Introduction to Benefit Street Partners
Benefit Street Partners ("BSP")* is a leading global alternative investment manager with a credit focus

$26.4 BN ASSETS UNDER MANAGEMENT¹

193 TOTAL EMPLOYEES²

6 OFFICES
NEW YORK, NY
PROVIDENCE, RI
HOUSTON, TX
RALEIGH, NC
CHARLOTTE, NC
SAN FRANCISCO, CA

107 INVESTMENT PROFESSIONALS²

---

Overview

Benefit Street Partners ("BSP")* is a leading global alternative investment manager with a credit focus.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. ANY INVESTMENT INVOLVES SIGNIFICANT RISKS, INCLUDING LOSS OF THE ENTIRE INVESTMENT.

Note: Please see disclaimer at the end of the presentation for additional information.

* BSP's credit business began in 2008 with the launch of PECM. The affiliated adviser, BSP, launched in 2011.
1 AUM refers to the assets under management for all credit funds and separately managed accounts managed by BSP and its affiliates. AUM amounts are as of November 30, 2018 and are unaudited. Certain amounts are preliminary and remain subject to change. Please see note 3 at the end of this presentation for additional information.
2 As of December 31, 2018.

---

September 2008
Providence Equity Partners ("PEP") launches BSP with $2bn+ of capital to invest in credit.

April 2008
Tom Gahan joins BSP as Chief Executive Officer to build out the credit investment platform and oversee investments.

February 2011
BSP enters into a new strategy: Long-Short Liquid Credit.

September 2010
BSP enters the CLO business with CLO I.

April 2014
BSP launches Long-Only High Yield strategy with $1.5bn.

May 2015
BSP opens Houston office to build an energy practice.

October 2012
Private Debt business continues to grow with Fund III raise of $1.8bn.

October 2014
BSP enters the CLO business with CLO I.

October 2012
BSP hires special situations team and launches $750mm fund.

December 2015
BSP purchases management contract of BDCA.

December 2017
BSP closes its 4th flagship private debt fund at $2.6bn.

December 2017
BSP raises a senior secured private debt fund for $525mm.

November 2016
BSP purchases management contract of BDCA.

October 2018
Franklin Templeton announces acquisition of BSP, expected to close Feb 2019.

December 2018
BSP raises a successor private debt fund (Fund II).

September 2010
BSP enters the CLO business with CLO I.

October 2012
BSP begins commercial real estate debt business.

August 2013
November 2016
December 2017
BSP prices its 15th CLO.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. ANY INVESTMENT INVOLVES SIGNIFICANT RISKS, INCLUDING LOSS OF THE ENTIRE INVESTMENT.

Note: Please see disclaimer at the end of the presentation for additional information.

* BSP’s credit business began in 2008 with the launch of PECM. The affiliated adviser, BSP, launched in 2011.
1 AUM refers to the assets under management for all credit funds and separately managed accounts managed by BSP and its affiliates. AUM amounts are as of November 30, 2018 and are unaudited. Certain amounts are preliminary and remain subject to change. Please see note 3 at the end of this presentation for additional information.
2 As of December 31, 2018.
# Investment Strategies

Multi-strategy approach targeting attractive opportunities in the global credit markets

## Benefit Street Partners

- **$26.4 billion AUM**
- **193 employees**

## Overview of Strategy

<table>
<thead>
<tr>
<th>1</th>
<th>Private Debt / Opportunistic Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Long-Short Liquid Credit</td>
</tr>
<tr>
<td>3</td>
<td>Long-Only Liquid Credit</td>
</tr>
<tr>
<td>4</td>
<td>Commercial Real Estate Debt</td>
</tr>
<tr>
<td>5</td>
<td>Special Situations Fund</td>
</tr>
</tbody>
</table>

### 1. Private Debt / Opportunistic Credit
- Non-competitive focus
- Flexibility to invest across capital structure
- Focus on bespoke covenants
- Targets best-risk adjusted returns throughout market cycles
- Target 50%-60% LTVs

### 2. Long-Short Liquid Credit
- Zero correlation strategy to market indices such as HY credit, equities and rates
- Actively trade HY corporate bonds and CDS to apply relative value views
- Combine fundamental credit analysis and sophisticated trade structuring to seek to maximize returns and limit downside risk

### 3. Long-Only Liquid Credit
- Leveraged loans and high yield bonds
- Priced fifteen CLOs, one of which has been fully realized
- Target moderate risk portfolios
- Sub-advised high yield bond account “beat the benchmark” strategy

### 4. Commercial Real Estate Debt
- Focus on originating middle market commercial real estate loans
- Ability to originate fixed and floating rate loans
- Target 55%-75% LTVs

### 5. Special Situations Fund
- Target credit investments or companies that may be facing financial stress / distress
- Expect a concentrated, portfolio targeting attractive risk-adjusted returns
- Significant influence approach to investing

### AUM

<table>
<thead>
<tr>
<th>1</th>
<th>$12.2bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>$1.3bn</td>
</tr>
<tr>
<td>3</td>
<td>$9.5bn</td>
</tr>
<tr>
<td>4</td>
<td>$2.5bn</td>
</tr>
<tr>
<td>5</td>
<td>$787.6mm</td>
</tr>
</tbody>
</table>

---

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. ANY INVESTMENT INVOLVES SIGNIFICANT RISKS, INCLUDING LOSS OF THE ENTIRE INVESTMENT.

Note: Views expressed are those of BSP. Categories and terms are as classified by BSP. There is no guarantee that any fund or account would have the features identified above. Targeted portfolio characteristics are provided for illustrative purposes only and do not reflect guaranteed portfolio holdings or characteristics. No representation is being made that a fund or account will achieve the portfolio characteristics indicated above. Portfolio characteristics may be significantly different than those shown. Any target, estimate or projection has inherent limitations, including that actual market or economic factors, the ability to source suitable investments, or future assumptions of BSP may differ materially from those currently anticipated by BSP.

1 AUM refers to the assets under management for all credit funds and separately managed accounts managed by BSP and its affiliates. AUM amounts are preliminary as of November 30, 2018 and are unaudited. Certain amounts are preliminary and remain subject to change.

2 As of December 31, 2018.

Please see note 3 at the end of this presentation for additional information.
BSP Energy is an Alternative Capital Provider

Commercial Energy Bankers

Private Equity

Alternative Capital
DrillCo Financings
Upstream Capital Risk Spectrum

- **Wellbore Only DrillCo**
- **DrillCo’s and Equity-Linked Securities**
- **Development Loans, Mezzanine Debt And Preferred**
- **Bank Loan**

Target Rate of Return, %

<table>
<thead>
<tr>
<th>Development/Exploitation (Engineering Risk)</th>
<th>Probable Exploration (Geologic/Geophysical Risk)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDP</td>
<td>Possible</td>
</tr>
<tr>
<td>PDNP</td>
<td>Probable</td>
</tr>
<tr>
<td>PUD</td>
<td>Possible</td>
</tr>
</tbody>
</table>

- **Wildcat Drilling**
DrillCos – Flavor of the Month

- Average 1 drillco opportunity weekly
- 1/3 in Permian, with the balance spread evenly over other major plays
- Publics, privates, 3 majors, and 3 investment grade independents
- Good solution to convert acreage assets into reserves without adding leverage
DrillCo Structure Considerations

- Similar to traditional drill-to-earn farmout arrangements, capital providers earn into interests (wellbore, DSU and/or acreage) for funding development of wellbores/acreage

- Structures vary by transaction but typically include some component of the following
  - **Carried interest**: capital provider might cover a portion of the operator’s D&C costs
  - **Reversion hurdle**: similar to an APO backin; generally structured as a return on capital (IRR and/or ROI)
  - Post-reversion working interest: **Tail** interests retained by the capital provider (majority portion of the pre-reversion interest is conveyed back to the operator)

- The structure is a **conveyance of real property interests** to the capital provider and therefore the capital is **non-recourse** to the operator

- As an assignment of a real property interest, the DrillCo capital provider is **insulated from other creditors**. Secured creditors usually do not take a security interest in undrilled acreage, so a DrillCo enables the operator to develop and realize the value in that asset.
DrillCo Illustration

Pre-Reversion

Operator

Capital Provider

AMI 30 wells

D&C 0% - 25%
WI 10% - 45% WI

75% - 100% D&C
55% - 90% WI

Post-Reversion after 15% IRR

Operator

Capital Provider

AMI 30 wells

75% - 90% WI

WI 10% - 25%
Good Candidates for a DrillCo

- Over the last three years, BSP has been approached by **every type of operator**:
  - Majors
  - Large independents
  - Small-cap and mid-size public independents
  - Sponsor-backed companies
  - Private operators
  - Distressed operators

- Reasons for accessing DrillCo capital
  - Maximize value of attractive acreage while **retaining control** (benefit from carry and reversion)
  - Potentially **cheaper than raising equity** capital, less restrictive than debt capital
  - **Realize value in acreage** that might not otherwise get drilled in the near term
  - **Satisfy HBP/MVC obligations**
  - Create value through a non-recourse structure that **does not increase existing leverage levels**
Assets Appropriate for a DrillCo

- Like all capital market discussions, the operating team and quality of the assets will drive the terms of the transaction
  - **Proven acreage**, not necessarily proved reserves: surrounding production and extensive geological work can provide capital providers comfort to drill “non-proven” locations, however proof of concept/step out/new completions are not a good fit for this structure
  - **Infrastructure in place**: DrillCo capital is generally not appropriate for “cost centers” like gathering lines, SWDs or electrical buildout
  - **Midstream agreements in place**: Capital providers are looking to generate a cash flow stream, so full understanding of production and marketing costs/expenses is critical
  - **Well level returns** are the key driver to DrillCo “wellbore only” terms: marginal well level returns often require additional assets, like acreage, to be earned as part of the development; higher returning wells have the potential to benefit from potential carried interests
  - **Actual well locations matter**: Capital provider and operator will agree to a discrete budget (usually 15-30 wells). Just because an extrapolated type curve for a 10,000' location might have great returns, that doesn’t help the 4,000' lateral that is actually in the drilling budget
Key Issues

- **Budget:** Parties agree to an initial budget at Close
  - What rights do either party have to stop the program: well results, commodity prices, cost escalations, etc.
  - Tenor of initial budget
  - AFE caps are customary
  - Deviations from budget/drilling plan almost always require consent of capital provider

- **Hedging:**
  - Hedging gains/losses included in reversion calculation
  - Novation of hedges at reversion

- **JOA Negotiations:** Balancing of rights and control
  - Not just a capital provider but also a joint interest owner

- **Transfer Restrictions:**
  - Usually include tag rights, drag rights, consent rights, and prohibitions for change of operator
Relevant Transaction Documents

- **Joint Development Agreement or Participation Agreement**
  - Governs the timing, scope and mechanics of drilling and development
  - Includes limited asset-based representations and warranties (not the full suite of reps and warranties you would find in a PSA)
  - Describes and calculates the “hurdle” for reversion

- **Joint Operating Agreement**
  - Capital provider is treated similarly to any other joint-working interest owner under a standard-form JOA (one made subject to the JDA or PA)
  - JOA liens cross-collateralize the parties obligations under the JOA and JDA/PA

- **Tax Partnership Agreement**
  - Allocates IDCs among the parties in accordance with who funded the costs (and not in accordance with the ownership percentage, if there is a carry)

- **Memorandum of JDA/PA, JOA Recording Supplement and Assignments**

- **Precautionary Mortgage**
  - Creates a lien upon the operator’s interest purported to be conveyed, in the event the “DrillCo” structure is unwound in bankruptcy

- **Assignments**
  - In a wellbore only deal, every single well requires its own assignment and title diligence
Inferior Diligence can challenge the success of a DrillCo

**Wide Ranges of B-Factor can Fit Early Time Data...**

**But Poorly Predict Late Time Well Performance**

- The charts at left show 12 months of actual oil production data, which was fitted by using an Arps production decline equation.
  - B-Factor is a key input into the Arps equation and governs how quickly the decline rate of a well changes (from steep to shallow).
  - Higher B-Factors result in wells achieving shallow decline faster, which results in higher total rates and reserves.

- The charts at left also show that a wide range of B-Factors will result in a very good fit of “early time” data. The table below also shows virtually no difference in oil reserves for year one, however, significant divergence occurs later in time.

**Takeaway** – Predictions of B-Factor based on early-time data can result in wide ranges of full life reserves and will likely be less certain than projections made using 2-3 years of production data.

<table>
<thead>
<tr>
<th>b-factor</th>
<th>Cumulative Oil, Bbl</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Year 1</td>
</tr>
<tr>
<td>1.2</td>
<td>193,410</td>
</tr>
<tr>
<td>0.7</td>
<td>196,819</td>
</tr>
</tbody>
</table>

Difference, Bbl | -3,409 | 61,685 | 137,121 | 354,146 |

Difference, %  | -2%    | 14%    | 24%     | 40%     |
DrillCo Capital Supports Economic Development

Spacing Matters...

- The charts at left show the variance in average well performance between “Parent” wells and “Fully Bound” wells drilled 660’ apart from one another.
- The wells are in question are completed in the Codell Sand, within the Wattenberg Field (DJ Basin).
- All wells shown are located within the same geologic area, and were completed similarly.
- On average, “Parent” wells out perform “Fully Bound” wells by 35% after 3 years of production.
  - Avg Cum Oil Parent – 101.2 Mbbl
  - Avg Cum Oil Fully Bound – 75.6 Mbbl

---

**Parent Well vs. Fully-Bound Co-Developed Wells**

<table>
<thead>
<tr>
<th></th>
<th>Parent Wells</th>
<th>Fully Bound Co-Developed Wells</th>
</tr>
</thead>
<tbody>
<tr>
<td>Well Count</td>
<td>11</td>
<td>58</td>
</tr>
<tr>
<td>Spacing</td>
<td>&gt;1,500’</td>
<td>~660’</td>
</tr>
<tr>
<td>Average Lateral Length</td>
<td>5,698’</td>
<td>6,516’</td>
</tr>
<tr>
<td>Average Proppant/Ft</td>
<td>961</td>
<td>1,033</td>
</tr>
</tbody>
</table>

Provided by VSO Petroleum Consultants
## Recent DrillCo Transactions

<table>
<thead>
<tr>
<th>Date</th>
<th>Operator</th>
<th>Investor</th>
<th>Play</th>
<th>Amount, MM$</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep-18</td>
<td>Diamondback</td>
<td>Carlyle Mezzanine Opportunities Fund II</td>
<td>Southern Delaware Basin</td>
<td>620</td>
<td>Reversion at an undisclosed IRR</td>
</tr>
<tr>
<td>Apr-18</td>
<td>NGP Company</td>
<td>Benefit Street Partners</td>
<td>Northern Delaware Basin</td>
<td>140</td>
<td>High carry, mid-teens reversion, low tail</td>
</tr>
<tr>
<td>Nov-17</td>
<td>EnCap Company</td>
<td>Benefit Street Partners</td>
<td>Midland Basin</td>
<td>160</td>
<td>High carry, mid-teens reversion, low tail</td>
</tr>
<tr>
<td>Sep-17</td>
<td>Chaparral</td>
<td>Bayou City Energy</td>
<td>STACK</td>
<td>100</td>
<td>15% carry, 14% IRR hurdle, 25% tail</td>
</tr>
<tr>
<td>Jul-17</td>
<td>Earthstone</td>
<td>IOG Capital</td>
<td>Eagle Ford</td>
<td>130</td>
<td>Reversion at an undisclosed IRR</td>
</tr>
<tr>
<td>May-17</td>
<td>EOG</td>
<td>Carlyle Mezzanine Opportunities Fund II</td>
<td>Cleveland/Marmaton</td>
<td>400</td>
<td>Reversion at an undisclosed IRR</td>
</tr>
<tr>
<td>May-17</td>
<td>EP Energy</td>
<td>Tesoro Corporation</td>
<td>Uinta Basin</td>
<td>200</td>
<td>No IRR Reversion; TSO pays an upfront carry to earn a 50% WI</td>
</tr>
<tr>
<td>Apr-17</td>
<td>CRC</td>
<td>Macquarie Infrastructure Fund</td>
<td>San Joaquin Basin</td>
<td>300</td>
<td>16% carry, reversion at an undisclosed IRR, 25% tail</td>
</tr>
<tr>
<td>Apr-17</td>
<td>Endeavor Energy</td>
<td>Ares/Development Capital Resources</td>
<td>Midland Basin</td>
<td>300</td>
<td>Reversion at an undisclosed IRR</td>
</tr>
<tr>
<td>Apr-17</td>
<td>Mid-Con Company</td>
<td>Ares/Development Capital Resources</td>
<td>NA</td>
<td>150</td>
<td>Reversion at an undisclosed IRR</td>
</tr>
<tr>
<td>Feb-17</td>
<td>CRC</td>
<td>Benefit Street Partners</td>
<td>San Joaquin Basin</td>
<td>250</td>
<td>NPI assignment in existing fields with a low-teens IRR make-whole</td>
</tr>
<tr>
<td>Jan-17</td>
<td>EP Energy</td>
<td>Apollo</td>
<td>Southern Midland Basin</td>
<td>450</td>
<td>Reversion at a 12% IRR; 15% tail</td>
</tr>
<tr>
<td>Nov-16</td>
<td>PetroQuest</td>
<td>Family Office</td>
<td>Cotton Valley</td>
<td>50</td>
<td>26% Carry and upfront acreage payment</td>
</tr>
<tr>
<td>Oct-16</td>
<td>Gastar</td>
<td>Not disclosed</td>
<td>STACK</td>
<td>NA</td>
<td>10% carry with 15% and 20% reversion points; 10% tail</td>
</tr>
<tr>
<td>Jun-16</td>
<td>Hunt Oil</td>
<td>TPG Special Situations</td>
<td>Midland Basin</td>
<td>400</td>
<td>Reversion at an undisclosed IRR</td>
</tr>
<tr>
<td>Mar-16</td>
<td>Rex Energy</td>
<td>Benefit Street Partners</td>
<td>Marcellus</td>
<td>175</td>
<td>No IRR Reversion; BSP is heads up plus an additional 15-20% acreage assignment in developed DSUs</td>
</tr>
<tr>
<td>Jan-16</td>
<td>Alta Mesa</td>
<td>Bayou City Energy</td>
<td>STACK</td>
<td>128</td>
<td>Reversion at 15% and 25% IRR; 7.5% tail</td>
</tr>
<tr>
<td>Dec-15</td>
<td>Seneca Resources</td>
<td>IOG Capital/Fortress</td>
<td>Marcellus</td>
<td>380</td>
<td>Reversion at a 15% IRR; 15% tail</td>
</tr>
<tr>
<td>Jul-15</td>
<td>Lonestar Resources</td>
<td>IOG Capital</td>
<td>Eagle Ford</td>
<td>100</td>
<td>Reversion at an undisclosed IRR; 10% tail</td>
</tr>
<tr>
<td>Jul-15</td>
<td>Legacy Resources</td>
<td>TPG Special Situations</td>
<td>Permian</td>
<td>700</td>
<td>Multiple reversion points; 1.0x ROI then 15% IRR; 15% tail</td>
</tr>
</tbody>
</table>
The information contained herein must be strictly confidential and may not be reproduced or redistributed in whole or in part, in any format, without the express written approval of Providence Equity Capital Markets L.L.C. ("PECM") or Benefit Street Partners LLC, ("Benefit Street") or any of their respective affiliates. This presentation reflects the views of Benefit Street and Providence Capital Markets and agree that all of the information contained in this document shall be kept strictly confidential by you. The foregoing shall not limit the disclosure of the tax treatment or tax structure of a Fund (or any transactions undertaken by a Fund). Prospective investors should make their own investigations and evaluations of the information contained herein. The information contained herein is being provided to you at your request for informational purposes only and is not, and may not be relied on in any manner as, legal, tax or investment advice or as an offer to sell or a solicitation of an offer to buy an interest in any Fund or investment vehicle (each, a "Fund") managed by PECM, Benefit Street, Providence Equity Partners LLC ("PEP").

The information contained herein may be superseded by, and is qualified in its entirety by reference to, the Offering Documents, which will be furnished to qualified investors on a basis in connection with such offering. The information contained herein is not an offer to invest and shall not constitute an offer to invest, or the solicitation of an offer to invest, in a Fund (or any other equity or debt investment vehicle). Prospective investors should have the financial ability and willingness to accept the risk characteristics of a Fund’s investments. There can be no assurance that a Fund will be able to implement its investment strategy and achieve its investment objectives. Prior to offering interests in a Fund, Providence will give investors the opportunity to ask questions and receive additional information concerning the terms and conditions of such offering and other relevant matters. Each prospective investor should consult its own attorney, business advisor and tax advisor as to legal, business, tax and related matters concerning the information contained herein and such offering. An investor’s performance may vary from the aggregate performance shown depending on its participation in such main funds, parallel funds, feeder funds or alternative investment funds.

Certain information contained herein (including financial information) has been obtained from published and non-published sources. Such information has not been independently verified by Providence, and Providence does not assume responsibility for the accuracy of such information. Except where otherwise indicated herein, the information provided herein is based on matters as they exist at the date of preparation and not as of any future date, and will not be updated or otherwise revised to reflect information that subsequently becomes available, or circumstances existing or changes occurring after the date thereof. The investment strategy and investment restrictions of current and future funds may differ materially from those employed in prior funds and economic conditions may differ materially from the conditions under which those funds were invested. In addition, individual performance may vary depending on the structure of a particular investor’s investment. Certain statements reflect estimates, opinions or predictions based on Benefit Street’s model, and there is no guarantee that these opinions or predictions will ultimately be realized. Industry developments presented herein are as classified by Benefit Street. Certain information contained herein constitutes forward-looking statements, which can be identified by the use of terms such as "likely", "will", "should", "expect", "anticipate", "project", "estimate", "intend", "continue" or "believe" (or the negatives thereof) or other variations thereof. Due to various risks and uncertainties, including those discussed above, actual events or results or actual performance of a Fund may differ materially from those reflected or contemplated in such forward-looking statements. As a result, investors should not rely on such forward-looking statements in making their investment decisions. The information contained herein has been filed with the Securities and Exchange Commission, any securities administrator within any state or any other governmental or self-regulatory body. No governmental authority has passed on the merits of the offering of interests in a Fund or the adequacy of the information contained herein. Any representation to the contrary is unlawful.

Each of the parallel investment vehicles constituting the Fund is an alternative investment fund ("AIF"). and PECM is an alternative investment fund manager ("AIFM") for the purposes of the Alternative Investment Fund Managers Directive ("AIFMD"). As such, the Fund may not be marketed to investors domiciled or with a registered office in any member state of the European Economic Area unless the applicable AIF has been notified to, registered with or approved by the competent authority of the relevant member state pursuant to implementing (or permitted by) Article 42 of AIFMD. At the date of this document, no such notifications, registrations or approvals have been completed in respect of any of the AIFs comprised in the Fund. As such, this document must not be distributed to any person domiciled or with a registered office in any EEA jurisdiction where such distribution would be deemed to be marketing of an AIF. Furthermore, none of the AIFs referred to herein may be marketed or distributed by way of a public offering in any member state. This document has been issued to the intended recipient for personal use only and must not be further distributed or reproduced by any recipient for any purposes whatsoever.

Calculation of Performance Information and Estimates

All return calculations are unaudited and are annually. In these materials, unless otherwise provided herein, all returns are gross returns and do not reflect deduction of fees and expenses. All references to a Providence fund above and throughout this presentation refer generally to a single fund, unless otherwise indicated. Providence Capital Markets, its funds and related parallel funds, feeder funds and alternative investment funds, as applicable. An investor’s performance may vary from the aggregate performance shown depending on its participation in such main funds, parallel funds, feeder funds or alternative investment funds. The information contained herein is provided in accordance with the requirements of the laws of the United States, the United Kingdom and elsewhere. This information is intended to provide an overview of the performance of the investment strategies managed by Benefit Street.

Because the performance history of a Fund is not representative of the performance of any future Fund, and each Fund’s investment objective, investment strategy, investment manager and investment approach may differ from those of any other Fund, an investor should not interpret past performance as indicative of future performance.

None of the information provided in this material is intended to be, or should be interpreted as, investment advice. Prospective investors should have the financial ability and willingness to accept the risk characteristics of a Fund’s investments. There can be no assurance that a Fund will be able to implement its investment strategy and achieve its investment objectives. In making any investment decision, investors should consider their own investment goals, flexibility, tax considerations, investment horizon, and investment experience. They should consult with their own attorney, business advisor and tax advisor as to legal, business, tax and related matters concerning the information contained herein and such offering. An investor’s performance may vary from the aggregate performance shown depending on its participation in such main funds, parallel funds, feeder funds or alternative investment funds.
Disclaimer (Cont’d)

Calculation of Performance Information and Estimates (Cont’d)

Performance of Benefi Street’s credit strategies and of Providence’s credit platform throughout this presentation shows the performance of Providence’s traditionally privately offered closed-end funds and evergreen funds investing in opportunistic credit and opportunistic private debt. The Benefi Street credit team has launched, and may in the future launch, other funds and accounts, which are not shown in this presentation and which Benefi Street has determined are not managed in a substantially similar manner to the traditionally privately offered closed-end and evergreen credit opportunity funds shown. The performance of these funds and accounts is not reflected in the gross returns of the credit platform herein. Past performance is not a guarantee of future results. Investment in a Fund involves significant risks, including loss of the entire investment. This document is not, and is not intended to be legal or tax advice. Prospective investors should consult their legal and tax advisors regarding the matters addressed herein.

Footnotes

1. Assets under management ("AUM") refers to the assets under management for all credit funds, as well as separately managed accounts managed by BSP and PCIG. AUM amounts are as of March 31, 2017. Level 1, level 2, and level 3 are categories that provide information as to the availability of public information for pricing a given asset. Specifically, Financial Accounting Standards Board Statement No. 157, Fair Value Measurements, establishes a framework for measuring fair value in generally accepted accounting principles. The framework provides a three level fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices and the lowest priority to unobservable inputs. Level 1 inputs to a valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets. Level 2 inputs include (i) quoted prices for similar assets or liabilities in active markets, (ii) quoted prices for identical assets or liabilities or similar assets or liabilities in inactive markets, (iii) inputs other than quoted prices that are observable for the asset or liability, and (iv) inputs derived principally from, or corroborated by, observable market data or other inputs. Level 3 inputs to the valuation methodology are both non-identifiable and non-observable and represent the fair value measurement, but such inputs are based on the best available information. An asset’s or liability’s designation on Level 1, 2 or 3 within this hierarchy is based on the lowest level of any input that is significant to its fair value measurement. Valuation techniques used maintain the use of observable inputs and remit the use of unobservable inputs. AUM is unaudited, preliminary and subject to change. "Private debt" AUM reflects the AUM of the funds and accounts reflected in the private debt strategy track record which includes all funds and accounts in the "flagship private debt strategy" as well as other funds and accounts investing in a sub-set of the flagship private debt strategy (see the footnote 4 for more information regarding the flagship private debt strategy). For private debt funds and other closed-end funds and separately managed accounts, AUM generally represents the sum of the total investments of fair value plus available capital (undrawn commitments plus distributions subject to recall). For hedge funds and other non-traditional funds and separately managed accounts, AUM represents the NAV (net asset value) of each fund or separately managed account, plus the subsequent month’s subscriptions. For CLOs, AUM represents the total amount of the debt tranches and subordinated notes (equity) for closing. For long only liquid accounts, AUM represents the gross asset values of the investments managed by BSP and PCIG. The performance of certain accounts included in AUM is excluded from the relevant RF as discussed herein.

2. Major relevant credit indices are those selected by Benefi Street Partners. NA HY and S&P LCD returns are calculated as of March 31, 2017, unless otherwise noted. NA HY is the Merrill Lynch High Yield Master II Index and is a unmanaged index that tracks the performance of below-investment grade, U.S.-dollar-denominated corporate bonds publicly issued in the U.S. domestic market. NA HY reflects reinvestment of dividends. The S&P LCD is the S&P/LSTA US Leveraged Loan, which is a market value-weighted index designed to measure the performance of the U.S. leveraged loan market based upon market weightings, spreads and interest payments. The S&P LCD monthly returns shown reflect market value change, interest accrued, any gain or loss resulting from the reinvestment of principal and reinvestment of dividends. The indices do not reflect the deduction of management fees, incentive allocation and expenses. The indices are provided only for general comparison purposes and differ from the strategy and portfolio of a Fund, indices are unmanaged and not investment products available for purchase. The indices include investments with different capital structures from BSP and its affiliates. JPM US HY Index is the JPMorgan Domestic High Yield Index and is an unmanaged index designed to mimic the investable universe of the U.S. dollar domestic high yield corporate debt market. 10-Year US HY Index is the median performance of the JPM US HY Index over the past ten years. FBRI is the Fund Weighted Composite Index, designed to capture the breadth of hedge fund industry performance trends across all strategies and regions. The S&P Leveraged Loan Index is capitalization-weighted syndicated loan index based upon market weightings, spreads and interest payments. The FTSE NAREIT US Real Estate Index Series is a comprehensive family of REIT-focused indexes that span the commercial real estate industry, providing market participants with a range of tools to benchmark and analyze exposure to real estate across the U.S. economy at both a broad industry-wide level and on an sector-by-sector basis. The S&P 500 index components and their weightings are determined by S&P Dow Jones Indices. The Credit Suisse (CS) Index is an index comprised of all underlying assets held by public and private Business Development Companies that satisfy certain eligibility requirements. The index is asset-weighted by reported market capitalization. The CIBOR Index (CIBOR Index) is a capitalization-weighted index capturing the performance of all lending-oriented, exchange-like Business Development Companies (BDCs) that satisfy certain eligibility requirements.

3. The “Long-Short Liquid Strategy” refers to a composite that includes the performance of Benefi Street Credit Alpha Master Fund Ltd. (the “Credit Alpha Fund”), a hedge fund managed by Benefi Street Partners LLC, and “SMA #1 Liquid”, an investment sleeve of a separately managed account (“SMA #1”) that, during the period for which its performance is reflected in the composite, had substantially the same investment strategy as the Credit Alpha Fund, as further described in this paragraph, managed by Providence Equity Capital Managers LLC. Specifically, the performance of the long-short liquid strategy represents (i) the performance of SMA #1 Liquid for the period prior to March 1, 2012, and (ii) the performance of the Credit Alpha Fund on and following March 1, 2012. SMA #1 Liquid is not the Credit Alpha Fund and there is no guarantee that the Credit Alpha Fund will have the performance or other attributes of SMA #1 Liquid. SMA #1 Liquid has investment restrictions, including restrictions on investments in the lending industry and on investing more than a certain amount of its net asset value outside the media, communications, education and information sectors, and the Credit Alpha Fund is not subject to such restrictions. After March 1, 2012, SMA #1 Liquid was managed with certain differences from the Credit Alpha Fund, and the investment focus and liquid asset balance of SMA #1 has changed. Because the Long-Short Liquid Strategy does not represent a specific investment fund, the calculation of its net return is provided for illustrative purposes only and represents performance net of actual management fees, carried interest, and expenses of (i) SMA #1 for the period prior to March 1, 2012, and (ii) Investors in the Credit Alpha Fund for the period from March 1, 2012 and other management fees and carried interest paid by new and exiting investors in the Credit Alpha Fund are generally higher than those paid by SMA #1 and may be higher than the effective rate reflected in the returns shown for the Long-Short Liquid Strategy. As a result, a Credit Alpha Fund investor’s net performance may be lower than the net performance shown herein.

4. Targeted returns, cash income and portfolio characteristics (including hypothetical performance of a fund or a proposed investment) are provided for illustrative purposes only and do not reflect guaranteed returns, cash income or portfolio characteristics. No representation is being made that any investor will or is likely to achieve the target return or cash income shown or that the fund will achieve the portfolio characteristics indicated. Cash income and performance may be higher or lower than the target and portfolio characteristics may be significantly different than those shown. Any target, estimate or projection has inherent limitations, including that actual market or economic factors, the ability to source suitable investments, or future assumptions of BSP may differ materially from those currently anticipated by BSP. Any investment entails a risk of loss, including loss of the entire principal amount invested.