

Item 1 – Cover Page

Part 2A of Form ADV Brochure for:

Partners Enterprise Capital LLC

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This Brochure provides information about the qualifications and business practices of Partners Enterprise Capital LLC (“PEC”). If you have any questions about the contents of this Brochure, please contact PEC at the address listed above. 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.

PEC is a registered investment adviser with the SEC. Registration of an investment adviser does not imply any certain level of skill or training.

Additional information about PEC is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Item 2 discusses only material changes to the Brochure since the last amendment on January 13, 2023.

Item 4 has been revised to reflect PEC's updated assets under management as of December 31, 2022.

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Item 4 – Advisory Business

A. Description of the Advisory Firm

Partners Enterprise Capital LLC (“**PEC**”) is a Delaware limited liability company, that was formed in May 2018 and began operating on August 3, 2018. PEC is located in Chicago, Illinois. Daniel M. Schulte is the Chief Executive Officer of PEC.

PEC is 100% owned by the following individuals:

David B. Gottschall
Sharon M. Murphy
Rachel L. Rozmarynowski
Daniel M. Schulte
Emily W. Slovitt
Terrence M. Tobin

The following individuals comprise PEC’s management team (the “**PEC Management Team**”):

David B. Gottschall
Michael Keesey
James C. Lukas
Rachel L. Rozmarynowski
Daniel M. Schulte
Jodi Schaapveld
Emily W. Slovitt

PECVI Management LLC (“**PECVI**,” and collectively with PEC, the “**Firm**”) is a relying adviser under PEC’s SEC registration. PECVI is a Delaware limited liability company formed in May 2021 and is owned by the following members of the PEC Management Team: Daniel M. Schulte, David B. Gottschall, Rachel L. Rozmarynowski, Emily W. Slovitt and James C. Lukas. PECVI’s management team is comprised of Daniel M. Schulte and Emily W. Slovitt (the “**PECVI Management Team**”).

B. Types of Advisory Services

PEC serves as the managing member of, and investment adviser for, one private investment client, Partners Enterprise Capital Holdings LLC, a Delaware limited liability company (“**PECH**”). Prior to August 3, 2018, Principal Enterprise Capital, LLC (“**Principal**”), an entity affiliated with Principal Financial Group, Inc., performed investment advisory services for PECH and the PEC Management Team was associated with Principal. PECVI serves as the managing member of, and investment adviser for, one private investment client, PEC Venture Investors LLC, a Delaware limited liability company (“**PVI**”) and, together with PECH, each a “**Client**” and collectively the “**Clients**”).

PEC identifies, structures, and manages investments of equity capital by the PECH in private real estate operating companies (the “**Operating Companies**”). The Operating Companies are entities that (i) acquire, develop, and operate commercial real estate properties and/or (ii) manage loans made to owners of commercial real estate properties. PECH owns all or a majority of the equity interests in each of the Operating Companies.

The primary investor and majority owner of each Client is the same.

PECVI intends to identify, structure and manage investments by PVI directly in commercial real estate properties. PECVI has not yet made any investments.

C. Scope of Advisory Services.

The Firm manages all aspects of each Client's business on a day-to-day basis. The Firm's advisory services are tailored to achieve each Client's investment objectives. The Firm also participates in and advises the Clients with respect to major decisions of the Clients, including but not limited to (i) material acquisitions, developments, dispositions, borrowings, and capital expenditures affecting the Clients and/or the Operating Companies, (ii) the annual business plan for the Clients, and (iii) material changes to the Clients' business strategies. The Firm does not have the authority to execute or establish any new Operating Company on behalf of PECH, acquire or dispose of any real estate assets on behalf of PVI, or make any other material decision on behalf of the Clients without the prior written approval of the Client's Advisory Board (each, an "**Advisory Board**").

The Firm's management of the Clients is non-discretionary as set forth in Item 16. However, the Firm has ongoing responsibility to select and make recommendations based on the needs of the Clients as to specific investments that the Clients may purchase and sell, and if any such recommendation is accepted by a Client, the Firm is responsible for arranging and effecting such purchase or sale.

D. Wrap Fee Programs

PEC does not participate in any wrap fee programs.

E. Amounts Under Management

As of December 31, 2022, PEC has \$16,220,917,919 of assets under management on a non-discretionary basis for PECH. The assets under management are equal to the fair value of the Client's assets, including its equity interests in the Operating Companies and the contractual amounts of uncalled capital commitments to the Client from its members. As of December 31, 2022, PECVI has \$172,795 of assets under management on a non-discretionary basis for PVI.

Item 5 – Fees and Compensation

A. How PEC is Compensated

PEC is entitled to performance-based fees based on the operating results of the Operating Companies. Performance-based fees earned by PEC are paid to PEC Incentive LLC, a Delaware limited liability company ("**PEC Incentive**") that is owned by the PEC Management Team and current and former employees of PEC. There are no other types of fees or compensation, except as set forth in Item 5.C. below, that may be paid to PEC in connection with the investment advisory services that PEC provides to the Clients. The performance-based fees payable to PEC have been negotiated between the Clients and PEC and generally allow PEC to share in the Clients' returns based on the increase in value of the Operating Companies' assets and the net operating income of the Operating Companies.

PECVI is entitled to performance-based fees based on the operating performance of the real estate investments made by PVI. Performance-based fees earned by PECVI are paid directly to PECVI. There are no other types of fees or compensation, except as set forth in Item 5.C. below, that may be paid to PECVI in connection with the investment advisory services that PEC provides to PVI. The performance-based fees payable to PECVI have been negotiated

between PVI and PECVI and generally allow PECVI to share in PVI's returns based on the increase in value of the assets owned by PVI and the net operating income from such assets. In the event the Firm obtains a new client, the applicable fees and compensation would be negotiated with such new client.

B. Method of Payment of Fees and Expenses

The Firm does not deduct fees from Client assets or bill the Clients for fees incurred.

All performance-based fees earned by PEC are awarded by PECH to PEC Incentive at regular intervals in the form of the issuance of ownership units in PECH. Such units may be redeemed by PEC Incentive at specified times that have been established by PEC and PECH.

All performance-based fees earned by PECVI are awarded by PVI to PECVI at regular intervals in the form of the issuance of ownership units in PVI. Such units may be redeemed by PECVI at specified times that have been established by PECVI and PVI.

C. Other Fees and Expenses

In addition to the performance-based fees described in Item 5A above, all of the Firm's operating expenses, including salaries of the Firm's personnel and administrative, legal, accounting, auditing, banking, compliance and consulting fees and expenses incurred in connection with the operation and management of the Firm are reimbursed by the Clients, based on budgets established with the Clients.

The Firm has established an expense allocation policy that provides for expenses incurred solely for a single Client to be allocated to such Client and for shared expenses of the Clients, which includes the Firm's overhead and employee expenses, to be allocated on a fair and equitable basis between the Clients. Such allocation is generally performed on the basis of employee time allocations for each Client. Such allocations and any associated reimbursements or payments between the Clients, or between PEC and PECVI, are generally performed on a monthly or other regular basis in accordance with the expense allocation policy.

Expenses are reimbursed to the Firm from time to time from the Clients' operating cash flow, financing proceeds, disposition proceeds, additional capital contributions, and/or other cash available to the Clients before any distributions are made to the Clients' members.

The Firm does not receive any compensation in the form of brokerage commissions or transaction fees. Please see Item 12 of this Brochure regarding "*Brokerage Practices*".

D. Timing of Payment of Fees and Expenses

The Firm's fees are paid by the Clients after they have been earned and the Firm's expenses are paid by the Clients after they have been incurred. The Firm's fees and expenses are not paid in advance.

E. Disclosures Regarding Compensation

Although the Firm is entitled to performance-based fees based on the operating results of the Clients, neither the Firm nor any of its "**supervised persons**" (as defined in the Glossary of Terms to Form ADV) receives any compensation from the sale of securities or other investment transactions. The Firm evaluates investments for the Clients in a manner that it considers to be in the best interest of the Clients without taking into account any performance-based fee structure with the Clients. The Firm believes that the nature of its

performance-based fee structures with the Clients creates a strong alignment of interest with the Clients because the outcomes for both the Clients and the Firm are based on the financial performance of the Clients.

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

As discussed in Item 5 above, the Firm is entitled to performance-based fees based on the operating results of the Clients. Any actual or potential conflicts of interest related to side-by-side management is managed in accordance with the governing documents for each Client in a manner intended to ensure that investments and activities are performed and managed in accordance with PEC's fiduciary duty to PECH and PECVI's fiduciary duty to PVI. The Firm does not have any clients other than the Clients and does not receive any fees or compensation from the Clients other than the performance-based fees noted above.

Item 7 - Types of Clients

The Firm provides investment advice only to the Clients.

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

A. Methods of Analysis/Investment Strategies

PEC focuses on long-term value and income creation for PECH through PECH's ownership of equity interests in the Operating Companies. The Operating Companies invest in the commercial, industrial, retail and apartment sectors in carefully selected major United States markets, in some cases subject to parameters set by PECH's Advisory Board. This investment strategy seeks to generate stable cash flows and long term value appreciation. Nevertheless, PECH's investment in the Operating Companies involves risk of loss based on the performance of the Operating Companies. There also can be no assurances of any level of cash flows or appreciation.

PECVI focuses on long-term value and income creation for PVI through PVI's ownership of commercial real estate assets in major United States markets carefully selected by PVI's Advisory Board. This investment strategy seeks to generate stable cash flows and long term value appreciation. Nevertheless, PVI's investment in commercial real estate assets involves risk of loss based on the performance of such assets. There also can be no assurances of any level of cash flows or appreciation.

B. Material Risks of Investment Strategy

Following are the material risks associated with the Firm's investment strategy. Any or all of such risks could materially and adversely affect a Client's investment performance or the value of its assets and could cause a Client to lose all or a portion of its investment.

Investment Control. PEC's investment strategy relies on Operating Company level investments rather than direct ownership of real estate assets. This strategy subjects PECH to "partner" (i.e., shared control) risk due to the delegation of the control of day-to-day

activities to the managers of the Operating Companies. Although PEC monitors and oversees the activities of the Operating Companies, PECH's investment returns could be adversely affected by unfavorable performance of such managers. This risk is mitigated by PECH's control of strategic and fundamental decisions of each of the Operating Companies.

Investments in Real Estate and Real Estate Related Securities. Based on the Firm's advice, the Clients invest directly or indirectly in retail, apartment, industrial or other commercial real estate assets. These investments are subject to the risks inherent to the ownership of interests in real estate, including risks associated with changes in the general economic climate that create vacancy or put downward pressure on rental rates, changes in the overall real estate market, local real estate conditions, the financial condition of tenants and buyers and sellers of properties, supply of or demand for competing properties in a geographic area, construction activity, technological innovations that dramatically alter space requirements, the availability of debt and other financing, changes in interest rates, competition based on rental rates, energy and supply shortages, various uninsured and uninsurable risks, and government regulations.

Investing in Operating Companies. Based on PEC's advice, PECH may invest in one or more start-up Operating Companies. Investing in start-up Operating Companies is inherently risky due to corporate reputation and key person risk, including difficulties in identifying and selecting managers of Operating Companies who share cultural and philosophical ideals with PEC and PECH and that also have a strong desire to maintain a clear alignment of interest with PEC and PECH over a long period of time. PEC mitigates this risk through the careful vetting of prospective managers of Operating Companies and ongoing oversight and management of start-up and established Operating Companies.

Illiquidity of Real Estate Investments. Real estate investments made by the Operating Companies and PVI and investments in the Operating Companies made by PECH are generally illiquid. While real estate assets owned by the Operating Companies or PVI may theoretically be disposed of in the market at any time, it may be difficult to find a suitable buyer for a real estate asset when desired. Moreover, in the event PECH seeks to dispose of an Operating Company, the pool of potential buyers is likely to be further limited. Therefore, it is expected that real estate investments made by the Operating Companies and PVI, and PECH's investments in the Operating Companies, will generally be held for a number of years after being made.

Potential Inadequate Return. There can be no guarantee or assurance that PECH's investments in the Operating Companies or PVI's investments in commercial real estate assets will meet any financial return objective or that any realized return on investment will be commensurate with the risks of investment. Further, since there are a limited number of real estate assets that will be owned by the Operating Companies and PVI, the aggregate returns on the Clients' investments could be negatively impacted by the unfavorable performance of a smaller number of real estate assets held by the Operating Companies or PVI. The possibility of partial or total loss of a Client's capital exists, and the Clients should not invest unless they can readily bear the consequences of such an outcome.

Development Risk. It is likely that certain real estate assets owned by the Operating Companies or PVI will be involved in real estate development activities. The risks associated with such activities include, without limitation, inability to obtain zoning and regulatory

approvals, variance in the cost or timing of construction, and the unavailability of financing. Negative events relating to the completion, timing, and cost of any real estate development activities could have an adverse impact on the performance of the Operating Companies or PVI.

Leverage. The Operating Companies and PVI are expected to incur indebtedness in amounts that the Firm believes are reasonable and in the best interests of the Clients. However, companies with higher degrees of financial leverage are more susceptible to downturns in its business and to adverse changes in the economic system. Accordingly, indebtedness incurred by the Operating Companies or PVI could have an adverse impact on the performance of the Operating Companies or PVI.

Nature of Assets. The real estate in which the Clients invest may involve underperforming assets utilizing leveraged capital structures. In addition, due to the distressed nature of opportunities as well as the sales processes by which opportunities are marketed, the Firm may have a limited amount of time to conduct due diligence.

Lack of Diversification. The Firm may invest the Clients in a limited number of assets, and as a consequence, the aggregate returns realized by the Clients may be adversely affected by the unfavorable performance of a small number of such investments.

Subordination Risk. Debt investments made by PECH or the Operating Companies may be unsecured and structurally or contractually subordinated to senior indebtedness, all or a significant portion of which may be secured. Moreover, such investments may not be protected by financial covenants or limitations upon additional indebtedness.

Inability to Influence Management. Although the Clients may acquire or obtain the right to acquire management rights in connection with an investment, the Clients may not have an active role in the day-to-day management of an investment and the success or failure of such investment depends to a significant extent on the management of the underlying assets. In addition, the Clients may form partnerships with non-affiliated partners whose ability to influence the affairs of the entities in which the Clients invest may be significant. Further, certain of the non-affiliated operating partners with which a Client may invest may be a partner on multiple investments. The terms of each investment may differ and to the extent a dispute arises between a Client and such partner, the related investments may suffer.

Debt Assets. Debt assets are subject to the risk of an issuer's ability to meet principal and interest payments on the obligation (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity.

Distressed Assets. The Firm may elect to purchase assets and other obligations of companies that are experiencing significant financial or business distress, including entities involved in bankruptcy or other reorganization and liquidation proceedings. Although such purchases may result in significant returns, they involve a substantial degree of risk, including bankruptcy and may not show any return for a considerable period of time.

Changes in the Law; Regulatory Risks. Amendments or modifications to relevant laws could alter an expected outcome or introduce greater uncertainty regarding the likely

outcome of an investment. Each Client relies on various exemptions from registration under various federal and state statutes and laws, such as the Securities Act of 1933, the Investment Company Act of 1940 and the Employee Retirement Income Security Act of 1974, each as amended. Changes in any such statutes, rules or laws could impact a Client's ability to conduct its business as currently contemplated.

C. Materials Risks of Particular Security

See risk factors set forth in Item 8B above.

Item 9 – Disciplinary Information

Neither the Firm nor any “**management person**” (as defined in the Glossary of Terms to Form ADV) of the Firm has been a party to any legal or disciplinary events that would be material to a Client's or a prospective client's evaluation of the Firm's investment advisory business or the integrity of its management.

Item 10 – Other Financial Industry Activities and Affiliations

A. Registration as a Broker-Dealer or Broker-Dealer Representative

Neither the Firm nor any management person of the Firm is registered, or has an application pending to register, as a broker-dealer or broker-dealer representative.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Adviser

Neither the Firm nor any management person of the Firm is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of any of the foregoing entities.

C. Relationships Material to this Advisory Business and Possible Conflicts of Interest

As described in Item 4, PEC is materially affiliated with PECVI, which serves as the managing member of, and investment advisor for, PVI. PEC and PECVI are both owned, in whole or in part, by members of the PEC Management Team and provide advisory services to PECH and PVI, respectively. The Firm manages any potential conflict of interest by ensuring that all employees of the Firm and its supervised persons are subject to the Firm's compliance program and Code of Ethics and that all activities of the Firm on behalf of a Client are performed in accordance with the Client's governing documents.

D. Selection of Other Advisors or Managers

The Firm does not recommend or select investment advisers for the Clients in connection with the advisory services provided by the Firm to the Clients. The Firm does not receive any compensation, directly or indirectly, from any investment advisers or have any other business relationships that create a material conflict of interest with the Clients.

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

A. Code of Ethics

The Firm has adopted a Code of Ethics (the “**Code**”) pursuant to Rule 204A-1 under the

Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). The Code governs the activities of each member, officer, director and employee of the Firm (collectively, “**Employees**”). The Firm holds the Employees to a high standard of integrity and business practices that reflects its fiduciary duty to the Clients. In serving its Clients, the Firm strives to avoid conflicts of interest or the appearance of conflicts of interest in connection with the personal trading activities of its Employees and Client securities transactions. When persons covered by the Code engage in personal securities transactions, they must adhere to the following general principles as well as to the Code’s specific provisions: (i) at all times the interests of Clients must be paramount; (ii) personal transactions must be conducted consistent with the Code in a manner that avoids any actual or potential conflict of interest; and (iii) no inappropriate advantage should be taken of any position of trust and responsibility. Employees have certain trading restrictions and reporting obligations under the Code in connection with their personal securities transactions. Each Employee is provided with a copy of the Code and must annually certify that they have received it and have complied with its provisions. In addition, any Employee who becomes aware of any potential violation of the Code is obligated to report the potential violation to the Chief Compliance Officer of the Firm.

The Firm will provide a copy of its Code of Ethics to the Clients upon request. Such a request may be made by submitting a written request to the Firm at the address on the cover page of this Brochure.

B. Recommendations Involving Material Financial Interests

Neither the Firm nor any related person recommends to the Clients, or buys or sells for the Clients, securities in which the Firm or any related person has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

Neither the Firm nor any related person invests in any securities that the Firm or any of its related persons recommends to the Clients.

D. Trading Securities At/Around the Same Time as Clients’ Securities

Neither the Firm nor any related person recommends securities to the Clients or buys or sells securities for the Clients’ accounts at or about the same time the Firm or one (1) or more related persons buys or sells the same securities for the Firm or any related person.

Item 12 – Brokerage Practices

The Firm has no brokerage or transactional practices, nor is the Firm involved with selecting broker-dealers for any Client transactions.

Item 13 – Review of Accounts

A. Periodic Review of Client Accounts/Financial Plans

The Firm reviews the Clients’ investment assets on an ongoing basis to assess consistency with the Clients’ investment strategies. Such reviews include, for PECH, analysis of the performance of the Operating Companies and the real estate assets owned by the Operating Companies. Such reviews include, for PVI, analysis of the performance of any real estate investments made by PVI. The reviews are managed by the PEC Management Team or the PECVI Management Team, in each case together with Employees of the Firm.

Investments made by PECH are in a relatively small number of Operating Companies.

Therefore, PECH's investment portfolio is fairly static, and reviews of the portfolio generally relate to the performance and activities of existing investments made by the Operating Companies rather than changes in the composition of the Operating Companies.

PVI has not yet made any investments. Reviews of the PVI portfolio are expected to take into account the performance and activities of existing investments made by PVI.

B. Review Trigger.

Since the Clients' assets are reviewed on an ongoing basis, as described in Item 13A above, such review is not based on any factors that trigger a review.

C. Client Reports

The Operating Companies prepare written annual business plans, monthly management briefings, quarterly performance activity reports and quarterly financial statements, all of which are reviewed by PEC's staff, including the Chief Executive Officer and Management Team, on behalf of PECH. PEC also corresponds frequently with the management team of each Operating Company and each of the Clients and participates in regular meetings with each management team to review and discuss the performance of assets owned by the Operating Companies, new assets to be acquired, financing activities, general market conditions, organizational issues, and other material information.

The PECH Advisory Board receives quarterly reports from PEC that: (i) present financial statement information for PECH; (ii) summarize investing and debt activities of the Operating Companies; and (iii) perform risk assessments of the Operating Companies. In addition, PEC submits PECH's annual business plan to the Advisory Board, which presents: (i) PECH's performance; (ii) a summary of significant recent events; (iii) invested capital and debt information; (iv) summaries of the current status of the Operating Companies; (v) and the plan and outlook for the coming year(s). Finally, the PECH Advisory Board receives PECH's audited annual financial statements on an annual basis.

The PVI Advisory Board receives quarterly reports from PECVI that present financial statement and investment performance information for PVI, as applicable with regard to the status of current investment activities. In addition, PECVI submits PVI's annual business plan to the PVI Advisory Board, which presents, to the extent applicable: (i) PVI's performance; (ii) a summary of significant recent events; (iii) invested capital and debt information; (iv) summaries of the current status of PVI's investments; (v) and the plan and outlook for the coming year(s). Finally, the PVI Advisory Board will receive PVI's audited annual financial statements on an annual basis.

Item 14 – Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties

The Firm does not receive any economic benefit, directly or indirectly, from any third party for investment advice or advisory services provided to the Clients.

B. Compensation to Non-Advisory Personnel for Client Referrals

Neither the Firm nor any related person directly or indirectly compensates any person who is not a supervised person for Client referrals.

Item 15 – Custody

PEC has custody of PECH funds within the meaning of Rule 206(4)-2 under the Advisers Act. Such funds are maintained with one or more “qualified custodians,” as defined in such Rule. PECVI has custody of PVI funds within the meaning of Rule 206(4)-2 under the Advisers Act. Such funds are maintained with one or more “qualified custodians,” as defined in such Rule.

This Rule generally requires investment advisers that have “custody” of Client assets to cause certain account statements detailing holdings and transactions to be sent to the Clients and imposes certain other obligations. However, advisers to investment funds like the Clients need not comply with those requirements if, among other things, PEC provides the Clients with audited financial statements by a specified time each year and those financial statements meet certain requirements. The Firm satisfies such conditions and, therefore, is not subject to reporting and other obligations set forth in this Rule.

Item 16 – Investment Discretion

The Firm does not have discretionary authority to manage securities accounts on behalf of any Clients.

PEC does not have authority to execute any new Operating Company investment or other material investment or disposition on behalf of PECH without formal approval of the PECH Advisory Board, which Advisory Board PEC does not control.

PECVI does not have authority to execute any new real estate investment or other material investment or disposition on behalf of PVI without formal approval of the PVI Advisory Board, which Advisory Board PECVI does not control.

Item 17 – Voting Client Securities

The Firm will not have any authority to vote any Client securities on behalf of the Clients. The Firm does not invest in securities and therefore does not vote proxies on behalf of Clients. As described in Item 4(C) above, the Firm manages the day-to-day affairs of the Clients and all material/fundamental decisions of the Clients require the approval of the applicable Advisory Board of the Client. If in the future the Firm obtains authority to vote proxies, this Brochure will be appropriately amended.

Item 18 – Financial Information

A. Prepayment of Fees

The Firm does not require or solicit prepayment of any fees from the Clients.

B. Financial Conditions

The Firm has no financial condition that is reasonably likely to impair its ability to meet any contractual commitments to the Clients.

C. Bankruptcy Petition

Neither PEC nor PECVI has ever been the subject of a bankruptcy petition.