EnTrustPermal

Special Opportunities Fund IV

Presentation to:

Mid-Atlantic UFCW and Participating Employers Pension Fund

July 13, 2017

Total Assets By Strategy

EnTrustPermal

$24.4 Billion[1]

STRATEGIC PARTNERSHIPS ($11.0B)
- Public Pension Plans ($2.9B)
- Multi-Employer Plans ($3.1B)
- Corporate Pensions ($1.5B)
- Sovereign Wealth Funds ($1.5B)
- Insurance Companies ($955.8M)
- Family Offices ($193.2M)
- Endowments & Foundations ($277.8M)
- High Net Worth Funds ($141.9M)
- Other ($489.2 M)

OPPORTUNISTIC CO-INVESTMENTS ($3.3B)
- Special Opportunities Funds I, II, and III ($2.9B)
- Special Opportunities Fund IV[2] Launch Expected Q4 2017
- Select Opportunities ($297.2M)
- Hedge Fund Opportunities ($50.4M)

MULTI-STRATEGY FUNDS ($5.1B)
- Diversified ($2.7B)
- Fixed Income Holding ($1.5B)
- Investment Holdings ($386.1M)
- Equity Focused ($94.8M)
- Credit Focused ($53.2M)
- Absolute Return ($375.6M)

SINGLE STRATEGY FUNDS ($1.5B)
- Global Activist ($444.8M)
- Macro Holdings ($640.7M)
- Natural Resources ($27.7M)
- Portfolio Tail Risk ($80.7M)
- Fixed Income Special Opportunities ($186.6M)
- Structured Income Fund ($208.4M)

GEOGRAPHICAL FOCUSED FUNDS ($2.6B)
- China Focused ($2.5B)
- Japan Focused ($25.5M)
- European Focused ($21.8M)
- Emerging Markets Focused ($65.1M)

LIQUID FUNDS ($753.6M)
- Alternative Core Fund ($338.8M)
- Alternative Select ($34.5M)
- Alternative Income Strategy ($380.3M)

BLUE OCEAN ($188.7M)
- Blue Ocean ($188.7M)
- Direct Lending Fund Focusing on Maritime Assets
- Second Traunche Launch Expected Q1 2018
- Target Raise: $750M

Types of Strategies:
- Core Strategies
- Core + Opportunistic
- Opportunistic
- Specialty

Dedicated Opportunistic Investment Funds

Funds with an Opportunistic Allocation

- Total Co-Investment capital is currently over $6.5 B, which includes investments in dedicated commingled funds and strategic partnership allocations.

[1] All data is as of May 31, 2017 and includes assets under advisement and includes $387.8 million of mandates awarded but not yet funded.
[2] $331.9 million of assets committed to EnTrustPermal Special Opportunities Fund IV

A Leader in Alternatives

- **EnTrustPermal is one of the world's largest global hedge fund businesses**
- **Our mission is to strengthen the financial security of the millions of individuals and their families for whom we manage money**

EnTrustPermal	
Size Matters	• **Among top global hedge fund investor**[1] in alternatives with approximately **$24.4 billion**[2] in total assets for over 790 institutional accounts • **Significant research capabilities** to source investment opportunities • **Greater scale** to negotiate lower manager fees for its investors
Substantial Reach	• A combined team of **43** investment professionals and **11** offices worldwide[3] • Headquartered in New York, with offices in Boston, Chicago, Washington, D.C., London, Paris, Dubai, Hong Kong, Singapore, Beijing • Over **100** active manager relationships
Bespoke and Proprietary Investments	• **63** customized investor partnerships tailored for institutional clients • **180** bespoke manager vehicles with negotiated fees and preferential terms on over **60%** of total assets • Invested in over **130** co-investments since 2007
Investor-Centric Culture	• Unwavering commitment to innovation and **exceptional client service** with a keen focus on performance, risk management and transparency

[1] Preqin Quarterly Update Q1 2017. [2] Including assets under advisement and includes $387.8 million mandates awarded but not yet funded. [3] As of May 31, 2017.
PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RESULTS. This document contains highly confidential and private proprietary information. Any further distribution, copying or other use of any contents of the information contained herein is strictly prohibited. There is no guarantee that favorable fee terms will be achieved.

EnTrustPermal – Scale that Benefits Our Investors

- **EnTrustPermal leverages its position among top global hedge fund investor[1] to negotiate even lower fees and better terms with our underlying managers on behalf of our investors**
- **EnTrustPermal has cultivated deep relationships with over 100 active hedge fund managers across the globe and in every major alternative investment strategy providing a breadth of alternative investment opportunities**

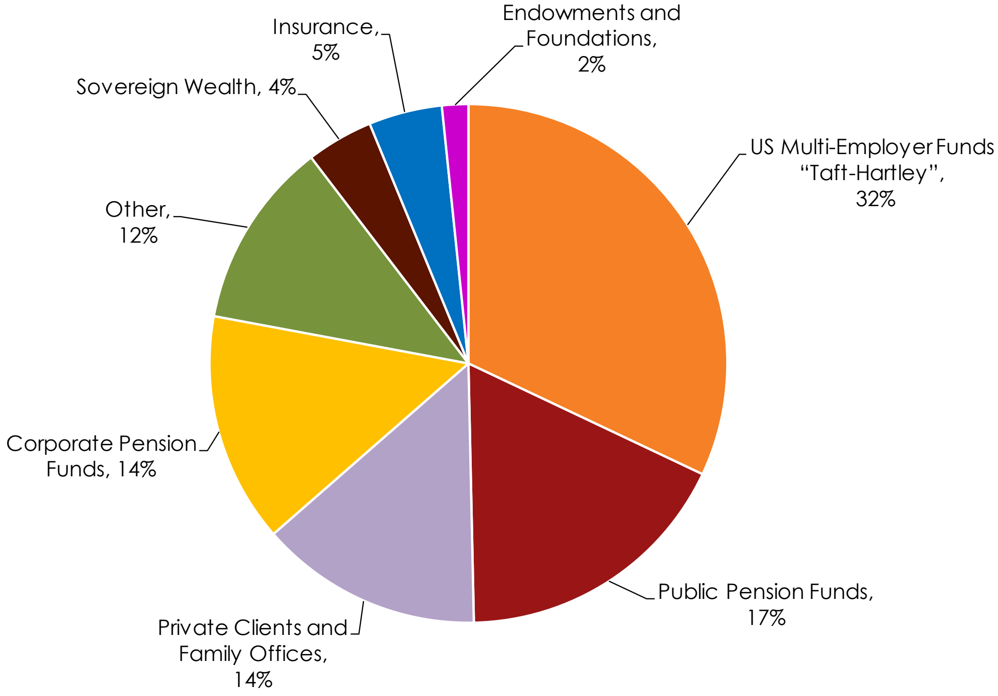
EnTrustPermal Total Active Manager Count: 105[2]

Credit 34 Strategies	Equity 59 Strategies	Event Driven 8 Strategies	Macro 23 Strategies	Multi-Strategy 2 Strategies	Tail Risk 3 Strategies	Liquid Alts 12 Strategies
Credit Long / Short 3	Activist Equity 13	Merger Arbitrage 1	Commodities 2	Multi-Strategy 2	Tail Risk 3	Liquid Alts 12
Credit Long Biased 2	Equity Long / Short 24	Multi-Strategy 4	Discretionary 15			
Credit Relative Value 2	Equity Long Only 10	Special Situations 3	Systematic 6			
Distressed Credit 6	Opportunistic Equity 12					
Multi-Strategy Credit 3						
Opportunistic Credit 12						
Structured Credit 6						

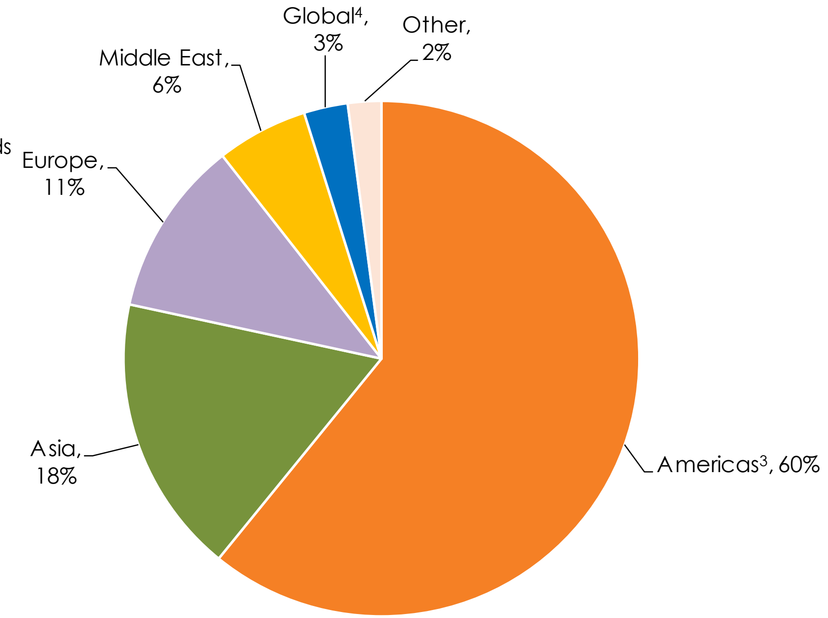
[1]Preqin Quarterly Update Q1 2017. [2]Totals remove overlap in managers and strategies. Past performance is not a guide to future results. This document contains highly confidential and private proprietary information. Any further distribution, copying or other use of any contents of the information contained herein is strictly prohibited. There is no guarantee that favorable fee terms will be achieved. Manager and strategy allocations are subject to change.

Global Client Base - Assets Under Management

Client Type[1,2]



Client Location[1]



[1]As of March 31, 2017. Any information that attempts to give a breakdown of the investor base is to the best of EnTrustPermal's knowledge. [2]Other includes seed and corporate money, not for profits, foreign and other institutional assets. [3]Includes U.S., Canada, and Latin America. [4]Includes cross-border assets from global financial intermediaries where a geographic region may not specifically be defined.
Percentages are subject to change.

Focus On Current Market Environment

- **The high valuations in the equity markets, coupled with historically low interest rates, are forcing investors to reconsider their asset allocations**
  - **Given the elevated risks in the markets, we believe institutional investors should focus their attention on strategies that provide capital preservation**
  - Once again, the Fed's actions may be contributing to a bubble as the vast quantity of liquidity pumped into the system creates distortions in the capital markets
    - **U.S. equities have appreciated by over 320% since March 2009, setting new record highs**[1]
    - The record high levels were achieved through multiple expansion (i.e. S&P 500 trades at over 18x forward earnings)[2]
    - With the 5-year Treasury yield at 1.75%, actuarial assumptions of 7-10% will be difficult to achieve[3]
- **Recent conditions indicate an upswing in risky behavior reminiscent of 2006-2007, suggesting "bubble-like" investor behavior**
  - Sustained low interest rates have forced investors to assume increased levels of risk in order to generate returns
    - **The S&P 500 has traded at an earnings valuation this high less than 5% of the time since 1976**[4]
    - Corporate credit spreads tightened to near all-time lows in 2015
- **Institutional investors need to seek greater risk-adjusted rates of return – more predictable and less volatile returns**

[1] Source: Bloomberg; S&P500 Index Total Return from 3/6/2009 to 5/31/2017 [2] Source: Bloomberg FPE Ratio as of 5/31/2017; [3] Source: Bloomberg; 5/31/2017; [4] Source: GS Investment Research

PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RESULTS. There is no guarantee the Fund will achieve its investment objective or targeted returns. Statements regarding current conditions, trends or expectations in connection with the financial markets or the global economy are based on subjective viewpoints and may be incorrect. Please see disclosures infra.

The Fixed Income Challenge

- **Many institutional investors are positioned to suffer significant losses as interest rates continue to rise in future years**
  - Overweight allocations to fixed income
  - Most exposure is fixed rate rather than floating rate
  - Institutional investors have increased maturities and durations in search of higher yields
- **Today's historically low global interest rate environment may lead to a possible bubble in the fixed income markets**
  - Current yield to worst on the Barclays U.S. Aggregate Index is only 2.46%[1]
  - Over $10.82 trillion of debt worldwide carries negative yields[2]
  - The recent post-election rise in interest rates in 2016 has caused a significant decline in prices
    - 10-year U.S. Treasuries declined by over 3.0% since U.S. Election Day on November 8th, 2016
    - 30-year U.S. Treasuries declined by approximately 7.0% since U.S. Election Day on November 8th, 2016
- **Traditional fixed income investments are positioned to suffer significant losses as interest rates continue to rise**
  - If 10-year U.S. Treasury yields rise to 3.5%, prices would drop approximately 11.0%[3]
  - If 10-year U.S. Treasury yields rise to 4.0%, prices would drop approximately 14.0%[3]
  - **If yields rise to their last 50 years' average of ~6.5%[4], prices would drop approximately 31.0%[3]**

[1] Bloomberg, 5/31/2017
[2] Financial Times, 4/21/2017, "Negative-yielding debt hits five-month high"
[3] Bloomberg, 5/31/2017
[4] Bloomberg, 5/31/2017
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EnTrustPermal Special Opportunities Funds

- **The EnTrustPermal Special Opportunities Funds are comprised of our managers' high conviction ideas that are a result of market dislocations or manager led, catalyst-driven investments**
  - **Allows investors to allocate and commit capital now to take advantage of future market dislocations**
  - Funds do not have any predetermined exposure by asset class or geography

Fund	Launch	Committed Capital	Net IRR[1]	Beta (MSCI World)
Special Opportunities Fund III Ltd. Class A ("Fund III Ltd.")	February 2015	$1,617.9 mm	**14.14% (Invested Capital) 11.96% (Called Capital)**	**0.19 (Invested Capital) 0.18 (Called Capital)**
Special Opportunities Fund III LP Class A ("Fund III LP")	February 2015	$111.7 mm	**15.89% (Invested Capital) 13.57% (Called Capital)**	**0.17 (Invested Capital) 0.16 (Called Capital)**
Special Opportunities Fund II Ltd. ("Fund II Ltd.")	November 2011	$772.7 mm	**10.87% (Invested Capital) 9.58% (Called Capital)**	**0.42 (Invested Capital) 0.40 (Called Capital)**
Special Opportunities Fund II LP ("Fund II LP")	November 2011	$107.6 mm	**11.35% (Invested Capital) 9.87% (Called Capital)**	**0.41 (Invested Capital) 0.39 (Called Capital)**
Special Opportunities Fund I Ltd. Class A ("Fund I Ltd.")	August 2008	$261.6 mm	**12.39%**	**0.20**

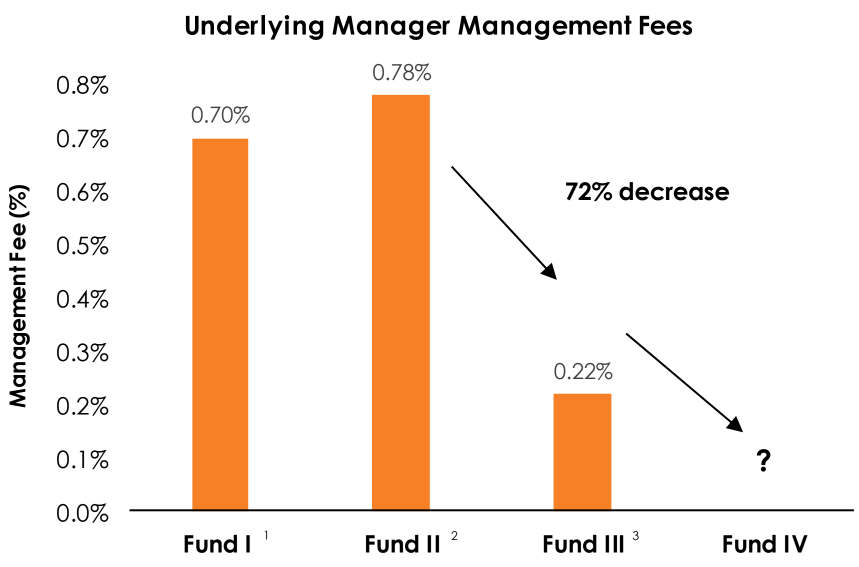
- **EnTrustPermal is expected to launch Special Opportunities Fund IV ("Fund IV") in Q3 2017**
  - Target high risk adjusted returns[2]
  - Target investments with 2-5 year investment horizon
  - 15-30 investments with an expected average position size of 3%-7%
- **We began allocating to opportunistic investments in 2007 and currently manage $6.0 billion in opportunistic capital[3]**
- **Fund IV will employ a committed capital and drawdown structure, charging fees only on invested capital**
  - Allows for **quick execution**
  - Enables investors to **reserve liquidity for potential dislocation opportunities;** solves the systemic problem of **"Institutional Paralysis"**
- **The Special Opportunities Funds earn a "liquidity premium" by taking advantage of the lack of 2-5 year institutional capital**
- **EnTrustPermal has used its relationships and status as a large investor to obtain more favorable terms with our underlying managers in opportunistic investments**

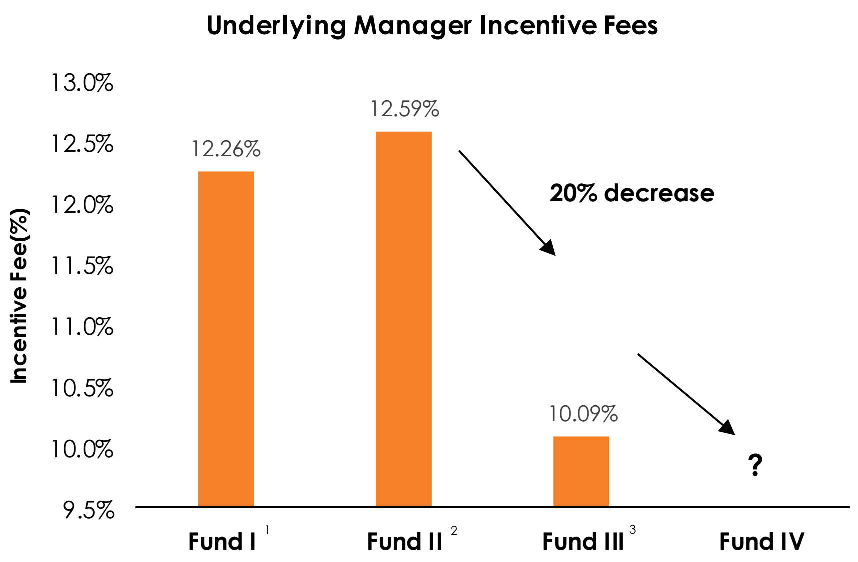
Fund	Underlying Manager Management Fee[4]	Underlying Manager Incentive Fee[4]	Discount to Standard 2% and 20%
Special Opportunities Fund III	0.22%	10.09%	**67.46%**
Special Opportunities Fund II	0.78%	12.59%	**46.64%**
Special Opportunities Fund I	0.70%	12.26%	**49.53%**

PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RESULTS.
[1] As of 5/31/17 [2] There is no guarantee that any particular return goals will be achieved or that losses will not occur. Fund strategies may be based on subjective views of the securities markets or global economic events that prove incorrect. There is no guarantee the Fund will achieve its investment objective or targeted returns. Please see disclosures infra. [3] As of 12/31/16. Includes $125.7 million in mandates awarded but not yet funded. [4] Based on the weighted average of EnTrust Capital Special Opportunities Fund Ltd., EnTrust Special Opportunities Fund II Ltd. and EnTrust Special Opportunities III Ltd investments, respectively, using estimates, as of 4/30/17 assuming a 10% net return. For purposes of this analysis, we used a 2% management fee and 20% incentive fee/allocation as a standard. However, managers may charge fees at other rates, the comparison to which would potentially yield different results. Net performance for the Fund reflects returns after the deduction of the quarterly management and incentive fee. While the Funds are audited on an annual basis, the performance numbers are unaudited and include dividends reinvested. There is no guarantee that Fund III will be able to continue executing transactions at the same or similar level of discounts as indicated in the table above. References to the return of any indices are based on published results and, although obtained from sources believed to be accurate, have not been independently verified.

Strong Commitment To Reducing Fees

- **We have used our relationships and status as a large investor to obtain the best possible terms for our investors**
- **The underlying manager fees in funds have materially lower fees than the "industry standard" fees of 2% and 20%**
- **We continue to use our scale to drive down underlying manager fees to increase profits for our investors**





[1] Based on Special Opportunities Fund I Ltd using estimates, as of 4/30/17. [2] Based on Special Opportunities Fund II Ltd., using estimates, as of 4/30/17. [3] Based on Special Opportunities Fund III, Class A, using estimates, as of 4/30/17.
There is no guarantee that negotiations with underlying managers will lead to fee reductions or that any target fee reductions or performance returns will be achieved.

Evolution of EnTrustPermal's Opportunistic Funds

AUG-08	NOV-11	NOV-14	FEB-15	Q3-17
Launch of Special Opportunities Fund I	Launch of Special Opportunities Fund II	Fund II commitment period ends	Launch of Special Opportunities Fund III	Expected launch of Special Opportunities Fund IV

Fund I

- **Launched in August 2008, a month prior to the collapse of Lehman Brothers**
- **Fund I focused primarily on the dislocation opportunities created by the financial crisis, such as:**
  - Senior bank debt
  - Large cap distressed debt
  - Emerging market sovereign debt
  - Early investments de-emphasized equity as senior secured credit offered a higher risk/reward
- **Initial investments largely comprised of specialized dislocation commingled funds**

Fund II

- **Launched in November 2011**
- **As capital markets improved post-crisis, opportunistic investments developed into both sector dislocation opportunities and high conviction single security investments, such as:**
  - Eurozone dislocation opportunities (e.g. European financials, Hellenic equities)
  - Structured products (CLOs, RMBS, CMBS)
  - Bankruptcy liquidation claims
  - Pre-IPO equity
  - Activist engagements
- **Fund II investment vehicles evolved often into funds-of-one in which EnTrustPermal is the only investor, with negotiated fees and liquidity terms**

Fund III/Fund IV

- **Fund IV will be focused on both dislocation events and high conviction, individual investment ideas in areas such as:**
  - Dislocation opportunities that could arise as a result of liquidity-driven capital markets and deteriorating underwriting standards
  - Energy and commodity dislocation
  - Distressed and stressed sovereign debt
  - Activist equity
  - Pre-IPO equities
  - Distressed municipalities
  - Structured products
  - Middle market lending
- **EnTrustPermal continues to focus on structures in which EnTrustPermal is the only investor**

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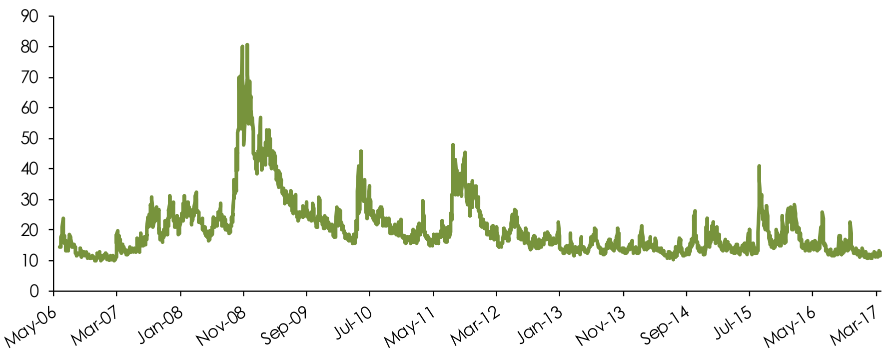
There is no guarantee that any Fund's investment objective will be achieved. All terms for the above funds can be found in each fund's relevant offering documentation.

Dislocation Event in the Markets: “Plan the Trade → Trade the Plan”

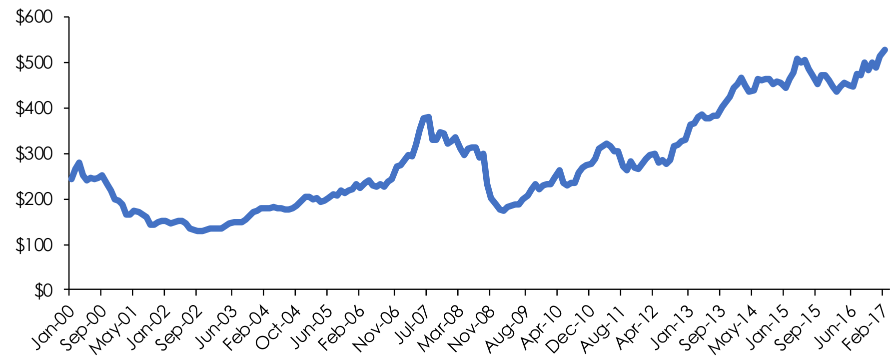
- **While the global economy has slowly improved from the trough levels of the financial crisis, it may be argued that the recent bull market has been driven more by unprecedented fiscal stimulus than by corporate fundamentals**
  - Once again, the Fed’s actions may be contributing to a bubble as the vast quantity of liquidity pumped into the system creates distortions in the capital markets
  - The Fed’s balance sheet now exceeds $4.5 trillion, up from less than $900 billion pre-crisis[1]
- **Today’s conditions show an upswing in risky behavior reminiscent of 2006-2007 suggesting “bubble-like” investor behavior**
  - Sustained low interest rates have forced investors to assume increased levels of risk in order to generate returns
    - Equity market valuations have surpassed pre-crisis levels (S&P P/E ratio of approximately 18x), despite three straight quarters of negative EPS growth.
    - Credit spreads have fallen to multi-year lows given investors strong demand for yield

Despite recent increases in volatility, the VIX Index has fallen below 15 during multiple periods indicating continued complacency in markets



Source: Bloomberg

New York Stock Exchange margin debt is 38% above its peak in July 2007 and is up 98% since December 2011[2]



Source: NYSE website

[1] Source: Federal Reserve website

[2] Source: NYSE website

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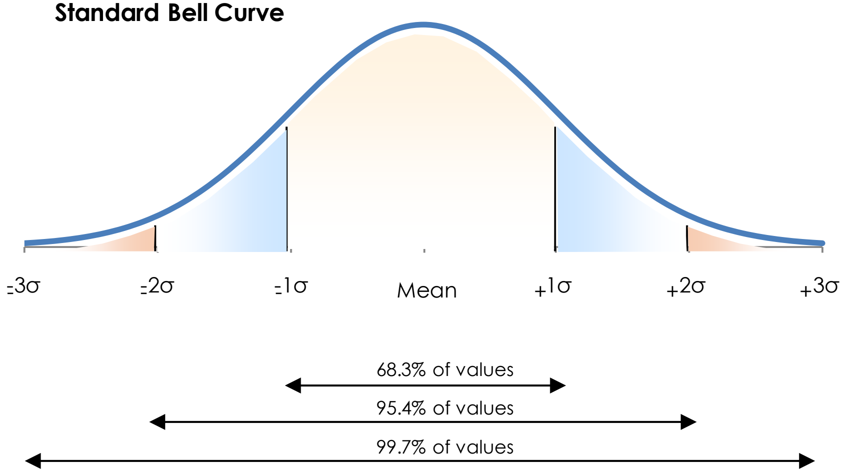
Market Dislocations Occur Regularly

- An analysis of daily returns of the S&P 500 over the past 20 years illustrates that 3 to 6 standard deviation ("sigma") events occur with much greater frequency than a normal distribution suggests ("standard bell curve")
- For example, 6-sigma (σ) events (daily losses exceeding 7%) have occurred almost once every three years
- Daily losses of greater than 3.5% have occurred on average once every 3 months

Standard Bell Curve



Dislocation Events (S&P 500 Over The Past 20 Years)	Predicted By A Standard Bell Curve	Historically Observed (Average)	Percent More Frequent Than Predicted
6-sigma events	Every 1,388,609 years	Every 3.3 years	416,583x
5-sigma events	Every 4,779 years	Every 1.3 years	3,584x
4-sigma events	Every 43 years	Every 8 months	67x
3-sigma events	Every year	Every 3 months	4x

Source: Bloomberg; EnTrustPermal Analytics; March 1997 to February 2017
Information regarding the S&P 500 has not been independently verified, but is believed to be accurate. Statements regarding current conditions, trends or expectations in connection with the financial markets or the global economy are based on subjective viewpoints and may be incorrect.

Providing Liquidity During Market Dislocations Often Leads to Outsized Returns

- **Market rallies following periods of dislocations can be sharp**

Dislocation Events	S&P 500 Performance	S&P 500 Performance 36 Months After Dislocation
European Concerns/US Debt Downgrade (2011)	-17.5%	**72.0%**
European Sovereign Debt Crisis (2010)	-15.6%	**68.3%**
Credit Crunch (2007-2009)	-55.3%	**115.8%**
Black Monday (1987)	-33.2%	**54.7%**
Energy Crisis (1973 - 1974)	-48.2%	**76.8%**

Source: Bloomberg
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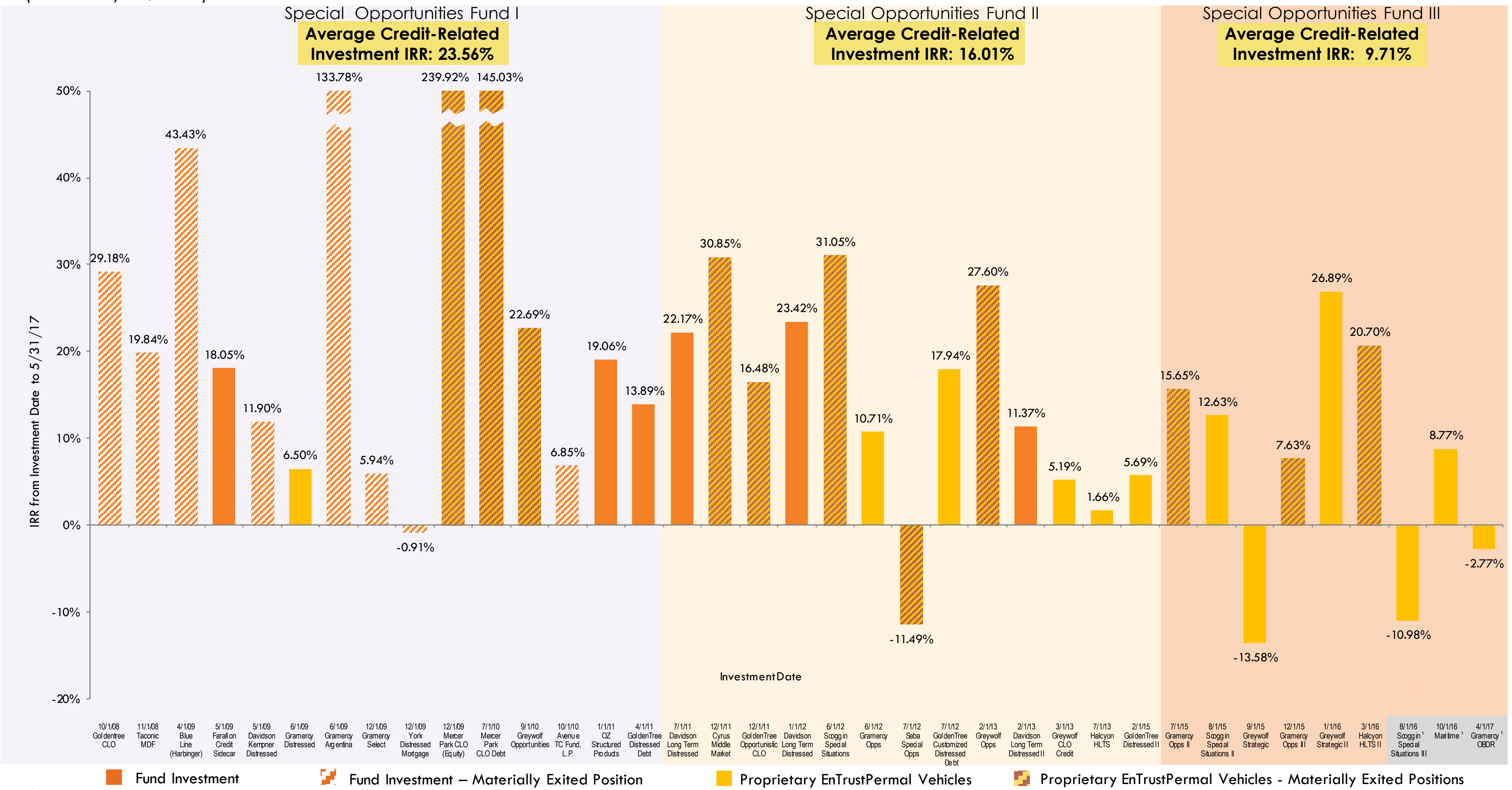
Credit-Related Investments
Historic and Broad-Based Credit Alpha Generation

(as of May 31, 2017)



[1] Cumulative performance is provided for investments with less than a 12 month investment time frame.

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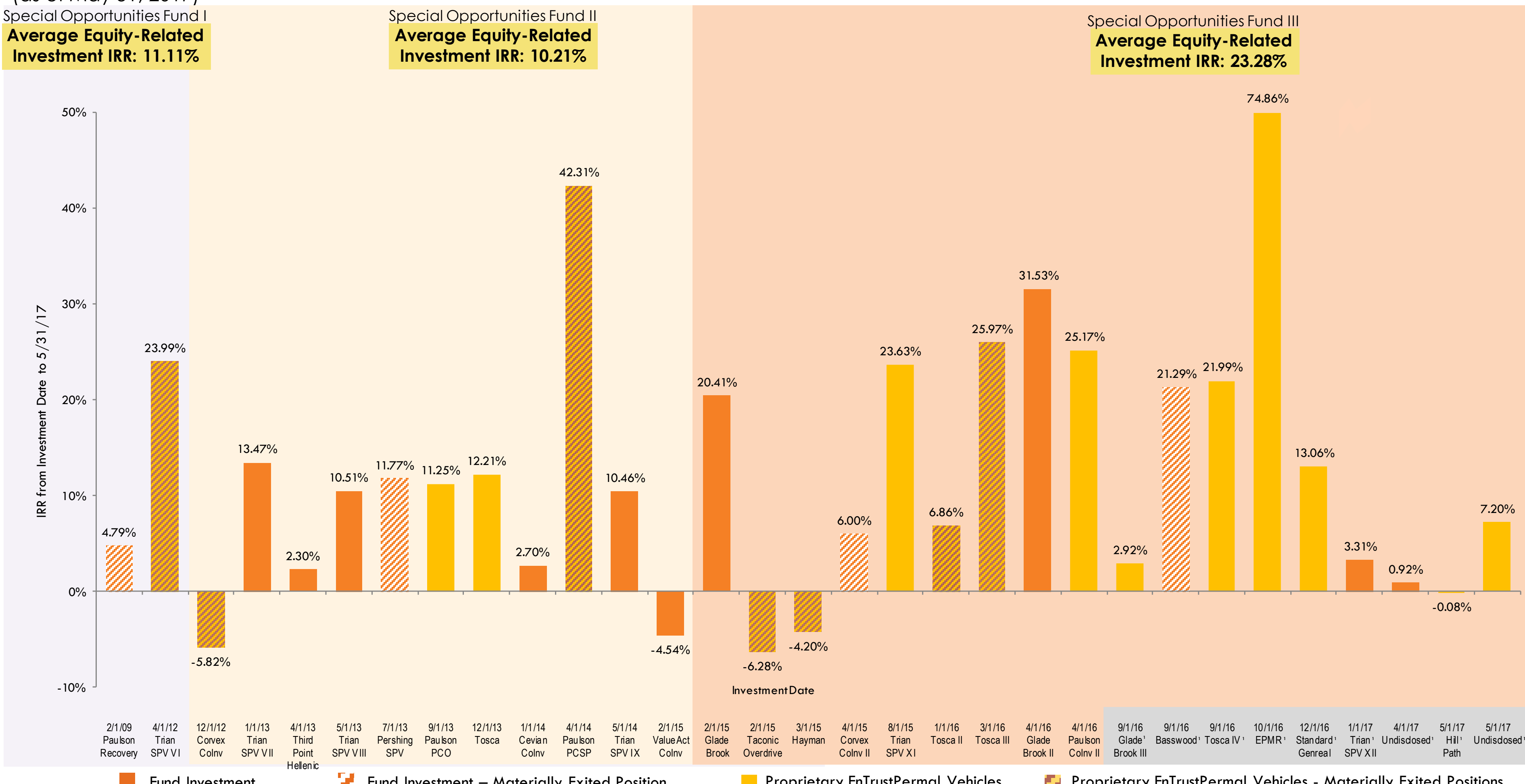
Equity-Related Investments
Historic and Broad-Based Equity Alpha Generation

(as of May 31, 2017)



[1] Cumulative performance is provided for investments with less than a 12 month investment time frame.

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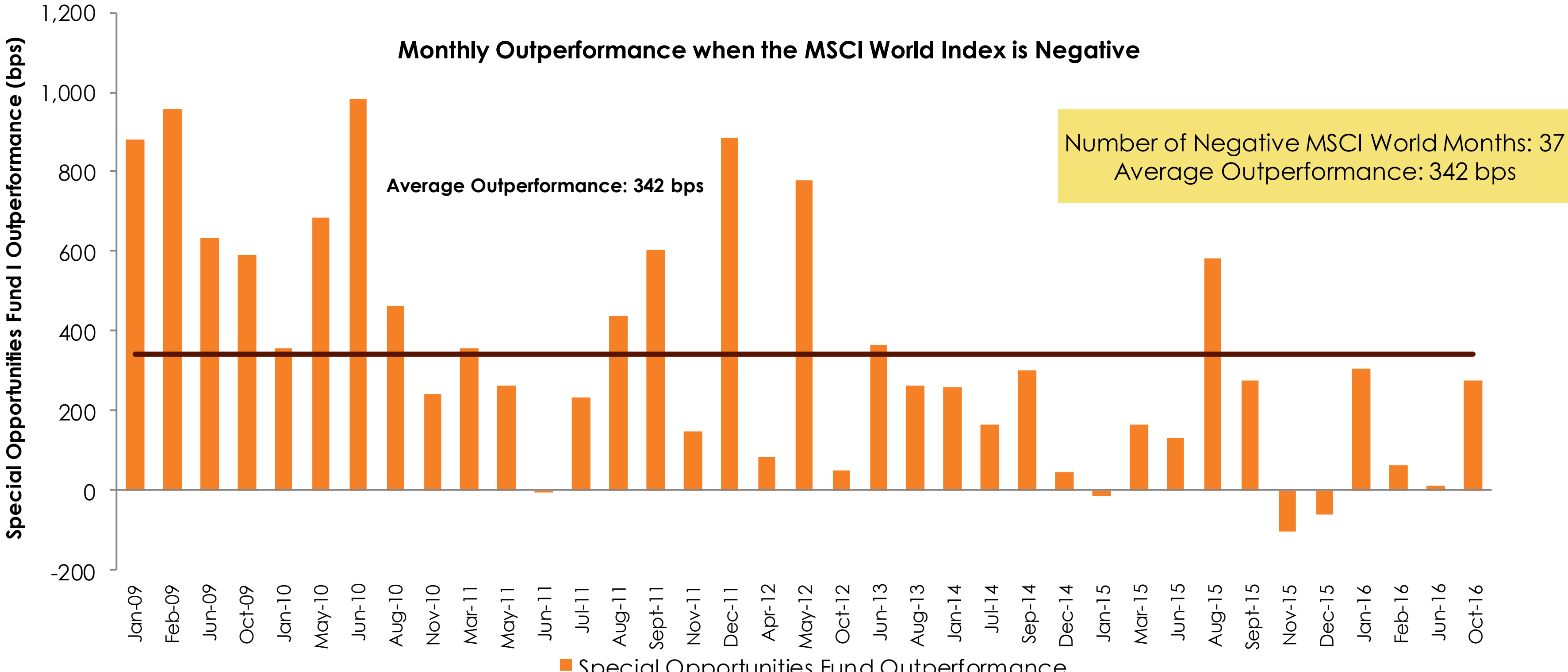
The Special Opportunities Fund I Significantly Protects in Negative Markets

- During negative market months, the Special Opportunities Fund I has outperformed the MSCI World Index, on average, by 342 bps per month (with a negative market capture ratio)
- During significant declines (MSCI World Index down more than 3%), the average return of the MSCI World was -6.45%, while Special Opportunities Fund average was -0.62%



Source: EnTrustPermal Analytics; Bloomberg.

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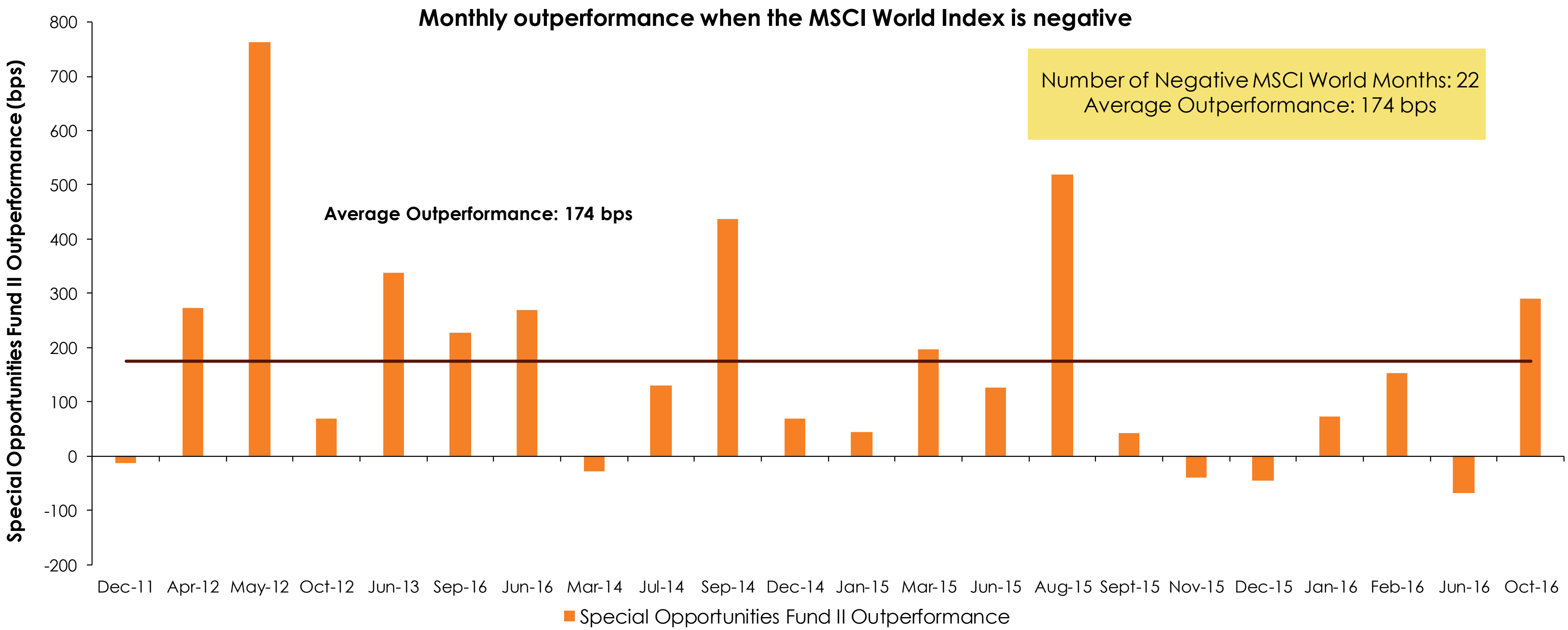
Please see disclosure infra. The monthly outperformance analysis begins in December 2008, as that was the first month of reported performance from the underlying managers in the EnTrust Capital Special Opportunities Fund Ltd.

The Special Opportunities Fund II Significantly Protects in Negative Markets

- During negative market months, the Special Opportunities Fund II has outperformed the MSCI World Index, on average, by 174 bps per month (with a 28% negative market capture ratio)
- During significant declines (MSCI World Index down more than 3%), the average return of MSCI World was -5.69%, while Special Opportunities Fund II average was -2.35%



Source: EnTrustPermal Analytics; Bloomberg.

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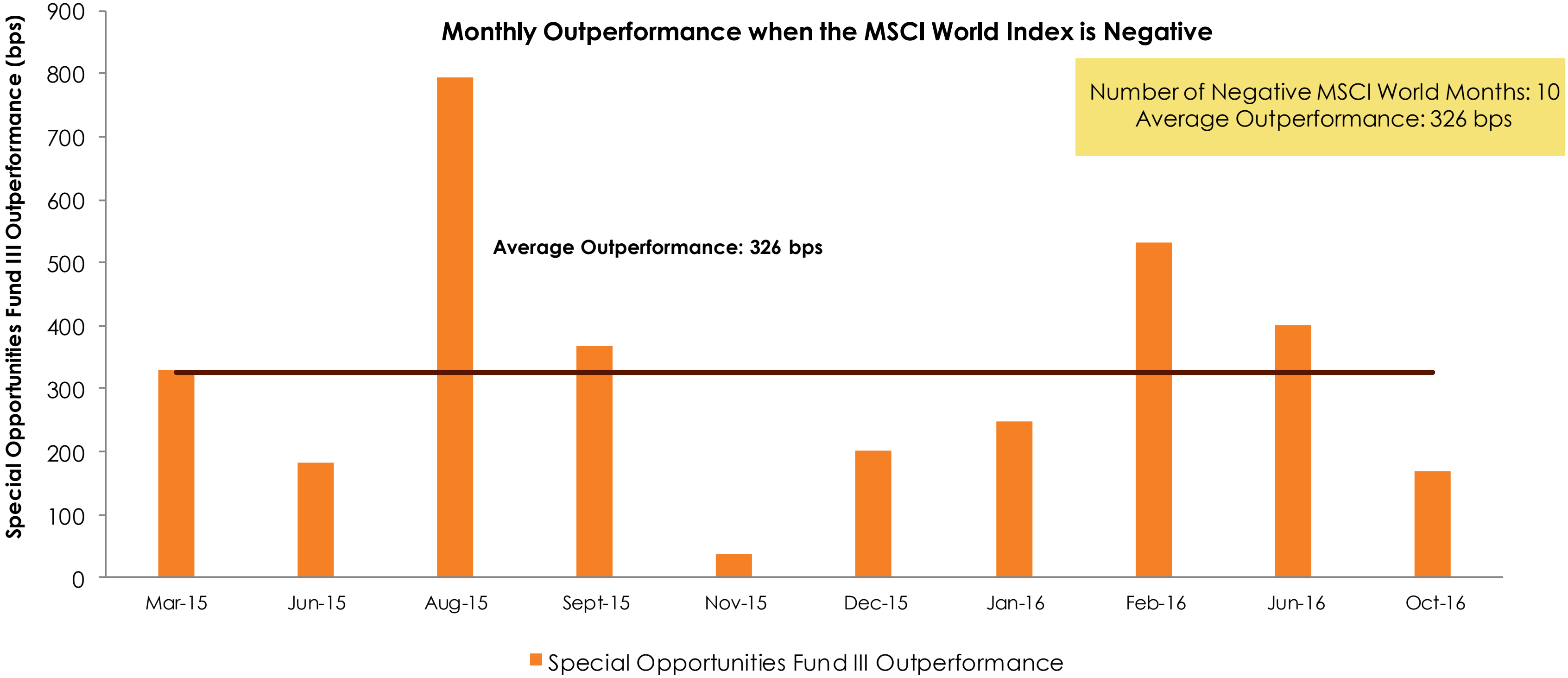
The Special Opportunities Fund III Significantly Protects in Negative Markets

- During negative market months, the Special Opportunities Fund III Ltd. (Class A) has outperformed the MSCI World Index, on average, by 326 bps per month (with a -27% negative market capture ratio)
- During significant declines (MSCI World Index down more than 3%), the average return of MSCI World was -5.39%, while Special Opportunities Fund III average was -0.71%



Source: EnTrustPermal Analytics; Bloomberg.

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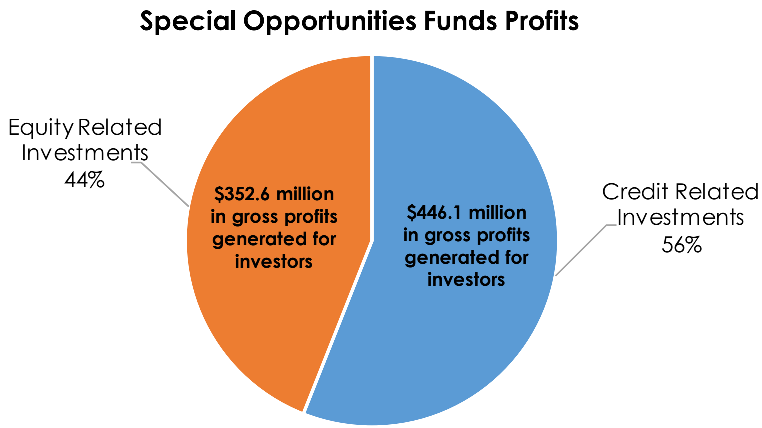
Special Opportunities Fund Investments

- Since August 2008, approximately 56% of all profits in the Special Opportunities Funds have come from credit investments and 44% from equity investments
- Special Opportunities Funds have generated gross profits of $799 million



- The table below shows the number of new equity and credit investments since inception

Number of New Investments in Special Opportunities Funds By Quarter

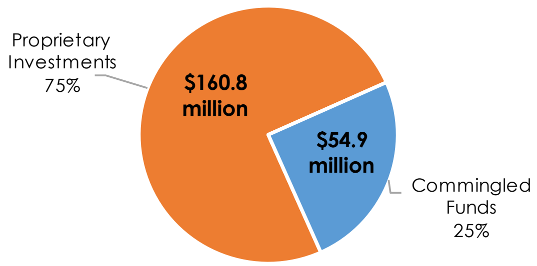
	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10	Q4 10	Q1 11	Q2 11	Q3 11	Q4 11	Q1 12	Q2 12	Q3 12	Q4 12	Q1 13	Q2 13	Q3 13	Q4 13	Q1 14	Q2 14	Q3 14	Q4 14	Q1 15	Q2 15	Q3 15	Q4 15	Q1 16	Q2 16	Q3 16	Q4 16	Q1 17	Q2 17
Equity Related Investments	-	-	1	-	-	-	-	-	1	-	-	-	-	-	-	1	-	1	1	2	2	1	2	3	-	1	2	3	1	-	2	2	3	2	1	3
Credit Related Investments	-	2	-	5	-	3	-	-	1	1	1	1	1	3	-	2	2	-	3	1	1	-	-	1	2	-	1	-	3	1	2	-	1	1	-	1
Total Investments	-	2	1	5	-	3	-	-	2	1	1	1	1	3	-	3	2	1	4	3	3	1	2	4	2	1	3	3	4	1	4	2	4	3	1	4

Source: EnTrustPermal Analytics, EnTrust Capital Special Opportunities Fund Ltd, EnTrust Special Opportunities Fund II LP & Ltd
PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RESULTS. Gross profits for the Fund reflects profits after deduction of the quarterly management fee. Gross profits do not reflect the deduction of the incentive allocation fee (as applicable). Final profit totals will be reduced by all investment advisory fees and any other expenses the client may incur in the management of its investment advisory account/investment. For a full listing of the investment advisory fees and expenses, please refer to the Adviser's ADV Part 2A which can be found on http://www.sec.gov/.

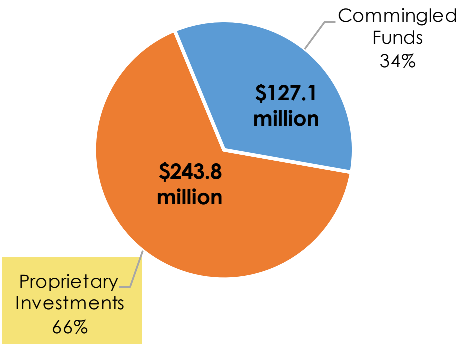
EnTrustPermal Proprietary Investment Vehicles

- EnTrustPermal proprietary investments are investment funds created by EnTrustPermal with underlying alternative asset managers
  - **EnTrustPermal investors are the sole investors in these proprietary investment vehicles**
  - We have increasingly used proprietary investment vehicles to source idiosyncratic opportunities
- We have created **32 proprietary investment vehicles (17 credit related, 15 equity related) which have generated 65% of all gross profits** within the Special Opportunities Funds
  - The proprietary vehicles have generated over **75% of all gross profits within the Special Opportunities Fund III Ltd**
  - The proprietary vehicles have generated over **66% of all gross profits within the Special Opportunities Fund II Ltd**
  - The proprietary vehicles have generated over **53% of all gross profits within the Special Opportunities Fund I Ltd**

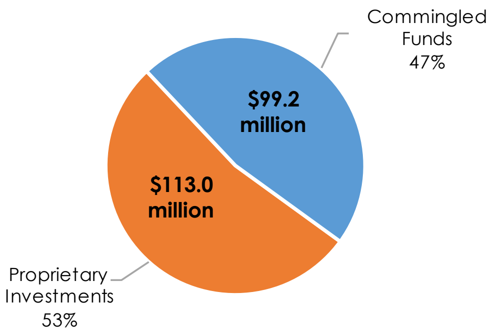
Special Opportunities Fund III Ltd Profits



Special Opportunities Fund II Ltd Profits



Special Opportunities Fund I Ltd Profits



Source: EnTrustPermal Analytics, EnTrust Capital Special Opportunities Fund Ltd, EnTrust Special Opportunities Fund II LP & Ltd, EnTrust Special Opportunity Fund III LP & Ltd

PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RESULTS. Gross profits for the Fund reflects profits after deduction of the quarterly management fee. Gross profits do not reflect the deduction of the incentive allocation fee (as applicable). Final profit totals will be reduced by all investment advisory fees and any other expenses the client may incur in the management of its investment advisory account/investment. For a detailed discussion of the investment advisory fees and expenses, please refer to the fund offering documents and the Adviser's ADV Part 2A which can be found on http://www.sec.gov/.

Special Opportunities Fund Investments

Special Opportunities Funds' performance has been primarily driven by company-specific events and catalysts

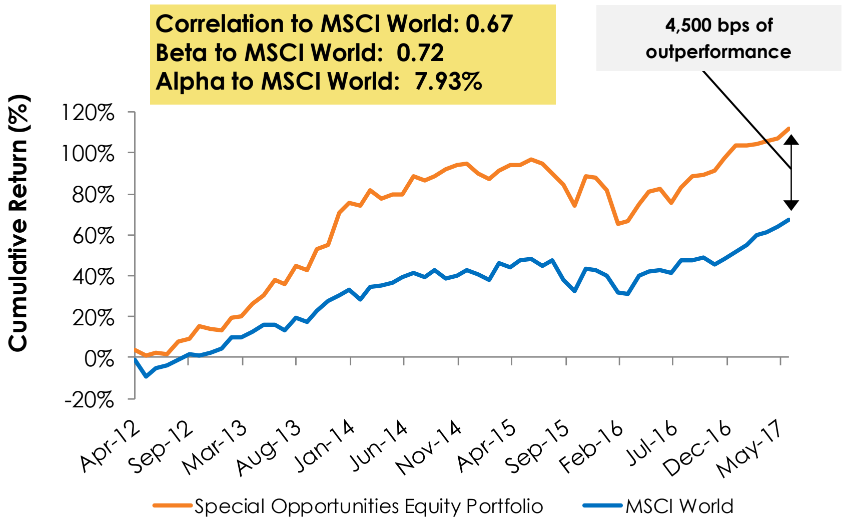
— Both equity and credit investments have significantly outperformed their benchmark indices

- Equity related investments have **outperformed the MSCI World Index by approximately 4,500 bps**
- Credit related investments have **outperformed the Barclays Aggregate Index by approximately 8,400 bps**

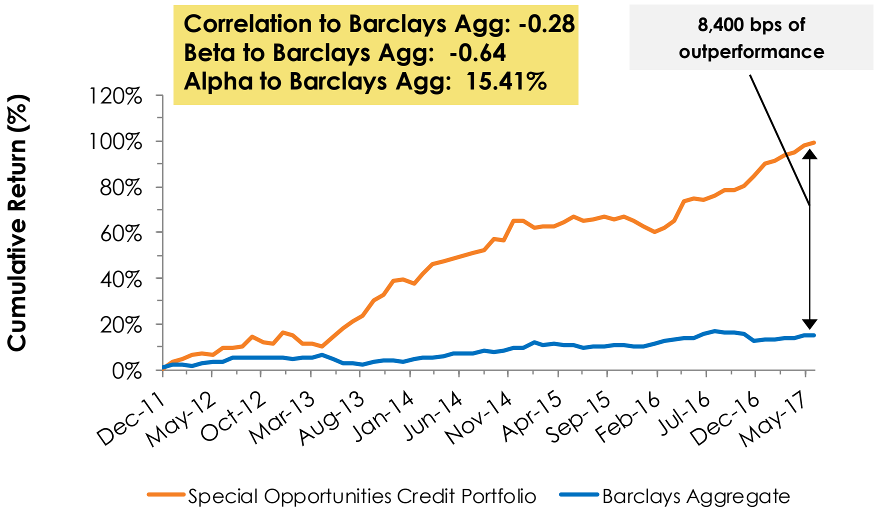
— The idiosyncratic nature of these investments has resulted in low correlations with broad market indices

- Equity related investments have had only a **0.67 correlation to MSCI World Index**
- Credit related investments have had only a -**0.28 correlation to Barclays Aggregate Index**

Special Opportunities Fund II Equity Portfolio Cumulative Performance



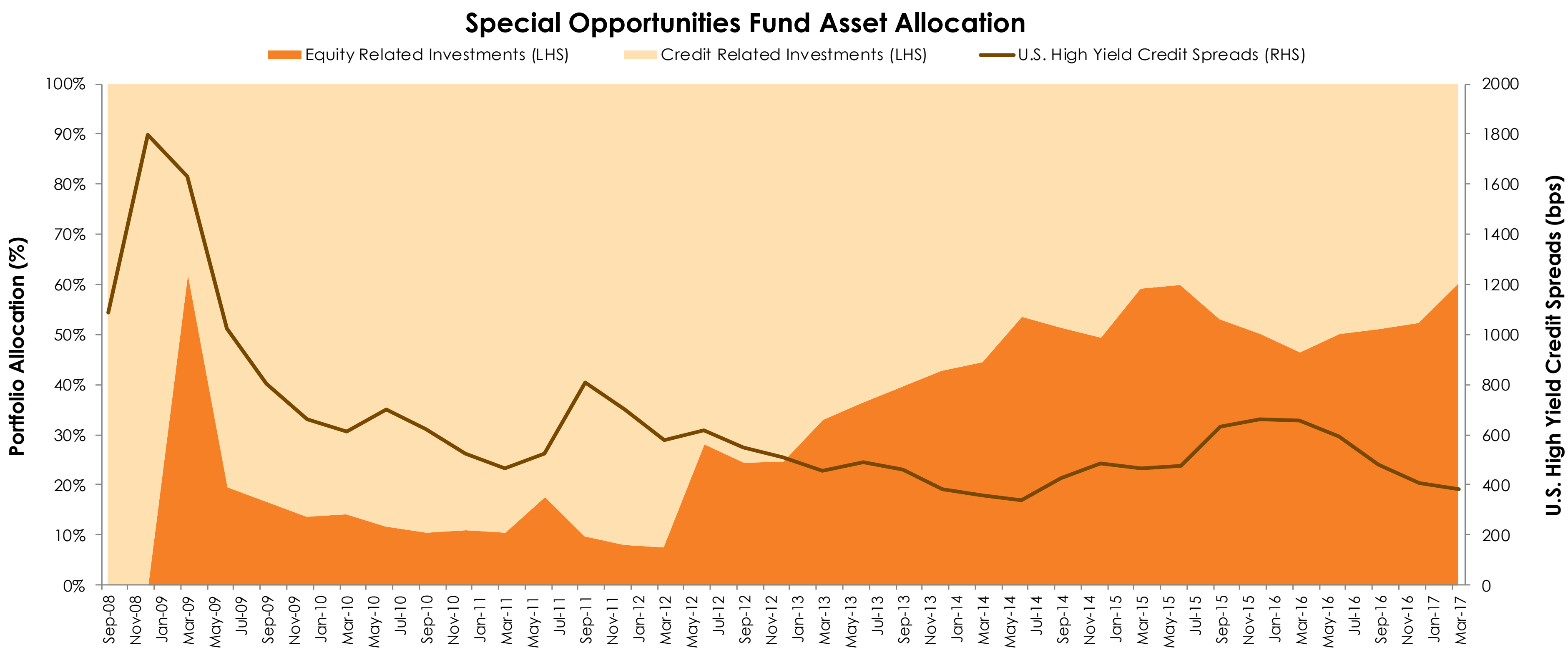
Special Opportunities Fund II Credit Portfolio Cumulative Performance



PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RESULTS. There is no guarantee that the Fund's investment objective will be achieved or that investment losses will not occur. Performance for EnTrust Special Opportunities Fund II Ltd. is net of all fees and expenses at the Fund level and at the underlying manager level, may be based on unaudited information and includes dividends reinvested. Performance shown here is for capital called and invested by EnTrustPermal. References to the return of any indices are based on published results and, although obtained from sources believed to be accurate, have not been independently verified. Please see disclosures infra.

Special Opportunities Funds Asset Allocation

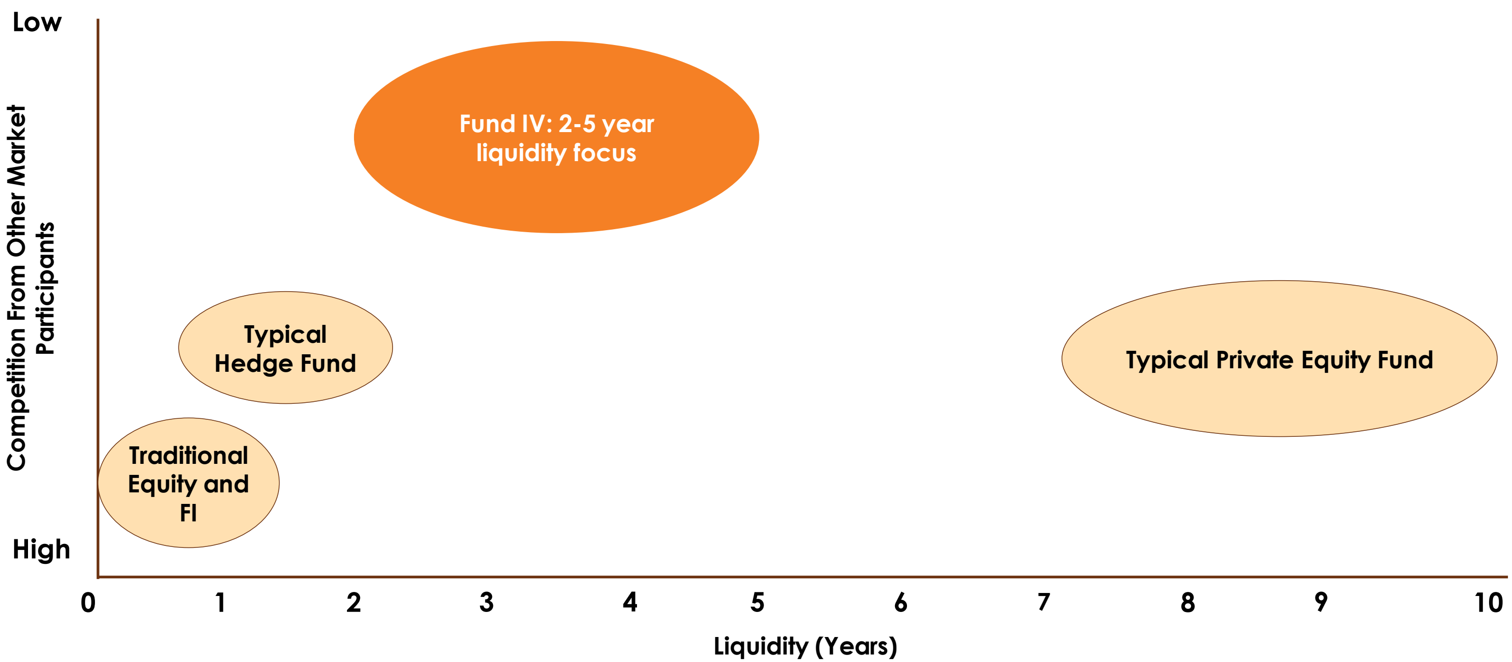
- We have dynamically changed the composition of equity and credit related investments in the Special Opportunities Funds based on market conditions
- The Special Opportunities Funds were heavily invested in credit instruments following the market dislocation of 2008, as we believed investors could earn a higher risk-adjusted return in credit
- Over the past three years, the credit markets have significantly recovered as evidenced by the compression of spreads to near historical tights, which has led us to increase the Funds' equity allocations to approximately 60%



Source: EnTrustPermal Analytics, Barclays Live, EnTrust Capital Special Opportunities Fund Ltd, EnTrust Special Opportunities Fund II Ltd, EnTrust Special Opportunities Fund III Ltd.

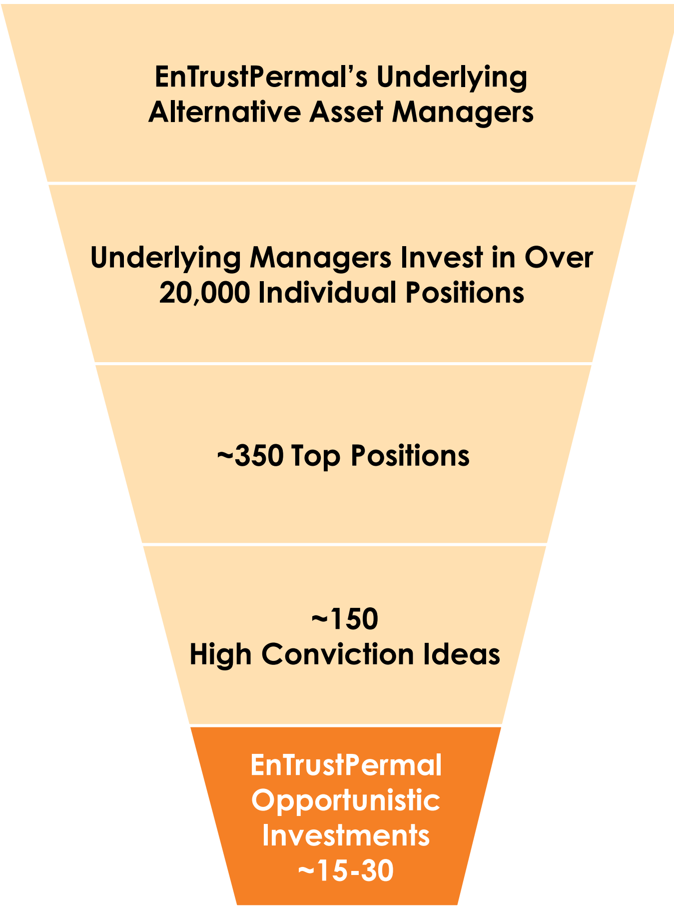
Fund IV Will Invest in a Less Crowded Part of the Liquidity Spectrum

- Traditional equity and fixed income markets are crowded and highly efficient
- The typical private equity universe, while less crowded and efficient, is still populated by a large number of established funds who compete for deals
- Fund IV will focus on the less crowded and efficient part of the liquidity spectrum (2-5 years), which is largely orphaned by institutional investors
- By acting as liquidity providers, we believe the Special Opportunities Funds can continue to generate outsized risk-adjusted returns



There is no guarantee that the Fund's investment objective will be achieved. Statements regarding current conditions, trends or expectations in connection with the financial markets or the global economy are based on subjective viewpoints and may be incorrect. Please see important disclosures infra.

EnTrustPermal Leverages Its Deep Relationships with Managers to Source and Create Opportunistic Investments



- **EnTrustPermal has deep relationships with over 100 established alternative asset managers that manage a significant portfolio of the overall hedge fund industry's assets**
- **EnTrustPermal's underlying managers invest in thousands of securities**
- **Opportunistic ideas are sourced through both "push" and "pull"**
  - All of EnTrustPermal's managers are aware of EnTrustPermal's opportunistic investment funds and actively recommend their high conviction ideas, which at times seek to capitalize on market or sector dislocations
  - Managers view EnTrustPermal as a preferred partner for opportunistic investments given our ability to analyze and act quickly
  - EnTrustPermal's analysts are intimately familiar with our managers' portfolios and will regularly reverse inquire whether specific existing investments are a fit for our opportunistic investment capital
- **Underlying managers partner with us on opportunistic investments as the additional capital:**
  - Improves their own standing or helps exert more influence
  - They have excess capacity in the investment
  - They do not have longer duration illiquid capital

There is no guarantee that the Fund's investment objective and targets will be achieved. Please see important disclosures infra.

Fund Characteristics: Fund IV Compared to Typical Hedge Funds & Private Equity

	Typical Hedge Fund	Fund IV	Typical Private Equity
Liquidity Target	3-18 Months	**2-5 Years**	7-10 Years
Market Focus	Public Securities	**Private and Public Securities**	Private Securities
Transparency	Limited	**Full**	Limited
Redemptions	Yes, After Initial Lock-ups	**Yes, After Investment Period**	No, Investors Generally Do Not Have Any Control
Opportunity Set	Broad, Multi-Asset Class	**Broad, Multi-Asset Class**	Generally Sector Focused
Geographic Focus	Global	**Global**	Mostly Domestic
Diversification	Highly Diversified	**Moderately Diversified**	Concentrated
Market Bias	Long / Short	**Long / Short**	Long Only
Leverage	Typically 1x-3x	**Typically None**	Typically 4x or Greater
Fund Fees	On Contributed Capital	**On Invested Capital Only**	On Committed Capital

There is no guarantee that the Fund's investment objective and targets will be achieved. Please see important disclosures infra.
For illustrative purposes only. This is a generalized view of the elements of typical hedge fund and private equity investments and may not apply to all such investments.

EnTrustPermal Special Opportunities Fund IV – Term Sheet

Structure	Fund IV is structured to draw down capital as needed to fund investments
Fund Launch	Q3 2017
Capital Calls and Commitment Period	EnTrustPermal generally provides 7 business days' written notice for capital calls. EnTrustPermal has three years to commit capital to investments, after which investors may redeem all or a portion of the available liquidity in underlying investment vehicles. EnTrustPermal has the discretion to extend the commitment period for one year.
Lockup	Fund IV will not invest in any investment vehicle that has an initial lockup of more than 5 years.
Management Fee	Fund IV will pay EnTrustPermal, in arrears, as of the last business day of each calendar quarter, a fixed management fee equal to the rate of 0.3125% (1.25% per annum) of the Net Asset Value of capital drawn and invested only.
Incentive Allocation	10% of the increase in net asset value, subject to an annual hurdle rate of 7.5%, highwater mark and after-tax clawback.
GP Catch-up	After the hurdle rate is surpassed, 100% to the General Partner until the General Partner has received 10% of net profits.

Final terms will be reflected in the Fund's offering documentation.

Opportunistic Credit Investment Example: Cyrus Middle Market – Virgin America

A. Background:

- Virgin America ("VA") is a low-cost/high amenity airline launched in the US in 2007
- Cyrus has been involved with VA through various equity and debt investments since the company's inception
  - Cyrus controls four of the airline's nine board seats and holds over 50% of its voting stock
- VA sought capital to optimize its balance sheet in anticipation of an IPO and did not want to raise new debt in the market to avoid ceding control to investors who are not as close to the company
- Cyrus looked to EnTrustPermal to serve as an alternative source of capital for the company

B. Investment Thesis:

- EnTrustPermal extended a loan in December 2011 ("Loan 1") on attractive terms that provided substantial potential upside with minimal risk of principal loss and ample asset coverage
  - Loan 1 offered a 17% coupon at 8.5% cash, 8.5% PIK and equity warrants
- EnTrustPermal made a follow-on investment in April 2013 ("Loan 2") on the back of the airline's underperformance of its business plan in 2012
  - While Cyrus did not believe that such underperformance exposed Loan 1 to risk of principal impairment, it did jeopardize the likelihood of a near-term IPO absent further steps to improve the company's balance sheet and operations
  - Loan 2 offered a 17% PIK coupon, equity warrants and security on the same collateral as Loan 1 but on a second priority basis

C. Result:

- Loan 2 facilitated an initiative to significantly de-lever the company and generate additional liquidity, which would also likely drive a higher valuation for VA's equity warrants
- With Cyrus's involvement, VA underwent a strategic turnaround post-2012, with a focus on profits versus growth
- VA posted its first profitable year in 2013 and was well-positioned for an IPO coming into 2014, particularly on the back of industry tailwinds, including domestic consolidation and a drop in jet fuel prices
- On November 13, 2014, VA raised over $300 million in its IPO at an offering price of $23 per share, reflecting a ~$973 million valuation
  - The IPO served to (i) paydown ~28% of the Loans at par plus accrued; (ii) paydown an additional ~10% of the Loans at 117%; and (iii) convert the Loan balance to equity at a discounted per share cost basis of $19.65, with additional equity exposure obtained through the exercise of warrants

D. Update:

- With nearly 40% of EnTrustPermal's investment monetized at attractive levels through VA's IPO, Cyrus focused on monetizing outstanding exposure in the airline's public shares
  - Given its breadth of knowledge and contacts in the airline industry, Cyrus drew conviction regarding the domestic airline sector and remained opportunistic in targeting an exit
- On April 4, 2016, Alaska Air Group ("Alaska") announced a deal to buy VA after winning a bidding war with JetBlue Airways Corp.
  - Alaska agreed to pay $57 per share for the airline, reflecting a total equity value of $2.6 billion
- The Alaska deal, which will create the fifth largest airline in the US, closed in December 2016
  - Shareholders received a cash payment commensurate with their holdings

PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RESULTS.

Note: This example of a specific investment made by Cyrus is included solely to illustrate the investment process and strategies that have been utilized by Cyrus, and should not be relied upon as advice or interpreted as a recommendation. An investment in Cyrus may include an additional number of investments other than the example set forth. The example is not intended to indicate overall performance that may be expected to be achieved by Cyrus. There can be no guarantee or assurance that Cyrus will be able to make similar investments on similar terms in the future. The information contained herein is not meant to imply performance of the investment or performance of the Fund.

Opportunistic Credit Investment Example: Greywolf Strategic – KV Pharmaceutical

A. Background:

- KV Pharmaceutical was a drug company whose principal drug, Makena, was designed to prevent pre-term birth
- The FDA granted Orphan Drug status to Makena in February 2011, granting the drug exclusivity until February 2018
  - Because of Makena's high price, the FDA did not enforce KV's Orphan Drug protections and allowed cheaper compounded versions of the drug to be sold
- Due to competition from compounders, KV was unable to achieve leading market share for Makena and suffered severe financial distress resulting in bankruptcy in August 2012
- In October 2012, an outbreak of fungal meningitis at a compounding facility led to concerns regarding production standards of certain competitors

B. Investment Thesis:

- Greywolf, one of EnTrustPermal's credit managers, believed the meningitis outbreak would provide an opportunity to significantly increase Makena's market share by reducing competition
  - Greywolf sought to buy out the interest of senior creditors and obtain significant ownership of the company's post-reorg equity at a discount to its potential revenue stream
- Makena's low market share despite government sanctioned exclusivity provided high growth potential with limited downside
- KV materially lowered the price of Makena to become more competitive

C. Result:

- Greywolf's bankruptcy plan, which entailed obtaining significant ownership of the restructured company, was ultimately enacted by the Bankruptcy Court and went into effect in September 2013
  - Greywolf emerged with 28% of KV's post-reorg equity, with EnTrustPermal entities owning 11%
- In the fall of 2013, both the House and Senate passed legislation limiting compounders' ability to manufacture and market competing pre-term birth products and increasing FDA oversight of such activities
- The compounding legislation was signed into law by the President in November 2013
  - In line with the new law, the FDA took action to oversee and limit compounders' ability to manufacture and distribute compounded versions of drugs such as Makena

D. Update:

- Greywolf saw significant remaining upside in the value of the restructured company given Makena's improved position to increase market share
  - Orphan Drugs generally command up to 80% of market share; Makena's market share is still below this level but has been growing steadily post-emergence
- Based on Makena's full market potential, KV presented itself as an attractive opportunity for a strategic buyer
  - In September 2014, Amag announced the acquisition of KV
  - The cash and stock deal provided a profitable exit for Greywolf and EnTrustPermal, with a majority of the investment monetized in November 2014
- EnTrustPermal continues to benefit from cash payments pursuant to the Amag deal based on the release of certain amounts held in escrow and as sales milestones are reached

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Note: This example of a specific investment made by Greywolf is included solely to illustrate the investment process and strategies that have been utilized by Greywolf, and should not be relied upon as advice or interpreted as a recommendation. An investment in Greywolf may include an additional number of investments other than the example set forth. The example is not intended to indicate overall performance that may be expected to be achieved by Greywolf. There can be no guarantee or assurance that Greywolf will be able to make similar investments on similar terms in the future. The information contained herein is not meant to imply performance of the investment or performance of the Fund.

Opportunistic Credit Investment Example: Gramercy Special Opportunity Fund SPC – BG Group

BG GROUP

A. Background:

- BG Group PLC ("BG Group") is a British natural gas company engaged in the exploration, development and production of natural gas and oil
- The company made a major investment in Argentina's natural gas industry in the early 1990s, which was essentially expropriated by the Argentine government
- BG Group commenced and won an arbitration against Argentina under the auspices of the United Nations Commission on International Trade Law ("UNCITRAL") seeking compensation of losses from this expropriation
- An award of approximately $190 million was rendered on April 25, 2003 (the "Award")

B. Investment Thesis:

- Gramercy believed the Award could be purchased at a significant discount to its value given BG Group's motivations to monetize the claim rather than wait for a resolution with the Argentine government
- Gramercy also believed the Award could yield an attractive settlement given recent precedent of other ICSID[1]/UNCITRAL awards and the country's continued momentum towards resolving its outstanding debts
- Even if a solution would not be forthcoming with the existing Argentine administration, Gramercy saw the upcoming Presidential elections in October 2015 as providing the requisite regime change for ultimate resolution of the Award

C. Result:

- Gramercy purchased the BG Group Award at $109 million, reflecting a meaningful discount to its $242 million value[2]
- The value of the Award has appreciated based on growing optimism regarding Argentina's ability and willingness to settle the liability
  - The U.S. Supreme Court rejected Argentina's final challenge to the Award in November 2014, eliminating further legal avenues to challenge the claim
  - A rise in the broader Argentine sovereign bond complex driven by expectations of a market-friendly successor administration has buoyed the value of the Award as it is expected to be paid out through a combination of such bonds

D. Update:

- Argentina's presidential elections yielded a victory for the country's opposition candidate, Mauricio Macri, who was inaugurated on December 10, 2015
  - Given the country's need to access capital markets, economic reforms were a core theme in Macri's campaign and he is viewed favorably by the market
- In line with Macri's expressed motivations towards opening up Argentina's economy, including by addressing its outstanding debts, the country's Ministry of Finance and Public Finance announced a settlement of the BG Group Award in May 2016
  - The settlement of the Award was comprised of USD-denominated bonds which Gramercy monetized opportunistically given the favorable market for Argentine sovereign debt

PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RESULTS.

Note: This example of a specific investment made by Gramercy is included solely to illustrate the investment process and strategies that have been utilized by Gramercy, and should not be relied upon as advice or interpreted as a recommendation. An investment in Gramercy may include an additional number of investments other than the example set forth. The example is not intended to indicate overall performance that may be expected to be achieved by Gramercy. There can be no guarantee or assurance that Gramercy will be able to make similar investments on similar terms in the future. The information contained herein is not meant to imply performance of the investment or performance of the Fund.

[1] ICSID is the International Centre for Settlement of Investment Disputes

[2] $242 million total claim is comprised of $190 million in original face amount and $52 million in accrued interest

Opportunistic Equity Investment Example: Mantle Ridge – CSX Corporation

A. Background:

- CSX Corporation ("CSX") is a U.S. Class 1 railroad serving major markets in the eastern United States
  - The company operates in a favorable duopoly industry structure, with high barriers to entry, low substitution risk and a lack of product cycle risk
  - Business dynamics afford the company a high degree of pricing power and a stable, recurring revenue profile, which helps the company generate prolific cash flow while maintaining a healthy balance sheet
- Despite a favorable industry structure and appealing market position, CSX's stock price had meaningfully underperformed its peers and the broad equity markets for a sustained period of time, leading to widespread shareholder discontent
- In addition, recurring operational missteps by the incumbent CEO reduced his credibility, helping to create a compelling dynamic for catalyzing change
- Paul Hilal, the CEO and Founder of Mantle Ridge, has intimate industry knowledge and widespread relevant industry contacts stemming from his time serving on the board of peer Canadian Pacific, where he was the architect of its recent operational turnaround, making him well-positioned to lead an activist engagement

B. Investment Thesis:

- Mantle Ridge believes CSX's historical underperformance has been due to poor operational execution, which has been visible in the company's lagging Operating Ratio
  - Mantle Ridge attributes CSX's sustained underperformance to ineffective leadership and inadequate board oversight
- Several peers, including Canadian Pacific, have provided a playbook for improving operational efficiencies, which have led to greater profitability and improving cash flow
- Mantle Ridge believes that CSX's Operating Ratio could be dramatically improved under the guidance of new leadership with the requisite board support
  - Mantle Ridge recruited Hunter Harrison, who oversaw the operational transformation of Canadian Pacific and is widely considered to be the best executive in the railroad industry
  - In addition, Mantle Ridge would seek to replace members of CSX's board of directors

C. Result:

- Mantle Ridge began accumulating shares of CSX during the fourth quarter of 2016 and ultimately acquired approximately 4.5% of total shares outstanding, making it a top-five shareholder
- Constructive dialogue with CSX began shortly thereafter and extensive negotiations continued through the first quarter of 2017, when a settlement was reached
  - Harrison was named CEO effectively immediately, to replace Michael Ward, who will become a consultant to the company
  - An agreement was reached to reconstitute the company's board of directors, whereby five new directors proposed by Mantle Ridge would be appointed to the board and three incumbent directors would step down

D. Update:

- CSX's share price has appreciated meaningfully since the inception of our investment
  - The share price increased nearly 30% in February 2017 as the market learned details of Mantle Ridge's activist engagement proposal
- Shareholders are set to vote on certain aspects of Harrison's proposed compensation package as he seeks to recover lost pay from leaving Canadian Pacific early for this opportunity
- Newly appointed CEO Harrison is expected to initiate an operational overhaul, whereby his preferred method of Precision Railroading is expected to be implemented as he sets out a path to improve CSX's Operating Ratio

PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RESULTS.

Note: This example of a specific investment made by Mantle Ridge is included solely to illustrate the investment process and strategies that have been utilized by Mantle Ridge, and should not be relied upon as advice or interpreted as a recommendation. An investment in Mantle Ridge will include an additional number of investments other than the example set forth. The example is not intended to indicate overall performance that may be expected to be achieved by Mantle Ridge. There can be no guarantee or assurance that Mantle Ridge will be able to make similar investments on similar terms in the future. The information contained herein is not meant to imply performance of the investment or performance of the Fund. Past performance is not indicative of future results.

Opportunistic Equity Investment Example
Trian SPV XI LP – Sysco Corporation

Sysco™

A. Background:

- Sysco Corporation ("SYY") is a market leader in the North American foodservice distribution industry
- Despite a strong market position, SYY's stock had underperformed for a sustained period of time relative to peers and the broader equity markets, leading to heightened shareholder frustration
- SYY's efforts to acquire peer U.S. Foods was denied by regulators in June 2015 due to antitrust concerns, sending shares sharply lower and creating an attractive entry price
- Trian disclosed a 7.1% ownership stake in August 2015, making it the company's largest shareholder

B. Investment Thesis:

- Trian believes SYY's historical underperformance is due to poor operational execution, which has resulted in escalating costs and deteriorating margins
- Trian intends to propose a comprehensive value enhancement plan designed to unlock value for all shareholders
  - Proposed initiatives will cover several areas, including operational improvements, corporate governance and capital allocation
- Trian believes it is well suited to lead this activist campaign due to its credibility in the consumer sector, with past successful investments across multiple companies within the food, beverage and restaurant industries

C. Result:

- Trian was awarded two seats on SYY's board of directors after only a few days of negotiations
- Shares rose approximately 7% on the day Trian disclosed its position as investors reacted positively to activist involvement
- Additional gains were experienced following Trian's quick settlement with the company

D. Update:

- SYY has announced various cost savings initiatives in an effort to increase its operating income by at least $500 million by the end of 2018
- A recently completed $3.1 billion acquisition of leading European foodservice distributor, Brakes Group, is expected to be immediately accretive to SYY's earnings
  - SYY is expected to use its scale to make additional accretive acquisitions in order to strengthen its market leading position
- Earnings results since Trian joined the board have been encouraging with signs of progress on the operational turnaround
- The engagement remains constructive as Trian has established a collaborative relationship with the management team and board of directors
  - SYY announced the addition of three elected directors, thereby expanding the size of the board to fifteen total members

PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RESULTS.

Note: This example of a specific investment made by Trian is included solely to illustrate the investment process and strategies that have been utilized by Trian, and should not be relied upon as advice or interpreted as a recommendation. An investment in Trian may include an additional number of investments other than the example set forth. The example is not intended to indicate overall performance that may be expected to be achieved by Trian. There can be no guarantee or assurance that Trian will be able to make similar investments on similar terms in the future. The information contained herein is not meant to imply performance of the investment or performance of the Fund.

Current Environment is Attractive for Select Idiosyncratic Investments

Distressed Credits

- ***European opportunities*** include bridge loan opportunities to European corporations on attractive terms and distressed situations resulting from economic contraction in the region
- Managers who facilitate ***corporate debt restructurings*** and lead bankruptcies in ***small- and mid-cap companies,*** for which refinancing debt is more challenging
- Identify ***bankruptcy liquidations*** with "process risk" that deters most investors and whose returns are uncorrelated with the broader markets
- Focus on ***energy debt and municipal debt*** as a potential source of distress

Structured Credit

- Source opportunities in ***CMBS***, which has not recovered as much as other structured credit instruments, and ***CLO equity***

Equities

- Target ***activist investments***, as low organic growth rates, stagnant stock prices, excess cash on corporate balance sheets, and cheap, readily available debt financing has created an ideal environment for managers to drive shareholder-friendly initiatives
- Identify ***merger arbitrage*** opportunities, as pent-up demand and receding regulatory/political/macroeconomic concerns have given CEOs more comfort to execute deals
- Source seasoned ***pre-IPO equity*** investments that will potentially be monetized in the near- to medium-term

There is no guarantee that any particular investment objective will be achieved or that the investment opportunities will be available at the time of a particular investor's investment. Please see important disclosure *infra.*

Important Considerations

EnTrustPermal

Important Disclosure

As further described in the offering documents for the applicable Fund, an investment in alternative investments can be highly illiquid, is speculative and not suitable for all investors. Investing in alternative investments is only intended for experienced and sophisticated investors who are willing to bear the high economic risks associated with such an investment. Investors should carefully review and consider potential risks before investing. Certain of these risks may include:

- loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices;
- lack of liquidity in that there may be no secondary market for the fund and none is expected to develop;
- volatility of returns;
- restrictions on transferring interests in the Fund;
- potential lack of diversification and resulting higher risk due to concentration of trading authority when a single advisor is utilized;
- absence of information regarding valuations and pricing;
- complex tax structures and delays in tax reporting;
- less regulation and higher fees than mutual funds; and
- manager risk

Individual funds will have specific risks related to their investment programs that will vary from fund to fund.

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Performance for EnTrust Special Opportunities Fund II LP is net of all fees and expenses at the Fund level and at the underlying manager level. The Fund is structured as a drawdown fund, thus there is performance for capital called by the Fund and capital invested by the Fund. Performance shown here is for capital called by EnTrustPermal.

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