all investments made by either of the TTGA Funds. These profit sharing interests may create a potential incentive for Mr. Tokarz or TTGA's other investment professionals to favor either or both TTGA Funds over the Fund if it would result in a higher potential performance fee. PPC's policies prohibit the allocation of investment opportunities based on anticipated compensation or profits to PPC, any affiliate or their professionals. For further discussion of PPC's policies, see *Item 11 — Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*.

Item 7 – Types of Clients

Types of Clients and Investment Vehicles

As noted in *Item 4 — Advisory Business*, the Adviser provides discretionary investment advisory services exclusively to the Fund, and intends to provide services to certain co-investment vehicles. The Fund is, and any such co-investment vehicle will be, a pooled investment vehicle operating as a private investment fund exempt from registration under the Investment Company Act. Each investor in the Fund must meet the eligibility provisions outlined in *Item 4* above.

Feeder Funds and Alternative Investment Vehicles

One or more feeder funds may be formed for the purpose of facilitating an investment in the Fund by the investors in such feeder fund. Such feeder funds would themselves be Special Members of the Fund whose interests are held by the investors who elect to participate in the Fund through such feeder fund. Certain alternative investment vehicles may also be developed by PPC to facilitate certain investments by the Fund or other investors.

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

4. Methods of Analysis and Investment Strategies

PPC seeks to make a broad range of private investments on behalf of the Fund in a variety of industries. PPC seeks portfolio companies with strong brands, market position or a sustainable competitive advantage, and where PPC believes its active involvement will lead to value creation. Prospective investments are evaluated by the Investment Team based upon criteria that may be modified from time to time. The Investment Team performs deep fundamental research in each of its industry groups to support all investments. The criteria currently guiding the Investment Team in evaluating a new investment in a prospective portfolio company include, but are not limited to:

- Control equity investments in companies in the middle-market;
- Highly qualified management teams with proven track records;
- Stable free cash flow generation and defensible market niche, whereby the prospective portfolio company holds a dominant market share or is in a strong market position that can enable it to take a larger market position through growth;
- Investment in companies within the United States and Canada;
- An expected need by the prospective portfolio company of equity capital from the Fund ranging in the aggregate from \$25 million to \$100 million, or possibly higher if capital commitments in excess of \$500 million are received from the Special Members;
- Sustainable competitive advantage and favorable industry dynamics;
- Limited downside risk in the business;
- Identified expansion opportunities; and
- Underperforming companies relative to their potential due to structural impediments.

5. Material, Significant or Unusual Risks Relating to Investment Strategies

PPC's investment activities involve a high degree of risk with no certainty of any return of contributed Special Member capital. There can be no assurance that the Fund will meet its investment objective or successfully carry out its investment program. Investment in the Fund should be undertaken only by investors capable of evaluating the risks of the Fund and bearing the risk it represents. The Fund and investors in the Fund should be prepared to bear a complete loss of capital with respect to both principal invested and unrealized capital gains.

The following summary of material risks attendant to investments in the Fund is not a complete list of all investment and operating risks associated with such investments, a more detailed discussion of which is set forth in the Governing Documents of the Fund. The risk sets below are categorized according to: (i) adviser selection risks; (ii) portfolio strategy risks; (iii) private equity risks; and (iv) general investment risks.

a. Adviser Selection Risks

The Fund is newly-formed and has no operating history – PPC was established in 2011. The Special Members must rely upon the ability of PPC and its personnel (including the Co-Founders and the other members of the Investment Team) to identify, structure and implement investments consistent with the Fund's investment objectives and policies. While the Co-Founders and the other members of the Investment Team have had extensive experience investing in the private equity industry and debt and equity financings, their past performance relates to investments and strategies that differ substantially in nature and risk from the future investments of the Fund, and there can be no assurance that the Fund's investments will perform as well as the past investments of the Investment Team or that the Fund will be able to avoid losses. Consequently, investors should draw no conclusions from the performance of such investments and should not expect to achieve similar returns.

Dependence on Key Personnel; No Right to Participate in Management of the Fund – The success of the Fund will be highly dependent on the financial and managerial expertise of the Co-Founders and the other members of the Investment Team. There can be no assurance that the Co-Founders or such other persons will continue to be associated with or be available to PPC throughout the life of the Fund. The loss of the services of one or more of such persons could have an adverse impact on the Fund's ability to realize its investment objective. Special Members in the Fund will not participate in the management of the Fund and will instead be relying on PPC to conduct the business of the Fund as permitted by the LLC Agreement.

b. Portfolio Strategy Risks

Unspecified Investments – Special Members acquiring interests in the Fund must rely upon the ability of the Co-Founders and the other members of the Investment Team to identify and execute investments consistent with the Fund's investment objective and policies. The Fund may be unable to find a sufficient number of attractive opportunities to meet its investment objective. The availability of investment opportunities will depend, in part, upon general market conditions and upon conditions in the private equity markets that may affect the number of investment opportunities generally available. Additionally, certain members of the Investment Team have obligations to refer investments to the TTGA Funds. For additional information, see "*Item 11 -- Code of Ethics, Participation or Interest in Client Transactions and Personal Trading -- Conflicts of Interest -- Allocation of Investment Opportunities -- TTGA Funds.*" Although PPC believes that significant opportunities currently exist, there can be no assurance that PPC will be able to identify, select and invest in a sufficient number of opportunities to permit the Fund to invest all of its committed capital, to diversify its portfolio investments or to meet its investment objective. Special Members will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the portfolio investments to be made by the Fund and, accordingly, will be dependent upon the judgment and ability of the Co-Founders and the other members of the Investment Team to identify suitable investments.

Competitive Investment Environment – The activity of identifying, completing and realizing on attractive investments of the type pursued by the Fund is a highly competitive one (and may become more competitive over time) and involves a high degree of uncertainty. The Fund will compete for investment opportunities with, among other entities, other private investment

vehicles as well as institutional investors. While the Investment Team has established deal flow and connections within the private equity community, and believes that it is well positioned to secure an attractive flow of investment opportunities, there can be no assurance that the Fund will be able to identify a sufficient number of attractive investment opportunities to fully invest its committed capital.

No Assurance of Investment Return – PPC cannot provide assurance that the Fund will generate returns for its investors or that the returns will be commensurate with the risks of the types of investments pursued by the Fund. The Fund may experience a complete loss of capital. Therefore, an investment in the Fund should only be considered by persons who can afford a loss of their entire investment. PPC cannot provide assurance that the Fund will achieve its investment objective or that the Special Members will receive distributions from the Fund.

Limited Portfolio Diversification – The Fund may participate in a limited number of investments and there can be no assurances concerning the diversification of the Fund’s assets. Without the approval of the Board, the Fund will not invest in any one portfolio company more than the greater of (i) 20% of the Fund’s aggregate undrawn capital commitments, determined as of the first day of the budget year in which the Fund makes its first investment in such portfolio company (which amount may be increased in any subsequent year by an amount equal to 20% of any new capital commitments to the Fund) and (ii) \$80 million. However, at times the Fund may have only a very small number of concentrated holdings. Therefore, the aggregate return of the Fund may be adversely affected by the negative performance of a relatively few investments and may not enjoy the reduced risks of a broadly diversified portfolio. The Fund does not have fixed guidelines for diversification by industry, and investments may be concentrated in only a few industries.

Investment in Restructurings – The Fund may make investments in restructurings of its portfolio companies that have experienced or are experiencing financial difficulties. These financial difficulties may never be overcome and may cause such companies to become subject to bankruptcy proceedings. As such, these investments could subject the Fund to certain additional potential liabilities that may exceed the amount of the Fund’s original investment therein. For instance, under certain circumstances, payments to the Fund (and distributions by the Fund to the Special 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.

Regulated Industries – Certain of the industries in which the Fund intends to invest – in particular, financial services, healthcare and specialty chemicals – are highly regulated and subject to extensive legal and regulatory restrictions and limitations and, in certain cases, to supervision, examination and enforcement by regulatory authorities. Failure to comply with these laws, rules or regulations, some of which are subject to interpretation, could result in a variety of adverse consequences to investments made by the Fund in these industries or to the Fund generally. In addition, the regulatory frameworks applicable to investing in companies operating in these industries are subject to change at any time, which could adversely impact the

Fund's ability to locate or close investments in these industries and/or the value of investments then held by the Fund.

c. Private Equity Risks

Investments Longer Than Holding Periods – Although PPC expects that Fund investments will be realized prior to the end of the ten-year holding periods (subject to extension) described in the Governing Documents or be suitable for in-kind distribution at dissolution, the Fund may have to sell, distribute or otherwise dispose of its investments at a disadvantageous time. As a result, the Fund may sell, distribute or otherwise dispose of its investments for a price which is less than the price that could have been obtained if the investments were held for a longer period of time.

Follow-On Investments – The 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 Fund will wish to make follow-on investments or that it will have sufficient financial resources to do so. Any decision not to make a follow-on investment or the inability of the 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 Fund's ability to influence the portfolio company's future development and the value of the Fund's investment in such portfolio company.

Contingent Liabilities on Disposition of Investments – In connection with the disposition of an investment in a portfolio company, the Fund may be required to make representations about the business and financial affairs of such company typical of those made in connection with the sale of a business. The Fund may be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate, incorrect or misleading. These arrangements may result in the incurrence of contingent liabilities for which PPC may establish reserves and escrows. In that regard, distributions may be delayed or withheld until such reserve is no longer needed or the escrow period expires.

Financial Leverage – The Fund's portfolio companies may make extensive use of financial leverage from a number of sources including banks, investment banks, public debt markets, mezzanine funds and bridge loan funds. The use of debt would expose these companies to financial risk, including the inability to meet debt obligations as they mature and possible bankruptcy. Such risks will be heightened in an environment of increasing interest rates or an overall decline in economic conditions within the United States and the global economy.

Bridge Investments – The Fund may provide bridge financing in connection with one or more of its investments. While such securities are outstanding, the 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 Fund could have a long-term investment in a junior security or that junior security might be converted to equity.

Hedging Policies/Risks – The Fund may, in some circumstances, directly or indirectly, employ hedging techniques in connection with its portfolio investments designed to reduce the risks of currency exposure and managing interest rate duration. While such transactions may reduce

certain risks, such transactions themselves may entail certain other risks. Thus, while the Fund may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, currency exchange rates or other events relating to such hedging transactions may result in a poorer overall performance for the Fund than if it had not entered into such hedging transactions.

Provision of Managerial Assistance – The Fund may obtain rights to participate substantially in and to influence substantially the conduct of the management of its portfolio companies. The Fund may designate directors (and non-executive chairmen) to serve on the boards of directors of its portfolio companies. The designation of directors or other measures could expose the assets of the Fund to claims by a portfolio company, its security holders and its creditors. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability. If these liabilities were to occur, the Fund and its members may be adversely affected. While it is expected that the Fund will be managed in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Minority Interests in Portfolio Companies – The Fund may be a minority investor in a portfolio company and, as such, may have limited rights to participate in and to influence the conduct of the management of the portfolio company. In addition, other majority or control investors in these portfolio companies may have interests conflicting with those of the Fund and Special Members. Consequently, the Fund and PPC may not always be in a position to protect the Fund's interest effectively.

Joint Investments – The Fund may enter into partnerships or joint ventures with other parties to make investments. Such investments may involve risks not present in direct company investments, including, for example, the possibility that a co-investor might become bankrupt, or may at any time have economic or business interests or goals that are inconsistent with those of the Fund, or that such co-investor may be in a position to take action contrary to the Fund's objectives. In addition, the Fund may be liable for actions of its co-investor. While PPC will review the qualifications and previous experience of any proposed co-investor or partner, it does not expect in all cases to obtain financial information from, or to undertake private investigations with respect to, prospective co-ventures or partners.

d. General Investment Risks

No Market For Interests in Fund and Restrictions on Transfer – A Special Member may not sell, assign, transfer, pledge or otherwise dispose of its interest in the Fund other than with the prior written consent of the Managing Member, which may be given or withheld in the Managing Member's sole and absolute discretion, and the approval of the Board. Voluntary withdrawals from the Fund will not be permitted except under the limited circumstances set forth in the Governing Documents. The Special Member interests have not been, and are not contemplated to be, registered under the Securities Act, any state securities laws or the securities laws of any other jurisdiction, and may not be transferred unless registered under applicable federal, state and/or other securities laws or unless an exemption from registration under such laws is available. There is currently no public market for the interests in the Fund and it is unlikely one will develop. Accordingly, it may be difficult to obtain reliable information about the value of the interests. Consequently, Special Members may not be able to liquidate their investments prior

to the end of the Fund's term and, therefore, must be prepared to bear the risks of owning their interests and contributing capital for an extended period of time.

Future Changes in Applicable Law – The Fund's ability to implement its investment program, as well as the ability of the Fund to conduct its operations and objectives, is based on laws and regulations that are subject to change through legislative, judicial or administrative action. Future legislative, judicial or administrative action could adversely affect the Fund's ability to implement its investment program, as well as the ability of the Fund to conduct its operations and achieve its investment objective.

Economic Conditions – The success of the Fund may depend on general economic conditions over which the Fund and the companies in which it invests can exercise no control. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by the Fund or considered for prospective investment.

Regulatory Oversight – The Fund will not be registered under the Investment Company Act. The Investment Company Act provides certain protections to investors and imposes certain restrictions on registered investment companies (including, for example, limitations on the ability of registered investment companies to enter into transactions with affiliated parties), none of which will be applicable to the Fund.

Conflicts of Interest – The Fund's investments are subject to various conflicts of interest, including those between various investors in the Fund and between PPC and the Fund. These conflicts are more fully discussed in Item 10 — Other Financial and Industry Activities and Affiliations, under Item 11— Code of Ethics, Participation or Interest in Client Transactions and Personal Trading, and in the Fund's Governing Documents.

Item 9 – Disciplinary Information

Registered investment advisers must disclose facts about any legal or disciplinary events that would be material to a client's evaluation of the adviser's business or the integrity of the adviser's management. PPC has no legal or disciplinary events of any kind to report.

Item 10 – Other Financial Industry Activities and Affiliations

Neither PPC nor any member of its Investment Team is registered as, or has an application pending as, a securities broker-dealer, futures commission merchant, commodity pool operator, or commodity trading advisor.

6. Outside Business Activities

a. TTGA

As discussed in *Item 4 — Advisory Business*, Mr. Tokarz, a Co-Founder of PPC, is also a manager of TTGA, a registered investment adviser that provides advisory services to, the TTGA Funds. The involvement of Mr. Tokarz in the investment decisions of both the TTGA Funds and the Fund may create a conflict of interest between the fiduciary duty he owes as an employee and manager of TTGA and the fiduciary duty he owes to the Fund. Similar conflicts may arise due to certain investment professionals of TTGA providing investment advisory services to the Fund and the TTGA Funds. PPC is focused on monitoring the allocation of investment opportunities in these contexts and endeavors to work with the Investment Team, TTGA, the board of directors of MVC and the general partner of the MVC PE Fund, as appropriate, to resolve any conflict with respect to investment opportunities in a manner that it deems equitable under the circumstances, consistent with its fiduciary duties to the Fund. As appropriate, PPC will work closely with the Board to ensure that all conflicts and potential conflicts are properly managed.

7. Involvement in Portfolio Companies and Other Outside Business Activities

After fulfilling his obligations to the TTGA Funds, Mr. Tokarz will focus a substantial portion of his business time on the Fund, and Messrs. Golkin, Krauss and Fisher will spend a substantial portion of their business time on the Fund. In addition, PPC personnel, including certain of TTGA's investment professionals, also will often become actively involved in portfolio company operations throughout the investment cycle for such company. PPC personnel's involvement with portfolio company operations may introduce a conflict of interest between the fiduciary duty he or she owes as a member of a portfolio company board and the fiduciary duty he or she owes to the Fund. Certain of PPC's principals and other investment professionals employed by PPC may also make themselves available from time to time to consult with TTGA on investment matters relating to the TTGA Funds. Neither PPC nor such principals and other investment professionals will be compensated for these consultations.

The outside business activities of PPC personnel also may create conflicts of interest. Mr. Golkin currently serves on the corporate boards of several public and private companies, and is also a trustee at the University of Pennsylvania and on the boards of both its law school and health system. Mr. Tokarz currently serves on the corporate boards of several public and private companies.

As a result of such service, the involvement of Mr. Tokarz with TTGA, and the advisory services of the Fund provided by certain of TTGA's other investment professionals described above, PPC personnel may become aware, from time to time, of material nonpublic information about a portfolio company or other entity for which a Co-Founder or supervised person serves on the

board of directors or that they otherwise assist, or about other public companies affiliated with or that otherwise do business with such companies. Such knowledge of material nonpublic information is likely to be attributed to PPC and may create a conflict of interest between the portfolio company or other entity for which material nonpublic information is obtained and the Fund. PPC monitors perceived and actual conflicts of interests arising from these relationships. PPC's Code of Ethics and related internal controls with respect to insider trading seek to prevent the potential misuse of such material nonpublic information. See the discussion under *Item 11 — Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*. TTGA's investment professionals who provide services to PPC pursuant to the Shared Services Agreement are considered "access persons" of PPC, as defined in Rule 204A-1 under the Advisers Act, and are subject to the provisions of, and will agree to comply with, PPC's written compliance policies and procedures manual (the "Compliance Manual").

In addition, a conflict of interest may arise concerning the allocation of management time, services and functions with respect to these persons between the Fund on the one hand, and these other entities, on the other hand. PPC has policies and procedures designed to address these conflict situations and monitors perceived and actual conflicts of interests arising from these relationships.

8. Parallel Investment Entities

The Managing Member may organize and/or manage one or more parallel investment entities to facilitate participation by certain investors in investment opportunities to accommodate legal, tax, regulatory or other similar considerations of such investors. Such parallel investment entities may co-invest in each investment opportunity selected by the Managing Member on substantially the same economic terms and conditions and with such differences in the form of such co-investment as may be required by the legal, tax, regulatory or other similar considerations referred to above. Investors should refer to *Item 11 — Code of Ethics, Participation or Interest in Client Transactions and Personal Trading* under "Conflicts of Interest – Allocation of Investment Opportunities" and the specific provisions of the Governing Documents of the Fund for more detailed discussion regarding the allocation of investment opportunities among the Fund and parallel investment entities.

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

9. Code of Ethics and Fiduciary Duty

PPC strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. In seeking to meet these standards, the Adviser has adopted a Code of Ethics (the “Code”) setting forth the fiduciary standards of business conduct and compliance with applicable laws that are expected of PPC’s supervised persons and addresses conflicts that may arise from personal trading conducted by PPC’s “access persons,” as that term is defined in Rule 204A-1 under the Advisers Act. The Code is the primary policy document of PPC which defines the expectation and requirement of professional and ethical conduct by all employees. The Code incorporates the following general principles that all access persons are expected to uphold:

- access persons must at all times place the interests of clients first;
- all personal securities transactions must be conducted in a manner consistent with the Code and any actual or potential conflicts of interest or any abuse of an access person’s position of trust and responsibility must be avoided;
- access persons must not take any inappropriate advantage of their positions;
- information concerning the identity of securities and financial circumstances of the Fund, including the Fund’s investors, must be kept confidential (unless otherwise permitted to be disclosed under a contractual arrangement or by law); and
- independence in the investment decision-making process must be maintained at all times.

The Code also places restrictions on personal trades by access persons, including the requirement that they disclose their personal securities holdings and transactions to PPC on a periodic basis, and requires that access persons pre-clear certain types of personal securities transactions. Investors may request a copy of the Code by contacting the Chief Compliance Officer of PPC at the address, email or telephone number listed on the first page of this document.

10. Insider Trading Policies

In addition to the foregoing principles set forth in the Code, PPC imposes restrictions relating to its and its access persons’ use of material nonpublic information. These restrictions are set forth in the Code and are designed to prevent the misuse of material nonpublic information. All of PPC’s access persons are required to certify to their compliance with the Code and the insider trading policies on a periodic basis.

PPC’s insider trading policies prohibit PPC and its access persons from trading for the Fund or themselves, or recommending trading, in securities of a company while in possession of material nonpublic information about such company. The insider trading policies also prohibit PPC’s access persons from disclosing material nonpublic information to any person not entitled to receive it. PPC may have access to material nonpublic information due to its various activities on

behalf of itself or the Fund that may restrict it from acting for the Fund to acquire or dispose of securities, resulting in limited liquidity for the Fund. PPC seeks to minimize those cases whenever possible, consistent with applicable law and PPC's insider trading policies, but there can be no assurance that such efforts will be successful and that such restrictions will not occur.

11. Outside Business Activities

PPC's supervised persons may not be employed by, or accept compensation from, any person or entity other than PPC and its affiliates (including portfolio companies), to the extent that such employment or activity conflicts with PPC's ability to serve its clients. PPC does not believe that the receipt of investment advice from investment professionals employed by TTGA as described herein materially conflicts with PPC's ability to serve its clients.

PPC monitors the outside business activities of supervised persons by requiring each supervised person to submit for pre-approval by the Chief Compliance Officer all proposed business activities that are not directly associated with the supervised person's professional responsibilities at PPC.

For additional information on PPC's supervised persons' outside business activities, see *Item 10 — Other Financial and Industry Activities and Affiliations*.

12. Gifts and Entertainment

PPC's access persons may receive gifts or attend business meals, sporting events and other entertainment events related to company business at the expense of a giver, provided that the gift or entertainment is not lavish or extravagant in nature. PPC's gifts and entertainment policy implements internal controls to monitor the behavior of access persons, which include:

- requiring access persons to report gifts and entertainment above certain de minimis amounts to the Chief Compliance Officer;
- prohibiting acceptance of a gift if all gifts the access person has received from the vendor in a calendar year exceeds the \$500 calendar year limit set forth in the Code; and
- maintaining a gift and entertainment log to ensure that PPC is informed of the activities of all access persons.

13. Political Contributions

PPC has adopted a political contributions policy prohibiting all access persons, their immediate family members and members of their household from making any political contributions. This policy is intended to facilitate compliance with rules regarding the political activities of registered investment advisers doing business with government entities (referred to as "pay-to-play" rules).

PPC further prohibits its access persons from using third party solicitors, attorneys or family members to circumvent the rule by making an indirect contribution to, or from hiring or agreeing to pay a third party to solicit, a government entity for advisory business on behalf of PPC.

14. Board of Investors

The Fund will have a separate Board of Investors (the “Board”), initially consisting of the CEO (or his designee) and representatives of certain of the Special Members. The Board will participate in certain governance matters relating to the Fund, including determining the appropriateness of any action or inaction on the part of the Fund in any situation that poses, or may pose, a material conflict of interest. The Board will also have the right to review and, in certain cases, approve or disapprove certain matters, including the Fund’s annual budget, including management fee and other expenses, as well as the admission of additional Special Members and thus the overall size of the Fund, as set forth in the Governing Documents. Except as described herein, the Board will have no role with respect to Fund investments or exit decisions, provided that the Board may establish guidelines with respect to Fund investments (it being understood that such guidelines will be consistent with the purpose and focus of the Fund and the investment limitations described in the Governing Documents). Board decisions will generally be made by vote of a majority of the votes cast by a quorum of its members at a duly called meeting. The CEO (or his designee) will not participate in any vote of the Board of Investors relating to a potential or actual conflict of interest.

Beginning on April 1, 2018, the CEO may be removed by the Board with a vote of two-thirds of its members (not including the CEO). The Adviser will propose a successor CEO within 60 days following any such removal, and any such successor must be approved by the Board.

At any time, a supermajority of the Special Members may elect to remove the Managing Member for any reason or no reason by delivering notice of their election to the Managing Member, at which time the Managing Member will cease to have any rights, powers, obligations or duties to the Fund and the management agreement will terminate.

As appropriate, PPC will work closely with the Board to ensure that all potential conflicts of interest are properly managed. Investors should refer to the specific provisions of the Governing Documents for more detailed discussion regarding the responsibilities and authority of the Board.

15. Conflicts of Interest – Allocation of Investment Opportunities

a. Co-Investments

Subject to the Governing Documents of the Fund, including the exception described below, if the Managing Member determines that a co-investment opportunity is available, the Managing Member will initially offer such opportunity to the Special Members on a pro rata basis in accordance with their undrawn capital commitments. Participating co-investors may be charged management fees and expenses on co-investment amounts as if they invested such additional amounts in the Fund. If the Managing Member intends to charge such fees and expenses, it will notify the Special Members at the time it notifies them of the co-investment opportunity.

Notwithstanding the foregoing, the Managing Member may offer up to 5% of the capital to be invested in all investments proposed to be made by the Fund with respect to any budget year to any co-investment vehicle established by it or its affiliates and the participants in which may include any person approved by the Managing Member (other than the Managing Member, the

Adviser, certain principals and investment professionals and affiliates and persons related to the foregoing); provided that (i) prior to the first day of such budget year, the Managing Member is required to fix the “Annual Co-Investment Percentage” (as defined below) of any such co-investment vehicle and to notify the Special Members thereof, and (ii) such co-investment vehicle will be required to participate in all investments that are committed to during such budget year based on its Annual Co-Investment Percentage during such budget year. Any co-investment by any such co-investment vehicle shall be on no more favorable economic terms and conditions (including the purchase price) than the Fund’s investment except that the Managing Member will not be required to charge a management fee on, or include a carried interest with respect to, such investment by the co-investment vehicle. As used in this paragraph, the term “Annual Co-Investment Percentage” means the percentage, expressed as a ratio, which (A) the aggregate capital commitments of the partners or members to the co-investment vehicle with respect to the relevant budget year, not to exceed \$2.5 million, bear to (B) the sum of (x) the amount determined pursuant to clause (A) and (y) the total undrawn capital commitments of all Members to the Fund as of the first day of such budget year.

PPC is committed to allocating investment opportunities on a fair and equitable basis and has established policies and procedures to address the allocation of investment opportunities.

b. Interests in the Fund; Other Arrangements

Through the limited liability company structure, affiliates and access persons of PPC may have indirect beneficial interests in the securities owned by the Fund and will share in any profits and losses generated by Fund investments. In certain situations, related persons of PPC may purchase interests in the portfolio investments held by the Fund through the Managing Member and feeder funds established to facilitate employees’ participation in the Fund. Additionally certain members of the Investment Team may invest directly in the Fund. Employees may only participate in discussions or authorizations to buy or sell a Fund security if the employee’s only interest in the security is: (i) held indirectly through the Managing Member, the Fund, a feeder fund, or otherwise, or (ii) related to service as a director or executive of a portfolio company to facilitate PPC’s ability to monitor Fund investments in the portfolio company. These activities are subject to the Compliance Manual and the Code.

PPC will always endeavor to act in the best interests of the Fund. Investors should be aware, however, that the receipt of compensation and other amounts by the Adviser, its access persons and the Managing Member (including through the Managing Member’s carried interest) creates a potential conflict of interest with respect to such transactions. Where actual or potential conflicts of interest among the Adviser, the Managing Member, related persons and the Fund are identified, procedures contained in the Governing Documents may provide for submission of the proposed transaction to the Board for review and resolution. See “Board of Investors” above.

c. TTGA Funds

As employees of TTGA, Mr. Tokarz and the investment professionals of TTGA have certain obligations to the TTGA Funds. For example, TTGA is obligated to refer to MVC investments in mezzanine and debt securities of issuers, and equity or other non-debt investments in companies, that (i) are expected at the time of their initial investment to require not more than the

lesser of 10% of MVC's net assets and \$25 million in aggregate capital from MVC over time and (ii) have less than \$150 million in revenues during the 12-month period preceding the initial investment ("MVC Targeted Investments"). In addition, TTGA is obligated to refer to the MVC PE Fund all private equity investment opportunities involving the purchase of 10% or more of a company's voting securities that are sourced by TTGA and that: (A) are expected at the time of their initial investment to not require more than \$20 million in aggregate capital from the MVC PE Fund over time and (B) have annual revenues and EBITDA under \$200 million and \$25 million, respectively. Although the Fund may invest in these types of voting securities as well, and even though the TTGA Funds and the Fund may invest in certain of the same industries, the Managing Member does not believe TTGA's obligations to the TTGA Funds will result in an impediment to, or conflict with, the obligations or ability of the Investment Team to refer appropriate deal flow to the Fund for a number of reasons.

First, the Fund will target investments in companies that are expected to require, either at the time of the initial investment or over time, between \$25 million and \$100 million (or possibly higher if the Fund receives capital commitments from Special Members in excess of \$500 million) in aggregate equity capital from the Fund. By contrast, due to the per deal concentration limit set forth in its governing documents, the MVC PE Fund may not, without the approval of its LP Committee, invest more than \$20 million in any single portfolio company (and it has never requested a waiver of this limitation). Second, the Fund will generally target companies with EBITDA in excess of \$25 million, whereas the MVC PE Fund targets companies with EBITDA of less than \$25 million. Third, the investment period of the MVC PE Fund expires in October 2014, at which time TTGA will not be permitted to source any additional new investments for the MVC PE Fund.

Similarly, the companies and investment size targeted by MVC are smaller than those targeted by the Fund. First, MVC targets investments in companies that are expected to require not more than \$25 million in aggregate equity capital over time. Second, MVC targets companies with annual revenues of less than \$150 million, while the Fund generally targets companies with annual revenue in excess of \$150 million. Third, the Managing Member believes that regulatory restrictions applicable to MVC, as well as certain other factors, effectively limit the size of the equity investments that MVC may make in any company to less than \$25 million.

The Managing Member also does not expect to co-invest in portfolio company investments with the TTGA Funds.

Given the differing investment mandates of the Fund and the TTGA Funds as well as the other factors noted above, PPC does not believe there will be any material conflicts of interest with respect to the allocation of investment opportunities between the Fund, on the one hand, and the TTGA Funds, on the other hand. PPC is focused on monitoring the allocation of investment opportunities in the above contexts and will endeavor to work with the Investment Team, TTGA, the board of directors of MVC and the general partner of the MVC PE Fund, as appropriate, to resolve any conflict with respect to investment opportunities in a manner that it deems equitable under the circumstances, consistent with its fiduciary duties to the Fund. In addition, PPC will work closely with the Board to ensure that all conflicts and potential conflicts are properly managed.

TTGA has received the consent of the MVC PE Fund's general partner to permit the TTGA members of the Investment Team (i) to refer to the Fund and the Adviser any investment in a company that, at the time of acquisition, has EBITDA in excess of \$25 million or is expected to require, either at such time or over time, in excess of \$25 million in aggregate equity capital and (ii) to provide investment advisory services to the Manager. Similarly, TTGA has received the consent of MVC's board of directors to permit the TTGA members of the Investment Team (A) to refer to the Fund and the Adviser investments that are not MVC Targeted Investments and (B) to provide investment advisory services to the Adviser.

d. Series of the Fund

The Adviser intends to provide advisory services to one or more series of the Company and to certain co-investment vehicles. Initially, the Company has only Series A. Unless and until another series is established in accordance with the Company's LLC Agreement under the limited circumstances provided therein, all investments by the Company will be made by it on behalf of Series A and will be assets of Series A, and all liabilities incurred by the Company or Series A will be liabilities of Series A. The establishment of a new series may only occur after the third anniversary of the issuance of interests in Series A, in connection with the reduction in the capital commitment of one of the Company's founding special members or such special member's withdrawal from the Company and Series A. Following any such reduction or withdrawal, all investments by the Company that are follow-on investments in portfolio companies in which Series A had previously invested or which were committed to by Series A prior to the effective date of such reduction or withdrawal will be made by Series A, and all other investments by the Company will be made by or on behalf of the new series. As a result, the Adviser does not expect there will to be an issue relating to the allocation of investments between the two series. PPC is focused on monitoring the allocation of investment opportunities in the above contexts and will endeavor to work with the Investment Team to resolve any conflict with respect to investment opportunities between two series in a manner that it deems equitable under the circumstances, consistent with its fiduciary duties to each series of the Fund.

e. Side Letters

In special circumstances the Managing Member may enter into side letters or other arrangements with an investor in connection with the investor's admission into the Fund, without the approval of any other investor. The arrangements may have the effect of establishing rights under, or supplementing or modifying the terms of, the Governing Documents of the Fund with respect to the investor, in a manner more favorable to such investor than those applicable to other investors. For example, a side letter may include rights or terms necessary to address specific legal, regulatory or public policy restrictions of an investor or may impose additional reporting obligations on the Managing Member. PPC has established policies and procedures to address the execution of side letters with certain of its investors.

f. Sharing Arrangements with TTGA

Pursuant to the Shared Services Agreement: (i) TTGA makes available to the Adviser the members of the Investment Team that are employed by TTGA to the extent necessary or appropriate (including to the extent consistent with TTGA's obligations to the TTGA Funds) for

the Investment Team to provide to the Adviser and the Fund the services contemplated by the PPM; (ii) the Adviser will allow TTGA, from time to time, to use a portion of its office space for matters unrelated to the Fund; and (iii) TTGA will provide certain administrative services to the Adviser to the extent appropriate (and consistent with TTGA's administrative obligations to the TTGA Funds). Under this arrangement, the members of the Investment Team that are employed by TTGA will continue to be employees of TTGA, instead of the Adviser, and will continue to be compensated by TTGA, not the Adviser; however, the Adviser expects the Managing Member to allocate to members of the Investment Team (on an individual basis and in amounts to be determined by the Managing Member) a portion of the carried interest in respect of the Managing Member's interest in the Fund in consideration for their services to the Adviser and the Fund. As consideration for the use by TTGA of the Adviser's office space for non-Fund related matters, TTGA will pay the Adviser an amount determined by the Adviser and TTGA to be fair and reasonable based on TTGA's actual usage. Finally, as consideration for TTGA's provision of administrative services to the Adviser, at the end of each fiscal year, the Adviser will pay to TTGA a fee equal to the Adviser's proportionate share of TTGA's actual costs in providing such administrative services, based on the time spent by any member of TTGA's administrative staff during such fiscal year on the Adviser's matters. In addition to the services provided under the Shared Services Agreement, certain of PPC's principals and other investment professionals employed by it may make themselves available from time to time to consult with TTGA on investment matters relating to the TTGA Funds. Neither PPC nor such principals and other investment professionals will be compensated for these consultations.

Item 12 – Brokerage Practices

Broker Selection and Best Execution

Typically, the purchase or sale of a security for the Fund will involve a privately negotiated transaction with the issuer, prospective seller or prospective purchaser(s) of the security, and generally will not involve the services of a traditional broker or dealer as is customary in the transaction of registered securities. In the rare instances in which PPC provides advice regarding transactions in exchange-listed securities or stocks traded in the over-the-counter markets (e.g., when awaiting deployment of capital into portfolio investments or liquidating the Fund's positions in securities originally obtained by the Fund in a private placement that convert or otherwise become registered), PPC will seek to obtain best execution for the Fund in selecting the broker(s) to be utilized and the commissions to be charged to the Fund.

In assessing the best overall terms available for a transaction, the full range and quality of a broker's or dealer's services are considered, including execution capability, experience in private equity transactions, network of contacts and relationships, research services (such as reports and analyses of markets, industries, companies, and economic trends), commission rates (or their equivalents), reputation and integrity, financial responsibility, and responsiveness. Broker or dealer arrangements are guided by contractual agreements in part to protect the integrity and confidentiality of Fund investment activity and to seek assurances as to proper qualifications of such brokers or dealers.

In accordance with this duty to obtain best execution for client transactions, PPC maintains policies and procedures to review the quality of executions, which include periodic reviews by its investment professionals of the execution quality obtained for client transactions.

Soft Dollar Usage

PPC generally does not utilize the services of a broker-dealer to effect transactions on behalf of the Fund. As a matter of policy, if PPC engages in transactions on behalf of the Fund that require orders to be placed with a broker-dealer, PPC will not use "soft dollar" commissions to obtain brokerage or research services on behalf of PPC or the Fund.

Trade Errors

As mentioned above, PPC will not generally use the services of a broker-dealer to effect transactions on behalf of the Fund. Should any trade error(s) occur in the rare instances in which PPC effects a transaction on behalf of the Fund using a broker-dealer, it is PPC's policy that all such trade errors will be resolved in favor of the Fund with PPC making the Fund (and any other clients, if applicable) whole for any loss or loss incurred as a result of the trade error(s).

Aggregation of Securities Transactions

PPC provides investment advisory services to a select and limited number of clients, currently only to Series A of the Company. As such, it generally is not necessary to aggregate purchases or sales of securities for any co-investment vehicles or other affiliates. PPC may aggregate securities transactions if it determines that aggregation would be beneficial to achieve more

efficient execution or to provide for equitable treatment. It is expected that clients participating in aggregated securities transactions generally would be allocated securities based on the average price achieved for such transactions and that aggregated securities transactions would be allocated among PPC's clients on a pro rata basis, with exceptions based on the Fund's guidelines.

Item 13 – Review of Accounts

Review of Fund Portfolios

PPC will review the Fund’s investment portfolio on a regular basis and in no event less than quarterly. Such reviews will be conducted by the investment professionals and senior executives of PPC. Investments will be reviewed in light of the Fund’s stated investment objective and guidelines as set forth in the Governing Documents. During the review process, investment professionals will analyze existing portfolio company positions to identify issues early on, take any necessary actions, and monitor portfolio company performance relative to the original investment thesis.

Reports to Investors

PPC does not provide reports to the Fund. Instead, the Managing Member will distribute periodic reports to Special Member investors as required by the Governing Documents so that they may monitor their investments. These periodic reports will convey to Fund investors, at a minimum: (i) audited financial statements and other information on an annual basis in accordance with generally accepted accounting principles (“GAAP”) within 120 days after a Fund’s fiscal year end; (ii) unaudited summary financial and other information on a quarterly basis and (iii) such other information as may be reasonably necessary for a Special Member’s preparation of U.S. federal income tax returns.

Valuation Policy

As a registered adviser and fiduciary to the Fund, PPC requires that all portfolio holdings reflect current, fair and accurate investment valuations. The Managing Member values portfolio securities at their fair values, or, if market quotations are readily available, at their current market values.

PPC has established a valuation committee (the “Valuation Committee”) which will convene on a quarterly basis and as needed, primarily to establish and monitor fair values. Portfolio securities for which a reliable market value cannot be determined (“Fair Value Investments”) will be measured at fair value as determined by the Valuation Committee. To assist the Valuation Committee in the valuation analysis, PPC’s investment professionals will provide the committee with any and all materials and relevant information available as of the measurement date and will submit a quarterly report that, among other things: (i) specifies the current valuation based on the prior quarter’s results and similar data; (ii) identifies any recent events that might affect the value of the investment; and (iii) provides analysis from management based on PPC’s valuation methodologies.

Under most circumstances, at the time of acquisition, Fair Value Investments are valued at cost. During the period that a Fair Value Investment is held by the Fund, its original cost may cease to represent an appropriate valuation, and other factors must be considered. No pre-determined formula can be applied to determine fair values. Rather, the Valuation Committee makes fair value assessments based upon the value at which the securities of the portfolio company could be sold in an orderly disposition over a reasonable period of time between willing parties, other than

in a forced or liquidation sale. However, there is no single method that can be used in determining fair value for all portfolio securities because fair value depends upon the circumstances of each individual case. The liquidity event whereby the Fund ultimately exits an investment is generally the sale, the merger, the recapitalization or, in some cases, the initial public offering of, the portfolio company.

For more detail on valuation methodologies, which are articulated in the Governing Documents of the Fund and in the Compliance Manual, clients or prospective clients may contact the Chief Compliance Officer, Jeffrey Krauss at (212) 768-4554 ext. 230 or by email at jkrauss@ppcenterprises.com.

Item 14 – Client Referrals and Other Compensation

Economic Benefits Received from Third Parties

PPC, either directly or indirectly through its affiliates, will receive compensation from certain portfolio companies in connection with managerial and other services provided to such companies in the ordinary course of business. PPC and its affiliate entities may also receive fees and other compensation, such as breakup fees, from transactions not consummated by the Fund in connection with the Fund's proposed investment in such transactions. As described more fully in the Fund's Governing Documents, such fees and other compensation will be shared with the Special Member investors through dollar-for-dollar offsets against management fees that would otherwise be payable by the Special Members. See Item 5 — Fees and Compensation, under Management Fee Offsets.

Compensation to Non-Supervised Persons for Client Referrals

Neither PPC nor any related person directly or indirectly compensates any person who is not a supervised person for client referrals.

Item 15 – Custody

The Adviser is deemed to have custody of the assets of the Fund within the meaning of the Advisers Act due to its affiliation with the Managing Member of the Fund. PPC will distribute the Fund's audited financial statements prepared in accordance with GAAP to Fund investors within 120 days of the Fund's fiscal year end, in compliance with the exception to the custody rules set forth in Rule 206(4)-2 under the Advisers Act. Financial statements will be prepared by a Public Company Accounting Oversight Board-registered and inspected firm, and will be documented and attested to by the accounting firm engaged to perform the custody audit. Investors should review these audited financial statements carefully.

Upon the final liquidation of the Fund, the Adviser will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP to all investors promptly after completion of the audit.

Item 16 – Investment Discretion

The Adviser provides investment advisory services to the Fund on a discretionary basis, but is subject to the overall supervision of the Managing Member. PPC's investment decisions and advice with respect to the Fund are subject to the Fund's investment objectives and guidelines, as set forth in the Fund's Governing Documents, which include a management agreement between the Adviser, the Managing Member and the Fund.

As discussed in *Item 4 — Advisory Business*, the Special Members are U.S. public pension plans and other long-term investors. Investment strategies and guidelines are not tailored to the individualized needs of any particular investor in the Fund; however, under special circumstances the Adviser may enter into arrangements with investors that limit or provide an alternative structure for the investor's participation in certain Fund investments to address specific legal, regulatory or public policy restrictions of the investor. An investment in the Fund involves significant risks and should be regarded as long-term in nature, forming only one portion of an investor's diversified investment portfolio. There can be no assurance that the investment objectives of any client will be achieved.

Item 17 – Voting Client Securities

Because PPC will primarily invest the Fund's assets in the securities of private companies, PPC does not expect to receive proxy voting proposals on behalf of the Fund. In the rare instance where the Fund's portfolio contains registered securities and PPC receives a proxy voting proposal with regard to such securities, PPC's general policy is to vote such proxy proposals in a manner that serves the best interests of the Fund and, in the future, each other client, as determined by PPC in its discretion, taking into account the following factors: (i) the impact on the value of the investments; (ii) the anticipated associated costs and benefits; (iii) the continued or increased availability of portfolio information; and (iv) industry and business practices. In limited circumstances, PPC may refrain from voting proxies where PPC believes that voting would be inappropriate taking into consideration the cost of voting the proxy and the anticipated benefit to the Fund. Further, with regard to amendments, consents or resolutions relating to interests in private investment funds held in the Fund's portfolio, PPC will follow the general policy above of seeking to serve the best interests of its clients with respect to such proposal.

Clients that would like to obtain a copy of PPC's proxy voting policies or additional information about how proxies have been voted should contact Jeffrey Krauss at (212) 768-4554, ext. 230.

Item 18 – Financial Information

PPC will not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

The Adviser and its affiliate entities have no financial obligation that would be reasonably likely to impair its capacity to meet contractual and fiduciary commitments to its clients, nor have the Adviser and its affiliate entities been the subject of a bankruptcy proceeding during the last 10 years.