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**PART 2A OF FORM ADV
BROCHURE**

March 17, 2021

This Part 2A of Form ADV (the “Brochure”) provides information about the qualifications and business practices of PNMAC Capital Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (818) 746-2289. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

PNMAC Capital Management, LLC is registered as an investment adviser with the SEC; however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

Additional information about PNMAC Capital Management, LLC is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 1: COVER PAGE

Please refer to previous page.

ITEM 2: MATERIAL CHANGES

This Brochure dated March 17, 2021 amends the previous Brochure dated March 25, 2020.

The following is a summary of the material changes since the amendment of the Brochure dated March 25, 2020:

- Item 4, Advisory Business: The discretionary assets under management was amended to \$11,492,011,000 as of December 31, 2020.
- Item 5, Fees and Compensation: The payment of certain reimbursement amounts was amended and further described.
- Item 8, Method of Analysis, Investment Strategies and Risk of Loss: The description of the risk of loss was updated to reflect most current practices and associated risks.

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ITEM 4: ADVISORY BUSINESS

Description of Firm

PNMAC Capital Management, LLC (the “Adviser”) is a limited liability company organized in accordance with the Delaware Limited Liability Company Act and provides investment advisory services to PennyMac Mortgage Investment Trust, a publicly traded REIT (“PMT”). The Adviser has been in business since May, 2008.

The Adviser specializes in and focuses on investments in U.S. mortgage and mortgage-related assets.

Principal Owners

PNMAC Capital Management, LLC is a wholly-owned subsidiary of Private National Mortgage Acceptance Company, LLC (“PennyMac”). PennyMac’s principal owners are PennyMac Financial Services, Inc., a publicly traded company (“PFSI”) and PNMAC Holdings, Inc., a wholly-owned subsidiary of PFSI.

Types of Advisory Services Offered

The Adviser specializes in managing mortgage-backed securities (“MBS”) and mortgage-related assets, including credit risk transfer (“CRT”) investments in CRT agreements (“CRT Agreements”) and CRT securities, mortgage servicing rights (“MSRs”) and excess servicing spread (“ESS”) on MSRs, newly originated residential loans and residential nonperforming and underperforming loans. The Adviser’s affiliate, PennyMac Loan Services, LLC (“PLS”), provides primary and special servicing for PMT’s portfolio of residential mortgage loans and MSRs.

Pursuant to the Management Agreement entered into between PMT and the Adviser (the “Management Agreement”), the Adviser has sole investment discretion, making all decisions affecting PMT’s assets, subject to the limitations set forth in Item 16, and in accordance with PMT’s stated objectives and policies as outlined in PMT’s documents filed with the SEC. The Adviser selects investments for, and places purchase and sale orders for investments on behalf of, PMT. Please refer to Item 8 for further information on the Adviser’s methods of analysis and investment strategies, including details on the specific risks associated with these strategies.

Amount of Client Assets Managed

As of December 31, 2020, the Adviser has \$11,492,011,000 discretionary assets under management for its sole client, PMT.

ITEM 5: FEES AND COMPENSATION

The following chart summarizes the fees and compensation to the Adviser:

PNMAC Capital Management, LLC
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Type of Fee	Description
Management Fee	Base management fee is paid in arrears and equal to the sum of (a) 1.5% per year of PMT's average shareholders' equity up to \$2 billion, (b) 1.375% per year of PMT's average shareholders' equity in excess of \$2 billion and up to \$5 billion and (c) 1.25% per year of PMT's average shareholders' equity in excess of \$5 billion.
Performance Incentive Fee	<p>The performance fee is paid in arrears, calculated quarterly and is equal to: (a) 10% of the amount by which net income attributable to common shares of beneficial interest for the quarter exceeds (i) an 8% return on equity plus the high watermark, up to (ii) a 12% return on equity; plus (b) 15% of the amount by which net income for the quarter exceeds (i) a 12% return on equity plus the high watermark, up to (ii) a 16% return on equity; plus (c) 20% of the amount by which net income for the quarter exceeds a 16% return on equity plus the high watermark, as described more fully in the Management Agreement.</p> <p>The "high watermark" is the quarterly adjustment that reflects the amount by which the net income (stated as a percentage of return on equity) in that quarter exceeds or falls short of the lesser of 8% and the Fannie Mae MBS yield (the target yield) for such quarter. The "high watermark" starts at zero and is adjusted quarterly. If the net income is lower than the target yield, the high watermark is increased by the difference. If the net income is higher than the target yield, the high watermark is reduced by the difference. Each time a performance incentive fee is earned, the high watermark returns to zero. As a result, the threshold amounts required for the Adviser to earn a performance incentive fee are adjusted cumulatively based on the performance of PMT's net income over (or under) the target yield, until the net income in excess of the target yield exceeds the then-current cumulative high watermark amount, and a performance incentive fee is earned.</p>

Termination Fee	<p>The termination fee is payable for: (i) PMT's termination of the Management Agreement without cause; (ii) the Adviser's termination of the Management Agreement upon a default by PMT in the performance of any material term of the Management Agreement that has continued uncured for a period of 30 days after receipt of written notice thereof; or (iii) the Adviser's termination of the Management Agreement after the termination by PMT without cause (excluding a non-renewal) of PMT's MBS agreement, MSR recapture agreement or servicing agreement (each as described and/or defined in the most recent Annual Report on Form 10-K of PMT).</p> <p>The termination fee is equal to three times the sum of (a) the average annual base management fee and (b) the average annual (or, if the period is less than 24 months, annualized) performance incentive fee earned by the Adviser during the prior 24-month period immediately preceding the date of termination.</p>
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PMT reimburses the Adviser for its organizational and operating expenses, including third-party expenses, incurred on PMT's behalf, it being understood that the Adviser and its affiliates shall allocate a portion of their personnel's time to provide certain legal, tax and investor relations services for the direct benefit of PMT. With respect to the allocation of the Adviser's and its affiliates' personnel, the Adviser was reimbursed \$120,000 per fiscal quarter through June 30, 2020 and is reimbursed \$165,000 per fiscal quarter from and after July 1, 2020, such amount to be reviewed annually and not to preclude reimbursement for any other services performed by the Adviser or its affiliates. In addition, PMT is required to pay a pro rata portion of rent, telephone, utilities, office furniture, equipment, machinery and other office, internal and overhead expenses of the Adviser and its affiliates required for PMT's and its subsidiaries' operations.

Moreover, to the extent PMT is required to pay performance incentive fees, PMT agreed to reimburse the Adviser up to \$2.9 million for underwriting costs it paid on the initial public offering date at a rate of \$10 in reimbursement for every \$100 of performance incentive fees earned, subject to a maximum in any particular 12-month period of \$1.0 million.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Performance-based fees are in the form of Performance Incentive Fees and are outlined in the table above.

ITEM 7: TYPES OF CLIENTS

Currently, the Adviser only provides investment advisory services to PMT and does not generally offer investment advisory services to the public.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis

PMT's objective is to provide attractive risk-adjusted returns to its investors over the long-term, primarily through dividends and secondarily through capital appreciation. The Adviser utilizes a formal investment policy pursuant to which it has implemented controls and management oversight during the investment process. The process begins with a review of the client's financial circumstances, risk tolerance, legal and regulatory framework and tax circumstances. The decision to acquire an asset in general takes into account investment objectives, the overall characteristics of an asset, the asset's return potential, and the asset's associated risks. In connection with an exit decision, the Adviser reviews the investment performance and its contribution to the overall return of PMT.

Investment Strategies

The investment strategy deployed targets primarily mortgage and mortgage-related assets that PMT creates through its correspondent production activities, including MSR and CRT arrangements, which include CRT Agreements and CRT strips that absorb credit losses on certain of the loans it sells. PMT also invests in MBS, and holds ESS on MSRs acquired by PLS. It has also historically invested in distressed mortgage assets (loans and real estate acquired in settlement of loans ("REO")) as well as other credit sensitive assets. However, it has substantially liquidated its holdings of distressed real estate loans and continues to reduce its holdings of REO.

Risk of Loss

Investing in mortgage loans and mortgage-related assets is risky and could result in loss. The client should be aware of the risks and be prepared to bear any such losses. The Adviser does not represent, guarantee or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate the client from losses due to market corrections or declines. The Adviser cannot offer any guarantees or promises that PMT's goals and objectives will be met. Past performance is in no way an indication of future performance.

A description of the risks involved in the investment strategy of PMT and the mortgage and mortgage-related assets in which it invests can be found in PMT's most recent Annual Report on Form 10-K available through the SEC's website at <http://www.sec.gov/edgar/searchedgar/webusers.htm>.

Such risks include, but are not limited to, the following:

- Difficult conditions in the mortgage, real estate and financial markets and the economy generally may adversely affect the performance and fair value of the investments.
- PMT's business prospects, financial condition, liquidity and results of operations could be adversely impacted by the CFPB's final General Qualified Mortgage loan rule for certain government-sponsored entities ("GSEs") eligible loans and its impact on the ability to repay rules.

- Interest rate fluctuations could significantly decrease the results of operations and cash flows and the fair value of the investments.
- PMT is subject to risks associated with the expected discontinuation of LIBOR.
- PMT is subject to market risk and declines in credit quality and credit spreads, which may adversely affect investment income and cause realized and unrealized losses.
- Derivative financial instruments are utilized for hedging purposes, which may include swaps, options and futures. However, the prices of derivative financial instruments, including futures and options, are highly volatile, as are payments made pursuant to swap agreements. As a result, the cost of utilizing derivatives may reduce PMT's income and the derivative instruments that the Adviser utilizes may fail to effectively hedge PMT's positions. PMT is also subject to credit risk with regard to the counterparties involved in the derivative transactions.
- PMT is not an approved Ginnie Mae issuer, and an increase in the percentage or amount of government loans it acquires could be detrimental to PMT's results of operations.
- The retention of credit risk underlying loans PMT sells to the GSEs is inherently uncertain and exposes it to significant risk of loss.
- The COVID-19 pandemic and the CARES Act have significantly increased the number of borrowers in forbearance whose loans are in PMT's CRT arrangements which may lead to significant future credit or fair value losses.
- The Federal Housing Finance Agency has instructed government-sponsored entities to gradually wind down new lender risk share transactions such as CRT investments as of the end of 2020. If the Adviser is unable to find a suitable alternative investment to investing in CRTs with similar returns, PMT's business, liquidity, financial condition and results of operation could be materially and adversely affected.
- Certain of PMT's historic investments in CRT Agreements may not be eligible REIT assets and PMT has therefore held such investments in its taxable REIT subsidiary, resulting in a significant portion of its income from these investments being subject to U.S. federal and state income taxation in order not to jeopardize PMT's REIT status.
- A portion of the investments is in the form of loans, and the loans in which PMT invests subjects it to costs and losses arising from delinquency and foreclosure, as well as the risks associated with residential real estate and residential real estate-related investments, any of which could result in losses.
- The Adviser cannot independently protect the MSR or ESS assets from borrower refinancing and are dependent upon PLS to do so for PMT's benefit.
- The failure of PLS or any other servicer to effectively service the portfolio of MSRs and loans would materially and adversely affect PMT.
- Investments in subordinated loans and subordinated MBS could subject PMT to increased risk of losses.
- A disruption in the MBS market could materially and adversely affect PMT's business, financial condition and result of operation.

- PMT has a substantial amount of indebtedness, which may limit its financial and operating activities, expose it to substantial increases in costs due to interest rate fluctuations, expose it to the risk of default under its debt obligations and may adversely affect its ability to incur additional debt to fund future needs.
- There are certain risks associated with investing in real estate and real estate related assets, including risks of loss from adverse weather conditions, man-made or natural disasters, pandemics, such as the COVID-19 pandemic, terrorists attacks, and the effects of climate change, which may cause disruptions in PMT's operations and could materially and adversely affect the real estate industry generally and PMT's business, financial condition, liquidity and results of operations.
- Many of the investments are illiquid and the Adviser may not be able to adjust the portfolio in response to changes in economic and other conditions.
- The Adviser utilizes analytical models and data in connection with the valuation of the investments, and any incorrect, misleading or incomplete information used in connection therewith would subject PMT to potential risks.
- The Adviser depends on the accuracy and completeness of information about borrowers and counterparties and any misrepresented information could adversely affect the investment.
- Liability relating to environmental matters may impact the fair value of properties that PMT owns or that underlie its investments.
- PMT is subject to counterparty risk and may be unable to seek indemnity or require its counterparties to repurchase loans if they breach representations and warranties, which could cause it to suffer losses.

ITEM 9: DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of an adviser or the integrity of its management.

The Adviser does not have any such legal or disciplinary events to disclose.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The Adviser is under common control with a real estate broker, PennyMac Services, Inc., although this relationship does not create a material conflict of interest with PMT.

Although not a related person specified in the categories enumerated in the instructions for Part 2A of Form ADV, the client should be aware that PMT maintains multiple agreements with an affiliate of the Adviser, PLS. All of the loans PMT acquires in its correspondent production operations are fulfilled on its behalf by PLS, which also services the mortgage loans that PMT holds in its residential mortgage investment portfolio and the mortgage loans for which it retains the obligation to service as a result of its correspondent production. PLS also serves as a source of correspondent

production to PMT. Moreover, PMT invests in ESS on MSRs acquired by PLS. Additional information regarding the services provided by PLS to PMT and the contractual arrangements between them can be found in PMT's most recent Annual Report on Form 10-K available through the SEC's website at <http://www.sec.gov/edgar/searchedgar/webusers.htm>.

As a result of the relationship between PLS and PMT, there are direct and indirect economic benefits received by the Adviser, which create conflicts of interest and have the potential to indirectly influence the Adviser's choice of investments for the client. In order to mitigate any such conflicts, there are written policies and procedures for the review and approval of certain related party transactions, including oversight by designated committees of PMT's board of trustees and PFSI's board of directors.

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

Description of Code of Ethics

The Adviser has adopted a Code of Ethics (the "Code") that sets forth standards of conduct for all access persons, as defined under the Code, including that the interest of the Adviser's client must come first at all times and that no inappropriate advantage should ever be taken of any position of trust or responsibility. The Code includes specific policies addressing outside business activities, the giving and receiving of gifts and entertainment, and personal securities trading. A copy of the Code will be provided to any client or prospective client upon request.

Participation or Interest in Client Transactions

The Adviser does not participate in client transactions but does receive compensation or compensation-in-kind relating to the activities of PLS, its affiliate, as further discussed in Item 10 above and in the most recent Annual Report on Form 10-K of PMT.

ITEM 12: BROKERAGE PRACTICES

The Adviser may select dealers or brokers to execute the purchases and sales of the client's investments. If any dealers or brokers are used in connection with the purchase or sale of any investments, the Adviser will seek best execution for each transaction. Price is not the sole factor the Adviser considers in evaluating best execution. The Adviser also considers the quality of the brokerage services provided by broker-dealers, including the value of the firm's reputation, execution capabilities, commission rates, and responsiveness. Best execution may be measured over time through several transactions rather than a single transaction. Except in connection with certain derivatives products, the client generally does not pay commissions on investment transactions, as substantially all investment transactions are on a principal basis with dealers or directly with the sellers which may or may not include a markup or a markdown.

Brokerage for Client Referrals

The Adviser does not receive client referrals in exchange for cash or other compensation, such as

brokerage services or research; however, the Adviser may from time to time receive subscriptions to industry publications and conference attendance sponsored by certain brokers.

Directed Brokerage

The Adviser does not manage or accept instructions from PMT for directing a transaction to a particular broker-dealer.

ITEM 13: REVIEW OF ACCOUNTS

The ALCO & Investment Committee (“Investment Committee”) meets at least quarterly to manage PMT’s investments in correlation with the overall performance of financial markets, while reducing the risk of adverse movements to owned assets through offsetting positions. The Investment Committee also oversees pricing activities and guides the acquisition and disposition of investments that support the strategic objectives of PMT. The Investment Committee is comprised of senior executives, including the President and Chief Executive Officer, the Chief Investment Officer and the Chief Financial Officer. The Investment Committee reports to the Executive Committee on a quarterly basis and is required to report key activities into certain committees of the board of directors on a periodic basis.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

The Adviser does not receive any compensation from any third party in connection with providing investment advice nor does it compensate any individual or firm for client referrals.

ITEM 15: CUSTODY

Pursuant to Rule 206(4)-2 of the Advisers Act, the Adviser is deemed to have custody of client funds since the Adviser has the authority to exercise control over and physically hold certain of its client’s assets. To mitigate any potential conflicts of interests due to this arrangement, all of the Adviser’s client account assets are maintained with an independent non-affiliated qualified bank custodian.

The investors in PMT’s common stock are provided a copy of PMT’s annual audited financial statements within 120 days subsequent to its fiscal year end. The annual report is prepared by an independent public accountant, which is registered with and subject to regular inspection by the Public Company Accounting Oversight Board (PCAOB). In addition, the audited financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP).

ITEM 16: INVESTMENT DISCRETION

Discretionary Authority; Limitations

Pursuant to the Management Agreement, PMT has granted to the Adviser discretion over the selection and amount of securities to be bought or sold for client accounts and the commission rates and/or transaction cost paid to effect the transactions.

However, such authority is subject to specified investment conditions set forth in the Management Agreement, which include the following: (i) no investment may be made that would cause PMT to fail to qualify as a REIT, (ii) no investment shall be made that would cause PMT to be regulated as an investment company under the Investment Company Act; and (iii) with the exception of real estate and housing, no single industry shall represent greater than 20% of the investments or aggregate risk exposure in PMT's portfolio.

Limited Power of Attorney

The Adviser is authorized to exercise full discretionary authority via a limited power of attorney contained in the Management Agreement. The Adviser is designated as the client's attorney-in-fact with discretionary authority to effect investment transactions in the client's account, which authorizes the Adviser to give instructions to third parties in furtherance of such authority.

ITEM 17: VOTING CLIENT SECURITIES

The Adviser will not vote proxies on behalf of the client, as it does not invest the client's capital in equities or other securities with similar characteristics that generate proxy proposals for investors to vote.

ITEM 18: FINANCIAL INFORMATION

The Adviser does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. The Adviser has not experienced any financial condition that is reasonably likely to impair its ability to meet any contractual obligations to PMT or future clients.