

PGIM, Inc.

PGIM Private Capital

655 Broad Street, 16th Floor
Newark, NJ 07102

(973) 367 – 7669

<http://www.prudentialcapitalgroup.com>

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This brochure provides information about the qualifications and business practices of PGIM Private Capital (“**PPC**”), also known as Prudential Capital Group. If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer, Anthony Conte at (973) 367-7071.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

PPC is a business unit of PGIM, Inc. (“**PGIM**”), which is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. This brochure is one of the separate brochures that PGIM has elected to create to address each of its different advisory units. Unless otherwise specified (i) information provided in this brochure is current as of the date of this brochure and (ii) references throughout this brochure to “**we**”, “**us**” and “**our**” refer to PPC.

Additional information about PGIM and PPC is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This section of our brochure highlights and discusses changes that we made to our brochure since its last annual update on March 28, 2019, which either singularly or in the aggregate could be viewed as material. Our Chief Compliance Officer is now Anthony Conte. His phone number is listed on the first page of this brochure.

We have no other material changes to report in this section.

Item 3 - Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes	ii
Item 3 - Table of Contents	iii
Item 4 – Advisory Business	4
Item 5 – Fees and Compensation	6
Item 6 – Performance-Based Fees and Side-By-Side Management.....	8
Item 7 – Types of Clients.....	9
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	9
Item 9 – Disciplinary Information.....	21
Item 10 – Other Financial Industry Activities and Affiliations	21
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading....	22
Item 12 – Brokerage Practices	32
Item 13 – Review of Accounts.....	33
Item 14 – Client Referrals and Other Compensation	35
Item 15 – Custody	35
Item 16 – Investment Discretion	36
Item 17 – Voting Client Securities.....	36
Item 18 – Financial Information	36

Item 4 – Advisory Business

A. General Description of Advisory Firm.

PPC is the corporate private fixed income business unit of PGIM. PGIM is an SEC-registered investment adviser organized as a New Jersey corporation. References to **“our employees”**, **“our investment staff”** or **“our officers”** in this brochure mean officers or employees who work in the PPC business unit of PGIM. Our investment staff is employed by PGIM or one or more affiliates of PGIM.

PGIM was formed in June 1984 and was registered with the SEC as an investment adviser in December 1984. PGIM’s predecessor companies began managing fixed income portfolios for affiliates in 1875. PGIM is an indirect, wholly-owned subsidiary of Prudential Financial, Inc., a publicly held company (**“Prudential Financial”**) (NYSE Ticker: PRU).

In addition to PPC, the other units within PGIM are PGIM Real Estate (a provider of real estate investment advisory services), PGIM Fixed Income (an adviser primarily focused on public fixed income investments), PGIM Real Estate Finance (a private commercial real estate mortgage group) and PGIM Institutional Advisory & Solutions (**“PGIM IAS”**) a provider of multi-asset class advisory services. Each of PGIM Real Estate, PGIM Fixed Income and PGIM IAS has one or more separate brochures that have been filed with the SEC and provide information about the applicable advisory business. You can obtain brochures providing information about PGIM’s other businesses without charge by contacting Anthony Conte at (973) 367-7071.

B. Description of Advisory Services.

We provide investment management and advisory services through individually managed accounts or private investment vehicles for which we act as investment manager or sub-adviser (the **“Managed Accounts”**). Our Managed Accounts include the general accounts of PGIM’s insurance company affiliates (the **“General Account”**) and accounts of other Prudential Financial subsidiaries (collectively with the General Account, the **“Affiliated Accounts”**) as well as those of unaffiliated institutional investors.

We originate and manage investments for our Clients in:

- Private fixed income securities
- Private floating rate securities
- Loans (including direct lending)
- Equipment loans and leases
- Credit tenant leases
- Infrastructure securities
- Oil and gas and power (collectively, **“Energy Investments”**)
- Mezzanine and private equity investments (including Energy Investments that are mezzanine and/or private equity investments) (**“Mezzanine Investments”**)

(collectively, **“Private Investments”**). References in this brochure to “securities” includes each

of the Private Investments categories, and references to “issuer” includes the “borrower” where such Private Investment is structured as a loan.

Our staff also sources Private Investments for:

- Prudential Private Placement Investors, L.P. (“**PPPI**”), an affiliated registered investment adviser that primarily manages Private Investments portfolios for Affiliated Accounts and unaffiliated institutional investors through Managed Accounts. PPPI is wholly-owned by PGIM. You can obtain a copy of a brochure providing information about PPPI’s business by contacting Anthony Conte at (973) 367-7071.
- Pricoa Capital Group Limited (“**PCGL**”), an affiliated investment adviser that primarily manages Private Investments portfolios for unaffiliated institutional clients as well as for privately offered investment funds that invest in Private Investments. PCGL is authorized and regulated by the Financial Conduct Authority of the United Kingdom. It is also a wholly owned subsidiary of PGIM.
- Private investments funds which are managed by PPC, in which our affiliates serve as general partners (the “**General Partners**”), which are described below under the headings “Prudential Capital Partners” and “Prudential Capital Energy Partners”.
- Pricoa Capital Group (Ireland) Limited (“**PCGI**”), an affiliated investment adviser and wholly owned subsidiary of PGIM that will primarily manage Private Investments portfolios for unaffiliated institutional clients as well as certain funds that invest in Private Investments. PCGI is authorized and regulated by the Central Bank of Ireland (the “**Central Bank**”). We expect that PCGI will enter into a Participating Affiliate arrangement with PGIM. A Participating Affiliate arrangement is one in which an SEC-registered investment adviser such as PGIM is permitted to access, under conditions prescribed by the SEC staff through applicable law, relevant no-action letter(s) and related SEC staff guidance, the services of unregistered affiliates (“**Participating Affiliates**”). PCGI will be the Participating Affiliate of PGIM. The prescribed conditions include that the Participating Affiliate provide the SEC access to trading and other records, observe specific recordkeeping rules, submit to the jurisdiction of U.S. courts and cooperate with the SEC as it relates to relevant accounts. PCGI and certain of its personnel are subject to the supervision of PGIM with respect to the services that PCGI will provide to us as a Participating Affiliate.

Prudential Capital Partners (“PCP”)

We manage several non-energy private mezzanine investment funds (each a “**Mezzanine Fund**” and collectively the “**Mezzanine Funds**”), the first of which we organized in 2000. The General Account and other investors have acquired interests in the Mezzanine Funds as a vehicle for investing in mezzanine and private equity investments, with a particular focus on investments in middle market companies.

Prudential Capital Energy Partners (“PCEP”)

We launched our first private energy mezzanine fund (the “**Energy Fund**”) in 2017. The General Account and other investors have acquired interests in the Energy Fund as a vehicle for investing in energy (oil, gas and power) companies (“**Energy Companies**”) through privately

sourced investments, with a particular focus on investments in middle market companies.

The Mezzanine Funds and Energy Fund are collectively referred to herein as the “**Funds**”, and each is individually referred to as a “**Fund**”. The **Managed Accounts** and the Funds are collectively, our “**Clients**”.

C. Availability of Customized Services for Individual Clients.

We tailor our advisory services as described in the relevant Client’s investment management agreement, private placement memorandum or as set forth in such Client’s organizational documents, and/or the subscription documents related to a Fund.

D. Assets Under Management.

We have approximately \$83,423,300,000 in combined affiliated and unaffiliated assets under management as of December 31, 2018; this figure includes assets under management for PPPI, PCGL, PCGI and the Funds. As of December 31, 2018, we did not manage any non-discretionary assets.

Item 5 – Fees and Compensation

A. Advisory Fees.

For Clients other than the Funds, we negotiate fees with our Clients individually. Fees paid by Clients vary based on the type of advice provided and other factors, such as the size of the Client account (including the aggregate size of multiple accounts for the same Client or related Clients), the investment strategy, the relationship with the Client and the required level of service. Fees also differ based on account type. Certain investors also have separate fee agreements that establish a global fee schedule based on total investments across multiple single-investor and commingled accounts.

We will receive fees for managing the Funds which are described in the limited partnership agreement for the Funds. We will make fee concessions to investors in the Funds on a case-by-case basis.

B. Payment of Fees.

For Clients other than the Funds, depending on the Client’s preference, we either bill a Client for our fees or deduct fees from the Client’s account. Asset-based fees are typically payable either monthly or quarterly in arrears. Performance-based fees, if earned, are payable after the calculation period for such fees.

The management fee for the Funds is generally paid in quarterly installments, either in advance or in arrears, as set forth in the subscription documents for each Fund. Performance-based fees, if earned, are payable after the calculation period for such fees. The management fee is paid by offset from amounts distributable to investors, or directly or by Investors where there are insufficient amounts available for distribution. Under either scenario, we will notify investors of

the amount of the management fee.

C. Additional Expenses and Fees.

We typically charge our Clients for certain out-of-pocket fees and expenses we incur as more fully described in our investment management agreement with each Client or the fund prospectus or organizational documents. Such expenses include, but are not limited to, transaction costs and custodian and administrator fees.

We pay all normal operating expenses arising from the day-to-day administrative services we provide. These expenses primarily consist of salaries for our staff, rent, utilities and other similar ordinary and recurring expenses.

Subject to any contractually agreed caps and offset against the applicable management fee as described in the limited partnership agreements of the Funds, the Funds pay all costs, expenses and liabilities in connection with such Fund's operations which are not reimbursed by the companies that such Funds invest in ("**portfolio companies**"), including:

- legal, filing, banking, auditing, consulting and accounting fees and expenses,
- fees payable to tax compliance providers
- finders' fees to source investments
- expenses associated with the Funds' reporting, including annual meeting expenses,
- advisory committee fees and expenses, and
- all other out-of-pocket expenses incurred by the Funds, including taxes, fees or other charges levied against the Funds, litigation and indemnification claims.

The General Partners of each the Funds also charge portfolio companies other fees such as directors' fees (such director fees are also charged by former PGIM employees who at the request of PPC or the General Partner are serving on portfolio company boards as further described below), transaction fees, monitoring fees, break-up fees and other similar fees. As described in the limited partnership agreements for the Funds, a contractually agreed portion of all such fees that the General Partners receive (net of any unreimbursed investment expenses) is applied to reduce the applicable management fee otherwise payable by the investors. The Funds' share of such fees (paid or received) will be allocated on the basis of the capital (including related debt) committed by the Funds to the relevant investment.

To compensate us for our additional time and effort when we act as placement adviser to an issuer or assist the issuer in structuring an investment or assist an issuer in arranging a loan, we sometimes charge the issuer a fee. Receiving a fee from an issuer that we do not pass on to the investors participating in the financing creates a conflict with our Clients. We mitigate that conflict by (a) only acting as placement adviser or arranger as a means to access deal flow and (b) maintaining a fee allocations policy which generally requires that all fees paid by an issuer to us are passed pro rata to our Clients, but allows us to receive and keep certain specific types of fees, including "shelf set-up fees" and disproportionate fees (that is, a fee paid to us above and beyond any fee received by other investors participating in the same transaction whose investments are not managed by us). However, because ERISA regulations require that ERISA

separate accounts must be allocated a pro rata portion of every fee generated by any deal in which it participates, there is a potential for disparate treatment in cases where we receive a fee which is not required to be passed pro-rata to Clients under the fee policy because we will allocate a pro rata share of such fee to participating ERISA separate accounts but not to other Clients.

In some cases, former employees (or entities controlled by former employees) of PGIM serve on the board of portfolio companies and receive compensation from such portfolio companies in an amount similar to amounts paid to other independent board members, if any, of such portfolio companies. Such fees are retained by the former employees and are not offset against the applicable management fee.

D. Prepayment of Fees.

For Clients other than the Funds, we do not require or solicit Clients to pay advisory fees in advance. If a Client was to pay advisory fees in advance and the Client's advisory contract was to terminate before the end of a billing period, any prepaid fees would be refunded on a pro-rata basis.

For each of the Funds, subject to the terms described in its limited partnership agreement, in the event a part of a prepaid management fee must be returned to an investor, we return a ratable amount of the prepaid management fee based on the percentage that the number of remaining days in the prepaid billing period bears to the total number of days in the prepaid billing period.

E. Additional Compensation and Conflicts of Interest.

Neither we nor any of our supervised persons accept compensation for the sale of securities or other investment products.

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

PPC or one of the General Partners of the Funds receives a performance-based fee of up to 20% of each Fund investor's profits, subject to a preferred return to investors. For some Funds, performance fees may be paid in advance of the point in time when a Fund investor's profits can be finalized. In the event that more fees have been paid or advanced to one of the General Partners than what are ultimately payable, such excess (above the amount required for the General Partner to pay taxes on the fees it has received) will be returned to investors. All performance-based fees for the Funds are disclosed in the offering documents and limited partnership agreements for such Funds. We reserve the right to defer, waive or reduce our performance-based fees for certain Fund investors. However, in no circumstance will we cause the performance-based fee to be increased for one investor as a result of the waiving or reduction of such fee for another investor.

Some of our investment professionals participate along with PPC in the receipt of performance-based fees from the Funds. With respect to investment advisory products and services for which we and our investment professionals receive performance-based compensation, the potential receipt of such compensation creates a conflict of interest, as it creates an incentive for us and

our investment professionals to make or recommend investments based on their potential compensation rather than the interest of the investors. While this creates an inherent conflict of interest for them to favor the investment on which they receive performance-based fees, we believe that there are appropriate allocation and investment management policies and procedures in place to address these conflicts.

We sometime receive performance- based fees on an investment for one or more Clients and also manage an investment in the same securities (or in different securities of the same issuer) on a fixed fee basis for another Client. For example, we will sometimes manage a senior debt investment at the same time that we are managing an investment issued by the same issuer that is held by one of the Funds. While these and other similar situations create an inherent conflict of interest for us generally to favor the Fund's investments in order to receive higher fees, we believe we have appropriate allocation and investment management policies and procedures in place to address these conflicts. We will not favor the interests of any Client or group of Clients over those of any other Client or group of Clients, including in each case Affiliated Accounts. For example, in such situations we typically require that investments with equal ranking are exited ratably and distributions paid ratably.

We make co-investment opportunities available in the Funds for the benefit of certain of our investment professionals (the "**Management Funds**").

Item 7 – Types of Clients

We offer investment management and advisory services through the Funds and Managed Accounts, to a variety of affiliated and unaffiliated institutional investors located in the U.S., Europe and Asia. They include pension and profit-sharing plans, public employee retirement systems, sovereign wealth funds, corporations, investment companies and their investment managers, insurance companies, high net worth individuals, commingled trust funds and private investment funds. The size of customized single investor accounts varies and there is no current minimum account size. Investors in the Funds include pension plans, ERISA plans, corporations, insurance companies, family offices, funds of funds, and high net worth individuals. The Funds each typically seek a minimum commitment, but exceptions have been made. Certain pension plans are subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), but with respect to such plans, we do not (i) act as such plan's fiduciary as defined by the Department of Labor and do not give advice in a fiduciary capacity, or (ii) undertake to provide impartial investment advice, as we will receive compensation for our investment management services. Our products and services are available to ERISA plans only when represented by an Independent Fiduciary as defined by the U.S. Department of Labor. A plan or its Independent Fiduciary will be asked to make representations to enable reliance on the Independent Fiduciary exception from the definition of fiduciary investment advice in the Department of Labor's regulations.

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

Methods of Analysis and Investment Strategies

As noted in Item 4 above, we originate and provide support for the management of Private Investments, including Mezzanine Investments and Energy Investments. We use a geographic approach to sourcing Private Investments. Regional offices are generally run by a Managing Director with 20 or more years of experience. Each domestic region is broken into two to five deal teams, generally led by a vice president or a senior vice president who covers, generally, two to three states. Internationally, in addition to covering parts of the host country, each deal team has responsibility for one or more other countries. Each deal team is responsible to know, and maintain an active dialogue with, middle market companies in their territory. Our approach, subject to Client constraints, is to seek diversity in portfolios on a geographic basis and in a diverse range of industries. We generally originate a significant portion of our business on a “direct” basis with the remainder sourced through intermediaries (commercial and investment banks).

A key feature of the strategies we employ for our Clients is the comprehensive monitoring process we use to evaluate and manage the securities we originate. That process is described in detail in Item 13. We have a detailed process for documentation of transactions and a formal monitoring process which facilitates the sharing of information within PPC. As part of the origination process, our investment professionals conduct extensive due diligence and credit analyses with respect to each potential investment. Once a deal is booked and allocated, the same team that originated the transaction is responsible for monitoring it. Credit risk is the primary risk we manage, with the goal of minimizing payment default rates and maximizing recovery rates on all investments.

Each deal team monitors its portfolio companies through the review of periodic financial statements, frequent on-site visits and, for Fund investments, possible attendance at board meetings. This allows the team to monitor changes in performance that might adversely affect the portfolio company’s ability to service its debt or equity distributions. Maintaining a seat or observer status on the portfolio company’s board of directors also gives us insight into the portfolio company’s strategic direction.

Mezzanine Investments - PCP

PCP seeks to invest primarily in mezzanine debt and structured equity securities of non-Energy Companies in the United States and Canada with an increased, but limited, focus on international deal flow and non-U.S. denominated investments, primarily in the U.K. and Western Europe (we use a hedging strategy for a portion of our non-U.S. dollar debt investments). Its investments typically combine subordinated debt and equity securities and could include convertible debt, preferred stock and warrants. Mezzanine investments combine a current rate of return through scheduled interest payments with opportunities for capital appreciation through equity participation. The subordinated debt instruments are typically senior in rights and preferences to both preferred and common equity, and benefit from covenants tied to the issuer’s financial performance.

PCP focuses on transactions with middle market companies that generally generate annual revenues in the \$50 million to \$500 million range. PCP’s typical investment is between \$15 and \$125 million. The proceeds of PCP’s investments are generally used by issuers to facilitate the

financing of recapitalizations, acquisitions and internal growth opportunities.

PCP pursues an investment strategy primarily concentrated on middle market mezzanine and structured equity investments, which takes advantage of our scale, office network and middle market experience. Deal flow is primarily sourced through our direct prospect calling efforts and financing relationships with issuers excluding the energy sector, and through equity fund relationships.

PCP invests in both sponsored and non-sponsored deals. In a non-sponsored deal, the Fund will back an owner/management team directly, without the involvement of a private equity sponsor. To evaluate the attractiveness of a deal, we place an emphasis on companies with strong value-added businesses in narrowly defined market sectors. We also look for strong management teams with demonstrated track records and significant personal economic stakes in their companies' success. We perform thorough due diligence on each investment, utilizing our network of contacts to understand and analyze the particular industry, company and management team. After closing an investment, we continue to work actively with our portfolio company by maintaining an ongoing dialogue with management and through board membership and/or observer rights.

Mezzanine Investments - PCEP

PCEP seeks to invest primarily in privately issued mezzanine debt and equity instruments of Energy Companies. Such investments will often combine subordinated debt and equity securities and could include convertible debt, preferred stock and warrants. We expect the investments to combine a current rate of return through scheduled interest payments with opportunities for capital appreciation through equity participation. The subordinated debt instruments are typically senior in rights and preferences to both preferred and common equity, and benefit from covenants tied to the issuer's financial performance. PCEP's typical investment is between \$10 and \$50 million.

PCEP pursues an investment strategy focusing primarily on Energy Companies located in North America. We source transactions through our Energy Finance Group ("EFG"). EFG manages all energy-related investments on behalf of PPC through two groups: Power and Oil & Gas. EFG has dedicated origination teams covering distinct geographic territories which source investments predominantly on a direct basis. EFG also has a wide network of relationships with regional and national intermediaries, industry consultants and engineers, and middle market private equity sponsors who provide a range of deal flow. Additionally, EFG is an active participant in industry conferences and maintains active direct calling efforts, which often results in reverse inquiries to generate investment opportunities. PCEP and EFG work closely with portfolio company management teams to monitor ongoing performance of investments. Each investment is managed by the same deal team that sourced the transaction under the oversight of the Energy Fund portfolio team and sponsoring member of the Energy Fund.

To evaluate the attractiveness of a deal, PCEP will place an emphasis on attractive economics in the underlying project. We also look for strong management teams with demonstrated track records and significant personal economic stakes in their companies' success. The Energy Fund

portfolio team will perform due diligence on each investment, utilizing EFG's network of contacts to understand and analyze the target portfolio company and management team. After closing an investment, PCEP continues to work actively with the portfolio company by maintaining an ongoing dialogue with management and through board membership and/or observer rights.

Key Risks Applicable to All Strategies

Investing in securities involves risk of loss that investors should be prepared to bear. We have summarized below certain important risks of which our investors should be aware.

No Assurance of Investment Returns. There are no assurances that any investor will achieve its investment objective or receive any return on its investment. Our performance may be volatile, and investors are at risk of losing their entire investment. The only investors who should consider an investment in our investment products and strategies or the Funds are investors who can afford the loss of their entire investment. Our past performance is not a guarantee or reliable indicator of our future results. In addition, high fees and expenses will reduce investment returns.

Highly Competitive Market for Investment Opportunities. The activity of identifying and completing attractive investments is highly competitive and involves a high degree of uncertainty. We cannot provide any assurance that we will be able to locate, consummate and exit investments that will be profitable to our investors or that we will be able to invest fully the capital that we manage for our Managed Accounts or the capital committed for investment in the Funds.

Reliance on Key Management Personnel. The success of our investment strategies will depend, in substantial part, upon the skill and expertise of certain of our professionals. The death, disability or departure of any key PPC professional could adversely affect our business and performance. While we believe the success of the Funds and Managed Accounts is not dependent upon any single individual, the loss of key personnel could have a material adverse effect on our Clients.

Limited Liquidity of Private Investments. Private Investments are generally considered to be more illiquid than publicly traded corporate bonds or stocks and their valuation is more subjective. Our ability to sell an investment in the secondary market could be limited (and is inconsistent with our relationship approach to long-term investing); therefore, investors in individual discretionary accounts should be prepared to retain the investment until maturity.

Interest Rate Risks. The valuations of Private Investments tend to be sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding prices of investments to move in directions which were not initially anticipated.

Credit/Issuer Exposure. The ability of each issuer to meet its obligations under the security will depend on, among other things, the financial ability of each issuer. Thus, the Private Investments in a Managed Account or Fund will be subject to the financial strength of each underlying issuer. While we intend to invest in companies with proven operating management in place, there can be

no assurance that such management will continue to operate successfully. Moreover, there can be no assurance that operating management will continue to manage a company after the date of such investment. Although we will monitor the performance of each investment, we will rely upon management to operate the portfolio companies on a day-to-day basis and, in the case of some Fund investments, upon equity sponsors who control the boards of directors of the portfolio companies to select qualified management for such companies. In addition, some Private Investments will be in businesses with limited operating history. Finally, even where Private Investments are in senior securities, in a bankruptcy or liquidation of an issuer, some Private Investments in the account will have a lower priority than those of other creditors, such as the liquidator, tax authorities and other claims which have priority under law or regulations.

Loss of Investment Discretion. Each of the accounts that we manage, including the Funds, are discretionary accounts. This means that they are managed exclusively by us, and investors have no opportunity to control investment and disposition decisions or the day-to-day operations of a Fund. Investors must rely entirely on us to conduct and manage the affairs of the Managed Accounts and Funds and to safeguard their investment portfolios.

Operational Risk. Our operations are exposed to the risk of loss resulting from inadequate or failed processes or systems, human error or misconduct or external events.

Material, Non-Public Information. In connection with other activities of PGIM, certain employees of PGIM and its affiliates that support PPC and its operations acquire confidential or material non-public information or are restricted from initiating transactions in certain securities. We will not be free to act upon any such information. Due to these restrictions, we sometimes are not able to engage in a transaction that we otherwise might have engaged in or sell an investment that we otherwise might have sold.

Technology and Cyber Security. Investment advisers, including PGIM, must rely in part on digital and network technologies to conduct their businesses and to maintain substantial computerized data relating to Client account activities. These technologies include those we own or manage as well as those owned or managed by others, such as custodians, financial intermediaries, transfer agents, and other parties to whom we or they outsource the provision of services or business operations.

Like all businesses that use computerized data, we and our affiliates and the systems we use could be subject to a variety of possible cybersecurity incidents or similar events that could potentially result in the inadvertent disclosure of data to unintended parties, or the intentional misappropriation or destruction of data by malicious hackers mounting an attack on computer systems. We and our affiliates have implemented and maintain an information technology security policy and program that includes certain technical and physical safeguards intended to protect the integrity, availability and confidentiality of the data we have and the systems that store it and take other reasonable precautions to limit the potential for cybersecurity incidents, and to protect data from inadvertent disclosure or wrongful misappropriation or destruction.

Nevertheless, despite reasonable precautions, cybersecurity incidents could occur, and might in some circumstances result in unauthorized access to sensitive information about us or our

Clients. In addition, such incidents might cause damage to Client accounts, data or systems or affect Client services.

Furthermore, these systems may fail to operate properly or become disabled as a result of events or circumstances wholly or partly beyond our or others' control. Technology failures, whether deliberate or not, including those arising from use of third-party service providers or Client usage of systems to access accounts, could have a material adverse effect on our business or our Clients and could result in, among other things, financial loss, reputational damage, regulatory penalties or the inability to transact business.

Financial Regulatory Reform. Laws and regulations affecting our business change from time to time, and we are currently operating in an environment of significant regulatory reform, scrutiny and uncertainty. We cannot predict the effects, if any, of future legal and regulatory changes or the implementation of existing regulatory reforms on our business or the services we provide.

Brexit Risk – Loss of Passporting Regime. On 23 June 2016, the UK held a referendum with respect to its continued membership in the European Union (“EU”) (the “UK/EU Referendum”). The result of the UK/EU Referendum was a vote in favor of the UK leaving the EU. It is at present unclear what type of relationship will be established between the UK and the EU or what would be the content of such a relationship. The UK will cease to be a member of the EU from the date of entry into force of a withdrawal agreement or, if no agreement has been concluded, on 12 April 2019, unless the remaining EU 27 Member States, in agreement with the UK, unanimously decide to extend this period. At this time, it is not possible to state with any certainty what might be the terms and effective date of any withdrawal agreement. A passporting regime currently allows regulated entities licensed or authorized in the UK (and each other EEA country) to operate on a cross-border basis in other EEA countries without the need for a separate license or authorization. There can be no assurance that the terms of the UK's exit from the EU will include arrangements for the continuation of the existing passporting regime or mutual access rights to market infrastructure. We rely on the passporting rights of our UK affiliate, PCGL, to conduct our investment business in the EU. In the case of a hard Brexit where the UK becomes a “third country” with no transition period, PCGL would no longer have these passporting rights. This could impact the ability of PCGL (including its branch offices in France and Germany and its representative office in Italy) to source investment opportunities for PPC in the EU, including for our Clients. PPC and PCGL are working on contingency plans should a hard Brexit occur, including potential reliance on “temporary passport regimes” in various EU countries and the transfer of PCGL's EU business and its branches and representative offices to PCGI following local authorization. Despite these measures, our ability to market, originate investments and provide investment services in the EU may be adversely affected by Brexit.

Brexit Risk – Market Volatility. The UK/EU Referendum may lead to increased uncertainty and volatility in United Kingdom, EU and other financial markets, fluctuations in asset values and/or exchange rates, decreased liquidity of investments located, traded or listed within the United Kingdom, the EU or elsewhere, changes in the willingness or ability of financial and other counterparties to enter into transactions, or the price and terms on which they are prepared to do so; and/or changes in legal and regulatory regimes to which PPC, our Clients or their assets are or become subject. Furthermore, the exit of the United Kingdom from the EU could have a

material impact on the United Kingdom's economy and the future growth of that economy, which may damage customers' and investors' confidence. As a result, Clients face potential risks associated with the UK/EU Referendum, including volatility in foreign exchange markets and weakness in the UK exchange rate, and a prolonged period of uncertainty, as the United Kingdom seeks to negotiate the terms of its exit, which could materially adversely impact Clients. The UK/EU Referendum may also destabilize some or all of the other EU countries, including countries in which we conduct business, and/or the Eurozone, and it may have a negative impact on the value of Clients' investments and on our ability to enter into transactions, value or realize on investments or to implement investment policy on behalf of our Clients.

Key Risks Applicable to Funds

Limited Liquidity of Funds. There is no right of redemption in our Funds, and there are restrictions on transfer of investors' interests, and accordingly the investor needs to be prepared to retain the investment. There is a limited secondary market for interests in funds, and that market typically trades at a discount to an investor's capital account balance. We have discretion over approval of a potential transferee, and there can be no assurance that a secondary transfer would be approved. Investment in a Fund requires the financial ability and willingness to accept significant risk and illiquidity. The interests have not been registered under the Securities Act of 1933, or any other applicable securities laws. There is no public market for the interests and none is expected to develop. Consequently, investors will not be able to liquidate their investments prior to the end of the Fund's term.

Alternative Investments. Private funds (including the Funds) are subject to less regulation than other types of pooled investment vehicles such as mutual funds and are not subject to the same SEC registration and disclosure requirements. Consequently, it is difficult to assess a Fund's performance or independently verify information we report. Additionally, each Fund investor's voting rights are limited to its interest in the Fund and even in cases where investor votes are solicited, most investors will not have a controlling interest in the Fund. Investors must realize that a Fund's investment portfolio will consist primarily of illiquid Private Investments that are difficult to value, and disposition of Private Investments may require a lengthy time period. Losses on unsuccessful investments may be realized before gains on successful investments are realized. Finally, we have broad discretion over our investments, and the use of a single adviser like PPC could facilitate a lack of diversification and, thus, higher risk.

Subscription Facilities. The Funds sometimes utilize subscription line borrowings (which are secured by unfunded capital commitments) in connection with the making of investments and the payment of expenses, including management fees. The interest expense and other costs of such borrowings will be borne by the relevant Fund. It is expected that interest will accrue on any such outstanding borrowings at a rate lower than the preferred return, which will begin accruing when capital contributions to fund such investments, or repay borrowings used to fund such investments or expenses, are actually made. Because the General Partner does not receive distributions of performance-based fees until Fund investors have received the preferred return, the General Partner has an incentive to incur indebtedness under a subscription line in order to accelerate how quickly the preferred return is achieved or to meet the preferred return when it might otherwise not be met, thereby allowing the General Partner to receive more performance-

based fees and/or to receive it earlier than it would absent such Fund's incurrence of such indebtedness. As a general matter, use of leverage in lieu of drawing down capital commitments amplifies returns (either negative or positive) to investors.

Specific Risks Related to Mezzanine Investments.

Mezzanine Investments involve a high degree of risk with no certainty of any return of capital. Although mezzanine securities are typically senior to common stock and other equity securities in the capital structure, they are often contractually or structurally subordinated to large amounts of senior debt and are usually unsecured. Investments in highly leveraged companies are intrinsically more sensitive to declines in company revenues and to increases in company expenses. Many of the companies we invest in face intense competition, changing business and economic conditions or other developments that could adversely affect their performance. Moreover, rising interest rates are likely to increase portfolio company interest expense. We cannot provide any assurance that a company will generate sufficient cash to service its debt obligations. Moreover, a debt security (or other obligation) bearing payment-in-kind interest will generally have a higher risk of non-payment of interest since there will be no cash payments of interest from the issuer prior to maturity or refinancing. In addition, many of the remedies available to mezzanine holders are available only after satisfaction of claims of senior creditors. Therefore, in the event that an issuer does not generate adequate cash flow to service its debt obligations, investors could suffer a partial or total loss of invested capital. Since the Funds can only make a limited number of investments, and since Mezzanine Investments generally will involve a high degree of risk, poor performance by a few of the investments could severely affect the total returns to investors. Finally, our investments sometimes involve complex tax structures and delays in the distribution of tax information.

Competitive Nature of Mezzanine Investing Business. With respect to Mezzanine Investments, we compete for investments with other groups, including other private investment funds, private equity funds, direct investment firms and merchant banks, and may be unable to identify a sufficient number of attractive Mezzanine Investment opportunities to meet the investment objectives of our Clients. Other investors could make competing offers for investment opportunities that are identified, and even after an agreement in principle has been reached with the board of directors or owners of an investment target, consummating the transaction is subject to a multitude of uncertainties, only some of which are foreseeable or within our control. Further, over the past several years, an increasing number of private investment funds, including those focusing on energy investments, have been formed (and many such existing funds have grown in size). No assurance can be given that we will be successful in obtaining suitable investments, or that if such investments are made, the objectives of the relevant Client will be achieved.

Specific Risks Related to Energy Investments.

Nature of Investments in Oil and Gas. Certain of the Energy Companies in which we invest are subject to the risks inherent in acquiring or developing recoverable oil and natural gas reserves, including capital expenditures for the identification and acquisitions of projects, the drilling and completing of wells and the conduct of development and production operations. Successful investment in oil and natural gas properties and other related facilities and properties requires an

assessment of (i) recoverable reserves, (ii) production rates, (iii) future oil and natural gas prices, (iv) operating and capital costs, (v) potential environmental and other liabilities and (vi) other factors; such assessments are necessarily inexact and their accuracy inherently uncertain. Also, the revenues generated by certain of the Energy Companies in which we invest are dependent on the future prices of, and the demand for, oil and natural gas. Oil and gas investments would likely have significant shortfalls in projected cash flow if oil and gas prices decline from levels projected at the time the investment is made.

Various factors beyond our control will affect the price of oil, natural gas and natural gas liquids, including the worldwide supply of oil and regional supply of natural gas, as well as political instability or armed conflict in oil and natural gas-producing regions, the price of imports, the value of the US dollar and other currencies in which we invest, the level of consumer demand, the price and availability of alternative fuels, the availability of pipeline capacity and changes in existing government regulation, taxation and price control. While natural gas prices are vulnerable to worldwide dynamics, because natural gas is typically consumed locally due to the high cost of transporting it over long distances, prices are more immediately affected by regional dynamics. Prices for oil, natural gas and natural gas liquids have fluctuated greatly in the past, and markets for oil, natural gas and natural gas liquids continue to be volatile.

Further, to the extent we invest in or receives royalty interests, the relevant Client will generally receive revenues from those royalty interests only upon sales of oil, gas and other hydrocarbon production or upon sale of the royalty interests themselves. There can be no assurance that reserves sufficient to provide the expected royalty income will be discovered or produced.

Project Risks. Investing in the energy industry and related assets is subject to a variety of risks, not all of which can be foreseen or quantified, including construction, operating, economic, environmental, permitting, commissioning, start-up, commercial, regulatory, political and financial risks. Most energy assets have unique location and market characteristics, which could make them highly illiquid or appealing only to a narrow group of investors. Political and regulatory considerations and popular sentiments could also affect our ability to buy or sell investments on favorable terms. Energy projects are generally heavily dependent on the operator of the assets. There are a limited number of operators with the expertise necessary to successfully maintain and operate energy investments. Energy assets are typically subject to extensive regulation in the jurisdiction where they are located and changes in regulations, or in the interpretation of regulations, or stricter enforcement of such regulations could adversely affect the value of the relevant Client's investments.

We could also invest in early development stage projects, involving risks of failure to obtain or substantial delays in obtaining: (i) land, right of way, environmental, safety or other regulatory approvals or permits, (ii) financing and (iii) suitable equipment supply, operating and off-take contracts. Development projects, by their nature, involve additional substantial risks, including construction and other delays. See "*Construction Risks*" below.

Single Project Risks. Power and midstream energy assets can have a narrow customer base. Should any of the customers or counterparties fail to pay their contractual obligations, or should a government appropriate the underlying assets, significant revenues could cease and become

irreplaceable. This would affect the profitability of energy and power assets and the value of any securities or other instruments issued in connection with such assets. Midstream energy projects are generally heavily dependent on the operator of the assets. There are a limited number of operators with the expertise necessary to successfully maintain and operate power and midstream energy projects. The loss of an operator of a project could significantly impair the financial viability of a project and result in a material adverse effect on the relevant Client's investment. The insolvency of the lead contractor, a major subcontractor or a key equipment supplier could result in material delays, disruptions and costs that could significantly impair the financial viability of a project and result in a material adverse effect on the relevant Client's investment.

Risk of Loss of Tax Subsidies. Many alternative energy projects are dependent on tax subsidies for their economic viability, and changes in tax rates or tax incentives could impact the future values of those projects and result in a material adverse effect on our Clients' returns on their investments.

Construction Risks. The construction and development of any project involves many risks, including delays or shortages of construction equipment, material and labor, work stoppages, labor disputes, weather interferences, unforeseen engineering, environmental and geological problems, difficulties in obtaining requisite licenses or permits and unanticipated cost increases, any of which could give rise to delays or cost overruns. We will attempt to minimize construction-related risks through fixed-price or turnkey construction contracts with experienced and creditworthy construction contractors, under which the contractors typically assume certain risks (though not risks related to force majeure events), such as the risk of unexcused delays in completion of construction and certain cost overruns; however, the use of fixed-price contracts could result in an increase in the overall price of the construction contract, or contractors may not be willing to enter into fixed-price contracts. Such contracts will typically require the contractor to carry substantial insurance or have adequate resources and to pay liquidated damages in the event of failure of performance by the contractor.

There can be no assurance, however, that (i) liquidated damages or insurance payments would be sufficient to pay for any increased costs or to offset lost revenues resulting from a completed project that does not meet, or is late in meeting, its performance specifications, (ii) a contractor will honor its commitments or will have the financial resources to satisfy its obligations to make liquidated damages payments or (iii) any affected project would continue to operate at its design specifications after the expiration of the contractor's and equipment suppliers' warranties. Any such occurrence is likely to adversely affect the performance of the investment.

Operational and Technical Risks. The value of a portfolio company will be highly dependent on its then-expected cash flow generating abilities at the time of exit. The estimate of such cash flow generating abilities will also affect the current cash distribution to the relevant Client during that period. Actual cash flow generating ability of the relevant Client's portfolio companies could be influenced and affected by a number of factors, including mechanical breakdowns, spare parts shortages, failure to perform according to design specifications, labor strikes, labor disputes, work stoppages and other work interruptions, adverse weather conditions, accidents, the breakdown or failure of equipment or processes, the performance of the facilities below expected levels of capacity and efficiency (including throughput volumes), and catastrophic

events such as explosions, fires, earthquakes, hurricanes, floods, landslides or other similar events beyond our control. These types of catastrophic events could result in loss of human life, significant damage to property, environmental pollution and impairment of a portfolio company's operations, any of which could also result in substantial losses for which insurance may not be sufficient or available and for which the relevant Client could bear a part or all of the cost. An operating failure could lead to loss of a license, concession or contract on which a portfolio investment is dependent.

In addition, the long-term profitability of power and midstream energy assets is partly dependent upon the efficient operation and maintenance of the assets. Inefficient operations and maintenance, or limitations in the skills, experience or resources of operating companies could reduce returns to the investors. In particular, a variety of hazards and operating risks inherent in oil, gas and natural gas liquids gathering, processing, fractionation, storage, and distribution activities, such as leaks, explosions, mechanical problems, activities of third parties and damage to pipelines, facilities and equipment from catastrophic events, could cause substantial financial losses.

In addition, Clients in Energy Investments could be subject to significant fines and penalties from regulators in connection with such events. For pipeline and storage assets located near populated areas, including residential communities, commercial business centers, industrial sites and other public gathering locations, the level of damage resulting from these catastrophic events could be greater. Costs of pipeline seepage over time can be mitigated through insurance, however, if not discovered within the specified insurance time period would result in the full cost for the incident being borne by the portfolio company. Portfolio companies may not be able to maintain insurance coverage against all of these risks and losses, and any insurance coverage obtained may not fully cover the damages caused by those risks and losses.

Alternative Energy Risk. Availability of alternative energy sources could cause a shift from fossil to renewable energy sources for a number of reasons, including customer demand for cleaner energy to mitigate climate change or the desire for sustainable energy. Investments in the natural gas and crude oil industries are also dependent on the continued availability of natural gas and crude oil production and reserves. Prices for these commodities, regulatory limitations on the development of natural gas and crude oil supplies, or a shift in supply sources could adversely affect development of additional reserves and production that are accessible by the relevant Client's pipeline, gathering, processing and distribution assets. Lack of commercial quantities of natural gas and crude oil available to these assets could cause customers to seek alternative energy resources, thereby reducing their reliance on the services of the relevant Client's portfolio companies.

Environmental Matters. Energy infrastructure and resource companies are subject to numerous environmental laws and regulations in each country in which they operate, including those affecting air emissions, water quality, wastewater discharges, solid waste and hazardous waste. These laws and regulations can result in increased capital, operating and other costs. These laws and regulations generally will require portfolio companies to obtain and comply with a wide variety of environmental licenses, permits, inspections and other approvals. Compliance with environmental laws and regulations can require significant expenditures, including expenditures

for clean-up costs and damages arising out of contaminated properties. Compliance with existing and new and emerging environmental regulatory programs is likely to result in significant operating costs which could have a material adverse impact on the relevant Client's investments. Failure to comply with environmental regulations could result in the imposition of fines, penalties and injunctive measures which would also negatively affect the relevant Client's investments.

Competition. Even if crude oil and natural gas reserves exist in the areas served by the relevant Client's portfolio companies, it is possible that the portfolio companies would not be chosen by producers in these areas to gather, transport, process, fractionate, store or otherwise handle the oil and gas extracted. We expect our portfolio companies to compete with other companies, including producers of oil and natural gas and strategic midstream companies, for any such production on the basis of many factors, including but not limited to geographic proximity to the production, costs of connection, available capacity, rates and access to markets. Portfolio energy companies are also expected to compete with railroads and third-party trucking operations in certain areas. Our portfolio companies' crude oil transportation businesses are expected to compete with crude oil hauling trucks and proprietary pipelines owned and operated by major oil companies, independent midstream companies, financial institutions with trading platforms, crude oil producers, refineries and other companies in the areas where such pipeline systems and related infrastructure deliver crude oil. The crude oil gathering and marketing business can be characterized by thin operating margins and intense competition for supplies of crude oil at the wellhead. A decline in crude oil production could intensify this competition among gatherers and marketers. Our portfolio companies' natural gas gathering businesses are expected to encounter competition in obtaining contracts to gather natural gas supplies, particularly new supplies. Competition in natural gas gathering is based in large part on reputation, efficiency, system reliability, gathering system capacity and pricing arrangements. Key competitors in the gas gathering segment include independent gas gatherers, independent midstream companies, utilities, local distribution companies, natural gas producers and major integrated energy companies. Producers served by our portfolio companies could have alternate gathering facilities available to them or could elect to construct proprietary gas gathering systems.

Broken Deal Expenses. Investments in the power and midstream energy industry often require extensive due diligence activities prior to acquisition, the expenses relating to which can be quite substantial. Due diligence costs include among others: feasibility and technical studies; preliminary engineering costs and marketing studies; environmental reviews; legal costs; and bid preparation and submission costs. In many cases, we will require that these costs be covered by the prospect, but in the event that a prospective investment is not finalized, these expenses will be borne by the applicable Client.

Documentation Risks. Power and midstream energy assets are often governed by a complex series of legal documents and contracts. As a result, the risks of a dispute over interpretation or enforceability of the documentation and consequent costs and delays could be higher than for other investments. Clients may be adversely affected by future changes in laws and regulations applicable to Energy Investments.

Item 9 – Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. We have no facts or events to report in response to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

A. Broker-Dealer Registration Status.

We are part of PGIM, and as an affiliate of Prudential Financial, PGIM is part of a diversified, global financial services organization. As a result, we are affiliated with many types of financial service providers, including broker-dealers, insurance companies and other investment advisers. Some of our employees are officers of some of these affiliates and, in the case of broker-dealers, registered representatives of the broker-dealers.

B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Advisor Registration Status.

PGIM is registered with the CFTC as a Commodity Trading Advisor and a Commodity Pool Operator and is a member of the National Futures Association. PGIM advises qualified eligible persons (QEPs) under CFTC Rule 4.7.

C. Material Relationships or Arrangements with Industry Participants and Affiliated Advisers.

As described in the response to Item 4 above, we provide investment advisory services to our Affiliated Accounts. PGIM also has affiliates that provide the following services:

- PGIM Investments LLC manages mutual funds,
- Prudential Investment Management Services, LLC (“PIMS”), a broker-dealer and FINRA- member, provides broker-dealer services for us and, in connection with the offer and sale of the interests in the Funds, also provides marketing support. As noted above, some of our employees are registered representatives of PIMS. We do not use PIMS as a broker for securities trading activity on behalf of our Clients.
- PCGL, which is regulated by the Financial Conduct Authority of the United Kingdom, through its branches, originates transactions that are allocated to our Clients, and also provides marketing, operational, and administrative support to PPC.
- PCGI, which is regulated by the Central Bank of Ireland, will primarily manage Private Investments portfolios for unaffiliated institutional clients as well as certain funds that invest in Private Investments. After authorization, PCGL’s branches, which originate transactions that are allocated to our Clients, and also provide marketing, operational, and administrative support to PPC, will be transferred to PCGI.

The affiliates listed in this brochure provide services to us in addition to the services we provide them.

PGIM and its affiliated investment advisers actively engage in the creation of limited partnerships or limited liability companies as vehicles for client investments. These investment advisers could compete with us for investment opportunities for the investment vehicles that they manage.

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

Code of Ethics

We maintain a code of ethics as required by applicable SEC rules. Our code of ethics requires employees to conduct business in an honest and forthright manner in accordance with the highest of ethical standards. In addition, our code of ethics requires employees to put Client interests ahead of our own and disclose actual and potential meaningful conflicts of interest. Our code of ethics incorporates our information barrier and personal securities trading standards that are described in greater detail below. Our employees are required to report any violation of our code of ethics promptly to our compliance unit. We will provide a copy of our code of ethics to Clients or prospective investors upon request and without charge.

Information Barrier Standards

Our information barrier standards are designed to prevent the communication of material, non-public information across PGIM's various asset management investment sectors. Under the standards, an employee of one investment sector shall not communicate material, non-public information to an employee of another investment sector without approval from each sector's compliance unit. The information barrier standards restrict physical access to an investment sector's offices, systems and investment records by employees of a different investment sector.

PGIM, including PPC, maintains various restricted lists of issuers about which it has material, non-public information or other trading restrictions. The restricted lists are maintained by the compliance unit, which monitors firm level and personal investments against these lists.

Personal Securities Trading Standards

We maintain personal securities trading standards that govern the trading activities of our employees as well as their household members and dependents. Subject to certain limited exceptions, employees are required by our standards to:

- report personal securities transactions to our corporate compliance unit;
- pre-clear personal securities transactions (for employees considered to be “access persons” under SEC rules);
- maintain brokerage accounts only with certain approved brokers that report transaction information to our corporate compliance unit; and,

- annually report securities holdings to our corporate compliance unit.

Our access persons and investment personnel are subject to additional restrictions under the policy, including but not limited to the following:

- investment personnel are generally prohibited from purchasing securities in initial public offerings;
- access persons are not permitted to knowingly trade any security on the same day that we trade such security (or an equivalent security) for client accounts (other than in client accounts that replicate a broad-based index);
- investment personnel are prohibited from knowingly trading any security within seven days before or after we trade such security (or an equivalent security) for client accounts (other than in client accounts that replicate a broad-based index);
- investment personnel who invest in proprietary and certain non-proprietary mutual funds must hold such investments for a period of at least 60 days;
- access persons are not permitted to write naked call options or buy naked put options on a security held in a client account; and
- exceptions may be granted for certain de minimis transactions under our policy.

The compliance unit monitors personal trading activity versus firm trading and restricted list content. An ethics committee meets regularly to consider possible violations and take disciplinary action where appropriate.

All employees receive training regarding our personal securities trading and information barrier standards. In addition, employees must annually confirm that they have read and understand our code of ethics, including the personal securities trading and information barrier standards.

Gift & Entertainment Policy

Our employees occasionally give or receive gifts, meals or entertainment of moderate value, subject to compliance with applicable laws and regulations and rules of self-regulatory organizations. We have adopted a gift and entertainment policy to address the conflicts of interest related to gifts and entertainment, such as the appearance of having given or received something of value that influenced our business decisions or the business decisions of our Clients. The policy requires the reporting and preclearance of gifts, meals and entertainment given or received which exceed certain thresholds. In addition, our employees are prohibited from soliciting the receipt of gifts, meals or entertainment. Senior management periodically reviews summaries of gifts and entertainment activity to detect trends of abuse, conflicts of interest, or possible violations of the policy.

Political Contributions

Due to the potential for conflicts of interest, Prudential Financial and PGIM have established

policies and procedures, which we have adopted, relating to political contributions that are designed to comply with applicable federal, state and local law. Under our political contributions policy, all employees (including spouses and dependent children) must obtain preapproval before making any political contribution. This policy also prohibits employees from making any political contributions with the intent of influencing a public official regarding the award of a contract to PGIM or its affiliates.

Conflicts of Interest

As a result of the broad range of PGIM's and its affiliates' businesses, conflicts of interest will inevitably arise in our operations. We have described below significant conflicts of interest and have organized the discussion under headings for ease of reading only. Conflicts described under one heading could appear or be repeated under one or more other headings below. We do not intend for the headings to limit the applicability of the conflict to other headings or other parts of our business. See also Item 5 and 6 above for a discussion of conflicts of interest which arise in connection with our fees and compensation.

PGIM follows Prudential Financial's policies on business ethics, personal securities trading by investment personnel, and information barriers and has adopted a code of ethics, allocation policies, supervisory procedures and conflicts of interest policies, among other policies and procedures, which are designed to address these potential or actual conflicts of interests. We cannot guarantee that such policies and procedures will detect and ensure avoidance, disclosure or mitigation of each and every situation in which a conflict arises.

Conflicts arising from our Affiliations and Portfolio Management Responsibilities

PGIM is an indirect, wholly-owned subsidiary of Prudential Financial and is part of a broad-scale global financial services organization, affiliated with insurance companies, investment advisers and broker-dealers. PGIM's portfolio managers are often responsible for managing multiple accounts, including accounts of affiliates, institutional accounts, insurance company separate accounts, nondiscretionary model portfolios and various pooled investment vehicles, such as unregistered funds (including hedge funds). These affiliations and portfolio management responsibilities cause potential and actual conflicts of interest. We aim to conduct ourselves in a manner we consider to be the most fair and consistent with our fiduciary obligations to all of our Clients.

Management of multiple accounts and funds side-by-side raises potential conflicts of interest relating to the allocation of investment opportunities, the aggregation and allocation of trades and cross trading. We have developed policies and procedures designed to address these potential conflicts of interest.

Legal, regulatory and contractual restrictions sometimes limit how much, if any, of a particular security we are able to purchase or sell on behalf of a Client, and the timing of our purchase or sale of a security. Such restrictions could arise as a result of our relationship with Prudential Financial and its other affiliates. We may be prohibited from engaging in transactions with our affiliates even when such transactions are beneficial for Client accounts. Certain affiliated

transactions are permitted in accordance with our procedures.

Certain business units and affiliates of PGIM develop and publish credit research that is independent from the research developed within PGIM and other business units of PGIM. PGIM could hold different opinions on the investment merits of a given security, issuer or industry such that we will be purchasing or holding a security for a Client and an affiliated entity is selling or recommending a sale of the same security or other securities of the same issuer or in the same industry. Conversely, we could sell a security for a Client and an affiliated entity is purchasing or recommending a buy of the same security or other securities of the same issuer or in the same industry.

We sometimes buy, sell, direct or recommend that a Client buy or sell, securities of the same kind or class that are purchased or sold for another PGIM managed account, at prices which are different. In addition, we may, at any time, execute trades of securities of the same kind or class in one direction for a Client and PGIM may trade in the opposite direction or not trade for any other account due to differences in investment strategy or Client direction.

Our affiliates sell various products and/or services to issuers whose securities we purchase and sell for our Clients. We can also invest Client assets in offerings of securities the proceeds of which are used to repay debt or other financial instruments held in Affiliated Accounts or other Client accounts. Our interest in having the debt or other financial instrument paid creates a conflict of interest.

Certain of our affiliates (as well as directors or officers of our affiliates) are officers or directors of issuers in which we invest from time to time. These issuers might also be service providers to us or our affiliates.

Conflicts arising as a result of our Possession of Material, Non-Public Information and our Information Barrier

We sometimes come into possession of material, non-public information with respect to a particular issuer and as a result we will be unable to execute purchase or sale transactions in securities of such issuer for our Clients. This can occur because PPC, in the normal course of business, obtains material, non-public information about public issuers resulting in restrictions on trading in securities of such issuers.

We have procedures in place to track the receipt of material, non-public information and a process to analyze and resolve related trading issues. In addition, PGIM maintains information barriers or “fire walls” designed to prevent the transfer of such information between units of PGIM as well as between affiliates and PGIM. In some instances, PGIM could create an “isolated information barrier” around a small number of employees within an investment unit who come into possession of material, non-public information about an issuer, so that their knowledge is not attributed to the rest of the unit.

Conflicts arising from Fee Practices

Some of the fees we charge are negotiable so one Client with similar investment objectives or goals is paying a higher fee than another Client. Large accounts generate more revenue for us than do smaller accounts. We are faced with a conflict of interest when allocating scarce investment opportunities given the potential benefit of favoring accounts that generate more income for us. To address this conflict of interest, we have adopted allocation policies as well as supervisory procedures that are intended to fairly allocate investment opportunities among competing Client accounts.

Conflicts arising from Placement Adviser Activity

We compete directly with agents/intermediaries to win direct mandates from issuers for investments. Occasionally, the desired amount of capital an issuer proposes to raise exceeds the amount we can provide alone. In those situations, we have found it advantageous to partner with other institutional investors in order to gain direct access to deal flow. To compensate us for our additional time and effort when we act as placement adviser to an issuer or assist in arranging a loan, we charge the issuer a fee. Receiving a fee from an issuer that we do not pass on to the investors participating in the financing creates a conflict with our investors. We mitigate that conflict by (a) only acting as placement adviser or assist in arranging a loan as a means to access deal flow and (b) obtaining the agreement of our impacted investors that we can receive and keep disproportionate fees (that is, a fee paid to us above and beyond any fee received by other investors participating in the same transaction whose investments are not managed by us).

Conflicts arising from Relationships with Large Clients and Our Affiliates

Conflicts of interest arise due to our relationship with especially large Clients and our affiliates. Such Clients often have needs for information, reporting, operational support, or our other resources that are disproportionate to the nature or amount of assets we manage for them and may be different or greater than provided to all Clients generally. Representatives of the Affiliated Accounts who are responsible for monitoring Prudential Financial's enterprise investment risk have access to information about our assets under management, including for third parties, that is not made available to non-affiliated Clients (although their access does not include specific non-affiliated Client identifying information or portfolio information for Clients who have asked for confidentiality with respect to sharing of information with PGIM affiliates). We believe that we manage our relationships with such Clients in a manner that is consistent with the best interests of all our Clients.

Conflicts arising from PGIM's or its Affiliates' Investment and Other Activities and Relationships

Conflicts of interest also arise in connection with the investment or other activities of other PGIM business units and its affiliates or relationships of such parties with issuers of securities. Affiliated Accounts at times have various levels of financial or other interests, including but not limited to portfolio holdings, in companies whose securities are held or purchased or sold for our Clients. These financial interests may at any time be in potential or actual conflict or be inconsistent with positions held or actions taken by us on behalf of our Clients. These interests can include debt or equity financing, strategic corporate relationships or investments and the

offering of investment advice in various forms. We sometimes invest Client assets in the securities of companies with which PGIM or an affiliate of PGIM has a financial relationship, including investment in the securities of companies that are advisory clients of other PGIM business units. We may also be unable to invest Client assets in the securities of certain issuers as a result of these investments or relationships.

Conflicts arising from Investing in Different Parts of a Company's Capital Structure

Different Clients sometimes invest in different layers of the capital structure of a portfolio company. For example, a Client (i) will own debt of a portfolio company, while another Client owns subordinated debt or equity in the same portfolio company, or (ii) will own debt of a portfolio company, while another Client owns a different tranche or other class or issue of debt of the same portfolio company. Furthermore, a Client may participate in debt originated to finance the acquisition by other Clients of an equity or other interest in a portfolio company. While we believe that such broad investment capability across various levels of the capital structure benefits our Clients by promoting attractive deal flow for them, investment by one Client at a level senior to that of the other Client in the capital structure of a portfolio company presents inherent conflicts of interest. For example, in the event of restructuring or insolvency, the holders of senior debt could exercise remedies and take other actions that are not in the interest of, or are adverse to, holders of junior debt or equity. We will seek to resolve such conflicts of interest in a fair and equitable manner. In the event there is a conflict resulting from one or more Clients being invested in a senior tranche of a financing and one or more other Clients being invested in a junior tranche of the same financing, we may transfer management of the different tranches to separate teams within PPC (typically the senior tranche would be transferred to our dedicated workout group) each with legal support from separate internal lawyers and law firms.

Conflicts arising from Co-Investments

PGIM affiliates or their advisory clients occasionally invest in the same securities in which our Clients are investing. For example, a Fund may find investment opportunities that it believes are too large and thus risky for the Fund to consummate alone. In those situations, the Fund simultaneously invest in the same securities being purchased outside of the Fund by other PGIM affiliates and investors in the Fund so that the Fund's investments are not overly concentrated in any single investment. While the Funds believe that having the ability to structure transactions in this manner benefits the Funds by allowing the Funds to close transactions that they would not otherwise prudently have the ability or scale to execute, the situation creates inherent conflicts of interest. For example, a Fund could feel pressured to make a decision to sell an investment earlier or maintain an investment longer than it would if the related interests or parties were not invested in the same securities. Our policy is to manage each of Client's investments in the best interests of the Client and each Client would typically exit transactions ratably with its co-investors. A Fund will also seek Advisory Committee approval of transactions when it deems appropriate.

Conflicts may be waived as a result of Advisory Committee approval

The Funds each have an Advisory Committee consisting of representatives of the Funds'

investors who are not affiliated with the General Partner. The Advisory Committee will meet as required to consult with the General Partner as to potential conflicts of interest. On any issue involving actual conflicts of interest, the General Partner will be guided by its good faith discretion. In the event that any matter arises that the General Partner and the Advisory Committee determine in their good faith judgment to constitute an actual conflict of interest between the Funds, on the one hand, and the General Partner or its affiliates, on the other hand, the General Partner will take such actions as the Advisory Committee deems necessary or appropriate in good faith to ameliorate the conflict (and upon taking such actions the General Partner will be relieved of any responsibility for the conflict of interest). The General Partner of the Funds will retain ultimate responsibility for all decisions relating to the operation and management of the Funds, including but not limited to investment decisions.

In rare cases and with the requisite consent of the applicable Advisory Committees of the Funds, (i) we will make new investments in one Fund that refinances all or part of an existing investment made by an earlier Fund or by a PPC affiliate and (ii) an affiliate of PPC will refinance all or a part of a Fund investment, in each of the preceding cases, when we believe the transaction would be beneficial to all participants.

Conflicts arising from Competing Interests

A Client account could have an investment in an issuer, including an equity interest in a joint venture or another entity, that is engaged in a business that competes with issuers whose securities are held in other Client accounts, or that competes directly with our business, the Funds or an affiliate. While these types of conflicts cannot be eliminated, we have implemented policies and procedures designed to provide for management of each investment in the best interest of each Client holding that investment.

We advise Affiliated Accounts. We have a financial interest in the accounts we advise, either directly or indirectly. To address potential conflicts of interest, we have procedures, including supervisory review procedures, designed to provide that (including to the extent that Client accounts are managed differently from Affiliated Accounts) each of the Client accounts, and each Affiliated Account, is managed in a manner that is consistent with its investment objectives, investment strategies and restrictions, as well as with our fiduciary obligations.

Potential conflicts of interest exist in instances in which we or our affiliates determine that a specific transaction in a security is appropriate for a specific account, including the Affiliated Accounts, based upon numerous factors including, among other things, investment objectives, investment strategies or restrictions, while other accounts (including the Affiliated Accounts) hold or take the opposite position in the security in accordance with those accounts' investment objectives, investment strategies and restrictions.

Conflicts arising from Overlapping Investment Mandates

Through PPC, PGIM invests on behalf of its Clients in certain asset classes, including debt securities offered pursuant to Rule 144A under the Securities Act of 1933, bank loans and real-estate related investments. When we invest in these asset classes, we generally invest in issues

that are smaller and less liquid than the issues in which our affiliates invest. In some cases, however, PPC and affiliated investment units discuss particular issues and mutually determine which unit will consider investing in it, based on the issue's characteristics and distribution channel.

Additionally, since we manage a number of Clients, many of which have investment programs that are similar and/or overlap, the interests of our Clients occasionally conflict with the interests of other Clients. For example, a Fund could simultaneously invest in the same securities being purchased outside of such Fund by other PPC Clients. In certain instances where the Funds do not have exclusivity, we will have discretion to allocate distressed, infrastructure and certain other investment opportunities among the Funds and the General Account. For example, it is possible that certain distressed securities could have risk/return and other characteristics that would fall within the investment focus of the Funds. In such a situation, we have an incentive to allocate such opportunities to accounts that, like the Funds, pay a performance fee. On the other hand, we have an incentive to allocate the investment opportunity to the General Account. In such circumstances, we address these types of allocation conflicts in a manner that we determine is fair and equitable to the Funds (which have not been granted exclusivity to such investments) and the General Account, taking into account the nature of the investment opportunity, the sourcing of the transaction, diversification considerations and any other considerations deemed relevant by PPC.

Conflicts arising from Investments in Competing Portfolio Companies

Due to the broad scale of our investment activities, we sometimes invest in portfolio companies that compete against each other. As a result, we may obtain and act upon information (whether obtained through a board seat or otherwise) about competing companies in our portfolio that could positively impact our investment returns with respect to one or more portfolio companies while negatively impacting our investment returns with respect to one or more other portfolio companies. This issue would be exacerbated if the investment in the competing portfolio companies were held for Clients that pay us a performance-based fee or for the Management Funds. This conflict is mitigated by the contractual or other duties we owe portfolio companies regarding the use of their confidential information and the periodic training we provide our personnel relating to confidentiality and fiduciary obligations.

Conflicts arising from Side Agreements

We sometimes enter into side agreements with investors in the Funds and we may do so with respect to funds that we manage in the future. Side agreements supplement the rights or alter the obligations of the Fund investors (including Affiliated Accounts) who are parties to the side agreements. The Funds' side agreements often include provisions relating to Advisory Committee membership, co-investment opportunities and special investment restrictions. The Funds do not enter into side agreements with investors that, in its judgment, would materially adversely affect the interests of other investors in the same Funds. In some cases, we have multiple side letters with respect to a single fund, each with a different investor.

Conflicts arising from the use of PGIM Warehouse, Inc. (the "PGIM Warehouse")

PGIM Warehouse, a separately capitalized affiliate of PGIM, acquires private debt, private equity, real estate investments, asset-backed securities and public bonds that are “warehoused” temporarily until subsequently placed in certain funds managed by PGIM or syndicated to unaffiliated investors. When investors subscribe to the funds, these assets are generally transferred to the funds at cost plus cost of carry, which has historically been beneficial to the fund investors. It should be noted, however, that an asset could decline in value from the time it is purchased by PGIM Warehouse to the time it is transferred to the fund.

While the primary goal of the PGIM Warehouse has historically been to provide short-term seed capital to funds managed by PGIM, the PGIM Warehouse also provides operating capital to certain funds once they have closed and are in their investment period through market-rate credit facilities that are secured by undrawn capital commitments from investors and bridge loans that are secured by assets of the funds. In both cases, a formal policy and procedure is followed which, among other things, requires the justification of the loan’s economic terms compared to the marketplace, approval from internal credit and investment committees, full disclosure to investors, and investor or investor advisory council approval. In the case of a default on a bridge loan, the PGIM Warehouse will appoint an unaffiliated, third-party servicer to conduct workout activities, as applicable. The PGIM Warehouse may also buy or hold securities related to certain error corrections.

Conflicts arising from the Valuation of Assets

Private Investments are often times illiquid or difficult to value. We face a conflict of interest when making a recommendation to Clients regarding the value of investments because our investment management fees are often based on the value of assets under management. We believe that our valuation policies and procedures are effective to enable us to value Client assets fairly and in a manner that is consistent with the best interests of our Clients.

Conflicts arising from Certain Service Provider Agreements

PGIM and its affiliates have service agreements with various vendors that are also pension plan investment consultants. Pursuant to the agreements, PGIM or its affiliates from time to time compensates these vendors for the provision of certain services, including software, market data and technology services. Our Clients may also retain these vendors to provide investment consulting services. The existence of these service agreements creates a conflict of interest for the investment consultants when they advise their clients regarding the investment management services of PGIM. Information about services PGIM obtains from these consultants is available to Clients upon request.

We also have service agreements with service providers that are affiliates of PGIM. Our practice is to negotiate these service contracts on an arms-length basis on commercial terms so that the contracts provide for market rates and other terms no less favorable to us than those available from unaffiliated third parties for a comparable level of quality and service. Fees of these service providers are paid by PPC issuers, who are also parties to the service agreements. We believe that we manage our relationships with these service providers in a manner that is consistent with

the best interests of all our Clients.

We retain third party service providers to provide various services for our business as well as for Funds that we manage or sub advise. A service provider, or its affiliate, sometimes provides services to us or one of our Funds while also providing services to other PGIM businesses, other PGIM-advised funds or affiliates of PGIM, and may negotiate rates in the context of the overall relationship or charge different rates or have different arrangements for specific types of services. We may benefit to a greater degree from such service provider agreements than our Funds with respect to certain types of services that are offered to the Funds. There is no assurance that we will be able to obtain advantageous fee rates from a given service provider negotiated by other PGIM businesses, other PGIM-advised funds or affiliates of PGIM based on their relationship with the service provider, or that we will know of such negotiated fee rates. With respect to law firms, we typically negotiate two different rates with each of our law firms that depend on whether we or our Clients are paying the bill or whether a third party (including a portfolio company) is paying the bill. If we or our Clients pay the bill, a higher discount applies than if a third party is paying the bill.

Conflicts arising from Personal Trading of Employees

We do not allow our staff to purchase securities also owned by our Clients in PPC- managed portfolios; however, staff may, through written exception, sell out of existing positions that overlap with our Clients. Each of these exceptions is assessed on a case-by-case basis to evaluate and mitigate potential conflicts.

Conflicts from Employees' other Compensated Activities

Certain employees of PGIM are registered representatives of affiliated broker-dealers or officers or directors of certain commingled investment vehicles managed by PGIM. These employees engage in marketing efforts in such capacities on behalf of the commingled vehicles and sometimes receive transaction-based compensation for their effort in the form of bonuses and long term compensation that are based directly or indirectly on the additional revenues generated from new or existing relationships.

The staffs of PPC and our affiliates engage in marketing or support activities for or on behalf of investments offered by other affiliates. In the event an investor sourced by us or our affiliate enters into an investment relationship with another PPC affiliate, we and our affiliates are compensated for our effort either by participating in the fees paid to that other affiliate by the applicable investor, or in such other manner as the parties agree.

Conflicts arising from Outside Business Activity

From time to time, certain of our employees or officers engage in outside business activities, including outside directorships. Any outside business activity is subject to prior approval pursuant to our personal conflicts of interest and outside business activities policy. Actual and potential conflicts of interest are analyzed during such approval process. We could be restricted in trading the securities of certain issuers in Client portfolios in the unlikely event that an

employee or officer, as a result of outside business activity, obtains material, nonpublic information regarding an issuer.

Conflicts arising from Intangible Benefits

PPC and its employees receive certain intangible and/or other benefits resulting from activities on behalf of the Funds. For example, credit cards used to incur Fund expenses, hotel chains, airlines, and other merchants may provide reward programs, and in each case such benefits and/or amounts will generally be used for the benefit of PPC, employees, and/or the Funds even though the cost of the underlying service may be borne by the Funds.

Conflicts arising from Hedging Activities

We sometimes hedge a portion of the investments we manage for one Client (including Affiliated Accounts) while not hedging a similar investment in the same issuer for another Client (including Affiliated Accounts). Consequently, the two similar investments (inclusive of the hedge) may have different economic values as a result of the hedge which could influence our management of the investments, including the timing of the disposition of the investments.

Item 12 – Brokerage Practices

We source and manage Private Investments. We generally have the authority to purchase or sell investments permitted by the investment advisory agreements or by the plan of operation of the single investor accounts we manage or the applicable Fund limited partnership agreement. We negotiate the terms of Private Investments directly with issuers; investment bankers (engaged by prospective issuers) frequently serve as intermediaries in the issuance of these securities, but no broker engaged by PPC is involved in these transactions. We will enter into negotiations through any investment banking firm that offers Private Investments that meet our investment criteria.

To the extent we effect securities transactions for our Clients, we intend to select brokers based upon the broker's ability to provide best execution for our Clients. We are not expected to accept direction from our Clients to effect securities transactions with specific brokers.

Cross trades involve the transfer, sale or purchase of assets from one Client to another Client without the use of a broker-dealer. We sometimes engage in cross trading where permissible under applicable law, if we determine that such action would be favorable to both Clients and the conditions for the transaction are fair to both parties.

Allocation

We maintain a well-documented, objective allocation protocol which is intended to provide a fair and equitable allocation of Private Investments among Clients (affiliated and non-affiliated). Each of our investment advisory Clients have agreed to our allocation protocol which provides that, whenever an issue of Private Investments meets the investment criteria of both (i) Affiliated Accounts and (ii) other accounts managed or co-managed by PPC and certain PGIM affiliates,

the Affiliated Accounts in the aggregate will have priority access to 50% of the amount of the issue available to PPC and such other accounts in the aggregate will have priority access to 50% of the amount, and allocations among the accounts in each category will generally be pro rata based on the respective amounts of the issue determined by PPC to be appropriate for the accounts in such category, subject to provisions relating to minimum allocations and conflicts of interest.

We have adopted a statement of policy to deal with conflicts of interest relating to multiple investments in the same issuer, which applies to all of the accounts to which we allocate Private Investments. The purpose of the statement of policy is to establish procedures for the allocation of multiple investments in the same issuer where either (i) the investments are linked economically or (ii) the investments have different legal priorities or include a credit default swap contract, so that we will not favor the interests of any Client or group of Clients over those of any other Client or group of Clients, including in each case Affiliated Accounts. When such conflicts are identified, our conflict committee will meet to determine whether the investment being considered could give rise to a circumstance where we might be in a position to favor the Clients in one investment over the interests of other Clients in another investment, which often occur in investments in which our Clients own a controlling portion of each investment. Where the committee determines that a material conflict exists, it will generally allocate such an investment only to the same investor(s) to which, and in the same proportions in which, the earlier investment is allocated (which sometimes results in allocating the new investment to Affiliated Accounts only). Additionally, we sometimes limit participation in an investment to Affiliated Accounts if (a) the issuer requires that no unaffiliated investors participate in the investment or (b) the issuer requires a financing facility that creates a conflict for us that is not otherwise adequately mitigated (for example, requiring issuance at different levels within the issuer's capital structure creates such a conflict). In both of the preceding cases, our only real choices are to either lose the investment or restrict the investment to Affiliated Accounts. Copies of our policy will be provided to existing and prospective investment advisory Clients upon request.

Allocation of the Funds

With certain exceptions such as co-investments, follow-on pre-Fund legacy investments, distressed investments, infrastructure investments, and other exceptions approved by the relevant Funds' Advisory Committee, the Funds have exclusive access to our mezzanine and energy deal flow as more particularly described in the limited partnership agreements for each of the Funds.

Item 13 – Review of Accounts

Our investment monitoring process involves tracking each security through a formal proprietary rating evaluation process. We enter monthly or quarterly financial investment data into our tracking system that evaluates key financial ratios relative to our customized target thresholds for each individual investment. We establish target monitoring ratios inside of the underlying contractually negotiated financial covenant ratios for each individual investment. Each deal team prepares a monthly or quarterly review sheet to evaluate financial performance of, and to provide

commentary on, each of their investments. We perform a thorough re-examination of all investments at least annually. Our annual review includes both a qualitative and quantitative re-assessment of its proprietary quality rating. Senior PPC management conducts quarterly review meetings to discuss investments that are in early stages of decline. Investments identified as on the “early warning list” are evaluated and discussed in quarterly senior management meetings. We place investments with more severe problems on a “watch list” and we generally transfer those investments to our workout/restructuring unit for more intensive management. Where we manage different tranches of a financing for the same issuer, the senior tranche would typically be transferred to our workout/restructuring unit and the junior tranche would be managed by a separate unit within PPC. Senior PPC management conducts a formal quarterly review of such “watch list” cases.

The workout process begins with early involvement by our workout professionals including frequent contact with regional offices, the “early warning” monitoring process, and consultation with deal teams on certain early warning accounts. Our workout teams take a proactive approach to each workout asset, conducting their assessment of workout options/alternatives while aggressively enforcing rights and remedies where appropriate. Where possible, we arrange for investors to be compensated for investment concessions and credit deterioration and will employ outside resources (i.e. workout/bankruptcy attorneys, turnaround/industry consultants and crisis managers) where necessary.

If a senior debt investment is placed on our watch list and we are managing a Fund investment in the same issuer, management of either the senior debt investment or the Fund investment (as determined by the head of PPC) will be transferred to our workout unit. After that transfer, the Fund investment and the senior debt investment will be managed by personnel assigned to separate units within PPC, with legal support from separate internal lawyers and law firms.

Review of Fund Portfolios

The Funds’ portfolios are under continuous supervision by the Funds’ investment committee, which approve the acquisition and disposition of each portfolio investment. The principals on the investment committee for each Fund divide primary responsibility for that Fund’s investments among themselves. There is frequent contact between the principal with primary responsibility for a portfolio investment and the PPC regional office or central mezzanine team with day-to-day responsibility for managing the investment. Investors in each Fund receive quarterly reports covering the assets and liabilities and net profit or net loss of the Fund and material changes in the valuation of each portfolio investment. Each Fund also holds annual meetings with its investors, at which the Fund’s investment performance is reviewed.

Review of Non- Fund Portfolios

The Managing Director in charge of PPC’s institutional asset management unit serves as the portfolio manager for our Managed Accounts (the “**Portfolio Manager**”). Our Portfolio Manager and his staff provide management oversight of PPPI Client portfolios, including cash management activities and establishing tactical allocation instructions (ensuring that portfolio constraints are aligned with the Client’s investment guidelines), and providing periodic reporting

and analysis of the portfolio to the fund investors. Each month, we prepare a detailed analysis of the performance of the portfolio holdings of our Managed Accounts and market conditions. In conjunction with that analysis, our Portfolio Manager and members of his staff meet with our Chief Credit Officer and Senior Managing Director to review performance and discuss portfolio management strategy. We provide our Managed Account Clients with a statement of their accounts showing portfolio holdings, portfolio transactions and investment performance at least quarterly.

Item 14 – Client Referrals and Other Compensation

A. Economic Benefits for Providing Services to Clients.

Other than described herein, we do not receive economic benefits from non-Clients for providing investment advice and other advisory services. See Item 5 for a discussion of our fees and compensation and certain other conflicts of interest which result from our receipt of certain deal-related fees, and the fee allocation policy which we have adopted.

B. Compensation to Non-Supervised Persons for Client Referrals.

We have engaged placement agents to solicit certain types of prospective investors for investments in the Funds. We may in the future enter into additional arrangements with third party placement agents, distributors or others to solicit investors in the Funds and such arrangements will generally provide for the compensation of such persons for their services at our expense.

Item 15 – Custody

We do not take physical custody of the assets of our Clients. Client assets are generally held in custodial accounts with banks, broker-dealers or other qualified custodians retained by our Clients under arrangements negotiated by them. Although we do not have possession of Client assets, when our Clients permit or instruct us to deduct our management fees directly from their custodial accounts, the SEC nevertheless deems us to have custody over the assets of those Clients. There are certain other circumstances under which the SEC may deem us to have custody of Client assets as well, such as when a PGIM subsidiary serves as a general partner of an investment limited partnership.

A Client's custody agreement with its custodian may contain authorizations with respect to the transfer of Client funds or securities broader than those in the Client's written investment management agreement with us. In these circumstances, our authority is limited to the authority set forth in the Client's written investment management agreement with us regardless of any broader authorization in the Client's custody agreement with its custodian. Such custodian's monitoring, if any, of such Client's account is governed by the Client's relationship with its custodian.

With respect to any Clients for which the qualified custodian which we have engaged sends quarterly or more frequent account statements directly to our Clients, Clients are advised to review

such statements for accuracy. In instances that we provide account statements in addition to the custodian, Clients are encouraged to compare both sets of reports.

Item 16 – Investment Discretion

We typically receive discretionary authority from the Client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. We have discretion to make all decisions regarding the purchase, sale and management of the investments in accordance with the investment guidelines set forth in the relevant fund investment management agreement, partnership agreement or other organizational documents, and any special investment limitations set forth in side agreements. In our judgment, the investing limitations in side agreements do not materially adversely affect the interests of investors in the same Fund. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives and the approval procedures for the particular Client account. Investment guidelines and restrictions must be provided to us in writing.

Item 17 – Voting Client Securities

We invest predominately in Private Investments, so we vote very few, if any, traditional proxies. Accordingly, we evaluate each proxy we receive and vote on a case by-case basis. In determining how to vote, we consider a number of items including detailed knowledge of the issuer's financial condition, long- and short-term economic outlook for the issuer, the issuer's capital structure and debt-service obligations, the issuer's management team and capabilities, as well as other relevant factors. In short, we attempt to vote all proxies in the best economic interest of our Clients based on the Clients' expressed priorities, if any. Client interests are placed ahead of any potential interest of PGIM or its asset management units.

Relevant members of management and regulatory personnel oversee the proxy voting process and monitor potential conflicts of interests. In addition, should the need arise, senior members of management, as advised by Compliance and Law, are authorized to address any proxy matter involving an actual or apparent conflict of interest that cannot be resolved at the level of an individual asset management business unit.

Clients can obtain the proxy voting policies and procedures of PGIM's various asset management units, and information is available to each Client concerning the voting of proxies with respect to the Client's securities, simply by contacting the client service representative of the respective unit.

Item 18 – Financial Information

We have no financial commitment that impairs our ability to meet our contractual and fiduciary commitments to our Clients.