

**Private Capital Management, LLC  
Carnes Capital Corporation  
Form CRS Relationship Summary, March 2023**

Firm	<i>Private Capital Management (“PCM”) Investment Adviser Services – Is an Investment Advisory Account Right for You?</i>	<i>Carnes Capital Corporation (“Carnes”) Broker-Dealer Services – Is a Brokerage Account Right for You?</i>
<p><b>Introduction –</b></p> <p><b>There are different ways you can get help with your investments. You should carefully consider which types of accounts and services are right for you.</b></p>	<p>PCM is registered as an investment adviser with the Securities and Exchange Commission (“SEC”).</p>	<p>Carnes is registered as a broker-dealer with the SEC, the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”).</p>
	<p>PCM and Carnes are affiliates under common control. They share employees and office space. <b>Depending on your needs and investment objectives, we can provide you with services in an investment advisory account, a brokerage account, or both at the same time.</b> This document gives you a summary of the types of services we provide and how you pay.</p>	
	<p><i>Investment Advisers (PCM) and Brokers-Dealers (Carnes) provide different types of services and fee structures and it is important that you understand these differences. Free and simple tools are available to research firms and financial professionals at <a href="https://www.investor.gov/crs">Investor.gov/CRS</a>, which also provides educational materials about financial advisers, broker-dealers and investing. Please ask us for more information. There are some suggested questions and conversation starters shown throughout the form.</i></p>	
<p><b>Types of Relationships and Services.</b> <i>Our accounts and services fall into two categories.</i></p>		
<p><b>What investment services and advice can you provide me with?</b></p>	<p><b>Private Capital Management.</b> PCM offers ongoing investment advisory services primarily to individual high-net-worth investors, families and institutions on both a discretionary and a non-discretionary basis. PCM primarily advises clients in the areas of value equity investing, options strategies and wealth management. PCM does not view its value equity and options strategies as being specifically tailored to particular client’s investment needs or objectives. PCM charges a <b>quarterly asset-based fee</b> and in some cases a <b>performance fee</b>.</p> <p>When <b>PCM holds investment discretion</b> over a client account, that means that PCM makes investment decisions regarding the purchase and sale of investments for the client. For <b>non-discretionary accounts</b> the client makes the ultimate decisions regarding the purchase and sale of investments in conjunction with us. PCM will only look at assets that we manage for suitability.</p> <p><b>PCM’s Discretionary Investment Services.</b> PCM’s <b>discretionary investment services</b> focus primarily on investing in smaller companies that are publicly traded on U.S. exchanges. PCM employs a value-based, company specific research approach. PCM is a high conviction investor and invests client assets with a long-term (3-5 years or more) investment horizon. Along with individual client accounts, PCM also offers a mutual fund and private investment funds, several of which engage in equity-based options trading strategies.</p> <p><b>PCM’s Non-Discretionary Investment Services.</b> On a non-discretionary basis, PCM recommends and monitors</p>	<p><b>Carnes Capital.</b> Carnes is a broker-dealer, meaning that it executes securities trades at the direction of its clients or PCM. PCM clients may – but are not required to – direct their PCM accounts to trade through Carnes. Carnes also may accept client brokerage accounts that are not associated with PCM. If you open a brokerage account, you will pay Carnes a <b>transaction-based fee</b>, generally referred to as a commission, every time you buy or sell an investment.</p> <p><b>Carnes operates solely as a broker-dealer and does not offer investment advice to any of its clients.</b> You or your authorized representative (which may be PCM) will make the ultimate decision regarding the purchase or sale of investments in your Carnes brokerage account.</p>

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	a variety of ETF (exchange traded fund) and mutual fund investments for wealth management clients who elect to retain discretion over their PCM account(s). In addition, on a client specific basis we may make non-discretionary recommendations regarding specific account positions.	
	<b>Account Monitoring, Client Communications and Services.</b> PCM regularly monitors its clients’ accounts. PCM clients receive monthly or quarterly reporting (paper or electronic) dependent upon the strategy. Carnes does not regularly monitor investments held in its clients’ accounts. Carnes clients receive monthly statements (quarterly if there is no account activity). PCM and Carnes offer a limited selection of strategies, investments and brokerage options. Other firms may offer a wider range of options, some of which might have lower costs.	
	<b>For additional information</b> regarding services offered by PCM and Carnes, please review PCM’s <a href="#">Form ADV Part 2A</a> , including Items 4, 7, 10, 12, 13 and Additional Information and Operating Policies. PCM’s investment returns are not likely to correlate closely to the market as a whole or any particular market index. Carnes does not offer investment advice.	
<p><b>Types of Relationships and Services - Conversation Starters.</b> Ask your financial professional –</p> <ul style="list-style-type: none"> <li>• Given my financial situation, should I choose an investment advisory service, a brokerage service or both? Why or why not?</li> <li>• How will you choose investments you recommend to me?</li> <li>• What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?</li> </ul>		
<p><b>Fees and Costs.</b> <i>Fees and costs affect the value of your account over time. Please ask us to give you personalized information on the fees and costs you will pay.</i></p>		
<p><b>What fees will I pay?</b></p>	<p><b>Equity Strategy Separate Account Fees.</b> PCM offers two standard <i>asset-based advisory fee</i> structures. The first is 1% per annum, which is charged quarterly based upon the ending fair market value of account assets (including cash and accrued dividends). The second standard option is an advisory fee split between a base management fee of 0.75% per annum, charged at quarter end, and a performance fee equal to 5% of the amount by which calendar year performance (net of base management fee) exceeds 10%. The performance fee is capped so that it will never exceed 0.75% of account assets. PCM may agree to other fee arrangements based upon a number of factors, including a client’s history with PCM or whether the account is part of a sub-advisory or multiple account relationship with PCM.</p> <p><b>Pooled Vehicle Strategy Fees.</b> Depending on the specific pooled vehicle / fund offering, PCM’s asset-based advisory fee ranges from 0.5% to 1.5%. For several of these funds PCM also charges a performance fee, which ranges between 10% and 20% of portfolio gains, depending on the specific fund. These fees are detailed in the fund offering documents.</p> <p><b>Wealth Advisory Account Fees.</b> PCM charges wealth advisory clients an <i>asset-based fee</i>, which is billed quarterly based on the ending fair market value of the client’s account. This fee generally does not exceed 1.25% per annum and may vary based on account size, additional assets managed by PCM, and the specific</p>	<p><b>Carnes Brokerage Fees.</b> Carnes charges <i>transaction-based brokerage fees</i>. You will pay a fee every time you buy or sell an investment. With stocks, options or exchange traded funds, this fee is usually a separate commission. With other investments, such as bonds, the commission is included in the ticket charge (trade cost) paid by the client. Mutual funds may charge a sales charge or commission at the time of purchase which reduces the value of your investment. These types of fees are based on the specific transaction and not the overall value of your account. PCM wealth advisory account clients trade through Carnes at a rate for \$20.00 per trade for ETF and mutual fund trades. Two options focused pooled vehicles managed by PCM pay Carnes flat fee trading charges rather than commissions.</p> <p>Carnes’ standard equity commission rate for client accounts is \$0.05 per share with a minimum per trade charge of \$30.00. For option trades, Carnes’ standard commission rate is \$5.00 per contract. With respect to options, Carnes does not charge a commission when option contracts are exercised or when they expire. Trade charges on bond trades are determined on an individual transaction basis. Clients may be able to negotiate more favorable commission rates or minimum per trade charges with Carnes. From a cost perspective, you may prefer a transaction-based fee if you do not trade often or if you plan to buy and hold investments for</p>

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	<p>services requested by the client. Wealth advisory clients also pay fees charged by the third-party managed funds in which they invest, which results in clients paying two levels of fees with respect to those assets. Unless otherwise agreed with the client, PCM wealth advisory clients do not pay PCM a wealth advisory fee on assets invested in PCM managed strategies or funds.</p> <p><b>Other Fees and Expenses.</b> In addition to PCM’s management fees, clients typically pay other expenses to third parties, including costs related to brokerage transactions and custody services; transaction fees; exchange fees; SEC fees; consultant fees; administrative fees; transfer taxes; broker mark-ups (price increases) or mark-downs (price reductions) on security transactions; as well as wire and electronic fund processing fees.</p>	<p>longer periods of time. Carnes’ commission rate may be higher than a client could obtain through other broker-dealers.</p>
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	<p><b>Important Information Regarding Fees and Costs.</b> You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investment over time. Please make sure you understand what fees and costs you are paying. In the case of an asset-based fee, the larger the client’s PCM account the larger the total fee. In the case of a performance fee, the client will pay a greater fee as performance gains increase. Accordingly, PCM has an incentive to encourage investors to add assets to their accounts and to generate investment returns for clients. Because it charges commissions, Carnes benefits when transactions are executed in a client’s account. <b>For additional information</b>, please review PCM’s <a href="#">Form ADV Part 2A</a>, Items 5, 10 and Additional Information and Operating Policies.</p>	
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<p><b>Fees and Costs - Conversation Starters.</b> Ask your financial professional –</p> <ul style="list-style-type: none"> <li>• Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?</li> <li>• What additional costs should I expect in conjunction with my account?</li> <li>• Tell me how you and your firm make money in connection with my account. Do you or your firm receive any payments other than from me in connection with my accounts?</li> </ul>		
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<p><b>Our Obligations.</b> <i>We must abide by certain laws and regulations in our interactions with you.</i></p> <p><b>Conflicts of Interest.</b> <i>We benefit from the services we provide you.</i></p>		
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<p><b>What are your legal obligations to me when acting as my investment adviser or broker?</b></p> <p><b>How else does your firm make money and what conflicts of interest do you have?</b></p>	<p><b>Obligations to Clients.</b> <b>When PCM acts as your investment adviser</b>, we have to act in your best interest and not put our interests ahead of yours – we act as your fiduciary with respect to the assets we supervise. However, absent special circumstances, our fiduciary obligations to a prospective client begin after they have retained us, that is, after you have become a PCM client. In addition, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide to you. Here are some examples to help you understand what this means.</p> <p><b>Examples of Potential Conflicts of Interest:</b> <b>Multiple Strategy Offerings.</b> PCM client accounts vary in a number of ways including (i) strategy; (ii) risk profile; and (iii) fee structures, including performance fees. While PCM could have an incentive to direct clients into strategies that pay more or direct its best investment</p>	<p><b>Obligations to Clients.</b> <b>As a broker-dealer</b>, when Carnes provides services to you we must treat you fairly and comply with a number of specific obligations.</p> <p>One of Carnes’ most important obligations is to seek <b>“best execution”</b> with respect to trades it executes for clients. To meet its best execution obligations Carnes <b>(i) seeks to obtain competitive all-in prices as compared to other reasonably available execution arrangements and (ii) acts promptly to execute and complete orders that have a time parameter.</b> Depending on the circumstances surrounding a particular trade, the relative weight ascribed to these two factors varies. While in some instances best execution may be analyzed with respect to a particular trade, it is most frequently evaluated across multiple trades or extended time frames as a gauge of the general quality of the execution services being provided to clients.</p>
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	<p>ideas to larger or more profitable accounts, PCM has adopted policies and procedures that it views as reasonably designed to ensure all clients are recommended appropriate strategies and are treated fairly, including in comparison to other clients.</p> <p><b>Referrals and Third-Party Payments.</b> Some of PCM’s clients are referred by brokers or consultants. PCM benefits economically from these client referrals and may benefit in the future from additional referrals. PCM addresses this potential conflict by not participating in undisclosed referral fee (or similar) arrangements with any third parties regarding PCM clients.</p>	<p><b>Example of Potential Conflict of Interest: Commission Based Fees.</b> Because of its commission based fee structure, Carnes benefits from transactions that occur in its clients’ accounts. This potential conflict is limited by the fact that Carnes <i>does not</i> provide investment advice or transaction recommendations to its clients.</p> <p><b>Stock Lending.</b> Carnes is entitled to payments from NFS in connection with securities lending activities by the private funds PCM manages. These payments have historically been modest in size.</p>
	<p><b>Expense sharing between PCM and Carnes.</b> PCM and Carnes share overlapping ownership, as well as employees, operations infrastructure and certain expenses. As a result, PCM’s profitability is indirectly impacted by the profitability of Carnes. PCM addresses this potential conflict primarily by allowing separate account clients to elect to use a broker-dealer other than Carnes should they wish to do so.</p>	
<p><b>Legal Obligations &amp; Conflicts of Interest - Conversation Starters.</b> Ask your financial professional –</p> <ul style="list-style-type: none"> <li>• How might your conflicts of interest affect me, and how will you address them?</li> <li>• What are the most common conflicts of interest in your advisory and brokerage accounts? Explain how you will address those conflicts when providing services to my account.</li> </ul> <p><b>For additional information,</b> please review PCM’s <a href="#">Form ADV Part 2A</a>, including Items 6, 10, 11, 14, 17 and Additional Information and Operating Policies.</p>		
<p><b>Financial Professional Compensation &amp; Disciplinary History</b></p>		
<p><b>How do your financial professionals make money?</b></p>	<p>PCM is owned by eight partners who are also firm employees. As a result of their ownership interests, these partner/employees also participate in profits generated by PCM in addition to their salaries. PCM and Carnes employees who are not partners are compensated through a combination of base salaries and bonuses based on performance. Two PCM/Carnes Client Services Officers receive a base salary plus a bonus determined on the basis of the firm revenue they generate. Revenue based compensation arrangements can encourage the recommendation of higher fee strategies to clients. We address this potential conflict through compliance oversight and by having base salary comprise a significant portion of these employee’s overall compensation.</p>	
<p><b>Do your financial professionals have legal or disciplinary history?</b></p>	<p><b>No.</b> Visit <a href="http://Investor.gov/CRS">Investor.gov/CRS</a> for a free and simple search tool to research us and our financial professionals.</p>	
<p><b>Financial Professional Compensation &amp; Disciplinary History - Conversation Starters.</b> Ask your financial professional –</p> <ul style="list-style-type: none"> <li>• Do you or your firm have a disciplinary history? For what type of conduct?</li> </ul>		
<p><b>Additional Information</b></p>	<p><b>For additional information about our investment adviser services,</b> please see your account agreement, PCM’s <a href="#">Form ADV</a> on IAPD, PCM’s <a href="#">Form ADV Part 2A (private-cap.com)</a>, <a href="http://Investor.gov">Investor.gov</a> and any brochure supplement we provide. <b>For additional information about Carnes’ broker-dealer services,</b> visit <a href="http://Investor.gov">Investor.gov</a> or <a href="http://BrokerCheck(BrokerCheck.Finra.org)">BrokerCheck (BrokerCheck.Finra.org)</a> and see your account agreement. If you would like additional information or a copy of this disclosure, please call us at (239) 254-2500 and ask to speak with a Client Services Officer. To report a problem to the SEC, visit <a href="http://Investor.gov">Investor.gov</a> or call the SEC’s toll-free investor assistance line at (800) 732-0330.</p> <p><b>Conversation Starters</b> - Who is the primary contact person for my account? What can you tell me about his or her legal obligations to me? If I have concerns about how this person is treating me, who can I talk to?</p>	