

Item 1. Cover

PNC Steel City Advisors, LLC
Form ADV, Part 2A
March 20, 2015

200 South Wacker Drive, Suite 600
Chicago, Illinois 60606
312.454.2928

This Brochure provides information about the qualifications and business practices of PNC Steel City Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at 312.454.2928. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about PNC Steel City Advisors, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

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

Item 2. Material Changes

Not applicable.

IMPORTANT NOTE ABOUT THIS BROCHURE

This Brochure is not:

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

As required by the Investment Advisers Act of 1940, as amended (“Advisers Act”), PNC Steel City Advisors, LLC (“PNC Steel City Advisors” or the “Firm”) provides this Brochure to current and prospective clients and may also, in its discretion, provide this Brochure to current or prospective investors in a Loan Fund, together with other relevant offering materials, such as the Loan Fund’s private placement memorandum (“PPM”), prior to, or in connection with, such persons’ investment in the Loan Fund. Additionally, this Brochure is available through the SEC’s Investment Adviser Public Disclosure website.

Although this publicly available Brochure describes investment advisory services and products of PNC Steel City Advisors, persons who receive this Brochure (whether or not from PNC Steel City Advisors) should be aware that it is designed solely to provide information about PNC Steel City Advisors as necessary to respond to certain disclosure obligations under the Advisers Act. As such, the information in this Brochure may differ from information provided in relevant offering materials. More complete information about each Loan Fund is included in relevant offering materials, certain of which may be provided to current and eligible prospective investors only by PNC Steel City Advisors or by the manager or co-adviser of a Loan Fund. To the extent that there is any conflict between discussions herein and similar or related discussions in any offering materials, the relevant offering materials shall govern and control.

Item 3. Table of Contents

Item 1.	Cover Page	1
Item 2.	Material Changes	2
	Important Note About this Brochure	3
Item 3.	Table of Contents	4
Item 4.	Advisory Business.....	5
Item 5.	Fees and Compensation	6
Item 6.	Performance-Based Fees and Side-By-Side Management.....	7
Item 7.	Types of Clients	8
Item 8.	Methods of Analysis, Investment Strategies and Risk of Loss.....	8
Item 9.	Disciplinary Information.....	13
Item 10.	Other Financial Industry Activities and Affiliations.....	13
Item 11.	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	17
Item 12.	Brokerage Practices.....	18
Item 13.	Review of Accounts	18
Item 14.	Client Referrals and Other Compensation	19
Item 15.	Custody	19
Item 16.	Investment Discretion	20
Item 17.	Voting Client Securities	20
Item 18.	Financial Information.....	21

Item 4. Advisory Business

The Firm

PNC Steel City Advisors, LLC is a wholly owned subsidiary of PNC Bank, National Association (“PNC Bank”) which, itself, is a wholly owned indirect subsidiary of The PNC Financial Services Group, Inc. (“PNC”), a publicly traded company. The Firm was founded in August 2014 and registered as an Investment Adviser with the SEC in 2014. As of the date of this Brochure, the Firm has approximately \$287,439,537 of assets under management on a discretionary basis.

Advisory Services

PNC Steel City Advisors advises pooled investment vehicles excepted from the definition of an “investment company” under the Investment Company Act of 1940, as amended (“Investment Company Act”).

PNC Steel City Advisors was formed to act as a specialty finance adviser to one or more funds (each, a “Loan Fund” or “Fund”) that are expected to participate, with other lenders, in the provision of “unitranche” financing as well as to make traditional term loans and broadly syndicated loans, in each case to middle-market companies (“Borrowers”). Initially, the Firm anticipates advising a single Loan Fund.

The Firm leverages the capabilities of the Steel City Capital division of PNC Bank’s PNC Business Credit segment. The Steel City Capital division of PNC Bank is an experienced provider of senior secured term loan oriented financing to U.S. middle-market borrowers in both sponsored and unsponsored transactions. The Firm also leverages the loan origination pipeline of PNC Bank’s PNC Business Credit segment, which is anticipated to refer certain lending opportunities to the Loan Funds. PNC Bank’s PNC Business Credit segment is a leading provider of senior secured asset-based financing in the United States.

Certain of the Loan Funds, including the initial Fund, will be co-advised by the Firm and an unaffiliated third party adviser. In those situations, the manager and general partner of the Fund are expected to be affiliates of the third party co-adviser. The Firm and the third party co-adviser will advise the Loan Fund on the acquisition or origination, and related management, of loans. Together with the co-adviser, the Firm’s services to the Loan Fund will generally relate to the review and approval of origination and purchase opportunities for loans, as well as the review and approval of amendments, modifications and covenant waivers (and in some cases, work-out or sales) of such loans. The services provided by the Firm to a Loan Fund are described in more detail in the offering materials of the Loan Fund, including the PPM and limited partnership agreement.

It is anticipated that PNC Bank will originate a revolving loan to many of the Borrowers participating in a “unitranche” financing, concurrently with the Fund’s origination of a term “A” loan to such Borrower and, in the case of one or more Loan Funds, will act as administrative agent for the lenders in “unitranche” financings for each of the revolving

loan, the term “A” loan and the term “B” loan (if any) to Borrowers. PNC Bank is also expected to extend a line of credit to certain of the Loan Funds, including the initial Loan Fund (and act as syndication and administrative agent if such line of credit is syndicated to other lenders).

Investments for each Loan Fund are managed in accordance with that Fund’s particular investment objectives, strategies and guidelines and are not tailored to the individualized needs of any particular investor therein. Information about a Loan Fund, and the particular investment objectives, strategies, guidelines and risks associated with an investment, is included in the offering materials of the Loan Fund, including the PPM and limited partnership agreement, which are made available to investors only through the Loan Fund, its manager or another authorized party.

Item 5. Fees and Compensation

Compensation

Details of management and other fees applicable to a particular Fund are set forth in the Fund’s offering materials and governing documents. For an additional discussion regarding performance fees, please refer to Item 6 – *Performance-Based Fees and Side-by-Side Management*.

Management fees, performance fees and/or any other compensation directly or indirectly payable to the Firm or its affiliates by a Loan Fund and its investors are generally negotiated with the Loan Fund (or its primary investment adviser and/or investors) and may depend on, among other factors, the amount of capital committed to the Loan Fund by an investor.

PNC Steel City Advisors will generally receive from a Loan Fund a management fee based on a rate equal to a fixed percentage of the Fund’s assets under management, as described in the Fund’s offering materials and governing documents, including the PPM and limited partnership agreement.

Other Fees and Expenses

Clients of PNC Steel City Advisors (including, indirectly, investors in a Loan Fund) may bear certain other fees, expenses and costs (in addition to the fees discussed above) which are incidental or related to the maintenance of the Loan Fund or the acquisition, origination or maintenance of loans or other investments, including, but not necessarily limited to: (1) the fees and expenses of professional advisers such as legal counsel (including unreimbursed legal fees in connection with acquiring or originating loans or proposed loans on behalf of the Loan Fund and modifying, working out or disposing of those loans), administrators (including administrative/servicing fees paid to PNC Bank in connection with the collection and/or distribution of interest, principal and other payments from Borrowers), custodians, trustees, consultants, appraisers, bookkeepers and accountants (including audit and certification fees and the expenses associated with the preparation of the Loan Fund’s financial statements and tax returns); (2) expenses

relating to the formation of the Loan Fund; (3) as set forth in the Loan Fund's offering materials and governing documents, management or performance fees to any third party manager or general partner of a Loan Fund or, with respect to co-advised Funds, an advisory fee to the Fund's third party co-adviser; (4) any taxes, fees or other governmental charges levied against the Loan Fund; (5) expenses associated with the preparation, printing and distribution of reports to the limited partners of the Loan Fund and costs associated with any meeting of the Loan Fund's advisory board or investment committee or any advisory board fees; (6) fees and expenses related to credit facilities under which the Loan Fund is the borrower (including credit facilities in which PNC Bank is a lender to the Loan Fund); (7) investment banking and similar consulting and professional fees associated with the acquisition, holding and disposition of loans, including broken deal expenses, brokerage and other transaction costs, and extraordinary expenses (such as litigation, if any); (8) any insurance, indemnity or litigation expenses relating to the Loan Fund's activities; and (9) all other costs incurred in connection with the administration of the Loan Fund or otherwise that may be authorized by the Loan Fund's PPM or limited partnership agreement. Certain of these fees and expenses may be paid to the Firm or its affiliates, including PNC Bank. For an additional discussion regarding payments to affiliates, please refer to Item 10 – *Other Financial Industry Activities and Affiliations*. For an additional discussion regarding brokerage fees, commissions and other related transactions costs and expenses, please refer to Item 12 – *Brokerage Practices*.

Billing

The processes for billing management and other fees will be disclosed to investors in each Fund's offering materials and governing documents. The management fee will generally be payable quarterly in advance. If a Loan Fund is dissolved before the end of a quarter, or PNC Steel City Advisors otherwise no longer serves as an adviser or co-adviser to the Loan Fund, prorated management fees will be returned in accordance with the Fund's offering materials and governing documents, including the PPM and the limited partnership agreement.

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

The Firm does not anticipate receiving performance-based fees from any Fund. However, as set forth in each Fund's offering materials and governing documents, Fund investors may be required to pay performance fees to the general partner or manager of the Fund, which general partner or manager is not expected to be the Firm or an affiliate. In the case where an affiliate of the Firm is a limited partner in a Loan Fund, its obligation to pay the performance fee will generally be waived.

The differing compensatory or pecuniary interests of PNC Steel City Advisors or an affiliate of PNC Steel City Advisors, including PNC Bank, may create conflicts of interests with respect to the allocation of time, resources and investment opportunities. For example, PNC Bank and its personnel have an incentive to directly engage in lending opportunities otherwise suitable for a Loan Fund. In addition, as noted below, although it

is anticipated that PNC Bank will refer lending opportunities to one or more Loan Funds, it has not made any commitment to do so.

The potential conflicts of interests between PNC Steel City Advisors and its affiliates, and among Loan Funds, with respect to side-by-side management of overlapping investments and the allocation of investment opportunities, and related mitigants, are described in more detail in Item 10 – *Other Financial Industry Activities and Affiliations* and Item 12 – *Brokerage Practices*.

Item 7. Types of Clients

As discussed in Item 4 – *Advisory Business*, PNC Steel City Advisors provides discretionary investment advisory services to Loan Funds, which are pooled investment vehicles excepted from the definition of “investment company” under the Investment Company Act.

The Loan Funds generally impose investment minimums for investors, as described in more detail in a Loan Fund’s PPM or limited partnership agreement. In certain circumstances, such investment minimums may be reduced by the Fund’s general partner or manager. A Fund’s general partner or manager may also offer more favorable terms (*e.g.*, lower investment minimums, reduced or eliminated fees) to its personnel, affiliated persons or others. For example, where an affiliate of PNC Steel City Advisors holds a minority limited partnership interest in a Loan Fund, its obligation to pay a performance fee to the co-adviser or its affiliates will generally be waived.

It is anticipated that each Loan Fund will comply with the exclusion from the definition of “investment company” provided in Rule 3a-7 under the Investment Company Act. In order to comply with such exclusion, all investors in the Loan Fund are required to be: (1) “qualified institutional buyers” (as defined in Rule 144A under the Securities Act of 1933, as amended (“Securities Act”)) or (2) persons involved in the organization or operation of the Fund or an “affiliate” (as defined in Rule 405 under the Securities Act) of such a person.

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

Methods of Analysis and Investment Strategies

The Loan Funds will primarily engage in the origination or acquisition of loans. The Loan Funds are expected to primarily make senior term “A” loans, which may be partially or fully secured by the Borrower’s non-working capital assets and a subordinated lien on the Borrower’s working capital assets. The Funds are generally expected to lend to Borrowers in “unitranche” structures where PNC Bank and/or other lenders are providing revolving financing to the Borrower and, in certain cases, other lenders are providing term “B” financing to the Borrower. In addition to originations, Loan Funds may purchase loans on the secondary market and may acquire unsecured debt or equity in connection with a loan as a result of a reorganization or as a consequence of loan foreclosures or foreclosures on the collateral securing such loans. In

evaluating loan opportunities for a Loan Fund, the Firm will consider, among other things, a Borrower's operating history, balance sheet (*e.g.*, current assets and liabilities), capital structure and the industry in which the Borrower operates (as well as Borrower's role and size relative to that industry). Transactions could include sponsored and unsponsored deals, including financing for working capital, bridge capital, acquisitions, refinancings and growth capital.

Material Investment Risks

The investment activities of PNC Steel City Advisors involve a high degree of risk with no certainty of any return of capital. While PNC Steel City Advisors seeks to advise Loan Funds so that risks are appropriate to the return potential for the strategy, it is often not possible to fully mitigate risks. An investment in a Loan Fund contemplates the risk of loss and there can be no guarantee that a particular level of return will be achieved. Investors should be aware that Loan Funds are not diversified or intended to provide a complete investment program. Investments in a Loan Fund are not insured by the Federal Deposit Insurance Corporation or any other government agency and are not guaranteed by PNC Steel City Advisors, PNC Bank or any other person. PNC Steel City Advisors assumes that investors in a Loan Fund will not invest all of their assets in that Fund. Investors are responsible for appropriately diversifying their assets to guard against the risk of loss.

As a result of these factors, as well as other risks inherent in any investment, there can be no assurance that a Loan Fund will meet its investment objective or otherwise be able to successfully carry out its investment program. The following does not purport to be a comprehensive summary of all the risks associated with an investment in a Loan Fund. Potential investors in a Loan Fund should refer to the offering materials of such Loan Fund, including the PPM and limited partnership agreement, for a description of certain additional risks associated with an investment in such Loan Fund and certain conflicts of interest of PNC Steel City Advisors and such Loan Fund's primary investment adviser. Clients of PNC Steel City Advisors, as well as investors in a Loan Fund, should be prepared to incur losses.

Investments in Private Middle-Market Companies. In addition to limited liquidity, investments in loans issued to, and debt instruments of, private middle-market companies may involve a number of risks. Generally, little public information exists about such companies, and the Funds will rely on the ability of the Firm and any co-advisers, and their personnel, as well as certain other affiliated or unaffiliated investment professionals, to obtain adequate information to evaluate the potential returns from investing in such loans or debt instruments. If the Firm and/or the other parties described in the preceding sentence are unable to uncover all material information about such companies, the Firm may not make a fully-informed investment decision, and a Fund may lose money. Private middle-market companies typically have shorter operating histories, less predictable operating results, narrower product lines, and smaller market shares than larger businesses. These characteristics tend to render these companies more vulnerable to competitors' actions and market conditions, including general economic downturns. Private middle-market companies are also more likely to depend on the management

talents and efforts of a small group of persons, the loss of which could have a material adverse impact. In addition, private middle-market companies may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position. As a consequence, certain loans in which the Loan Funds invest may become nonperforming loans and Borrowers could default with respect to such loans.

General Credit Risks. Although PNC Steel City Advisors anticipates that the Loan Funds will primarily invest in loans and other debt instruments or obligations secured by collateral, in some cases, the loans will only be partially secured. Additionally, the Loan Funds may be exposed to losses resulting from default and foreclosure of any such loans in which it has invested. Therefore, the value of underlying collateral, the creditworthiness of Borrowers and the priority of liens are each of great importance in determining the value of a Fund's investments. No guarantee can be made regarding the adequacy of the protection of a Fund's security in the loans or other debt instruments in which it invests. Moreover, in the event of foreclosure, the Fund may assume direct ownership of any assets collateralizing such foreclosed loans. The liquidation proceeds upon the sale of such assets may not satisfy the entire outstanding balance of principal and interest on such foreclosed loans, resulting in a loss to the Fund. Any costs or delays involved in the effectuation of loan foreclosures or liquidation of the assets collateralizing such foreclosed loans will further reduce proceeds associated therewith and, consequently, increase possible losses to the Fund. In addition, no assurances can be made that Borrowers or third parties will not assert claims in connection with foreclosure proceedings or otherwise, or that such claims will not interfere with the enforcement of the Fund's rights.

Ability to Lend on Advantageous Terms; Competition and Supply. On behalf of the Loan Funds, PNC Steel City Advisors anticipates that the Loan Funds will originate loans and also invest in loans originated by third parties. Success in this area will depend, in part, on the ability of the Loan Fund to originate and obtain loans on advantageous terms. In making loans, the Loan Fund will compete with a broad spectrum of lenders, some of which may be willing to lend money on terms more favorable to borrowers. Such competing lenders may include private investment funds, public funds, commercial and investment banks, commercial financing companies and other entities. Some competitors may have a lower cost of funds and access to funding sources that are not available to the Loan Fund. In addition, some competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than the Loan Fund. The Loan Fund may also choose not to compete for investment opportunities based on interest rates. Ultimately, increased competition for, or a diminution in the available supply of, qualifying Borrowers may result in lower yields on loans to such Borrowers, which could reduce returns to the Loan Fund.

Interest Rate Risk; Prepayment. A Loan Fund may invest in fixed interest rate debt instruments. The value of fixed interest rate debt instruments generally has an inverse relationship with future interest rates. Accordingly, if interest rates rise, the value of such

instruments may decline. In addition, to the extent that the receivables or loans underlying specific financial instruments may be prepaid without penalty or premium, the value of such financial instruments may be negatively affected by increasing prepayments. Such prepayments tend to occur more frequently as interest rates decline.

Equitable Subordination. Under the U.S. Bankruptcy Code (the “Code”), a court may use its equitable powers to subordinate the claim of a lender against a borrower that is under the protections of the Code to some or all of the other claims against the borrower under certain circumstances. The concept of equitable subordination is that a claim may normally be subordinated to other claims only if its holder is guilty of some misconduct. The remedy is intended to be remedial, and not penal. In determining whether equitable subordination of a claim is appropriate in any given circumstance, courts generally look to whether the following conditions have been satisfied: (1) whether the claimant has engaged in some type of inequitable conduct; (2) the misconduct must have resulted in injury to the creditors of the bankrupt company or conferred an unfair advantage on the claimant; and (3) equitable subordination must not be inconsistent with other applicable provisions of the Code. While the stated test could be interpreted broadly, equitable subordination is usually confined to three general situations: (1) when a fiduciary of the debtor (who is also a creditor) misuses its position to the detriment of other creditors; (2) when a third party (which can include a lender) controls the debtor to the disadvantage of other creditors; and (3) when a third party actually defrauds other creditors. A Loan Fund may be subject to claims from creditors of a Borrower that debt obligations of such Borrower which are held by the Loan Fund should be equitably subordinated. Certain states have laws substantially similar to the equitable subordination provisions of the Code that may apply outside of a formal bankruptcy proceeding thereunder.

Priority of Debt Instruments and Loans. A Loan Fund may in certain circumstances invest in secured debt of Borrowers that have or may incur additional debt that is senior to the secured debt owed to the Loan Fund, or the debt owed to the Loan Fund may have a first priority lien in some, but not all, or each Borrower’s assets, and the additional debt may have a first priority lien in other assets. In many cases, the loans made by the Loan Funds will be part of a “unitranche” structure in which a single lien on behalf of all the lenders in the structure will be filed against the assets of the Borrower, and the lenders holding the different tranches of debt (including the Loan Fund) will contractually agree to their respective priorities in those assets. In the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of any such Borrower, the owners of senior secured debt (*i.e.*, the owners of first priority liens), including in a “unitranche” structure through the contractual agreements between the lenders, generally will be entitled to receive proceeds from any realization of the secured collateral until they have been reimbursed. At such time, the owners of junior secured debt (which could include, in certain circumstances, the Loan Fund) will be entitled to receive proceeds from the realization of the collateral securing such debt. There can be no assurances that the proceeds, if any, from the sale of such collateral would be sufficient to satisfy the loan obligations secured by subordinate debt instruments. To the extent that a Loan Fund owns secured debt that is junior to other secured debt, the Loan Fund may lose the value of its entire investment in such secured debt.

Recharacterization. Under certain state laws, a court, including a federal court in a bankruptcy proceeding applying state law, may use its equitable powers to recharacterize the claim of a lender (*i.e.*, notwithstanding the characterization by the lender and borrower of a loan advance as a debt, to find that the advance was in fact a contribution of equity). Typically, recharacterization occurs when an equity holder asserts a claim that a loan was made by the equity holder to the borrower at a time the borrower was in such poor financial condition so that other lenders would not make such a loan. In effect, a court that recharacterizes a claim makes a determination that the original circumstance of the contribution warrants treating the holder's advance not as debt but rather as equity. In determining whether recharacterization is warranted in any given circumstance, courts look to the following factors: (1) the names given to the instruments (if any) evidencing the indebtedness; (2) the presence or absence of a fixed maturity or scheduled payment; (3) the presence or absence of a fixed rate of interest and interest payments; (4) the source of repayments; (5) the adequacy or inadequacy of capital; (6) the identity of interest between the creditor and the equity holders; (7) the security (if any) for the advances; (8) the borrower's ability to obtain financing from outside lending institutions; (9) the extent to which the advances were subordinated to the claims of outside creditors; (10) the extent to which the assets were used to acquire capital assets; and (11) the presence or absence of a sinking fund to provide for repayment. These factors are reviewed under the circumstances of each case, and no one factor is controlling. A Loan Fund may be subject to claims from creditors of a Borrower that debt obligations of such Borrower which are held by the Loan Fund should be recharacterized.

Fraud. The Loan Fund's investments could be adversely affected by material misrepresentations or omissions on the part of a Borrower or counterparty or by fraudulent behavior by a joint venture partner, manager or other service provider. Inaccuracies or incompleteness of representations may adversely affect the valuation of collateral underlying loans and may adversely affect the ability of a Loan Fund to perfect or effectuate a lien on the collateral securing a loan. Fraudulent behavior by a counterparty could result in the misappropriation of a Loan Fund's funds or otherwise reduce the value of one or more of the Loan Fund's investments. A Loan Fund will rely upon due diligence by the Firm and any co-advisers, or their affiliates, and the accuracy and completeness of representations made by Borrowers, other counterparties, joint venture partners, managers and other service providers and cannot guarantee that it will detect occurrences of fraud. In addition, under certain circumstances, payments by Borrowers to the Loan Fund may be reclaimed if any such payment is later determined to have been a fraudulent conveyance or a preferential distribution.

Equity Securities Generally. Loan Funds may at times acquire equity as a result of a reorganization or as a consequence of loan foreclosure or foreclosure on the collateral securing such loans. Equity securities in general fluctuate in value in response to many factors, including the activities, results of operations and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates and general economic environments and movements in the equity markets in general. As a result, a Loan Fund may suffer losses if it invests in

equity instruments of issuers whose performance diverges from the Firm's expectations or if equity markets generally move in a single direction and PNC Steel City Advisors has not hedged against such a general move.

Fund Related Risks. In addition to the risks identified above, investors in a Loan Fund may be subject to Fund-related risks, including the lack of liquidity for interests of a Loan Fund, as set forth in the applicable PPM and other offering materials of the Loan Fund. Moreover, as discussed above, the Firm expects that the Loan Funds will be excepted from the definition of "investment company" provided in Rule 3a-7 under the Investment Company Act, which is subject to a number of conditions. If the Loan Funds cannot comply with Rule 3a-7 or other exemption from the Investment Company Act, the Loan Funds will be subject to a number of additional regulatory requirements. These additional regulatory requirements may affect the investment strategies, performance, yield, operating expenses and continued viability of each Fund.

Item 9. Disciplinary Information

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

Item 10. Other Financial Industry Activities and Affiliations

PNC Steel City Advisors is part of a broad financial services organization and is therefore affiliated with other entities engaged in a variety of financial services businesses. In some cases, the Firm has business arrangements with its affiliates that are material to its advisory business or to its clients. For example, the Firm will share certain personnel with its affiliates, including PNC Bank, and has entered into certain service arrangements with its affiliates, including PNC Bank, whereby an affiliate will support the Firm in a variety of activities, including credit research, administration and legal. The Firm is also expected to leverage the loan origination pipeline of PNC Bank's PNC Business Credit segment, and, in doing so, will utilize certain information generated during the loan origination process (which information will also be used by PNC Bank's PNC Business Credit segment to make a revolving loan to a Borrower). These activities and affiliations may cause the Firm's or a related person's interests to diverge from the best interests of a Loan Fund.

The PNC Financial Services Group, Inc.

PNC is a diversified financial services company. PNC is engaged in retail banking, corporate and institutional banking, asset management, and residential mortgage banking. Through its indirect wholly owned subsidiaries, PNC (1) is the parent company of PNC

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

Steel City Advisors; (2) may be a limited partner in a Loan Fund; and (3) will generally provide a line of credit to one or more Loan Funds, including the initial Loan Fund.

PNC Bank, National Association

PNC Bank, a member of the Federal Deposit Insurance Corporation, is a full service bank engaged in traditional lending, cash and/or treasury management and other services. It is anticipated that PNC Bank's PNC Business Credit segment will source certain loan opportunities for the Funds. It is also anticipated that, for most Borrowers entering into a "unitranche" structure, PNC Bank will originate a revolving loan to the Borrower concurrently with a Fund's origination of a term loan to such Borrower. Although the Firm has a separate origination team, the Firm expects to utilize certain information independently generated by (and for) PNC Bank or its PNC Business Credit segment during their revolving loan origination process.

PNC Bank is also expected to act as administrative agent for the revolving loan lender(s) and the term loan lender(s) (including the Loan Fund) to Borrowers entering into "unitranche" financing structures. In its capacity as administrative agent, PNC Bank will collect and distribute interest, principal and other payments from Borrowers, as well as perform a variety of other administrative functions, such as monitoring Borrower collateral. PNC Bank may also extend lines of credit to the Loan Funds and, if such lines are syndicated to other lenders, act as syndication and administrative agent for the other lenders. PNC Bank may also provide other banking services to one or more Borrowers. PNC Bank will receive compensation from the Borrowers and/or Loan Funds in connection with these services.

PNC Capital Finance, LLC

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

National City Equity Partners, Inc.

National City Equity Partners, Inc., an indirect, wholly owned subsidiary of PNC, holds legacy equity and mezzanine investments directly or through a wholly owned subsidiary.

PNC Capital Markets LLC

PNC Capital Markets LLC ("PNC Capital Markets"), an indirect, wholly owned subsidiary of PNC, offers loan syndication, public finance underwriting and advisory services, securities underwriting and trading, private placements and asset securitizations. From time to time, PNC Capital Markets may provide equity underwriting services to a Borrower.

Harris Williams LLC

Harris Williams LLC (“Harris Williams”), a wholly-owned subsidiary of PNC Bank, is one of the largest mergers and acquisitions advisory firms in the country focused exclusively on the middle market. From time to time, Harris Williams may provide such services to a Borrower.

Solebury Capital, LLC

Solebury Capital, LLC, a wholly-owned subsidiary of PNC Bank, is an equity capital markets advisory firm. From time to time, Solebury may provide initial public offering, follow-on or other equity capital markets advice to a Borrower.

BlackRock, Inc.

As of December 31, 2014, PNC, together with its subsidiaries, owned approximately 22% of the total capital stock of BlackRock, Inc. (“BlackRock”) and approximately 21% of BlackRock’s voting common stock. BlackRock offers investment management, risk management and advisory services for institutional and retail clients worldwide, managing assets through a variety of equity, fixed income, balanced, cash management, and alternative investment products. BlackRock’s subsidiaries which are registered investment advisers or registered broker-dealers include: BlackRock Advisors LLC, BlackRock Capital Management, Inc., BlackRock Financial Management, Inc., BlackRock Fund Advisors, BlackRock International Limited, BlackRock Investment Management LLC, BlackRock (Singapore) Limited, BlackRock Asset Management North Asia Limited, BlackRock Kelso Capital Advisors LLC, BlackRock Asset Management Schweiz, AG, BlackRock Realty Advisors, Inc., BlackRock Investments, LLC and BlackRock Execution Services.

Relationships with Affiliates

In addition to the above, in the ordinary course of its business, PNC or its affiliates may engage in activities in which their interests may potentially conflict or compete with those of the Loan Funds and their limited partners, including investing in funds that compete with a Loan Fund or holding equity interests in a Borrower and/or providing investment banking, treasury management or other services to a Borrower. If PNC or one of its affiliates is engaged to provide investment banking, underwriting or other services to a Borrower, the Loan Fund will not receive any of the fees paid by the Borrower to PNC or such affiliate in connection with such services.

The relationship between PNC Steel City Advisors and its affiliates, including PNC Bank, may also give rise to a material conflict of interest between PNC Steel City Advisors and the Loan Funds.

As discussed above, PNC Bank and its personnel have an incentive to directly engage in lending opportunities otherwise suitable for a Loan Fund. Although it is anticipated that PNC Bank will refer certain lending opportunities to one or more Loan Funds, it is not

obligated to do so. Any such opportunities may be retained by PNC Bank for its own account or may be referred to others.

In addition, most Borrowers will separately borrow from PNC Bank under a revolving facility that is part of the unitranche structure in which a Loan Fund is a lender. These loans present inherent conflicts of interest between PNC Bank and the Loan Funds. For example, in the event of restructuring or insolvency, the holders of one tranche of debt (*i.e.*, PNC Bank) may exercise remedies and take other actions that are not in the interest of, or are materially adverse to, a Loan Fund. Similarly, because PNC or its affiliates may be a limited partner in a Loan Fund, the Firm may exercise remedies and take other actions that are more beneficial to PNC or its affiliates. Moreover, in connection with the refinancing and/or restructuring of existing loans for which PNC Bank is the lender, PNC Bank and its personnel may refinance and/or restructure the existing loan into a unitranche financing in which a Loan Fund is a term loan lender (and in which PNC Bank is the revolving loan lender). However, under certain circumstances, a Loan Fund's co-adviser may override certain decisions of PNC Steel City Advisors with respect to a Loan Fund (*e.g.*, loan work outs in the event of a material default by a Borrower). In addition, under certain circumstances, PNC Steel City Advisors may recuse itself from certain decisions with respect to a Loan Fund because of, among other reasons, these real or potential conflicts of interest.

PNC Steel City Advisors may also have an incentive to seek to influence a Borrower or a Loan Fund to retain an affiliate to provide broker-dealer or other services, or to borrow from, or otherwise transact with, an affiliate of PNC Steel City Advisors, rather than an unaffiliated entity. However, PNC Steel City Advisors will only recommend such transactions on terms that are believed to be commercially reasonable to such Borrower or Loan Fund and, in the case of co-advised Loan Funds, the third party co-adviser is anticipated to have sole or joint approval authority over the engagement by the Loan Fund of, or transactions with, such affiliates.

Furthermore, by reason of the lending, investment banking and other activities of PNC and its affiliates, PNC or its affiliates may acquire confidential or material non-public information and therefore be restricted from initiating transactions in certain securities. In addition, under certain circumstances, a Loan Fund may not be given access to material non-public information in the possession of PNC or its affiliates which may be relevant to an investment decision to be made by the Loan Fund. However, PNC Bank will independently develop a credit analysis with respect to each Borrower to whom PNC Bank is the revolving lender. Although this information will generally be developed specifically for PNC Bank in connection with its own loan origination process, this information may be shared with PNC Steel City Advisors.

While the risk of these conflicts cannot be eliminated, policies and procedures have been designed and implemented, such as information barriers and conflict disclosure procedures, to address certain of these conflict situations.

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

Code of Ethics and Personal Trading

PNC Steel City Advisors has adopted a Code of Ethics which consists of certain general principles including: (1) the interest of the Loan Funds (and investors therein) must be placed first at all times; (2) all personal securities transactions must be conducted consistent with the Code of Ethics and in such a manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility; (3) Firm personnel owe a fiduciary duty to the Firm's clients and should not, among other things, take inappropriate advantage of their positions; (4) Firm personnel must comply with applicable federal securities laws; and (5) Firm personnel must comply with all applicable compliance policies and procedures of the Firm. In addition, the Code of Ethics includes provisions relating to the reporting of personal securities holdings and trading activity. A copy of the Code of Ethics will be provided to any client or prospective client or investor upon request. Please contact the Firm's Chief Compliance Officer at 225 Fifth Avenue, 5th Floor, Pittsburgh, PA 15222, Attn: Chief Compliance Officer, Telephone: 412-467-1507.

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

Participation or Interest in Client Transactions

As discussed in Item 10 – *Other Financial Industry Activities and Affiliations*, PNC Bank will typically make revolving loans, and may also provide other lending, cash and/or treasury management and other services, to borrowers, including the Borrowers. In addition, PNC Bank may, but is not obligated to, refer lending opportunities to the Fund. PNC Bank has a conflict of interest to directly engage in lending opportunities otherwise suitable for a Loan Fund, if, for example, the opportunity is viewed as having higher potential risk-adjusted returns. Moreover, in connection with the refinancing and/or restructuring of existing loans for which PNC Bank is the lender, PNC Bank and its personnel may refinance and/or restructure the existing loan into a unitranche financing in which a Loan Fund is a term loan lender (and in which PNC Bank is the revolving loan lender). This refinancing and/or restructuring creates a conflict of interest for PNC Bank if, for example, the reduction or elimination of PNC Bank's credit exposure to the borrower is viewed as beneficial.

PNC Bank will also typically act as (1) administrative agent in unitranche facilities for the lenders for each of the revolving loan, the term A loan and the term B loan (if any) to Borrowers (and will be compensated in such capacity); and (2) lender to the Loan Funds (and if any such loan is syndicated, syndication agent and administrative agent for the other lenders (and will be compensated in such capacity)). In the event of restructuring or insolvency, the holders of one tranche of debt (*i.e.*, PNC Bank) may exercise remedies

and take other actions that are not in the interest of, or are materially adverse to, a Loan Fund.

Policies and procedures have been designed and implemented to address these and related conflict situations. For example, the Firm has implemented certain information barriers that provide that only certain senior-level personnel will have access to certain Fund information. These information barriers are designed to reduce the likelihood that PNC personnel will use Fund information in a manner that is not in the interest of, or is materially adverse to, a Loan Fund.

Item 12. Brokerage Practices

Broker Selection and Best Execution

The Firm (together with any co-adviser for co-advised Funds) typically originates, acquires or disposes of loans on behalf of the Funds through a privately negotiated transaction with the Borrower, the current lender and/or the prospective purchasers of loans (as applicable). In those cases, PNC Steel City Advisors seeks to negotiate and execute transactions in an efficient manner and consistent with its fiduciary duties to the Loan Funds and its roles and responsibilities. In certain cases, a Loan Fund may acquire an equity interest in a Borrower as a result of a Borrower reorganization or as a consequence of loan foreclosure or foreclosure on the collateral securing such loans. In limited circumstances, PNC Steel City Advisors may approve a Fund's sale of such an equity interest through a broker or dealer. When it is appropriate to execute portfolio transactions through brokers or dealers, PNC Steel City Advisors seeks the best overall terms available on behalf of a Loan Fund. In assessing the best overall terms available for any transaction, PNC Steel City Advisors considers the full range and quality of a broker or dealer's services and other considerations, including cost, expertise and reputation. In cases of a co-advised Fund, the third party co-adviser or its affiliates exercises these decisions alone or in conjunction with the Firm.

Allocation and Aggregation of Trades

As discussed in Item 11 – *Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*, PNC Bank may, but is not obligated to, refer lending opportunities to the Loan Funds. Once the Firm is advising more than one Loan Fund, procedures will be developed as applicable for allocating opportunities among Funds. However, it is generally expected that that loan origination periods will not significantly overlap for the Loan Funds.

Item 13. Review of Accounts

Investment professionals of the Firm (and/or any co-adviser for co-advised Funds) will actively monitor and review each Loan Fund's investment portfolio on a periodic basis. The team generally includes senior management and other investment professionals of PNC Steel City Advisors. During this process, the investment professionals analyze existing Borrower positions in an attempt to identify issues early on and to take any

necessary actions. The Investment Committees of the Loan Funds, which for co-advised Funds will include representatives of the Firm alongside representatives of the Fund's other adviser, will meet at such times as necessary or appropriate, to discuss the investment portfolio of each Loan Fund and, as necessary, implement any action recommended by the investment professionals of the Firm (and/or any co-adviser for co-advised Funds).

In addition, the advisory boards of Loan Funds may, among other things, (1) annually review valuations of a Fund's loans and approve or disapprove any valuations required under the applicable limited partnership agreement; (2) review any actual or potential conflicts of interest; and (3) consider any other matters required under the applicable limited partnership agreements or otherwise determined by the applicable general partner. In certain cases, a Loan Fund will also have a custodian and/or trustee who will perform certain review and reporting functions for the Fund.

PNC Steel City Advisors (and/or any co-adviser, or their affiliates, for co-advised Funds) will provide written reports at such frequency as required by the applicable agreements with each Loan Fund, including the limited partnership agreement. PNC Steel City Advisors (and/or any co-adviser, or their affiliates, for co-advised Funds) may also, from time to time, schedule quarterly conference calls to discuss the operations of the Loan Funds. However, PNC Steel City Advisors (and/or any co-adviser, or their affiliates, for co-advised Funds) will generally provide, among other things, (1) audited financial statements and other information on an annual basis in accordance with generally accepted accounting principles (within 120 days after a Loan Fund's fiscal year end) and (2) unaudited summary financial and other information on a quarterly basis, to the investors in a Loan Fund.

Item 14. Client Referrals and Other Compensation

Not applicable.

Item 15. Custody

The Firm may be deemed to have "custody" of the Loan Funds' assets within the meaning of Rule 206(4)-2 under the Adviser Act. In compliance with that rule, each investor in a Loan Fund will receive audited financial statements, in accordance with generally accepted accounting principles, within 120 days following the Fund's fiscal year end. Investors should review these audited financial statements carefully. If you have invested in a Loan Fund and have not received audited financial statements timely, please contact PNC Steel City Advisors immediately at: 225 Fifth Avenue, 5th Floor, Pittsburgh, PA 15222, Attn: Chief Compliance Officer, Telephone: 412-467-1507.

Item 16. Investment Discretion

As discussed in Item 4 – *Advisory Business*, PNC Steel City Advisors provides, pursuant to an Advisory Agreement, investment advisory services to a Loan Fund on a discretionary or shared-discretionary basis, subject to the oversight of the general partner,

manager or co-adviser of the Loan Fund. The limits upon the Firm's investment discretion are established through negotiations with the investors in a Loan Fund and/or its general partner, manager or co-adviser. These limitations, which are negotiated on a case by case basis and will vary from time to time, are incorporated in a Loan Fund's PPM or other governing documents, including the applicable Advisory Agreement. For example, with respect to a Loan Fund, the unanimous approval of PNC Steel City Advisors and the Fund's co-adviser may be required for certain lending decisions while, for certain other lending decisions (*e.g.*, work-outs in the event of a material default by a Borrower), although PNC Steel City Advisors will have input, the decision of the co-adviser will control. In addition, under certain circumstances, PNC Steel City Advisors may recuse itself from certain decisions with respect to a Loan Fund.

Item 17. Voting Client Securities

PNC Steel City Advisors, subject to the approval of any general partner, manager or co-adviser, will exercise, on behalf of the Loan Funds, any voting, consent and/or waiver rights with respect to loans or securities held by Funds if designated by written agreement with the general partner, manager or co-adviser. Although the loans and other investments that a Loan Fund typically holds do not include proxy rights, the Loan Fund may, from time to time and under certain circumstances, be asked to consent to certain matters or actions with respect to a loan, security or Borrower (*e.g.*, consent to the waiver of certain loan covenants). For example, with respect to a Loan Fund, PNC Steel City Advisors and the co-adviser generally must unanimously approve any vote, consent and/or waiver; provided, however, that, in certain instances, the decision of the co-adviser will control, as described in the offering materials of the Loan Fund, including the PPM and limited partnership agreement.

The general principle of the Firm's Voting, Consent and Waiver Policy and Procedures is to exercise any such rights prudently and solely in the best long-term economic interest of the Loan Funds considering all relevant factors and without undue influence from individuals or groups who may have an economic interest in the outcome of such vote, consent or waiver.

The Firm's Voting, Consent and Waiver Policy and Procedures are designed to ensure that if a material conflict of interest is identified in connection with a particular vote, consent or waiver, the vote, consent or waiver is not improperly influenced by the conflict. For example, in the event that an investment professional determines that he or she may have a material conflict of interest, the investment professional may vote such matter in accordance with the recommendation of any service provider (if applicable) or as instructed by the investors in a Loan Fund (or any advisory group thereof) (if applicable).

Written requests for copies of the Firm's Complete Voting, Consent and Waiver Policy and Procedures and information about how PNC Steel City Advisors exercised any voting, consent and/or waiver rights should be directed to PNC Steel City Advisors at 225 Fifth Avenue, 5th Floor, Pittsburgh, PA 15222, Attn: Chief Compliance Officer, Telephone: 412-467-1507.

Item 18. Financial Information

Not applicable.