
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 “Advisor”). 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 advisor 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 Advisor's last annual update dated March 2013. The Advisor has entered into an agreement for the furnishing of introductory services by a third party marketer.

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Item 4. Advisory Business

General Description of Advisory Firm

Permanens Capital LP (the “Advisor”), a Delaware limited partnership, is an SEC Registered Investment Advisor 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”. An affiliate of the Advisor acts as the general partner of the Funds.

The Advisor was founded in June 2011. The Advisor’s principal owners are John J. Regan and Joseph S. Steinberg. Mr. Regan manages the day-to-day operations of the Advisor.

Investment Management Services

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

The Advisor primarily allocates Client assets among independent investment managers (“Independent Managers”), exchange-traded funds (“ETFs”), and individual debt and equity securities. In addition, the Advisor 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. Some of the affiliated pooled investment vehicles are sub-advised by Independent Managers. The Funds which the Advisor currently manages are set up as Delaware onshore limited partnerships and limited liability companies as follows:

Internally-allocated funds:

- Permanens Capital Floating Rate Fund LP
- Permanens Non-Agency RMBS Fund LP
- Permanens Fairholme Allocation Fund LLC

Externally-offered funds:

- Permanens Capital Preservation Fund LP
- Permanens Capital Physical Precious Metals Fund LP

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

Availability of Tailored Services for Individual Clients

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

Separate Accounts are advised to promptly notify the Advisor if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon the Advisor's management services. Separate Accounts may impose reasonable restrictions or mandates on the management of their account if the Advisor 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 Advisor'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 Advisor may make. Investors in the Funds are herein referred to as "Fund Investors".

Client Assets under Management

As of December 31, 2013, the total amount of regulatory assets under management by the Advisor was approximately \$2,344,278,153. Of this amount, approximately \$1,265,886,103 was managed on a discretionary basis, and approximately \$1,078,392,050 was managed on a non-discretionary basis.

Item 5. Fees and Compensation

Separate Account Fees

The fees for investment management services for Separate Accounts are calculated 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 Advisor. This fee is invoiced 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 externally-offered funds ranges from 0.25-1.0%. Fees charged by these two Funds will be waived for Separate Accounts that have invested in the Funds at the Advisor's discretion.

Internally-allocated funds are set up for existing Separate Accounts and as such do not charge fees at the fund level.

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

Separate Account Additional Fees and Expenses

As further discussed in response to Item 12 (below), Separate Accounts must arrange for their own custodial, brokerage, and clearing services at a financial institution of their choice (the “Financial Institution”). The Advisor 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 Advisor, however, please note Clients who utilize their own Financial Institution relationships may result in higher fees than relationships otherwise negotiated by the Advisor.

In addition to the Advisor’s annual fee, Separate Accounts typically incur fees and charges imposed by the Financial Institution 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 Advisor’s fee.

Fund Additional Fees and Expenses

The Funds pay (or reimburse) the Advisor 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 Advisor 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 Advisor 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 Advisor typically does not debit its fees directly from a Separate Account, but rather sends the Separate Account an invoice for payment. If the Separate Account so chooses, fees charged by the Advisor may be deducted directly from the Separate Account's brokerage account only upon issuance and approval of an invoice sent directly to the Separate Account. Fees directly debited will show up in the transaction history of the monthly statements sent independently to the Separate Account by the respective brokerage firm.

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 Advisor 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 Investors 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 Advisor accepts compensation for the sale of securities or other investment products.

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

Neither the Advisor nor any of the Advisor'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 Advisor's Clients are:

- Separate Accounts 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 Accounts may have to be accredited investors and/or qualified clients, depending on the type of investment.

Minimum Account Size - Separate Accounts

The Advisor 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 Advisor will discuss generally whether the size of the Separate Account will limit the type of investments available, or the associated costs.

Minimum Account Size - Funds

The minimum initial investment into the externally-offered funds is \$500,000, subject to waiver, reduction, or other conditions as determined by the general partner and the Offering Memorandum of such fund. There are no minimums to maintain an investment in the Funds.

The initial investment into the internally-allocated funds is waived and subject to the general partners' discretion.

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

Methods of Analysis

The Advisor utilizes a variety of methods and strategies to make investment decisions for its Clients. The main sources of information the Advisor 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. Onsite 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") or Investment Management Agreement ("IMA") which set forth investment guidelines applicable to the risk tolerance and objectives of each Separate Account. The Advisor maintains considerable discretion respecting the investment methodology for the Separate Accounts.

The Advisor 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 Advisor or the Client and the designated Independent Managers. The Advisor renders services to the Client relative to the discretionary selection of Independent Managers. The Advisor also monitors and reviews the account performance and the Client's investment objectives.

When selecting an Independent Manager for a Client, the Advisor 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 Advisor 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 Advisor primarily functions as an allocator to Independent Managers, while offering some direct internal management capabilities. The Advisor generally manages capital for Separate Accounts through actively managed bond portfolios managed by Independent Managers, direct investments (e.g., ETFs, common stock, preferred stock, equity baskets), and allocations to affiliated and unaffiliated private pooled investment vehicles. The firm's strategy focuses on: (i) appropriate asset allocation and risk management across asset classes, (ii) minimization of fees incurred by its Clients, and (iii) maximization of portfolio liquidity.

The Advisor strives to find low cost, liquid solutions through structures that allow Clients freedom to move amongst investments. As such, the Advisor 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 to reach the economies of scale required to attempt to replicate the investment strategies outlined above for Separate Accounts.
- The *Permanens Capital Floating Rate Fund LP* seeks to pool existing Separate Account client assets in order to invest into first and second lien and unsecured loans, Corporate Bonds and CLO liabilities.
- The *Permanens Non-Agency RMBS Fund LP* seeks to pool existing Separate Account client assets in order to invest into non-agency residential mortgage-backed securities created from either prime or alt-A collateral.
- The *Permanens Fairholme Allocation Fund LP* seeks to pool existing Separate Account client assets in order to invest into the Fairholme Partnership, LP. The investment objective of the Partnership is long-term growth of capital. The Investment Manager of the LP intends to achieve the Partnership's investment objective by investing in a focused portfolio of equity and fixed-income securities.
- The *Permanens Capital Physical Precious Metals Fund LP's* 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.

Market Risks

The profitability of a significant portion of the Advisor'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 Advisor will be able to predict those price movements accurately.

Use of Independent Managers

The Advisor may recommend the use of Independent Managers for certain Clients. The Advisor will continue to do ongoing due diligence of such managers, but such recommendations rely, to a great extent, on the Independent Manager's ability to successfully implement their investment strategy. In addition, the Advisor 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 8, above.

Use of Private Pooled Investment Vehicles

The Advisor may recommend the investment by certain Clients in private pooled investment vehicles (some of which may be typically called "hedge funds"). The managers of these vehicles, which may include the Advisor or sub-advisor for affiliated 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 date, the Advisor does not use margin in any of the Separate Accounts. The Advisor/general partner has the ability to use margin in the affiliated funds.

While the use of margin borrowing can substantially improve returns, such use may also increase the adverse impact to which a Fund's portfolio may be subject. Borrowings will usually be from securities

brokers and dealers and will typically be secured by the Fund's securities and/or other assets. Under certain circumstances, such a broker-dealer may demand an increase in the collateral that secures the Fund's obligations and if the Fund were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy the Fund's obligations to the broker-dealer. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of the Fund's borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the Fund'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 asset, 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 banks' purchases and sales, and lending, 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 Advisor has not had any disciplinary disclosures since inception and does not have any required disciplinary disclosures to this item.

Item 10. Other Financial Industry Activities and Affiliations

Permanens Capital LP is an SEC-registered investment advisor.

Neither the Advisor 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 Advisor 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 Advisor 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 and Permanens Associates II LLC serve as the general partner to the Funds.

A potential conflict of interest exists in that the Advisor and its affiliated entities offer varying investment services and products, some of which provide greater compensation to the Advisor than others. The Advisor 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 Advisor'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. Shares of Leucadia's common stock are listed on the New York Stock Exchange (NYSE) under the ticker symbol LUK. Serving in such a capacity is the principal business of Mr. Steinberg, who maintains a purely passive ownership stake in the Advisor and does not render investment advice on the firm's behalf.

The Advisor does not recommend the services of Leucadia and does not accept referrals from Leucadia. The Advisor 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 Advisor allocates Clients' assets amongst securities issued by Leucadia and Mr. Steinberg receives a benefit by virtue of his position therewith.

Selection of Other Advisors

As described in Item 4, the Advisor primarily allocates Client assets among Independent Managers, ETFs, individual debt and equity securities, and/or options. In addition, the Advisor 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 pooled investment vehicles. The Advisor does not receive any direct or indirect compensation from Independent Managers.

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

Code of Ethics

The Advisor 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 Advisor must acknowledge the terms of the Code of Ethics and the Compliance Manual annually.

The Advisor’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 Advisor’s Chief Compliance Officer (“CCO”) at russell@permcap.com or by phone at 212-358-6532.

Transactions in Securities where the Advisor has Material Financial Interest

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

Neither the Advisor 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 Advisor, prior to undertaking a “principal transaction”, the Advisor 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 affiliated funds, neither the Advisor nor any of its related persons act as a general partner or advisor to funds in which Client assets are invested.

Investing in Securities Recommended to Clients; Contemporaneous Trading

The Advisor 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 the price of a security). In general and subject to approval by the CCO or Chief Investment Officer (“CIO”) of the Advisor on a case by case basis, (i) Employees are prohibited from buying or selling for their personal accounts Securities of any issuer listed on the Advisor’s restricted list, (ii) Employees must obtain pre-approval before trading in securities on the Advisor’s “Approval Required List,” (iii) Employees shall not engage in

“day trading” or any type of “excessive” trading that would be contrary to the best interests of the Advisor’s Clients and Investors. The Code of Ethics is designed to ensure that the personal securities transactions, activities, and interests of the employees of the Advisor will not interfere with making decisions in the best interest of advisory Clients. Employee trading is monitored to ensure compliance with the Code of Ethics.

Should a situation arise where an investment would be suitable for acquisition or disposition by one or more Clients at the same time, the Advisor will endeavor to allocate in good faith the limited amount of such investments acquired among the various accounts for which the Advisor considers them to be suitable. The Advisor 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 Advisor’s policy that the Advisor will not engage in cross trading between Client accounts. The Advisor’s Compliance Manual contains policies and procedures to address the conflicts of interest that may arise in such a case.

Item 12. Brokerage Practices

Research and Other Soft Dollar Benefits

The Advisor is permitted pursuant to its IMAs 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 advisors that receive “soft dollar” benefits that are limited to certain research and brokerage products and services.

In the event the Advisor 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. Additionally, the Advisor 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. 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”). The “soft dollars” generated by one Client’s account may be used by the Advisor 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 Advisor 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 Advisor does not direct any of its brokerage business to brokers who refer prospective investors to it.

Directed Brokerage

A Separate Account can (but is not required to) direct the Advisor in writing to use a particular Financial Institution to execute some or all transactions for the Separate Account. In that case, the Separate Account will negotiate terms and arrangements for the account with that Financial Institution, and the Advisor will not seek better execution services or prices from other Financial Institutions or be able to “batch” Separate Account transactions for execution through other Financial Institutions with orders for other accounts managed by the Advisor (as described below). As a result, the Separate Account 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 Advisor may decline a Separate Account’s request to direct brokerage if, in the Advisor’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties. At this time, the Advisor has no directed brokerage arrangements.

Order Aggregation

When two or more Clients are allocated trades in the same security, the Advisor 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 CIO and research analysts of the Advisor 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 IMAs and the Funds Offering Memoranda. An investment committee meeting is

held to provide oversight over trading for the Client accounts. The investment committee is composed of the Advisor's Chief Investment Officer, Advisory Director, 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 Accounts are provided with regular summary account statements directly from the custodian or broker-dealer for the Separate Accounts on at least a quarterly basis. Separate Accounts also receive reports from the Advisor 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 Clients receive from the Advisor. **Separate Accounts should compare the account statements they receive from their custodian with those they receive from the Advisor**, as valuations between the custodian and the Advisor 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 Advisor in its sole discretion.

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

Compensation to Non-Supervised Persons for Client Referrals

The Advisor is a party to an agreement for the furnishing of introductory services with an independent contractor who may introduce to the Advisor certain pre-identified “qualified purchasers” as defined in the Investment Company Act of 1940 and “accredited investors” as defined in Regulation D under the Securities Act of 1933. The Advisor may enter into similar relationships with other groups in the future in accordance with Rule 206(4)-3 under the Investment Advisers Act of 1940.

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

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

A prospective investor solicited by a third party will be informed of (and will be asked to acknowledge in writing its understanding of) any such arrangement. All fees for such solicitation services will be ultimately paid/borne by a corresponding reduction in the management fee received by the Advisor and none of the Separate Accounts will be subject to any increased or additional fees or charges.

Item 15. Custody

Custody – Separate Accounts

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

In addition to the account statements provided by qualified custodians to Separate Accounts, the Advisor also provides account statements to Separate Accounts on a quarterly basis. As such, Separate Accounts should compare the statements provided to them by the Advisor against those provided to them by the qualified custodians, and to report any questions, concerns, or discrepancies to both the Advisor and the qualified custodian promptly. Such questions, concerns, or discrepancies may be

communicated to the Advisor by writing, emailing, or telephoning us using the contact information on the Cover Page of this Brochure.

The statements received from the Advisor 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 Advisor 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 Separate Account assets, the Advisor enters into an IMA or other agreement that sets forth the scope of the Advisor’s discretion.

Unless otherwise instructed or directed by a discretionary Separate Account, the Advisor has the authority to determine: (i) the securities to be purchased and sold for the Separate 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 Separate Account, (iii) the ability to allocate Separate Account assets within the account to Independent Managers, and (iv) to the extent the Separate Account is eligible, invest Separate Account assets in private placement securities, which may include debt, equity, and/or affiliated or unaffiliated pooled investment vehicles. Because of the differences in Separate Account investment objectives and strategies, risk tolerances, tax status, and other criteria, there may be differences among Separate Accounts in invested positions and securities held.

Investment Discretion - Funds

The Advisor or sub-advisor as applicable has discretionary authority 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 Advisor or sub-advisor 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 Funds, upon execution of the subscription documents, each Investor agrees to be bound by the Fund's partnership agreement (which appoints the Advisor as investment advisor to the Fund).

Item 17. Voting Client Securities

Unless otherwise directed in writing by its Separate Accounts, the Advisor 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 Advisor 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 Advisor will generally vote against such proposals.

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

Potential conflicts of interest between the Advisor and Clients may arise when the Advisor'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 Advisor's proxy voting policies and procedures, the Advisor 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 Advisor 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 Advisor's CCO, who will be responsible for documenting the rationale for the decision made and voted. In all such cases, the Advisor will make disclosures to Clients of all material conflicts and will keep documentation supporting its voting decisions.

Copies of the Advisor proxy voting policy and its voting record for the past five years are available upon request to Advisor's CCO at russell@permcap.com or 212-358-6532.

Item 18. Financial Information

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