

Item 1 – Cover Page

Form ADV Part 2A



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This Investment Adviser Brochure ("Brochure") provides information about the qualifications and business practices of PPC Investment Partners LP, a Delaware limited partnership doing business as Pritzker Private Capital ("Pritzker Private Capital"). If you have any questions about the contents of this Brochure, please contact us at (312) 447-6050. 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 authority.

Pritzker Private Capital is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Recipients of this Brochure should be aware that registration with the SEC does not in any way constitute an endorsement by the SEC of an investment adviser's skill or expertise. In addition, registration does not imply or guarantee that a registered adviser possesses a certain level of skill, competency, sophistication, expertise or training in providing advisory services to its clients.

Additional information regarding Pritzker Private Capital is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Pritzker Private Capital filed its initial Form ADV Part 2A on February 2, 2018. Since that filing, Pritzker Private Capital made an other-than-annual amendment on June 29, 2018 to reflect updates to the amount of assets under management and to include additional details relating to the business practices of Pritzker Private Capital, including with respect to terms and expenses applicable to the Funds.

Pritzker Private Capital intends to routinely make changes throughout its Brochure to improve and clarify the descriptions of its business practices and compliance policies and procedures or in response to evolving industry and firm practices. The following items have been updated in this Brochure:

- Item 4: Regulatory assets under management as of December 31, 2018 and types of clients
- Item 6: Minimum qualifications required of an investor for Pritzker Private Capital to receive a performance fee from an investor
- Item 8: Risk factors and potential conflicts of interest
- Item 13: Reports provided to certain investors
- Item 15: Custody by Pritzker Private Capital of assets of the private funds

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Item 4 – Advisory Business

Pritzker Private Capital and its advisory affiliates provide investment advisory services to investment funds privately offered to qualified investors in the United States and elsewhere. Based in Chicago, Illinois and with offices in Los Angeles, California, Pritzker Private Capital takes a long-term approach to building middle market companies within the manufactured products, services and healthcare sectors. Pritzker Private Capital commenced advisory operations on January 1, 2018.

PPC Fund GP II LP (a "General Partner") and, together with Pritzker Private Capital and their affiliated advisory entities, "PPC") is affiliated with Pritzker Private Capital and is subject to the Advisers Act pursuant to Pritzker Private Capital's registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partner, which operates together with Pritzker Private Capital as a single advisory business.

PPC's clients include the following investment vehicles:

- PPC Fund II LP (the "Main Fund II");
- PPC Fund II-A LP (the "Blocker Fund II"); and
- PPC Fund II-B LP (the "AI Fund II" and, together with Main Fund II and Blocker Fund II, "Fund II" and, together with any future private investment fund or investment vehicle to which PPC provides investment advisory services, the "Funds").

The Funds are private equity funds and invest through negotiated transactions in operating entities, generally referred to herein as "PPC Companies." PPC's investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Although investments are made predominantly in non-public companies, investments in public companies are permitted. PPC typically designates representatives (including senior principals of PPC, other PPC personnel and third parties appointed by PPC) to serve on the PPC Companies' respective boards of directors or similar governing bodies or otherwise act to influence control over management of PPC Companies in which the Funds have invested.

PPC's advisory services to the Funds are detailed in the applicable private placement memoranda or other offering documents (each, a "Memorandum"), limited partnership or other operating agreements or governing documents (each, a "Partnership Agreement") and are further described below under "Methods of Analysis, Investment Strategies and Risk of Loss." Investment advice and authority for each Fund is tailored to the investment objectives of that Fund. PPC does not tailor its investment advisory services to the individual needs of investors in any given Fund. Investors in a Fund participate in the overall investment program for the applicable Fund, but are permitted in certain circumstances to be excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the relevant

Partnership Agreement. The Funds and/or PPC generally will enter into side letters or other similar agreements ("Side Letters") with certain investors that have the effect of establishing rights (including economic or other terms) under, or altering or supplementing the terms of, the relevant Partnership Agreement with respect to such investors. Side letters typically are negotiated at the time of a Fund's formation and once invested in a Fund, investors generally cannot impose investment guidelines or restrictions on such Fund.

Prior to the formation of PPC, members of the PPC investment team were part of Pritzker Group Private Capital ("PGPC"), an investment division of Pritzker Group. Pritzker Group was founded in 2002 for the purpose of investing proprietary family capital across private capital, venture capital and public market debt and equity strategies. Historically, PGPC oversaw the investment of proprietary capital in middle-market private companies on behalf of Pritzker Group. In addition to providing discretionary investment advice to the Funds, PPC also provides non-discretionary investment sub-advisory services to the manager of certain investment vehicles, trusts and other estate planning vehicles through which the proprietary capital of Pritzker Group (or related persons thereof) historically has been deployed. Such investment vehicles, trusts and other estate planning vehicles generally are referred to herein collectively as the "Pritzker Investors."

As described in the Partnership Agreement, PPC has contracted to offer certain Pritzker Investors the opportunity to co-invest alongside Fund II in each PPC Company *pro rata* with Fund II (based on Fund II's and such Pritzker Investors' respective shares of total commitments for investment and co-investment, respectively, in Fund II PPC Companies), subject to certain variations and limitations further described in the Partnership Agreement. Additionally (and as described in the Partnership Agreement and Memorandum), to the extent PPC determines in its discretion that the amount of an investment opportunity exceeds the amount appropriate for Fund II, PPC expects to provide co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, PPC personnel, certain other persons associated with PPC and the Pritzker Investors (any such amounts would be in addition to the amount co-invested by the Pritzker Investors pursuant to the preceding sentence). Such co-investments typically involve investment and disposal of interests in the applicable PPC Company at the same time and on the same terms as the Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle purchases a portion of an investment from one or more Funds after such Funds have consummated their investment in the PPC Company (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment. Where appropriate, and in PPC's sole discretion, PPC is authorized to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions) and to seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund.

As of December 31, 2018, PPC managed approximately \$1,795,600,000 in assets from advisory clients and committed co-investors, all managed on a discretionary basis, and provided advice with respect to \$2,636,800,000 in assets on behalf of the Pritzker Investors (and other co-investors participating in such investments) on a non-discretionary basis as described in more detail herein. Assets for which PPC provides non-discretionary advice and related investment and management services are not included in the regulatory assets under management disclosed in PPC's Form ADV Part 1. PPC Management LLC, a Delaware limited liability company, acts as the general partner of Pritzker Private Capital. PPC is principally managed by Anthony N. Pritzker and owned by certain trusts as described in more detail in PPC's Form ADV Part 1, Schedules A and B.

Item 5 – Fees and Compensation

In general, PPC receives a management fee and a carried interest in connection with the advisory services provided to the Funds. PPC or its affiliates also receive additional compensation in connection with management and other services performed for the PPC Companies, and the Fund's share of such additional compensation will offset in whole or in part the management fees otherwise payable to PPC. Investors in a Fund also bear certain expenses as described below. Investors should refer to the Partnership Agreement of the applicable Fund for a complete understanding of how PPC is compensated for its advisory services to the Fund. The information contained herein is a summary only and is qualified in its entirety by such documents.

Management Fees

Fund II will pay PPC a management fee (the "Management Fee") equal to 1.5% on an annual basis of the aggregate Fund II investor capital commitments of such Funds ("Commitments"). Investors participating in a closing after the initial closing date bear the Management Fee from the initial closing date, including interest thereon. Upon the earliest to occur of certain events specified in the Partnership Agreement (*e.g.*, the expiration of Fund II's five-year investment period, or the date on which PPC begins to receive management fees with respect to a successor Fund having a similar investment strategy, objective and criteria as Fund II), the Management Fee will be reduced and will equal 1.5% of the aggregate funded Commitments, as reduced by permanent write-downs and distributions constituting returns of capital. Upon the tenth anniversary of the initial closing date of Fund II, the Management Fee will be further reduced (although, in no event, below zero) by an additional 0.1% per year thereafter. The Management Fee payable by Fund II investors is accrued on a quarterly basis in advance with installments pro-rated for partial periods based on the actual number of days elapsed in such period. A portion of the committed capital that PPC "calls" or "draws down" from time to time from Fund II investors is permitted to, and frequently is, used to pay accrued Management Fees.

In exchange for providing non-discretionary investment sub-advisory services to the manager of a legacy portfolio of private equity investments held by the Pritzker Investors, PPC is entitled to receive reimbursement for certain expenses, in addition to a quarterly fee relating to an annual amount adjustable year-to-year by mutual agreement between PPC and the Pritzker Investors.

The Management Fee will be payable until all portfolio investments are distributed or until PPC's relationship with the Fund is terminated for other reasons (as described in the relevant Partnership Agreement). Installments of the Management Fee payable for any period are calculated based on the actual number of days in such period.

The Management Fee will be reduced by an amount equal to all of a Fund's fully diluted *pro rata* share of closing fees, financing fees, investment banking fees, placement fees, commitment fees, breakup fees, litigation proceeds from transactions not consummated, monitoring fees, consulting fees, directors' fees and other similar fees, in each case paid to PPC or its partners and employees (such fees, "Transaction Fees"), but less any amount necessary to reimburse such parties for all unreimbursed costs and expenses (other than ordinary overhead and administrative expenses) incurred by them in connection with any consummated or unconsummated transactions or in connection with generating any such fees. To the extent that such an offset credit would reduce the Management Fee for a given period below zero, the credit will be carried forward for application against future Management Fees payable in cash, and if a credit remains upon dissolution, a payment will be made to investors that have not elected to waive such amount for tax or other reasons. As described in more detail in the Partnership Agreement of each Fund, the following amounts received by PPC or its partners or employees or the Senior Advisors (as defined below) from a PPC Company are not considered Transaction Fees and therefore do not offset the Management Fee: (i) reimbursements for expenses directly related to such PPC Company or a prospective investment; (ii) payments for services provided to any PPC Company in its ordinary course of business; and (iii) compensation for services provided by such individuals as an employee of or in a similar capacity for, including any secondment or similar arrangement on a full-time or interim basis, or by any Senior Advisor to, such PPC Company or any of its subsidiaries.

As a matter of practice, PPC is typically paid fees of the type referred to in the preceding paragraph from, on behalf of or with respect to co-investors in an investment (including the Pritzker Investors). The portion of any such fees received attributable to amounts co-invested (or on behalf of or with respect to any co-investors in a Fund investment), which is expected to be significant, will not reduce the Management Fee payable by any Funds that have also invested in such investment, and as a result a Fund will, in most cases, only benefit with respect to its allocable portion of any such fee and not the portion of any fee that relates to such co-investors.

Additionally, as further described below and in the applicable Memorandum and/or Partnership Agreement of each Fund, it is PPC's practice to retain certain senior advisors and/or other similar operating consultants (the "Senior Advisors") to provide services to (or with respect to) certain PPC Companies in which one or more Funds invest. Such Senior Advisors generally receive compensation and other amounts described herein, but no such amounts will result in additional offsets to the Management Fee.

It is expected that future Funds under PPC management will have a similar management fee structure.

Carried Interest

The General Partner will receive a carried interest with respect to Fund II equal to 20% of all realized profits subject to an 8% annually compounded preferred return, as more fully described in the Partnership Agreement. The carried interest distributed to the General Partner is subject to a potential giveback at the end of life of such Funds, as well as certain interim givebacks, if the General Partner has received excess cumulative distributions.

It is expected that future Funds under PPC management will have a similar carried interest structure.

Other Information

The General Partner is permitted, in its sole discretion, to reduce or waive all or a portion of the Management Fee and other fees. PPC is permitted to exempt certain "affiliated partner" investors in the Funds from payment of all or a portion of Management Fees and/or carried interest, including PPC and any other person designated by PPC. For example, neither PPC nor the General Partner receives any Management Fees or carried interest in respect of investors in AI Fund II. Any such exemption from fees and/or carried interest can be made by a direct exemption, a rebate by PPC and/or its affiliates, or through other Funds which co-invest with a Fund. For example, in instances where a PPC professional (or an affiliated entity thereof) invests in a Fund, such professional (or such affiliated entity) generally will be exempt from payment of the Management Fee and carried interest with respect to such Fund. Additionally, to the extent permitted by the relevant Partnership Agreement, PPC has the right to permit investors, affiliated with PPC or otherwise, to invest through the relevant General Partner or other vehicles that do not bear Management Fees or carried interest.

The Funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the Partnership Agreement, over the term of the relevant Fund, and investors generally are not permitted to withdraw or redeem interests in the Funds.

Principals or other current or former employees of PPC generally receive salaries and other compensation derived from and including portions of the Management Fee, carried interest or other compensation received by PPC or its affiliates.

Fund Expenses

In addition to the Management Fee and carried interest payable to PPC, each Fund bears certain expenses. As set forth more fully in the applicable Memorandum and/or Partnership Agreement of each Fund, to the extent not reimbursed by a PPC Company or applied to reduce Transaction Fees, a Fund bears all expenses relating to such Fund's activities, investments and business, including fees, costs, expenses, liabilities and obligations relating or attributable to:

- structuring, organizing, negotiating, consummating, financing, refinancing, diligencing, acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, dissolving or otherwise disposing of, as applicable, PPC Companies and the Fund's actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, tax professionals, investment bankers, lenders, third-party diligence software and service providers, consultants and similar professionals in connection therewith, any associated fees and expenses related to subscriptions to periodicals or databases and any fees and expenses related to transactions that have been offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful;
- indebtedness of, or guarantees made by, the Fund or PPC on behalf of the Fund (including any credit facility, letter of credit or similar credit support), including repayment of principal and interest with respect thereto, or seeking to put in place any such indebtedness or guarantee;
- financing, commitment, origination and similar fees and expenses;
- broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker and similar services;
- brokerage, sale, custodial, depository (including a depository appointed pursuant to the Alternative Investment Fund Managers Directive (the "AIFMD")), Swiss representative and paying agent (pursuant to the Swiss Collective Investment Schemes Act (as amended) including any law, rule or regulation relating to the implementation thereof), trustee, record keeping, account and similar services;
- legal, accounting, research, auditing, administration (including fees and expenses associated with any third-party administrator and administration, tracking or reporting software), information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services), consulting (including consulting and retainer fees and other compensation paid to the Senior Advisors, consultants performing investment initiatives or providing services related to environmental, social and governance investment considerations and policies, and other similar consultants), tax and other professional services;
- reverse breakup, termination and other similar fees;
- directors and officers liability, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance and regulatory expenses, including any costs and expenses related to any retention or deductibles;

- filing, title, transfer, registration and other similar fees and expenses;
- printing, communications, marketing and publicity;
- the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s, other communications with Fund partners, or any other administrative, compliance or regulatory filings or reports (including Form PF), including fees and costs of any third-party service providers and professionals related to the foregoing;
- compliance with the requirements of the AIFMD (excluding, for clarity, the initial and/or preliminary registrations, filings and compliance relating thereto), including fees, costs and expenses of any third-party service providers and professionals related to the foregoing;
- developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of the Fund or its limited partners;
- any activities with respect to protecting the confidential or non-public nature of any Fund or limited partner information or data;
- to the extent provided in the Partnership Agreement, or otherwise approved by the General Partner in its sole discretion, activities or proceedings of the Fund advisory board (including any costs and expenses incurred by representatives of PPC, the members of the advisory board, permitted observers and other persons attending or otherwise participating in meetings of the advisory board) and legal counsel engaged by the advisory board to advise them with respect to any matter relating to the Fund, including any right or obligation of the advisory board with respect thereto;
- indemnification (including any fees, costs and expenses incurred in connection with indemnifying any party pursuant to the Partnership Agreement or otherwise and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim subject to a right of indemnification pursuant to the Partnership Agreement), except as otherwise set forth in the Partnership Agreement;
- actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including the costs and expenses of discovery related thereto and any judgment, other award or settlement entered into in connection therewith;
- any annual limited partner meeting or other periodic, if any, meetings of the limited partners, any other conference or meeting with any limited partner(s), and any

periodic executive forum of PPC Company management and other persons, in each case to the extent incurred by the Fund or PPC;

- except as otherwise determined by PPC in its sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, PPC Companies or actual or potential investments (to the extent not borne or reimbursed by a PPC Company of such alternative investment vehicle) that would be a Fund expense if it were incurred in connection with the Fund, and any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to the Fund to the extent not paid by the investors investing in such entities, and any other costs and expenses related to any structuring or restructuring of the Fund and/or its affiliated entities;
- the termination, liquidation, winding up or dissolution of the Fund;
- defaults by investors in the payment of any capital contributions;
- amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Fund and any alternative investment vehicle of the Fund and, to the extent relating to any of the foregoing persons and/or their respective activities, the constituent documents of the General Partner, the General Partner's general partner and PPC, including the preparation, distribution and implementation thereof;
- (i) complying with any law, regulation or policy related to the activities of the Fund (including any legal fees and expenses related thereto, any regulatory expenses of the General Partner incurred in connection with the operation of the Fund and any costs and expenses related to compliance with any environmental, social and governance investment considerations and policies of the General Partner or the Fund) and/or (ii) any litigation or governmental inquiry, investigation or proceeding involving the Fund, including any costs and expenses of discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith, except to the extent such expenses or amounts have been determined to be excluded from the indemnification provided for in the Partnership Agreement;
- any litigation or governmental inquiry, investigation or proceeding involving the Fund, including any costs and expenses of discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith, except as set forth in the Partnership Agreement;
- any third-party experts, including independent appraisers, engaged by the General Partner (to the extent the General Partner deems such an engagement advisable under the circumstances) in connection with the Fund considering, making or holding an investment;

- unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer contemplated by the Partnership Agreement;
- any taxes, fees and other governmental charges levied against the Fund and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Fund;
- distributions to the partners and other expenses associated with the acquisition, holding and disposition of the Fund's investments, including extraordinary expenses;
- unreimbursed expenses and unpaid fees of the Senior Advisors or other persons engaged by the Senior Advisors;
- compliance or regulatory matters related to the Fund, except as otherwise set forth in the Partnership Agreement;
- any travel (including, where appropriate as determined by the General Partner, the cost of using or chartering private aircraft or other private air travel (including the use of a private aircraft owned or partially owned by PPC, any of its affiliates or any of their respective owners) at a cost not to exceed the cost of corresponding first class commercial airfare, as determined by the General Partner), lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities;
- organizational expenses and any most-favored nations process of the Fund;
- any placement fees; and
- any other fees, costs, expenses, liabilities or obligations approved by the Fund's advisory board.

Co-Investment Fees and Expenses

As described above, in certain circumstances, the relevant General Partner is expected to permit certain investors (including the Pritzker Investors) to co-invest in PPC Companies alongside one or more Funds, subject to PPC's related policies and the relevant Partnership Agreement(s) and/or Side Letter(s). Where a co-invest vehicle is formed, such entity generally will bear all or a portion of the expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. Expenses related to the structuring, formation and operation of any co-investment holding or aggregator vehicle (*i.e.*, any vehicle through which the Funds invest together with any co-investor) generally will be allocated *pro rata* among the Funds and each co-investor (including the Pritzker Investors, as applicable) participating through such co-investment holding vehicle. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction, ultimately is not consummated, all expenses relating to such

unconsummated transaction will be borne by the Funds and the Pritzker Investors, and not by any prospective co-investors, that were to have participated in such transaction.

Senior Advisor Fees and Expenses

Additionally, as further described herein and in the applicable Memorandum and/or Partnership Agreement of each Fund, it is PPC's practice to retain certain Senior Advisors to provide services to (or with respect to) one or more Funds or certain current or prospective PPC Companies in which one or more Funds invest. Such Senior Advisors generally provide services in relation to the identification, acquisition, holding, improvement and disposition of PPC Companies, including operational aspects of such companies. In certain circumstances, these services also include serving in management or policy-making positions for PPC Companies.

In addition to Senior Advisors, PPC also retains or employs certain persons it designates as "Functional Advisors," who are expected to provide certain services to the Funds, one or more PPC Companies and/or, from time to time, PPC. PPC generally bears the fees, expenses and compensation of its Functional Advisors; however, in certain instances, Functional Advisors are permitted to be seconded to a PPC Company or otherwise receive compensation from the Funds or certain PPC Companies or prospective PPC Companies in connection with performing services for, or serving in certain roles with respect to, such PPC Companies. In those instances, the compensation received by such Functional Advisors will not result in offsets to or reductions of the Management Fee. All travel and other reimbursable expenses incurred by the Functional Advisors in performing services for a PPC Company or prospective PPC Company will be borne by the relevant entity in accordance with established expense reimbursement policies and will not result in offsets to or reductions of the Management Fee.

As described herein and in the Memorandum, Senior Advisors receive compensation, including, but not limited to, cash fees, retainers, Transaction Fees, a profits or equity interest in a PPC Company, profits or equity interests in one or more Funds or the General Partner, remuneration or reimbursement from PPC and/or the Funds or other affiliates. The amount of such compensation typically is determined according to one or more methods, including retainers, minimum annual amounts, the value (including an allocation for overhead and other fixed costs) of such Senior Advisor's time, a percentage of the value of the PPC Company, the invested capital exposed to such PPC Company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company. Any costs related to recruiting Senior Advisors also will be borne by the applicable PPC Company (and, therefore, indirectly by the Fund). Senior Advisors also generally will be reimbursed for certain travel and other costs in connection with their services. As described above, no such amounts will offset the Management Fee. The use of Senior Advisors subjects PPC to conflicts of interest, as discussed in Item 8 below.

Other Information

PPC generally has discretion over whether to charge Transaction Fees, monitoring fees or other compensation to a PPC Company and, if so, the rate, timing and/or amount of such

compensation. The receipt of such compensation generally will give rise to potential conflicts of interest between the Funds, on the one hand, and PPC on the other hand.

The Funds also bear expenses indirectly to the extent a PPC Company pays expenses, including expenses incurred by PPC on behalf of, and reimbursed by, the PPC Company. Excluded from Fund expenses are ordinary administrative and overhead expenses of PPC, which generally include employees' salaries and bonuses, rent, utilities and other similar expenses specified in the relevant Partnership Agreement. As is typical for private equity funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in "Brokerage Practices."

In certain circumstances, a Fund or PPC may be expected to pay an expense common to multiple Funds or a Fund and any applicable co-investors (including without limitation legal expenses for a transaction in which all such Funds or co-investors participate, or other fees or expenses in connection with services the benefit of which are received by other Funds over time), and be reimbursed by such other Funds or co-investors by their share of such expense, without interest. While PPC believes such circumstances to be highly unlikely, it is possible that one of the other Funds or a co-investor could default on its obligation to reimburse the paying Fund. In certain circumstances, PPC is expected to advance amounts related to the foregoing and receive reimbursement from the Funds or co-investors to which such expenses relate.

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

A carried interest allocation represents an adviser's compensation based on a percentage of net profits of the investment products it manages. As described in Item 5 above, PPC receives a carried interest allocation on certain realized profits in certain Funds generally equal to 20% of all realized profits subject to an 8% annually compounded preferred return (or hurdle) and subject to reimbursement for all relevant Fund expenses, including Management Fees. The carried interest allocated to a General Partner is subject to a potential giveback if the respective General Partner has received excess cumulative distributions on account of such carried interest. Each Fund's carried interest calculation, as well as related clawback provisions, is further described in the relevant Partnership Agreements.

These performance fee arrangements have been structured subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. The General Partner of each Fund, in its sole discretion, has waived or reduced the amount of carried interest for certain investors in such Fund. Specifically, if an investor is a principal, employee, Senior Advisor or otherwise affiliated with PPC, then such individual and his or her respective family members, trusts, and other estate planning vehicles will generally pay reduced carried interest or none at all.

The existence of performance-based compensation has the potential to create an incentive for PPC to make more speculative investments on behalf of a Fund than it would otherwise make in

the absence of such arrangement, although PPC generally considers performance-based compensation to better align its interests with those of its investors.

PPC manages multiple Funds (including investments made by or on behalf of Pritzker Group and other co-investors in such investments for which PPC manages on a non-discretionary basis) with similar investment strategies on a side-by-side basis. As a result, PPC and its related entities can have conflicts of interest in: (i) allocating their time and activity among the multiple Funds and other investment vehicles; (ii) allocating investments among the multiple Funds and other investment vehicles; (iii) effecting transactions among the multiple Funds and other investment vehicles, including ones in which PPC and/or the General Partners have a greater financial interest; and (iv) allocating expenses among such entities. These conflicts of interest can create an incentive for PPC to favor a Fund or other investment vehicle in which it and/or a General Partner have a greater financial interest.

Item 7 – Types of Clients

PPC provides investment advice to the Funds. The Funds include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The investors participating in the Funds may include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and include, directly or indirectly, principals or other employees of PPC and its affiliates and members of their families, Senior Advisors or other service providers retained by PPC.

The Fund generally has a minimum investment amount of \$25 million for third-party investors, and interests are offered and sold to qualified purchasers that are also qualified clients or qualified knowledgeable PPC personnel (with the exception of AI Fund II, which generally has a minimum investment amount of \$500,000, and is offered and sold only to accredited investors that also are qualified clients). Such minimum investment amounts have in the past and may in the future be waived by PPC. Investors in the Funds must also meet certain other suitability and net worth qualifications prior to making an investment in the Funds.

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

General

PPC is a private investment firm focused on making control investments in middle-market manufactured products, healthcare and services companies headquartered in North America. PPC's investment advisory services consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for investments. Investments are predominantly in non-public companies although investments in public companies are permitted under certain circumstances described in more detail in the applicable Memorandum and/or Partnership Agreement of each Fund.

PPC's investment strategy for the Funds focuses on the acquisition of controlling interests in established middle-market companies within the manufactured products, services and healthcare sectors (the "Target Sectors"). PPC seeks companies within the Target Sectors that offer (or have the potential to offer) distinctive, value-added services or products, have defensible market positions, operate in industries with favorable growth trends and have strong core management teams. PPC intends to pursue transactions involving family or founder liquidity events, management-led buyouts, corporate divestitures and/or industry consolidations. PPC typically looks for investment opportunities within the Target Sectors requiring between \$100 and \$300 million in capital investment, although PPC also is permitted to acquire larger companies within the Target Sectors, which opportunities have the potential to provide meaningful additional co-investment opportunities.

PPC's sourcing model primarily is designed to identify investment opportunities with the characteristics described above, and where sellers and management teams are aligned with the PPC ownership model, which has the potential to entail a longer investment hold period and a greater focus on long-term value creation relative to other private equity sponsors. PPC also believes that its personnel's prior association with, and PPC's ability to leverage, Pritzker Group contacts and relationships represents an important resource and competitive advantage in consummating the investment opportunities it identifies as attractive for the Funds.

Once an investment opportunity has been identified, PPC takes a collaborative approach to systematically review the quality of the opportunity and determine whether it is a good fit for the Funds, including through weekly meetings with PPC's relevant investment and operations personnel. These meetings help PPC validate actionable investment opportunities, garner broad support across the firm for the prospective investment and identify important diligence concerns and areas of focus. The relevant investment team then prepares a comprehensive business download identifying qualitative merits and risks prior to submitting an initial indication of interest in the prospect.

If an indication of interest is accepted, the relevant investment team (and other relevant service providers and due diligence reviewers) undertakes a comprehensive due diligence process. Upon the satisfactory completion of the due diligence process, the relevant investment team presents a final presentation to PPC's investment committee, which includes a review of risks and opportunities, suggested transaction terms and a value-creation plan post-transaction closing. If PPC's investment committee unanimously agrees, PPC will pursue the investment opportunity on behalf of the relevant Fund.

Post-closing, the relevant investment team also presents to other PPC investment and operating personnel key lessons learned in connection with the transaction to help ensure that PPC is able to continually evolve, improve and consolidate institutional knowledge.

There can be no assurance that PPC will achieve the investment objectives of any Fund and a loss of investment is possible.

Investment and Operating Strategy

The PPC strategy from initial investment through exit is exemplified by the following characteristics: (i) leveraging the PPC network and reputation with a preference toward investing in businesses for the long term to attract sellers who care about the direction of their business post-closing; (ii) identifying and supporting a core group of strong senior managers at the PPC Company; (iii) utilize PPC's integrated operating model to implement improvements; (iv) identifying, sourcing and successfully integrating accretive add-on acquisitions; (v) collaborating among PPC Companies to seek new revenue opportunities and identify areas for potential cost savings; and (vi) monitoring the investment for appropriate exit timing without artificial limitations on the hold period.

PPC's strategy is aimed at building value at the PPC Companies over time, and anticipates in many cases a longer investment hold period than is common for other private equity funds. Post-acquisition, PPC, its investment and operating personnel work closely with PPC Company management teams to integrate its investment strategy by applying cost-saving and other tested processes with a view towards enhancing PPC Company performance and generating value over the longer-term.

Risks of Investment

Each Fund and its investors bear the risk of loss that PPC's investment strategy entails. The risks involved with PPC's investment strategy and an investment in a Fund include, but are not limited to:

Investments in Private Companies. A Fund's investment portfolio is expected to consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

General Concentration of Investments; Lack of Diversification. The Funds are permitted to invest a significant portion of their aggregate commitments in any single PPC Company (including its direct or indirect subsidiaries) and will likely participate in a limited number of overall investments within the Funds' Target Sectors and investment criteria. If a Fund co-invests with another Fund, an investor in such other Fund has the potential to be exposed to a single PPC Company through more than one Fund, potentially multiplying such investor's losses.

Given the prior experience of the PPC investment team in certain core industries and the structural requirements of operating the Funds, a Fund may seek to make investments in a single industry segment, in a limited geographic area, in a single asset type and/or within a short period of time, which could create the conditions for a portfolio of investments that exhibit, amongst themselves, a very high degree of correlated returns. As a result of the foregoing, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry, or the timing of a Fund's investments, has the potential to substantially affect such Fund's aggregate return. In particular, a Fund's investments are expected to be

concentrated in the manufactured products, services and/or healthcare sectors. Instability, fluctuation or an overall decline within such sectors likely will not be offset by investments in other sectors and/or industries not similarly affected, which has the potential to negatively impact returns to investors.

In addition to the foregoing, because a Fund is expected to only make a limited number of investments and such investments generally will involve a high degree of risk, poor performance by even a single investment could materially affect total returns. If certain investments perform unfavorably, then in order for a Fund to achieve attractive returns, one or more of its other investments must perform very well, and there can be no assurance that this will occur.

Unspecified Investments. Investors will be relying on the ability of PPC to locate and evaluate the investments to be made by the Funds. The business of identifying, structuring, completing and realizing private equity investments involves a high degree of uncertainty and is subject in some cases to the prevailing capital market, regulatory or political environment. There can be no assurance that PPC will be able to identify, or the Funds will be able to complete, portfolio investments that satisfy a Fund's rate of return objectives or, if completed, realize such investments for fair or attractive values, or that a Fund will be able fully to invest its committed capital.

Lack of Sufficient Investment Opportunities. The business of identifying, structuring and completing private equity transactions is highly competitive. The Funds will encounter competition from other entities having similar investment objectives. Potential competitors include other investment funds, single or multi-family offices and other high net worth individuals, strategic industry acquirers and other financial investors. Over the past several years, an ever-increasing number of investment funds have been formed, and many fund sponsors have increased the size of successor funds as compared to their corresponding prior funds. Other investment funds with similar investment objectives to the Funds likely will be formed in the future by other unrelated parties. Some of the Funds' competitors for investment opportunities will have more relevant experience, greater financial resources, a greater willingness to take on risk, and/or more personnel than PPC, the Funds and their respective affiliates.

In this highly competitive environment, the valuations of many potential target companies have recently risen to historically high levels as measured by multiples of EBITDA. PPC expects that competition for appropriate investment opportunities will remain high or increase, which while not expected, has the potential to increase the likelihood that a Fund will participate in auctions for investments, the outcome of which cannot be guaranteed. As a result, it is possible that the Funds can experience difficulty identifying and consummating investments.

To the extent that a Fund encounters significant competition for investments, returns to investors will potentially be negatively affected. In addition, it is possible that the Funds will never be fully invested if enough sufficiently attractive investments are not identified and consummated. Regardless of the extent that investors' Commitments are invested, investors will be required to bear Management Fees during the investment period of a Fund based on the

entire amount of investors' Commitments and other expenses as set forth in the Partnership Agreement.

Investment Timeline. The Funds' investment strategy is expected to be implemented according to a longer and more stable timeline than many private equity funds, as a result, it will likely from time to time pass on or delay pursuing investment opportunities on behalf of a Fund that it determines to be unsuited for its preferred pace of capital deployment across the investment period. Although PPC intends to pursue on behalf of the Funds all suitable investment opportunities consistent with the investment objectives, criteria and other terms described herein, in certain cases, this pace of deployment can result in a Fund foregoing additional gains or incurring additional losses.

Illiquidity; Lack of Current Distributions. An investment in a Fund should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments can be realized before gains on successful investments. While it is possible for a PPC Company to be sold at any time, it is generally expected that such a sale will not occur until a number of years after a Fund's initial investment in such PPC Company, and such Fund generally will not be able to realize a profit on an investment in a PPC Company until its sale. Before such time, there will be no current return on such investment, and the expenses of operating such Fund (including the Management Fee) can exceed such Fund's income, thereby requiring that the difference be paid from such Fund's capital (including the aggregate unfunded Commitments).

A Fund's ability to dispose of investments would likely be limited for several reasons, including the absence of an established market for such investments, as well as contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms upon which a disposition could be made. Any possibility of a disposition in the public markets will depend upon favorable market conditions, including receptiveness to initial or secondary public offerings for the companies in which the Funds invest and an active mergers and acquisitions (or recapitalizations and reorganizations) market, among other factors.

Leveraged Investments; Borrowing. The Funds make use of leverage by incurring or causing certain PPC Companies to incur debt to finance a portion of such Fund's investments in such PPC Companies, including in respect of PPC Companies not rated by credit agencies. Leverage generally magnifies both a Fund's opportunity for higher returns and its risk of loss from a particular investment, and the magnification of the risk of loss may be substantial. The use of leverage by a PPC Company has the potential to impose restrictive financial and operating covenants, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. Such leverage will increase a PPC Company's exposure to any deterioration in its industry, competitive pressures, adverse economic environment or rising interest rates. As a result, any decline in the value of a leveraged PPC Company would likely be accelerated and magnified in a market downturn. In the event that a PPC Company cannot generate adequate cash flow to meet its debt service, the applicable Fund would suffer a partial or total loss of capital invested in such PPC Company, which

could adversely affect such Fund's returns. Additionally, in such a situation, lenders would typically have a claim that has priority over any claim by such Fund to the assets of such PPC Company in an insolvency event or proceeding.

The cost and availability of leverage is highly dependent on the state of the broader credit markets (which is impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it can be difficult for PPC Companies to obtain or maintain the desired degree of leverage. The availability of leverage also is subject to governmental and regulatory oversight, and certain governmental bodies (including the U.S. Federal Reserve System, the U.S. Office of the Comptroller of the Currency and the U.S. Federal Deposit Insurance Corporation) can restrict or otherwise discourage lending that results in companies carrying large amounts of debt. Should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a portion of a PPC Company, such Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts for such PPC Company. If a PPC Company is unable to obtain favorable financing terms for its investments, refinance its indebtedness or maintain a desired or optimal level of financial leverage, the applicable Fund would likely hold a larger-than-expected equity investment in such PPC Company and may realize lower-than-expected returns from such PPC Company, which would likely adversely affect such Fund's returns. Any failure by lenders to provide previously committed financing could also expose the Funds to potential claims by sellers of prospective PPC Companies which the Fund may have been contracted to purchase.

A Fund may also borrow money or guaranty indebtedness (such as a guaranty of a PPC Company's debt) or otherwise be liable therefor, and in such situations, it is not expected that such Fund would be compensated for providing such guarantee or exposure to such liability. Any use of leverage by the Fund can result in interest expense and other costs to the Fund that may exceed distributions made to the Fund or appreciation of its investments. Additionally, a Fund can incur leverage on a joint and several basis with one or more other Funds, and, in connection with incurring such indebtedness, PPC may, in its sole discretion, cause such Fund to enter into one or more agreements to obtain a right of contribution, subrogation or reimbursement from or against such entities. However, it is possible that, if and when a Fund were to seek to enforce any such right, any such entity could default on its obligation and/or such right may otherwise be unenforceable. To the extent that a Fund incurs leverage or provides any guaranty, such amounts are typically secured by such Fund's Commitments and other Fund assets. The inability of a Fund to repay any leverage secured by the Fund Commitments could enable a lender to issue a capital call on behalf of the General Partner of such Fund.

To the extent a Fund uses borrowed funds in advance or in lieu of capital contributions or a PPC Company borrows funds directly through the Fund facility, the Fund's investors generally make later capital contributions, but the Fund will bear the expense of interest on such borrowed funds. In addition, a Fund's use of borrowed funds will impact the calculation of net performance metrics (to the extent that they measure investor cash flows) and has the potential to make net IRR calculations higher than they otherwise would be without Fund-level borrowing, as these calculations generally depend on the amount and timing of capital contributions. While a Fund

will bear the expense of borrowed funds, such borrowings can also increase the carried interest received by the Fund's General Partner by decreasing the amount of distributions from the Fund that are required to be made to Fund investors in satisfaction of any preferred return. The General Partner therefore has a conflict of interest in deciding whether to borrow funds because the General Partner has the potential to receive disproportionate benefits from such borrowings.

Uncertainty of Projections. The Funds use financial projections to help analyze a potential investment, future capital raises and financing for PPC Companies, or for other transactions. In general, projected operating results of a PPC Company will be based primarily on financial projections prepared by such PPC Company's management, with adjustments to such projections made by the relevant General Partner in its discretion. In all cases, projections are only estimates of future results that are based upon information received from a PPC Company and third parties and assumptions made at the time the projections are developed. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections. 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 PPC Company to realize projected values. There can be no assurance that the results set forth in any projections will be attained, and actual results can differ significantly from projections.

Changes in Investment Focus. The Funds are not restricted in terms of the percentage of its capital that can be invested in a particular industry. Many factors can contribute to changes in emphasis in the construction of a Fund's portfolio of investments, including changes in market or economic conditions or regulation as they affect various industries and changes in the political or social situations in particular countries. There can be no assurance that the actual investment portfolio of the Funds will resemble the portfolio originally contemplated.

Dynamic Investment Strategy. While PPC generally intends to seek attractive returns for the Funds primarily through making investments of the type described herein, PPC is permitted to pursue additional investment strategies and can modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. PPC may pursue investments outside of the industries and sectors in which it has previously made investments or has internal operational experience.

Risks in Effecting Operating Improvements. The success of the Funds' investment strategy is likely to depend, in part, on the ability of the Funds to effect improvements in the operations of certain PPC Companies. Identifying and implementing operating improvements at PPC Companies entails a high degree of uncertainty. In addition, executing operational improvements can, on occasion, divert the attention of key PPC Company personnel and disrupt normal business. There can be no assurance that the Funds will be able to successfully identify and implement such improvements.

Non-U.S. Operations and Investments. While the Funds intend to make investments in PPC Companies headquartered or with principal places of business located in North America, any acquired PPC Company may have substantial sales or operations outside of the United States and its territories and possessions. Investments in non-U.S. securities or instruments, or investments

with a substantial non-U.S. component, involve certain considerations not typically associated with investing in U.S. securities and instruments, including risks relating to (i) currency exchange matters (including fluctuations in the rate of exchange between the U.S. Dollar and the various non-U.S. currencies in which the Fund's non-U.S. investments are denominated (including risks associated with potentially rapid inflation), and costs associated with conversion of investment principal and income from one currency into another); (ii) exposure to fluctuations in interest rates payable with respect to the instruments in which the Funds invest; (iii) differences in conventions relating to documentation, settlement, corporate actions, stakeholder rights and other matters; (iv) differences between the U.S. and non-U.S. securities markets (including potential price volatility in, and relative illiquidity of, certain non-U.S. securities markets); (v) the absence of uniform accounting, auditing, and financial reporting standards, practices and disclosure requirements, and less or more government supervision and regulation; (vi) certain economic, social and political risks (including potential exchange control regulations, restrictions on non-U.S. investment and repatriation of capital, and the risks of political, economic, governmental or social instability (including the risk of sovereign defaults, regulatory change, and the possibility of expropriation or confiscatory taxation)); (vii) the possible imposition of non-U.S. taxes on income, gains and gross sales or other proceeds recognized with respect to non-U.S. securities or instruments; (viii) the application of complex U.S. and non-U.S. tax rules to cross-border investments; (ix) possible non-U.S. tax return filing requirements for the Funds and/or certain investors; (x) differing and potentially less well-developed or well-tested corporate laws regarding stakeholder rights, creditors' rights (including the rights of secured parties), fiduciary duties and the protection of investors; (xi) differences in the legal and regulatory environment (including enhanced legal and regulatory compliance); (xii) political hostility to investments by foreign or private equity investors; and (xiii) less publicly available information.

Additionally, the Funds will perhaps be less influential than other market participants in jurisdictions where it or PPC does not have a significant presence, and it may have greater difficulty enforcing its legal rights in a non-U.S. jurisdiction. It is possible that the Funds will be subject to additional risks, which include possible adverse political and economic developments, possible seizure or nationalization of foreign deposits and possible adoption of governmental restrictions which would adversely affect the payment of principal and interest to investors located outside the country of the issuer, whether from currency blockage or otherwise. Furthermore, certain of the Fund's investments may be subject to brokerage taxes levied by non-U.S. governments, the effect of which would be to increase the cost of such an investment and reduce the realized gain (or increase the realized loss) on such an investment at the time of its disposition. While PPC intends, where it deems appropriate, to manage the Funds in a manner that will minimize exposure to the foregoing risks (although PPC does not expect to, in the ordinary course, hedge currency risks) and to take these factors into consideration in making investment decisions for the Funds, there can be no assurance that adverse developments with respect to such risks will not adversely affect the assets of the Funds that are held in certain non-U.S. jurisdictions.

Non-U.S. Currency Risks. Although the Funds' investments are expected to be U.S. Dollar-denominated, any investment that is denominated in a non-U.S. currency would be subject to

the risk that the value of the particular currency in which such investment is denominated will change in relation to one or more other currencies, including the U.S. Dollar, which is the currency in which the books of the Funds are kept and contributions and distributions generally will be made. Among the factors that can affect currency values are: trade balances between nations; short-term interest rates; variations in the relative value of similar assets in different currencies; long-term opportunities for investment and capital appreciation; and political developments. The Funds and/or the PPC Companies may incur costs in converting investment proceeds from one currency to another. PPC is permitted to, but it is under no obligation to, employ hedging techniques to manage currency exchange exposure, although there can be no assurance that such techniques will be effective. Interests in the Funds are denominated in U.S. Dollars, and prospective investors in any country in which U.S. Dollars are not the local currency should note that changes in the exchange rate between the U.S. Dollar and such local currency may have an adverse effect on the value, price or income of an investment in a Fund. Foreign exchange regulations are often applicable to investments in certain jurisdictions. Any fees, costs and expenses incurred by a non-U.S. investor in converting its local currency to U.S. Dollars in order to make capital contributions to a Fund will be borne solely by such non-U.S. investor, will be in addition to the amounts required to be contributed, and will not be part of a Fund Commitment of such non-U.S. investor.

Need for Follow-on Investments. Following its initial investment in a PPC Company, a Fund will often determine to provide additional funds or otherwise increase its investment in such PPC Company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There can be no assurance that a Fund will make follow-on investments or that a Fund will have sufficient funds to make all or any of such investments. Any determination by a Fund to not make a follow-on investment or its inability to make a follow-on investment can have a substantial negative effect on a PPC Company in need of such follow-on investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such determination or inability has the potential to result in a lost opportunity for a Fund to increase its participation in a successful PPC Company or the dilution of a Fund's ownership in a PPC Company to the extent that a third party invests in such PPC Company.

Risks of Extended Term. The term of the Funds and the holding period for its PPC Company investments are expected to be longer than those of many other private equity funds. As a result, certain risks that are generally associated with an investment in a private equity fund have the potential to be heightened in respect of an investment in the Funds. For example, it is possible that an investment in the Funds will be illiquid for a longer period, Management Fees will be payable for a longer period and/or in a greater aggregate amount, and PPC Companies will be more likely to experience employee and/or management turnover during a Fund's holding period with respect thereto, in each case as compared to many other private equity funds.

Economic and Market Conditions. The state of the private equity industry, generally, and the success of the Funds' investment activities, specifically, will be affected by general economic and market conditions, as well as by changes in laws, currency exchange controls, and U.S. and global

political and socioeconomic circumstances. Such factors are unpredictable and cannot be controlled by PPC. Conditions such as financial market volatility, illiquidity and/or decline, a generally unstable economic environment (including as a result of a slowdown in economic growth and/or changes in interest rates or foreign exchange rates) and/or a deterioration in the capital markets can negatively impact the availability of attractive investment opportunities for the Funds, the Funds' ability to make investments, the availability of funding to support the Funds' investment objectives, the performance and/or valuation of the Funds' investments, and/or the Funds' ability to dispose of investments. In addition, such conditions can impact the public market comparable earnings multiples that are frequently used to value privately held PPC Companies and investors' risk-free rate of return. In such an environment, a Fund can be more likely to pay reverse break-up, termination or other fees and expenses in the event that a Fund is not able to close a transaction (whether due to lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of the Fund to dispose of investments at prices PPC believes reflect the fair value of such investments. Such conditions could result in substantial or total losses to a Fund in respect of certain investments, which losses will likely be exacerbated by the presence of leverage in a PPC Company's capital structure.

Enhanced Scrutiny of Private Equity Industry; Potential Regulatory Changes. Certain media, regulatory and political discourse has been and continues to be focused on enhancing governmental scrutiny and/or increasing regulation of the private equity industry. The combination of such discourse and the public perception that certain alternative asset managers (including private equity firms) may have contributed to the 2008 global financial crisis may negatively impact the Funds' efforts to structure, consummate and/or exit investments, both in general and relative to competitors outside of the alternative asset space. As a result, the Funds may make fewer investments, incur greater expenses or delays in completing or exiting investments, and/or realize lower proceeds on the disposition of investments than it otherwise would have. Moreover, any such enhancement of scrutiny or increase in regulation may adversely impact the Funds' activities (including the Funds' ability to implement PPC Company operating improvements, comply with applicable law and regulation in a manner not materially more burdensome than currently anticipated, or otherwise execute its investment strategy or achieve its investment objectives).

Deterioration of Credit Markets. The ability of the Funds and the PPC Companies to effectively execute their respective strategies will be dependent on the health of the U.S. and global credit markets. In the event that, as a result of an economic downturn or otherwise, credit markets deteriorate and it becomes more difficult for investment funds such as the Funds to obtain favorable financing for investments, the Funds' ability to consummate investments will potentially be adversely affected, an effect of which may be a slower-than-anticipated rate of capital deployment by the Funds. A persistent credit market deterioration can result in limited availability of credit to consumers, homeowners and/or businesses, which can lead to an overall weakening of the U.S. economy and/or global economies. In such a situation, PPC Company performance may decline and/or the value of PPC Companies may be diminished. As a result, the Funds' ability to realize its investments at favorable times and/or for favorable prices can be negatively impacted, which also can result in longer-than-anticipated holding periods for

investments. Accordingly, a deterioration in credit markets can negatively affect the Funds' ability to achieve its investment objectives and/or generate attractive returns for investors.

Healthcare Regulation and Reimbursement. Healthcare and healthcare-related companies are generally subject to greater governmental regulation than most other industries at the U.S. federal, state and local levels, and internationally. In recent years, both local and national governmental budgets have come under pressure to reduce spending and control healthcare costs, which could both adversely affect regulatory processes and public funding available for healthcare products, services and facilities. In March 2010, comprehensive healthcare reform legislation was enacted in the United States through the U.S. Patient Protection and Affordable Care Act, as amended by the U.S. Health Care and Education Reconciliation Act (collectively, the "Health Care Reform Act"). These laws are intended to increase health insurance coverage through individual and employer mandates, subsidies offered to lower income individuals, tax credits available to smaller employers and broadening of Medicaid eligibility. While one intent of healthcare reform is to expand health insurance coverage to more individuals, it can also involve additional regulatory mandates and other measures designed to constrain medical costs, including coverage and reimbursement for healthcare services. The Health Care Reform Act has had a significant impact on the healthcare sector in the United States and consequently has the ability to affect the companies within the healthcare industry. There currently is uncertainty surrounding the future of the Health Care Reform Act and whether it will be repealed and replaced or otherwise modified, and any decisions with respect to the Health Care Reform Act likely will have a significant impact on the healthcare industry and the healthcare companies in which the Fund may invest. The ultimate effects of U.S. federal healthcare reform or any future legislation or regulation, or healthcare initiatives, if any, on the healthcare sector, including the modification or repeal of the Health Care Reform Act (whether in whole or in part), whether implemented at the U.S. federal, state or local level, or internationally, cannot be predicted with certainty and such reform, legislation, regulation or initiatives, including the Health Care Reform Act, may adversely affect the performance of the Fund's investments.

Governmental and Third-Party Payors. In both U.S. and non-U.S. markets, sales of a healthcare company's products and its success will depend in part on the availability of reimbursement from third-party payors such as government health administration authorities and private health insurers. The revenues and profitability of healthcare companies can be affected by the efforts of governmental and third-party payors to contain or reduce the costs of healthcare. In addition, significant uncertainty exists as to the reimbursement status of newly approved healthcare products. There can be no assurance that a healthcare company's proposed products will be considered cost effective or that adequate third-party reimbursement will be available to enable such healthcare company to maintain price levels sufficient to realize an appropriate return on its investment in product development.

Healthcare Research and Innovation. Changes in governmental policies can have a material effect on the demand for or costs of certain products and services. A healthcare or healthcare-related company must receive government approval before introducing new drugs and medical devices or procedures. This process can delay the introduction of these products and services to the

marketplace, resulting in increased development costs, delayed cost recovery and loss of competitive advantage to the extent that rival companies have developed competing products or procedures, adversely affecting the company's revenues and profitability. Failure to obtain governmental approval of a key drug or device or other regulatory action could have a material adverse effect on the business of a PPC Company. Moreover, expansion of facilities by healthcare-related providers is subject to "determinations of need" by the appropriate government authorities. This process not only increases the time and cost involved in these expansions, but also makes expansion plans uncertain, limiting the revenue and profitability growth potential of healthcare-related facilities operators.

In addition, research findings (*e.g.*, regarding side effects or comparative benefits of one or more particular treatments, services or products) and technological innovation (together with patent expirations) can make any particular treatment, service or product less attractive if previously unknown or underappreciated risks are revealed, or if a more effective, less costly or less risky solution is or becomes available. Any such development could have a material adverse effect on the companies in which the Funds invest.

Healthcare Company Patents. Certain healthcare and healthcare-related companies depend on the exclusive rights or patents for the products they develop and distribute. Patents have a limited duration and, upon expiration, other companies can market substantially similar "generic" products that are typically sold at a lower price than the patented product, causing the original developer of the product to lose market share and/or reduce the price charged for the product, resulting in lower profits for the original developer. As a result, the expiration of patents can adversely affect the profitability of these companies.

Labor Relations. Certain PPC Companies have a unionized work force or employees who are covered by a collective bargaining agreement, which could subject any such PPC Company's activities and labor relations matters to complex laws and regulations relating thereto. Moreover, a PPC Company's operations and profitability could suffer if it experiences labor relations challenges. Upon the expiration of any such collective bargaining agreement, a PPC Company may be unable to negotiate a new collective bargaining agreement on terms favorable to it, and its business operations at one or more of its facilities may be interrupted as a result of labor disputes or difficulties and delays in the process of renegotiating such collective bargaining agreement. A work stoppage at one or more such facility could have a material adverse effect on such PPC Company's business and financial condition. In addition, any such issues have the potential to bring scrutiny and attention to such Fund itself, which could adversely affect the Fund's ability to implement its investment objectives.

Unfunded Pension Liabilities of PPC Companies. Recent court decisions have found that, where an investment fund owns 80% or more (or under certain circumstances, less than 80%) of a PPC Company, such fund and any other 80%-owned PPC Companies of such fund might be found liable for certain pension liabilities of such a PPC Company to the extent the PPC Company is unable to satisfy such liabilities. Although the Funds generally intend to manage their investments to minimize any such exposure, the Funds may, from time to time, make an

investment in a PPC Company that has unfunded pension fund liabilities, and such an investment may be structured in a manner that results in the Funds or the Funds a group of related investors acting in concert owning an 80% or greater interest in such PPC Company. If the Funds and/or any other 80%-owned PPC Companies of the Fund were deemed to be liable for such pension liabilities, such Fund and the PPC Companies could be adversely affected.

Investment in Junior Securities. The securities in which the Funds will invest may be among the most junior in a PPC Company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect a Fund's investments once made.

Litigation. The transactional nature of the Funds' business exposes the Funds and PPC generally to the risk of third-party litigation. Accordingly, in the ordinary course of its business, such persons and entities may be subject to litigation from time to time. Under the Partnership Agreements, the Funds generally will be responsible for indemnifying the General Partners and certain other persons and entities for costs they may incur with respect to such litigation not covered by insurance. The outcome of litigation proceedings can adversely affect the value of a Fund in a material manner, and such litigation can continue without resolution for extended periods of time. Additional regulation could also increase the risks of third-party litigation. Any litigation carries the potential to consume substantial amounts of PPC's time and attention, and such time and attention, as well as the devotion of other resources, spent in connection with such litigation can, at times, be disproportionate to the amounts at stake in such litigation.

Multi-Step Transactions. In the event a Fund determines to effect an investment in a PPC Company by means of a multi-step transaction (e.g., a first-step cash tender offer, a stock purchase followed by a merger, or a simultaneous acquisition and concurrent merger of two separate companies), there can be no assurance that, following one or more initial steps, the remainder of such investment will be successfully consummated. As a result, such Fund may acquire less control over such a PPC Company or less access to its cash flows to service any debt incurred in connection with its acquisition, in each case relative to what PPC originally intended.

Lack of Co-Investment Availability. The Funds' investment strategy relies significantly on the use of co-investors, including the Pritzker Investors, and in certain cases, other third-party co-investors. To the extent that PPC has identified an investment opportunity that would otherwise be suitable for a Fund, but PPC is unable to identify a sufficient number of third-party co-investors, or the co-investors identified do not have sufficient capital available to co-invest in such opportunity, PPC may pass on or delay pursuing such opportunity, and the Fund may miss out on additional gains or incur additional losses. A default or failure to fund by a co-investor would be expected to have a similar detrimental effect.

Reliance on PPC Company Management. The success of many of the PPC Companies will be heavily dependent on the management of such PPC Companies. In general, the management team of each PPC Company will be responsible for its day-to-day operations. Additionally, the capital structure of the PPC Companies generally will be determined on the basis of financial projections, which will be based in significant part on input from PPC Company management teams. Although PPC will be responsible for monitoring the performance of each PPC Company,

and the Funds generally intend to invest in PPC Companies with strong management or otherwise recruit strong management to PPC Companies, there can be no assurance that a PPC Company's management team will be able or willing to successfully operate a PPC Company in accordance with a Fund's objectives. It is possible that a PPC Company will need to attract, retain and develop executives and members of their management teams. The market for executive talent during life of a Fund can be highly competitive. There can be no assurance that the management team of a PPC Company on the date of a Fund's investment in such PPC Company will remain the same or continue to be affiliated with such PPC Company throughout the period in which such PPC Company is held by a Fund. There can be no assurance that any PPC Company will be able to attract, develop, integrate and retain suitable members of its management team.

Early Termination of the Investment Period; Early Dissolution of the Funds. Pursuant to and in accordance with the terms of each Fund's Partnership Agreement, the investment period may be cancelled earlier than anticipated and/or a Fund may be dissolved earlier than anticipated. In each case, a Fund's ability to consummate, manage and/or dispose of investments or otherwise achieve its investment objectives is likely to be negatively affected. In the case of early dissolution, a Fund would likely be required to dispose of investments at a disadvantageous time and/or make in-kind distributions, resulting in investors not having their capital invested and/or deployed in the manner originally contemplated.

Investments Longer than Term. It is possible that one or more Fund investments will not be disposed of prior to such Fund's dissolution. Although PPC generally expects that investments will be disposed of prior to a Fund's dissolution or will be suitable for in-kind distribution at the time of such Fund's dissolution, PPC has a limited ability to extend the term of a Fund, and it is possible that a Fund will be required to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of its dissolution. To the extent that such investments are held in trust in connection with a Fund's dissolution, such trusts would likely incur operating and formation expenses. In addition, there can be no assurance with respect to the timeframe in which a Fund's winding up and final distribution to investors will occur.

Cyber Security. The information technology systems of PPC, the Funds, and/or the PPC Companies may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events (including fires, tornadoes, floods, hurricanes and earthquakes). Although PPC has implemented various measures to manage risks relating to these types of events, if such a system is compromised, becomes inoperable for an extended period of time or ceases to function properly, PPC, the Funds and/or a PPC Company may be required to spend time and/or incur expenses seeking to fix or replace such system or otherwise remedy the effects of such issues. The failure of such a system and/or disaster recovery plan can cause significant interruptions in PPC's, the Funds' and/or a PPC Company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data (including information relating to investors and/or the beneficial owners of investors). Such a failure could harm the reputation of PPC, the

Funds, the PPC Companies, an investor or a beneficial owner of an investor, subject such persons to legal claims, or otherwise affect the business and financial performance of such persons.

Hedging Arrangements. PPC is permitted (but is not obligated to) endeavor to manage the Funds' or any PPC Company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. The Funds may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements can result in losses greater than if hedging had not been used. In certain cases, particularly in OTC contexts, hedging arrangements will subject the Funds to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts can expose the Funds to additional liquidity risks if such contracts cannot be adequately settled. Certain hedging arrangements may create for PPC (and/or any of its affiliates) an obligation to register with the U.S. Commodity Futures Trading Commission (the "CFTC") or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or any other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances in which the ability of a Fund or a PPC Company to hedge its exposures becomes limited by such requirements.

Withholding and Other Taxes. PPC intends to structure a Fund's investments in a manner that is intended to achieve such Fund's investment objectives. There can be no assurance, however, that the structure of any investment will be tax efficient for any particular investor or that any particular tax result will be achieved. Also, tax reporting requirements can be imposed on investors under the laws of the jurisdictions in which investors are liable to taxation or in which a Fund makes investments. Prospective investors should consult their own professional advisors with respect to the tax consequences to them of an investment in a Fund under the laws of the jurisdiction in which they are liable to taxation. Furthermore, a Fund's returns in respect of its investments may be reduced by withholding or other taxes imposed by jurisdictions in which a Fund's companies are organized. In addition, certain of a Fund's portfolio investments may be issued with "original issue discount" or may result in the receipt of ordinary dividend income without a corresponding receipt of cash or property. Consequently, an investor's share of taxable income of a Fund for a particular period (and possibly the income tax payable with respect to that income) may exceed the cash or other property distributed by the Fund to such investor in respect of that period.

Conflicts of Interest

PPC will engage in a broad range of advisory and non-advisory activities, including investment activities for its own account and for the account of the Funds, and providing transaction-related, legal, management and other services to the Funds and the PPC Companies, including such non-advisory services to the PPC Companies, as well as PPC's non-discretionary investment sub-

advisory services with respect to the legacy portfolio of private equity investments held by the Pritzker Investors and other co-investors in such investments. PPC will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the relevant Partnership Agreement, although each Fund and its respective investments will place varying levels of demand on these over time. In the ordinary course of PPC conducting its activities, the interests of a Fund have the potential to conflict with the interests of PPC, one or more other Funds, PPC Companies, the Pritzker Investors or their respective affiliates. Certain of these conflicts of interest are discussed herein. As a general matter, PPC will determine all matters relating to structuring transactions and Fund operations using its best judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory boards of the participating Funds.

Pritzker Investors. As described above, certain Pritzker Investors will be offered the opportunity to invest alongside the Funds in each PPC Company investment, as further described in the Partnership Agreements. PPC believes that the investment by the Pritzker Investors in each PPC Company generally will operate to align the interests of PPC, the Funds and the Pritzker Investors, and guidelines on the allocation of investment opportunities included in the relevant Fund Partnership Agreements have been designed, in part, to maintain such alignment of interests.

However, in light of the relationships among PPC, the respective direct and indirect owners and employees of PPC and their respective affiliates (collectively, the "PPC Group") and the Pritzker Investors, as well as the significant amounts invested by the Pritzker Investors, certain conflicts among the interests of the PPC Group, the Funds and the Pritzker Investors are likely to arise from time to time. In particular, the PPC Group generally has pre-existing relationships with the Pritzker Investors and their affiliates (including, in many cases, familial relationships) and is expected to have ongoing relationships with the Pritzker Investors and the entities that manage and/or administer the Pritzker Investors (together with their affiliates and employees, the "Pritzker Entities").

Except as otherwise described below, investment opportunities within the Funds' target investment objectives, strategy, scope and investment criteria/guidelines (the "Target Criteria") generally will be allocated between the Funds, the Pritzker Investors and any additional co-investors in accordance with a Fund's investment opportunity allocation guidelines, as described in the relevant Partnership Agreement. PPC and the Pritzker Entities historically have invested in a broad range of investment opportunities across industry and product types (including, in some cases, those falling within the Target Criteria for the Funds), and are expected to continue to source, make, hold and/or dispose of investments independently of the Funds, and will have no obligation to offer any such opportunities to Fund investors. The Pritzker Entities generally are not restricted from sourcing, making, holding or disposing of any investment falling outside of the Funds' Target Criteria independently of the Funds (other than with respect to PPC Companies); in addition to the foregoing, the Pritzker Investors are permitted to invest in investment opportunities falling within the Funds' Target Criteria (including any such opportunities recommended by PPC (*e.g.*, in connection with the non-discretionary investment

advisory services provided by PPC)), to the extent that PPC determines in its sole discretion that such investment is more suited to be an add-on acquisition in respect of an existing investment held by the Pritzker Entities rather than the subject of a platform investment or add-on investment of the Funds or any of the PPC Companies, respectively. The amount of such other investment activity by the Pritzker Entities is expected to be substantial and, in general, neither such other investments nor any transactions related thereto will be disclosed to the Funds or their respective investors, and neither the Funds nor their respective investors will receive economic or other rights thereto. In certain cases, such other investments may be (or may become) competitive with one or more PPC Companies or potential PPC Companies.

The potential for other conflicts of interest with the Pritzker Entities includes that: (i) the Pritzker Investors will commit to be Fund II's most significant source of co-investment; (ii) certain Pritzker Investors and/or related entities will directly or indirectly own PPC and have the right to receive allocations of carried interest, distributions of revenue or other economic interests therefrom, although in such capacity they will not participate in the day-to-day business, investment decisions or operations of PPC or the Funds; (iii) PPC expects to receive compensation, including monitoring fees and/or carried interest, with respect to the Pritzker Investors' investments alongside the Funds, without offset to the Management Fee or any other compensation payable by the Funds; (iv) PPC provides certain non-discretionary sub-advisory services in addition to monitoring and operational management consulting services similar to those provided to the Funds and the PPC Companies with respect to (A) existing investments held by the Pritzker Investors and other co-investors in such investments, and (B) any other investments made by Pritzker Group or the Pritzker Investors independently of the Funds (which other investments may be limited as described above), and, in each case, to receive compensation (including sub-advisory fees, monitoring fees and/or carried interest, whether at the PPC level or at the transaction level with respect to individual PPC personnel) in connection therewith; (v) the PPC Group and the Pritzker Entities (and/or, in certain cases, companies owned by either the Funds or the Pritzker Entities) are expected to contract to receive certain services from the same third-party service providers, including in certain cases under umbrella agreements applicable to multiple such parties; (vi) members of the PPC Group are expected to contract to receive certain limited transitional services (including with respect to information technology) from the Pritzker Entities; (vii) the Pritzker Entities may refer investors, service providers or potential investment or disposition opportunities to the Funds on a non-compensated basis; and (viii) the PPC Group may refer investors, service providers or potential investment or disposition opportunities that do not otherwise satisfy the Target Criteria, as determined by PPC in its sole discretion, to the Pritzker Entities on a non-compensated basis.

The General Partner intends to review the relevant circumstances of these and any other potential conflicts of interest of which it becomes aware in a manner consistent with its duties to the Funds.

Allocation of Investment Opportunities; Co-Investment; Debt Financing. During the commitment period of a Fund, all appropriate investment opportunities (as determined in PPC's discretion, and in accordance with the relevant provisions of any applicable Partnership Agreement) will be

pursued by PPC principals through such Fund, subject to certain limited exceptions (*e.g.*, the requirement in Fund II to present a specified portion of each investment as a co-investment opportunity for the Pritzker Investors). Following the commitment period of a Fund, PPC principals likely will focus their investment activities on other opportunities and areas unrelated to such Fund's investments. Without limitation, PPC expects in the future to raise other Funds, to the extent permitted by the relevant Partnership Agreement, and PPC or its affiliates may direct certain relevant investment opportunities to such other Funds. In addition, to the extent such other Funds are formed, PPC personnel will manage and monitor the investments of such Funds until their realization. Such other investments have the potential to compete with the PPC Companies of a particular Fund.

From time to time, PPC will be presented with investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles managed by PPC or its advisory affiliates. In determining which investment vehicles should participate in such investment opportunities, PPC and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Investments by more than one Fund in a PPC Company also raises the risk of using assets of a Fund to support positions taken by other Funds.

PPC must first determine which Funds or other parties (*e.g.*, the Pritzker Investors) will, or are required to, participate in the relevant investment opportunity in accordance with each Fund's Partnership Agreement. In addition to any requirements in the relevant Partnership Agreement(s), PPC generally assesses whether an investment opportunity is appropriate for a particular Fund based on various factors including but not limited to: a Fund's investment restrictions and objectives (including those set forth in the relevant Fund's Partnership Agreements, where applicable); life cycle; investment and operating guidelines; diversification limits, tax and regulatory considerations; and other relevant factors. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. PPC will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable consistent with PPC's obligations and will take into consideration factors such as those set forth above.

PPC's allocation of investment opportunities among Funds may not always, and often will not, be proportional based on available capital commitments. Therefore, such allocations have the potential be more advantageous to one Fund relative to another Fund. While PPC will allocate investment opportunities in a way that it believes in good faith is fair and equitable to the applicable PPC Funds, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which such allocation is made, will be as favorable as they would be if the potential conflicts of interest did not exist.

Following such determination of allocation among Funds, PPC will determine if the amount of an investment opportunity in which one or more Funds (and, the Pritzker Investors, as applicable) will invest exceeds the amount that would be appropriate for such parties and any such excess will often be offered to one or more potential co-investors, including, without limitation, investors of such Fund (or of another Fund), the Pritzker Investors (which such amounts would

be in addition to any amount initially offered to the Pritzker Investors pursuant to the Partnership Agreements), Senior Advisors and third parties, as determined in accordance with the Funds' Partnership Agreements, Side Letters and PPC's internal policies and procedures regarding allocation.

In general, no such party has a right to participate in any co-investment opportunity, and PPC's internal procedures permit (but do not require) it to take into consideration a variety of factors in making such co-investment determinations, including but not limited to:

- whether the prospective co-investor has expressed an interest in evaluating co-investment opportunities, including the perceived intensity of that interest;
- the expertise, knowledge and sophistication of the prospective co-investor with respect to the issuer, segment, industry, geographic region or other characteristics that are relevant to the investment;
- the perceived ability of the prospective co-investor to approve the investment pursuant to any applicable internal approval processes (including the predictability of the proposed co-investor's investment process), and to otherwise execute the transaction, in a timely manner with respect to the timeframe in which PPC believes favorable transaction terms may be achieved;
- any tax, regulatory, securities laws and/or other legal considerations with respect to the prospective co-investor (e.g., qualified purchaser or qualified institutional buyer status);
- confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity;
- perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting, or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair PPC's ability to execute the relevant transaction in the desired time or on desired terms;
- the size of the investment allocation available to PPC (and not being allocated to the Funds), and the practicality of splitting the allocation into smaller tranches;
- the ability of the prospective co-investor to invest an amount of capital that is consistent with the needs of the investment, taking into account the amount of capital reasonably expected to be needed (including for potential add-on acquisitions and other potential additional investments) and the maximum number of investors that can realistically participate in the transaction;

- any requirements of any third-party lenders as to the identity of any investors participating as co-investors, or as to the creditworthiness of any co-investors, or as to the number of co-investors, or as to other matters with respect to the investors in the transaction;
- whether the prospective co-investor is considered "strategic" to the investment because it is able to offer a Fund or PPC certain benefits, including, but not limited to, the ability to help consummate the investment, the ability to aid in operating or monitoring the investment, or whether PPC believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or PPC;
- whether the prospective co-investor has a history of consummating co-investment opportunities with PPC;
- whether the prospective co-investor has the financial and operational resources and other relevant wherewithal to evaluate and participate in a co-investment opportunity;
- the likelihood that the prospective co-investor would require governance rights (including, but not limited to, board or observer rights, access to the management team of the underlying PPC Company, or material informational rights) that would complicate or jeopardize the transaction (or, alternatively, where the prospective co-investor would be willing to defer to PPC and assume a more passive role in governing the investment);
- whether the prospective co-investor or its principals have any interests in any competitor of the underlying investment;
- the size of the prospective co-investor's interest to be held in the underlying PPC Company as a result of a Fund's investment (which is likely to be based on the size of the prospective co-investor's capital commitment and/or investment in such Fund);
- whether the prospective co-investor has any known investment policies and restrictions, guideline limitations or investment objectives that are relevant to the transaction, including the need for early or recurring distributions;
- the extent to which the prospective co-investor has previously been provided a greater amount of co-investment opportunities relative to other prospective co-investors; and
- other factors that PPC considers important in connection with the specific transaction or investment, including, without limitation, expected investment holding period,

services provided by the prospective co-investor to the issuer of the investment (or otherwise provided by the prospective co-investor with respect to the investment).

Furthermore, decisions regarding whether and to whom to offer co-investment opportunities can be made by PPC or its related persons in consultation with other participants in the relevant transactions, such as a co-sponsor. Co-investment opportunities typically will be offered to some and not to other PPC investors. When and to the extent that employees and related persons of PPC and its affiliates make capital investments in or alongside certain Funds, PPC and its affiliates are subject to conflicting interests in connection with these investments.

There can be no assurance that any Fund's return from 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. PPC's allocation of investment opportunities among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations can be more or less advantageous to some such persons relative to others. While PPC will allocate investment opportunities in a manner that it believes in good faith is fair and equitable to the Funds under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the conflicts of interest to which PPC may be subject, discussed herein, did not exist.

In certain cases, affiliates of certain investors in a Fund may provide or seek to provide debt financing in connection with a PPC Company investment made on behalf of a Fund. PPC pursues debt financing on terms it believes are advantageous for a Fund when weighing all the factors relevant to the transaction, including the prevailing financing rates and any original issue discount, scope of positive and negative debt financing covenants, prior experience with the applicable counterparty, and such counterparty's execution capability, reputation and expertise within the industry. Notwithstanding the foregoing, the participation of a Fund investor and its affiliates in multiple segments of a PPC Company's capital structure subject PPC and its principals to potential conflicts of interest when negotiating the terms of the applicable debt financing as the provision of financing on favorable terms can encourage the Fund investor and its affiliates to participate in future Funds managed by PPC.

Fee and Expense Allocations. Subject to any relevant restrictions or other limitations contained in the Partnership Agreements of the Funds, PPC will allocate fees and expenses in a manner that it believes in good faith is fair and equitable to the Funds under the circumstances and considering such factors as it deems relevant, but in its sole discretion. In exercising such discretion, PPC can be faced with a variety of potential conflicts of interest.

As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-invest vehicles eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions generally will be made by PPC or its affiliates using their best judgment, considering such factors as they deem relevant, but in their sole discretion. The allocations of such expenses may not be proportional, and any

such determinations involve inherent matters of discretion (e.g., in determining whether to allocate *pro rata* based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size). The Funds have different expense reimbursement terms, including with respect to Management Fee offsets, which can result in the Funds bearing different levels of expenses with respect to the same investment.

PPC and its affiliates will from time to time incur fees, costs and expenses, including in connection with transactions not consummated, on behalf of the Funds. To the extent practicable, any fees, costs and expenses that are incurred in connection with a consummated investment will be charged to the applicable PPC Company. To the extent such fees, costs and expenses are not charged to a PPC Company, they will be paid by each Fund that participated or was expected to participate in such investment. The Funds will typically bear a portion of any such fees, costs, and expenses in proportion to the size of its actual or proposed investment, or in such other manner as PPC considers to be fair and equitable.

PPC may, in its sole discretion, charge a Management Fee and/or obtain a carried interest in respect of any co-investment. As a result of the fact that significant co-investments will be made alongside the Funds (including those made by the Pritzker Investors), meaningful portions of any Transaction Fees or compensation paid by any PPC Company or its subsidiaries to PPC or its affiliates will not be allocated to the Funds and will not offset the Management Fee. Consequently, PPC will be subject to potential conflicts of interest in determining which portion of an investment in the relevant PPC Company should be allocated to co-investors.

Expenses related to the structuring, formation and operation of any co-investment holding vehicle generally will be allocated *pro rata* (based on the size of the investment made through such co-investment holding vehicle) among the applicable Fund and each co-investor (including the Pritzker Investors, if applicable) participating through such co-investment holding vehicle, or in such other manner as is determined to be appropriate and practicable by PPC in its sole discretion. In the event that a transaction in which a co-investment with a third party other than the Pritzker Investors was to be sought ultimately is not consummated, all obligations, liabilities and out-of-pocket fees (including any break-up fees), costs and expenses relating to such unconsummated transaction may be borne by the applicable Fund and the Pritzker Investors as, and not by any other potential or expected co-investors, subject to any restrictions set forth in the relevant Partnership Agreement.

As a result of a Fund's controlling interest in the PPC Companies, PPC and/or its affiliates typically have the right to appoint PPC Company board members (including current or former PPC personnel or persons serving at their request), or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, PPC Company board members approve compensation and/or other amounts payable to PPC and/or its affiliates. Unless such amounts are subject to the Partnership Agreements' offset provisions, they will be in addition to any Management Fees or carried interest paid by a Fund to PPC.

Additionally, a PPC Company typically will reimburse PPC or service providers retained at PPC's discretion for expenses (including without limitation travel expenses) incurred by PPC or such

service providers in connection with its performance of services for such PPC Company. This subjects PPC and its affiliates to conflicts of interest because a Fund generally does not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. PPC determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Because certain expenses are paid for by a Fund and/or the PPC Companies or, if incurred by PPC, are reimbursed by a Fund and/or the PPC Companies, PPC may not necessarily seek out the lowest cost options when incurring (or causing a Fund or the PPC Companies to incur) such expenses.

A conflict of interest could arise in PPC's determination whether certain costs or expenses that are incurred in connection with the operation of the Funds meet the definition of Fund operational expenses for which the Funds are responsible, whether such expenses should be borne by PPC or the manner in which PPC allocates expenses among the Funds. The Funds will be reliant on the determinations of PPC in this regard. From time to time, it is possible that subsequent review of allocations could result in an identification of expenses that should have been allocated in a different manner, in which case measures would be undertaken to correct such circumstance, which might include a reversal of the original expense allocations, if possible, or such other equitable adjustment believed by PPC to be the most appropriate corrective measure.

Carried Interest and Management Fees. PPC's carried interest in a Fund is based on a percentage of such Fund's net profits and can create an incentive for PPC to cause the Fund to make riskier or more speculative investments. The fact that, except as is otherwise provided in the relevant Partnership Agreement, the Management Fee following a Fund's investment period is generally expected to be calculated based on such Fund's invested capital also can create an incentive for PPC to hold an investment longer than otherwise would be the case. In addition, because a Fund has a fixed investment period after which capital from investors generally can only be drawn down in limited circumstances, and because the Management Fee, following such investment period, is calculated based upon the capital invested by such Fund, the Management Fee structure can create an incentive for PPC to deploy capital when it might not otherwise do so.

Because PPC will retain the portion of Transaction Fees not allocable to a Fund (e.g., those Transaction Fees allocable to the Pritzker Investors, other co-investors and PPC Company management) in connection with Fund investments, it could have a conflict of interest in connection with approving transactions and setting such compensation.

Transactions among PPC Funds. Conflicts of interest have the potential to arise if a Fund makes an investment in a PPC Company in conjunction with one or more other Funds. For instance, a Fund may not invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as such other Funds. This can result in differences in price, investment terms, leverage and associated costs between such Fund and any other Fund. There can be no assurance that a Fund and the other Funds will acquire and/or exit the investment at the same time or on the same terms. As a result, it is possible that one Fund

will be purchasing an investment at a time when another Fund is selling the same or a similar investment, or vice versa. Any such acquisition or disposition can have a positive or negative effect on the market value of the applicable investment of the Fund, and there can be no assurance that the return on one Fund's investments will not be less than the returns obtained by any other Funds participating in the investment. If additional capital is necessary for the PPC Company as a result of financial or other difficulties, or to finance growth or other opportunities, such Fund and any other Funds may or may not provide such additional capital, and each generally will supply such additional capital in such amounts, if any, as determined in the discretion of PPC, subject the terms of the relevant Partnership Agreement.

If a Fund enters into any indebtedness or guaranty with another Fund on a joint and several basis, PPC (or an affiliate) is expected to enter into one or more agreements that provide each applicable Fund with a right of contribution, subrogation or reimbursement. In administering, or seeking to reinforce, these agreements, PPC has the potential to be subject to conflicts of interest between the applicable Funds. PPC intends to mitigate any potential conflicts by structuring such agreements in a manner intended to cause each Fund to bear its proportionate share of the applicable indebtedness, without undue favoritism over time.

Diverse Investor Group. Investors in a Fund can have conflicting investment, tax and other interests with respect to their investments in the Fund. The conflicting interests of individual investors can relate to or arise from, among other things, the nature of investments made by the Funds, the structuring or the acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest can arise in connection with decisions made by PPC, including decisions regarding 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 the Funds, PPC will consider the investment and tax objectives of investors as a whole, not the investment, tax or other objectives of any investor individually.

Retention of Service Providers. PPC generally exercises its discretion to recommend to a Fund or to a PPC Company thereof that it contract for services with (i) PPC (or a related person thereof, which may include PPC Companies of one or more PPC Funds), at rates determined or substantively influenced by PPC; (ii) an entity with which PPC, the Pritzker Investors, any current or former PPC personnel, and/or any of their respective affiliates has a relationship or from which such person derives a financial or other benefit; or (iii) an investor or its affiliates. For example, as mentioned above, PPC may be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain investors or their affiliates that are engaged in lending or related business. Such discretion subjects PPC to conflicts of interest because, although it intends to select service providers that it believes are aligned with its operational strategies and that will enhance a PPC Company's performance, PPC may have an incentive to recommend service providers that benefit the financial or business interests of PPC or any of its affiliates. Additionally, there is a possibility that PPC, because of such incentive or for other reasons (including that the retention of certain persons could establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to

PPC or one or more Funds), may favor the retention of such a service provider even if a better price and/or quality of service provider could otherwise be obtained. Whether or not PPC or any of its affiliates has a relationship with or receives financial or other benefits from recommending a particular service provider, there can be no assurance that a more qualified and/or lower cost service provider could not be obtained.

From time to time, PPC expects to employ personnel with pre-existing ownership interests in, or who were employed by, PPC, the PPC Companies, prior investments made by the Pritzker Investors, the Pritzker Investors, or any of their respective affiliates. Conversely, former personnel or executives of PPC or any affiliate of the Pritzker Investors may serve in significant management roles at companies or service providers recommended by PPC or its affiliates. Similarly, PPC and/or its personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including managers of private funds, banks and brokers. Certain of these persons invest (or are affiliated with an investor) in, engage in transactions with and/or provide services (including services provided at reduced rates) to PPC, the General Partners or a Fund. PPC may have a conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to a Fund or a PPC Company if such recommendation, for example, is motivated by a belief that such service provider or its affiliate(s) will continue to invest in one or more Funds that PPC sponsors and manages, will provide PPC or its affiliates information about markets and industries in which PPC operates (or is contemplating operations) or will provide other services that are beneficial to PPC or any of its affiliates. PPC may have a conflict of interest in making such recommendations, in that PPC has an incentive to maintain goodwill between itself and the existing and prospective PPC Companies, while the products or services recommended may not necessarily be the best available to such PPC Companies.

Senior Advisors and Other Consultants. In addition, as described above, PPC Companies (and, to a lesser extent, a Fund) typically pay certain fees to Senior Advisors and other consultants (including consultants introduced or arranged by PPC and/or its affiliates) that regularly provide services to one or more PPC Companies, and such fees do not offset the Management Fee as described herein. Senior Advisors generally make use of PPC resources or otherwise are associated with PPC. In some cases, Senior Advisors and/or Functional Advisors may spend a portion of their time providing services to PPC and a portion of their time providing services to a Fund or the PPC Companies. Senior Advisors generally receive investment opportunities, reimbursements and other compensation that do not offset the Management Fee of any Fund, as described herein. Although the use of Senior Advisors and the allocation of compensation paid to them by PPC, its affiliates, one or more Funds and/or the PPC Companies thereof subjects PPC and/or its affiliates to potential conflicts of interest, PPC believes that such potential conflicts are reduced by the anticipated cost savings to PPC Companies (which is expected to be to the benefit of the applicable Funds) that will result if the services provided by the Senior Advisors align with PPC's model for the PPC Company and improve PPC Company performance. Although PPC seeks to retain Senior Advisors with a view to reducing costs to PPC Companies (and, ultimately, the Funds) and/or improving PPC Company performance, a number of factors can result in limited or no cost savings from such retention. PPC also seeks to reduce potential

conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that PPC believes will align such persons' interests with those of the Funds' investors, and seeks to retain only Senior Advisors and other consultants and service providers which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Certain Other Conflicts. PPC, its affiliates, and equity holders, officers, principals and employees of PPC and its affiliates are permitted and on occasion buy or sell securities or other instruments that PPC has recommended to a Fund. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Employees and related persons of PPC are expected to have capital investments in or alongside certain Funds, or in prospective PPC Companies directly or indirectly, and therefore have additional conflicting interests in connection with these investments.

From time to time, PPC has in the past participated, and expects in the future to participate, in joint purchasing, vendor or similar arrangements with its affiliates and other PPC Companies. Participants expect to receive discounts negotiated with various vendors and service providers on a groupwide basis. Participants generally participate in the program without cost. PPC and its affiliates also participate in the program, and receive similar benefits and discounts as the PPC Companies participating therein. No such amounts will result in additional offsets to the Management Fee. Additionally, PPC does not receive a rebate or further discount as a result of its participation in such programs. PPC believes the potential for conflicts relating to such arrangements is mitigated by the anticipated cost savings to PPC Companies (which are expected to benefit of the applicable Funds) that will result if the negotiated discounts rates for goods and services are discounted relative to those widely available in the market.

From time to time, PPC, the Pritzker Investors and/or companies owned by either the Funds or the Pritzker Investors expect to receive the benefit of "friends and family" and similar discounts from PPC Companies owned by the Funds under which such PPC Companies make their goods and/or services available at reduced rates or without charge. Because the PPC Companies offer such discounts to customers other than PPC or the Pritzker Entities, as part of their standard commercial practices in an effort to expand their respective customer bases, PPC believes that the potential for conflicts of interest relating to such discounts is mitigated. PPC, the Pritzker Entities, and their affiliates and personnel generally refrain from requesting or negotiating for such discounts in the ordinary course.

Additionally, PPC and its employees receive certain intangible and/or other benefits or perquisites arising or resulting from their activities on behalf of a Fund, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Fund expenses often result in "miles" or "points" or credit in loyalty/status programs to PPC and/or its employees, and such rewards or amounts will exclusively benefit PPC and/or such employees and will not be subject to the offset arrangements or otherwise shared with such Fund, its investors, or the portfolio companies.

Any of these situations subjects PPC and/or its affiliates to potential conflicts of interest. PPC attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by PPC and its advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds and such investment vehicles in an appropriate manner. To the extent that an investment or relationship raises particular conflicts of interest, PPC will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, PPC consults and receives consent to conflicts from an advisory board consisting of investors of the relevant Funds and such other investment vehicles and seeks the guidance of outside third parties, as necessary.

Item 9 – Disciplinary Information

PPC and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

On occasion, in the ordinary course of their respective businesses, PPC, the Funds, or the PPC Companies (or their respective directors and executive officers) may be named as defendants in a legal action. Although there can be no assurance of the outcome of such legal actions, PPC does not believe that any current legal proceedings or claims to which PPC, the Funds, or the PPC Companies (or their respective directors and executive officers) are a party, if any, would individually or in the aggregate materially affect an investor's or prospective investor's evaluation of PPC or the integrity of PPC's management.

Item 10 – Other Financial Industry Activities and Affiliations

Neither PPC nor any of its management persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer, a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing.

PPC does not any have arrangement with a related person who is a broker-dealer, municipal securities dealer, government securities dealer or broker, investment company, other investment adviser or financial planner, futures commission merchant, commodity pool operator, commodity trading adviser, banking or thrift institution, accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer, or sponsor or syndicator of limited partnerships that is material to its advisory business, the Funds or investors. PPC has and will continue to develop relationships with service providers, including legal, accounting, banking, investment banking, tax preparation, insurance brokerage and other personal services. Some of these professionals provide services to the Funds or their portfolio companies. Additionally, some of these professionals are limited partners in PPC Funds, either personally or through their company.

As mentioned in Item 4 above, Pritzker Private Capital is affiliated with certain other advisory entities, who are considered registered with the SEC under the Advisers Act pursuant to PPC's

registration in accordance with SEC guidance. These affiliated advisory entities operate as a single advisory business together with Pritzker Private Capital and serve as general partners of Funds and other pooled vehicles and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.

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

PPC has adopted a Code of Ethics and Securities Trading Policy and Procedures (the "Code"), pursuant to Rule 204A-1 of the Advisers Act which sets forth standards of conduct that are expected of PPC principals and employees and addresses conflicts that arise from personal trading. The Code of Ethics requires all supervised persons to place Fund interests ahead of PPC's interests, to avoid taking advantage of his or her position and to maintain full compliance with the federal securities laws. Supervised persons are required upon hire and at least annually to certify their adherence to the Code.

PPC's personnel are prohibited from trading, either personally or on behalf of others, in securities while in possession of material nonpublic information regarding publicly traded securities or communicating material nonpublic information about such securities to others. Under the Code, certain PPC personnel are required to report their personal securities transactions and file various reports. The Code of Ethics establishes guidelines for personal trading requirements, insider trading and reporting of personal securities transactions, including certain pre-clearance and reporting obligations. PPC maintains a restricted list of issuers about which it has or may have material nonpublic information. Pre-clearance is required by certain personnel for certain personal securities transactions, including trading in restricted list securities, initial public offerings and certain limited offerings.

A copy of the Code will be provided to any investor or prospective investor upon request to Brad West, PPC's Chief Compliance Officer, at (312) 447-6050. Personal securities transactions by PPC employees are required to be conducted in a manner that prioritizes a Fund's interests in Fund eligible investments.

Principals and employees of PPC and its affiliates on occasion directly or indirectly own an interest in one or more Funds, including certain co-invest vehicles. To the extent that co-invest vehicles exist, such vehicles will generally invest in one or more of the same PPC Companies as a Fund. Co-invest opportunities can also be presented to certain affiliates of PPC, as well as third party investors and other persons, and such co-investments are typically effected through co-invest vehicles or directly in a particular PPC Company. Such co-investment opportunities generally will be allocated in the manner described under "Methods of Analysis, Investment Strategies and Risk of Loss."

PPC and its affiliates, principals and employees carry on investment activities for their own account and for family members, friends or others who do not invest in a Fund, and on occasion give advice and recommend securities to vehicles which can differ from advice given to, or securities recommended or bought for, any Fund, even though their investment objectives are the same or similar. The operative documents and investment programs of certain Funds restrict,

limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Funds or give priority with respect to investments to such Funds. Some of these restrictions are permitted to be waived by investors (or their representatives) in such Funds.

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account, knowingly buys from or sells a security to an advisory client. This also applies to any affiliates or controlling persons of the adviser (i.e., an owner, employee or affiliate of the adviser). The SEC also views cross trades between funds to be principal transactions if the adviser (and/or its affiliates, owners, or controlling persons) own, in the aggregate, 25% or more of either fund. Agency cross transactions occur when an adviser or an affiliate arranges a transaction (i.e., acts as broker) between two or more different funds or accounts that are managed by that same adviser or an affiliate. Agency cross transactions can also arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. An adviser is not "acting as a broker" if the adviser receives no compensation (other than the advisory fee earned in the ordinary course of managing the assets) for effecting the transaction and therefore is not considered to be conducting an agency cross transaction under Section 206(3) of the Advisers Act.

In the event PPC were to recommend a principal transaction or agency cross transaction, it would only be after: (i) PPC has determined the transaction to be in the best interest of participating Funds; (ii) the transaction is permitted by the relevant Partnership Agreements; (iii) proper disclosure is given to the investors or advisory board, as appropriate; (iv) if necessary, consent is obtained from the appropriate parties; and (v) PPC ensures that best execution is achieved for the transaction.

Item 12 – Brokerage Practices

PPC focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, PPC is also permitted to distribute securities to investors in a Fund or sell such securities, including through using a broker-dealer, if a public trading market exists. Whether for private or public securities transactions, PPC selects a broker-dealer or investment banker based on PPC's judgment and upon consideration of a variety of factors, which will not be limited solely to ultimate deal price, and including but not limited to: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

Although PPC generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent, especially in private securities transactions that rely heavily on the specialty services or experience of a broker-dealer or investment banker that operate outside of a competitive bidding environment. Transactions that involve such specialized services on the part of the broker-dealer or investment banker can thereby entail higher

commissions or their equivalents than would be the case with other transactions requiring more routine services.

PPC does not receive research or other soft dollar benefits in connection with securities transactions for the Funds, does not receive referrals in connection with selecting or recommending broker-dealers for the Funds, and does not engage in directed brokerage. In the event PPC were to aggregate the purchase or sale of securities for Fund accounts, it would do so on a pro rata basis.

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, a team of investment professionals including principals and other PPC personnel closely monitors the PPC Companies in which the Funds invest, and the PPC Chief Compliance Officer (or a designee thereof) periodically checks to confirm that each Fund is maintained in accordance with its stated objectives.

Each Fund generally will provide to its limited partners the following written reports: (i) annual GAAP audited and quarterly unaudited financial statements; (ii) annual tax information necessary for each limited partner's tax return; and (iii) descriptive investment information for each PPC Company annually.

In the course of conducting due diligence or otherwise, investors periodically request information pertaining to their investments. In responding to such requests, PPC may provide information that is not generally made available to other investors who have not requested such information.

Item 14 – Client Referrals and Other Compensation

As described in Item 5 above, PPC and/or its affiliates provide certain business or consulting services to the PPC Companies and receive compensation from these companies in connection with such services. These fees are paid pursuant to separate agreements entered into with the PPC Companies to provide certain consulting services that PPC believes will ultimately enhance the value of the companies and benefit the Funds and their investors.

These types of arrangements present potential conflicts of interest and provide PPC with an incentive to recommend investments based on compensation received rather than the best interests of the Funds. To help mitigate this potential conflict, as described in the Partnership Agreement, a portion of this compensation will offset the Management Fees paid by such Fund. However, in other cases (*e.g.*, reimbursements for out of pocket expenses directly related to a PPC Company), these fees are in addition to Management Fees.

When raising capital for a new Fund, PPC expects to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. Any fees payable to any such placement agents will be

borne by PPC indirectly through an offset against the Management Fee, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Funds. PPC and Fund II engaged Credit Suisse Securities (USA) LLC (CSS) and Thomas Capital Group, Inc. to act as placement agents in connection with the offering of limited partner interests in Fund II.

Item 15 – Custody

PPC maintains custody of assets held in the name of one or more Funds with the following qualified custodian(s): Bank of America Merrill Lynch, Chicago, Illinois. PPC has elected to undergo an annual GAAP financial statement audit for each of the Funds over which it is deemed to have custody, copies of which are (or will be, for newly closed Funds) distributed to all investors in the Funds no later than 120 days after the end of the applicable Fund's fiscal year end (unless an earlier date is specified in the Partnership Agreement of the applicable Fund).

With respect to Fund assets, called capital is directly sent or wired into the account(s) of the relevant Fund's qualified custodian(s). PPC receives monthly statements from its qualified custodian(s) on behalf of the Funds.

Item 16 – Investment Discretion

PPC has discretionary authority to manage investments made on behalf of each Fund as detailed in the Partnership Agreement of each Fund. Investment advice is provided directly to the Funds, subject to the discretion and control of the relevant Fund general partner, and not to investors in the Funds individually. PPC assumes this discretionary authority pursuant to the terms of the Partnership Agreement and powers of attorney executed by the limited partners of such Fund. Once an investor executes these documents, PPC is not required to contact such investor prior to transacting business in a Fund. Pursuant to the terms of the Partnership Agreement, however, PPC and/or its affiliates have entered into Side Letters with certain limited partners whereby the terms applicable to such investor's investment in a Fund have been altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. Other investors meeting certain commitment thresholds are often provided with notification provisions regarding such Side Letter agreements but are not provided with consent rights over such agreements.

In addition, PPC provides non-discretionary investment advisory services to an entity that oversees the investment activities of the Pritzker Investors. Under the terms of a non-discretionary investment sub-advisory agreement between PPC and such entity, PPC recommends investment opportunities to such entity, and all decisions with respect to the acquisition or disposition of any recommendation by PPC are the sole responsibility of such entity.

Item 17 – Voting Client Securities

By virtue of the applicable Partnership Agreement, PPC has the authority to vote proxy statements on behalf of the Funds. The majority of "proxies" received by PPC, however, are written shareholder consents or similar instruments for private companies owned by the Funds. PPC has adopted Proxy Voting Policies and Procedures (the "Proxy Policy") pursuant to Rule 206(4)-6 to address how it will vote proxies, as applicable, for any Fund's portfolio investments. The Proxy Policy seeks to ensure that PPC votes proxies (or similar instruments) in the best interest of the Funds, including where there is a material conflict of interest in voting proxies. PPC generally believes its interests are aligned with those of each Fund's investors, for example, through the principals' beneficial ownership interests in such Fund and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that PPC can address the conflict using several alternatives as set forth in the Proxy Policy. Additionally, a Fund's advisory board can be called upon to approve PPC's vote in a particular solicitation. PPC does not consider service on PPC Company boards by PPC personnel or PPC's receipt of management or other fees from PPC Companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by PPC when voting proxies on behalf of a Fund. If you would like a copy of PPC's complete Proxy Policy or information regarding how PPC voted proxies for particular PPC Companies, please contact Brad West, PPC's Chief Compliance Officer, at (312) 447-6050, and it will be provided to you at no charge.

Item 18 – Financial Information

PPC does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.