



**PRCE MANAGEMENT, LLC**  
**Form ADV 2A Disclosure Brochure**

(CRD #312533 / SEC #801-122233)

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This Form ADV Part 2A Brochure (or "Brochure") provides information about the qualifications and business practices of **PRCE Management, LLC**, an investment adviser registered with the United States Securities and Exchange Commission. If you have any questions about this Brochure's contents, please contact us at (770) 777-9373 or by email at [jholman@phorcysam.com](mailto:jholman@phorcysam.com).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or any state securities authority. Nothing in this document is to be construed as a recommendation or an endorsement by the SEC or any state securities authority or an offer of securities; please refer to the actual investment offering and related legal documentation for complete disclosures. Registration with the SEC or any reference to or use of the terms "registered investment adviser" or "registered" does not imply that **PRCE Management, LLC** or any associated person has achieved a certain level of skill or training. Investments involve risk, including the possible loss of principal. An adviser's written, and oral communications provide you with information to determine whether to retain their services. This Brochure is on file with the appropriate regulatory authorities as federal and state regulations require.

Additional information about our Firm is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

*(Click on the link, select "Investment Adviser- Firm," and type in the firm name or CRD #312533.  
Results will provide you with our Firm disclosure brochures.)*

## Item 2: Material Changes

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**PRCE Management, LLC** ("PRCE") reviews its Form ADV Part 2A Brochure at least annually to confirm it remains current. In this item, we are required to summarize only those material changes made to our Brochure since our last annual updating amendment on April 3, 2023. If you are receiving this document for the first time, this section may not be relevant to you.

Since our last annual update, revisions have been made to the following Brochure sections:

### *Item 4: Advisory Business*

#### *Direct Owners / Executive Officers*

Due to the unfortunate and unexpected passing of Mr. Benjamin T. Eiler in December 2023, we removed his name as Managing Director as of December 21, 2023. His ownership shares will remain under the name of his estate while it is being settled.

### *Assets Under Management*

As of December 31, 2023, PRCE manages \$38,000,000 on a discretionary basis and \$0 on a non-discretionary basis.

PRCE removed references to "PRCE Affiliates" from the Brochure.

### *Enhancement to ADV Disclosures*

In addition to the above, PRCE amended this Brochure to include expanded disclosures and details on its advisory practices and made aesthetic and formatting changes. While the explanatory edits and added notes may not necessarily be material in nature, the enhancements are intended to better aid investors in understanding the Firm's business model, procedures, and services.

### *Full Brochure Availability*

We may, at any time, amend this document to reflect changes in PRCE's business practices, policies, procedures, or updates as mandated by securities regulators. Annually and as necessary, due to material changes, we will provide clients (either by electronic means or hard copy) with a new Brochure or a summary of material changes from the document previously supplied, with an offer to deliver a full Brochure upon request. Please retain this for future reference as it contains essential information concerning our advisory services and business.

You can view our current disclosure documents at the SEC's Investment Adviser Public Disclosure ("IAPD") website at <http://www.adviserinfo.sec.gov> by searching our name or CRD #312533. The SEC's website also provides information about any PRCE-affiliated person registered or required to be registered as an Investment Advisor Representative of the Firm. You may also request a copy free of charge by contacting us at (770) 777-9373 or by email at [jholman@phorcysam.com](mailto:jholman@phorcysam.com).

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## Item 4: Advisory Business

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**PRCE Management, LLC** ("PRCE") is an alternative investment management firm headquartered in Alpharetta, Georgia, focused on investing in closed-end mutual funds mainly based in Puerto Rico, the portfolios of which are composed of government-owned corporations, tax revenue bonds and mortgage-backed securities. PRCE commenced operations in August 2020.

The principal owners of PCP are Vasileios A. Sfyris, W. Heath Hawk and The Estate of Benjamin T. Eiler.

Presently, PRCE serves as a manager for Ocean Capital LLC, a private pooled investment vehicle (the "PRCE Fund"), and provides its services on a discretionary basis. In the future, PRCE may advise separately managed accounts in addition to other pooled investment vehicles.

Investors and prospective investors in the PRCE Fund should refer to the confidential private offering memorandum, limited liability company agreement and/or other governing documents for the vehicle (the "Governing Documents") for more complete information on the investment objectives and investment restrictions with respect to the PRCE Fund. In addition, the scope of the services provided to each client is governed by the terms and conditions of the client's investment management agreement and may differ between clients. There is no assurance that the PRCE Fund's investment objectives will be achieved.

PRCE does not participate in, nor is it a sponsor of, wrap fee programs.

As of December 31, 2023, PRCE manages \$38,000,000 on a discretionary basis and \$0 on a non-discretionary basis.

## Item 5: Fees & Compensation

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### Compensation & Fee Schedules

The compensation and fees applicable to the PRCE Fund are outlined in detail in the PRCE Fund's Governing Documents. A brief summary of that compensation and those fees is provided below.

In the event of a disposition of any asset of the PRCE Fund as set forth in its Governing Documents, PRCE will receive a distribution from the PRCE Fund in an amount equal to 25% of the amount of the appreciation in respect to the disposition (the "Shared Appreciation"). This will be the only type of compensation paid to PRCE by the PRCE Fund.

In the future, other compensation and fees may be charged to investors in other funds managed by PRCE and other clients, including management and performance fees. Compensation and fees are negotiable and are determined on a case-by-case basis with each client based on the scope of investment advisory services to be provided. Management fees and performance fees assessed for the funds or separately managed accounts advised by PRCE will be determined by PRCE and set forth in detail in such Fund's Governing Documents and the investment management agreements related to such accounts.

PRCE may, and in some cases has, enter into "side letters" or similar agreements with certain investors in the PRCE Fund, granting such investors specific rights, benefits, or privileges that are not made available to other investors in the PRCE Fund or providing certain other rights related to such investors' investments, including but not limited to, more favorable terms relating to information, fees and liquidity.

### Deduction of Fees

PRCE does not have the ability to deduct fees or other compensation from the PRCE Fund's assets. PRCE does not currently bill fees in advance.

### Other Fees & Expenses

In addition to the Shared Appreciation payable to PRCE, the PRCE Fund (with certain exceptions described in the Governing Documents) pays for all reasonable costs and expenses incurred in connection with the investments in their accounts, including (but not limited to) all costs and expenses associated with negotiating and entering into contracts and arrangements in the ordinary course of the PRCE Fund's business, all continuing costs and expenses of the offering or sale of the PRCE Fund's interests (including without limitation fees and expenses of attorneys and accountants, filing fees, printing and mailing costs), all

costs and expenses of third party administrators retained for PRCE Fund purposes, all costs and premiums of any fidelity and performance bonds and general partner, liability and errors and omissions insurance coverage obtained in PRCE's reasonable discretion, all legal, accounting, brokerage and other professional, expert and consulting fees and expenses arising in connection with the PRCE Fund's business, all interest on PRCE Fund borrowings and other obligations, any taxes payable by the Fund, all extraordinary expenses of the PRCE Fund, such as litigation costs, and all other PRCE Fund custodial, offering, operating and portfolio transaction costs and expenses.

The section below, titled "Brokerage Practices," describes the factors PRCE considers in selecting or recommending broker-dealers and determining the reasonableness of their compensation.

#### Transaction-Based Compensation

Neither PRCE nor its supervised persons receive any compensation for any client's purchase or sale of securities or other investment products, including the PRCE Fund.

The foregoing compensation could incentivize PRCE to manage client investments in a manner that could increase the risk of loss.

### Item 6: Performance-Based Fees & Side-by-Side Management

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#### Performance-Based Fees

PRCE will receive the Shared Appreciation in the event of a disposition of any asset of the PRCE Fund as set forth in its Governing Documents. The Shared Appreciation will be calculated and charged based on the proceeds of the disposition. Additionally, other clients of PRCE may be assessed both a management fee and/or fixed fee and a performance-based fee for investment advisory services provided to them. Currently, there are no client relationships whereby a conflict could arise due to a performance-based fee charged to one client versus an hourly or flat fee or asset-based fee charged to another client. The performance-based fee arrangements described above comply with Rule 205-3 under the Advisers Act. Different client accounts may be subject to different performance-based compensation arrangements.

Performance-based compensation arrangements may incentivize PRCE to recommend investments that may be riskier or more speculative than those recommended under a different fee arrangement. In addition, "net appreciation," which may form the basis upon which certain of PRCE's performance-based compensation will be determined, includes unrealized appreciation and may result in PRCE receiving greater performance-based compensation than would be the case if net appreciation was based only on realized gains.

#### Side-by-Side Management

PRCE may provide concurrent advisory services to clients who are not charged performance-based fees or are charged lower performance-based fees, but at the same time, it provides services to clients who are charged higher performance-based fees. The potential for PRCE to receive greater performance-based fees from these accounts may create a potential conflict of interest concerning the allocation of investment opportunities, as PRCE may have the incentive to direct the best investment ideas to or to allocate investments in favor of the account that pays higher performance-based fees. To alleviate potential conflicts of interest, the allocation of commitments and investment decisions with respect to clients are made by PRCE following PRCE's investment allocation policy, considering all factors potentially applicable to each client. Among the factors that PRCE may consider in allocating trades among client accounts are investment policies, guidelines or restrictions relevant to each specific client; tax considerations; cash availability; liquidity requirements for payment of redemptions or other purposes; risk tolerances; restrictions under the Employee Retirement Income Security Act of 1974 or other applicable laws or regulations; available credit lines; counterparty exposure; account size; industry and security weightings; and hedging objectives and activity.

In the event investment opportunities are suitable for more than one client, PRCE will allocate such investment opportunities in accordance with its allocation policy in effect from time to time, which provides that such allocation be fair and equitable to each account over time, taking into account all relevant facts and circumstances. PRCE's allocation policy is reviewed periodically and is subject to change. PRCE allocates expenses among participating accounts in proportion to their respective net asset values or in any other manner that it determines to be equitable.

PRCE or its affiliates may manage separately managed accounts or dedicated investment vehicles for institutional investors pursuing strategies similar to or overlapping with those of other clients. These clients may have access to detailed information about their accounts, including current portfolio holdings, which PRCE does not customarily make available to other clients or investors in pooled investment vehicles. Such clients may be able to take action, including more timely action, for their accounts that investors in pooled vehicles with similar or parallel strategies cannot take.

PRCE and its affiliates may purchase different classes of debt and/or equity of the same borrower or issuer on behalf of clients. These and other investments may be deemed to create a conflict of interest. PRCE may be required to take specific actions for some clients with respect to one class of debt or equity that may be adverse to other clients who hold different classes of debt or equity of the same borrower or issuer.

## **Item 7: Types of Clients**

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### **Types of Clients**

PRCE provides advice to a pooled investment vehicle, the investors, which may include corporations, endowments, foundations, trusts, estates, individuals and pension and profit-sharing plans, and may in the future advise other private funds and separately managed accounts whose investors and clients fall into the same categories. Certain of PRCE's separate account clients may, in the future, invest in the PRCE Fund.

### **Minimum Investment Requirements**

PRCE and its related persons generally will require that each investor in the PRCE Fund be an "accredited investor" as defined in Regulation D under the Securities Act of 1936, as amended (the "Securities Act").

Investors in the PRCE Fund will generally be required to make a minimum initial investment in such amount as may be set forth in the Governing Documents of the PRCE Fund. However, PRCE may accept lower amounts at its (or the relevant general partner's) discretion.

## **Item 8: Methods of Analysis, Investment Strategies & Risk of Loss**

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### **Methods of Analysis**

Investments and potential investments are typically analyzed by PRCE using industry-standard subscriptions and systems such as Bloomberg, the Municipal Securities Rulemaking Board's EMMA website, ICE Eval and Alternative Trading Systems such as Munibrokers, Creditex Bondpoint (ICE), Muni Center and Tradeweb Direct.

PRCE, on behalf of the PRCE Fund, has invested all of the assets of the PRCE Fund substantially in shares issued by a group of closed-end investment companies (each an "Underlying Fund" and collectively the "Underlying Funds") that were initially registered under the Puerto Rico Investment Companies Act and are now registered under the Investment Company Act of 1940 (the "Investment Companies Act"). The Underlying Funds are invested primarily in municipal obligations of Puerto Rico and its political subdivisions, organizations, agencies and instrumentalities, Puerto Rico GNMA mortgage-backed securities and other Puerto Rico tax-exempt securities, U.S. government obligations or securities guaranteed by the U.S. government, its agencies or instrumentalities, U.S. state or local municipal securities, other Puerto Rico obligations and any other securities determined by the underlying funds.

The investment objective of PRCE is to (i) effectuate a disposition of the assets of any Underlying Fund by effectuating a change in the composition of the board of directors of an Underlying Fund or liquidating such Underlying Fund; (ii) sell the shares in the open market for any Underlying Fund which becomes registered as an investment company under the Investment Company Act of 1940, as amended or (iii) effectuate such other dispositions as PRCE determines.

This description of specific strategies that are or may be engaged in by PRCE on behalf of its clients is a summary only. Under the Governing Documents of the PRCE Fund or the investment management agreements with respect to other clients, PRCE will typically have broad discretion to employ investment strategies not described above that PRCE may, from time to time, consider appropriate.

*The investment programs of PRCE's clients are speculative and entail substantial risks. There can be no assurance that PRCE's investment objectives will be achieved. Accordingly, PRCE's investment strategies could result in significant client losses under certain circumstances.*

**The following is a summary of material risks related to each significant investment strategy or method of analysis PRCE uses. However, it is essential to note that the summary of material risks below is not meant to be exhaustive or complete.**

### **Material Risks of Investment Strategies**

*Investing in securities involves a high degree of risk, including the risk that the entire amount invested may be lost. Clients should be prepared to bear such risk of loss.*

Although investments selected by PRCE may result in significant returns to our clients, they also involve a substantial risk. PRCE generally accepts only clients who can bear the financial risk of the investment strategy for an indefinite period and can sustain the loss of all or a significant part of their investment. Risks described with respect to the PRCE Fund will also apply to investments selected by PRCE on behalf of its other clients.

Prospective investors in the PRCE Fund should carefully review the risks described in the Governing Documents for the PRCE Fund. They should evaluate the merits and risks of an investment in the context of their overall financial circumstances. The risk factors below are not intended to be exhaustive. They should be considered carefully by prospective clients and prospective investors in the PRCE Fund, together with the full text of the applicable Governing Document or client agreement.

**Competition & Supply for Investments.** PRCE's success in investing will depend, in part, on its ability to obtain investments on advantageous terms. PRCE's clients will compete with a broad spectrum of investors and institutions in purchasing investments. Increased competition for, or a diminution in the available supply of, investments that meet a client's investment objectives could result in lower yields, reducing investor returns. In addition, there can be no assurance that the PRCE Fund can fully invest its available capital.

**Control Positions.** PRCE, on behalf of its clients, acting either alone or as part of a group, expects to acquire "control" positions in issuers' securities. This may subject clients to additional liability risks for environmental damage, product defects, failure to supervise management, violation of governmental regulations, and other types of liability, for which the limited liability generally characteristic of business operations may be ignored.

**Debt Securities.** PRCE may invest a portion of its clients' portfolios, directly or indirectly, in debt securities. Debt securities are subject to the risk of an issuer's ability to meet principal and interest payments on the obligation (credit risk). They may also be subject to price volatility due to interest rate sensitivity, market perception of the issuer's creditworthiness, and general market liquidity (market risk). With bonds and other fixed-income securities, a rise in interest rates typically causes a fall in value, while a fall in interest rates typically causes an increase in value. The risk of debt securities varies significantly depending upon factors such as the issuer and maturity. For example, the issuer of a security or the counterparty to a contract may default or otherwise become unable to honor a financial obligation. The debt securities of some companies may be riskier than the stocks of others.

**Equity Price Risk.** The investment portfolios of PRCE clients may include long and short positions in equity securities of public and private, listed and unlisted companies. Equity securities fluctuate in value in response to many factors, including, among others, the activities and financial condition of individual companies, geographic markets, industry market conditions, interest rates and general economic environments. In addition, events such as the domestic and international political environments, terrorism, natural disasters and pandemics may be unforeseeable and contribute to market volatility that may adversely affect investments made by PRCE on behalf of its clients.

**Event-Driven Investing.** Event-driven investing requires the investor to make estimations about (i) the likelihood that an event will occur and (ii) the impact such an event will have on the value of a company's financial instruments. In liquidations and other forms of corporate reorganization, the risk exists that the restructuring will either be unsuccessful, will be delayed, or will result in a distribution of cash or new security, the value of which may be less than the purchase price of the security in respect of which such distribution was made. The consummation of mergers and tender and exchange offers can be prevented or delayed by a wide range of factors.

***Hedging Transactions.*** While PRCE, on behalf of the PRCE Fund, may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance for clients of PRCE than if it had not engaged in such hedging transactions. For various reasons, PRCE may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent PRCE, on behalf of the PRCE Fund, from achieving the intended hedge or exposing a PRCE client to risk of loss. PRCE, on behalf of the PRCE Fund, may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high to justify the cost of the hedge or because it does not foresee the occurrence of the risk. Successfully utilizing hedging and risk management transactions requires skills complementary to selecting portfolio holdings.

***Illiquid Investments.*** PRCE may invest in securities and other assets subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such investments tend to be volatile and may not be readily ascertainable, and PRCE may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and illiquid assets often requires more time and results in higher brokerage charges, dealer discounts, and other selling expenses than selling assets eligible for trading on national securities exchanges or in the over-the-counter markets. PRCE may not be able to dispose of such illiquid investments readily and, in some cases, may be contractually prohibited from disposing of such investments for a specified period. Thus, there can be no assurance as to the timing and amount of distributions from the PRCE Fund, and distributions that would require either an in-kind distribution or a forced sale of illiquid investments at a price deemed unattractive by PRCE may occur. Restricted assets may sell at a price lower than similar assets that are not subject to restrictions on resale.

***Investments in Distressed Securities.*** PRCE, on behalf of its clients, may invest in "below investment grade" securities and obligations of issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganization and liquidation proceedings. These securities are likely to be particularly risky investments, although they also may offer the potential for correspondingly high returns. Among the risks inherent in investments in troubled entities is that it frequently may be difficult to obtain information on the true condition of such issuers. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate or disenfranchise particular claims. Such companies' securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. In addition, no minimum credit standard is a prerequisite to PRCE clients' investment in any instrument, and a significant portion of the obligations and securities PRCE invests on behalf of the PRCE Fund may be less than investment grade. The analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and economic difficulties is unusually high.

***Leverage & Financing Risk.*** PRCE, on behalf of the PRCE Fund, has the authority to borrow funds, enter into subscription credit facilities, use leverage in trading currencies, securities and derivative instruments, and use other means of financing as deemed appropriate. PRCE, on behalf of the PRCE Fund, may pledge its clients' assets to borrow additional funds for investment purposes. PRCE, on behalf of the PRCE Fund, may also leverage the investment return of its clients with options, short sales, swaps, forwards and other derivative instruments. The amount of borrowings that a client of PRCE may have outstanding at any time may be substantial in relation to its capital. While leverage presents opportunities for increasing total return, it has the effect of potentially increasing losses as well. The anticipated use of short-term margin borrowings results in certain additional risks, such as the potential for a "margin call," pursuant to which a PRCE client must either deposit additional funds or assets with a broker or suffer mandatory liquidation of the pledged assets to compensate for a decline in value of such assets. In the event of a sudden drop in the value of the client's assets, such a client might not be able to liquidate assets quickly enough to satisfy its margin requirements. Asset value declines, and market instability resulting from COVID-19 may increase the risk of default under these credit facilities. Investors in the PRCE Fund could incur significant losses, including losing their entire investment.

***Municipal Bonds.*** PRCE, on behalf of its clients, may invest in municipal bonds, which generally give rise to interest exempt from U.S. federal income taxation. On the date of the initial issuance of municipal bonds, bond counsel or special tax counsel (which is not counsel to the PRCE Fund or PRCE) generally renders its opinion that based on the law in effect at that time, interest on such municipal bonds will be excludable from gross income for U.S. federal income tax purposes. The Internal Revenue Code of 1986, as amended (the "Tax Code"), establishes certain requirements

that an issuer must meet following the issuance and delivery of its municipal bonds for interest on such bonds to remain excluded from gross income for U.S. federal income tax purposes. Among these continuing requirements are restrictions on the issuer's investment and use of the proceeds of the bonds. Failure to comply with these requirements may cause the interest on the bonds to be includable in gross income for U.S. federal income tax purposes retroactive to the date of issuance, regardless of when the noncompliance occurs. Issuers of municipal bonds typically covenant to comply with certain procedures and guidelines designed to ensure satisfaction with the Tax Code's continuing requirements. None of the PRCE Fund, PRCE or their counsel has passed or will pass upon, nor assumes any responsibility for, any of the tax aspects of the municipal bonds in which the PRCE Fund invests, including, without limitation, bond counsel's tax opinion or the initial or continuing status of interest on the bonds as excludable from gross income for U.S. federal income tax purposes.

**Operational Risks.** PRCE is responsible for developing, implementing and operating appropriate systems and procedures to execute all investment transactions and monitor and control operational risk on behalf of client accounts. PRCE relies on its execution, financial, accounting, and other data processing systems to trade, clear and settle all transactions, evaluate and monitor potential and existing portfolio investments, and generate risk management and other reports critical to oversight of client accounts. Certain of the PRCE's operations are dependent upon systems operated by third parties, including prime brokers, counterparties, electronic exchanges, other execution platforms and their various service providers. PRCE may not be able to verify the reliability of such third-party systems or data. Failure of or errors in such systems could result in mistakes or delays in the execution, confirmation or settlement of transactions or in transactions not being properly booked, evaluated or accounted for. The increasing reliance on internet-based programs and applications to conduct transactions and store data also creates increased security risks. Targeted cyber-attacks, or accidental events, can lead to a breach in computer and data systems and access by unauthorized persons to sensitive transactional or personal information. Data taken in breaches may be used by criminals to commit identity theft, obtain loans or payments under false identities, and other crimes. Cybersecurity breaches at PRCE or its service providers or counterparties may directly or indirectly affect clients. They could lead to theft, data corruption, interference with business operations, disruption of operational systems, interference with PRCE's or a client's ability to execute transactions, direct financial loss or reputational damage, or violations of applicable data and privacy protection and consumer protection laws.

**Public Health Risk.** PRCE and PRCE's clients could be adversely affected by the effects of a widespread outbreak of contagious diseases, such as the recent outbreak of a novel coronavirus ("COVID-19"). Public health crises can develop rapidly and unpredictably, which may prevent governments, companies or others (including PRCE and PRCE's clients) from taking timely or effective steps to mitigate or reduce any adverse impacts. Any outbreak of contagious diseases and other adverse public health developments, together with any resulting disruptions or restrictions on travel or quarantines imposed, could have a material and adverse effect on PRCE PRCE's clients, including by disrupting or otherwise adversely affecting the human capital, business operations or financial resources of PRCE's clients, PRCE, the administrator or other service providers to PRCE and PRCE's clients (which could, in turn, adversely impact the ability of such service providers to fully support the administration and operations of PRCE and PRCE's clients) or causing similar disruptions in the capital, operations and resources of PRCE and PRCE's clients. In addition, a significant outbreak of contagious diseases in the human population, and any containment or other remedial measures imposed, may result in a widespread health crisis that could severely disrupt global, national and/or regional economies and financial markets and cause an economic downturn that could adversely affect the performance of PRCE and investments made on behalf of PRCE's clients. For example, the risk of further spreading COVID-19 has led to significant uncertainty and extreme volatility in the financial markets, including those leading to the automatic suspension of trading on U.S. stock exchanges. The performance of PRCE and the investments made on behalf of PRCE's clients may also be affected by particular issues affecting companies, regions or sectors of its investments, such as a significant reduction in transaction volume. The extent of such impacts will depend on future developments, which are highly uncertain and cannot be predicted at this time, including new information that may emerge concerning the severity of COVID-19 and containment efforts, among others, by U.S. or other governments.

In addition, the risks associated with a widespread outbreak of a contagious disease, such as COVID-19, may make it more likely that limited partners and shareholders in funds managed by PRCE fail to fund their subscription obligations or other payments when due, in which case PRCE's ability to complete its investment strategy or otherwise continue operations may be impaired.

**Relative Value.** The success of PRCE's investment strategy depends on its ability to identify overvalued and undervalued investment opportunities and exploit perceived inefficiencies in the pricing of financial instruments and capital, financial products or markets. Identification and exploitation of such discrepancies involve uncertainty. There

is no assurance that PRCE can correctly or successfully locate investment opportunities or exploit pricing inefficiencies in the capital markets. If the perceived mispricings underlying the positions of PRCE clients were to fail to converge toward or were to diverge further from relationships expected by PRCE, such clients may incur losses.

***Risks of Acquiring Real Property.*** PRCE, on behalf of its clients, will invest in securities supported by real property assets, and such investments will be subject to various risks which, among other things, may cause fluctuations in occupancy, rental rates, operating income and expenses or which may render the sale or financing of its properties difficult or unattractive. For example, following the termination or expiration of a tenant's lease, there may be a period before an issuer will begin receiving rental payments under a replacement lease. During that period, an issuer will continue to bear fixed expenses such as interest, real estate taxes, maintenance and other operating expenses. In addition, declining economic conditions may impair an issuer's ability to attract replacement tenants and achieve rental rates equal to or greater than the rents paid under previous leases. Increased competition for tenants may require an issuer to make capital improvements to properties that would not have otherwise been planned. Any unbudgeted capital improvements that an issuer undertakes may divert cash that would otherwise be available for distribution to investors of the PRCE Fund. Ultimately, to the extent that an issuer cannot renew leases or re-let space as leases expire, decreased cash flow from tenants will result, which could adversely impact the PRCE Fund's performance results.

***Uncertain Exit Strategies.*** Due to the illiquid nature of some or all of the positions that PRCE's clients may acquire, PRCE cannot confidently predict the exit strategy for any given position or that one will definitely be available. Exit strategies that appear viable when an investment is initiated may be precluded by the time the investment is ready to be realized due to economic, legal, political or other factors.

#### ***Risks Associated with Underlying Funds.***

PRCE, on behalf of the PRCE Fund, has invested substantially all of the PRCE Fund's assets in shares issued by the Underlying Funds. The Underlying Funds are invested primarily in Puerto Rico municipal bonds, Puerto Rico mortgage-backed and asset-backed securities and corporate obligations and preferred stock issued by Puerto Rico entities, as well as other investments selected by the advisers to the Underlying Funds. An investment in the PRCE Fund is subject to all of the risks associated with an investment in the Underlying Funds. Prospective investors in the PRCE Fund should carefully review the risks described in the PRCE Fund's Governing Documents and the Underlying Funds' prospectuses.

***Anti-Takeover Provisions in the Underlying Funds' Governing Documents.*** Each of the Underlying Funds presently has provisions in its certificates of incorporation that have the effect of limiting: (i) the ability of other entities or persons to acquire such Underlying Fund; (ii) such Underlying Fund's freedom to engage in certain transactions such as a merger or consolidation; and (iii) the ability to such Underlying Fund's shareholders to amend the certificate of incorporation of such Underlying Fund. These provisions and others contained in the certificates of incorporation of the Underlying Funds may be regarded as "anti-takeover" provisions. Under each Underlying Fund's certificate of incorporation, the affirmative vote of at least seventy-five (75%) of the shareholders of such Underlying Fund is required generally to authorize any of the following transactions or to amend the provision of such Underlying Fund's certificate of incorporation relating to such transactions:

1. merger, consolidation or share exchange of such Underlying Fund with or into any other corporations,
2. sale, lease or exchange of all or substantially all of the assets of such Underlying Fund,
3. sale, lease or exchange to such Underlying Fund, in exchange for securities of such Underlying Fund, of any assets of any entity or person, or
4. liquidation or dissolution of such Underlying Fund.

If any of the foregoing transactions has been previously approved by the affirmative vote of at least two-thirds of the board of directors of the Underlying Fund, the affirmative vote of the holders of two-thirds (a majority in the case of items (2) and (3) above) of the outstanding shares will be required to approve any such transaction. Reference is made to the certificate of incorporation of each Underlying Fund for the full text of these provisions. The provisions of each certificate of incorporation described above and each Underlying Fund's authority to repurchase or make a tender offer for its shares could have the effect of depriving the shareholders of opportunities to sell their shares at a premium over prevailing market prices by discouraging a third party (including PRCE Fund) from seeking to obtain control of such Underlying Fund in a tender offer or similar transaction. The overall effect of these provisions is to render the accomplishment of a merger or the assumption of control by the PRCE Fund more difficult. The PRCE Fund may need

to negotiate with each Underlying Fund's management regarding the price to be paid and facilitating the continuity of the Underlying Fund's management, investment objectives and policies.

*Certain Information Regarding the Underlying Funds May Not Be Disclosed to Investors.* The Underlying Funds' managers, the Underlying Funds or their respective affiliates may have certain confidential information relating to the Underlying Funds and their portfolio companies and investments that have not and will not be disclosed to the PRCE Fund. In evaluating this proposed investment in the Underlying Funds, PRCE relies primarily on the prospectuses of the Underlying Funds (which disclosure may be inaccurate or not up to date) and materials available from third-party publicly available sources. There may be information that, if PRCE had a greater opportunity to speak with the management team or board of directors of the Underlying Funds, could have impacted PRCE's investment strategy on behalf of the PRCE Fund, including for price or whether or not to purchase shares in the Underlying Funds at all. Accordingly, there is a risk that the value of the PRCE Fund could be adversely affected by the lack of current information and documentation from the Underlying Funds.

*Forward Trading.* The Underlying Funds may engage in forward trading. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction individually. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements, and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade, and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain market participants have refused to quote prices for certain currencies or commodities or quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market due to unusual trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit forward trading. Market illiquidity or disruption could result in significant losses.

*No Recourse Against the Underlying Funds.* Investors in the PRCE Fund will not be equity holders of any of the Underlying Funds, will have no direct interest in any of the Underlying Funds and will have no standing or recourse against any of the Underlying Funds, the Underlying Fund's managers, their respective affiliates or any of their respective advisors, officers, directors, employees, partners or members.

*No Rights to Vote or Participate.* If there is an issue to be voted on by the shareholders of an Underlying Fund, PRCE, and not the investors in the PRCE Fund, it will determine how the client's interest in the Underlying Fund will be voted. In addition, none of the investors in the PRCE Fund will have an opportunity to participate directly in the day-to-day operations of any of the Underlying Funds.

*Options.* The Underlying Funds may invest in or write options. The purchaser of a put or call option risks losing their entire investment in a relatively short period if an option expires unexercised. The uncovered writer of a call option is subject to a risk of loss should the price of the underlying security increase, and the uncovered writer of a put option is subject to a risk of loss should the price of the underlying security decrease.

*Short Selling.* The Underlying Funds may engage in short selling, which involves selling securities not owned by the short seller and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities later. Short selling allows the investor to profit from a decline in market price to the extent that such a decline exceeds the transaction costs and the costs of borrowing the securities. A short sale creates the risk of a theoretically unlimited loss, in that the underlying security price could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. There is also no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can cause the securities' cost to rise further, exacerbating the loss.

*Swaps.* The Underlying Funds may invest and trade in swaps, including credit default swaps, "synthetic" instruments, over-the-counter options and other customized financial instruments issued by banks, brokerage firms or other financial institutions. A swap is an agreement between an Underlying Fund and a financial intermediary whereby cash payments periodically are exchanged between the parties based upon changes in the price of an underlying asset (such as an equity security, an index of securities, or another asset or group of assets with a readily determinable value). For example, an interest rate swap involves one party agreeing to make periodic fixed payments to the other party in return for the other party agreeing to make periodic payments to the first party that vary with the prime rate or another variable interest rate indicator. Swaps are subject to the risk of non-performance by the swap counterparty, including risks relating to the financial soundness and creditworthiness of the swap counterparty. Swaps are not guaranteed by an exchange or clearing house or regulated by any U.S. or foreign governmental authority. It may not be possible to

dispose of or close out a swap without the counterparty's consent, and an Underlying Fund may not be able to enter into an offsetting contract to cover its risk.

## Item 9: Disciplinary Information

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### Legal or Disciplinary Event Disclosure

Registered investment advisers such as PRCE are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of the investment adviser or the integrity of its Management. Neither PRCE nor its Management has any current disciplinary or legal proceedings or outstanding issues to disclose.

PRCE encourages clients to view our disclosure documents at the SEC's IAPD website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching our firm name, PRCE Management, LLC or CRD # 312533. The SEC's website also provides information about any affiliated person registered or required to be registered as an Investment Adviser Representative of PRCE, including disclosure items (if any).

Copies are also available by contacting us directly.

## Item 10: Other Financial Industry Activities & Affiliations

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PRCE is an SEC-registered investment advisory firm that does not engage in business activities or offer services other than those described herein.

### Registered Broker-Dealers

PRCE is not registered and does not intend to register as a broker-dealer. Certain of Phorcys Senior Management (Vasileios A. Sfyris, W. Heath Hawk and Benjamin T. Eiler) are also Registered Representatives ("RRs") of First Southern, LLC ("FS"), an affiliated broker-dealer, Member [FINRA](#) / [SIPC](#). When acting in the capacity of an RR in connection with this approved outside business activity, these employees will sell, for commissions, general securities products and receive commission-based compensation in connection with the purchase and sale of such securities. When offering brokerage products as an RR, please be aware that these individuals are not acting in a brokerage capacity or on behalf of PRCE concerning the services provided under our Advisory Agreement. PRCE is not involved in the transaction(s) and receives no compensation for the employee's activity in connection with these outside business activities. Employees who provide brokerage services through the broker-dealer are independent contractors of that company. Any compensation earned by the employee in the capacity of an RR is separate, in addition to, and not related to our advisory fees or Agreement to provide advisory services. Clients are not obligated to use the employee's services in this different capacity as broker-dealer employees.

The above practice presents a conflict of interest because the objectivity of the advice rendered to clients could be biased. As RRs of such broker-dealers, the Advisor Representatives providing investment advice on behalf of PRCE can be incentivized to effect securities transactions to generate commissions rather than solely based on a client's needs. PRCE addresses this conflict of interest by requiring these individuals to disclose the nature of their relationship with clients regarding their outside business activities. The employees satisfy this requirement by advising their clients of the nature of and their role in the transaction or relationship and any compensation, including commissions or otherwise, to be paid to them by the brokerage firms with which they are affiliated at the time of any recommendation is made and/or product transactions occur. PRCE further mitigates conflicts through its procedures to review client accounts relative to the client or investor's financial situation to ensure appropriate investment management services. PRCE is committed to ensuring that all employees adhere to the Firm's Code of Ethics and that the Adviser and all Associated Persons fulfill their fiduciary duty to its advisory clients.

### Registered Futures Commission Merchants, Commodity Pool Operators and Commodity Trading Advisors

None of PRCE or any of its principals or employees are registered as or affiliated with a registered futures commission merchant, commodity pool operator or commodity trading advisor.

### Relationships with Related Persons

PRCE is affiliated with Phorcys Investment Advisors, LLC, Phorcys Capital Partners, LLC and FSAM LLC, each an investment adviser, and First Southern, LLC, as indicated above, a registered broker-dealer, Member FINRA/SIPC. PRCE does not believe that its affiliation with them creates a material conflict of interest with respect to PRCE's clients.

As discussed in the following section titled "Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading," PRCE and its related persons will be, directly or indirectly, the general partner, trustee, limited partners and/or managing members of the general partner or manager of the PRCE Fund. PRCE and its related persons may spend substantially all their business time on the PRCE Fund.

Employees of PRCE and its affiliates may serve as officers, advisors, directors or in comparable management functions for portfolio companies where clients of PRCE may invest. From time to time, employees or partners of PRCE may also serve on the board of directors or a creditors committee of a portfolio company or be given access for other reasons to confidential information relating to companies in which clients of PRCE may invest. As a result, PRCE and the clients of PRCE may, under certain circumstances, be prohibited for a period of time from engaging in transactions with respect to the debt or securities of such a portfolio company, which prohibition may have an adverse effect on clients of PRCE.

Clients will be subject to several actual and potential conflicts of interest involving PRCE and its affiliates. When a conflict of interest arises, PRCE will endeavor to resolve it fairly. PRCE has in place policies and procedures that it believes are reasonably designed to identify and resolve actual and potential conflicts of interest.

### Selection or Recommendation of Other Advisers

PRCE does not recommend or select other investment advisers for its clients or receive compensation from such advisers in a manner that would create a material conflict of interest.

### Other Business Relationships

PRCE uses third-party resources to help run its business and provide services to its clients, mostly back-office related. PRCE sources these professionals acting in a client's best interest with fiduciary responsibility while focusing on finding the highest value-added providers to service clients. While the Adviser has developed a network of professionals - accountants, lawyers, and otherwise, neither PRCE nor its employees receive compensation for such use or referrals. Outside of the information referenced herein, neither the adviser nor its management persons have any other material relationships or conflicts of interest with other financial industry participants.

### Conflicts of Interest

Making clients aware of other financial activities, affiliations, relationships, and services presents a conflict of interest since PRCE employees may have a financial incentive to submit advisory clients to specific companies or services over others due to compensation received in connection with the transaction rather than client need. PRCE addresses this conflict of interest by requiring employees to always act in each client's best interests when making such recommendations and fully disclose such relationships before the transaction. If offering clients advice or products outside of PCP, employees satisfy this obligation by advising and revealing the nature of the transaction or relationship, their role and involvement in the transaction, and any compensation to be paid and received before transaction execution. When acting in this capacity, our policy is that employees communicate clearly to prospective or existing clients that they are not acting on behalf of PRCE, the investment adviser or under any PCP Advisory Agreement.

Clients are not obligated to act upon any recommendations received, implement any recommended transaction(s) through the Adviser, or purchase any additional products or services offered. The ultimate decision to accept any recommendation and retain products or services remains at the client's sole discretion.

Additional details of how PRCE mitigates conflicts of interest can be found in our comprehensive written compliance supervisory policies and procedures and Code of Ethics. A copy of our Code of Ethics is available for review free of charge to any client or prospective client upon request.

Outside of the items disclosed herein and our clients' advisory fees, PRCE does not receive any other economic benefits, including sales awards or prizes.

## Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

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### Code of Ethics

PRCE strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. In seeking to meet these standards, PRCE has adopted a Code of Ethics (the "Code"), which is reviewed and updated (if necessary) at least annually. The Code incorporates the following general principles that all employees are expected to uphold: employees must at all times place the interests of clients first; all personal securities transactions must be conducted in a manner consistent with the Code, and any actual or potential conflicts of interest or any abuse of an employee's position of trust and responsibility must be avoided; employees must not take any inappropriate advantage of their positions; and information concerning the identity of securities and financial circumstances of clients and the PRCE Fund, including investors in the PRCE Fund, must be kept confidential. The Code also places restrictions on personal trades by employees, including requiring that they disclose their personal securities holdings and transactions to PRCE periodically and that employees pre-clear certain types of personal securities transactions.

As part of the Code, PRCE maintains insider trading policies and procedures (the "Insider Trading Policies") designed to prevent the misuse of material, non-public information. PRCE's personnel are required to certify their compliance with the Code, including the Insider Trading Policies, on at least an annual basis.

The Insider Trading Policies generally prohibit PRCE and its personnel from trading for the PRCE Fund or themselves, or recommend trading, in public securities of a company while in possession of material, non-public information ("Inside Information") about the company and from disclosing such information to any person not entitled to receive it. Because of its various activities, PRCE may have access to inside information or be restricted from affecting transactions in certain investments that might otherwise have been initiated. PRCE has designed and implemented policies and procedures reasonably designed to closely monitor the access of its investment professionals to Inside Information. Among other things, such policies seek to control and monitor the flow of Inside Information to and within PRCE and prevent trading public securities based on Inside Information.

Notwithstanding such policies and procedures, there may be certain cases where PRCE may receive Inside Information due to its various activities on behalf of itself or the PRCE Fund or may be restricted in acting for the PRCE Fund. As a result, PRCE may, under certain circumstances, be prohibited for a period of time from engaging in transactions with respect to the debt or securities of such a portfolio company, which prohibition may have an adverse effect on a client or the PRCE Fund. PRCE seeks to minimize those cases whenever possible, consistent with applicable law and our Insider Trading Policies. However, there can be no assurance that such efforts will be successful and that such restrictions will not occur.

Clients may request the opportunity to review a copy of the Code by contacting PRCE at the address or telephone number listed on the first page of this document.

### Participation or Interest in Client Transactions & Personal Trading

PRCE may cause one or more of its clients to buy securities from, or sell securities to, other clients of PRCE at current market prices, including accounts in which PRCE, its principals or employees are investors or in which such persons may have a financial interest, either directly or indirectly, due to the payment of a performance allocation to PRCE (or an affiliate) by such client. PRCE will only engage in "cross trades" if the sale or purchase is consistent with PRCE's fiduciary obligations to each client. Cross transactions may include rebalancing transactions undertaken so that, after withdrawals or contributions have occurred, the portfolio compositions of similarly managed accounts remain substantially similar. PRCE has a potentially conflicting division of loyalties and responsibilities regarding both parties to cross-transactions. Where required by applicable law, any such transaction will be approved in advance by the client in accordance with Section 206(3) of the Advisers Act.

On occasion, PRCE and its principals and employees may buy and sell securities for themselves that they also recommend to clients. PRCE and its principals and employees are investors in the investment fund managed by PRCE. The Code of Ethics contains policies and procedures designed to prevent improper practices concerning such transactions. Compliance with the Code of Ethics by PRCE, its principals, and its employees is the primary method employed by PRCE to address the conflicts of interest that arise with respect to these transactions. For example, the principals and employees of PRCE are generally not permitted to execute a personal securities transaction if any client of PRCE has a position in the same security.

In certain situations, PRCE-related persons may purchase interests in portfolio investments held by the PRCE Fund. All such purchases are subject to compliance with PRCE's Code of Ethics as described above. In addition, PRCE and/or certain members or employees of PRCE may, directly or through one or more entities, sell securities in which they have a direct or indirect ownership interest to the PRCE Fund, provided that the sale is consistent with PRCE's fiduciary obligations to the PRCE Fund. Such transactions will be fully disclosed in writing. Where required by applicable law, the appropriate client's written consent will be obtained per Section 206(3) of the Advisers Act.

## Item 12: Brokerage Practices

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Subject to the investment objectives, policies and restrictions of the PRCE Fund as set forth in the PRCE Fund's Governing Documents, PRCE has discretionary authority to determine the type, amount, and price of securities and investments to be bought and sold on behalf of the PRCE Fund, including the selection of, and commissions paid to, brokers.

In selecting broker-dealers to effect securities transactions, PRCE seeks to obtain best execution by considering such factors as price, transaction costs, a broker's or dealer's ability to effect the transactions, its facilities, reliability and financial responsibility, the commitment of capital and the provision or payment by the broker of the costs of research and research-related services which are of benefit to PRCE or the PRCE Fund, as well such other factors as PRCE considers relevant and beneficial to the PRCE Fund. PRCE may consider PRCE Fund investors' referrals when determining its broker selection. Accordingly, the commission rates (or dealer markups and markdowns arising in connection with riskless principal transactions) charged to the PRCE Fund by brokers or dealers in the foregoing circumstances may be higher than those charged by other brokers or dealers that may not offer such services.

### Brokerage for Client Referrals

PRCE does not consider whether PRCE or its affiliates receive referrals from any broker-dealer when selecting or recommending broker-dealers for its clients.

### Research and Other Soft Dollar Benefits

Section 28(e) of the Securities Exchange Act of 1934 (the "Exchange Act") provides a safe harbor that permits advisers, when selecting brokers to execute transactions for client accounts, to take into account certain research products and services provided to the adviser by brokers. Clients may pay higher commissions than are obtainable from other brokers as a result of the consideration of research services as a factor in selecting brokers in addition to commission cost and best execution, provided that PRCE determines in good faith that the amount of commissions charged are reasonable in relation to the value of the brokerage and research services provided by such broker. Brokers' research services offered to PRCE may include written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing services; and discussions with research personnel. PRCE may, at its discretion, pay the expenses and costs of third-party administrators with soft dollar arrangements. However, consistent with obtaining best execution for clients, PRCE may in the future engage in such soft dollar arrangements, provided that such arrangements are of the type described in Section 28(e) of the Exchange Act and are designed to augment PRCE's own internal research and investment strategy capabilities.

Receipt of research services from brokers may provide PRCE with a benefit because it will not have to produce or pay for the research, products or services. PRCE may be incentivized to select a broker-dealer based on its interest in receiving the research or other products or services rather than a client's interest in receiving the most favorable execution.

PRCE may use research services obtained with commissions from portfolio transactions in its investment activities for its clients. Therefore, any particular client may or may not, in a specific instance, be the direct or indirect beneficiary of the research or services provided.

Subject to the considerations described above, the selection of a broker, including a prime broker, to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services may be influenced by, among other things, the provision by the broker of the following: capital introduction, marketing assistance and consulting services with respect to technology, operations, the commitment of capital, access to company management, and access to deal flow. Generally, neither PRCE nor any client of PRCE (including the PRCE Fund) separately compensates any broker for these other services. In view of the fact that the investment programs of PRCE clients include trading as well as investments, short-term

market considerations will frequently be involved, and the turnover rate of the portfolios of the PRCE Fund in certain circumstances may be substantially greater than the turnover rates of other types of investment vehicles.

#### Directed Brokerage

Transactions on behalf of the PRCE Fund will be substantially executed through FS, an affiliated broker-dealer firm of PRCE. PRCE does not believe that the relationship between PRCE and FS creates a material conflict of interest. PRCE has no other arrangements with clients that require PRCE to execute transactions through a specified broker-dealer. Still, certain other clients may occasionally direct PRCE to use or not to use a particular executing broker-dealer to execute transactions for such clients. If PRCE is directed to use or prohibited from using a specific broker-dealer, the client may pay higher brokerage commissions because PRCE may not be able to aggregate orders to reduce transaction costs, and the client may receive less favorable prices.

#### Trade Aggregation

When it is determined that it would be appropriate for the PRCE Fund to participate in an investment opportunity, PRCE will seek to execute orders for all of the participating investment accounts on an equitable basis, taking into account such factors as the relative amounts of capital available for new investments, relative exposure to short-term market trends and the investment programs and portfolio positions of the PRCE Fund for which participation is appropriate. However, PRCE has no obligation to obtain any particular investment opportunity for the PRCE Fund. PRCE may be precluded from offering particular securities to the PRCE Fund in certain situations, including where PRCE or its affiliates have a prior contractual commitment with other accounts or clients. Orders may be combined for all such accounts, and if an order is not filled at the same price, they may be allocated on an average price basis. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions, securities may be allocated among the different accounts on the basis that PRCE or its affiliates consider equitable. There is no assurance that the PRCE Fund will hold the same investments or perform substantially similarly to other investment funds with similar strategies.

### Item 13: Review of Accounts

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#### Review of Client Accounts

A client's separately managed account is reviewed daily to ensure that all trading activity is performed per the investment parameters as defined in the client's investment management agreement. Daily reconciliations of all trading activity and cash, collateral and margin management (if applicable) among PRCE, the broker-dealer and the administrator also occur. PRCE's investment professionals conduct such reviews. Among other criteria, the portfolios are reviewed in the context of the PRCE Fund's adherence to the investment objectives and guidelines set forth in the Governing Documents of the PRCE Fund.

#### Reports to Clients

Investors in the PRCE Fund are expected to receive quarterly written reports, although PRCE may provide certain investors with information on a more frequent and detailed basis if agreed to by PRCE. In addition, each PRCE Fund will issue tax reports and audited financial statements to investors within 120 days of its fiscal year-end. Other PRCE clients will receive such reports as specified in the client's investment management agreement.

Investors should refer to the Governing Documents of the PRCE Fund for further information on the reports provided by a particular PRCE Fund to its investors.

### Item 14: Client Referrals & Other Compensation

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#### Economic Benefits Received from Third Parties

PRCE is compensated exclusively by its clients and investors for providing investment advice.

#### Third-Party Compensation for Client Referrals

PRCE or its affiliates have and may enter into arrangements with unaffiliated placement agents or third parties whereby PRCE or its affiliates will pay third parties who introduce clients or investors in the PRCE Fund to PRCE or its affiliates a portion of the management fees or incentive compensation received by PRCE or its affiliate from such clients or for such investors' investment in the PRCE Fund, which can result in the provision of investment advisory services. Any associated sales charge will ultimately

be payable by PRCE or its related persons, either directly or through offsetting the management fee or incentive compensation payable by the relevant client or the PRCE Fund to PRCE.

PRCE ensures that any promoters used are licensed when required and otherwise qualified to provide investment advice. Unlicensed promoters may only provide impersonal investment advice by recommending our services. The terms of all such arrangements are defined by a contract between the unaffiliated placement agent and third-party promoters and the Adviser, which sets forth the terms of the Agreement and form of compensation to be received for client referrals, in which payment will be made as indicated above.

Referral arrangements inherently give rise to potential conflicts of interest, particularly when the person recommending an Adviser receives an economic benefit, as the payment received could incentivize the third party's referral. Accordingly, those making the client referrals under this type of arrangement are required to disclose to referred clients, in writing, (1) whether they are a client or a non-client, (2) that they will be compensated for the referral, (3) the material conflicts of interest arising from the relationship and/or compensation arrangement, and (4) all material terms of the arrangement, including a description of the compensation to be provided for the referral. Such arrangements will be disclosed to PRCE's clients in accordance with, and otherwise comply with, the applicable Rules under the Advisers Act to the extent applicable. Certain third parties may be affiliates of PRCE.

#### **Item 15: Custody**

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PRCE will not have physical custody of any client assets. However, PRCE is deemed to have custody of the PRCE Fund's assets due to its authority over it.

It is PRCE's policy to cause funds with assets over which PRCE is deemed to have "custody" to be audited annually and distribute audited financial statements, prepared in accordance with U.S. generally accepted accounting principles, to investors no later than 180 days after the end of each fiscal year.

All assets in the accounts of PRCE clients will be held by a qualified custodian, except that certain privately offered, uncertificated securities may be recorded on the books of the issuer or its transfer agent in the name of the PRCE Fund or client and are not required to be maintained with a qualified custodian.

#### **Item 16: Investment Discretion**

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Subject to the investment objectives, policies and restrictions of the PRCE Fund as set forth in the Governing Documents of the PRCE Fund, PRCE will generally have discretionary authority to determine the type, amount and price of securities and investments to be bought and sold on behalf of the PRCE Fund for which it serves as investment manager, including the selection of, and commissions paid to, broker-dealers. PRCE will generally enter into a written investment management agreement with each client granting such discretionary authority.

#### **Item 17: Voting Client Securities**

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Because PRCE has or will accept authority to vote securities held by the PRCE Fund, it has adopted policies and procedures that have been designed to ensure that PRCE complies with the requirements of Rule 206(4)-6 and Rule 204-2(c)(2) under the Advisers Act, and reflect PRCE's commitment to voting all client securities for which it exercises voting authority in a manner consistent with the best interest of the client.

PRCE's general policy is to vote proxy proposals, amendments, consents or resolutions relating to client securities (collectively, "proxies") in a manner that serves the best interests of the PRCE Fund, as determined by PRCE in its discretion, taking into account the following factors: (i) the impact on the value of the investments; (ii) the anticipated associated costs and benefits; (iii) the continued or increased availability of portfolio information; and (iv) industry and business practices. In limited circumstances, PRCE may refrain from voting proxies where PRCE believes that voting would be inappropriate considering the cost of voting the proxy and the anticipated benefit to the PRCE Fund. In general, clients may not direct PRCE's vote for a particular proxy solicitation. However, as discussed below, if PRCE determines that a material conflict of interest exists for a specific proxy solicitation, PRCE may, but is not required to, defer to a client's voting instructions for such proxy solicitation.

Prior to exercising its voting authority, if any, PRCE reviews the relevant facts and determines whether or not a material conflict of interest may arise due to business, personal or family relationships of PRCE, its owners, its employees or its related persons with persons having an interest in the outcome of the vote. If a material conflict exists, PRCE takes steps to ensure that its voting decision is based on the client's best interests and is not a product of the conflict. PRCE may, at its discretion, disclose the conflict of interest to the client and defer to the client's voting recommendation, defer to the voting recommendation of an independent third-party provider of proxy voting services, or take any other action that would serve the client's best interest. Depending on the particular circumstances involved, the appropriate resolution of one conflict of interest may differ from the resolution of another conflict of interest, even though the general facts underlying both conflicts may be similar or identical. PRCE will deliver to each client upon written request a complete copy of its proxy voting policies and/or information on how it voted proxies for the PRCE Fund.

#### **Item 18: Financial Information**

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PRCE's SEC registration was approved on September 3, 2021; therefore, this section is not applicable.