

Mairs & Power Private Capital Management, LLC  
Form ADV Part 2A

332 Minnesota Street, Suite W1520  
St. Paul, Minnesota 55101  
651-222-8478

<https://mairsandpower.vc/>

March 31, 2022

**This brochure provides information about the qualifications and business practices of Mairs & Power Private Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at (651) 222-8478. 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. Mairs & Power Private Capital Management, LLC is an SEC-registered investment adviser. This registration does not imply a certain level of skill or training.**

**Additional information about Mairs & Power Private Capital Management, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Item 2      Material Changes

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In this item, we are required to disclose any material changes to the brochure since the last annual update. Mairs & Power Private Capital Management, LLC made its initial filing with the SEC on June 21, 2021. In addition to the material changes made since the initial filing, which are set forth below, this annual update includes certain technical, stylistic, or clarifying changes intended to enhance the overall Form ADV Part 2A.

Item 4 - Advisory Business was updated to reflect that the Private Fund now has assets under management.

Mairs & Power Private Capital Management, LLC  
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#### Item 4      Advisory Business

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Mairs & Power Private Capital Management, LLC (“PCM”) is an SEC-registered investment adviser based in St. Paul, Minnesota. The firm was founded in 2021 and is a fully owned subsidiary of Mairs & Power, Inc., a related SEC-registered investment adviser. Please refer to Item 10, Other Financial Industry Activities and Affiliations for a discussion of matters relating to PCM’s affiliates.

PCM provides investment management services to privately-placed pooled investment vehicles (the “Private Funds” or “Funds”) focusing on venture capital investments in a variety of sectors. PCM provides investment management services on a discretionary basis and typically engages third-party service providers, such as administrators and auditors, on behalf of the Funds.

PCM provides investment management services as described in the investment strategy of the relevant Private Fund. The investment strategy is outlined in each Fund’s Private Placement Memorandum (the “PPM”), limited partnership agreement, or other governing documents (collectively, the “Governing Documents”). The Governing Documents should be read carefully for a description of the merits for and risks associated with such type of investment prior to investing.

Additionally, PCM enters into agreements, such as side letters, with certain investors in the Private Funds that provide for terms of investment that are more favorable than the terms provided to other investors in the Private Funds. Such terms may include, but are not limited to, the waiver or reduction of fees or the provision of additional reports and information. These side letters or other agreements are generally disclosed only to investors in the applicable Private Fund that have the right to review such agreements.

To the extent permitted by law, PCM has engaged its affiliate, Mairs & Power, Inc., to provide support related to its responsibilities. Mairs & Power, Inc. does provide certain administrative services to PCM such as the review and processing of new account documentation, implementation of Private Funds, account monitoring, and other administrative and operational services as delegated.

As of December 31, 2021, we managed \$15,855,000 of client assets on a discretionary basis.

## Item 5 Fees and Compensation

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PCM is paid a management fee by each Private Fund. The specific payments, terms, and other conditions of the management fee paid by the Funds to PCM are set forth in the relevant Governing Documents and described in the PPM or investment management agreement, as applicable.

Generally, PCM is paid a quarterly management fee equal to 2% per annum of the Fund's Actively Invested Capital, as defined by the respective Fund's Governing Documents. PCM reserves the right to defer or waive any or all of any management fee payable by the Fund.

Each Fund is responsible, pursuant to their Governing Documents, for their ongoing direct, administrative, operating, or otherwise permissible expenses. These expenses may be incurred directly by the Fund, or in some instances, PCM will incur the expense and seek reimbursement from the Fund. Expenses incurred by a specific Fund may vary depending on the nature of the operations of the Fund and are described in detail in the applicable Governing Documents.

PCM or any of its affiliates, may receive ancillary fees as a result of operation. Ancillary fees include, but are not limited to, advisory fees, transaction fees, director's fees, and break up fees. If such ancillary fees are received with respect to a Fund, 100% of the amount of ancillary fees will be applied through offset fees to reduce the management fee.

PCM and its affiliates receive a type of performance-based fee known as Carried Interest, as defined by the respective Fund's Governing Documents, from the Funds. A general partner typically receives performance compensation of up to 20% of the proceeds realized upon the disposition of the assets of a Private Fund; subject to the return of capital contributions to investors. See Item 6, Performance-Based Fees and Side-by-Side Management for further detail.

See the applicable Governing Documents for complete information related to the fees and compensation associated with the Funds.

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

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As discussed in Item 5, Fees and Compensation, PCM and its affiliates often receive performance-based compensation from the Private Funds in the form of Carried Interest. Subject to the relevant Governing Documents, a general partner typically receives compensation of up to 20% of net profit proceeds, subject to the return of capital contributions to investors.

PCM and its affiliates may be incentivized to allocate investment opportunities to Private Funds that have a higher performance-based compensation percentage or to make more speculative investments in assets purchased than it might otherwise in an attempt to receive performance-based compensation.

These potential conflicts of interest are mitigated by the disciplined and focused approach of PCM's investment process. Accordingly, PCM takes the following steps to address potential conflicts of interest: disclosure to investors of the existence of all material conflicts of interest and educating its employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to its Funds and the equitable treatment of all of its Funds, regardless of the fee arrangement.

## Item 7 Types of Clients

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Our clients include Private Funds. Individual investors in the Private Funds may include institutional investors, including but not limited to, trusts, endowments, foundations, corporations or other types of entities. Investors may also be high net worth individuals that meet the regulatory requirements under which the Private Funds operate.

Interests in Private Funds are offered in private placements under the U.S. Securities Act of 1933 (the "Securities Act") and as a result, limited partnership interests in the Private Funds are limited to "accredited investors" as defined under Regulation D of the Securities Act and "qualified purchasers" as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940 (the "1940 Act"), due to the Private Funds' exempt status from registration as "investment companies."

Employees who qualify as "knowledgeable employees" under Rule 3c-5 of the 1940 Act are permitted to invest in the Private Funds.

Current and potential investors should carefully review the Governing Documents of the Private Funds for complete information on minimum investments, \$250,000, and other requirements; however, such minimums may be waived at the discretion of PCM.

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

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### *Methods of Analysis and Investment Strategies*

PCM will seek to make venture capital investments primarily in companies that operate in the technology, healthcare, finance, business services and communications sectors. PCM believes that industry diversification limits potential exposure to cycles in liquidity in specific industries.

Investments are anticipated to be multi-stage across the venture spectrum, although the majority will be in seed and series A rounds. PCM also intends to opportunistically make investments in companies at later stages in order to follow successful ventures through their lifecycle or to participate in specific opportunities not identified until later stages; PCM may also engage in

secondary market ventures to secure interests in promising businesses (all, collectively the “Portfolio Companies”).

When identifying potential investments, PCM generally expects to use the following criteria:

- *Valuation meets return objectives.* PCM generally will seek to achieve an internal rate of return in excess of the general public equity markets for the applicable time period for the benefit of investors after accounting for all fees, expenses and carried interest, although there can be no assurance that any such returns will be achieved.
- *Management excellence.* PCM will seek out portfolio companies with experienced management teams, who are knowledgeable in their respective industry and who have direct or indirect experience in building a venture stage business, and who also have the academic credentials and/or reputation for diligent and quality work.
- *Midwest focus.* PCM will seek to make investments primarily in portfolio companies whose headquarters, at the time of the initial investment, are located in Minnesota, Illinois, Iowa, Wisconsin, North Dakota or South Dakota, or that otherwise have a significant business presence in the Midwest; PCM may also invest in portfolio companies that operate outside of the Midwest at its discretion.
- *Board membership opportunities.* PCM intends to secure board positions or board observation rights for many of its investments. PCM believes that its experience in the venture capital industry and strong ties to the Minnesota and surrounding Midwest community will make it a value-add investor.
- *Market size supports forecast.* PCM will attempt to target investments in portfolio companies that have verifiable addressable market sizes that are consistent with the financial forecasts and investment return expectations.
- *Proprietary technology and barriers to entry.* PCM intends to seek out portfolio companies that have developed, or are in the process of developing, proprietary technology or products and/or that have other barriers to entry that support forecasts for growth, profitability and future valuation consistent with investment objectives.
- *Diversity.* The diversity of Portfolio Company management and board personnel in terms of gender as well as racial and ethnic background is considered an important factor to moderate risk and optimize investment returns. PCM intends to assist Portfolio Companies in developing boards and management teams that are highly competent, aligned with shareholder interests and are appropriately diverse.
- *ESG factors.* When evaluating potential investment opportunities, PCM will use commercially reasonable efforts to consider the portfolio company’s environmental, social and governance (“ESG”) policies. ESG criteria are becoming increasingly important to investors and can be an indicator of how a company will perform in the market. PCM intends to assist Portfolio Companies in developing governance processes that increase efficiency and reduce risk

### ***Risk of Loss***

This brochure does not purport to be a complete disclosure of all risks that could be relevant to a prospective investor in a Private Fund. Investing in securities involves risk of loss that clients should be prepared to bear. There is no assurance that an investment will provide positive performance over any period of time. Past performance is no guarantee of future results and different periods and market conditions may result in significantly different outcomes.

A detailed summary of material investment risks applicable to a particular Fund structure is located in the

relevant Governing Documents.

Newly Formed Adviser Risk. PCM is a newly formed subsidiary of Mairs & Power, Inc. There can be no assurance that the personnel will be able to perform at the same levels they did while at previous employers or in their employment with Mairs & Power, Inc.

No Performance History Risk. As a new adviser, no investments have yet been made; there is no operating or performance history. Past performance of other investment funds or accounts managed by PCM personnel is not indicative of the future performance of any PCM Fund.

Other Accounts Risk. As PCM may delegate some or all of its responsibilities to Mairs & Power, Inc., as discussed in Item 4, Advisory Business, personnel may focus their time and efforts on the accounts under the direct advisement of Mairs & Power, Inc.

Venture Capital Risk. While venture capital investments offer the opportunity for significant gains, such investments also involve a high degree of business and financial risk and can result in substantial losses. The Portfolio Companies will generally be start-up and venture stage companies in the technology, healthcare, finance, business services and communications sectors, that entail significant operating, financial and business risk. Many will be at an early stage of development with little or no operating history on which to judge performance. The Portfolio Companies will often have products or services with undeveloped markets, and many will need substantial additional capital. The Portfolio Companies may also be more susceptible to the negative effects of downturns in general economic conditions or loss of a single or small number of employees.

Availability of Investment Opportunities Risk. The success of any Fund depends largely on the ability of the adviser to locate, analyze, select and make investments that it believes meet the investment objectives and guidelines of the Fund. The availability of suitable opportunities will depend upon (among other things) financial, market, business and economic conditions. PCM may not be able to obtain the opportunity to invest and complete investments which satisfy a Fund's investment criteria. There is no certainty that a Fund will be able to purchase certain assets that PCM believes present attractive investment opportunities. There also can be no assurance that a Fund will succeed in realizing profits from its investments which are sufficient to yield positive returns to the investors.

Limited Number of Investments Risk. Any Fund will own a limited number of investments and, as a consequence, the aggregate return of the Fund may be substantially and adversely affected by the unfavorable performance of a single investment or a small number of investments. Although the Governing Documents provide for certain investment restrictions, PCM will have discretion within such restrictions in selecting investments for the Fund.

Upper Midwest Geographic Risk. Portfolio Companies that are located in the Upper Midwest region of the United States may be impacted by events or conditions affecting the region to a greater extent than if the portfolio invested in more geographically diverse investments. For example, political and economic conditions and changes in regulatory, tax or economic policy in a state or region could affect the economy or particular business operations of companies located in the state or region.

Sector Emphasis Risk. Portfolio Companies within a particular sector may be subject to a greater degree of risk because companies in a sector may share common characteristics and may react similarly to market developments. Because our investment approach focuses on individual Portfolio Company selection, any resulting industry, or sector concentration is a byproduct of the investment selection process.



Coronavirus Outbreak Risks. The global outbreak of the 2019 novel coronavirus (“COVID-19”), together with resulting voluntary and U.S. federal and state and non-U.S. governmental actions, including, without limitation, mandatory business closures, public gathering limitations, restrictions on travel and quarantines, has meaningfully disrupted the global economy and markets. COVID-19 has and is expected to continue to have ongoing material adverse effects across many, if not all, aspects of the regional, national, and global economy. In particular, the COVID-19 outbreak has already, and will continue to, adversely affect the portfolios’ investments and the industries in which they operate. Furthermore, Mairs & Power’s ability to operate effectively, including the ability of its personnel or its service providers and other contractors to function, communicate and travel to the extent necessary to carry out the portfolios’ investment strategies and objectives and Mairs & Power’s business and to satisfy its obligations to the clients, investors, and pursuant to applicable law, has been, and will continue to be, impaired. The spread of COVID-19 among Mairs & Power’s personnel and its service providers would also significantly affect Mairs & Power’s ability to properly oversee the affairs of the portfolios (particularly to the extent such impacted personnel include key investment professionals or other members of senior management), which could result in a temporary or permanent suspension of a portfolio’s investment activities or operations. The full effects, duration and costs of the COVID-19 pandemic are impossible to predict, and the circumstances surrounding the COVID-19 pandemic will likely continue to evolve.

Russian Invasion of Ukraine. On February 21, 2022, Russian President Vladimir Putin ordered the Russian military to invade two regions in eastern Ukraine (the Donetsk People’s Republic and Luhansk People’s Republic regions). The following day, the United States, United Kingdom, and European Union announced sanctions against Russia. On February 24, 2022, President Putin commenced a full-scale invasion of Russia’s pre-positioned forces into Ukraine, including Russia’s forces pre-positioned in Belarus. In response, the United States, United Kingdom, and European Union imposed further sanctions designed to target the Russian financial system, and thereafter a number of countries have banned Russian planes from their airspace. Further sanctions may be forthcoming, and the U.S. and allied countries have recently announced they are committed to taking steps to prevent certain Russian banks from accessing international payment systems. Russia’s invasion of Ukraine, the resulting displacement of persons both within Ukraine and to neighboring countries and the increasing international sanctions could have a negative impact on the economy and business activity globally, and therefore could adversely affect the performance of a portfolio’s investments. Furthermore, given the ongoing and evolving nature of the conflict between the two nations and its ongoing escalation (such as Russia’s recent decision to place its nuclear forces on high alert and the possibility of significant cyberwarfare against military and civilian targets globally), it is difficult to predict the conflict’s ultimate impact on global economic and market conditions, and, as a result, the situation presents material uncertainty and risk with respect to the portfolios and the performance of their investments or operations, and the ability of the portfolios to achieve their investment objectives.

Cybersecurity & Business Continuity Risk. As the use of technology and the Internet has become more prevalent in the course of business, the industry has become more susceptible to operational, financial and information security risks resulting from cybersecurity breaches or other cyber-attacks. Cyber incidents can result from deliberate attacks or unintentional events and include, but are not limited to, gaining unauthorized access to electronic systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets, sensitive information (e.g., personally identifiable information (“PII”) or trading information), corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users).

Cyber incidents affecting PCM or any of its service providers have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, impediments to investment

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transactions, the inability to transact business, destruction to equipment and systems, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. Similar adverse consequences could result from cyber incidents involving counterparties with which PCM engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties.

The failure, corruption or breach of one or more internal systems or the systems of our service providers (occurring as a result of, but not limited to: a cyberattack, a natural catastrophe, a global pandemic, an industrial accident, a terrorist attack, a global conflict and/or war or any other unanticipated events) may compromise our ability to effectively conduct business. Additionally, if a significant number of personnel were to become unavailable due to but not limited to the events as listed above, our ability to effectively conduct business may likewise be compromised.

Cybersecurity risks are also present for Portfolio Companies, which could result in material adverse consequences for such issuers and may cause a client account's investment in such securities to lose value.

## Item 9 Disciplinary Information

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We are required to disclose all material facts regarding any legal or disciplinary events that may be material to your evaluation of us or the integrity of our management. There are no such events and, as a result, we have no information responsive to this Item.

## Item 10 Other Financial Industry Activities and Affiliations

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As previously discussed, PCM is a wholly owned subsidiary of another registered investment adviser, Mairs & Power, Inc. PCM may rely on Mairs & Power, Inc. personnel to perform some or all of its obligations as noted in Item 4, Advisory Business.

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

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### *General Overview*

We have adopted a Standards of Conduct and Code of Ethics (the "Code") that sets forth the standards of business, fiduciary and ethical conduct we require of our employees. Among other things, the Code requires us to conduct our business at all times consistent with our status as a fiduciary to our clients. This means we have affirmative duties of care, loyalty, honesty, and good faith in connection with all of our activities for our clients and must always act in the best interests of our clients.

The Code also requires all employees to comply with all applicable federal securities laws and prohibits misuse of material non-public information or communicating material non-public information to others in violation of the law. Under applicable law, all directors, officers, and employees are prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any other person, regardless of whether such other person is a client. Accordingly, should any personnel come into possession of material non-public or other confidential information with respect to any company, such personnel are prohibited from communicating such information to, or using such information for the

benefit of, their respective clients. We have established procedures to aid employees in avoiding insider trading, and to aid us in preventing and detecting insider trading.

Our officers and employees do now, and are expected in the future, to have interests in securities that may be recommended to a client. This creates a conflict to the extent that an employee could use the knowledge about pending or currently considered client securities transactions to profit in personal securities transactions. We address this conflict using the procedures and restrictions discussed below.

#### *Personal Trading*

Personal securities transactions by employees are subject to the restrictions and procedures described in the Code. No employee or person acting on their behalf, shall act in such a way as to benefit from the knowledge that would not be available to a non-employee. Employees are expressly prohibited from making any investments in private securities that have been purchased for the Funds.

To ensure the standards of the Code are adhered to, the Code requires all employees to submit transaction reports quarterly and holdings reports annually. The Chief Compliance Officer (CCO) or the CCO's designee reviews the reports.

#### *Gifts and Entertainment*

From time to time, employees may give or receive gifts and/or entertainment in connection with their employment. To reduce the potential for conflict between an employee's personal interests and the interests of our clients, we have adopted a gifts and entertainment policy in our Code based on the principle that employees should not accept, solicit or give anything of value that is intended or designed to cause, or would be reasonably judged to have the likely effect of causing, such employee to act in a manner inconsistent with the best interest of our clients. All gifts and entertainment above a de minimis threshold are reported to the CCO on a quarterly basis to ensure reasonableness, propriety and consistency with the policy.

A copy of our Standards of Conduct and Code of Ethics is available to clients and prospective clients upon request using the contact information on Page 1.

#### *Other Disclosures*

We and our employees occasionally may make contributions to certain clients that are charitable organizations. Both the firm and employees are prohibited from making charitable contributions for the purpose of obtaining or retaining advisory contracts with organizations. In addition, employees are prohibited from considering PCM's current or anticipated business relationships solely in making charitable contributions. Any contributions made by PCM must be reviewed and approved by the CCO.

Certain of our principals serve as officers, directors or trustees of unaffiliated non-profit organizations that have invested in the Private Funds. These principals are required to disclose these relationships both to us and to the non-profits and are required to abide by any restrictions such organizations impose on them regarding decisions to invest in the Funds. Any employee wishing to serve as a director, committee member, or in a similar oversight role for an outside public company or private company (for profit or not-for-profit), or who wishes to engage in any outside business activity, must first seek approval from the CCO. The CCO will review the request to ensure such service is not inconsistent with the interests of PCM, the Private Funds, or investors.

## Item 12 Brokerage Practices

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#### *Broker Selection*

To the limited extent that PCM engages in transactions other than investments in Portfolio Companies,

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PCM has the authority to determine the financial intermediaries to be used in connection with such transactions and to negotiate the amount of commission or other compensation to be paid to such intermediaries in connection with such transactions. PCM negotiates such compensation on a case-by-case basis and does not seek to obtain products, research or services other than transactional services from such intermediaries. In making its decisions regarding the allocation of brokerage transactions for clients, PCM seeks to obtain best execution, taking into account the following factors: (i) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); (ii) the operational efficiency with which transactions are effected (such as prompt and accurate confirmation and delivery), taking into account the size and order and difficulty of execution; (iii) the financial strength, integrity and stability of the broker-dealer or counter party; and (iv) the competitiveness of commission rates in comparison with other broker dealers. Although PCM generally seeks competitive commission rates and commission equivalents, it will not necessarily pay the lowest commission or equivalent. Transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions and equivalents than would be the case for more routine services.

## Item 13      Review of Accounts

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PCM's investment and operations personnel are responsible for the ongoing review of the Private Funds, which includes ongoing reviews of the investments entered into by the Private Funds.

Each investor in a Private Fund receives the following:

- within 120 days after the end of each fiscal year, an annual audited financial statement for the Fund prepared by independent certified public accountants, together with schedules showing current valuations of the Portfolio Companies as of the end of such year (including a statement of each investor's closing capital account balance and each adjustment to such capital account during such year);
- within 45 days after the end of each of the first three fiscal quarters of each fiscal year, an unaudited financial statement for the Fund for such quarter (showing each investor's capital account balance and each adjustment thereto during such quarter);
- within 90 days after the end of each fiscal year, each investor's respective Schedule K-1; and
- quarterly, unaudited written interim reports providing a narrative summary of the status of each Portfolio Company.

PCM or its affiliates intend to provide investors with information reasonably necessary to prepare their tax returns and will provide estimates if such information is not available sufficiently in advance.

## Item 14      Client Referrals and Other Compensation

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There is no person, other than the Funds, that provides any economic benefit to PCM for providing investment advice or other advisory services to the Funds. In addition, neither PCM nor any of its related persons compensate any person who is not a supervised person (employee) of PCM for client referrals.

## Item 15      Custody

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PCM is deemed to have custody over client assets with respect to each Private Fund that it manages. The safeguarding of Fund assets and compliance with the Investment Advisers Act of 1940, as amended

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("Advisers Act"), is of primary importance to PCM. When applicable, cash and securities are maintained at a financial institution that meets the definition of qualified custodian under the Advisers Act. See Form ADV Part 1 for a complete list of qualified custodians for each Fund. In addition, the audited financial statements of each Fund are prepared in accordance with U.S. GAAP and distributed to all Fund investors within 120 days of the end of the Fund's fiscal year. The audits are performed by an accounting firm registered with, and subject to regular inspection by the Public Company Accounting Oversight Board in accordance with its rules.

## Item 16 Investment Discretion

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PCM and its affiliates have been appointed as the investment adviser and general partner of the Private Funds with full discretionary trading and investment authorization. Investments made are done in accordance with the investment objectives and guidelines as set forth in the relevant Governing Documents.

## Item 17 Voting Client Securities

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Pursuant to each Fund's Governing Documents, the general partner of each Fund is responsible for the management, policies, and operations of each Fund. On behalf of the general partner of each of the Funds, PCM generally originates and recommends investment opportunities to the Funds, monitors, and evaluates investments and provides other related services as each Fund may reasonably request. To the extent PCM exercises or is deemed to be exercising voting authority over the Fund securities, it shall vote those securities in accordance with its proxy voting policies and procedures. In such cases, each proxy proposal received by PCM will be thoroughly reviewed in order to ensure that such proxy is voted in the best interests of the Fund. PCM may occasionally be subject to material conflicts of interest in the voting of proxies due to business or personal relationships it maintains with persons having an interest in the outcome of certain votes. PCM may also occasionally have business or personal relationships with the proponents of proxy proposals, participants in proxy contests, corporate directors and officers, or candidates for directorships. In addition, conflicts may arise as a result of an investment being held in multiple Funds with differing investment objectives. If at any time, PCM becomes aware of a material conflict of interest relating to a particular proxy proposal, PCM will handle such proposal by requiring such proposal be reviewed by the CCO and investment personnel, who will determine how to vote the proxy in a manner consistent with the Funds' best interest. Investors may obtain a copy of PCM's proxy voting policies and procedures or additional information about how PCM voted securities upon request.

## Item 18 Financial Information

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A balance sheet is not required to be provided because PCM does not require or solicit prepayment of more than \$1,200 in fees per Fund or investor six or more months in advance of services rendered.

We have no financial condition that impairs our ability to meet contractual and fiduciary commitments to clients and investors, and we have never been the subject of a bankruptcy proceeding.