

Item 1. Cover Page

Pamlico Capital Management, LP

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March 28, 2024

Part 2A of Form ADV: Firm Brochure

This brochure provides information about the qualifications and business practices of Pamlico Capital Management, LP. If you have any questions about the contents of this brochure, please contact us at 704-414-7150. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Pamlico Capital Management, LP is also available on the SEC’s website at www.adviserinfo.sec.gov. An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

Item 2. Material Changes

There are no material changes to report since the filing of our last brochure in March 2023.

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Item 4. Advisory Business

Pamlico Capital Management, LP (“Pamlico Capital” or the “Firm”) was formed in March 2010 to provide investment advisory services to private investment funds. The Firm is 99% owned by seven of its most senior investment professionals, Frederick W. Eubank II, L. Watts Hamrick III, Scott B. Perper, Arthur C. Roselle, Walker C. Simmons, Scott R. Stevens, and Eric J. Wilkins. The remaining 1% of the Firm is owned by its general partner, Pamlico Holdings, Inc., which is entirely owned by the same seven individuals.

The funds we advise (“Pamlico Funds” or “Funds”) are privately offered pooled investment vehicles, each of which has as its investors a limited number of sophisticated institutional or otherwise highly sophisticated investors. In limited circumstances, as more fully described in Item 7, we also permit certain investors and third parties to co-invest alongside a Fund directly into a portfolio company or its holding or operating company. Such co-investments are not Funds or clients of Pamlico Capital.

Each Fund is controlled by a general partner (a “General Partner”) which has the authority to make investment decisions on behalf of the Funds. Pursuant to SEC guidance, the General Partners are deemed registered under the Investment Advisers Act of 1940, as amended (the “Advisers Act”) pursuant to Pamlico Capital’s registration. The applicable General Partner of each Fund retains investment discretion and investors in the Funds do not participate in the control or management of the Funds.

The Funds’ primary investment focus is control and significant minority investments in lower middle market companies, with a particular focus on the healthcare, communications, and business and technology services industries. The advisory services we provide to the Funds include identifying and screening potential investments, determining strategies for the management and disposition of investments, executing acquisitions and dispositions of investments, monitoring the performance of portfolio companies, and managing investor relations and reporting.

Pamlico Capital tailors its investment advice to each of its clients. In the case of the Funds, which are currently our only clients, our services are tailored to each Fund’s investment strategy and to certain investment limitations, all of which are set forth in the governing and offering documents provided to and negotiated with investors in each Fund.

As of December 31, 2023, Pamlico Capital managed \$3,408,698,351 of regulatory assets under management, all on a discretionary basis; Pamlico Capital does not manage any client assets on a non-discretionary basis. Pamlico Capital does not participate in wrap fee programs.

Item 5. Fees and Compensation

For the Pamlico funds that pay management fees, they do so on a quarterly basis in advance. Management fees are generally calculated separately in respect of each limited partner in each Fund. Clients and investors should review the Fund partnership agreements for full details as to how management fees are calculated, but generally, the management fee payable with respect to each limited partner in each of our Funds is:

- During the “investment period” for the applicable Pamlico Fund, a percentage of the limited partner’s capital commitment to the Fund, and
- Thereafter, a percentage of the limited partner’s outstanding invested capital in the Fund, which in some cases will be adjusted for events such as dividends, recapitalizations, write-downs (whether temporary or permanent), in each case as determined by the General Partner in its full discretion.

The management fee percentage varies from one Fund to the next, or at different times over the term of a Fund, but is generally 2.0% per annum or less. Management fees paid by the Pamlico Funds are offset by, as applicable: (i) the amount of fees paid by a Fund to entities or persons acting as a placement agent in connection with the offer and sale of interests in such Fund; (ii) costs incurred by Pamlico Capital in connection with the organization of a Fund that exceed a limit as specified in such Fund’s governing documents; and (iii) a portion of certain fees paid to Pamlico Capital with respect to investments made or proposed to be made by the relevant Fund, if applicable.

All management fees were negotiated with investors during the fundraising period of the applicable Fund and are not intended to be subject to negotiation thereafter. Investors participating in a subsequent closing after the initial closing of a Fund are responsible for paying the management fee as of the date of the initial closing of such Fund, plus interest, as applicable. In addition, management fees are payable during term extensions unless otherwise agreed with or notified to investors.

The General Partners are permitted, in their sole discretion, to reduce, defer, or waive all or a portion of the management fee. Management fees can differ from one Fund to another as well as among investors in the same Fund. Such differences can arise from the size or type of an investor’s commitment to a Fund, provisions of side letter agreements, or other negotiated terms. Management fees are waived for the General Partner, although such General Partner generally pays its pro rata share of certain Fund expenses. Management fees are also waived for investors participating in an Executive Fund, who similarly pay their pro rata share of certain Fund expenses.

We bill each Fund for the management fees it owes quarterly in advance, and we cause each Fund to pay these fees by issuing capital calls to the Fund’s investors or by using cash otherwise available to the Fund, usually from investment realizations/distributions or from credit facilities maintained by the Fund. The only circumstance under which we would return prepaid management fees to a Fund is upon the removal of the Fund’s General Partner and the termination of our engagement as investment adviser, in which case we would return the unearned portion of the quarterly prepaid management fee to the Fund.

Each Fund’s General Partner is entitled to receive payment of performance-based fees, or “carried interest,” as discussed further in Item 6.

We use the management fees we earn from the Funds to pay certain administrative costs and expenses attributable to the operation of the Firm and the Funds, such as rent, utilities, office supplies, office equipment, advertising, certain travel and entertainment expenses, and employee compensation (which in certain circumstances is permitted to be reimbursed to us by a portfolio company). Pamlico also bears the cost of firm-related compliance matters such as retaining consultants and/or bearing fees related to cybersecurity, regulatory exams and corresponding conferences that expand the general knowledge of our employees. Pamlico also employs and bears the compensation expenses of a group of operating

professionals and the retainer payments of its Advisory Board who also support Pamlico's portfolio companies' with operating and consulting needs. In such circumstances, Pamlico has the right, but not the obligation, to seek fee reimbursements from its portfolio companies or Funds based on comparable, third-party market rates if such resources (operating professionals and/or Advisory Board members in their capacity as consultants) are utilized by a portfolio company or Fund. Each Pamlico Fund bears all other expenses, fees, charges, and liabilities incurred in connection with the conduct of its affairs and the management of its business and investments, including but not limited to, all out-of-pocket expenses related to the sourcing, evaluation, negotiation, financing, acquisition, management, monitoring, and sale or other disposal of investments (whether or not consummated). This includes expenses incurred by Pamlico related to travel, software, consulting and/or operating professionals fees, industry research and market data, industry conferences, any brokerage-related fees or expenses incurred in connection with the purchase or sale of securities, legal, auditing, accounting, valuation, recruiting, buy-side investment banking, and other expenses of third parties retained by or on behalf of the Fund. Pamlico Funds will also bear all litigation-related and indemnification liabilities and expenses, including amounts payable in connection with indemnification obligations or the settlement thereof, insurance premiums and related costs incurred in connection with the business of the Fund, its Advisory Committee, and its portfolio companies, all taxes (if any) payable by the Fund, and all recordkeeping, reporting and tax preparation and other administrative fees and expenses, including associated software charges, organizational and offering expenses of the Fund (including expenses incurred in connection with the establishment, maintenance and use of any affiliated vehicle), and the General Partner, including placement agent fees and expenses. Pamlico Funds will also bear all costs associated with holding meetings of the Limited Partners, the Advisory Committee of the respective Fund, and hosting or attending executive summits (which may include travel and related expenses for meetings of the Advisory Committee and travel, fees and other expenses for speakers and certain others invited to attend or participate in meetings). Each Pamlico Fund will also bear all principal, interest, and fees and expenses arising out of all Fund borrowings and credit facilities (including the arranging and subsequent modification thereof) as well as costs associated with transfers of interests, to the extent not paid by the transferor or transferee, and all other out-of-pocket expenses relating to the partnership and its related portfolio companies or that are otherwise authorized to be incurred under the respective Limited Partnership Agreement. The offering documents for each Pamlico Fund contain additional details about the expenses that may be borne by the Fund and should be reviewed carefully by prospective investors.

Neither Pamlico Capital nor any of its supervised persons accepts compensation for the sale of securities or other investment products. However, as mentioned above, on occasion we receive management, transaction-related services, break-up, monitoring, directors, or other similar fees from the Funds' portfolio companies or in relation to prospective investments by the Funds. In the case of investments or prospective investments made or to be made by any Pamlico Fund that bears management fees, all, or a portion of any such other fees offsets the management fee otherwise payable by the Fund that holds or was contemplating an investment in the relevant portfolio company. With respect to investments or prospective investments by any Pamlico Fund that does not bear management fees, the Firm is generally entitled to retain any such other fees earned which are in excess of certain expenses paid by Pamlico Capital on behalf of such Fund.

For additional information regarding brokerage practices, please see Item 12.

Item 6. Performance-Based Fees and Side-by-Side Management

Each of the Pamlico Funds is subject to a “carried interest” (i.e., a performance fee) when the Fund has returned to its investors certain amounts of capital contributed by them to the Fund and a specified “preferred return” thereon. The carried interest is calculated as a percentage of the Fund’s net profits and is payable to the general partner of the Fund, and each Fund’s general partner is an affiliate of Pamlico Capital. The general partner is not entitled to carried interest based on changes in investment valuations, but only in the event cash or other proceeds are realized by the Fund from underlying investment activity, and then only after certain distributions have first been made to investors in the Fund.

Similar to management fees, the relevant General Partner is entitled to agree to lower carried interest with certain Funds and/or investors in the Funds.

We do not currently manage accounts that are charged a performance fee alongside other accounts that are not. Moreover, to-date, whenever we have managed Funds with overlapping investment periods, the governing documents of those Funds have included detailed, negotiated provisions regarding the allocation of investment opportunities between them, minimizing any conflict of interest that might otherwise arise in allocating investment opportunities to client accounts based on the likelihood that we will earn performance-based fees or the amount thereof. A potential conflict of interest that does arise from our charging performance-based fees is that it may create an incentive for Pamlico Capital to cause the Pamlico Funds to engage in riskier investment behavior due to the higher return potential.

Item 7. Types of Clients

As stated previously, we currently provide investment advisory services to private investment funds. We provide investment advice directly to the Pamlico Funds, and not individually to investors in the Funds.

Interests in the Pamlico Funds were offered privately to institutional or otherwise highly sophisticated investors pursuant to applicable exemptions from registration under federal securities laws.

Although we do not impose minimum dollar values for client accounts, minimum investment commitments (waivable by a Fund’s general partner) may be established for limited partners in Pamlico Funds.

We will generally pursue all appropriate investment opportunities through the Fund vehicles, subject to certain limited exceptions. From time to time, however, we require additional capital in order to complete a portfolio company transaction and in such cases, reach out to select investors and third parties for additional capital. These co-investments are not managed by Pamlico Capital, are not subject to custody by Pamlico Capital and are not deemed to be clients of Pamlico Capital. Nevertheless, we will perform management, advisory and other services for the portfolio companies in which these co-investment vehicles invest alongside the Funds, generally at no additional cost to such vehicles except portfolio company fees and expenses (which such expenses are recorded at the portfolio company).

Co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as a Fund making the investment (with their own economics negotiated separately from the Fund). However, from time to time, for strategic and other reasons, a co-

investor can purchase a portion of an investment from a Fund after such Fund has consummated its investment in the portfolio company (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investor generally occurs shortly after the Fund's completion of the investment; however, in certain instances, a post-closing sell-down or transfer could occur well after the Fund's initial purchase. When co-investors purchase their interest from a Fund after the Fund has consummated the investment, the price paid by co-investors is typically determined by the Fund's General Partner in its sole discretion. Where appropriate, and in our sole discretion, we reserve the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund. The price may not reflect the full cost incurred by the Fund in connection with the investment, any interest charge on the co-investment amount, the cost of establishing the credit facility utilized to acquire the portfolio company (if applicable) or the risk borne by the Fund in connection with purchasing and warehousing the investment. The Funds will bear the risk that any co-investors acquiring an interest in an investment after the closing of such investment will acquire such interest on terms that do not reflect the full reimbursement of prior expense incurred by the Fund.

In either case, potential co-investors typically do not bear any transaction costs of investments that are not consummated and are not subject generally to the same risks to which a Fund is throughout the investment process. We seek to address any potential conflict of interest by investing in accordance with our policies and procedures governing investment allocation and co-investments. In addition, to the extent that we engage in a secondary liquidity transaction in connection with an investment, co-investors will not necessarily receive the same liquidity options as investors in a Fund and may therefore be compelled to receive cash or continue to hold an interest in the investment, depending on the particular facts of the transaction.

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

Our primary business is advising the Pamlico Funds with respect to the evaluation, management, and liquidation of their investments. The Funds invest primarily in lower middle market companies in the United States that have total revenues of \$10 million to \$150 million. Most initial investment transactions require equity investments between \$50 million and \$150 million. We seek companies we believe will generate returns through growth, and we prefer to have a majority or significant minority ownership position in each portfolio company. We try to help portfolio companies make strategic decisions that will ultimately lead to growth and increased value, typically through the service of representatives of Pamlico Capital on portfolio company boards of directors. We invest with the expectation of a long-term hold and an idea of how we will exit each investment.

We approach each new investment with an extensive underwriting process that includes a fundamental analysis of a target investment's position and prospects. This analysis typically includes the following: the development of financial projections and models to document potential growth plans; analysis of the portfolio company's market and its competitive position in that market; meetings with portfolio company management; customer reference and other background checks; industry analysis and research; regulatory and environmental analysis/research; and financial accounting and tax due diligence. All information

collected on a contemplated portfolio company is summarized and presented to the investment committee for the relevant Pamlico Fund, which makes all final investment decisions. Currently, the investment committee for each Pamlico Fund consists of five to seven senior investment partners of the firm.

Despite our extensive due diligence procedures, investing in private equity securities involves a risk of loss that investors should be prepared to bear, up to and including the entire amount of the client's investment (or an investor's investment in a Fund). There are also other risks that are inherent in private equity investing and that investors are made aware of prior to investing into a particular Pamlico Fund. Such risks include, but are not necessarily limited to, the following:

Fund Investment Risk – The market for attractive investment opportunities is highly competitive. Our ability to compete depends on factors such as the retention of our personnel, our ability to identify, analyze and secure investments within a prescribed investing period, our ability to execute on our investment strategy for each portfolio company, and factors beyond our control (i.e., market, economic and regulatory changes). These items, collectively or individually, may have an impact on the performance of a Pamlico Fund.

Portfolio Company Risk – Each portfolio company within a Fund has its own inherent risks. The success of an investment within a Pamlico Fund is dependent upon the strength of the underlying management team, leverage, financial results, regulatory changes, competition, economic factors, etc. While our underwriting process is designed to identify and address risks inherent in any portfolio company, any significant disruption to a portfolio company in relation to one of the items listed above can have a potential impact on the ability of a Pamlico Fund to realize positive returns on its investment.

Economic and Market Risks – The health of the U.S. and global economies and general market conditions can have an unexpected impact on any individual portfolio company or Pamlico Fund. Economic and market conditions can impact our ability to invest in new portfolio companies, realize existing investments, raise capital for a portfolio company or refinance a portfolio company investment (including our ability to access debt markets at consistent or improved rates of interest), and execute on growth strategies of individual portfolio companies. In addition, specific events can occur that can contribute to unforeseen economic and market risks on both a domestic and global basis for a Pamlico Fund and/or any of its underlying portfolio investments. Examples include, but are not limited to, acts of God, fire, flood, earthquakes, outbreaks of infectious disease, pandemic or any other serious health concern, war, terrorism, labor strikes, failure of technology, accidents, government macroeconomic policies, social instability, etc. Such unforeseen events could adversely impact the performance results of a Pamlico Fund or any of its underlying portfolio investments.

Reliance on Management – The success of any Pamlico Fund will depend on the ability of Pamlico Capital to identify, manage, and consummate investments for the Fund, to assist in decisions that lead to the growth of such investments and to liquidate such investments at a point in time that can add the most value to the Fund. The loss of services of one or more members of our professional staff could have an adverse impact on a Fund's ability to realize its investment objective. In addition, all officers and employees responsible for managing a particular Pamlico Fund will continue to have responsibilities with respect to other Funds and accounts managed by Pamlico Capital, as well as with respect to current and future fund raising. The ability of Pamlico Capital to continue to raise capital for future Pamlico Funds is

a critical component to the longevity of Pamlico Capital and the retention of its employees and investment professionals.

Illiquidity of Investments – The illiquidity of investments is a risk factor at both the Pamlico Fund level and the portfolio company level. Pamlico Fund investors are restricted in their ability to sell, assign, exchange or transfer their interests in, or to withdraw from, a Pamlico Fund. As such, investors must be willing to bear the risk of owning their interests and funding their commitments for an extended period of time. The Pamlico Funds are not registered under the Investment Company Act of 1940, and therefore, do not afford their investors the protections of such regulatory statutes.

The investments of a Pamlico Fund are also generally illiquid. Portfolio company securities are often subject to trading restrictions under U.S. securities law and typically consist of unregistered securities that cannot be sold publicly. Even public securities held by a Pamlico Fund (usually received through merger or acquisition activity or through an initial public offering) may be subject to lock-up provisions preventing their sale, Rule 144 of the Securities Act of 1933, or practical limitations on their sale resulting from the size of Pamlico Capital's position as compared to the typical trading volume of the security. The limitations surrounding the sale of a security in a Pamlico Fund could prevent the successful sale of the security at a time that is most beneficial to the Fund.

Limited Number of Investments – Each Pamlico Fund will make a limited number of investments and, as a consequence, the aggregate return of each Fund may be materially adversely affected by the unfavorable performance of any one investment.

Lack of Liquidity of Investments – Most of a Fund's investments will be in privately owned companies, and such investments will be illiquid and subject to restrictions on resale. The illiquidity of most of a Fund's investments may adversely affect the ability of the Fund to dispose of such investments in a timely manner and at a fair price when Pamlico deems it necessary or preferable.

Lack of Diversification – While we attempt to construct for each Pamlico Fund a diversified portfolio of investments within the Fund's investment strategy, we do not attempt to create diversified portfolios across investment strategies or even within private equity generally. We do not purport to provide a complete investment program for any of our clients or investors.

Unidentified Investments – The activity of identifying, completing, and realizing attractive investments is highly competitive and involves a high degree of uncertainty. There can be no assurance that we will be able to identify and complete investments that meet any particular client's investment objectives.

Limited Information Regarding Portfolio Companies – Generally, there will be little or no publicly available information about the portfolio companies in which a Fund will invest. As a result, the Fund must rely on Pamlico's diligence efforts, and the diligence efforts of others, to obtain the information necessary for an investment decision. There can be no assurance that such diligence efforts will uncover all material information necessary to make fully informed investment decisions.

Reliance on Portfolio Company Management – The success of a Fund's investments depends significantly on the expertise of portfolio company management teams, and there can be no assurance that any company will be operated in a manner that allows the Fund to achieve its investment objectives. In addition, the

death, disability, or resignation of one or more members of a portfolio company's management team could materially and adversely affect the company and, ultimately, a Fund's investment therein.

Risks of Investing in Lower Middle Market Companies – Investments in smaller companies of the type a Fund expects to target may be riskier in general than investments in larger companies. In general, as compared to larger companies, lower middle market companies may have more limited financial resources and borrowing options, may be more exposed to general economic downturns, and may be more susceptible to acute financial damage resulting from relatively unpredictable one-time events, such as litigation or the death of a company's founder. A Fund may also have less information about the historical performance and operations of its portfolio companies than would be the case if it invested in larger companies.

Transactions Among Pamlico Capital Funds – It is possible that a portion of one Fund's investments will be made in or with a portfolio company of another Fund. For example, Pamlico Capital could determine that a Fund should invest in an existing portfolio company of another Fund. Any investment by a Fund in an entity in which another Fund has a pre-existing investment (or vice versa) could be viewed, especially in hindsight, to have been made based on a non-arm length valuation. Similarly, a Fund can later invest in entities in which another Fund has invested, which can have an effect (either positive or negative) on the market value of such Fund's investments. Pamlico Capital reserves the right to make independent decisions regarding recommendations for when a Fund should purchase and sell investments. As a result, it is possible that a Fund will be purchasing an investment at a time when another Fund is selling the same or a similar investment, or vice versa. Any time subjective allocations of investments are required by Pamlico, they are made in good faith, but there can be no assurance that the return on one Fund's investments will not be less than the returns obtained by other Funds participating in the investment.

Conflicts Related to the Interpretation of Governing Documents and Other Legal Requirements – The governing documents of each Fund and related documents are detailed agreements that establish complex arrangements among Pamlico Capital, the investors, the Fund, the General Partner and other entities and individuals. Questions can arise under these agreements regarding the parties' rights and obligations in certain situations, some of which will not have been contemplated at the time of the agreements' drafting and execution. While Pamlico Capital will construe the relevant agreements in good faith and in a manner consistent with its legal obligations, the interpretations Pamlico Capital adopts will not necessarily be, and need not be, the interpretations that are the most favorable to the Funds or their investors.

Item 9. Disciplinary Information

There are no legal or disciplinary events that are material to any client's or prospective client's evaluation of our advisory business or the integrity of our management that require disclosure in this brochure.

Item 10. Other Financial Industry Activities and Affiliations

Neither Pamlico Capital nor any of its management persons is, plans, or has a pending application to be registered as a broker-dealer, a representative of a broker-dealer, a futures commission merchant, a commodity pool operator, a commodity trading advisor, or otherwise.

As described elsewhere in this brochure, Pamlico Capital manages private investments funds, and affiliates of Pamlico Capital serve as the General Partners of these funds. These General Partners are deemed registered with the SEC under the Advisers Act pursuant to Pamlico Capital's registration, in accordance with SEC guidance. Except for these relationships, neither Pamlico Capital nor any of its management persons has any relationship or arrangement that is material to its advisory business or its clients with any related person that is a broker-dealer, municipal securities dealer, or government securities dealer or broker; an investment company or other pooled investment vehicle; another investment adviser or financial planner; a futures commission merchant, introducing broker, commodity pool operator, or commodity trading advisor; a banking or thrift institution; an accountant or accounting firm; a lawyer or law firm; an insurance company or agency; a pension consultant; a real estate broker or dealer; or a sponsor or syndicator of limited partnerships.

We do not recommend or select other investment advisers for any of our clients and, therefore, we do not directly or indirectly receive compensation from those advisers.

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

The following is a summary of our code of ethics, a copy of which will be provided to any client, prospective client, or investor upon request:

In accordance with Advisers Act Rule 204A-1 under the Investment Advisers Act, our code of ethics includes:

- Standards of business conduct that we require of our employees, reflecting our fiduciary obligations and those of our supervised persons and requiring us to put the interests of our clients first;
- Provisions requiring our supervised persons to comply with applicable securities laws;
- Provisions requiring all of our employees to report, and us to review, their personal securities transactions and holdings on a quarterly and annual basis, and to obtain our prior approval before engaging in certain personal security transactions;
- Provisions requiring our employees to report any violations of our code of ethics promptly to our chief compliance officer or other appropriate persons and prohibiting retaliation for such reports;
- Provisions requiring us to provide our employees with a copy of our code of ethics and any amendments, and requiring them to acknowledge their receipt of and compliance with such code.

We expect all members of the Firm to act with integrity, competence, dignity, and in an ethical manner when conducting personal or business-related activities, which includes, but is not limited to interaction

with the public, Pamlico Fund investors, portfolio companies, prospective portfolio companies, the Firm, and other Pamlico personnel/employees. We also expect all of our personnel to adhere to the highest standards with respect to any potential or perceived conflicts of interest with any party.

Other topics covered by our code of ethics include confidentiality, insider trading, directorships, gifts and entertainment, political contributions, and outside business activities of employees.

Personal securities transactions by employees may raise potential conflicts of interest, so we have adopted policies and procedures intended to address these potential conflicts of interest. These policies and procedures require, among other things:

- periodic reviews of employee personal securities transactions and holdings;
- that employees not trade in any securities of issuers as to which they or any other employee has material non-public information;
- obtain prior approval of its chief compliance officer or the chief operating officer or a member of the Firm's board of directors before any personal transaction is executed involving securities listed on the Firm's restricted securities list, which includes public companies for which a Pamlico Fund holds an investment, for which Pamlico has non-public information and/or, if the public company is affiliated (directly or indirectly) with a prospective portfolio company investment that Pamlico is evaluating as a fund investment;
- obtain prior approval of its chief compliance officer or the chief operating officer of a member of the Firm's board of directors before any acquisition of shares in any initial public offering or any private offering; and
- the maintenance of comprehensive records about the foregoing.

As a general rule, we will approve, an employee's personal transaction involving securities issued by any portfolio company or prospective portfolio company of a Fund only if the employee's transaction would not be likely to be viewed as trading against the Fund or in a manner that is materially different from the Fund's historical and intended trading activity and we deem it unlikely that the employee's personal holdings of the security would affect the employee's judgment in participating in the management of the Fund. In all circumstances, an employee must put the interests of our clients and investors above his or her own personal interests at all times.

The principals and employees of Pamlico Capital will occasionally carry on investment activities for their own account and for family members, and in connection therewith, can potentially give advice and recommend securities which differs from advice given to, or securities recommended or bought for, the Funds, even if their investment objectives are the same or similar. In addition, consistent with the governing documents, principals and employees are permitted to buy securities in transactions offered to, but rejected by, the Funds or that are outside the investment mandate of the Funds.

Section 206(3) of the Advisers Act generally prohibits investment advisers from engaging in principal, cross and agency cross transactions without the appropriate disclosure and consent. Pamlico Capital will only enter into a principal, cross or agency cross transaction with the appropriate disclosure and consent.

In the event Pamlico Capital were to recommend a principal transaction or cross transaction, it would only be after: (i) the Firm has determined the transaction to be in the best interest of participating clients; (ii) the transaction is permitted by the relevant governing documents; (iii) proper disclosure is given to the relevant General Partner, advisory committee or investors, as appropriate; (iv) consent is obtained from the appropriate parties; and (v) the Firm ensures that best execution is achieved for the transaction.

Item 12. Brokerage Practices

While Pamlico Capital generally focuses on securities transactions in private companies and purchases and sells such companies through privately negotiated transactions, the Funds are permitted to engage broker-dealers and investment bankers to perform various services for the Funds and portfolio companies, such as assisting in the purchase or sale of a private portfolio company, assisting in the purchase or sale of shares of securities of a public portfolio company or purchasing or selling publicly traded securities. Pamlico Capital has sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker-dealer or investment banker, if any, to be used to effect transactions for the Funds. In executing transactions, Pamlico Capital will seek best execution of the transaction. Best execution is a qualitative assessment that takes into account the full range and quality of a broker-dealer or investment banker's services and is satisfied by obtaining the most advantageous overall terms for the Fund(s) when weighing all factors relevant to the transaction. Best execution is therefore not necessarily determined by lowest possible commission rates.

Whether for private or public securities transactions, Pamlico Capital selects a broker-dealer or investment banker based on Pamlico Capital's judgment regarding a variety of factors, including but not limited to: Pamlico Capital's prior experience in working with the broker-dealer or investment banker; the broker-dealer or investment banker's execution capability, financial responsibility, reputation and expertise within the industry; the broker-dealer or investment banker's responsiveness to the Firm; the broker-dealer or investment banker's expertise in dealing with investments that are restrictive or illiquid in nature; the type and size of the transaction involved; the value of any research services providers; and the commission rates, among other factors.

Although Pamlico Capital generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent, especially in private securities transactions that rely heavily on the specialty services or experience of a broker-dealer or investment banker that operate outside of a competitive bidding environment. Transactions that involve such specialized services on the part of the broker-dealer or investment banker can thereby entail higher commissions, or their equivalents, than would be the case with other transactions requiring more routine services.

Item 13. Review of Accounts

The portfolio investments of each Pamlico Fund are continuously reviewed by a team of investment professionals. Each investment is managed and reviewed by a team that includes at least one partner and is responsible for the ongoing oversight of an investment. We hold regularly scheduled meetings (usually weekly) to discuss portfolio investments in general or on an as-needed basis for more specific issues. On a quarterly basis, at a minimum, our partners and finance professionals meet with the investment teams to

discuss each investment for valuation purposes and to gain an understanding of any current events that are occurring at the portfolio company level. At least two of our partners also meet at least semi-annually with the limited partner advisory committees of the Pamlico Funds to provide investors with an update of portfolio company events, Fund performance, and valuation processes and decisioning.

On a quarterly basis, we issue written reports for each Pamlico Fund that include updates for each portfolio company and financial statements for the Fund. We provide these reports to all of the investors in each Pamlico Fund. Unaudited quarterly financial statements are issued within 45 days of a quarter end for the first three quarters of the calendar year and within 60 days after year end. Audited financial statements are also issued to investors within 90 days of year end. In addition, Pamlico provides investors with written and verbal portfolio updates through quarterly letters, annual investor meetings/presentations, and other material provided through a web-based reporting application specifically designed to keep investors informed.

Item 14. Client Referrals and Other Compensation

We do not receive any economic benefit from anyone other than our clients for providing investment advice or other advisory services to our clients. In addition, we have never compensated any person for client referrals. We have previously retained a placement agent to assist with fundraising for some of the existing Pamlico Funds and in connection therewith, have paid the placement agent a fee on behalf of those investors subscribing to a Pamlico Fund. Placement agent fees are either borne by us or paid by a Fund and offset dollar-for-dollar against the Fund's management fee.

Item 15. Custody

We (or the general partners of the Funds, which are our related parties) have custody of the assets of the Pamlico Funds and maintain assets with one or more qualified custodians as and to the extent required by Advisers Act Rule 206(4)-2 under the Investment Advisers Act (the "Custody Rule"). To comply with the "Custody Rule", we have elected to undergo an annual GAAP financial statement audit by an independent public accountant registered with and subject to examination by the Public Company Accounting Oversight Board for each of the Funds over which we are deemed to have custody, copies of which are (or will be, for newly closed Funds) delivered to the Funds and their respective investors within 90 days of fiscal year end.

We hold cash and cash equivalents of each Pamlico Fund in separate bank accounts and, when applicable, we would hold a Fund's public securities in a separate brokerage account. The security holdings of each Pamlico Fund are reported to investors on a quarterly basis as part of the Fund's financial statements, and such holdings are subject to audit confirmation on an annual basis by our independent accounting firm. Because we provide audited financial statements for each Pamlico Fund to investors within 90 days of each calendar year end, investors do not receive reports directly from Pamlico Capital's qualified custodians.

Item 16. Investment Discretion

The Firm's only clients are the Pamlico Funds. The Firm has discretionary authority to manage the assets of each Fund. This discretionary authority and any investment restrictions or other limitations on that authority are memorialized in the legal and other offering documents for the relevant Fund, which are negotiated with investors prior to their making a commitment to invest in the Fund. Such legal documents generally contain a power of attorney which grants us, and the Fund's General Partner, certain powers related to the orderly administration of the Fund.

Item 17. Voting Client Securities

We (or the general partners of the Funds, which are our related parties) have the authority to vote all securities held by the Pamlico Funds, which we do in accordance with a proxy voting policy we adopted in accordance with Advisers Act Rule 206(4)-6 under the Investment Advisers Act. Pursuant to our proxy voting policy, we vote the Funds' securities in accordance with what we consider to be in the best interests of the Fund, taking into account such factors as we deem relevant under the circumstances. The Funds and investors in the Funds do not have the ability to direct how we vote Fund securities.

If a conflict of interest were to arise between Pamlico Capital and a Pamlico Fund when voting the Fund's securities, we would nevertheless vote in the client's best interests. In determining what is in the best interest of a Fund, we would be sure to act in conformity with any applicable requirements of the Fund's governing documents and might consult with, or seek approval of the voting decision from, the Fund's limited partner advisory committee, if necessary.

Any of our clients or investors are able to obtain a copy of our written proxy voting policies and procedures upon request by contacting the chief compliance officer as follows:

Pamlico Capital Management, LP
Attention: Tracey Chaffin
150 N. College Street, Suite 2400
Charlotte, NC 28202

Item 18. Financial Information

We do not solicit fees from clients more than six months in advance, are not aware of any financial condition that is reasonably likely to impair our ability to meet contractual commitments to our clients and have not been the subject of bankruptcy; therefore Item 18 is not applicable.

Item 19. Requirements for State-Registered Advisers

Pamlico Capital is not a state-registered adviser, therefore Item 19 is not applicable.