

ITEM 1
COVER PAGE

Part 2A OF FORM ADV: FIRM BROCHURE



PERMIAN INVESTMENT PARTNERS, LP

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This brochure provides information about the qualifications and business practices of Permian Investment Partners, LP, Permian GP, LLC and HTC Partners, LLC (collectively, the “**Adviser**,” or “**we**,” or “**us**,” or “**our**”). If you have any questions about the contents of this brochure, please contact us at (212) 257-6066. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

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

We are an investment adviser registered as such under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). Such registration under the Advisers Act does not imply any level of skill or training.

ITEM 2

MATERIAL CHANGES

This Item of the Brochure discusses only specific material changes that are made to the Brochure and provides clients with a summary of such changes. The most recent update of our brochure was February 25, 2015 the following changes have occurred since our last update:

- Item 4 was updated to remove Ms. Cara Wynne Goldenberg as her limited partnership interest in the Advisor was reduced to zero effective December 31, 2014
- Item 4 was updated to reflect a partial repurchase, by the Advisor, of Flinn Permian LLC's limited partnership interest.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, our Brochure may be requested by contacting the Chief Compliance Officer at (212) 257-6066.

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Brochure Supplements

ITEM 4

ADVISORY BUSINESS

A. *General Description of Advisory Firm*

We are a Delaware limited partnership formed on February 28, 2008. Our general partner, HTC Partners, LLC, is a Delaware limited liability company formed on February 28, 2008. Our affiliate, Permian GP, LLC, a Delaware limited liability company formed on May 7, 2008, serves as the general partner of Permian Master Fund, LP, which is organized as a Cayman Islands exempted partnership (the “**Master Fund**”), and also serves as the general partner of Permian Fund, LP which is organized as a Delaware Limited Partnership (the “**Domestic Feeder**”). We serve as the investment manager of the Master Fund, the Domestic Feeder and Permian Fund, Ltd., which is organized as a Cayman Islands’ exempted company (the “**Offshore Feeder**,” and together, with the Domestic Feeder, the “**Feeder Funds**”). The Feeder Funds invest substantially all of their assets in limited partnership interests of the Master Fund. The Permian funds described above are sometimes collectively referred to in this brochure as the “**Permian Funds**.” In addition to the Permian Funds, we also manage and/or advise certain separately managed accounts (together, the “**Managed Accounts**”). From time to time, we or our affiliates may launch, sponsor, or provide investment advisory services to other pooled investment vehicles or managed accounts. We refer to the Permian Funds and the Managed Accounts, collectively, as our “**Client Accounts**,” or more generally, with other potential clients, as our “**clients**.”

Our principal owners are Alex Jason Duran, Scott Michael Hendrickson, Joseph Warner Swain, Flinn Permian LLC, and, indirectly, Lawrence Flinn JR. We have been in business for six years. Effective December 31, 2014 Cara Wynne Goldenberg’s limited partnership interest in the Advisor was reduced to zero. Ms. Goldenberg’s interest was distributed equally between Messrs. Duran and Hendrickson. Effective December 31, 2014 Flinn Permian LLC and indirectly Lawrence Flinn JR’s interest in the Advisor was partially repurchased by the Advisor and distributed pro-rata to Messrs. Duran, Hendrickson and Swain.

As an investment adviser, we provide discretionary investment management services and design, structure, and implement investment strategies for the Permian Funds and the Managed Accounts. For a detailed discussion of our strategies, please see “Item 8 Methods of Analysis, Investment Strategies and Risk of Loss” below.

Pursuant to our investment advisory agreements with each of the Permian Funds and the Managed Accounts, we provide advisory services and manage client assets in accordance with one or more of our established investment strategies. We nonetheless tailor our services to the needs of each client. For instance, with respect to the Permian Funds, we tailor our services to the size of the applicable fund’s assets and each fund’s investment objectives, including any asset allocation or investment restrictions established by such objectives. With respect to the Managed Accounts, we tailor the types of securities or other instruments to be traded on the client’s behalf based upon specific directions provided by such clients, in their investment advisory agreements or otherwise. Any restrictions on investing in certain securities, types of securities, or any geographic areas or industry sectors will be specified in the investment advisory agreement with, or offering documents of, the relevant client.

B. *Wrap Fee Programs*

We do not participate in wrap fee programs.

C. *Regulatory Assets Under Management*

As of December 31, 2014 we had \$841,124,000 in regulatory assets under management on a discretionary basis and -0- assets under management on a non-discretionary basis.

ITEM 5

FEES AND COMPENSATION

A. *Advisory Services and Fees*

Written investment advisory agreements govern the terms of compensation and the manner in which we charge fees to each of our clients. The fees we charge for our advisory services may be negotiable depending on the circumstances of the client's account and the service levels we provide to the client. Subject to the terms of their investment advisory agreement, clients may elect to be billed directly for fees or may authorize us to directly deduct fees from the client's account. For instance, we directly deduct our fees from the accounts of the Permian Funds, but bill our fees to the Managed Accounts. We generally bill our fees, or directly deduct our fees from client accounts, on a monthly, quarterly, or annual basis. Our fees are payable in arrears. For a detailed description of our fee arrangements, please see "Item 5 Payment of Fees" below.

Our clients generally are responsible for all fees and expenses incurred, directly or indirectly, by or on behalf of such client, including, without limitation:

- organizational and offering expenses, to the extent applicable,
- directors' fees and expenses, as applicable;
- administration fees and expenses;
- brokerage commissions and dealer spreads;
- regulatory filing fees and expenses, as applicable;
- transaction-related fees and expenses;
- all fees and expenses incurred in connection with any investment or potential investment, (including all research expenses (including research-related travel, data bases and online data services), the cost of research reports relating to securities, issuers, market segments, or geographic regions, the cost of third-party pricing services, the costs of portfolio modeling and analysis, bank service fees, legal fees directly related to any investment and any withholding or transfer taxes);
- legal, accounting, and auditing fees and expenses;
- tax audit costs, tax filing preparation costs, taxes, and assessments;
- costs related to the preparation, reproduction, and mailing of reports to partners or shareholders, as applicable;
- expenses associated with compliance with applicable laws and regulations;
- custodial fees and insurance expenses; and

- extraordinary fees and expenses, if any, including, without limitation, any indemnification obligations.

In connection with the above fees and expenses, the Feeder Funds pay a proportionate share of such fees and expenses incurred by the Master Fund into which such Feeder Funds invest. We do not receive a brokerage commission or other compensation attributable to the sale of securities or other investment products. Certain research related expenses, such as Bloomberg and expert network fees, are shared by the Permian Funds and the managed accounts when permissible by the investment management agreements.

For a discussion of the factors that we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of commissions and compensation for such broker-dealers, please see “Item 12 Brokerage Practices – Selection of Broker-Dealers and Reasonableness of Compensation.”

B. *Payment of Fees*

The fees relating to our trading strategies are generally as follows:

- | | |
|------------------|---|
| Managed Accounts | <ul style="list-style-type: none"> • Management and performance fees are negotiable and vary due to account size and other factors and are typically based on the nominal account size. • Management fees are payable monthly or quarterly in arrears and range from 0.5% to 1.5% of assets under management. Performance fees are payable in arrears and are typically 10% of net profits that exceed a benchmarked index. |
| Permian Funds | <ul style="list-style-type: none"> • With respect to Permian Master Fund, LP, a management fee is payable to the Adviser by this Master Fund, monthly in arrears at an annual rate of 1.5% of that Master Fund’s net asset value. • With respect to Permian Master Fund, LP, the Master Fund’s general partner, Permian GP, LLC, receives an annual incentive allocation, which ranges from 15% to 20% of the Master Fund’s annual net profits, subject to a “high water mark.” |

Pursuant to the terms of the client’s investment advisory agreements, if the investment advisory relationship is terminated as of any date other than the last business day of the applicable payment period, we typically charge a prorated management fee based on the ratio that the number of days for which investment advisory services were rendered bears to the total number of days in that payment period. In the event that the investment advisory relationship is terminated other

than at the end of a performance allocation calculation period, such termination date shall typically be treated as the end of a performance allocation calculation period, and, if earned, we will effect such performance allocation. We may elect to reduce, waive, assign or otherwise share the management fee and incentive allocations set forth above without notice to or the consent of any client

ITEM 6

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

In some cases, including pursuant to our investment advisory agreements with the Permian Funds and the Managed Accounts, we will enter into performance or incentive fee or allocation arrangements with eligible clients. The terms and conditions of such fees or allocations are subject to individualized negotiations with each client. We will structure any performance or incentive fee or allocation arrangement in accordance with Section 205(a)(1) of the Advisers Act and the rules and regulations thereunder, including the exemption set forth in Rule 205-3 of the Advisers Act permitting performance fee arrangements with “qualified clients.” For a more detailed discussion of the calculation of the incentive fees or allocations paid or made, as applicable, by the Permian Funds and Managed Accounts, please see “Item 5 Fees and Compensation – Fees.”

Performance-based fee or allocation arrangements may create an incentive for us to recommend investments that may be riskier or more speculative than those that we may recommend under a different fee or allocation arrangement. In the allocation of investment opportunities, performance-based fee or allocation arrangements may also create an incentive for us to favor accounts with performance or incentive fee or allocation arrangements, or accounts with higher performance or incentive fee or allocation arrangements, over accounts that do not have such arrangements or that have lower fee or allocation arrangements. We have adopted a trade allocation and aggregation policy (the “**Allocation and Aggregation Policy**”) designed to ensure that all of our clients are treated fairly and equally and to prevent this form of conflict from influencing the allocation of investment opportunities among our clients. In accordance with our Allocation and Aggregation Policy, while each of our clients may not participate in each individual investment opportunity, on an overall basis, due to a client’s investment strategy or elective trading restrictions established by a client, each client generally will be entitled to participate equitably with our other clients.

The Allocation and Aggregation Policy seeks to allocate investment opportunities among our clients in a fair and equitable manner. If an investment opportunity is appropriate for two or more clients with similar or overlapping investment strategies, such investment opportunity will be allocated based on the provisions governing allocation of such investment opportunities, if any, in the relevant organizational documents or investment advisory agreements relating to such clients. Generally, we effect trades on a client by client basis. However, the Allocation and Aggregation Policy provides that the Firm may “bunch” trades for a number of clients. The aggregation must be done to assure best execution and is based on the fact that each investment so bunched is appropriate for the applicable clients. The Allocation and Aggregation Policy also provides that to the extent that a client participates in an aggregate order, it will do so at the average price per share for that order.

ITEM 7

TYPES OF CLIENTS

We currently provide investment advisory services to the Permian Funds and Managed Accounts. Interests in the Permian Funds and Managed Accounts are offered to high net worth individuals, financially sophisticated individual and institutional investors, including trusts, estates, or charitable organizations, endowments, pension and profit sharing plans and comingled investment vehicles, including investment companies.

Investors in the Permian Funds must make minimum initial subscriptions ranging from \$500,000 to \$1,000,000, depending upon the Permian Fund, and any additional subscriptions must also be made according to established minimums. In addition, investors in the Permian Funds must meet certain prescribed criteria, including, as applicable, being an “accredited investor,” as defined in Rule 501(a) of Regulation D, promulgated pursuant to Section 4(2) of the Securities Act of 1933, as amended; a “qualified purchaser,” as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended; and a “qualified client,” as defined in Rule 205-3 of the Advisers Act. Such minimum investment amounts and investor criteria are set forth in the offering documents of each Permian Fund. Investors in a Managed Account generally must be willing to provide an initial minimum of \$50,000,000 in order to open such account with us.

We may, in our sole discretion, waive any of the minimum account requirements.

ITEM 8

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. *Methods of Analysis and Investment Strategies*

With respect to the Permian Funds, we apply a combination of fundamental and technical analyses for equity and equity-like securities and portfolio construction. Our objective for the Master Fund and Feeder Funds is to achieve absolute returns and in the case of the Managed Accounts to achieve returns in excess of the STOXX Europe 600 Index in U.S. Dollars across market cycles through the implementation of a Western European-focused, value-oriented and event-driven equity long/short strategy or long only strategy, as applicable. Our approach to value investing centers around identifying original and contrarian investment opportunities by systematically tracking and accessing proven and incentivized management teams who possess a variant perception of the sustainable earnings power of a business, which is typically the motivating factor behind their decision to accept the position at the outset. Generally, we will employ a “needle-in-a-haystack” approach, primarily targeting small-cap to medium-cap international publicly traded companies in mature markets with what we believe to be minimum market capitalization restrictions and straight-forward business models, continually screening what we believe to be the maximum number of appropriate opportunities. Our primary focus will be on the quality and competence of management teams. Ideas are generated through the following methods: Permian’s proprietary screening and research portal; and quarterly Management surveys: Permian’s CEO network recommends new, high quality CEOs. Through the use of a proprietary screening tool designed to provide both qualitative and quantitative results, we will seek to identify what we believe to be viable investment opportunities.

Each Feeder Fund invests substantially all of its assets into the Master Fund. If deemed appropriate, the investment objective, investment restrictions and/or investment guidelines of the Master Fund may be altered if, due to a change in current market conditions and/or a change in other systemic factors negatively affecting the investment objective of the Master Fund, we no longer believe that such investment objective, investment restriction and/or investment guideline is in the best interests of the Master Fund.

Generally, the Master Fund is expected to pursue a strategy, as described above. Permian Master Fund, LP has both long and short investments as well as a modest number of selected derivative positions. The Managed Accounts have only long investments and do not employ derivatives.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. More specifically, investing in assets managed pursuant to our strategies set forth above involves the below material risks. Because these risk factors are not a complete list or explanation of all of the risks to investors in the Permian Funds or Managed Accounts, all such investors should read this brochure and any investment advisory agreement or offering document of the particular Permian Fund or Managed Account before making an investment with us.

Risk Factors

Investment and Trading Risks. An investment with us involves a high degree of risk, including the risk that the entire amount invested may be lost. We invest in and actively trade securities using strategies and investment techniques with significant risk characteristics, including risks arising from the volatility of the global equity markets, the risks of leverage, and the risk of loss from counterparty defaults. No guarantee or representation is made that our investment program will be successful. In addition, investment results may vary substantially over time.

Investment Judgment. The profitability of a significant portion of our investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that we will be able to predict accurately these price movements.

General Economic Conditions. Market risk is a factor in any investment, and during the last several years, a high level of volatility in the financial markets has increased risk generally. Continued volatility could disrupt our investment strategy, decrease the value of our clients' portfolios, and adversely impact profitability.

Illiquidity. Investments made by our clients may be illiquid and, consequently, we may not be able to sell such investments at prices that reflect our assessment of their value or the amount paid for such investments. With respect to the Permian Funds, we may make distributions in kind of securities in lieu of or in addition to cash. In the event that we do so, such securities could be illiquid or subject to legal, contractual, and other restrictions on transfer.

Leverage. For the Permian Funds only, we potentially create leverage with respect to our Funds via the use of instruments such as options and other derivative instruments.

Derivatives. For the Permian Funds only, derivative instruments, or "derivatives," include futures, options, swaps, structured securities and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, currencies, or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark currency, or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are "leveraged," and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement can not only result in the loss of the entire investment, but may also expose our clients' accounts to the possibility of a loss exceeding the original amount invested. Derivatives may also expose investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts, and to counterparty risk. The counterparty risk lies with each party with which we contract for the purpose of making derivative investments. In the event of the counterparty's default, our clients' accounts would rank merely as an unsecured creditor and would risk the loss of all or a portion of the amounts it is contractually entitled to receive.

Options. Our investment program involves trading in a limited number of equity options. Investing in options can provide a greater potential for profit or loss than an equivalent investment in the underlying asset. The value of an option may decline because of a change in the value of the underlying asset relative to the strike price, the passage of time, changes in the market's perception as to the future price behavior of the underlying asset, or any combination thereof. In the case of the purchase of an option,

the risk of loss of an investor's entire investment (i.e., the premium paid plus transaction charges) reflects the nature of an option as a wasting asset that may become worthless when the option expires. Where an option is written or granted (i.e., sold) uncovered, the seller may be liable to pay substantial additional margin, and the risk of loss is unlimited, as the seller will be obligated to deliver, or take delivery of, an asset at a predetermined price which may, upon exercise of the option, be significantly different from the market value.

Investment in Foreign Securities. Our investment program involves significant trading in foreign securities. Investments in foreign securities involve certain factors not typically associated with investing in U.S. securities, such as risks relating to (a) differences between the U.S. and foreign securities markets, including the absence of uniform accounting, auditing, and financial reporting standards; greater price volatility; less liquid markets; the absence of uniform industry practices and disclosure requirements; higher transaction costs; and less governmental supervision and regulation than exists in the U.S.; (b) political, social, or economic instability in certain countries in which we may trade; (c) expropriation and the imposition of foreign income, withholding, or other taxes; (d) less developed bankruptcy laws; and (e) difficulty in enforcing contractual obligations. Foreign companies are also subject to accounting, auditing and financial reporting requirements that may differ, in some cases significantly, from those applicable to U.S. companies. In many countries, reporting requirements are considerably less strict than those in the United States. Also, there is generally less publicly available information about certain European companies than there are reports and ratings published about comparable U.S. companies, and companies in these jurisdictions are often less willing to provide potential investors the types of financial and other disclosures customary for U.S. issuers. In addition, foreign investments may be subject to foreign taxes, including withholding taxes. All distributions to clients will be made net of any taxes payable (including any corporate, foreign, local and withholding taxes).

Denomination of Investment in Foreign Currencies. Certain of our investments that are denominated in a foreign currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation, and political developments. Fluctuations in the rate of exchange between the U.S. dollar (the currency in which the books of the Permian Funds are maintained) and the various foreign currencies in which portfolio securities will be denominated pose the risk of increased costs, including costs associated with the conversion of investment principal and income from one currency into another.

Limited Diversification. Our clients' portfolios will not be widely diversified, and may be subject to more rapid changes in value than would be the case if we were required to maintain a wide diversification among industries, issuers, geographical location of issuers, and types of securities.

Master-Feeder Structure. The Permian Funds generally invest through a "master-feeder" structure. Although a common investment fund structure, the "master-feeder" fund structure presents certain unique risks to investors. For example, a smaller feeder fund investing in a Master Fund may be materially affected by the actions of a larger feeder fund investing in such Master Fund. If a larger feeder fund withdraws from such Master Fund, the remaining feeder fund may experience higher *pro rata* operating expenses, thereby producing lower returns.

Reliance on Key Persons. Client accounts will be substantially dependent on the services of Alex Duran and Scott Hendrickson. With respect to Messrs. Duran and Hendrickson, in the event of any of their death, disability, departure, or insolvency, or the complete transfer of their interest in the Adviser, our business may be adversely affected. Messrs. Duran and Hendrickson will devote such time and effort as

he deems necessary for the management and administration of our business. However, Messrs. Duran and Hendrickson may engage in various other business activities in addition to managing client accounts.

Valuations. Valuation of clients' securities and other investments (which will indirectly determine the amount of our management and performance fees) may involve uncertainties and judgmental determinations, and if such valuations should prove to be incorrect, clients' capital accounts/share value could be adversely affected. Independent pricing information may not at times be available with respect to certain of our clients' securities and other investments. Accordingly, while we will use our best efforts to value all client investments fairly, certain investments may be difficult to value and may be subject to varying interpretations of value and on certain occasions may have to be valued by us.

Legal, Tax and Regulatory Risks. Legal, tax and regulatory changes could occur which may adversely affect us or our clients. For example, the regulatory and tax environment for derivative instruments is evolving, and changes in the regulation or taxation of derivative instruments may adversely affect the value of derivative instruments held by clients and our ability to pursue our investment strategies. Similarly, the regulatory environment is generally evolving, and changes in the direct or indirect regulation governing our clients or us may adversely affect our ability to pursue our investment strategies.

Absence of Regulatory Oversight. While the Permian Funds may be considered similar to an investment company, the Permian Funds do not intend to register as such under the Investment Company Act of 1940, as amended, in reliance upon an exemption available to privately offered investment companies, and, accordingly, the provisions of that Act (which, among other matters, require investment companies to have disinterested directors, require securities held in custody to at all times be individually segregated from the securities of any other persons and marked to clearly identify such securities as the property of such investment company and regulate the relationship between the adviser and the investment company) will not be afforded to clients or underlying investors.

Investment Flexibility. The applicable operative documents of the Permian Funds have given us broad and flexible investment authority. In particular, we are not required to invest any particular percentage of the Permian Funds in any type of investment, sector or region, and the amount of the Permian Funds which is invested in any type of investment, which is long or short, or which is weighted in different countries or different sectors can change at any time based on the availability of attractive market opportunities. Accordingly, at any time, we may have significant investments in strategies, sectors or instruments not specifically described herein and which therefore present risks which are not specifically described herein.

ITEM 9 DISCIPLINARY INFORMATION

To the best of our knowledge, there are no legal or disciplinary events that we believe would be material to our clients' or our prospective clients' evaluation of our advisory business or the integrity of our management.

ITEM 10

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. *Broker-Dealer Registration*

Neither we nor our management personnel (i) are registered as broker-dealers or (ii) have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

B. *Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor Registration*

The Firm relies upon CFTC Regulation 4.13(a)(3) as an exemption from registration as a commodity pool operator. The Firm also relies upon CFTC Regulation 4.14(a)(8) as an exemption from registration as a commodity trading advisor.

C. *Material Relationships and Conflicts of Interests with Industry Participants*

Our relationships and arrangements with our various clients and other industry participants are material to our advisory business and may raise conflicts of interest. Below is a description of some of the conflicts of interest arising from such relationships and arrangements. Because this is not an exhaustive list of all of the conflicts of interest associated with the conduct of our investment advisory business, clients should read this brochure, any investment advisory agreement and any offering documents of the particular Permian Fund or Managed Account before making an investment with us.

We provide investment advisory services to multiple Permian Funds and Managed Accounts, including, without limitation, Permian Master Fund, LP, and Permian Fund, LP, as well as Managed Accounts. In addition, we expect to act as the investment manager to other investment vehicles and accounts in the near future. There is no limit on the number of vehicles or accounts that we may manage or advise. As a result of the foregoing, we may have conflicts of interest in (i) allocating the time and resources of our personnel between and among clients; (ii) allocating investment opportunities between and among clients (See Item 6 – “Performance-Based Fees and Side-By-Side Management”); and (iii) effecting transactions between clients, including clients in which we or our personnel may have different financial interests.

While we select our prime brokers, counterparties and service providers in accordance with our fiduciary obligations to our clients, from time to time, such parties or their affiliates may also invest in the Permian Funds or Managed Accounts.

To address these potential conflicts of interests in our material relationships, we have adopted policies and procedures, including a Code of Ethics. Under the Code of Ethics, in general, all of our personnel, including directors, officers, and employees, must put the interests of our clients first, and must act honestly and fairly in all respects in dealings with clients. Additionally, under such policies and procedures, no client may receive preferential treatment over any other

client. In allocating investment opportunities and securities among clients, it is our policy that all clients should be treated fairly and that, to the extent possible, all clients should receive equivalent treatment. To that end, we review our client portfolios periodically to consider the investment strategy and criteria, position sizing and portfolio construction guidelines.

With respect to the selection of broker-dealers, we allocate portfolio transactions to brokers based on best execution and in consideration of such brokers' provision or payment of the costs of research and other services. For a more detailed discussion of the factors that we consider in selecting or recommending broker-dealers for client transactions, please see Item 12 - "Brokerage Practices."

Our Code of Ethics requires that we make full disclosure of all material facts concerning any actual, apparent or potential conflicts of interest, and requires us and our personnel to follow appropriate procedures designed to minimize any such conflict.

For a more detailed discussion of our Code of Ethics, please see Item 11 - "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading."

D. *Material Conflicts of Interest Relating to Other Investment Advisers*

Except as disclosed in this Item 10, we do not recommend or select other investment advisers for our clients.

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

A. *Code of Ethics*

We have adopted a Code of Ethics that is based on the principle that we, and each of our personnel, owe a fiduciary duty to our clients and a duty to comply with federal and state securities laws and all other applicable laws. These duties include the obligation of all personnel to conduct their personal securities transactions in a manner that does not interfere with the transactions of any client or otherwise to take unfair advantage of their relationship with clients. As such, we have prohibited all employees from transacting personally in any equity securities. Among other things, the Code of Ethics requires regular reporting of personal securities transactions by certain personnel. Additionally, we maintain a restricted list of certain issuers whose securities the Permian Funds are not permitted to trade without prior approval of the Chief Compliance Officer.

We will provide a copy of our Code of Ethics, free of charge, to any client or investor and prospective client or prospective investor upon request. Our Code of Ethics may be requested by contacting our Chief Compliance Officer, Joseph Swain at (212) 257-6066 or jswain@permianlp.com.

B. *Recommending, Buying, or Selling Securities in which We or a Related Person Have a Material Financial Interest, Invest, or Buy or Sell at the Same Time; Conflict of Interests*

Conflicts of interest may occur when our Funds trade in the same security at or about the same time as our clients. A sale by our related persons or by us may affect the liquidity, value, or trading price of the securities that our clients continue to hold. In addition, we or our personnel may invest in the Permian Funds, and, therefore, such persons may hold an indirect interest in the same securities as other investors in the Permian Funds. Our Code of Ethics and our personal trading policy have been designed to limit conflicts of interest in cases where we or certain of our personnel, buy, sell or otherwise have an interest in, securities we have recommended to our clients.

We or our affiliates may give advice and recommend securities to certain client accounts that may differ from advice given to, or securities recommended or bought for, other client accounts, even though their investment programs may be the same or similar.

It is our policy not to “cross” securities transactions between clients. On rare occasions, we may enter into “principal transactions” in which we or an affiliate act as principal for our own account with respect to the sale of a security to or purchase of a security from another client. We maintain policies and procedures intended to limit the potential conflicts of interest inherent in cross or principal transactions. Cross or principal transactions will only be effected if they are deemed to be in the best interests of the particular Clients involved and will be conducted in compliance with our policies and procedures and applicable law.

The use of cross transactions often increases the probability of completing a transaction at a better price by possibly avoiding an unfavorable price movement that may be created through our entrance into the market with a purchase or sell order. We facilitate these cross transactions as part of our investment advisory services, but do not receive any compensation for doing so. Because we or our personnel may have investments in the Permian Funds participating in a cross transaction or principal transaction, we may have a potentially conflicting division of responsibilities to both parties of a cross transaction.

We have adopted an “Insider Trading Policy” that prohibits us and our personnel from trading for clients or for ourselves or themselves, or recommending trading, in securities of a company while in possession of material nonpublic information (“**Inside Information**”) about the company, and from disclosing such information to any person not entitled to receive it, in either case in contravention of applicable securities laws. By reason of our various activities, we may have access to Inside Information or be restricted from effecting transactions in certain investments that might otherwise have been initiated. We have adopted policies and procedures reasonably designed to, among other things, control and monitor the flow of Inside Information to and within our organization, as well as prevent trading based on Inside Information.

Notwithstanding such policies and procedures, there may be certain cases where we either may receive Inside Information due to our various activities on behalf of clients or may be restricted in acting for clients, resulting in limited liquidity or using such information for the benefit of certain clients in specific securities. We seek to minimize those cases whenever possible, consistent with applicable law and our Insider Trading Policy, but there can be no assurance that such efforts will be successful and that such restrictions will not occur.

Personal Trading

We believe restricting our personnel’s personal trading is one way of avoiding conflicts of interest between our clients and such personnel. Our personal trading policies are part of our Code of Ethics. A full description of our Code of Ethics are available upon request to our Chief Compliance Officer. Generally, the Code of Ethics prohibits personnel from effecting transactions in any security position other than mutual funds, ETFs, money market funds, US Treasury bonds or bills and certificate of deposits. In addition, personnel covered by our personal trading policy must provide our Chief Compliance Officer or his designee with (i) their securities holdings at the commencement of employment and annually thereafter and (ii) quarterly transaction reports or quarterly brokerage statements or duplicate trade confirmations. Furthermore, the personal accounts of the personnel covered by our personal trading policy will be reviewed regularly and compared with transactions for our clients and against the restricted list.

In addition, we may maintain a restricted list of securities prohibited from personnel and firm trading. The restricted list is composed of companies or issuers about which a determination has been made that it is prudent to restrict trading activity. It is our policy that all personnel shall strictly observe such trading activity prohibitions or restrictions.

ITEM 12

BROKERAGE PRACTICES

Pursuant to each client's investment advisory agreement, or other similar agreement, we are generally authorized to select the broker or dealer to effect transactions on behalf of our clients. However, our selection of the broker or dealer may be tailored to a particular client's investment guidelines or restrictions, where appropriate. Accordingly, portfolio transactions will be allocated to brokers based on best execution and in consideration of such broker's provision or payment of the costs of research and other services.

A. *Selection of Broker-Dealers and Reasonableness of Compensation*

Consistent with our fiduciary duty to clients, we have an obligation to seek the best price and execution of client securities transactions when we are in a position to direct brokerage transactions. While not defined by statute or regulation, "best execution" generally means the execution of client trades at the best net price considering all relevant circumstances.

We will place trades for execution only with approved brokers or dealers. Some of the following factors may be considered in selecting and approving brokers-dealers that may be used to execute trades include, but are not limited to:

1. the ability to achieve prompt and reliable executions at favorable prices;
2. the competitiveness of commission rates in comparison with other brokers satisfying our overall selection criteria;
3. the overall direct net economic result to clients' assets;
4. the broker-dealer's clearance and settlement capabilities;
5. the operational efficiency with which transactions are effected;
6. the financial strength, integrity and stability of the broker;
7. the ability to effect the transaction where a large block or other complicating factors are involved; and
8. the quality, comprehensiveness and frequency of available research and related services considered to be of value, as contemplated by Section 28(e) of the Securities Exchange Act of 1934, as amended, and the regulations and interpretations of the SEC.

Our Chief Compliance Officer, Risk Manager, Operations Manager and Portfolio Manager are responsible for due diligence on best execution, including ensuring that we meet our best execution obligations, updating our best execution procedures whenever appropriate, and considering any other best execution issues identified by such persons. Such persons will generally meet on a quarterly basis to review the approved broker list and to evaluate the aggregate

commissions paid to each broker. Notes will be kept for each such meeting. The notes will identify the issues considered, and any decisions reached.

1. Research and Other Soft Dollar Arrangements

Our policy is to only use “soft” or commission dollars to the extent that such expenses come within Section 28(e) of the Securities Exchange Act of 1934, as amended (“**Section 28(e)**”). Section 28(e) provides a “safe harbor” to investment managers that use commission dollars of their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the investment manager in performing investment decision-making responsibilities. Conduct outside of the safe harbor afforded by Section 28(e) is subject to the traditional standards of fiduciary duty under state and federal law. Items for which we may use soft dollars, and that fall within the safe harbor, include:

- research seminars and similar programs (however, travel expenses, meals and hotel accommodations are not included);
- computer analyses of securities portfolios;
- economic factors and trends as well as political analysis;
- third party research, provided that the broker is contractually obligated to pay the provider of the service or products and does not merely act as a conduit to pass on the Adviser’s commissions to the provider of the services to satisfy the Adviser’s obligation.

We are not obligated to seek the lowest transaction charge, except to the extent that it contributes to the overall goal of obtaining the best execution for clients. A higher transaction charge on exchange and over-the-counter trades may be determined reasonable in light of the value of the brokerage execution and research products and services provided to us for the benefit of our clients.

We may effect portfolio transactions through broker-dealers furnishing these services even though the commissions charged for the transactions may be higher than the commissions another broker would have charged for effecting the same transactions. We are not able to determine the specific dollar value of any research products and services or brokerage services obtained with clients’ commission dollars. We will make a good faith determination that the amount of commission paid is reasonable in relation to the value of the brokerage and research products and services provided. We may use the research products and services furnished by broker-dealers in servicing all of our advisory accounts and for client accounts other than those that pay the commissions to the brokers that arrange for such research or other services; not all such products and services will be used exclusively for the benefit of the clients that pay the brokerage commissions.

Research services may include:

- Advice as to the value of securities, the advisability of investing in, purchasing or selling securities, and the availability of securities or purchasers or seller of securities;

- Analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts; and
- Market data, stock quotes, last sale prices, and trading volumes.

We may from time to time enter into formal or informal arrangements with certain brokers (“**Soft Dollar Brokers**”) whereby the provision of research or brokerage execution services is explicitly dependent on the level of commissions and underwriting concessions generated by the client accounts. In selecting Soft Dollar Brokers to initiate soft dollar transactions, we will consider the capabilities of the Soft Dollar Broker to provide best execution.

Research services received from Soft Dollar Brokers will be used to supplement and augment our own research capabilities, and will directly assist us in our investment decision-making process. Soft Dollar Brokers also may provide execution-related products and services, including trade execution and electronic access to broker networks, in exchange for commission business.

2. Brokerage for Client Referrals

In selecting or recommending broker-dealers, we may consider whether we, or any of our affiliates, receive client or investor referrals from a broker-dealer or other third party. While we have not entered into any formal arrangement with a broker-dealer that we use to effect client transactions with respect to client or investor referrals, to the extent that we enter into any such arrangements or otherwise consider referral activities (including the ability to speak at or attend capital introduction events), we may have an incentive to select or recommend a broker-dealer based on our interest in receiving such capital introductions, rather than on our clients’ interest in receiving most favorable execution. In the last fiscal year, we have not directed client transactions to a particular broker-dealer in return for client or investor referrals.

3. Directed Brokerage

“Directed brokerage” refers to instances in which a client retains the discretion to choose brokers and instructs the Adviser to direct portfolio transactions to a particular broker-dealer. We generally do not permit any directed brokerage arrangements at this time. A Managed Account client may direct us to effect all (or a specified percentage of) securities transactions in the client’s account through a specific broker-dealer in the future. We would generally negotiate commissions for transactions with such brokers unless instructed otherwise by the Managed Account client. If we are directed to use a particular broker, whether or not we negotiate the commission rates, we may not be able to obtain the same price and execution that may be available if we were free to determine the broker best able to execute the particular transaction. Before accepting a Managed Account client directed brokerage arrangement, we would ensure the Managed Account client’s instructions are clear and unambiguous and inform the Managed Account client in writing that:

1. we assume no responsibility for negotiating commission rates and other transaction costs with the directed broker;

2. although the Managed Account client has selected a directed broker, we will not be required to effect any transaction through the directed broker if we reasonably believe that to do so may result in a breach of our duties to the Managed Account client;
3. by instructing us to execute all transactions through the directed broker, the Managed Account client may not obtain commission rates and execution as favorable as would be the case if we were able to place transactions with other broker-dealers;
4. the Managed Account client may forego benefits that we may be able to obtain through, for example, negotiating volume discounts or aggregating or bunching trades; and

Managed Account client-directed brokerage trades may be placed by us after trades for other Managed Account clients or the Permian Funds in similar securities executed through us.

B. *Aggregating Orders for Various Client Accounts*

We may aggregate orders of our client accounts for trade execution and thereafter allocate the securities on an average price basis to such client accounts. More specifically, each client that participates in an aggregated order will participate at the average share price for all of our transactions in that security or other instrument on a given business day and transaction costs will be shared pro rata based on each client's participation in the transaction. No client will be favored over any other client as a result of such aggregation. Brokerage commission rates will not be reduced because of such aggregation. In some instances, average pricing may result in higher or lower execution prices than otherwise obtainable by a single client. We believe that our aggregation policy is lawful and consistent with our duty to seek best execution for all our clients. In general, in the event that we are unable to purchase the entire allotment required to satisfy any such aggregated orders (i.e., the total amount of securities purchased is less than the amount requested in such order), we will allocate such securities as "partial fills" among the purchasing accounts in proportion to the relative sizes of the initial orders.

ITEM 13

REVIEW OF ACCOUNTS

A. *Periodic Review of Client Accounts*

Our Portfolio Manager, Risk Manager and Chief Compliance Officer receive and review periodic reports and statement summaries from the custodian(s) of the assets of the Permian Funds and Managed Accounts. Our personnel review these reports and statements to ensure conformity with each client's investment objective and appropriate asset allocation, and to monitor changes to performance of individual securities. On a daily basis, our Operations Manager reviews the previous day's trades with attention paid to the accuracy of any applicable average price treatment and allocation procedures.

B. *Additional Review of Client Accounts*

In addition, our Chief Compliance Officer reviews account performance on a periodic basis to ensure compliance with our policies and procedures with respect to the treatment of client accounts. Operations may also review Managed Account client accounts on a periodic basis to ensure that any applicable account restrictions are being followed. Reviews of client accounts are also conducted when any such account experiences a significant intraday loss in an investment position.

C. *Contents and Frequency of Account Reports to Clients*

Investors in the Permian Funds typically receive the following written reports: (i) annually, an audited financial report prepared by a certified public accounting firm; (ii) unaudited monthly statements and monthly reports regarding investment performance; and (iii) annual tax information necessary for completion of the tax returns. Investors in Managed Accounts receive reports as specified in the particular investment advisory agreement with respect to such Managed Account. We may periodically send newsletters to investors in the Permian Funds and Managed Accounts.

Upon request, certain investors may receive additional information and reporting (written or verbal) which other investors may not automatically receive, and such information may affect an investor's decision to request a withdrawal from its account. It is our policy to provide information to all investors on an equal basis. If an investor seeks to receive information of the type we are providing to other investors we will honor such request.

ITEM 14
CLIENT REFERRALS AND OTHER COMPENSATION

A. *Economic Benefits for Providing Services to Clients*

We do not receive economic benefits from third parties for providing investment advice or other advisory services to our clients. However, we have received, and may continue to receive, certain fees from certain issuers within our investment portfolio relating to the provision of management advice to such issuers. Currently, our only clients are the Permian Funds and the Managed Accounts.

B. *Compensation to Non-Supervised Persons for Client Referrals*

We have no third party solicitation agreements.

ITEM 15

CUSTODY

Rule 206(4)-2 of the Advisers Act (the “**Custody Rule**”) imposes specific conditions on investment advisers who have actual or deemed custody of client assets. As an investment adviser to advisory clients, including the Permian Funds and Managed Accounts, we may be deemed to have custody in instances where we have actual possession or the authority to obtain possession of the assets of our advisory clients, and therefore we must meet the applicable conditions of the Custody Rule.

The Custody Rule contains significant provisions applicable to investment advisers that serve as a general partner or managing member to private funds formed as limited partnerships or limited liability companies, such as certain of the Permian Funds. Most significantly, the Custody Rule provides an alternative approach to the quarterly account statement delivery requirement and the annual surprise examination requirement that are set forth in the Custody Rule. Specifically, an investment adviser to a private fund, such as the Permian Funds, need not arrange for the delivery of quarterly account statements to investors from the qualified custodian holding account assets or have an annual surprise examination if the fund is (i) subject to an audit (as defined in Rule 1-02(d) of Regulation S-X) by an accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board at least annually and (ii) distributes its audited financial statements prepared in accordance with generally accepted accounting principles to all fund investors within 120 days of the end of the applicable fund’s fiscal year. We typically rely upon this exception.

We will maintain all securities and funds of our clients, of which we are deemed to have custody with a “qualified custodian.”

We do not have custody of assets relating to the Managed Accounts.

ITEM 16

INVESTMENT DISCRETION

At the outset of an advisory relationship, we generally receive discretionary authority from a client to select the identity and amount of securities to be purchased and sold by the client. For example, we have investment discretion to manage securities accounts on behalf of the Permian Funds and Managed Accounts. In all cases, we exercise this investment discretion in a manner consistent with the stated investment objectives of the particular client, which are contained in the applicable offering documents and/or investment advisory agreement.

When selecting securities and assessing potential investments, we observe the investment policies, limitations, and restrictions of the clients we advise, as stated in the applicable investment advisory agreement or other applicable agreements or offering documents. Our clients may, but do not customarily, place limitations on our investment authority, including, without limitation, designating types of permitted investments or prohibiting certain types of investments.

For a complete discussion of our advisory business and the services we provide to our clients, please see “Item 4 - Advisory Business.”

ITEM 17

VOTING CLIENT SECURITIES

We have, and in the future will continue to accept, the authority to vote our client's securities. As such, we have adopted policies and corresponding procedures to comply with Rule 206(4)-6 of the Advisers Act and with our fiduciary obligations (such policies and procedures, the "**Proxy Voting Policies**"). We recognize that the act of managing assets of clients consisting of common stock includes the voting of proxies related to the stock. Our clients may not direct our vote on a particular solicitation.

The Proxy Voting Policies are designed to ensure that in cases where we vote proxies with respect to client securities or other instruments, such proxies are voted in the best interests of our clients. Our proxy voting process is the same for all of our client accounts where the client has given us proxy voting authority. Our general policy is to vote proxy proposals in a manner that serves the best interests of our clients, as determined by us in our discretion, taking into account relevant factors, including, but not limited to:

- the impact on the value of the securities;
- the anticipated costs and benefits associated with the proposal;
- the effect on liquidity; and
- customary industry and business practices.

We generally expect to vote proxies in accordance with the recommendations of company management, as we believe that management usually knows more about the company than passive shareholders. However, we realize that there are many complexities to proxy votes and we will vote against a proposal or recommendation of management if we determine that such a vote is in the best interests of our clients. Generally, proxy votes will be cast in favor of proposals that:

- maintain or strengthen the shared interests of shareholders and management;
- increase shareholder value;
- maintain or increase shareholder influence over the issuer's board of directors and management;
- maintain or enhance the independence of the board of directors; and
- maintain or increase the rights of shareholders.

Proxy votes generally will be cast against proposals having the opposite effect of those items listed above, particularly where we believe that a proposal will have a dilutive effect on the value of the underlying security. In voting proxies, we may rely on the services of a third-party consulting service, such as Institutional Shareholder Services Inc., which may make

recommendations relating to the voting of proxies. Our use of such third parties is subject to our proxy voting policies and procedures.

These voting guidelines are just that – guidelines. The guidelines are not exhaustive and do not include all potential voting issues. Because proxy issues and the circumstances of individual companies are so varied, there may be instances when we may not vote at all on a presented proposal or may not vote in strict adherence to these guidelines.

In exercising our voting discretion, our personnel shall avoid any direct or indirect conflict of interest raised by such voting decision. Our Proxy Voting Policies contain detailed policies and procedures addressing such potential conflicts, which include retaining the services of a reputable non-interested party to independently review our vote recommendation and to confirm that our vote recommendation is in the best interest of our clients under the circumstances. With respect to the Permian Funds, an advisory committee may serve in the capacity as the reputable non-interested party and conduct the review described above, so long as no member of the advisory committee that participates in such review is subject to the actual or potential conflict.

Clients may obtain a copy of our current written proxy voting policies and procedures, and/or a copy of the voting activity report generated by their account, by contacting the Chief Compliance Officer, Joseph Swain, at (212) 257-6066 or jswain@permianlp.com.

ITEM 18
FINANCIAL INFORMATION

A. *Balance Sheet*

We are not required to attach a balance sheet because we do not require or solicit the payment of fees six months or more in advance.

B. *Contractual Commitments to Our Clients*

We have no financial condition that is reasonably likely to impair our ability to meet contractual and fiduciary commitments to our clients.

C. *Bankruptcy Petitions*

We have not been the subject of a bankruptcy petition at any time during the past ten years.