

Item 1: Cover Page

**Part 2A of Form ADV
Firm Brochure**

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Promus Asset Management, LLC

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This brochure provides information about the qualifications and business practices of Promus Asset Management, LLC. If you have any questions about the contents of this brochure, please contact Ryan Crawford at rcrawford@promusequity.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority. Registration with the SEC or State Regulatory Authority does not imply a certain level of skill or expertise.

Additional information about Promus Asset Management, LLC, is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This Firm Brochure is our disclosure document prepared according to new regulatory requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

Promus Asset Management is a newly organized and registered investment adviser. This Firm Brochure is Promus Asset Management's initial disclosure document prepared according to regulatory requirements and rules. Therefore, Promus Asset Management has not previously filed any annual updates to this Firm Brochure and has no material changes to report.

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Item 4: Advisory Business

A. Description of Your Advisory Firm

Promus Asset Management, LLC ("PAM" or the "firm"), is an Illinois limited liability company formed in July 2012. PAM is wholly owned by Promus Holdings, LLC, whose principal owner is the Code Family Partnership, LP.

B. Description of Advisory Services Offered

PAM and its affiliates sponsor alternative investment pools (each a "Pool," and collectively "Pools"), including funds of funds, a real estate vehicle, a managed futures pool, a managed futures fund of funds, and special purpose vehicles established for a targeted private equity transaction. The Pools are organized as limited partnerships or limited liability companies. PAM and its affiliates provide investment advice to the Pools.

Generally PAM, or an affiliate, will be the general partner or manager of a Pool and will provide advice and assistance to a Pool pursuant to the Pool's limited partnership agreement or limited liability company agreement and private placement memorandum. Such advice and assistance is generally not tailored to the needs of individual investors in the Pools. Investors in the Pools will participate in the overall investment program for the applicable Pool and generally may not impose restrictions on investing.

Certain Pools (i.e., the real estate vehicle and special purpose private equity vehicles) raise specific capital commitments that may be called over time. Other Pools (i.e., funds of funds and the managed futures pool) regularly raise capital, which is typically contributed in full at subscription and may be subject to lock-up provisions.

C. Client-Tailored Services and Client-Imposed Restrictions

PAM does not manage individual client portfolios and instead only manages the Funds. Each Fund has its own investment strategy that PAM manages.

D. Wrap Fee Programs

PAM does not participate in wrap fee programs. (Wrap fee programs offer services for one all-inclusive fee.)

E. Client Assets Under Management

As of January 13, 2013, PAM manages approximately \$143 million in private fund assets.

Item 5: Fees and Compensation

A. Methods of Compensation and Fee Schedule

PAM receives management and performance fees as described in the Fund offering documents. PAM does not manage individual client portfolios. The management fees are typically based on contributions made to a Fund, and the manner in which they are paid will depend on the structure of a particular Fund. Performance fees paid by Funds usually are 20% of distributions made by a Fund after certain return thresholds are met.

PAM or its affiliates will receive quarterly management fees for their services. Pool management fees typically range from 1% to 5% per year depending on the particular Pool. Pool management fees are payable quarterly in advance and may be based on: (i) total Pool assets; (ii) committed capital; or (iii) called capital. Management fees are normally prorated for the number of days in a period. Each Pool's offering memorandum, partnership agreement, or limited liability company agreement sets forth the calculation of each Pool's management fee.

Further, PAM's wholly owned affiliate, Promus Equity Partners, LLC ("PEP"), manages the special purpose private equity vehicles. PEP may receive one-time closing fees related to the underlying transactions made by such vehicles. Further, PEP may receive management fees from each such vehicle's underlying operating company. Such fees are typically paid quarterly in advance and may be based on: (i) a fixed amount; or (ii) a specified percentage of EBITDA.

In addition to the management fees described above, PAM or its affiliates may receive performance-based compensation from the Pools. If applicable, the Pools will generally pay PAM or its designated affiliate a carried interest or a performance allocation equal to a specified percentage of cumulative net profits as detailed in the Pools' limited partnership agreements or limited liability company agreements. PAM and its designated affiliate, if any, are generally entitled to receive distributions of such carried interest or performance allocation only after Pool investors have received a return of their capital contributions. Carried interest or performance allocations allocated to PAM or its affiliates may create an incentive on the part of PAM to make investments that are more speculative than would be the case in the absence of performance-based compensation. Each Pool's offering memorandum and partnership agreement or limited liability company agreement detail the calculation of performance-based fees, if applicable.

PAM may waive, reduce, or rebate management or performance-based fees with respect to certain investors in the Pools.

In addition to the management fee and carried interest or performance-based allocation payable to PAM, the Pools and Pool investors will bear certain Pool expenses as set forth in each Pool's offering memorandum or partnership or limited liability company agreement. Each Pool may bear all expenses incurred in connection with the management, operations, or liquidation of the Pool including, but not limited to, the following:

- Third-party legal, audit, tax and accounting fees and expenses
- Third-party administrator fees and expenses

- Expenses related to any alternative investment vehicles in which a Pool may invest as part of its investment strategy
- Organization expenses (including expenses of certain outside professionals related to the offer and sale of Pool interests)
- Investment expenses such as commissions, research fees, and expenses including research-related travel
- Interest on margin accounts and other indebtedness, if any
- Custodial fees
- Any other expenses reasonably related to the purchase, sale, or transmittal of Pool assets

B. Client Payment of Fees

The Funds are each responsible for their own fees and expenses, such as audit expense, tax accounting and preparation, K-1 reporting, real estate brokerage, legal fees, and other fund operating expenses. Ongoing management fees and other operating expenses are deducted from the partner's / member's capital account balance as disclosed in the applicable fund offering documents.

C. Additional Client Fees Charged

Management fees for pooled investment vehicles as well as accounting, tax, audit, legal and other fees are disclosed in separate written agreements with the applicable fund issuer.

D. Prepayment of Client Fees

PAM does not require the prepayment of its fees. All management fees are governed under a separate management services agreement with the fund issuer. PAM's fees will be paid directly by the fund as detailed in the applicable confidential offering memoranda of the fund.

E. External Compensation for the Sale of Securities to Clients

Other than as disclosed in Item 10 of this Brochure, PAM's professionals are compensated solely through salary and bonus. Although PAM is not paid any sales, service, or administrative fees for the sale of mutual funds or any other investment products, its affiliates may be paid management fees and performance-based fees for certain privately pooled investment vehicles sponsored, managed, or in which such affiliates have an ownership interest.

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

As described under "Item 5: Fees and Compensation," PAM or its affiliates may receive carried interest or performance-based fees from the Pools. Carried interest or performance-based fees are typically payable to an affiliate of PAM.

This practice could present a conflict of interest because PAM and its affiliates may have an incentive to favor Pools for which they receive a carried interest or performance-based fee. PAM investment professionals make investment decisions whereby investment allocations among the eligible Pools are made in accordance with PAM's investment allocation policy. In the event that multiple Pools are eligible to make a particular investment, this policy stipulates that PAM must pass on the investment or allocate the investment on a pro rata basis to the eligible Pools based on assets under management.

Other risks of performance fees include an investment adviser overstating the value of illiquid or hard-to-value investments, as well as the fact that performance fees are calculated on a basis that includes unrealized appreciation of assets as well as realized gains. PAM monitors these potential conflicts through risk management, compliance procedures, and outsourcing some Pools' valuations to third-party administrators.

PAM may receive performance fees from Funds as described in a Fund's offering materials. Performance-based fees can create an incentive for PAM to incur acquisition and strategy risks to earn higher fees, or prefer one type of investment over another in an effort to achieve the performance fee. Higher risks mean a higher probability of loss, which may conflict with an investor's risk tolerance and investment objectives. In the event that multiple Pools are eligible to make a particular investment, PAM addresses these conflicts by exercising its duties to each Fund to select the Funds' investments in accord with their respective investment objectives and in a manner that is fair and equitable to all Funds.

PAM may charge performance-based fees to qualified investors who are defined as:

- A natural person or a company that immediately after entering into the contract has at least \$1,000,000 under the management of the investment adviser;
- A natural person or a company that the investment adviser entering into the contract (and any person acting on his behalf) reasonably believes, immediately prior to entering into the contract, either:
 - Has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than \$2,000,000 at the time the contract is entered into, exclusive of the value of their primary residence; or
 - Is a qualified purchaser as defined in section 2(a)(51)(AA) of the Investment Company Act of 1940 (15U.S.C. 80a-2(51)(A)) at the time the contract is entered into; or
 - A natural person who immediately prior to entering into the contract is:
 - An executive officer, director, trustee, general partner, or person serving in similar capacity of the investment adviser; or

- An employee of the investment adviser (other than an employee performing solely clerical, secretarial, or administrative functions with regard to the investment adviser) who, in connection with his or her regular functions or duties, participates in the investment activities of such investment adviser, provided that such employee has been performing such functions and duties for or on behalf of the investment adviser, or substantially similar functions or duties for or on behalf of another company for at least 12 months.

Performance-based fees on the applicable Fund are set forth in the Fund's offering materials.

Item 7: Types of Clients

PAM and its affiliates will provide investment advice to Pools, which will be investment partnerships or limited liability companies formed under domestic laws and operated as investment pools exempt from registration under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"). The investors participating in Pools may include institutional investors, family offices, and high-net-worth individuals. Investors may also include PAM's principals, direct or indirect, and other employees of PAM and its affiliates.

Generally, the minimum investment that a Pool will accept is disclosed in the applicable fund's confidential offering memorandum and typically ranges from \$25,000 to \$500,000. In its discretion, PAM may increase or decrease the minimum investment amount for a particular Pool. Prior to investing in a Pool, an investor must complete a subscription agreement and investor qualification statement containing representations needed to establish the investor's eligibility to invest in the Pool.

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

A. Methods of Analysis and Investment Strategies

Each Pool is uniquely managed by its manager, and each Pool's investment strategy and methodology is detailed in the Pool's offering memorandum. The manager may rely on its personnel's operational and investment experience in specific industries, its own independent research, and other third-party sources. Further, on some occasions, issuers of securities may be interviewed to gather additional information about particular securities.

With respect to funds-of-funds Pools, PAM will seek to identify and invest with multiple managers of private hedge funds with diverse styles and strategies to achieve superior long-term risk-adjusted returns while keeping capital preservation as a central precept. PAM aims to identify individual private hedge fund managers that it believes are excellent managers of risk and can individually earn superior long-term returns. PAM believes that diversifying across multiple managers with multiple strategies will reduce the volatility of these Pools' returns.

With respect to the real estate Pool, PAM will seek to identify and invest in proprietary real estate investment opportunities to add diversification, inflation protection, and income to investor portfolios while keeping capital preservation as a central precept. PAM's evaluation process generally focuses on the market for specific assets to determine the income potential of an opportunity, the feasibility of selling an asset for a profit, and the holding period required before the asset would become profitable.

With respect to the managed futures Pool, Triad Trading, LLC, a wholly owned entity of PAM, manages Triad Futures, LP. Triad Trading, LLC, also manages MCM Diversified Futures, LP, a managed futures fund of funds Pool. Triad Futures, LP, is a managed futures pool that utilizes a quantitative multiple-timeframe market analysis to trade global currencies, commodities, interest rates, and index futures. MCM Diversified Futures, LP, is a fund of Commodity Trading Advisors.

With respect to the special purpose vehicle Pools, Promus Equity Partners, LLC ("PEP"), a wholly owned entity of PAM, manages special purpose vehicles that make one-time direct private equity investments in lower middle market companies in an effort to obtain above market returns for the vehicle's investors. These vehicles may also make add-on acquisitions in an effort to enhance the value of the underlying investment.

Pools managed by PAM or its affiliates are often viewed as highly speculative investments and are not intended to be a complete investment program. The Pools are designed only for sophisticated persons who are able to bear the economic risk of the loss of all or a portion of their investment and who have a limited need for liquidity. The risks of investing in a Pool should be carefully evaluated before making an investment, and all investors should carefully review the risk factors and potential conflicts of interest set forth in a Pool's offering memorandum before investing, including the transfer and/or redemption restrictions applicable to interests in the Pool.

B. Investment Strategy and Method of Analysis Material Risks

B.1. High-Risk Investments

Identifying and participating in attractive investment opportunities and assisting in the building of successful enterprises are difficult tasks. There is no assurance that a Fund's investments will be profitable, and there is a substantial risk that a Fund's losses and expenses will exceed its income and gains. There generally will be little or no publicly available information regarding the status and prospects of companies held by Funds. Many investment decisions by a Fund will be dependent upon the ability of its members and agents to obtain relevant information from non-public sources, and a Fund often will be required to make decisions without complete information or in reliance upon information provided by third parties that is impossible or impracticable to verify. The marketability and value of each investment will depend upon many factors beyond a Fund's control. Underlying companies may have substantial variations in results from period to period, face intense competition, and experience failures or substantial declines in value at any stage. Underlying companies may need substantial additional equity or debt capital to support growth or to achieve or maintain a competitive position. Such capital may not be available on attractive terms, or may not be available at all. Generally, the investments made by a Fund will be illiquid and difficult to value, and there will be little or no collateral to protect an investment once made. In most cases, a Fund's investments will be long-term in nature and may require many years from the date of initial investment before disposition.

B.2. Reliance on Underlying Managers

The returns of some Pools will also depend on the performance of unrelated investment managers and management teams. The Pools will generally be limited partners or members in underlying private funds. Thus, the Pools do not participate in the management and control of these private funds.

B.3. Availability of High-Quality Investment Opportunities

The Pools' ability to earn strong returns for their investors and, in turn, PAM's ability to continue to attract investors are dependent upon the ability of PAM to provide access to high-quality investment opportunities. There is no assurance that the Pools will be able to locate and complete high-quality investments at attractive prices or that the investments made will satisfy the Pools' investment objectives.

B.4. Operational Risks

In addition, adverse changes in legal, fiscal, and regulatory regimes may occur. PAM may not be permitted or able to make adjustments in its structure or investment program to adapt to such changes. Changes in economic conditions may occur during the life of PAM that may have an adverse effect on its investments. Due to the illiquidity of the investments made by many Pools, PAM may have limited ability to adapt to such changes and mitigate any corresponding losses.

B.5. Illiquidity; Cash Flow Risks

The investments in the Pools as well as the Pools' underlying investments in other private funds are highly illiquid. Many interests in private funds are not registered under the Securities Act of 1933, as amended, and may not be transferred unless registered under applicable federal or state securities laws or if exemptions from such laws are available. The Pools' ability to fund new investments and pay distributions to investors is contingent upon timely payment by Pool investors of their called capital, the performance of existing investments, and current economic and market conditions.

B.6. Additional Risks

Additional risks relevant to investments in the Pools will be described in each Pool's private placement memorandum.

C. Concentration Risks

There is an inherent risk for funds whose investment portfolio lack diversification—that is, they have their investment portfolios heavily weighted in one security, one industry or industry sector, one geographic location, or one investment manager. Funds who have diversified portfolios, as a general rule, incur less volatility and therefore less fluctuation in portfolio value than those who have concentrated holdings. Concentrated holdings may offer the potential for higher gain, but also offer the potential for significant loss.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

PAM and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Firm Brochure.

B. Administrative Enforcement Proceedings

PAM and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Firm Brochure.

C. Self-Regulatory Organization Enforcement Proceedings

PAM and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Firm Brochure.

Item 10: Other Financial Industry Activities and Affiliations

A. Broker-Dealer or Representative Registration

PAM is not registered as broker-dealer and does not have an application to register pending.

B. Futures or Commodity Registration

PAM is not registered as a commodity firm, futures commission merchant, commodity pool operator, or commodity trading adviser and does not have an application to register pending.

C. Material Relationships Maintained by this Advisory Business and Conflicts of Interest

C.1. PAM Affiliate Entities and Conflicts of Interest

PAM is wholly owned by Promus Holdings LLC. Promus Holdings also wholly owns Promus Capital LLC, a registered investment adviser that provides investment advisory and financial planning services to individuals, trusts, corporations, partnerships, retirement plans, tax exempt, and other legal entities. Promus Capital's investment advisory services may include investment strategy, portfolio management, and financial and estate planning. Promus Capital's clients and prospective clients may be solicited to invest in the Pools.

PAM wholly owns Triad Trading LLC, which is registering with the National Futures Association and the Commodity Futures Trading Commission as a commodity pool operator and commodity trading advisor. Triad Trading serves as the general partner of Triad Futures LP, a managed futures investment pool.

PAM wholly owns Promus Equity Partners LLC, which manages special purpose vehicles that make one-time direct private equity investments in lower middle market companies. These special purpose vehicles may make add-on acquisitions from time to time.

J. Zachary Musso and Brian B. Musso are also affiliated with Promus Capital, LLC, and Promus Holdings, LLC. J. Zachary Musso spends approximately 50% of his time, and Brian B. Musso spends approximately 50% of his time, managing the businesses of Promus Capital, LLC, and Promus Holdings, LLC. Steven Brown is also affiliated with Promus Holdings, LLC, and spends 25% of his time managing the business of Promus Holdings, LLC.

PAM's affiliates include Promus Holdings LLC, Promus Capital LLC, Triad Trading LLC, and Promus Equity Partners LLC. PAM's affiliate funds include, Associated Group Holdings LLC, Fulcrum Investment Partners LLC, MCM Diversified Futures, LP, MCM Eleven LP, MCM Fund LP, Pep Nat Gas Project LLC, Prologic Acquisition LLC, Promus Real Estate Conduit LLC, Prosteel Security Products Holdings LLC, Quality Control Holdings LLC, MCM Diversified Futures, LP, and Triad Futures LP.

PAM, either individually or through affiliate entities, may sell or purchase assets from one affiliate Fund to another affiliate Fund, which may pose a conflict of interest. Although PAM

strives to put the interests of its Fund clients first, such inter-Fund transactions could be viewed as being in the best interest of one Fund versus another Fund. Inter-Fund transactions may occur for a variety of reasons, such as lack of liquidity, the closing of a fund, tax, and related issues. PAM and its affiliates will ensure, among other things, that inter-Fund transactions are properly disclosed to the parties of the transaction.

A Fund may, from time to time, have the opportunity to retain third parties who have prior business relationships with another Fund to act as a consultant or in some other capacity. If a Fund retains any such parties, the Funds may experience a conflict between one Fund's interests and its interest in preserving any ongoing business relationship with that party. This conflict may result in a Fund paying more for these services than would otherwise be the case.

As a result of the foregoing, the members and/or partners and principals and affiliates of the PAM affiliates may have conflicts of interest in allocating their time and activity between the Funds and other clients, in allocating investments among Funds and other clients, and in effecting transactions for the Funds and other clients, including ones in which a Fund may have a greater financial interest.

PAM may utilize the services of one or more affiliate entities in the management and operation of its investment partnerships and limited liability companies. As a result of favorable economics, the use of such affiliate entities may be deemed by some to be in the best interest of PAM and not in the best interests of a particular partnership or Fund.

D. Recommendation or Selection of Other Investment Advisors and Conflicts of Interest

In addition to what is described in Item 10.C. above, PAM may recommend funds in which PAM or an affiliate receives a form of compensation from the fund sponsor or issuer. Such compensation may take the form of consulting fees, management fees, or performance-based fees from affiliate funds purchased on behalf of other PAM affiliate entities.

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

A. Code of Ethics Description

In accordance with the Advisers Act, PAM has adopted policies and procedures designed to detect and prevent insider trading. In addition, PAM has adopted a Code of Ethics (the "Code"). Among other things, the Code includes written procedures governing the conduct of the firm's advisory and access persons. The Code also imposes certain reporting obligations on persons subject to the Code. The Code and applicable securities transactions are monitored by the Chief Compliance Officer of the firm. PAM will send clients a copy of its Code of Ethics upon written request.

PAM has policies and procedures in place to ensure that the interests of its clients are given preference over those of the firm, its affiliates, and its employees. For example, there are policies in place to prevent the misappropriation of material nonpublic information, and such other policies and procedures reasonably designed to comply with federal and state securities laws.

B. Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

PAM does not engage in principal trading (i.e., the practice of selling stock to advisory clients from a firm's inventory or buying stocks from advisory clients into a firm's inventory). PAM may recommend securities to advisory clients in which it, or one of its affiliates, has some proprietary or ownership interest. See Disclosure in Item 10 of this Brochure.

C. Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

PAM, its affiliates, employees and their families, trusts, estates, charitable organizations, and retirement plans established by it may purchase the same securities as are purchased for clients in accordance with its Code of Ethics policies and procedures. The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by the client, or
- considered for purchase or sale for the client.

Such conflict generally refers to the practice of front-running (trading ahead of the client), which PAM specifically prohibits. PAM has adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in the client's best interest,
- prohibit front-running, and
- provide for the review of transactions to discover and correct any trades that result in an advisory representative or employee benefitting at the expense of a client.

Advisory representatives and employees must follow PAM's procedures when purchasing or selling the same securities purchased or sold for the client.

D. Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

PAM, its affiliates, employees and their families, trusts, estates, charitable organizations and retirement plans established by it may effect securities transactions for their own accounts that differ from those recommended or effected for other of the firm's clients. PAM will make a reasonable attempt to trade securities in client accounts at or prior to trading the securities in its affiliate, corporate, employee, or employee-related accounts. It is the policy of PAM to place the clients' interests above those of the firm and its employees.

The General Partner, Manager, PAM, the Partnerships, Limited Liability Companies, operators, and their principals and affiliates (collectively, the "Related Parties") may serve as advisers or managers to other accounts and conduct investment activities for their own accounts. Such other entities, clients, or accounts may have investment objectives or may implement investment strategies similar to those of the Partnerships. The Related Parties may also have investments in certain of the entities managed by any of the Related Parties. In addition, certain of the Related Parties receive certain fees described herein regardless of the success of the Partnerships and their investments.

As a result of the foregoing, the members and/or partners and principals and affiliates of the Related Parties may have conflicts of interest in allocating their time and activity between the Partnerships and other clients, in allocating investments among Partnerships and other clients, and in effecting transactions for Partnerships and other clients, including ones in which the Related Party may have a greater financial interest. In addition, there is no assurance that the General Partner will devote adequate time to the Partnerships' operations or that any Related Party will devote adequate time to the Related Party with respect to which it performs services or management. If a Related Party suffers or is distracted by adverse financial or operational developments in connection with its operations unrelated to the Related Party to which it is performing management or other services, it may allocate less time and/or resources to such Related Party's operations. If any of these things occur, the value of your investment may suffer.

The Partnerships or a Related Party may, from time to time, have the opportunity to retain third parties who have prior business relationships with a Related Party to act for the Partnerships or Related Party as consultants or in some other capacity. If the Partnerships or Related Party retains any such parties, the Related Parties may experience a conflict between the Related Party's interests and its interest in preserving any ongoing business relationship with that party. This conflict may result in our paying more for these services than would otherwise be the case.

It is possible that certain of the underlying companies may be acquired from affiliates of a Partnership. In order to mitigate any potential conflict of interest, the General Partner will negotiate and approve any such acquisition on behalf of such Partnership (and any corresponding SPE) procuring all appropriate third-party verifications of value. Advisory

representatives and employees must follow PAM's procedures when purchasing or selling the same securities purchased or sold for the client.

PAM requires its employees to adhere to PAM's code of ethics, which provides that PAM employees must put the interests of PAM's clients first in every situation and deal fairly and objectively with all clients when providing investment analysis, making investment recommendations, and taking investment action. It is worth noting that PAM's direct and indirect owners as well as many of its supervised persons may invest in the Pools on the same terms and conditions as outside investors.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians for Fund Transactions

A.1. Custodian Recommendations

PAM, as manager of the Funds, has discretion to determine the underlying funds in which a Fund invests. PAM negotiates investments in underlying funds on a private placement basis. PAM does not utilize brokers in connection with such investments.

PAM invests in private companies and therefore does not use a custodian in the customary sense. It does have banking relationships where monies are deposited by clients in bank accounts to facilitate investment in various PAM private funds and maintain operating accounts for the applicable funds to pay fund operating expenses.

A.1.a. Soft Dollar Arrangements

PAM does not utilize soft dollar arrangements.

A.2. Brokerage for Client Referrals

PAM does not engage in the practice of directing brokerage commissions in exchange for the referral of advisory clients.

B. Aggregating Securities Transactions for Client Accounts

B.1. Security Allocation

Since PAM may be managing funds with similar investment objectives, the firm may aggregate transactions for assets for such funds. In such event, allocation of the assets so purchased or sold, as well as expenses incurred in the transaction, is made by PAM in the manner it considers to be the most equitable and consistent with its fiduciary obligations to such funds.

PAM's allocation procedures seek to allocate investment opportunities among funds in the fairest possible way, taking into account the funds' best interests, available cash, conditions, and other operating criteria as disclosed in the applicable fund offering documents and Partnership Agreement. PAM will follow procedures to ensure that allocations do not involve a practice of favoring or discriminating against any fund or group of funds. Fund performance is never a factor in trade allocations.

PAM's advice to certain funds and entities and the action of PAM for those and other funds are frequently premised not only on the merits of a particular investment but also on the applicable investment objective, guidelines, and conditions of the applicable fund. Thus, any action of PAM with respect to a particular investment may, for a particular fund, differ or be opposed to the recommendation, advice, or actions of PAM to or on behalf of other funds.

B.2. Order Aggregation

Transactions for the same asset effected on behalf of more than one fund will not be aggregated.

Item 13: Review of Accounts

A. Fund Reviews

The investments made by the Funds are typically private, illiquid, and long-term in nature. Thus, the review process is not directed toward a short-term decision to dispose of securities. Nevertheless, PAM's investment professionals will conduct reviews of investments held by the Funds. This review may include analyzing financial statements and periodic reports, attending annual and informal meetings, checking allocations of income and loss, and reviewing financial statements, valuations, transactions, and underlying investment information.

B. Review of Client Accounts on Non-Periodic Basis

PAM may perform ad hoc reviews on an as-needed basis if there have been material changes in the Fund's investment objectives or a material change in how PAM formulates investment advice.

C. Content of Client-Provided Reports and Frequency

Each Fund investor will receive quarterly summaries of the Fund's performance and of such investor's estimated Capital Account activity and balance for that quarter. Fund investors will also receive an annual report for such year containing financial statements and a statement showing the change to such holder's Capital Account with respect to such year. Tax information, including a Schedule K-1, will be provided to Fund investors as soon as reasonably practicable following each calendar year. PAM, in its discretion, may from time to time and at any time furnish such additional reports to the Fund investors as it may determine.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest

In addition to benefits described in Items 10 and 12 of this Brochure, PAM or its affiliates may receive direct or indirect benefits for referring certain of its funds to third parties for various services, which may include tax, accounting, and other professional services.

B. Advisory Firm Payments for Client Referrals

PAM does not enter into agreements with solicitors who refer prospective advisory clients to PAM in return for a fee.

Item 15: Custody

As the general partner or manager of the Funds, PAM may be deemed to have custody of fund assets. Fund investors do not receive any statements from these custodians. PAM requires either an annual audit or a surprise audit of its funds by a PCAOB auditor.

Item 16: Investment Discretion

PAM, either individually or through its affiliates, acts as a General Partner or Manager for various private Funds. As such, it has full discretionary authority to act on behalf of the Funds in all aspects. Such activity includes, but is not limited to, acquisition and disposition of Funds' assets, control of Funds' bank accounts, the selection of third-party vendors (some of whom may be affiliates and receive compensation from the applicable Fund), selection of advisers, authorizing terms of contractual agreements, and any and all matters related to the operation, financing, and management of the Funds.

Item 17: Voting Client Securities

The Funds do not hold investments for which proxies are solicited.

Item 18: Financial Information

A. Balance Sheet

PAM does not require the prepayment of management fees more than six months in advance, and as such is not required to file a balance sheet.

B. Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

PAM does not have any financial issues that would impair its ability to provide services to clients.

C. Bankruptcy Petitions During the Past Ten Years

There are no bankruptcy petitions to report.