

Item 1 – Cover Page



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This Brochure provides information about the qualifications and business practices of PCI III Management LLC (“**PCI III**”), a wholly owned subsidiary of Pembroke Capital Management LLC (“**PCM**”). If you have questions about the content of this brochure, please contact Robert Hellman at (212) 906-8690 or rhellman@pembrookgroup.com. The information in this brochure has not been approved or verified by the SEC or any state securities authority.

Additional information about Pembroke Capital Management LLC, PCI Management, LLC and PCI III Management, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This is PCI III's Annual Updating Amendment for the Form ADV for the fiscal year ending December 31, 2015. Since the last ADV filing filed March 31, 2015, there have been no material changes to report.

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Item 4 – Advisory Business

PCI III Management, LLC (“**PCI III**” or the “**Advisor**”) is a Delaware limited liability company and was formed in July 2013 for the purpose of serving as the Managing Member and Fund Advisor for PCI Investors Fund III, LLC (the “**Fund**” or “**Fund III**”). PCI III is a wholly-owned subsidiary of PCM. PCM is a limited liability corporation and was founded in 2006 by Stuart Boesky. PCM is owned 65% by SJB Associates, Inc. (wholly owned by Stuart J. Boesky), and 35% by MIG Holdings, LLC. PCM is the majority owner of Pembroke Management Holdings, LLC (“**PMH**”) and also owns and PCI Management, LLC (“**PCIM**”). PCM, PCI III, PMH and PCIM are collectively referred to as Pembroke.

As of December 31, 2015, PCI III had not yet begun operations and does not manage any assets.

The investment objective of the Fund are to produce an attractive level of total return, comprised of current income and, in some cases, enhanced by a participation in the capital appreciation,

In its origination efforts, the Fund Advisor will emphasize the following investment themes as part of its strategy, while maintaining an overall portfolio loan-to-value ratio of not more than 75% and an individual Investment loan-to-value ratio of not more than 85%:

- **Whole Loans.** The Management Team believes that the Fund can attract borrowers who need first mortgage loans or bridge loans. The Fund will seek to provide owners and developers with financing for transitional properties, or to buy properties from financial institutions or distressed sellers, fund discounted payoffs and generally recapitalize properties that require repositioning or completion of a stalled business plan.
- **Mezzanine Loans.** The Fund will seek direct opportunities to provide mezzanine loans to fill the gap between historically acceptable first mortgage advance rates and restrictive post-crises advance rates.
- **Preferred Equity.** The Fund will seek to invest in preferred equity in situations where the existing property has lower levels of debt, but the existing lender will not allow for a mezzanine loan or a recorded subordinate mortgage. In addition, the Fund will offer preferred equity to sponsors of newly created capital stacks where the senior lender will not allow mezzanine financing.
- **Participating First Mortgage Loans.** The Fund will seek to provide participating first mortgage loans where the Fund may receive a portion of the cash flow and a portion of the sale or refinancing proceeds, in addition to a fixed coupon.

In furtherance of such purpose, the PCI III shall have the power to purchase, sell and otherwise invest, trade and dispose of the assets of the Fund, and to enter into, make, execute, deliver and perform all contracts, agreements and other undertakings, and engage in all activities and transactions, as may in the opinion of PCI III to be necessary or advisable to carry out such purpose.

Item 5 – Fees and Compensation

Management Fees

The Fund Advisor shall receive from the Fund as compensation for its services an investment advisory fee (the “**Advisory Fee**”) payable quarterly in advance and prior to any distributions to Members, equal to (i) 0.75% per annum of Committed Capital through the Investment Period plus (ii) 1.5% per annum of Drawn Capital, less the Placement Fees, if any, paid by the Fund. For purposes hereof, (i) “Committed Capital” means, from the date of any subscription agreement through the end of the Investment Period, all investor capital for which the Fund has a commitment but which is not Drawn Capital; and (ii) “Drawn Capital” means all investor capital which (A) has been drawn and paid into the Fund by the Member and not returned, or (B) is security for an outstanding drawing on a subscription line of credit of the Fund. The Advisory Fee is payable quarterly in advance and prior to distributions to Members. After the end of the Investment Period no Advisory Fee shall be payable to the Fund Advisor with respect to any capital attributable to Investments which have been written off by the Funds and for which all recovery efforts have ceased.

Incentive Fee

All cash which the PCI III deems available for distribution with respect to each of the Fund's investments, net of expenses attributable to such investment and an allocable portion of expenses not directly relating to any investment, will be distributed by the Fund at least quarterly to the Members as follows:

- (1) First, to the Members, (including the Managing Member) based on their respective Percentage Interests (as hereinafter defined), until each such Member has received with respect to contributed capital of such Member, calculated for the period such capital was outstanding and not repaid, a return thereon at the rate of 8% per annum;
- (2) Second, to the Members (including the Managing Member) based on their respective Percentage Interests, until each such Member has received cumulative distributions equal to such Member's capital contributions to the Fund;
- (3) Third, (A) 50% to the Members (including the Managing Member) based on their respective Percentage Interests, and (B) 50% to the Managing Member, until the cumulative distributions to the Managing Member made under this clause (3)(B) equal 20% of the aggregate amounts distributed to the Members (including the Managing Member) under clauses (1) and (3)(A); and

- (4) Finally, (A) 80% of the Members (including the Managing Member) based on their respective Percentage Interests, and (B) 20% to the Managing Member (the distributions under subparagraph (3)(B) and this subparagraph (4) are referred to as the “**Carried Interest**”).

Advisory Fees

The Fund Advisor may receive market rate fees for providing services to the Funds which are outside the scope of the Advisory Agreement, such as loan servicing, special servicing and asset management of REO properties, upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arm’s length basis with third parties and after prior consultation with and approval by the Advisory Committee.

The fee arrangements between Pembroke and the Fund were not the product of an arm’s length negotiation with a third party.

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

The Fund is dependent on PCI III for its day-to-day management and does not have any independent officers or employees. The management agreement with PCI III was negotiated between related parties and its terms, including fees and other amounts payable, may not be as favorable as if it had been negotiated at arm’s length with an unaffiliated third party. The Fund relies on Pembroke for its daily operation, origination of its investments and the management of its assets. Pembroke employees and its affiliates may have conflicts in allocating their management time, services and functions among the Fund, Fund III and any future real estate investment programs or other business ventures which Pembroke may organize or serve, as applicable. Pembroke believes that it and its affiliates have enough staff to perform their responsibilities in connection with all of the real estate programs and other business ventures in which they are involved and that the employees of Pembroke will devote a sufficient portion of their time attending to the existing business of the Fund.

As noted in Item 5, PCI III is entitled to a Carried Interest in Fund III. PCI III generally believes that the existence of performance fees aligns the interest of the PCI III with the investors. Currently, all the private funds managed by advisers managed by entities wholly owned or controlled by PCM (“**Pembroke**”) receive generally the same percentage performance fee. Thus, there is no incentive to favor one fund over another.

However, conflicts of interest may arise in the allocation process of the investment opportunities that become available. In order to minimize this conflict and to ensure that the funds managed by Pembroke, Pembroke has adopted policies and procedures which include the investment allocation process. In general, these policies provide for the fair and equitable allocation of investment opportunities among all Pembroke accounts and Pembroke Accounts or affiliated parties. Pembroke or its affiliate’s right to invest in the same investment opportunities is subject to the suitability of each investment opportunity

for the particular client and the availability of cash for investment. However, Pembroke would seek Fund investor approval before any transaction with an affiliated party.

In the event that (i) an opportunity to invest in any individual Investment is Suitable for PCI I and/or PCI II, on the one hand, and for the Fund, on the other hand, the Fund Advisor will offer such investment opportunity to PCI I and/or PCI II, on the one hand, and the Funds, on the other hand, on a pari passu basis, or (ii) an opportunity to invest in any individual Investment asset is Suitable for the Funds, on the one hand, and any other Person (including any other fund sponsored or managed by the Funds Advisor or an Affiliate of the Fund Advisor), the Fund Advisor will apportion such investment opportunity to the Fund, on the one hand, and such other Person, on the other hand, as co-investors, as determined by the Fund Advisor in its sole discretion. For purposes hereof, the term "**Suitable**" means, with respect to any proposed investment in any Investment for which "Suitability" is proposed to be determined with respect to any Person, that (i) the investment in such Investment is consistent with the purpose of such Person, (ii) such Person has sufficient funds to consummate such investment, and (iii) the investment in such Investment is consistent with any written investment guidelines of such Person.

Fund III's LLC Agreement prevents PCI III and its affiliates from engaging independently or with others in other business ventures, activities or investments of every nature and description, whether similar or dissimilar to those of the type included within the definition of designated investments or with investment objectives substantially similar to those Fund III, including the rendering of advice or services of any kind to other investors and the making or management of other investments and serving as the managing member, or advisor of other public or private investment funds.

Item 7 – Types of Clients

As indicated above, PCI III's only client is Fund III. The types of investors in Fund III will generally be pension funds, family offices, commercial banks and high net worth individuals. However, any investor who qualifies as an "accredited investor" as defined in Regulation 501(a) of Regulation D under the Securities Act and a "qualified purchaser" as defined under Section 2(a)(51) of the Investment Company Act may be considered as permissible investors. In general, natural persons must own at least \$5,000,000 in investments, and entities own at least \$25,000,000 in investments, in each case as defined under the Investment Company Act. The minimum commitment for the Fund is \$10 million, which PCI III may reduce at its own discretion.

It is Pembroke's policy not to disclose and private information to any other party and to ensure that any personal information is adequately safeguarded. Individual investors will be given a Privacy Notice upon investing in the Fund and annually.

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

PCI III believes that the asset management process begins within the origination phase and is integral to the underwriting of a transaction. Asset management is involved in the

final review and approval of all transactions. Upon closing of a loan and once all information is verified and placed on the loan monitoring system, transactions are reviewed quarterly for covenant compliance and cash flow performance. Critical to the review are the following items:

- Financial statements to assess current and prospective debt service coverage
- A current market analysis
- A property level leasing and occupancy review
- A progress report detailing the property's progress in achieving its business plan and any resulting impact on the viability of the exit strategies
- A reserve report for monitoring interest shortfalls, tenant improvement allowances, and other capital expenditures.

PCI III leverages its senior resources by using third party servicers to execute the back office functions at the asset level. Such servicers are rated and follow CMSA standards and include well-known market participants such as Key Bank and Bank of America. Furthermore, PCI III believes in the ability to utilize technology to lever the expertise of the Management Team and has invested in proven and scalable technology.

PCI III also monitors macro real estate and local market metrics through their various industry contacts to further verify quality of the portfolio. The management team takes a proactive approach to potential collateral issues by working directly with a borrower and any co-lenders in order to aggressively defend the interests of the Fund. The management team's experience as owners and developers of real estate in all product types allows for a high level of assistance in problem situations and, if ever necessary, a willingness to assume an owner's position.

Members holding Interests are subject to investment and trading risks in general.

All investments risk the loss of capital. No guarantee or representation is made that the Fund's program will be successful, and investment results may vary substantially over time. The Fund's investment program may use asset management tools such as interest rate hedges, caps, derivatives and margin transactions which practices can, in certain circumstances, maximize the adverse impact to which the Fund may be subject.

Interest rate fluctuations may cause losses.

The Fund will bear interest rate exposure related to its investments and variable-rate debt, as well as its interest rate swaps and caps that the Fund primarily intends to utilize for hedging purposes. Changes in interest rates will affect the Fund's net interest income, which is the difference between the interest income the Fund earns on its interest-earning investments and the interest expense the Fund incurs in financing these investments. Changes in interest rates also may affect the Fund's ability to originate and acquire assets, the value of the Fund's assets and the Fund's ability to realize gains from the disposition of such assets.

In a period of rising interest rates, the Fund's floating interest expense would increase, while the interest the Fund earns on its fixed-rate debt investments would not change. This would adversely affect the Fund's profitability. In addition, any increase in interest rates will increase the aggregate distributions payable by the WOS Fund on its Preferred Interests (which are based on a variable rate which will decrease the distributions available to be made by the WOS Fund to the Fund as holder of common limited liability company interests of the WOS Fund) and, therefore, will reduce the amount available to pay distributions to the Members.

The Fund's operating results will depend in large part on differences between the income from its assets and financing costs. The Management Team anticipates that, in most cases, for any period during which the Fund's assets are not match-funded, the income from such assets will respond more slowly to interest rate fluctuations than the cost of its borrowings. Consequently, changes in interest rates, particularly short-term interest rates, may significantly adversely influence the Fund's net income. Increases in these rates will tend to decrease the Fund's net income and market value of its assets. Interest rate fluctuations resulting in the Fund's interest expense exceeding interest income would result in operating losses for the Fund.

The Fund's real estate investments are subject to risks particular to real property.

The Fund will own assets secured by real estate and may, occasionally, own real estate directly. Real estate will be subject to various risks, including: (i) acts of God, including earthquakes, floods and other natural disasters, which may result in uninsured losses, and acts of war or terrorism, including the consequences of terrorist attacks, such as those that occurred on September 11, 2001; (ii) adverse changes in national and local economic and market conditions; (iii) changes in governmental laws and regulations, fiscal policies and zoning ordinances and the related costs of compliance with laws and regulations, fiscal policies and ordinances; (iv) costs of remediation and liabilities associated with environmental conditions such as indoor mold; and (v) the potential for uninsured or under insured property losses. If any of these or similar events occurs, it may reduce the Fund's return from an affected property or investment and reduce or eliminate the Fund's ability to make distributions to Members.

The Fund will invest in commercial mortgage loans, and will face special risks relating to commercial mortgage loans.

Commercial mortgage loans have certain distinct risk characteristics. Mortgage loans on commercial properties generally lack standardized terms, which may complicate their structure and increase due diligence costs. Commercial real estate properties tend to be unique and are more difficult to value than residential real estate properties. In addition, commercial real estate properties, particularly industrial and warehouse properties, are generally subject to relatively greater environmental risks than non-commercial properties and to the corresponding burdens and costs of compliance with environmental laws and other regulations.

Commercial mortgage loans also tend to have shorter maturities than residential mortgage loans and are generally not fully amortizing, which means that they may have a significant principal balance or “balloon” payment due on maturity. Mortgage loans with a balloon payment involve a greater risk to a lender than fully amortizing loans because the ability of a borrower to make a balloon payment typically will depend upon its ability either fully to refinance the loan or to sell the property securing the loan at a price sufficient to permit the borrower to make the balloon payment. The ability of a borrower to effect a refinancing or sale will be affected by a number of factors, including the value of the property, the level of available mortgage rates at the time of sale or refinancing, the borrower’s equity in the property, the financial condition and operating history of the property and the borrower, tax laws, prevailing economic conditions and the availability of credit for loans secured by the specific type of property.

Commercial mortgage loans generally are non-recourse to borrowers, excluding certain so-called “bad-boy” recourse carve-outs. In the event of foreclosure on a commercial mortgage loan, the value at that time of the collateral securing the mortgage loan usually will be less than the principal amount outstanding on the mortgage loan and the accrued but unpaid interest thereon, resulting in a loss.

Commercial mortgage loans are also subject to the effects of (i) the ability of tenants to make timely payments, (ii) the ability of a property to attract and retain tenants, which may in turn be affected by local conditions such as oversupply of space or a reduction in demand for rental space in the area, the attractiveness of properties to tenants, competition from other available space and the ability of the owner to pay leasing commissions, provide adequate maintenance and insurance, pay tenant improvement costs and make other tenant concessions, (iii) interest rate levels and the availability of credit to refinance such loans prior to maturity, (iv) compliance with regulatory requirements and applicable laws, including environmental controls and regulations, and (v) increased operating costs, including energy costs and real estate taxes. Also, there may be costs and delays involved in enforcing rights of a property owner against tenants in default under the terms of leases with respect to commercial properties and such tenants may seek in protection of the bankruptcy laws which can result in the rejection of lease contracts. In addition, while commercial properties generally will carry comprehensive liability and casualty coverage, such coverage may not provide full protection for the value of the underlying property and may not protect against all casualty losses, including damage due to floods, earthquakes, hurricanes and terrorism.

If the properties securing the mortgage loans do not generate sufficient income to meet operating expenses, debt service, capital expenditure and tenant improvements, the obligors under the mortgage loans may be unable to make payments of principal and interest in a timely fashion. Income from and values of commercial properties are also affected by such factors as the quality of the property manager, applicable laws, including tax laws, interest rate levels, the availability of financing for owners and tenants and the impact of and costs of compliance with environmental controls and regulations.

The Fund's investments in mezzanine loans and subordinated loans involve greater risks of loss than senior loans.

The Fund intends to invest in mezzanine loans that take the form of subordinated loans secured by second mortgages on the underlying property or loans secured by a pledge of the ownership interests of either the entity owning the property or a pledge of the ownership interests of the entity that owns the interest in the entity owning the property. These types of investments involve a higher degree of risk than long-term senior mortgage lending secured by income producing real property, because the investment may become unsecured as a result of foreclosure by the senior lender. In the event of a bankruptcy of the entity providing the pledge of its ownership interests as security, the Fund may not have full recourse to the assets of such entity, or the assets of the entity may not be sufficient to satisfy the Fund's mezzanine loan. If a borrower defaults on the Fund's mezzanine loan or debt senior to the Fund's loan, or in the event of a borrower bankruptcy, the Fund's mezzanine loan will be satisfied only after the senior debt. As a result, the Fund probably will not recover some or all of its investment. In addition, mezzanine loans may have higher loan to value ratios than conventional mortgage loans, resulting in less equity in the property and increasing the risk of loss of principal.

Preferred equity investments involve a greater risk of loss than traditional debt financing and specific risks relating to particular issuers.

The Fund may invest in preferred securities including those of REITs and real estate operating companies. Preferred equity investments involve a higher degree of risk than traditional debt financing due to a variety of factors, including that such investments are subordinate to debt and are not secured by property underlying the investment. Furthermore, should an issuer of preferred equity default on the Fund's investment, the Fund would only be able to proceed against the issuer, and not the property owned by the issuer and underlying the Fund's investment. In most cases, a preferred equity holder has no recourse against an issuer for a failure to pay stated dividends; rather, unpaid dividends typically accrue and the preferred shareholder maintains a liquidation preference in the event of a liquidation of the issuer of the preferred securities. There can be no assurance that an issuer would have sufficient assets to satisfy any liquidation preference to which the Fund may be entitled. As a result, the Fund may not recover some or all of its investments in preferred equity securities.

Bridge loans will involve a greater risk of loss than traditional insured and investment grade mortgage loans.

The Fund intends to provide bridge loans secured by first lien mortgages on properties to borrowers who are typically seeking short-term capital to be used in an acquisition and renovation of property. The borrower has usually identified an undervalued asset that has been under-managed and/or is located in a recovering market. If the market in which the asset is located fails to recover according to the borrower's projections, or if the borrower fails to improve the quality of the asset's management and/or the value of the asset, the borrower may not receive a sufficient return on the asset to satisfy the bridge loan, and the Fund bears the risk that the Fund may not recover some or all of the Fund's investment.

In addition, borrowers usually use the proceeds of a conventional mortgage to repay a bridge loan. Bridge loans, therefore, are subject to a borrower's ability to obtain permanent financing to repay the bridge loan. Bridge loans are also subject to risks of borrower defaults, bankruptcies, fraud, losses and special hazard losses that are not covered by standard hazard insurance. In the event of any default under bridge loans held by the Fund, the Fund bears the risk of loss of principal and non-payment of interest and fees to the extent of any deficiency between the value of the mortgage collateral and the principal amount of the bridge loan. To the extent the Fund suffers such losses with respect to the Fund's investments in bridge loans, the value of the Fund will be adversely affected.

Prepayment rates can increase, adversely affecting yields on the Fund's investments.

The value of the Fund's assets may be affected by prepayment rates on mortgage loans. Prepayment rates on mortgage loans are influenced by changes in current interest rates and a variety of economic, geographic and other factors beyond the Fund's control, and consequently, such prepayment rates cannot be predicted with certainty. In periods of declining mortgage interest rates, prepayments on mortgage loans generally increase. If general interest rates decline as well, the proceeds of such prepayments received during such periods are likely to be reinvested by the Fund in assets yielding less than the yields on the assets that were prepaid. In addition, the market value of the mortgage assets may, because of the risk of prepayment, benefit less than other fixed-income securities from declining interest rates. Under certain interest rate and prepayment scenarios the Fund may fail to recoup fully its cost of acquisition of certain investments.

A prolonged economic slowdown, a lengthy or severe recession or declining real estate values could harm the Fund's operations.

The Management Team believes the risks associated with its business will be more acute during periods of economic slowdown or recession, because these periods generally are accompanied by declining real estate values. Declining real estate values will likely reduce the Fund's level of new mortgage loan originations, because borrowers often use increases in the value of their existing properties to support the purchase or investment in additional properties. Further, declining real estate values significantly increase the likelihood that the Fund will incur losses on its loans in the event of default. Any sustained period of increased payment delinquencies, foreclosures or losses could adversely affect both the Fund's net interest income from loans in its portfolio as well as the Fund Advisor's ability to originate and finance loans, which would significantly harm its revenues, results of operations, financial condition, business prospects and the Fund Advisor's ability to make distributions to its Members.

The Fund may not be able to access financing sources on favorable terms, or at all, which could adversely affect the Fund's return; leverage could increase the Fund's risk.

The Fund's return on investment depends, in part, upon its ability to increase its invested assets through the use of leverage at a cost of debt that is lower than the yield earned on its investments. The Fund's failure to obtain and/or maintain a leverage-to-equity ratio at

currently targeted levels (but limited to a 1:1 overall leverage-to-equity ratio, including true debt of the Fund and the WOS Fund, but not including distributions in respect of the Preferred Interests), or to obtain leverage on attractive terms, would have an adverse effect on the Fund's performance. The Fund's ability to obtain traditional financing of its assets is subject to conditions in the debt capital markets, which are affected by the factors beyond its control.

Leverage will magnify the profits or losses of the Fund. The level of interest rates at which the Fund can borrow will affect the operating results of the Fund, and the terms of any refinancing may not be as favorable as the terms of the debt being refinanced. In the event of a sudden precipitous drop in the value of the Fund's assets, cash flow from operations may not be sufficient to make required payments of principal and interest, resulting in the loss of some or all of the Fund's assets to foreclosure or forced sale in order to satisfy debt obligations. The Fund may be required to dedicate a substantial portion of its cash flow from operations to payments on its debt, thereby reducing funds available for operations, distributions and other purposes.

The Fund expects many of its investments to be illiquid and the Fund may not be able to vary the Fund's portfolio in response to changes in economic and other conditions.

The Fund's mortgage loan investments and other real estate finance-related investments are relatively illiquid and some are highly illiquid. Such illiquidity may limit the Fund's ability to vary its portfolio in response to changes in economic and other conditions. Illiquidity may result from the absence of an established market for investments as well as the legal or contractual restrictions on their resale. In addition, illiquidity may result from the decline in value of a property securing these investments. Illiquid investments may require a significant amount of time from the date of initial investment before disposition. The Fund cannot make assurances that the fair market value of any of the real property serving as security will not decrease in the future, leaving the Fund under-collateralized or not collateralized at all, which could impair the liquidity and value, as well as its return on such investments. Sales of such illiquid investments may not be possible and, if possible, may be at the substantial discounts from cost.

Item 9 – Disciplinary Information

There have been no legal or disciplinary events by Pembroke or its employees.

Item 10 – Other Financial Industry Activities and Affiliations

Pembroke and related entities invest, on behalf of their clients, in and originates commercial real estate debt to finance all parts of a capital structure from first mortgages, mezzanine, bridge loans and commercial mortgage-backed securities, as well as preferred equity and loans for real estate operating companies.

PCI III also has a relationship with Mariner through their indirect ownership of PCI III. Through its affiliation with PCM and Mariner, PCI III has several related persons. A full list of those persons may be found on Schedule D of PCM's Form ADV.

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

Code of Ethics

Pembrook has adopted a code of ethics as required by Rule 204A-1 under the Investment Advisers Act. The code of ethics requires employees to conduct business with the highest ethical standards and always put the client interests before above the interests of themselves and restricts them from purchasing securities in which their clients may invest. It requires employees to report any violations immediately to the Chief Compliance Officer. It also addresses:

- Employee personal trading including:
 - Reporting personal security transactions
 - Preclearance of certain transactions
 - Annual reporting of securities holdings
- Limits and reporting requirements on gifts and entertainment
- Limits and reporting requirements for political contributions
- Employees are required to acknowledge receipt of the Code
- Electronic Communication and Social Media Policy

A copy of the code of ethics is available upon request.

Pembrook has adopted other policies to protect the interest of its clients and prevent violations of applicable laws as required by Rule 206(4)-7 under the Investment Advisers Act (“**Rule 206(4)-7**”). In accordance with Rule 206(4)-7, Pembrook reviews these policies and procedures no less frequently than annually to ascertain their effectiveness and determine whether they are being adequately followed.

Compensation of Investment Professionals

Compensation of the investment professionals for PCI III generally consists of salary, discretionary bonus and may receive a percentage of the incentive fee earned by PCI III.

Certain employees of PCM are registered representatives of Mariner Group Capital Markets, Inc. (“**MGCM**”). MGCM is an affiliated broker of PCM. These employees may engage in marketing efforts on behalf of the Fund and may receive compensation based on investments made in these funds paid by PCI III.

Item 12 – Brokerage Practices

PCI III does not currently engage in trading transactions on behalf of the Fund or utilize the services of broker dealers for transaction related services. In the event PCI III were to select or recommend broker-dealers for Fund transactions, PCI III would seek best execution of transactions and allocate transactions to broker-dealers for execution on

markets/exchanges and at prices and commission rates that in PCI III's good faith judgment are in the best interest of the Fund. In selecting brokers or dealers to effect portfolio transactions on behalf of the Fund, PCI III considers such factors as price, the ability to effect the transactions, the brokers' or dealers' facilities, reliability and financial responsibility, special execution capabilities, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, efficiency of execution and error resolution, quotation services, the availability of stocks to borrow for short trades, custody, recordkeeping and similar services, and any research or services provided by such brokers or dealers. PCI III need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. PCI III may cause an amount to be paid to a broker or dealer that furnishes research or services at a higher price than that which might be charged by another broker or dealer for effecting the same transaction, provided that PCI III determines in good faith that the amount of commissions charged is reasonable in relation to the value of the brokerage and research or investment management-related services provided by such broker/dealer. Research and services obtained by the use of commissions arising from portfolio transactions may be used by PCI III in its other investment activities, and, therefore, the Fund may not, in any particular instance, be the direct or indirect beneficiary of the research or services provided. Research and related services furnished by brokers may include written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing services; discussions with research personnel and other news utilized in the investment management and execution process. The research that is provided by the broker/dealer is generally proprietary information made available by the broker/dealer to all of its clients or prospective clients. PCI III does not enter into any agreement with any broker/dealer to obtain any research from third party providers or from the broker/dealer in exchange for agreeing to direct a certain level of commissions to that broker or dealer.

PCI III does not consider any referrals when selecting broker/dealers.

Item 13 – Review of Accounts

Senior management of Pembroke will maintain constant surveillance of the holding and investments made by the Fund. Management will receive weekly and quarterly reports to assist them in the management of the Fund's assets which will also include a summary of all investments. Management intends to also perform ad hoc testing to ensure that the Fund's investments are within the parameters set by the Fund.

Item 14 – Client Referrals and Other Compensation

Pembroke does not receive an economic benefit from any source with respect for providing investment advice or other advisory services to its clients.

Neither Pembroke nor any of its employees directly or indirectly compensates any person not related for client referrals.

PCM has entered into arrangements whereby its affiliated broker-dealer MGCM and certain of its registered representatives (some of whom are also employees of Pembroke) (hereinafter collectively referred to as “**MGCM**”), will act as the primary marketing agent (e.g., placement agent, finder, solicitor, etc.) for the Fund in the placement of interests. Pursuant to such arrangements, the Fund will pay to MGCM a placement fee with respect to interests placed by MGCM. The advisory fee payable to PCI III will be reduced to the extent of such placement fees paid by the Fund. The Members will not be subject to the payment of sales commissions or additional compensation to MGCM as a result of such placement arrangements.

Item 15 – Custody

PCI III is deemed to have a form of custody of Fund III’s assets due to the ability to be able to deduct fees from the Fund, even though indirectly through the administrator. Once Fund III begins asset management, all cash and securities will be maintained by a qualified custodian under Rule 206(4)-2 under the Investment Advisers Act (“**Custody Rule**”). As required by the Custody Rule, since PCI III’s sole client is a private fund, an annual audit of the Fund will be conducted by an independent public accountant that is subject to inspection by the Public Company Accounting Oversight Board. Additionally, the financial statements of the Fund will be prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP). On an annual basis the Fund will distribute an audited financial statement prepared in accordance with generally accepted accounting principles within 120 days of the end of its fiscal year. These reports will be in written form and clients should carefully review those statements. The Fund had no operations in 2015 and therefore did not prepared financial statements.

Item 16 – Investment Discretion

PCI III has only one client and has full discretion over transactions. It does not permit the client to direct brokerage.

Item 17 – Voting Client Securities

PCI III generally does not intend on investing in equity securities that regularly vote shares. However, PCI III has adopted a proxy policy should a proxy vote arise or to handle any class actions. Should any matters arise that requires a vote of the holders of any securities held by Fund III, senior management of Pembroke would review the issue or issues to be voted on and cast their votes in the best economic interest of the Fund. A copy of the proxy voting policy and a record of all votes cast by PCI III on behalf of Fund III, may be obtain by mailing the request to the attention of Robert Hellman at Pembroke Capital Management LLC, 485 Madison Avenue, 22nd Floor, NY, NY 10022 or emailing the request to rhellman@pembrookgroup.com.

Item 18 – Financial Information

The Pembroke has no financial commitment that impairs its ability to meet any contractual or other fiduciary commitments to its clients.