

Providence Equity Partners L.L.C.

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Part 2A of Form ADV: Firm Brochure
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This brochure provides information about the qualifications and business practices of Providence Equity Partners L.L.C. If you have any questions about the contents of this brochure, please contact us at 401-751-1700. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Providence Equity Partners L.L.C. also is available on the SEC’s website at www.adviserinfo.sec.gov. An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

Item 2. Material Changes

The following summary discloses only material changes made to the brochure since the Adviser's (as defined in Item 4) last annual update, which was filed in March 2014. Various revisions, which may be considered material, were made to Items 4, 5, 8, 10 and 11 to accurately update and describe certain of the Adviser's policies, procedures and risks.

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Item 4. Advisory Business

For purposes of this brochure, “Adviser” means Providence Equity Partners L.L.C. (“Providence”), a Delaware limited liability company, together (where the context permits) with certain of its affiliates that provide advisory services to and/or receive advisory fees from the Funds (as defined below). These affiliates may or may not be under common control with Providence, but possess substantially similar personnel and/or equity owners with Providence. These affiliates are formed for tax, regulatory or other purposes in connection with the organization of the Funds, or serve as general partners of the Funds.

Background

Established in 1989, the Adviser was a pioneer in a sector-based approach to private equity, convinced that a dedicated team of industry experts could build companies of enduring value in the dynamic communications industry. The funds sponsored by the Adviser have invested in more than 125 companies over the Adviser’s 25-year history.

The Adviser’s team of investment professionals actively seeks investment opportunities on a global basis from offices in Providence, New York, London, Beijing, Hong Kong, Singapore, and New Delhi. The Adviser partners with companies across different stages in their development, from growth capital and complex recapitalizations of family-owned businesses to large buyouts and take-privates. The Adviser can employ a variety of financing structures and targets equity investments of \$150 million to \$800 million or, in the case of Providence Strategic Growth-A L.P. and Providence Strategic Growth L.P., equity investments of \$5 million to \$25 million. The Adviser prefers to lead its investments, serve on portfolio company boards, and work collaboratively with portfolio company management. From broadband to broadcast, music to film, wireline to wireless, publishing to the Internet, the Adviser strives to bring extensive industry, financial and operational expertise to each of its portfolio companies.

The principal owner of Providence is Jonathan M. Nelson, indirectly through Fund Management, Inc. and other vehicles.

Services

The Adviser provides investment advisory services to investment vehicles that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”), and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”). The Adviser currently serves as the investment manager for Providence Equity Partners VII L.P., Providence Equity Partners VII-A L.P., Providence Equity Partners VI L.P., Providence Equity Partners VI-A L.P., Providence Equity Partners V L.P., Providence Equity Partners V-A L.P., Providence Equity Partners IV L.P., Providence Equity Operating Partners IV Fund L.P., Providence Equity Partners III L.P., Providence Equity Operating Partners III L.P., Providence Growth Investors L.P., Providence Growth Entrepreneurs Fund L.P., and through its partial ownership of Providence Strategic Growth Capital Partners L.L.C., Providence Strategic Growth-A L.P. and Providence Strategic Growth L.P. (the “Main Funds”). The Adviser expects in the future to advise other funds in addition to those listed herein. Investors in the Funds are generally required to be “qualified purchasers” as defined in the 1940 Act.

The Adviser will, from time to time, establish Funds on a transaction-by-transaction basis to allow certain persons to invest alongside one or more Main Funds in a particular investment opportunity, including PEP VII Ascend Co-Investment L.P., PEP VII Learfield Co-Investment L.P. and PEP VI Strategic Investor L.P. (each such vehicle, a “Co-Investment Fund”). Co-Investment Funds are typically limited to investing in securities relating to the transaction or transactions with respect to which they were organized. As a general matter, any co-investment by a Co-Investment Fund will be on terms and conditions not more favorable than the terms and conditions of the investment by the applicable Main Fund.

Additionally, the Adviser also organizes and serves as general partner (or in an analogous capacity) of certain other Funds which are “feeder” vehicles (each, a “Feeder Fund”) organized to invest exclusively in another Fund, and/or alternative investment vehicles (each, an “Alternative Investment Vehicle”) organized to address, for example, specific tax, legal, business, accounting or regulatory-related matters that arise in connection with a transaction or transactions.

The Main Funds, Co-Investment Funds, Feeder Funds and Alternative Investment Vehicles are collectively referred to, as the context permits, as the “Funds.”

The Funds make primarily long-term private equity and equity-related investments, as well as, on occasion, investments in debt instruments. In accordance with the Funds’ respective investment objectives, investments are generally made in companies doing business in the media, entertainment, communications, education and information services industries. The Adviser’s advisory services consist of investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of the Funds, managing and monitoring the performance of such investments and disposing of such investments. The Adviser serves as the investment adviser or general partner to the Funds in order to provide such services.

Investment advice is provided directly to the Funds, subject to the discretion and control of the applicable general partner, and not individually to the limited partners of the Funds. Services are provided to the Funds in accordance with an advisory agreement with the Funds and/or organizational documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally set forth in the organizational documents of the applicable Fund.

As of December 31, 2014, the Adviser manages a total of \$17,311,011,010 of client assets, all of which is managed on a discretionary basis.

Item 5. Fees and Compensation

Management Fees

In respect of each Main Fund, the Adviser is paid a semi-annual or quarterly management fee, payable in advance, by such Fund. Management fees are deducted from the assets of the Main Funds and are generally payable out of current cash flow, disposition proceeds or from drawdowns of the investors’ unfunded capital commitments. Management fees paid by the Main Funds are indirectly borne by investors in such Funds, including any Funds that invest in a Main Fund (such as Feeder Funds). The general partner of each Fund generally is permitted to

terminate the advisory agreement upon 60 days' notice, although the notice period for some Funds is shorter as set forth in the relevant Fund's organizational documents. Upon termination of a relevant advisory agreement, management fees that have been prepaid are returned on a prorated basis.

The precise amount of, and the manner and calculation of, the management fees for each Fund is disclosed in the organizational and offering documents of such Fund. The management fees are negotiated collectively with the investors of each Fund, and are subject to waiver or reduction by the Adviser. For example, the Adviser and certain of its principals and employees or their family members and related vehicles typically invest in the Funds, and management fees assessed on such investments are typically substantially reduced or waived entirely. In addition, all or a portion of such principals' and employees' capital subscription may be made through reductions in or waiver of the management fee payable to the Adviser by such Fund in lieu of capital contributions by such principals and employees. Investors that meet certain minimum investment amounts also in some cases benefit from lower management fees as disclosed in the organizational documents for the Funds.

As described further in the section entitled "Related Service Fees and Related Other Fees" below, the management fee is reduced or waived in some circumstances in connection with receipt by the Adviser of various fees paid by actual or prospective portfolio companies or others.

Other Fees and Expenses

Generally, and except as otherwise set forth in the organizational documents of a Fund, the Adviser will ultimately bear all fees and out-of-pocket expenses of any placement agent that solicits investors for the Funds. The Funds will bear all legal and other expenses, including the out-of-pocket expenses of the applicable general partner, incurred in the formation of the Funds up to an amount specified in the organizational documents of the applicable Fund. Organizational expenses in excess of this amount, if any, ultimately will be borne by the Adviser.

Generally, and except as set forth in the organizational documents of the applicable Fund, a Fund will pay: (i) legal, accounting, custodial and third-party consulting fees for services rendered to or for the benefit of the Fund; (ii) third party out-of-pocket expenses incurred directly in connection with Fund investments or proposed investments, whether or not consummated, which are not paid or reimbursed by a portfolio company or other third party; and (iii) other operating and extraordinary expenses of the Fund. Except as provided above or as set forth in the organizational documents of the applicable Fund, and to the extent not reimbursed by a portfolio company or other third party, the applicable general partner or the Adviser will pay ordinary expenses incurred in connection with providing services to the Funds, including salaries for personnel of the Adviser or general partner, rent and other general administrative expenses associated with the maintenance of an office for the Adviser, and, in the case of certain of the Funds, ordinary operating expenses incurred in investigating investment opportunities and monitoring investments. In certain cases, a co-investment vehicle will be formed in connection with the consummation of a transaction. If a proposed transaction is not consummated, no such co-investment vehicle generally will have been formed, and the full amount of any expenses

relating to such proposed but not consummated transaction would therefore be borne by the Fund or Funds selected by the Adviser as proposed investors for such proposed transaction.

Although the Adviser does not generally utilize the services of broker-dealers, in the event it chooses to use a broker-dealer in connection with an investment by a Fund, the Fund will incur brokerage and other transaction costs which will be borne by such Fund. For additional information regarding brokerage practices, please see Item 12 below.

In addition, please see Item 6 below for information regarding Carried Interest (as defined below) received by the Adviser with respect to the Main Funds.

Related Service Fees and Related Other Fees

The Adviser performs management, advisory, monitoring, transaction-related services, financial advisory services and other services (“Related Services”) for, and receives fees from, actual or prospective portfolio companies or other investment vehicles of the Funds, including fees in connection with mergers, acquisitions, add-on acquisitions, refinancings, public offerings, sales and similar transactions (“Other Fees”). Generally, under the terms of the applicable organizational documents, these Other Fees are net of out-of-pocket costs and expenses incurred by the Adviser in connection with consummated and unconsummated transactions or in connection with generating any such fees. These Other Fees are often substantial and paid in cash, in securities of the portfolio companies or investment vehicles (or rights thereto) or otherwise. Although these fees are in addition to management fees paid by the Funds, the Adviser will in certain circumstances reduce management fees in connection with the receipt of these fees. The amount and manner of such reduction is set forth in the advisory agreement and/or organizational documents of the applicable Fund. Any such reduction of a Fund’s management fees will be limited to the extent of such Fund’s proportionate interest in the portfolio company or investment vehicle to which such Other Fees relate. There are also certain circumstances (such as the occurrence of an initial public offering or strategic exit) which can accelerate the payment of such fees. Since the agreements with the portfolio companies providing for such fees may have prolonged terms (often exceeding ten years and/or subject to automatic extensions and renewal), the effect of such acceleration may be substantial, particularly in the event such circumstances occur early in the life of the Fund’s investment in such portfolio company. Additionally, portfolio companies reimburse the Adviser for expenses (including without limitation travel expenses, which may include expenses for chartered or first class travel, and meals and entertaining expenses) incurred by the Adviser in connection with its performance of services for such portfolio company; such reimbursed expenses are generally not included in the definition of “Other Fees” under the terms of the applicable organizational documents, and such reimbursements are not subject to the sharing arrangements described above. For a discussion of material conflicts of interest created by the receipt of such fees, please see Item 11 below.

The Adviser and its affiliates also engage and retain senior advisors, operating partners, advisers, consultants, and other similar professionals who are not employees or affiliates of the Adviser and who, from time to time, receive payments from, or allocations with respect to, portfolio companies and/or other entities. In such circumstances, such amounts will not be deemed paid to

or received by the Adviser and its affiliates and such amounts will not be subject to the sharing arrangements described above.

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

In respect of each Main Fund, the applicable general partner is also generally entitled to receive a portion of distributions of net Fund profits (the “Carried Interest”) that would otherwise be distributed to such Fund’s investors. The Carried Interest received by such related person conforms with the requirements set forth in Section 205 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Carried Interest paid by the Main Funds is indirectly borne by the investors in such Funds, including any Funds that invest in a Main Fund (such as Feeder Funds). As a general matter, Co-Investment Funds and Feeder Funds do not directly pay any performance-based fees.

The precise amount of, and the manner and calculation of, the Carried Interest for each Fund is disclosed in the organizational and offering documents of each Fund. The Carried Interest provisions are negotiated collectively with the investors of each Fund, and are also subject to waiver or reduction by the general partner. For example, the Adviser and certain of its principals and employees and their family members and related vehicles typically invest in the Funds, and the Carried Interest assessed on such investments are typically substantially reduced or waived entirely.

The payment by some, but not all, Funds of Carried Interest or the payment of Carried Interest at varying rates creates an incentive for the Adviser to disproportionately allocate time, services or functions to Funds paying Carried Interest or Funds paying Carried Interest at a higher rate. Generally, and except as may be otherwise set forth in the organizational documents of the Main Funds, this conflict is mitigated by provisions restricting the Adviser and its principals, unless consented to by limited partners holding interests representing at least two-thirds of the aggregate commitments to the applicable Main Funds, from establishing a new pooled multiple investment fund with investment objectives and policies substantially similar to those of the applicable Main Fund until the earlier of (i) the end of the Main Fund’s investment period or (ii) such time as the applicable Main Fund is at least 75% invested or committed (including amounts reserved for follow-on investments and reasonably anticipated expenses of the applicable Main Fund). With respect to Co-Investment Funds, this conflict is further mitigated because Co-Investment Funds invest in a portfolio company alongside one or more Main Funds in pre-set amounts. Any Alternative Investment Vehicle will generally contain terms and conditions substantially similar to those of the Main Fund with respect to which it is formed and profits and losses of an Alternative Investment Vehicle generally will be aggregated with those of such Main Fund for purposes of determining distributions by the Main Fund and the Alternative Investment Vehicle (except as may be advisable because of legal, regulatory or tax constraints). Please also see Item 12 below regarding trade aggregation and Item 11 below for additional information relating to how conflicts of interests are generally addressed by the Adviser.

Item 7. Types of Clients

The Adviser provides investment advisory services to the Funds. Investment advice is provided directly to the Funds and not individually to the investors in the Funds. Investors in the Funds

are generally “qualified purchasers” as defined in the 1940 Act, and may include, among others, high net worth individuals, banks, thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, university endowments, corporations, sovereign wealth funds, limited partnerships and limited liability companies.

The Funds do not have a minimum size, but minimum investment commitments are generally established for investors in the Funds. The general partner of each Fund has sole discretion to permit investments below the minimum amounts set forth in the offering documents of such Fund.

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

Methods of Analysis and Investment Strategies

The Adviser’s investment professionals, senior advisers and operating partners seek to generate attractive deal flow, often developing investment opportunities before they come to the attention of other investors. Once a potential investment is identified, it typically is reviewed and analyzed by a team of investment professionals assigned to the deal and, where appropriate, one or more senior advisers or operating partners. Prospective investments that pass the initial review then proceed to an intensive due diligence review. This process typically involves extensive analysis of the company’s strategy, products, historical and projected operating results, regulatory and technology issues, as well as an assessment of key market dynamics. The Adviser typically receives information directly from the entity (or its agents and/or representatives) it is investigating as a potential investment opportunity for a Fund.

The Adviser pursues valued-based private equity investments (as well as, on occasion, investments in debt instruments) in companies operating in the media, entertainment, communications, education and information services industries by seeking to purchase attractive assets at compelling prices or to finance activities that create significant value. With respect to investments made in private equity, the Adviser seeks to enhance the value of portfolio companies through improved operations, strategic restructuring and successful exit strategies.

Any determinations or actions with respect to the acquisition or disposition of investments by a Fund are made by the Investment Committee of the general partner for such Fund. The Investment Committee reviews and is responsible for approving all investments, monitors due diligence practices and provides advice in connection with key commercial and legal terms of potential investments. Any Investment Committee decision requires a majority of the members. Moreover, Mr. Nelson has a veto right on any investment decisions.

Except as set forth in the next two sentences, the Investment Committee of the general partner for each Fund currently consists of Mr. Nelson, Glenn M. Creamer, Paul J. Salem, John C. Hahn, Michael J. Dominguez, Biswajit A. Subramanian and Peter O. Wilde. The Investment Committee of the general partner of Providence Strategic Growth-A L.P. and Providence Strategic Growth L.P. currently consists of Mark Hastings, Peter Wilde and a rotating member from Providence’s senior management team. With regard to debt investments, a separate committee which consists of Messrs. Nelson, Creamer and Salem seeks advice from Providence Equity Capital Markets L.L.C. and is responsible for approving all investment decisions. The

composition of the membership of any Investment Committee may be terminated or changed by the general partner of the appropriate Fund at any time.

The Funds' private equity investments generally have a targeted investment time horizon of 3-6 years and are typically acquired in privately-negotiated transactions in which the Fund acquires a controlling or influential equity position. Where a Fund acquires a controlling or influential equity position, the Adviser is often able to exercise influence and add value to such investments. Certain Funds may also make debt investments in portfolio companies that typically have a targeted investment time horizon of 2 years. Such debt investments will generally be acquired in privately-negotiated transactions in companies doing business in the media, entertainment, communications, education and information services industries. In certain instances, a Fund may purchase debt securities in a company in which another Fund holds an equity interest. Funds may make investments in both publicly-listed and privately-held companies. The details of each Fund's investment strategies and investment restrictions are disclosed in the offering and organizational documents provided to prospective investors.

The Adviser provides investment advice with respect to a wide range of securities and other investments, including, but not limited to, bank loans and participations, private placements and other securities not registered or exempt from registration under the Securities Act, bonds, convertible securities and equity securities issued by foreign issuers, futures contracts, forward contracts, swaps, swaptions, commodities, hybrid securities, other 'synthetic' or derivative instruments, trades executed on margin, credit-linked notes, credit default notes and credit swaps.

Risks

Investing in securities involves a substantial degree of risk. A Fund may lose all or a substantial portion of its investments, and investors in the Funds must be prepared to bear the risk of a complete loss of their investments.

In addition, material risks relating to the investment strategies and methods of analysis described above, and to the types of securities typically purchased by or for the Funds in connection with those strategies and methods, include the following:

Risks Related to the Nature of the Fund's Investments

Many of a Fund's investments will be highly illiquid, and there can be no assurance that a Fund will be able to realize a return on such investments in a timely manner. Consequently, dispositions of such investments may require a lengthy time period or may result in distributions of securities in kind to investors that may or may not be marketable. The securities in which a Fund will invest generally will be the most junior in what typically will be a complex capital structure, and thus subject to the greatest risk of loss. Certain of a Fund's investments may be in businesses with little or no operating history. Certain of a Fund's investments may be in portfolio companies with high levels of debt or may be in leveraged buyouts. Leveraged buyouts by their nature require companies to undertake a high ratio of fixed charges to available income. Such investments are inherently more sensitive to declines in revenues and increases in expenses. To the extent a Fund makes debt investments, the Fund will be subject to additional risks, including those related to credit and market risks and special risks associated with investing in

bank loans and participations, unsecured loans, second-lien loans, non-investment grade debt and other loans and debt instruments. Since a Fund will only make a limited number of investments, and because a Fund's investments generally will involve a high degree of risk, poor performance by a small number of investments could severely affect total returns to a Fund and its investors.

Projections

A Fund may rely upon projections developed by the Adviser or a portfolio company concerning the portfolio company's future performance, outcome and cash flow. Projections are inherently subject to uncertainty and factors beyond the control of the Adviser and the portfolio company. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values, outcomes and cash-flow.

Expedited Transactions

Investment analyses and decisions by the Adviser may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to the Adviser at the time an investment decision is made may be limited, and the Adviser may not have access to detailed information regarding an investment opportunity. Therefore, no assurance can be made that the Adviser will have knowledge of all circumstances that may adversely affect such investment.

Highly Competitive Market for Investment Opportunities

The success of a Fund as a whole depends upon the identification and availability of suitable investment opportunities. The activity of identifying, completing and realizing on attractive investment opportunity is highly competitive and involves a high degree of uncertainty, especially with respect to timing. The availability of investment opportunities will be subject to market conditions, the prevailing regulatory conditions or the political climate in industries and regions in which a Fund may invest and other factors outside the control of a Fund. Certain of the Funds will be competing for investment opportunities against various other groups, including industry participants, investment firms and merchant banks. As a result, there can be no assurance that a Fund will be able to identify and complete investments that satisfy its investment objectives, or realize the value of such investments, or that it will be able to invest fully all of its capital commitments.

Risks Arising from General Economic Conditions

General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the Funds and may affect the Funds' ability to make investments and the value of the investments held by the Funds. Instability in the securities markets and economic conditions generally may also increase the risks inherent in the Funds' investments. The ability to realize investments depends not only on portfolio companies and their historical results and prospects, but also on political, market and economic conditions at the time of such realizations. Volatility in the financial sector may have an adverse material effect on the ability of the Funds to buy, sell and partially dispose of their portfolio company investments. The Funds may be adversely affected to the extent that they seek

to dispose of any of their portfolio investments into an illiquid or volatile market, and a Fund may find itself unable to dispose of investments at prices that the Adviser believes reflect the fair value of such investments. The ability of portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public high yield debt market or otherwise.

Changes in general economic conditions may affect a Fund's activities. Interest rates, general levels of economic activity, the price of securities, the price of commodities, the rate of inflation and participation by other investors in the financial markets may affect the value and number of investments made by a Fund or considered for prospective investment. A Fund's investment strategy and the availability of opportunities satisfying a Fund's risk-adjusted return parameters relies, in part, on the continuation of certain trends and conditions observed in the market for various financial instruments and the larger financial markets and in some cases the improvement of such conditions. No assurance can be given that such conditions, trends or opportunities will arise.

Valuation of Assets

There is no actively traded market for most of the securities owned by the Funds. When estimating fair value, the Adviser will apply a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstance of the investments. Valuations are subject to multiple levels of review for approval and ensuring that portfolio investments are fairly valued is an important focus of the Adviser. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities may ultimately be sold. Third-party pricing information may at times not be available regarding certain of a Fund's assets.

Lack of Diversification Risk

A Fund may not be highly diversified. Lack of diversification would expose a Fund to losses disproportionate to market declines in general if there were disproportionately greater adverse price movements in the particular investments held by a Fund. To the extent a Fund invests a relatively high percentage of its assets in a limited number of portfolio companies, industries or sectors, a Fund will be more susceptible than a more widely diversified investment partnership to the negative consequences of a single corporate, economic, political or regulatory event.

A Fund may be called upon to provide follow-on funding for its portfolio companies or have the opportunity to increase its investment in such portfolio companies. There can be no assurance that a Fund will wish to make follow-on investments or that it will have sufficient funds to do so.

Any decision by a Fund not to make follow-on investments or its inability to make them may have a substantial negative impact on a portfolio company in need of such an investment or may diminish a Fund's ability to influence the portfolio company's future development. Conversely, in certain circumstances the decision by a Fund to make follow-on investments may present conflicts of interest, including with respect to the determination of the structure and other terms of any new financing.

Investing in Growth Businesses

Certain of the Funds invest in growth companies. These companies may be characterized by short operating histories, evolving markets, intense competition and management teams that have limited experience working together. A portfolio company may need to implement appropriate sales and marketing, inventory, finance, personnel and other operational strategies in order to become and remain successful. A Fund's returns will depend upon the Adviser's ability to find and invest in companies that can successfully combine these strategies where products and markets are constantly evolving. There can be no assurance that the Adviser will find and invest in a sufficient number of these companies to meet investor return expectations.

Portfolio Investments in Less Established Companies

Certain of the Funds will invest a portion of their assets in less established companies. Portfolio investments in such early stage companies with no established products or services may involve greater risks than generally are associated with portfolio investments in more established companies. To the extent there is any public market for the securities held by a Fund in any such companies, such securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies. Less established companies tend to have lower capitalizations and fewer resources and, therefore, often are more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. As such, these portfolio investments should be considered highly speculative and may result in the loss of a Fund's entire portfolio investment.

Leverage

Certain of the Funds invest in portfolio companies whose capital structures have significant leverage. While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a high degree of risk. Portfolio companies may be highly leveraged and therefore may be more sensitive to adverse business or financial developments or economic factors. Moreover, rising interest rates may have a more pronounced effect on the profitability or survival of such companies. If for any of these reasons a portfolio company is unable to generate sufficient cash flow to meet principal or interest payments on its indebtedness or make regular dividend payments, the value of a Fund's investment in such portfolio company could be significantly reduced or even eliminated.

Risks Related to Reliance on Management of Portfolio Companies

While it is generally the intent of the Adviser to invest in companies with proven operating management in place, there can be no assurance that such management will continue to operate the company successfully. Although the Adviser will monitor the performance of each investment, a Fund will rely upon management to operate the portfolio companies on a day-to-day basis.

Risk Arising from Provision of Managerial Assistance

If the Adviser structures a Fund's investments so that the Fund will qualify as a "venture capital operating company" within the meaning of regulations promulgated under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Fund will be required to obtain rights to participate substantially in and to influence substantially the conduct of the management of the majority (valued at cost) of a Fund's portfolio companies. Regardless of whether a Fund seeks to qualify as a "venture capital operating company," a Fund typically will designate directors to serve on the boards of directors of portfolio companies. The designation of representatives and other measures contemplated could expose the assets of a Fund to claims by a portfolio company, its security holders and its creditors, including claims that a Fund is a controlling person and thus is liable for securities laws violations of a portfolio company. These measures also could result in certain liabilities in the event of the bankruptcy or reorganization of a portfolio company; could result in claims against a Fund if the designated directors violate their fiduciary or other duties to a portfolio company or fail to exercise appropriate levels of care under applicable corporate or securities laws, environmental laws or other legal principles; and could expose a Fund to claims that it has interfered in management to the detriment of a portfolio company. While the Adviser intends to manage each Fund in a manner that will minimize the exposure to these risks, the possibility of successful claims cannot be precluded.

Risk of Third-Party Litigation

A Fund's investment activities subject it to the risk of becoming involved in litigation by third parties. This risk is somewhat greater where a Fund exercises control of, or significant influence over, a company's direction. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would, absent certain conduct by the Adviser, be borne by a Fund, would reduce net assets and could require investors to return distributions to a Fund. The Adviser is entitled to be indemnified by a Fund in connection with such litigation, subject to certain limitations as set forth in the organizational documents for such Fund.

Risks Upon Disposition of Investments

In connection with the disposition of an investment in a portfolio company, a Fund will often be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business, or will be responsible for the contents of disclosure documents under applicable securities laws. Although the Adviser will attempt to structure transactions so that it does not have to do so, a Fund may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be incorrect, inaccurate or misleading. These arrangements result in contingent liabilities, which might ultimately have to be funded by investors in a Fund. The organizational documents of a Fund typically contain provisions to the effect that if there is any such claim in respect of a portfolio company, it will be funded by the investors in the Fund, including, subject to certain limitations, by returning distributions received from the Fund.

Risks of Bankruptcy of Portfolio Companies

A Fund may make investments in portfolio companies that experience financial difficulties and become insolvent or file for bankruptcy protection. Various U.S. and non-U.S. laws in connection with such bankruptcy proceedings could operate to the detriment of a Fund. There is also a risk that a court may subordinate a Fund's investment to other creditors or require a Fund to return amounts previously paid to it by a portfolio company that became insolvent or files for bankruptcy, a risk that could increase if a Fund has management rights in such portfolio company.

Certain Effects of Default and Bankruptcy

Each of a Fund's portfolio companies or its assets may be pledged to third parties, including senior lenders, and could be foreclosed upon or otherwise acquired by such parties under certain circumstances, including an incipient and/or unremedied default. In the event of the bankruptcy of a portfolio company, prior distributions to a Fund may be reclaimed if such prior payments are determined to have been "preference" payments under applicable bankruptcy and related laws and regulations.

Risk Relating to No Right to Control Portfolio Companies

Certain of the Funds' investments are minority investments. Moreover, certain of the investments may be made alongside one or more funds sponsored by other private equity firms. There can be no assurance that a Fund will be able to negotiate control provisions or otherwise exercise control in such situations. Disagreements with management or other shareholders (including other private equity firms) may limit a Fund's ability to bring about operating, strategic or other changes at such companies and may limit exit opportunities.

Non-U.S. Investments

Certain of the Funds invest in businesses operating and/or organized outside of the United States. Such investments will involve risks not typically associated with investments in the securities of U.S. companies. Such risks include but are not limited to: (i) the risk of nationalization or expropriation of assets or confiscatory taxation; (ii) social, economic and political uncertainty, including war and revolution; (iii) dependence on exports and the corresponding importance of international trade; (iv) greater price fluctuations and market volatility, less liquidity and smaller capitalization of securities markets; (v) currency exchange rate fluctuations; (vi) higher rates of inflation; (vii) controls on, and changes in controls on, non-U.S. investment and limitations on repatriation of invested capital and on a Fund's ability to exchange local currencies for United States dollars; (viii) governmental involvement in and control over the economies; (ix) governmental decisions to discontinue support of economic reform programs generally and to impose centrally planned economies; (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (xi) less extensive regulation of the securities markets; (xii) longer settlement periods for securities transactions; and (xiii) less developed corporate laws regarding fiduciary duties and the protection of investors.

Non-U.S. Currency and Exchange Risks

To the extent that a Fund directly or indirectly holds assets in local currencies in countries outside the United States, the Fund will be exposed to a degree of currency risk that may adversely affect performance. Changes in non-U.S. currency exchange rates may affect the value of securities in a Fund's portfolio. In addition, a Fund will incur costs in connection with conversions between various currencies. A Fund will conduct its non-U.S. currency exchange transactions in anticipation of funding investment commitments or receiving proceeds upon dispositions, and may also hedge currency risks over the long term.

Hedging Risks

The Adviser may hedge some or all of a Fund's investments or other assets by entering into hedging arrangements with a broker, a bank or other organizations. Hedging against a decline in the value of an investment or other asset of a Fund does not completely eliminate risks associated with fluctuations in the values of such investment or asset, or prevent losses if the values of such investment or asset decline. In addition, any hedging arrangements may limit a Fund's opportunity for gain if the values of the investment or asset subject to hedging increase. Furthermore, hedging entails its own costs, which are generally borne by the Funds, and it is often not possible to hedge fully or perfectly against all risks. There can be no assurance that the Adviser will choose to hedge against any of the risks relating to a Fund's investments.

Counterparty Risk

A Fund will be subject to the risk of the inability of counterparties and custodians to perform with respect to transactions or to safeguard assets, whether due to insolvency, bankruptcy or other causes, which could cause a Fund to incur substantial losses.

Co-Investments with Third Parties

Certain Funds may co-invest with third parties through jointly owned acquisition vehicles, partnerships, joint ventures or other structures. In such situations, a Fund's ability to control its equity investments will depend upon the nature of the joint investment arrangements with such partners and such Fund's relative ownership stake in such investments. A Fund may be a minority investor in these circumstances. In addition, such arrangements may restrict a Fund's ability to dispose of its investments for potentially significant periods of time. Such investments may involve risks not present in investments where a third party is not involved. A co-venturer or partner of a Fund may at any time have economic or business interests or goals which are inconsistent with those of such Fund and may be in a position to take (or block) action inconsistent with such Fund's investment objectives. A Fund may be liable for certain actions of its co-venturers or partners. Co-investments may also involve higher costs than other investments. Co-venturers or partners potentially may include investors in certain of the Funds.

Syndication of Co-investments

From time to time, a Fund may make an investment with the expectation of offering a portion of its interests therein as a co-investment opportunity to investors and / or other third-party investors. There can be no assurance (1) that a Fund will be successful in syndicating such co-

investment, in whole or in part, (2) that the closing of such co-investment will be consummated in a timely manner, (3) that the syndication will take place on terms and conditions that will be preferable for a Fund or (4) that expenses incurred by a Fund with respect to such syndication will not be substantial. If a Fund is not successful in syndicating such co-investment, in whole or in part, a Fund may consequently hold a greater concentration and have more exposure in the related investment than initially was intended, which could make a Fund more susceptible to fluctuations in value resulting from adverse economic and / or business conditions with respect thereto. Moreover, an investment by a Fund which is not syndicated to co-investors as originally anticipated could significantly reduce a Fund's overall investment returns.

Guarantees of Portfolio Companies

Certain Funds may guarantee the obligations of their portfolio companies. As a result, if any such portfolio company defaults on its obligations, the Fund will be required to satisfy such obligation. In order to do so, the Fund may call capital, recall distributions or liquidate some or all of its investments prematurely at potentially significant discounts to fair value.

Bridge Financings

From time to time, certain of the Funds may lend to portfolio companies on a short-term, unsecured basis, or otherwise invest on an interim basis in portfolio companies in anticipation of a future issuance of equity or long-term debt securities or other refinancing or syndication. However, for reasons not always in a Fund's control, such long-term securities issuance or other refinancing or syndication may not occur and such bridge loans and interim investments may remain outstanding. Any such loan made by a Fund involves the risk of loss of the entire amount of such loan. In addition, by making such loans, a Fund may be subject to various laws and regulations applicable to lenders and the holding of such loans could potentially subject a Fund to various "lender liability" risks. In such event, the interest rate on such loans or the terms of such interim investments may not adequately reflect the risk associated with the position taken by a Fund.

Item 9. Disciplinary Information

This item is not applicable to the Adviser.

Item 10. Other Financial Industry Activities and Affiliations

Related General Partners

The Adviser organizes the Funds, which are limited partnerships for which the Adviser (including affiliates of Providence) serves as general partner. For a description of material conflicts of interest created by the relationship among the Adviser and the general partners, as well as a description of how such conflicts are addressed, please see Item 11 below.

Affiliated Advisers

Providence is affiliated with the investment advisers listed below. Providence has entered into consulting agreements with certain of these affiliates, pursuant to which they provide certain

non-execution advisory services to Providence and the Funds, including but not limited to providing research services, investment recommendations, structuring advice and negotiation services, ongoing monitoring and reporting regarding portfolio companies, consulting with portfolio companies, preparing materials for investor reports, providing employees to serve as directors of portfolio companies, and providing employees to vote proxies at portfolio company shareholder meetings.

- Providence Equity LLP: a foreign advisory affiliate of Providence organized in the United Kingdom and authorized to perform certain activities by the UK Financial Services Authority.
- Providence Equity Asia Limited: a foreign advisory affiliate and wholly-owned subsidiary of Providence organized in Hong Kong and regulated by the Securities and Futures Commission of Hong Kong.
- Providence Equity Investment Consulting (Beijing) Co. Ltd.: a foreign advisory affiliate and wholly-owned indirect subsidiary of Providence organized in Beijing, China and registered with the Beijing Administration of Industry and Commerce.
- Providence Equity Advisors India Private Ltd.: a foreign advisory affiliate of Providence organized in India.
- Providence Equity Asia Advisors Pte. Ltd., a foreign advisory affiliate and wholly-owned subsidiary of Providence organized in Singapore and regulated by the Monetary Authority of Singapore.
- Providence Equity Capital Markets L.L.C.: a U.S. registered investment adviser with the SEC, a registered commodity pool operator (“CPO”) with the Commodity Futures Trading Commission (“CFTC”) and a member of the National Futures Association (“NFA”), and an affiliate of Providence.
- Benefit Street Partners L.L.C.: a U.S. registered investment adviser with the SEC, a registered CPO and Commodity Trading Advisor (“CTA”) with the CFTC and a member of the NFA, and an affiliate of Providence.
- Providence Equity Advisors Mauritius Limited: a foreign advisory affiliate of Providence organized in Mauritius and regulated by the Mauritius Financial Services Commission.
- Providence Equity L.L.C.: located in New York, an affiliate of Providence and has filed a single Form ADV with Providence as a relying adviser.
- Providence Strategic Growth Capital Partners L.L.C.: located in Rhode Island, an affiliate of Providence and has filed a single Form ADV with Providence as a relying adviser.
- Merganser Capital Management, LLC: a U.S. registered investment adviser with the SEC and an affiliate of Providence.

Clients of the Adviser may from time to time participate in transactions alongside other clients of Providence or clients of an affiliated adviser. Certain employees and management persons of the Adviser are also registered principals or associated persons of the Adviser's affiliates, Benefit Street Partners L.L.C. and Providence Equity Capital Markets, L.L.C., in connection with their registration as CPOs and membership with the NFA, along with Benefit Street Partners L.L.C.'s registration as a CTA.

For a description of material conflicts of interest created by the relationship among the Adviser and the affiliated advisers, as well as a description of how such conflicts are addressed, please see Item 11 below.

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

Code of Ethics

The Adviser's Code of Ethics requires each of the Adviser's employees to deal honestly and fairly with all persons with whom he or she has contact. Employees at all times must place the interests of the Funds and their investors first. Employees are required to conduct their personal trading so as to avoid any actual or potential conflicts of interest or any abuse of a position of trust or responsibility. Moreover, employees may not take inappropriate advantage of their positions. The Code of Ethics includes policies regarding personal trading by the Adviser's employees and members of their immediate families. These policies limit personal trading by employees in a wide range of securities, including common and preferred stock, debt instruments, securities that are convertible or exchangeable for equity or debt securities, and derivative instruments. Employees must report every account that they use for the trading of securities covered by the policy and have copies of periodic accounts statements sent by their broker(s) to the Adviser's compliance department. In addition, if they directly or indirectly influence or control trading in the account, they must pre-clear covered securities transactions with the Adviser's compliance department. Trading by employees for their personal accounts is prohibited without pre-clearance by the Adviser's Chief Compliance Officer in his sole discretion.

A copy of the Code of Ethics is available to any client or prospective client upon request by calling Roman A. Bejger at 401-751-1770 or by writing to Mr. Bejger, General Counsel and Chief Compliance Officer, Providence Equity Partners L.L.C., 50 Kennedy Plaza, 18th Floor, Providence, Rhode Island 02903.

Valuation of Fund Assets

The Adviser has a duty to value the Funds as provided in and consistent with the organizational documents of the Funds. The Adviser has adopted a policy regarding the valuation of Fund assets in order to provide a basis for establishing valuations reported by Funds. The Adviser does not generally assess management fees, Carried Interest, or other performance fees or allocations based upon the Adviser's valuation determinations. However, performance information will be reported based on such valuations. Certain Funds have portfolio investments that include restricted securities in publicly held companies and privately held investments,

which are carried at an estimate of fair value as determined in good faith and in accordance with the organizational documents of the applicable Fund. In the absence of special circumstances, all portfolio investments, other than restricted and privately held portfolio investments, are valued at market value. Market value for unrestricted, publicly traded portfolio investments is determined based on the closing price on the exchange on which the security is principally traded. Restricted and privately held portfolio investments, which may not have readily ascertainable market values, are valued at fair value, which is the estimated amount that would be received upon the sale of the portfolio investment in an orderly transaction between market participants on the measurement date. In establishing the fair value of portfolio securities, the Adviser takes into consideration, for each portfolio company, some or all of the following: (a) historical and prospective financial performance and key operating metrics, (b) financial and operating benchmarks of guideline comparable companies, (c) conditions and outlook of the specific industry as well as the economic outlook, (d) the company's stage of operational development and progress in executing its business plan, (e) prices paid in sales of such investments or similar investments in precedent transactions, (f) the price and extent of public trading in similar securities of the portfolio company or comparable companies, (g) the existence of tender offers or acquisition or merger proposals affecting a portfolio company's securities, (h) preferred dividends, liquidation preferences, mandatory redemption rights, conversion rights, participation rights, anti-dilution rights, and registration rights of the subject security, (i) reports prepared by third-party analysts, (j) the impact of fluctuations in foreign currency exchange rates, and (k) other pertinent information determined relevant by the Adviser. The Adviser also considers the application of control premiums and certain discounts in various situations. Notwithstanding the foregoing, valuations for a particular Fund will comply with the requirements of the relevant Fund's organizational documents.

The chief financial officer of the Adviser may modify the valuation methods described above if he determines that such modifications are appropriate and reasonable to reflect the value of any securities or other assets or liabilities, and will document the basis for any modifications, in each case, in accordance with the requirements of the relevant Fund's organizational documents.

Participation or Interest in Client Transactions

The Adviser and certain employees and affiliates of the Adviser invest in and alongside the Funds, either through the general partners of the Funds, as direct investors in the Funds or otherwise. Management fees and Carried Interest assessed on such investments are typically substantially reduced or waived entirely by the Adviser, a Fund or its general partner, as applicable. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see "Conflicts of Interest" immediately below.

Investor Due Diligence Information

Due in part to the fact that potential investors in a Fund (including potential investors in a Co-Investment Fund or purchaser of a limited partner's interest in a secondary transaction) may ask different questions and request different information, the Adviser provides certain information to one or more prospective investors that it does not provide to all of the prospective investors or limited partners. In addition, certain investors in the Funds are strategic investors directly or

indirectly into the Adviser, which results in such investors receiving greater or different information regarding the Adviser.

Conflicts of Interest

The Adviser and its affiliates engage in a broad range of activities, including investment activities for their own account and for the account of the Funds and providing transaction-related, advisory, management and other services to operating companies, including portfolio companies of the Funds. The Adviser has described various conflicts of interest that may arise in respect of its business, as well as a description of how the Adviser addresses such conflicts of interest, below. The discussion below does not describe all conflicts that may arise.

Resolution of Conflicts

In the case of all conflicts of interest, the Adviser's determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Adviser's best judgment, in its sole discretion. In resolving conflicts, the Adviser considers various factors, including the interests of the applicable Funds with respect to the immediate issue and/or with respect to their longer term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors may mitigate, but will not eliminate, conflicts of interest:

- (1) A Fund will not make an investment unless the Adviser believes that such investment is an appropriate investment considered solely from the viewpoint of the applicable Fund.
- (2) Conflicts of interest will generally be resolved by set procedures contained in the relevant offering and organizational documents of a Fund, if applicable.
- (3) Generally, each Main Fund has established an Advisory Committee, consisting of representatives of limited partners not affiliated with the Adviser. The Advisory Committees meet as required to consult with the Adviser as to certain potential conflicts of interest.
- (4) Where the Adviser in its sole discretion deems appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price.
- (5) Prior to subscribing for interests in a Fund, each investor (other than certain third party investors in a Co-Investment Fund) receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund.
- (6) The Adviser and certain of its affiliates have adopted written policies establishing information "walls" designed to limit communication between business units investing in equity securities and debt securities of companies. These policies restrict the transfer of confidential information between these business units, subject to certain exceptions provided in the policies. These policies establish procedures for communications among employees of different business units to guard against unlawful and inappropriate disclosure of material, nonpublic information.

(7) On any issue involving actual conflicts of interest, the Adviser will be guided by its good faith judgment.

Potential Conflicts

The potential material conflicts of interest encountered by a Fund include those discussed below, although the discussion below does not necessarily describe all of the conflicts that may be faced by a Fund. Other conflicts may be disclosed throughout this brochure and the brochure should be read in its entirety for other conflicts.

Principal Transactions

Section 206 of the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and its clients, on the other hand. Very generally, if an adviser (or an affiliate) purchases a security from or sells a security to a client, the adviser must disclose the terms of the transaction to the client and obtain the consent of the client prior to engaging in the principal transaction. In connection with the Adviser's management of its Funds, the Adviser and its affiliates may engage in principal transactions. The Adviser has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that disclosures required by Section 206 be made to the applicable Fund regarding any proposed principal transactions and that any required prior consent is received before executing a principal transaction.

Cross-Transactions

A cross-transaction generally refers to a transaction where one client account managed by the Adviser or its affiliates seeks to acquire an investment that another client account of the Adviser seeks to sell. Cross-transactions create conflicts of interest because a Fund is on both sides of the transaction. The Adviser on occasion purchases a security or securities for one Fund at the same time as a sale of the same security or securities for another Fund or effects cross-transactions between Funds. In most instances such transactions will be effected to rebalance the positions held by the Funds with a view towards achieving uniform results among certain clients in light of differing cash flows due to subscriptions. The valuation of investments transferred between Funds involves inherent conflicts of interest. Such transactions in publicly traded securities generally will be effected at the last sale price at the end or the first sales price at the beginning of the trading day through one or more broker-dealers, and in accordance with the Funds' organizational documents, if applicable. For certain rebalancing transactions between a Fund and its associated parallel Fund, in accordance and subject to the organizational documents of the Funds, the general partner of the Funds generally causes such Fund to purchase investments from or sell investments to the parallel Fund at cost plus the greater of (i) an amount calculated as interest at an interest rate equal to the Prime Rate plus 2% per annum thereon or at another rate as set forth in the applicable organizational documents and (ii) the amount determined by the general partner to be appropriate to take into account any appreciation amount, so that their resulting ownership of such investments is generally proportionate to the relative capital commitments of the Fund and such parallel Fund.

Conflicts Related to Purchases and Sales

The Adviser and certain employees and affiliates of the Adviser invest in and alongside the Funds, either through the general partners of the Funds, as direct investors in the Funds or otherwise. If employees and affiliates of the Adviser have made large capital investments in or alongside the Funds, they may have conflicting interests with respect to these investments. The Adviser and its affiliates' employees are prohibited from "front running" (i.e., purchasing a security for a personal account while knowing that a Fund is about to purchase the same security, and then selling the security at a profit upon the rise in the market price following the purchase by the Fund). They are similarly prohibited from engaging in short-selling when they have access to confidential information that a Fund is about to sell a particular security. In addition, they are prohibited from "intermarket front-running" (e.g., trading in an option for a personal account when a Fund is trading in the underlying security and vice versa).

Conflicts may arise when a Fund makes investments in conjunction with an investment being made by other Funds or a client of the Adviser's affiliate, or in a transaction where another Fund or client of such an affiliate has already made an investment. Investment opportunities may be appropriate for Funds and/or clients of the Adviser's affiliate at the same time, at different or overlapping levels of a portfolio company's capital structure. Conflicts may arise in determining the terms of investments, particularly where these clients may invest in different types of securities in a single portfolio company. Questions may arise as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced.

Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work out or restructuring raise conflicts of interest, particularly in Funds and clients of the Adviser's affiliates that have invested in different securities within the same portfolio company. Certain clients of the Adviser and its affiliates invest in bank debt, loans and securities of companies in which other clients of the Adviser or its affiliates hold securities, loans or other investments, including equity securities, which may include a controlling position. In the event that such investments are made by a Fund, the interests of such Fund may be in conflict with the interest of such other Fund or client of the Adviser's affiliates, particularly in circumstances where the underlying company is facing financial distress. The involvement of such persons at both the equity and debt levels, or in different levels of the debt structure of an issuer, could cause conflicts of interest. In certain circumstances, decisions made with respect to investments held by one Fund or client of the Adviser's affiliates could adversely affect the investments of another Fund or another client of the Adviser's affiliates. The involvement of such persons at multiple levels of the capital structure could also inhibit strategic information exchanges among fellow creditors. In certain circumstances, Funds or the clients of the Adviser's affiliates may be prohibited from exercising voting or other rights, and may be subject to claims by other creditors with respect to the subordination of their interest. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Funds may or may not provide such additional capital, and if provided, each Fund will supply such additional capital in such amounts, if any, as determined by the Adviser.

In addition, conflicts arise in allocating an investment opportunity if the potential investment target could be acquired by either a Fund or a portfolio company of another Fund. Investments by more than one client of the Adviser or its affiliates in a portfolio company also raise the risk of using assets of a client of the Adviser or its affiliates to support positions taken by other clients of the Adviser or its affiliates. The Adviser and its affiliates will attempt to resolve any such conflicts in good faith, but there can be no assurance that such conflicts of interest or actions taken by the Adviser or its affiliates in respect of other Funds will not have an adverse effect on the investments made by a Fund. There can be no assurance that the return of a Fund participating in a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed. Conflicts of interest related to investments by other Funds or funds managed by the Adviser's affiliates may result in a Fund limiting its participation in certain attractive investment opportunities.

Allocations

Each Fund may pursue investment opportunities similar to those pursued by another Fund or by clients of the Adviser's affiliates. The allocation of investment opportunities will be determined by the Adviser and its affiliates in their good faith judgment and in accordance with the organizational documents of the relevant Funds. Allocation decisions can raise conflicts, for example, if the Funds and clients of the Adviser's affiliates have different fee structures. Subject to applicable investment objectives and guidelines, the Adviser and its affiliates generally allocate investment opportunities on a pro-rata basis among eligible Funds and clients of the Adviser's affiliates based upon the current available capital of each such investment vehicle. With respect to the Funds, current available capital may include, in the Adviser's discretion, available leverage, unsettled trades, unfunded commitments, and uncalled capital. In addition, certain investment opportunities are allocated using certain factors such as risk factors or risk tolerances and/or diversification, Fund investment restrictions, currency or other exposures, current portfolio composition (including current cash available), whether the Fund has an existing investment in the portfolio company, the Fund's phase in its life cycle (for example, certain opportunities may be over-allocated or under-allocated to a Fund during the beginning or the end of its investment cycle), tax or regulatory restrictions applicable to a Fund, the level of transaction costs involved in making the investment relative to the amount of capital a Fund has available for the investment and certain other factors. Notwithstanding the foregoing, in certain circumstances as determined by the Adviser in its sole discretion, Funds that would otherwise receive an allocation under the policies and principles set out above will not receive such allocation if it would result in allocation of a de minimis amount.

Subject to any restrictions in the organizational documents of the applicable Fund, or terms negotiated in any side-letter arrangement, in general: (i) no investor in a Fund has a right to participate in any co-investment opportunity; (ii) decisions regarding whether and to whom to offer co-investment opportunities are made in the sole discretion of the Adviser or its affiliates or other participants in the applicable transactions, such as co-sponsors; (iii) co-investment opportunities are typically offered to some and not other investors in the Funds, in the sole discretion of the Adviser and its affiliates; (iv) certain persons other than investors in the Funds (e.g., third parties) may be offered co-investment opportunities, in the sole discretion of the Adviser and its affiliates and (v) co-investors may purchase their interests in a portfolio company

at the same time as the Funds or may purchase their interests from the applicable Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell down or transfer). In addition, in exercising the Adviser's discretion to decide how to allocate investment opportunities among its Funds and related vehicles (including co-investment opportunities), the Adviser may consider some or all of a wide range of factors. In certain circumstances, the Adviser may receive compensation from a third party for a co-investment opportunity. Additionally, non-binding acknowledgements of interest in co-investment opportunities are not investment allocation requirements and do not require the Adviser to notify the recipients of such acknowledgements if there is a co-investment opportunity.

The Adviser will determine if the amount of an investment opportunity exceeds the amount the Adviser determines would be appropriate for the Funds (after taking into account any portion of the opportunity allocated by contract to certain participants in the applicable deal, such as co-sponsors, consultants and advisers to the Adviser and/or the Funds or management teams of the applicable portfolio company, certain strategic investors and other investors whose allocation is determined by the Adviser to be in the best interest of the applicable Fund), and any such excess may be offered to one or more co-investors pursuant to the procedures included in such Funds' organizational documents/side letter agreements and as set forth herein.

Any intra-Fund allocations will be done in accordance with the organizational documents for such entities, and these allocations are generally expected to be made on a pro rata basis.

The appropriate allocation between Funds of expenses and fees generated in the course of evaluating and making investments which are not consummated, such as out-of-pocket fees associated with due diligence, attorney fees and the fees of other professionals, will be determined by the Adviser and its affiliates in their good faith judgment.

Certain Funds sell down an interest in their portfolio companies to co-investors. Subject to the applicable organizational documents, the Adviser may charge (or may decide not to charge) a co-investor (such as a Fund Investor or Third Party) interest costs for the time period between the closing of the applicable Fund's investment in a portfolio company to the date of the transfer of interests in such portfolio company to the applicable co-investor.

In addition, a potential conflict may arise between limited partners of a Fund in the event that a limited partner requests to transfer its interest in a Fund in a secondary transaction. Subject to any restrictions in the organizational documents of the applicable Fund, or terms negotiated in any side-letter arrangement, the Adviser or applicable general partner may identify certain, but not all, limited partners to potentially acquire the interest being transferred.

Management of the Funds

The Adviser manages a number of Funds that have investment objectives similar to each other. The Adviser expects in the future to establish one or more additional investment funds with investment objectives substantially similar to, or different from, those of the current Funds. Allocation of available investment opportunities between the Funds and any such investment fund could give rise to conflicts of interest. See "Allocations" above. In addition, it is expected

that employees of the Adviser responsible for managing a particular Fund will have responsibilities with respect to other Funds and funds managed by the Adviser's affiliates, including funds that it expects to establish in the future. Conflicts of interest arise in allocating time, services or functions of these employees among Funds and funds managed by the Adviser's Affiliates. See also the Adviser's response to the section entitled "Other Conflicts" below which describes other activities undertaken by employees of the Adviser.

Follow-on Investments

Investments made by a Fund to finance follow-on acquisitions present conflicts of interest, including determination of the equity component and other terms of any new financing as well as the allocation of the investment opportunities in the case of follow-on acquisitions by one Fund in a portfolio company in which another Fund or client of the Adviser's affiliates has previously invested. In addition, a Fund may participate in leveraging and recapitalization transactions involving a portfolio company in which another Fund or client of the Adviser's affiliates has already invested or will invest. Conflicts of interest may arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

Related Services

The Adviser and its affiliates will typically perform Related Services for, and will receive fees from, actual or prospective portfolio companies or other investment vehicles of the Funds, including fees in connection with mergers, acquisitions, add-on acquisitions, refinancings, public offerings, sales and similar transactions. Such fees will be in addition to the management fee and Carried Interest paid by such Fund to the Adviser. These fees may create a conflict of interest between the Adviser and the Funds and their investors because the amounts of these fees may be substantial and the Funds and their investors do not have an interest in these fees. However, the Adviser typically reduces the management fee by a percentage of the amount of such fees received, which percentage varies from Fund to Fund and is set forth in the organizational documents of each Fund and/or disclosed in the offering documents of each Fund. The Adviser determines the amount of these fees for Related Services in its own discretion, subject to agreements with sellers, buyers, and management teams, the board of directors of or lenders to portfolio companies, and/or third party co-investors in its transactions. Consistent with the Funds' partnership agreements or other organizational documents, the Adviser may also incur expenses, and a portfolio company may reimburse the Adviser for such expenses (including without limitation travel expenses, which may include expenses for chartered or first class travel, premium accommodations, and meals and entertainment expenses) incurred by the Adviser in connection with its performance of services for such portfolio company, and such reimbursements are not subject to the sharing arrangements described above. Additionally, since the term of the Advisory Agreement may exceed ten years there are also certain circumstances (such as the occurrence of an initial public offering or strategic exit) which may accelerate the payment of such fees. These fees may be substantial, particularly in the event such circumstances occur early in the life of the Fund's investment in such portfolio company. This creates a conflict of interest between the Adviser and its affiliates and the Funds and their investors because the amounts of these reimbursements may be substantial and the Funds and

their investors generally do not have an interest in these reimbursements. In many cases with respect to the implementation of such arrangements, there is not an independent third-party involved on behalf of the relevant portfolio company. Therefore, a conflict of interest may exist in the determination of any such fees and other related terms in the applicable agreement with the portfolio company. Please see Item 5 “Fees and Compensation” for additional information regarding Related Service Fees.

Diverse Membership

The investors in the Funds are expected to include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. Such investors may have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests among the investors may relate to or arise from, among other things, the nature of investments made by a Fund, the structuring of the acquisition of investments and the timing of the disposition of investments, as well as the structure of a Fund and its associated parallel funds. As a consequence, conflicts of interest may arise in connection with decisions made by the Adviser, including with respect to the nature or structuring of investments, that may be more beneficial for one investor than for another investor, especially with respect to investors’ individual tax situations. In selecting and structuring investments appropriate for a Fund, the Adviser will consider the investment and tax objectives of the applicable Fund and the investors as a whole, not the investment, tax or other objectives of any investor individually.

Business with Portfolio Companies and Investors

Given the collaborative nature of the Adviser’s business and the portfolio companies in which the Funds have invested, there are often situations where the Adviser is in the position of recommending portfolio company services to other portfolio companies. The Adviser may have a conflict of interest in making such recommendations, in that the Adviser has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for the Funds, while the products or services recommended may not necessarily be the best available to the portfolio companies held by the Funds.

The Adviser may have an incentive to recommend the products or services of certain investors in the Funds or their related businesses to the Funds or their portfolio companies for use or purchase, even though the products or services recommended may not necessarily be the best available to the Funds or the portfolio companies.

Certain members of a Main Fund’s Advisory Committee are, or in the future may be, officers or directors of, or otherwise affiliated with, investors in a Fund. The general partner of a Fund may from time to time utilize the services of investors and their affiliates on an arm’s length basis, as it deems appropriate.

Side Letter Agreements

The Adviser enters into side letter arrangements with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures, information rights, co-investment rights, and liquidity or transfer rights. However, in general, the organizational documents for the Funds contain a most favored nations provision

which allows investors, subject to the limitations set forth therein, the right to elect to obtain such rights, where applicable.

Advisory Affiliates

Providence has affiliate investment advisers as noted in Item 10. Providence Equity Capital Markets L.L.C., Benefit Street Partners L.L.C. and Merganser Capital Management, LLC focus primarily on different investment strategies than Providence, and are investment advisers that are registered with the SEC. In addition, Providence Equity Capital Markets L.L.C. and Benefit Street Partners L.L.C. are registered with the CFTC as CPOs, and are members of the NFA and Benefit Street Partners L.L.C. is also registered with the CFTC as a CTA. However, clients of Providence, Providence Equity Capital Markets L.L.C., Benefit Street Partners L.L.C. and Merganser Capital Management, LLC may invest in the same portfolio companies, including in the same security or in different securities of such a portfolio company. In the ordinary course of conducting its activities, interests of Providence's clients may therefore conflict with the interests of the clients of Providence Equity Capital Markets L.L.C., Benefit Street Partners L.L.C. and Merganser Capital Management, LLC. Please see the Adviser's response in the sections entitled "Conflicts Related to Purchases and Sales" and "Allocations" above for more information. Other than Providence Equity Capital Markets L.L.C., Benefit Street Partners L.L.C., Providence Strategic Growth Capital Partners L.L.C. and Merganser Capital Management, LLC, the investment adviser affiliates of the Adviser do not have their own clients.

Conflicts Relating to the General Partner and the Adviser

Each general partner of a Fund is a related person of the Adviser. The Adviser generally may, in its discretion, contract with any related person of the Adviser (including but not limited to a portfolio company of a Fund) to perform services for the Adviser in connection with its provision of services to the Funds. When engaging a related person to provide such services, the Adviser may have an incentive to recommend the related person even if another person may be more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Adviser generally may, in its discretion, recommend to a Fund or to a portfolio company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with (i) a related person of the Adviser (including but not limited to a portfolio company of a Fund) or (ii) an entity with which the Adviser or its affiliates or a member of their personnel has a relationship or from which the Adviser or its affiliates or a member of their personnel otherwise derives financial or other benefit. When making such a recommendation, the Adviser may, because of its financial or other business interest, have an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

Providers of Operations Support

The Funds' general partners and the portfolio companies will from time to time retain other companies and individuals ("Operations Support Providers"), which may be affiliates of the general partner, employees of such affiliates, portfolio companies of other of the Adviser's

funds, third party consultants (including specialized consultants, external executives, and industry advisory roundtable members), “operating partners” or “senior advisors”.

Pursuant to the organizational documents of the Funds, fees and expenses associated with Operations Support Providers may be paid and/or reimbursed by portfolio companies and/or the Funds. In the event one or more Operations Support Providers (directly or indirectly) is providing services with respect to the Funds, expenses incurred in connection therewith will be allocated among the Funds as determined by the general partner in a fair and equitable manner.

Conflicts Related to Fee Structure

Because there is a fixed investment period after which capital from limited partners may only be drawn down in certain limited circumstances and the Adviser’s management fee is based upon capital invested by the Funds, this timing may create an incentive to deploy capital when the Adviser may not otherwise have done so.

The fact that the Carried Interest received by the Adviser from the Funds is based on the performance of the Funds also creates an incentive for the Adviser to cause the Funds to make investments that are more speculative than would be the case in the absence of performance-based compensation. However, this incentive is tempered somewhat by the fact that losses from unsuccessful investments will reduce the Fund’s performance and thus the Adviser’s receipt of Carried Interest.

Other Conflicts

The Adviser, its affiliates and the Funds will often engage common legal counsel and other advisers in a particular transaction, including transactions in which there may be conflicts of interest. Members of the law firms engaged to represent the Funds may be investors in a Fund, or other funds managed by the Adviser’s affiliates and may also represent one or more portfolio companies or investors in a Fund or fund managed by the Adviser’s affiliates. In the event of a significant dispute or divergence of interest between Funds and the Adviser and/or its affiliates, the parties may engage separate counsel in the sole discretion of the Adviser and its affiliates. Moreover, in litigation and certain other circumstances separate representation may be required. Additionally, the Adviser, its affiliates and the Funds and the portfolio companies engage other common service providers. In such circumstances, there may be a conflict of interest between the Adviser, on the one hand, and the Funds and portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Adviser may favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies.

The Adviser may in its discretion have, and may, in its discretion, cause the Funds and/or their portfolio companies to have, ongoing business dealings, arrangements or agreements with persons who are former employees or executives of the Adviser or the Adviser’s affiliates. The Funds and/or their portfolio companies bear, directly or indirectly, the costs of such dealings, arrangements or agreements. In such circumstances, there may be a conflict of interest between the Adviser and the Funds (or their portfolio companies) in determining whether to engage in or

to continue such dealings, arrangements or agreements, including the possibility that the Adviser may favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person.

If a Fund purchases in the secondary market at a discount debt securities of a company in which a Fund has, for example, a substantial equity interest, (a) a court might require a Fund to disgorge profit it realizes if the opportunity to purchase such securities at a discount should have been made available to the issuer of such securities or (b) a Fund might be prevented from enforcing such securities at their full face value if the issuer of such securities becomes bankrupt. The effect of these transactions will vary from jurisdiction to jurisdiction.

Item 12. Brokerage Practices

The Adviser has discretion to determine the broker or dealer to be used and the commission rates to be paid in instances where a broker or dealer is used. Generally, investments are not purchased through a broker, dealer or underwriter. When executing transactions on behalf of the Funds through a broker, dealer or underwriter, the Adviser's objective will be to obtain the most favorable commission and the best price obtainable on each transaction in light of the quality of execution provided. As such, brokers, dealers and underwriters are selected primarily on the basis of their execution, capability and trading expertise. The Adviser does not enter into soft dollar arrangements or otherwise take into account research and non-execution services in selecting brokers to execute client transactions.

In order to monitor best execution, certain affiliates of the Adviser, as well as the Adviser's compliance group, will periodically monitor broker-dealers to assess the quality of execution of brokerage transactions effected on behalf of the Adviser and each Fund.

Aggregation of Trades

The Adviser may aggregate (or bunch) the orders of more than one Fund for the purchase or sale of the same publicly traded security. Portfolio managers and traders often employ this practice because larger transactions can enable them to obtain better overall prices, including lower commission costs or mark-ups or mark-downs. The Adviser may combine orders on behalf of Funds with orders for other funds for which it or its affiliates have trading authority, or in which it or its affiliates have an economic interest. In such cases, the Adviser and its affiliates generally allocate the publicly traded securities or proceeds arising out of those transactions (and the related transaction expenses) on an average price basis among the various participants, and, pursuant to the terms of each Fund's organizational documents, among the Funds on a pro rata basis in proportion to committed capital (subject to certain limited exceptions).

When orders for publicly traded securities are not entirely filled, allocations shall be made based upon the Adviser's procedures for the allocation of investment opportunities. Where aggregate trades have been filled during the course of the trading day at different prices, the costs of the publicly traded securities to each client will be averaged priced to the extent possible. See the Adviser's response to Item 11 above for more information regarding conflicts of interest related to investment and trading discretion.

Item 13. Review of Accounts

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, the Adviser closely monitors the portfolio companies in which the Funds invest and generally maintains an ongoing oversight position in such companies (including, in many cases, representation on the board of directors of such companies). Reviews occur on at least a quarterly basis and are conducted by the Adviser's senior officers. Moreover, the Adviser has a separate group designated to monitoring portfolio company performance, which provides a second level of review of each client portfolio company on a periodic basis.

The Adviser provides written quarterly unaudited reports and written annual audited reports to the limited partners of the Funds. Moreover, the Adviser provides quarterly letters to the limited partners of the Funds.

Item 14. Client Referrals and Other Compensation

For details regarding economic benefits provided to the Adviser by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above.

The Adviser and its affiliates from time to time engage in a broad range of activities, including providing Related Services to actual and potential portfolio companies of the Funds. Such Related Services are complementary to the investment supervisory services provided by the Adviser. Time spent on Related Services varies from investment to investment.

In addition, the Adviser and its related persons, in certain instances, receive discounts on products and services provided by portfolio companies of Funds.

While not a client solicitation arrangement, the Adviser notes that from time to time it engages one or more persons to act as a placement agent for a Fund in connection with the offer and sale of interests to certain prospective investors. Such persons generally will receive a fee in an amount equal to a percentage of the capital commitments for interests in a Fund that are accepted by the Fund's general partner with respect to such prospective investors. Such fees will be negotiated individually between the Adviser and such person.

Item 15. Custody

This item is not applicable to the Adviser.

Item 16. Investment Discretion

The Adviser has the discretion to determine, without consent of the Funds or the investors in the Funds, the particular securities or instruments to be bought and sold in accordance with the terms and conditions of the applicable organizational documents of each Fund. The Adviser will provide investment advice to the Funds, subject to certain limitations and restrictions on the Funds as to diversification and type of permitted investments. Funds will typically make direct investments in companies, although the Adviser may in its discretion form a special purpose vehicle with respect to particular investments.

Co-Investment Funds and Alternative Investment Vehicles are generally established in order to invest alongside or in the place of one or more Main Funds in a particular investment opportunity or opportunities, and the Adviser typically has limited discretion to invest the assets of the Co-Investment Funds or Alternative Investment Vehicles independent of these limitations as set forth in the organizational documents of the Co-Investment Funds or Alternative Investment Vehicles and applicable Main Fund.

Item 17. Voting Client Securities

It is the Adviser's fiduciary duty to vote proxies and consents in the best interests of the Funds and the overriding principle of the Adviser's proxy voting is to maximize the financial interests of the Funds. It is the policy of the Adviser in voting proxies to consider and vote each proposal with the objective of maximizing long-term investment returns for the Funds.

The Adviser has established guidelines regarding the voting of proxies on routine, non-routine, corporate governance and social issues. The Adviser may, however, vote in a manner that is contrary to the general guidelines if it believes that it would be in a Fund's best interest to do so. All proxies, unless voted in accordance with the Adviser's general guidelines on routine, non-routine, corporate governance and social issues, will require a mandatory conflicts of interest review, which will include consideration of whether the Adviser, any investment professional or other person recommending how to vote and/or the Adviser's affiliates and their clients has an interest in how the proxy is voted that may present a conflict of interest. The Adviser is not required to vote a proxy if the cost of voting a particular proxy due to special translation, delivery or other requirements would outweigh the benefit of voting for the Fund. Though not common, situations may arise in which more than one Fund invests in the same company or in which a single Fund may invest in the same company but through multiple accounts. In those situations, two or more Funds, or one Fund with different accounts, may be invested in strategies having different investment objectives, investment styles or portfolio managers. As a result, the Adviser may cast different votes on behalf of different Funds or on behalf of the same Fund with different accounts.

The Adviser will retain all books and records relating to its proxy voting activities on behalf of client accounts in accordance with the requirements of Rule 204-2(c)(2) under the Advisers Act. Copies of relevant proxy logs are available to any client or prospective client by calling Roman A. Bejger at 401-751-1770 or by writing to Mr. Bejger, General Counsel and Chief Compliance Officer, Providence Equity Partners L.L.C., 50 Kennedy Plaza, 18th Floor, Providence, Rhode Island 02903.

Item 18. Financial Information

This item is not applicable to the Adviser.

Item 19. Requirements for State-Registered Advisers

This item is not applicable to the Adviser.