
PART 2A OF THE FORM ADV: FIRM BROCHURE

Permanens Capital L.P.

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This brochure ("Brochure") provides information about the qualifications and business practices of Permanens Capital L.P. (the "Advisor"). If you have any questions about the contents of this Brochure, please contact us at (212) 993-7440. Information provided in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Permanens Capital is registered as an investment advisor with the SEC under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act"). Registration with the SEC or with any state securities authority does not imply a certain level of skill and training.

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

Item 2. Material Changes

As a registered investment adviser, Permanens Capital L.P. (“Advisor”, or the “Firm”) must ensure that the ADV Part 2 is current and accurate and makes full disclosure of all material facts relating to the advisory relationship. Advisor will ensure that you receive a summary of any material changes and subsequent Brochures within 120 days of the close of our business fiscal year. Furthermore, the Advisor will provide you with other interim disclosures about material changes as necessary. Since the Advisor’s previous annual filing on March 27, 2019, there have been no material changes.

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Firm Disclosure Brochure

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Item 4. Advisory Business

General Description of the Advisory Firm

Permanens Capital L.P. (the “Advisor”), a Delaware limited partnership, is an SEC Registered Investment Advisor offering a range of institutional investment management solutions to separate account clients (including endowments, private foundations, family trusts, sovereign tribal nations, high-net-worth families and individuals, 403 (b) plans and traditional individual wealth management accounts), as well as co-mingled private investment funds. The separate account clients are herein referred to as the “Separate Accounts” and the co-mingled private investment funds are referred to as the “Managed Funds” or “Funds”. The Separate Accounts and the Managed Funds are herein collectively referred to as the “Clients”. One of two affiliates of the Advisor acts as the general partner of each of the Managed Funds.

The Advisor was founded in June 2011. The Advisor’s owners and Principals are John J. Regan and Joseph S. Steinberg. Mr. Regan is responsible for managing the day-to-day operations of the Advisor and Gary Yannazzo is the Firm’s Chief Financial Officer and Chief Compliance Officer.

Investment Management Services

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

The Advisor primarily invests Client assets through exchange-traded funds (“ETFs”) and mutual funds or allocates to separately managed accounts that are sub-advised by independent investment managers (“Independent Managers”). The Advisor, through certain of its Funds, will also invest in single stock or Treasury bond positions. In addition, the Advisor may recommend that Clients who are “accredited investors” as defined under Rule 501 of the Securities Act of 1933, as amended, invest in affiliated and unaffiliated private placement securities, which may include debt, equity, and/or pooled investment vehicles when consistent with the Clients’ investment objectives. Some of the affiliated pooled investment vehicles are sub-advised by Independent Managers.

As of March 2020, the Funds which the Advisor currently manages are generally organized as Delaware onshore limited partnerships and limited liability companies as follows:

- Permanens Capital Defensive Income Fund, L.P.
- Permanens Capital Equities Fund, L.P.
- Permanens Capital Floating Rate Fund LP
- Permanens Non-Agency RMBS Allocation Fund LP
- Permanens Capital Short Duration High Yield Fund, L.P.
- Permanens Allocation Fund LLC
- Permanens Capital Physical Precious Metals Fund L.P.
- Permanens Alternatives Fund LP (feeder)
- Permanens Alternatives Master Fund LP (Cayman Islands master)
- Permanens Partners Fund, L.P.

The Advisor may also provide advice about any legacy positions or securities otherwise held in its Clients' portfolios.

Custom Tailored Services for Individual Clients

The Advisor tailors its advisory services to the individual needs of each client's Separate Account. The Advisor consults with each Separate Account initially and on an ongoing basis to determine risk tolerance, time horizon, liquidity needs and other factors that may impact the Separate Account's investment needs. The Advisor ensures that a Separate Account's investments are suitable for their investment needs, goals, objectives, and risk tolerance, as identified in their Investment Management Agreement ("IMA").

Separate Accounts are advised to promptly notify the Advisor if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon the Advisor's management services. Separate Accounts may impose reasonable restrictions or mandates on the management of their account, if the Advisor determines, in its sole discretion, that the stated conditions will not materially impact the performance or risk profile of a portfolio strategy, or prove overly burdensome to its investment management efforts.

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

Client Assets Under Advisement

As of December 31, 2019, the total amount of regulatory assets, as defined, under advisement by the Advisor was approximately \$4,625,575,000. Of this amount, approximately \$3,633,634,000 was managed on a discretionary basis, and approximately \$991,941,000 was managed on a non-discretionary basis. Certain assets in the above calculation will be double counted, as some of the Advisor's Separate Accounts are invested in the Advisor's Managed Funds.

Item 5. Fees and Compensation

Separate Account Fees

The fees for discretionary investment management for Separate Accounts are calculated as an annual fee based upon a percentage of the assets under management by the Advisor. The annual fee is negotiable, based upon individual circumstances and could adjust on a "sliding scale" basis as assets grow over time. Charges typically range between 0.50% and 1.00% of the assets being managed by the Advisor in a particular Separate Account. This fee is invoiced quarterly, in advance, based upon the value of the assets under management on the last day of the previous quarter, adjusted for any subsequent cash movements.

Fund Fees

The annual management fee charge for each of the Funds typically range from 0.50% to 1.00%. These fees are charged by the Funds monthly (based upon the assets under management, as determined by the independent fund administrator) and paid to the Advisor quarterly. Fees charged by these Funds will be waived for Separate Accounts that have been invested in the Funds at the Advisor's discretion (i.e. they will only pay the fee at the Fund level and therefore, no multiple fee charges).

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

Separate Account Additional Third-Party Fees, Costs and Expenses

As further discussed in response to Item 12 (below), the Advisor refers Separate Account Clients primarily to Charles Schwab & Co. to provide custodial and brokerage services with respect to accounts managed by the Advisor. Clients can also choose their own custodians and the Advisor will execute transactions through any specified broker-dealer as directed by the Clients. However, it is possible that Clients who choose to utilize their own custodial and brokerage relationships may incur higher fees than relationships otherwise negotiated in bulk by the Advisor.

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

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

The Advisor does not participate or otherwise benefit in any way from these third-party costs.

Fund Additional Third-Party Fees, Costs and Expenses

The Funds pay (either directly, or through reimbursement to the Advisor or its affiliates) for all third party service provider costs related to the Fund including: (i) all operating expenses of the Funds such as tax preparation fees, governmental fees and taxes, fund administrator fees and related costs, costs of communications with Investors, and ongoing legal, accounting, auditing, bookkeeping, and other professional fees and expenses; (ii) all Fund research expenses, as well as trading costs (e.g., brokerage commissions, margin interest, expenses related to short sales, custodial fees, and clearing and settlement charges); and (iii) all fees and other expenses incurred in connection with the investigation, prosecution or defense of any claims, assertion of rights or pursuit of remedies, by or against the Funds, including,

without limitation, professional and other advisory and consulting expenses and travel expenses (whether or not pursuant to bankruptcy or other legal proceedings, or participation in informal committees of creditors or other security holders of an issuer).

If the assets of a Fund are placed with an Independent Manager, mutual fund, or ETF, additional fees will be charged by the Independent Manager, mutual fund, or ETF. Such charges, fees, and commissions are reflected in investment performance and are exclusive of and in addition to the Advisor's fee.

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

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

The Advisor does not participate or otherwise benefit in any way from these third-party Fund costs and all investors are subject to the foregoing costs and expenses regardless of whether any profit is made on investments.

Fee Debit - Separate Accounts

Fees charged by the Advisor may be deducted directly from the Separate Account's brokerage account only upon issuance and written approval of an invoice sent directly to the Separate Account. Fees directly debited will show up in the transaction history of the monthly statements sent independently to the Separate Account by the respective brokerage firm. If the Separate Account so chooses, the Advisor may send the Separate Account an invoice for payment to be paid by an outside wire transfer or check.

Fee Debit - Funds

Fees owed by the Funds are directly charged to the Funds' assets by the independent administrator and reflected in monthly performance. Management fees are thereby accrued to the Advisor monthly in advance, as of the first day of each month and paid to the Advisor quarterly.

Prepayment of Fees

As noted above, the management fee charged to the Separate Accounts are paid quarterly in advance. If assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets will be prorated based on the number of days remaining in the quarter and subsequently adjusted. For Separate Accounts, if a Client terminates the contract during the quarter, fees will be prorated to the date of termination and the Client is issued a refund.

For Investors in the Funds, an Investor's assets will be charged monthly for their proportionate share of any prepaid fee.

Additional Advisor Compensation and Conflicts of Interest

No supervised person of the Advisor accepts compensation for the sale of securities or other investment products. The Advisor does not receive any form of compensation (commissions, rebates or otherwise) from any Independent Managers, broker-dealers, ETFs or mutual funds.

The Advisor has hosted an annual investment committee symposium to which it invites clients, industry participants and various friends of the firm. Certain financial organizations contribute to the event as co-sponsors. Some of these co-sponsors may be third party Independent Managers involved with investing client assets, or other service organizations that provide professional services to the Advisor's Funds. The sponsorship contributions by co-sponsors are typically below \$10,000 but can range up to approximately \$15,000.

A conflict of interest may exist to the extent that the Advisor's recommendation of Independent Managers or service providers may be influenced by whether such organization contributes to the event as a sponsor. However, the Advisor believes sponsorship contributions have not influenced its recommendations, and all participating co-sponsors are identified in marketing materials and the agenda for the event. Additionally, the Advisor receives no compensation from this event and, in the past, has returned co-sponsor payments to the extent that they exceed the final cost of the event. The Advisor does not intend to host this event in 2020.

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

Performance-based fees are those based on a share of capital gains on, or capital appreciation of, the assets of a Client. The Advisor's contracts with its Separate Accounts do not allow for Performance-based fees. Neither the Advisor nor any of the Advisor's Funds presently receives compensation through performance-based fees.

Item 7. Types of Clients

As noted above, the Advisor's Clients are:

- Separate Accounts such as endowments, private foundations, family trusts, sovereign tribal nations, high-net-worth families and individuals, as well as 403 (b) plans and traditional individual wealth management accounts; and
- Private investment funds (Managed Funds) offered to accredited investors and qualified clients under Section 3(c)(1) or 3(c)(7) of the Investment Company Act of 1940.

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

Minimum Account Size - Separate Accounts

The Advisor generally does not impose a minimum portfolio size or minimum fee for its investment management services. However, certain investments may not be available to smaller sized Separate Accounts. At the time of investment, the Advisor will typically discuss with the Client whether the size of the Separate Account will inhibit or otherwise limit the type of investments available, or, influence the associated costs.

Minimum Account Size - Funds

The minimum initial investment into the Funds varies from \$50,000 to \$1,000,000, subject to waiver, reduction, or other conditions as determined by the general partner and as described by the Offering Memorandum of each such Fund. In certain instances, there are also minimums to maintaining an investment in the Funds; however, these minimums are subject to waiver by the general partner.

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

Methods of Analysis

The Advisor utilizes a variety of methods and strategies to make investment decisions for its Separate Accounts. The main sources of information the Advisor utilizes include research materials prepared by independent third-party research firms, annual reports, prospectuses, filings with the Securities and Exchange Commission, financial periodicals, as well as industry conferences and seminars. Onsite interviews are conducted for recommended managers, focusing on operational due diligence and investment strategy reviews.

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

The investment strategies for the Separate Accounts are described in the Investment Policy Statement ("IPS") or Investment Management Agreement ("IMA") which set forth investment guidelines applicable to the risk tolerance and objectives of each Separate Account. The Advisor maintains considerable discretion with respect to the investment methodology for the Separate Accounts.

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

When selecting an Independent Manager for a Client, the Advisor reviews information about the Independent Manager such as its disclosure brochure and/or material supplied by the Independent Manager or independent third parties for a description of the Independent Manager's investment strategies, past performance, and risk profile to the extent available. Factors that the Advisor considers in

recommending an Independent Manager include the stated investment objectives, management style, performance, reputation (including results of independent background checks), financial strength, operational integrities, reporting, risk monitoring, pricing, and research. Managers continue to be evaluated against these criteria on an ongoing basis.

Investment Strategies – Separate Accounts

The Advisor primarily functions in a capacity to identify, evaluate, select and monitor various Independent Managers, while also offering direct internal investment management and strategy capabilities. The Advisor generally manages capital for Separate Accounts through actively managed bond portfolios managed by Independent Managers, direct investments (e.g., ETFs, mutual funds, etc.), and allocations to affiliated and unaffiliated private pooled investment vehicles. In achieving each client's stated goals, the firm's strategy focuses on: (i) appropriate asset allocation and risk management across asset classes; (ii) minimizing fees and costs incurred by its Clients; and (iii) maximizing portfolio liquidity.

The Advisor strives to find low cost, liquid solutions through structures that allow Clients the freedom to move amongst investments and asset classes. As such, the Advisor does not seek to outperform arbitrary benchmarks, but rather to customize each individual portfolio to accommodate the specific return objective, risk profile, liquidity needs, and time horizon of the Client.

Investment Strategies – Funds

As previously mentioned, the Advisor has created and manages a series of co-mingled private investment vehicles, that through aggregation, provide scale and allow Clients to participate in strategies typically available only to larger institutions. These Managed Funds are described as follows:

- *Permanens Capital Defensive Income Fund, L.P.*- seeks to pool qualified Investors with smaller amounts of capital in order to provide access to a strategically designed asset allocation across a portfolio of diversified fixed income strategies, each actively managed by an external sub-advisor. The objective of this portfolio is to provide a balanced mixture of capital preservation, current income and capital appreciation. This is a "long-only" strategy that does not utilize shorting, leverage, derivatives (including options) or hedge funds in achieving these goals. The fund may purchase and hold US Treasury positions from time to time.
- *Permanens Capital Equities Fund, L.P.*- seeks to pool qualified Investors with smaller amounts of capital in order to provide access to intermediate vehicles, such as exchange-traded funds ("ETFs") and mutual funds, interests in limited partnerships and similar pooled investment vehicles or possibly through sub-advisory arrangements that enable the Investment Manager to access specific expertise and customized solutions. The Fund's investment objective is the long-term growth of capital in a portfolio of liquid assets, while providing geographic diversification. This is a "long-only" strategy that does not utilize shorting, leverage, derivatives (including options) or hedge funds in achieving these goals.
- *Permanens Capital Floating Rate Fund LP*- seeks to pool existing client assets in order to invest into first and second lien and unsecured loans, Corporate Bonds and CLO positions. This is a "long-

only” strategy that does not utilize shorting, leverage, derivatives (including options) or hedge funds in achieving these goals.

- *Permanens Non-Agency RMBS Allocation Fund LP*- seeks to pool existing client assets in order to invest into non-agency residential mortgage-backed securities (including private placements) created from either prime, alt-A, or performing sub-prime securities. This is a “long-only” strategy that does not utilize shorting, leverage, derivatives (including options) or hedge funds in achieving these goals.
- *Permanens Capital Short Duration High Yield Fund, L.P.*- seeks to pool existing client assets in order to invest into a portfolio of high yield credits with a weighted duration on a yield to worst basis equal to or less than three years. The Fund will primarily invest in high yield securities, other fixed income securities and debt instruments. This is a “long-only” strategy that does not utilize shorting, leverage, derivatives (including options) or hedge funds in achieving these goals.
- *Permanens Allocation Fund LLC*- was created to pool qualified Investors in order to invest into two separate limited partnerships. These partnerships presented long-only opportunities, concentrated in the retail and the energy industries. The investment objectives and individual investment guidelines are described in greater detail in the respective Fund’s Offering Memorandum. This Fund is presently in the process of liquidating its investments.
- *Permanens Capital Physical Precious Metals Fund L.P.*- seeks to pool qualified Investors in order to provide access to secure physical storage of segregated precious metals, including gold, silver, platinum, and palladium, in various bank vaults. Other than palladium, the precious metals will be stored generally in bank vaults outside of the United States, while allowing for physical delivery of precious metals inside and outside the United States upon a withdrawal.
- *Permanens Alternatives Master Fund LP*- seeks to pool qualified investors in order to access hedge funds through investments in private investment partnerships, separately managed accounts and other pooled investment vehicles managed by the hedge funds’ portfolio managers. The Fund will invest in hedge funds that primarily pursue the following investment strategies: equity, macro, event driven, and credit. The Fund will also seek to make co-investments (either through structured vehicles or individual positions) primarily sourced from the underlying portfolio managers. The Fund may hold or invest any available cash balances in open-ended registered investment funds that pursue a “liquid alternatives” strategy.
- *Permanens Alternatives Fund LP*- is a feeder fund that invests substantially all its assets in the Permanens Alternatives Master Fund LP
- *Permanens Partners Fund, L.P.*- seeks to pool qualified investors to achieve capital appreciation across geographies by investing in a diversified portfolio of investment strategies, asset classes and vehicle types or structures. The Fund will invest directly or indirectly in debt and equity securities, as well as specialized private and alternative structures, including the Advisor’s Funds. The Fund will reserve the right to take direct long or short positions in U.S. or non-U.S. stocks, as well as warrants and rights, corporate or sovereign debt, bonds and notes or other debentures. Additionally, the General Partner will have discretion to utilize unaffiliated Investment Managers

(including hedge funds) via limited partnerships, separately managed accounts, and funds registered under the Investment Company Act of 1940, as amended, as well as ETF's.

The above descriptions are further detailed in the respective Offering Memorandum of each Fund.

Risks of Loss

Mutual Funds and Exchange Traded Funds (ETFs)

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

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

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

Market Risks

The profitability of a significant portion of the Advisor's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks (either long, or, short positions) and bonds. There can be no assurance that the Advisor will be able to predict those price movements accurately and consistently over a sustained period of time.

Use of Independent Managers

The Advisor may recommend the use of Independent Managers for certain Clients. The Advisor will continue to do ongoing due diligence of these managers, but such recommendations rely, to a great extent, on the Independent Manager's ability to successfully implement their investment strategy. In addition, the Advisor does not have the ability to supervise the Independent Managers on a day-to-day basis other than as previously described in response to Item 8, above.

Use of Private Pooled Investment Vehicles

The Advisor may recommend the investment by certain Clients into private pooled investment vehicles (which might, on occasion include “hedge funds”). The managers of these vehicles (which may include the Advisor with respect to certain affiliated Managed Funds) will have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify and the hedge funds may trade on margin or otherwise leverage positions, or utilize short-selling or derivatives, thereby potentially increasing the risk to the vehicle. In addition, there may be restricted liquidity, and because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these private funds. The Client will receive a private placement memorandum and/or other documents explaining such risks.

Use of Margin

The Advisor does not use margin in any of the Separate Accounts for leverage purposes. However, for one taxable Separate Account it has been used periodically for brief bridging periods.

While the use of margin borrowing can substantially improve returns, such use may also increase the adverse impact to a Fund’s portfolio. Borrowings will usually be from securities brokers and dealers and will typically be secured by the Fund’s securities and/or other assets. Under certain circumstances, a broker-dealer may demand an increase in the collateral that secures the Fund’s obligations and, if the Fund were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy the Fund’s obligations to the broker-dealer. Liquidation in that manner could have adverse consequences. In addition, the amount of the Fund’s borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the Fund’s profitability. The Advisor is authorized under certain Offering Memoranda to use margin in the affiliated Funds, but this is typically contained to the Permanens Partners Fund, L.P. and on rare occasions, the Permanens Alternatives Master Fund LP.

Cyber Risk

The Advisor’s information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. The Advisor has implemented various measures to manage risks relating to these types of events. The failures of these systems or the failure of the Advisor’s Disaster Recovery Plans for any reason could cause significant interruptions in the Advisor’s operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including private information relating to Clients.

Epidemic Outbreak

An epidemic outbreak and reactions to such an outbreak could cause uncertainty in markets and businesses, including the Advisor’s business, and may adversely affect the performance of the global economy, including causing market volatility, market and business uncertainty and closures, supply

chain and travel interruptions, the need for employees and vendors to work at external locations, and extensive medical absences. The Advisor has policies and procedures to address known situations, but because a large epidemic may create significant market and business uncertainties and disruptions, not all events that could affect the Advisor's business, its business counterparties and/or the markets can be determined and addressed in advance.

General Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss. Investments in securities and other financial instruments and products are subject to many types of risk that can cause the permanent loss of capital as a result of adverse market conditions.

General Risks

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

Fixed Income Risks

- Counterparty Risk – risk that either party to a contract will not meet their respective obligations
- Credit Risk – issuers of bonds or other debt securities may not be able to meet interest or principal payments when the bonds come due
- Credit Quality – lower quality bonds may experience a higher risk of default
- Duration – fluctuations in interest rates may have a greater impact on longer duration assets
- Inflation Risk – the price of an asset, or the income generated by an asset, may not keep up with the cost of living
- Interest Rate Risk – changing interest rates affect the value of bonds
- Municipal Market Risk – factors unique to the municipal bond market may negatively affect the value of municipal bonds, including risk of payment default and priority in which payments may be made by municipal issuers
- Prepayment Risk – many bonds and debt securities have call provisions that may result in debtors paying back the debt prior to maturity during periods of decreasing interest rates
- Reinvestment Risk – investors may have difficulty reinvesting payments from debtors and may receive lower rates than from their original investments

Volatility of the Price of Gold and Other Precious Metals

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

Item 9. Disciplinary Information

The Advisor has not had any disciplinary disclosures since inception.

Item 10. Other Financial Industry Activities and Affiliations

Permanens Capital L.P. is an SEC-registered investment advisor.

Neither the Advisor nor any of its management persons are registered, or have an application pending to register, as a broker-dealer, except for certain inactive security licenses held by the senior advisor of the firm's wealth management practice.

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

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

Permanens Associates LLC and Permanens Associates II LLC serve as the general partner to the Funds.

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

Other Principal Business Interest

One of the Advisor's Principals, Joseph S. Steinberg, is the Chairman of the Board of Jefferies Financial Group ("Jefferies", previously Leucadia), a publicly-traded holding company with businesses operating in a variety of industry segments, such as financial services, manufacturing, oil and gas drilling, gaming

entertainment, and domestic real estate, amongst others. Shares of Jefferies' common stock are listed on the New York Stock Exchange (NYSE) under the ticker symbol JEF. Serving in such a capacity is the principal business of Mr. Steinberg, who maintains a purely passive ownership stake in the Advisor and does not render investment advice on the firm's behalf.

The Advisor is deemed to recommend the services of Jefferies to the extent that several of its private Funds utilize Jefferies subsidiaries as prime broker or custodian, where deemed appropriate and at market rates for similar services. However, the Advisor does not recommend Jefferies to its Separate Account clients nor does it directly recommend or directly invest in securities issued by Jefferies. The Advisor may indirectly hold securities issued by Jefferies through an ETF, mutual fund or other investment vehicle of an Independent Manager; however, the Advisor would not have control, influence or discretion over that security. Clients are advised that a conflict of interest exists to the extent that the Advisor may from time to time indirectly invest Client assets amongst securities issued by Jefferies and will continue to use Jefferies as a prime broker or custodian for certain assets held by certain of its private Funds and that Mr. Steinberg, as Chairman of the Board of Jefferies Financial Group, may receive a benefit by virtue of his position therewith. Mr. Steinberg is co-founder of the Advisor. However, his investment in the Advisor is purely passive, he is not involved in day to day activities, he does not recommend securities and he does not make investment decisions on behalf of the Advisor's Clients or private Funds. Further, Mr. Steinberg is not an officer or director of the broker dealer or the prime broker of Jefferies and no one in that subsidiary reports to him.

Selection of Other Advisors

As described in Item 4, the Advisor invests Client assets with Independent Managers, ETFs, and mutual funds. In addition, the Advisor may recommend that Clients who are "accredited investors" as defined under Rule 501 of the Securities Act of 1933, as amended, invest in affiliated and unaffiliated private pooled investment vehicles. The Advisor does not receive any additional direct or indirect compensation from Independent Managers, ETFs, mutual funds or affiliated or unaffiliated private pooled investment vehicles. The Advisor will not charge additional fees to Separate Accounts invested in affiliated private pooled investment vehicles (i.e., no multiple fee charges).

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

Code of Ethics

The Advisor has adopted a Code of Ethics (contained in its Compliance Manual) for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its Clients. The Code of Ethics and Compliance Manual include provisions relating to, among other things: confidentiality of Client information; prohibitions on insider trading, "pay-to-play," and rumor mongering; restrictions on the acceptance of significant gifts; reporting of certain gifts, outside activities, political contributions; and personal securities trading procedures. All supervised persons at the Advisor must acknowledge the terms of the Code of Ethics and the Compliance Manual annually.

The Advisor's Clients or prospective Clients may request a copy of the firm's Code of Ethics and excerpts of the Compliance Manual by contacting the Advisor's Chief Compliance Officer at gary@permcap.com, or by phone at 212-993-7440.

Transactions in Securities where the Advisor has Material Financial Interest

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

Neither the Advisor nor any of its related persons buy or sell securities to or from the Funds as principal (a "principal transaction"). In the event such transactions would be contemplated by the Advisor, prior to undertaking a "principal transaction", the Advisor will only complete such a transaction in accordance with the requirements of Section 206(3) of the Advisers Act and it would be executed with the approval of, and under the care and attention of the Chief Compliance Officer.

Except with respect to the affiliated Funds, neither the Advisor nor any of its related persons act as a general partner or advisor to funds in which Client assets are invested.

Investing in Securities Recommended to Clients; Contemporaneous Trading

The Advisor has adopted the following procedures to address conflicts of interest arising from personal account trading (such as front-running or personal trading having an effect on the price of a security). In general and subject to approval by the CCO or Chief Investment Officer ("CIO") of the Advisor on a case by case basis; (i) Employees are restricted from buying or selling for their personal accounts Securities of any issuer listed on the Advisor's "Restricted List"; (ii) Employees must obtain pre-approval before trading securities on the Advisor's "Restricted List" and will be blocked from the trading of securities that the firm is researching, and/or trading the same day; and (iii) Employees shall not engage in "day trading" or any type of "excessive" trading that would be contrary to the best interests of the Advisor's Clients and Investors. The Code of Ethics is designed to ensure that the personal securities transactions, activities, and interests of the employees of the Advisor will not interfere with making decisions in the best interest of advisory Clients. Employee trading is monitored to ensure compliance with the Code of Ethics.

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

In some instances, employees or affiliates of the Advisor may buy or sell for their personal accounts' securities or invest in private investment vehicles after they are deemed not to be suitable for specific client needs.

The Advisor's Compliance Manual contains policies and procedures to address the conflicts of interest that may arise in the event of cross trading, between client accounts. It is the Advisor's policy that the Advisor will not engage in cross trading activities.

Item 12. Brokerage Practices

Research and Other Soft Dollar Benefits

The Advisor is permitted pursuant to its IMAs and the Funds' Offering Memoranda to utilize "soft dollar" credits generated by brokerage (resulting from trading on behalf of its Separate Accounts and the Funds) to pay for research and or other products or services other than execution from a broker-dealer or a third party under the "safe harbor" provided by Section 28(e) of the U.S. Securities and Exchange Act of 1934, as amended. Section 28(e) provides a safe harbor for advisors that receive "soft dollar" benefits that are limited to certain research and brokerage products and services.

In the event the Advisor utilizes "soft dollars" as described above, it receives a benefit because it does not have to produce or pay for research or brokerage products or services, while possibly also receiving market color and trade execution assistance. Additionally, the Advisor may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or brokerage products or services, rather than on the Clients' best interest in receiving most favorable execution. This practice may cause Clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for "soft dollar" benefits (known as "paying-up"). The "soft dollars" generated by one Client's account may be used by the Advisor to service that account as well as others, and that "soft dollar" benefit possibly may be applied disproportionately to the "soft dollar" credits that an account generates.

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

Brokerage for Client Referrals

The Advisor does not direct any of its brokerage business to brokers who refer prospective Clients to the firm.

Directed Brokerage

A Separate Account can (but is not required to) direct the Advisor in writing to use a particular Financial Institution to execute some or all transactions for the Separate Account. In that case, the Separate Account will negotiate terms and arrangements for the account with that Financial Institution, and the Advisor will not seek better execution services or prices from other Financial Institutions or be able to "batch" Separate Account transactions for execution through other Financial Institutions with orders for

other accounts managed by the Advisor (as described below). As a result, the Separate Account may pay higher commissions or other transaction costs, or greater spreads, or receive less favorable net prices, on transactions for the account than would have been the case through arrangements by the Advisor. Subject to its duty of best execution, the Advisor may decline a Separate Account's request to direct brokerage if, in the Advisor's sole discretion, such directed brokerage arrangements would result in additional operational difficulties. The Advisor has no directed brokerage arrangements for any of its discretionary accounts.

Order Aggregation

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

Best Execution

As an investment Advisor, the firm has a duty to use reasonable diligence to obtain "best execution" for the transactions being affected for Clients. Essentially this means that the Advisor's process must seek to maximize value such that the total costs and proceeds are the most valuable to Clients considering the circumstances. In selecting a broker, the Advisor will consider the full range of the broker's services, not just the cost, including, but not limited to quality of execution (i.e., the accuracy and timeliness of executions, clearance and error/dispute resolution); reputation, financial strength, and stability of the broker; desired timing of transactions and size of trades; and the overall cost of trades.

In selecting a broker, the Advisor does not consider any gifts or entertainment, the broker's willingness to cover trade errors caused by the Advisor or client referrals/capital introduction in its decision process. For almost all trades, the Advisor acts as discretionary investment adviser. Most of the securities traded by the Advisor are highly liquid. The Advisor directs most of these orders through an order routing system provided by the custodians, which is designed to automatically seek out the best bid or offer as well as the largest source of liquidity. These custodians charge service fees, which are fully disclosed to Clients in their investment advisory agreements. The Advisor will bear any trade error loss that is due to the misconduct or negligence of the Advisor.

A periodic review is performed of the trading process in relation to the Advisor's stated policies and procedures. Trade and broker best execution reports are included in this review for quality of execution to ensure the firm meets its best execution obligations. In determining whether the Advisor has used "reasonable diligence" regarding best execution, the following factors are considered: character of the market for the security (e.g., price, volatility, relative liquidity, and pressure on available communications); size and type of transaction; number of markets checked; accessibility of the quotation; and terms and conditions of the order which result in the transaction, as communicated to the member and persons associated with the member.

Item 13. Review of Accounts

Frequency and Nature of Review

The CIO and Investment Team professionals of the Advisor regularly evaluate the portfolios of Clients on a real-time basis. The Client accounts are actively managed through position sizing evaluations, liquidity reviews, applicable geography and industry concentration considerations and overall maintenance of the stated portfolio parameters as set forth in the investment guidelines of the Client IMAs and the Funds' Offering Memoranda. The Investment Team, composed of the Advisor's Chief Investment Officer, Senior Advisor and the Senior Portfolio Managers, meets frequently to provide oversight over trading for the Client accounts.

Factors Prompting a Non-Periodic Review of Accounts

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

Content and Frequency of Regular Account Reports

Unless otherwise agreed upon, Separate Accounts are provided with regular summary account statements that are sent directly from the custodian or broker-dealer for the Separate Accounts on at least a quarterly basis. Separate Accounts also receive customized reports from the Advisor that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance on at least a quarterly basis. The custodian statements are the official books and records for each Separate Account, as opposed to the reports that Clients receive from the Advisor. Separate Accounts should compare the account statements they receive from their custodian with the reports that they receive from the Advisor, as valuations provided by the custodian and the Advisor may not be identical under certain circumstances (See Item 15).

Reports Provided to Investors in the Funds

Investors in the Funds receive: (i) annual financial statements audited by an independent certified public accounting firm; (ii) monthly unaudited performance information provided independently by the third-party administrator; (iii) copies of each Investor's Schedule K-1 to the Fund's tax returns, if applicable; and (iv) other reports as determined by the Advisor in its sole discretion, including a quarterly performance letter and detailed performance report.

Although the Advisor will use its best efforts to provide timely tax information to Investors, as is typical in the industry, it is possible that due to tax reporting required from the underlying Independent Managers or other third parties, the Advisor's tax preparer may be delayed in receiving tax information, and Investors should be prepared to file for extensions with the relevant federal and state taxing authorities.

All reports described above are written (although some may be delivered electronically) and are generally provided directly by the independent administrator of the Funds.

Item 14. Client Referrals and Other Compensation

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

The Advisor has no arrangements whereby a party who is not a Client compensates or otherwise provides an economic benefit to the Advisor for providing services to Clients. The Advisor therefore derives all economic benefits exclusively from its Clients.

Compensation to Non-Supervised Persons for Client Referrals

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

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

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

A prospective Client solicited by a third party will be informed of (and will be asked to acknowledge in writing its understanding of) any such arrangement. The cost of all such solicitation services will be ultimately paid/borne by a corresponding reduction in the management fee received by the Advisor and none of the Separate Accounts will be subject to any increased or additional fees or charges as a result of this third-party arrangement (i.e. the Advisor will receive less fees than agreed by the Client).

Item 15. Custody

Custody – Separate Accounts

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

Account as well as all account activity over the relevant period. Any discrepancies identified by a Separate Account should be immediately reported to the Advisor and the qualified custodian.

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

The statements received from the Advisor may vary from the custodial statements due to differences in accounting procedures, reporting dates, independent valuation services used, and/or valuation methodologies of certain securities as well as timing of income receipts. However, please note that the custodian statements reflect the Client's official books and records for the accounts managed by the Advisor.

The Advisor is deemed to have custody with respect to one Separate Account due to its dual role in providing bill pay services on behalf of this Client. In this connection, the Advisor has subjected this account to the "surprise audit" requirements, which have been executed during 2019.

Custody – Funds

All Fund assets are maintained at a "qualified custodian". As noted above in Item 13, the independent administrator sends monthly statements directly to Investors. The custodian is not required to send separate statements to Investors in the Funds, because pooled investment vehicles that undergo a timely annual audit within 120 days after fiscal year end (or, 180 days with respect to Fund of Funds) by a properly designated Public Company Accounting Oversight Board auditor (as is the case with all the Advisor's Funds), are subject to an exception to this requirement.

Item 16. Investment Discretion

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

Investment Discretion – Separate Accounts

Prior to assuming full discretion in managing Separate Account assets, the Advisor enters into an investment management agreement ("IMA") or other agreement that sets forth the scope of the Advisor's discretion.

Unless otherwise instructed or directed by a discretionary Separate Account, the Advisor has the authority to determine: (i) the securities to be purchased and sold for the Separate Account (subject to restrictions on its activities set forth in the applicable IMA and any written investment guidelines); (ii) the amount of securities to be purchased or sold for the Separate Account; (iii) the ability to allocate Separate Account assets within the account to Independent Managers; and (iv) to the extent the Separate Account is eligible, invest Separate Account assets in private placement securities, which may include debt, equity, and/or

affiliated or unaffiliated pooled investment vehicles. Because of the differences in Separate Account investment objectives and strategies, risk tolerances, tax status, and other criteria, there may be differences among Separate Accounts in invested positions and securities held.

Investment Discretion – Funds

The Advisor or sub-advisor as applicable has discretionary authority within each Managed Fund it advises to select the identity and amount of securities to be bought or sold for its portfolio. In all cases, however, such discretion is exercised by the Advisor or sub-advisor in a manner consistent with the stated investment objectives and guidelines for the particular Fund, as set forth in the relevant Offering Memoranda. Investors have no ability to request or direct a change in the stated investment objectives and guidelines for the co-mingled Fund where they invest.

For Investors in the Funds, upon execution of the subscription documents, each Investor agrees to be bound by the Fund's partnership agreement, which, among other things, appoints the Advisor as investment advisor to the Fund.

Item 17. Voting Client Securities

Unless otherwise directed in writing, the Advisor will, on behalf of all its discretionary Clients (both Separate Account and Fund Clients), vote or instruct the Custodian or Independent Managers to vote proxies solicited by or with respect to the issuers of securities, or, investment funds in which the assets of the Clients are invested. A voting officer has been delegated the authority for monitoring proxy actions, making voting decisions in accordance with these policies and ensuring that proxies are submitted in a timely manner.

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

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

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

Copies of the Advisor proxy voting policy and its voting record for the past five years are available upon request to the Advisor's Chief Compliance Officer at gary@permcap.com, or 212-993-7450.

Item 18. Financial Information

The Advisor does not require or solicit the prepayment of any fees six months or more in advance. In addition, the Advisor is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to Clients. The Advisor does not anticipate any circumstances that could hinder its ability to perform its duties to its Clients and therefore has no disclosures pursuant to this Item.