

Item 1 – Cover Page

PGIM, Inc.

PGIM Private Capital

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

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

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

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

Item 2 – Material Changes

This section of our brochure highlights and discusses changes that we made to our brochure since the previously updated version dated March 30, 2022 which either singularly or in the aggregate could be viewed as material.

We have no material changes to report in this section.

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Item 4 – Advisory Business

A. General Description of Advisory Firm.

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

PGIM was formed in June 1984 and was registered with the SEC as an investment adviser in December 1984. PGIM’s predecessor companies began managing fixed income portfolios for affiliates in 1875. PGIM is an indirect, wholly owned subsidiary of Prudential Financial, Inc., a publicly held company (“**Prudential Financial**”) (NYSE Ticker: PRU).¹

B. Description of Advisory Services.

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

We originate and manage investments for our Clients in:

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

(collectively, “**Private Investments**”). References in this brochure to “securities” includes each of the Private Investments categories, and references to “issuer” includes the “borrower” where such Private Investment is structured as a loan.

Our staff also sources Private Investments for:

- PGIM Private Placement Investors, L.P. (“**PPPI**”), an affiliated registered investment adviser that primarily manages Private Investments portfolios for Affiliated Accounts and unaffiliated institutional investors through Managed Accounts and other private investment vehicles. PPPI is wholly owned by PGIM. You can obtain a copy of a brochure providing information about PPPI’s business by contacting Anthony Conte at (973) 367-7071.
- PGIM Private Capital Limited (“**PPCL**”), an affiliated investment adviser that primarily manages Private Investments portfolios for unaffiliated institutional clients as well as for

¹ Prudential Financial Inc. is not affiliated in any manner with Prudential plc, a company incorporated in the United Kingdom.

privately offered investment funds that invest in Private Investments. PPCL is authorized and regulated by the Financial Conduct Authority of the United Kingdom. It is also a wholly owned subsidiary of PGIM.

- Private Investments funds which are managed by PPC, in which our affiliates serve as general partners or otherwise as fund managers (collectively, the **“Fund Managers”**), which are described below under the headings “PGIM Capital Partners”, “PGIM Energy Partners” and PGIM Private Capital – Direct Lending”.
- PGIM Private Capital (Ireland) Limited (**“PPCI”**), an affiliated investment adviser and wholly owned subsidiary of PGIM that primarily manages Private Investments portfolios for unaffiliated institutional clients as well as certain funds that invest in Private Investments. PPCI is authorized and regulated by the Central Bank of Ireland (the **“Central Bank”**). PPCI has entered into a Participating Affiliate arrangement with PGIM. A Participating Affiliate arrangement is one in which an SEC-registered investment adviser such as PGIM is permitted to access, under conditions prescribed by the SEC staff through applicable law, relevant no-action letter(s) and related SEC staff guidance, the services of unregistered affiliates (**“Participating Affiliates”**). PPCI is the Participating Affiliate of PGIM. The prescribed conditions include that the Participating Affiliate provide the SEC access to trading and other records, observe specific recordkeeping rules, submit to the jurisdiction of U.S. courts and cooperate with the SEC as it relates to relevant accounts. PPCI and certain of its personnel are subject to the supervision of PGIM with respect to the services that PPCI will provide to us as a Participating Affiliate.
- An investment vehicle that intends to elect to be regulated as a business development company, under the Investment Company Act of 1940, as amended, which will be managed by our affiliate, PGIM Investments LLC.
- Collateralized loan obligations (**“CLOs”**), which invest in Direct Lending Investments and for which we act as collateral manager.

PGIM Capital Partners (“PCP”)

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

PGIM Energy Partners (“PEP”)

We launched our first private energy mezzanine fund (the **“Energy Fund”**) in 2017. The General Account and other investors have acquired interests in the Energy Fund as a vehicle for investing in energy companies through privately sourced investments, with a particular focus on investments in middle market companies.

PGIM Private Capital – Direct Lending (“PPC Direct Lending”)

We launched our first private direct lending funds in 2021 consisting of a group of affiliated U.S. and non-U.S. private investment funds (the **“Direct Lending Funds”**) and related “side-by-side” Managed Accounts (such Managed Accounts, together with the Direct Lending Funds, collectively, the **“DL Products”**). The General Account and other investors have acquired interests in the DL Products for

purposes of investing in privately placed floating rate leveraged (below investment grade) debt, with a particular focus on investments in middle market companies (“**Direct Lending Investments**”).

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

Environmental, Social and Governance Investing

We recognize the importance of integrating environmental, social and governance (“**ESG**”) factors into our investment research and decision-making process, where consistent with applicable law or regulation. Our investment approach generally seeks to outperform a market-based benchmark over the long-term. Within this context, we consider the credit-material environmental, social and governance risks and opportunities of potential investments as part of our research process for all Client portfolios.

C. Availability of Customized Services for Individual Clients.

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

D. Assets Under Management.

We have approximately \$96,635,700,000 in combined affiliated and unaffiliated assets under management as of December 31, 2022; this figure includes assets under management for PPPI, PPCL, PPCI and the Funds. As of December 31, 2022, we managed \$96,628,000,000 of discretionary assets and \$7,700,000 of non-discretionary assets.

Item 5 – Fees and Compensation

A. Advisory Fees.

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

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

B. Payment of Fees.

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

The management fee for the Funds is generally paid in quarterly installments, either in advance or in arrears, as set forth in the governing document for each Fund. Performance-based fees, if earned, are based on investment return and payable as set forth in the applicable governing documents. The management fee is paid by offset from amounts distributable to investors, or directly by investors where there are insufficient amounts available for distribution. Under either scenario, we will notify investors of the amount of the management fee.

C. Additional Expenses and Fees.

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

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

The investors in the Funds pay all costs, expenses and liabilities in connection with such Fund's operations which are not reimbursed by the companies that such Funds invest in ("**portfolio companies**"), including:

- legal, filing, banking, regulatory, auditing, consulting and accounting fees and expenses,
- fees payable to tax compliance providers,
- finders' fees to source investments,
- expenses associated with the Funds' reporting, including annual meeting expenses,
- advisory committee fees and expenses,
- appraisal and valuation expenses,
- to the extent a Fund invests indirectly in a portfolio company, fees and expenses allocable to such Fund associated with organizing and operating any such entities through which such Fund invests, and
- all other out-of-pocket expenses incurred by the Funds, including taxes, fees or other charges levied against the Funds, litigation and indemnification claims.

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

Receiving a fee from an issuer in connection with a financing that we do not pass on to Clients participating in such financing creates a conflict with those Clients because the fee could be considered to be additional compensation that would otherwise have been reflected in the interest rate or yield paid

to the investors in the financing. This conflict to interest is described in detail in the following paragraph, and in “*Conflicts arising from Placement Adviser and Other Activity*” in Item 11

To compensate us for our additional time and effort when we assist in structuring an investment or arranging a loan or undertake administrative duties in a Direct Lending Investment, we (or one of our affiliates) sometimes charge the issuer a fee. We maintain a fee allocations policy which generally requires that all fees paid by an issuer to us are passed pro rata to our Clients but allows us to receive and keep certain specific types of fees, including “shelf set-up fees” and disproportionate fees (that is, a fee paid to us above and beyond any fee received by other investors participating in the same transaction whose investments are not managed by us) and other fees agreed with a Client. However, if ERISA regulations require that ERISA separate accounts be allocated a pro rata portion of a fee generated by any deal in which it participates, there is a potential for disparate treatment. In such cases, if we receive a fee which is not required to be passed pro-rata to Clients under the fee policy, we will nevertheless allocate a pro rata share of such fee to participating ERISA separate accounts but not to other Clients Participating in such deal.

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

D. Prepayment of Fees.

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

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

E. Additional Compensation and Conflicts of Interest.

Certain employees of PGIM engage in marketing efforts with respect to our investment products, including on behalf of the commingled vehicles, and sometimes receive compensation for their effort in the form of bonuses and long term compensation that are influenced by, but not directly tied to, the sales and retention of interests in such products or the additional revenues generated from new or existing relationships. This practice presents a conflict of interest and gives our supervised persons an incentive to recommend investment products based on the compensation received, rather than on a client’s needs. We believe that there are appropriate allocation and investment management policies and procedures in place to address these conflicts. Please see Item 12 for more information on our allocation procedures. A conflict of interest also arises as a result of our and our supervised persons’ receipt of compensation in the form of performance- based fees – see Item 6 for a discussion of those fees and the related conflicts of interest. In addition, as described in Item 6, some of our supervised persons receive additional compensation in the form of forgivable loans in connection with their investment in the Management Funds.

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

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

PPC manages investments for which we receive performance-based fees. In addition, some of our investment professionals participate along with PPC in the receipt of performance-based fees on certain mandates. With respect to investment advisory products and services for which we and our investment professionals receive performance-based compensation, the potential receipt of such compensation creates a conflict of interest, as it creates an incentive for us and our investment professionals to make or recommend investments based on their potential compensation rather than the interest of the investors. While this creates an inherent conflict of interest for them to favor the investment on which they receive performance-based fees, we believe that there are appropriate allocation and investment management policies and procedures in place to address these conflicts. Please see Item 12 for more information on our allocation procedures.

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

We make co-investment opportunities available in the Funds for the benefit of certain of our investment professionals and other staff (the “**Management Funds**”). In connection with their investment in the Management Funds, forgivable loans are made to such investment professionals which represent additional compensation. The risk of such loans is borne by PGIM and should not impact the returns of the Fund.

Item 7 – Types of Clients

We offer investment management and advisory services through the Funds and Managed Accounts to a variety of affiliated and unaffiliated institutional investors. We also provide advisory services to certain affiliates as collateral manager for CLOs and as subadvisor for private funds and business development corporations. Our Clients include pension and profit-sharing plans, public employee retirement systems, sovereign wealth funds, corporations, investment companies and their investment managers, insurance companies, family offices, high net worth individuals, commingled trust funds and private investment funds. The size of customized single investor accounts varies and there is no current minimum account size. Investors in the Funds include pension plans, ERISA plans, corporations, insurance companies, family offices, funds of funds, and high net worth individuals. The Funds each typically seek a minimum commitment, but exceptions have been made.

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

Methods of Analysis and Investment Strategies

As noted in Item 4 above, we originate and provide support for the management of Private Investments, including Mezzanine Investments, Energy Investments and Direct Lending Investments. We generally use a geographic approach to sourcing Private Investments although we have specialty groups that are not constrained by geography. PPC's Regional offices are generally run by a Managing Director with 20 or more years of experience. Each deal team is responsible to know, and maintain an active dialogue with, companies in their territory. Our approach, subject to Client constraints, is to seek diversity in portfolios on a geographic basis and in a diverse range of industries. We generally originate a significant portion of our business on a "direct" basis with the remainder sourced through intermediaries (such as commercial and investment banks).

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

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

Mezzanine Investments - PCP

PCP seeks to invest primarily in mezzanine debt and structured equity securities of non-energy companies in the United States and Canada with an increased, but restricted, focus on international deal flow and non-U.S. denominated investments, primarily in the U.K. and Western Europe. Its investments typically combine subordinated debt and equity securities and could include convertible debt, preferred equity and warrants. Mezzanine Investments typically combine a current rate of return through scheduled interest payments (primarily paid in cash, but may also include some "paid-in-kind" amount which is capitalized as principal) with opportunities for capital appreciation through equity participation. The subordinated debt instruments are typically senior in rights and preferences to both preferred and common equity, and benefit from covenants tied to the issuer's financial performance.

PCP focuses on transactions with middle market companies that generally generate annual revenues in the \$75 million to \$500 million range. PCP's typical investment is between \$15 and \$150 million. The proceeds of PCP's investments are generally used by issuers to facilitate the financing of recapitalizations, acquisitions, internal growth opportunities and buyouts.

PCP pursues an investment strategy primarily concentrated on middle market mezzanine and structured

equity investments, which takes advantage of our scale, office network and middle market experience. Deal flow is sourced through our direct prospect calling efforts, financing relationships with issuers, intermediaries and through equity fund relationships.

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

Mezzanine Investments - PEP

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

PEP pursues an investment strategy focusing primarily on energy companies located in North America. PPC has dedicated origination teams covering distinct geographic territories which source investments on a direct basis. PPC also has a wide network of relationships with regional and national intermediaries, industry consultants and engineers, and middle market private equity sponsors who provide a range of deal flow. Additionally, PPC is an active participant in industry conferences and maintains active direct calling efforts, which often results in reverse inquiries to generate investment opportunities.

To evaluate the attractiveness of a deal, PEP will place an emphasis on attractive economics in the underlying project. We also look for strong management teams with demonstrated track records and significant personal economic stakes in their companies' success. The Energy Fund portfolio team will perform due diligence on each investment, utilizing PPC's network of contacts to understand and analyze the target portfolio company and management team. After closing an investment, PEP continues to work actively with the portfolio company, including by maintaining an ongoing dialogue with management and through board membership and/or observer rights.

Direct Lending Investments – PPC Direct Lending

PPC Direct Lending seeks to invest primarily in privately placed floating rate debt of below investment grade issuers. We expect the investments to combine a current rate of return through scheduled interest payments as well as a reduction of risk over time through scheduled amortization payments. The Direct Lending Investments are typically senior secured facilities which benefit from first priority liens, although a select number of such investments may be second lien debt, and PPC intends to seek maintenance covenant and terms protections. PPC Direct Lending's typical investment is between \$25

million and \$100 million (including leverage). The proceeds of PPC Direct Lending's investments are generally expected to be used by issuers to facilitate recapitalizations, acquisitions, internal growth opportunities and buyouts.

PPC Direct Lending pursues an investment strategy focusing primarily on middle market companies located primarily in North America, the United Kingdom, western Europe and Australia. Such investments are expected to be broadly diversified with respect to industry, geography, types of financing and ownership, including both private equity sponsored transactions and family owned, management owned or non-sponsored corporate structures. Deal flow is sourced through our direct prospect calling efforts, financing relationships with issuers, intermediaries and through equity fund relationships.

To evaluate the attractiveness of a deal, PPC Direct Lending will place an emphasis on companies with defensible business models that add value for their customers and operate in market sectors that can be well understood, and with the exception of collateral backed transactions, emphasis is also placed on companies capable of healthy free cash flow generation. We also look for strong management teams with demonstrated track records and significant personal economic stakes in their companies' success. The investment teams will perform due diligence on each investment, utilizing PPC's network of contacts to understand and analyze the particular industry, company and management team. After closing an investment, PPC Direct Lending continues to work actively with the portfolio company, including by maintaining an ongoing dialogue with management and intensive monitoring of financial performance.

Key Risks Applicable to All Strategies

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

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

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

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

Fraud, Misrepresentation or Omission by an Issuer. The value of an investment may be affected by fraud, misrepresentation or omission on the part of an issuer, by parties related to the issuer or by other parties to the investment (or related collateral and security arrangements). Such fraud, misrepresentation or omission may adversely affect our ability to enforce the contractual rights of our Clients with respect

to any such investment, the ability of the issuer to service its obligations or the value of the collateral underlying the investment in question.

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

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

Credit/Issuer Exposure. The ability of each issuer to meet its obligations under the security will depend on, among other things, the financial ability of each issuer. Thus, the Private Investments will be subject to the financial strength of each underlying issuer. While we intend to invest in companies with proven operating management in place, there can be no assurance that such management will continue to operate successfully. Moreover, there can be no assurance that operating management will continue to manage a company after the date of such investment. Although we will monitor the performance of each investment, we will rely upon management to operate the portfolio companies on a day-to-day basis and, in the case of some investments, upon equity sponsors who control the boards of directors of the portfolio companies to select qualified management for such companies. In addition, some Private Investments will be in businesses with limited operating history or in companies which are highly leveraged, which involve a higher degree of risk. Recessions, operating problems and other general business and economic risks may have a more pronounced effect on the profitability or survival of such businesses. Finally, even where Private Investments are in senior securities, in a bankruptcy or liquidation of an issuer, some Private Investments will have a lower priority than those of other creditors, such as the liquidator, tax authorities and other claims which have priority under law or regulations.

Concentration Risk. By concentrating investments in a specific issuer, sector, market, industry, strategy, country or geographic region, a Client's account will be subject to the risks of that issuer, sector, market, industry, strategy, country or geographic region, such as rapid obsolescence of technology, sensitivity to regulatory changes, minimal barriers to entry and sensitivity to overall market swings, and could be more susceptible to risks associated with a single economic, political or regulatory circumstance or event than a more diversified portfolio might be.

Non-U.S. Investments. Certain Private Investments are in businesses operating or organized outside of the United States. Such investments may involve a broad range of economic, non-U.S. currency and exchange rate, political, legal, tax and financial risks not typically associated with investments in U.S. companies. Such risks include, but are not limited to, (i) the risk of nationalization or expropriation of assets or confiscatory taxation, (ii) negative diplomatic developments and social, economic and political uncertainty, including war and revolution, (iii) dependence on exports and the corresponding importance of international trade, (iv) greater price fluctuations and market volatility, less liquidity and smaller capitalization of securities markets, (v) currency exchange rate fluctuations, (vi) higher rates of inflation, (vii) controls on, and changes in controls on, foreign investment and limitations on repatriation of invested capital and on our ability to exchange local currencies for United States dollars, (viii) governmental involvement in and control over the economies and other aspects of the private sector, (ix) governmental decisions to discontinue support of economic reform programs generally and to impose centrally planned economies, (x) differences in auditing and financial reporting standards which may

result in the unavailability of material information about issuers, (xi) less extensive regulation of the securities markets, (xii) longer settlement periods for securities transactions and (xiii) less developed corporate laws regarding fiduciary duties and the protection of investors, and (xiv) taxes that may not be mitigated through refunds or tax treaties. Prior government approval for non-U.S. investments may be required under certain circumstances in some countries, and the process of obtaining these approvals may require a significant expenditure of time and resources. Additionally, certain countries depend heavily on exports to the United States. Accordingly, these countries may be sensitive to fluctuations in U.S. demand and changes in U.S. market conditions. The foregoing factors may increase transaction costs and adversely impact the value of our Private investments in non-U.S. businesses.

Securitized Products Risk. Securitized products are securities that are collateralized by, or linked to the performance of, all or a portion of a pool of assets. Certain securitizations are split into two or more portions, called tranches, that vary in risk and yield. The riskiest portion is the “equity” tranche (i.e., subordinated debt) which incur the first loss resulting from any defaults on the securitized loans or assets, although more senior tranches may also incur losses. Securitized products are often not guaranteed by any governmental entity or other party and their payments may be contingent on the performance of assets that are not guaranteed. In addition, global regulations may limit the securitized products that are eligible for certain client accounts. For example, the inclusion (current as of the date hereof) of the Cayman Islands on the EU’s list of “high risk third countries” generally precludes (absent any change) EU institutional investors from making investments in securitized products issued by entities domiciled in the Cayman Islands. Investing in certain securitized products may entail a variety of unique risks, such as prepayment risk, credit risk, concentration risk, liquidity risk, market risk, structural risk, geographic concentration risk, regulatory/legal risk, and interest rate risk. Additional risks of certain securitizations include, without limitation (i) the possibility that distributions from collateral securities will be insufficient to make interest or other payments; (ii) the possibility that the quality of the collateral may decline in value or default; (iii) the adequacy of and ability to realize upon any related collateral and the capability of the servicer of the securitized assets; and (iv) challenges by state and federal regulators to the structures of securitization transactions and the origination and servicing practices relating to the securitized loans or assets.

Participation on Creditors’ Committees Risk. Although we have no obligation to do so, we, on behalf of one or more Clients, may participate in an *ad hoc* or official committee of unsecured creditors with the goal of improving our Clients’ recoveries or we may otherwise negotiate directly with the debtors with respect to restructuring the company or its capital structure. If we do join a creditors’ committee, there can be no assurance of obtaining results most favorable to all of our Clients in such proceedings. By participating on such committees, we may be deemed to have duties to other creditors of the debtor, or to have violated a duty under a theory of “lender liability”, whether implied or contractual, of good faith and fair dealing owed to the issuer or have assumed a degree of control over the issuer resulting in the creation of a fiduciary duty owed to the issuer or its other creditors or equity owners, which might thereby expose PPC or our Clients to liability. We cannot provide assurance that these claims will not arise or that PPC or its Clients will not be subject to significant liability claims of these types did arise. In certain cases, we may decide not to participate on a committee or may not be permitted to do so, which could limit our ability to influence the process to maximize a Client’s recovery.

Loss of Investment Discretion. If the investment product is a discretionary account, this means that the investment product is managed exclusively by us, and, other than for certain conflicts that are taken to investors or a committee of investors, investors have no opportunity to control investment and disposition decisions or the day-to-day operations of such investment product. Investors must rely

entirely on us to conduct and manage the affairs of such investment products and to safeguard their investment portfolios.

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

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

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

Like all businesses that use computerized data, we, our affiliates, our third party service providers, and their affiliates and service providers, and the systems we and they use, under some circumstances, are subject to a variety of cybersecurity-related risks, including ransomware and other cyber or data extortion risks, and exposed to incidents or similar events that lead to the inadvertent disclosure of confidential personal, proprietary, or other non-public data to unintended parties, or are subject to the intentional misappropriation, misuse, disclosure, encryption, threat to disclose, or destruction of such data by unauthorized parties or malicious actors mounting an attack on computer systems. We are also subject to disruptions to business operations and continuity risks, including system and supply chain failures, denial of service attacks, and ransomware and other destructive cyber-attacks. Various actors, such as for-profit criminal hackers and nation-state sponsored or affiliated actors, engage in cyberattacks against the financial services sector. We could experience cybersecurity attacks from numerous sources. These attacks would likely be aimed at our computers, systems, networks, and cloud operations. We and our affiliates have implemented and maintain an information technology security policy and program that includes certain technical, administrative, and physical safeguards intended to protect the integrity, availability and confidentiality of the data we have and the systems that store it and take other reasonable precautions to limit the potential for cybersecurity incidents or similar events, and to protect data from inadvertent disclosure or wrongful misappropriation or destruction.

Nevertheless, despite reasonable precautions, cybersecurity incidents could occur, and might in some circumstances result in unauthorized access to sensitive information about us or our Clients. In addition, such incidents might cause damage to Client accounts, data or systems or affect account management.

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

Regulatory Reform. Laws and regulations affecting our business change from time to time, and we are

currently operating in an environment of significant global regulatory reform.. We cannot predict the effects, if any, of future legal and regulatory changes or the implementation of existing regulatory reforms on our business or the services we provide.

ESG Regulatory Risk. The global regulatory environment applicable to ESG strategies is evolving and will lead to increased complexity and potentially conflicting regulatory regimes applying to us and the accounts and funds we manage. Further, certain ESG-related regulations (including the European Union’s Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector), contain elements of subjectivity, which could lead to our regulatory and legal interpretation differing from that of others and could also result in the regulatory reclassification of products that we manage, changes to our account-level and/or fund-level disclosures and changes to our internal policies, procedures and processes. Compliance with ESG-related regulations, could lead to increased costs for relevant accounts and funds to the extent permitted under applicable account and fund-level documentation.

Sustainability Risk. Sustainability risk means an environmental, social, or governance event or condition, that, if it occurs, could potentially or actually cause a negative material impact on the value of investments. Sustainability risk can represent a risk on its own, and can contribute significantly to other risks, such as market risks, liquidity risks or operational risks. Sustainability risks could have a negative impact on the market price of securities, and thus on the return of Client’s account. For example, climate change could lead to increasing intensity and instances of severe weather, leaving issuers vulnerable to financial hardships such as work stoppages, decreases in revenues and increased insurance premiums (or, if the issuer is an insurer, increased claims). Thus, issuers’ abilities to repay debt, and value of equity securities, could be negatively impacted. Further, if issuers underestimate or fail to adequately assess sustainability risks, negative impacts of sustainability-related events on their securities would be heightened. In addition, reputational risks caused by unsustainable acts of an issuer could adversely affect the market price of its securities.

Brexit Risk – Loss of Passporting Regime. On January 31, 2020, the United Kingdom (“UK”) exited the European Union (“EU”) (following a non-binding referendum in June 2016) with a transition period in relation to existing laws and regulations which ended December 31, 2020 (this exit is commonly referred to as “Brexit”). While the UK and the EU have entered into a Trade and Cooperation Agreement effective January 1, 2021, there is no agreement between the UK and the EU with respect to financial services. The UK and the EU signed a Joint Declaration agreeing to establish a memorandum of understanding by March 2021 to, amongst other things, set a framework for regulatory cooperation and also discuss equivalence determinations, but there has been no progress to date. The passporting regime previously allowed regulated entities licensed or authorized in the UK (including each other European Economic Area (“EEA”)) to operate on a cross border basis in other EEA countries without the need for a separate license or authorization. We previously relied on the passporting rights of our UK affiliate, PPCL, to conduct our investment business in the EU. PPCL no longer has these passporting rights, which impacts the ability of PPCL to source investment opportunities for PPC in the EU, so PPC and PPCL have implemented contingency plans to address Brexit, including the transfer of PPCL’s former EU business and its branches and representative offices to PPCI. In addition, PPCL has obtained temporary or permanent licenses to continue activities in select EU countries. Despite these measures, our ability to market and provide investment services in the EU may be adversely affected by Brexit.

Recent European Events. Recently in Europe, many non-governmental issuers, and even certain governments, have defaulted on, or been forced to restructure, their debts; many other issuers have faced difficulties obtaining credit or refinancing existing obligations; financial institutions have in many cases

required government or central bank support, have needed to raise capital, and/or have been impaired in their ability to extend credit; and financial markets in Europe and elsewhere have experienced extreme volatility and declines in asset values and liquidity. Further, related to the banking issues discussed herein, global markets are being adversely impacted by financial uncertainties surrounding at least one major European banking institution. Responses to these financial problems by European governments, central banks and others, including austerity measures and reforms, may not be effective in addressing these issues.

Investing in Greater China Risk. Investments in companies located or operating in Greater China involve risks of greater government control over the economy; political, legal and regulatory uncertainty; nationalization, expropriation, or confiscation of property; difficulty in obtaining information necessary for investigations into and/or litigation against Chinese companies, as well as in obtaining and/or enforcing judgments; limited legal remedies for shareholders; alteration or discontinuation of economic reforms; military conflicts, either internal or with other countries; inflation, currency fluctuations and fluctuations in inflation and interest rates that may have negative effects on the economy and securities markets of Greater China; and Greater China's dependency on the economies of other Asian countries, many of which are developing countries. The inability of the Public Company Accounting Oversight Board to inspect audit work papers and practices of PCAOB-registered accounting firms in China with respect to their audit work of U.S. reporting companies may impose significant additional risks associated with investments in China. Investments in Chinese companies may be made through a special structure known as a variable interest entity ("VIE") that is designed to provide foreign investors with exposure to Chinese companies. Investments in VIEs may pose additional risks because the investment does not represent equity ownership in the operating company. Recently, the Chinese government provided new guidance to and placed restrictions on China-based companies raising capital offshore, including through VIEs, and investors face uncertainty about future actions by the Chinese government that could significantly affect the operating company's financial performance and the enforceability of the contractual arrangements underlying the VIE structure.

Recent Banking Events. Recent economic events in the U.S., such as increases in inflation and interest rates, have led to concerns regarding the solvency of certain banking institutions, particularly small and mid-sized regional banks. Two such banks were placed in receivership under the Federal Deposit Insurance Corporation in March 2023. Market concern with respect to these banks, as well as the risks posed to other similar-profile banks, created the potential for a domino effect across the U.S. banking sector. Despite government efforts to curtail the effects of this situation, concerns about the overall financial health and stability of the U.S. banking sector remain high, with many bank stocks trading at significantly lower prices than they did before the crisis began. Further governmental intervention may be required to stabilize the U.S. banking sector in the future if additional U.S. banks, particularly larger banks, appear to be at a risk of failure; it is unclear, however, whether the government would intervene in such circumstances and, if it did, whether such governmental intervention would be sufficient to forestall a full-blown banking crisis. It is also possible that further government intervention could result in other unforeseen adverse impacts on the economy over the short or long term. Relatedly, these events may cause the Federal Reserve Board to slow down future increases in interest rates, making it more difficult to combat inflation. Even if, ultimately, market concerns about the financial health and stability of the U.S. banking sector are successfully addressed, these events may increase the risk of a recession in the U.S. The market disruption caused by these banking events, and any associated potential recession, could negatively impact our Clients. These events could have a material adverse effect on liquidity, current and/or projected business operations, financial condition and/or performance results, as

applicable, for issuers, as well as on the value of our Clients' investments that we manage.

Difficulty of Bringing Suit in Non-U.S. Countries. The effectiveness of the judicial systems in countries in which we may invest on behalf of Clients varies, and there may be greater difficulty in successfully pursuing claims in the courts of such countries (including the enforcement of judgments obtained in another jurisdiction), as compared to the United States or other countries.

Public Health Risk. Occurrences of epidemics and pandemics, depending on their scale, may cause different degrees of damage to the national and local economies. Global economic conditions could be disrupted by widespread outbreaks of infectious or contagious diseases, and such disruption could adversely affect investment returns. Since March of 2020, the global economy has grappled with the negative impact of the strain of coronavirus now commonly known as COVID-19. Despite advances in vaccinations against, and treatments for, COVID-19, global markets continue to feel the pandemic's effects. There can be no certainty as to how long those effects will continue, particularly as markets grapple with unintended consequences of fiscal and monetary policies designed to curb the COVID-19 pandemic's economic impact (such as inflation following interest rate reductions). Further, there can be no assurances that outbreaks of other diseases will not occur in the future and have similar negative effects on the global economy. These economic disruptions have negatively impacted the value and performance of investments in funds and accounts, and there is no way to predict the extent of any such future consequences for Clients.

Sanctions and Related Considerations. Economic sanction laws in the United States and other jurisdictions prohibit us, our personnel and accounts we manage from investing in or transacting with certain countries, companies and issuers. Economic sanctions, and other similar and related laws and regulations, make it difficult for an account to pursue certain investment opportunities, which could adversely impact client accounts, cause increased volatility and illiquidity, impact the accuracy of valuations and prevent the receipt of interest and principal payments. In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control ("**OFAC**") administers and enforces laws, executive orders and regulations establishing U.S. economic and trade sanctions, which restrict or prohibit, among other things, direct and indirect transactions (including receipt of interest and principal payments) with, and the provision of services to and the receipt of services from, certain non-U.S. countries, territories, individuals and entities. These types of sanctions could significantly restrict or completely prohibit investment activities in certain jurisdictions, and violation of any such laws or regulations, may result in significant legal and monetary penalties, as well as reputational damage. OFAC sanctions programs change frequently, which may make it more difficult for us, our affiliates or our clients to ensure compliance. Moreover, OFAC enforcement is increasing, which may increase the risk that we, our affiliates or our clients become the subject of such actual or threatened enforcement.

In February 2022, Russian troops invaded Ukraine, and the two countries remain engaged in a full-scale military conflict. Shortly after the invasion, the U.S., Canada and the European Union, among other jurisdictions and regulatory bodies, imposed economic sanctions related to this conflict, many of which remain in effect. Among other things, these sanctions consist of prohibiting certain securities trades, asset freezes and prohibition of certain business. Such sanctions could impair or prevent our ability to receive interest and principal payments, buy, sell, hold, receive or deliver the impacted holdings, and could impact our relationship with, and/or business operations of, third parties with whom we conduct business and/or in whom Clients have been invested. There is no guarantee that any steps taken by us to mitigate any adverse impact of these sanctions will be successful and Clients could be impacted by, among other things, significantly decreased valuations, creditor default and illiquidity. It is impossible to predict the length, severity, and outcome of this conflict.

LIBOR Discontinuation Risk. The London Interbank Offered Rate ("LIBOR") is an estimate of the rate at which a sub-set of banks (known as the panel banks) could borrow money on an uncollateralized basis from other banks. On March 5, 2021, the UK Financial Conduct Authority confirmed that the publication of the principal tenors of the U.S. dollar LIBOR (i.e., overnight, one-month, three-month, six-month and 12-month LIBOR) will cease immediately following a final publication on June 30, 2023. The scheduled cessation date for U.K. pound sterling, Japanese yen, Swiss franc and Euro LIBOR, and the one-week and two-month tenors of U.S. dollar LIBOR, was December 31, 2021 (although certain tenors of U.K. pound sterling and Japanese yen LIBOR continue to be published on a non-representative, synthetic basis for purposes of certain legacy LIBOR contracts). Actions by regulators have resulted in the establishment of alternative reference rates to LIBOR in all major currencies. The effect of any changes or reforms to LIBOR or discontinuation of LIBOR on new or existing financial instruments will vary depending on (i) existing fallback provisions in individual contracts, (ii) the adoption of fallback provisions through the Inter-Bank Offered Rate ("IBOR"), Fallbacks Protocol produced by the International Swaps and Derivatives Association, (iii) whether, how, and when industry participants develop and widely adopt new reference rates and fallbacks for both legacy and new products or instruments and (iv) the timing of transitions to alternative reference rates. Since January 1, 2022, as a result of supervisory guidance from U.S. regulators, some U.S. regulated entities have ceased to enter into new LIBOR contracts. As a result, accounts that procure debt financing or make investments in debt products that use LIBOR rates or other interbank offered rates to determine interest rate obligations may be adversely affected in terms of liquidity and pricing. The adoption of alternative rates could increase market certainty in newly issued products, although at this time, no consensus exists as to what rate or rates will become the generally accepted alternative to LIBOR. It is possible that existing LIBOR instruments will need to transition to alternative reference rates, although some legacy LIBOR instruments do not have mechanisms to efficiently allow for revising fallback language for such a transition or will be difficult to amend as amendments require consent from bondholders. On March 15, 2022, U.S. federal legislation was enacted to address, among other things, these sorts of issues in legacy LIBOR instruments but the effect of this legislation is uncertain. Furthermore, the elimination of LIBOR or changes to other reference rates or any other changes or reforms to the determination or supervision of reference rates could have an adverse impact on the market for, or value of, any securities or payments linked to those reference rates, which may adversely affect Clients' account performance. Consequently, the transition away from LIBOR and the adoption or use of one or more alternative reference rates may lead to increased volatility and illiquidity in markets that are tied to LIBOR, fluctuations in values of LIBOR-related investments or investments in issuers that utilize LIBOR, increased difficulty in borrowing or refinancing and diminished effectiveness of hedging strategies, thereby adversely affecting Clients' account performance.

Follow-on Investments. For certain Private Investments, PPC may call upon a Client to provide additional funding to an issuer or increase their investment in such issuer. There can be no assurance that such Client will wish to make follow-on investments or that it will have sufficient funds to do so. Any decision by a Client not to make follow-on investments or an inability to make them may have a substantial negative impact on an issuer in need of such an investment.

Data Source Risk. We use a variety of proprietary and non-proprietary data to evaluate securities and formulate investment advice. If a data source is incorrect or unexpectedly becomes unavailable or unreliable, Client accounts may be negatively impacted. We also subscribe to external data sources for various purposes and functions, including in making investment decisions. While we believe those third-party data sources to be generally reliable, we do not guarantee that the data received will be accurate or complete and is not responsible for errors by these sources.

Third Party Litigation. PPC's investment activities on behalf of Clients subject PPC and its Clients to the risks of becoming involved in litigation by third parties. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would, absent certain conduct by PPC, be borne by the Clients. PPC and others are entitled to be indemnified by Clients in connection with such litigation, subject to certain conditions.

Broken Deal Expenses. Investments often require due diligence activities prior to acquisition. For example, for certain transactions, due diligence costs include among others: legal costs; financial analysis; background checks; feasibility and technical studies; preliminary engineering costs and marketing studies; environmental reviews; bid preparation and submission costs. In many cases, we will require that these costs be covered by the prospective Issuer, but in the event that a prospective investment is not finalized, these expenses could be borne by the applicable Client.

Settlement Risk. Settlement risk is the possibility that a trading counterparty fails to pay cash or deliver securities upon the scheduled settlement of a trade. All securities trading involves a degree of settlement risk, and such risk can be exacerbated by adverse market conditions. The inability to dispose of a security due to settlement problems could result in losses, and a delay in the settlement of a purchase could result in periods when cash is uninvested and no return is earned thereon.

General Uncertainty and Economic Inability or Inaction. Social, political, economic and other conditions and events (such as natural disasters, epidemics and pandemics, terrorism, conflicts, warfare, and social unrest) will occur that have significant impacts on issuers, industries, governments and other systems, including the financial markets. As global systems, economies and financial markets are increasingly interconnected, events that once had only local impact are now more likely to have regional or even global effects. Events that occur in one country, region or financial market will, more frequently, adversely impact issuers in other countries, regions or markets. These impacts can be exacerbated by failures of governments and societies to adequately respond to an emerging event or threat. Clients will be negatively impacted if there are fewer investment opportunities, if there is reduced credit available to borrowers, if markets are more difficult to model reducing the accuracy of projections or valuations, if the value of their portfolio holdings decreases as a result of such events, if these events adversely impact the operations and effectiveness of the adviser or key service providers, or if these events disrupt systems and processes necessary or beneficial to the management of accounts.

Risks Related to Conflicts of Interest

Like other investment advisers, we are subject to various conflicts of interest in the ordinary course of our business. We strive to identify potential risks, including conflicts of interest, that are inherent in our business, and we conduct annual conflict of interest reviews. However, it is not possible to identify every potential conflict that can arise. When actual or potential conflicts of interest are identified, we seek to address such conflicts through one or more of the following methods:

- elimination of the conflict;
- disclosure of the conflict; or
- management of the conflict through the adoption of appropriate policies, procedures or other mitigants.

Various conflicts of interest are discussed throughout this document. Please review this information carefully and contact us if you have any questions. We follow Prudential Financial's policies on business ethics, personal securities trading, and information barriers. We have adopted a code of ethics (see Item 11), allocation policies and conflicts of interest policies, among others, and have adopted supervisory procedures to monitor compliance with our policies. We cannot guarantee, however, that our policies and procedures will detect and prevent, or result in the disclosure of, each and every situation in which a conflict arises or could potentially arise.

Social Media and Internet-Based Information Risks. In recent years, social media platforms have become a means for instantaneous information sharing. Given the relative lack of regulation of these platforms, they can be used as vehicles for dissemination of inaccurate information. Any such information related to issuers could negatively impact the value of their securities.

Key Risks Applicable to Funds

Limited Liquidity of Funds. There is no right of redemption in our Funds, and there are restrictions on transfer of investors' interests, and accordingly the investor needs to be prepared to retain the investment. Investment in a Fund requires the financial ability and willingness to accept significant risk and illiquidity for the duration of the investment. The interests have not been registered under the Securities Act of 1933, or any other applicable securities laws. There is no public market for the interests and none is expected to develop.

Private Fund Regulation. The SEC has recently proposed a significant expansion of the regulation of private fund advisers which would vastly restrict, and in many cases expressly prohibit, a number of common practices in the private fund industry. If these new proposed rules are adopted by the SEC, we could become subject to additional and more significant regulatory and compliance requirements. Any such additional requirements may be costly and have a material impact on us and/or our Clients' accounts and could result in the imposition of restrictions and limitations on our operations and/or our Clients' accounts. The overall impact of these proposed new rules remains highly uncertain and it is impossible to predict what changes, if any, may be instituted in the future.

Alternative Investments. Private funds (including the Funds) are subject to less regulation than other types of pooled investment vehicles such as mutual funds and are not subject to the same SEC registration and disclosure requirements; however, there has been an increase in governmental, as well as self-regulatory, scrutiny of the alternative investment industry in general. It is impossible to predict what, if any, changes in regulations may occur, but any regulations which restrict the ability of the Funds to trade in securities or the ability of the Funds to employ, or brokers and other counterparties to extend, leverage in their trading (as well as other regulatory changes that result) could have a material adverse impact on performance of the Funds and, consequently, on Clients' account performance.

Furthermore, due to current regulatory environment with respect to alternative investments it is difficult to assess a Fund's performance or independently verify information we report. Additionally, each Fund investor's voting rights are limited to its interest in the Fund and even in cases where investor votes are solicited, most investors will not have a controlling interest in the Fund. Investors must realize that a Fund's investment portfolio will consist primarily of illiquid Private Investments that are difficult to value, and disposition of Private Investments may require a lengthy time period. Losses on unsuccessful investments may be realized before gains on successful investments are realized. Finally, we have broad discretion over our investments, and the use of a single adviser like PPC could facilitate a lack of

diversification and, thus, higher risk.

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

Further, if a bank provides a Fund with a subscription line or other working capital facility and the bank goes into receivership, the availability of funds under that line or facility could be adversely affected, which could in turn adversely impact the Fund's ability to consummate investments or pay Fund expenses in a timely manner.

Recourse to a Fund's Assets. A Fund's assets, including any investments made by such Fund and any capital held by such Fund, will be available to satisfy all liabilities and other obligations of such Fund. If A Fund becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to such Fund's assets generally and not be limited to any particular asset, such as the investment giving rise to the liability. Accordingly, Clients could find their interests in such Fund's assets adversely affected by a liability arising out of an investment in which they did not participate.

Distributions in Kind. Although, under normal circumstances, the Funds intend to make distributions in cash, it is possible that under certain circumstances (including the liquidation of a Fund), distributions may be made in kind and could consist of debt obligations and other securities for which there is no readily available public market or debt obligations or other securities of entities unable to meet required interest or other payment obligations.

Specific Risks Related to Mezzanine Investments.

Mezzanine Investments involve a high degree of risk with no certainty of any return of capital. Although mezzanine securities are typically senior to common stock and other equity securities in the capital structure, they are often contractually or structurally subordinated to large amounts of senior debt, and, with respect to Mezzanine Investments originated domestically, are usually unsecured. Alternatively, Mezzanine Investments originated in Europe are generally secured. Investments in highly leveraged companies are intrinsically more sensitive to declines in company revenues and to increases in company expenses. Many of the companies we invest in face intense competition, changing business and economic conditions or other developments that could adversely affect their performance.

Moreover, rising interest rates are likely to increase portfolio company interest expense. We cannot provide any assurance that a company will generate sufficient cash to service its debt obligations. Moreover, a debt security (or other obligation) bearing payment-in-kind interest will generally have a

higher risk of non-payment of interest since there will be no cash payments of interest from the issuer prior to maturity or refinancing. In addition, many of the remedies available to mezzanine holders are available only after satisfaction of claims of senior creditors. Therefore, in the event that an issuer does not generate adequate cash flow to service its debt obligations, investors could suffer a partial or total loss of invested capital. Since the Funds can only make a limited number of investments, and since Mezzanine Investments generally will involve a high degree of risk, poor performance by a few of the investments could severely affect the total returns to investors. Finally, our investments sometimes involve complex tax structures and delays in the distribution of tax information.

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

Controlling Positions Risk. Mezzanine Funds could invest in positions through which it obtains certain control rights with respect to the Mezzanine Investment (e.g., a portfolio company). Exercising such control could expose the Mezzanine Funds to liabilities not normally associated with such investments, such as risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability generally characteristic of business operations could be ignored.

Specific Risks Related to Energy Investments.

Nature of Investments in Oil and Gas. Certain of the energy companies in which we invest are subject to the risks inherent in acquiring or developing recoverable oil and natural gas reserves, including capital expenditures for the identification and acquisitions of projects, the drilling and completing of wells and the conduct of development and production operations. Successful investment in oil and natural gas properties and other related facilities and properties requires an assessment of (i) recoverable reserves, (ii) production rates, (iii) future oil and natural gas prices, (iv) operating and capital costs, (v) potential environmental and other liabilities and (vi) other factors; such assessments are necessarily inexact and their accuracy inherently uncertain. Also, the revenues generated by certain of the energy companies in which we invest are dependent on the future prices of, and the demand for, oil and natural gas. Oil and gas investments would likely have significant shortfalls in projected cash flow if oil and gas prices decline from levels projected at the time the investment is made.

Various factors beyond our control will affect the price of oil, natural gas and natural gas liquids, including the worldwide supply of oil and regional supply of natural gas, as well as political instability or armed conflict in oil and natural gas-producing regions, the price of imports, the value of the US dollar and other currencies in which we invest, the level of consumer demand, the price and availability of alternative fuels, the availability of pipeline capacity and changes in existing government regulation, taxation and price control. While natural gas prices are vulnerable to worldwide dynamics, because

natural gas is typically consumed locally due to the high cost of transporting it over long distances, prices are more immediately affected by regional dynamics. Prices for oil, natural gas and natural gas liquids have fluctuated greatly in the past, and markets for oil, natural gas and natural gas liquids continue to be volatile.

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

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

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

Single Project Risks. Power and midstream energy assets can have a narrow customer base. Should any of the customers or counterparties fail to pay their contractual obligations, or should a government appropriate the underlying assets, significant revenues could cease and become irreplaceable. This would affect the profitability of energy and power assets and the value of any securities or other instruments issued in connection with such assets. Midstream energy projects are generally heavily dependent on the operator of the assets. There are a limited number of operators with the expertise necessary to successfully maintain and operate power and midstream energy projects. The loss of an operator of a project could significantly impair the financial viability of a project and result in a material adverse effect on the relevant Client's investment. The insolvency of the lead contractor, a major subcontractor or a key equipment supplier could result in material delays, disruptions and costs that could significantly impair the financial viability of a project and result in a material adverse effect on the relevant Client's investment.

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

Construction Risks. The construction and development of any project involves many risks, including delays or shortages of construction equipment, material and labor, work stoppages, labor disputes, weather interferences, unforeseen engineering, environmental and geological problems, difficulties in

obtaining requisite licenses or permits and unanticipated cost increases, any of which could give rise to delays or cost overruns. We will attempt to minimize construction-related risks through fixed-price or turnkey construction contracts with experienced and creditworthy construction contractors, under which the contractors typically assume certain risks (though not risks related to force majeure events), such as the risk of unexcused delays in completion of construction and certain cost overruns; however, the use of fixed-price contracts could result in an increase in the overall price of the construction contract, or contractors may not be willing to enter into fixed-price contracts. Such contracts will typically require the contractor to carry substantial insurance or have adequate resources and to pay liquidated damages in the event of failure of performance by the contractor.

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

Operational and Technical Risks. The value of a portfolio company will be highly dependent on its then-expected cash flow generating abilities at the time of exit. The estimate of such cash flow generating abilities will also affect the current cash distribution to the relevant Client during that period. Actual cash flow generating ability of the relevant Client's portfolio companies could be influenced and affected by a number of factors, including mechanical breakdowns, spare parts shortages, failure to perform according to design specifications, labor strikes, labor disputes, work stoppages and other work interruptions, adverse weather conditions, accidents, the breakdown or failure of equipment or processes, the performance of the facilities below expected levels of capacity and efficiency (including throughput volumes), and catastrophic events such as explosions, fires, earthquakes, hurricanes, floods, landslides or other similar events beyond our control. These types of catastrophic events could result in loss of human life, significant damage to property, environmental pollution and impairment of a portfolio company's operations, any of which could also result in substantial losses for which insurance may not be sufficient or available and for which the relevant Client could bear a part or all of the cost. An operating failure could lead to loss of a license, concession or contract on which a portfolio investment is dependent.

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

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

and losses, and any insurance coverage obtained may not fully cover the damages caused by those risks and losses.

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

Environmental Matters. Energy infrastructure and resource companies are subject to numerous environmental laws and regulations in each country in which they operate, including those affecting air emissions, water quality, wastewater discharges, solid waste and hazardous waste. These laws and regulations can result in increased capital, operating and other costs. These laws and regulations generally will require portfolio companies to obtain and comply with a wide variety of environmental licenses, permits, inspections and other approvals. Compliance with environmental laws and regulations can require significant expenditures, including expenditures for clean-up costs and damages arising out of contaminated properties. Compliance with existing and new and emerging environmental regulatory programs is likely to result in significant operating costs which could have a material adverse impact on the relevant Client's investments. Failure to comply with environmental regulations could result in the imposition of fines, penalties and injunctive measures which would also negatively affect the relevant Client's investments.

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

Competition in natural gas gathering is based in large part on reputation, efficiency, system reliability, gathering system capacity and pricing arrangements. Key competitors in the gas gathering segment include independent gas gatherers, independent midstream companies, utilities, local distribution companies, natural gas producers and major integrated energy companies. Producers served by our portfolio companies could have alternate gathering facilities available to them or could elect to construct

proprietary gas gathering systems.

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

Specific Risks Related to Direct Lending Investments

Competitive Nature of Direct Lending Investment Business. Although PPC has been successful in identifying suitable investments in the past, PPC will be competing for investment with other capital providers, and PPC may be unable to identify a sufficient number of attractive investment opportunities for the DL Products to meet their investment objectives. Other investors may make competing offers for investment opportunities that are identified, and even after an agreement in principle has been reached with the issuer or board of directors or owners of an investment target, consummating the transaction is subject to a multitude of uncertainties, only some of which are foreseeable or within the control of PPC. No assurance can be given that PPC will be successful in obtaining suitable investments for the DL Products, or that if such investments are made, their investment objectives will be achieved.

Nature of Investments in Senior Debt. Direct Lending Investments may include first lien senior secured debt issuances, and may also include selected second lien secured debt, which involves a higher degree of risk of loss of capital than first lien debt. The factors affecting an issuer's first lien debt, second lien debt and other secured debt, and its overall capital structure, are complex. Some first lien and unitranche debt may not necessarily have priority over all other unsecured debt of an issuer. For example, some first lien and unitranche loans may permit other secured obligations (such as overdrafts, swaps or other derivatives made available by members of the syndicate to the company), or involve first liens only on specified assets of an issuer (*e.g.*, excluding real estate). Issuers of first lien debt may have two tranches of first lien debt outstanding each with first liens on separate collateral. Any secured debt is secured only to the extent of its lien and only to the extent of underlying assets or incremental proceeds on already secured assets. Moreover, underlying assets are subject to credit, liquidity, and interest rate risk. Although the amount and characteristics of the underlying assets selected as collateral may allow the investors in the DL Products to withstand certain assumed deficiencies in payments occasioned by the issuer's default, if any deficiencies exceed such assumed levels or if underlying assets are sold, it is possible that the proceeds of such sale or disposition will not be sufficient to satisfy the amount of principal and interest owing in respect of Direct Lending Investments.

Senior secured credit facilities are generally syndicated to a number of different financial market participants. The documentation governing such facilities typically requires either a majority consent or, in certain cases, unanimous approval for certain actions in respect of the facility, such as waivers, amendments, or the exercise of remedies. In addition, voting to accept or reject the terms of a restructuring of a facility pursuant to a court-ordered plan of reorganization in an insolvency proceeding may be done on a class basis. As a result of these voting regimes, PPC may not have the ability to control any decision in respect of any amendment, waiver, exercise of remedies, restructuring or reorganization of debt owing in respect of Direct Lending Investments.

Senior secured debt is also subject to other risks, including (i) the possible invalidation of a debt or lien as a "fraudulent conveyance," (ii) the recovery as a "preference" of liens perfected or payments made on account of a debt in the period before an insolvency filing, (iii) equitable subordination claims by other creditors, (iv) so-called "lender liability" claims by the issuer of the obligations and (v)

environmental liabilities that may arise with respect to collateral securing the obligations.

Direct Lending Investments may be subject to early redemption features, refinancing options, prepayment options or similar provisions that, in each case, could result in the issuer repaying the principal on an obligation held by the DL Products earlier than expected. As a consequence, the ability of the DL Products to achieve their investment objective may be adversely affected.

Second Lien Debt. DL Products may make investments in second lien financings, which will entail risks including (i) the subordination of the liens securing the claims of the DL Products to a senior lien in terms of the coverage and recovery of the collateral and (ii) the prohibition of, or limitation on, the right to foreclose on a second lien or exercise other rights as a second lien holder (including unsecured creditors' rights). In certain cases, therefore, no recovery may be available from a defaulted second lien financing. The level of risk associated with investments in second lien financing increases to the extent such investments are financings of distressed or below investment grade companies.

Loan Funding and Administrative Risks. Revolver lenders are required to advance funds upon request by an issuer. In some instances, loan documents may provide for borrowing notice periods that are shorter than the capital call notice period for the Direct Lending Funds. The frequency and unpredictability of funding increases the potential for human error in the administration of the DL Products. The Direct Lending Funds intend to manage availability on the subscription lines of credit in order to be able to honor all such advance requests, but there is risk that a properly made advance request might not be funded, including by reason of difficulty in accessing credit expected to be available or errors in the management of liquidity. Lenders who do not fund upon receipt of a borrowing notice may lose their voting rights and the right to interest and fees under the credit agreement governing a revolver credit facility. Issuers may pursue revolver lenders who do not fund their obligations for damages. This liability is principally the cost of obtaining replacement financing but in some cases may include consequential damages.

In the absence of adequate liquidity, the Direct Lending Funds may call capital contributions from its investors to fund revolver draws. Even without a subscription line facility default, the limited partnership agreements permit the Fund Manager to call capital to satisfy a revolver draw and may choose to do so. Calling capital from investors in the Direct Lending Funds to fund revolver draws potentially results in the returns being lower than would otherwise have been the case.

Use of Borrowing. The DL Products include one or more funds that utilize long-term fund-level leverage (the “**DL Levered Products**”) and expect to directly or indirectly employ leverage when making Direct Lending Investments. Investments that have been made using leverage are inherently more sensitive to declines in revenue and to increases in expenses and interest rates, and the use of borrowed funds will magnify the volatility of the investment portfolio of DL Levered Products and involves substantial risks. Although the use of borrowed funds will increase investment returns if the leveraged portfolio investment earns a return greater than cost of the DL Levered Products' borrowed funds, investment returns will decrease if the portfolio investment fails to earn a return equal to the cost of the DL Levered Products' borrowed funds. As a result of commitment fees, repayment obligations, interest payments and other borrowing costs associated with such leverage, the investors in DL Levered Products may realize a lower return than they otherwise would have realized if they had made an investment in a DL Product that did not utilize leverage or utilized just a subscription facility and may realize no return when they would have realized a positive return if they had made their investment in such a DL Product. A leveraged investment may also be subject to restrictive covenants imposed by lenders that restrict the DL Levered Products' activities, which may limit additional acquisitions or the

ability to obtain additional financing. In addition, the use of leverage may include restrictions on distributing capital to investors. If an event occurs that prevents the DL Levered Products (or, if applicable, a subsidiary thereof) from making distributions for a particular period, this may affect the level and timing of the DL Levered Products' returns.

The extent to which the DL Levered Products use borrowed funds may have important consequences to the investors in the DL Levered Products, including, but not limited to, the following: (a) greater fluctuations in the net assets of the DL Levered Products, (b) use of cash flow for debt service, rather than for additional investments, distributions, or other purposes, (c) to the extent that the DL Levered Products' revenues are required to meet principal payments, the investors in the DL Levered Products may be allocated income (and therefore tax liability) in excess of cash available by distribution, (d) to the extent that the DL Levered Products' revenues are insufficient to service its debt obligations, the investors in the DL Levered Products may be required to contribute capital to service such debt obligations and (e) in certain circumstances the DL Levered Products may be required to prematurely harvest investments to service their debt obligations. There can also be no assurance that the DL Levered Products will have sufficient cash flow to meet their debt service obligations. The use of borrowed funds, therefore, may require the DL Levered Products to pledge their holdings and/or the unfunded commitments of the investors in the DL Levered Products as collateral, and the Fund Manager may also be required to assign its right to make future capital calls in accordance with the limited partnership agreements. The use of borrowed funds will subject the DL Levered Products to interest costs and expenses that will affect their operating results. The investment results and cash flow profile of the DL Levered Products are expected to differ from those of the DL Products which do not utilize fund-level leverage to make investments (the **"DL Unlevered Products"**) as a result of these and other factors. In addition, the use of borrowed funds may cause tax-exempt investors in DL Levered Products to incur unrelated business taxable income.

The actual use of leverage will depend on a number of factors, including the availability of indebtedness on terms that the PPC deems are appropriate and PPC's decision to utilize any such available leverage, among others. There can be no assurance that the DL Levered Products will be able to obtain, or will obtain, leverage on favorable terms, or at all. Further, if a bank providing a fund-level indebtedness facility with respect to DL Levered Products goes into receivership, the availability of borrowed funds under that facility could be adversely affected, which could in turn adversely impact the ability to consummate portfolio investments for DL Levered Products or pay fund-level expenses in a timely manner. To the extent the DL Levered Products do not employ long-term fund-level leverage with respect to the DL Levered Products' portfolio investments (or employ less leverage than originally anticipated), the DL Levered Products' investment returns may be lower than those that might have been achieved using long-term fund-level leverage. It is also possible that the investors in the DL Levered Products will exhaust their unfunded commitments (including taking into account reserves) earlier than investors in the DL Unlevered Products, or vice versa (to the extent that the leverage utilized by the DL Levered Products is ultimately greater than what was anticipated at the time earlier investments were made).

There may be situations in which PPC may make different and potentially conflicting decisions on behalf of the DL Levered Products, on the one hand, and the DL Unlevered Products, on the other hand, due to the DL Levered Products' indebtedness, including as a result of debt covenants or cash flow requirements of the lender, or due to the differing hedging arrangements. In the event of a default by any DL Levered Product under its leverage facilities, the lender could potentially have the right to assume the position of such DL Levered Product in a portfolio company investment, which may have a material adverse impact on all the DL Products. In addition, PPC will have significant discretion in determining, among other

things, the amount of leverage ultimately used by the DL Levered Products. Subject to legal, tax, accounting, regulatory and other considerations, the DL Levered Products will generally invest side-by-side in all of the DL Unlevered Products' investments, provided that the Fund Manager anticipates that the DL Levered Products will likely receive a greater weighting (based on investor commitments) of investment allocations relative to capital commitments as between the DL Levered Products, on the one hand, and the DL Unlevered Products, on the other hand, as a result of the availability (or potential availability) and use of long-term, fund-level investment leverage by the DL Levered Products, and that proportion between the DL Levered Products and the DL Unlevered Products will be subject to adjustment by PPC in its sole discretion (in respect of future investments) to reflect available and/or anticipated capital (including such investment leverage). There can be no guarantee that leverage ultimately utilized will be in line with the assumptions used by PPC in determining such investment proportions. It is therefore possible that the unfunded commitments of the DL Levered Products may be fully drawn (and/or reserved) prior to those of the DL Unlevered Products, or vice versa. These determinations may present conflicts of interest between PPC and its affiliates on the one hand and the DL Levered Products and/or the DL Unlevered Products on the other hand, and there can be no assurance as to whether any such conflict will be resolved in favor of either the DL Levered Products and/or the DL Unlevered Products.

Item 9 – Disciplinary Information

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

Item 10 – Other Financial Industry Activities and Affiliations

A. Broker-Dealer Registration Status.

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

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

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

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

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

- PGIM Investments LLC serves as investment adviser to retail, insurance and alternative funds, all of which are investment companies registered under the Investment Company Act of 1940, as amended. PGIM Investments LLC is the investment manager for an investment vehicle

that intends to elect to be regulated as a business development company, under the Investment Company Act of 1940, as amended, for which we are a sub-advisor.

- Prudential Investment Management Services, LLC (“PIMS”), a broker-dealer and FINRA-member, provides broker-dealer services for us and, in connection with the offer and sale of the interests in the Funds, also provides marketing support. As noted above, some of our employees are registered representatives of PIMS. We do not use PIMS as a broker for securities trading activity on behalf of our Clients.
- PPCL, which is regulated by the Financial Conduct Authority of the United Kingdom, originates transactions that are allocated to our Clients, and also provides marketing, operational, and administrative support to PPC.
- PPCI, which is regulated by the Central Bank of Ireland, originates transactions that are allocated to our Clients, and also provides marketing, operational, and administrative support to PPC.
- PGIM Portfolio Advisory LLC (“PPA”) is an SEC registered investment adviser which provides strategic asset allocation, asset-liability management, and multi-asset class advisory services, including allocation to affiliated and unaffiliated sub-advisers to sub-advise the assets of its clients. PPPI is a sub-advisor to PPA for their clients who invest in Private Investments and we also act as collateral manager for a CLO in which clients of PPA invest.

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

PGIM and its affiliated investment advisers actively engage in the creation of investment products for client investments. These investment advisers could compete with us for investment opportunities for the investment products that they manage.

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

Code of Ethics

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

Information Barrier Standards

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

PGIM, including PPC, maintains various restricted lists of issuers about which it has material, non-public

information or other trading restrictions. The restricted lists are maintained by the compliance unit, which monitors firm level and personal investments against these lists.

Personal Securities Trading Standards

We maintain personal securities trading standards that govern the trading activities of our employees as well as their household members, dependents and securities accounts over which they have discretionary control or act as executor or trustee. Subject to certain limited exceptions, employees are required by our standards to:

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

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

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

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

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

Gift & Entertainment Policy

Our employees occasionally give or receive gifts, meals or entertainment of moderate value, subject to compliance with applicable laws and regulations and rules of self-regulatory organizations. We have adopted a gift and entertainment policy to address the conflicts of interest related to gifts and entertainment, such as the appearance of having given or received something of value that influenced

our business decisions or the business decisions of our Clients. The policy requires the reporting and preclearance of gifts, meals and entertainment given or received which exceed certain thresholds. In addition, our employees are prohibited from soliciting the receipt of gifts, meals or entertainment. Senior management periodically reviews summaries of violations of the policy.

Political Contributions

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

Conflicts of Interest

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

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

Conflicts arising from our Affiliations and Portfolio Management Responsibilities

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

As noted in Item 6, management of multiple accounts and investment vehicles side-by-side raises potential conflicts of interest relating to the allocation of investment opportunities, the aggregation and allocation of trades and cross trading. We have an incentive to favor accounts of affiliates over others. Additionally, at times, our affiliates provide initial funding or otherwise invest in vehicles managed by us, for example by providing "seed capital" for a fund or account. Managing "seeded" accounts alongside "nonseeded" accounts creates an incentive to favor the "seeded" accounts to establish a track record for a new strategy or product. Additionally, our affiliated investment advisers from time to time allocate their asset allocation clients' assets to us. We have an incentive to favor accounts used by our affiliates

for their asset allocation clients to receive more assets from our affiliates. We have developed policies and procedures designed to address these potential conflicts of interest. Please see Item 12 for more information on our allocation procedures and cross-trading policies.

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

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

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

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

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

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

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

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

Conflicts arising from Fee Practices

Some of the fees we charge are negotiable so one Client with similar investment objectives or goals is paying a higher fee than another Client. Large accounts generate more revenue for us than do smaller accounts. As noted in Items 6 and 7, we are faced with a conflict of interest when allocating scarce investment opportunities given the potential benefit of favoring accounts that generate more income for us. To address this conflict of interest, we have adopted allocation policies as well as supervisory procedures that are intended to fairly allocate investment opportunities among competing Client accounts.

Conflicts arising from Placement Adviser and Other Activity

We compete directly with agents/intermediaries to win direct mandates from issuers for investments. Occasionally, the desired amount of capital an issuer proposes to raise exceeds the amount we can provide alone. In those situations, we have found it advantageous to partner with other institutional investors in order to gain direct access to deal flow and will utilize an affiliated broker dealer to act as placement adviser to an issuer or PPC, to arrange a loan or assist in structuring an investment. To compensate its affiliate for its additional time and effort when acting in such capacity, such affiliate charges the issuer a fee. As noted in Item 5.C, receiving a fee from an issuer that PPC or such affiliate does not pass on to the investors participating in the financing creates a conflict with our investors. PPC mitigates that conflict by (a) such affiliate only acting as placement adviser or assist in arranging a loan or assisting the issuer in structuring an investment as a means to access deal flow and (b) obtaining the agreement of impacted investors that PPC or such affiliate can receive and keep disproportionate fees (that is, a fee paid to PPC or such affiliate above and beyond any fee received by other investors participating in the same transaction whose investments are not managed by PPC) and other fees agreed with a Client.

Conflicts arising from Relationships with Large Clients and Our Affiliates

Conflicts of interest arise due to our relationship with especially large Clients and our affiliates. Such Clients often have needs for information, reporting, operational support, or our other resources that are disproportionate to the nature or amount of assets we manage for them and may be different or greater than provided to all Clients generally. Representatives of the Affiliated Accounts who are responsible for monitoring Prudential Financial's enterprise investment risk have access to information about our assets under management, including certain information about assets of third parties, that is not made available to non-affiliated Clients. In addition, larger Clients often generate more revenue than do smaller Clients, and certain of our investment products have higher fees than others. As a result, we could have an incentive when allocating scarce investment opportunities to favor accounts that pay a higher fee or generate more income for us (or which we believe would generate more revenue in the future). We believe that we manage our relationships with such Clients in a manner that is consistent with the best interests of all our Clients and that our policies and procedures are adequate to address these potential conflicts of interest. Please see Item 12 for more information on our allocation procedures.

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

Conflicts of interest also arise in connection with the investment or other activities of other PGIM business units and its affiliates or relationships of such parties with issuers of securities. Affiliated

Accounts at times have various levels of financial or other interests, including but not limited to portfolio holdings, in companies whose securities are held or purchased or sold for our Clients. These financial interests may at any time be in potential or actual conflict or be inconsistent with positions held or actions taken by us on behalf of our Clients. These interests can include debt or equity financing, strategic corporate relationships or investments and the offering of investment advice in various forms. We sometimes invest Client assets in the securities of companies with which PGIM or an affiliate of PGIM has a financial relationship, including investment in the securities of companies that are advisory clients of other PGIM business units. We may also be unable to invest Client assets in the securities of certain issuers as a result of these investments or relationships.

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

Different Clients sometimes invest in different layers of the capital structure of a portfolio company. For example, a Client (i) will own senior debt of a portfolio company (including, in some instances, by way of refinancing senior debt of a portfolio company held by another Client), while another Client owns subordinated debt or equity in the same portfolio company (a “**one-stop financing**”), or (ii) will own debt of a portfolio company, while another Client owns a different tranche or other class or issue of debt of the same portfolio company. Furthermore, a Client may participate in debt originated to finance the acquisition by other Clients of an equity or other interest in a portfolio company.

While we believe that such broad investment capability across various levels of the capital structure benefits our Clients by promoting attractive deal flow for them, investment by one Client at a level senior to that of the other Client in the capital structure of a portfolio company presents inherent conflicts of interest. We could take actions with respect to an investment held by one Client (including affiliated Clients) that are potentially adverse to other Clients, for example, by foreclosing on loans or by putting an issuer into default. In negotiating the terms and conditions of amendments or waivers, we could find that the interests of a Client and the interests of one or more other Clients (including affiliated Clients) could conflict. In these situations, decisions over reorganizations, exiting an investment, bankruptcy matters (including, for example, whether to trigger an event of default or the terms of any workout) or other actions or inactions can result in conflicts of interest. If an issuer in which a Client and one or more other Clients hold different classes of securities encounters financial problems, decisions over the terms of any workout will raise conflicts of interest (including potential conflicts over proposed waivers and amendments to debt covenants). For example, holders in a more senior class might prefer a liquidation of the issuer in which it could be paid in full, whereas an equity or junior class holder might prefer a reorganization that holds the potential to create value for the equity holders or junior holders. We may take actions or make additional investments on behalf of some Clients (including affiliated Clients), which could potentially disadvantage other Clients.

In the event there is a conflict resulting from a one-stop financing, we will transfer management of the different tranches to separate teams within PPC each with legal support from separate internal lawyers and law firms, and a separate workout unit professional may consult on each tranche. Other conflicts will be resolved or managed on a case-by-case basis (including, without limitation, disclosure of such conflict) and will take into consideration the interests of the relevant Clients, the circumstances giving rise to the conflict and applicable laws.

Conflicts arising from Multiple Investments in the Same Issuer.

Conflicts often arise when our Clients have multiple investments in the same issuer, in situations where either (i) the investments are linked economically or (ii) the investments have different legal priorities

or include a credit default swap contract. In such cases, PPC could have the ability to favor the interests of one Client or group of Clients over those of another Client or group of Clients, including in each case Affiliated Accounts. Examples of investments which have different legal priorities include investments of the same issuer, or an issuer and its parent company, which are structurally or contractually subordinated, or investments which are secured by different collateral. Examples of investments which are economically linked include: (i) follow-on financings for the same issuer, where the economics of the new investment are linked to the economics of the original investment, (ii) investments which include multiple tranches in which a revolving loan facility tranche is able to be used to fund debt service for the other tranche(s), or (iii) protective investments, which are generally necessary in order to preserve the value of earlier investments but often have priority in payment over those earlier tranches. When such conflicts are identified, PPC has adopted a statement of policy which provides procedures to determine how such conflicts will be handled. For example, where investments have different legal priorities or are secured by different collateral, PPC's conflict committee will meet to determine whether the investment being considered could give rise to a circumstance where we might be in a position to favor the Clients in one investment over the interests of other Clients in another investment, which often occur in investments in which our Clients own a controlling portion of each investment. Where the committee determines that a conflict exists that is not manageable, it will generally allocate such an investment only to the same investor(s) to which, and in the same proportions in which, the earlier investment is allocated (which sometimes results in allocating the new investment to Affiliated Accounts only).

Additionally, the policy requires that participation in an investment would be limited to Affiliated Accounts if (a) the issuer requires that no unaffiliated investors participant in the investment, (b) the investment is a protective investment but cannot be allocated to the same investors in the same proportions as the existing investment, or (c) the issuer requires a financing facility that creates a conflict for us that is not otherwise adequately mitigated (for example, a shelf facility which requires issuance at different levels within the issuer's capital structure creates such a conflict). In all of the preceding cases, our only real choices are to either lose the investment or restrict the investment to Affiliated Accounts.

Conflicts arising from Co-Investments

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

Conflicts may be waived as a result of Advisory Committee approval

Certain Funds have an Advisory Committee consisting of representatives of the Funds' investors who are not affiliated with the Fund Manager; although affiliated entities may have non-voting observation rights with respect to such Advisory Committees. The Advisory Committee will meet as required to consult with the Fund Manager as to potential conflicts of interest. On any issue involving actual conflicts of interest, the Fund Manager will be guided by its good faith discretion. If the Fund Manager consults with the Advisory Committee with respect to a matter giving rise to a conflict of interest and the Fund Manager acts in a manner, or pursuant to standards or procedures, consented to by the Advisory Committee with respect to such conflict of interest, the Fund Manager will be relieved of any responsibility for the conflict of interest. The Fund Manager of the Funds will retain ultimate responsibility for all decisions relating to the operation and management of the Funds, including but not limited to investment decisions.

Additionally, certain conflicts as described in the governing documents for the Funds are permitted to be approved with the requisite consent of the applicable Advisory Committees of the Funds when we believe the transaction would be beneficial to all participants.

Conflicts arising from Competing Interests

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

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

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

Conflicts arising from Overlapping Investment Mandates

Through PPC, PGIM invests on behalf of its Clients in certain asset classes, including debt securities offered pursuant to Rule 144A under the Securities Act of 1933, bank loans and real-estate related investments. When we invest in these asset classes, we generally invest in issues that are smaller and less liquid than the issues in which our affiliates invest. In some cases, however, PPC and affiliated investment units are pursuing the same investment opportunity.

Additionally, since we manage a number of Clients, many of which have investment programs that are

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

Conflicts arising from Investments in Competing Portfolio Companies

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

Conflicts arising from Side Agreements

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

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

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

to the fund.

Conflicts arising from the Valuation of Assets

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

Conflicts arising from Certain Service Provider Agreements

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

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

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

Conflicts arising from Personal Trading of Employees

Personal trading by our employees creates a conflict when they are trading the same securities or types of securities as we trade on behalf of our clients. This conflict is mitigated by our personal trading standards and procedures described above.

Conflicts from Employees' other Compensated Activities

Certain employees of PGIM are registered representatives of affiliated broker-dealers or officers or directors of the Funds and other commingled investment vehicles managed by PGIM. These employees engage in marketing efforts in such capacities on behalf of the commingled vehicles and sometimes receive transaction-based compensation for their effort in the form of bonuses and long term compensation that are influenced by, but not directly tied to, the sales and retention of interests of the Funds or the additional revenues generated from new or existing relationships.

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

Conflicts arising from Outside Business Activity

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

Conflicts arising from Intangible Benefits

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

Conflicts arising from Hedging Activities

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

Item 12 – Brokerage Practices

We source and manage Private Investments. We generally have the authority to purchase or sell investments permitted by the investment advisory agreements or by the plan of operation of the single investor accounts we manage or the applicable governing document of a Fund. We negotiate the terms of Private Investments directly with issuers; investment bankers (engaged by prospective issuers) frequently serve as intermediaries in the issuance of these securities, but no unaffiliated broker engaged by PPC is involved in these transactions. For certain transactions involving the co-investment in Private Investments by unaffiliated third parties, we will sometimes utilize the brokerage services of our affiliate,

PIMS, to solicit and arrange such third party investments. We will enter into negotiations through any investment banking firm that offers Private Investments that meet our investment criteria.

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

Cross trades involve the transfer, sale or purchase of assets from one Client to another Client without the use of a broker-dealer. Cross trades present a potential conflict of interest because we may be viewed as benefitting one Client to the cross trade at the expense of the other Client or treating a Client participating in a cross trade more favorably than a Client that does not. For example, PPC expects to cause one Client to offer to other Clients portions of investments originated after a minimum holding period has passed. In such circumstances, the originating Client may end up with a larger exposure to an investment if the other Client does not purchase the investment. The potential conflict is greater where one of the accounts is a proprietary or affiliated account, or where we have a greater economic interest from one Client than another. There also are risks that the cross trade transaction price will not be as favorable as if it were executed on the open market or that the buying account receives a security that is illiquid or hard to sell. We also could decline to execute cross trades for certain accounts, which might disadvantage those accounts when compared to accounts that participate in cross trades. However, cross trades can also benefit both the buying and the selling accounts by eliminating or reducing transaction costs and capitalizing on investment opportunities, which can be preferable to selling or buying the instrument in the open market. In order to mitigate these conflicts of interest, we maintain procedures and controls to mitigate the conflicts associated with cross trades. We engage in cross trades only where we believe that the cross trades are in the best interests of, and fair to, each Client that participates in the cross trade, and we do not receive additional compensation in connection with such cross transactions and neither we nor any affiliated or unaffiliated broker-dealer receives any commission or transactional compensation for effecting cross trades. We do not permit cross trades for ERISA accounts. Cross trades for accounts where we (directly or because of an affiliate) act as principal are subject to certain requirements, including obtaining appropriate Client consents for each such cross trade. We do not accept blanket consents to cross trades.

We maintain a well-documented, objective allocation protocol and related policies and procedures which are intended to provide a fair and equitable allocation of Private Investments among Clients (affiliated and non-affiliated). Our allocation protocol provides a transparent method of addressing the allocation of limited investment opportunities across multiple accounts and was established to ensure consistency in deal access and availability to all investors and to eliminate any opportunity for "cherry picking". Portfolio allocations are reviewed with senior management on a monthly basis and with our compliance partners on a quarterly basis. We also have adopted a statement of policy to deal with conflicts of interest relating to multiple investments in the same issuer, which applies to all of the accounts to which we allocate Private Investments. Please see *"Conflicts arising from Multiple Investments in the Same Issuer"* in Item 11 above for a more detailed description of potential conflicts of interests that may arise in our allocation process and our policy on managing multiple investments in the same issuer.

Item 13 – Review of Accounts

As noted in Item 8 above, our investment monitoring process involves tracking each security through a formal proprietary rating evaluation process. We enter monthly or quarterly financial investment data into our tracking system that evaluates key financial ratios relative to our customized target thresholds

for each individual investment. We establish target monitoring ratios inside of the underlying contractually negotiated financial covenant ratios for each individual investment. Each deal team prepares a monthly or quarterly review sheet to evaluate financial performance of, and to provide commentary on, each of their investments. We perform a thorough re-examination of all investments at least annually. Our annual review includes both a qualitative and quantitative re-assessment of its proprietary quality rating. Senior PPC management conducts quarterly review meetings to discuss challenged investments. Investments identified as on the “early warning list” are evaluated and discussed in quarterly senior management meetings attended by senior management. We place investments with more severe problems on a “watch list” and we generally transfer those investments to, or consult with, our workout/restructuring unit for more specialized management. When an investment has officially been transferred to our workout/restructuring unit and we manage non-affiliated investors in different tranches of a financing for the same issuer, the senior tranche and the junior tranche would be managed by a separate unit within PPC, with legal support from separate internal lawyers and law firms, and a separate workout unit professional may consult on each tranche. Senior PPC management conducts a formal quarterly review of such “watch list” cases.

Our teams take a proactive approach to each investment in the portfolio, conducting their assessment of workout options/alternatives while aggressively enforcing rights and remedies where appropriate. Where possible, we arrange for investors to be compensated for investment concessions and credit deterioration and will employ outside resources (i.e. workout/bankruptcy attorneys, turnaround/industry consultants and crisis managers) where appropriate.

Review of Mezzanine Funds, Energy Fund and DL Product Portfolios

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

Review of Other Portfolios

The Managing Director in charge of PPC’s institutional asset management unit (the “**Portfolio Manager**”) serves as the portfolio manager for our Managed Accounts (other than those which are DL Products). Our Portfolio Manager and his staff provide management oversight of PPPI Client portfolios, including cash management activities and establishing tactical allocation instructions (ensuring that portfolio constraints are aligned with the Client’s investment guidelines), and providing periodic reporting and analysis of the portfolio to the fund investors. Each month, we prepare a detailed analysis of the performance of the portfolio holdings of our Managed Accounts and market conditions. In conjunction with that analysis, our Portfolio Manager and members of his staff meet with our Chief Credit Officer and Senior Managing Director to review performance and discuss portfolio management strategy. We provide those Managed Account Clients with a statement of their accounts showing portfolio holdings, portfolio transactions and investment performance at least quarterly.

Item 14 – Client Referrals and Other Compensation

A. Economic Benefits for Providing Services to Clients.

Other than described herein, we do not receive economic benefits from non-Clients for providing investment advice and other advisory services. See Item 5 for a discussion of our fees and compensation and certain other conflicts of interest which result from our receipt of certain deal- related fees and other economic benefits, and the fee allocation policy which we have adopted, and also see Item 6 for a discussion of our receipt of performance based fees.

B. Client Referrals.

From time to time, we have arrangements where we compensate, either directly or indirectly, affiliated and/or unaffiliated parties for client referrals. The manner and amount of compensation is negotiated on a case-by-case basis.

Item 15 – Custody

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

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

With respect to any Clients for which the qualified custodian which we have engaged sends quarterly or more frequent account statements directly to our Clients, Clients are advised to review such statements for accuracy. In instances that we provide account statements in addition to the custodian, Clients are encouraged to compare both sets of reports.

Item 16 – Investment Discretion

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

for the particular Client account. Investment guidelines and restrictions must be provided to us in writing.

Item 17 – Voting Client Securities

We invest predominately in Private Investments, so we vote very few, if any, traditional proxies. Accordingly, we evaluate each proxy we receive and vote on a case by-case basis. As a discretionary investment adviser, we have been granted full authority to vote Client Securities in accordance with our investment management agreements and fund documents, and therefore we will generally not accept direction from our clients to vote proxies. In determining whether and how to vote, we consider a number of items including detailed knowledge of the issuer's financial condition, long- and short-term economic outlook for the issuer, the issuer's capital structure and debt-service obligations, the issuer's management team and capabilities, as well as other relevant factors. In short, we attempt to vote all proxies in the best economic interest of our Clients based on the Clients' expressed priorities, if any. Client interests are placed ahead of any potential interest of PGIM or its asset management units.

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

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

Item 18 – Financial Information

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

Note for Clients Subject to ERISA

This brochure is being provided for informational purposes. In providing this brochure, we (i) are not acting as your fiduciary as defined by the U.S. Department of Labor and are not giving advice in a fiduciary capacity and (ii) are not undertaking to provide impartial investment advice as we will receive compensation for their investment management services.