

Permal Capital Management, LLC
(“PCM”)

Form ADV, Part 2A
(the “Brochure”)

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This Brochure provides information about the qualifications and business practices of PCM. If you have any questions about the contents of this brochure, please contact us at 617-587-5300. 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. Additional information about PCM also is available on the SEC’s website at www.adviserinfo.sec.gov. PCM may refer to itself as a “registered investment adviser” or “RIA”. You should be aware that registration with the SEC or a state securities authority does not imply a certain level of skill or training.

ITEM 2: MATERIAL CHANGES

On July 28, 2010, the SEC published “Amendments to Form ADV” which amends the Brochure that we provide to clients pursuant to SEC rules. This Brochure, dated June 30, 2011, is a new document prepared according to the SEC’s new requirements and rules. As such, this Brochure is materially different in structure and requires certain new information that the previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of the last annual update of the Brochure.

Important Note About This Brochure

This Brochure is not:

- an offer or agreement to provide advisory services to any person;
- an offer to sell interests or a solicitation of an offer to purchase interests in any investment product or vehicle advised by PCM;
- a complete discussion of the features, risks or conflicts associated with any account advised by PCM; or
- to be relied on in determining whether to invest in a Private Fund (as defined herein) or establish an advisory relationship with PCM.

As required by the Advisers Act, PCM provides this Brochure to current and prospective clients and may also, in its discretion, provide this Brochure to current or prospective investors in a Private Fund, together with other relevant offering materials, prior to, or in connection with, such persons’ establishment or consideration of a client relationship or an investment in a Private Fund.

Persons who receive this Brochure (whether or not from PCM) should be aware that it is designed solely to provide information about PCM as necessary to respond to certain disclosure obligations under the Advisers Act. As such, the information in this Brochure may differ from information provided in the materials that govern an account or investor relationship such as an advisory contract or the Private Fund’s Governing Documents.

More complete information about each Private Fund, as well as PCM’s investment management services in general, is included in relevant Governing Documents, certain of which may be provided to current and eligible prospective clients or Investors only by PCM or another designated party. To the extent that there is any conflict between discussions herein and similar or related discussions in any Governing Documents, the relevant Governing Documents shall govern and control.

In no event should this Brochure be considered to be an offer of interests in a Private Fund or relied upon in determining to invest. It is also not an offer of, or agreement to provide, advisory services directly to any recipient.

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ITEM 4: ADVISORY BUSINESS

Firm Overview

PCM is a private equity investment management firm that, since its inception in 1990, has been providing differentiated investment products to investors worldwide. While PCM was originally established as a separate team within the Permal Group, which is one of the oldest and largest alternative asset managers in the world and owned by Legg Mason, Inc., a publicly traded company on the New York Stock Exchange, PCM was established as a stand-alone entity in 2002 and operates today as a fully autonomous and independent entity principally owned by Permal Capital Holdings Inc. Principals of PCM, through a holding company, have a significant economic interest in PCM.

PCM provides investment management services on a discretionary basis to private equity investment funds (each, a “Private Fund”) and individually managed accounts, which are generally established as single-investor private investment funds where PCM or a PCM affiliate serves as general partner and/or investment manager in order to align PCM’s interests with those of the client (“Private Clients” and together with the Private Funds, “Clients” or “Accounts”). PCM serves as the investment adviser to Private Funds that focus on two core strategies: primary funds of funds that invest in the venture capital and buyout industries and secondary market funds that purchase private equity interests from investors seeking liquidity. PCM also offers Clients other strategies that leverage these core strategies, including structured products, separate accounts and direct co-investments. Primary market funds of funds and secondary market funds in which the Accounts invest are referred to herein as “Portfolio Funds” and the investment advisers managing such Portfolio Funds are referred to herein as “Portfolio Managers”.

PCM invests Client assets across all sectors of the private equity universe, including venture capital, growth capital, buyouts and special situations. Investments include a wide array of industries, geographic markets, company sizes and stages of development. PCM’s review of potential investments involves an evaluation of the merits of the opportunity, including screening of offering documents, meeting with management, detailed review of track record/financial performance materials, on-site visits and interviews with key members of the team, evaluation of due diligence material and detailed reference checking.

Since inception through March 31, 2012, PCM had raised approximately \$1.553 billion. As of March 31, 2012, PCM managed approximately \$1.503 billion in discretionary assets under management, which amount includes uncalled capital commitments as of that date. PCM does not currently manage any assets in a non-discretionary manner.

Nature of PCM’s Clients

Private Clients and investors in the Private Funds are typically domiciled in the U.S., Canada, Europe and Middle East and include public and private defined benefit retirement plans, endowments and foundations, family offices, wealth management firms, healthcare entities and financial institutions. The Private Funds are typically U.S. and non-U.S. limited partnerships and other investment vehicles that are not registered or required to be registered under the U.S. Investment Company Act of 1940 (the “Investment Company Act”) or the U.S. Securities Act of 1933 (the “Securities Act”) and are privately placed to qualified investors in the United States and elsewhere. See, also Item 7 below.

PCM's Investment Mandates

Accounts are managed in accordance with the relevant Client's investment objectives as set forth in the relevant Private Fund's confidential offering memorandum, organizational documents and other related documents (collectively a Private Fund's "Governing Documents") or investment agreement, and in all cases investments are selected on the basis of the Client's investment needs and objectives.

With respect to Private Clients, PCM is generally not expected to consider and diversify a Private Client's Account based on other assets that might be held by the Private Client and PCM's only responsibility with respect to diversification is to diversify the assets held in the Account managed by PCM in accordance with the Client's stated guidelines. PCM may accept reasonable, client-imposed restrictions upon investment in certain securities or types of securities.

PCM manages each Private Fund in accordance with the Private Fund's particular investment objectives, strategies and guidelines (as set forth in the relevant Governing Documents) and is not tailored to the individualized needs of any particular any particular limited partner (each, an "Investor") though certain Private Funds may take into consideration the general characteristics (*e.g.*, tax status) of its target Investors when structuring its operations (*e.g.*, master-feeder structures.). An investment in a Private Fund does not, in and of itself, create an advisory relationship between the Investor and PCM and PCM typically does not enter into separate advisory arrangements with any such Investor. Therefore, each Investor must consider for itself whether any Private Fund meets the Investor's investment objectives and risk tolerance before investing in a Private Fund. Information about each Private Fund is set forth in its Governing Documents, which will be available to current and eligible prospective Investors only through PCM or another authorized party.

ITEM 5: FEES AND COMPENSATION

PCM and its affiliated entities that serve as general partners to the Private Funds (the “PCM General Partners”) receive various fees from the Accounts for their services at a negotiated rate based on each Account’s particular circumstances. Fees for these services are set forth in the Governing Documents or investment management agreement. For purposes of this Brochure, references to “PCM” will include references to the PCM General Partners where the context so requires.

PCM’s management fees are initially charged as a percentage of aggregate capital commitments of an Account, but such calculation is transitioned to a percentage of the Account’s net asset value after a stated period of time. Management fees decline after a stated period, which is generally after the fourth or fifth year after the final closing date for subscriptions. However, the degree and pace of deceleration varies per Account. Management fees are generally payable quarterly in advance based on capital commitments as of the beginning of the quarter, but some Accounts may pay management fees in arrears based on the relevant Account’s net asset value.

PCM generally receives a carried interest based on a percentage of the net profits of an Account with respect to certain investments as defined in the Governing Documents for a Private Fund or related advisory agreement for a Private Client, as the case may be. In such cases, the payment of such carried interest may be subject to Clients or Investors having realized a preferential return on the net outstanding amount of their capital contributions calculated from the date of contribution to the date of return.

Additionally, specific fee arrangements applicable to any Investor or Client are subject to negotiation and PCM may waive or reduce management fees, in its discretion, based on the nature of the strategy and services to be provided by PCM, total market value invested with PCM, regulatory and reporting requirements, requested customization, and any other relevant factor, including employment or familial relationships with PCM or the principals thereof. Thus, different Investors in the same Private Fund may pay different fees based on, among other things, waivers. Additionally, the PCM General Partner’s capital account in a Private Fund will be subject to reduced management fees or carried interest. Except as otherwise agreed, PCM is not obligated to waive or reduce fees for any other Investor when offering such waivers or reductions to a particular Investor.

Assets in an Account are generally subject to a lockup. Investors and Private Clients that fail to meet a capital call are subject to a forfeiture of a portion of their capital accounts.

PCM may make investments in Portfolio Funds in which PCM or a related party provides services and from which it or its related party receives fees. Any such arrangements will be disclosed.

Other Information With Respect to Fees

Private Funds

Each Private Fund typically pays its own operating expenses, separate and apart from the advisory fee, or otherwise reimburses PCM, for these and other services as well as for certain organizational and offering expenses related to the Private Fund. Such services, and any expenses or reimbursements related thereto, will generally be provided and described in accordance with the Private Fund’s Governing Documents.

Operating expenses typically include finder's fees, deal sourcing fees, custodial charges, brokerage fees or commissions and related costs and expenses, taxes, duties and other governmental charges, transfer fees, registration fees and other expenses and charges associated with the purchase, holding or sale of assets, costs and charges associated with making deposits in connection with foreign exchange transactions, withholding taxes payable and required to be withheld by issuers, their agents or others, and audit, administrative and other expenses necessary or appropriate to the Private Fund's regulatory or tax compliance, business or investment operations and such other expenses as may be set forth in the relevant Governing Documents. Feeder funds bear the expenses of corresponding master fund(s) *pro rata*.

Investors are charged for fees and expenses either through a "capital call" by which the Investor is required to pay the required amount from its undrawn capital commitment to the Private Fund, or through a deduction from available cash held by the Private Fund, as selected by PCM. Management fees are generally billed quarterly and are paid through a capital call or deduction from available cash, although management fees for certain Private Funds may be paid in arrears.

Private Clients

Management fees for Private Clients are generally payable quarterly in arrears and, upon agreement between PCM and the Client, may be debited from the Client Account ("automatic debiting").

Other Fees and Expenses. Management fees cover only advisory services from PCM and, except as otherwise agreed, Private Clients are responsible for certain fees, expenses and costs (in addition to PCM's management fee) which are incidental or related to the maintenance of an account or the buying, selling and holding of investments including, but not necessarily limited to: administration fees, custodial charges; brokerage fees, commissions and related costs and expenses; governmental charges, taxes and duties; transfer fees, registration fees and other expenses associated with buying, selling or holding investments; withholding taxes payable and required to be withheld by issuers or their agents; and fees associated with cash sweep or cash management vehicles or investments in Portfolio Funds.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As noted above, the Accounts generally pay carried interest or performance-based fees to PCM that are tied to the performance of the relevant Account. The performance-based fees may be appropriate for certain sophisticated Investors and Private Clients. PCM's receipt of performance-based fees raises certain conflicts of interest, which are described below.

Investment Selection. Performance-based fees and other arrangements where the incentive to achieve gains may exceed the disincentive to suffer losses may cause PCM to choose investments that are riskier or more speculative than might otherwise have been chosen.

Side-by-Side Management. Because PCM may charge different performance-based fees to each Account, PCM may have the incentive to favor Accounts from which it receives higher performance-based fees over Accounts from which lower performance-based fees are received. Further, PCM and its personnel may have differing investment or pecuniary interests in such Private Funds. PCM faces a potential conflict of interest when (i) the actions taken on behalf of one Account may impact other similar or different Accounts (*e.g.*, because such Accounts have the same or similar investment strategies or otherwise compete for investment opportunities, have potentially conflicting investment strategies or investments) and (ii) PCM and its personnel have differential interests in such Accounts (*i.e.*, expose PCM or its related persons to differing potential for gain or loss through differential ownership interests) because PCM may have an incentive to favor certain Accounts over others that may be less lucrative.

To mitigate these conflicts, PCM's policies and procedures seek to provide that investment decisions are made in accordance with the fiduciary duties owed to such Accounts and without consideration of PCM's (or such personnel's) pecuniary, investment or other financial interests.

ITEM 7: TYPES OF CLIENTS

PCM provides investment management services to public pension plans, corporate pension plans, foundation endowments, family offices and high net worth individuals.

Private Clients and Investors are generally institutional investors and certain high net worth investors that are, in the case of Private Client, “qualified clients”, within the meaning of the Advisers Act, and, in the case of Investors in Private Funds, “accredited investors” and “qualified purchasers”, within the meaning of the Securities Act and the Investment Company Act, respectively.

The Private Funds have a specified minimum investment as set forth in their Governing Documents, but the minimum investment for any Investor is generally 1% of the targeted committed capital of the relevant Private Fund. This is subject to discretion, on the part of PCM or its affiliates to permit investments of a smaller amount generally or with respect to any Investor.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis and Investment Strategies

As discussed in Item 4, PCM invests across all sectors of the private equity universe, including venture capital, growth capital, buyouts and special situations. Investments include a wide array of industries, geographic markets, company sizes and stages of development. PCM reviews potential investments involving a progressively deeper evaluation of the merits of the opportunity, including screening of offering documents, meeting with management, detailed review of track record/financial performance materials, on-site visits and interviews with all key members of the team, evaluation of due diligence material, and detailed reference checking. PCM's analysis of a potential investment opportunity reflects a combination of qualitative and quantitative factors. Qualitative factors include interviews with the managers, reference calls on such managers, evaluation of stated strategies relative to past experience and performance. Quantitative analyses include evaluation of the Portfolio Manager's track record, fundamental evaluation of underlying portfolio companies, consideration of public comparable companies, third-party industry reports, etc.

Primary Fund of Funds. In considering Portfolio Funds to add to its portfolio, PCM seeks organizations that (among other criteria) demonstrate the following attributes: (i) strong, verifiable and repeatable track record; (ii) compelling, logically consistent investment strategy and competitive advantage; (iii) cohesive, capable, motivated investment team; (iv) organizational structure and processes conducive to replicable and sustainable success; (v) strong reputation in the industry and demonstrated ability to attract capable business partners; (vi) that enhance the implementation of its strategy reasonable partnership terms.

Secondary Market Funds. When evaluating the purchase of existing partnership interests from a selling limited partner, PCM's review combines the disciplines of fund investing and direct investing. PCM consider among other criteria: (i) Portfolio Funds where managers meet our criteria for a primary fund investment; (ii) age and funding status of the Portfolio Funds; (iii) a bottom-up evaluation of the underlying portfolio companies held by the Portfolio Funds, with consideration for their operational and financial status and any changes in the market environment since original investment; and (iv) PCM's ability to price and structure transactions to provide a compelling risk/return dynamic.

Direct Investments. Direct investments are reviewed against a variety of criteria with preference given to opportunities that reflect among others the following attributes: (i) strong existing or potential business fundamentals; (ii) capable, experienced and properly motivated management team; (iii) compelling strategy and market opportunity; (iv) attractive competitive positioning; (v) strong financial and operating partners; (vi) attractive pricing and deal structure characteristics; and (vii) large and/or protected target market

Investment Risks

PCM's investment activities involve a significant degree of risk. The securities in which a Client may invest are highly illiquid and, although these investments may occasionally generate some current income, the return of capital and the realization of gain, if any, from an investment generally will occur only upon the partial or complete disposition of such investment. It is unlikely for there to be a public market for most of securities recommended by PCM on behalf of

its Clients, and such securities may require a substantial period of time to liquidate. There can be no assurance that an Account will be able to realize returns on the investments it manages for its Clients or that the returns will be commensurate with the risks of investing in the type of companies and transactions described herein. Accordingly, an investment in an Account should only be considered by persons who can afford a loss of their entire investment. Private equity investments made by PCM involve a number of material risks including (but not limited to) the following:

Possible Lack of Diversification. The Accounts may not be subject to any comprehensive diversification or asset allocation requirements or be limited to a particular investment strategy. To the extent an Account concentrates investments in a particular geographic region, security, investment sector or stage of investment, investments may become more susceptible to fluctuations in value resulting from adverse economic or business conditions applicable to such region, type of security, sector or stage of investment. In addition, an Account may participate in a limited number of investments in which case the investment returns of the Account could be substantially adversely affected by the unfavorable performance of a single investment.

Competition for Investment Opportunities. The activity of identifying, completing and realizing attractive investments on a global basis is competitive and involves a high degree of uncertainty. Accounts may compete with other potential investors including private funds, hedge funds, other financial institutions or other corporate or strategic buyers for limited investment opportunities. As a result, there can be no assurance that an Account will be able to locate and complete portfolio investments that satisfy the Account's return objectives or realize their potential values or that the Account will be able to become fully invested for a significant period of time, if at all.

Reliance on PCM Professionals. The success of Accounts may depend, in substantial part, upon the skill and expertise of the investment professionals of PCM. There can be no assurance that these PCM investment professionals will continue to be associated with PCM throughout the life of an Account.

Passive Investment in Interests. Neither Investors nor Private Clients control the day-to-day operations, including investment and disposition decisions, of any Account and generally must rely entirely on PCM, among others, to conduct and manage, respectively, the affairs of the Account.

Market and Economic Risks. Private equity investments in portfolio companies by the Accounts or the Portfolio Funds may be materially and adversely affected by market, economic, and political conditions globally and in the jurisdictions and sectors in which the investments are made or the portfolio companies operate, including factors affecting interest rates, the availability of credit, currency exchange rates, and trade barriers.

Distribution of Portfolio Companies. In the event an Account receives security positions from a Portfolio Fund as part of a distribution or liquidation, such positions will be liquidated by the Account immediately. The Account's proceeds could be less if the Account had, for example, maintained possession of the security until a later date.

Uncertain Nature of Investments. Accounts may enter into high-risk investment opportunities of all kinds in all markets globally, including in, but not limited to, pooled investment vehicles and investments denominated in foreign currencies. Companies in which the Accounts invest (either directly or indirectly through Portfolio Funds) may not achieve their expected operational objectives and might experience substantial fluctuations in their operating results. In all such

cases, Accounts are subject to the risks associated with the underlying businesses engaged in by portfolio companies, including market conditions, changes in regulatory environment, general economic and political conditions, the loss of key management personnel and other factors. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by an Account or considered for prospective investment. Potential investors should realize that realization events could be delayed as a result of general economic conditions, illiquidity of portfolio investments, contractual prohibitions or other reasons mentioned herein.

Illiquid Investments. Although investments by Accounts occasionally may generate some current income, the return of capital and the realization of gains, if any, from an investment primarily will occur upon the partial or complete disposition of such investment. It generally is expected that the sale of most of the investments will not occur for a number of years after such investments are made. Generally, no public market exists for most of the securities initially held by an Account and such securities may require a substantial length of time to liquidate.

Insufficient Capital for Follow-On Investments. From time to time, a portfolio company may require additional capital. There is no assurance that an Account or a Portfolio Fund will make follow-on investments or that the Account or a Portfolio Fund will have sufficient resources to, or be permitted to, make such follow-on investments. A decision to not make follow-on investments or its inability to make them may have a substantial negative impact on a portfolio company, may result in missed opportunities for an Account or a Portfolio Fund or may result in dilution of the Account's or the Portfolio Fund's investment.

Investments Longer than Term. An Account or Portfolio Fund may make investments that, due to various reasons, may not be capable of an advantageous disposition prior to the date the Account or Portfolio Fund is required to be dissolved, either by expiration of the Account's or the Portfolio Fund's term or otherwise, and therefore a risk exists that an Account or a Portfolio Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution.

Possible Hedging. PCM on behalf of an Account may seek protection against the risk of a decrease in the value of one or more investments by using certain hedging strategies. The use of hedging strategies is a highly specialized activity and there can be no assurance that their use will achieve the intended result. These hedging strategies may limit the ability of an Account to profit from the increase in the value of an investment above a certain price. In addition, if judgments made with respect to future stock prices, exchange rates, interest rates, market conditions or trends are not correct, these hedging strategies could result in losses to the Accounts. Hedging also entails additional risks, including counterparty credit risk and market liquidity risk.

Non-U.S. Investments. An Account or a Portfolio Fund may invest in the assets and securities of non-U.S. issuers. Investments of this type are subject to certain risks not typically associated with investing in U.S. securities including, but not limited to, price fluctuations, currency exchange rate fluctuations and costs, differences between the U.S. and non-U.S. securities markets, including potential price volatility in and relative illiquidity of some non-U.S. securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less governmental supervision and regulation, certain economic and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital, the risks of political, economic or social instability, the possibility of expropriation or confiscatory taxation, and the possibility of non-U.S. taxes on income and gains recognized with respect to such securities.

Secondary purchases. The Accounts may invest its assets in existing, rather than newly-issued, limited partnership interests in Portfolio Funds. Secondary interests (other than secondary directs) will be purchased from existing investors in such Portfolio Funds rather than from the Portfolio Funds themselves. Accordingly, it may be more difficult to negotiate side letters or special terms or clarifications from the general partners of such Portfolio Funds, regarding tax concerns and other matters, than would be the case if the Account purchased interests directly from such Portfolio Funds. In connection with any secondary investment by the Account which includes a primary investment (*e.g.*, an opportunity to purchase a package of primary and secondary interests in a group of funds, whether or not affiliated, in a single transaction), PCM may choose to allocate the related primary investment to the Account or choose to allocate all or a portion of such primary investment to another fund affiliated with PCM in accordance with its allocation policy.

Fees. Accounts will bear the fees, administrative costs and other expenses of the Account, and also, to the extent of the Account's investment in Portfolio Funds, a portion of the fees and the expenses of the Portfolio Fund and the carried interest of the Portfolio Manager of the Portfolio Fund.

Regulatory Approvals. There can be no assurance that a portfolio company targeted by PCM or a Portfolio Fund will be able to (i) obtain all required regulatory approvals that it does not yet have or that it may require in the future; (ii) obtain any necessary modifications to existing regulatory approvals; or (iii) maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals, or amendments thereto, or delay or failure to satisfy any regulatory conditions or other applicable requirements could prevent operation of a facility owned by a portfolio company, the completion of a previously announced acquisition or sales to third parties, or could otherwise result in additional costs to a portfolio company.

Inflation Risk. If a portfolio company is unable to increase its revenue in times of higher inflation, its profitability may be adversely affected. Some portfolio companies may have long-term rights to income linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangement. Typically, as inflation rises, a portfolio company will earn more revenue, but will incur higher expenses; as inflation declines, a portfolio company may not be able to reduce expenses in line with any resulting reduction in revenue. Many such businesses rely on concessions to mitigate the inflation risk to cash flows through escalation provisions linked to the inflation rate. While these provisions may protect against certain risks, they do not protect against the risk of a rise in real interest rates, which is likely to create higher financing costs for such businesses and a reduction in the amount of cash available for distribution to investors.

Leverage. PCM's private equity investments typically include investments in companies, or in Portfolio Funds that invest in companies, whose capital structures may have leverage. Such investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates. A highly leveraged entity may be subject to restrictive covenants imposed by lenders restricting its activity, or may be limited in making strategic acquisitions, or obtaining additional financing, and will have increased exposure to adverse economic factors such as downturns in the economy or deterioration in the condition of the portfolio company or its industry. Securities acquired by PCM for an Account, either directly or indirectly through a Portfolio Fund, may be the most junior in what will typically be a complex capital structure, and thus subject to the greatest risk of loss in the case of the issuer's financial difficulty, or if an event of default occurs under the terms of the relevant financing and a lender decides to enforce its

creditor rights. Events of default may in some cases be triggered by events not related directly to the borrower itself, such as the insolvency of a guarantor. PCM's and a Portfolio Fund's ability to achieve attractive rates of return will depend on its ability to access sufficient sources of indebtedness at attractive rates. An increase in either interest rates or risk spreads demanded by leverage providers could make it more expensive to finance PCM's or a Portfolio Fund's investments and could make it more difficult to compete for new investments with other potential buyers who have a lower cost of capital. In addition, a portion of the indebtedness used to finance investments may include high-yield debt securities issued in the capital markets. Availability of capital from the high-yield debt markets is subject to significant volatility, and there may be times when PCM or a Portfolio Fund may not be able to access those markets at attractive rates, or at all, when completing an investment.

Minority Investment Positions. Investments may be made by PCM, either directly or indirectly through a Portfolio Fund, in portfolio companies in conjunction with one or more other investors. Although PCM or a Portfolio Manager typically will negotiate shareholder rights that give it significant influence over the direction of the portfolio company, certain major decisions generally may require the consent of other investors, thereby lessening PCM's or a Portfolio Manager's control and, therefore, its ability to protect the position of the relevant Account or Portfolio Fund.

Investments with Third Parties. PCM may co-invest with third parties through partnerships, joint ventures or other entities, which may have larger or controlling ownership interests in such portfolio companies. These investments may involve risks in connection with such third-party involvement, including the possibility that a third party may have financial difficulties resulting in a negative impact on the investment, may have economic or business interests or goals that are inconsistent with those of PCM, or may be in a position to take (or block) action in a manner contrary to the PCM's investment objectives. In addition, the investing Account may in certain circumstances be liable for the actions of its third-party co-investors. Investments made with third parties in joint ventures or other entities also may involve compensation arrangements including carried interests and/or other fees payable to such third-party partners or co-investors, particularly in those circumstances where such third-party partners or co-investors include a management group.

ITEM 9: DISCIPLINARY INFORMATION

PCM is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of PCM or the integrity of PCM's management.

PCM has no information to disclose in response to this Item.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

PCM is affiliated with other entities engaged in the financial services business and, in some cases, has business arrangements with such entities that are material to its advisory business or to its Clients. These are described in more detail below and, in some cases, may cause PCM's or a related person's interests to diverge from the best interests of an Account.

PCM is affiliated with The Permal Group, which is a global organization with subsidiaries regulated by the SEC, the UK Financial Services Authority ("FSA"), the Dubai Financial Services Authority, the Monetary Authority of Singapore, the Hong Kong Securities & Futures Commission, the Korean Financial Supervisory Commission, the Japanese Kanto Local Finance Bureau, the Securities Commission of the Bahamas and the Central Bank of the Bahamas. The Permal Group provides certain administration and back-office services to PCM. In addition, one of PCM's Managing Directors maintains an office in Permal's New York office and PCM provides office space for some employees of a Permal affiliate.

The ultimate parent of Permal Group, Ltd. is Legg Mason, Inc., a New York Stock Exchange listed corporation. Legg Mason's affiliates include investment advisers, broker dealers, futures commission merchants, banks and sponsors or syndicators of limited partners.

PCM may recommend Accounts invest in investment funds managed by its affiliate, Permal Asset Management Inc. ("PAMI"). PAMI serves as general partner of such funds and, as a result, may receive management fees and carried interest from investors in such funds (including from the Accounts managed by PCM).

Neither PCM nor any of its management persons is registered, or has an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Private Funds. PCM controls the PCM General Partners, and Investors in a Private Fund may be offered the opportunity to invest in other Private Funds for which they are eligible; however, PCM is under no obligation to make such investments available, investments may not be appropriate for any particular Investor, and persons offered such opportunity recognize that PCM is making such an opportunity available based solely on its knowledge of the Investor's eligibility for such a Private Fund. PCM will not consider whether the investment is appropriate for the Investor and is not providing investment advice in making such opportunity available. Such persons should consider all available information about such investments, in light of their particular circumstances, prior to making such an investment and, as a result, not all persons offered this opportunity will choose to invest. Further information about the Private Funds, and their investments, can be found in above, and is made available to current and qualified prospective Investors in each Private Fund's Governing Documents.

Please refer to Item 11 - Code of Ethics for a further discussion on potential conflicts of interest.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Subject to compliance with PCM's Code of Ethics (the "*Code*") and applicable law, PCM personnel may invest in securities held in any Account. PCM may advise numerous Accounts and may rely on various, complementary, competing and, in some cases conflicting, investment strategies. In performing its advisory services, PCM may give advice and take action with respect to any such Account or for its own accounts or the account of an access person, that may differ from actions taken by PCM on behalf of other Accounts. PCM is not obligated to recommend, buy or sell, or to refrain from recommending, buying or selling for any Account any security that PCM or an access person may buy or sell for its or their own accounts or for any other Account PCM manages. Additionally, PCM, its affiliates and their respective personnel may invest or otherwise have an interest, either directly or indirectly, in a Private Fund which, in turn, may invest, directly or indirectly, in securities held by other PCM Accounts.

Officers and employees of PCM may have interests in securities owned by or recommended to PCM's clients. As these situations (as well as personal trading or other activities engaged in by PCM personnel) lead to potential conflicts of interest, PCM has implemented policies and procedures relating to personal securities transactions and insider trading that are designed to identify potential conflicts of interest, to prevent or mitigate actual conflicts of interest and to resolve conflicts appropriately, if they do occur.

Code of Ethics

PCM's Code was adopted to govern personal transactions by supervised persons and to assure that their interests do not conflict with the interests of managed Accounts or, as applicable, Investors in Private Funds. As such, PCM's Code includes: (i) standards of business conduct, requiring that supervised persons comply with relevant provisions of the federal securities laws and the fiduciary duties an investment adviser owes to its clients; (ii) personal securities transaction policies governing the personal investment activities of relevant personnel and requiring the submission by such persons of reports regarding their personal trading accounts and activities; and (iii) an insider trading policy.

Currently, all employees, officers, directors and principals of PCM are considered to be "supervised persons" for purposes of the Code. Personnel who fail to observe the Code and related compliance policies risk serious sanctions, including dismissal and personal liability.

Potential Private Clients and Investors may obtain a copy of the Code upon request. PCM's contact information appears on the cover page of this Brochure.

Standards of Business Conduct

A basic tenet of PCM's Code is that the interests of Clients are always placed first. The Code includes standards of business conduct requiring supervised persons to comply with the federal securities laws and the fiduciary duties an investment adviser owes to its clients. PCM's standards of business conduct, among other things: (i) restrict such persons from giving or accepting certain gifts and inducements from or to clients or others doing business with the firm when such gifts or inducements may present a material conflict of interest or otherwise taking advantage of their position with PCM; and (ii) require that access persons treat Clients fairly and consistently with PCM's compliance procedures, provide disinterested advice to clients insulated

from personal or business conflicts of interest and report potential violations of the Code to PCM's Chief Compliance Officer ("CCO").

Personal Securities Transactions Policy

PCM's Code also includes a personal securities transactions policy which imposes certain requirements and restrictions with respect to personal trading and investment activity by access persons. In particular, the Code requires access persons to obtain the approval of the CCO prior to investing in initial public offerings ("*IPOs*") and limited offerings. The Restricted List is periodically updated by PCM as appropriate to reflect the investment activities of the Accounts. Access persons are also prohibited from, among other things, (i) investing in securities listed on the firm's Restricted List; (ii) maintaining separate accounts directly with any third-party Portfolio Manager that has been recommended to any clients within the past 12 months; and (iii) effecting a transaction in any security in anticipation of a trade being effected for a Client in that security. In appropriate circumstances the CCO may grant waivers to the Code's restrictions.

Insider Trading Policy

PCM and its related persons may, from time to time, come into possession of material nonpublic and other confidential information which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, PCM may be prohibited from improperly disclosing or using such information for its personal benefit or for the benefit of any other person, regardless of whether such other person is an advisory Client. Accordingly, should PCM come into possession of material nonpublic or other confidential information with respect to any company, it may be prohibited from communicating such information to, or using such information for the benefit of its Accounts, and have no obligation or responsibility to disclose such information to, nor responsibility to use such information for the benefit of, such Accounts when following policies and procedures designed to comply with law. Accordingly, PCM's Code includes an "Insider Trading and Tipping Policy" which establishes procedures to prevent the misuse of material nonpublic information by PCM's supervised persons.

Reporting Requirements under the Code

To assist PCM in monitoring personal trading activities in order to detect potential conflicts of interest or violations of the Code, fiduciary duty or applicable law, access persons must provide periodic reports with respect to personal securities transactions, holdings and accounts, including annual reports of holdings in certain, reportable securities and quarterly reports of their personal transactions in reportable securities. These reports are submitted to and reviewed by the CCO or the CCO's designee. The CCO's reports and pre-clearance requests will be reviewed by another appropriate officer of PCM. If any violation of the Code, fiduciary duty or applicable law with respect to trading activities is determined to have occurred, the CCO may impose sanctions and take such other actions, including, without limitation, requiring that the trades in question be reversed and/or profits be disgorged.

Other Conflicts of Interest Associated with Management of Accounts

PCM offers different products and services and there are several potential conflicts of interest which may arise, including, but not limited to those listed below. PCM has adopted, and will continue to adopt, policies and procedures to address these potential conflicts of interest.

Potential Conflict of Interest	Mitigating Policies
<p>PCM serves as investment manager for numerous Accounts, some of which may have investment objectives similar to another Account and/or be investment funds sponsored by its affiliates. PCM may determine it appropriate to recommend that one Account redeem a Portfolio Fund while at the same time recommending that another Account subscribe to the same Portfolio Fund.</p>	<p>PCM maintains detailed policies and procedures relating to allocation among Accounts. PCM will seek to allocate transactions and opportunities among its various Accounts in a manner it believes to be as equitable as possible, considering each Account's objectives, programs, limitations and capital available for investment, but all Accounts may not necessarily invest in the same securities.</p> <p>All investment decisions are approved by the relevant PCM Investment Committee. A member of the Investment Committee is involved in effecting trades for Clients.</p>
<p>Members of PCM's Investment Team may sit on the board of directors or advisory board of a Portfolio Fund in order to obtain a better understanding of both the operations of the Portfolio Fund and Portfolio Manager.</p>	<p>PCM's senior management must approve any outside board activities. Once approved, these employees are not permitted to be the sole person involved in making investment decisions relating to these Portfolio Funds or in the voting of any proxies issued by these Portfolio Funds.</p>
<p>Where appropriate and in the best interest of both Clients, PCM may cause one Client to purchase investments from or sell investments to another Client ("Cross Transactions").</p>	<p>Cross Transactions are reviewed by the relevant PCM Investment Committee. These transactions are effected at the issuer's current, unless, in the sole discretion of PCM, PCM reasonably believes that a subsequent event has affected such value such that an adjustment is required. PCM earns no compensation as a result of such trades.</p>
<p>On occasion, PCM and/or its related persons may have an ownership or controlling interest in one of the private funds managed by PCM or any of its affiliates (a "Permal Fund") participating in the Cross Transaction and as a result, act as principal in the trade. This could occur, for example, when one of PCM's affiliated entities seeds a new Permal Fund during its incubation period.</p>	<p>Any such transaction must be approved by the effected Account, the Investment Committee, the CCO, and the Permal Fund's governing body. As a matter of principal, PCM does not expect to approve such transactions.</p>

Potential Conflict of Interest	Mitigating Policies
<p>On occasion, PCM's or its affiliates' employees may buy for their own accounts securities or other instruments which PCM also recommends to Clients and may engage in transactions for their own accounts in a manner that is inconsistent with PCM's recommendations to an Account.</p>	<p>PCM's personal securities trading policies requires employees who have access to or make certain investment related decisions to: pre-clear personal securities transactions in IPOs and limited offerings; report personal securities transactions on at least a quarterly basis; and provide PCM with a detailed summary of certain holdings and securities accounts over which such employees have a direct or indirect beneficial interest. PCM's Code also prohibits access persons from investing in securities listed on the PCM's Restricted List.</p>
<p>PCM may recommend or buy interests on behalf of Accounts in Portfolio Funds in which PCM, its employees or related parties have an ownership position.</p>	<p>All such interests will be purchased at net asset value as determined in accordance with the Portfolio Fund's governing documents. These interests are not typically purchased from PCM, its employees or other related persons but are issued directly by the Portfolio Fund.</p>
<p>There may be limited capacity in Portfolio Funds and PCM will have to choose among its Clients in allocating to such Portfolio Fund. In addition, Accounts have different management and fee structures including some Accounts which pay a performance-based fee.</p>	<p>PCM maintains detailed policies and procedures relating to allocation among clients. PCM will seek to allocate transactions and opportunities among its various Accounts in a manner it believes to be as equitable as possible, considering each Account's objectives, programs, limitations and capital available for investment, but all Accounts may not necessarily invest in the same securities.</p>
<p>PCM recommends and makes investments for clients in investment vehicles in which PCM or its related parties provide investment advisory and from which they receive fees. PCM may invest Client assets in investment partnerships for which an affiliate serves as investment manager. In addition, PCM's affiliates may invest its Clients' assets in Portfolio Funds managed by PCM.</p>	<p>PCM and its affiliates generally eliminate the duplication of their fees by either a direct fee reduction or rebate. These fee waivers or rebates do not, in all instances, extend to carried interest.</p>
<p>On behalf of its Clients, PCM may engage an affiliate to set up special purpose vehicles that are used for purposes of purchasing interests in Portfolio Funds where such special purpose vehicle will help facilitate the investment being made by the PCM Client.</p>	<p>Affiliates of PCM will generally invest alongside PCM's Clients in such investments in a manner to mitigate conflicts.</p>

ITEM 12: BROKERAGE PRACTICES

As a private equity firm, PCM does not typically use brokers to transact for Accounts. On occasion, the Accounts may receive security positions from a Portfolio Manager as part of a distribution or liquidation of a Portfolio Fund. PCM will seek to immediately liquidate such distributions. While PCM generally executes these transactions through broker-dealers who either make a market in a security or were recommended by the Portfolio Fund distributing the securities, there are no limitation as to which broker-dealers may be used or as to the commission rates or similar charges paid. In situations where PCM chooses the broker-dealer, PCM, consistent with its duty to seek best execution, selects brokers and dealers based upon their reputation, quality of service, ability to liquidate the particular security and ability to obtain interests in closed funds desired by PCM. When selecting a broker or dealer, PCM will take into account factors such as execution capabilities, commission rates, responsiveness and financial responsibility. In applying these factors, PCM recognized that different brokers may have different execution capabilities with respect to different types of securities and transactions, and that no one broker will likely be judged the best at every relevant factor as a general matter or with respect to any particular transaction.

In the event PCM makes a direct investment in a portfolio company on behalf of an Account, it will do so in a manner that maximizes value and minimizes costs to the Account.

Soft Dollars. PCM's current policy is not to use commissions generated by trading for Accounts to pay for third party research services.

Brokerage for Client Referrals. PCM does not use brokerage relationships for client referrals.

Trade Allocation and Aggregation Practices. PCM maintains detailed policies and procedures relating to allocation among Clients. PCM will seek to allocate transactions and opportunities among its various Accounts in a manner it believes to be as equitable as possible, considering each Account's objectives, programs, limitations and capital available for investment. PCM will generally allocate relevant investment opportunities *pro rata* among participating Accounts in accordance with the Accounts capital dedicated to such type of investment opportunity (*i.e.*, secondary investment opportunities vs. primary investment opportunities.). In making specific allocation decisions, PCM will consider adjustments based on a set of guiding principals designed to ensure that all Accounts have a fair and reasonable opportunity to deploy their capital pursuant to their stated investment strategy. While PCM does attempt to maintain uniform access across all Client Accounts, Clients may not necessarily invest in the same securities.

Any potential conflicts are brought to the attention of the Investment Committee in order to resolve them in an equitable and fair manner.

Cross Transactions/Principal Trades. Occasionally, where appropriate and in the best interest of both Clients, PCM effects Cross Transactions between Client Accounts. These transactions are effected at the issuer's current, unless, in the sole discretion of PCM, PCM reasonably believes that a subsequent event has affected such value such that an adjustment is required. PCM earns no compensation as a result of such trades. From time to time, a PCM affiliate may seed a new Permal Fund for a period of time and, as a result, own a controlling interest in such fund. Any Cross Transaction involving a fund that is controlled by PCM or its affiliates and related persons would require the approval from the other client involved in the Cross Transaction, the Investment Committee, the CCO, and the other funds's governing body.

ITEM 13: REVIEW OF ACCOUNTS

Reviews. Accounts are reviewed by the PCM Investment Team on a quarterly basis. The PCM Investment Team, comprised of senior executive members of PCM, reviews, among other items, market outlooks and data related to the Portfolio Funds in each Account such as reporting and valuations.

Reports. Clients generally receive quarterly written reports from PCM detailing, at a minimum, a description of the Account holdings, market commentary, financial statements and a capital account statement. Investors in each Private Fund receive periodic reports, communications and/or statements, as set forth in the relevant Private Fund's Governing Documents or as otherwise agreed.

Additionally, annual audit reports may be provided to each Investor in a Private Fund that is a fund-of-funds within 180 days after the end of the relevant Private Fund's fiscal year. Reports may include or be accompanied by information with respect to the performance of the Private Fund, information about the Investor's capital account and certain tax-reporting information (*e.g.*, Form K-1).

Representatives of PCM may be made available for discussions with Investors or Clients on a periodic or agreed upon basis.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

PCM has entered into agreements with third-party placement agents that would provide for a payment to each such placement agent in the event that a prospective investor introduced to PCM by such placement agent elects to instead establish a Private Client relationship with PCM. Such arrangements are pursuant to a written agreement and PCM typically pays a percentage of the assets each such placement agent introduces to PCM ranging from 1.5% to 2%, subject to other contingencies.

ITEM 15: CUSTODY

Private Funds. Because PCM or its affiliates (the PCM General Partners) serve as general partner and/or the investment manager of the Private Funds, PCM is deemed to have “custody” over the Private Funds within the meaning of the SEC’s “Custody Rule”. Because each Private Fund is a “fund-of-funds”, PCM provides each Investor Fund with audited financial statements within 180 days following the Private Fund’s fiscal year end. If an Investor has invested in the Private Funds and has not received audited financial statements timely, please contact PCM immediately.

Private Client Accounts. Because most Private Client Accounts are established as private funds where a PCM General Partner serves as a general partner and/or investment manager, PCM will comply with the Custody Rule for such Private Client Accounts by providing each Private Client Account with audited financial statements within 180 days following the end of the private fund’s fiscal year end.

For Private Client Accounts that are not established as private funds, PCM may be deemed to have “custody” of Private Client Accounts because PCM may have access to or authority over client funds and securities for purposes other than issuing trading instructions. In such instances, if PCM is deemed to have custody over a Private Client Account, the Account’s custodian will send the Private Client periodic Account statements (generally on a quarterly basis) indicating the amounts of any funds or securities in the Account as of the end of the statement period and any transactions in the Account during the statement period. Clients should review these statements carefully. Additionally, Clients should contact PCM immediately if they do not receive Account statements from their custodian on at least a quarterly basis.

ITEM 16: INVESTMENT DISCRETION

Each Account is managed in accordance with the agreed upon investment objectives, which limit PCM's authority to purchase securities that are inconsistent with the investment objectives. Additionally, Clients may (but typically do not) further limit PCM's discretion through reasonable restrictions on the account. These restrictions generally take the form of prohibitions on particular securities or types of securities that may be held in the account (*e.g.*, tobacco companies).

Prior to commencing management of a Private Client's Account, PCM and the Private Client will determine the investment objectives that will be followed by the account as well as any reasonable restrictions.

For the Private Funds, the investment objectives and restrictions are set forth in the relevant Governing Documents. Investors in the Private Fund do not have authority to impose any restrictions upon PCM's discretion.

For Private Clients, discretionary authority will be evidenced in writing, generally through the advisory agreement.

ITEM 17: VOTING CLIENT SECURITIES

Investors in the Private Funds cannot direct how proxies for securities held in Private Funds are voted and therefore PCM is generally responsible for voting proxies with respect to securities held in the Private Funds. PCM does not vote or review proxies on securities held by underlying Portfolio Funds. The managers for these funds vote proxies based on their proxy voting policies. PCM has adopted Proxy Voting Policies and Procedures (the “PVPs”). These PVPs provide that, in cases where PCM has such authority and deems it in the best interest of the Accounts, it will vote such securities in accordance with the PVPs and in an effort to maximize value of the relevant Account(s). The following is a summary and does not represent PCM’s entire PVPs. Clients and Investors may receive a copy of the PVPs, as well as information on how proxies were voted for relevant Accounts by request.

PCM casts most of its proxy votes, particularly on routine proposals, in accordance with management’s recommendations. Routine proposals are those that do not change the structure, governing rules or operations of the corporation to the detriment of the clients. Traditionally, these issues include, among others, approval of auditors, a change in company name and Board of Director elections. Non-routine proposals are more likely to affect the structure and operations of the corporation and therefore will have a greater impact on a client’s investment. PCM will review each issue in this category on a case-by-case basis. Voting decisions will be made based on the best interest of the client. Non-routine proposals include, among others, director nominations in contested elections and changes in redemption terms.

The Proxy Administrator will monitor the corporate actions of the issuers of securities held in clients’ accounts, determine if any potential material conflicts of interest exists and ensure the proper and timely transmittal of the voted proxy. PCM may abstain from voting a client proxy if it concludes that the effect on shareholders’ economic interests or the value of the portfolio holding is indeterminable or insignificant; if PCM anticipates selling a security in the near future; or if the cost of voting the proxy exceeds the expected benefit.

ITEM 18: FINANCIAL INFORMATION

Registered investment advisers are required in this Item to provide certain financial information or disclosures about PCM's financial condition.

PCM is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients.