

The Banc Funds Company, L.L.C. (TBFC)
Doing business as 1st & Main Growth Partners
150 S. Wacker Drive
Suite 2725
Chicago, Illinois 60606

March 26, 2024

Mr. Charles J. Moore
President
312-855-6202

This brochure provides information about the qualifications and business practices of The Banc Funds Company, L.L.C. (TBFC) (the "Registrant" or the "firm"). If you have any questions about the contents of this brochure, please contact us at 312.855.6202. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

The Banc Funds Company, L.L.C. is a Registered Investment Adviser. This registration does not imply a certain level of skill or training.

Additional information about TBFC also is available on the SEC's website at <https://adviserinfo.sec.gov>, CRD #106305/SEC#:801-53866.

MATERIAL CHANGES (Item 2)

The Banc Funds Company, L.L.C. will be doing business using its primary business name of 1st & Main Growth Partners. Banc Fund IX L.P.'s termination date has been extended to December 31, 2024. In addition to general updates, this amendment includes the Registrant's update of assets under management.

The Brochure is available by contacting:

Ms. Marilyn Durban
1st & Main Growth Partners
Suite 2725
150 S. North Wacker Drive
Chicago, Illinois 60606
mdurban@1standmain.co

TABLE OF CONTENTS (Item 3)

Material Changes	2
Advisory Business	3
Fees and Compensation	8
Performance-Based Fees & Side-by-Side Management	14
Types of Clients	14
Methods of Analysis, Investment Strategies and Risk of Loss	14
Disciplinary Information	18
Other Financial Industry Activities and Affiliations	18
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	19
Brokerage Practices	19
Review of Accounts	21
Client Referrals and Other Compensation	21
Custody	21
Investment Discretion	21
Voting Client Securities	23
Financial Information	23
Privacy Notice	24

ADVISORY BUSINESS (Item 4)

The registrant is currently managing three advisory client Funds: Banc Fund IX L.P., Banc Fund X L.P., and the TBFC Financial Technologies Fund L.P. While Fund Management believes its work on behalf of Banc Funds IX, X, and the Financial Technologies Fund, is complementary, Fund Management may have conflicts in allocating investment opportunities among the Funds. TBFC may also accept other investment advisory clients and other advisory engagements. In addition to the management fee paid to TBFC, relying advisors MidBan IX L.P., MidBan X L.P., and MidBan XI L.P. will have a carried interest in net capital gains and certain high-yield income.

An investment in a Fund is subject to many of the risks that one encounters in any private equity fund, including the investor's limited ability to sell, transfer, or liquidate the investment; the limited rights of investors with respect to management control or investment strategy; the possibility that the Fund will not be wound up in the forecasted period; possible litigation or regulatory issues; limitation of management liability and indemnification by the Fund; the reliance upon Fund Management for virtually all investment and management decisions; the risks inherent in the types of permissible investments, including derivative securities, troubled assets, and non-traditional investments; the lack of registration under the Securities Act of 1933, the Investment Company Act of 1940, and any applicable state securities laws; and that outside legal counsel to the Fund and TBFC does not represent, and has no legal or other duties to, any of the investors.

In addition, Fund investment returns will depend upon a number of factors, including: the profitability of individual companies; the ability of Fund Management to perform successful due diligence; to identify value for Banc Fund investments and to exit those investments; risks inherent in smaller capitalized companies, including typically more limited business operations and financial resources; the risks of investments in non-public or thinly traded securities, including possible restrictions on trading; the ability of portfolio company managers to

execute their business plans; the robustness of the industry consolidation; the extent, if any, of the anticipated recovery of banks and other companies; competition in the financial services sector; corporate governance and internal control issues; and the occurrence of fraud in the financial services industry.

As these Funds will invest primarily in U.S.-based financial service companies, it will encounter risks specific to that industry, including: systemic risk: factors outside the control of a particular financial institution may adversely affect the ability of the financial institution to operate normally or may impair its financial condition; regulators who may impose new or different rules, including capital requirements; other regulatory and taxation changes; shifts or volatility in interest rates; application of new or recent valuation standards affecting financial statements; interest rates that are extremely high or low; a flat or inverted yield curve that hurts operating earnings; volatile housing and mortgage markets; irrational competition, or entry valuations that reduce the returns that the Fund may earn. The concentration of Fund investing in this sector may magnify the above-mentioned risks.

The financial services industry is not a monolith. Companies in each segment are subject to different pressures and different opportunities. Some of the businesses in which predecessor Banc Funds have invested, and in which Banc Funds may invest, are commercial banking, savings & loan associations, savings banks, insurance, security brokerage, commercial finance, consumer finance, investment banking, and asset management.

Profitability in banking is to a significant degree dependent upon the availability and cost of capital and deposit funds. Economic conditions in the real estate market may affect certain banks and savings associations. Neither extensive regulation nor the federal insurance deposits ensures the solvency or profitability of companies in this industry. Many of the investment considerations discussed in connection with banks can also apply to insurance and other financial service companies. Investment banking, securities brokerage, and investment

advisory firms are subject to extensive government regulation and to the risks inherent in securities trading and underwriting activities.

While Banc Funds IX and X generally invest in small subregional companies, portfolio valuations can suffer: when larger financial service companies experience pronounced valuation volatility; when other financial service businesses experience operating difficulties, or when there is a global credit crunch. A good example of these risks is 2008. While Funds IX and X did not have investments in large or medium-sized banks, nor did they invest in subprime mortgages or in mortgage banking companies, the valuation of Banc Fund portfolio companies declined along with those of other financial service companies.

The TBFC Financial Technologies Fund L.P. is a private equity fund that will invest in financial technology and financial service companies that are growing and changing the industry to a more tech-forward posture. The Fund will benefit from the stewardship and Fund management of a team of investment managers who have invested in a mix of fintech companies, depositories, investment banks, and asset managers. Since 1986, this group has focused exclusively on the financial services domain. For its 10 predecessor Funds, Fund Management raised \$3 billion and has invested over \$5.8 billion. We anticipate that three big drivers of Fund investment returns will be the high growth rates of portfolio companies driven by the enormous technology spend coming over the next two decades, the ongoing consolidation of companies in the financial services industry, and a move away from zero interest rates.

Technology transformation is across every facet of financial services, there is a technology transformation underway. From customer acquisition to customer onboarding, from systems accounting to market research, from data collection to data management, and from regulatory management to operations management, financial service companies are developing or acquiring technology to make their businesses more efficient and effective. We estimate that the industry will spend over \$5 trillion in

the next two decades to accomplish this transformation. The current annual technology spend rate in U.S. banking alone is \$100 billion. Annual growth rates of some of our fintech companies are in the 50-90% range. This Fund intends to invest in those companies that will lead or support the industry in making this transformation.

Industry consolidation is a second big driver of investment returns as banks buy other banks, banks buy fintech companies, fintech companies buy banks, and fintech companies buy fintech companies. Almost all transactions will involve a takeover premium. The historical competitive pressures that have driven the industry consolidation in financial services remain in place, and are now augmented by additional pressure to afford new technology investments. This, in turn, is pressuring companies to build scale. The combination of 'get bigger and buy more tech' dumps fuel on the already burning M&A fire.

The financial services industry benefits from higher interest rates. As interest rates go up, loan spreads generally widen because loan rates rise faster than depository rates. At this time, real interest rates are negative; rates in general are below normal levels; loan spreads remain narrow, and banks are earning modestly on un-loaned and uninvested balances. The Federal Reserve Bank currently has zero as its interest rate target, but inflation is now putting pressure on the Fed and other central banks to raise rates. Higher interest rates allow bank margins to expand. We believe Fund portfolio companies are, and will continue to be, positively leveraged to higher interest rates.

The business of TBFC was founded by Charles J. Moore, its President, in 1986 and TBFC was initially registered in 1997. Mr. Moore is the principal owner of the Registrant. The Registrant provides investment advisory services on a discretionary basis to Banc Fund IX L.P. ("Fund IX"). The general partner of Fund IX is an affiliate of the Registrant. The Registrant advises Fund IX through the Registrant's role and position as the general partner of its affiliate associated with Fund IX. The Registrant provides investment advisory services on a discretionary

basis to Banc Fund X L.P. ("Fund X"). The general partner of Fund X is an affiliate of the Registrant. The Registrant advises Fund X through the Registrant's role and position as the general partner of its affiliate associated with Fund X. Additionally, the Registrant provides investment advisory services on a discretionary basis to the TBFC Financial Technologies Fund L.P. ("Fintech Fund"). The general partner of the TBFC Fintech Fund is an affiliate of the Registrant. The Registrant advises the TBFC Fintech Fund through the Registrant's role and position as the general partner of its affiliate associated with the TBFC Fintech Fund. Collectively, Fund IX, Fund X, and the TBFC Fintech Fund will be referred to as "the Funds" and each a "Fund".

The primary investment objective of each Fund is to invest in the financial services industry through investments in subregional banks, thrifts, and other companies offering financial services. This may include insurance companies, securities brokerage companies, leasing, and finance companies. The Partnership may invest in insurance contracts, and also in companies that provide business services to banks and other financial companies. The Funds must limit their investments outside the United States to not more than 10% of its portfolio. Investments in any instruments used for hedging purposes are similarly limited to 10% of the portfolio. As of December 31, 2023, TBFC had \$1,077,342,851 of discretionary assets under management.

Information regarding each Fund's operations and investment strategies is delivered in conjunction with each Fund's Private Placement Memorandum, Limited Partnership Agreement, and Subscription Agreement (the "Governing Documents"). The information contained herein is only intended to be a summary of the information applicable to the Funds, and does not contain all of the terms and conditions in such documents.

FEES AND COMPENSATION (Item 5)

Management fees for Fund IX, Fund X, and the TBFC Fintech Fund are based upon the paid-in capital in each of the Funds. These fees are billed and payable in arrears on a

monthly basis, subject to reconciliation at the end of each fiscal year. These fees are set forth in the Partnership Agreement for each Fund; do not change during the life of the Fund unless a Fund's wind-up is extended, and are not negotiated with individual investors. The General Partner reserves the right under certain circumstances to modify those fees.

In addition, each Fund is charged a performance fee which is based upon the performance of the assets under management. Management and performance fees are computed and charged according to the following:

Fund IX:

Management Fee: 2% of actual paid-in capital. After the later of December 31, 2021, or the fiscal date at which the aggregate amount of unreturned paid-in capital contributions of the Fund's partners, plus any undistributed balances allocable to the general partner, total an amount which is less than 40% of the total paid-in capital, the Management Fee shall be reduced to 70% of the amount payable pursuant to the formula above. Such reduction will be effective for fiscal years subsequent to the year in which such threshold was achieved. Thereafter, upon the fiscal date at which the aggregate amount of unreturned paid-in capital contributions of the Fund's partners, plus any undistributed balances allocable to the general partner, total an amount which is less than 20% of the paid-in capital contributions, the Management Fee shall be reduced to 50% of the amount payable pursuant to the formula above. Such reduction will be effective for fiscal years subsequent to the year in which such threshold was achieved.

Following the final calculation of the management fee at the end of each fiscal year, Registrant is paid any management fee to which it is entitled in excess of the monthly payments received, or Registrant refunds any excess payment it received in monthly management fees which exceed the final management fee.

Performance Fee: The performance fee accrued to Registrant in each fiscal year of Fund IX is equal to 20% of (1) the

excess (if any) of the cumulative total of realized capital gains since the inception of Fund IX through the end of the fiscal year in question over the cumulative total of realized capital losses since the inception of Fund IX, minus (2) the excess (if any) of any realized depreciation of Fund IX at the end of the fiscal year in question over any unrealized appreciation of Fund IX at the end of the fiscal year in question.

The performance fee may not be paid until after December 31, 2021, and only after the limited partners of Fund IX have received distributions from Fund IX equal to 100% of their total contributions to Fund IX. The Registrant may receive an earlier partial distribution with respect to such performance fees to the extent necessary to pay any income tax liabilities.

Fund X:

Management Fee: 2% of actual paid-in capital. After the later of (i) the expiration of the Initial Term or (ii) the Fiscal Date at which the aggregate amount of unreturned capital contributions paid-in of the Partners plus any undistributed balances allocable hereof total an amount which is less than 40% of the Management Fee Base, the Management Fee shall be reduced to 70% of the amount payable on the Management Fee Base, effective for fiscal years subsequent to the year in which said reduction was achieved. Thereafter, upon the Fiscal Date at which the aggregate amount of unreturned capital contributions paid-in of the Partners plus any undistributed balances allocable hereof total an amount which is less than 20% of the Management Fee Base, the Management Fee shall be reduced to 50% of the amount payable based on the Management Fee Base, effective for fiscal years subsequent to the year in which said reduction was achieved.

If any fiscal year shall consist of less than 12 full months, the Management Fee for such fiscal year shall be reduced to an amount equal to the fee which would be payable for the full year multiplied by the number of days in such partial fiscal year and divided by the number of days in the calendar year which includes such partial fiscal year.

For each fiscal period, the General Partner shall reduce the Management Fee in an amount equal to the Monitoring Fees received by the General Partner or its affiliates for such period. In the event that the Monitoring Fees to be applied against the Management Fee exceeds the Management Fee for such period, such excess shall be carried forward to reduce the Management Fee payable in the following periods. If another Banc Fund has co-invested (or committed to co-invest) in an investment with respect to which Monitoring Fees are received, such Monitoring Fees will be allocated between the Partnership and such other Banc Fund in proportion to the cost of securities in such company held (or committed to be held) by each.

The Management Fee for any fiscal year shall be treated as an expense of the Partnership for such fiscal year, chargeable to its Income account, and shall be payable as follows: Interim payments shall be made monthly in arrears, based upon the Management Fee Base as of such month; and upon determination of the amount of the annual Management Fee for a fiscal year, the General Partner shall be paid an amount equal to any excess of such fee over the interim payments theretofore received for such fiscal year or, if said annual fee is less than the total of such interim payments, the General Partner shall refund the difference to the Partnership.

In consideration of payment by the Partnership of the Management Fee to the General Partner, the General Partner shall provide, without additional cost to the Partnership, the services of advisers to the General Partner. The General Partner shall have the authority, in its sole discretion, to enter into an Investment Advisory Agreement with TBFC, a registered investment adviser, or an affiliate, and shall bear all costs and fees associated with any such agreement. By execution of this Agreement, each Partner ratifies, approves and consents to the terms and provisions of the Investment Advisory Agreement in the form previously made available to the Partners.

The performance fee may not be paid until after December 31, 2025, and only after the limited partners of the Fund have received distributions from the Fund equal to 100% of their total contributions to the Fund. The Registrant may

receive an earlier partial distribution with respect to such performance fees to the extent necessary to pay any income tax liabilities.

TBFC Fintech Fund:

Management Fee: 2% of actual paid-in capital. After the later of (i) the expiration of the Initial Term or (ii) the Fiscal Date at which the aggregate amount of unreturned capital contributions paid-in of the Partners plus any undistributed balances allocable hereof total an amount which is less than 40% of the Management Fee Base, the Management Fee shall be reduced to 70% of the amount payable on the Management Fee Base, effective for fiscal years subsequent to the year in which said reduction was achieved. Thereafter, upon the Fiscal Date at which the aggregate amount of unreturned capital contributions paid-in of the Partners plus any undistributed balances allocable hereof total an amount which is less than 20% of the Management Fee Base, the Management Fee shall be reduced to 50% of the amount payable based on the Management Fee Base, effective for fiscal years subsequent to the year in which said reduction was achieved.

If any fiscal year shall consist of less than 12 full months, the Management Fee for such fiscal year shall be reduced to an amount equal to the fee which would be payable for the full year multiplied by the number of days in such partial fiscal year and divided by the number of days in the calendar year which includes such partial fiscal year.

For each fiscal period, the General Partner shall reduce the Management Fee in an amount equal to the Monitoring Fees received by the General Partner or its affiliates for such period. In the event that the Monitoring Fees to be applied against the Management Fee exceeds the Management Fee for such period, such excess shall be carried forward to reduce the Management Fee payable in the following periods. If another Banc Fund has co-invested (or committed to co-invest) in an investment with respect to which Monitoring Fees are received, such Monitoring Fees will be allocated between the Partnership and such other Banc Fund in proportion to the cost of securities in such company held (or committed to be held) by each.

The Management Fee for any fiscal year shall be treated as an expense of the Partnership for such fiscal year, chargeable to its Income account, and shall be payable as follows: Interim payments shall be made monthly in arrears, based upon the Management Fee Base as of such month; and upon determination of the amount of the annual Management Fee for a fiscal year, the General Partner shall be paid an amount equal to any excess of such fee over the interim payments theretofore received for such fiscal year or, if said annual fee is less than the total of such interim payments, the General Partner shall refund the difference to the Partnership.

In consideration of payment by the Partnership of the Management Fee to the General Partner, the General Partner shall provide, without additional cost to the Partnership, the services of advisers to the General Partner. The General Partner shall have the authority, in its sole discretion, to enter into an Investment Advisory Agreement with TBFC, a registered investment adviser, or an affiliate, and shall bear all costs and fees associated with any such agreement. By execution of this Agreement, each Partner ratifies, approves and consents to the terms and provisions of the Investment Advisory Agreement in the form previously made available to the Partners.

The performance fee may not be paid until after December 31, 2029, and only after the limited partners of the Fund have received distributions from the Fund equal to 100% of their total contributions to the Fund. The Registrant may receive an earlier partial distribution with respect to such performance fees to the extent necessary to pay any income tax liabilities.

Fee Billing

Fees are deducted from Fund assets monthly in arrears, subject to end-of-year reconciliation, as discussed above.

Other Fees

The Funds also pay fees for organizational costs,

accounting fees, custodial and professional services including annual audit expenses, tax return preparation, and legal fees associated with its investment activities. Fees are not paid in advance.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT (Item 6)

As stated in TBFC's response to Item 5, TBFC, receives the same type of performance-based fee from all of the Funds. Since all of the Funds provide the opportunity for the Registrant to receive performance-based fees, the Registrant does not have an incentive to favor one Fund over another Fund as a result of differing fee structures.

TYPES OF CLIENTS (Item 7)

The Funds are the Registrant's only direct clients. Each Fund is a privately offered fund organized as an Illinois limited partnership.

Description

Each Fund has a minimum dollar value for admission as a limited partner, which minimums are specified in each Fund's Governing Documents. Individual Investors in the Funds must be "accredited investors" as defined under Regulation D of the Securities Act of 1933, "qualified clients" under the rules under the Investment Advisers Act of 1940, and "qualified purchasers" under the Investment Company Act of 1940. Current investors include high net worth individuals, single family offices, pension and profit-sharing plans, charitable organizations, state or municipal government entities, pooled investment vehicles, as well as other corporations or businesses.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS (Item 8)

Banc Funds IX and X primarily invest in U.S.-based, subregional financial service companies. The Registrant defines "subregional" as operating locally, and generally not across a state or an entire region; and "financial

service company" as a commercial bank, savings & loan, securities broker, insurance company, asset manager, or any company that has finance as its principal business. While these Funds have invested broadly in financial services companies, over 90% of the Funds' invested capital has gone to depository companies.

The Registrant endeavors to control risk, analyze companies, and select investments through investigation of a prospective investment's balance sheet, business strategy, performance history, and by monitoring other factors such as competition, the level of interest rates, the shape of the yield curve, and the strength of the local and regional economy.

The Registrant's due diligence focuses on the loan portfolio, the lending function, asset-liability management, corporate management, franchise value, and market position of potential investments. One or more of the Registrant's analysts, assisted and supported by one or more of the Registrant's managers, conducts due diligence on each potential Fund investment. The core of our due diligence has remained constant, in part because we are investing in the same industry, and have had limited turnover in management personnel.

Certain Risks

Force Majeure Events. Each Fund and its portfolio companies may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). Some force majeure events may adversely affect the ability of a party (including the Fund, its portfolio companies or a counterparty to the Fund or its portfolio companies) to perform its obligations until it is able to remedy the force majeure event. In addition, forced events, such as

the cessation of the operation of machinery for repair or upgrade, could similarly lead to the unavailability of essential machinery and technologies. These risks could, among other effects, adversely impact the cash flows available from a portfolio company, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost to a portfolio company of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on a portfolio company. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the locations where the Fund may invest specifically. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more portfolio companies or its assets, could result in a loss to the Fund, including if the investment in such portfolio companies is canceled, unwound or acquired (which could be without adequate compensation). Any of the foregoing may therefore adversely affect the performance of a Fund and its investments.

As equity investors in smaller companies, there are risks from changes in local economies which may or may not be influenced by (and/or move with or against) broader macro-economic trends. The securities which the Funds purchase have limited liquidity.

An investment in the Funds is subject to many of the risks that one encounters in any private equity fund, including the investor's limited ability to sell, transfer, or liquidate the investment; the limited rights of investors with respect to management control or investment strategy; the reliance upon Fund management (including the Registrant, its affiliates, and their personnel) for virtually all investment and management decisions; the risks inherent in the types of permissible investments, including restricted or thinly traded securities, derivative securities and non-traditional investments; and the lack of registration under the Securities Act of 1933, the Investment Company Act of 1940, and any applicable

state securities laws. Investing in securities involves the risk of loss that investors should be prepared to bear.

In addition, the Funds investment returns will depend upon a number of factors, including without limitation: the profitability of various financial service industries; the performance of local economies, the ability of Fund management to perform successful due diligence, to identify value for Fund investments, and to exit those investments; risks inherent to smaller capitalized issues, including typically more limited business operations and financial resources; the ability of portfolio company managers to execute their business plans; the robustness of the industry consolidation; competition in the financial services industry; corporate governance and internal control issues, and fraud relating to portfolio companies which may affect financial service companies.

As the Funds will invest primarily in U.S.-based financial service companies, the Funds and their investors will encounter risks specific to that industry, including, without limitation: regulators who may impose new or different rules; the application of FASB Fair Value; shifts or volatility in interest rates; interest rates that are extremely high or low; a flat or inverted yield curve that hurts operating earnings, or volatile housing and mortgage markets. The concentration of the Funds investing in this sector may magnify the above-mentioned risks.

Companies in each segment of the financial services industry are subject to different pressures and different opportunities. Some of the types of businesses in which current Funds may invest, are commercial banking, savings & loan associations, savings banks, insurance, security brokerage, commercial finance, consumer finance, investment banking, and asset management.

While The Funds IX and X generally invest in small subregional companies, portfolio valuations can suffer when larger financial service companies experience pronounced valuation volatility; when other financial service businesses experience operating difficulties, or when there is a global credit crunch. The summer of 2007 is a good example of these risks. While the Funds did not have

investments in large or medium-sized banks, nor did they invest in subprime mortgages or in mortgage banking companies, the valuation of Fund portfolio companies declined along with these other financial service companies.

DISCIPLINARY INFORMATION (Item 9)

Other than set forth in the next paragraph, Registrant has not been involved in any legal or disciplinary events that are material to a *client's* or prospective *client's* evaluation of its advisory business or the integrity of its managements.

In January 2017, Registrant made an offer to cease and desist from making a political contribution in violation of Section 206(4) of the Advisers Act and Rule 206(4)-5. The SEC censured the Registrant and imposed a \$75,000 fine. The Registrant did not admit to any guilt; retrieved its \$1,000 political contribution, and paid the fine.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS (Item 10)

Neither TBFC, nor any employee of TBFC, L.L.C is actively engaged in business as a broker-dealer, a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities. Registrant does not have any relationship or arrangement with any of the following entities: broker-dealer, municipal securities dealer, or government securities dealer or broker, investment company or, except for the Funds, any other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), other investment adviser or financial planner, futures commission merchant, commodity pool operator, or commodity trading advisor, banking or thrift institution, accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer, or sponsor or syndicator of limited partnerships.

TBFC does not recommend or select other investment advisers for its clients. No person associated with TBFC, has been involved in any disciplinary event relating to the advisory business.

**CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT
TRANSACTIONS AND PERSONAL TRADING (Item 11)**

TBFC has adopted a Code of Ethics ("Code") pursuant to Rule 204A-1 under the Investment Advisers Act of 1940 which is predicated on the principle that TBFC owes a fiduciary duty to its clients. Accordingly, employees of TBFC must avoid activities, conflicts of interests and relationships that run contrary (or appear to run contrary) to the best interest of clients. Employees are required to comply with the Federal Securities Laws and the rules governing the capital markets. Employees must obtain pre-clearance from TBFC's Chief Compliance Officer ("CCO") before placing trades in IPOs, private placements or securities that fall within TBFC's investable universe. The Code also requires employees to report transactions and holdings in reportable securities to the CCO. TBFC will provide a copy of its Code to any investor, or prospective investor upon request.

Additionally, the Code of Ethics contains policies regarding insider trading, proxy voting, contingency and disaster recovery, records retention, receipt of gifts, and political and charitable contributions.

Other conflicts may arise in connection with The Banc Funds hiring investment banks or placement agents to assist Banc Funds in raising a new Fund or in selling existing Limited Partner interests. These conflicts may involve differential fees for different services. Banc Funds will endeavor to balance competing interests and resolve any conflicts in a manner that is not detrimental to Limited Partners.

BROKERAGE PRACTICES (Item 12)

TBFC does not select or recommend broker-dealers solely in exchange for research and other soft dollar benefits nor does the Registrant consider client referrals from a broker-dealer. However, TBFC selects brokers based on

several factors, including, but not limited to: price; liquidity or access to buyers and sellers; research; investment ideas (including the recommendation of purchases or sales of portfolio securities); commission rates; and market information. TBFC may pay to a broker commissions and mark-ups that exceed those that another broker might charge for effecting the same transaction because of the value of the brokerage, research, and other services that such broker provides. TBFC determines in good faith that such compensation is reasonable in relation to the value of such brokerage, research, and other services, in terms of either the specific transaction or TBFC's overall fiduciary duty. A client may, however, pay higher commissions and mark-ups than are otherwise available or may pay more commissions or mark-ups based on account trading activity. TBFC may have an incentive to select or recommend a broker based on TBFC's interest in receiving the research or other products or services, rather than on clients' interest in receiving most favorable execution. To mitigate this potential conflict of interest, TBFC has established a Best Execution Committee to periodically evaluate various factors related to broker execution.

The registrant does not recommend, request, require, or permit a client to direct brokerage transactions for its account to any specific broker.

However, because there are a limited number of brokerage firms making markets in securities in which the Funds invest, Registrant has a limited number of brokerage firms with whom it can do business. The Registrant uses its best efforts to seek best execution for its clients within the limited field of brokerage firms making markets in securities in which the Funds invest.

Registrant aggregates the purchase or sale of securities for client accounts when market conditions are liquid enough to permit such aggregation.

On those occasions when liquidity is severely limited, Registrant will utilize TBFC's most common allocation methods when allocating a transaction between Funds.

REVIEW OF ACCOUNTS (Item 13)

All of Registrant's accounts are reviewed regularly, but in no case less than monthly, by Charles J. Moore, the primary portfolio manager.

Each Fund provides a statement of portfolio account status, and the Funds together provide a management letter to their investors. Registrant delivers these written reports to the respective Fund's investors on a quarterly basis, and meets with each Fund's investors annually.

CLIENT REFERRALS AND OTHER COMPENSATION (Item 14)

TBFC does not receive material economic benefits from non-clients, and therefore, does not have any related conflicts of interest.

Registrant does not compensate any person for client referrals.

CUSTODY (Item 15)

TBFC is deemed to have custody of the Funds' assets as the general partners of the Funds are affiliated with TBFC. Each Fund is audited annually in compliance with generally accepted accounting principles (GAAP) and the audited financial statements are delivered to the investors in each Fund within 120 days of each Fund's fiscal year end.

INVESTMENT DISCRETION (Item 16)

TBFC, has discretionary authority to manage securities accounts on behalf of its clients, subject to the following restrictions. Each Fund's Partnership Agreement restricts investments to companies in certain industries as well as the amount of investing in foreign companies, and each Fund's offering letter may discuss certain other investment

limitations as well. Further, various securities, tax and other laws, including, but not limited to, the Bank Holding Companies Act of 1956 (as amended) and the rules and regulations thereunder, may place additional restrictions on the types of investments that the Registrant may make on behalf of its clients.

Each Fund investor signs a Subscription Agreement and a Partnership Agreement acknowledging Registrant's discretionary authority with respect to the Fund. Additionally, if a Fund investor is an entity, it also furnishes a corporate resolution or other appropriate documents demonstrating authority to enter into this investment in the Fund.

INVESTMENT ALLOCATION BY FUND

Since the advent of Banc Fund III L.P. in 1993, TBFC has been making investments for 2-3 Banc Funds simultaneously. From time to time, more than one Fund may have capital available to invest which, in turn, necessitates a decision on how to allocate a new investment across those Funds. Because each Fund is in a different stage of its life, the need to allocate is often greatly reduced. For example, the oldest Fund is usually in wind-up or on the cusp of wind-up. The middle Fund is usually fully invested, so frequently, it is only the youngest or newest Fund that has uninvested capital. What causes an allocation decision is when the middle Fund has had recent investment exits and is reinvesting capital.

The general allocation rule is to allocate an investment according to the dollar amount of uninvested capital in the newest Fund relative to the uninvested capital in the middle Fund. So for example, if the newest Fund has \$500 million of uninvested (including uncalled capital) and the middle Fund has \$4 million to reinvest, then the new Fund will receive almost all of a new investment. The middle Fund will receive a small allocation, primarily to work down its cash balance. As a general matter, the newest Fund receives the predominant share of all investments until it is more than 50% invested.

As the youngest Fund gets more invested, more variables may affect allocation decisions. For example, if TBFC makes a new \$10 million investment, and the newest Fund has \$100 million to invest while the middle Fund has \$20 million to invest, TBFC will consider a series of factors in making the allocation decision. An important factor is the expected realization time on the new investment. If that timeframe is four years, and the middle Fund is to wind-up in two years, then 100% of the new investment will go to the newest Fund as the realization date is past the wind-up date for the middle Fund.

VOTING CLIENT SECURITIES (Item 17)

TBFC, as a matter of policy and as a fiduciary to its clients, has responsibility for voting proxies for portfolio securities consistent with the economic interests of its clients.

As required by SEC Rule 206(4)-6, the Registrant has adopted procedures to implement the firm's proxy voting responsibility. The Registrant periodically reviews its actual proxy voting to ensure the firm's policy is observed and implemented.

Upon a client's request the Registrant will furnish to the requesting client, without charge, (a) a copy of the Proxy Voting Policy and/or (b) information about how the Registrant voted with respect to such client's securities. The Registrant also maintains a summary of the current year's proxy votes.

FINANCIAL INFORMATION (Item 18)

TBFC does not require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance.

TBFC, has discretionary authority over client securities; however, no financial condition currently exists that the Registrant believes is reasonably likely to impair its ability to meet its contractual commitments to clients.

TBFC has never been the subject of a bankruptcy petition.

Privacy Notice¹
The Banc Funds Company, L.L.C²

Our Commitment to Your Privacy: We are sensitive to the privacy concerns of our individual limited partners. We have a policy of protecting the confidentiality and security of information we collect about you. We are providing you with this notice to help you better understand why and how we collect certain personal information, the care with which we treat that information and how we use that information.

Sources of Non-Public Information: In connection with forming and operating our private investment funds for our limited partners, we collect and maintain non-public personal information about you from the following sources:

- Information we receive from you in conversations over the telephone, in voicemails, through written correspondence, via e-mail and other electronic communications, or on subscription agreements, investor questionnaires, applications or other forms (including, without limitation, any anti-money laundering, identification, and verification documentation);
- Information about your transactions with us or others; and
- Information captured on our website, including registration information and any information captured via “cookies.”

The types of personal information we collect, and share are based on the services we provide to you. This information can include: Social security number, income, assets, investment experience, risk tolerance and wire transfer instructions.

Disclosure of Information: We do not disclose any non-public personal information about you to anyone, except as permitted or required by law or regulation and to affiliates and service providers, including, but not limited to, administrators, lenders, banks, auditors, law firms, governmental agencies or pursuant to legal process, self-regulatory organizations and/or consultants. All such companies are contractually obligated to keep the information that we provide to them confidential, and use the information only to provide the services that we have asked them to perform for you and us.

Former Limited Partners: We maintain non-public personal information of our former limited partners and apply the same policies that apply to current limited partners.

Information Security: We consider the protection of sensitive information to be a sound business practice, and to that end we employ physical, electronic and procedural safeguards to protect your non-public personal information in our possession or under our control.

Further Information: We reserve the right to change our privacy policies and this Privacy Notice at any time. The examples contained within this notice are illustrations only and are not intended to be exclusive. This notice complies with the privacy provisions of Regulation S-P under the U.S. Gramm-Leach-Bliley Act and certain privacy provisions of other laws. You may have additional rights under other non-U.S. or U.S. laws that may apply to you.

¹ This Privacy Notice is intended only for individuals and certain entities that are essentially “alter egos” of individuals (e.g., revocable grantor trusts, IRAs or certain estate planning vehicles).

² This Privacy Notice is also being provided to you on behalf of, and with respect to, all management companies and fund general partners affiliated with such entities.