



Pacific Private Fund Advisors LLC

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Form ADV Part 2A
("Brochure")

August 22, 2014

This Brochure provides information about the qualifications and business practices of Pacific Private Fund Advisors LLC ("Pacific Advisors"). If you have any questions about the contents of this Brochure, please contact us at (949) 219-3011. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Pacific Advisors is available on the SEC's website at www.adviserinfo.sec.gov.

Pacific Private Fund Advisors LLC is a registered investment adviser. Registration of an investment adviser does not imply a certain level of skill or training.

PURSUANT TO AN EXEMPTION FROM THE COMMODITY FUTURES TRADING COMMISSION IN CONNECTION WITH ACCOUNTS OF QUALIFIED ELIGIBLE PERSONS, THIS BROCHURE OR ACCOUNT DOCUMENT IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE COMMODITY FUTURES TRADING COMMISSION. THE COMMODITY FUTURES TRADING COMMISSION DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A TRADING PROGRAM OR UPON THE ADEQUACY OR ACCURACY OF COMMODITY TRADING ADVISOR DISCLOSURE. CONSEQUENTLY, THE COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS TRADING PROGRAM OR THIS BROCHURE OR ACCOUNT DOCUMENT.

Material Changes

This Brochure is dated August 22, 2014. The date of the last Brochure was March 28, 2014. In comparison to the last annual amendment Brochure, this Brochure amends the following items:

General. On July 2, 2014, Pacific Advisors became the investment manager to the Pacific Multi-Strategy Return Fund L.P. (“PMSR Fund”)

Types of Advisory Services. Adds information relating to the PMSR Fund.

Methods of Analysis. Adds information relating to the PMSR Fund.

A copy of our brochure may be requested free of charge by contacting:

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Table of Contents

ADVISORY BUSINESS.....	1
FEEES AND COMPENSATION	4
PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT.....	6
TYPES OF CLIENTS	8
METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	8
DISCIPLINARY INFORMATION.....	16
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	16
CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	17
BROKERAGE PRACTICES	18
REVIEW OF ACCOUNTS	19
CLIENT REFERRALS AND OTHER COMPENSATION	19
CUSTODY	20
INVESTMENT DISCRETION	20
VOTING CLIENT SECURITIES.....	20
FINANCIAL INFORMATION.....	21

Advisory Business

Pacific Private Fund Advisors LLC, a Delaware limited liability company ("Pacific Advisors") was formed in July 2013. Pacific Advisors is a wholly-owned subsidiary of Pacific Asset Advisors LLC ("PAAL"), which is a wholly-owned subsidiary of Pacific Life Insurance Company ("Pacific Life"). Pacific Life is wholly owned by Pacific LifeCorp, which is wholly-owned by Pacific Mutual Holding Company. Pacific Mutual Holding Company is a mutual insurance holding company, whose members are policyholders and contract holders of Pacific Life. Through its direct and indirect subsidiaries, Pacific Mutual Holding Company is engaged in a wide variety of insurance, financial services, and other investment-related businesses.

Pacific Advisors is registered as a commodity trading advisor and a commodity pool operator with the Commodities Futures Trading Commission and is a member of the National Futures Association.

Pacific Advisors' primary investment and client servicing activities are managed out of the Newport Beach, California Office. The PMSR Fund is managed out of the New York Office.

Pacific Advisors provides investment advisory services to the Pacific Absolute Return Strategies Fund L.P., a private investment fund, (the "PARS Fund"), the Pacific Private Equity Fund I L.P. a private investment fund, (the "PPEI Fund") and the Pacific Multi-Strategy Return Fund L.P., a private investment fund (the "PMSR Fund"). The PARS Fund, the PPEI Fund and the PMSR Fund are collectively referred to as the "Private Funds". A related person of Pacific Advisors acts as general partner or manager of each of the PARS Fund, the PPEI Fund and the PMSR Fund and Pacific Advisors acts as investment adviser to each of the PARS Fund, the PPEI Fund and the PMSR Fund.

Types of Advisory Services

PARS Fund. Pacific Advisors acts as the investment manager on a discretionary basis to the PARS Fund, which is a "fund of hedge funds", which means that it invests in underlying hedge funds ("PAR's Portfolio Funds") managed by unaffiliated investment advisers. Pacific Advisors typically allocates client assets to PAR's Portfolio Funds that are unaffiliated with Pacific Advisors and its affiliates, however, in certain circumstances, Pacific Advisors may allocate client assets to PAR's Portfolio Funds that are affiliated with Pacific Advisors. Pacific Advisors generally allocates assets to a PAR's Portfolio Fund by directly investing in the PAR's Portfolio Fund. Pacific Advisors also may allocate assets to PAR's Portfolio Funds by other means, including by indirectly investing in a PAR's Portfolio Fund through a feeder fund or through the use of derivative instruments. Pacific Advisors also may manage other private funds or

advisory accounts for clients and may provide investment advice to advisory clients on either a discretionary or a non-discretionary basis.

The PAR's Portfolio Funds may employ a broad range of alternative investment strategies, including, without limitation, strategies within one or more of the following four hedge fund sectors: (i) the equity long/short sector, (ii) the relative value sector, (iii) the event driven sector, and (iv) the tactical trading sector. In addition, Pacific Advisors may allocate assets to PAR's Portfolio Funds whose principal investment strategies are not within one of these hedge fund sectors. As a result, Pacific Advisors generally does not provide investment advice about specific securities other than interests in hedge funds or other private funds.

Pacific Advisors tailors its advisory services to the specific investment objectives and restrictions of the PARS Fund as provided in the PARS Fund's limited partnership agreement, confidential private placement memorandum, investment management agreement and/or other governing documents (collectively, the "PAR's Governing Documents"). Investors and prospective investors of the PARS Fund should refer to the PAR's Governing Documents for complete information on the investment objectives and investment restrictions with respect to the PARS Fund. There is no assurance that the PARS Fund investment objectives will be achieved.

In accordance with common industry practice, the PARS Fund or its general partner may enter into "side letters" or similar agreements with certain investors pursuant to which the general partner grants the investor specific rights, benefits, or privileges that are not made available to investors in the PARS Fund generally. These agreements will generally be disclosed only to those actual or potential investors in the PARS Fund that have separately negotiated with the general partner of the PARS Fund for the right to review these agreements.

PPEI Fund. Pacific Advisors acts as the investment manager on a discretionary basis to the PPEI Fund, which is a "fund of funds", which means that it invests in underlying funds ("PPEI's Portfolio Funds") managed by unaffiliated investment advisers. Pacific Advisors typically allocates client assets to PPEI's Portfolio Funds that are unaffiliated with Pacific Advisors and its affiliates, however, in certain circumstances, Pacific Advisors may allocate client assets to PPEI Portfolio Funds that are affiliated with Pacific Advisors. Pacific Advisors generally allocates assets to a PPEI's Portfolio Fund by directly investing in the PPEI Portfolio Fund. Pacific Advisors also may allocate assets to PPEI Portfolio Funds by other means, including by indirectly investing in a PPEI Portfolio Fund through a feeder fund or through the use of derivative instruments. Pacific Advisors also may manage other private funds or advisory accounts for clients and may provide investment advice to advisory clients on either a discretionary or a non-discretionary basis.

The PPEI's Portfolio Funds will primarily focus its investments on a broad range of investment strategies in private equity, including, without limitation, strategies within one or more of the following four areas: (i) secondary investments, which are limited partnership or membership interests in private equity funds that are partially funded and have a quantifiable underlying investment portfolio; (ii) mezzanine or sub-debt funds, which primarily seek to deploy their capital in mezzanine or sub-debt investments, which are typically senior to equity but junior to secured debt; (iii) private equity funds, including, without limitation, leveraged buy-out and growth equity funds, focused on acquisitions of, or investments in, companies in the middle market and lower middle market which may either have a general focus or be focused on one or more specific industries; and (iv) venture capital funds, which focus their investments in earlier stage companies that typically have higher growth potential but which also have higher risk. In addition, Pacific Advisors may allocate assets to PPEI Portfolio Funds whose principal investment strategies are not within one of these private fund sectors. As a result, Pacific Advisors generally does not provide investment advice about specific securities other than interests in hedge funds or other private funds.

Pacific Advisors tailors its advisory services to the specific investment objectives and restrictions of the PPEI Fund as provided in the PPEI Fund's limited partnership agreement, confidential private placement memorandum, investment management agreement and/or other governing documents (collectively, the "PPEI Governing Documents"). Investors and prospective investors of the PPEI Fund should refer to the PPEI Governing Documents for complete information on the investment objectives and investment restrictions with respect to the PPEI Fund. There is no assurance that the PPEI Fund investment objectives will be achieved.

In accordance with common industry practice, the PPEI Fund or its general partner may enter into "side letters" or similar agreements with certain investors pursuant to which the general partner grants the investor specific rights, benefits, or privileges that are not made available to investors in the PPEI Fund generally. These agreements will generally be disclosed only to those actual or potential investors in the PPEI Fund that have separately negotiated with the general partner of the PPEI Fund for the right to review these agreements.

PMSR Fund. Pacific Advisors acts as the investment manager on a discretionary basis to the PMSR Fund. The PMSR Fund does not offer its interests to the public. At this time the sole investor in the fund is an affiliate of Pacific Advisors. Pacific Advisors has developed and maintains a proprietary model that analyzes the investment returns achieved by a representative sampling of funds of hedge funds and hedge funds as a result of exposure to market factors. Pacific Advisors analyzes various hedge fund trading strategies to determine market factors and then performs an analysis of hedge fund returns in an effort to use these market factors to isolate specific market

components representative of the hedge fund returns. The Fund's investment objective is to seek to approximate the aggregate investment returns achieved by representative sampling. Pacific Advisors may exercise its own discretion in selecting the PMSR Fund's investments, if it believes it prudent to do so which may not be representative of the results from the selected market factors.

Pacific Advisors tailors its advisory services to the specific investment objectives and restrictions of the PMSR Fund as provided in the PMSR Fund's limited partnership agreement, and investment management agreement and/or other governing documents (collectively, the "PMSR Governing Documents").

Pacific Advisors does not participate in any wrap fee programs.

Pacific Advisors manages all assets on a discretionary basis in accordance with the terms and conditions of the PARS Fund Governing Documents, the PPEI Fund Governing Documents and the PMSR Fund Governing Documents. As of July 3, 2014, the amount of assets Pacific Advisors manages on a discretionary basis is \$291,226,319.

Fees and Compensation

For discretionary investment management services to private funds and hedge funds that are not registered, Pacific Advisors is generally paid management fees ranging from 0.00% to 2.00%, which are typically based on invested and reinvested capital or net asset value, as applicable. The management fee for Private Funds may be based upon notional values, which are described in the respective Governing Documents for each fund. In addition, Pacific Advisors may receive performance-based fees or investment profit allocations ("carried interest") with respect to Private Funds, as further discussed in Item 6. Each Private Fund also ordinarily bears additional fees and expenses (including organizational and operational fees and expenses), including, without limitation, administration and custodial fees and expenses, interest and expenses with respect to any borrowing, external professional fees, asset-based or performance based compensation payable to any portfolio manager, brokerage commissions, external consulting, legal, external accounting, audit and tax preparation expenses, travel expenses, organizational expenses, entity-level taxes, expenses in connection with the offer and sale of interests, printing expenses, insurance expense and extraordinary expenses (including litigation expenses).

Under the investment management agreements entered into between the PARS Fund and Pacific Advisors, the PARS Fund will pay Pacific Advisors a fixed management fee payable monthly (prorated for partial periods), in advance, equal to 1.00% per annum of the month-beginning net asset value of each capital account of the PARS Fund (without reduction for the management fee payable in such month). The PARS Fund also may pay Pacific Advisors performance fees. The general partner of the PARS Fund will not be charged the management fee. Pacific Advisors may reduce, waive or calculate

differently, all or part of the management fee attributed to certain affiliated limited partners of the PARS Fund, including Pacific Life and its affiliates. The management fee will be prorated for any capital contributions or withdrawals by a limited partner of the Fund that are effective other than as of the first day of a month.

Under the investment management agreements entered into between the PPEI Fund and Pacific Advisors, the PPEI Fund will pay Pacific Advisors a fixed management fee payable monthly (prorated for partial periods), in advance, equal to 0.75% per annum of the month-beginning net asset value of each capital account of the PARS Fund (without reduction for the management fee payable in such month). The PARS Fund also may pay Pacific Advisors performance fees. The general partner of the PARS Fund will not be charged the management fee. Pacific Advisors may reduce, waive or calculate differently, all or part of the management fee attributed to certain affiliated limited partners of the PARS Fund, including Pacific Life and its affiliates. The management fee will be prorated for any capital contributions or withdrawals by a limited partner of the Fund that are effective other than as of the first day of a month.

The respective general partners of the Private Funds will typically receive certain allocations from the Private Funds that are calculated and charged based on a share of gains on or net income from the assets of the Private Funds. The allocations may be disproportionate relative to the capital contribution that the general partner makes to the Private Fund. Any share of profits allocated or distributed to a general partner or affiliate of a Private Fund is separate and distinct from the management fee charged by Pacific Advisors to the Private Fund for advisory services.

Portfolio Fund Fees

In addition to any Pacific Advisors Fees, fund of funds clients indirectly pay the compensation of the advisers to the Portfolio Funds. Portfolio Fund advisers are compensated on terms that may include fixed and/or performance-based fees or allocations. Fixed fees are currently expected to range (on an annualized basis) from approximately 0% to 4% of each Portfolio Fund allocation, and performance-based fees or allocations generally range from approximately 10% to 20% of the net capital appreciation in each individual Portfolio Fund for the year. Some Portfolio Fund advisers do and may in the future receive fixed fees, asset-based fees, performance-based fees and/or other compensation that materially exceed these percentages or may structure their compensation in materially different ways. Certain Portfolio Funds may charge redemption fees in certain circumstances. Performance-based compensation typically is not paid to a Portfolio Fund adviser until the adviser makes up prior losses. Certain Portfolio Fund advisers, however, may continue to receive performance based compensation while making up prior losses, but generally at lower rates or subject to a repayment obligation. The fees and expenses imposed by a Portfolio Fund Adviser may offset trading profits, thus reducing returns.

Other Types of Fees and Expenses

In addition to Pacific Advisors' fees, Private Funds may directly or indirectly incur other fees and expenses such as brokerage commissions, dealer spreads, transaction fees, ticket charges and other related costs and expenses in connection with transactions. Private Funds also may directly or indirectly incur other charges imposed by custodians, broker-dealers, investment managers and other third parties, such as custodial fees, account maintenance fees, activity or inactivity fees, investment management fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer fees, termination fees, postage and handling charges and other fees and charges on accounts or transactions. These fees, charges and/or commissions are exclusive of and in addition to the management and other fees paid to Pacific Advisors. Pacific Advisors will not receive any portion of those charges.

In addition to the management fee payable to Pacific Advisors, Private Funds will incur certain charges imposed by third parties, including, but not limited to: any sales or other taxes; fees or governmental charges which may be assessed against the Private Funds; commissions or brokerage fees or similar charges incurred in connection with the purchase or sale of securities; expenses of the general partner incurred in connection with its duties; interest expense; all expenses relating to litigation and threatened litigation involving the Private Fund, including indemnification and insurance expenses; expenses attributable to commercial banking, accounting, auditing, appraisal, tax advisory, legal, external consulting, custodial, administration and registration services provided to the Private Fund; expenses related to the investment activities of the Private Fund; the costs of dissolving the Private Fund and liquidating their assets; and all other expenses properly chargeable to the activities of the Private Fund.

Other Compensation

Pacific Advisors and Pacific Advisors' supervised persons do not earn commissions for the sale of securities or other investment products. Pacific Advisors' supervised persons receive a base salary along with an annual discretionary bonus that is based upon a variety of factors including, but not limited to, the profitability of Pacific Advisors, and contributions of that individual to the success of Pacific Advisors.

Performance-Based Fees and Side-by-Side Management

Performance-Based Fees

The general partners of the Private Funds are each related entities of Pacific Advisors and will typically receive certain allocations from the Private Fund that are calculated and charged based on a share of capital gains on or net income (including interest

payments from Portfolio Funds) from the assets of the Private Fund. These allocations may be disproportionate relative to the capital contribution that the general partner makes to the Private Fund. All allocation arrangements comply with Rule 205-3 under the Investment Advisers Act of 1940 (together with all rules and regulations promulgated thereunder, the “Advisers Act”) to the extent required thereunder. Any share of profits allocated or distributed to a general partner or affiliate of the Private Fund is separate and distinct from the advisory fees charged by Pacific Advisors to the Private Fund for advisory services.

Arrangements regarding performance-based allocations received by related persons of Pacific Advisors may create an incentive for Pacific Advisors to select investments that may be riskier or more speculative than those that would be selected under a different fee arrangement.

Please refer to the Governing Documents of the PARS Fund or the PPEI Fund as applicable for complete information on the specific “performance-based fee” arrangements of the Private Fund.

Side-by-Side Management

Pacific Advisors does not currently manage multiple investment vehicles that are actively making investments during the same period. Pacific Advisors sponsored funds may in the future be subject to different performance-based compensation arrangements. If Pacific Advisors or an affiliate is entitled to receive a higher percentage of the net profits and income of the account of one Pacific Advisors fund than the percentage that Pacific Advisors or an affiliate receives from another Pacific Advisors fund, then Pacific Advisors may have an incentive to favor, or to allocate certain riskier or more speculative investments to, the Pacific Advisors fund that is subject to the higher percentage.

Certain of Pacific Advisor’s portfolio managers, however, are dually employed with Pacific Advisors and its indirect parent, Pacific Life. In their capacity as employees of Pacific Life, these portfolio managers are ultimately responsible for making or recommending investment decisions pertaining to Pacific Life’s general account (“General Account”). This presents a potential conflict of interest to the extent that the portfolio managers may have an incentive to allocate more favorable investment opportunities to Pacific Life than to the Private Funds.

Pacific Advisors has adopted an investment allocation policy, which takes into account multiple criteria to reduce or eliminate this potential conflict, in order to allocate investment opportunities to both the General Account and the Private Funds in a fair and equitable manner.

Types of Clients

Pacific Advisors provides advice to the Private Funds, which are pooled investment vehicles. Pacific Advisors may in the future also manage other private funds or advisory accounts for clients and may provide investment advice to advisory clients on either a discretionary or a non-discretionary basis.

Minimum Investment Requirements

Pacific Advisors and its related persons require that each limited partner in the Private Funds be an “accredited investor” as defined in Regulation D under the U.S. Securities Act of 1933, as amended (the “Securities Act”) and/or a “qualified purchaser” as defined in Section 2(a)(51) of the Investment Company Act of 1940 (the “Investment Company Act”). The limited partners of the Private Funds may include high net worth individuals, corporations, funds of funds, financial institutions, endowments, foundations, trusts, estates, sovereign wealth funds, and public and private pension and profit sharing plans.

In general, the minimum investment commitment required of an institutional limited partner to participate in the Private Funds is \$1,000,000; however, the general partner of the PARS Fund or the PPEI Fund, as applicable, has discretion to increase or reduce the minimum investment commitment. Investors in the Private Funds are requested to refer to the Governing Documents for complete information on minimum investment requirements for participation in the Private Funds.

Methods of Analysis, Investment Strategies and Risk of Loss

Investment Strategy

Pacific Advisors’ primary investment strategy is to acquire, hold and realize investments interests in private hedge funds and other private investment funds.

Methods of Analysis

Fund of Funds. In executing its strategy, for fund of funds, Pacific Advisors utilizes both a bottom-up and top-down analysis, evaluating both potential Portfolio Funds and the underlying securities held by the Portfolio Fund. Pacific Advisors uses a combination of analytical techniques, typically incorporating a company-by-company review of a potential Portfolio Fund’s holdings to determine a range of values. These valuations are then applied to various analytical criteria and benchmarked against net asset value, cost and projected exit value.

PMSR Fund. Pacific Advisors has developed and maintains a proprietary model that analyzes the investment returns achieved by a representative sampling of funds of hedge funds and hedge funds as a result of exposure to market factors. Pacific Advisors analyzes various hedge fund trading strategies to determine market factors and then performs an analysis of hedge fund returns in an effort to use these market factors to isolate specific market components representative of the hedge fund returns. The Fund's investment objective is to seek to approximate the aggregate investment returns achieved by representative sampling. Pacific Advisors may exercise its own discretion in selecting the PMSR Fund's investments, if it believes it prudent to do so which may not be representative of the results from the selected market factors.

Material Risks

The risk factors discussed below provide a general description of the nature of various risks the client may be exposed to as a result of pursuing strategies recommended by Pacific Advisors. These risks may arise from either Pacific Advisors' investment advice, direct investment decisions made by Pacific Advisors, or through investments made with external investment managers advising a Portfolio Fund.

Investing involves risk of loss that clients should be prepared to bear. Not all of the risks listed below will pertain to every client and clients are likely to be exposed to additional risks not described herein.

The following risk factors do not purport to be a complete enumeration or explanation of the risks involved in an investment in any or all of the strategies of Pacific Advisors.

The task of identifying investment opportunities and managing the investments is difficult. There can be no assurance that Pacific Advisors will be able to choose, and the Private Funds will be able to make and/or realize any particular investment or that the Private Funds will be able to generate returns for their investors. In addition, there can be no assurance that any investor will receive any distribution from the Private Funds. Investing in the Private Funds involves a risk of loss that investors should be prepared to bear. Investors in the Private Funds are requested to refer to the Governing Documents for complete information on investment strategies employed by the each of the Private Funds and the corresponding risks associated with the investment strategies.

Past Performance of Client Accounts and Portfolio Funds. Past results of the Private Funds and predecessor funds are not necessarily indicative of future performance. No assurance can be made that profits will be achieved or that substantial losses will not be incurred.

Private Funds and Portfolio Funds May be Recently Organized. The Private Funds are recently formed and have limited independent operating history upon which to evaluate their likely performance. Many of the Portfolio Funds may be recently formed and may have no independent operating history upon which to evaluate their likely performance. Similarly, the investment advisers that advise the Portfolio Funds may have limited or no track records and/or operating histories.

Reliance on Pacific Advisors. Pacific Advisors has authority and responsibility for the selection of the Portfolio Funds and the investments in the PMSR Fund. The success of the Private Funds depends upon, among other things, the ability of Pacific Advisors and the investment advisers that advise the Portfolio Funds to develop and successfully implement investment strategies that achieve the investment objectives of the Private Funds and the individual Portfolio Funds. Moreover, decisions made by Pacific Advisors and the investment advisers that advise the Portfolio Funds (including with respect to the utilization of leverage) may cause the Private Funds to incur losses or to miss profit opportunities on which it may otherwise have capitalized. Investors in the Private Funds generally will have no right or power to participate in the day to day management or control of the Private Funds or the Portfolio Funds or other entities through which Pacific Advisors invest, or the investment advisers that advise the Portfolio Funds, and will not have an opportunity to evaluate the specific strategies used or investments made by Pacific Advisors, the Portfolio Funds or other entities through which Pacific Advisors invest, or their advisers. While Pacific Advisors will select and monitor the Portfolio Funds and the investment advisers that advise the Portfolio Funds, Pacific Advisors relies to a great extent on information provided by the investment advisers that advise the Portfolio Funds and will generally have limited access to other information regarding the Portfolio Funds and their operations. There is a risk that an investment adviser that advises the Portfolio Funds or other service provider may knowingly, negligently or otherwise withhold or misrepresent information regarding the investment adviser or other service provider's actions or performance, including the presence or effects of any fraudulent or similar activities. Even if an investment adviser has not engaged in any wrongdoing, an investment adviser and its operations could be materially adversely affected if the investment adviser becomes the subject of (or is otherwise involved in) any formal or informal investigation by a governmental or regulatory agency or is otherwise suspected to have engaged in or be involved in any wrongdoing (including through reports in the press). Pacific Advisors proper performance of its monitoring functions would generally not give Pacific Advisors the opportunity to discover such situations prior to the time the investment adviser or other service provider discloses (or there is public disclosure of) the presence or effects of any fraudulent or similar activities.

Dependence on Key Personnel. Pacific Advisors may rely on certain key personnel. The departure of any of the key personnel or their inability to fulfill certain duties may

adversely affect the ability of Pacific Advisors to effectively implement the management of the Private Funds.

Portfolio Fund Advisers Invest Independently. The investment advisers that advise the Portfolio Funds generally make investment decisions independently of each other and may at times hold, or cause an Portfolio Funds to hold, economically offsetting positions. Consequently, a Portfolio Fund could indirectly incur costs, including transaction costs and taxes, without accomplishing any net investment result. In addition, it is possible that from time to time, various investment advisers that advise the Portfolio Funds may be competing with each other for the same positions in one or more markets.

Limited Liquidity. Portfolio Funds generally impose limitations on their liquidity. Interests in Portfolio Funds generally are not freely transferrable and there generally will be no secondary market for these interests. In addition, Portfolio Funds may impose “lock-up” periods, limited dates on which interests may be redeemed, significant redemption notice periods, percentage limits on the amount of interests that may be redeemed on any redemption date, and redemption fees. The investment advisers that advise the Portfolio Funds may invest substantial portions of their assets in investments that are not readily disposable and, in some cases, may be subject to contractual, statutory or regulatory prohibitions on disposition for a specified period of time. During periods of limited liquidity and higher price volatility, the Portfolio Fund's ability to acquire or dispose of investments at a price and time that the investment adviser to the Portfolio Fund deems advantageous may be impaired. As a result, the Portfolio Fund may suspend or otherwise limit or defer redemptions. A significant portion of the PARS Fund may be allocated to Portfolio Funds that invest in investments that are not readily disposable. The inability of the Private Funds to withdraw assets from Portfolio Funds may have a material adverse effect on the investment mix of Private Funds and could materially adversely affect the ability of Pacific Advisors to successfully implement the investment program of the Private Funds.

Valuation of Portfolio Funds; Estimates. Pacific Advisors ordinarily values the Private Funds based upon valuations of underlying Portfolio Funds provided by the investment advisers to the Portfolio Funds. Pacific Advisors will not generally have sufficient information in order to be able to confirm or review the accuracy of valuations provided by the investment advisers to the Portfolio Funds. Frequently, the valuations received by Pacific Advisors from the investment advisers to the Portfolio Funds will be estimates only, and such valuations generally will be used to calculate the net asset value and fee accruals to the extent that current audited information is not then available. The valuations provided by the investment advisers to the Portfolio Funds may be subject to later adjustment based on valuation information available at that time, including, without limitation, as a result of year-end audits. Given the

uncertainty inherent in the valuation of assets that lack a readily ascertainable market value, the value of such assets as reflected in the net asset value of the Portfolio Fund may differ materially from the prices at which the investment adviser to the Portfolio Fund would be able to liquidate the assets. In addition, Pacific Advisors may sell interests in Portfolio Funds through secondary market transactions and these assets may be sold at a discount to the current net asset value because of liquidity or other considerations, and such discount may be significant.

Multiple Levels of Fees and Expenses. An investor in the fund of funds Private Funds will bear any management fees and performance based fees or allocations and expenses at the Private Fund level, in addition to any management fees and performance-based fees or allocations and expenses (including organizational and offering expenses, operating costs, sales charges, brokerage expenses and administrative fees) at the Portfolio Fund level. Management fees will be charged on all assets in the Private Funds, including cash or cash equivalents. An investor in the fund of funds Private Funds may be subject to performance-based fees or allocations in respect of certain Portfolio Funds, irrespective of the performance of other Portfolio Funds and the Private Funds generally. Accordingly, an investment adviser to a Portfolio Fund with positive performance may receive performance-based compensation from a Portfolio Fund, and thus indirectly from an investor in the Private Funds, even if the Private Funds overall performance (based on the performance of all Portfolio Funds) is negative. Any performance-based compensation received by an investment adviser to a Portfolio Fund may create an incentive for the investment adviser to the Portfolio Fund to make investments that are riskier or more speculative than those that it might have made in the absence of the performance-based compensation.

Limitations on Ability to Invest in Portfolio Funds. In the event that Pacific Advisors is unable to make investments in Portfolio Funds on behalf the fund of funds Private Funds at certain times, the Private Fund may hold cash or invest any portion of its assets that is not invested in Portfolio Funds in cash equivalents, short-term securities or money market securities pending allocation to Portfolio Funds. During the time that the Private Fund assets are not invested in Portfolio Funds, that portion of the Private Funds assets generally will not be used to pursue the Private Fund investment objective.

Investments in the Fund of Funds Private Funds May Not Be Diversified. Subject to any investment guidelines in the Governing Documents, Pacific Advisors will have no constraints on the number of Portfolio Funds to which the fund of funds Private Funds assets are allocated, or on the percentage of the assets of the fund of funds Private Fund allocated to any single Portfolio Fund. No assurance is given as to any level of multiple Portfolio Fund diversification or diversification among the hedge fund strategies within the Private Funds. Greater concentration with any single Portfolio Fund or in any single hedge fund sector may entail additional risks.

Limited Regulatory Oversight. The Portfolio Funds in which the Private Funds invest and the Private Funds themselves are not registered under the Investment Company Act or the Securities Act, and the investors in the Portfolio Funds and the Private Funds are not provided the protections of the Investment Company Act. Therefore, an investor in the Private Funds may not have the benefit of certain protections otherwise afforded to investors had the Private Funds and the underlying Portfolio Fund been more heavily regulated.

Legal, Tax and Regulatory Risks. Pacific Advisors and the Private Funds are subject to legal, tax and regulatory oversight, by the SEC and similar regulators world-wide. In addition, there have been recent legislative, tax and regulatory changes and proposed changes that may apply to the activities of Pacific Advisors and the Private Funds that may require material adjustments to the business and operations of, or have other material adverse effects on, Pacific Advisors and/ or the Private Funds. There also may be unanticipated legal, tax and regulatory changes. Any rules, regulations and other changes, and any uncertainty in respect of their implementation, may result in increased costs, reduced profit margins and reduced investment and trading opportunities, all of which may negatively impact the performance of the Private Funds.

Investment and Trading Risks. Investments in the Private Funds are speculative and involve a high degree of risk, including the risk that the entire amount invested may be lost. The investment advisers to the Portfolio Funds may invest in and actively trade securities and other financial instruments using highly complex strategies and investment techniques with significant risk characteristics, including among others, risks arising from the volatility of the fixed income, commodity, currency and equity markets, risks of concentration, market risks, liquidity risks, risks of short sales, risks of leverage, risks arising from the potential illiquidity of assets, the risk of loss from counterparty and broker defaults, and legal and operations risks. Investment advisers to the Portfolio Funds may utilize investment techniques such as margin transactions, option transactions, short sales, forward contracts and futures contracts, which involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which the Private Funds may be subject.

Risks Inherent in Secondary Funds and Direct Investing. The success of the investments made by Pacific Advisors are generally subject to a variety of risks, including, without limitation, those related to (i) the quality of the management of the Portfolio Funds and the ability of management to successfully select investment opportunities; (ii) the quality of the management of the operating companies in which a PARS Fund has invested, either directly or indirectly through Portfolio Funds, and the ability of management to develop and maintain successful business enterprises; (iii)

general economic conditions; and (iv) the ability of the Portfolio Funds and the Private Funds to liquidate their investments.

Illiquid Investment. There can be no assurances that Pacific Advisors will be able to sell or otherwise dispose of a Portfolio Fund investment at a time that Pacific Advisors considers to be economically opportune or at all. An investment in the Private Funds may be illiquid, have limited redemption rights and there may be significant restrictions on transferring interests in the Private Funds. There is no secondary market for an investor's interest in the Private Funds and none is expected to develop.

Reliance on Unaffiliated Managers. The Portfolio Funds in which Pacific Advisors invests on behalf of the Private Funds are managed by investment advisers unrelated to Pacific Advisors. The returns achieved by the Private Funds thus will depend in large part on the efforts and performance results obtained by the investment advisers of the Portfolio Funds. Pacific Advisors will attempt to evaluate each proposed Portfolio Fund based on its investment portfolio at the time of investment from available information, such as the performance history of the Portfolio Fund and the investment strategies of the Portfolio Fund. Past performance may not, however, be a reliable indicator of future results, and investment managers, investment management personnel and investment strategies of any Portfolio Fund may change without the consent of Pacific Advisors.

Securities, Futures and Derivatives Selection Risk. Securities, futures and derivatives may not perform to expectations. This could result in the underperformance of the account compared to other accounts with similar investment objectives.

Market Risk. Market risks can affect the value of securities, futures and derivatives. These risks include political, regulatory, market and economic developments, including developments that impact specific economic sectors, industries or segments of the market. There is a risk that the lack of liquidity or other adverse credit market conditions may hamper the ability to purchase and sell certain securities.

Market Events. Turbulence in financial markets and reduced liquidity in credit and fixed income markets may negatively affect many issuers worldwide, which may have an adverse effect on investments.

Counterparty Risk. The credit risk of a counterparty can affect the value of futures and derivatives. The counterparty for futures transactions and certain over-the-counter transactions is a clearinghouse. The clearinghouse reduces its risk to market participants with initial margin requirements and rules for liquidating positions if a participant fails to post required margin. Over-the-counter transactions are agreements between a client and counterparty that may not currently trade, settle or clear on an exchange or through a clearinghouse. As such, the client is at risk to the counterparty.

Pacific Advisors seeks to mitigate counterparty risks by including certain protections in its client's counterparty agreements including collateral arrangements.

High Portfolio Turnover Risk. Portfolio turnover is a measure of trading activity over a one-year period. A portfolio turnover rate of 100% would indicate that an account sold and replaced the entire value of its securities holdings during the period. High portfolio turnover could increase transaction costs and possibly have a negative impact on performance.

Arbitrage Risk. An account that invests in securities purchased pursuant to an arbitrage strategy in order to take advantage of a perceived relationship between the values of two securities presents certain risks. Securities purchased or sold short pursuant to an arbitrage strategy may not perform as intended, which may result in a loss to the account.

Derivatives Risk. Derivatives are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. A variety of derivatives may be available to an account, depending on the specific type of account and/or investment guidelines. In implementing certain investment strategies, Pacific Advisors may use derivatives as a substitute for taking a position in the underlying asset and/or as part of a strategy designed to reduce exposure to other risks. Pacific Advisors may also use derivatives for leverage, in which case their use would involve leveraging risk. An account's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Derivatives are subject to a number of risks such as liquidity risk, market risk and management risk. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. An account's investments in commodity-linked derivative instruments may subject the account to greater volatility than investments in traditional securities. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. Because an account may concentrate assets in a particular sector of the commodities market (such as oil, metal or agricultural products), it may be more susceptible to risks associated with those sectors. An account investing in a derivative instrument could lose more than the principal amount invested. Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that Pacific Advisors will engage in these transactions to reduce exposure to other risks or otherwise when doing so would be beneficial for a particular account.

Disciplinary Information

Pacific Advisors and its supervised persons have not been the subject of any material legal or disciplinary proceeding required to be disclosed in response to this item.

Other Financial Industry Activities and Affiliations

PAAL is the sole member of Pacific Advisors. PAAL is wholly-owned by Pacific Life Insurance Company, which is wholly owned by Pacific LifeCorp, which is wholly-owned by Pacific Mutual Holding Company. Pacific Mutual Holding Company is a mutual insurance holding company, whose members are policyholders and contract holders of Pacific Life. Through its direct and indirect subsidiaries, Pacific Mutual Holding Company is engaged in a wide variety of insurance, financial services, and other investment-related businesses. Pacific Advisors manages assets for Pacific Life and its affiliates. Pacific Life is an investor in the Private Funds.

Pacific Advisors has various financial industry affiliations that may be significant to its clients. Pacific Life Fund Advisors LLC, a registered investment adviser and a wholly-owned subsidiary of Pacific Life, is the investment adviser to and is compensated for various services provided to the Pacific Life Funds and the Pacific Select Fund. Pacific Global Advisors LLC, a registered investment adviser, commodity trading advisor and commodity pool operator is also a wholly-owned subsidiary of Pacific Life.

Pacific Advisors may perform advisory services for client accounts and vehicles with investment objectives and policies similar to one another.

Pacific Advisors acts as investment adviser to the Private Funds. Certain personnel of Pacific Advisors may act as officers, directors or authorized persons of the Private Funds or the general partner of the Private Funds. Pacific Advisors is the sole member of the General Partners of the Private Funds and as such has an apparent conflict of interest between its fiduciary duty to the Fund as investment manager and its selection of itself as the investment manager. The Investment Management Agreements were not negotiated at an arm's length.

Pacific Select Distributors, Inc., a limited purpose broker-dealer which is a wholly-owned subsidiary of Pacific Life serves as distributor of the Pacific Life Funds and Pacific Select Fund. Pacific Advisors employees, in appropriate circumstances and consistent with clients' objectives, may recommend to investment advisory clients or prospective clients the purchase of shares in the Pacific Life Funds and Pacific Select Fund or other investment companies or pooled investment vehicles that Pacific Select Distributors distributes or underwrites. These investment companies or pooled investment vehicles may pay investment management or administrative fees to Pacific Life Fund Advisors LLC, Pacific Life or affiliates of Pacific Life, or may pay sales

commissions or distribution fees to Pacific Select Distributors, Pacific Life or affiliates of Pacific Life, including 12b-1 fees, loads, or contingent deferred sales charges. Pacific Advisors does not use affiliated broker-dealers to execute transactions for clients.

Pacific Advisors has arrangements which are material to its advisory business with Pacific Life and its affiliates. In particular, Pacific Advisors, or its personnel, provides investment advisory services to Pacific Life and its affiliates.

Pacific Life is an insurance company. Pacific Life & Annuity Company is an insurance company and a wholly-owned subsidiary of Pacific Life.

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

Code of Ethics

Pacific Advisors has adopted a code of ethics under Rule 204A-1 of the Advisers Act ("Code of Ethics") expressing Pacific Advisors' commitment to ethical conduct. Pacific Advisors' Code of Ethics describes the fiduciary duties of Pacific Advisors and its supervised persons and their responsibilities to Pacific Advisors' clients. Under Pacific Advisors' Code of Ethics, Pacific Advisors has a duty of good faith to act in the best interests of the PARS Fund and all Pacific Advisors supervised persons are required to promptly report all suspected or apparent violations of the Code of Ethics to Pacific Advisors' Chief Compliance Officer ("CCO"), an employee of Pacific Life. In addition to other back office services, Pacific Life provides compliance and related supervisory services to Pacific Advisors. All supervised persons must acknowledge receipt of the Code of Ethics and any amendments thereto.

The Code of Ethics contains policies and procedures with respect to personal securities transactions by employees and related accounts that are designed to prevent front-running, scalping, the misuse of inside information and other improper activities. Employees must report all personal transactions to the CCO (or a designee) on at least a quarterly basis. The CCO (or a designee) monitors all transactions by employees in order to identify any pattern of conduct that may evidence conflicts or potential conflicts with the principles and objectives of the Code of Ethics, or other inappropriate behavior.

Pacific Advisors will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions; Personal Trading

As the managing member of the general partner of the Private Funds and investment manager of the Private Funds, Pacific Advisors and its related persons have an indirect

beneficial interest in the Private Funds and will share in any profits and losses generated by the Private Funds. In certain situations, related persons of Pacific Advisors may purchase interests in the same Portfolio Fund held by the Private Funds. All such transactions are subject to compliance with Pacific Advisors' Code of Ethics.

Brokerage Practices

Pacific Advisors invests primarily in private equity investments, and will generally not acquire, sell or distribute public securities. In the event that Pacific Advisors does purchase public securities for a client, Pacific Advisors will generally have discretionary authority to select the broker-dealer to be used to execute transactions in the securities on behalf of the Pacific Advisors client and negotiate the commission cost to be paid. Pacific Advisors seeks to obtain best execution by considering all relevant facts and circumstances, including the price and size of the order, the trading characteristics of the securities involved, the value of research provided by each broker, the broker's execution abilities, commission rates, and financial responsibility and responsiveness. The applicability of specific criteria will vary depending upon the nature of the transaction, the market in which it is executed, and the extent to which it is possible to select from among multiple brokers or dealers.

Research and Soft Dollar Benefits

Pacific Advisors' investment advisory services require very limited use of broker-dealers. Pacific Advisors does not have any soft dollar arrangements with broker-dealers and does not direct client transactions to particular broker-dealers in return for soft dollars.

Brokerage for Client Referrals

Pacific Advisors does not consider whether it will receive client referrals from a broker-dealer when selecting or recommending broker-dealers.

Directed Brokerage

Pacific Advisors does not permit clients to direct their transactions to particular broker-dealers.

Trade Aggregation

Pacific Advisors does not trade in public securities. In the future, if Pacific Advisors trades in public securities, Pacific Advisors may place a combined order for two or more advisory clients engaged in the purchase or sale of the same security if, in its good faith determination, joint execution would be consistent with its duty to seek best

execution, consistent with the terms of the participating clients' Governing Documents, and otherwise in the best interests of its clients.

Review of Accounts

Review of Client Accounts

The portfolio manager regularly monitors Portfolio Funds on behalf of the Private Funds. Investments are reviewed in the context of each Portfolio Fund's stated investment objectives and guidelines. Each Portfolio Fund in which Pacific Advisors invests on behalf of the Private Funds will be subject to regular monitoring. The continued monitoring of the Private Funds is necessary to maximize the Private Funds' return. Active monitoring facilitates the identification and resolution of potentially detrimental issues such as alignment changes, strategy drift, loss of key team members and proposed changes in partnership agreements.

Reports to Clients

The general partner of the Private Funds distributes monthly, quarterly and annual written reports to the limited partners of the Private Funds. Annual reports generally contain audited financial statements of the Private Fund and an annual report providing a description of the Private Fund's investments as of the end of the fiscal year. The quarterly reports generally contain summary financial and other information on the Private Fund for the fiscal quarter. Monthly reports generally contain estimated summary financial and other information on the Private Fund for the month.

Please refer to the Governing Documents of the Private Fund for further information on the reports provided by the Private Fund to its investors.

Client Referrals and Other Compensation

Economic Benefits Received from Third Parties

Pacific Advisors does not receive any economic benefits from third parties in connection with its advisory services.

Third Party Compensation for Client Referrals

Pacific Advisors and related persons of Pacific Advisors may enter into compensation arrangements with unaffiliated placement agents or third parties for introducing investors to the Private Funds. Any sales charge associated therewith will ultimately be payable by Pacific Advisors and/or its related persons, either directly or through an offset of the advisory or management fee payable by the Private Fund to Pacific

Advisors. An investor in the Private Funds will not be charged any additional amount or bear any additional charges as a result of an introduction through a placement agent or other unaffiliated third party.

Custody

Pacific Advisors will not have physical custody of any client assets. Nevertheless, Pacific Advisors will be deemed to have custody of the assets of the Private Funds as a result of its position as the managing member of the general partner of the Private Funds.

It is Pacific Advisors policy to (i) cause the Private Funds to distribute audited financial statements, prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and audited by an accountant subject to regular inspection by the Public Company Accounting Oversight Board, to investors annually and no later than 120 days after the end of each fiscal year, and (ii) upon the final liquidation of the Private Funds, obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to the PARS Fund to all investors promptly after completion of the audit.

Investment Discretion

Subject to the investment objectives, policies and restrictions of the Private Funds as set forth in the Governing Documents, Pacific Advisors has discretionary authority to determine the type, amount and price of securities and investments to be bought and sold on behalf of the Private Funds, including the selection of, and commissions paid to, broker-dealers. Pacific Advisors generally enters into a written management agreement with each client granting such authority.

Voting Client Securities

Pacific Advisors has adopted policies and procedures regarding the voting of proxies as required under Rule 206(4)-6 under the Advisers Act. These policies and procedures are designed to ensure that proxies received with respect to securities in client accounts for which Pacific Advisors exercises voting discretion are voted in the best interests of its clients and that Pacific Advisors maintains records of its proxy voting in compliance with the Advisers Act.

Unless otherwise instructed by a client, Pacific Advisors will vote client proxies consistent with guidelines that Pacific Advisors has adopted and that Pacific Advisors believes reflect the best interests of its clients, after taking into consideration all relevant facts and circumstances at the time of the vote.

Pacific Advisors will provide to any client or prospective client at no cost a copy of its voting policies and procedures and information regarding how its client's proxies have been voted in the past.

Financial Information

Pacific Advisors has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.