



800 Green Valley Road Suite 203 Greensboro, NC 27408

Form ADV, Part 2

March 21, 2023

This brochure provides information about the qualifications and business practices of Piedmont Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at (336) 574-8685. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Piedmont Capital Management, LLC is also available at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Piedmont Capital Management, LLC is 155682.

Piedmont 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 you receive from an investment adviser are designed to provide you with information that you might wish to consider in connection with your decision to hire or retain an investment adviser.

Item 2: Material Changes

This document dated March 21, 2023, replaces the brochure previously filed by Piedmont Capital Management, LLC on March 24, 2022. We will provide you with an updated brochure, as required, based on the changes or new information, or upon request, at any time without charge. The following material changes have been made since our last annual amendment, which was filed on March 24, 2022:

- Item 4-Assets Under Management was updated to reflect the assets under management as of December 31, 2022.

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Item 4: Advisory Business

Description of Advisory Firm

Piedmont Capital Management, LLC ("PCM" or the "firm") is a North Carolina Limited Liability Company that was formed in 2010 and began operating in late-2011. PCM operates alongside Piedmont Trust Company ("PTC"), a state-chartered trust company organized in 2004. PTC provides PCM with certain administrative and support services relating to operational, technology and general office support pursuant to a written agreement. PCM is wholly owned by Piedmont Financial LLC ("PF"). PF is solely owned by Richardson Corporation. Since 1928, PTC and predecessor entities have served as the family office of the Richardson family.

PCM was formed to offer additional investment advisory services to members of the founding family and to other compatible high net worth families. PCM benefits through its employees from over eight decades of experience providing sophisticated wealth management and customizes its advisory services to meet the needs of each client family. PCM seeks to thoroughly understand each client's goals and objectives including certain restrictions clients may wish to place on the investment process, such as social or environmental restrictions. At the option of the client, PCM will develop a customized Investment Policy Statement. PCM will employ similar investment strategies to those implemented on behalf of PTC clients, including utilizing the services of third-party investment managers and consultants.

Advisory Services Offered

PCM provides investment management to its clients on a discretionary basis. PCM may implement its clients' investment strategies via mutual funds, ETFs and other securities that are selected by PCM. For some clients, additional financial consulting and advice may be provided in conjunction with discretionary investment management.

PCM manages some of its client assets in separately managed accounts. In general, pursuant to its standard investment management agreement, PCM will be authorized to exercise its best judgment in investing, reinvesting and selling the cash and other securities in each separately managed account in its discretion, as well as through any of its outside managers.

Piedmont Partners Fund

PCM will also provide investment management services and related administrative services to the Piedmont Partners Fund, LLC, (the "Fund") a North Carolina limited liability company. PCM manages the Fund on a discretionary basis in accordance with the terms and conditions of the offering and organizational documents of the Fund.

PCM, its affiliates and its employees, are affiliated through ownership interest or otherwise with the Fund. Investments in the Fund are only suitable for certain qualified clients. Prior to investing, investors will receive a confidential private placement memorandum, which contains detailed information about the investment, risks, fees, service providers, conflicts of interest, as well as other information. The Fund will be managed in such a way as to meet the investment goals of the Fund, rather than the individual needs of any particular investor in the Fund.

PCM and its employees will devote to the Fund as much time as PCM and the employees deem necessary and appropriate. Such activities may involve substantial time and resources of PCM and could be viewed as creating a conflict of interest in that the time and effort of PCM and our employees will not be devoted exclusively to providing services to Fund or to our other clients, but will be allocated between providing services to the Fund and our other clients.

The Fund is not required to register as an investment company under the Investment Company Act of 1940 in reliance upon an exemption available to such investment partnerships whose securities are not publicly offered as well as other restrictions.

Assets Under Management

As of December 31, 2022, PCM had approximately \$350,128,086 under discretionary management.

Wrap Fee Programs

PCM does not participate in, nor is it a sponsor of, any wrap or bundled fee program.

Item 5: Fees and Compensation

Fee Schedule

PCM's advisory fees will be charged in one of two ways: (1) a fixed fee arrangement that is mutually agreed upon by the client and PCM; or (2) a fee based on a percentage of the client's total assets under management ("AUM").

Fixed Fee

Fixed fees are invoiced quarterly in arrears. PCM may provide some clients with financial advice and consulting in addition to discretionary investment management. PCM retains sole discretion to negotiate its advisory fees. In negotiating the advisory fees, PCM may consider, the level of services it expects to provide the client, among other factors.

AUM-Based Fee

Advisory fees based on a percentage of AUM are payable quarterly, in arrears, based on the value of the account as of the last trading day of the prior calendar quarter.

The following table displays the standard fee schedule used by PCM for investment management when the fee is based on a percentage of the client's total assets under management. However, PCM retains sole discretion to negotiate fees based on special factors which may include, but are not limited to, "grandfathered" accounts and related accounts and whether PCM provides the client with financial advice and consulting in addition to discretionary investment management. Generally, the fee negotiated with the client will be determined by the level of services we expect to provide the client; and therefore, may vary from the standard fee schedule shown below.

AUM	PCM Fee
First \$10mm	.75%
Next \$15mm	.65%
Next \$25mm	.50%
Over \$50mm	Negotiable

Separate account managers (money managers) may also be used to manage a portion of the client's assets for which a separate, additional fee will be charged which will range from 30 - 130 basis points.

Billing Method

We invoice clients for each quarter, in arrears in accordance with the terms of PCM's investment management agreement.

Fees for accounts opened or closed during a billing cycle will be prorated based on the number of days the account was open during the quarter.

Other Fees and Expenses

PCM's fees do not include brokerage commissions or other fees or charges associated with securities transactions implemented with or through a brokerage firm, mark-ups or mark-downs in principal transactions, deferred sales charges, stock exchange fees, wire transfer or related processing fees, transfer taxes or other charges mandated by law or regulation all of which will be charged in addition to our fee. Clients may incur certain additional charges imposed by custodians, brokers, third-party investment managers and other such fees, including charges relating to the filing of certain tax forms, if required. PCM does not receive any portion of any of the foregoing expenses or fees. The fees charged by the custodian at which the client's assets are held may be higher than the fees imposed by other custodians. Please refer to Item 12, Brokerage Practices below for more information regarding PCM's brokerage practices.

Clients and investors in the Fund should also understand that mutual funds, including exchange traded funds, in which assets are invested by PCM or sub-advisers engaged by PCM on behalf of the client, impose separate investment management fees and other operating expenses, as described in the Fund's prospectus, for which the client and / or the Fund investors will be charged separately from the fee paid to PCM for its advisory services.

If an account is a trust account administered by PTC, the client will pay a trustee fee to PTC in addition to the asset management fee from PCM.

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

PCM does not currently charge performance-based fees or participate in side-by-side management. Performance-based fees are generally based on a share of the capital gains or capital appreciation of the client account assets. Side-by side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees.

Item 7: Types of Clients

PCM provides investment advisory services to clients of PTC, members of the Richardson Family and other high net worth families and individuals. PCM's target client will have a minimum of \$10 million of investable assets.

At times, PTC may be deemed a client of PCM by virtue of PTC's role as trustee for a trust for which PCM provides advisory services.

PCM also provides investment advisory services to the Fund, a pooled investment vehicle, as described above in Item 4, Advisory Business.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**8.A. Methods of Analysis and Investment Strategies****General Investment Strategies**

PCM's primary objective is to protect its clients' capital and provide reasonable growth through all market conditions. PCM seeks to offer a disciplined approach to asset allocation design and portfolio construction, with an emphasis on active management across all asset classes. The firm's primary focus is long-term cumulative returns. The aforementioned strategies guide both the process and the discipline of investment manager selection.

Outside Money Managers

PCM currently utilizes the services of outside money managers to provide investment management services to any separately managed accounts. PCM will, in its selection of such managers, examine the experience, expertise, investment philosophies and past performance of each outside investment manager, as well as their demonstrated ability to invest over a period of time and under varying market conditions. PCM monitors each manager's asset selection and concentration, investment strategies and leverage (if applicable), as part of its periodic risk assessment for each Fund.

8.B. Material Risks of Investment Strategies

There is no guarantee of success of the investment strategies offered by PCM. General economic and market conditions, such as interest rate fluctuations, availability of credit, inflation rates, changes in laws, and national and international political circumstances may adversely affect client portfolios. These strategies do not employ limitations on particular sectors, industries, countries, regions or securities. Investors should also consider the risks discussed below.

Manager Selection. A risk of investing through an outside manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as PCM will not control the specific underlying investments made by such outside managers and/or placed within a particular portfolio sleeve, there is also a risk that an outside manager may deviate from the stated investment strategy of the Fund, making it a less suitable investment for certain clients.

Asset Allocation. The ability to make tactical adjustments to a longer-term strategic allocation is critical. There is a risk that assets could be misallocated by PCM or the sub-advisers engaged by PCM.

Market Risk. The profitability of a significant portion of PCM's recommendations may depend on correctly assessing the future course of price movements of securities. There can be no assurance that PCM will accurately predict those price movements. Investing in securities involves the risk of loss that clients should be prepared to bear.

Interest Rate Risk and Inflation Risk. Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline. When any type of inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation.

Tax Implications. PCM's strategies and investments may have unique and significant tax implications. However, unless the firm specifically agrees otherwise in writing, tax efficiency is not a primary consideration in the management of client assets. Regardless of client account size or any other factors, PCM strongly recommends that clients consult with a tax professional prior to, and throughout, the investment process.

Risk of Loss. Investing in securities involves risk of loss. PCM does not represent or guarantee that its services, investment strategies or separate account managers, or third-party money managers can or will predict future investment results, successfully identify the movement of markets or insulate clients from losses due to market conditions, corrections or declines. Past performance is not an indication or guarantee of the future performance of any investment.

Default Risk. The issuer or guarantor of a debt security or counterparty to the portfolio's transactions may be unable or unwilling to make timely principal and/or interest payments, or otherwise may be unable or unwilling to honor its financial obligations. If the issuer, guarantor, or counterparty fails to pay interest, the portfolio's income may be reduced. If the issuer, guarantor, or counterparty fails to repay principal, the value of that security and value of portfolio may decline.

Business Risks. Risks may be associated with a particular industry or company in which PCM may direct investments.

Reinvestment Risk. There is a risk that future proceeds from investments – primarily fixed income securities may have to be reinvested at a potentially lower rate of return.

8.C. Material Risks of Securities Used in Investment Strategies

PCM's investment policies and procedures are explained in the investment advisory agreement and / or the Fund offering documents. Typically, PCM is granted latitude in making investment decisions with respect to client portfolios, including the Fund's investments. Portfolio investments generally involve a number of significant risks, including but not limited to the risks discussed below.

Equity Risk. Equity securities generally refer to buying shares of stocks in return for receiving a future payment of dividends and capital gains if the value of the stock increases. Stocks and other equity-related instruments may be subject to various types of risk, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, equity-related instruments can involve significant economic leverage and may, in some cases, involve significant risk of loss. "Equity securities" may include common stocks, preferred stocks, interests in real estate investment trusts, convertible debt obligations, convertible preferred stocks, equity interests in trusts, partnerships, joint ventures or limited liability companies and similar enterprises, warrants and stock purchase rights. Equity securities fluctuate in value, and such fluctuations can be pronounced. In general, stock values fluctuate in response to the activities of individual companies and in response to general market and economic conditions. Accordingly, the value of the stocks and other securities and instruments that a client holds may decline over short or extended periods.

ETF and mutual Fund Risk. When investing in an ETF or mutual fund, clients will bear additional expenses based on the client's pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.

Shorting and Hedging Strategies. Some of the Portfolio Managers with which the Fund will invest may employ certain hedging techniques, principally short selling, directed primarily toward reducing general market risks. Hedging against a decline in the value of a portfolio position through short selling or other techniques does not eliminate fluctuations in the values of portfolio positions, or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the overall portfolio value. Such hedging transactions, however, also limit the opportunity for gain if the value of the portfolio position should increase. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary. Insufficient correlation between hedged and hedging positions may not only result in failing to protect the Fund against the risks sought to be hedged; but, may actually increase the magnitude of overall loss in the event of losses in the hedging positions. For a variety of reasons, the Portfolio Managers with which the Fund invests may not seek or be able to establish a sufficiently accurate correlation between such hedging instruments and the portfolio holdings being hedged. Some may not endeavor to hedge their portfolios whatsoever or may do so on only a limited basis. As a general matter, the Fund's portfolio will be exposed to basic issuer risk and other risks attendant to their investment strategies and to particular investments in their portfolio funds, which risks will not be generally hedged.

Lack of Liquidity. PCM may direct investments in particular securities which are relatively large as compared to their trading volume or overall market capitalization. Such positions may at times prove more difficult to sell in a timely or efficient manner and could thus impair to some extent, the Fund's ability to fully realize portfolio gains or limit losses. PCM does not intend to generally limit investments to issues of any particular minimum capitalization and may, in fact,

focus upon smaller capitalization stocks when such securities appear to afford greater appreciation potential. Such securities often have less liquidity than large capitalization issues. Investments may be made in securities that are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such securities tend to be volatile and PCM may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than do the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

Private Company Risk. Companies in which clients invest may be in the early stages of growth, and the performance of early-stage companies may be more volatile due to their limited product lines, markets or financial reserves, their susceptibility to competitors' actions, or major economic downturns. Additionally, some of the companies in which the Fund invests may require a significant investment of capital to support their operating or finance the development of their products or markets, and may be highly leveraged and subject to significant debt service obligations, which could have a material adverse impact on the Fund's investment.

Smaller Company Risk. PCM may direct investments in companies with limited financial resources that may be unable to meet their obligations under their securities, which may be accompanied by deterioration in the value of their equity securities or any collateral or guarantees provided with respect to their debt. Further, there may be little public information about such companies. As a result, clients may have to rely on the ability of PCM to obtain adequate information for the purposes of evaluating potential returns and making fully informed investment decisions.

Item 9: Disciplinary Information

PCM does not have any disciplinary information to disclose.

Item 10: Other Financial Industry Activities and Affiliations

Broker-Dealer and Other Registrations

Neither PCM nor its management persons are registered, nor do they have an application pending to register, as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading adviser or an associated person of any of the foregoing.

PTC, an affiliated entity, is a state-chartered trust company acting as a non-depository bank.

Related Persons

As a subsidiary of the Richardson Corporation, PCM is under common ownership and control with PTC, the family office of the Richardson Family. Management personnel as well as other employees and/or outside managers of PCM may be dually employed by PTC to provide

discretionary portfolio management and investment advisory services to PTC and individual members of the Richardson Family for which such managers and employees may receive separate compensation pursuant to agreements with PTC. Additionally, certain members of the Richardson family may invest directly in the Piedmont Partners Fund, as described below.

In certain circumstances, PTC will delegate investment management for its trust clients to PCM. PCM is compensated directly by the trust clients based on its standard fee schedule. Some PCM officers, directors or employees are also employees of PTC. Additionally, PCM shares an office space with PTC, which also provides certain administrative services to PCM. PCM may recommend the services of PTC to clients. This presents a conflict of interest since PCM owners or employees who also have an ownership interest in PTC, will have a financial incentive to recommend the trust or related services of PTC. PCM addresses this conflict of interest by full and fair disclosure to our clients.

Mr. Shields is a director and trustee of the Royce Funds ("Royce"). There is no ownership affiliation between Royce and PCM. Additionally, Mr. Shields serves as the chairman of UNCC Investment Fund. Neither Royce nor the UNCC Investment Fund share offices or personnel with PCM, other than Mr. Shields.

Nevertheless, a potential conflict of interest may occur due to Mr. Shields' involvement with Royce and the UNCC Investment Fund, as he obtains access to confidential information relating to companies in which such entities (or, in the case of Royce, its clients) may invest. As a result, clients of PCM may be prohibited, for a period of time, from engaging in certain transactions. Such prohibition may have an adverse effect on the clients, including any private funds advised by PCM. Additionally, Mr. Shields must determine the amount of time to dedicate to PCM, Royce, and the UNCC Investment Fund. Mr. Shields may also be inclined to recommend the financial investment advisory services of Royce due to the financial incentives he may receive.

Piedmont Partners Fund

PCM will provide investment management services and related administrative services to the Piedmont Partners Fund, LLC, a North Carolina limited liability company, (the "Fund") through a written agreement between PCM and the Fund. PCM, which serves as manager of the Fund, its affiliates and its employees, are affiliated through ownership interest or otherwise with the Fund.

Certain members of the Richardson family may invest in the Fund ("Richardson Investors"). Such investments create actual or potential conflicts of interest as Richardson Investors may have access to supplementary information concerning the Fund that unaffiliated investors are unable to obtain. Richardson Investors may also receive direct or indirect benefits in addition to the management services they receive pursuant to their investment(s) in the Fund. For example, the investment itself could be deemed to contribute to the advancement of sustaining Richardson Corporation and the Fund management fees paid to PCM could inure to the benefit of another family member. To mitigate this conflict of interest, Richardson Investors pay the same management fee as other Fund investors.

PCM may recommend investments in the Fund to qualified and eligible clients for whom the investment would be suitable. This presents a conflict of interest since the owners or employees of PCM who have an ownership interest in the Fund will have a financial incentive to recommend the Fund as an investment for such clients. PCM addresses this conflict of interest by providing full and fair disclosure to clients.

PCM and its employees will devote as much time as deemed necessary and appropriate to manage the Fund's business. PCM, its affiliates and employees are not restricted from forming additional investment funds, entering into other investment advisory relationships or engaging in other business activities, even though such activities may be in competition with the Fund and our other clients and/or may involve substantial time and resources of PCM, its affiliates and employees. Such activities may involve substantial time and resources of PCM, its affiliates and employees and could be viewed as creating a conflict of interest in that the time and effort of PCM, its affiliates and our employees will not be devoted exclusively to providing services to the Fund or to our other clients, but will be allocated between providing services to the Fund and our other clients.

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

PCM has adopted a Code of Ethics (the "COE"), which sets forth the standards of business, ethical and fiduciary conduct required of all PCM employees. All PCM employees must seek to avoid or mitigate activities, interests and relationships that might appear to interfere with making decisions in the best interests of the firm's clients. Employees are required to disclose material facts concerning any conflict that arises in order for PCM to mitigate the conflict.

The COE includes various reporting, disclosure and approval requirements that are intended to prevent actual and potential conflicts of interest with transactions in client accounts. While PCM encourages its employees and their families to develop personal investment programs, they must not take any action that could cause even the appearance of impropriety. Accordingly, PCM employees are expected to conduct all personal securities transactions in accordance with the firm's compliance procedures, including any pre-authorization and reporting requirements, and to comply fully with the firm's insider trading policies and procedures, as well as the rules pertaining to the receipts of gifts and gratuities and directorships. Because the COE would, in some circumstances, permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employees are prohibited from front-running purchases and sales by and for clients and, among other things, must obtain pre-clearance from the firm's Chief Compliance Officer before participating in an IPO or a private placement.

A full copy of the COE is available to advisory clients and prospective clients upon request.

Item 12: Brokerage Practices

Selection of Brokers

PCM generally recommends that clients utilize the brokerage and clearing services of Fidelity Investments, LLC ("Fidelity"). PCM is neither a broker nor a broker-dealer and cannot execute securities trades for its clients' accounts. In PCM's investment advisory agreement, the client will indicate the selected broker and custodian for the client's account.

In recommending brokers, PCM seeks to obtain the best combination of price and execution capabilities and considers such other factors as reputation and reliability, financial responsibility, research and other services, which may be offered by such broker-dealer. The client may be able to receive similar services from another custodian and incur fees that are lower or higher than those charged by Fidelity.

PCM or third-party money managers may "bunch" or aggregate purchase or sale orders for a number of its client accounts in order to facilitate best execution and to reduce costs. If PCM third-party money managers are not able to fully execute a bunched order, securities in bunched transactions will be allocated to participating client accounts on a pro-rata basis in proportion to the size of the order originally placed for each account. PCM and/or third-party money managers may, however, increase or decrease the amount of securities allocated to each account, if necessary, to avoid holding odd lot or small numbers of shares for particular clients. While PCM receives certain services customarily provided by custodians, such as software, the firm does not currently have any soft dollar arrangements in place with custodians and broker dealers through which PCM receives research or other services based on commissions generated in client accounts or the number of transactions effected for client accounts.

In fulfilling its duties to its clients, PCM endeavors at all times to put the interests of its clients first and does not believe that its recommendations regarding choice of custodian are influenced by their provision to serve the firm. Many of the services described above may be used to benefit all or a substantial number of client accounts, including accounts not maintained through Fidelity. PCM does not attempt to allocate these benefits to specific clients.

PCM is independently operated and owned and is not affiliated with Fidelity.

Fidelity generally does not charge its advisor clients separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Fidelity or that settle into Fidelity accounts (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for debt securities transactions). Fidelity provides access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges.

Item 13: Review of Accounts

Certain staff members, including the CEO, CIO, and investment analyst regularly review each client account. Reviews may be conducted more or less frequently at the client's request. Accounts may also be reviewed as a result of major changes in economic conditions, known changes in the client's financial situation and/or large deposits or withdrawals in the client's account. These reports provide a review of the client's investment portfolio, including a review of asset allocation and performance of account assets. Clients will also receive brokerage transaction confirmations and monthly and/or quarterly statements from the custodians of their assets.

Item 14: Client Referrals and Other Compensation

PCM does not currently have any client referral arrangements and is not provided any other compensation in connection with attracting and retaining clients that is not otherwise described in this brochure. Neither PCM nor any of its employees receives any economic benefit, including sales awards or prizes, from non-clients for providing advisory services.

Item 15: Custody

PCM is deemed to have custody of client accounts by virtue of its ability to directly debit client custodian accounts for its management fee and due to its affiliated entity, Piedmont Trust Company, being designated trustee of certain accounts under the management or supervision of PCM.

PCM will ensure that a qualified custodian holds client accounts in the name of each client. Currently, Fidelity serves as the qualified custodian.

Clients will receive statements directly from the qualified custodian at least quarterly. The statements will reflect the client's funds and securities held with the qualified custodian as well as any transactions that occurred in the account, including the deduction of PCM's fees for that quarter. Clients are urged to carefully review these account statements and compare them to any account statements provided by PCM for any discrepancies although these statements may vary from the custodial statements based on differences in accounting procedures, reporting dates or valuation methodologies of certain securities.

Piedmont Partners Fund

As an affiliate of Richardson Corporation, the managing member of the Piedmont Partners Fund, PCM is deemed to have custody of the Fund's assets. PCM maintains the Fund's cash and securities with a qualified custodian and provides Fund investors with an annual audited financial statement within 120 days of the end of the Fund's fiscal year-end, or as otherwise permitted under Rule 206(4)-2 of the Adviser's Act.

Item 16: Investment Discretion

PCM generally has full discretionary investment authority for the selection of securities and the amount of securities to purchase and sell for individual client accounts without advance client approval. All clients are provided with a Discretionary Investment Advisory Agreement. By signing the agreement, clients grant PCM the authority to manage their account on a continuing basis with respect to the investment and reinvestment of all cash and securities in the account. However, PCM does not have the authority to withdraw cash or securities from client accounts, except as authorized by the client for payment of PCM's fees.

Item 17: Voting Client Securities

PCM does not vote proxies with respect to the securities held in client accounts unless specifically directed otherwise in writing by the client. PCM maintains written proxy voting policies and procedures, as required by Rule 206(4)-6 of the Advisers Act and makes appropriate disclosures regarding the firm's proxy policies and practices. The firm's proxy policies and procedures are described generally below and in detail in PCM's Proxy Policy.

When voting proxies on behalf of clients, PCM strives to vote the securities in a manner that furthers the client's best interests, as determined in the sole discretion of PCM. Generally, PCM does not accept directions from a client or an investor with regard to proxy voting.

Upon request, clients or Fund investors may obtain a copy of PCM's complete proxy voting policies and / or information regarding the manner in which proxies were voted on behalf of their account by contacting the firm at (336) 574-8685.

Item 18: Financial Information**18.A. Advance Payment of Fees**

PCM does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered.

18.B. Financial Condition

PCM does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

18.C. Bankruptcy Proceedings

PCM has not been the subject of a bankruptcy petition at any time during the past ten years.