



Nine Ten Capital Management LLC

Part 2A of Form ADV

The Brochure

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This Brochure provides information about the qualifications and business practices of Nine Ten Capital Management LLC (“Nine Ten” or the “Adviser”). If you have any questions about the contents of this Brochure, please contact us at (847) 868-0893. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Nine Ten Capital Management LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of the Adviser should be considered carefully in your decision to hire or retain us to provide advisory services. Additional information about the Adviser is available on the SEC’s website at www.adviserinfo.sec.gov.



Item 2 – Material Changes

Only material changes that have occurred since the last annual update of this brochure will be discussed. The last annual update occurred March 30, 2020.

Nine Ten has approximately \$952 million in discretionary assets under management as of December 31, 2020.

Ripley Capital Management, LLC, (“RCM”) was an affiliate of the Adviser, due to two owners of Nine Ten being minority owners of RCM. That affiliation is no longer valid as of June 2020.

Nine Ten has permanently moved its principal office to Evanston, Illinois.

As of 1/1/2021, Benjamin Seltzer, Research Analyst, for Nine Ten has an equity stake in Nine Ten.

As of 1/1/2021, Nine Ten and Bares Capital Management, Inc., (“Bares Capital”), have terminated the administration and office service agreement between the companies, which means Bares Capital is no longer involved in the day to day operations of Nine Ten. Nine Ten has hired a Chief Compliance Officer and Chief Operating Officer to assume those duties. Brian Bares, President, and James Bradshaw, CCO/COO, have resigned in conjunction with the operational separation. Russell Mollen has assumed the President role and Michelle Katauskas has assumed the CCO/COO role for Nine Ten.

The section discussing “Allocation of Investment Opportunities” has been eliminated due to the de-affiliation with Bares Capital. The guidelines to allocate investment opportunities that fit both Nine Ten and Bares Capital strategies are no longer valid.

Since the last annual update of this brochure, Nine Ten will now have the flexibility necessary to invest opportunistically across all market capitalizations for the Fund. The Fund seeks to maximize growth of capital through a portfolio of primarily long positions in publicly-traded equity securities focused on smaller companies, including micro-cap companies.

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Item 4 – Advisory Business

Nine Ten Capital Management LLC, formed in March 2014, is a limited liability company located in Evanston, Illinois. Nine Ten received its registration from the Securities and Exchange Commission in May 2014. The Adviser provides discretionary investment management services to Nine Ten Partners LP (the “Fund”) through Limited Partner interests. The Fund is exempt from registration under the Investment Company Act of 1940, as amended (“Investment Company Act”). This is currently Nine Ten’s only strategy offered.

Brian T. Bares owns the largest interest in Nine Ten, while three others have an equity stake in Nine Ten. Mr. Bares and one other owner of Nine Ten are also principals, owners, and/or employees of Bares Capital Management, Inc., a registered investment advisor with the SEC since 2005. Bares Capital is considered an affiliated investment adviser due to the ownership mentioned above.

The Fund

On July 1, 2014, the Adviser launched the Fund with assets converted from Bares Capital’s Micro-Cap Strategy separate accounts. The Micro-Cap Strategy is no longer offered at Bares Capital and legacy separate account owners invested in this strategy have either joined the Fund in a tax neutral transaction or have liquidated their accounts.

The Adviser’s services to the Fund are provided pursuant to an investment management agreement (the “Investment Management Agreement”) with the General Partner of the Fund, which is an affiliate of Nine Ten. In accordance with the terms of the Investment Management Agreement, the General Partner has delegated to the Adviser all of its authority under the Fund’s Limited Partnership Agreement (the “Partnership Agreement”) to manage and operate the Fund and formulate investment policy with full discretion. The Investment Management Agreement requires the Adviser to manage the investments of the Fund, subject to and in accordance with the Fund’s investment objectives and limitations provided in the Partnership Agreement and Private Placement Memorandum (“PPM”).

The Fund seeks to maximize growth of capital through a portfolio of primarily long positions in publicly-traded equity securities focused on smaller companies, while retaining the flexibility necessary to invest opportunistically across all market capitalizations. The Fund will also have the ability to utilize short sales and options, make opportunistic credit investments and invest in restricted and private securities. The Adviser will focus its research on small companies, including micro-cap companies, which we believe is the most inefficiently priced, publicly-traded asset class.

While not part of the Fund’s core investment approach, the Fund may also selectively invest in options, other derivative instruments and restricted and private securities, as well as participate in direct equity financings in public companies, short sale opportunities, investments outside of the United States and investments in parts of a company’s capital structure other than common stock.

Advisory Services

The Adviser tailors its advisory services to the specific investment objectives and restrictions of the Fund pursuant to the investment guidelines and restrictions set forth in the Fund’s PPM, Partnership

Agreement and other governing documents (collectively, the “Governing Documents”). Information about the Fund and the particular investment objectives, strategies, restrictions, and risks associated with an investment in the Fund are described in detail in the Governing Documents, which are made available to investors only through the Adviser and its authorized agents.

Fund investors do not receive customized investment management services. With the exception of the investment restrictions articulated in the Fund’s Investment Management Agreement, investors in the Fund are not permitted to impose restrictions on the Adviser’s investment discretion. Investments in the Fund involve significant risks and should be regarded as long-term in nature, and therefore should represent only one portion of an investor’s diversified investment portfolio. Please see *Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss* for more information about the risks associated with an investment.

Non-managed assets are not accommodated by the Adviser.

Nine Ten has approximately \$952 million in discretionary assets under management as of December 31, 2020.

The Adviser does not provide legal, tax or accounting advice or services and a client should not assume that Nine Ten is providing such services at any time. Also, securities or other investments on which the Adviser provides advice are not deposits or obligations or any bank, are not endorsed or guaranteed by any bank and are not insured by the Federal Deposit Insurance Corp., the Federal Reserve Board, or any government agency and that Nine Ten is not a trust or banking institution.

Item 5 – Fees and Compensation


Capital Accounts

The Fund maintains a book capital account (a “Capital Account”) for each Limited Partner and the General Partner (collectively, the “Partners”) to reflect contributions, withdrawals, distributions and allocations of net profit and net loss. The initial balance of each Partner’s Capital Account is equal to the amount of cash or net value of any property contributed to the Fund by such Partner.

Management Fee

For its services to the Fund, the Adviser receives management fees at an annual rate of 1% of each Limited Partner’s Capital Account balance, calculated and paid each calendar quarter in advance. The management fee is calculated by the Fund’s administrator Opus Fund Services (“Opus”). The management fee is earned by the Adviser each month of the quarter, therefore if the investor redeems at month end they will not be charged a management fee for the next month. If the Adviser’s management fee received is more than what was earned for the quarter, next quarter’s fees will be reduced by the overpayment. The Capital contributions accepted after the commencement of a calendar quarter are subject to a prorated management fee. The Adviser may reduce or eliminate the management fee with respect to any Limited Partner in its sole discretion.

Opus uses independent pricing sources such as Bloomberg and IDC to value the Fund and therefore calculate the management fee. Any non-marketable or illiquid securities the Fund holds will be valued for the Fund in accordance with Governing Documents and the Adviser's valuation policy.



The Fund (and indirectly the Limited Partner investors) is also required to pay the General Partner of the Fund, an affiliate of the Adviser, performance fees based upon a percentage of the Fund's return on invested capital. For additional details about such performance-based compensation, please refer to *Item 6 – Performance-Based Fees and Side-by-Side Management*.

The Fund bears all costs and expenses directly related to its investment program. This can include custody fees, underwriting and private placements, interest on debit balances or borrowing, any withholding or transfer taxes imposed on the Fund, costs of any litigation or investigation involving the Fund's activities, and any costs or expenses of winding up and liquidating the Fund. However, the General Partner may, in its sole discretion, choose to absorb any such expenses incurred on behalf of the Fund. The Fund will incur brokerage and other transaction costs. Please refer to *Item 12 – Brokerage Practices* for more information.

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

Performance-Based Fees

The General Partner is entitled to a performance allocation at the end of each calendar year which is calculated and charged separately with respect to each Limited Partner. The General Partner receives a percentage of any net profit earned upon the Limited Partners' Capital Accounts achieving an annual rate of return equal to or in excess of a specified threshold, which is articulated in the PPM. Any performance-based compensation will be paid, if applicable, in accordance with Section 205(3) of the Advisers Act, which specify certain qualification thresholds for clients of the Adviser being assessed such a fee.

Any share of profits paid to the General Partner is separate and distinct from the management fee charged by the Adviser for advisory services to the Fund. The General Partner may opt to reduce or waive any performance fees with respect to any Limited Partner. Management fees, performance fees and/or any other compensation payable to the Adviser or the General Partner by the Fund are negotiated with the Fund and its Limited Partners. Investors should carefully review Governing Documents for complete information about fees and compensation. Similar advisory services may be available from other investment advisers for comparable or lower fees.

Clients and investor of the Fund should understand that performance based allocation creates an incentive for the Adviser to make more speculative investments for the Fund than it would otherwise make in the absence of such performance-based compensation. However, conflicts of interest associated with such performance fees are mitigated by the Partnership Agreement's requirements that: (a) net losses be first allocated to the General Partner if the allocation of the net loss to a Limited Partner would result in a deficit balance in that Limited Partner's Capital Account for the relevant accounting period; and (b) the General Partner maintains a significant capital commitment to the Fund, which serves to more closely align General Partner and Limited Partner interests.

There are no issues regarding side-by-side management since the only managed relationship the Adviser has is the Fund.

Item 7 – Types of Clients

The Adviser provides discretionary investment advisory services to the Fund, which is a pooled investment vehicle exempt from registration under the Investment Company Act. Fund investors are comprised of individuals who qualify as “accredited investors” under Regulation D promulgated under the Securities Act of 1933, as amended (the “1933 Act”), and/or “qualified purchasers” as defined under Section 2(a)(51) of the Investment Company Act. As such, the Fund is not required to register with the SEC as an investment company in accordance with the exemptions set forth in Sections 3(c)(1) or 3(c)(7) of the Investment Company Act. There is a minimum initial investment of \$250,000 in to the Fund.

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

Methods of Analysis and Investment Strategies

The Fund intends to undertake a qualitative assessment of company competitiveness, management capital allocation and execution ability when selecting investments. Quantitative analysis is then intended to supplement this assessment when a variance between appraisal and market price has been discerned. This investment approach is designed to limit the number of portfolio positions in order to concentrate Fund capital in a select number of opportunities. The Adviser currently plans to limit the Fund’s aggregate assets under management to allow for optimal performance in this asset class.

The Adviser’s approach is to identify value through “bottoms-up” research, primary due diligence involving extensive use of consultants, industry contacts, customers, resellers and others who can provide insight into the working of the business. The Fund will typically invest in companies which the Adviser believes are undiscovered, oversold, misunderstood, forgotten or deeply discounted. Ideally, these companies have reached a strategic pivot point – a new product launch, new management, an acquisition or a recent financing, which may improve the underlying prospects of the business. The Adviser defines value both through traditional metrics such as price in relation to intrinsic value, as well as value relative to the opportunity set, and qualitative measures such as competitiveness and management capability.

The Adviser intends to take a long-term approach to the Fund’s investments. In that regard, it may take three to five years to realize the expected value of a Fund investment. The Adviser believes that, historically, the ability to withstand short-term volatility for the payoff of long-term results has been rewarded.

Investment Risks

An investment in the Fund involves substantial risks, including but not limited to those described in the PPM. Investing in securities involves risk of loss and you should be prepared to bear. There can be no assurance that the Fund’s investment objective will be achieved or that there will be any return of capital, and investment results may vary substantially on a monthly, quarterly or annual basis. Interests are a potentially suitable investment only for sophisticated investors for whom an investment in the Fund does not represent a complete investment program and who, in consultation with their own investment and tax advisors, fully understand and are capable of assuming the risks

of an investment in the Fund. In addition, there are significant actual and potential conflicts of interest that may arise in connection with the Fund. Investors should be aware of such conflicts. Below are some of the risk mentioned in the Fund's PPM. Please see the Fund's PPM for more details.

<i>Investment Judgment; Market Risk</i>	<i>Options</i>
<i>No Participation by Limited Partners</i>	<i>Increased Regulatory Oversight</i>
<i>Reliance on Key Persons</i>	<i>Initial Public Offerings</i>
<i>Concentration of Holdings</i>	<i>Index Contracts</i>
<i>Exchange Traded Funds & Other Similar Instruments</i>	<i>Illiquidity</i>
<i>Financial Markets and Regulatory Change</i>	<i>Turnover</i>
<i>Information Technology Systems</i>	<i>Costs Associated with ETF Investments</i>
<i>Non-Controlling Investments</i>	<i>Investment Authority</i>
<i>Volatility</i>	<i>Possible Effect of Substantial Withdrawals</i>
<i>Long-Term</i>	<i>Lack of Transferability</i>
<i>Equity Securities</i>	<i>Withdrawal and Transfer Restrictions</i>
<i>Common Stock</i>	<i>Compulsory Withdrawals</i>
<i>Micro-Cap and Small-Cap Stocks</i>	<i>No Distributions</i>
<i>Debt Securities</i>	<i>General Partner's Right to Dissolve the Fund</i>
<i>Short Sales</i>	<i>In-Kind Distributions</i>
<i>Derivatives</i>	<i>Diversification</i>
<i>Non-U.S. Investments</i>	<i>Reliance on Third Party Advisors; Service Providers</i>
<i>High Yield, Low or Unrated Securities</i>	<i>Modification of Terms</i>
<i>Investments in Undervalued Assets</i>	<i>Valuations</i>
<i>Convertible Instruments</i>	<i>Financial Fraud at a Company</i>
<i>Leverage</i>	<i>Non-Public Information</i>
<i>Put and Call Options on Specific Investments</i>	<i>Information Sources</i>
<i>Absence of Registration</i>	<i>Cybersecurity Risks</i>
<i>Broker Insolvency Risk</i>	<i>Epidemics and Pandemics</i>
<i>No Separate Counsel</i>	<i>Currency Risk & Tax Related Risks</i>

Item 9 – Disciplinary Information

Registered investment advisers must disclose facts about any legal or disciplinary events that would be material to a client's evaluation of the adviser's business or the integrity of the adviser's management. The Adviser has no legal or disciplinary events of any kind to report.

Item 10 – Other Financial Industry Activities and Affiliations

Neither the Adviser nor its management persons are registered as, and does not have an application pending as, a securities broker-dealer, futures commission merchant, commodity pool operator, or commodity trading advisor.

The Adviser and its advisory affiliate or related persons are, directly or indirectly, managing members of the General Partner of the Fund. The General Partner, in its sole discretion, is permitted to enter into a side letter or similar agreement with one or more Limited Partners that has the effect of establishing rights under, or altering or supplementing the terms of, certain Governing Documents (including those relating to the Management Fee, Performance Allocation, transparency and withdrawals) with respect to such Limited Partner.

Brian T. Bares owns the largest interest in Nine Ten. Mr. Bares and one other owner of Nine Ten are also principals, owners, and/or employees of Bares Capital. Bares Capital is considered an affiliated investment adviser due to the ownership mentioned above.

Item 11 – Code of Ethics

The Adviser has adopted a Code of Ethics ("COE") that sets forth standards of conduct that are expected of all of the Adviser's employees pursuant to SEC rule 204A-1. The COE defines the expectation and requirement of professional and ethical conduct by all employees in accordance with the Adviser's fiduciary duty. All employees are required to comply with U.S. federal and state securities laws. All employees are required to follow the COE and annually certify they acknowledge the terms.

The COE contains policies and procedures relating to: (a) general standards of conduct; (b) personal trading; (c) insider trading prevention; (d) gifts and entertainment; (e) outside business activities; (f) protect confidential information including client information; and (g) whistleblower policy.

Participation or Interest in Client Transactions

Through the limited partnership structure, the Adviser's General Partner affiliates have indirect beneficial interests in the securities owned by the Fund and will share in any profits and losses generated by Fund investments. Furthermore, employees and related persons of the Adviser may purchase interests in the Fund through General Partner or Limited Partner interests.

The Adviser will always endeavor to act in the best interests of the Fund; however, clients should be aware that the Adviser's and General Partner's receipt of compensation from the Fund creates a potential conflict of interest with respect to such transactions.

Personal Trading

Employees of the Adviser are permitted to have personal securities accounts as long as personal investing practices are consistent with fiduciary standards and regulatory requirements, and do not conflict with their duty to the Adviser and its clients. Employees are permitted to, within their personal trading accounts, invest in the same securities for which the Adviser transacts in the Fund. The Adviser maintains policies and procedures designed to mitigate these potential conflicts, which include pre-approval of personal securities transactions by the Chief Compliance Officer and the use of blackout periods to ensure that employee interests within personal trading accounts are never placed ahead of the interest of clients and investors. Employees are not permitted to buy securities from or sell securities to the Fund. Employee transactions are reviewed by the Chief Compliance Officer.

The Adviser will provide its COE to any current or prospective client upon request. To obtain a copy, please contact Michelle Katauskas, Chief Compliance Officer, at (847) 859-5554 or mkatauskas@ninetencapital.com.


Item 12 – Brokerage Practices

In determining which broker-dealer generally provides the best available price and most favorable execution, the Adviser considers a totality of circumstances, including, but not limited to, implicit trading costs, access to securities with limited liquidity, software functionality and flexibility, efficiency of execution, research capabilities, financial strength and stability, perceived value of various financial industry conferences held by such broker-dealer and prior experience in working with such networks, systems and broker-dealers. Under such circumstances, the Adviser thinks of “best execution” as not necessarily the best “price,” although in some situations it is, but rather a combination of facts that allows the Adviser to seek the best way of doing business on behalf of its clients.

Research and other Soft Dollar Benefits

When more than one brokerage firm satisfies our criteria, preference may be given to brokerage firms which provide us with certain brokerage and research services, or products as allowed by law under Section 28 (e) of the Securities Exchange Act of 1934, even though we may pay brokerage commissions more than that which another broker might have charged for the same transaction. Payments to brokerage firms for these services through commission revenue rather than direct cash payment are referred to as “soft dollars”. The brokerage and research services received by Nine Ten under soft dollar arrangements include but are not limited to: FIX line fees for electronic trading, Investment research reports, Access to research analysts, Economic research such as publications, chart services and economic advice, Conference attendance. These services benefit all clients.

The Adviser maintains a list of approved broker-dealers who provide trade execution and other services. On a quarterly basis, Nine Ten evaluates broker-dealers on approved list to ensure that they remain qualified to transact business with us and are achieving best execution. The Adviser will make a good faith determination that the amount of commission is reasonable in relation to the value of the research or brokerage services received, viewed in terms of either the specific transaction or the Adviser’s overall responsibility to its clients.



The Adviser's use of client brokerage commissions represents a conflict of interest because we do not have to internally produce the service/product or purchase it directly elsewhere. It also means we have financial incentive to select or recommend brokerage firms that provide us such services rather than based on lowest commission costs. To minimize this conflict of interest, the Chief Compliance Officer reviews the Adviser's good faith determination of reasonableness in relation to the value of such services.

Nine Ten does not receive brokerage firm referrals for potential client and we do not permit a client to direct brokerage.

Nine Ten does not engage in agency cross transactions and does not engage in principal transactions.

Trade Errors

The Adviser is required to address trade errors in a timely manner. Our policy is the Fund cannot be disadvantaged in the error resolution process. If the error results in a gain for the Fund, the gain will remain in the portfolio and if a loss is the result the Adviser will compensate the Fund for the loss.

Item 13 – Review of Accounts

Review of Fund Portfolio

Russell C. Mollen, Portfolio Manager, is responsible to actively monitor and review the Fund's investment portfolio on a continuing basis. Investments are reviewed daily in light of the Fund's stated investment objectives and guidelines as set forth in applicable Governing Documents as well as current market conditions.

Reports to Investors

The Advisor's Fund administrator furnishes unaudited monthly reports to the Fund's investors stating their changes in capital and the performance of the Fund. Also, the Fund's auditor prepares the Fund's annual income tax return and annual audited financial statements in accordance with U.S. generally accepted accounting principles (including a balance sheet and the related statements of income). Fund investors receive these annual audited financial statements within 120 days after the Fund's fiscal year end. Fund investors also receive written information with respect to such person's interest in the profits, losses, tax credits, deductions, tax preference items and investment credits, if any, as such person shall require for federal income tax purposes.

Item 14 – Client Referrals and Other Compensation

The Adviser does not directly or indirectly compensate any third party for client referrals. The Adviser does not receive an economic benefit from anyone who is not a client for providing investment advice or other advisory services to clients.

Item 15 – Custody

Nine Ten is deemed to have custody of the assets of the Fund within the meaning of the Advisers Act due to its affiliation with the General Partner of the Fund. Fund cash and securities are held with qualified custodians. The Fund is a privately offered limited partnership and is subject to an annual audit by a Public Company Accounting Oversight Board (“PCAOB”) registered and inspected independent accounting firm. The audited financial statements of the Fund are prepared in accordance with generally accepted accounting principles and distributed to Fund investors within 120 days of the Fund’s fiscal year end. Investors should review these audited financial statements carefully.

Item 16 – Investment Discretion


Nine Ten generally receives discretionary authority from the outset of an advisory relationship and the signing of an investment advisory contract which authorizes discretion. Nine Ten provides investment advisory services to the Fund on a discretionary basis and is subject to the overall supervision of the General Partner of the Fund. Fund investors do not receive customized investment advisory services. With the exception of the investment restrictions articulated in the Fund’s Investment Management Agreement, investors in the Fund are not permitted to impose restrictions on the Adviser’s investment discretion. The Partnership Agreement and Investment Management Agreement set forth the parties’ responsibilities and any other investment restrictions. Unless otherwise instructed or directed, the Adviser is generally expected to retain the authority to determine: (a) the securities to be purchased and sold for the Fund and the timing of these transactions; and (b) the amount and price of securities to be purchased or sold for the Fund.

Item 17 – Voting Client Securities

In accordance with SEC rule 206(4)-6, the Adviser has adopted written proxy policies to govern portfolio investments. The Adviser assumes full proxy voting authority on behalf of the Fund. Our proxy policies seek to ensure that the Adviser votes proxies (or similar instruments) in the best interest of the Fund. Fund investors do not have the authority to direct or control the Adviser’s proxy votes.

All proxies are voted by the Adviser’s Portfolio Manager. The objective in such voting is to support proposals and director nominees that maximize the value of Fund investments over the long term. Each proposal is evaluated on its merits, based on the particular facts and circumstances as presented and in consideration of: (a) the degree of insider ownership of company shares; (b) the structure and level of compensation for corporate executives and the board; (c) the actual and perceived conflicts of interest attendant to the proposed measures relative to the company insiders (e.g., executives and the board); (d) the financial and operating performance of the company and its stock; (e) the quality, diversity or independence of the board; and (f) other corporate governance issues.

Should a conflict of interest exist between the Adviser and the Fund as to the outcome of certain proxy votes, the Adviser is committed to resolving the conflict in the best interest of the Fund before it votes the proxy in question. The Adviser has the option to take the following courses of action to resolve the conflict: (a) disclose the conflict to Fund investors and obtain consent before voting; and/or (b) engage a disinterested, qualified third party to determine how the proxy should be voted.



If you are a Fund investor and would like to obtain a copy of the Adviser's proxy voting policies or additional information about how proxies have been voted with regard to Fund securities, please contact Michelle Katauskas, Chief Compliance Officer, at (847) 859-5554.

Item 18 – Financial Information

Registered investment advisors are required in this item to provide clients with certain financial information or disclosures about Nine Ten's financial condition. The Adviser has no financial obligation that impairs their capacity to meet contractual and fiduciary commitments to the Fund, nor have the Adviser been the subject of a bankruptcy proceeding.