
PART 2A OF THE FORM ADV: FIRM BROCHURE

Permanens Capital L.P.

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This brochure (this “Brochure”) provides information about the qualifications and business practices of Permanens Capital L.P. (the “Adviser”). If you have any questions about the contents of this brochure, please contact us at (212) 358-6532. Information provided in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Permanens Capital is registered as an investment adviser with the SEC under the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”). Registration with the SEC or with any state securities authority does not imply a certain level of skill and training.

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

Item 2. Material Changes

This Item discusses only the material changes that have occurred since Adviser's last annual update. There are no material changes to disclose since Adviser's initial filing of the Form ADV.

Due to the launch of new funds and operations, the Advisor has re-written the entire ADV Part 2A. The ADV Part 2A will be distributed to all clients.

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Firm Disclosure Brochure

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Item 4. Advisory Business

General Description of Advisory Firm

Permanens Capital LP (the “Adviser”), a Delaware limited partnership, is an SEC Registered Investment Adviser offering a range of investment management solutions to separate account clients (such as endowments, private foundations, family offices and high-net-worth families and individuals) and private investment funds. The separate account clients are herein referred to as the “Separate Accounts” and the private investment funds are referred to as the “Funds”. The Separate Accounts and the Funds are herein collectively referred to as the “Clients”. The Adviser was founded in June 2011. The Adviser’s principal owners are John J. Regan and Joseph S. Steinberg. Mr. Regan manages the day-to-day operations of the Adviser.

Investment Management Services

The Adviser manages Separate Account investment portfolios on both a discretionary and non-discretionary basis. The Funds are managed on a discretionary basis.

The Adviser primarily allocates Client assets among independent investment managers (“Independent Managers”), exchange-traded funds (“ETFs”), individual debt and equity securities and/or options. In addition, the Adviser may recommend that Clients who are “accredited investors” as defined under Rule 501 of the Securities Act of 1933, as amended, invest in affiliated and unaffiliated private placement securities, which may include debt, equity, and/or pooled investment vehicles when consistent with the Clients’ investment objectives. One of the private investment funds that the Adviser manages invests in physical precious metals. The Funds which the Adviser currently manages are set up as onshore limited partnerships as follows:

- Permanens Capital Physical Precious Metals Fund LP- a Delaware limited partnership
- Permanens Capital Preservation Fund LP- a Delaware limited partnership

The Adviser also provides advice about any legacy positions or securities otherwise held in its Clients' portfolios.

Availability of Tailored Services for Individual Clients

For the Separate Accounts, the Adviser tailors its advisory services to the individual needs of Clients. The Adviser consults with Clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact the Clients’ investment needs. The Adviser ensures that Clients’ investments are suitable for their investment needs, goals, objectives and risk tolerance.

Separate Account Clients are advised to promptly notify the Adviser if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable

restrictions upon the Adviser's management services. Clients may impose reasonable restrictions or mandates on the management of their account if the Adviser determines, in its sole discretion, that the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

Each of the Adviser's Funds has individual investment guidelines and objectives, as detailed in their respective offering memorandum (each, an "Offering Memorandum", and collectively, the "Offering Memoranda") and/or investment advisory agreement, as the case may be. Once subscribed to a particular Fund, an investor has no ability to restrict the types of investments that the Adviser may make. Investors in the Funds are herein referred to as "Fund Investors".

Client Assets Under Management

As of December 31, 2012 the amount of regulatory assets under management that the Adviser managed on a discretionary basis was approximately \$655,254,869. As of December 31, 2012 the amount of regulatory assets under management that the Adviser managed on a non-discretionary basis was approximately \$969,354,374.

Item 5. Fees and Compensation

Separate Account Fees

The fees for investment management services for Separate Accounts are charged as an annual fee based upon a percentage of assets under management. The annual fee varies between 0.25% and 1.00% of the assets being managed by the Adviser. This fee is charged quarterly, in advance, based upon the amount of assets under management on the last day of the previous quarter.

Fund Fees

The annual management fee for the Permanens Capital Physical Precious Metals Fund is 0.55%, and the annual management fee for the Permanens Capital Preservation Fund is 1.0%. Fees charged by these two Funds will be waived for Clients who have separately managed accounts with the Adviser and have invested in the Funds at the Adviser's discretion

Waiver of, or reduction in the rate of the management fee may be permitted by the Adviser or its affiliate, as the case may be.

Separate Account Additional Fees and Expenses

As further discussed in response to Item 12 (below), Separate Account Clients must arrange for their own custodial, brokerage and clearing services at a financial institution of their choice (the "Financial Institution"). The Adviser will only open a Separate Account for a Client after the Client has entered into suitable arrangements with a Financial Institution. Clients may utilize their own Financial Institution relationships or relationships recommended by the Adviser, please note Clients who utilize their own Financial Institution relationships may result in higher fees than relationships otherwise negotiated by the Adviser.

In addition to the Adviser's annual fee, Separate Accounts typically incur fees and charges imposed by the Financial Institutions including custodial fees. Additional fees and expenses may also include: deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions. Any brokerage commissions and fees incurred are charged to the Separate Account involved in the transaction.

If a Separate Account has funds placed with an Independent Manager, mutual fund or ETF, additional fees will be charged by the Independent Manager, mutual fund or ETF. Such charges, fees and commissions are exclusive of and in addition to the Adviser's fee.

Fund Additional Fees and Expenses

The Funds pay (or reimburse) the Adviser or its affiliates for (i) all operating expenses of the Funds such as tax preparation fees, governmental fees and taxes, administrator fees, costs of communications with Investors, and ongoing legal, accounting, auditing, bookkeeping and other professional fees and expenses, (ii) all Fund research and trading costs and expenses (e.g., brokerage commissions, margin interest, expenses related to short sales, custodial fees and clearing and settlement charges), and (iii) all fees and other expenses incurred in connection with the investigation, prosecution or defense of any claims, assertion of rights or pursuit of remedies, by or against the Funds, including, without limitation, professional and other advisory and consulting expenses and travel expenses, and whether or not pursuant to bankruptcy or other legal proceedings, or participation in informal committees of creditors or other security holders of an issuer.

As noted above, Investors in the Funds also incur brokerage and other transaction costs. Item 12 also further describes the factors that the Adviser considers in selecting or recommending broker-dealers for transactions and determining the reasonableness of their compensation (e.g., commissions).

In addition, note that subject to any standard of liability stated in an investment management agreement or limited partnership agreement, each Fund will bear the cost, or receive the benefit, of a trade error that was made in regard to its portfolio trading. Funds will not bear the cost, or receive the benefit of, any error associated with another Fund, and it is the responsibility of the Adviser to allocate such costs/benefits accurately.

Investors are subject to the foregoing fees and expenses regardless of whether any profit is made on investments.

Fee Debit - Separate Accounts

The Adviser does not debit its fees directly from a Separate Account, but rather sends the Client an invoice for payment. If assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets will be prorated based on the number of days remaining in the quarter.

Fee Debit - Funds

Fees charged by the Funds are deducted directly from the Funds' assets. Management fees are paid to the Adviser quarterly in advance, as of the first day of each quarter. A pro rata management fee will be charged to Investors on any amounts invested in the midst of any quarter.

Prepayment of Fees

As noted above, the management fee charged to the Separate Accounts and the Funds are paid quarterly in advance. For Separate Accounts, if a client terminates the contract during the quarter, fees will be prorated to the date of termination and the client is issued a refund.

For Investor's in the Fund, there is no refund of any of the fees and expenses that have been charged.

Additional Compensation and Conflicts of Interest

No supervised person of the Adviser accepts compensation for the sale of securities or other investment products.

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

Neither the Adviser nor any of the Adviser's Funds provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a Client.

Item 7. Types of Clients

As noted above, the Adviser's Clients are:

- Separate Account Clients such as endowments, private foundations, family offices and high-net-worth families and individuals; and
- private investment funds offered to accredited investors and qualified clients under Section 3(c)(1) or 3(c)(7) of the Investment Company Act of 1940.

In order to participate in certain investments, Separate Account Clients may have to be accredited investors and/or qualified clients, depending on the type of investment.

Minimum Account Size - Separate Accounts

The Adviser generally does not impose a minimum portfolio size or minimum fee for its investment management services. However, note that certain investments may not be available to smaller size Separate Accounts. At the time of investment, the Adviser will discuss generally whether the size of the Separate Account will limit the types of investment available, or the associated costs.

Minimum Account Size - Funds

The initial minimum initial investment into the Permanens Capital Preservation Fund LP is \$500,000, subject to waiver or reduction by the Board of the Directors of such Fund. The minimum initial investment into the Permanens Capital Physical Precious Metals Fund LP is the greater of either (i) \$500,000 or (ii) an amount equal to a Metal Delivery Unit (or integral multiple thereof), plus 1% of the value thereof as of the subscription date, subject to waiver or reduction by the Board of Directors of such Fund. There are no minimums to maintain an investment in the Funds.

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

Methods of Analysis

The Adviser utilizes a variety of methods and strategies to make investment decisions for its Separate Account Clients and Fund Clients. The main sources of information the Adviser utilizes include financial newspapers and magazines, industry conferences and seminars, research materials prepared by others, annual reports, prospectuses, and filings with the Securities and Exchange Commission. On site interviews are conducted for recommended managers, focusing on operational due diligence reviews.

The investment methodology, strategies and associated risks for the Funds are described in full in each Fund's Offering Memorandum, but the main sources of information generally mimic the methods described above. Please review the Offering Memorandum in full.

The investment strategies for the Separate Accounts are described in the Investment Policy Statement ("IPS") which sets forth investment guidelines applicable to the risk tolerance and objectives of each Separate Account the Client. The Adviser maintains considerable discretion respecting the investment methodology for the Separate Accounts.

The Adviser may allocate a portion of its Client's assets to Independent Managers, based upon the stated investment objectives of the Client. The terms and conditions under which the Client engages the Independent Managers are set forth in separate written agreements between the Adviser or the Client and the designated Independent Managers. The Adviser renders services to the Client relative to the discretionary selection of Independent Managers. The Adviser also monitors and reviews the account performance and the Client's investment objectives.

When selecting an Independent Manager for a Client, the Adviser reviews information about the Independent Manager such as its disclosure brochure and/or material supplied by the Independent Manager or independent third parties for a description of the Independent Manager's investment strategies, past performance and risk results to the extent available. Factors that the Adviser considers in recommending an Independent Manager include the Client's stated investment objectives, management style, performance, reputation, financial strength, reporting, pricing, and research.

Investment Strategies –Separate Accounts

The Adviser primarily functions as an allocator to Independent Managers, while offering some direct internal management capabilities. The Adviser generally manages capital for Separate Account Clients through actively managed bond portfolios managed by Independent Managers, direct investments (e.g., ETFs, common stock, preferred stock, equity baskets) and allocations to privately placed collective investment vehicles for alternative investments. The firm's strategy focuses on two goals: (i) appropriate asset allocation and risk management across asset classes, and (ii) minimization of fees incurred by its Clients and maximization of portfolio liquidity.

The Adviser strives to find low cost, liquid solutions through structures that allow the clients freedom to move amongst investments. As such, the Adviser does not seek to outperform arbitrary benchmarks, but rather customize portfolios to accommodate the specific risk profile, liquidity needs and time horizon of its individual Clients.

Investment Strategies –Funds

The Permanens Capital Preservation Fund LP seeks to pool qualified Investors with smaller amounts of capital in order reach the economies of scale required to attempt to replicate the investment strategies outlined above for Separate Accounts. The Permanens Capital Physical Precious Metals Fund LP investment objective is to provide investors with secure physical storage of segregated precious metals, including gold, silver, platinum and palladium, in various bank vaults. Other than palladium, the precious metals will be stored generally in bank vaults outside of the United States, while allowing for physical delivery of precious metals inside and outside the United States upon a withdrawal.

Risks of Loss

Mutual Funds and Exchange Traded Funds (ETFs)

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Options

Options allow investors to buy or sell a security at a contracted “strike” price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

Market Risks

The profitability of a significant portion of the Adviser’s recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that the Adviser will be able to predict those price movements accurately.

Use of Independent Managers

The Adviser may recommend the use of Independent Managers for certain Clients. The Adviser will continue to do ongoing due diligence of such managers, but such recommendations relies, to a great extent, on the Independent Manager’s ability to successfully implement their investment strategy. In addition, the Adviser does not have the ability to supervise the Independent Managers on a day-to-day basis other than as previously described in response to Item 4, above.

Use of Private Collective Investment Vehicles

The Adviser may recommend the investment by certain Clients in privately placed collective investment vehicles (some of which may be typically called “hedge funds”). The managers of these vehicles, which may include the Adviser for proprietary Funds, will have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. The hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there

is an absence of regulation. There are numerous other risks in investing in these securities. The Client will receive a private placement memorandum and/or other documents explaining such risks.

Use of Margin

To the extent that a Client authorizes the use of margin, and margin is thereafter employed by the Adviser in the management of the Client's investment portfolio, the market value of the Client's account and corresponding fee payable by the Client to the Adviser will not be increased.

While the use of margin borrowing can substantially improve returns, such use may also increase the adverse impact to which a Client's portfolio may be subject. Borrowings will usually be from securities brokers and dealers and will typically be secured by the Client's securities and/or other assets. Under certain circumstances, such a broker-dealer may demand an increase in the collateral that secures the Client's obligations and if the Client were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy the Client's obligations to the broker-dealer. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of the Client's borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the Client's profitability.

General Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

General Risks

- Currency Risk – fluctuations in “local” market security prices may result if positions are not hedged
- Geopolitical Risk – changes in the political status of any country can have profound effects on the value of securities within that country
- Liquidity Risk – particular investments may be difficult to sell at the best price
- Market Risk – market prices of securities held may fall rapidly or unpredictably due to a variety of factors, including changing economic, political or market conditions
- Non-diversification Risk – lack of diversification may result in stronger fluctuations in market value
- Sector Risk – companies that are in similar industry sectors may be similarly affected by particular economic or market events
- Volatility Risk – higher volatility may result in dramatic changes in security values

Fixed Income Risks

- Counterparty Risk – risk that each party in a contract will not meet their obligations
- Credit Quality – lower quality bonds may experience a higher risk of default
- Credit Risk – issuers of bonds or other debt securities may not be able to meet interest or principal payments when the bonds come due
- Duration – fluctuation in interest rates may result in falling or rising bond prices

- Inflation Risk – the price of an asset, or the income generated by an assets, may not keep up with the cost of living
- Interest Rate Risk – changing interest rates affect the value of bonds
- Municipal Market Risk – factors unique to the municipal bond market may negatively affect the value of municipal bonds, including risk of payment default and priority in which payments may be made by municipal issuers
- Prepayment Risk – many bonds and debt securities have call provisions that may result in debtors paying back the debt prior to maturity during periods of decreasing interest rates
- Reinvestment Risk – investors may have difficulty reinvesting payments from debtors and may receive lower rates than from their original investments

Volatility of the Price of Gold and Other Precious Metals

Many factors may affect the prices of various precious metals, including, without limitation: (i) global supply and demand, which is influenced by such factors as forward selling by precious metal producers, purchases made by precious metal producers to unwind hedge positions in precious metals, central bank purchases and sales and lending and production and cost levels in major gold- and other applicable metal-producing countries; (ii) global or regional political, economic or financial events and situations; (iii) investors' expectations with respect to the rate of inflation and global monetary and fiscal policies; (iv) currency exchange rates and interest rates; and (v) investment and trading activities of other pooled investment funds and commodity funds. In addition, the possibility of large-scale distress of precious metal prices in times of crisis may have a short-term negative impact on the price of precious metals and adversely affect an investment in the Fund. Crises in the future may impair the price performance of gold and other precious metals, which would, in turn, adversely affect an investment in the Fund. Furthermore, substantial sales of gold or other applicable metals by the official sector could adversely affect an investment in the Fund. The official sector consists of central banks, other governmental agencies and multi-lateral institutions that buy, sell and hold precious metals as part of their reserve assets.

Investments in securities and other financial instruments and products are subject to many types of risk that can cause the permanent loss of capital as a result of adverse market conditions.

Item 9. Disciplinary Information

The Adviser is required to disclose the facts of any legal or disciplinary events that are material to a Client's evaluation of its advisory business or the integrity of management. The Adviser has not had any disclosures since inception and does not have any required disclosures to this item.

Item 10. Other Financial Industry Activities and Affiliations

Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a future commission merchant, commodity pool operator, a commodity trading advisor, or as an associated person of any of the foregoing.

The Adviser is required to disclose any relationships or affiliations that are material to its advisory business or to its Clients with certain related persons as described below:

Permanens Associates LLC- the general partner of Permanens Capital Preservation Fund LP

Permanens Associates II LLC- the general partner of Permanens Capital Physical Precious Metals Fund LP

A potential conflict of interest exists in that Adviser and its affiliated entities offer varying investment services and products, some of which provide greater compensation to the Adviser than others. The Adviser has procedures in place to ensure that appropriate disclosure is made to all Clients regarding the fees to be charged and the services to be provided.

Other Principal Business Interest

One of the Adviser's Principals, Joseph S. Steinberg, is the President of Leucadia National Corporation ("*Leucadia*"), a publicly-traded holding company with businesses operating in a variety of industry segments, such as manufacturing, oil and gas drilling, gaming entertainment and domestic real estate, amongst others. Serving in such a capacity is the principal business of Mr. Steinberg, who maintains a purely passive ownership stake in the Adviser and does not render investment advice on the firm's behalf. Shares of *Leucadia*'s common stock are listed on the New York Stock Exchange (NYSE) under the ticker symbol, LUK.

The Adviser does not recommend the services of *Leucadia* and does not accept referrals from *Leucadia*. The Adviser may, on a fully-disclosed basis, invest Clients' assets in securities issued by *Leucadia* if it determines such an allocation to be in the best interest of its Clients in light of their individual risk tolerance, liquidity needs, time horizon and other related factors. Clients are advised that a conflict of interest exists to the extent that the Adviser allocates Clients' assets amongst securities issued by *Leucadia* and Mr. Steinberg receives a benefit by virtue of his position therewith.

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

Code of Ethics

The Adviser has adopted a Code of Ethics (contained in its Compliance Manual) for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its Clients. The Code of Ethics and Compliance Manual include provisions relating to,

among other things: confidentiality of Client information; prohibitions on insider trading, “pay-to-play” and rumor mongering; restrictions on the acceptance of significant gifts; reporting of certain gifts, outside activities and political contributions; and personal securities trading procedures. All supervised persons at the Adviser must acknowledge the terms of the Code of Ethics and the Compliance Manual annually.

The Adviser’s Clients or prospective Clients may request a copy of the firm’s Code of Ethics and excerpts of the Compliance Manual by contacting the Adviser’s Chief Compliance Officer at russell@permcap.com or by phone at 212-358-6532.

Transactions in Securities where the Adviser has Material Financial Interest

Neither the Adviser nor any of its related persons recommend to its Clients, or buy or sell for its Clients, securities in which the Adviser has a material financial interest except as discussed in Item 10 above. Please note however, that principals of the Adviser as well as other key employees of the Adviser may maintain substantial investments in the Funds, so in this regard, the Adviser may be in fact be recommending securities in which it does have a material financial interest.

Neither the Adviser nor any of its related persons buy or sell securities to or from the Funds as principal (a “principal transaction”). In the event such transactions would be contemplated by the Adviser, prior to undertaking a “principal transaction”, the Adviser will only complete such a transaction in accordance with the requirements of Section 206(3) of the Advisers Act. All potential principal transactions are brought to the attention of the Chief Compliance Officer prior to execution so that the proper course of action can be determined.

Except for the Permanens Capital Preservation Fund LP and the Permanens Capital Physical Precious Metals Fund LP, neither the Adviser nor any of its related persons act as a general partner or Adviser to Funds in which Client assets are invested.

Investing in Securities Recommended to Clients; Contemporaneous Trading.

The Adviser has no proprietary trading accounts and therefore would not invest in the same (or related) securities that its Clients are invested in.

The Adviser has adopted the following procedures to address conflicts of interest arising from personal account trading (such as front-running or personal trading having an effect on price of a security). In general and subject to approval by the CCO or CIO of the Adviser on a case by case basis, employees are prohibited from buying or selling for their personal accounts: (i) Securities of any issuer listed on the Adviser’s restricted list (ii) Employees shall not engage in “day trading” or any type of “excessive” trading that would be contrary to the best interests of the Adviser’s Clients and Investors (iii) an employee must obtain the prior written approval of the CCO or CIO before engaging in any securities transactions in his or her Personal Account (iv) Employees may not make any purchase or sale transactions in a security that is purchased or sold by any Client within two (2) days of such transaction.

The Code of Ethics is designed to ensure that the personal securities transactions, activities and interests of the employees of the Adviser will not interfere with making decisions in the best interest of advisory Clients. Employee trading is monitored every month to ensure compliance with the Code of Ethics.

The Adviser maintains procedures to address the situation where an investment would be suitable for acquisition or disposition by one or more Clients at the same time. Where this is the case, the Adviser will endeavor to allocate in good faith the limited amount of such investments acquired among the various accounts for which the Adviser considers them to be suitable. The Adviser may make such allocations among Clients in any manner which it considers to be fair under the circumstances, including, but not limited to, allocations based on relative account sizes, the degree of risk involved in the investments acquired, and the extent to which such investments are consistent with the investment policies and strategies of the various accounts involved.

It is the Adviser's policy that the Adviser will not engage in cross trading between Client accounts. The Adviser's Compliance Manual contains policies and procedures to address the conflicts of interest that may arise in such a case, including approval or review of the transaction by the Pricing and Allocation Committee ("PAC").

Item 12. Brokerage Practices

Research and Other Soft Dollar Benefits

The Adviser is permitted pursuant to its Investment Management Agreements ("IMA") and the Funds' Offering Memoranda to utilize "soft dollar" credits generated by brokerage of its Clients and the Funds to pay for research and or other products or services other than execution from a broker-dealer or a third party under the "safe harbor" provided by Section 28(e) of the U.S. Securities and Exchange Act of 1934, as amended. Section 28(e) provides a safe harbor for advisers that receive "soft dollar" benefits that are limited to certain research and brokerage products and services.

In the event the Adviser utilizes "soft dollars" as described above, it receives a benefit because it does not have to produce or pay for research or brokerage products or services.

In the event the Adviser utilizes "soft dollars" as described above, it may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or brokerage products or services, rather than on the Clients' interest in receiving most favorable execution.

In the event the Adviser utilizes "soft dollars" as described above, this practice may cause Clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for "soft dollar" benefits (known as "paying-up").

In the event the Adviser utilizes "soft dollars" as described above, the "soft dollars" generated by one Client's account may be used by the Adviser to service that account as well as others and that "soft dollar" benefit possibly may be applied disproportionately to the soft dollar credits that an account generates.

During the past fiscal year, the Adviser utilized “soft dollars” as described above, to pay for research furnished by brokers which may include, but is not limited to: written information and analyses concerning specific securities, companies or sectors, as well as discussions with research personnel; market, financial and economic studies and forecasts; financial publications; meetings with corporate executives, attendance at seminars and conferences; statistical and pricing services; analytical software and data bases. All “soft dollar” usage fell within the “safe harbor” rules provided by Section 28(e) of the U.S. Securities and Exchange Act of 1934, as amended.

Brokerage for Client Referrals

The Adviser does not direct some of its brokerage business to brokers who refer prospective investors to it.

Directed Brokerage

A Separate Account Client can (but is not required to) direct the Adviser in writing to use a particular Financial Institution to execute some or all transactions for the Client. In that case, the Client will negotiate terms and arrangements for the account with that Financial Institution, and the Adviser will not seek better execution services or prices from other Financial Institutions or be able to “batch” Client transactions for execution through other Financial Institutions with orders for other accounts managed by the Adviser (as described below). As a result, the Client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, the Adviser may decline a Client’s request to direct brokerage if, in the Adviser’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Order Aggregation

When two or more Clients are allocated trades in the same security, the Adviser may aggregate such trades for its Clients if consistent with its duty to seek best execution. In such cases, Clients will receive an average price for the transaction. When the full amount of an aggregated order is not executed, the partial amount actually executed shall be allocated among the participating accounts on a pro rata basis in proportion to the amounts initially ordered by each account, subject to rounding of “odd lot” amounts.

Item 13. Review of Accounts

Frequency and Nature of Review

The Chief Investment Officer (“CIO”) and research analysts of the Adviser regularly evaluate the portfolios of Client accounts on a real-time basis. The Client accounts are actively managed through position sizing evaluations, liquidity reviews and overall maintenance of the stated portfolio parameters as set forth in the investment guidelines of the Client IMA’s and the Funds Offering Memoranda. A quarterly Pricing and Allocation Committee (PAC) meeting is held to

provide oversight over trading for the Client accounts. The PAC is composed of the Adviser's Chief Financial Officer/Chief Compliance Officer, the Chief Investment Officer and the Senior Research Analyst.

Factors Prompting a Non-Periodic Review of Accounts

More frequent reviews may be triggered by material changes in variables such as the Client's individual circumstances, or the market, political or economic environment.

Content and Frequency of Regular Account Reports

Unless otherwise agreed upon, Separate Account Clients are provided with transaction confirmation notices and regular summary account statements directly from the custodian or broker-dealer for the Client accounts on at least a quarterly basis. Separate Account Clients also receive reports from the Adviser that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance on at least a quarterly basis. Note that, the custodian statements are the official books and records for each Separate Account, as opposed to the statements that Client's receive from the Adviser. **Separate Account Clients should compare the account statements they receive from their custodian with those they receive from the Adviser**, as valuations between the custodian and the Adviser may not be identical. (See Item 15)

Reports Provided to Investors in the Funds

Investors in the Funds receive: (i) annual financial statements audited by an independent certified public accounting firm, (ii) monthly unaudited performance information from the administrator, (iii) copies of each Investor's Schedule K-1 to the Fund's tax returns, if applicable, and (iv) other reports as determined by the Investment Adviser or general partner in its sole discretion.

Although the Adviser will use its best efforts to provide timely tax information to Investors, it is possible that it may be late in providing tax information, and Investors should be prepared to file for extensions with the relevant Federal and state taxing authorities.

All reports described above are written (although some may be delivered electronically).

Item 14. Client Referrals and Other Compensation

Economic Benefits Received from Non-Clients for Providing Services to Clients

The Adviser has no arrangements whereby a party who is not a client compensates or otherwise provides an economic benefit to the Adviser for providing services to clients.

Compensation to Non-Supervised Persons for Client Referrals

Pursuant to Rule 206(4)-3 under the Investment Advisers Act of 1940, the “cash referral fee rule,” the Adviser maintains a plan that compensates third parties for referrals when the referral results in a Separate Account Client relationship. Under this arrangement, the Adviser pays a solicitor a portion of such Client’s advisory fee.

Each Separate Account Client introduced to the Adviser through a solicitor agreement will receive a Solicitor Disclosure Statement, which provides disclosure regarding the affiliation, if any, between the Adviser and any third party investment advisers; the terms of the solicitation agreement between Adviser and the solicitor, including the amount of compensation paid to the solicitor; and the additional cost to the Client, if any, as a result of the solicitation agreement.

Currently the Adviser has no arrangements with third party solicitors who could potentially introduce clients to the Adviser.

Currently the Adviser has no arrangements with solicitors who could potentially introduce Investors to the Funds.

Item 15. Custody

Custody – Separate Accounts

The Adviser does not act as a custodian for the Separate Accounts. As noted above in Item 5, Clients select a Financial Institution of their choice or one recommended by the Adviser to act as their custodian. Custodians must be “qualified custodians”. The custodian will provide directly to the Separate Account Client at least quarterly, account statements relating to the assets held within the account managed by the Adviser. **Each Client should carefully review the qualified custodian’s statement upon receipt to determine that it completely and accurately states all holdings in the Client’s account and all account activity over the relevant period. Any discrepancies identified by a Client should be immediately reported to Adviser and the qualified custodian.**

In addition to the account statements provided by qualified custodians to Clients, the Adviser also provides account statements to direct Clients on a quarterly basis. As such, Clients should compare the statements provided to them by the Adviser against those provided to them by the qualified custodians, and to report any questions, concerns, or discrepancies to both the Adviser and the qualified custodian promptly. Such questions, concerns, or discrepancies may be communicated to the Adviser by writing, emailing, or telephoning us using the contact information on the Cover Page of this Brochure.

The statements received from the Adviser may vary from custodial statements due to differences in accounting procedures, reporting dates, independent valuation services used and/or valuation methodologies of certain securities. However, please note that custodian statements reflect the official books and records for the accounts we manage.

Custody- Funds

All Fund assets are maintained at a “qualified custodian”. As noted above in Item 13, the administrator sends monthly statements directly to Investors. The custodian is not required to send separate statements to Investors for the Funds, because pooled investment vehicles that undergo a timely annual audit within 120 days after fiscal year end by a PCAOB auditor, are therefore subject to an exception to this requirement.

Item 16. Investment Discretion

The Adviser provides investment advisory services on both a discretionary and non-discretionary basis to Clients.

Investment Discretion – Separate Accounts

Prior to assuming full discretion in managing a Separate Account Client’s assets, the Adviser enters into an IMA or other agreement that sets forth the scope of the Adviser’s discretion.

Unless otherwise instructed or directed by a discretionary Separate Account Client, the Adviser has the authority to determine (i) the securities to be purchased and sold for the Client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) (ii) the amount of securities to be purchased or sold for the Client account (iii) the ability to allocate Client assets within the account to Independent Managers and (iv) to the extent the Client is eligible, invest Client assets in private placement securities, which may include debt, equity, and/or pooled investment vehicles. Because of the differences in Client investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among Clients in invested positions and securities held.

Investment Discretion - Funds

The Adviser has discretionary authority from the outset of its advisory relationship with each Fund it advises to select the identity and amount of securities to be bought or sold for its portfolio. In all cases, however, such discretion is exercised by the Adviser in a manner consistent with the stated investment objectives and guidelines for the particular Fund account, as these are set forth in the Offering Memoranda. Investors have no ability to request or direct a change in the stated investment objectives and guidelines for the Fund that they are investing in.

For Investors in the Permanens Capital Preservation Fund LP and the Permanens Capital Physical Precious Metals Fund LP, upon execution of the subscription documents, each Investor agrees to be bound by the Fund’s partnership agreement (which appoints the Adviser as investment adviser to the Fund).

Item 17. Voting Client Securities

Unless otherwise directed in writing by its Separate Account Clients, the Adviser will, on behalf of all its discretionary Clients (both Separate Account and Fund Clients), vote or instruct the

Custodian or Independent Managers to vote proxies solicited by or with respect to the issuers of securities or investment funds in which the assets of the accounts are invested. A voting officer has been delegated the authority for monitoring proxy actions, making voting decisions in accordance with these policies and ensuring that proxies are submitted in a timely manner.

Absent good reason to the contrary, the Adviser will generally give substantial weight to management recommendations regarding voting, and will vote for routine matters in favor of management proposals. Non-routine matters will be voted on a case-by-case basis, given the complexity of many of these issues. Where there is a measurable change in the structure, management, control or operation of the company, or a change that is inconsistent with industry standards and/or the laws of the state of incorporation applicable to the company, the Adviser will generally vote against such proposals.

Investors in the Funds may not direct the Adviser's vote in any proxy solicitation.

Potential conflicts of interest between the Adviser and Clients may arise when the Adviser's relationships with an issuer or with a related third party actually conflict, or appear to conflict, with the best interests of the Clients. If the issue is specifically addressed in the Adviser's proxy voting policies and procedures, the Adviser will vote in accordance with the stated policies. In a situation where the issue is not specifically addressed in the policies and an apparent or actual conflict exists, the Adviser shall either: i) delegate the voting decision to an independent third party; ii) inform the Investors of the conflict of interest and obtain advance consent of a majority of such Investors for a particular voting decision; or iii) obtain approval of a voting decision from the Adviser's chief compliance officer, who will be responsible for documenting the rationale for the decision made and voted. In all such cases, the Adviser will make disclosures to Clients of all material conflicts and will keep documentation supporting its voting decisions.

Copies of the Adviser proxy voting policy and its voting record for the past five years are available upon request to Adviser's Chief Compliance Officer at 212-358-6532.

Item 18. Financial Information

The Adviser does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. In addition, the Adviser is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to Clients. The Adviser has no disclosures pursuant to this Item.