

INVESTMENT ADVISER BROCHURE

PGP ADVISORS, LLC

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This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of PGP Advisors, LLC (“PGP Advisors”). If you have any questions about the contents of this Brochure, please contact us at (208) 928-7922. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.

PGP Advisors is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

Additional information regarding PGP Advisors is also available on the SEC’s website at www.adviserinfo.sec.gov.

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MATERIAL CHANGES

PGP Advisors filed its most recent Form ADV 2A on March 29, 2019. This annual amendment updates the description of the business practices of PGP Advisors and its affiliates.

ADVISORY BUSINESS

PGP Advisors, a Delaware limited liability company and a registered investment adviser, and its affiliated investment advisers provide investment advisory services to investment funds privately offered to qualified investors in the United States. PGP Advisors commenced operations in January 1999.

PGP Advisors currently provides advisory services to PGP Investors, LLC (the “**Fund**,” and together with any future private investment fund to which PGP Advisors or its affiliates provide investment advisory services, the “**Funds**”).

PGP Manager, LLC, the manager of the Fund (the “**Manager**,” and together with PGP Advisors and their affiliated entities “**Peninsula**”), is affiliated with and controlled by PGP Advisors.

The Manager is subject to the Advisers Act pursuant to PGP Advisors’ registration in accordance with SEC guidance. This Brochure also describes the business practices of the Manager, which operates as a single advisory business together with PGP Advisors.

The Fund is a private investment fund that invests with a long-term view primarily in operating entities (referred to herein as “subsidiary businesses”) as well as other assets. PGP Advisors’ investment advisory services to the Fund consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Although investments are made predominantly in non-public companies, investments in public companies are permitted. From time to time, where such investments consist of subsidiary businesses, the senior principals or other personnel of PGP Advisors or its affiliates generally serve on such subsidiary businesses’ respective boards of directors or otherwise act to influence control over management of subsidiary businesses in which the Fund has invested.

PGP Advisors’ advisory services to the Fund are detailed in the Fund’s advisory agreement (the “**Advisory Agreement**”), limited liability company agreement and/or other governing documents (the “**Operating Agreement**”) and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” In performing investment advisory services for the Fund, PGP Advisors utilizes its affiliate, Peninsula Pacific Management, LLC, a Delaware limited liability company (“**PPM**”), to employ all advisory personnel (other than M. Brent Stevens). See “Other Financial Industry Activities and Affiliations” below.

Investors in the Fund participate in the overall investment program for the Fund.

Additionally, from time to time and as permitted by the Operating Agreement, Peninsula has discretion to provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) to all Fund investors and/or one or more strategic

investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, Peninsula's personnel and/or certain other persons associated with Peninsula and/or its affiliates ("**Co-Investors**"). Such co-investments typically involve investment and disposal of interests in the applicable subsidiary business at the same time and on the same terms as the Fund.

As of December 31, 2019, PGP Advisors managed \$197,827,238 in client assets on a discretionary basis. PGP Advisors is principally owned and controlled by M. Brent Stevens through the Stevens Living Trust for which M. Brent Stevens and Marie Annette DeFrank each serve as trustee.

FEES AND COMPENSATION

In general, Peninsula receives an advisory fee and a carried interest in connection with performing its advisory services. In applicable circumstances, Peninsula or its affiliates also receive additional compensation in connection with director, management, consulting, administrative and other services performed for subsidiary businesses of the Fund and such additional compensation will not reduce the advisory fees otherwise payable to PGP Advisors in accordance with the Operating Agreement. Investors in the Fund also bear certain expenses.

Advisory and Other Fees

The Fund will pay PGP Advisors, quarterly in arrears, an advisory fee (the "**Advisory Fee**") equal to 2.0% on an annual basis of the value of the Fund's assets less restricted cash (as further described in the Advisory Agreement), all as reasonably determined on a commercial basis by the Manager in good faith. The Advisory Fee will be payable until all portfolio investments are distributed or until PGP Advisors' relationship with the Fund is terminated and during any calendar year will not be less than a minimum amount as described in the Advisory Agreement. Installments of the Advisory Fee payable for any period less than a full quarter are adjusted on *pro rata* basis according to the actual number of days in such period.

PGP Advisors is authorized to cause the Fund's subsidiary businesses to engage PGP Advisors or its affiliates, including its employees and principals, to provide director, management, consulting, administrative and other services to such subsidiary businesses in their ordinary course of business. PGP Advisors and its affiliates receive compensation, including cash fees, retainers or a profits or equity interest in a subsidiary business, and reimbursements for out-of-pocket expenses ("**Service Fees**") in connection with such services pursuant to separate management services agreements or similar agreements, which are subject to approval in accordance with the Operating Agreement. The Manager, PGP Advisors and their affiliates also receive transaction fees, including closing fees, placement fees and other similar fees ("**Transaction Fees**") from the Fund's subsidiary businesses in respect of the Fund's investment in such businesses. Services Fees and Transaction Fees are in addition to (and do not offset or reduce) the Advisory Fee.

PGP Advisors is typically paid fees of the type referred to in the preceding paragraph from, on behalf of or with respect to Co-Investors or potential Co-Investors that co-invest in a subsidiary business. The receipt of such fees will also not reduce the Advisory Fee payable by the Fund that has also invested in such investment.

Carried Interest

With respect to the disposition of each Fund investment, the Manager or its affiliates will receive, after returning the invested capital relating to such investment (as more fully described in the Operating Agreement), a carried interest with respect to the Fund equal to 20% of all net cash proceeds attributable to the disposition of such investment, as more fully described in the Operating Agreement.

Other Information

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

Principals or other current or former employees of Peninsula generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Advisory Fee, carried interest or other compensation received by PGP Advisors, the Manager or their affiliates, as applicable.

In addition to the Advisory Fee and carried interest payable to PGP Advisors and the Manager (or its affiliates), respectively, the Fund bears certain expenses. As set forth more fully in the Operating Agreement, the Fund bears all fees, costs and expenses relating to its activities, investments and business that are not reimbursed by a Fund investment including a subsidiary business (which reimbursements may be for travel, including meal and entertainment expenses and the chartering of private aircraft at a cost above the cost of first class commercial airfare and any other expenses incurred in connection with such investments), including: (i) costs and expenses attributable to structuring, organizing, acquiring, managing, operating, holding, winding up, liquidating, dissolving and disposing of the Fund's investments, including follow-on investments and refinancings; (ii) legal, accounting (including the Fund's accountant), auditing, consulting, investment banking, valuation (including expenses incurred in connection with third-party and/or independent valuations), financing, marketing, insurance, administration, professional fees and expenses, brokers, finders, appraisal costs, all fees and expenses incurred in connection with obtaining and maintaining permits and licenses (including gaming) for Fund investments and other similar fees and expenses; (iii) Service Fees and Transaction Fees; (iv) private placement fees, filing fees, sale commissions, underwriting commissions and discounts, custodian, depositary, transfer, and other similar fees and expenses; (v) compliance and record keeping costs and expenses; (vi) expenses incurred in connection with a liquidity event (as more fully described in the Operating Agreement), including expenses associated with any registration, including expenses related to the registration of the Fund's interests in an initial public offering and/or exchange-listing and on-going compliance costs related thereto; (vii) expenses associated with the preparation of the Fund's financial statements, tax documents (including Schedule K-1s) or other reports to investors or any other administrative, regulatory or other reporting or filing; (viii) expenses of investor meetings; (ix) expenses (including reimbursements for out-of-pocket expenses) incurred in connection with the Fund's member advisory committee and meetings thereof; (x) extraordinary expenses (such as litigation, indemnification, judgments and settlements, if any); (xi) expenses for which the Fund is contractually responsible incurred in

connection with transactions not consummated (such as break-up or topping or other “busted deal” fees) (including travel expenses); (xii) expenses incurred in connection with the termination, dissolution, winding up or liquidation of the Fund; (xiii) expenses incurred in connection with distributions to Fund investors; and (xiv) any taxes, fees or other governmental charges levied against the Fund. The Fund also bears expenses indirectly to the extent an intermediate entity, subsidiary business or other investment pays expenses, including expenses of PGP Advisors and/or its affiliates. Excluded from Fund expenses are ordinary administrative and overhead expenses of PGP Advisors incurred in connection with maintaining and operating its office(s), including employees’ salaries, rent and equipment expenses, except as set forth above as a Fund expense, borne or reimbursed by a Fund investment or as otherwise provided in the Operating Agreement. In certain cases, these or similar expenses (and/or Service Fees or Transaction Fees) are expected to be charged to subsidiary businesses, capitalized into the cost of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the investment. As is typical for private funds, the Fund likely bears additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds, and there can be no assurance that the benefits to investors will be commensurate with such expenses. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in “Brokerage Practices.”

As described above, in certain circumstances, Peninsula reserves the right to permit Co-Investors to co-invest in subsidiary businesses alongside the Fund, subject to PGP Advisors’ related policies and the Operating Agreement. Where a co-invest vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Fund. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the Manager, ultimately is not consummated, all “busted deal” costs relating to such proposed transaction will be borne by the Fund, and not by any potential co-investors, that were to have participated in such transaction.

PGP Advisors and/or its affiliates generally have discretion over whether to charge Service Fees, Transaction Fees or other compensation to a subsidiary business and, if so, the rate, timing and/or amount of such compensation. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of such compensation generally will give rise to potential conflicts of interest between the Fund, on the one hand, and PGP Advisors and/or its affiliates on the other hand.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described under “Fees and Compensation,” the Manager or its affiliates receive a carried interest allocation on certain net cash proceeds attributable to the disposition of Fund investments. Peninsula does not advise Funds not subject to a carried interest.

The existence of performance-based compensation has the potential to create an incentive for the Manager and/or its affiliates to make more speculative investments on behalf of the Fund than it would otherwise make in the absence of such arrangement, although the Manager generally

considers performance-based compensation arrangements to better align Peninsula's interests with those of the Fund's investors.

TYPES OF CLIENTS

PGP Advisors provides investment advice to the Fund, which is an investment entity formed under the laws of the State of Delaware and operated as exempt investment pool under the Investment Company Act of 1940, as amended. References throughout this Brochure to "clients" and to Peninsula's related duties to and practices on behalf of its clients and/or investors should be construed accordingly. The investors participating in the Fund include individuals, other investment entities, trusts, estates, charitable organizations and other corporations or business entities and includes, directly or indirectly, principals or other employees of PGP Advisors and its affiliates and members of their families, or other service providers retained by PGP Advisors. Fund interests are offered and sold to accredited investors (or qualified knowledgeable Peninsula personal).

The Manager also generally is permitted from time to time to establish alternative investment vehicles in order to permit certain Fund investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the Fund.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General

Peninsula is a private investment firm that generally acquires controlling interests in, develops and actively manages businesses in the consumer, gaming and industrial sectors that it believes will yield attractive returns on investment and create long-term value for Fund investors. From its inception in 1999, PGP Advisors and its affiliates developed, opened, operated and, with respect to certain such subsidiary businesses, sold several subsidiary businesses. PGP Advisors focuses on investing with a long-term view and targets businesses with what it believes are sustainable advantages that Peninsula believes will benefit from its experience.

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

Investment and Operating Strategy

PGP Advisors' principals have broad managerial experience and investment banking / capital markets expertise. PGP Advisors seeks to leverage this experience and expertise to pursue investment opportunities and to seek value creation in its subsidiary businesses.

As noted above, PGP Advisors takes a long-term view and targets businesses with what it believes are sustainable advantages, and it specializes in complex situations where it can provide customized solutions to meet the needs of various stakeholder groups. When reviewing a potential subsidiary business, PGP Advisors looks at opportunities across the capital structure through

equity, debt or structured securities. PGP Advisors' investment team has broad experience in a number of areas, including equity buyouts, corporate carve-outs, greenfield developments, public-to-privates, secondary debt purchases, recapitalizations, restructurings (including bankruptcies) and operational turnarounds.

As discussed above, PGP Advisors seeks to acquire controlling interests in and actively manage businesses that PGP Advisors believes will yield attractive returns and create long-term value for Fund investors. PGP Advisors seeks to capitalize, restructure and ultimately build businesses, in partnership with management, over an indefinite time horizon. PGP Advisors seeks to work with management to identify capital solutions to complex situations for businesses with what it believes are sustainable advantages and to evaluate strategic alternatives and assess the appropriate individual course of action for each of its subsidiary companies, with a view towards creating long term value.

Risks of Investment

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

Business Risks. The Fund's investment portfolio is expected to consist primarily of securities issued by non-public companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk which can result in substantial losses.

Concentration Risks. The Fund will participate in a limited number of investments (and has made several investments in the gaming and industrial sectors) and, as a consequence, the aggregate return of the Fund may be materially affected by the performance of a single investment or such industry.

Lack of Sufficient Investment Opportunities. The business of identifying, structuring and completing private transactions is highly competitive and involves a high degree of uncertainty.

Dynamic Investment Strategy. While the Manager generally intends to seek attractive returns for the Fund through the investment strategy and methods described herein, the Manager reserves the right pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process or investment techniques to the extent it determines such modification or departure to be appropriate and consistent with the Operating Agreement. PGP Advisors reserves the right to pursue investments outside of the industries and sectors in which PGP Advisors has previously made investments or has internal operational experience.

Investment-Related Risks. PGP Advisors makes investments (primarily in the gaming industry) at an early stage of project development. Such investments involve various risks associated with the failure to obtain, or a substantial delay in obtaining: (i) regulatory, environmental or other approvals or permits, including gaming licenses, (ii) financing; and (iii) suitable operating and management agreements. Such projects inherently involve uncertainties, including the possibility that the projects may not be completed and/or operating licenses may not be obtained. Such projects typically also involve significant construction risk,

including the risk of substantial delay or increase in cost due to a number of unforeseen factors, including: political opposition; regulatory delays; labor disputes; lawsuits and other disputes; environmental issues; or other force majeure events out of the control of PGP Advisors. Such projects may also involve various operational risks upon completion. As a result of each of the foregoing, there is no assurance that the projects PGP Advisors invests in will be profitable or generate cash flow sufficient to service their debt or provide a return on or recovery of amounts invested therein.

Gaming and Hospitality Industry Risks. Many of the Fund's current investments are in the gaming and hospitality industry. The gaming industry is subject to certain risks associated with the overall health of the U.S. economy and the financial markets. As a result, significant downturns or disruptions in either of the foregoing adversely affects the Fund's investments. In addition, the gaming industry is subject to certain industry-specific risks, including: (i) significant regulatory oversight and licensing requirements; (ii) the availability of capital/financing; (iii) increasing competition; (iv) changing demographics; (v) unexpected public health emergencies, weather patterns, disasters or other events impeding consumer attendance; and (vi) economic conditions in local and regional markets. The periods during which the Fund's resorts and casinos experience higher revenues vary from property to property, depending principally upon location and the customer base served. In addition, such industries can be cyclical and demand generally follows, on a lagged basis, the general economy. The volatility and cyclicity of the gaming and hospitality industry is likely to contribute to fluctuations in the Fund's results of operations and financial condition. As a result, there is no assurance that the Fund's projects will be profitable or that the Fund will have the ability to exit from such projects on a timely and profitable basis, if at all.

Coronavirus and Other Public Health Emergencies. As of the date of this Brochure, there is an outbreak of a novel and highly contagious form of coronavirus ("COVID-19"), which the World Health Organization has declared to constitute a "Public Health Emergency of International Concern." The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in equity and debt markets. The global impact of the outbreak is rapidly evolving, and many countries, states and local governments have reacted by instituting quarantines, prohibitions on travel, the closure of offices, businesses, schools, retail stores and other public venues, and the cancellation of live events with spectators and participants and other large gatherings. Businesses are also implementing similar voluntary and precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in supply chains and economic activity and are having a particularly adverse impact on transportation, hospitality, tourism, entertainment and other industries. As of the date of this Brochure, all of the Fund's subsidiary businesses that are gaming venues are globally experiencing government-mandated closures. PGP Advisors is unable to predict the duration of this business disruption.

As COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess. As indicated above, the gaming industry is uniquely susceptible to economic contraction, economic uncertainty or the perception of weak or weakening economic conditions and the associated impact on discretionary consumer spending on leisure activities. The performance of the Fund's subsidiary businesses rely significantly on the strength of regional and local economics, especially those in which they

operate gaming venues and their customers reside. A recession, economic slowdown or any other significant economic condition affecting consumers or corporations caused by COVID-19, other public health emergencies or otherwise generally causes a reduction in visitation to the Fund's subsidiary businesses particularly in the gaming industry, will adversely affect the Fund's performance.

The extent of the impact of any public health emergency, including COVID-19 and/or any existing or new infectious disease, on the Fund's and its subsidiary business' operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented (including any government-imposed quarantine measures and any voluntary and precautionary restrictions on travel or meetings), the impact of such public health emergency on overall supply and demand, goods and services, investor and portfolio investment liquidity, credit markets, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The threat and/or effects of a public health emergency are expected to materially and adversely impact the value and performance of the Fund's subsidiary businesses, the Fund's ability to source, manage and divest investments and the Fund's ability to achieve its investment objectives, all of which could result in significant losses to the Fund. In addition, the operations of PGP Advisors, the Fund and/or its subsidiary businesses may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or large organized gatherings and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel or customers.

Impact of Government Regulation, Reimbursement and Reform. The gaming industry is (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. While the Fund intends to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to the gaming industry, are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements, could have a material adverse effect on the operations and/or financial performance of the companies in which the Fund may invest.

Construction Industry Risks. Certain of the Fund's current investments are in the construction industry. The construction industry is subject to certain risks associated with the overall health of the global economy and the financial markets. As a result, significant downturns or disruptions in either of the foregoing could adversely affect the Fund's investments. In addition, the construction industry is subject to certain industry-specific risks, including: (i) significant regulatory oversight and licensing; (ii) the availability of capital/financing; (iii) competition; (iv) attractiveness and location of the properties and changes in the relative popularity of property types and locations; (v) changes in the financial condition of buyers and sellers of properties; (vi) changes in operating costs and expenses, taxes; (vii) changes in energy pricing; (viii) risks due to dependence on cash flows, uninsured losses or delays from casualties or condemnation; (ix) changes in applicable laws, government regulations (including those governing usage, improvement and zoning) and fiscal policies; (x) interest rate levels; (xi) environmental liabilities,

contingent liabilities, risks and operations problems arising from construction problems or similar liabilities, successor liability for investments in existing entities (e.g., buying out a distressed partner or acquiring an interest in an entity that owns a real property), acts of God, acts of war (declared or undeclared), terrorist acts, work stoppages, shortages of labor, strikes, union relations and contracts, fluctuating prices and supply of labor and/or other labor-related factors; and (xii) other factors beyond the control of Peninsula. As a result, there is no assurance that the Fund's projects will be profitable or that the Fund will have the ability to exit from such projects on a timely and profitable basis, if at all.

Redevelopment and Construction or Renovation Risks. The Fund's investments include acquisition of debt or equity interests which, following such acquisition, may engage in real estate redevelopment. To the extent that the Fund invests in such assets or activities, it will be subject to the risks normally associated with such assets and redevelopment activities, including the possibility of redevelopment cost overruns and delays due to various factors (including inclement weather, labor or material shortages, the unavailability of construction and permanent financing and timely receipt of zoning and other regulatory approvals), the availability of both construction and permanent financing on favorable terms and market or site deterioration after the redevelopment decision being made. Any unanticipated delays or expenses could have an adverse effect on the results of operations and financial condition of the Fund. If the Fund makes an equity investment in a property which subsequently becomes subject to redevelopment, such equity investment may receive little or no cash flow from the date of commencement of redevelopment through the date of completion of redevelopment and may continue to experience operating deficits after the date of completion. In addition, market conditions may change during the course of redevelopment that make such redevelopment less attractive than at the time it was commenced.

United Kingdom ("UK") Exit from the European Union (the "EU"). On March 29, 2017, the United Kingdom formally notified the European Council of its intention to leave the EU ("**Brexit**"). After a number of iterations, the European Commission and the UK's negotiators reached agreement on the terms of the UK's withdrawal from the EU, and these terms have been approved by the UK and EU Parliaments. The UK formally left the EU on January 31, 2020 after which the UK entered the transition period specified in the withdrawal agreement, which is scheduled to end on December 31, 2020. During this period, it is expected that the majority of the existing EU rules will continue to apply in the UK.

The terms of UK's exit from the EU are still uncertain, including the UK's access to the EU single market permitting the exchange of goods and services between the UK and the EU. The UK expects to agree to a deal on a future relationship with the EU by the end of the transitional period but whether this is possible is subject to disagreement by leaders of certain EU member states.

The future application of EU-based legislation to the private fund industry in the UK will depend, among other things, on how the UK renegotiates its relationship with the EU. There can be no assurance that any renegotiated laws or regulations will not have an adverse impact on the Fund and its investments, including the ability of the Fund to achieve its investment objectives.

The legal, political and economic uncertainty generally resulting from the UK's exit from the EU may adversely affect both EU and UK-based businesses, including Peninsula and Fund

subsidiary businesses. This uncertainty may also result in an economic slowdown and/or a deteriorating business environment in the UK and in one or more EU Member States.

Third Party Involvement. Certain of the Fund's equity investments may be made as a co-venturer or partner with the seller of the property, an affiliate of the seller, an investor in the Fund or other third parties. The Fund may not have control over these investments and, therefore, may have a limited ability to protect its position therein. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that: (i) the Fund and such co-venturer may reach an impasse on a major decision that requires the approval of both parties; (ii) a co-venture or partner of the Fund may at any time have economic or business interests or goals that are inconsistent with those of the Fund; (iii) the co-venturer or partner may encounter liquidity or insolvency issues or may become bankrupt; (iv) the co-venturer or partner may be in a position to take action contrary to the Fund's investment objective; (v) the co-venturer or partner may take actions that subject the property to liabilities in excess of, or other than, those contemplated; (vi) may cause the investment to be reviewable by CFIUS or another U.S. or other national security investment clearance regulator or (vii) in certain circumstances the Fund may be liable for actions of its co-venturers or partners. In addition, the Fund may rely upon the abilities and management expertise of a co-venturer or partner. It may also be more difficult for the Fund to sell its interest in any joint venture, partnership or entity with other owners than to sell its interest in other types of investments. The Fund may grant co-venturers or partners joint approval rights with respect to major decisions concerning the management and disposition of the investment, which would increase the risk of deadlocks. A deadlock could delay the execution of the business plan for the investment or require the Fund to engage in a buy-sell of the venture with the co-venturer or partner or conduct the forced sale of such investment. As a result of these risks, the Fund may be unable to fully realize its expected return on any such investment. In addition, there can be no assurance that the Fund's return from a transaction would be equal to and not less than the return of another party that was allocated an investment opportunity and that is participating in the same transaction. Further, to the extent that the Fund offers any co-investment opportunity to any Fund investors or third parties, some or all of the risks described above may also apply to such co-investments. The Fund co-invests in certain subsidiary businesses with Co-Investors, including Co-Investors owned and/or controlled by M. Brent Stevens, and such Co-Investors have certain anti-dilution rights permitting them to retain a certain level of ownership and/or control of a subsidiary business despite additional investments made by the Fund where such Co-Investors do not also make additional investments in such subsidiary business. Additionally, if the Fund is unable to maintain good relationships with third-party hotel owners and renew or enter into new management and franchise agreements, the Fund may be unable to expand its presence and its business, financial condition, and results of operations may suffer. The Fund's business is subject to real estate investment risks for third-party owners which could adversely affect the Fund's operational results and its prospects for growth. Additionally, the Fund is exposed to the risks resulting from significant investments in owned and leased real estate, which could increase costs, reduce profits and limit the Fund's ability to respond to market conditions and sharing control in joint venture projects limits the Fund's ability to manage third-party risks associated with these projects.

Illiquidity; Lack of Current Distributions. An investment in the Fund should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Moreover, the Fund is permitted to reinvest certain cash proceeds attributable to the disposition of a Fund investment,

including a subsidiary business, during the term of the Fund in accordance with the Operating Agreement. Losses on unsuccessful businesses and other assets may be realized before gains on successful businesses and other assets are realized. The return of capital and the realization of gains, if any, generally will occur only upon the occurrence of a liquidity event as further described in the Operating Agreement. While an asset may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating the Fund (including the Advisory Fee) may exceed its income, thereby requiring that the difference be paid from the Fund's capital.

Leveraged Investments. The Fund will make use of leverage by incurring or having a subsidiary business incur debt to finance a portion of its investment in such subsidiary business. Leverage generally magnifies both the Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of subsidiary businesses will increase the exposure of the Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Fund's investments in the leveraged subsidiary businesses in a down market. In the event any subsidiary business cannot generate adequate cash flow to meet its debt service, the Fund may suffer a partial or total loss of capital invested in the subsidiary business, which could adversely affect the returns of the Fund. Furthermore, should the credit markets be limited or costly at the time the Fund determines that it is desirable to sell all or a part of a subsidiary business, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Furthermore, the companies in which the Fund invests may not be rated by a credit rating agency. The Fund may also borrow money or guaranty indebtedness (such as a guaranty of a subsidiary business's debt, a letter of credit or other forms of promise to provide funding) or otherwise be liable therefor, and in such situations, it is not expected that the Fund would be compensated for providing such guarantee or exposure to such liability. The use of leverage by the Fund also will result in interest expense and other costs to the Fund that may not be covered by distributions made to the Fund or appreciation of its investments. While Fund-level borrowings generally will be interim in nature, asset-level leverage generally will not be subject to any limitations regarding the amount of time such leverage may remain outstanding.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for a substantial number of the Fund's investments and hence, the value of most of the Fund's investments will not be based on any type of public market price quotation and may not be readily ascertainable. Investments are permitted to be distributed in kind to the investors in the Fund and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such investors. After a distribution of securities is made to the investors, many investors may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such investors may be lower than the value of such securities determined

pursuant to the Operating Agreement, including the value used to determine the amount of carried interest available to PGP Advisors with respect to such investment.

Non-U.S. Investments. The Fund has invested, and is permitted to invest in companies that are organized and/or have substantial sales or operations outside of the United States, its territories and possessions. Such investments generally are subject to certain additional risks due, among other things, to potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates and capital repatriation regulations (as such regulations may be given effect during the term of the Fund) and the application of complex tax rules to cross border investments, possible imposition of non-U.S. taxes on the Fund and/or the investors with respect to the Fund's income, and possible non-U.S. tax return filing requirements for the Fund and/or the investors.

Distressed Investments. The Fund is permitted to invest in the securities and obligations, including debt obligations that are in covenant or payment default, of companies experiencing significant financial difficulties and material operating issues, including companies that may have been, are or will become involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation processes. Investments in such companies involve a substantial degree of risk that is generally higher than the risk involved in investing in companies that are not in financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance that PGP Advisors will correctly evaluate the value of the assets of a distressed company securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization or liquidation of such company. Therefore, in the event that a subsidiary business does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, the Fund may lose some or all of its investment or may be required to accept illiquid securities with rights that are materially different than the original securities in which the Fund invested.

Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises, virus, disease or similar public health emergencies or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of the Fund and its subsidiary businesses to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by the Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon the Fund's subsidiary businesses.

Projections. Projected operating results of a company in which the Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by PGP Advisors in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company

and third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material impact on the reliability of projections.

Need for Follow-On Investments. Following its initial investment in a given subsidiary business, PGP Advisors may decide to provide additional funds to such subsidiary business or may have the opportunity to increase its investment in a subsidiary business, whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons. There can be no assurance that the Fund will make add-on investments or that the Fund will have sufficient funds to make all or any of such investments. Any decision by the Fund not to make add-on investments or its inability to make such investments may have a substantial negative impact on a subsidiary business in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made) or may result in a lost opportunity for the Fund to increase its participation in a successful operation.

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

Public Company Holdings. The Fund's investment portfolio may from time to time contain debt and/or equity securities issued by publicly held companies. Such investments may subject the Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Fund to dispose of such securities at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including PGP Advisors' principals, and increased costs associated with each of the aforementioned risks.

Lack of Unilateral Control. Even if the Fund is the majority investor or controlling shareholder, as applicable, of a subsidiary business, in certain circumstances it may not have unilateral control of the subsidiary business. To the extent the Fund invests alongside third parties, such as institutional Co-Investors or private equity funds of other sponsors, or makes a minority investment, the relevant subsidiary businesses may be controlled or influenced by persons who have economic or business interests, investment or operational goals, tax strategies or other considerations that differ from or are inconsistent with those of the Fund or its investors. Such third parties may be in a position to take action contrary to the Fund's business, tax or other interests, and the Fund may not be in a position to limit such contrary actions or otherwise protect the value of its investment. When taking non-control positions, the Fund generally will seek to negotiate certain negative controls and veto rights on major decisions, but there can be no assurance that the Fund will be able to control the timing or occurrence of an exit strategy for such subsidiary businesses in a manner that maximizes or protects value. See also "Third Party Involvement" above.

Limited Access to Information. Investors' rights to information regarding the Fund, the Manager or PGP Advisors generally will be specified, and in many cases strictly limited, by the

Operating Agreement. In particular, it is anticipated that the Manager and its affiliates will obtain certain types of material information from or relating to the Fund's investments that will not be disclosed to investors because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of PGP Advisors' control. Decisions by PGP Advisors or its affiliates to withhold information may have adverse consequences for investors in a variety of circumstances. For example, an investor that seeks to transfer its interest in the Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for an investor to monitor PGP Advisors and its performance. Additionally, it is anticipated that investors that designate representatives to participate on the Fund's member advisory committee generally may, by virtue of such participation, have more or earlier information about the Fund and its investments in certain circumstances than other investors. Investors generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the Fund succeeds in asserting confidentiality for requested documents and other materials, and PGP Advisors reserves the right to withhold certain information from investors subject to such laws for reasons relating to PGP Advisors' public reputation, business strategy or other reasons.

Material Non-Public Information; Other Regulatory Restrictions. From time to time, as a result of the operations of PGP Advisors and its affiliates, as well as in connection with officerships or directorships of PGP Advisors personnel, PGP Advisors may come into possession of confidential or material non-public information. Therefore, PGP Advisors and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by the Fund. Consequently, the Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or PGP Advisors' internal policies.

Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent PGP Advisors or the Fund from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("**OFAC**") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or subsidiary businesses owned or operated by such persons, or located in jurisdictions identified from time to time by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the United States Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions.

As a result of any of the foregoing, the Fund may be adversely affected because of PGP Advisors' inability or unwillingness to participate in transactions that may violate such laws or regulations, or by remedies imposed by any regulators or governmental bodies. Any such laws or regulations may make it difficult or may prevent the Fund from pursuing investment opportunities, require the sale of part or all of certain subsidiary businesses on a timeline or in a manner deemed undesirable by PGP Advisors or may limit the ability of one or more subsidiary businesses from conducting their intended business in whole or in part. Consequently, there can be no assurance

that the Fund will be able to participate in all potential investment opportunities that fall within its investment objectives.

Unfunded Pension Liabilities of Subsidiary businesses. A recent court decision found that, in certain circumstances, the Fund could be treated as a “trade or business” for purposes of determining pension liability under the Employee Retirement Income Security Act of 1974. Therefore, where the Fund owns 80% or more (or possibly, under certain circumstances, less than 80%) of a subsidiary business, the Fund (and any other 80%-owned subsidiary businesses of the Fund) might be found liable for certain pension liabilities of such a subsidiary business to the extent the subsidiary business is unable to satisfy such liabilities. The Fund may, from time to time, invest in a subsidiary business that has unfunded pension fund liabilities, including structuring the investment in a manner where the Fund may own an 80% or greater interest in such a subsidiary business. If the Fund (or other 80%-owned subsidiary businesses of the Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the Fund and the companies in which the Fund invests. This discussion is based on current court decisions, statute and regulations regarding control group liability under the Employee Retirement Income Security Act of 1974, as amended, as in effect as of the date of this Brochure, which may change in the future as the case law and guidance develops.

Valuation of Investments. Generally, PGP Advisors will determine the value of all of the Fund’s investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for virtually all of the Fund’s investments because, among other things, the securities of subsidiary businesses held by the Fund generally will be illiquid and not quoted on any exchange. PGP Advisors will determine the value of all the Fund’s investments that are not readily marketable based on ASC 820 guidelines as promulgated by the Financial Accounting Standards Board and any subsequent valuation guidelines required of an investment fund reporting under generally accepted accounting principles as promulgated in the United States. There can be no assurance that PGP Advisors will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of PGP Advisors with respect to an investment will represent the value realized by the Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. Accordingly, the valuation decisions made by PGP Advisors may cause it to ineffectively manage the Fund’s investment portfolios and risks, and may also affect the diversification and management of the Fund’s portfolio of investments.

Cybersecurity Risks. Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable consumer industries. To the extent that a subsidiary business is subject to cyber-attack or other unauthorized access is gained to a subsidiary business’s systems, such subsidiary business may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or subsidiary business financial information; (iii) subsidiary business software, contact lists or other databases; (iv) subsidiary business proprietary information or trade secrets; or (v) other items. In certain events, a subsidiary business’s failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a subsidiary business, or the Fund, to substantial

losses. In addition, in the event that such a cyber-attack or other unauthorized access is directed at PGP Advisors or one of its service providers holding its financial or investor data, PGP Advisors, its affiliates or the Fund may also be at risk of loss.

Privacy and Data Protection Law Compliance Risk. The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations (“**Privacy Laws**”) in the United States, Europe and elsewhere could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of PGP Advisors, the Manager, the Fund and/or its subsidiary business, and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for PGP Advisors, the Manager, the Fund and/or its subsidiary businesses, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

For example, California has passed the California Consumer Privacy Act of 2018, and the EU has enacted the General Data Protection Regulation (EU 2016/679), each of which broadly impacts businesses that handle various types of personal data, potentially including private fund managers and their funds and investments. Such laws impose stringent legal and operational obligations on regulated businesses, as well as the potential for significant penalties.

Other jurisdictions, including other U.S. states, have proposed or are considering similar Privacy Laws, which if enacted could impose similarly significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws and regulations are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability for regulated entities, which could include PGP Advisors, the Manager, the Fund and/or its subsidiary businesses.

Conflicts of Interest

PGP Advisors and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account, and providing transaction-related, legal, management and other services to the Fund and its subsidiary businesses. PGP Advisors will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Fund in an appropriate manner, as required by the Operating Agreement, although the Fund and its investments will place varying levels of demand on these over time. In the ordinary course of PGP Advisors conducting its activities, the interests of the Fund likely will conflict with the interests of PGP Advisors, one or more other Funds (if any), subsidiary businesses or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, PGP Advisors will determine all matters relating to structuring transactions and Fund operations using its reasonable judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to approval by the member advisory committee of the Fund.

During the Fund's investment period, to the extent PGP Advisors deems an appropriate investment opportunity (other than passive investments in publicly-traded securities for personal investing purposes) to be suitable for the Fund and the Fund has the funds available to make such investment, then PGP Advisors shall make such investment only through the Fund (and not through an affiliate of PGP Advisors). To the extent PGP Advisors in good faith determines during the Fund's investment period that a potential appropriate investment opportunity is not suitable for the Fund or if the Fund has insufficient funds available to make such investment in whole or in part (in either case, a "**Non-Qualifying Investment**"), then PGP Advisors or its affiliate may participate in the Non-Qualifying Investment without the Fund, provided that the Fund's investors are permitted to participate with PGP Advisors and its affiliates in such Non-Qualifying Investment on a *pro rata basis* as set forth in the Operating Agreement. Following the investment period of the Fund, PGP Advisors principals reserve the right to, and likely will, focus their investment activities on other investment opportunities and areas unrelated to the Fund's investments.

PGP Advisors currently has a single investment advisory client – the Fund. If PGP Advisors were permitted and determined to advise other clients or funds in the future, from time to time, PGP Advisors may be presented with investment opportunities that would be suitable not only for the Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of PGP Advisors (if any). To the extent that PGP Advisors were to advise multiple Funds or where there are other investment vehicles operated by advisory affiliates of PGP Advisors, in determining which investment vehicles should participate in such investment opportunities, PGP Advisors and its affiliates would be subject to conflicts of interest among the investors in such investment vehicles. Investments by more than one client of PGP Advisors in a subsidiary business have the potential to raise the risk of using assets of a client of PGP Advisors to support positions taken by such other clients of PGP Advisors.

In the event that PGP Advisors manages multiple Funds and there are investment opportunities that are suitable for such Funds, PGP Advisors would first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. PGP Advisors would generally assess whether an investment opportunity is appropriate for a particular Fund based on the Fund's Operating Agreement, as well as factors including, but not limited to: investment and operating guidelines, diversification limitations, tax and regulatory considerations, investment restrictions, risk and other relevant factors. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. The Fund generally reserves the right to invest together with other Funds advised by an affiliated adviser of PGP Advisors (if any) in the manner set forth in the Operating Agreements and PGP Advisors' Allocation Policy. PGP Advisors would determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable to its clients consistent with PGP Advisors' obligations and reserves the right to take into consideration factors such as those set forth above.

In the event that there are multiple Funds, following such determination of allocation among Funds, PGP Advisors would determine if the amount of an investment opportunity in which one or more Funds will invest exceeds the amount that would be appropriate for the Fund(s) and PGP Advisors reserves the right to offer any such excess to one or more potential Co-Investors as determined by the Funds' Operating Agreements and PGP Advisors' procedures regarding

allocation. PGP Advisors' procedures permit it to take into consideration a variety of factors in making such determinations, including but not limited to: expressed interest in co-investment opportunities; expertise of the prospective co-investor in the industry to which the investment opportunity relates and/or perceived strategic value; perceived ability to quickly execute on transactions; tax, regulatory, securities laws and/or other legal considerations (e.g., qualified purchaser or qualified institutional buyer status); confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; perceived ease of process in coordinating or completing the investment with the prospective co-investor or co-investors similar thereto; PGP Advisors' perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair PGP Advisors' ability to execute the relevant transaction in the desired time or on desired terms; size of the investment allocation and practicality of dividing it up among multiple co-investors; lender requirements; and whether PGP Advisors believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant business subsidiary, other subsidiary businesses, the Funds or PGP Advisors. Although PGP Advisors reserves the right to consider a prospective co-investor's willingness to invest in future Funds, it generally will not be the sole determining factor considered by PGP Advisors in identifying co-investors. To the extent PGP Advisors determines to allocate a co-investment opportunity to Fund investors, all Fund investors will be given an opportunity to participate in such opportunity, generally on a *pro rata* basis, although there may be circumstances in which PGP Advisors determines, in its sole discretion, that a co-investment opportunity should be allocated to a strategic third-party investor or other persons and not Fund investors. When employees and related persons of PGP Advisors and its affiliates make personal capital investments in or alongside the Fund, or in subsidiary businesses directly or indirectly, PGP Advisors and its affiliates are subject to conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another person participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

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

The fact that the Advisory Fee payable to PGP Advisors is based on a percentage of the value of the Fund's assets as reasonably determined on a commercial basis by the Manager, which is owned by PGP Advisors, creates a conflict of interest. This conflict of interest is mitigated, however, by the fact that the Manager values the Fund's assets in accordance with an established valuation policy maintained as part of PGP Advisors' Compliance Program, and those valuations are reviewed by the Fund's independent auditors in connection with the annual audit of the Fund.

Subject to any relevant restrictions or other limitations contained in the relevant Operating Agreements of the Funds and to the extent that PGP Advisors advises multiple Funds, PGP Advisors will allocate fees and expenses in a manner that it believes in good faith is fair and equitable to its clients under the circumstances over time and considering such factors as it deems relevant, but in any case in its sole discretion. In exercising such discretion, PGP Advisors expects to be faced with a variety of potential conflicts of interest.

As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-invest vehicles eligible to reimburse expenses of that kind. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction, ultimately is not consummated, all “busted deal” costs relating to such unconsummated transaction will be borne by the Fund, and not by any prospective co-investors, that were to have participated in such transaction. In all such cases, subject to applicable legal, contractual (*e.g.*, subsidiary business management services agreements) or similar restrictions, expense allocation decisions generally will be made by PGP Advisors or its affiliates using their reasonable judgment, considering such factors as they deem relevant, but in their sole discretion. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, *e.g.*, in determining whether to allocate *pro rata* based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has greater benefit to the Fund or PGP Advisors.

As a result of the Fund’s controlling interests in subsidiary businesses, PGP Advisors and/or its affiliates typically have the right to appoint subsidiary business board members (including current or former PGP Advisors personnel or persons serving at their request), or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, subsidiary business board members approve compensation and/or other amounts payable to PGP Advisors and/or its affiliates. Such amounts will be in addition to any Advisory Fees or carried interest paid by the Fund to PGP Advisors and the Manager (or its affiliates), respectively.

Additionally, a subsidiary business typically will reimburse PGP Advisors or service providers retained at PGP Advisors’ discretion for expenses (including without limitation travel expenses) incurred by PGP Advisors or such service providers in connection with its performance of services for such subsidiary business. This subjects PGP Advisors and its affiliates to conflicts of interest because the Fund generally does not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. PGP Advisors determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in the Fund, their effect is reflected in the Fund’s audited financial statements, and any fee paid or expense reimbursed to PGP Advisors or such service providers generally is subject to: agreements with or review by sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to subsidiary businesses; and/or third party Co-Investors in its transactions. PGP Advisors believes these factors help to mitigate related potential conflicts of interest.

PGP Advisors generally exercises its discretion to recommend to the Fund or to a subsidiary business thereof that it contracts for services (*e.g.*, through management services agreements) with certain service providers, and from time to time such service providers are expected to include: (i) PGP Advisors or a related person of PGP Advisors (which may include a subsidiary business of the Fund); (ii) an entity with which PGP Advisors or its affiliates or current or former members of their personnel has a relationship or from which PGP Advisors or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where PGP Advisors personnel are seconded, or from which PGP Advisors receives secondees; or (iii) certain Fund investors or their affiliates. For example, PGP Advisors expects to be presented with opportunities to receive financing and/or other services in connection with the Fund's investments from certain investors or their affiliates that are engaged in lending or related business. This discretion subjects PGP Advisors to conflicts of interest, because although PGP Advisors selects service providers that it believes are aligned with its operational strategies and will enhance subsidiary business performance and, relatedly, returns of the Fund, PGP Advisors has a potential incentive to recommend the related or other person (including a Fund investor) because of its financial or other business interest. There is a possibility that PGP Advisors, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the Fund or PGP Advisors), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. PGP Advisors will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its subsidiary businesses to incur) such expenses. Whether or not PGP Advisors has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Additionally, PGP Advisors may cause the Fund to enter into transactions with PGP Advisors or affiliates of PGP Advisors; provided that any such affiliated transactions are on "arm's-length" terms and on terms that are fair and reasonable to the Fund. In circumstances where PGP Advisors commits or has committed to seek "market" or "arm's-length" rates or terms, PGP Advisors will do so seeking rates that it has determined to be reflective of the range of rates in the applicable or related markets. Consequently, PGP Advisors undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking relates specifically to the assets or services to which such rates or terms relate. PGP Advisors will disclose all such affiliated transactions in the Fund's annual and quarterly financial statements. The member advisory committee advises the manager of the Fund on potential Fund investments, governance, potential conflict of interest and such other issues as are requested. For example, certain gaming sector subsidiary businesses that the Fund has invested in have entered into management services agreements with PGP Advisors or its affiliates to provide management and operation services to such subsidiary businesses in exchange for certain fees set forth in each management services agreement. Additionally, upon certain events of termination (or changes of control), PGP Advisors or its affiliates expect to receive a termination fee (or change of control fee) that is also set forth in the applicable management services agreement. None of the fees described above that are payable to PGP Advisors or its affiliates will offset or otherwise reduce the Advisory Fee paid by the Fund to PGP Advisors.

PGP Advisors and/or its affiliates reserve the right to employ personnel with pre-existing ownership interests in subsidiary businesses owned by the Funds or other investment vehicles advised by PGP Advisors and/or its affiliates; conversely, current or former personnel or executives of PGP Advisors and/or its affiliates may from time to time serve in significant management roles at subsidiary businesses or service providers recommended by PGP Advisors. Similarly, PGP Advisors, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including but not limited to managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees, and current and former subsidiary business executives and employees, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, PGP Advisors and/or its affiliates, the Funds and/or the Funds' subsidiary businesses. PGP Advisors expects to be subject to a potential conflict of interest with the Fund in recommending the retention or continuation of a third-party service provider to the Fund or a subsidiary business if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in the Fund, will provide PGP Advisors information about markets and industries in which PGP Advisors operates (or is contemplating operations) or will provide other services that are beneficial to PGP Advisors or the Fund. PGP Advisors expects to be subject to a potential conflict of interest in making such recommendations, in that PGP Advisors has an incentive to maintain goodwill between it and the existing and prospective subsidiary businesses for the Fund, while the products or services recommended may not necessarily be the best available to the Fund or its subsidiary businesses.

As discussed above, PGP Advisors, its affiliates, and equity holders, officers, principals and employees of PGP Advisors and its affiliates reserve the right to buy or sell securities or other instruments (*i.e.*, Non-Qualifying Investments or passive investments in publicly-traded securities for personal investing purposes) that PGP Advisors has recommended to the Fund in accordance with the terms of the Operating Agreement. Any such transactions are subject to any limitations in the Fund's Operating Agreement and any related policies and procedures set forth in PGP Advisors' Code of Ethics. Employees and related persons of PGP Advisors have, and are expected to continue to have and/or make, personal capital investments in or alongside the Fund, or in prospective subsidiary businesses directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors, and therefore expects to have additional potential conflicting interests in connection with these investments.

As described above, subsidiary businesses (and, to a lesser extent, the Fund) typically pay certain fees to service providers including consultants (including consultants introduced or arranged by or affiliated with PGP Advisors and/or its affiliates that regularly provide services to one or more subsidiary businesses). In addition, from time to time such service providers are granted a profits interest, equity interest and/or similar incentive compensation in a subsidiary business. Such fees and incentive compensation do not offset or reduce the Advisory Fee as described herein.

Similarly, members of the management teams and/or other employees of subsidiary businesses have, in certain instances, received, and may in the future receive, a profits or similar

equity interest in the Fund, generally after consultation with the member advisory committee and/or certain investors, and based on fair market value determined by PGP Advisors in accordance with its policies and procedures. Such profits, equity and similar incentive interests generally dilute, directly or indirectly, the investors' relative interest in the relevant subsidiary business and/or the Fund, respectively. PGP Advisors believes such arrangements help to align the interests of subsidiary business management teams with those of the Fund's investors.

Since PGP Advisors is permitted to retain certain Service Fees and Transaction Fees (as described under "Fees and Compensation") in connection with Fund investments, it is faced with potential conflicts of interest in connection with approving transactions and setting such compensation.

Any of these situations subjects PGP Advisors and/or its affiliates to potential conflicts of interest. PGP Advisors attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by PGP Advisors' advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among the Fund, other Funds and such investment vehicles in a manner it believes to be fair and equitable to the Funds under the circumstances over time. To the extent that an investment or relationship raises particular conflicts of interest, PGP Advisors will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict.

DISCIPLINARY INFORMATION

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

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

PGP Advisors is affiliated with other Peninsula entities, including the Manager and equivalent entities formed from time to time and subject to the Advisers Act pursuant to PGP Advisors' registration in accordance with SEC guidance. PGP Advisors, the Manager and their affiliates operate as a single advisory business and serve as managers or managing members of the Fund and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions. PPM employs all of the advisory personnel utilized by PGP Advisors (other than M. Brent Stevens). Accordingly, all such personnel are treated as "supervised persons" of PGP Advisors and are subject to PGP Advisors' Compliance Program.

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

PGP Advisors has adopted a Code of Ethics and Securities Trading Policy and Procedures (the "**Code**"), which sets forth standards of conduct that are expected of Peninsula principals and employees and addresses conflicts that arise from personal trading. The Code requires certain Peninsula personnel to report their personal securities transactions, prohibits or requires pre-clearance for Peninsula personnel from directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits Peninsula personnel from directly or indirectly acquiring beneficial ownership of certain securities with limited exceptions, without first obtaining approval from the PGP Advisors Chief Compliance Officer. In addition, the Code

requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information. A copy of the Code will be provided to any investor or prospective investor upon request to Mary Ellen Kanoff, the PGP Advisors Chief Compliance Officer, at (424) 281-0700. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

PGP Advisors and its affiliated persons may come into possession, from time to time, of material non-public or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, PGP Advisors and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of PGP Advisors.

Accordingly, should PGP Advisors or any of its affiliated persons come into possession of material non-public or other confidential information with respect to public and non-public company, PGP Advisors generally would be prohibited from communicating such information to clients, and PGP Advisors will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Peninsula personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Fund.

Principals and employees of PGP Advisors and its affiliates generally are expected to directly or indirectly own an interest in the Fund or certain co-invest vehicles. To the extent that co-invest vehicles exist, such vehicles are expected to invest in one or more of the same subsidiary businesses as the Fund. Co-invest opportunities generally are also expected to be presented to certain affiliates of PGP Advisors, as well as third party investors and other persons, and such co-investments may be effected through co-invest vehicles, directly in a particular subsidiary business or through an intermediate entity in a subsidiary business' structure. Such co-investment opportunities generally will be allocated in the manner described under "Methods of Analysis, Investment Strategies and Risk of Loss."

PGP Advisors and its affiliates, principals and employees expect from time to time to carry on investment activities for their own account, for personal or employee investment vehicles and, potentially, for family members, friends or others who do not invest in the Fund, as well as give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, the Fund, even though their investment objectives may be the same or similar. The operative documents and investment program of the Fund generally restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by the Fund or may give priority with respect to investments to the Fund. Some of these restrictions could be waived by investors (or their representatives) in the Fund or be subject to limitations (*e.g.*, by time or percentage of capital deployed).

From time to time, PGP Advisors reserves the right to borrow funds on behalf of the Fund and contribute such borrowed amounts to the Fund as a special capital contribution for investment, to be redeemed at a later date. Interest in connection with such borrowing is borne by a Fund as

the Fund expense, consistent with the Operating Agreement and the expense policy described under “Fees and Compensation.” In borrowing on behalf of the Fund, PGP Advisors is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund. PGP Advisors will effect such borrowings consistent with the Operating Agreement and in a manner it believes to be fair and equitable under the circumstances to the Fund.

BROKERAGE PRACTICES

PGP Advisors focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, PGP Advisors reserves the right to also distribute securities to investors in the Fund or sell such securities, including through using a broker-dealer, such as where a public trading market exists. Although PGP Advisors does not intend to regularly engage in public securities transactions, to the extent it does so, it intends to follow the brokerage practices described below.

If PGP Advisors sells publicly traded securities for the Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by PGP Advisors. In such event, PGP Advisors will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, PGP Advisors reserves the right to consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

PGP Advisors has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or “posted” commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although PGP Advisors generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with PGP Advisors seeking to obtain best execution, brokerage commissions on client transactions are permitted to be directed to brokers in recognition of research furnished by them, although PGP Advisors generally does not make use of such services at the current time and has not made regular use of such services since its inception.

PGP Advisors does not anticipate engaging in significant public securities transactions; however, to the extent that PGP Advisors engages in any such transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that PGP Advisors advises multiple Funds and orders for the Funds are completed independently, PGP Advisors also reserves the right to purchase or sell the same securities or instruments for several Funds simultaneously. From time to time, PGP Advisors expects, but is not obligated, to purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or “batched” to facilitate obtaining

best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Fund of PGP Advisors is favored over any other Fund. When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. To the extent such orders are not batched, they may have the effect of increasing brokerage commissions or other costs.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to the Funds participating in such buy or sell order in accordance with the amount of securities originally requested for such Funds.

The Funds generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to *pro rata* allocations are permissible provided PGP Advisors believes they are fair and equitable to its clients under the circumstances over time.

In PGP Advisors' private company securities transactions on behalf of the Funds, PGP Advisors reserves the right to retain one or more broker-dealers or investment banks, the costs of which will be borne by the relevant Fund and/or its subsidiary businesses. In determining to retain such parties, PGP Advisors reserves the right to consider a variety of factors, including: (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although PGP Advisors generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds may not pay the lowest commission or fee for such services.

REVIEW OF ACCOUNTS

The investments made by the Fund are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, PGP Advisors closely monitors companies in which the Fund invests, and the PGP Advisors Chief Compliance Officer periodically checks to confirm that the Fund is maintained in accordance with its stated objectives.

The Fund generally will provide to its investors (i) annual GAAP audited and quarterly unaudited financial statements, (ii) annual tax information necessary for each investor's tax return and (iii) annual letters, including a management discussion and analysis report providing a narrative summary of the status of the Fund's subsidiary businesses.

CLIENT REFERRALS AND OTHER COMPENSATION

PGP Advisors and/or its affiliates intend to provide certain business or consulting services to the subsidiary businesses in the Fund's portfolio and expect to receive compensation from these companies in connection with such services. See "Fees and Compensation" and "Methods of Analysis, Investment Strategies and Risk of Loss - Conflicts of Interest" above. Such compensation will not reduce the Advisory Fee paid by the Fund to PGP Advisors.

PGP reserves the right from time to time to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a

member of the Fund. Any fees payable to any such placement agents generally will be borne by PGP Advisors indirectly through an offset against the Advisory Fee (or otherwise) under the Operating Agreement, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the Fund.

CUSTODY

PGP Advisors maintains custody of assets held in the name of the Fund with the following qualified custodians: MidWestOne Bank, Jefferies LLC and Wells Fargo Bank.

INVESTMENT DISCRETION

PGP Advisors has discretionary authority to manage investments on behalf of the Fund. As a general policy, PGP Advisors does not allow clients to place limitations on this authority. PGP Advisors assumes this discretionary authority pursuant to the terms of the Advisory Agreement.

VOTING CLIENT SECURITIES

PGP Advisors has adopted Proxy Voting Policies and Procedures (the “**Proxy Policy**”) to address how it will vote proxies, as applicable, for the Fund’s portfolio investments. The Proxy Policy seeks to ensure that PGP Advisors votes proxies (or similar instruments) in the best interest of the Fund, including where there may be material conflicts of interest in voting proxies. PGP Advisors generally believes its interests are aligned with those of the Fund’s investors, for example, through the principals’ beneficial ownership interests in the Fund and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that PGP Advisors may address the conflict using several alternatives or through other alternatives set forth in the Proxy Policy. PGP Advisors does not consider service on subsidiary business boards by PGP Advisors personnel or PGP Advisors’ receipt of management or other fees from subsidiary businesses to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by PGP Advisors when voting proxies on behalf of the Fund. If investors would like a copy of PGP Advisors’ complete Proxy Policy or information regarding how PGP Advisors voted proxies for particular subsidiary businesses, please contact Mary Ellen Kanoff, the PGP Advisors Chief Compliance Officer, at (424) 281-0700, and it will be provided at no charge.

FINANCIAL INFORMATION

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