

Providence Equity Partners L.L.C.

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Part 2A of Form ADV: Firm Brochure
March 31, 2017

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

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

Item 2. Material Changes

This brochure dated March 31, 2017 serves as an update to the Adviser's (as defined in Item 4) brochure dated March 30, 2016. While there have been no material changes to this brochure, we had made certain routine updates, including updating (a) the discussion of expenses in Item 5, (b) the risks associated with an investment in a Fund (as defined in Item 4) in Item 8 and (c) the discussion of conflicts in Item 11.

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Item 4. Advisory Business

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

Background

Established in 1989, the Adviser was a pioneer in a sector-based approach to private equity, convinced that a dedicated team of industry experts could build companies of enduring value in the dynamic communications industry. The funds sponsored by the Adviser have invested in more than 160 companies over the Adviser’s 28-year history.

The Adviser’s team operates out of offices in Providence, New York, London and Hong Kong. The Adviser partners with companies across different stages in their development, from growth capital and complex recapitalizations of family-owned businesses to large buyouts and take-privates. The Adviser can employ a variety of financing structures and targets equity investments of \$150 million to \$800 million or, in the case of Providence Strategic Growth L.P., Providence Strategic Growth-A L.P., Providence Strategic Growth II L.P. and Providence Strategic Growth II-A L.P., equity investments of \$5 million to \$50 million. The Adviser prefers to lead its investments, serve on portfolio company boards, and work collaboratively with portfolio company management. From broadband to broadcast, music to film, wireline to wireless, publishing to the Internet, the Adviser strives to bring extensive industry, financial and operational expertise to each of its portfolio companies.

The principal owners of Providence are Jonathan M. Nelson, indirectly through Fund Management, Inc., Providence Equity Global Group L.L.C. and other vehicles.

Services

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

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

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

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

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

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

As of December 31, 2016, the Adviser manages a total of \$16,294,442,513 of client assets, all of which is managed on a discretionary basis.

Item 5. Fees and Compensation

Management Fees

In respect of each Main Fund and certain Co-Investment Funds, the Adviser is paid a semi-annual or quarterly management fee, payable in advance, by such Main Fund or, where applicable, Co-Investment Fund. Management fees are paid by the Main Fund or, where applicable, Co-Investment Fund with either cash on hand, disposition proceeds or from drawdowns of the investors’ unfunded capital commitments. If cash on hand or disposition proceeds are used to pay management fees, a subsequent capital call would be issued. Management fees paid by each Main Fund and applicable Co-Investment Fund are indirectly borne by investors in such Funds,

including any Funds that invest in a Main Fund (such as Feeder Funds). The general partner of each Fund generally is permitted to terminate the advisory agreement upon 60 days' notice, although the notice period for some Funds is shorter as set forth in each relevant Fund's organizational documents. Upon termination of a relevant advisory agreement, management fees that have been prepaid are returned on a prorated basis.

The precise amount of, and the manner and calculation of, the management fees for each Fund is disclosed in the organizational and offering documents of such Fund. The management fees are negotiated collectively with the investors of each Fund and are subject to waiver or reduction by the Adviser. For example, the Adviser and certain of its principals and employees or their family members and related vehicles typically invest in the Funds, and management fees assessed on such investments are typically substantially reduced or waived entirely. In addition, a portion of such principals' and employees' capital subscription may be made through reductions in or waiver of the management fee payable to the Adviser by such Fund in lieu of capital contributions by such principals and employees. Investors that meet certain minimum investment amounts also, in some cases, benefit from lower management fees as disclosed in the organizational documents for the Funds. Certain Co-Investment Funds do not pay management fees.

Except as otherwise set forth in the organizational documents of a Fund, the management fees paid by a Fund will generally be reduced by a percentage of: (1) the amount of fees paid by such Fund to persons acting as a placement agent in connection with the offer and sale of interests in such Fund to certain potential investors, (2) the fees incurred by the Adviser in connection with the organization of such Fund that exceed a limit specified in such Fund's organizational documents and/or (3) certain Other Fees (as defined below) received by the Adviser or its affiliates. The amount and manner of such reduction, if any, is set forth in the advisory agreement and/or organizational documents of the applicable Fund. To the extent that an Other Fee relates to more than one Fund, the Adviser will generally allocate the resulting management fee reduction among the applicable Fund(s) in proportion to their interest (or prospective interest) in the portfolio company. As some Funds do not pay management fees, any such reduction will not benefit such Funds. Generally, the portion of Other Fees allocable to capital invested by a Fund, Co-Investment Fund or third-party investor that does not pay management fees will be retained by the Adviser and such amounts will not offset any management fees.

Other Fees and Expenses

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

Generally, and except as set forth in the organizational documents of the applicable Fund, a Fund will pay: (a) out-of-pocket expenses, costs and liabilities (including those incurred by subsidiaries used to hold, manage or administer investments) associated with identifying, structuring, negotiating, monitoring, financing or disposing of investments, including legal, accounting, audit,

consulting, appraisal, travel, accommodation, entertainment, and other expenses; (b) out-of-pocket expenses incurred as a result of a proposed transaction or investment that is not consummated, to the extent not reimbursed by a third party; (c) the organization of any alternative investment vehicle; (d) litigation (including potential litigation), arbitration, directors and officers liability and other insurance and indemnity costs, expenses, judgments and settlements; (e) all taxes, fees and other governmental charges payable by such Fund in connection with any audit, investigation, settlement or review; (f) expenses and costs associated with communications to and meetings of the investors as well as those associated with any Fund advisory committee meetings; (g) all expenses incurred in connection with hedging transactions; (h) expenses and costs of liquidating such Fund, any alternative investment vehicle and their subsidiaries; (i) administrative expenses and costs, including expenses associated with information technology, the maintenance of books of account, the preparation of financial statements and any financial reports (including fees and expenses of auditors, accountants and counsel); (j) fees and expenses of senior advisors, operating partners, advisers, consultants and other similar professionals who are not employees or affiliates of the Adviser that assist with the sourcing or evaluation of potential investments or provide financial, structuring, or strategic advice to such Fund or its portfolio companies; (k) expenses and costs incurred in connection with government and regulatory filings (including ongoing registration fees charged by regulators and any fees, costs and expenses incurred in complying with the disclosure, reporting and other similar obligations under the Alternative Investment Fund Managers Directive (“AIFMD”) and any secondary legislation, rules and/or associated guidance but excluding Form ADV and Form PF); and (l) repayment obligations incurred in connection with such Fund’s credit arrangements (including interest, fees and expenses in connection with such credit arrangements) and all other expenses of depositary services of any depositary, custodian and administrator services (including all legal, accounting, audit, consulting and appraisal expenses). Except as provided above or as set forth in the organizational documents of the applicable Fund, and to the extent not reimbursed by a portfolio company or other third party, the applicable general partner or the Adviser will pay all ordinary operating expenses incidental to the provision of the day-to-day administrative services of the Funds, including rent and salaries for the personnel of the Adviser or general partner.

From time to time, the general partner of a Fund may create certain “special purpose vehicles” or similar structuring vehicles for purposes of accommodating certain tax, legal and regulatory considerations of investors (“SPVs”). If the general partner of a Fund creates an SPV, consistent with the organizational documents of the Fund, the SPV, and indirectly, the investors in such SPV, will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the SPV.

In certain cases, a Co-Investment Fund, or other similar vehicle established to facilitate the investment by investors to invest alongside a Fund, may be formed in connection with the consummation of a transaction. If such a Co-Investment Fund is created, the investors in such Co-Investment Fund will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the Co-Investment Fund. The Co-Investment Fund will generally bear its pro rata portion of expenses incurred in the making an investment. If a proposed transaction is not consummated, no such Co-Investment Fund generally will have been formed, and the full amount of any expenses relating to such proposed but not consummated transaction (“Dead Deal Costs”) would therefore be borne, depending on the facts and circumstances, by either the Fund or Funds selected by the Adviser as proposed investors for such

proposed transaction or by the Adviser. As a general matter, no co-investor will bear Dead Deal Costs or break-up fees until it is contractually committed to invest in the prospective investment.

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

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

Related Service Fees and Related Other Fees

The Adviser or its affiliates may receive fees in addition to the Management Fee, including commitment fees, break-up fees, directors' fees, consulting fees, incentive fees or discounts from service providers and similar fees relating to the investments made by a Fund and/or to monitoring, transaction-related services, financial advisory services and other services ("Related Services") provided by the Adviser or its affiliates to an actual or prospective portfolio company, other investment vehicles of the Funds or the Funds themselves, including fees in connection with structuring investments in such portfolio companies, as well as mergers, acquisitions, add-on acquisitions, refinancings, public offerings, sales or other dispositions and similar transactions with respect to such portfolio companies (collectively, "Other Fees").

Generally, under the terms of the applicable organizational documents, for purposes of calculating any management fee offset, these Other Fees are net of out-of-pocket costs and expenses incurred by the Adviser in connection with consummated and unconsummated transactions or in connection with generating any such fees. These Other Fees are often substantial and paid in cash, in securities of the portfolio companies or investment vehicles (or rights thereto) or otherwise. Although these fees are in addition to management fees paid by the Funds, the Adviser will in certain circumstances reduce management fees in connection with the receipt of these fees. The amount and manner of such reduction is set forth in the advisory agreement and/or organizational documents of the applicable Fund. Any such reduction of a Fund's management fees will be limited to the extent of such Fund's proportionate interest in the portfolio company or investment vehicle to which such Other Fees relate. While limited to instances where a Fund invests in a portfolio company alongside another sponsor who has a management agreement with such portfolio company providing for the acceleration of certain fees and the applicable general partner determines in its good faith discretion that the Fund's limited partners would benefit from such Fund's participation therein, there may be certain circumstances (such as the occurrence of an initial public offering or strategic exit) which may accelerate the payment of fees under the Fund's management agreement with such portfolio company.

Since the agreements with the portfolio companies providing for such fees may have prolonged terms (often exceeding ten years and/or subject to automatic extensions and renewal), the effect of such acceleration may be substantial, particularly in the event such circumstances occur early in the life of the Fund's investment in such portfolio company. Additionally, portfolio companies may reimburse the Adviser for expenses (including without limitation travel expenses, which may

include expenses for chartered or first class travel, and meals and entertaining expenses) incurred by the Adviser in connection with its performance of services for such portfolio company; such reimbursed expenses are generally not included in the definition of “Other Fees” under the terms of the applicable organizational documents, and such reimbursements are not subject to the sharing arrangements described above. For a discussion of material conflicts of interest created by the receipt of such fees, please see Item 11 below.

The payment of Other Fees by portfolio companies creates a conflict of interest between the Adviser and its affiliates and the Funds and their investors because the amounts of these Other Fees and reimbursements are often substantial and the Funds and their investors generally do not have a direct interest in these fees and reimbursements. The Adviser determines the amount of these fees for the services provided and reimbursements in its own discretion, subject to agreements with sellers, buyers, and management teams, the board of directors of or lenders to portfolio companies, and/or third party co-investors in its transactions, and the amount of such fees and reimbursements often will not (except in connection with the reductions described herein) be disclosed to investors in the Funds.

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

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

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

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

The payment by some, but not all, Funds of Carried Interest or the payment of Carried Interest at varying rates creates an incentive for the Adviser to disproportionately allocate time, services or functions to Funds paying Carried Interest or Funds paying Carried Interest at a higher rate. Generally, and except as may be otherwise set forth in the organizational documents of the Main

Funds, this conflict is mitigated by provisions restricting the Adviser and its principals, unless consented to by limited partners holding interests representing at least two-thirds of the aggregate commitments to the applicable Main Funds, from establishing a new pooled multiple investment fund with investment objectives and policies substantially similar to those of the applicable Main Fund until the earlier of (i) the end of the applicable Main Fund's investment period or (ii) such time as the applicable Main Fund is at least 75% invested or committed (including amounts reserved for follow-on investments and reasonably anticipated expenses of the applicable Main Fund). With respect to Co-Investment Funds, this conflict is further mitigated because Co-Investment Funds invest in a portfolio company alongside one or more Main Funds in pre-set amounts. Any Alternative Investment Vehicle will generally contain terms and conditions substantially similar to those of the Main Fund with respect to which it is formed and profits and losses of an Alternative Investment Vehicle generally will be aggregated with those of such Main Fund for purposes of determining distributions by the Main Fund and the Alternative Investment Vehicle (except as may be advisable because of legal, regulatory or tax constraints). Please also see Item 12 below regarding trade aggregation and Item 11 below for additional information relating to how conflicts of interests are generally addressed by the Adviser.

Item 7. Types of Clients

The Adviser provides investment advisory services to the Funds. Investment advice is provided directly to the Funds and not individually to the investors in the Funds. Investors in the Funds are generally "qualified purchasers" as defined in the 1940 Act, and may include, among others, high net worth individuals, banks, thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, university endowments, corporations, sovereign wealth funds, limited partnerships and limited liability companies.

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

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

Methods of Analysis and Investment Strategies

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

The Adviser pursues value-based private equity investments (as well as, on occasion, investments in debt instruments) in companies operating in the media, entertainment, communications,

education and information services industries by seeking to purchase attractive assets at compelling prices or to finance activities that create significant value. With respect to investments made in private equity, the Adviser seeks to enhance the value of portfolio companies through improved operations, strategic restructuring and successful exit strategies.

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

Except as set forth in the next two sentences, the Investment Committee of the general partner for each Fund currently consists of Mr. Nelson, Glenn M. Creamer, Paul J. Salem, John C. Hahn, Michael J. Dominguez and Peter O. Wilde. The Investment Committee of the general partner of Providence Strategic Growth L.P., Providence Strategic Growth-A L.P., Providence Strategic Growth II L.P. and Providence Strategic Growth II-A L.P. currently consists of Mark E. Hastings and Peter O. Wilde. With regard to debt investments, a separate committee which consists of Messrs. Nelson, Creamer and Salem seeks advice from Benefit Street Partners L.L.C. and is responsible for approving all investment decisions. The composition of the membership of any Investment Committee may be terminated or changed by the general partner of the appropriate Fund at any time.

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

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

Risks

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

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

Risks Related to the Nature of the Fund's Investments

Many of a Fund's investments will be highly illiquid, and there can be no assurance that a Fund will be able to realize a return on such investments in a timely manner. Consequently, dispositions of such investments may require a lengthy time period or may result in distributions of securities in kind to investors that may or may not be marketable. The securities in which a Fund will invest generally will be the most junior in what typically will be a complex capital structure, and thus subject to the greatest risk of loss. Certain of a Fund's investments may be in businesses with little or no operating history. Certain of a Fund's investments may be in portfolio companies with high levels of debt or may be in leveraged buyouts. Leveraged buyouts by their nature require companies to undertake a high ratio of fixed charges to available income. Such investments are inherently more sensitive to declines in revenues and increases in expenses. To the extent a Fund makes debt investments, the Fund will be subject to additional risks, including those related to credit and market risks and special risks associated with investing in bank loans and participations, unsecured loans, second-lien loans, non-investment grade debt and other loans and debt instruments. Since a Fund will only make a limited number of investments, and because a Fund's investments generally will involve a high degree of risk, poor performance by a small number of investments could severely affect total returns to a Fund and its investors.

Projections

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

Expedited Transactions

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

Highly Competitive Market for Investment Opportunities

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

Risks Arising from General Economic Conditions

General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the Funds and may affect the Funds' ability to make investments and the value of the investments held by the Funds. Instability in the securities markets and economic conditions generally may also increase the risks inherent in the Funds' investments. The ability to realize investments depends not only on portfolio companies and their historical results and prospects, but also on political, market and economic conditions at the time of such realizations. Volatility in the financial sector may have an adverse material effect on the ability of the Funds to buy, sell and partially dispose of their portfolio company investments. The Funds may be adversely affected to the extent that they seek to dispose of any of their portfolio investments into an illiquid or volatile market, and a Fund may find itself unable to dispose of investments at prices that the Adviser believes reflect the fair value of such investments. The ability of portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public high yield debt market or otherwise.

Changes in general economic conditions may affect a Fund's activities. Interest rates, general levels of economic activity, the price of securities, the price of commodities, the rate of inflation and participation by other investors in the financial markets may affect the value and number of investments made by a Fund or considered for prospective investment. A Fund's investment strategy and the availability of opportunities satisfying a Fund's risk-adjusted return parameters relies, in part, on the continuation of certain trends and conditions observed in the market for various financial instruments and the larger financial markets and in some cases the improvement of such conditions. Consequently, a Fund may not be capable of, or successful at, preserving the value of its assets, generating positive investment returns or effectively managing risks. No assurance can be given that such conditions, trends or opportunities will arise.

Valuation of Assets

There is no actively traded market for most of the securities owned by the Funds. When estimating fair value, the Adviser will apply a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstance of the investments. Valuations are subject to multiple levels of review for approval and ensuring that portfolio investments are fairly valued is an

important focus of the Adviser. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities may ultimately be sold. Third-party pricing information may at times not be available regarding certain of a Fund's assets.

Lack of Diversification Risk

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

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

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

Investing in Growth Businesses

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

Portfolio Investments in Less Established Companies

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

and in many cases, if operating, will have negative cash flow. As such, these portfolio investments should be considered highly speculative and may result in the loss of a Fund's entire portfolio investment.

Investments in Levered Companies

Certain of the Funds' investments may be in businesses with high levels of debt or may be investments in leveraged buyouts. Leveraged buyouts by their nature require companies to undertake a high ratio of fixed charges to available income. Although the Adviser will seek to use leverage in a manner it believes is prudent, the leveraged capital structure of such investments will increase the exposure of a portfolio company to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of such portfolio company or its industry. Leveraged investments are inherently more sensitive to declines in revenues and to increases in expenses. Leveraging the capital structure of a portfolio company will mean that third parties, such as banks, may be entitled to the cash flow generated by such investments prior to a Fund receiving a return. The securities in which a Fund may invest generally will be the most junior in what typically will be a complex capital structure, and thus subject to the greatest risk of loss. In addition, there can be no guarantee that debt facilities will be available at commercially attractive rates throughout the term of a Fund or when due for refinancing such that such Fund or the applicable portfolio company will be exposed to less favorable terms or rates upon a refinancing, or that any facilities negotiated will be fully utilized.

Risks Related to Reliance on Management of Portfolio Companies

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

Material Non-Public Information

By reason of the Adviser's responsibilities in connection with one or more Funds and other activities, including but not limited to participation in the management of portfolio companies and/or participation with creditors' committees in bankruptcy proceedings, the Adviser may acquire confidential information that it will not be able to use for the benefit of any Funds. Due to these restrictions, a Fund may be restricted from initiating a transaction it otherwise might have initiated and/or selling an investment that it otherwise might have sold.

Risk Arising from Provision of Managerial Assistance

If the Adviser structures a Fund's investments so that the Fund will qualify as a "venture capital operating company" within the meaning of regulations promulgated under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Fund will be required to obtain rights to participate substantially in and to influence substantially the conduct of the management of the majority (valued at cost) of a Fund's portfolio companies. Regardless of whether a Fund seeks to qualify as a "venture capital operating company," a Fund typically will designate directors to serve on the boards of directors of portfolio companies. The designation of representatives and other measures contemplated could expose the assets of a Fund to claims by a

portfolio company, its security holders and its creditors, including claims that a Fund is a controlling person and thus is liable for securities laws violations of a portfolio company. These measures also could result in certain liabilities in the event of the bankruptcy or reorganization of a portfolio company; could result in claims against a Fund if the designated directors violate their fiduciary or other duties to a portfolio company or fail to exercise appropriate levels of care under applicable corporate or securities laws, environmental laws or other legal principles; and could expose a Fund to claims that it has interfered in management to the detriment of a portfolio company. While the Adviser intends to manage each Fund in a manner that will minimize the exposure to these risks, the possibility of successful claims cannot be precluded.

Risk of Third-Party Litigation

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

Indemnification

A Fund may be required to indemnify the Adviser and service providers for liabilities incurred in connection with the affairs of the Fund. Such liabilities may be material and have an adverse effect on the returns to the investors. For example, a Fund may be required (i) in connection with a potential portfolio investment, to retain and indemnify (directly or indirectly) financial advisors, providers of debt financing and service providers prior to the consummation of the investment, including taking such actions in cases where a Fund may ultimately acquire only a portion of the investment available, (ii) to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be incorrect, inaccurate or misleading and (iii) to indemnify the Adviser for losses incurred in connection with a guarantee. The indemnification obligations of a Fund would be payable from the assets of such Fund, including the unfunded capital commitments of the investors. If the assets of a Fund are insufficient to cover such indemnification obligations, investors could be required to return distributions to a Fund (subject to certain limitations).

Risks Upon Disposition of Investments

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

if there is any such claim in respect of a portfolio company, it will be funded by the investors in the Fund, including, subject to certain limitations, by returning distributions received from the Fund.

Risks of Bankruptcy of Portfolio Companies

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

Certain Effects of Default and Bankruptcy

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

Risk Relating to No Right to Control Portfolio Companies

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

Non-U.S. Investments Risks

Certain of the Funds invest in businesses operating and/or organized outside of the U.S. There are additional risks associated with such non-U.S. investments, including the following: (i) the unpredictability of international trade patterns; (ii) the possibility of governmental actions adverse to business generally or to non-U.S. investors in particular; (iii) changes in taxation, fiscal and monetary policies or imposition or modification of controls on non-U.S. currency exchange, repatriation of proceeds, or non-U.S. investment; (iv) the imposition or increase of withholding taxes on income and gains; (v) price volatility; (vi) absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation which may result in lower quality information being available and less developed corporate laws regarding fiduciary duties and the protection of investors; (vii) governmental influence on the national and local economies; and (viii) fluctuations in currency exchange rates. In addition, collateral that is located outside of the U.S. may be subject to various creditor-protection laws, depending on the country and the obligor, which laws may differ substantially from those applicable in the U.S. Repatriation of investment income, capital and the proceeds from sales of investments by non-U.S. investors (such as a Fund) may require

governmental registration and approval in some countries. A Fund could be adversely affected by delays in or a refusal to grant required governmental registration or approval for any such proposed repatriation.

Certain non-U.S. countries have experienced substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates have had and may continue to have very negative effects on the economies and financing markets (both public and private) of certain countries in which a Fund may invest. There can be no assurance that high rates of inflation outside the United States will not have a material adverse effect on the investments of a Fund.

In addition, non-U.S. investments may be denominated in currencies other than the U.S. dollar, and hence the value of such investments will depend in part on the relative strength of such currency to the U.S. dollar. A Fund may be affected favorably or unfavorably by currency control regulations or changes in the exchange rate between non-U.S. currencies and the U.S. dollar. In addition, a Fund will incur costs in connection with conversions between various currencies. A Fund may, but is not obligated to, engage in currency hedging operations. There can be no assurance as to the success of any hedging operations that a Fund may implement. See “Hedging Risks” below.

Non-U.S. Currency and Exchange Risks

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

Hedging Risks

The Adviser may utilize instruments such as forward contracts, currency options and interest rate swaps, caps, collars and floors to seek to hedge against fluctuations in the relative values of its portfolio positions as a result of changes in currency exchange rates and market interest rates. A hedge position may not be effective in eliminating all of the risks inherent in any particular position. Such hedging transactions also limit the opportunity for gain. The success of hedging transactions will be subject to the ability of the Adviser to correctly predict movements in and the direction of currencies and interest rates. Unanticipated changes in currency exchange rates or interest rates may negatively impact the overall performance of a Fund. In the event of an imperfect correlation between a position in a hedging instrument and the portfolio position that it is intended to hedge, the desired protection may not be obtained and a Fund may be exposed to additional risk of loss. It is not possible to hedge fully or perfectly against currency fluctuations affecting the value of investments denominated in non-U.S. currencies because the value of those investments is likely to fluctuate as a result of independent factors not related to currency fluctuations. The Adviser may determine in its sole discretion not to hedge against certain risks, and certain risks may exist that cannot be hedged. There can be no guarantee that instruments

suitable for hedging market shifts will be available at the time when a Fund wishes to use them. A Fund's hedging arrangements that are undertaken through brokers, banks or other organizations will subject such Fund to the risk of default or insolvency of such organizations. In such event, there can be no assurance that any money advanced to such organizations would be repaid or that a Fund would have any recourse in the event of non-payment.

Counterparty Risk

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

Co-Investments with Third Parties

Certain Funds may invest alongside strategic, financial or other third party co-investors, and the Adviser may offer one or more co-investment opportunities to one or more investors in the Funds. In certain circumstances, co-investors may acquire an interest in an investment after a Fund has made such investment. A Fund's ability to achieve certain co-investment objectives assumes that such Fund will be able to negotiate and execute mutually acceptable terms and conditions in respect thereof. In such situations, a Fund's ability to control its equity investments will depend upon the nature of the joint investment arrangements with such partners and such Fund's relative ownership stake in such investments. A Fund may be a minority investor in these circumstances. In addition, such arrangements may restrict a Fund's ability to dispose of its investments for potentially significant periods of time. Such investments will involve additional risks that may not be present in investments that do not involve a co-investor, including the possibility that a co-investor may at any time have economic or business interests or goals that are not consistent with those of the applicable Fund, may be in a position to take action contrary to such Fund's investment objectives or may default on its obligations. While each Fund intends to mitigate these risks contractually, there can be no assurance that it will be successful in doing so. In addition, under certain circumstances a Fund may be liable for actions of its co-investors. To reduce the possibility of liability, each Fund will seek to hold its assets through limited liability entities. The performance of co-investments will not be aggregated with that of a Fund for purposes of determining a general partner's carried interest under a partnership agreement or other organizational document. The Adviser does not generally expect to charge management fees or carried interest in respect of co-investments. Fees and expenses incurred in respect of any investment (and any transaction or other fee income earned in respect of any investment) will generally be allocated among a Fund and any co-investors on the basis of capital committed by each to the relevant investment; provided that the Adviser may be authorized to structure any co-investment opportunity such that the co-investors will not bear certain expenses in connection with unconsummated investments. In such cases, the Fund shall bear all such broken deal expenses (and in such case shall be entitled to any such break-up fees or other similar fees). Portfolio company borrowings may be guaranteed by a Fund, however, co-investors participating in such investment may not guarantee their pro rata share of such borrowing. In certain circumstances, the Adviser or its affiliates may invest capital in vehicles set up with co-investors in connection with such co-investment opportunities. Co-investments may also involve higher costs than other investments.

Syndication of Co-investments

From time to time, a Fund may make an investment with the expectation of offering a portion of its interests therein as a co-investment opportunity to investors and/or other third-party investors. There can be no assurance (1) that a Fund will be successful in syndicating such co-investment, in whole or in part, (2) that the closing of such co-investment will be consummated in a timely manner, (3) that the syndication will take place on terms and conditions that will be preferable for a Fund or (4) that expenses incurred by a Fund with respect to such syndication will not be substantial. If a Fund is not successful in syndicating such co-investment, in whole or in part, such Fund may consequently hold a greater concentration and have more exposure in the related investment than initially was intended, which could make such Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. Moreover, an investment by a Fund which is not syndicated to co-investors as originally anticipated could significantly reduce such Fund's overall investment returns.

Guarantees of Portfolio Companies

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

Bridge Financings

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

Business and Regulatory Risks of Private Investment Funds

Legal, tax and/or regulatory changes could occur during the term of a Fund that would adversely affect such Fund. The regulatory environment for private investment funds and their investment advisers is evolving, and changes in the regulation of private investment funds or their investment advisers may adversely affect the value of investments held by a Fund and the ability of a Fund to obtain the leverage it might otherwise obtain or to pursue its trading strategies. In addition, the SEC, other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies.

Effect of Fees and Expenses on Returns

The Funds will bear all expenses relating to their respective operations and will pay the management fees and any fees payable by such Fund to third parties. Such expenses and fees will reduce the actual returns to the investors. The expenses and fees will be paid regardless of whether the Funds produce positive investment returns. If a Fund does not produce significant positive investment returns, expenses and fees will reduce the amount of the investment recovered by the investors to an amount less than the amount invested in the Fund by the investors.

Cybersecurity Risk

The Adviser, the Funds' service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Funds and their investors, despite the efforts of the Adviser and the Funds' service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Fund and its investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of the Adviser, the Funds' service providers, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of the Adviser's systems to disclose sensitive information in order to gain access to the Adviser's data or that of the Funds' investors. A successful penetration or circumvention of the security of the Adviser's systems could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Funds, the Adviser or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss.

Similar types of operational and technology risks are also present for the companies in which the Funds invest, which could have material adverse consequences for such companies, and may cause the Funds' investments to lose value.

Item 9. Disciplinary Information

This item is not applicable to the Adviser.

Item 10. Other Financial Industry Activities and Affiliations

Related General Partners

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

Affiliated Advisers

Providence is affiliated with the investment advisers listed below. Providence has entered into consulting agreements with certain of these affiliates, pursuant to which they provide certain non-execution advisory services to Providence and the Funds, including but not limited to providing research services, investment recommendations, structuring advice and negotiation services, ongoing monitoring and reporting regarding portfolio companies, consulting with portfolio companies, preparing materials for investor reports, providing employees to serve as directors of portfolio companies, and providing employees to vote proxies at portfolio company shareholder meetings.

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

- Merganser Capital Management, LLC (“Merganser”): a U.S. registered investment adviser with the SEC and an affiliate of Providence.

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

Merganser is operated and managed separately from the Adviser, and Merganser does not have any involvement in the day-to-day investment operations of the Adviser. The Adviser does not direct or coordinate investment recommendations with Merganser and all such recommendations and allocations of investment opportunities are made by the Adviser independent of Merganser.

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

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

Code of Ethics

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

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

Valuation of Fund Assets

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

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

Participation or Interest in Client Transactions

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

Investor Due Diligence Information

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

Conflicts of Interest

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

Resolution of Conflicts

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

- (1) A Fund will not make an investment unless the Adviser believes that such investment is an appropriate investment considered solely from the viewpoint of the applicable Fund.
- (2) Conflicts of interest will generally be resolved by set procedures contained in the relevant offering and organizational documents of a Fund, if applicable.
- (3) Generally, each Main Fund has established an advisory committee, consisting of representatives of limited partners not affiliated with the Adviser. The advisory committees meet as required to consult with the Adviser as to certain potential conflicts of interest.
- (4) Where the Adviser in its sole discretion deems appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price.
- (5) Prior to subscribing for interests in a Fund, each investor (other than certain third party investors in a Co-Investment Fund) receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund.

(6) The Adviser and certain of its affiliates have adopted written policies establishing information “walls” designed to limit communication between business units investing in equity securities and debt securities of companies. These policies restrict the transfer of confidential information between these business units, subject to certain exceptions provided in the policies. These policies establish procedures for communications among employees of different business units to guard against unlawful and inappropriate disclosure of material, nonpublic information.

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

Potential Conflicts

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

Principal Transactions

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

Cross-Transactions

A cross-transaction generally refers to a transaction where one client account managed by the Adviser or its affiliates seeks to acquire an investment that another client account of the Adviser seeks to sell. Cross-transactions create conflicts of interest because a Fund is on both sides of the transaction. The Adviser on occasion purchases a security or securities for one Fund at the same time as a sale of the same security or securities for another Fund or effects cross-transactions between Funds. In accordance and subject to the organizational documents of the Main Funds, the consent of each relevant Main Fund’s advisory committee will be required in advance of any such transaction involving one or more Main Funds. In most instances such transactions will be effected to rebalance the positions held by the Funds with a view towards achieving uniform results among certain clients in light of differing cash flows due to subscriptions. The valuation of investments transferred between Funds involves inherent conflicts of interest. Such transactions in publicly traded securities generally will be effected at the last sale price at the end or the first sales price at the beginning of the trading day through one or more broker-dealers, and in accordance with the Funds’ organizational documents, if applicable. For certain rebalancing transactions between a Fund and its associated parallel Fund, in accordance and subject to the organizational documents

of the Funds, the general partner of the Funds generally causes such Fund to purchase investments from or sell investments to the parallel Fund at cost plus the greater of (i) an amount calculated as interest at an interest rate equal to the Prime Rate plus 2% per annum thereon or at another rate as set forth in the applicable organizational documents and (ii) the amount determined by the general partner to be appropriate to take into account any appreciation amount, so that their resulting ownership of such investments is generally proportionate to the relative capital commitments of the Fund and such parallel Fund.

Conflicts Related to Purchases and Sales

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

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

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

may be prohibited from exercising voting or other rights, and may be subject to claims by other creditors with respect to the subordination of their interest. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Funds may or may not provide such additional capital, and if provided, each Fund will supply such additional capital in such amounts, if any, as determined by the Adviser. The Adviser and its affiliates may seek to address these conflicts by adopting policies and procedures, which may include limiting investments by a Fund which produce such conflicts, limiting voting or roles on creditors' committees, procedures designed to ensure that the teams managing the investments make independent decisions through the enforcement of information barriers and similar procedures, or other procedures in the judgment of the Adviser or its affiliates.

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

The Funds will, from time to time, enter into equity commitment arrangements whereby, subject to any applicable documentation, a Fund agrees that upon the closing of a transaction with respect to a potential portfolio company, it will purchase equity securities in a transaction. Furthermore, in certain instances certain Funds will also enter into limited guarantee arrangements whereby, subject to any applicable documentation, a Fund agrees that if a transaction with respect to a potential portfolio company is not consummated, it will pay a percentage of the total value of the transaction as a "reverse termination fee" to the seller entity. While certain co-investment vehicles with investments contractually tied to the Fund (including co-investment vehicles through which employees of the Adviser participate) are generally obligated to pay their proportionate share of the equity purchase price and/or the reverse termination fee (whether pursuant to the applicable Funds' organizational documents or otherwise), such co-investment vehicles are generally not direct parties to the equity commitment arrangements or limited guarantees. Therefore, in the unlikely event that a co-investment vehicle defaults on such arrangement, the Fund would be held responsible for the entire equity purchase price or reverse termination fee, as applicable.

Allocations

Each Fund may pursue investment opportunities similar to those pursued by another Fund or by clients of the Adviser's affiliates. The allocation of investment opportunities will be determined by the Adviser and its affiliates in their good faith judgment and in accordance with the organizational documents of the relevant Funds. Allocation decisions can raise conflicts, for example, if the Funds and clients of the Adviser's affiliates have different fee structures. Subject to applicable investment objectives and guidelines, the Adviser and its affiliates generally allocate

investment opportunities on a pro-rata basis among eligible Funds and clients of the Adviser's affiliates based upon the current available capital of each such investment vehicle. With respect to the Funds, current available capital may include, in the Adviser's discretion, anticipated, target or available leverage, unsettled trades, unfunded commitments, and uncalled capital. In addition, certain investment opportunities are allocated using certain factors such as risk factors or risk tolerances and/or diversification, Fund investment restrictions, currency or other exposures, current portfolio composition (including current cash available), whether a Fund has an existing investment in a portfolio company, a Fund's phase in its life cycle (for example, certain opportunities may be over-allocated or under-allocated to a Fund during the beginning or the end of its investment cycle), tax or regulatory restrictions applicable to a Fund, the level of transaction costs involved in making the investment relative to the amount of capital a Fund has available for the investment and certain other factors. Notwithstanding the foregoing, in certain circumstances as determined by the Adviser in its sole discretion, Funds that would otherwise receive an allocation under the policies and principles set out above will not receive such allocation if it would result in allocation of a de minimis amount. Moreover (a) Benefit Street Partners L.L.C., Providence Equity Capital Markets L.L.C. and BDCA Adviser, LLC (together, "Group A"), (b) Merganser Capital Management, LLC ("Group B") and (c) Providence Equity Partners L.L.C. and the other affiliated advisers (together, "Group C") operate separately with respect to their allocation policies and are subject to certain information wall policies and procedures, such that investment opportunities that Group A, Group B, and Group C sources, respectively, are subject to their own separate allocation policies, procedures and obligations and not the allocation policies, procedures and obligations of (x) Group B or Group C, in the case of Group A and their clients, (y) Group A or Group C, in the case of Group B and their clients, or (z) Group A or Group B, in the case of Group C and their clients.

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

Subject to any restrictions in the organizational documents of the applicable Fund, or terms negotiated in any side-letter arrangement, in general: (i) no investor in a Fund has a right to participate in any co-investment opportunity; (ii) decisions regarding whether and to whom to offer co-investment opportunities are made in the sole discretion of the Adviser or its affiliates or other participants in the applicable transactions, such as co-sponsors; (iii) co-investment opportunities are typically offered to some and not other investors in the Funds, in the sole discretion of the Adviser and its affiliates and investors may be offered a smaller amount of co-investment opportunities than originally requested; (iv) certain persons other than investors in the Funds (e.g., third parties) may be offered co-investment opportunities, in the sole discretion of the Adviser and its affiliates and (v) co-investors may purchase their interests in a portfolio company at the same time as the Funds or may purchase their interests from the applicable Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell down or transfer). In addition, in exercising the Adviser's discretion to decide how to allocate investment

opportunities among its Funds and related vehicles (including co-investment opportunities), the Adviser may consider some or all of a wide range of factors. In certain circumstances, the Adviser may receive compensation from a third party for a co-investment opportunity. Additionally, non-binding acknowledgements of interest in co-investment opportunities are not investment allocation requirements and do not require the Adviser to notify the recipients of such acknowledgements if there is a co-investment opportunity.

In exercising its discretion to allocate co-investment opportunities with respect to a particular investment among a Fund and potential co-investors, the Adviser may consider some or all of a wide range of factors, which include, but are not limited to, one or more of the following:

- Whether a potential co-investor has expressed to the Adviser an interest in participating in co-investment opportunities;
- The Adviser's evaluation of the size and financial resources of the potential co-investor and the Adviser's perception of the ability of that potential co-investor (in terms of, for example, staffing, expertise and other resources) to efficiently and expeditiously participate in the investment opportunity with the relevant Fund(s) without harming or otherwise prejudicing such Fund(s), in particular when the investment opportunity is time-sensitive in nature, as is typically the case;
- The Adviser's perception of its past experiences and relationship with the potential co-investor, such as the willingness or ability of the potential co-investor to respond promptly and/or affirmatively to potential investment opportunities previously offered by the Adviser;
- The Adviser's perception of whether the investment opportunity may subject the potential co-investor to legal, regulatory, reporting, public relations, media or other burdens that make it less likely such potential co-investor would act upon the investment opportunity if offered;
- Whether the Adviser believes, in its sole discretion, that allocating investment opportunities to a potential co-investor will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future Funds;
- Any confidentiality concerns the Adviser has that may arise in connection with providing the potential co-investor with specific information relating to the investment opportunity in order to permit such potential co-investor to evaluate the investment opportunity; and
- The Adviser's evaluation of whether the profile or characteristics of the potential co-investor may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Funds to take advantage of such opportunity (for example, if the potential co-investor is involved in the same industry as a target company in which a Fund wishes to invest, or if the identity of the potential co-investor, or the jurisdiction in which the potential co-investor is based, may affect the likelihood of a Fund being able to capitalize on a potential investment opportunity).

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

The appropriate allocation between Funds of expenses and fees generated in the course of evaluating and making investments which are not consummated, such as out-of-pocket fees associated with due diligence, attorney fees and the fees of other professionals, will be determined by the Adviser and its affiliates in their good faith judgment based on expected participation in such investment (although, as discussed, co-investors may in certain circumstances not bear broken deal expenses). Expenses related to consummated investments will generally be allocated by invested capital among a Fund and any other entities participating in such investment.

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

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

Management of the Funds

The Adviser manages a number of Funds that have investment objectives similar to each other. The Adviser expects in the future to establish one or more additional investment funds with investment objectives substantially similar to, or different from, those of the current Funds, including other managed entities focusing on investments with a different target size and/or different return profile. Allocation of available investment opportunities between the Funds and any such investment fund could give rise to conflicts of interest. See "Allocations" above. In addition, it is expected that employees of the Adviser responsible for managing a particular Fund will have responsibilities with respect to other Funds and funds managed by the Adviser's affiliates, including funds that it expects to establish in the future. Conflicts of interest arise in allocating time, services or functions of these employees among Funds and funds managed by the Adviser's Affiliates. See also the Adviser's response to the section entitled "Other Conflicts" below which describes other activities undertaken by employees of the Adviser.

Follow-on Investments

Investments made by a Fund to finance follow-on acquisitions present conflicts of interest, including determination of the equity component and other terms of any new financing as well as the allocation of the investment opportunities in the case of follow-on acquisitions by one Fund in a portfolio company in which another Fund or client of the Adviser's affiliates has previously invested. In addition, a Fund may participate in relevering and recapitalization transactions involving a portfolio company in which another Fund or client of the Adviser's affiliates has already invested or will invest. Conflicts of interest may arise, including determinations of

whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

Related Services

The Adviser and its affiliates will typically perform Related Services for, and will receive fees, including Other Fees, from, actual or prospective portfolio companies or other investment vehicles of the Funds. Such fees will be in addition to the management fee and Carried Interest paid by such Fund to the Adviser. These fees may create a conflict of interest between the Adviser and the Funds and their investors because the amounts of these fees may be substantial and the Funds and their investors do not have an interest in these fees. However, the Adviser typically reduces the management fee by a percentage of the amount of such fees received, which percentage varies from Fund to Fund and is set forth in the organizational documents of each Fund and/or disclosed in the offering documents of each Fund. The Adviser determines the amount of these fees for Related Services in its own discretion, subject to agreements with sellers, buyers, and management teams, the board of directors of or lenders to portfolio companies, and/or third party co-investors in its transactions. Consistent with the Funds' partnership agreements or other organizational documents, the Adviser may also incur expenses, and a portfolio company may reimburse the Adviser for such expenses (including without limitation travel expenses, which may include expenses for chartered or first class travel, premium accommodations, and meals and entertainment expenses) incurred by the Adviser in connection with its performance of services for such portfolio company, and such reimbursements are not subject to the sharing arrangements described above. Additionally, since the term of the Advisory Agreement may exceed ten years there are also certain circumstances (such as the occurrence of an initial public offering or strategic exit) which may accelerate the payment of such fees. These fees may be substantial, particularly in the event such circumstances occur early in the life of the Fund's investment in such portfolio company. This creates a conflict of interest between the Adviser and its affiliates and the Funds and their investors because the amounts of these reimbursements may be substantial and the Funds and their investors generally do not have an interest in these reimbursements. In many cases with respect to the implementation of such arrangements, there is not an independent third-party involved on behalf of the relevant portfolio company. Therefore, a conflict of interest may exist in the determination of any such fees and other related terms in the applicable agreement with the portfolio company. Please see Item 5 "Fees and Compensation" for additional information regarding Related Service Fees.

Diverse Membership

The investors in the Funds are expected to include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. Such investors may have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests among the investors may relate to or arise from, among other things, the nature of investments made by a Fund, the structuring of the acquisition of investments and the timing of the disposition of investments, as well as the structure of a Fund and its associated parallel funds. As a consequence, conflicts of interest may arise in connection with decisions made by the Adviser, including with respect to the nature or structuring of investments, that may be more beneficial for one investor than for another investor, especially with respect to investors' individual

tax situations. In selecting and structuring investments appropriate for a Fund, the Adviser will consider the investment and tax objectives of the applicable Fund and the investors as a whole, not the investment, tax or other objectives of any investor individually.

Business with Portfolio Companies and Investors

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

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

Portfolio companies controlled by a Fund may provide services to certain Fund investors. The Adviser may have an incentive to cause such a portfolio company to favor those investors relative to other portfolio company clients or customers in terms of pricing or otherwise, which could adversely affect the portfolio company's profitability to the Fund. Additionally, the portfolio company could recommend to its clients or customers that they invest in a Fund.

In certain instances, a Fund's portfolio company competes with, is a customer of, or is a service provider to, another Fund's portfolio company. In providing advice to a portfolio company's business, the Adviser is not obligated to, and need not, take into consideration the interests of other relevant portfolio companies or Funds. As a result, a conflict of interest may arise in these instances because advice and recommendations provided by the Adviser to a portfolio company may have adverse consequences to the portfolio company owned by another Fund.

The Adviser and/or its affiliates may engage in business with certain service providers, including for example, investment bankers, outside legal counsel and pension consultants, who are investors in Funds and/or who provide services (including mezzanine and/or lending arrangements) to the Adviser, the Funds, the portfolio companies and/or businesses that are competitors of the Adviser. Such engagement may be concurrent with an investor's admission to a Fund, or during the term of such investor's investment in the Fund. This creates a conflict of interest, as the Adviser may give such investor preferred economics or other terms with respect to its investment in a Fund, or may have an incentive to offer such investor co-investment opportunities that it would not otherwise offer to such investor. The Adviser will have a conflict of interest with the Funds in recommending the retention or continuation of a service provider to the Funds or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in Funds or will provide the Adviser information about markets and industries in which the Adviser operates or is interested or will provide other services that are beneficial to the Adviser. There is a possibility that the Adviser, because of such belief or for other reasons, may favor such

retention or continuation even if a better price and/or quality of service could be obtained from another person.

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

Side Letter Agreements; Advisory Committee Rights

The Adviser enters into side letter arrangements with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to (i) different or preferential fee structures, (ii) other preferential economic rights, information and reporting rights, (iii) excuse or exclusion rights, (iv) waiver of certain confidentiality provisions, (v) co-investment rights, (vi) liquidity or transfer rights, (vii) certain rights or terms necessary in light of particular legal, regulatory or policy requirements of a particular investor, (viii) additional obligations and restrictions with respect to structuring particular investments in light of the legal and regulatory considerations applicable to a particular investor and (ix) veto rights. However, in general, the organizational documents for the Funds contain a most favored nations provision which allows investors, subject to the limitations set forth therein, the right to elect to obtain such rights, where applicable. Investors will have no recourse against a Fund or any of its affiliates in the event that certain investors receive additional or different rights or terms as a result of such side letters.

Many of the Funds have established advisory committees, consisting of representatives of investors. A conflict of interest may exist when some, but not all limited partners are permitted to designate a member to the advisory committee. The advisory committee may also have the ability to approve conflicts of interests with respect to the Adviser and the applicable Fund, which could be disadvantageous to the investors, including those investors who do not designate a member to the advisory committee.

Advisory Affiliates

Providence has affiliate investment advisers as noted in Item 10. Providence Equity Capital Markets L.L.C., Benefit Street Partners L.L.C., Merganser Capital Management, LLC and BDCA Adviser, LLC focus primarily on different investment strategies than Providence, and are investment advisers that are registered with the SEC. In addition, Providence Equity Capital Markets L.L.C. and Benefit Street Partners L.L.C. are registered with the CFTC as CPOs, and are members of the NFA and Benefit Street Partners L.L.C. is also registered with the CFTC as a CTA. However, clients of Providence, Providence Equity Capital Markets L.L.C., Benefit Street Partners L.L.C., Merganser Capital Management, LLC and BDCA Adviser, LLC may invest in the same portfolio companies, including in the same security or in different securities of such a portfolio company. In the ordinary course of conducting its activities, interests of Providence's clients may therefore conflict with the interests of the clients of Providence Equity Capital Markets L.L.C., Benefit Street Partners L.L.C., Merganser Capital Management, LLC and BDCA Adviser, LLC. Please see the Adviser's response in the sections entitled "Conflicts Related to Purchases and Sales" and "Allocations" above for more information. Other than Providence Equity Capital Markets L.L.C., Benefit Street Partners L.L.C., Providence Strategic Growth Capital Partners

L.L.C., Merganser Capital Management, LLC and BDCA Adviser, LLC, the other investment adviser affiliates of the Adviser do not have their own clients.

Conflicts Relating to the General Partner and the Adviser

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

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

Because certain expenses are borne by a Fund and/or its portfolio companies or, if incurred by the Adviser, are reimbursed by a Fund and/or its portfolio companies, the Adviser may not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses.

Operating Partners, Consultants, Senior Advisors and Other Service Providers

In addition to the full-time investment professionals of the firm, the Adviser and its affiliates may also from time to time engage or arrange for the engagement and retention by a Fund or a portfolio company of senior advisors, operating partners, advisers, consultants, and other similar professionals (together, “Consultants”) who are not employees or affiliates of the Adviser. The Consultants assist with evaluating new transactions, providing strategic insights related to portfolio company matters, financial and structuring advice and performing other services for the Adviser, the Funds or the portfolio companies. While Consultants may be referred to as “Operating Partners” or “Senior Advisors” they are not partners or employees of the Adviser or any of its affiliates, but rather consultants engaged by the Adviser or by or on behalf of a Fund or a portfolio company of the Fund.

The compensation of such Consultants is generally apportioned among the applicable Fund and/or the portfolio company (or companies) with respect to which such Consultant provides services. Such compensation may be linked to the performance of the applicable portfolio company or a Fund’s investments therein. A Fund’s share of any retainers, success fees or other fees charged by Consultants (“Consultant Fees”) will be treated as a Fund expense borne by the Fund (whether paid by the Fund directly or by the Adviser and subsequently reimbursed by the Fund). While the Adviser believes such Consultant Fees are reasonable for the relevant services provided,

Consultant Fees may not always be comparable to costs, fees and expenses charged by other third parties. In addition to such fees, a Fund or the applicable portfolio company will also generally bear any travel costs or other out-of-pocket expenses incurred by the Consultants in connection with the provision of their services. Office, accounting, network, administration and other support benefits may be provided by the Adviser to the Consultants without charge to the Fund or the applicable portfolio company.

Consultants may be granted the right to participate alongside a Fund in transactions for which they provide advice. Such co-investment rights may result in the Fund investing less capital than it otherwise would have in such transactions. In addition, such Consultants may invest directly in a Fund as limited partners.

Consultants may also serve on the boards of portfolio companies or as employees or consultants of portfolio companies in an operations capacity. Any directors' fees, salaries, Consultant Fees, other cash compensation, stock options or other compensation received by Consultants in such capacities will be borne by the portfolio companies and indirectly by the Fund, will not be deemed paid to or received by the Adviser or its affiliates and therefore will not result in an offset to the management fee payable by the Fund.

Although the use of Consultants and allocation of Consultant Fees paid to them may subject the Adviser and its affiliates to potential conflicts of interest, the Adviser believes any such potential conflicts of interest are mitigated by the expected savings to the portfolio companies (and, in turn, the relevant Fund(s)) that will be applied if the cost of the Consultant is lower than market rates for the services provided, or if the services provided by the Consultants are consistent with the business strategy the Adviser has for the relevant portfolio company.

Conflicts Related to Fee Structure

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

The fact that the Carried Interest received by the Adviser from the Funds is based on the performance of the Funds also creates an incentive for the Adviser to cause the Funds to make investments that are more speculative than would be the case in the absence of performance-based compensation. However, this incentive is tempered somewhat by the fact that losses from unsuccessful investments will reduce the Fund's performance and thus the Adviser's receipt of Carried Interest. In addition, the method of calculating Carried Interest may result in conflicts of interest between the Adviser and its affiliates, on the one hand, and the investors, on the other hand, with respect to the management and disposition of investments, including the timing and sequence of such dispositions. Further, the manner in which management fees are charged may create an incentive for the Adviser to favor holding investments for long periods of time in order to increase the amount of management fee it is entitled to receive.

Fund Level Borrowing

The Funds from time to time borrow funds or enter into other financing arrangements for various reasons, including to pay fund expenses, to pay management fees, to make or facilitate new or follow-on investments, to make payments under hedging transactions, to cover any shortfall resulting from an investor's default or exclusion or to fund capital contributions at the closing of an investment. If a Fund borrows in lieu of calling capital to fund the acquisition of an investment, the borrowing would be used for all limited partners in such Fund on a pro-rata basis, including the general partner. In addition, fund facilities for certain Funds are available to provide borrowed funds directly to the portfolio companies of such Funds, in which case such borrowed funds would be guaranteed by such Funds. To the extent a certain Fund becomes unable to borrow, or loses a line of credit, such inability to borrow could adversely impact the Fund's operations to the extent the Fund needs to access borrowed funds.

Although borrowings by a Fund have the potential to enhance overall returns that exceed such Fund's cost of funds, such borrowings increase the potential exposure of such Fund to a particular investment above the level that a Fund would typically have had an investment been limited to equity. Any such borrowings will further diminish returns (or increase losses on capital) to the extent overall returns are less than a Fund's cost of funds. In addition, borrowings by a Fund are secured by capital commitments made by Fund investors to such Fund as well as by a Fund's assets and the documentation relating to such borrowings provides that during the continuance of a default under such borrowings, the interests of the investors may be subordinated to such Fund-level borrowing. Moreover, tax-exempt investors should note that the use of leverage by a Fund may cause the realization of "unrelated business taxable income." To the extent a Fund uses borrowed funds in advance or in lieu of capital contributions or a portfolio company borrows funds directly through such Fund facility, such Fund's investors generally make correspondingly later capital contributions. As a result, 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 may make net IRR calculations higher than it otherwise would be without fund-level borrowing and can impact the carried interest a Fund's general partner receives, as these calculations generally depend on the amount and timing of capital contributions as well as the level of the organizational structure at which such borrowed funds are borrowed or deployed. In addition, where a portfolio company borrows funds directly through a Fund facility, the applicable Funds may charge the portfolio company borrower higher interest rates than the interest rate such Funds pay pursuant to such financing facility, among other things, to help offset origination and other facility costs.

Other Conflicts

The organizational documents of a Fund establish complex arrangements among the Funds, the Adviser, investors, and other relevant parties. From time to time, questions may arise regarding certain parties' rights and obligations in certain situations, some of which may not have been contemplated upon the negotiation and execution of such documents. In some instances, the operative provisions of the organizational documents of a Fund may be broad, unclear, general, conflicting, ambiguous, and vague and may allow for multiple reasonable interpretations. In other instances, there may not be a directly applicable provision in the relevant organizational documents. While the Adviser will construe the relevant provisions in good faith and in a manner

consistent with its fiduciary duty and legal obligations, the interpretations used may not be the most favorable to a Fund or its investors.

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

The Adviser may in its discretion have, and may, in its discretion, cause the Funds and/or their portfolio companies to have, ongoing business dealings, arrangements or agreements with persons who are former employees or executives of the Adviser or the Adviser's affiliates. The Funds and/or their portfolio companies bear, directly or indirectly, the costs of such dealings, arrangements or agreements. In such circumstances, there may be a conflict of interest between the Adviser and the Funds (or their portfolio companies) in determining whether to engage in or to continue such dealings, arrangements or agreements, including the possibility that the Adviser may favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person.

Certain portfolio companies of the Funds are, or have been, counterparties or participants in agreements or arrangements with the Adviser, its affiliates, and/or other portfolio companies of the Adviser's clients, to receive favorable procurement terms, including fees, rebates, discounts or other financial benefits. For example, the Adviser has in the past and may in the future provide the opportunity for portfolio companies to enter into agreements regarding group procurement (which may depend on the volume of services purchased) that may result in rebates and/or discounts being paid or extended to the Adviser, its affiliates or a portfolio company. Where the Adviser benefits from such arrangements, certain discounted amounts are subject to management fee offsets.

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

Item 12. Brokerage Practices

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

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

Aggregation of Trades

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

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

Item 13. Review of Accounts

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

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

Item 14. Client Referrals and Other Compensation

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

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

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

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

Item 15. Custody

This item is not applicable to the Adviser.

Item 16. Investment Discretion

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

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

Item 17. Voting Client Securities

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

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

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

Item 18. Financial Information

This item is not applicable to the Adviser.

Item 19. Requirements for State-Registered Advisers

This item is not applicable to the Adviser.