

FORM ADV PART 2A: FIRM BROCHURE

ITEM 1. COVER PAGE

Primary Wave IP Investment Management LLC

116 16th Street, 9th Floor
New York, NY 10003
Tel. (212) 661-6990
www.primarywave.com

July 2017

Important Disclosure:

This brochure ("Brochure") provides information about the qualifications and business practices of Primary Wave IP Investment Management LLC... If you have any questions about the contents of this brochure, please contact the Chief Compliance Officer ("CCO") Bill Cisneros at (212) 584-8048 or bcisneros@primarywave.com. 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 the Firm is also available on the SEC's web site at www.adviserinfo.sec.gov.

Please note that registration as an investment adviser with the SEC does not imply any level of skill, training or ability with respect to the provision of investment advisory services. The oral and written communications of an investment adviser provide you with information through which you determine to hire or retain an investment adviser.

ITEM 2. MATERIAL CHANGES

This Brochure has been prepared in connection with the Firm's initial application for registration as an investment adviser with the SEC. There are no material changes to disclose at this time. In the future, this Item will contain a summary of material changes made to this Brochure.

ITEM 3. TABLE OF CONTENTS

Item 4. Advisory Business	4
Item 5. Fees and Compensation	6
Item 6. Performance-Based Fees and Side-by-Side Management.....	9
Item 7. Types of Clients.....	9
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss	10
Item 9. Disciplinary Information	21
Item 10. Other Financial Industry Activities and Affiliations	22
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	23
Item 12. Brokerage Practices	24
Item 13. Review of Accounts	25
Item 14. Client Referrals and Other Compensation.....	26
Item 15. Custody	27
Item 16. Investment Discretion	28
Item 17. Voting Client Securities	29
Item 18. Financial Information	30

ITEM 4. ADVISORY BUSINESS

- A. Primary Wave IP Investment Management LLC (“**Primary Wave**”, the “**Adviser**” or the “**Firm**”), is a Delaware limited liability company formed on June 30, 2016. Primary Wave is an investment adviser focused on investing in music intellectual property, including music catalogs, copyrights, royalty streams and related rights. The Firm is located in New York, NY. The Firm is majority owned by PWMP Ventures LLC.
- B. The Firm provides investment advisory services to Primary Wave Music IP Fund 1 LP, a Delaware limited partnership formed as a private equity pooled investment vehicle (the “**Fund**”). Primary Wave provides discretionary investment management services to the Fund in accordance with the applicable limited partnership agreements, investment management agreements, operating agreements, offering memoranda and other such agreements (the “**Offering Documents**”).

Primary Wave Music IP Fund 1 GP LLC, a Delaware limited liability company, is the Fund’s General Partner (“**General Partner**”). The Offering Documents of the Fund typically allow the general partner to control the business and affairs of the Fund

The Firm also provides discretionary sub-advisory services to PW Publishing Partners, LLC, a Delaware limited liability company formed as a private equity pooled investment vehicle (the “**Co-Investment Vehicle**”) to co-invest in certain selected music related investment opportunities alongside the Fund. The Co-Investment limited partner investment rights are outlined in the Co-Investment governing documents.

The Fund along with the Co-Investment Vehicle are each considered a “**Client**” and collectively, the “**Client Accounts**”.

Primary Wave will focus on investing in a portfolio of music copyrights through acquisitions, administration, advances and structured agreements in relation to music royalty interests from a range of genres and artists in the music publishing industry. The Fund will have discretion to invest in a wide range of music copyrights and royalty streams, including, but not limited to, assets that are known in the music industry as music publishing, writers share, administration income, producer royalties, master royalties and neighboring rights (each a “**Music Asset**” and collectively “**Music Assets**”). It is anticipated that the Fund will generate current income over the life of the Fund and income attributable to the sale of assets.

- C. Primary Wave does not expect to tailor advisory services to any individual or particular needs of the investors in the Fund. Such investors accept the terms of advisory services as set forth in each Offering Documents. The Firm expects to have broad investment authority with respect to the Fund and, as such, investors should consider whether the investment objectives of the Fund are in line with their individual objectives and risk tolerance prior to investment.

- D. Primary Wave does not participate in wrap fee programs.
- E. As of July 26, 2017, Primary Wave managed \$132,578,614 in regulatory assets on a discretionary basis.

ITEM 5. FEES AND COMPENSATION

- A. Primary Wave's fees and compensation arrangement may vary among the investors in the Fund. The specific terms of such arrangements are established by Primary Wave, and as set forth in each Fund's Offering Documents.

The Firm generally charges the Fund a management fee, payable quarterly in advance, of up to 2% per annum of the capital commitment during the investment period of each limited partner, as further disclosed in each Fund's Offering Documents. The management fee then steps down to being payable on the aggregate invested capital after the termination or expiration of the investment period. Furthermore, such step down would happen during the investment period if the Firm or an affiliate begins to receive management fees based upon capital commitments made to a successor pooled investment fund.

The management fee will generally not be negotiable, however, Primary Wave (or as applicable for certain Fund investors, the General Partner, who is an affiliate of Primary Wave) may waive or modify the management fees for investors of the Fund that are the Principals, members, employees or affiliates of Primary Wave (or General Partner, as applicable), members of the immediate families of such persons, and for certain large or strategic investors.

The Co-Investment Vehicle pays a business services fee of .25% on a quarterly basis in advance of the weighted daily average of cumulative aggregate net invested capital during the fund investment period, and .125% of the weighted daily average of cumulative net invested capital during the period following the fund investment period.

The General Partner of the Fund from time to time if deal capacity arises, may offer certain persons, including existing investors, strategic partners or other third parties, the opportunity to co-invest in particular investments alongside of the Fund, subject to certain restrictions. In each case where co-investors participate in an investment, such co-investors will bear their pro rata share of any expenses associated with such investment but generally do not bear broken-deal expenses.

- B. Primary Wave's management fee will be paid out of current income and disposition proceeds of the Fund and, in the General Partner's discretion, from drawdowns that will reduce unfunded commitments.

Primary Wave will send a billing statement to the Co-Investment Vehicle of the business services fee due and payable on a quarterly basis in advance, and the Co-Investment Vehicle will remit the amount due on a timely basis.

- C. In addition to the fees described above, the Fund will reimburse the General Partners for costs and expenses pertaining to the Fund's organizational and startup expenses, including legal, travel, accounting, filing, printing, and other organizational expenses ("**Organizational Expenses**"). The General Partner will bear Organizational Expenses in excess of the Organizational Expense cap through an offset in any management fees pursuant to the governing documents.

The Fund will pay all other costs and expenses of the Fund that are not reimbursed by third parties (which reimbursements may be for travel and any other out of pocket expenses incurred in connection with the making, monitoring and/or disposing of such portfolio investments, including follow on investments and refinancings), including legal, regulatory, auditing and fund administration, administrators, consulting, financing, accounting and custodian fees and expenses, which may be provided by one or more entities associated with or controlled by the General Partner on terms no less favorable than a third party arm's length basis; expenses associated with the Fund's financial statements, tax returns and Schedule K-1s; out of pocket expenses incurred in connection with transactions not consummated; expenses of the advisory board and annual meetings of the limited partners; insurance (including directors and officers insurance); other expenses associated with the acquisition, holding and disposition of its investments, including extraordinary expenses (such as litigation, if any); costs associated with indemnifying covered persons; all expenses incurred in connection with the registration of the securities of the Fund, any Parallel Fund, any Alternative Investment Vehicle and/or any Vehicle under applicable securities laws or regulations (for the avoidance of doubt, the expenses incurred by the Manager to comply with the requirements under the Investment Advisers Act of 1940, as amended, as such requirements relate to record-keeping, disclosure and other fiduciary obligations of registered investment advisers generally and not to the operations of the Fund (or to the Firm' clients in the aggregate in which case the Fund would be allocated its proportionate share) shall not be operating expenses); and any taxes, fees or other governmental charges levied against the Fund.

The Co-Investment Vehicle shall pay or reimburse Primary Wave for any amounts incurred by the Adviser and/or its personnel from products and/or services of unaffiliated third parties delivered to the Co-Investment Vehicle in connection with services rendered including, without limitation, (1) fees and disbursements of auditors, attorneys and other advisors or consultants, (2) costs of any outside services of independent contractors and (3) all other expenses actually incurred by the Adviser and/or its personnel in rendering services. The Co-Investment Vehicle shall be liable to pay for any organizational expenses incurred on behalf of the Co-Investment Vehicle by the Manager and/or its personnel from any and all third parties incurred on or after November 25, 2015 up to a cap pursuant to the governing documents.

- D. The Fund is expected to generally pay management and other related fees, in advance, as further disclosed in the related Offering Documents.

The Co-Investment Vehicle is expected to generally pay business services fees in advanced as further disclosed in the Services Agreement and related documents.

- E. Neither Primary Wave nor any of the Firm's supervised persons will accept compensation for the sale of securities or other investment products.

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

An additional fee will include a performance-based carried interest of 20% of the net profits earned from all investments in the Fund, with an 8% preferred return on capital invested pursuant to the Fund's offering documents.

The General Partner of the Fund is subject to a "claw back" of carried interest previously received to the extent that the applicable General Partner has received cumulative distributions in excess of amounts otherwise distributable to such general partner by the Fund as "carried interest". In no event will the General Partner of the Funds be required to restore more than the cumulative distributions received by such General Partner as "carried interest", determined on an after-tax basis. The existence of a General Partner's carried interest may create an incentive for the General Partner to make investments that are riskier for the Fund than would be the case if the General Partner did not receive carried interest.

Primary Wave is entitled to receive a percentage of transaction revenues received by the Co-Investment Vehicle. The Co-Investment Vehicle will receive transaction revenues as further defined in the Limited Liability Company Agreement. Primary Wave shall deliver to the Co-Investment Vehicle a statement setting forth all transaction revenues received by the Co-Investment Vehicle and any of its subsidiaries during the immediately preceding month after deducting of any business services fees and out-of-pocket expenses. Primary Wave is subject to a "claw back" of carried interest previously received to the extent that Primary Wave has received cumulative distributions in excess of amounts otherwise distributable as "carried interest".

ITEM 7. TYPES OF CLIENTS

Primary Wave's Clients are the Fund and the Co-Investment Vehicle private equity pooled investment vehicles. Investment advice is provided directly to the Fund and/or Co-Investment Vehicle and not individually to every investor in those private equity pooled investment vehicles. Interests in the Fund may be purchased only by individuals and entities who are "**accredited investors**" as defined in Regulation D promulgated under the Securities Act of 1933 ("**1933 Act**") and "**qualified clients**" (as defined in Rule 205-3 of the Investment Advisers Act of 1940), or "**knowledgeable employees**" as identified in the Investment Company Act of 1940 ("**1940 Act**"). These may include other private funds, public and private pension funds, financial institutions, insurance companies, high net worth individuals and family offices.

Fund investors are required to commit or contribute certain minimum capital amounts to become limited partners of the limited partnership as disclosed in the confidential private offering memorandum of the Fund. Currently, the minimum required investment is \$5,000,000. This minimum amount is subject to change or waiver at the sole direction of the Fund's General Partner.

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

Primary Wave will look to invest in a portfolio of music copyrights through acquisitions, administration, advances and structured agreements in relation to music royalty interests from a range of genres and artists in the music publishing industry. The Fund will have discretion to invest in a wide range of music copyrights and royalty streams, including, but not limited to, assets that are known in the music industry as music publishing, writers share, administration income, producer royalties, master royalties and neighboring rights (each a “Music Asset” and collectively “Music Assets”). Primary Wave has a team of experienced music investment professionals, trained to identify and evaluate musical intellectual property, copyright and music catalog deals. Their tenure in the music industry will benefit the sourcing and distribution opportunities originated by their synergistic business. An essential criteria in the analysis of prospective Music Assets for the Fund is that Primary Wave needs to have conviction that it can positively impact the value of the investment with its marketing expertise and platform.

Primary Wave may also identify individuals that are generally industry executives or independent sponsors (referred to as “**Strategic Partners**”) who assist with the sourcing of deals to meet the criteria of the Funds’ investment strategy. Strategic Partners will generally receive transaction fees or incentive equity in exchange for the consummated deals they have sourced.

Primary Wave is tasked with sourcing potential catalog investment opportunities for the Co-Investment Vehicle, and pursuant to the Co-Investment Agreement, the Co-Investment Vehicle has a “Co-Investment Right” to receive notice of any and all potential catalog investment transactions for which Primary Wave and the Fund intend on submitting a term sheet. If the Co-Investment Vehicle agrees to the transaction, it shall invest 15% of the total dollar value of such transaction. The Co-Investment Right can be terminated if the Co-Investment Vehicle declines investments in two consecutive transactions. The Co-Investment Vehicle has, under certain circumstances, the option to “Warehouse” an investment and transfer that investment to the Fund under terms negotiated in the Co-Investment Agreement, and the Fund has the obligation to purchase the investment.

A full description of the Firm’s investment strategy and processes are included in each Client’s Offering Documents.

A. **Listed below are some of the risks associated with an investment in the Fund.**

The following explanation of certain risks is not exhaustive, but rather highlights some of the more significant risks involved in the Funds’ investment strategies. For a complete explanation of the Funds’ and relevant investment strategies and their associated risks, investors should review the relevant Offering Documents, which may

contain additional explanations of strategies, risks and other related details not discussed below.

General. Investing in the Fund involves a high degree of business and financial risk that can result in substantial losses. In order for the Fund to succeed, the Firm must be able to accurately identify potentially successful Music Assets, a process which is difficult even for those with extensive experience in the music intellectual property field. An investment in the Fund is highly speculative, involves a high degree of risk and could result in the loss of part or all of an investor's capital contribution. Therefore, investors should not subscribe for interests unless they can bear such a loss. Moreover, there can be no assurance that the Funds' investment objectives will be achieved and investment results may vary materially from one reporting period to the next. Consequently, an investment in the Fund is suitable only for sophisticated investors with other substantial assets who are capable of making an informed independent decision as to the risks involved in an investment in the Fund.

Music Industry. The music industry has undergone rapid and dramatic changes over the last several years as a result of a variety of factors including digital and other innovations in the distribution of music, including by means of music streaming and the advent of music subscription services; competition in the music recording, performance, distribution and publishing space has increased as media companies – including giant media companies with substantial resources (including cable, internet services, and hardware manufacturers) continue to drive innovation and evolution. The General Partner believes that these changes are net favorable to music publishers, but the future of innovation and industry changes cannot be predicted.

Music Publishing Trends. There is significant uncertainty as to the nature and scale of the future development of the music industry. As such, it is not certain that current royalty income sources will be maintained or replaced with other income sources of a similar value. While the General Partner believes that music streaming will experience long term growth in adoption and will emerge as the driver of a long-term growth trajectory for income streams generated for the benefit of music copyright owners, there is no guarantee that such growth will in fact materialize. (Accordingly, the Fund's projections included in this Memorandum do not reflect the expectation of long term growth in income derived from music streaming.)

Copyright Ownership. Under U.S. law, a copyright generally arises automatically upon creation and there is no requirement to register it. In other countries, there may be no copyright registration agency, or there may be an absence of any legal right analogous to U.S. copyright. Hence, disputes regarding ownership are a risk to which the Fund may be exposed. The royalty income arising from a copyright acquired by the Fund may be challenged by third parties claiming rights to the same royalty income and copyright. Investments made in copyrights, master recordings and other related rights are not perpetual rights; they expire or revert at the end of the relevant time period. Once they

expire or revert, third parties may use the rights without payment of royalty and hence the income and value related to the relevant copyright will end.

Investment Strategy. The success of the Fund will be dependent on the ability to successfully exploit Music Asset investments through a variety of means including the Fund strategies of Catalog Investment Opportunities, Music Administration and New Music, and there is no assurance that, assuming Music Assets are owned or controlled by the Fund, that the Management Company will be successful in finding sufficient opportunities to exploit these Music Assets which would result in royalty and other income to the Fund.

Sourcing of Investments. The success of the Fund depends on the availability of, as well as the ability of the Fund to identify, suitable investments. There can be no assurances that the General Partner will be able to locate suitable investment opportunities and that the Fund can acquire these at appropriate price levels. Therefore, the Fund may not be able to fully invest the committed capital and the return potential on a commitment may be reduced. While there has been substantial consolidation in the publishing industry, the General Partner believes that the growth of music streaming will attract new entrants, which may cause increasing demand and competition for music copyrights and their related income streams. While the General Partner believes that the Fund will be successful in achieving multiple expansion by aggregating a critical mass portfolio, there are no assurances such multiple expansion will be achieved or that exit multiples will be otherwise favorable for the Fund.

The Fund's Due Diligence. There can be no assurance that the General Partner's and Management Company's due diligence processes will uncover all relevant facts that would be material to an investment decision. Before making an investment, the General Partner and Management Company will assess factors that they believe are material to the performance of the investment. In making the assessment and —otherwise conducting customary due diligence, the General Partner and Management Company will rely on the resources available to them and, in some cases, investigations by third-parties.

Expedited Investment Decisions. Investment analyses and decisions by the General Partner and the Management Company 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 General Partner and the Management Company at the time of making an investment decision may be limited, and the General Partner and the Management Company may not have complete information regarding the investment asset(s). Therefore, no assurance can be given that the General Partner or the Management Company will have knowledge of all circumstances that may adversely affect an investment. In addition, the General Partner and the Management Company may rely upon specialized expert input from third-party consultants and service providers in connection with their evaluation of proposed investments.

Concentration of Investments. Due to the Fund's investment concentration in the music industry, the performance of a few holdings or of the music industry may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, the Fund may invest in fewer portfolio assets and thus be less diversified.

Leveraged Investments. The Fund may make use of leverage by incurring debt to finance a portion of its investment in a given Music Asset or to pay Fund expenses. The Fund will leverage assets only when there is an expectation that leverage will provide a benefit, such as enhancing returns, although the Fund cannot assure that the use of leverage will prove to be beneficial. Leverage generally magnifies both the Fund's opportunities for gain and its risk of loss from a particular investment magnifying changes in the Fund's net worth. Although the General Partner will seek to use leverage in a prudent manner, the leveraged capital structure will increase the exposure of the Fund to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the Fund's Music Asset investments. Increases in credit spreads in the market generally may adversely affect the market value of the Fund's investments.

The cost and availability of leverage generally, and specifically to finance acquisitions of Music Assets, is highly dependent on the state of the broader credit markets, which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The Fund's failure to obtain leverage at the contemplated levels, or to obtain leverage on attractive terms, could have a material adverse effect on the Fund. The Fund may incur indebtedness in which recourse is not limited to specific assets of the Fund and indebtedness which is collateralized by more than one Fund asset.

In addition, the Fund may incur indebtedness that may bear interest at variable rates. Variable rate debt creates higher debt service requirements if market interest rates increase, which would adversely affect the Fund. The Fund may in the future engage in transactions to limit its exposure to rising interest rates as it deems appropriate and cost effective, which transactions could expose the Fund to the risk that counterparties to such transactions may not perform and cause the Fund to lose the anticipated benefits therefrom, which would have the adverse effects associated with increases in market interest rates.

Projections. Projected financial results of Music Assets in which the Fund invests normally will be based primarily on projections prepared by the General Partner. Projections are only estimates of future results that are based on, among other considerations, assumptions regarding the performance of the Fund's investments, the amount and terms of available financing and the manner and timing of dispositions, including possible asset recovery and remediation strategies, all of which are subject to significant uncertainty. There can be no assurance that the results set forth in the

projections will be attained, and actual results may be significantly different from the projections. Actual results may be driven by a number of factors specific to the Music Assets available to or purchased by the Fund, success in exploiting Music Assets and general economic factors.

Counterparty Risk. There are a wide variety of counterparties which either pay or pass through royalties on music copyrights. Mismanagement within any of these counterparties may result in delayed or nonpayment of royalties earned and could therefore delay and/or reduce the income collected for the Fund.

Disposition of Investment Risks. In connection with the disposition of an investment, the Fund may be required to make representations about the investment typical of those made in connection with the sale of any property. Although the Fund will attempt to structure transactions so that it does not have to do so, the Fund may also be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be incorrect, inaccurate, or misleading. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the Partners to the extent of their unfunded Commitments, or, in some cases, the Fund may have to reserve for such contingencies.

Illiquidity. The Fund's investments should be viewed as illiquid. Such illiquidity may limit the ability of the Fund to vary its portfolio of investments in response to changes in economic and other conditions. Illiquidity may result from the absence of an established market for investments as well as the legal or contractual restrictions on their resale.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for Music Asset investments, and hence, most of the Fund's investments will be difficult to value. Subject to Advisory Board approval, certain Music Asset investments may be distributed in kind to the Partners.

In-Kind Distributions. Although the General Partner expects that investments will be disposed of prior to the dissolution of the Fund, the Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution. In addition, although the General Partner will use reasonable efforts to avoid making in-kind distributions to Partners in lieu of cash distributions, the Partnership Agreement will permit the General Partner to make in-kind distributions. The General Partner anticipates that it would make in-kind distributions only in the event of a liquidation of the Fund, and only with prior Advisory Board approval.

Distributions. While the General Partner expects to deliver a certain level of current distributions, following the Fund's final closing, there is no guarantee that the Fund's distributions will reach target levels. Losses on unsuccessful Music Asset investments may be realized before gains on successful Music Asset investments are realized. Furthermore, the expenses of operating the Fund (including the annual Management

Fee payable to the Management Company) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including, without limitation, unfunded Commitments.

High Degree of Risk. All investments risk the loss of capital. No guarantee or representation is made that an investment in the Fund will be successful or that the Fund's investment objectives will be met. Investment in the Fund should be part of an overall investment strategy which prospective investors should develop with the assistance of their own advisors. The Fund is a discretionary fund. Accordingly, investors will not have an opportunity to evaluate or approve specific investments prior to investing. Investors will be relying on the ability of the General Partner and the Management Company, who will have wide latitude within the broad investment guidelines in determining the types of assets it may decide are proper investments for the Fund, to identify, consummate and manage investments. The Limited Partners have no right or power to take part in the Fund's management, other than by voting on certain other matters as provided in the Partnership Agreement. Accordingly, no person should purchase a limited partner interest in the Fund unless such person is willing to entrust all aspects of the Fund's management to the Management Company and the General Partner

Prior Operating History. The Fund is a recently formed entity and has no prior operating history upon which an investor can base its investment decision. While the Fund has no operating history, and will be entirely dependent on the General Partner, affiliates of the General Partner have demonstrated directly relevant prior operating history similar to the Fund's investment strategy. While the General Partner sees that music copyright valuation multiples have declined significantly since those that were in effect when the vast majority of the prior operating history was initiated, there can be no assurance that the Fund's Music Asset investments will achieve results that exceed or are similar to those attained by previous investments of affiliates of the General Partner. In addition, the Fund's investments may differ from previous investments made by affiliates of the General Partner.

Future and Past Performance. The performance of the General Partner's prior investments is not necessarily indicative of the Fund's future results. While the General Partner intends for the Fund to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

Reliance on the General Partner and the Management Company. Control over the operation of the Fund will be vested with the General Partner and the Management Company, and the Fund's future profitability will depend largely upon the business and investment acumen of the management team and key employees of the General Partner and Management Company. There can be no assurance that these individuals will

remain in the employ of the General Partner or Management Company or otherwise continue to be able to carry on their current duties throughout the Fund's term. The loss of the services of any of such individuals could have a material adverse effect on the Fund's operations, and the Fund's ability to realize its investment objectives. Limited Partners generally have no right or power to take part in the management of the Fund, and as a result, the investment performance of the Fund will depend on the performance of the General Partner and the Management Company. In addition, certain changes in the General Partner or the Management Company or circumstances relating to the General Partner or the Management Company may have an adverse effect on the Fund or one or more of its Music Asset investments, including potential acceleration of debt facilities.

Diverse Limited Partner Group. The Limited Partners may have conflicting investment, tax, regulatory and other interests with respect to their investments in the Fund. The conflicting interest of individual Limited Partners may relate to or arise from, among other things, the nature of investments made by the Fund, the structuring or acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the General Partner, 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 the Fund, the General Partner will consider the investment and tax objectives of the Fund and its Partners as a whole, and not the investment, tax or other objectives of any Limited Partner individually.

Transactions with Affiliates. The General Partner may, from time to time in the conduct of Fund affairs, cause the Fund to utilize the services of or otherwise engage in business activities with and make payments to affiliates of the General Partner. Although such transactions must be conducted on terms no less favorable than a third-party arm's-length basis or as otherwise permitted under the Partnership Agreement, such transactions may involve a conflict of interest on the part of the General Partner.

Investment Opportunities Conflicts of Interest. The General Partner and its affiliates engage in a broad spectrum of Music Asset investment activities that are independent from, and may from time to time conflict with, the Fund. In the future, there might arise instances where the interests of the General Partner and its affiliates conflict with the interests of the Fund and/or the Limited Partners. Certain affiliates of the General Partner may engage in transactions with, provide services to, invest in, advise, sponsor and/or act as investment manager to portfolio companies, investment vehicles and other persons or entities that may have similar structures and investment objectives and policies to those of the Fund and that may compete with the Fund for investment opportunities and that may co-invest with the Fund in certain transactions. While the General Partner believes the risk of these conflicts has been mitigated, conflicts of interest may still arise.

General Partner Conflict of Interest. The General Partner currently manages other business activities as well as specific legacy investments in addition to those to be made by the Fund and may devote a portion of its efforts to the management of such activities and investments. The General Partner will continue to manage and monitor such activities and investments, although the General Partner expects that the time required to do so will be significantly less than will be spent on the affairs of the Fund, its portfolio entities and assets, any alternative investment vehicles, any co-investment or other vehicles, the Management Company and the respective successors and affiliates of each of the foregoing.

Management Team Conflicts of Interest. The General Partner expects the Management Company's management team to be actively involved in the management of the Fund. However, certain members of the Management Company's management team may have conflicts in allocating their time and services among the Fund and other ventures. Thus, while it is anticipated that members of the Management Company's management team will devote as much time to the Fund as the Management Company deems appropriate, certain members of the management team may have to devote a substantial amount of time to matters other than the Fund.

General Partner's Carried Interest. There may arise instances where the interests of the General Partner conflict with the interests of the Fund and/or its Limited Partners. The General Partner will receive distributions of up to 20% of the profits from the Fund based upon its carried interest. The fact that the General Partner's carried interest is based on a percentage of net profits may create an incentive for the General Partner to cause the Fund to make riskier or more speculative investments than otherwise would be the case.

Representation by One Counsel. The Fund, the General Partner and the Management Company will be represented by one counsel, which counsel is not representing the Limited Partners. Prospective investors should seek individual counsel if they so desire.

Risk of Litigation. The structure of the Fund as a limited partnership and the transactional nature of the Fund's business exposes the Fund, the General Partner and its affiliates to the risk of Limited Partner and third-party litigation. The expense of defending claims against the Fund by third-parties and paying any amounts pursuant to settlements or judgments would be borne by the Fund and would reduce net assets and could require the Partners to return distributed capital and earnings to the Fund. Under the Partnership Agreement, the Fund will generally be responsible for indemnifying the General Partner and its affiliates for costs they may incur with respect to such litigation.

Limited Liability. The Fund's governing documents will limit the circumstances under which the General Partner, the Management Company and the General Partner's and its general partner's partners, members, managers, employees, agents, advisors, affiliates, and personnel (collectively, the "Covered Persons"), can be held liable to the

Fund and the Limited Partners. As a result, the Fund and the Limited Partners may have a more limited right of action in certain cases than they would have in the absence of such a limitation. The Covered Persons will not be liable to the Fund or the Limited Partners for acts or omissions performed in accordance with and pursuant to the Fund's governing documents, except to the extent that any losses or damages incurred by the Fund are attributable to such parties for bad faith, gross negligence or willful malfeasance. The Fund will indemnify the Covered Persons for claims, liabilities, costs, and expenses, including legal fees, judgments, and amounts paid in defense and settlement arising in connection with services to the Fund, except to the extent that any claims, liabilities, costs, and expenses are attributable to such parties for bad faith, gross negligence or willful malfeasance. In addition, the Fund will similarly indemnify and hold harmless Advisory Board members (and the Limited Partners they represent) in connection with Advisory Board actions, other than as set forth in the Partnership Agreement.

Limited Transferability of Fund Interests. An investment in the Fund requires a long-term commitment, with no certainty of return. The Interests have not been registered under the Securities Act, or any other applicable securities laws. There will be no public market for the Fund interests, and none is expected to develop. There are substantial restrictions on the transferability of Fund interests under the Partnership Agreement and applicable securities laws. Withdrawals of capital contributions to the Fund are not permitted, and Fund interests are not redeemable. Consequently, Limited Partners will not be able to liquidate their investment in the Fund prior to the end of the Fund's term. Therefore, Interests should only be acquired by investors able to commit their funds for an extended period of time.

Consequences of Default. If a Limited Partner fails to pay when due installments of its Commitment to the Fund, and the contributions made by non-defaulting Limited Partners and borrowings by the Fund are inadequate to cover the defaulted contribution, the Fund may be unable to pay its obligations when due. The non-defaulting Limited Partners may be required to contribute additional capital to replace such shortfall, but not in excess of their total Commitments. Thus, a default by one or more Limited Partners could cause the Fund to lose investment opportunities due to the use of Commitments to fund shortfalls. Further, the Fund may be subjected to significant penalties that could materially adversely affect the returns of all Limited Partners (including non-defaulting Limited Partners). In addition, each defaulting Limited Partner may incur significant economic losses as a result of its default. If a Limited Partner fails to make any required funding under the Partnership Agreement when due, such defaulting Partner may be subject to interest accruing on defaulted amounts, forfeiture of a portion of its interest, compulsory transfer at a discounted price, loss of voting rights and other remedies set forth in the Partnership Agreement. Such remedies are not exclusive and the General Partner reserves the right to bring actions to compel specific performance and avail itself of other remedies existing at law or in equity. The General Partner may waive or apply any of the foregoing remedies at

any time in its sole discretion. A default by a Limited Partner would have a material adverse impact on its interest in the Fund.

ERISA. Limited Partners subject to ERISA should consult their own advisors as to the application of ERISA to an investment in the Fund. In order to avoid the Fund's assets being classified as "plan assets" of employee benefit plans subject to Title I of ERISA or Section 4975 of the Code, the General Partner will use its best efforts to limit investment in the Fund by benefit plan investors (as defined in Section 3(42) of ERISA) to less than 25% of the outstanding limited partner interest in the Fund (excluding the limited partner interests held by the General Partner and its affiliates). If the Fund fails to limit investment in the Fund by benefit plan investors to less than 25% of the outstanding limited partner interest in the Fund and assets of the Fund were deemed to be "plan assets" of the Limited Partners which are employee benefit plans subject to ERISA ("Plans"), transactions involving the assets of the Fund with "parties in interest" under ERISA or "disqualified persons" under the Code with respect to such Plans might be prohibited under Section 406 of ERISA and Section 4975 of the Code.

Investment Company Act of 1940. The Fund intends to operate so as not to be regulated as an investment company under the Investment Company Act (based upon certain exemptions thereunder). Accordingly, the Fund does not expect to be subject to the restrictive provisions of the Investment Company Act. If the Fund fails to qualify for exemption from registration as an investment company, its ability to use leverage would be substantially reduced and it may be unable to conduct its business as described herein. Any such failure to qualify for such exemption could have a material adverse effect on the Fund.

Tax Liabilities. The Fund may generate phantom income (i.e., income required to be accrued for tax purposes prior to the receipt of cash). Accordingly, a Limited Partner's tax liability for a year may exceed such Limited Partner's cash distributions for such year. In such event, the Limited Partner will have to utilize other means to satisfy such tax liabilities. The General Partner has no present intention to make cash distributions solely to provide Limited Partners with the means to satisfy such tax liabilities. The General Partner, however, will be entitled to receive a distribution based on an assumed liability of its members with respect to allocations of income and gain from the Fund. Any such distributions will reduce the amount of future distributions (other than distributions described in this paragraph) to the General Partner.

Delayed Schedule K-1 s. The Fund may not be able to provide final Schedule K-1s to Limited Partners for any given fiscal year until after April 15 of the following year. The General Partner will use reasonable efforts to provide Limited Partners with final Schedule K-1s or with estimates of the taxable income or loss allocated to their investment in the Fund on or before such date, but final Schedule K-1s may not be available until the Fund has received tax-reporting information from its portfolio entities necessary to prepare final Schedule K-1s and completion of the Fund's annual

audit (which may be as much as six months after year-end). Limited Partners may be required to obtain extensions of the filing dates for their U.S. federal, state and local income tax returns. Each prospective investor should consult with its own adviser as to the advisability and tax consequences of an investment in the Fund.

Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes. There has recently been significant discussion regarding enhanced governmental scrutiny and/or increased regulation of the private fund industry. The adoption of new legislation, changes in existing laws, or new interpretations of existing laws can have a significant impact on methods of doing business, costs of doing business and amounts of reimbursement from governmental and other agencies. Therefore, there can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Fund's activities, including the ability of the Fund to implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives.

Cybersecurity Risk. Primary Wave, the Fund and its service providers, may be subject to operational and information security risks resulting from cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information or various other forms of cybersecurity breaches. Cybersecurity attacks affecting Primary Wave, the Fund or its service providers may adversely impact the Fund. For instance, cyber-attacks may interfere with the processing or execution of the Fund's transactions, cause the release of confidential information, including private information about investors, subject the Fund and Primary Wave to regulatory fines or financial losses, or cause reputational damage.

ITEM 9. DISCIPLINARY INFORMATION

There have been no legal or disciplinary events involving either Primary Wave or any of its management persons that are material to the Firm's advisory business.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

- A. Neither Primary Wave nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Primary Wave nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C. The Fund, a Delaware limited partnership, is an affiliate of Primary Wave, as is Primary Wave Music IP Fund 1 GP LLC, a Delaware limited liability company and the Fund's General Partner. The General Partner is owned by PWMP Ventures LLC, a Delaware limited liability company. Primary Wave has entered into a Service Agreements with PWMP Ventures LLC, whereby PWMP Ventures LLC along with the manager, will carry out ongoing management responsibilities of the Fund. Primary Wave deems the individuals employed by PWMP Ventures LLC access persons of Primary Wave, and therefore such individuals employed by PWMP Ventures LLC will adhere to Primary Wave's Compliance Policies and Procedures (including the Code of Ethics).
- D. Primary Wave does not recommend or select other investment advisers for its Clients.

ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

- A. As an investment adviser, Primary Wave may face certain conflicts of interest, including, but not limited to, those identified in its Offering Documents. Primary Wave will adopt policies and procedures to address such potential conflicts of interest. Primary Wave will adopt a Code of Ethics ("Code"), which describes the Firm's fiduciary duties and responsibilities to the Fund, requires that the Firm's employees act in the best interests of the Fund to the exclusion of contrary interests, act in good faith and in an ethical manner, avoid conflicts of interest with the Fund to the extent reasonably possible, and identify and manage conflicts of interest to the extent that they arise. Primary Wave employees are also required to comply with applicable provisions of the federal securities laws and make prompt reports to the Firm or other appropriate party of any actual or suspected violations of such laws by Primary Wave or its employees. Initially, upon hire, and on an annual basis thereafter Primary Wave will require that all employees certify to their receipt, review, understanding and compliance with the provisions of the Firm's Code.

In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading activities of the Firm's employees. The Code prohibits personal securities transactions of issuers who have been placed on the Firm's restricted list, and requires written pre-approval for all initial-public offerings and private placements. The Code requires employees to report all securities transactions and provide a summary of securities holdings initially upon hire and on an annual basis thereafter. The Code also addresses outside activities of employees, conflicts of interest, policies and procedures concerning the prevention of insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and the pre-clearance and reporting of political contributions. Primary Wave will provide a complete copy of the Code to any client or prospective client upon request sent to the Chief Compliance Officer ("CCO").

- B. Neither Primary Wave nor any of the Firm's related persons recommends to the Fund, or buys or sells for Client accounts, securities in which Primary Wave or the Firm's related persons has a material financial interest.
- C. Neither Primary Wave nor any of the Firm's related persons invest in the same securities that Primary Wave or the Firm's related persons recommends to its Clients.
- D. Neither Primary Wave nor any of the Firm's related persons recommend securities to its Clients, or buy or sells securities for its Clients, at or about the same time that Primary Wave or the Firm's related persons buys or sells the same securities for Primary Wave or the Firm's related persons' accounts.

ITEM 12. BROKERAGE PRACTICES

- A. Primary Wave will provide investment advice to the Clients primarily with regard to private equity related investments. As such, the Firm's transactions on behalf of the Clients are normally privately negotiated and may not involve the use of a broker or dealer for the execution of Client transactions. In those cases, the Firm will seek to negotiate and execute transactions in an efficient manner and consistent with its fiduciary duties to the Clients. Due to the nature of the Firm's investment advice and relationship with the Clients, Primary Wave does not expect to recommend or select broker-dealers for transactions in the Clients. In rare cases where the Firm determines to utilize a broker or a dealer to transact on behalf of the Clients, the Firm shall evaluate such broker or dealer based on a range of factors, including without limitation commission price, willingness to commit capital, ability to execute the desired transaction and other factors. As a fiduciary, Primary Wave must execute securities transactions in such manner that each Client's total cost or proceeds in each transaction is the most favorable under the circumstances. The determinative factor is whether the transaction represents the best qualitative execution for the account and not whether the lowest possible commission cost was obtained. Thus, the Firm will consider the full range and quality of a broker's service in selecting or recommending brokers to meet best execution obligations, including the ability to access or otherwise execute large transactions in the public market. Primary Wave may not pay the lowest commission rate available. As a starting point, though, the primary consideration is the trade price and commission quoted by the broker-dealers.
- B. As noted above, the investment advisory services provided by the Firm to the Clients will generally be in relation to private equity investments, for which the aggregation of orders is generally not applicable.

ITEM 13. REVIEW OF ACCOUNTS

- A. The Clients' portfolio investments are continually monitored and reviewed by the investment team. The investment committee which will be responsible for, among other things, reviewing the portfolio investments in the context of each Client's stated objectives and monitoring for portfolio and risk management.
- B. More frequent reviews may be triggered by material changes in key variables that may affect the performance of the portfolio investments, including, without limitation, changes in the financial markets, activity and trends in the political or economic environment, as well as the specific circumstances effecting the Clients.
- C. Audited financial statements are provided to investors in the Fund and Co-Investment Vehicle, within 120 days of the end of each Client's fiscal year as required by Rule 206(4)-2 under the Advisers Act (the "Custody Rule").

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

- A. Primary Wave does not receive an economic benefit from anyone, other than the Fund and Co-Investment Vehicle, for providing investment advice or other advisory services to the Fund and Co-Investment Vehicle.
- B. Primary Wave maintains an agreement with a third-party placement agent whereby Primary Wave pays the placement agent a portion of the management fee it receives with respect to solicited investors.

ITEM 15. CUSTODY

Primary Wave complies with the requirements of Rule 206(4)-2 of the Advisers Act (the “Custody Rule”) with regards to the Firm’s custody of the assets of the Fund and Co-Investment Vehicle by meeting the conditions of the pooled vehicle annual audit provision.

Primary Wave will deliver audited financial statements to investors of the Fund and Co-Investment Vehicle within 120 days of the fiscal year end. The audited financial statements will be prepared by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles. Investors should carefully review the audited financial statements.

ITEM 16. INVESTMENT DISCRETION

Primary Wave accepts discretionary authority to manage assets and securities on behalf of the Fund through the applicable Offering Documents. The investors generally do not have the ability to place any limits on the Firm's authority beyond the limitations set forth in the Offering Documents of the Fund.

Primary Wave provides discretionary investment advisory services to the Co-Investment Vehicle pursuant to the Co-Investment Agreement and other governing documents which specify investment mandates and certain limited partner rights for the Co-Investment Vehicle.

ITEM 17. VOTING CLIENT SECURITIES

- A. While the securities evidencing the investments made by the Fund are not typically the subject of proxies, there could be certain circumstances where Primary Wave, having discretionary authority over the Fund, may be asked to vote the securities of the Fund on restructuring or other corporate matters. Primary Wave has adopted a proxy voting policy as required by the Advisers Act. While unlikely, the Firm's investment strategy may involve the acquisition of publicly traded securities with voting authority, and as such, the Fund may be placed in a position of proxy voting authority. If the Fund does come into possession of securities with proxy voting rights, the Firm may have the authority to vote proxies and will do so in sole judgement and in the best interest of the Fund. To the extent Primary Wave receives proxy voting authority, the Firm generally believes that company management is best suited to make the decisions that are essential to the ongoing operation of the company. Therefore, Primary Wave will generally vote proxies in line with company management. However, under circumstances where the Firm believes that company management's proposal will not maximize value for the Fund, Primary Wave will vote against company management. The Firm's proxy voting policy includes guidelines for voting against company proposals as well as guidance for situations where a proxy vote may present a conflict of interest to ensure that such conflict is resolved in the best interest of the Fund. The Client may obtain information about how proxies were voted or a copy of the Firm's proxy voting policies by contacting the CCO.
- B. Not Applicable

ITEM 18. FINANCIAL INFORMATION

- A. Primary Wave does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance and therefore has not included a balance sheet.
- B. Primary Wave does not believe that there are any conditions that are reasonably likely to impair its ability to meet contractual commitments to the Clients.
- C. Primary Wave has never been the subject of a bankruptcy petition.