



UFCW Union & Participating Employers Pension Fund

Compliance Checklist Report

December 31, 2017

Investment Performance Services, LLC
Equity Commingled Fund Quarterly Compliance Checklist
Period Ending December 31, 2017

To: Northern Trust Company - Collective Russell 1000 Growth Index

Re: UFCW Unions & Participating Employers Pension Fund - Equity

As an authorized representative of the firm I certify the following answers are accurate and attest that our firm has provided/attached all required explanations and/or supporting documents

1.) Have significant changes been made in the firm's investment management process during the quarter?

☐ No

☒ Yes (provide details)

2.) Have any changes or departures occurred in the investment team or other key personnel within the firm during the past quarter?

☐ No

☒ Yes (provide details)

Global Index Equity Team Personnel Changes:

No changes to the team in 4Q17.

Firm Personnel Changes:

Effective January 1, 2018, Frederick Waddell, Chairman and Chief Executive Officer, will be stepping down from his role as Chief Executive Officer. Michael O'Grady, will assume the role of Chief Executive Officer, in addition to his current position as President of Northern Trust. Mr. Waddell, who has served as Chief Executive Officer since January 2008, will remain as Chairman of the Board, a position he has held since November 2009.

3.) Have any ownership changes in the firm occurred during the quarter?

☐ No

☒ Yes (provide details)

4.) Have there been significant changes to your Form ADV from the last copy delivered to the Fund? **If you are not required to file form ADV, please explain why.**

☐ No

☒ Yes (provide details)

There have not been any significant changes to NTI's Form ADV since the last update.

5.) Has your firm or any individual (employee) at the present or during the past quarter been named in litigation, a regulatory enforcement action, or investigation related to investment activities? Please include any updates on any pending litigation that has been previously reported.

☐ No

☒ Yes (provide details and current status)

As one of the world's largest asset managers, Northern Trust Investments, Inc. (NTI) is occasionally named as a defendant in asset management-related litigation. NTI is not currently party to any litigation that has had (or will have) a material effect on its ability to perform services for its clients. At this time, there are no significant pending cases.

As one of the world's leading providers of asset servicing, Northern Trust and its subsidiaries occasionally

receive requests for information from government and regulatory agencies. Northern Trust frequently does not know if such requests are related to a formal government or regulatory investigations or, assuming an investigation is underway, whether Northern Trust is a target of such investigation or simply thought to be in possession of information pertinent to such investigation. Northern Trust is not currently involved in any government or regulatory investigation or proceeding that would have a material impact on its ability to provide advisory services to its clients. To the best of our knowledge, none of the personnel that are assigned to your relationship have been named in litigation, regulatory enforcement proceedings, or investigations related to investment activities.

6.) Do you verify the portfolio and individual holdings are currently, and have been during the past quarter, in compliance with your firm's commingled investment vehicle guidelines and/or prospectus governing the management of the investment?

☒ Yes ☐ No (please explain)

7.) With respect to the portfolio(s) under your management, do you acknowledge sole fiduciary responsibility under ERISA for adherence with the commingled investment vehicle and/or prospectus guidelines?

☒ Yes ☐ No (please explain)

8.) Do you see a need for a change in the Fund's current investment policy statement under which you are working?

☐ No ☒ Yes (please explain)

9.) Has your firm reviewed all regulations and directives from the Securities and Exchange Commission concerning brokerage and research services and are you in compliance with all disclosure requirements?

☒ Yes ☐ No (please explain)

10.) Have any changes occurred in the Errors and Omission insurance coverage provided by your firm over the last quarter?

☐ No ☒ Yes (provide details)

11.) Does the amount of insurance coverage meet or exceed the minimum amount required through your investment management contract with the Fund and the minimum amount required through the Fund's Investment Policy Statement?

☒ Yes ☐ No (please explain)

12.) Is your firm adhering to the communication and reporting requirements as defined in the Fund's investment policy statement?

☒ Yes ☐ No (please explain)

Certified For The Firm By:

Name:



Signature:

Title: Vice President
Firm: Northern Trust Company
Date: 1/29/18

Investment Performance Services, LLC
Equity Separate Account Quarterly Compliance Checklist
Period Ending December 31, 2017

To: Westfield Capital Management - Account 1505

Re: UFCW Unions & Participating Employers Pension Fund - Equity Large Cap Growth

As an authorized representative of the firm I certify the following answers are accurate and attest that our firm has provided/attached all required explanations and/or supporting documents

1.) Have significant changes been made in the firm's investment management process during the quarter?

☐ No

☐ Yes (provide details)

2.) Have any changes or departures occurred in the investment team or other key personnel within the firm during the past quarter?

☐ No

☒ Yes (provide details)

There were no additions or departures from the investment team during the fourth quarter. However, at the end of 2017 two members of the investment team, Rosie Zhang, CFA, and Kevin Shin, were promoted from Research Analysts to Senior Security Analysts and Investment Committee members in recognition of their contributions to the investment team. Rosie's coverage responsibility within Consumer Discretionary and Kevin's coverage responsibility within Information Technology and Real Estate remain unchanged following the promotions.

At the end of 2017, Senior Trader Mike Ryan retired from Westfield after over 40 years in the business. His position has been filled by Stephen Brown, CFA.

3.) Have any ownership changes in the firm occurred during the quarter?

☐ No

☐ Yes (provide details)

4.) Have there been significant changes to your Form ADV from the last copy delivered to the Fund? **If you are not required to file form ADV, please explain why.**

☐ No

☐ Yes (provide details)

5.) Has your firm or any individual (employee) at the present or during the past quarter been named in litigation, a regulatory enforcement action, or investigation related to investment activities? Please include any updates on any pending litigation that has been previously reported.

☐ No

☐ Yes (provide details and current status)

6.) Do you verify the portfolio and individual holdings are currently, and have been during the past quarter, in compliance with the Fund's investment policy statement?

☒ Yes

☐ No (please explain)

7.) With respect to the portfolio(s) under your management, do you acknowledge sole fiduciary responsibility under ERISA for adherence with the Fund's investment policy?

☒ Yes

☐ No (please explain)

8.) Do you see a need for a change in the Fund's current investment policy statement under which you are working?

☐ **No** ☐ **Yes (please explain)**

9.) Has your firm reviewed all regulations and directives from the Securities and Exchange Commission concerning brokerage and research services and are you in compliance with all disclosure requirements?

☐ **Yes** ☐ **No (please explain)**

10.) Has your firm reviewed the DOL's final ruling on cross-trading of securities and are you in compliance with the ruling?

☐ **Yes** ☐ **No (please explain)**

11.) Have any changes occurred in the Errors and Omission insurance coverage provided by your firm over the last quarter?

☐ **No** ☐ **Yes (provide details)**

12.) Does the amount of insurance coverage meet or exceed the minimum amount required through your investment management contract with the Fund and the minimum amount required through the Fund's Investment Policy Statement?

☐ **Yes** ☐ **No (please explain)**

13.) Is the investment management fee charged by your firm to the Fund consistent with the fee schedule in the investment management contract? Is the fee charged by your firm to the Fund consistent with the fee charged by your firm to other funds of a similar size and the most competitive fee offered by your firm?

☐ **Yes** ☐ **No (please explain)**

14.) Is your firm adhering to the communication and reporting requirements as defined in the Fund's investment policy statement?

☐ **Yes** ☐ **No (please explain)**

15.) Is your firm achieving best execution for the Fund on all transactions involving Fund assets?

☐ **Yes** ☐ **No (please explain)**

16.) Has your firm rendered a written report at least once a year to the Fund on proxy voting activities and have all proxies for securities managed for the Fund been voted?

☐ **Yes** ☐ **No (please explain)**

Certified For The Firm By:

Name: Jennifer Schnare

Signature:



Title: Compliance Associate

Firm: Westfield Capital Management

Date: January 10, 2018

Investment Performance Services, LLC
Equity Separate Account Quarterly Compliance Checklist
Period Ending December 31, 2017

To: WEDGE Capital Management, L.L.P. - Equity QVM Large Cap Value W00788

Re: UFCW Unions & Participating Employers Pension Fund - Equity

As an authorized representative of the firm I certify the following answers are accurate and attest that our firm has provided/attached all required explanations and/or supporting documents

1.) Have significant changes been made in the firm's investment management process during the quarter?

No Yes (provide details)

2.) Have any changes or departures occurred in the investment team or other key personnel within the firm during the past quarter?

No Yes (provide details)

3.) Have any ownership changes in the firm occurred during the quarter?

No Yes (provide details)

4.) Have there been significant changes to your Form ADV from the last copy delivered to the Fund? **If you are not required to file form ADV, please explain why.**

No Yes (provide details)

5.) Has your firm or any individual (employee) at the present or during the past quarter been named in litigation, a regulatory enforcement action, or investigation related to investment activities? Please include any updates on any pending litigation that has been previously reported.

No Yes (provide details and current status)

6.) Do you verify the portfolio and individual holdings are currently, and have been during the past quarter, in compliance with the Fund's investment policy statement?

Yes No (please explain)

7.) With respect to the portfolio(s) under your management, do you acknowledge sole fiduciary responsibility under ERISA for adherence with the Fund's investment policy?

Yes No (please explain)

8.) Do you see a need for a change in the Fund's current investment policy statement under which you are working?

No Yes (please explain)

9.) Has your firm reviewed all regulations and directives from the Securities and Exchange Commission concerning brokerage and research services and are you in compliance with all disclosure requirements?

Yes No (please explain)

10.) Has your firm reviewed the DOL's final ruling on cross-trading of securities and are you in compliance with the ruling?

Yes No (please explain)

11.) Have any changes occurred in the Errors and Omission insurance coverage provided by your firm over the last quarter?

No Yes (provide details)

12.) Does the amount of insurance coverage meet or exceed the minimum amount required through your investment management contract with the Fund and the minimum amount required through the Fund's Investment Policy Statement?

Yes No (please explain)

13.) Is the investment management fee charged by your firm to the Fund consistent with the fee schedule in the investment management contract? Is the fee charged by your firm to the Fund consistent with the fee charged by your firm to other funds of a similar size and the most competitive fee offered by your firm?

Yes No (please explain)

14.) Is your firm adhering to the communication and reporting requirements as defined in the Fund's investment policy statement?

Yes No (please explain)

15.) Is your firm achieving best execution for the Fund on all transactions involving Fund assets?

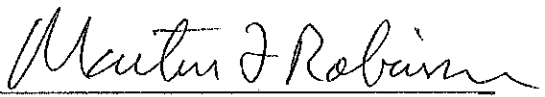
Yes No (please explain)

16.) Has your firm rendered a written report at least once a year to the Fund on proxy voting activities and have all proxies for securities managed for the Fund been voted?

Yes No (please explain)

Certified For The Firm By:

Name: Martin L. Robinson, CFA

Signature: 

Title: General Partner

Firm: WEDGE Capital Management, L.L.P.

Investment Performance Services, LLC
Equity Commingled Fund Quarterly Compliance Checklist
Period Ending December 31, 2017

To: Loomis-Sayles & Company, L.P. - Small Midcap Core Trust

Re: UFCW Unions & Participating Employers Pension Fund - Equity Mid Cap Core

As an authorized representative of the firm I certify the following answers are accurate and attest that our firm has provided/attached all required explanations and/or supporting documents

1.) Have significant changes been made in the firm's investment management process during the quarter?

No Yes (provide details)

2.) Have any changes or departures occurred in the investment team or other key personnel within the firm during the past quarter?

No Yes (provide details)

3.) Have any ownership changes in the firm occurred during the quarter?

No Yes (provide details)

4.) Have there been significant changes to your Form ADV from the last copy delivered to the Fund? **If you are not required to file form ADV, please explain why.**

No Yes (provide details)

5.) Has your firm or any individual (employee) at the present or during the past quarter been named in litigation, a regulatory enforcement action, or investigation related to investment activities? Please include any updates on any pending litigation that has been previously reported.

No Yes (provide details and current status)

The disclosures we provide to an investor in the Small Mid Cap Core Trust (the "Fund") are governed by the terms we provide to all investors in the Fund in the Fund's offering documents. At this time, no litigation or regulatory event that would trigger the required notice has occurred. If an event occurs that would trigger the requirements of the Fund's notice provisions, we are poised to promptly notify all investors in the Fund concurrently, as has been our practice.

6.) Do you verify the portfolio and individual holdings are currently, and have been during the past quarter, in compliance with your firm's commingled investment vehicle guidelines and/or prospectus governing the management of the investment?

Yes No (please explain)

7.) With respect to the portfolio(s) under your management, do you acknowledge sole fiduciary responsibility under ERISA for adherence with the commingled investment vehicle and/or prospectus guidelines?

Yes No (please explain)

8.) Do you see a need for a change in the Fund's current investment policy statement under which you are working?

No **Yes (please explain)**

9.) Has your firm reviewed all regulations and directives from the Securities and Exchange Commission concerning brokerage and research services and are you in compliance with all disclosure requirements?

Yes **No (please explain)**

10.) Have any changes occurred in the Errors and Omission insurance coverage provided by your firm over the last quarter?

No **Yes (provide details)**

11.) Does the amount of insurance coverage meet or exceed the minimum amount required through your investment management contract with the Fund and the minimum amount required through the Fund's Investment Policy Statement?

Yes **No (please explain)**

12.) Is your firm adhering to the communication and reporting requirements as defined in the Fund's investment policy statement?

Yes **No (please explain)**

Certified For The Firm By:

Name: Mary Ellen Logee

Signature: 

Title: Senior Portfolio Compliance Manager

Firm: Loomis-Sayles & Company, L.P.

Date: 01/17/2018

5.) Has your firm or any individual (employee) at the present or during the past quarter been named in litigation, a regulatory enforcement action, or investigation related to investment activities? Please include any updates on any pending litigation that has been previously reported.

No Yes (provide details and current status)

Ongoing Litigation – Firm Level:

In July 2011, the Loomis Sayles Credit Alpha Fund was named as a defendant along with all former shareholders of the Tribune Corporation (the “Company”) that received cash in exchange for shares of the Company in a public-to-private leveraged buyout in 2007 (the “LBO”). The Fund received \$1,190,000 for the shares it owned at the time of the LBO. Within one year of the LBO, the company filed for Chapter 11 bankruptcy. Pre-bankruptcy bondholders and unsecured creditors seek to recover all amounts paid to the shareholder defendants (“Defendants”) in connection with the LBO, with pre-bankruptcy interest, alleging that the LBO constituted a fraudulent conveyance by the Company. The entirety of this litigation has been consolidated in federal district court in New York. A settlement offer, which would have involved Defendants agreeing to repay 57.2% of the proceeds received, was rejected on the advice of counsel as premature, at the high end of the range of reasonableness, and not in the best interests of the Fund. In May 2014, Ropes & Gray, on behalf of shareholder defendants (including Loomis) filed a Global Motion to Dismiss in the federal district court. In March 2016, the United States Court of Appeals for the Second Circuit upheld the federal district court’s dismissal of the plaintiffs’ claim of constructive fraudulent conveyance. The plaintiffs have appealed this decision to the Supreme Court of the United States, which has not yet decided whether it will hear the case. In January 2017, the federal district court dismissed the plaintiffs’ second claim, for intentional fraudulent conveyance. This decision is subject to appeal. A recent decision on the constructive fraudulent conveyance issue in another circuit, which differs from the Second Circuit decision in Tribune, is scheduled to be heard by the U.S. Supreme Court in the spring of 2018.

Ongoing Litigation – Firm Level:

A former employee of Loomis Sayles filed a claim with the Office of Human Rights for the District of Columbia (the “OHR”) in October 2009 alleging wrongful termination related to a reduction in force during the economic downturn of late 2008. The OHR denied the claim and the former employee filed an appeal in Superior Court in the District of Columbia. The Superior Court dismissed the appeal and the former employee filed a Notice of Appeal in the District of Columbia Court of Appeals. On March 11, 2014, the District of Columbia Court of Appeals remanded the case to the OHR for the District of Columbia for a proper probable cause determination and further proceedings if necessary. To avoid a mandated rehearing of the Grove matter before the DC Commission on Human Rights, Loomis proposed, and plaintiff accepted, a private mediation, which took place in December 2014. The mediation was unsuccessful. After depositions, a motion for summary judgment was filed and denied. A hearing before the District of Columbia Commission on Human Rights was held in October 2015, and a subsequent hearing took place in February 2016. In June 2017, the administrative law judge issued a Proposed Decision and Order in Loomis Sayles’ favor and

dismissing the complaint. The DC Commission on Human Rights affirmed the Decision and Order in Loomis Sayles' favor in August 2017, and the case is now closed.

Ongoing Litigation – Firm Level:

Loomis, Sayles & Company, L.P. is defendant in a civil complaint initially filed in April 2014. The complaint alleges that Loomis Sayles misclassified a software engineer as an independent contractor, when he should have been an employee of Loomis Sayles under applicable Massachusetts statute. The complaint purports to represent a class of unnamed technology contractors the plaintiff claims were misclassified as contractors. In its answer, Loomis denied all the allegations. Loomis believes the plaintiff's case has no merit, and intends to vigorously defend its position in this matter. The plaintiff represented and certified that he was an employee in fact of a sub vendor, and his employer represented and certified to Loomis Sayles that it complied with all state and federal tax and employment laws applicable to the employment of this individual. Depositions began in January 2015. Discovery ended in late May 2015 and dispositive motions, including a motion for class certification by the plaintiff and a motion for summary judgment by Loomis Sayles, were filed at the end of June 2015. A hearing on various motions was held in September 2016. The judge denied plaintiff's motion for class certification and Loomis Sayles' motion for summary judgment. The parties are now preparing for trial. A trial date has been set for April 2018.

Ongoing Litigation – Firm Level:

On December 28, 2015, Loomis Sayles & Company, L.P. ("Loomis") was served with a complaint filed in U.S. District Court, Massachusetts by Vishal Bhammer ("Bhammer"), Bhammer was an investment analyst who was offered and accepted a position with Loomis. Prior to Bhammer's start date, Loomis decided to close the investment vehicle for which Bhammer would have provided services. Thus the position for which he had been hired no longer existed. In informing Bhammer of the developments, Loomis offered to mitigate unique expenses incurred by Bhammer in connection with his anticipated employment with the firm. However, Bhammer did not provide requested information regarding his expenses, and retained counsel. Following a failed attempt at mediation, Bhammer filed the aforementioned complaint, alleging misrepresentation, tortious non-disclosure and tortious interference. This matter was settled in July 2017.

Ongoing Litigation – Firm Level:

On April 21, 2017, a former employee of Loomis Sayles (Plaintiff) filed a complaint in the U.S. District Court for the District of Massachusetts, naming as defendants Loomis Sayles (Loomis) and certain individual employees of Loomis, in their official capacity. Plaintiff was, prior to termination by Loomis, a member of the Fixed Income Operations Department. Plaintiff alleges acts of discrimination related to disability, race and age, failure to reasonably accommodate a medical condition, the creation of a hostile work environment, and attributes her termination to discriminatory company policies. Loomis believes this matter to be entirely without merit and Loomis' motion to dismiss all named defendants and motion to

dismiss two claims as inapplicable to the case were granted in July 2017. This matter was settled in November 2017.

Regulatory Contact - Firm Level:

In January 2014, Loomis Sayles received an inquiry from the SEC concerning trades in non-agency mortgage backed securities with certain broker-dealers. During the course of 2014, the SEC sought follow-up information, and all responsive materials have been provided to the SEC. In late 2014, the SEC issued a subpoena for the testimony of a Loomis employee, and Loomis's employee provided the requested testimony to the SEC in March 2015. The inquiry is non-public and as stated in the subpoena it should not be viewed as an indication that any violation of law has occurred. As this inquiry is non-public, we are not at liberty to provide any further details at this time.

Regulatory Contact - Firm Level:

On March 29, 2017 the U.S. Securities and Exchange Commission (the "SEC") initiated an examination of Loomis, Sayles & Company L.P. pursuant to Section 204 of the Investment Advisers Act of 1940 (the "Act"). The purpose of the examination was to assess Loomis Sayles' compliance with provisions of the Act and the rules thereunder. The exam concluded in December 2017 and resulted in the SEC finding no deficiencies.

Regulatory Contact - Firm Level:

On July 19, 2017, the National Futures Association ("NFA") initiated an examination of Loomis, Sayles & Company, L.P. with respect to Loomis Sayles' registration with the NFA as a Commodity Trading Advisor ("CTA") and a Commodity Pool Operator ("CPO"). The exam concluded on November 10, 2017 and resulted in two findings, both of which were addressed by Loomis Sayles prior to the exam's conclusion.

Investment Performance Services, LLC
Equity Commingled Fund Quarterly Compliance Checklist
Period Ending December 31, 2017

To: Hardman Johnston Global Advisors LLC - Johnston Intl Equity Group Trust

Re: UFCW Unions & Participating Employers Pension Fund - International Equity

As an authorized representative of the firm I certify the following answers are accurate and attest that our firm has provided/attached all required explanations and/or supporting documents

1.) Have significant changes been made in the firm's investment management process during the quarter?

No

2.) Have any changes or departures occurred in the investment team or other key personnel within the firm during the past quarter?

No

3.) Have any ownership changes in the firm occurred during the quarter?

No

4.) Have there been significant changes to your Form ADV from the last copy delivered to the Fund? **If you are not required to file form ADV, please explain why.**

No

5.) Has your firm or any individual (employee) at the present or during the past quarter been named in litigation, a regulatory enforcement action, or investigation related to investment activities? Please include any updates on any pending litigation that has been previously reported.

No

6.) Do you verify the portfolio and individual holdings are currently, and have been during the past quarter, in compliance with your firm's commingled investment vehicle guidelines and/or prospectus governing the management of the investment?

Yes

7.) With respect to the portfolio(s) under your management, do you acknowledge sole fiduciary responsibility under ERISA for adherence with the commingled investment vehicle and/or prospectus guidelines?

Yes

8.) Do you see a need for a change in the Fund's current investment policy statement under which you are working?

No

9.) Has your firm reviewed all regulations and directives from the Securities and Exchange Commission concerning brokerage and research services and are you in compliance with all disclosure requirements?

Yes

10.) Have any changes occurred in the Errors and Omission insurance coverage provided by your firm over the last quarter?

No

11.) Does the amount of insurance coverage meet or exceed the minimum amount required through your investment management contract with the Fund and the minimum amount required through the Fund's Investment Policy Statement?

Yes

12.) Is your firm adhering to the communication and reporting requirements as defined in the Fund's investment policy statement?

Yes

Certified For The Firm By:

Name: Bruce Albert

Signature:

A handwritten signature in black ink, appearing to read 'Bruce Albert', with a long horizontal flourish extending to the right.

Title: General Counsel & Chief Compliance Officer

Firm: Hardman Johnston Global Advisors LLC

Date: January 2, 2018

Investment Performance Services, LLC
Fixed Income Separate Account Quarterly Compliance Checklist
Period Ending December 31, 2017

To: Segall Bryant & Hamill

Re: UFCW Unions & Participating Employers Pension Fund - Fixed Income B2F9043A

As an authorized representative of the firm I certify the following answers are accurate and attest that our firm has provided/attached all required explanations and/or supporting documents

1.) Have significant changes been made in the firm's investment management process during the quarter?

☒ **No** **Yes (provide details)**

2.) Have any changes or departures occurred in the investment team or other key personnel within the firm during the past quarter?

☒ **No** **Yes (provide details)**

3.) Have any ownership changes in the firm occurred during the quarter?

☒ **No** **Yes (provide details)**

4.) Have there been significant changes to your Form ADV from the last copy delivered to the Fund? **If you are not required to file form ADV, please explain why.**

☒ **No** **Yes (provide details)**

5.) Has your firm or any individual (employee) at the present or during the past quarter been named in litigation, a regulatory enforcement action, or investigation related to investment activities? Please include any updates on any pending litigation that has been previously reported.

☒ **No** **Yes (provide details and current status)**

6.) Do you verify the portfolio and individual holdings are currently, and have been during the past quarter, in compliance with the Fund's investment policy statement?

☒ **Yes** **No (please explain)**

7.) With respect to the portfolio(s) under your management, do you acknowledge sole fiduciary responsibility under ERISA for adherence with the Fund's investment policy?

☒ **Yes** **No (please explain)**

8.) Do you see a need for a change in the Fund's current investment policy statement under which you are working?

☒ **No** **Yes (please explain)**

9.) Has your firm reviewed all regulations and directives from the Securities and Exchange Commission concerning brokerage and research services and are you in compliance with all disclosure requirements?

☐ **Yes** ☐ **No (please explain)**

10.) In regard to derivative securities that may be held in the portfolio, do you attest that the following statements are true?

- The March 28, 1996, Letter of Guidance and Statement on Derivatives has been read and reviewed by personnel of this firm. We accept full responsibility for complying with all aspects of derivative investment outlined therein.
- Specific examples of types of derivatives include but are not limited to the following:
 - Structured Finance
 - Collateralized Debt Obligations (CDO)
 - Structured Commercial Mortgage Obligations
 - Collateralized Mortgage Obligations (CMO)
 - Collateralized Loan Obligations (CLO)
 - Structured Asset-Backed Obligations
- A complete list of derivatives securities utilized in the Fund's portfolio since our last certification is attached to this certification. In our judgment, these investments are prudent, in the best interest of the Fund and its participants, and are in compliance with the investment policy and guidelines of the Fund.
- We certify that the subject derivatives are considered by this firm as suitable for the Fund given known actuarial and economic factors. In our analysis of the suitability of derivatives for the Fund, these positions have been stress tested under varying interest rate scenarios.
- Our firm has experienced personnel in place and the investment processes and the controls to prudently invest in the derivatives listed.

☐ **Yes** ☐ **No (please explain)**

Attached is a list of securities that may fall into one of the derivative types listed above

11.) Has your firm reviewed the DOL's final ruling on cross-trading of securities and are you in compliance with the ruling?

☐ **Yes** ☐ **No (please explain)**

12.) Have any changes occurred in the Errors and Omission insurance coverage provided by your firm over the last quarter?

☐ **No** ☐ **Yes (provide details)**

13.) Is the investment management fee charged by your firm to the Fund consistent with the fee schedule in the investment management contract? Is the fee charged by your firm to the Fund consistent with the fee charged by your firm to other funds of a similar size and the most competitive fee offered by your firm?

☐ **Yes** ☐ **No (please explain)**

We believe the fee for this client is competitive and appropriate based on the individual circumstances of this client relationship. As such, SBH may offer a different fee schedule to

other clients based on their individual circumstances, which may include style, size, specific objectives, etc.

14.) Does the amount of insurance coverage meet or exceed the minimum amount required through your investment management contract with the Fund and the minimum amount required through the Fund's Investment Policy Statement?

☐ **Yes** ☐ **No (please explain)**

15.) Is your firm adhering to the communication and reporting requirements as defined in the Fund's investment policy statement?

☐ **Yes** ☐ **No (please explain)**

16.) Is your firm achieving best execution for the Fund on all transactions involving Fund assets?

☐ **Yes** ☐ **No (please explain)**

Subject only to a client's direction to use a particular broker or dealer for the execution of transactions for that client's account, SBH's overriding objective in selecting brokers and dealers to effect client transactions is to seek the best combination of net price and execution. The best net price, giving effect to brokerage commission, if any, is an important factor in this decision; however, a number of other judgmental factors also may enter into the decision. These factors include SBH's knowledge of negotiated commission rates currently available and other current transaction costs; the nature of the security being purchased or sold; the size of the transaction; the particular security; confidentiality; the execution, clearance and settlement capabilities of the broker or dealer selected and others considered; SBH's knowledge of the financial condition of the broker or dealer selected and such other brokers and dealers; and, SBH's knowledge of actual or apparent operational problems of any broker or dealer. Recognizing the value of these factors, SBH may cause a client to pay brokerage commission in excess of that which another broker might have charged for effecting the same transaction.

17.) Have you confirmed that the Qualified Institutional Buyer requirements for the above client have been met for the purchases 144a securities?

☐ **Yes** ☐ **No (please explain)**

Portfolio: B2F9043A*
Pricing Date: 12/29/2017
Representative: interm-comp ips
Table 1 : Excl. Table 2 Hldgs

Standard Holdings
Expanded

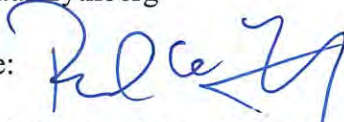
Currency: USD
FILTER APPLIED: (Portfolio: 8 of 137)

Par (000)	Identifier	Ticker (Home)	Issuer Name	Sect	Industry	Mdys	S&P	Coupon	Maturity	Curr	Price	Mkt Val (000)	% Held (MV)	YTW	Mod Dur	Eff Dur	Conv
8	47787UAD		JOHN DEERE 2015- A3	ABS	EQPT	Aaa	N/A	1.320	06/15/2019	USD	99.906	8	3.74	1.629	0.307	0.307	0.001
5	12635YAB		CNH EQPT 2016-C- A2	ABS	EQPT	Aaa	AAA	1.260	02/15/2020	USD	99.809	5	2.49	1.713	0.424	0.423	0.002
25	47788NAC		JOHN DEERE 2016-B- A3	ABS	EQPT	Aaa	N/A	1.250	06/15/2020	USD	99.379	25	12.33	1.863	1.020	1.018	0.009
18	3137ALJE		FHLMC 3994- AE	CMO	SEQ	AGY	AGY	1.625	02/15/2022	USD	98.899	18	8.74	2.305	1.540	1.617	-0.009
50	05522RCW		BA CC TR 2017-1A- A	ABS	CARD	Aaa	N/A	1.950	08/15/2022	USD	99.553	50	24.71	2.167	2.141	2.140	0.028
50	14041NFN		CAP ONE MT 2017-4A- A	ABS	CARD	N/A	AAA	1.990	07/15/2023	USD	99.368	50	24.66	2.241	2.610	2.616	0.038
30	981464GH		WORLD FIN CC 2017-C- A	ABS	CARD	N/A	AAA	2.310	08/15/2024	USD	99.581	30	14.83	2.478	2.673	2.678	0.039
17	3137A5MM		FHLMC 3795- ED	CMO	PAC	AGY	AGY	3.000	10/15/2039	USD	100.995	17	8.51	2.538	2.303	2.264	-0.478
202						Aaa	AAA	1.946	2.144		99.573	202	100.00	2.206	2.047	2.053	-0.018

Certified For The Firm By:

Name: Paul Lythberg

Signature:

A handwritten signature in blue ink, appearing to read 'P. Lythberg', with a stylized flourish at the end.

Title: Chief Compliance Officer/Chief Operating Officer

Firm: Segall Bryant & Hamill

Date: January 12, 2018

Investment Performance Services, LLC
Fixed Income Separate Account Quarterly Compliance Checklist
Period Ending December 31, 2017

To: Chartwell Investment Partners – Account 531

Re: UFCW Unions & Participating Employers Pension Fund – Short Term High Yield

As an authorized representative of the firm I certify the following answers are accurate and attest that our firm has provided/attached all required explanations and/or supporting documents

1.) Have significant changes been made in the firm's investment management process during the quarter?

No **Yes (provide details)**

2.) Have any changes or departures occurred in the investment team or other key personnel within the firm during the past quarter?

No **Yes (provide details)**

During the fourth quarter of 2017, Lee Grout, Senior Portfolio Manager for the Berwyn Fund, left to pursue another career opportunity.

3.) Have any ownership changes in the firm occurred during the quarter?

No **Yes (provide details)**

4.) Have there been significant changes to your Form ADV from the last copy delivered to the Fund? **If you are not required to file form ADV, please explain why.**

No **Yes (provide details)**

5.) Has your firm or any individual (employee) at the present or during the past quarter been named in litigation, a regulatory enforcement action, or investigation related to investment activities? Please include any updates on any pending litigation that has been previously reported.

No **Yes (provide details and current status)**

6.) Do you verify the portfolio and individual holdings are currently, and have been during the past quarter, in compliance with the Fund's investment policy statement?

Yes **No (please explain)**

7.) With respect to the portfolio(s) under your management, do you acknowledge sole fiduciary responsibility under ERISA for adherence with the Fund's investment policy?

Yes **No (please explain)**

8.) Do you see a need for a change in the Fund's current investment policy statement under which you are working?

No **Yes (please explain)**

9.) Has your firm reviewed all regulations and directives from the Securities and Exchange Commission concerning brokerage and research services and are you in compliance with all disclosure requirements?

Yes **No (please explain)**

10.) In regard to derivative securities that may be held in the portfolio, do you attest that the following statements are true?

- The March 28, 1996, Letter of Guidance and Statement on Derivatives has been read and reviewed by personnel of this firm. We accept full responsibility for complying with all aspects of derivative investment outlined therein. Specific examples of types of derivatives include but are not limited to the following:
 - Structured Finance
 - Collateralized Debt Obligations (CDO)
 - Structured Commercial Mortgage Obligations
 - Collateralized Mortgage Obligations (CMO)
 - Collateralized Loan Obligations (CLO)
 - Structured Asset-Backed Obligations
- A complete list of derivatives securities utilized in the Fund's portfolio since our last certification is attached to this certification. In our judgment, these investments are prudent, in the best interest of the Fund and its participants, and are in compliance with the investment policy and guidelines of the Fund.
- We certify that the subject derivatives are considered by this firm as suitable for the Fund given known actuarial and economic factors. In our analysis of the suitability of derivatives for the Fund, these positions have been stress tested under varying interest rate scenarios.
- Our firm has experienced personnel in place and the investment processes and the controls to prudently invest in the derivatives listed.

Yes **No (please explain)**

11.) Has your firm reviewed the DOL's final ruling on cross-trading of securities and are you in compliance with the ruling?

Yes **No (please explain)**

12.) Have any changes occurred in the Errors and Omission insurance coverage provided by your firm over the last quarter?

No **Yes (provide details)**

13.) Is the investment management fee charged by your firm to the Fund consistent with the fee schedule in the investment management contract? Is the fee charged by your firm to the Fund consistent with the fee charged by your firm to other funds of a similar size and the most competitive fee offered by your firm?

Yes **No (please explain)**

It is consistent with the fees paid by other funds of a similar size, and it is the most com-

petitive fee available for this account based on our evaluation of characteristics for a fund of this nature.

14.) Does the amount of insurance coverage meet or exceed the minimum amount required through your investment management contract with the Fund and the minimum amount required through the Fund's Investment Policy Statement?

Yes **No (please explain)**

15.) Is your firm adhering to the communication and reporting requirements as defined in the Fund's investment policy statement?

Yes **No (please explain)**

16.) Is your firm achieving best execution for the Fund on all transactions involving Fund assets?

Yes **No (please explain)**

17.) Have you confirmed that the Qualified Institutional Buyer requirements for the above client have been met for the purchases 144a securities?

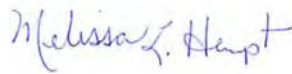
Yes **No (please explain)**

Account is not QIB-qualified.

Certified For The Firm By:

Name: Melissa L. Haupt

Signature:



Title: Manager of Client Services

Firm: Chartwell Investment Partners

1/8/18

From: [Adam Whitted](#)
To: [Adam Whitted](#)
Subject: FW: Exciting News Regarding Chartwell Investment Partners
Date: Monday, January 29, 2018 8:29:56 AM

From: Michael McCloskey <mccloskey@chartwellip.com>
Date: January 25, 2018 at 3:47:15 PM EST
To: "ddoonan@ips-net.com" <ddoonan@ips-net.com>
Subject: Exciting News Regarding Chartwell Investment Partners

Dear Friends,

Chartwell Investment Partners has entered into an agreement to acquire the long-only, investment management business of Columbia Partners, based in Chevy Chase, Maryland. This acquisition is expected to bring Fixed Income and Equity relationships, representing approximately \$1 bil, along with several, talented professionals, to Chartwell. The transaction is expected to close in late March or early April of this year and is subject to certain closing conditions.

We have known and have long-admired the professionals at Columbia. They share our client focused culture along with our steadfast commitment to delivering the highest level of investment management and service.

Thank you for your continued support and we look forward to serving you and your colleagues for many years to come.

Please feel free to contact me, Mike, or any member of the Chartwell team, should you have any questions regarding this acquisition.

Sincerely,

Timothy J. Riddle
Managing Partner
Chief Executive Officer

Michael J. McCloskey
Managing Partner
Director, Client Services

From: [Melissa Haupt](#)
To: [Dee Doonan](#); [ComplianceDept](#); [PerformanceDept](#)
Subject: RE: IPS Reports for December 2017 3 of 3
Date: Tuesday, February 13, 2018 3:59:37 PM
Attachments: [image005.png](#)
[image006.png](#)
[image001.png](#)
[IPS Teva trade detail.xlsx](#)

Hi,

Attached is the transaction summary for the sale of the Teva's for the accounts that we monitor quarterly. The report covers from 9/30/17 (when we began selling them) through 1/16/2018.

Best Regards,
Melissa

EmailSignature_Template - MLH (003)



From: Dee Doonan [mailto:ddoonan@ips-net.com]
Sent: Tuesday, February 13, 2018 2:00 PM
To: Melissa Haupt <haupt@chartwellip.com>; ComplianceDept <ComplianceDept@ips-net.com>; PerformanceDept <PerformanceDept@ips-net.com>
Subject: IPS Reports for December 2017 3 of 3

One more question....Is it possible to send me the sale details for all of the accounts?

Dee Doonan
Principal | Director of Performance Measurement and Manager Compliance
Investment Performance Services, LLC
570 East York Street
Savannah, GA 31401
Direct phone 912.629.4122
DDoonan@ips-net.com

www.ips-net.com

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From: Dee Doonan
Sent: Tuesday, February 13, 2018 1:35 PM
To: 'Melissa Haupt'; ComplianceDept; PerformanceDept
Subject: RE: IPS Reports for December 2017 3 of 3

Thank you!! Can you send me the last sale date?

Dee Doonan
Principal | Director of Performance Measurement and Manager Compliance
Investment Performance Services, LLC
570 East York Street
Savannah, GA 31401
Direct phone 912.629.4122
DDoonan@ips-net.com

www.ips-net.com

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From: Melissa Haupt [<mailto:haupt@chartwellip.com>]
Sent: Tuesday, February 13, 2018 1:35 PM
To: Dee Doonan; ComplianceDept; PerformanceDept
Subject: RE: IPS Reports for December 2017 3 of 3

Hi Dee,

We started selling these last October. We sold the rest of them when it became clear that at some point they were going to be rated less than BBB by both ratings agencies. We were completely out of the position by the time S&P downgraded them.

Thanks,
Melissa



From: Dee Doonan [<mailto:ddoonan@ips-net.com>]
Sent: Tuesday, February 13, 2018 11:38 AM
To: Melissa Haupt <haupt@chartwellip.com>; ComplianceDept <ComplianceDept@ips-net.com>;
PerformanceDept <PerformanceDept@ips-net.com>
Subject: IPS Reports for December 2017 3 of 3

Hi Melissa,

Please provide details regarding the following Bond held in the Fixed Intermediate portfolios as of December 31, 2017

Teva Pharmaceuticals 3.150% Due 10-01-26 Rating Moodys Ba2, S&P 500 BB. Bond was downgraded on Jan 12th and Feb 8th.

Investment Policy states
Ratings of less than BBB- or Baa3 are prohibited.

Thank you

Dee Doonan
Principal | Director of Performance Measurement and Manager Compliance
Investment Performance Services, LLC
570 East York Street
Savannah, GA 31401
Direct phone 912.629.4122
DDoonan@ips-net.com

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From: Melissa Haupt [<mailto:haupt@chartwellip.com>]
Sent: Thursday, January 18, 2018 10:14 AM
To: ComplianceDept; PerformanceDept
Subject: IPS Reports for December 2017 3 of 3

EmailSignature_Template - MLH (003)



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Investment Performance Services, LLC
Fixed Income Commingled Fund Quarterly Compliance Checklist
Period Ending December 31, 2017

To: Loomis-Sayles & Company, L.P. - Loomis Sayles High Yield Conservative Trust

Re: UFCW Unions & Participating Employers Pension Fund - Fixed Income High Yield

As an authorized representative of the firm I certify the following answers are accurate and attest that our firm has provided/attached all required explanations and/or supporting documents

1.) Have significant changes have been made in the firm's investment management process during the quarter?

No Yes (provide details)

2.) Have any changes or departures occurred in the investment team or other key personnel within the firm during the past quarter?

No Yes (provide details)

3.) Have any ownership changes in the firm occurred during the quarter?

No Yes (provide details)

4.) Have there been significant changes to your Form ADV from the last copy delivered to the Fund? **If you are not required to file form ADV, please explain why.**

No Yes (provide details)

5.) Has your firm or any individual (employee) at the present or during the past quarter been named in litigation, a regulatory enforcement action, or investigation related to investment activities? Please include any updates on any pending litigation that has been previously reported.

No Yes (provide details and current status)

The disclosures we provide to an investor in the High Yield Conservative Trust (the "Fund") are governed by the terms we provide to all investors in the Fund in the Fund's offering documents. At this time, no litigation or regulatory event that would trigger the required notice has occurred. If an event occurs that would trigger the requirements of the Fund's notice provisions, we are poised to promptly notify all investors in the Fund concurrently, as has been our practice.

6.) Do you verify the portfolio and individual holdings are currently, and have been during the past quarter, in compliance with your firm's commingled investment vehicle guidelines and/or prospectus governing the management of the investment?

Yes No (please explain)

7.) With respect to the portfolio(s) under your management, do you acknowledge sole fiduciary responsibility under ERISA for adherence with the commingled investment vehicle guidelines and/or prospectus?

Yes No (please explain)

8.) Do you see a need for a change in the Fund's current investment policy statement under

which you are working?

No **Yes (please explain)**

9.) Has your firm reviewed all regulations and directives from the Securities and Exchange Commission concerning brokerage and research services and are you in compliance with all disclosure requirements?

Yes **No (please explain)**

10.) In regard to derivative securities that may be held in the portfolio, do you attest that the following statements are true?

- The March 28, 1996, Letter of Guidance and Statement on Derivatives has been read and reviewed by personnel of this firm. We accept full responsibility for complying with all aspects of derivative investment outlined therein.
- We certify that the subject derivatives are considered by this firm as suitable for the Fund given known actuarial and economic factors. In our analysis of the suitability of derivatives for the Fund, these positions have been stress tested under varying interest rate scenarios.
- Our firm has experienced personnel in place and the investment processes and the controls to prudently invest in the derivatives.

Yes **No (please explain)**

11.) Have any changes occurred in the Errors and Omission insurance coverage provided by your firm over the last quarter?

No **Yes (provide details)**

12.) Does the amount of insurance coverage meet or exceed the minimum amount required through your investment management contract with the Fund and the minimum amount required through the Fund's Investment Policy Statement?

Yes **No (please explain)**

13.) Is your firm adhering to the communication and reporting requirements as defined in the Fund's investment policy statement?

Yes **No (please explain)**

Certified For The Firm By:

Name: Mary Ellen Logee

Signature: 

Title: Senior Portfolio Compliance Manager

Firm: Loomis-Sayles & Company, L.P.

Date: 01/17/2018

5.) Has your firm or any individual (employee) at the present or during the past quarter been named in litigation, a regulatory enforcement action, or investigation related to investment activities? Please include any updates on any pending litigation that has been previously reported.

No Yes (provide details and current status)

Ongoing Litigation – Firm Level:

In July 2011, the Loomis Sayles Credit Alpha Fund was named as a defendant along with all former shareholders of the Tribune Corporation (the “Company”) that received cash in exchange for shares of the Company in a public-to-private leveraged buyout in 2007 (the “LBO”). The Fund received \$1,190,000 for the shares it owned at the time of the LBO. Within one year of the LBO, the company filed for Chapter 11 bankruptcy. Pre-bankruptcy bondholders and unsecured creditors seek to recover all amounts paid to the shareholder defendants (“Defendants”) in connection with the LBO, with pre-bankruptcy interest, alleging that the LBO constituted a fraudulent conveyance by the Company. The entirety of this litigation has been consolidated in federal district court in New York. A settlement offer, which would have involved Defendants agreeing to repay 57.2% of the proceeds received, was rejected on the advice of counsel as premature, at the high end of the range of reasonableness, and not in the best interests of the Fund. In May 2014, Ropes & Gray, on behalf of shareholder defendants (including Loomis) filed a Global Motion to Dismiss in the federal district court. In March 2016, the United States Court of Appeals for the Second Circuit upheld the federal district court’s dismissal of the plaintiffs’ claim of constructive fraudulent conveyance. The plaintiffs have appealed this decision to the Supreme Court of the United States, which has not yet decided whether it will hear the case. In January 2017, the federal district court dismissed the plaintiffs’ second claim, for intentional fraudulent conveyance. This decision is subject to appeal. A recent decision on the constructive fraudulent conveyance issue in another circuit, which differs from the Second Circuit decision in Tribune, is scheduled to be heard by the U.S. Supreme Court in the spring of 2018.

Ongoing Litigation – Firm Level:

A former employee of Loomis Sayles filed a claim with the Office of Human Rights for the District of Columbia (the “OHR”) in October 2009 alleging wrongful termination related to a reduction in force during the economic downturn of late 2008. The OHR denied the claim and the former employee filed an appeal in Superior Court in the District of Columbia. The Superior Court dismissed the appeal and the former employee filed a Notice of Appeal in the District of Columbia Court of Appeals. On March 11, 2014, the District of Columbia Court of Appeals remanded the case to the OHR for the District of Columbia for a proper probable cause determination and further proceedings if necessary. To avoid a mandated rehearing of the Grove matter before the DC Commission on Human Rights, Loomis proposed, and plaintiff accepted, a private mediation, which took place in December 2014. The mediation was unsuccessful. After depositions, a motion for summary judgment was filed and denied. A hearing before the District of Columbia Commission on Human Rights was held in October 2015, and a subsequent hearing took place in February 2016. In June 2017, the administrative law judge issued a Proposed Decision and Order in Loomis Sayles’ favor and

dismissing the complaint. The DC Commission on Human Rights affirmed the Decision and Order in Loomis Sayles' favor in August 2017, and the case is now closed.

Ongoing Litigation – Firm Level:

Loomis, Sayles & Company, L.P. is defendant in a civil complaint initially filed in April 2014. The complaint alleges that Loomis Sayles misclassified a software engineer as an independent contractor, when he should have been an employee of Loomis Sayles under applicable Massachusetts statute. The complaint purports to represent a class of unnamed technology contractors the plaintiff claims were misclassified as contractors. In its answer, Loomis denied all the allegations. Loomis believes the plaintiff's case has no merit, and intends to vigorously defend its position in this matter. The plaintiff represented and certified that he was an employee in fact of a sub vendor, and his employer represented and certified to Loomis Sayles that it complied with all state and federal tax and employment laws applicable to the employment of this individual. Depositions began in January 2015. Discovery ended in late May 2015 and dispositive motions, including a motion for class certification by the plaintiff and a motion for summary judgment by Loomis Sayles, were filed at the end of June 2015. A hearing on various motions was held in September 2016. The judge denied plaintiff's motion for class certification and Loomis Sayles' motion for summary judgment. The parties are now preparing for trial. A trial date has been set for April 2018.

Ongoing Litigation – Firm Level:

On December 28, 2015, Loomis Sayles & Company, L.P. ("Loomis") was served with a complaint filed in U.S. District Court, Massachusetts by Vishal Bhammer ("Bhammer"), Bhammer was an investment analyst who was offered and accepted a position with Loomis. Prior to Bhammer's start date, Loomis decided to close the investment vehicle for which Bhammer would have provided services. Thus the position for which he had been hired no longer existed. In informing Bhammer of the developments, Loomis offered to mitigate unique expenses incurred by Bhammer in connection with his anticipated employment with the firm. However, Bhammer did not provide requested information regarding his expenses, and retained counsel. Following a failed attempt at mediation, Bhammer filed the aforementioned complaint, alleging misrepresentation, tortious non-disclosure and tortious interference. This matter was settled in July 2017.

Ongoing Litigation – Firm Level:

On April 21, 2017, a former employee of Loomis Sayles (Plaintiff) filed a complaint in the U.S. District Court for the District of Massachusetts, naming as defendants Loomis Sayles (Loomis) and certain individual employees of Loomis, in their official capacity. Plaintiff was, prior to termination by Loomis, a member of the Fixed Income Operations Department. Plaintiff alleges acts of discrimination related to disability, race and age, failure to reasonably accommodate a medical condition, the creation of a hostile work environment, and attributes her termination to discriminatory company policies. Loomis believes this matter to be entirely without merit and Loomis' motion to dismiss all named defendants and motion to

dismiss two claims as inapplicable to the case were granted in July 2017. This matter was settled in November 2017.

Regulatory Contact - Firm Level:

In January 2014, Loomis Sayles received an inquiry from the SEC concerning trades in non-agency mortgage backed securities with certain broker-dealers. During the course of 2014, the SEC sought follow-up information, and all responsive materials have been provided to the SEC. In late 2014, the SEC issued a subpoena for the testimony of a Loomis employee, and Loomis's employee provided the requested testimony to the SEC in March 2015. The inquiry is non-public and as stated in the subpoena it should not be viewed as an indication that any violation of law has occurred. As this inquiry is non-public, we are not at liberty to provide any further details at this time.

Regulatory Contact - Firm Level:

On March 29, 2017 the U.S. Securities and Exchange Commission (the "SEC") initiated an examination of Loomis, Sayles & Company L.P. pursuant to Section 204 of the Investment Advisers Act of 1940 (the "Act"). The purpose of the examination was to assess Loomis Sayles' compliance with provisions of the Act and the rules thereunder. The exam concluded in December 2017 and resulted in the SEC finding no deficiencies.

Regulatory Contact - Firm Level:

On July 19, 2017, the National Futures Association ("NFA") initiated an examination of Loomis, Sayles & Company, L.P. with respect to Loomis Sayles' registration with the NFA as a Commodity Trading Advisor ("CTA") and a Commodity Pool Operator ("CPO"). The exam concluded on November 10, 2017 and resulted in two findings, both of which were addressed by Loomis Sayles prior to the exam's conclusion.

Investment Performance Services, LLC
Real Estate Quarterly Compliance Checklist
Period Ending December 31, 2017

To: American Realty Advisors

Re: UFCW Unions & Participating Employers Pension Fund - Real Estate - American Core Realty
Fund - Acct No. 1022

As an authorized representative of the firm I certify the following answers are accurate and attest that our firm has provided/attached all required explanations and/or supporting documents

1.) Have significant changes been made in the firm's investment management process during the quarter?

No

2.) Have any changes or departures occurred in the investment team or other key personnel within the firm during the past quarter?

No

3.) Have any ownership changes in the firm occurred during the quarter?

No

4.) Have there been significant changes to your Form ADV from the last copy delivered to the Fund?

No significant changes have occurred.

5.) Has your firm or any individual (employee) at the present or during the past quarter been named in litigation, a regulatory enforcement action, or investigation related to investment activities? Please include any updates on any pending litigation that has been previously reported.

No

6.) Do you verify the portfolio is currently, and has been during the past quarter, in compliance with your firm's commingled investment vehicle guidelines and/or offering document governing the management of the investment?

Yes

7.) With respect to the portfolio(s) under your management, do you acknowledge sole fiduciary responsibility under ERISA for adherence with the commingled investment vehicle and/or offering document guidelines?

Yes

8.) Has there been a significant change in the liquidity of the commingled investment vehicle which may cause you to suspend, limit, or change the current liquidity offered to investors?

No

9.) Do you see a need for a change in the Fund's current investment policy statement under which you are working?

No

10.) In regard to derivative securities that may be held in the portfolio, do you attest that the following statements are true?

- The March 28, 1996, Letter of Guidance and Statement on Derivatives has been read and reviewed by personnel of this firm. We accept full responsibility for complying with all aspects of derivative investment outlined therein.
- We certify that the subject derivatives are considered by this firm as suitable for the Fund given known actuarial and economic factors. In our analysis of the suitability of derivatives for the Fund, these positions have been stress tested under varying interest rate scenarios.
- Our firm has experienced personnel in place and the investment processes and the controls to prudently invest in the derivatives.

This is not applicable as no derivative securities were held in the portfolio during Fourth Quarter 2017.

11.) Have any changes occurred in the Errors and Omission insurance coverage provided by your firm over the last quarter?

No material changes have occurred.

12.) Does the amount of insurance coverage meet or exceed the minimum amount required through your investment management contract with the Fund and the minimum amount required through the Fund's Investment Policy Statement?

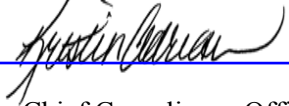
Yes

13.) Is your firm adhering to the communication and reporting requirements as defined in the Fund's investment policy statement?

Yes

Certified For The Firm By:

Name: Kristin Adrian

Signature: 

Title: Chief Compliance Officer

Firm: American Realty Advisors

Date: January 23, 2018

Investment Performance Services, LLC

Real Estate Quarterly Compliance Checklist

Period Ending December 31, 2017

To: Principal Global Investors

Re: UFCW Unions & Participating Employers Pension Fund - Real Estate U.S. Property Account

As an authorized representative of the firm I certify the following answers are accurate and attest that our firm has provided/attached all required explanations and/or supporting documents

1.) Have significant changes been made in the firm's investment management process during the quarter? No, there have been no significant changes in the investment management process during the quarter.

2.) Have changes or departures occurred in the investment team or other key personnel involved with the investment management process during the quarter? No, Principal Real Estate Investors has experienced limited turnover of its senior management and staff. Attached is a listing of investment employee additions to and departures from the real estate group during the 4th quarter of 2017.

3.) Have any ownership changes in the firm occurred during the quarter? No, the ownership of Principal Real Estate Investors has not changed during the quarter.

4.) Have there been significant changes to your Form ADV from the last copy delivered to the Fund? No, there were no material changes during the quarter.

5.) Has your firm or any individual (employee) at the present or during the past quarter been named in litigation, a regulatory enforcement action, or investigation related to investment activities? Please include any updates on any pending litigation that has been previously reported. Given the size and scope of our operations we are regularly involved in litigation, both as a defendant and as a plaintiff. However, management does not believe that any pending litigation will have a material adverse effect on our business, financial position or net income. Please see our public filings for details. Also, regulatory bodies, such as the SEC, the Financial Industry Regulatory Authority, the Department of Labor and other regulatory bodies regularly make routine inquiries and conduct examinations or investigations concerning our compliance with, among other things, securities laws, ERISA and laws governing the activities of investment advisors.

6.) Do you verify the portfolio is currently, and has been during the past quarter, in compliance with your firm's commingled investment vehicle guidelines and/or offering document governing the management of the investment? No. As of December 31, 2017, the Principal U.S. Property Account (Account) was outside of its property sector guideline for the Hotel Sector per section 4.a. of the Investment Policy Statement (IPS). The NCREIF

Property Index (NPI) weighting to the Hotel sector (as of 09/30/2017, most recent available) was 0.80%, resulting in an exposure guideline of .40%-1.20%. The Account's weighting as of December 31, 2017, was 2.05%. The Account has not purchased additional hotel properties, however, hotel exposure in the Index has decreased steadily from a peak of \$8.3 billion at the end of fourth quarter 2012 to \$4.4 billion at the end of third quarter 2017.

Principal Real Estate Investors (the "Manager") is responsible for the day-to-day investment management of the Principal U.S. Property Separate Account (the "U.S. Property Account"). The Manager acknowledges and accepts that it is a fiduciary under ERISA for those assets under its management for the U.S. Property Account, including certain assets of UFCW Unions & Participating Employers Pension Fund (the "Fund"). The Trustees have decided to utilize the U.S. Property Account as the investment instrument for certain assets of the Fund. The Trustees acknowledge that the Investment Policy Statement of the Fund differ from the exact investment objectives, policies and restrictions of the U.S. Property Account. No material changes have been made to the investment policy guidelines governing the management of the U.S. Property Account, though the guidelines are reviewed and potentially revised on at least an annual basis.

7.) With respect to the portfolio(s) under your management, do you acknowledge sole fiduciary responsibility under ERISA for adherence with the commingled investment vehicle and/or offering document guidelines? Yes, Principal Life (as an investment manager and as stated in its group annuity contract) is a fiduciary with regard to the selection, monitoring and retention of the portfolio managers for the Separate Accounts. Services by PrinREI are provided to the client as an investor in a commingled investment vehicle.

8.) Has there been a significant change in the liquidity of the commingled investment vehicle which may cause you to suspend, limit, or change the current liquidity offered to investors? No, there are no current, significant liquidity changes that would cause us to suspend, limit, or change the current liquidity offered to investors.

9.) Do you see a need for a change in the Fund's current investment policy statement under which you are working? **N/A**

10.) In regard to derivative securities that may be held in the portfolio, do you attest that the following statements are true? **N/A**

- The March 28, 1996, Letter of Guidance and Statement on Derivatives has been read and reviewed by personnel of this firm. We accept full responsibility for complying with all aspects of derivative investment outlined therein.
- We certify that the subject derivatives are considered by this firm as suitable for the Fund given known actuarial and economic factors. In our analysis of the suitability of derivatives for the Fund, these positions have been stress tested under varying interest rate scenarios.
- Our firm has experienced personnel in place and the investment processes and the controls to prudently invest in the derivatives.

11.) Have any changes occurred in the Errors and Omission insurance coverage provided by your firm over the last quarter? No, the table below details the insurance coverage of Principal Global Investors.

Type	Insurer	Coverage Limits
Errors & Omissions/ Professional Liability	Indian Harbor Insurance Company (XL), Ace American Insurance Co., Axis Insurance Co. Endurance American Insurance Company, Berkshire Hathaway	\$50,000,000
Fidelity Bond	National Union Fire Insurance Company of Pittsburgh and Ace American Insurance Co. and Berkley Regional Insurance Company	\$50,000,000
Fidelity - ERISA only	Federal Insurance Company, Great American, XL Specialty Insurance, & CNA	\$1,000,000/Plan

12.) Does the amount of insurance coverage meet or exceed the minimum amount required through your investment management contract with the Fund and the minimum amount required through the Fund's Investment Policy Statement? N/A

13.) Is your firm adhering to the communication and reporting requirements as defined in the Fund's investment policy statement? Yes, we provide monthly statements with beginning and ending market value, number of units owned, unit value and any activity that occurred during the month. On a quarterly basis, we provide a detailed report with portfolio information that includes commentary from the portfolio management team. Please note the Investment Policy Statement of the above named fund differs from the exact investment objectives, policies and restrictions of the U.S. Property Account.

Certified For The Firm By:

Name: Drew Donohue

Signature: _____



Title: Global Chief Compliance Officer - PGI

Firm: Principal Global Investors

Janice Reynolds

From: Mitch Green
Sent: Friday, December 1, 2017 11:02 AM
To: Consultants; Manager Research Dept; Compliance Group
Subject: Fwd: Principal announcement
Attachments: Picture (Device Independent Bitmap) 1.jpg

Mitchell J. Green
Chief Executive Officer
Managing Principal, Senior Consultant
Investment Performance Services, LLC
570 E. York Street
Savannah, Ga 31401
912-629-4120
Email: mgreen@ips-net.com

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Begin forwarded message:

From: "Harper, Doug" <Harper.Doug@principal.com>
Date: December 1, 2017 at 10:43:24 AM EST
To: "mgreen@ips-net.com" <mgreen@ips-net.com>, "jstats@ips-net.com" <jstats@ips-net.com>
Subject: Principal announcement

Hi guys – please let me know if you'd like to talk about this, ask questions, etc. Exciting event for Principal!...

Principal Real Estate Investors has announced plans to increase our global real estate capabilities with the acquisition of **Internos**, a London-based European real estate investment manager. Our acquisition of Internos will enhance the private equity real estate component of our four-quadrant real estate strategy. Internos specializes in European real estate, and has seen success from its diverse mix of comingled funds and separately managed accounts. They serve more than 80 institutional clients and have locations in eight European cities. In addition to our existing European offices in Amsterdam, London, Munich and Zurich, we will now have employees located in Frankfurt, Lisbon, Luxembourg, Madrid, Milan and Paris. Internos' more than 100 employees will become Principal Real Estate Investors Europe. We'll be working closely with their team to onboard them to our broader real estate group and distribution

platform, but they will continue to manage their own strategies that have made them such a successful real estate investment manager in Europe.

We are very enthusiastic about this addition to our business, and look forward to bringing Internos' capabilities into our organization.

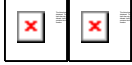
Douglas J. Harper

Senior Managing Director

Principal Real Estate Investors

+1.404.395.5444

www.principal.com



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Classification: Public

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Principal Real Estate Investors has experienced limited turnover of its investment staff. Following is a listing of employee additions to and departures from the real estate group during the 4th quarter of 2017.

JOINED

	Position
None	

DEPARTED

Name	Position
Confidential*	Manager Research
Confidential*	Managing Director-Portfolio Management
Confidential*	Analyst II, Real Estate Securities
Confidential*	Investment Analyst

**Specific information regarding employees who have left the firm has been withheld to maintain the confidentiality and ethical conduct in accordance with our company policy.*

**PrinREI ADV PART I
REVISIONS 2017**

Section Revised	Date of Revision	Changes Made
Item 1. J	01/31/2017	Updated CCO to Andrew Donohue. Removed Jeffrey Hiller
Schedule A	01/31/2017	Updated CCO. Updated COO. Updated titles.
Section 7.A.	01/31/2017	Updated affiliate name.
Section 1. L.	03/30/2017	Updated books and records locations.
Item 5	03/30/2017	Updated employee, client and RAUM information.
Section 5.G.(3)	03/30/2017	Updated registered investment companies.
Section 5.I.(2)	03/30/2017	Updated wrap fee programs.
Section 7.A.	03/30/2017	Updated affiliate information.
Section 7.B(1)	03/30/2017	Updated private fund information.
Section 7.A.	05/26/17	Updated affiliate information.
Schedule A	05/26/2017	Updated direct ownership information.
Schedule B	05/26/2017	Updated indirect ownership information.

Investment Performance Services, LLC

Real Estate Quarterly Compliance Checklist

Period Ending December 31, 2017

To: Sentinel Real Estate Corp

Re: UFCW Unions & Participating Employers Pension Fund - Real Estate

As an authorized representative of the firm I certify the following answers are accurate and attest that our firm has provided/attached all required explanations and/or supporting documents

1.) Have significant changes been made in the firm's investment management process during the quarter?

No Yes (provide details)

No.

2.) Have any changes or departures occurred in the investment team or other key personnel within the firm during the past quarter?

No Yes (provide details)

No.

3.) Have any ownership changes in the firm occurred during the quarter?

No Yes (provide details)

No.

4.) Have there been significant changes to your Form ADV from the last copy delivered to the Fund? **If you are not required to file Form ADV, please explain why.**

No Yes (provide details)

N.A. Sentinel is exempt from registration under the Investment Advisors Act of 1940, as we do not advise with respect to securities and our private real estate investment activities are not subject to the Act. With respect to the Fund, the General Partner intends to use reasonable best efforts to structure investments of the Fund and operate the Fund in such a manner so as to qualify the Fund as a "real estate operating company" ("REOC") pursuant to applicable regulations under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), so that the underlying assets of the Fund will not constitute "plan assets" of plans subject to Title I of ERISA or Section 4975 of the Internal Revenue Code of 1986, as amended, that invest in the Fund. Notwithstanding the status of the Fund as an REOC, the General Partner and the Manager have agreed to carry out their respective duties and exercise their respective powers under the Partnership Agreement and the Management Agreement, as applicable, in a manner consistent with the fiduciary responsibility standards of ERISA.

Sentinel obtains an opinion of counsel each year with respect to the Fund's qualification as a REOC, which can be made available to clients as needed.

5.) Has your firm or any individual (employee) at the present or during the past quarter been named in litigation, a regulatory enforcement action, or investigation related to investment activities? Please include any updates on any pending litigation that has been previously reported.

No Yes (provide details and current status)

No.

6.) Do you verify the portfolio is currently, and has been during the past quarter, in compliance with your firm's commingled investment vehicle guidelines and/or offering document governing the management of the investment?

Yes No (please explain)

Yes.

7.) With respect to the portfolio(s) under your management, do you acknowledge sole fiduciary responsibility under ERISA for adherence with the commingled investment vehicle and/or offering document guidelines?

Yes No (please explain)

Yes.

8.) Has there been a significant change in the liquidity of the commingled investment vehicle which may cause you to suspend, limit, or change the current liquidity offered to investors?

No Yes (please explain)

No.

9.) Do you see a need for a change in the Fund's current investment policy statement under which you are working?

No Yes (please explain)

No.

10.) In regard to derivative securities that may be held in the portfolio, do you attest that the following statements are true?

- The March 28, 1996, Letter of Guidance and Statement on Derivatives has been read and reviewed by personnel of this firm. We accept full responsibility for complying with all aspects of derivative investment outlined therein.
- We certify that the subject derivatives are considered by this firm as suitable for the Fund given known actuarial and economic factors. In our analysis of the suitability of derivatives for the Fund, these positions have been stress tested under varying interest rate scenarios.
- Our firm has experienced personnel in place and the investment processes and the controls to prudently invest in the derivatives.

Yes No (please explain)

Yes.

11.) Have any changes occurred in the Errors and Omission insurance coverage provided by your firm over the last quarter?

No Yes (provide details)

No.

12.) Does the amount of insurance coverage meet or exceed the minimum amount required through your investment management contract with the Fund and the minimum amount required through the Fund's Investment Policy Statement?

Yes No (please explain)

Yes.

13.) Is your firm adhering to the communication and reporting requirements as defined in the Fund's investment policy statement?

Yes No (please explain)

Yes.

Certified For The Firm By:

Name: Gulcan Ortac

Signature: 

Title: Vice President

Firm: Sentinel Real Estate Corp

Date: January 11, 2018

Investment Performance Services, LLC

Real Estate Quarterly Compliance Checklist

Period Ending December 31, 2017

To: Boyd Watterson Asset Management, LLC

Re: UFCW Unions & Participating Employers Pension Fund - Real Estate
Boyd Watterson GSA Fund, LP

As an authorized representative of the firm I certify the following answers are accurate and attest that our firm has provided/attached all required explanations and/or supporting documents

1.) Have significant changes been made in the firm's investment management process during the quarter?

No **Yes (provide details)**

2.) Have any changes or departures occurred in the investment team or other key personnel within the firm during the past quarter?

No **Yes (provide details)**

Addition: Keith Schuman, Acquisitions Analyst

3.) Have any ownership changes in the firm occurred during the quarter?

No **Yes (provide details)**

4.) Have there been significant changes to your Form ADV from the last copy delivered to the Fund? **If you are not required to file Form ADV, please explain why.**

No **Yes (provide details)**

5.) Has your firm or any individual (employee) at the present or during the past quarter been named in litigation, a regulatory enforcement action, or investigation related to investment activities? Please include any updates on any pending litigation that has been previously reported.

No **Yes (provide details and current status)**

6.) Do you verify the portfolio is currently, and has been during the past quarter, in compliance with your firm's commingled investment vehicle guidelines and/or offering document governing the management of the investment?

Yes **No (please explain)**

7.) With respect to the portfolio(s) under your management, do you acknowledge sole fiduciary responsibility under ERISA for adherence with the commingled investment vehicle and/or offering document guidelines?

Yes **No (please explain)**

8.) Has there been a significant change in the liquidity of the commingled investment vehicle which may cause you to suspend, limit, or change the current liquidity offered to investors?

No **Yes (please explain)**

9.) Do you see a need for a change in the Fund's current investment policy statement under which you are working?

No **Yes (please explain)**

10.) In regard to derivative securities that may be held in the portfolio, do you attest that the following statements are true?

- The March 28, 1996, Letter of Guidance and Statement on Derivatives has been read and reviewed by personnel of this firm. We accept full responsibility for complying with all aspects of derivative investment outlined therein.
- We certify that the subject derivatives are considered by this firm as suitable for the Fund given known actuarial and economic factors. In our analysis of the suitability of derivatives for the Fund, these positions have been stress tested under varying interest rate scenarios.
- Our firm has experienced personnel in place and the investment processes and the controls to prudently invest in the derivatives.

Yes **No (please explain)**

The Fund does not utilize derivatives as an investment vehicle. The Fund does utilize interest rate swaps to hedge risk related to variable rate loans.

11.) Have any changes occurred in the Errors and Omission insurance coverage provided by your firm over the last quarter?

No **Yes (provide details)**

12.) Does the amount of insurance coverage meet or exceed the minimum amount required through your investment management contract with the Fund and the minimum amount required through the Fund's Investment Policy Statement?

Yes **No (please explain)**

13.) Is your firm adhering to the communication and reporting requirements as defined in the Fund's investment policy statement?

Yes **No (please explain)**

Certified For The Firm By:

Name: Amanda Macko

Signature: 

Title: Institutional Client Services

Firm: Boyd Watterson Asset Management, LLC

Date: January 10, 2018

From: Amanda Macko
To: [Taylor Roessler](#)
Subject: RE: 1Q2017 Compliance Checklist - Boyd Watterson
Date: Friday, January 19, 2018 9:54:22 AM

Hi Taylor,

Compliance provided me with this response:

We are preparing our application for exemptive relief regarding the political contributions that were at issue in the deficiency letter and noted below.

To date, there are no updates on the DOL exam.

Thank you,

Amanda Macko

Boyd Watterson Asset Management LLC

1801 East 9th Street, Suite 1400

Cleveland, OH 44114

(216) 771-3246

Fax: (216) 771-4454

amacko@boydwatterson.com

From: Taylor Roessler [mailto:troessler@ips-net.com]
Sent: Thursday, January 18, 2018 11:38 AM
To: Amanda Macko <amacko@boydwatterson.com>
Subject: RE: 1Q2017 Compliance Checklist - Boyd Watterson

Hello Amanda,

Can you provide any more details on the status of the items mentioned below?

Thanks,
Taylor Roessler

From: Amanda Macko [mailto:amacko@boydwatterson.com]
Sent: Wednesday, November 01, 2017 8:52 AM
To: Taylor Roessler
Subject: RE: 1Q2017 Compliance Checklist - Boyd Watterson

Hi Taylor,

Here is the update on the items mentioned in emails below. Please let me know if you need anything else.

Our most recent SEC exam concluded on May 31, 2017 with a deficiency letter dated the same date. We have addressed the matters set forth in the deficiency letter and responded to the SEC on July 7, 2017.

Regarding the political contributions that were at issue in the deficiency letter and noted below, Boyd Watterson was informed by SEC staff in Washington D.C. that we are a candidate for exemptive relief, and as a result we were invited to submit an application for an exemption for the political contributions that were at issue in the deficiency letter. We are currently in the first stages of submitting the application for exemptive relief.

To date, there are no updates on the DOL exam.

Thank you,

Amanda Macko

Boyd Watterson Asset Management LLC

1801 East 9th Street, Suite 1400

Cleveland, OH 44114

(216) 771-3246

Fax: (216) 771-4454

amacko@boydwatterson.com

From: Taylor Roessler [<mailto:troessler@ips-net.com>]

Sent: Tuesday, October 31, 2017 9:03 AM

To: Amanda Macko <amacko@boydwatterson.com>

Subject: RE: 1Q2017 Compliance Checklist - Boyd Watterson

Hello Amanda,

Good morning and happy Halloween. Will you please provide an update on the remaining items mentioned in the emails below?

Thank you,
Taylor Roessler

From: Amanda Macko [<mailto:amacko@boydwatterson.com>]

Sent: Friday, July 07, 2017 11:54 AM

To: Jan Starling; ComplianceDept
Subject: RE: 1Q2017 Compliance Checklist - Boyd Watterson

Jan,

From compliance:

The SEC Exam concluded and we received a deficiency letter dated May 31, 2017. Some of the items were addressed during the examination period. Management is working on the response to the letter and addressing the remaining items.

Please let me know if you need anything else!

Amanda Macko

Boyd Watterson Asset Management LLC

1801 East 9th Street, Suite 1400

Cleveland, OH 44114

(216) 771-3246

Fax: (216) 771-4454

amacko@boydwatterson.com

From: Jan Starling [<mailto:jstarling@ips-net.com>]
Sent: Friday, July 7, 2017 8:58 AM
To: Amanda Macko; ComplianceDept
Subject: RE: 1Q2017 Compliance Checklist - Boyd Watterson

Good morning Amanda –

I hope all is well. Please provide an update to the below legal information that was originally reported in 4Q 2016.

Thank you in advance,
Jan

Jan Wade Starling
Investment Analyst
Investment Performance Services, LLC
Phone: 912-629-4132

www.ips-net.com

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From: Amanda Macko [<mailto:amacko@boydwatterson.com>]
Sent: Tuesday, April 25, 2017 12:55 PM
To: Jan Starling; ComplianceDept
Subject: RE: 1Q2017 Compliance Checklist - Boyd Watterson

Jan,

I was provided the following responses/updates:

During 2016, Boyd Watterson discovered an apparent technical violation of its compliance policy and SEC Rule 206(4)-5 regarding political contributions relating to certain contributions made in 2015 by certain covered associates of the firm to the elected official of a political subdivision in Ohio. The subject contributions, when aggregated with contributions made in the previous calendar year, slightly exceeded the *de minimis* amount permitted by our compliance policies and applicable SEC rules. Upon discovery, the firm contacted the SEC to initiate the process of seeking an exemption from the SEC pursuant to SEC Rule 206(4)-5(e) related to the contributions. In August of 2016, the firm was informed by the Chicago Regional Office of the SEC that it is conducting an inquiry relating to this matter. The inquiry has not been completed.

Boyd Watterson is currently undergoing an SEC examination pursuant to Section 204 of the Investment Advisers Act of 1940 ("Advisers Act"). The stated purpose of the exam, which has not yet been concluded, is "to assess the Adviser's compliance with the provisions of the Advisers Act and the rules thereunder".

In August of 2016, the Department of Labor ("DOL") conducted an examination of the firm as a service provider to ERISA pension fund clients. To date, the DOL has not provided any conclusions regarding its examination.

Please let me know if you need anything further.

Regards,

Amanda Macko

Boyd Watterson Asset Management LLC

1801 East 9th Street, Suite 1400

Cleveland, OH 44114

(216) 771-3246

Fax: (216) 771-4454

amacko@boydwatterson.com

From: Jan Starling [<mailto:jstarling@ips-net.com>]
Sent: Saturday, April 22, 2017 11:49 AM
To: Amanda Macko; ComplianceDept
Subject: RE: 1Q2017 Compliance Checklist - Boyd Watterson

Good afternoon Amanda –

Last quarter the following legal was noted in the compliance checklists.

“The SEC and the DOL are currently conducting examinations of the Firm. In addition, earlier this year, the Firm discovered an apparent technical violation of its compliance policy and SEC Rule 206(4)-5 regarding political contributions relating to certain contributions made in 2015 by certain covered associates of the firm to an elected official of a political subdivision in Ohio. The subject contributions, when aggregated with contributions made in the previous calendar year, slightly exceeded the de minimis amount permitted by our compliance policies and applicable SEC rules. Upon discovery, the Firm contacted the SEC to seek an exemption pursuant to SEC Rule 206(4)-5(e) related to the contributions. The Firm was told that SEC staff would not discuss the exemption request until the current examination is completed. The Firm was recently informed by the Chicago Regional Office of the SEC that it is conducting an inquiry relating to this matter.”

Please provide an update as of quarter end 03/31/2017.

Jan Wade Starling
Investment Analyst
Investment Performance Services, LLC
Phone: 912-629-4132

www.ips-net.com

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From: Amanda Macko [<mailto:amacko@boydwatterson.com>]
Sent: Monday, April 17, 2017 10:20 AM
To: ComplianceDept
Subject: RE: 1Q2017 Compliance Checklist - Boyd Watterson

Good morning,

Please see the attached as requested.

Thank you!

Amanda Macko

Boyd Watterson Asset Management LLC

1801 East 9th Street, Suite 1400

Cleveland, OH 44114

(216) 771-3246

Fax: (216) 771-4454

amacko@boydwatterson.com

From: ComplianceDept [<mailto:ComplianceDept@ips-net.com>]

Sent: Tuesday, March 28, 2017 3:50 PM

To: Amanda Macko

Cc: Megan Soeder; Michael Bee; Sue Norman

Subject: 1Q2017 Compliance Checklist - Boyd Watterson

Importance: High

Hi Amanda,

Please complete the attached 1st Quarter 2017 Compliance Checklist and return by April 14th.

Thank you for your assistance.

IPS Compliance Department

Investment Performance Services, LLC

912-352-2862

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Investment Performance Services, LLC
Fund of Hedge Funds Quarterly Compliance Checklist
Period Ending December 31, 2017

To: EnTrustPermal

Re: UFCW Unions & Participating Employers Pension Fund- Hedge Fund of Funds EnTrust
Capital Diversified Fund Ltd Class C

As an authorized representative of the firm I certify the following answers are accurate and attest that our firm has provided/attached all required explanations and/or supporting documents

1.) Have significant changes been made in the firm's investment management process during the quarter?

No

2.) Have any changes or departures occurred in the investment team or other key personnel within the firm during the past quarter?

No

3.) Have any ownership changes in the firm occurred during the quarter?

No

4.) Have there been significant changes to your Form ADV from the last copy delivered to the Fund? **If you are not required to file form ADV, please explain why.**

Yes

Attached is the updated Form ADV Part 2A for EnTrustPermal Partners Offshore LP, the revisions to which can be summarized as follows:

- Several of the firm's management companies have been reorganized for operational efficiency (Item 2);
- Disclosure regarding the Services Agreement (Item 5) and business entertainment (Item 11) has expanded in detail;
- Disclosure has been added regarding support services provided by a third-party firm used by EnTrustPermal (Item 5);
- Disclosure has been added regarding a historical Legg Mason and legacy Permal regulatory matter (Item 10); and
- Various risk factors have been added, consistent with the current regulatory and business climate (Item 8).

5.) Has your firm or any individual (employee) at the present or during the past quarter been named in litigation, a regulatory enforcement action, or investigation related to investment activities? Please include any updates on any pending litigation that has been previously reported.

There has been no investment-related or other material litigation or legal proceedings involving EnTrustPermal ("EP") or any of its employees, although from time to time employees may be

involved in litigation in their personal capacity and EP may be involved in lawsuits of a commercial nature involving vendors, employees, or otherwise

As a large asset management firm, EnTrustPermal ("EP"), from time to time, provides information to various government agencies and regulators in response to information requests, document requests, subpoenas, or requests for interviews from various government agencies and regulators. While we cannot predict the outcome of any inquiry, we are not aware of any, that we believe, will have a material effect on EP's provision of advisory services. In connection with the transaction that created EP in January 2016, Legg Mason, the majority parent of EP, agreed to provide indemnification in connection with an inquiry by certain U.S. regulators into potential violations, primarily between 2005 and 2007, by certain financial institutions in their dealings with and investments by foreign government-sponsored enterprises (related asset management fees contributed to Legg Mason historical net revenues, net of third party distribution fees, of approximately thirty one million dollars over a seven year period), and the potential knowledge of such dealings by ex-legacy Permal employees.

6.) Do you verify the portfolio is currently, and has been during the past quarter, in compliance with your firm's commingled investment vehicle guidelines and/or offering document governing the management of the investment?

Yes

7.) With respect to the portfolio(s) under your management, do you acknowledge sole fiduciary responsibility under ERISA for adherence with the commingled investment vehicle and/or offering document guidelines?

Yes

8.) Has there been a significant change in the liquidity of the commingled investment vehicle which may cause you to suspend, gate, or change the current liquidity offered to investors?

No

9.) Do you see a need for a change in the Fund's current investment policy statement under which you are working?

No

10.) Have any changes occurred in the Errors and Omission insurance coverage provided by your firm over the last quarter?

No

11.) Does the amount of insurance coverage meet or exceed the minimum amount required through your investment management contract with the Fund and the minimum amount required through the Fund's Investment Policy Statement?

Yes

12.) Is your firm adhering to the communication and reporting requirements as defined in the Fund's investment policy statement?

Yes

Certified For The Firm By:

Name: Bruce Kahne

Signature: 

Title: Senior Managing Director, General
Counsel/Chief Compliance Officer - US

Firm: EnTrustPermal

Date:

Investment Performance Services, LLC
Fund of Hedge Funds Quarterly Compliance Checklist
Period Ending December 31, 2017

To: EnTrustPermal

Re: UFCW Unions & Participating Employers Pension Fund- Hedge Fund of Funds Special Opportunities Fund III Class A

As an authorized representative of the firm I certify the following answers are accurate and attest that our firm has provided/attached all required explanations and/or supporting documents

1.) Have significant changes been made in the firm's investment management process during the quarter?

No

2.) Have any changes or departures occurred in the investment team or other key personnel within the firm during the past quarter?

No

3.) Have any ownership changes in the firm occurred during the quarter?

No

4.) Have there been significant changes to your Form ADV from the last copy delivered to the Fund? **If you are not required to file form ADV, please explain why.**

Yes

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Yes

12.) Is your firm adhering to the communication and reporting requirements as defined in the Fund's investment policy statement?

Yes

Certified For The Firm By:

Name: Bruce Kahne

Signature: 

Title: Senior Managing Director, General
Counsel/Chief Compliance Officer - US

Firm: EnTrustPermal

Date:



EnTrustPermal Partners Offshore LP

EnTrust Focus Partners LP

375 Park Avenue, 24th Floor

New York, NY 10152

T: 212.888.1040

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FORM ADV PART 2A: Firm Brochure

EnTrustPermal Partners Offshore LP

EnTrust Focus Partners LP

October 2017

This brochure provides information about the qualifications and business practices of EnTrustPermal Partners Offshore LP (formerly known as EnTrust Partners Offshore LP) (the "Advisor") and EnTrust Focus Partners LP (the "Relying Advisor"). If you have any questions about the contents of this brochure, please contact Bruce Kahne, General Counsel/Chief Compliance Officer at 212.224.5548 or bkahne@entrustpermal.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about the Advisor and the Relying Advisor is also available on the SEC's website at www.adviserinfo.sec.gov. Please note that registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Item 2. Material Changes

The Advisor's last version of Form ADV Part 2 was dated April 2017. This document should be reviewed in its entirety. In connection with the business combination in May 2016 between EnTrust Capital and the Permal Group, there has been a reorganization of certain management companies intended to make the resulting EnTrustPermal organizational structure more efficient. Effective March 31, 2017, EnTrust Capital Management LP, formerly a "relying adviser" of EnTrust Partners LLC, an SEC-registered affiliate of the Advisor, was merged into the Advisor. Thereafter, the Advisor changed its name from EnTrust Partners Offshore LP to EnTrustPermal Partners Offshore LP. Most recently, effective September 29, 2017, EnTrustPermal Management LLC, another SEC-registered affiliate of the Advisor, assigned substantially all of its assets and liabilities to the Advisor (the "Assignment") and will formally deregister from the SEC in due course.

Item 3. Table of Contents

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Item 4 Advisory Business

The Advisor, a Delaware limited partnership, was formed in January 2011 as the successor to EnTrust Partners Offshore LLC, a Delaware limited liability company registered as an investment advisor with the SEC under the Investment Advisers Act of 1940, as amended (“Advisers Act”) that commenced business operations in December 1999. There was no change in management or control in connection with this succession. On May 2, 2016, the EnTrust business combined with that of the Permal Group, a Legg Mason subsidiary and global alternative asset manager that was established in 1973 and acquired by Legg Mason in 2005. Gregg S. Hymowitz, the Managing Partner of EnTrust, or entities controlled by him, received a 35% ownership stake in the combined group of companies (collectively, “EnTrustPermal”). Legg Mason retained a 65% ownership stake.

Mr. Hymowitz is the Chairman and Chief Executive Officer of EnTrustPermal, oversees the investment management function of the Advisor and is responsible for managing the EnTrustPermal business on a day to day basis. The Management Committee and Global Investment Committee of EnTrustPermal are chaired by Mr. Hymowitz and are comprised of current senior professionals (including compliance professionals for the Management Committee) from both legacy firms. Key investment, business and compliance professionals from both former firms committed to remain employed with EnTrustPermal following the closing and to continue serving the investors of EnTrustPermal.

Description of Advisory Services

The Advisor manages assets for institutional and private client investors across a multitude of investment vehicles focused on hedge fund strategies, ranging from diversified or single strategy multi-manager commingled private vehicles (“Commingled Funds”) to customized portfolios for single investors, managed account solutions, and a direct hedge fund offering. Following the Assignment, the Advisor is also providing investment sub-advisory services to certain funds registered under the U.S. Investment Company Act of 1940, as amended, that are sponsored by Legg Mason, the Advisor’s parent company.

Commingled Funds: These refer to EnTrustPermal-sponsored products generally organized as offshore corporations (domiciled outside the US) or US limited partnerships. Certain of the Commingled Funds may invest all or substantially all of their assets in a master fund.

- **Offshore Private Funds:** The Advisor acts as investment manager to certain offshore private Commingled Funds. In addition, the Advisor’s affiliate, EnTrustPermal Ltd. (“EPL”), a UK-based, Financial Conduct Authority (“FCA”) regulated investment manager, acts as the investment manager for certain other offshore private Commingled Funds where, following the Assignment, the Advisor serves as sub-adviser.
- **US Private Funds:** Following the Assignment, the Advisor serves as investment manager to certain US private Commingled Funds where an affiliate of the Advisor serves as the General Partner.

Strategic Partnerships/Separately Managed Accounts: The Advisor offers institutional clients the flexibility of investing through individually customized managed accounts or single investor fund structures (collectively, “Strategic Partnerships”), which invest directly in underlying investment vehicles, special purpose funds and/or the Commingled Funds. The Strategic Partnerships, which may invest pari-passu with the Commingled Funds, may follow a strategy sub-set or may follow another investment strategy more specifically tailored to suit the investor’s investment objectives and guidelines. The Advisor may provide these advisory services on a discretionary or non-discretionary basis.

Direct Private Funds: In the second quarter of 2017, EnTrustPermal launched certain funds focused on direct lending to the maritime sector (collectively, the “Blue Ocean Funds”). The Blue Ocean Funds primarily engage

in lending to and investing in shipping companies, offshore oil services companies and other maritime businesses. The strategy is managed by the firm's four-member Blue Ocean Team.

1940 Act Registered Funds: Following the Assignment, the Advisor is providing investment sub-advisory services to funds registered under the U.S. Investment Company Act of 1940, as amended, that are sponsored by Legg Mason.

Unless otherwise noted, references to "Funds" generally refer only to the Commingled Funds and Strategic Partnerships (and exclude the Blue Ocean Funds and the 1940 Act Registered Funds).

The Funds invest in a diversified mix of hedge funds and are managed according to the objectives and policies described in their respective offering documents (discussed more fully in Item 8). The Advisor may manage other funds in the future with investment strategies that may or may not be similar to those of the Funds, including funds making direct investments in securities, loan portfolios or other financial products.

The Advisor also provides certain administrative and managerial services as management company to certain domestic private funds. EnTrust Partners LLC, an SEC-registered affiliate of the Advisor, serves as the general partner of the domestic funds.

EnTrust Focus Partners LP (the "Relying Advisor"), a Delaware limited partnership, is also registered with the Ontario Securities Commission ("OSC") as a Portfolio Manager and Investment Fund Manager. The Relying Advisor serves as the investment adviser to a Canadian domiciled fund that is in the process of winding down. Accordingly, it is anticipated that the Relying Advisor will withdraw its SEC registration and OSC registration in due course.

Investor transparency and communication have been cornerstones of the Advisor's culture since inception. The Advisor strives to be at the forefront of investor transparency and communication by providing to investors information received from underlying managers, aggregated and summarized in a clear and concise fashion, and distributed on a timely basis. These investor communications include not only monthly and quarterly reports regarding investment performance, but also direct access to underlying managers via a monthly conference call, updates regarding significant events in the financial markets, access to the results of the operational due diligence analysis conducted on underlying managers by the Advisor's dedicated operational due diligence team, and the opportunity to attend an annual "Investor Summit" where underlying managers discuss market views and investment strategies. In addition, the Advisor takes a proactive approach to risk management and, through the use of proprietary software and a dedicated operational due diligence team, has instituted extensive risk management procedures which pervade all aspects of the initial and ongoing due diligence process as it relates to the selection and monitoring of underlying managers (See Item 8). The Advisor has a formal Global Investment Committee ("GIC"), and Risk Committee ("RC"), with the RC having the power to veto any new investment or additional allocation decision made by the GIC.

Internal Controls

The Advisor has established a Compliance and Conflicts Committee to enhance the independence of oversight and controls relating to the Advisor's compliance policies and procedures and to identify, address and resolve existing and potential conflicts of interest that may arise across the Advisor's business practices.

The Committee includes senior members of the Legal and Compliance Team and John H. Walsh (former Associate Director-Chief Counsel for the SEC's Office of Compliance Inspections and Examinations and a current Partner at the law firm of Eversheds Sutherland) as Independent Legal/Compliance Advisor to the Committee. Issues may be identified for consideration by the Committee through senior management's daily interaction with employees, as well as the regular meetings of the RC and the GIC (discussed below).

Formal meetings are generally conducted on a monthly basis, even in the absence of the identification of any particular issues for consideration, although the Committee may meet more frequently as issues arise. Minutes of meetings are prepared and maintained. In addition, the Independent Legal/Compliance Advisor conducts quarterly training sessions for the Advisor's personnel regarding compliance issues and considerations.

Finally, the Committee discusses on an ongoing basis the firm's business practices and relationships as well as how to best mitigate and monitor the inventory of identified and anticipated risks.

In addition, in both 2010 and 2011, although not required, at the request of the Advisor, EisnerAmper LLP, the Funds' independent auditor, conducted a SSAE 16 Report (formerly known as a SAS 70 Report) on Controls Placed in Operations. This Report was used by the Advisor to further review and assess its own operational controls on an ongoing basis. From 2012 through 2016, again at the request of the Advisor, EisnerAmper LLP conducted a SSAE 16 Type II, a more in-depth review to confirm compliance with internal controls and procedures. Copies of SSAE 16 Reports are available upon request.

Cybersecurity

In response to the increasing number of cyber-attacks across different industries, as well as an increased regulatory focus on financial firms' preparedness to protect information and systems and to respond to such attacks, the Advisor conducts an ongoing assessment of its technology systems and controls.

Of particular focus in conducting this assessment are supervisory controls over, and protection of, systems and confidential information, operational capabilities of systems and where these systems could be improved to provide better protection, preparedness to respond to cyber-attacks, the drafting of written policies and procedures and vendor management.

While no cybersecurity program can anticipate and prevent all types of cyber-attacks (please refer to "Cybersecurity Risk" under Item 8), the Advisor has invested significant time and resources in strengthening and upgrading its internal controls and systems. This includes an entire infrastructure upgrade of its server environment, having an external vulnerability assessment conducted and strengthening the monitoring of potential threat activity and other controls. The Advisor will continue to monitor its cybersecurity program and spend the necessary time and resources to implement upgrades as necessary.

Availability of Customized Arrangements

The Advisor may establish individually customized managed accounts or single investor fund structures for certain investors. Customization can assume various forms based on specific investor preferences relating to, among other things: (a) returns; (b) liquidity; (c) volatility; (d) exposure to specific investment strategies, asset classes, managers, and/or geographies; (e) exposure to more opportunistic co-investment opportunities; (f) tail risk protection solutions for a strategic partner's broader portfolio; and/or (g) middle and back office solutions. Aside from portfolio construction and composition issues, such arrangements may afford transparency through periodic calls and meetings with the Advisor's key investment professionals and its underlying managers and a web-based portal to provide real-time information regarding the strategic partner's particular investments, account balances, specific trades, liquidity analyses, risk aggregation analyses and performance on portfolio- and manager-specific levels. Additionally, one of the Advisor's investment analysts is assigned to each such arrangement to handle questions and issues that may arise on a day-to-day basis.

The terms of such arrangements are subject to negotiations between the Advisor and the investor and, as such, will vary across such arrangements and may be different than the terms for the Funds, including, without limitation, the right to receive reports on a more frequent basis or to receive reports that include information not

provided to other investors, the right to pay a reduced incentive allocation/fee and/or management fee and such other rights as may be negotiated between the Advisor and such investor.

Customized arrangements may create conflicts in the allocation of investment opportunities among the various customized arrangements and between the customized arrangements and the Advisor's Commingled Funds. The Advisor has adopted an allocation policy intended to manage these conflicts.

Such customized arrangements will not be entered into if the Advisor determines that any particular arrangement offered to an investor disadvantages or otherwise negatively impacts the ability of the Advisor to provide the desired level of advisory services to Investors.

Co-investments

The Advisor carefully considers investment opportunities presented by managers to source and gain exposure to more concentrated opportunistic investments. The Advisor constantly evaluates ideas and asset classes for potential co-investment opportunities, which may be investments that require additional capital in excess of the amount that an underlying portfolio may be able or willing to invest or may be an independent investment opportunity. Co-investment opportunities may be accessed through a particular Fund, a dedicated portfolio within a Fund or through a special purpose fund or other investment vehicle.

As of August 31, 2017, the Advisor managed approximately \$11,888,154,763 in assets on a discretionary basis and approximately \$512,285,310 on a non-discretionary basis.

Item 5. Fees and Compensation

The fee structure for each Fund is set forth in the offering documents for that Fund, or in the managed account agreement for a separately managed account, as the case may be. The management fee paid to the Advisor (the “Management Fee”) is payable quarterly in arrears and is prorated for periods less than a full quarter. The Management Fee may vary for different classes of shares in the Funds (collectively, the “Shares”), but generally ranges from 0.10% to 0.50% (per quarter), of the net asset value of a particular class of Shares, measured as of the last day of the quarter, although some Funds may pay a monthly Management Fee.

In addition, the Advisor may receive an incentive fee/allocation (the “Incentive Fee”) on an annual basis (or, in some cases, quarterly or as agreed to with investors) in certain share classes or for certain Funds (generally ranging from 5% to 20% per annum) of net profits. As set forth more fully in the offering documentation for a particular Fund, the Incentive Fee in some share classes or Funds is subject to hurdle rates or clawback provisions. The Incentive Fee is generally subject to the recoupment of unrecovered net losses incurred previously.

Investors in Funds where the Incentive Fee is charged at the overall Fund level or to a particular class or series of shares should note that as equalization or series accounting is not used, the Incentive Fee will be based on the overall performance of the Fund or class or series of shares, as applicable, as opposed to the specific performance of the shares held by a particular Investor. Depending upon the circumstances, certain Investors may be advantaged while others may be disadvantaged depending on the calculation methodology being used.

The Advisor, in its sole discretion, may waive or reduce all or any portion of the Management Fee and/or Incentive Fee for certain investors in the Funds. New classes of Shares may also be created with different fee structures. For separately managed accounts, fees generally will track the range of Management Fees/Incentive Fees for the Funds depending on the amount of assets in the account or as may be negotiated. Any Incentive Fee for a managed account will be subject to negotiation between the Advisor and the investor.

In addition, the Advisor and/or Funds may, without notice to investors, enter into agreements with certain investors who, in the Advisor’s judgment, make a significant investment in a Fund, granting them, among other things, greater portfolio transparency, fee waivers or reductions, additional rights to reports or other information and other more favorable investment terms than the terms associated with an investment by investors pursuant to the offering documentation. The Funds have the power to create different classes of interests for certain substantial investors and may create additional classes having different rights for the purpose of implementing such agreements. For example, such additional classes of interests may have different voting rights, management fees or incentive compensation arrangements. In offering more favorable investment terms to certain investors, the Advisor and/or Funds shall have no obligation, subject to any applicable “most favored nations” agreements, to offer such additional rights, terms or conditions to all investors.

The Funds’ expenses are set forth in the respective offering documents for the particular Fund and may include, the Management Fee and the Incentive Fee (if applicable); fees of the Fund’s independent auditors, legal counsel and Administrator; fees for the maintenance of the Fund’s books and accounts, including license fees and costs associated with any software used to maintain the books and records for the Fund, including portfolio management, risk management and investor reporting and technology expenses; fees of any separate accountants retained for the Fund and fees paid pursuant to the Services Agreement (see discussion below on the Services Agreement); registration, licensing and custodian fees; directors’ fees; taxes (including withholding and transfer taxes); bank service fees; organizational expenses; governmental fees, preparation and distribution of Shareholders’ reports and other communications with Shareholders and the public, the costs incurred in connection with marketing the Fund Shares (including travel, car service, car rental and parking and lodging expenses incurred in attending conferences and presentations with investors and prospective investors), the

cost of updating the Fund's offering documents, professional fees of consultants (including risk management and compliance consultants and, where appropriate, valuation experts) incurred in connection with the operations of the Fund, manager research costs and background checks, subscription fees for market data services, databases and related research expenses and other due diligence tools (including travel and expenses in connection with monitoring and conducting due diligence on underlying hedge fund investments) and the costs and expenses of securing and maintaining any line of credit or liquidity facility, including interest expense and commitment fees. All travel and lodging expenses are subject to the Advisor's Code of Ethics and its Travel Reimbursement Policy, which limit the types of expenses that may be incurred and provides that expenses will only be reimbursed if they are ordinary and reasonable.

In addition to the fees and expenses described above, the Funds (including the Blue Ocean Funds and the 1940 Act Registered Funds) may bear, directly and indirectly, certain additional expenses, which are described in the relevant offering documentation or separately managed account agreement. Some of these expenses may include, as applicable:

- Dealing fees for subscribing to/redeeming from the Funds – depending upon the share class subscribed to and amount purchased, dealing fees, such as front end or back end sales charges, may apply to the investor. These amounts are not typically paid to EnTrustPermal but are charged and retained by financial intermediaries who offer the Funds for sale to their clients.
- Distribution fees – for Investors subscribing into a share class of a Fund with a back-end sales charge, an ongoing distribution fee of 1% will be charged. This fee is also generally paid to the financial intermediary that made the Fund available for sale.
- Investment company fees (layering Rule 12d-3) will be charged to investors in Funds registered under the U.S. Investment Company Act of 1940, as amended.
- Underlying Fund fees and expenses - a pro rata portion of the expenses of each underlying fund in which it invests, including the management fees and incentive fees payable to the managers of such funds. In certain cases, the Advisor has been able to negotiate more favorable fee terms than those otherwise payable by an investor in such fund.

In addition, as discussed further in Item 12 – Brokerage Practices, the Advisor may, on occasion, buy and sell securities traded in secondary markets, including exchange traded funds ("ETFs"), open-end and closed-end funds and other securities. In these cases, investors will bear the costs and expenses (such as commissions or spreads) associated with such trading.

For those expenses which relate to or which benefit one or more specifically identifiable Funds, each such expense will be allocated solely to those Funds. For those expenses which cannot reasonably be allocated to a Fund or specific Fund(s) or which benefit all Funds, the expense will be allocated across all Funds on a pro rata or other basis that is fair and equitable to all clients.

In addition, the Advisor's Compliance Manual contains an expense allocation policy. This policy provides, among other things, for periodic review and testing of expense allocations to assess whether such allocations are consistent with disclosure in the relevant offering documentation.

Certain of the Funds (including the Blue Ocean Funds) have entered into or are expected to enter into a Services Agreement with the Advisor or a former affiliate of the Advisor, pursuant to which certain personnel of the Advisor perform services for both the Advisor and the Funds, including accounting, legal and compliance (including but not limited to oversight of certain risk management and ancillary services). Under the Services Agreement, fees are payable by the relevant Funds and are currently set at 10 basis points per annum of a Fund's Net Asset Value (the "Fee"). The amount of the Fee is subject to adjustment (up or down) on an annual basis, subject to the sole discretion and approval of the independent board of directors for the Funds based on its assessment of the reasonableness of the Fee, taking into consideration, among other things, the cost to EnTrustPermal to provide

the services. The Fee is intended to be sufficient to cover the total compensation and benefit costs and the Advisor's share of taxes for such personnel who typically also provide significant services to the Advisor and does not exceed the Advisor's costs in providing such services. Services provided to any particular Fund in any given year may not be the same as provided to other Funds and, from time to time, no services may be provided to a particular Fund in a given year. Certain investment vehicles managed by the Advisor or its investment advisory affiliates may not pay the Fee but may, nonetheless, receive the services set forth above. Investors will be notified of any change in the Fee prior to its implementation. The Services Agreement is available upon request.

The offering documents for a particular Fund, or the managed account agreement for a separately managed account, specify the redemption terms for such Fund or account, as the case may be. In general, no redemption is permitted other than as set forth in such governing documents, subject to the right of the Advisor or the Fund directors, as applicable, in its sole discretion and without notice to other investors, to waive such requirements for investors on a case by case basis.

In addition, EnTrustPermal Securities LLC, an affiliate of the Advisor, is a Delaware limited liability company registered with the SEC as a broker-dealer (the "Broker-Dealer") and a member firm of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). The Broker-Dealer does not hold securities or customer accounts, nor does it clear or execute any trades on behalf of the Funds or otherwise. The sole business purpose of the Broker-Dealer is to introduce prospective investors to the investment funds managed by the Advisor and its affiliates.

The decision to form the Broker-Dealer, which commenced operations in July 2009, reflected a view on the part of senior management consistent with the "black letter" of the law as it relates to firm employees whose primary function is to raise capital for the Funds. Specifically, the law requires that such employees who receive transaction-based compensation attributable to investors they refer to the Funds must be registered and licensed with a broker-dealer because the recommendation of a Fund investment is a recommendation of a security. It is the shared view of senior management and outside counsel that this approach is consistent with the firm's culture of continuing to operate the business as conservatively as possible.

Registered representatives of the Broker-Dealer may be compensated under a variety of compensation arrangements, including base compensation and/or a bonus or may receive a percentage of the fee attributable to investors they refer to a particular Fund. Such dedicated business development professionals may be part-time or full-time employees of the Broker-Dealer and may provide information about a particular marketplace (e.g., Taft Hartley, State or local governments) with which they are familiar and may have other relationships with a prospective investor.

The Broker-Dealer provides these services to the Advisor pursuant to an agreement that provides that the Broker-Dealer receives a certain percentage of the Management Fees attributable to investors it refers to the Funds and may receive a portion of the Incentive Fee (if any) as determined on an investor-by-investor basis. All fees payable to the Broker-Dealer and its registered representatives by virtue of this arrangement are the responsibility of the Advisor (and/or its investment advisory affiliates) and are not passed through to the Funds or to investors. Such registered representatives are in-house firm employees and are subject to supervision and oversight in accordance with the written supervisory procedures of the Broker-Dealer.

In addition, EnTrustPermal utilizes Best Alternative Outsourcing Services ("Best"), based in India, for support regarding fund accounting, operations, compliance/regulatory surveillance and client reporting. Best has a team of people dedicated solely to the EnTrustPermal business. EnTrustPermal's personnel work collaboratively with Best on a daily basis and across different business units to attempt to achieve operational efficiencies in the areas noted above.

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

The Advisor's fee structure, including as it relates to performance-based fees, is set forth in response to Item 5 above. All Funds generally follow the same investment strategy for each separate class of Shares within that particular Fund, so that the same underlying managers are selected for each class of Shares within each Fund regardless of fee structure. Accordingly, the Advisor is not incentivized to favor or pursue more speculative investment strategies for those classes of Shares for which it may receive an Incentive Fee.

In any event, any potential conflict of interest in this regard is mitigated by the veto power of the Advisor's RC over any new investment or additional allocation made by the GIC. The Committee's role is more fully discussed in Item 8 below.

Statement of Allocation Policy and Procedure. It is the Advisor's policy that no Fund or other account for which the Advisor has investment discretion (collectively, "EnTrustPermal Clients") shall receive preferential treatment over any other EnTrustPermal Client. In allocating securities among EnTrustPermal Clients with a substantially similar investment strategy, it is the Advisor's policy that all such EnTrustPermal Clients should be treated fairly and equitably over time and that, to the extent possible, all EnTrustPermal Clients with a substantially similar investment strategy should receive equivalent treatment.

Investment opportunities generally will be allocated among those EnTrustPermal Clients for which participation in the respective opportunity is considered appropriate by the Advisor taking into account, among other considerations:

- (a) the nature of the proposed investment and the size of the aggregate position available to EnTrustPermal Clients;
- (b) each EnTrustPermal Client's investment objective and strategies;
- (c) whether the risk-return profile of the proposed investment is consistent with the EnTrustPermal Client's objectives, whether such objectives are considered (i) solely in light of the specific investment under consideration or (ii) in the context of such EnTrustPermal Client's overall holdings;
- (d) existing exposure to the proposed investment, if any, and the potential for the proposed investment to create an imbalance in the EnTrustPermal Client's portfolio;
- (e) liquidity requirements of the EnTrustPermal Client;
- (f) the EnTrustPermal Client's available cash to invest;
- (g) tax considerations;
- (h) legal and/or regulatory restrictions that would or could limit an EnTrustPermal Client's ability to participate in a proposed investment;
- (i) the risk parameters for the EnTrustPermal Client's portfolio;
- (j) overall portfolio construction for the EnTrustPermal Client; and
- (k) other criteria the Advisor deems relevant (the nature and extent of the differences will vary from client to client).

As a result of the application of these factors, allocations and performance across EnTrustPermal Clients that are similarly situated will differ for particular investments or over time.

Where an underlying manager or other investment opportunity has limited capacity and the investment is suitable for more than one EnTrustPermal Client: (i) the Advisor is not obligated to cause an EnTrustPermal Client that invested first to redeem to free up capacity for another EnTrustPermal Client; (ii) where two or more EnTrustPermal Clients are considering the investment at the same time, the investment generally will be made pro rata based on the capital available among the participating EnTrustPermal Clients for the proposed investment and on assets under management, but in consideration of the factors listed above.

Item 7. Types of Clients

The Advisor's clients are noted in response to Item 4 above. The minimum initial investment amount for the Funds (or capital commitment amount, as applicable) is set forth in the offering documentation for the particular Fund. Minimum investment requirements are subject to waiver or reduction in the sole discretion of the Advisor. The Advisor may refuse to permit a partial redemption if the value of the redeeming investor's Shares would be less than an amount set forth in the offering documentation, as applicable. In addition, each prospective investor must satisfy the accreditation requirements set forth in the offering documents of the respective Fund in which the Investor intends to invest.

Investors in the Funds may include public, corporate and Taft-Hartley pension funds, foundations, endowments, sovereign wealth funds, insurance companies, high net worth individuals and families or other investors. In addition, the Advisor may provide investment advisory services to separately managed accounts for the benefit of such types of investors. Minimum account sizes for such accounts are subject to negotiation.

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

Methods of Analysis

Funds

Although a particular Fund may be strategy specific or specific to a defined universe of investment strategies, the primary objective of the Advisor is to construct a portfolio of managers with consistent risk-adjusted rates of return within different non-correlated investment strategies, thereby seeking to diversify risk and down-side exposure. Position sizing is determined by the Advisor's Global Investment Committee ("GIC") based on quantitative analysis, as well as information gained from feedback from investment analysts during their regular contact with underlying managers, from the GIC members' interaction with portfolio managers and industry investment professionals and from any macro market conditions that the GIC believes may impede or enhance specific strategy investment opportunities. In addition to Mr. Hymowitz, the GIC also includes Christopher Keenan, Christopher Zuehlsdorff, Jeffrey Chan, Javier F. Dyer and Robert Kaplan, each a Senior Managing Director and senior investment analyst.

In selecting managers for the portfolio, the Advisor does not follow a rigid asset allocation policy but instead seeks diversification through a combination of managers trading a range of strategies. The Funds are designed not only to utilize expert managers but also to deploy and redeploy investment capital within a range of investment strategies which the Advisor regards as likely to provide favorable opportunities in changing economic environments.

The screening process for underlying managers includes a review of a number of different factors, the most important being:

A definable investment strategy and process - Each manager must have a clearly defined investment strategy, process and methodology. Just as importantly, the Advisor verifies that the manager has consistently maintained its investment strategy throughout various market conditions.

A consistent, risk-adjusted historical performance record – The Funds typically invest with managers who have historical risk-adjusted performance records of significant duration and which are uncorrelated to returns of other managers in the portfolio. Such performance records must demonstrate an ability to achieve returns during both favorable and unfavorable market cycles.

Disciplined risk management techniques - Managers are also evaluated on their ability to manage risk to an acceptably low level. Each prospective manager is required to complete the Advisor's proprietary due diligence questionnaire, which is extensive and incorporates questions related to investment strategy, exposures, concentrations, leverage, transparency and performance, as well as risk management, valuation procedures, pricing policies, cash controls and service providers. Once invested with a manager, the Advisor regularly reviews the overall market risk exposure, hedging and other risk management techniques utilized by the manager to limit market exposure and downside risk.

A commonality of financial interests – The Funds typically invest with managers who have meaningful financial commitments jointly with their clients, demonstrated by having significant amounts of their personal capital invested in their own portfolios.

The members of the investment team meet regularly to discuss the allocation and sizing of particular investments, the status of investments being considered and matters concerning the investment portfolio generally. Such meetings may also include the Global Chief Risk Officer ("CRO") and the Chief Compliance Officer ("CCO"). The portfolio is reviewed regularly and rebalanced by the GIC on a monthly basis. In addition, members of the

investment team also meet regularly and more informally with the CRO, the CCO, the Advisor's financial controllers and members of the operational due diligence team to share information and thoughts across different business units regarding, among other things, portfolio positioning, construction and, risk parameters.

Blue Ocean Funds

The Blue Ocean Funds' deal workflow is typically a four-step process: Sourcing, Underwriting, Closing and Post-Funding. The Blue Ocean team will actively assess and closely monitor the loans/leases throughout the tenor of the loans/leases. The primary purpose of the review is to reassess and monitor the borrowers' continuing credit quality and to conduct ongoing stress testing at the portfolio level. Reviews will typically include financial performance, covenants, collateral and liquidation analysis and a market summary. The Blue Ocean team will actively monitor the financial and reporting covenants established in the loan agreements or security documents.

The Blue Ocean Executive Committee meets to help oversee the origination, purchase, sale or other disposition (among other actions) regarding the Blue Ocean Funds' investments. The Blue Ocean Executive Committee consists of Gregg S. Hymowitz, Chairman and Chief Executive Officer of EnTrustPermal, Svein Engh, Committee Chair and Portfolio Manager of the Blue Ocean Funds, and Omer Donnerstein, Senior Vice President, Investment Analyst.

Operational Due Diligence

The Advisor takes a proactive approach to risk management and the extensive risk management procedures it has implemented are critical to, although independent of, the investment process.

Managers are sourced from referrals from the Advisor's network of investment professionals, existing managers and hedge fund databases (i.e., Preqin and HFR). Once a prospective investment manager is identified, members of the Advisor's team meet and interview the prospective investment manager(s). Through the interview process, the Advisor garners an in-depth understanding of the manager's investment thesis and processes. From this list, the Advisor generally performs in-depth operational due diligence and deeper investment research, including meeting additional members of the potential manager's investment research team. Should the Advisor choose to add a manager to the Funds or invest in a co-investment from this selective list, the Advisor will conduct final investment and operational due diligence (e.g., background checks, discussions with service providers) before funding. From time to time, the Advisor will wait to add approved managers based on current market conditions and investment opportunity sets.

After an initial interview, the prospective manager will then be required to complete an extensive proprietary due diligence questionnaire, which incorporates questions related to investment strategy, as well as risk management, valuation procedures, pricing policies, cash controls, cybersecurity and service providers.

All information obtained from both the interview and the questionnaire is reviewed and follow-up interviews are scheduled or questions are posed. Typically, the Advisor's team will visit a manager a minimum of three times before investment (one initial meeting, one investment team/in-depth strategy review and an operational due diligence review).

The Advisor's operational due diligence team, which includes CPAs with hedge fund audit experience, will meet with accounting and operations personnel to determine the scope and adequacy of the back-office infrastructure, internal controls, valuation and pricing procedures, financial reporting, disaster recovery plans and service providers.

Prior to making an investment with any new manager, members of the Advisor's team contact individuals within its network for background checks/referrals and the Advisor's operational due diligence team contacts the administrator and other key service providers of the underlying portfolio to confirm the relationship. The Advisor utilizes certain independent investigative firms to perform background checks on all prospective managers, senior members of their management teams and any personnel in an existing manager's firm with signatory authority over cash accounts or trading authority. These background checks are also conducted on new personnel in a firm with signatory authority.

Final decisions regarding initial Fund investments or co-investments with managers and any additional capital allocations are made by the Advisor's GIC based on meetings with the managers and input from various members of the Advisor's team. However, the Risk Committee ("RC") has the power to veto any new investment or additional allocation decision made by the Advisor's GIC.

The RC is responsible for identifying and addressing inherent and exogenous risk factors in the portfolio, as well as mitigation methodologies. The RC generally meets formally on a bi-monthly basis and may meet more frequently on an informal basis. Minutes are maintained of the formal RC meetings. The RC includes the CRO (Committee Chair) as well as senior members of the firm, including members of the Investment Team, Operational Due Diligence and Legal/Compliance.

Investment Strategies

The Advisor's primary objective is to build a portfolio of managers within a range of non-correlated investment strategies that the Advisor regards as likely to provide favorable investment opportunities in most economic environments. However, the Advisor will not invest in any investment style or strategy which it is not comfortable with after interviewing the investment manager and performing extensive due diligence.

The Advisor attempts to select individual managers that offer a variety of different skills in an effort to further balance the Funds' investment portfolios and to provide for the preservation of capital while maximizing opportunities for growth. The Advisor considers a number of factors in selecting managers, including, but not limited to: the manager's basic investment strategy and policies; reputation; prior performance; use of fundamental analysis and other analytical methods; use of leverage and other techniques; and trading acumen. There are no limitations on the investment strategies or techniques that may be employed by the Advisor, the portfolios selected or the structure utilized by the Advisor to access an underlying manager. In most cases, Funds managed by the Advisor invest in commingled private investment funds advised by underlying managers. However, in appropriate cases, other vehicles may be utilized. By way of example only, the Advisor may invest, through a manager or directly, in illiquid securities, special purpose vehicles, single investor vehicles or separately managed accounts. Prospective investors are urged to address any questions regarding strategies (and related risks) that may be employed by managers of the Funds' assets with the Advisor prior to investment.

The core investment strategies pursued by the underlying managers for the Funds are set forth below, although the investment strategy for a particular Fund is set forth in that Fund's offering documentation:

Global Long/Short Equity – Long/Short Equity managers combine a portfolio of long equity positions with a portfolio of short equity positions. Long equity positions are expected to appreciate in value and short equity positions are expected to decrease in value. A manager can look to add value on both the long and short positions, or can simply use a short position to hedge market exposure by shorting a security or index which has a high degree of correlation to the portfolio's long positions. Managers may be anywhere from net long to net short depending on market conditions, and generally increase net long exposure when markets are expected to rise and decrease net long exposure when markets are expected to fall. Strategies can be value or growth

oriented and may invest in equities across the market capitalization spectrum and across multiple countries and regions.

Credit & Special Situations – Credit strategies refer to any strategies that utilize credit related securities such as various fixed income instruments and derivative instruments such as credit default swaps. Common credit strategies include distressed investing and credit arbitrage. Distressed securities strategies invest in companies affected by an adverse financial or operating situation such as bankruptcies, debt restructuring, over-levered balance sheets, corporate reorganizations, poor operating results and/or the distressed sale of assets. A manager may invest in distressed securities believed to be selling at a price below the value of such securities after a reorganization or liquidation of the company. At times, the distressed manager may take an active role in creditor committees during the bankruptcy or reorganization process to work towards a favorable outcome for the securities being held. Depending on the manager's style, investments may be made in bank debt, corporate debt, trade claims, common stock, preferred stock and/or warrants. Returns from distressed securities strategies are usually dependent on the outcome of the bankruptcy or reorganization process. Credit arbitrage strategies attempt to exploit pricing inefficiencies between similarly structured credit sensitive securities of different issuers. For example, although the bonds of two different companies may have comparable duration, coupon rates and credit ratings, one bond may trade at a premium to the other. Generally, credit instruments used may include loans, bonds and credit default swaps. A variety of hedging techniques are employed to reduce certain risks, including interest rate and credit risk. A manager may look to exploit the pricing discrepancy by buying the undervalued security and shorting the overvalued security, expecting to make a profit as the prices of the two securities begin to converge. Managers employing a special situations strategy generally utilize distressed-type analysis in order to analyze companies that are not in bankruptcy but are undergoing other event driven transactions such as restructurings, turnarounds and spin-offs.

Event Driven, Multi-Strategy & Arbitrage – Event driven investing is also referred to as corporate life cycle investing and focuses on opportunities created by transactional events such as spin-offs, consolidations, mergers and acquisitions, liquidations, recapitalization, bankruptcies and other significant corporate transactions. Event driven strategies analyze these transactions in order to predict the outcome and commit capital in a way that benefits from that outcome. Event driven strategies are broad in scope and employ a diverse set of securities including common and preferred stock, debt securities, warrants, stubs and derivatives. More focused event driven type strategies include merger arbitrage, distressed securities and special situations. The success of the strategy primarily relies on the accurate assessment of the outcome and timing of the transactions and the proper deployment of capital. Multi-strategy managers may engage in a variety of these investment strategies.

Activist – Activist managers focus on long-term undervalued strategic investments and work to proactively create a catalyst to unlock value. Activist managers attempt to unlock value in companies by developing relationships with management and seek to implement strategic changes that are expected to lead to higher share prices, such as changes in corporate direction and management, corporate restructuring, recapitalization and share buybacks, improvement of operations or a sale of the company. Profits are made when successful value enhancing activities lead to an increase in the price of the company's securities.

Other investment strategies may include:

- Discretionary Global Macro;
- Systematic Global Macro;
- Fixed Income Trading;
- Long Only Commodities; and
- Emerging Markets.

Risks

Investments in the Funds are speculative and involve a substantial degree of risk, including the risk that an investor could lose some or all of its investment in the Fund. An investment in the Funds should be made only after consulting with independent qualified sources of investment, legal, tax, accounting and other advice. A non-exhaustive list of risks is set forth below including, where applicable, a description of the risk management techniques utilized by the Advisor/underlying managers to attempt to mitigate such risks. For a more comprehensive listing of risk factors relating to an investment in a particular Fund, please refer to the offering documentation for such Fund.

Fund Management Risks

Dodd-Frank Wall Street Reform and Consumer Protection Act. With the passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”) in the United States, there has been extensive rulemaking and regulatory changes that will affect private fund managers, the funds that they manage and the financial industry as a whole. Under Dodd-Frank, the SEC has mandated new reporting requirements and is expected to mandate new recordkeeping requirements for investment advisers, which are expected to add costs to the legal, operations and compliance obligations of the Advisor and the Funds and increase the amount of time that the Advisor spends on non-investment related activities. Until the SEC implements all of the new requirements of Dodd-Frank, it is unknown how burdensome such requirements will be. Dodd-Frank will affect a broad range of market participants with whom the Funds interact or may interact, including commercial banks, investment banks, other non-bank financial institutions, rating agencies, mortgage brokers, credit unions, insurance companies and broker-dealers. Regulatory changes that will affect other market participants are likely to change the way in which the Advisor conducts business with its counterparties. It may take several years to understand the impact of Dodd-Frank on the financial industry as a whole, and therefore, such continued uncertainty may make markets more volatile, and it may be more difficult to execute the investment strategies of the Fund. The incoming presidential administration has expressed an intention to repeal Dodd-Frank, or change certain portions of the law. It is unclear whether any of such changes will be implemented or what form the proposed changes will take.

Business, legal, tax and other regulatory risks. Legal, tax, and regulatory changes, as well as judicial decisions, could adversely affect the Fund, the Advisor, and/or the investment strategies used to implement a Fund’s trading program. The regulatory environment for private investment funds continues to evolve, and changes in the regulation of private investment funds may adversely affect the value of a Fund’s investments and the ability of a Fund to implement its investment strategy. The financial services industry generally and the activities of private investment funds and their investment advisers, in particular, have been the subject of increasing legislative and regulatory scrutiny. Such scrutiny may increase legal, compliance, administrative and other related burdens and costs as well as regulatory oversight or involvement in a Fund and/or the Advisor or result in ambiguity or conflict among legal or regulatory schemes applicable to a Fund, or the Advisor. In addition, securities and futures markets are subject to extensive statutes, regulations and margin requirements. Various U.S. federal and state regulators, including the SEC, the CFTC, self-regulatory organizations and exchanges, are authorized to take extraordinary actions in the event of market emergencies. Alternative US or non-US rules or legislation regulating a Fund or the Advisor may be adopted, and the possible scope of any rules or legislation is unknown. There can be no assurances that a Fund or the Advisor will not in the future be subject to regulatory review or discipline. The effects of any regulatory changes or developments on a Fund may affect the manner in which it is managed and may be substantial and adverse.

A.) Fund of Hedge Funds Risks

Market (beta) Risk. The Funds' primary mission is to build a portfolio of managers within a range of non-correlated investment strategies that the Advisor regards as likely to provide favorable investment opportunities in most economic environments. Notwithstanding this goal, there is a risk that a manager's performance will be more closely correlated with the broader markets than was anticipated. Different measuring techniques are employed to monitor market correlations and manager correlations, and stress tests are performed relating to potential changes in market conditions on a regular basis in order to assist in limiting the Funds' exposure to market (beta) risk. The Funds' managers perform their own analyses of market exposure and risk and utilize market risk evaluation tools, which vary from manager to manager but incorporate measuring/monitoring risks by asset class, strategy, geographic region and industry sector, as appropriate. Within the Advisor's due diligence questionnaire are extensive questions related to how the manager measures and monitors risk, and members of the Advisor's operational due diligence team follow-up whenever meeting with managers to determine if they have made any changes to their processes or systems.

Liquidity Risk. The Advisor maintains a schedule of the liquidity provisions for each of the underlying portfolios (including notification dates) and the start dates of the Funds' investments as well as redemption dates. The Funds' managers also have systems which track the amounts of potential investor redemptions. Many of these managers have funding capabilities from their prime brokers and/or financial institutions for a certain percentage of the fund's capital (usually 10-15%). Unlike a single hedge fund investment, the Funds are able to redeem from several invested hedge funds simultaneously to meet redemption requests which minimize the potential adverse impact on any single manager. Nevertheless, there is a risk that due to market conditions, one or more underlying managers may be unable to honor a redemption request and will, as a result, impose a gate or suspend redemptions, or take other actions which limit the ability of a Fund to obtain the cash required to fund redemptions. In order to obtain access to a reliable source of working capital, particular Funds may have secured a line of credit, intended to serve as a prudent means of assuring a source of working capital for temporary and emergency purposes, such as funding investments in advance of receiving redemption proceeds from underlying managers, to meet unanticipated or large-scale redemption requests and to fund managers in anticipation of impending capital contributions.

Uncertainty as to the Value of Certain Portfolio Investments. Investments into investment vehicles are valued on the basis of the most recent confirmed price or valuation provided by the relevant manager or administrator, or if unavailable, the estimated price or valuation provided by the relevant manager or administrator. Certain of the investments held by underlying funds will take the form of securities, loans or other assets that are not publicly traded or are illiquid. The fair value of such investments may not be readily determinable and will require the exercise of some measure of discretion in arriving at a valuation. Underlying managers or independent third parties generally will value these investments at fair value, including to reflect significant events affecting the value of investments.

Where assets of a Fund are invested either partly or wholly through subsidiary companies or in segregated portfolios, the above policy also applies for the valuation of the investments held by those subsidiary companies or segregated portfolios.

Because such valuations, and particularly valuations of private securities and private companies, are inherently uncertain, they may fluctuate over short periods of time and may be based on estimates, models or the value of other securities believed to be comparable, all of which require the exercise of judgment by the party establishing value. In those circumstances in which the valuation is performed by the manager, the manager faces a conflict in establishing value because the valuations have an impact on the fees received by the manager. Even in those circumstances in which a third party establishes the valuation, the conflict may be eliminated, but the valuation may not necessarily be a more accurate reflection of the securities' fair value.

Determinations of fair value may differ materially from the values that would have been used if a ready market for these loans and securities existed. Moreover, the actual price at which a security is sold (or could be sold) may differ from the value used by the underlying investment vehicle for purposes of striking the vehicle's net asset value. As a result, an investor redeeming from a Fund prior to realization of such an investment may not participate in the ultimate gains or losses therefrom and Net Asset Value could be adversely affected if determinations regarding the fair value of investments were materially higher than the values that are ultimately realized upon the disposal of such loans and securities.

Operational Risk. Inherent in a fund of funds' structure is the operational risk that the policies and procedures of underlying managers may not be followed or, even if followed, may not adequately mitigate a particular risk. The Advisor's operational due diligence team conducts due diligence and regularly monitors the operational infrastructure of managers. However, due diligence is not foolproof and there can be no assurance that the Advisor's due diligence will be sufficient to ensure that all internal controls are being followed and that a fraudulent scheme devised by an underlying manager will be detected.

Valuation Risk. The Funds will have limited or no ability to assess the accuracy of valuations received from the underlying managers. Many of the positions held by the underlying vehicles are not traded on an exchange or organized market. Hence, valuation is dependent upon accurate dealer quotes. In some cases, values are based on pricing models and will be subject to the judgment and discretion of the underlying managers. No assurance can be given that such positions can be sold for the amounts at which they are valued. Moreover, the underlying managers may receive performance-based compensation with respect to such positions based upon unrealized gains. No assurance can be given that such unrealized gains will ultimately be realized.

Access to Information from underlying managers. The Advisor requests information from each underlying manager regarding the underlying manager's historical performance and investment strategy. The Advisor also requests detailed portfolio information on a continuing basis from each underlying manager retained on behalf of a Fund. However, the Advisor may not always be provided with such information because certain of this information may be considered proprietary information by the particular underlying manager. This lack of access to information may make it more difficult for the Advisor to select, allocate among, and evaluate underlying managers. In addition, the Funds do not control any of the underlying managers, their choice of investments, or any other investment decisions. The investments of a Fund are made pursuant to written disclosures from, and/or agreements with, any underlying manager that will provide, among other things, guidelines by which the underlying manager will make its investment decisions. However, while each underlying manager undertakes to follow specified investment programs, it is possible that an underlying manager could deviate from such program, and such deviation could result in a loss of all or a part of a Fund's investment.

Volatility. Volatility both for the Funds and their underlying managers is measured and monitored by members of the Advisor's investment team on a regular basis utilizing various volatility measurements such as standard deviation and beta. However, at times market conditions may introduce significant volatility to a Fund's performance.

Concentration Risk. This risk is assessed at the Fund level and on the underlying manager level within the analyses of market risk. Exposure reports, position limits and sector analyses are all reviewed and assessed on a regular basis.

Leverage. The Funds generally do not employ leverage. Depending on their investment strategy, underlying managers employ leverage to varying degrees. On a monthly basis, the Advisor receives information regarding managers' gross long and gross short exposures. The use of leverage will magnify gains but will also magnify losses. The expense paid on borrowings will erode the income and gains generated by leveraged positions. If asset values decline, a manager may be forced to unwind and liquidate leveraged positions at an inopportune time.

Credit Risk. On the Fund level, there is no credit risk exposure to significant counterparty risk. The Funds do not extend or receive credit from any counterparty. Underlying managers measure and monitor credit risk in many ways. Often they limit their exposure to any one counterparty, they receive copies of their counterparties' annual financial statements and review these to assess creditworthiness and, where appropriate, they arrange collateral agreements with counterparties.

B.) Blue Ocean Funds Risks

Risks Related to Investment Activities. The Blue Ocean Funds may be subject to certain investment risks such as risks associated with senior secured loans, mezzanine debt, leasing of commercial cargo vessels and private debt securities that may be below-investment grade. In addition, the Blue Ocean Funds may also make select equity investments, which may not appreciate in value prior to disposition.

Maritime Industry Risks. The maritime industry is subject to various risks, each of which could have a material, adverse effect on the Blue Ocean Funds' investments, including, without limitation: events such as marine disasters, bad weather, mechanical failures, structural failures, human error, war, terrorism, piracy and other circumstances or events; compliance with various laws and regulations, including federal, state and local laws and regulations affecting the marine transportation industry, all of which are subject to amendment or changes in interpretation; requirements to obtain and maintain permits, licenses and certificates and perform routine inspections, monitoring, recordkeeping and reporting with respect to vessels and operation; and global trade agreements, tariffs and subsidies that adversely affect the flow of import and export tonnage and the demand for marine transportation services. If the maritime industry continues to experience dislocation, the Blue Ocean Funds' ability to achieve their investment objectives may be adversely affected.

Additional Shipping Industry Risks. The Blue Ocean Funds will have a limited number of investments, all of which will be in the maritime industry, primarily in shipping companies and offshore oil services companies. As a result, the Blue Ocean Funds will be particularly vulnerable to economic conditions in the shipping industry, including declines in export/import volumes, strikes, increases in fuel costs, uninsured casualties and the difficulties associated with enforcing liens on liquidating collateral in foreign jurisdictions. The Blue Ocean Funds may make loans to special purpose vehicles that own one or more vessels where the borrower's revenues are limited to income derived from such vessels. If the vessels are not deployed for a period of time, or if revenues fall, the borrower may not have sufficient income to pay operational expenses or to service the debt.

C.) Market and Investment Risks

Credit Default Swaps. Certain underlying portfolios may enter into credit default swap agreements. The "buyer" in a credit default swap contract is obligated to pay the "seller" a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference obligation has occurred (a "credit event"), in return for a contingent payment upon the occurrence of a credit event with respect to the underlying reference obligation. Generally, a credit event means bankruptcy, failure to pay, obligation acceleration or modification or restructuring.

An underlying portfolio may be either the buyer or the seller in the transaction. As a seller, the underlying portfolio receives a fixed rate of income throughout the term of the contract, which typically is between one month and five years, provided that no credit event occurs. If a credit event occurs, the underlying portfolio, as seller, typically must pay the contingent payment to the buyer, which is typically the "par value" (full notional value) of the reference obligation. The contingent payment may be either a cash settlement or physical delivery of the reference obligation in return for payment of the face amount of the obligation. If an underlying portfolio is a buyer and no credit event occurs, the portfolio will lose its investment and recover nothing. However, if a credit event occurs, the underlying portfolio, as buyer, will receive the full notional value of the reference obligation that may have little or no value.

Credit default swap agreements may involve greater risks than those associated with a direct investment by the underlying portfolio in the reference obligation. Credit default swap agreements are subject to general market risk, liquidity risk and credit risk. As noted above, if an underlying portfolio is a buyer and no credit event occurs, it will lose its investment. In addition, the value of the reference obligation received by an underlying portfolio as a seller if a credit event occurs, coupled with the periodic payments previously received, may be less than the full notional value paid to the buyer, resulting in a loss of value to such underlying portfolio and the Fund.

Short Selling. Certain of the underlying managers engage in short selling or selling securities they do not own. While short selling may be used for risk management or hedging purposes, as well as to create profit opportunities, there is substantial risk to this strategy because the manager may be required to cover its short positions (the purchase of the securities to replace those borrowed and delivered on sale) involuntarily or otherwise and there is no limitation on the potential upward movement of the purchase price. Short selling can also involve significant borrowing and other costs which can reduce the profit or create losses in particular positions.

Options and Other Derivatives. One or more of the underlying managers may invest for speculative and/or risk management purposes in options, financial futures and/or other derivative instruments (collectively, "Derivatives"). The amount of leverage and volatility on Derivatives and, therefore, potential for gain and risk of loss, may be substantially greater than that of the underlying asset. Derivatives may also be more volatile and less regulated than traditional debt and equity securities.

Options trading entails an entirely distinct set of risks. Options positions may include both long positions, where the underlying portfolio is the holder of put (an option to sell a security at a specified price) or call (an option to buy a security at a specified price) options, as well as short positions, where the underlying portfolio is the seller ("writer") of an option. Although option techniques can increase investment return, they can also involve a relatively higher level of risk. The expiration of unexercised long option positions effectively results in the loss of the entire cost or premium paid for the option. The writing or selling of an uncovered put or call option can involve, similar to short selling, a theoretically unlimited risk of an increase in the cost of selling or purchasing the underlying securities in the event of exercise of the option.

Hedging Limitations. Although the Advisor may seek one or more managers who employ various hedging techniques, the extent and effectiveness of such hedging strategies may vary substantially. Moreover, not all managers retained by the Advisor will necessarily employ fully hedged or "market-neutral" strategies. Most hedging techniques of managers will be directed primarily toward general market risks or certain issuer risks. Typically, there are numerous investment risks which will not be hedged or necessarily capable of being hedged as a practical matter. To the extent unhedged, investment positions of managers will, in general, be fully exposed to market and investment risks. Hedging techniques have a variety of limitations. Hedging against a decline in the value of a portfolio position by selling short, for example, does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the overall portfolio positions' value. Hedging through market index options may only protect against an overall market downturn, as compared with price declines in specific securities.

Hedge transactions generally also limit the opportunity for gain if the value of the portfolio position should increase, due to the hedging cost or price decline in the hedging position. For a variety of reasons, a manager may not seek or be able to establish a sufficiently accurate correlation between hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent an underlying portfolio from achieving the intended hedge or may expose the Funds to risk of loss. Such losses can include losses on the hedged position, and could be substantial. There can be no assurance, therefore, that investment positions of

underlying portfolios will be significantly hedged against investment risks or that such hedging strategies, if any, will in fact prove successful.

Futures and Options on Futures. One or more of the underlying managers may invest in certain futures contracts, including stock index futures contracts, futures contracts on government securities, interest rates, foreign currencies, metals and energy products, and may trade options on such futures contracts, including purchasing call options, writing (selling) naked or covered call options and purchasing or selling put options on such futures contracts. The underlying managers may also purchase or sell options on securities and securities indices. In addition, they may enter into forward contracts, currency transactions and various swap and swap-like arrangements.

Futures contracts markets are highly volatile and are influenced by a variety of factors, including national and international political and economic developments. In addition, because of the low margin deposits normally required in futures trading, a high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the underlying portfolio. Moreover, futures positions are marked to market each day and variation margin payment must be paid to or by the underlying portfolio.

Prior to exercise or expiration, a futures or option position can be terminated only by entering into an offsetting transaction. This requires a liquid secondary market on the exchange on which the original position was established. If a liquid secondary market does not exist for such futures or options, it might not be possible for the underlying portfolio to liquidate a position. No assurance can be given that an active market will exist for the contracts at any particular time. Certain futures exchanges do not permit trading in particular futures contracts at prices that represent a fluctuation in price during a single day's trading beyond certain set limits. If prices fluctuate during a single day's trading beyond those limits, the underlying manager could be prevented from promptly liquidating unfavorable positions and thus be subjected to substantial losses. In addition, the CFTC and various exchanges impose speculative position limits on the number of positions a person or group may hold or control in particular commodities.

Unlike trading on domestic futures exchanges, trading on foreign futures exchanges is not regulated by the CFTC and may be subject to greater risks than trading on domestic exchanges. For example, some foreign exchanges are principal markets so that no common clearing facility exists and a trader may look only to the broker for performance of the contract. In addition, unless the underlying portfolio hedges against fluctuations in the exchange rate between the U.S. dollar and the currencies in which trading is done on foreign exchanges, any profits that the underlying portfolio might realize in trading could be eliminated by adverse changes in the exchange rate, or the underlying portfolio could incur losses as a result of those changes.

Use of other derivative instruments presents many of the same risks as those discussed above regarding futures contracts, including those risks relating to volatility, liquidity, hedging and foreign trading.

Event Driven Investing. The Funds utilize managers that employ various investment strategies. The ability of a manager to obtain a profit from these investment strategies may often depend upon factors that are intrinsic to the particular issuer, rather than the market as a whole. Appreciation in the value of such securities may be contingent upon the occurrence of certain events, such as a successful reorganization or merger. If the expected event does not occur, the underlying portfolio may incur a loss on the position.

Purchases of Securities and other Obligations of Financially Distressed Companies. Underlying portfolios may purchase securities and other obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy, or other reorganization and liquidation proceedings. Acquired investments may include senior or subordinated debt securities, bank loans, promissory notes and other evidences of indebtedness, as well as payables to trade creditors. Although such purchases may result in

significant returns to the Fund, they involve a substantial degree of risk and may not show any return for a considerable period of time. In fact, many of these securities and investments ordinarily remain unpaid while the company is in bankruptcy and may not ultimately be paid unless and until the company reorganizes and/or emerges from bankruptcy proceedings. As a result, such securities may have to be held for an extended period of time. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial distress is high. There is no assurance that the nature and magnitude of the various factors that could affect the prospects for a successful reorganization or similar action will be correctly evaluated.

Activist Strategy Risks. The underlying portfolios in which the Funds invest may invest a material portion of their capital in publicly traded equity and debt securities of companies that the applicable underlying manager believes are undervalued by the marketplace and are likely to appreciate, including as a result of a change in ownership, corporate direction or management, or as a result of operational improvements. In making such investment, the applicable underlying portfolio may act alone or together with one or more other investors or investment managers acting as a group. In order to implement any actions deemed necessary to maximize value, the underlying manager, or other members of the investing group, may work with the management team of the target company to design an alternate strategic plan and assist them in its execution and may secure the appointment of persons selected by the underlying manager or other members of the group to the company's management team or board of directors. If necessary, the underlying manager either alone or as part of a group, may also initiate shareholder actions (including those that may be opposed by company management) seeking to maximize value. Such shareholder actions may include, among other things, re-orienting management's operational focus, initiating the sale of the company (or one or more of its divisions) to a third party, or an acquisition by the underlying portfolio or other members of the investing group. Such an acquisition may be accomplished either by the underlying portfolio (or the members of the investing group) acting alone, or acting in conjunction with management through a leveraged buyout. In order to accomplish the foregoing, the Fund, either alone or together with other members of a group, may acquire a "control" position in the company's securities.

This activist investment strategy may require, among other things: (i) that the underlying manager properly identify portfolio companies whose securities prices can be improved through corporate and/or strategic action; (ii) that the underlying portfolio acquire sufficient securities of such portfolio companies at a sufficiently attractive price; (iii) that the underlying portfolio avoid triggering anti-takeover and regulatory obstacles while aggregating its position; (iv) that management of portfolio companies and other security holders respond positively to the underlying manager's proposals; and (v) that the market price of a portfolio company's securities increases in response to any actions taken by portfolio companies. There can be no assurance that any of the foregoing will occur.

Corporate governance strategies may prove ineffective for a variety of reasons, including: (i) opposition by the management or shareholders of the subject company, which may result in litigation and may erode, rather than increase, shareholder value; (ii) intervention of a governmental agency; (iii) efforts by the subject company to pursue a "defensive" strategy, including a merger with, or a friendly tender offer by, a company other than the offeror; (iv) market conditions resulting in material changes in securities prices; (v) the presence of corporate governance mechanisms such as staggered boards, poison pills and classes of stock with increased voting rights; and (vi) the necessity for compliance with applicable securities laws. In addition, opponents of a proposed corporate governance change may seek to involve regulatory agencies in investigating the transaction or the underlying portfolio and such regulatory agencies may independently investigate the participants in a transaction as to compliance with securities or other law. Furthermore, successful execution of a corporate governance strategy may depend on the active cooperation of shareholders and others with an interest in the subject company. Some shareholders may have interests which diverge significantly from those of the applicable underlying portfolio, and some of those parties may be indifferent to the proposed changes.

Moreover, securities that the underlying manager believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the timeframe the underlying manager anticipates, even if a corporate governance strategy is successfully implemented. Even if the prices for a portfolio company's securities have increased, no guarantee can be made that there will be sufficient liquidity in the markets to allow the applicable underlying portfolio to dispose of all or any of its holdings therein or to realize any increase in the price of such securities.

Foreign Securities. Underlying managers may invest in non-U.S. companies where the protections afforded by the laws of the U.S. do not apply. The Funds are subject to various risks inherent in investing in foreign companies, including fluctuations in currency exchange rates, exchange controls, expropriation, burdensome or confiscatory taxation, moratoria, or political or economic events, all of which could have an adverse effect on the Funds' ability to generate gains. As the Funds determine their gains or losses in U.S. dollars (other than certain Funds), they will be subject to the risk of fluctuations in currency exchange rates between the local currency and dollars and to foreign exchange controls. There can be no assurance that the Funds would not incur losses as a result of adverse changes in currency exchange rates and foreign exchange controls. The Funds are unable to predict the nature of future exchange controls. The imposition of significant increases in the level of exchange controls or other restrictions could have an adverse effect on the Funds.

Mortgage-Backed Securities. Price movements of residential and commercial mortgage-backed securities are influenced by, among other things, interest rates, housing price changes, unemployment, wage growth, availability and cost of credit, complexity of the assets and their associated legal documentation, loan level performance data, structuring models, and performance models, counterparty risk including, but not limited to, mortgage originators, mortgage servicers, mortgage insurance providers, and bond insurers, supply and demand in the housing market, changing supply and demand relationships for these assets, level of available leverage for these assets, trade, fiscal, monetary, regulatory and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in the mortgage origination and RMBS markets. Such intervention often is intended directly to influence prices and may, together with other factors, materially impact asset prices in unpredictable ways or in a direction harmful to the performance of the Funds.

Small and Medium Capitalization Companies. Certain managers may invest in the securities of companies with small- to medium-sized capitalizations. While the securities of such companies often provide significant potential for appreciation, smaller-capitalization securities involve higher risks in some respects than do investments in the securities of larger companies. For example, prices of small-capitalization and even medium-capitalization securities are often more volatile than prices of large-capitalization securities, and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than that for larger, "blue-chip" companies. In addition, due to thin trading in some small-capitalization securities, an investment in such securities may be relatively illiquid.

Illiquid Portfolio Securities. To the extent that underlying managers invest in private securities or restricted securities, the valuation of such securities will be determined by the applicable manager, whose determination, despite the conflict to which the manager is subject when establishing such values, will be final and conclusive as to all parties. The value established may not reflect accurately the amount that could be realized if the securities were sold. Due to the lack of an established trading market it could take a significant amount of time to find a buyer or buyers for such securities, and such sale may be at a significant discount to the perceived value of the security.

Risks of Concentration of Investments. While the Advisor will seek to diversify the assets of the Fund, there is a risk inherent in the fund of hedge funds approach that the Funds will inadvertently have excess concentration and therefore excess exposure to a particular issuer, security, industry sector or geographic region. Additionally,

underlying portfolios may be relatively concentrated as to investments. Limitations as to strategy, amount of capital or analytical resources can lead to significant concentration practices by a particular manager. Concentration of investments in a limited number of issuers or securities, industries or industry groups, or countries or regions, particularly in the context of event-related investing, can increase investment risk and portfolio volatility. Accordingly, the Funds' assets may be subject to greater risk of loss than if they were more widely diversified, and the failure or poor performance of any one manager could have a material adverse effect on the Fund. Oversight of positions of underlying managers is conducted on an ongoing and real-time basis by research analysts and the operational due diligence team, although even such oversight cannot be a guarantee against investment losses.

Collateralized Debt Obligations. Underlying portfolios may invest in collateralized debt obligations (including without limitation collateralized loan obligations ("CLO") and collateralized bond obligations ("CBO")(collectively, "CDOs"). CDOs may be fixed pools or may be "market value" or managed pools of collateral which entitle the holders thereof to receive payments that depend primarily on the cash flow from the pool of assets, which may include commercial loans, high yield and investment grade debt, Structured Securities (as defined below) and derivative instruments relating to debt. Holders of CDOs bear various risks, including, among other risks, credit risk, liquidity risk, interest rate risk, market risk, operations risk, structural risk and legal risk. The debt securities issued by CDOs are typically separated into tranches representing different degrees of credit quality, with lower rated tranches of debt securities being subordinate to senior tranches. The senior tranches of debt securities of CDOs, which represent the highest credit quality in the pool, have the greatest collateralization and pay the lowest spreads over LIBOR. Lower rated CDO tranches represent lower degrees of credit quality and pay higher spreads over LIBOR to compensate for the attendant risks. The bottom tranches specifically receive the residual interest payments (i.e., money that is left over after the higher tiers have been paid) rather than a fixed interest rate. The returns on the junior tranches of CDOs are especially sensitive to the rate of defaults in the collateral pool.

Structured Securities Generally. Underlying portfolios may invest in interests in securitization vehicles organized and operated solely for the purpose of restructuring the investment characteristics of other debt securities, mortgage-backed securities, CDOs, etc. (collectively, "Structured Securities"). This type of restructuring generally involves the deposit with or purchase by an entity, such as a corporation or trust, of specified instruments and the issuance by that entity of one or more classes of securities backed by, or representing interests in, the underlying instruments. The cash flow on the underlying instruments may be apportioned among the newly issued security to create securities with different investment characteristics such as varying maturities, payment priorities and interest rate provisions, and the extent of the payments made with respect to such securities is dependent on the extent of the cash flow on the underlying instruments. Certain classes of such securities may be subordinated to the right of payment of another class. Subordinated structured investments typically have higher yields and present greater risks than unsubordinated structured investments.

Many Structured Securities are highly complex instruments and may be sensitive to changes in interest rates, prepayment rates or both. There is no guarantee that a liquid market will exist for any Structured Securities that an underlying portfolio may wish to sell.

D.) Structural and Operational Risks

Other Clients of Managers; Performance May Vary from Period to Period. Underlying managers generally make trading decisions on behalf of the underlying portfolios in which the Funds invest. These managers may also manage other accounts (including other funds and accounts in which the managers may have an interest) which, together with the Funds could increase the level of competition for the same trades, including the priorities of order entry. This could make it difficult to take or liquidate a position in a particular security.

The managers and their principals may employ different trading methods, policies and strategies for different funds or accounts. Therefore, performance results for the Funds may differ from those of the other accounts traded by the same managers. As the funds under management by a particular manager increase, the manager may have increasing difficulty implementing an investment strategy which may have been successful in the past, or difficulty finding sufficient investment opportunities which are attractive. Alternatively, a manager who has been successful may limit the amount of capital it is willing to manage and may decline to accept an additional investment from the Funds.

There can be no assurances that a manager's future results will be similar to his or her past performance. Moreover, even where a manager has achieved excellent results over an extended period, because of cyclical movements and volatility, period to period results may differ materially.

Due Diligence in Portfolio Manager Selection Process. The Advisor conducts due diligence which it believes is adequate to select managers with which to invest Fund assets. However, due diligence is not foolproof and may not uncover problems associated with a particular manager or its investment strategies. The Funds and the Advisor may rely upon representations made by hedge fund managers, accountants, attorneys, prime brokers and/or other investment professionals. If any such representations are misleading, incomplete, or false, the Advisor may select a manager that may otherwise have been eliminated from consideration had fully accurate and complete information been made available to the Funds. Similarly, the Advisor conducts ongoing due diligence in an effort to detect material changes in a manager's personnel or operations which could be material to the Funds. However, such diligence may not be effective in identifying all material problems before they occur or promptly after they have occurred. In addition, although the Advisor intends to employ reasonable diligence in evaluating and monitoring managers, no amount of diligence can eliminate the possibility that one or more managers may engage in improper or fraudulent conduct, including unauthorized changes in investment strategy, misappropriation of assets and unsupportable valuations of portfolio securities.

Risk Management. The sophistication of the risk management techniques employed by managers varies from manager to manager. However, even the most sophisticated risk management techniques cannot protect against loss in all circumstances. All risk management models are premised upon assumptions with respect to economic and political conditions, market sentiment, correlations among securities and other assets and other factors. The occurrence of an aberrational event not anticipated by a model can cause a portfolio to sustain a significant loss. Such events may include volatility in energy prices, sharp swings in interest rates or other factors.

Cybersecurity Risk. As part of its business, the Advisor processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Funds and personally identifiable information of investors. Similarly, service providers for the Advisor may process, store and transmit such information. The Advisor has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the Advisor may be susceptible to compromise, leading to a breach of the Advisor's network. The Advisor's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services provided by the Advisor to the investors may also be susceptible to compromise. Breach of the Advisor's information systems may cause information relating to the transactions of the Funds and personally identifiable information of the investors to be lost or improperly accessed, used or disclosed.

The service providers of the Advisor are subject to the same electronic information security threats as the Advisor. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of

its networks, information relating to the transactions for the Funds or personally identifiable information of investors may be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of the Advisor's or the Funds' proprietary information may cause the Advisor or the Fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Fund and the investors' investments therein.

Risks Related to Electronic Communications. The Advisor, a Fund and/or Fund's administrator will provide to investors statements, reports and other communications relating to a Fund and/or the Interests/Shares in electronic form, such as e-mail or through the use of an electronic investor portal ("Electronic Communications"). The foregoing use of an electronic investor portal (despite being password protected) involves the risk that statements, reports and other communications relating to a Fund and/or the Interests/Shares may be stolen or otherwise obtained by unauthorized parties. In addition, Electronic Communications may be modified, corrupted, or contain viruses or malicious code, and may not be compatible with an investor's electronic system. Furthermore, Electronic Communications may be intercepted, deleted or interfered with without the knowledge of the sender or the intended recipient. In addition, reliance on Electronic Communications involves the risk of inaccessibility, power outages or slowdowns for a variety of reasons. These periods of inaccessibility may delay or prevent receipt of reports or other information by the investors.

Substantial Fees, Expenses and Incentive Compensation. By investing in the Funds, which in turn employ managers, an investor will, in effect, incur two forms of investment management services, namely, the services provided by the Advisor in identifying managers, performing due diligence and making investment decisions and the services provided by the managers in selecting investments on behalf of their portfolios. Managers will likely receive incentive based compensation or allocations from or with respect to the Funds' investment in their portfolios. It is possible that, in any accounting period, one or more managers may receive incentive compensation even though a Fund as a whole suffers a loss. Incentive fees may encourage a manager to make riskier or more speculative investments than would be the case in the absence of such arrangements or to allocate investment opportunities to one underlying portfolio instead of another.

Additionally, the fees and expenses of operating the Funds may be substantial. The Funds may incur fees and expenses including, without limitation, the fees and expenses set forth in Item 5 and the fee under the Services Agreement.

Non-Disclosure of Other Arrangements. One or more managers may, without notice to the Funds, enter into agreements with certain investors granting them, among other things, greater portfolio transparency, fee waivers or reductions, shares having different voting rights or restrictions, additional rights to reports and other information and other more favorable investment terms (including redemption rights) than the terms offered to the Funds. Such manager shall have no obligation to offer such additional rights, terms or conditions to all of its investors, including the Funds.

Classes of Shares are not Separate Legal Entities. Other than as set forth in the offering documentation for a particular Fund, the Funds are single legal entities and creditors of a Fund may generally enforce claims against all assets of such Fund. In the unlikely event that the assets attributable to one Class of Shares were completely depleted by trading losses and a trading deficit remained, a creditor could enforce a claim against the assets of the other Classes.

Effects of Substantial Redemptions. Substantial redemptions by investors at any one time could require the Funds to liquidate their positions more rapidly than otherwise would be desirable, which could adversely affect the value of both the Shares being redeemed and the remaining Shares. In addition, this could make it more difficult

for the Funds to generate profits or recoup losses, and could even cause the Funds to liquidate its positions prematurely.

Conflicts of Interest. There are several potential conflicts of interest between the Advisor and the Funds. Among those that should be considered are:

Possible Conflicts with Other Investment Entities or Clients. Mr. Hymowitz is also Chief Executive Officer of EnTrustPermal and will devote a substantial amount of time to the operations and management of other investment vehicles that have objectives similar to or different from, any particular Fund.

Senior management of the Advisor devotes such time to the business of the Funds as it deems necessary. However, additional clients or other business responsibilities at the firm may have the effect of reducing the time devoted to the investment activities of any particular Fund.

In addition to responsibilities with respect to the management and investment activities of any particular Fund or account, the Advisor will have similar responsibilities with respect to various other existing and future pooled investment vehicles. The existence of such multiple vehicles and accounts necessarily creates a number of potential conflicts of interest. Due to various fee schedules among the various Funds, the Advisor may be incentivized to favor one portfolio over another. From time to time, different Funds with different fee schedules may invest in similar products.

The Advisor, Mr. Hymowitz and employees (or employees of the Advisor's affiliates) may invest in one or more classes, tranches or series of the Funds (collectively, "Tranches"). In order to better align his interests with those of investors, Mr. Hymowitz has made substantial investments/commitments to certain of the Funds and may be the largest investor in a Tranche. While such investment may not represent a material portion of the total assets of the Fund, being the largest investor in the Tranche may create certain conflicts in the allocation of investment opportunities and other matters. The Advisor intends to manage any such conflict in a manner which is fair to and does not disadvantage other investors. The Advisor, Mr. Hymowitz and such employees also provide similar services to, or fulfill similar roles in respect of, other investment vehicles managed by the Advisor and its investment advisory affiliates (collectively, "EnTrustPermal"). Accordingly, although it is anticipated that the Tranches and other investment vehicles will participate in investments that are appropriate for the particular Fund and such other investment vehicles on a *pari passu* basis, other investment vehicles may produce investment results that are substantially different from those of a particular Fund. To the extent that other investment vehicles managed by EnTrustPermal trade in similar markets and investments at or about the same time, these other investment vehicles may compete with the Tranches with respect to those investments. Investment opportunities will be allocated in accordance with the Fund's and such investment vehicles' respective investment objectives and strategies and the Advisor's investment allocation policy. In accordance with such policy, there may be circumstances in which one or more accounts or vehicles do not participate in particular investment opportunities on a *pro rata* basis with the Fund, or at all.

In addition, and as noted above, the Broker-Dealer, an affiliate of the Advisor, is registered with the SEC as a broker-dealer and is a member firm of FINRA and SIPC. The Broker-Dealer does not hold securities or customer accounts, nor does it clear or execute any trades on behalf of the Funds or otherwise. The sole business purpose of the Broker-Dealer is to introduce prospective investors to the investment funds managed by the Advisor and its affiliates.

Registered representatives of the Broker-Dealer may be compensated under a variety of compensation arrangements, including base compensation and/or a bonus or a percentage of the fee attributable to investors they refer to a particular fund. Such dedicated business development professionals may be part-time or full-time employees of the Broker-Dealer and may provide information about a particular marketplace (e.g., Taft Hartley, State or local governments) with which they are familiar and may have other relationships with a

prospective investor. Because of the manner in which they are compensated, registered representatives of the Broker-Dealer may have an incentive to encourage prospective investors to invest in an investment fund managed by the Advisor or one of its affiliates.

Customized Arrangements. The Advisor provides advice to certain investors as part of a customized arrangement reflective of such investor's particular objectives and overall profile. These investment vehicles established for such arrangements may or may not invest side-by-side (*i.e.*, in parallel) with one or more of the Funds or accounts managed by the Advisor. The agreements entered into with such investors may grant rights not afforded to other investors. Such rights may include, without limitation, increased transparency (*e.g.*, the right to receive reports on a more frequent basis or to receive reports that include information not provided to other investors), the right to withdraw capital on a more frequent basis than other investors, the right to terminate the arrangement on short notice and such other rights as may be negotiated between the Advisor and such investor. In addition, the fees and expenses paid by such investors may be less than those paid by other investors in the Funds.

Possible Conflict with Portfolios Managed by a Client of the Advisor or its Affiliates. The Advisor, in its sole discretion, may invest the assets of the Funds in underlying portfolios in which clients of the Advisor or its affiliates are sponsors, or in which clients, principals or employees of the Advisor or its affiliates have a financial or investment interest. In such instance, the clients, principals or employees of the Advisor or its affiliates may directly or indirectly benefit from such financial or investment interest even though the Funds may never realize any gain from such underlying portfolio. Additionally, when the availability of an investment with a particular manager is limited, the Advisor may allocate such opportunity, among the Funds and other appropriate EnTrustPermal investment vehicles or managed accounts, in such manner as the Advisor deems equitable to all parties. No Fund will be entitled to priority as among available managers or participate as a client of every manager selected by the Advisor for its managed vehicles.

Potential Conflicts Regarding Political and Charitable Contributions. Effective December 2016, neither the Advisor nor its employees are permitted to make political contributions (subject to any exceptions granted by the CCO). The Advisor and/or its affiliates may make charitable contributions pursuant to requests by potential or existing investors or their representatives. Such contributions, while made for charitable or philanthropic purposes, have the potential to influence such investor's or potential investor's decision on whether the Advisor and/or its affiliates manage their assets, continue to manage their assets or the amount of assets managed by the Advisor and/or its affiliates as well as, in certain circumstances, the ability of prospective investors to invest in the Fund. Prospective investors should consider this before investing in the Funds.

Potential Conflicts Regarding Timing of Investments. The Funds or other investment vehicles managed by the Advisor and/or its investment advisory affiliates may invest in the same underlying portfolio with respect to the same investment idea at different times, generally because of differences across such Funds/other investment vehicles in the availability of cash or the timeframe in which capital can be called from investors as set forth in the offering documentation. In such circumstances, the net asset value at which the particular Fund/other investment vehicle subscribes for an interest in the underlying portfolio may vary because of different net asset values of the underlying portfolio on different days or may reflect an average of the cost basis of subscribing to the underlying vehicle at different times.

Potential Conflicts Regarding Incentive-Based Compensation. Because certain investment personnel of the Advisor or its investment advisory affiliates will receive incentive-based compensation, investors and such personnel have a conflict of interest between their responsibility to manage a Fund for the benefit of investors and their interest in maximizing the compensation that the Advisor will receive. For example, carried interest to the Advisor or its investment advisory affiliates may create an incentive for the Advisor to engage in riskier or

more speculative investments than might be the case if the Advisor, its affiliate or such personnel were compensated on a basis not tied to the performance of the Fund.

E.) Regulatory Risks

ERISA Plans and Tax-Exempt Entities. A tax-exempt entity may be subject to Federal and state laws, rules and regulations that regulate its participation, or its ability to engage directly or indirectly through an investment in the Funds, in investment strategies of the types which the Funds' underlying portfolios may utilize from time to time. Tax exempt entities are encouraged to consult with their own advisers as to the advisability and tax consequences (and, if applicable, ERISA consequences) of an investment in the Funds. Trustees or administrators of ERISA entities, owners of individual retirement accounts and other tax-exempt or tax-deferred entities are urged to carefully review potential investments in the Funds.

ERISA Compliance. The Funds may be subject to the fiduciary, prohibited transaction, reporting and disclosure rules of ERISA. Accordingly, to the extent necessary, the Advisor intends to manage the assets of the Funds in accordance with these rules. Although the Advisor believes it to be unlikely, this may require the Advisor to forego, from time to time, investments or other arrangements on behalf of the Funds that might otherwise have been desirable for the Funds. In addition, the pool of available managers may be limited which may in turn limit the Funds' ability to invest in accordance with their investment objective and strategy.

Consequences for Investors as a result of Automatic Exchange of Information (AEOI). "AEOI" means one or more of the following, as the context requires:

1. sections 1471 to 1474 of the US Internal Revenue Code of 1986, as amended, and any associated legislation, regulations or guidance, commonly referred to as the US Foreign Account Tax Compliance Act, the Common Reporting Standard ("CRS") issued by the Organisation for Economic Cooperation and Development or similar legislation, regulations or guidance enacted in any other jurisdiction which seeks to implement equivalent tax reporting and/or withholding tax regimes;
2. any intergovernmental agreement, treaty or any other arrangement between the Cayman Islands and any of the US, the UK or any other jurisdiction (including between any government bodies in each relevant jurisdiction), entered into to facilitate, implement, comply with or supplement the legislation, regulations or guidance described in paragraph (1.); and
3. any legislation, regulations or guidance implemented in the Cayman Islands to give effect to the matters outlined in the preceding paragraphs.

A Fund may take such action as it considers necessary in relation to an investor's holdings or redemption proceeds, as a result of relevant legislation and regulations, including but not limited to, disclosure by a Fund, the Fund's administrator or such other service provider or delegate of a Fund, of certain information relating to an investor to the Cayman Islands Tax Information Authority or its delegate or equivalent authority and any other foreign government body as may be required by AEOI. Such information may include, without limitation, confidential information such as financial information concerning an investor's investment in the Fund, and any information relating to any investors, principals, partners, beneficial owners (direct or indirect) or controlling persons (direct or indirect) of such investor.

A Fund may also compulsorily redeem any Shares held by an investor in accordance with the terms of the applicable Offering Memorandum and may deduct relevant amounts from a recalcitrant investor so that any withholding tax payable by the Fund or any related costs, debts, expenses, obligations or liabilities (whether internal or external to the Fund) are recovered from such investor(s) whose action or inaction (directly or

indirectly) gave rise or contributed to such taxes, costs or liabilities. Failure by an investor to assist the Fund in meeting its obligations pursuant to AEOL may therefore result in pecuniary loss to such investor.

Rules and regulations similar to the above may apply to investors in Funds domiciled in other jurisdictions.

Item 9. Disciplinary Information

There are no legal or disciplinary events believed to be material to a client's evaluation of EnTrustPermal.

Item 10. Other Financial Industry Activities and Affiliations

EnTrustPermal is a global organization with affiliates regulated by the SEC, FINRA, the U.S. Commodity Futures Trading Commission (“CFTC”), the National Futures Association (“NFA”), the U.K. Financial Conduct Authority (“FCA”), the Dubai Financial Services Authority, the Monetary Authority of Singapore, the Hong Kong Securities & Futures Commission, the Korean Financial Supervisory Commission, the French Autorité des Marchés Financiers, the Autorité des Marchés Financiers (Quebec), the Ontario Securities Commission, the Securities Commission of the Bahamas and the Central Bank of the Bahamas.

The Advisor and its affiliates are indirectly owned 35% by Gregg S. Hymowitz and 65% owned by Legg Mason, Inc., a New York Stock Exchange listed corporation (NYSE: LM). Legg Mason’s affiliates include investment advisers, broker dealers, commodity pool operators, futures commission merchants, banks and sponsors or syndicators of limited partnerships.

As a large asset management firm, EnTrustPermal (“EP”), from time to time, provides information to various government agencies and regulators in response to information requests, document requests, subpoenas, or requests for interviews from various government agencies and regulators. While we cannot predict the outcome of any inquiry, we are not aware of any, that we believe, will have a material effect on EP’s provision of advisory services. In connection with the transaction that created EP in January 2016, Legg Mason, the majority parent of EP, agreed to provide indemnification in connection with an inquiry by certain U.S. regulators into potential violations, primarily between 2005 and 2007, by certain financial institutions in their dealings with and investments by foreign government-sponsored enterprises (related asset management fees contributed to Legg Mason historical net revenues, net of third party distribution fees, of approximately thirty one million dollars over a seven year period), and the potential knowledge of such dealings by ex-legacy Permal employees.

EnTrust Partners LLC (“Partners”) is a Delaware limited liability company and an investment adviser also registered with the SEC. Partners is under common control with the Advisor. Partners may provide discretionary investment advisory services as general partner to domestic private investment funds of hedge funds and investment vehicles making direct investments and may provide discretionary or non-discretionary advisory services in offering customized strategic alternative solutions through a multi-strategy platform or otherwise. The domestic funds, all Delaware limited partnerships offered to taxable institutions and eligible high net worth individuals, invest in a diversified mix of hedge funds and securities, as applicable, and are managed according to the objectives and policies described in their respective offering documents. Partners also serves as the general partner to certain Cayman Islands limited partnerships and limited partnership master funds. The feeder funds in these master-feeder structures are Cayman Islands corporations managed by Partners’ investment advisory affiliate. Partners may manage other funds in the future with investment strategies that may or may not be similar to that of the Funds, including but not limited to funds registered under the Investment Company of 1940, as amended. Domestic funds managed by Partners are generally the domestic counterpart funds to the offshore funds managed by the Advisor that pursue the same investment strategy. Clients of Partners may be solicited to invest in the Funds.

EnTrustPermal Management LLC (“EPM”) is a Delaware limited liability company and an SEC-registered investment adviser. Effective September 29, 2017, EPM assigned substantially all of its assets and liabilities to the Advisor (the “Assignment”) and will formally deregister from the SEC in due course. EPM is under common control with the Advisor.

EnTrustPermal Securities LLC (“Securities”) is registered with the SEC as a broker-dealer and is a member firm of FINRA and SIPC. The business purpose of the Broker-Dealer is set forth under “Conflicts of Interest” (Item 8) above. Jill Zelenko, Global Chief Risk Officer and Chief Operating Officer of the Advisor, is registered as the Financial

Operations Principal of the Broker-Dealer. Bruce Kahne, the General Counsel/CCO of the Advisor, is also the General Counsel/CCO of the Broker-Dealer. The Broker-Dealer is under common control with the Advisor.

EnTrustPermal Ltd. (formerly known as Permal Investment Management Services Limited) (“EPL”) is regulated by the UK FCA as a full service Alternative Investment Fund Manager (“AIFM”), holds an Australian Wholesale Client Exemption, and is authorized by the Central Bank of Ireland to serve as investment manager to Irish domiciled funds. EPL acts as investment manager to offshore products where EPM is the sub-advisor. EPL may provide discretionary investment advisory services as investment manager to offshore private investment funds and may provide discretionary or non-discretionary advisory services in offering customized strategic alternative solutions through a multi-strategy fund of hedge funds platform or otherwise. EPL is also registered as a commodity pool operator with the CFTC and is a member firm of the NFA. While none of the offshore funds engage in the direct trading of commodities or futures, the underlying portfolios may use such instruments for hedging or speculative purposes. Historically, EPL delegated day-to-day discretionary management for certain of its clients, including the EnTrustPermal Funds, to EPM. Following the Assignment, such delegation was assigned to and assumed by the Advisor, which will receive a percentage of EPL’s gross revenue with respect to these clients as a fee for its services.

EnTrustPermal Ltd. (Dubai Branch) is regulated by the DFSA. EnTrustPermal Ltd. (Dubai Branch) provides regional business development support and is under common control with the Advisor.

Permal Group SAS (“PGSAS”) is regulated by the French Autorité des Marchés Financiers (AMF), including full AIFM authorization. PGSAS may provide discretionary investment advisory services as investment manager to offshore private investment funds and may provide discretionary or non-discretionary advisory services in offering customized strategic alternative solutions through a multi-strategy fund of hedge funds platform or otherwise. PGSAS is under common control with the Advisor.

EnTrustPermal Singapore is operating as a division of Legg Mason Asset Management Singapore Pte. Ltd. EnTrustPermal Singapore provides regional business development support and is under common control with the Advisor.

Permal (Hong Kong) Ltd is regulated by the Hong Kong SFC. Permal (Hong Kong) Ltd provides regional business development support and is under common control with the Advisor.

The St. James Bank & Trust Company Ltd. (“SJBTC”), an affiliate of the Advisor, is a limited liability company incorporated in the Bahamas. It is licensed with, and regulated by, the Central Bank of the Bahamas. The primary purpose of SJBTC is to provide internal treasury management services to EnTrustPermal. SJBTC is also the parent of two additional Bahamian limited companies being, W&P Fund Services Ltd. and SJBTC Ltd. These companies primarily provide fund administration and trustee services, respectively.

In addition to responsibilities with respect to the management and investment activities of any particular Fund or account, senior management will have similar responsibilities with respect to various other existing and future pooled investment vehicles and separately managed accounts and will devote such time to the business of the Funds as is deemed necessary. However, additional clients or other business responsibilities at the firm may have the effect of reducing the time devoted to the investment activities of any particular Fund.

Refer to [Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss](#) and [Item 11 – Code of Ethics](#) for a further discussion on potential conflicts of interest.

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

The Advisor recognizes that, as a fiduciary, it must serve the interests of its clients. The Advisor further recognizes that it must adhere to the highest standard of care and diligence in conducting its business activities and must be particularly sensitive to situations in which the interests of its advisory clients may be directly or indirectly in conflict with those of the Advisor. Compliance obligations are a priority of the Advisor and, as such, the Advisor has adopted written policies and procedures in accordance with those standards.

In addition, the Advisor has adopted a Code of Ethics intended to limit or mitigate potential conflicts of interest arising from ownership of securities by the Advisor's employees that may also be purchased or sold for advisory clients (either directly or through an underlying portfolio). The Code of Ethics may generally be summarized as a "no trading" policy, although it also contains guidelines and reflects expectations regarding business entertainment, gifts and the standard of conduct required of employees.

The Code of Ethics is based on the notion that the Advisor's employees must act in the best interests of advisory clients and should avoid engaging in business activities, including making personal investments, that create or appear to create a conflict of interest, and is intended to prevent and detect such conflicts or potential conflicts of interest. The Code of Ethics generally prohibits employees of the Advisor from purchasing or selling securities on a discretionary basis for their own accounts, including all securities accounts in their own name and under their control or management. This does not include accounts that hold exclusively mutual funds, exchange-traded funds or government securities or other accounts over which the employee has no direct or indirect investment discretion. On a quarterly basis, employees submit to the CCO or his designee "no trading" statements to confirm that they are in compliance with the policy. In addition, employees are required to complete periodic reports listing their brokerage accounts and provide links to such accounts that hold any "reportable" securities. The CCO or his designee reviews such reports and information on a periodic basis. The CCO may also grant exceptions to the Code of Ethics and take appropriate corrective action with respect to any violations of the Code of Ethics.

Notwithstanding the foregoing, the Advisor believes that it is important that employees invest in securities that the Advisor purchases for clients and, therefore, align their interests with and share in the same investment risks and benefits as clients. Accordingly, the Advisor permits eligible employees to invest in any of its Funds.

Copies of the Code of Ethics are available upon request by contacting Bruce Kahne, General Counsel/CCO (tel. 212.224.5548).

The Advisor may determine that it would be in the best interests of one Fund and one or more other Funds to transfer an investment from one account to another (each such transfer, a "Cross Trade") for a variety of reasons, including, without limitation, tax purposes, liquidity purposes, to rebalance the portfolios of the Funds, or to reduce transaction costs that may arise in an open market transaction. If the Advisor decides to engage in a Cross-Trade, the Advisor will determine that the trade is in the best interests of both Funds involved and take steps to ensure that the transaction is permitted under all applicable laws and regulations and is consistent with the Advisor's fiduciary duties.

In addition, the Advisor and its employees may invest personally in certain outside business activities alongside clients with whom the Advisor or its employees have long-standing personal and business relationships ("Joint Investments"). This could create potential conflicts of interest including, among others, the risk that the Advisor may favor such investors relative to other investors. The CCO or his designee reviews in advance any potential Joint Investments to identify any potential conflicts of interest.

For any such Joint Investments, the Advisor and its employees: (i) may not earn a fee or be otherwise compensated with respect to such investment; (ii) must invest in the Joint Investment on the same terms as other investors; and (iii) may not have an active, day-to-day management role with respect to such investments. In addition, the CCO or his designee periodically monitors the accounts of such clients to ensure that they do not receive favorable treatment relative to other investors regarding the payment of fees and redemptions.

In an effort to avoid any potential conflicts of interest, employees of the Advisor are prohibited from using their position at the Advisor to give to or receive from any person or company that does business with the Advisor or that the employee hopes to do business with on behalf of the Advisor, including prospective investors, their consultants or representatives, a gift, favor, special accommodation or similar item of value, so frequently or of such high value as to raise a question of impropriety. Gifts and business entertainment must be consistent with customary business practices and employees are instructed that care should be taken that the entertainment or gift does not appear to be intended to unduly influence the recipient in the exercise of his or her judgment and discretion. The Advisor also maintains a suite at Madison Square Garden, the purpose of which is to help establish and maintain business relationships with prospective and existing investors, investment consultants or other representatives. From time to time, where the Advisor has long-standing business and personal relationships, tickets to sporting events, concerts or other forms of business entertainment may be provided to such persons. Unused tickets generally are made available to the Advisor's employees, donated to charity or sold. The CCO or his designee will periodically review these arrangements to determine whether any potential conflicts of interests are presented or whether a change in this policy is warranted.

The Advisor does not permit employees to make political contributions, although the CCO has the ability to grant exceptions to this policy.

The Advisor also has a policy prohibiting the use of social media for business purposes. To confirm adherence to this policy, employees execute quarterly attestations disclosing the social media sites they maintain and the Advisor periodically reviews such publicly available sites to identify any potential violations of this policy.

In addition to the policies described above, the Advisor has adopted and implemented written policies and procedures designed to prevent the misuse of material nonpublic information by the Advisor or persons associated with the Advisor (pursuant to Section 204A of the Advisers Act), as well as the intentional spreading of misinformation or rumors intended to influence the market price of a security. The Advisor's Insider Trading Policy explains the concepts of an "insider" and "material, nonpublic information," contains procedures for employees to evaluate the types of information received and requires employees immediately, and prior to affecting any trade or communicating such information, to notify the CCO.

The Advisor's policies and procedures regarding the making of political contributions, social media, and insider trading, among others, are reinforced in training sessions and by the execution of quarterly employee certifications confirming compliance with such policies and procedures.

Violations of the Advisor's Code of Ethics or other policies and procedures may be addressed by various corrective measures. The nature of the corrective action will depend on the severity of the violation committed, in the judgment of the CCO, senior management, the Compliance and Conflicts Committee and, as appropriate, outside counsel. Factors to be considered in determining the appropriate corrective action may include, but not be limited to, whether investors were harmed, whether the violation was intentional, whether the incident was isolated or part of a pattern, and recidivism on the part of the employee.

Item 12. Brokerage Practices and Trade Error Policy

In providing investment advisory services to the Funds, the Advisor generally does not select broker-dealers to execute securities transactions. Broker-dealers are selected by the underlying managers. For funds that may make direct investments in securities (e.g., the 1940 Act Registered Funds), the Advisor will select broker-dealers.

In addition, for certain funds, the Advisor may occasionally trade in:

- Underlying funds that are closed to new investors but available for purchase on the secondary market;
- Closed-ended funds listed on a securities exchange;
- ETFs; and
- US or foreign listed and private securities.

The CCO or his designee will periodically evaluate the nature and amount of such direct trading to determine the additional compliance obligations to be conducted regarding the necessary monitoring and oversight. To fulfill any applicable “best execution” obligation, the Advisor generally must execute securities transactions in such a manner that the clients’ total cost or proceeds in each transaction is the most favorable under the circumstances. In deciding what constitutes best execution, the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution. In seeking best execution, the Advisor will take into account such relevant factors as price of the security, commission rate, the broker’s facilities, reliability and financial responsibility, confidentiality, the ability of the broker to handle execution of aggregated or volume orders and research and other services provided by such broker to the Advisor. In no event will the Advisor utilize its affiliated broker-dealer to effect a trade for a client account. For certain funds, trade execution and best execution obligations may be outsourced to a third party.

Additionally, on occasion, the Funds or certain third-party clients may receive securities in lieu of or as part of a distribution or liquidation of an underlying fund or special purpose fund.

Soft Dollars

The Advisor’s current policy is not to use commissions generated by trading for client accounts to pay for third party research services.

Brokerage for Client Referrals

The Advisor does not use brokerage relationships for client referrals. However, the Advisor does have distribution relationships and placement agreements with broker-dealers as further discussed in [Item 14 – Client Referrals and Other Compensation](#).

Item 13. Review of Accounts

Review and Monitoring of Underlying Managers

Mr. Hymowitz and the Advisor's investment analysts monitor positions of underlying managers on a regular basis and contact managers frequently to discuss, among other things, strategy developments, market outlook and current thinking. Meetings are held periodically with managers as appropriate.

One of the Advisor's key investment criteria is transparency, and the Advisor's investment team has established relationships with underlying managers such that there is ongoing communication concerning specific investment ideas, their market views/opinions and business issues in order to gain a better sense of their outlook regarding the general investment environment. The Advisor requires managers to comply, at a minimum, with regular, basic exposure requirements that portray an accurate snapshot of the portfolio. The Advisor receives performance updates from all underlying managers on a monthly basis with most providing information more frequently. Additionally, the Advisor generally (although not in all cases) receives exposure reports, risk management reports, and a listing of the largest positions, both long and short and, where available, full position reports. The investment team reviews and analyzes this data and, in instances where there are divergences from customary trading, unusual position sizes, or types of securities, members of the investment team will speak with the underlying managers to understand the underlying reasons for them. The effects of any divergences are monitored closely and members of the investment team remain in direct contact with the managers.

In addition, the Advisor takes a proactive approach to risk management and, through the use of proprietary software and a dedicated operational due diligence team, has instituted extensive risk management procedures which pervade all aspects of the initial and ongoing due diligence process as it relates to the selection and monitoring of underlying managers. The Advisor has developed a proprietary analytical risk monitoring system ("ARMS") which monitors risk on both the individual manager level as well as the fund of funds level.

The investment team employs this proprietary analytical software, which measures 18 different risk metrics including factors such as Skewness, Kurtosis, Tail Risk and the Omega Ratio, in addition to more traditional factors such as Sharpe Ratio, VaR and Downside Deviation of various strategies and managers. Model portfolios of managers and strategies are constructed within varying parameters, and these model portfolios are measured for correlations, risk and performance. The models built within ARMS are then employed to analyze how the prospective fund would optimally impact the relevant portfolio vis-à-vis correlation, volatility and performance. The Advisor also ranks each of the underlying managers, using the same 18 measures, against their peers in the Lipper TASS database.

As part of the Advisor's comprehensive risk management program, scenario analysis is conducted to assess the Funds' sensitivity to major market events such as the collapse of Long Term Capital Management in August 1998, the September 11, 2001, terrorist attacks, the corporate scandals in 2002, the Internet Bubble and the recent credit crunch. In addition, extreme scenario analysis is conducted which considers the likely impact to the Funds should each underlying manager experience its historical worst monthly drawdown simultaneously, and the overall impact on the Funds.

Investor Communications

The Advisor strives to provide investors with a high level of transparency by generally providing a variety of communications on a timely basis. A summary of these communications (depending on the particular Fund, the timing and frequency of reports may vary) is set forth below:

Monthly Performance Update - On a monthly basis, clients receive a preliminary performance summary.

NAV Statement - Additionally, the independent administrator(s) for the Funds sends out a NAV statement once a month. The administrator's statement includes the value of the Shares and account balance at month-end.

Flash Report - Once a month, clients generally receive the Flash Report, which contains commentary on underlying managers. This report is supplemental to monthly performance reports.

Annual Summit - An Annual Summit meeting is generally held each year to give investors a chance to personally interact with the underlying managers. The Annual Summit gives underlying managers and other thought leaders the opportunity to present new ideas and have in depth discussions on current market opportunities.

Monthly Investor Conference Call - To further enhance communication, the Advisor conducts monthly conference calls with investors. The calls consist of brief overviews of the broader markets as well as strategy-specific updates for the month. Calls are led by Mr. Hymowitz or another member of the Investment team. In addition to a review of the Funds, each call profiles one of the Funds' underlying managers. The featured manager reviews his/her portfolio and discusses the opportunity set for his/her respective investment strategy.

Monthly Performance Summary - On a monthly basis, clients receive a written performance summary, which details performance and portfolio exposure information, including attribution analysis, underlying manager allocations and strategy exposures.

Quarterly Letter/Statement - At the end of each quarter, clients receive a letter summarizing the performance and future outlook for the Fund. A quarterly capital statement of the clients' account is also sent out at quarter-end.

Market Developments Summaries - The Advisor provides clients with a written summary of newsworthy market developments as they occur and invites clients to ask questions concerning such developments. Such summaries were provided, for example, regarding newsworthy events concerning Lehman Brothers, Bear Stearns and Goldman Sachs.

Annual Review and Outlook Letter - The Advisor provides clients with an Annual Review and Outlook Letter, which is a comprehensive review of factors that drove and detracted from performance for the year as well as a prospective market outlook.

Website - The Advisor also makes available to Fund investors and distributors certain information on a, password protected portion of its website (www.entrustpermal.com). This information generally includes: Funds' monthly net asset values, monthly fund updates, corporate updates, news and the like.

Item 14. Client Referrals and Other Compensation

As noted in response to Item 8 above, the sole business purpose of the Broker-Dealer is to introduce prospective investors to the investment funds/accounts managed by the Advisor and its affiliates. Employees of the Broker-Dealer may be compensated under a variety of compensation arrangements, which may involve base compensation and/or a bonus or a percentage of the fee attributable to investors they refer to a particular Fund. Any such compensation is paid by the Broker-Dealer and not the Funds. The business development activities of the Broker-Dealer are overseen by Jill Daschle, the Broker-Dealer's Chief Executive Officer. It is important that any prospective investor in the Funds consider the nature of the referral or recommendation to the Advisor and its affiliates in determining whether to make an investment.

In addition, the Advisor has arrangements with third-party placement agents where the Advisor may compensate such agents for referring prospective investors to the Funds. Any such compensation is paid by the Advisor and not the Funds, the amount of which is negotiated by the Advisor. All such arrangements are memorialized in a written agreement subject to the prior review and approval of the CCO or his designee and in compliance with relevant anti-fraud requirements.

The Advisor also has agreements in place with certain banks/financial intermediaries for the distribution of Funds domiciled outside the US to clients (predominantly non-US) of such banks/financial intermediaries. This forms part of the Advisor's global fund distribution network of hundreds of distributors worldwide. Any compensation paid by the Advisor to these financial intermediaries is generally paid by the Advisor out of the investment management fee it receives from the Funds.

The Advisor has also engaged third-party solicitors to market its services and such solicitors may receive a fee based on the average net asset value of a referred client's account. Any such arrangement is disclosed to the relevant client. The Advisor pays the solicitors' fees directly and the client is not subject to any increased or additional fees nor will the use of a solicitor, if any, be a factor in fee negotiations.

Item 15. Custody

The Advisor may be deemed to have custody of client assets as a result of serving as investment manager or general partner of the Funds. The Advisor generally complies with the custody requirements of the Advisers Act by providing GAAP compliant audited financial statements for the Funds to their respective clients within the required time period following the end of the fiscal year. Additionally, SAS 99 requires auditors to plan and perform their audit to obtain reasonable assurances about whether the financial statements are free of material misstatements, whether caused by error or fraud. Investors in the Funds receive account statements directly from the independent administrator for those Funds. Investors should carefully review all account statements they receive.

Assets of these Funds are custodied with an independent third-party custodian by registering the ownership of each underlying portfolio in which these Funds invest with the custodian for the benefit of these Funds.

The Advisor may also be deemed to have custody of some or all the assets of clients if one or more of the following apply:

- the Advisor or an affiliate serves as managing member for client portfolios organized as a LLC;
- employees of the Advisor or an affiliate serve on the Board of Directors for client portfolios organized as corporate entities;
- clients are invested in special purpose funds; or
- employees of the Advisor or its affiliates are authorized to move cash to pay expenses or open accounts on behalf of the clients.

Item 16. Investment Discretion

The Advisor and its affiliates exercise investment discretion in managing the Funds. This authority is established through the investment management agreement between the Fund and the Advisor. In exercising discretion, the Advisor will observe the investment policies, limitations and restrictions imposed by the relevant Fund. In the case of a separately managed account, discretionary authority is set forth in the managed account agreement, which the client may limit as set forth in that agreement.

Under certain circumstances, the Advisor may only provide non-discretionary or advisory services to a client.

The Advisor's authority to invest on behalf of US registered investment companies may be limited by certain US federal securities and tax laws that require diversification of investments and consideration of sources of income and favor the long term holding of investments.

Item 17. Proxy Voting

In providing investment advisory services to the Funds, the Advisor generally does not vote proxies with respect to the securities held by the underlying portfolios. Proxies are typically voted by underlying managers in accordance with their proxy voting policies. From time to time, the Advisor may receive requests for consent from underlying managers with respect to the underlying portfolios managed by such managers in which the Funds invest. All such requests are evaluated by the General Counsel or his designee, and outside counsel will be consulted as necessary, with respect to whether providing such consent: (i) is in the best interest of the Fund; and (ii) raises any potential conflict of interest with respect to the Advisor's/Fund's relationship with such underlying manager or portfolio. At all times, the Advisor will be guided by a determination based on the best interest of the Funds.

With respect to Funds that make direct investments in securities and the Blue Ocean Funds, as applicable, the Advisor may vote proxies. The Advisor may elect to not vote on routine, non-contested matters. These Proxy Voting Policies and Procedures are designed to ensure that proxies are voted in an appropriate manner and should complement the Advisor's investment policies and procedures regarding its general responsibility to monitor the performance of the Funds' underlying managers.

The Advisor will view proposals as being in the best interests of the Fund and generally will vote in favor of proposals that:

- maintain or strengthen the shared interests of Fund investors and management of the underlying portfolio;
- increase shareholder value;
- maintain or increase shareholder influence over the underlying portfolio's board of directors and management;
- maintain or increase the rights of shareholders generally; and
- allow the underlying manager to take advantage of investment opportunities believed to be attractive.

Votes generally will be cast against proposals having the opposite effect, or proposals that increase fees, restrict liquidity or increase risk in an inappropriate or unacceptable manner.

The Advisor will abstain from voting proxies when the Advisor believes it is appropriate.

In exercising its voting discretion, the Advisor shall identify and avoid any direct or indirect conflict of interest raised by such voting decision and will resolve such conflicts before voting. Such conflicts of interest may result from any personal or business relationship between the Advisor, its employees or affiliates, and the underlying manager. In such circumstances, prior to voting, the Advisor will present the matter to the Advisor's Compliance and Conflicts Committee for a determination. If the conflict is not material, the Committee may determine the manner in which the proxy is voted. In the case of a material conflict, the Committee may direct the Advisor to submit the matter to the Fund's investors for a determination. If the investors consent or fail to respond within a reasonable time, the Advisor will vote the proxy as described above. If a majority of investors object to the Advisor's proposed vote response, the proxy will be voted according to the investors' direction.

Alternatively, the Advisor may, in lieu of pass-through voting, elect to vote the interests held by the Fund in the same manner as other investors (i.e., in the same proportion as the "yes" and "no" votes provided by other investors in the underlying portfolios).

In all cases, the Advisor will evaluate the facts and circumstances specific to the Funds before deciding whether and how to vote.

In voting proxies issued by US registered investment companies, the Advisor may echo vote, i.e., the Advisor votes shares of the underlying fund in the same proportion as the votes of the other beneficial shareholders of the registered investment company. In voting proxies issued by non-US ETFs where echo voting is not possible, the Advisor will typically rely on Institutional Shareholder Services Inc. (ISS), a provider of corporate governance solutions, including proxy voting, to provide recommendations when determining how to vote these proxies. These policies were implemented to mitigate the potential conflicts of interest present when the Advisor voted proxies on funds sponsored or managed by a Legg Mason affiliated adviser.

The Advisor will evaluate its proxy voting policy on an ongoing basis to determine whether any policy change is warranted.

Item 18. Financial Information

The Advisor is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients and has not been the subject of any bankruptcy petition.

Item 19. Requirements for State-Registered Advisers

This section is not applicable to the Advisor.

Investment Performance Services, LLC
Fund of Hedge Funds Quarterly Compliance Checklist
Period Ending December 31, 2017

To: Corbin Capital Partners, L.P.

Re: UFCW Unions & Participating Employers Pension Fund- Hedge Fund of Funds Corbin
ERISA Opportunity Fund, L.P.

As an authorized representative of the firm I certify the following answers are accurate and attest that our firm has provided/attached all required explanations and/or supporting documents

1.) Have significant changes been made in the firm's investment management process during the quarter?

☒ No ☐ Yes (provide details)

2.) Have any changes or departures occurred in the investment team or other key personnel within the firm during the past quarter?

No ☒ Yes (provide details)

Elizabeth Yusupova (Client Services) joined the firm in October 2017.

3.) Have any ownership changes in the firm occurred during the quarter?

☒ No ☐ Yes (provide details)

4.) Have there been significant changes to your Form ADV from the last copy delivered to the Fund? **If you are not required to file form ADV, please explain why.**

☒ No ☐ Yes (provide details)

5.) Has your firm or any individual (employee) at the present or during the past quarter been named in litigation, a regulatory enforcement action, or investigation related to investment activities? Please include any updates on any pending litigation that has been previously reported.

☒ No ☐ Yes (provide details and current status)

6.) Do you verify the portfolio is currently, and has been during the past quarter, in compliance with your firm's commingled investment vehicle guidelines and/or offering document governing the management of the investment?

☒ Yes ☐ No (please explain)

7.) With respect to the portfolio(s) under your management, do you acknowledge sole fiduciary responsibility under ERISA for adherence with the commingled investment vehicle and/or offering document guidelines?

☒ Yes ☐ No (please explain)

8.) Has there been a significant change in the liquidity of the commingled investment vehicle which may cause you to suspend, gate, or change the current liquidity offered to investors?

☒ No

Yes (please explain)

9.) Do you see a need for a change in the Fund's current investment policy statement under which you are working?

☒ No

Yes (please explain)

10.) Have any changes occurred in the Errors and Omission insurance coverage provided by your firm over the last quarter?

☒ No

Yes (provide details)

11.) Does the amount of insurance coverage meet or exceed the minimum amount required through your investment management contract with the Fund and the minimum amount required through the Fund's Investment Policy Statement?

☒ Yes

No (please explain)

12.) Is your firm adhering to the communication and reporting requirements as defined in the Fund's investment policy statement?

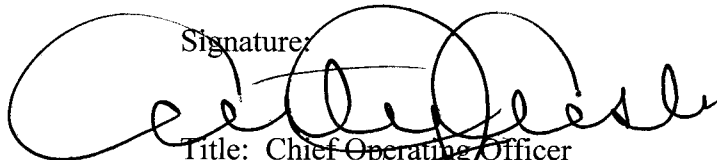
☒ Yes

No (please explain)

Certified For The Firm By:

Name: Anthony Anselmo

Signature:



Title: Chief Operating Officer

Firm: Corbin Capital Partners, L.P.

Date: 1/9/2018

Investment Performance Services, LLC
GTAA Commingled Quarterly Compliance Checklist
Period Ending December 31, 2017

To: Wellington Management Company, LLP

Re: UFCW Unions & Participating Employers Pension Fund - GTAA Wellington Trust
Multiple CIT Opportunistic Invest

As an authorized representative of the firm I certify the following answers are accurate and attest that our firm has provided/attached all required explanations and/or supporting documents

1.) Have significant changes been made in the firm's investment management process during the quarter?

No

2.) Have any changes or departures occurred in the investment team or other key personnel within the firm during the past quarter?

No

3.) Have any ownership changes in the firm occurred during the quarter?

No

4.) Have there been significant changes to your Form ADV from the last copy delivered to the Fund? **If you are not required to file form ADV, please explain why.**

No

Wellington Management Company LLP filed its annual update of Form ADV Parts 1 and 2A with the SEC on 29 March 2016. Amendments to Parts 1 and 2A are made as needed throughout the year. A summary of changes throughout the year is attached as Exhibit A.

5.) Has your firm or any individual (employee) at the present or during the past quarter been named in litigation, a regulatory enforcement action, or investigation related to investment activities? Please include any updates on any pending litigation that has been previously reported.

No

Litigation

From time to time, Wellington Management is involved in litigation that arises in the ordinary course of its business, none of which is material with respect to the firm's investment management business or its clients. To the best of our knowledge, none of our investment professionals have been or are currently the subject of litigation that relates to his or her investment activities.

Regulatory Matters

As a global investment adviser, Wellington Management periodically receives inquiries, requests for information and subpoenas from various regulators and governmental entities, regarding Wellington Management's trading activities, securities of companies followed by the firm, clients of the firm, and industry practices. Most recently, in May of 2017, we were informed by the US SEC that it opened an investigation into some aspects of our private company investment activities. The investigation appears to be focused on private equity investments and associated valuation practices. We intend to cooperate fully with the SEC in this inquiry. To the best of our knowledge, Wellington Management is not the subject of any investigation or administrative proceeding that is material to our investment management business or our ability to provide investment advisory services to our clients.

Neither Wellington Management Company LLP, nor any affiliate, has been subject to any enforcement actions, censures, suspensions, bars, injunctions, disgorgement actions, etc. On occasion, the firm has been subject to administrative fines in connection with late beneficial ownership filings. The amounts of these fines are not material to our business.

6.) Do you verify the portfolio is currently, and has been during the past quarter, in compliance with your firm's commingled investment vehicle guidelines and/or offering document governing the management of the investment?

Yes

7.) With respect to the portfolio(s) under your management, do you acknowledge sole fiduciary responsibility under ERISA for adherence with the commingled investment vehicle and/or offering document guidelines?

Yes

8.) Has there been a significant change in the liquidity of the commingled investment vehicle which may cause you to suspend, limit, or change the current liquidity offered to investors?

No

9.) Do you see a need for a change in the Fund's current investment policy statement under which you are working?

No

10.) Have any changes occurred in the Errors and Omission insurance coverage provided by your firm over the last quarter?

No

There have not been any material changes.

11.) Does the amount of insurance coverage meet or exceed the minimum amount required through your investment management contract with the Fund and the minimum amount required through the Fund's Investment Policy Statement?

Per the Investment Policy Statement and executed Addendum, the Trustees have directed Wellington Trust to utilize the Wellington Trust Multiple Collective Investment Funds Trust, Opportunistic Investment Allocation Portfolio. That investment instrument is governed by the Wellington Trust Investment Agreement, which does not specify a minimum level of insurance coverage. However, Wellington Management does maintain a robust insurance program. Please see insurance summary attached (Exhibit B).

12.) Is your firm adhering to the communication and reporting requirements as defined in the Fund's investment policy statement?

Yes

Certified For The Firm By:

Angelique Richardson

A handwritten signature in black ink, appearing to read 'ARich', followed by a long horizontal line extending to the right.

Relationship Manager
Wellington Management Company, LLP
January 12, 2018

Memorandum

TO: Investment Performance Services, LLC
FROM: Wellington Management Company LLP
RE: Summary of Changes to Form ADV
DATE: 12 January 2018

INTRODUCTION

WMC's Form ADV Parts 1 and 2A is available at the SEC's web site, adviserinfo.sec.gov. The size of Part 1 makes delivery via hard copy or e-mail impractical.

To find Wellington Management's Form ADV online, please follow the instructions listed below:

- 1) Go to: <http://adviserinfo.sec.gov/>
- 2) Choose "Firm"
- 3) Type in the firm name: "Wellington Management Company LLP"
or the Firm IARD/CRD Number: 106595
or the Firm SEC 801 Number: 15908
and click "Search"
- 4) Next to "Wellington Management Company LLP", select "Get Details"
- 5) You can then choose to "View latest Form ADV filed" or, on the left, "View Form ADV By Section".

1ST QUARTER 2017

- 1) Wellington Management Company LLP amended Part 1 of its Form ADV on 3 January 2017.
Updates to Part 1: Section 10.A. – Control Persons; Section 7.B.(1) – Private Funds; Schedule D – Miscellaneous; Item 11 – DRP Removal
- 2) Wellington Management Company LLP amended Part 1 of its Form ADV on 8 March 2017.
Updates to Part 1: Item 11 – Disclosure Information, Regulatory Action Disclosure Reporting Page
- 3) Wellington Management Company LLP filed its annual amendment with the SEC on 30 March 2017. We amended Parts 1 and 2A of Form ADV.

Updates to Part 1: Item 1 – Identifying Information; Item 2 – SEC Registration/Reporting; Item 5 – Information About Your Advisory Business; Item 7 – Financial Industry Affiliations and Private Fund Reporting; Item 9 – Custody.

Updates to Part 2A: We amended Form ADV Part 2A (also referred to as the "Firm Brochure" or *Our Business and Practices*). We updated language in the sections entitled: "Sharing research with clients and prospects", "Side-by-side management of client accounts", "Allocations of equity IPO shares by Global Trading", "Investment approaches – Fixed income", "Investment approaches – Commodities", "Other financial industry activities and affiliations", "Trading and brokerage practices", "Allocation of executions", "Trades executed or directed by clients", "Our brokerage practices", "Review of client accounts", "Client guidelines", "Consulting services",

“Educational services”, “Investments in Private Companies” (this section also renamed from “Investments in private companies and private placements”), “Conflicts between clients and Wellington Management personnel” and the Appendix. In addition, we updated department names where applicable and globally replaced “Sponsored Products” with “Sponsored Funds.” None of these changes are material.

3RD QUARTER 2017

- 4) Wellington Management Company LLP amended Part 1 of its Form ADV on 6 July 2017.

Updates to Part 1: Item 2 – SEC Registration/Reporting; Section 10.A. – Control Persons; Item 11 – DRP Removal; Schedule D – Miscellaneous

Insurance Coverage Summary
June 2017

OVERVIEW

Wellington Management maintains an extensive professional insurance program covering the firm and its global affiliates and subsidiaries. The program, as summarized below, is designed reasonably to protect the firm against undue financial burdens from insurable events in its business or geographic locations.

ERRORS & OMISSIONS/DIRECTORS & OFFICERS

Wellington Management's combined Errors & Omissions/Directors & Officers Liability (E&O/D&O) policy covers errors in client accounts and management liability in the oversight of the firm and its affiliates. The customized policy is placed with Travelers (Travelers Casualty and Surety Company of America) as the lead insurer, in a syndicate with 19 other insurers.

The firm currently maintains a one-year, claims-made policy, with a single- and aggregate-loss limit in excess of US\$100 million. The policy has a US\$10 million self-insured retention.

FIDELITY BOND

The firm's Financial Institution Bond (more commonly, "Fidelity Bond") covers Wellington Management against employee dishonesty and various forms of crime. The bond currently has a single- and aggregate-loss limit in excess of US\$10 million, a US\$350,000 per event deductible, and a term of one year, with AIG (National Union Fire Insurance Company of Pittsburgh, PA) as the lead insurer.

ERISA BOND

Certain tax-qualified US client accounts of Wellington Management Company LLP are subject to regulation under ERISA and require special bonding in amounts up to US\$1 million per plan. In such instances, coverage is provided under a co-surety arrangement of twelve carriers, with the Chubb Group (Federal Insurance Company) as the lead insurer. The policy, which has a term of one year, carries no deductible per law. For accounts investing with Wellington Trust Company, NA, please note that as a national trust bank regulated by the US Office of the Comptroller of the Currency, Wellington Trust is exempt from the bonding requirements of ERISA and has not obtained a bond meeting ERISA's special requirements.

GENERAL/UMBRELLA LIABILITY

Wellington Management maintains general and excess liability insurance coverage for its worldwide operations. The general liability coverage has at least a US\$1 million general aggregate limit, and a US\$1 million per-occurrence limit. Excess liability coverage exceeds US\$25 million per occurrence and in the aggregate. The firm also maintains a US\$1 million combined-single-limit hired and non-owned automobile liability policy. These coverages are currently insured under a one-year policy term.

Insurance Coverage Summary
June 2017

OTHER

Additional insurance is maintained in certain jurisdictions where Wellington Management has operations. Examples include workers compensation/employers liability coverage.

A Certificate of Insurance summarizing key policy coverage limits and insurers is available upon request. While copies of individual insurance policies are not available outside the firm, they are available for inspection in our offices by prior arrangement, and additional information regarding coverage terms and limits is available upon request as well.

Investment Performance Services, LLC

Private Equity Quarterly Compliance Checklist

Period Ending December 31, 2017

To: Hamilton Lane Advisors

Re: UFCW Unions & Participating Employers Pension Fund - Hamilton Lane Secondary Fund IV, L.P.

As an authorized representative of the firm I certify the following answers are accurate and attest that our firm has provided/attached all required explanations and/or supporting documents

1.) Have significant changes been made in the firm's investment management process during the quarter?

☐ No Yes (provide details)

2.) Have any changes or departures occurred in the investment team or other key personnel within the firm during the past quarter?

☐ No Yes (provide details)

3.) Have any ownership changes in the firm occurred during the quarter?

☒ Yes Please refer to Schedule I, Number 1

4.) Have there been significant changes to your Form ADV from the last copy delivered to the Fund? **If you are not required to file Form ADV, please explain why.**

☐ No Yes (provide details)

5.) Has your firm or any individual (employee) at the present or during the past quarter been named in litigation, a regulatory enforcement action, or investigation related to investment activities? Please include any updates on any pending litigation that has been previously reported.

☐ No Yes (provide details and current status)

6.) Do you verify the portfolio is currently, and has been during the past quarter, in compliance with your firm's commingled investment vehicle guidelines and/or offering document governing the management of the investment?

☒ Yes No (please explain)

7.) With respect to the portfolio(s) under your management, do you acknowledge sole fiduciary responsibility under ERISA for adherence with the commingled investment vehicle and/or offering document guidelines?

☒ Yes No (please explain)

8.) Has there been a significant change in the liquidity of the commingled investment vehicle which may cause you to suspend, limit, or change the current liquidity offered to investors?

☐ No Yes (please explain)

9.) Do you see a need for a change in the Fund's current investment policy statement under which you are working?

☐ N/A Please refer to Schedule I, Number 2

10.) Have any changes occurred in the Errors and Omission insurance coverage provided by your firm over the last quarter?

No

Yes (provide details)

11.) Does the amount of insurance coverage meet or exceed the minimum amount required through your investment management contract with the Fund and the minimum amount required through the Fund's Investment Policy Statement?

N/A

Please refer to Schedule I, Number 2

12.) Is your firm adhering to the communication and reporting requirements as defined in the Fund's investment policy statement?

N/A

Please refer to Schedule I, Number 2

Certified For The Firm By:

Name: Frederick Shaw



Signature: _____

Title: Chief Compliance Officer

Firm: Hamilton Lane Advisors

SCHEDULE I TO COMPLIANCE CERTIFICATE FOR QUARTER ENDED

December 31, 2017

1. Prior to 2003, Hamilton Lane was majority owned by its founders, and over time transitioned to broad employee equity ownership. We recently completed our initial public offering and our Class A common stock is listed on NASDAQ. The management team, senior employees, and outside investors who owned our company prior to the IPO, continue to own approximately 75% of the Company as of March 1, 2017. Through our corporate structure, they control all decisions made going forward. Following the IPO, substantially all of our employees hold equity interests in our company.
2. With regard to Hamilton Lane Secondary Fund IV, L.P., the investment in the fund is governed by the Limited Partnership Agreement of the fund; the fund is currently, and has been during the quarter, in compliance in all material aspects with such agreement.