Exhibit A: Page 1

PRIVATE DEBT OUTLOOK & REVIEW

SAN BERNARDINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

MARCH 13, 2025

Sam Austin, Partner
Oliver Fadly, Partner

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NEPC PRIVATE DEBT TEAM

Oliver Fadly

Partner,
Head of Private Debt

Colton Lavin, CFA

Investment Director

Brendan Heaney, CFA

Investment Director

Lindsay Powers

Senior Investment Analyst

Samantha Karlson

Investment Associate

TOPICS

- Private Debt Outlook
- Year-in-Review & Outlook
- Key Themes

2025 NEPC PRIVATE DEBT OUTLOOK

As we head into 2025, investors should be cognizant of the various ways the private debt markets have expanded and evolved over the past year. Deal activity is expected to increase, which would bode well for new deployment as well as refinancings and realizations in existing portfolios. However, the third year of elevated rates, increased competition, industry consolidation and growth of different types of implementation vehicles are reasons for heightened emphasis of manager selection.

Transitional Capital: As elevated rates continue, there is now a split between **"Have vs. Have Nots"**. While higher quality companies should be able to find cheaper capital, those that have not grown into their capital structures or face liquidity challenges may have difficulty accessing traditional financing. The deals are a more customized form of financing, allowing managers to create highly structured deals with built-in **optionality** that offers GPs: 1) higher overall return premiums through complexity and/or upside participation and 2) better protections with more control especially around exits.

Bank Displacement Continues: Due to regulatory pressure, banks continue to pull back from several markets. The **financing gaps being left behind provide opportunities** for private debt managers to step in and offer alternative solutions for borrowers.

Portfolio Finance: There has been an increase in strategies designed to address the lack of realizations across private markets. LPs and GPs alike are increasingly seeking bespoke solutions to help them achieve asset-level, portfolio-level and/or other strategic goals. While deal flow has been muted in the past, this opportunity has **started to materialize.**

2025 PRIVATE DEBT THEMES

Year 3 of higher rates as well as continued regulatory developments will provide interesting new opportunities but also challenge existing portfolios in 2025…

…These factors continue to put stress on existing capital structures, accelerated bank retrenchment and create portfolio concerns…

Transitional Capital

- Credit Opportunities, Stressed, Distressed
- Opportunistic Direct Lending

Bank Displacement Continues…

- Asset-Based Lending
- Europe

Private Markets Liquidity: Portfolio Finance

- Credit Secondaries
- GP/LP Structured Solutions

2025 PRIVATE DEBT THEMES

Theme	Overview	Merits	Risks	Implementation
Transitional Capital	Companies have not been able to re-invest or grow; double digit interest expense has consumed a significant amount of liquidity in 2024 Borrowers are in need of creative/bespoke financing solutions	Optionality: Lenders have negotiating power to drive more favorable terms including better protections and, in some cases, equity upside	Subordination/priming Lack of equity support Poor deal structuring Lender-on-lender violence Sponsor-on-lender violence	**Benefit to Client Portfolios** Return enhancement **Strategy Options** Opportunistic Direct Lending Opportunistic credit Distressed/stressed
Bank Displacement Continues…	Due to regulatory pressure, banks continue to pull back from several markets Investment types include single asset loan originations, whole loan portfolios, securitizations, non-performing loans, specialty finance, non-bank originators, etc.	Private debt managers can partner with banks to create mutually beneficial solutions Lenders can gain access to potentially high-quality borrowers/assets that otherwise would not typically be available	Poor credit selection Selectivity/adverse selection Incorrectly valuing or understanding collateral Potential for limited control of a workout/restructuring	**Benefit to Client Portfolios** Diversification Return enhancement **Strategy Options** Asset-based lending European private debt
Private Markets Liquidity: Portfolio Finance	LPs are in search of capital solutions for portfolio management reasons (ex. liquidity needs, rebalancing, etc.) and strategic goals (ex. change in mandate, relieve administrative burden, etc.) GPs are seeking financing for fund & asset-level purposes (ex. extend duration to maximize value, crystalize performance, etc.) and strategic goals (ex. balance sheet capital, develop new product offerings, etc.)	A significant increase in total deal flow, coupled with a broader opportunity set in terms of new forms of deal structures, enables managers to be more selective with investments and hopefully achieve better risk adjusted returns	Counterparty risk Inadequate price discount Misalignment/poor deal structuring Underperformance of underlying portfolio companies	**Benefit to Client Portfolios** Diversification Shorter duration **Strategy Options** Credit secondaries Structured solutions

Exhibit A: Page 7

NEPC PRIVATE DEBT TAXONOMY

DIRECT LENDING

- Senior / Unitranche / 2nd Lien
- Sponsored vs. Non-Sponsored
- US vs. Europe
- **Junior Capital**
- Subordinated Debt
- Structured Equity

NICHE CREDIT

Specialized Credit

- Venture Debt
- Growth Debt
- Healthcare Lending
- Software / Technology

Asset-Based

- Aviation
- Shipping/ Maritime
- Road & Railcar
- Energy
- Equipment
- Infrastructure

Thematic

- Consumer & Commercial Specialty Finance
- Factoring & Receivables
- Royalties*
- Regulatory Capital Relief
- Insurance-Linked / Life Settlements
- Litigation Finance
- Credit Secondaries/ Portfolio Finance

DISTRESSED

- Distressed-for-Control
- Non-Control / Trading
- Opportunistic Credit / Special Situations

Yield-Oriented/Capital Preservation/ Lower Outcome Dispersion ← → **Maximized Return/Capital Appreciation/ Higher Outcome Dispersion**

*Healthcare/Music/Film/Media/Energy & Minerals royalties

STRATEGY SELECTION

CASHFLOW & RETURN PROFILE

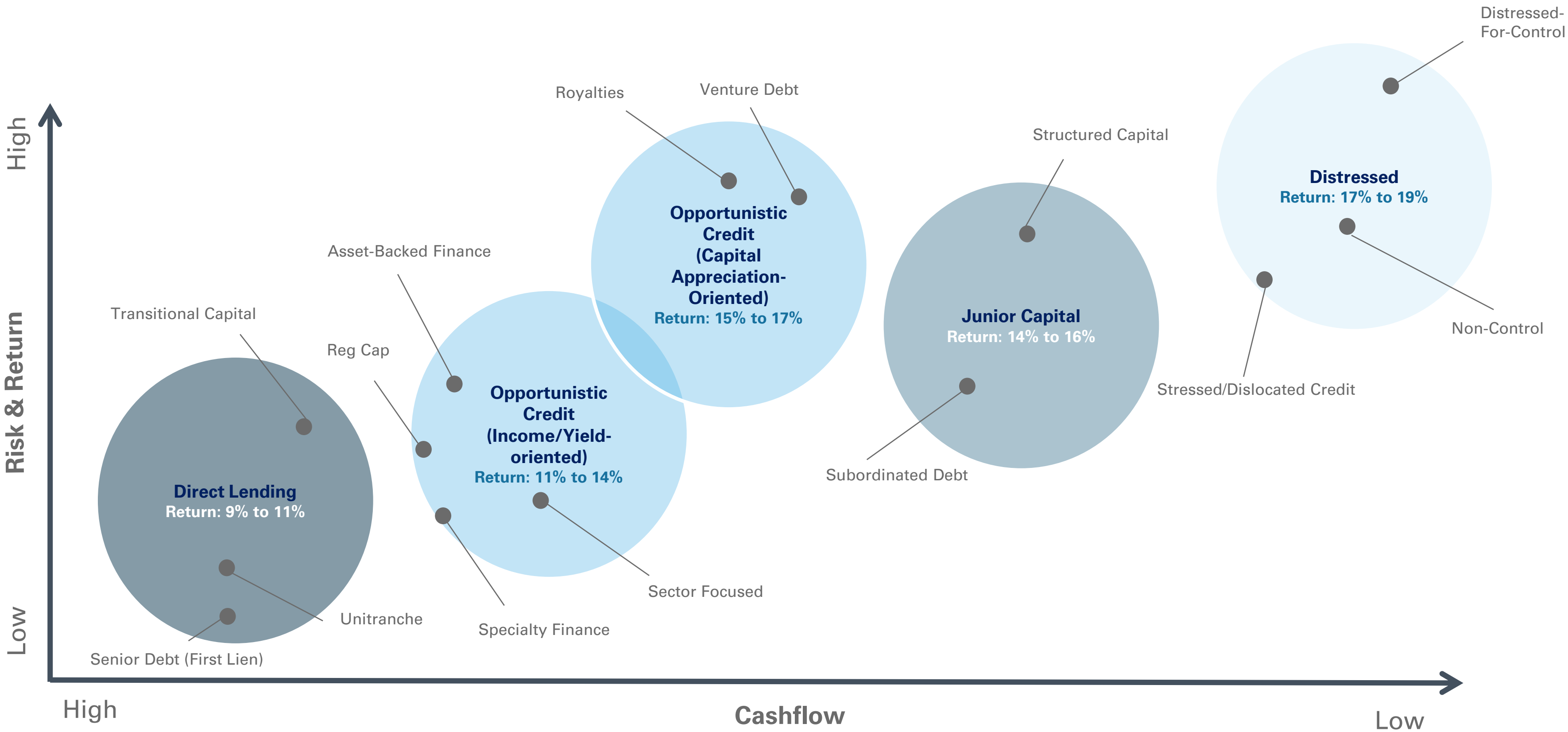
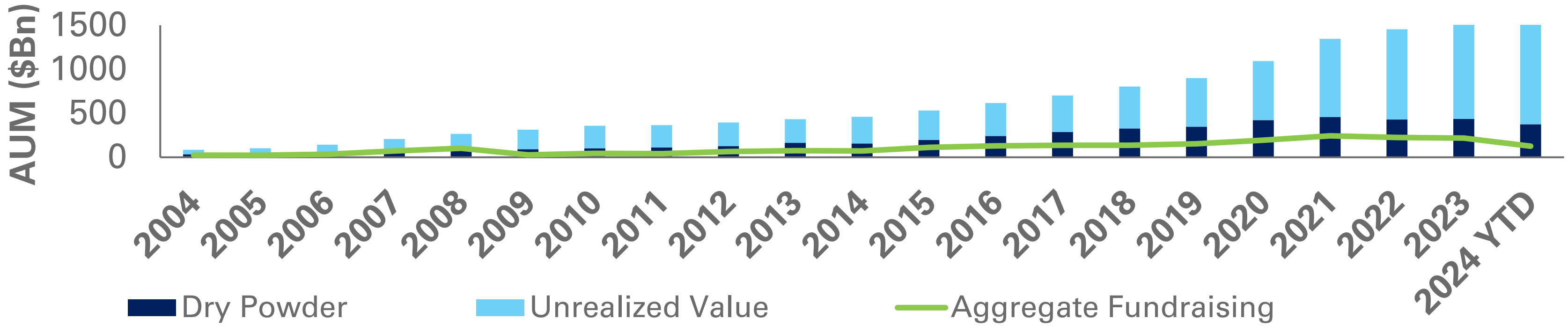


Exhibit A: Page 9

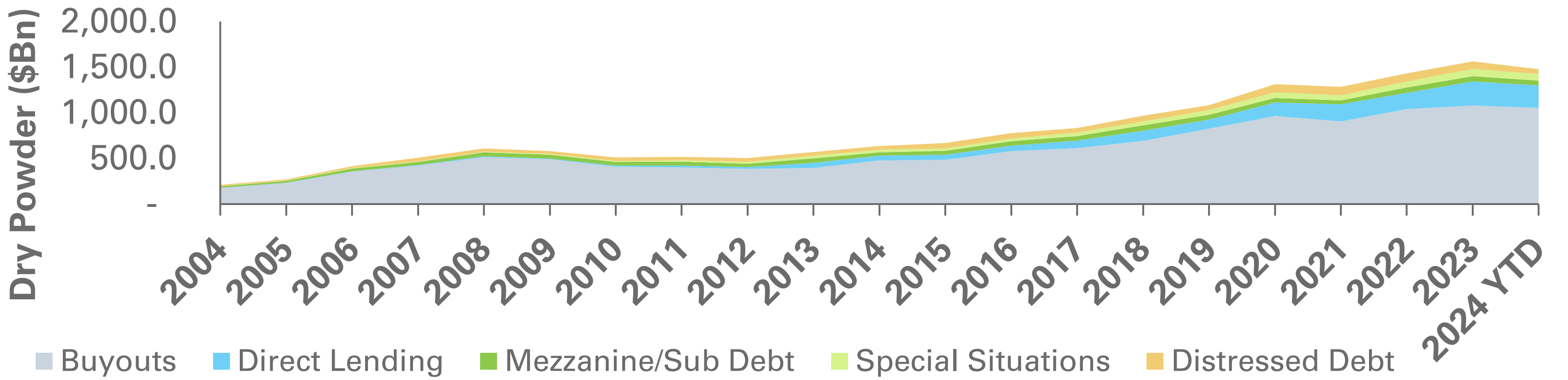
PRIVATE DEBT ASSETS UNDER MANAGEMENT

CONTINUED GROWTH BUT STILL MEANINGFULLY TRAILS PE

Private Debt Assets Under Management



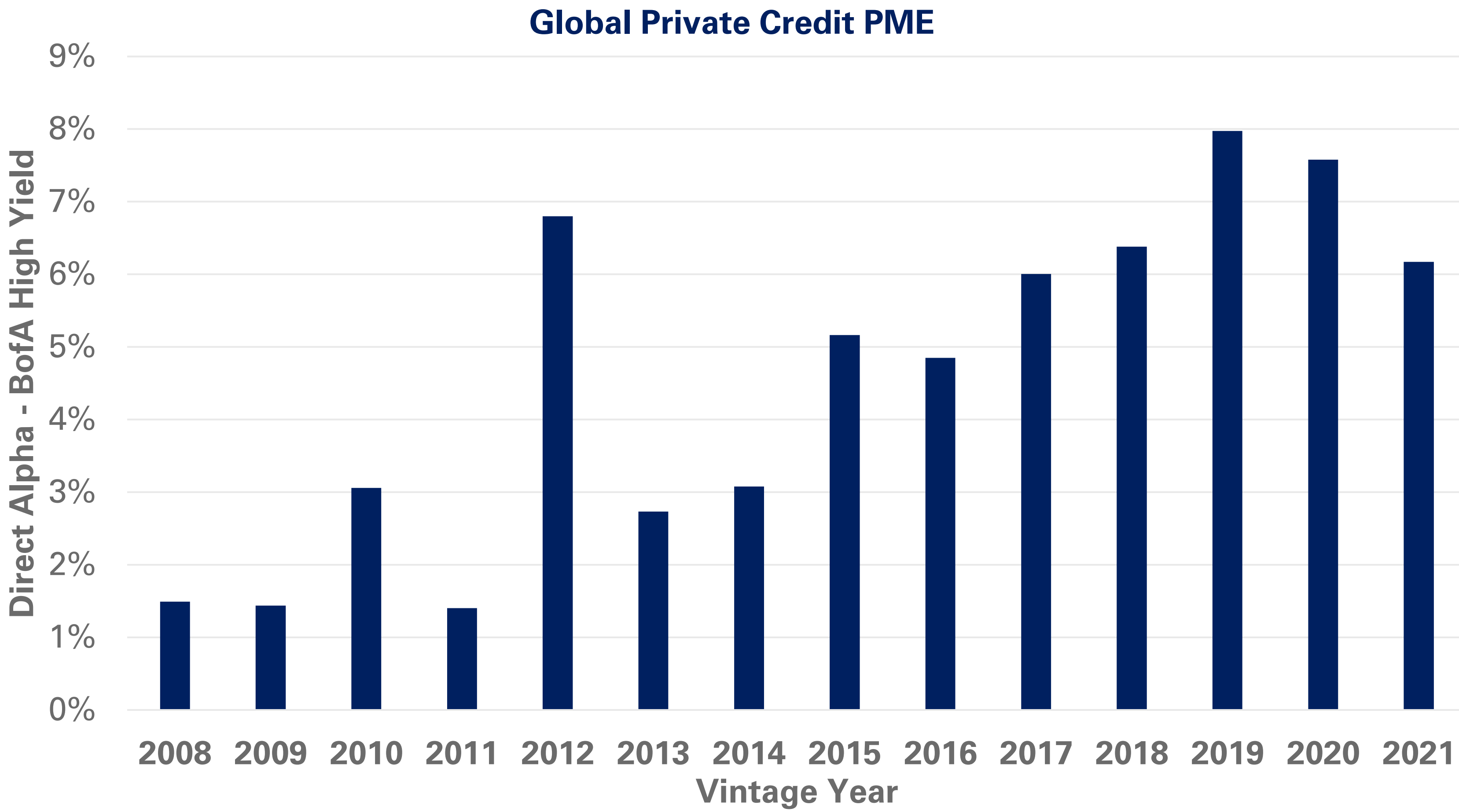
PD vs. PE Dry Powder



Source: Preqin as of 10/2024

PUBLIC MARKET EQUIVALENT ("PME")

CONSISTENT OUTPERFORMANCE BUT NOT ENTIRELY CYCLE TESTED



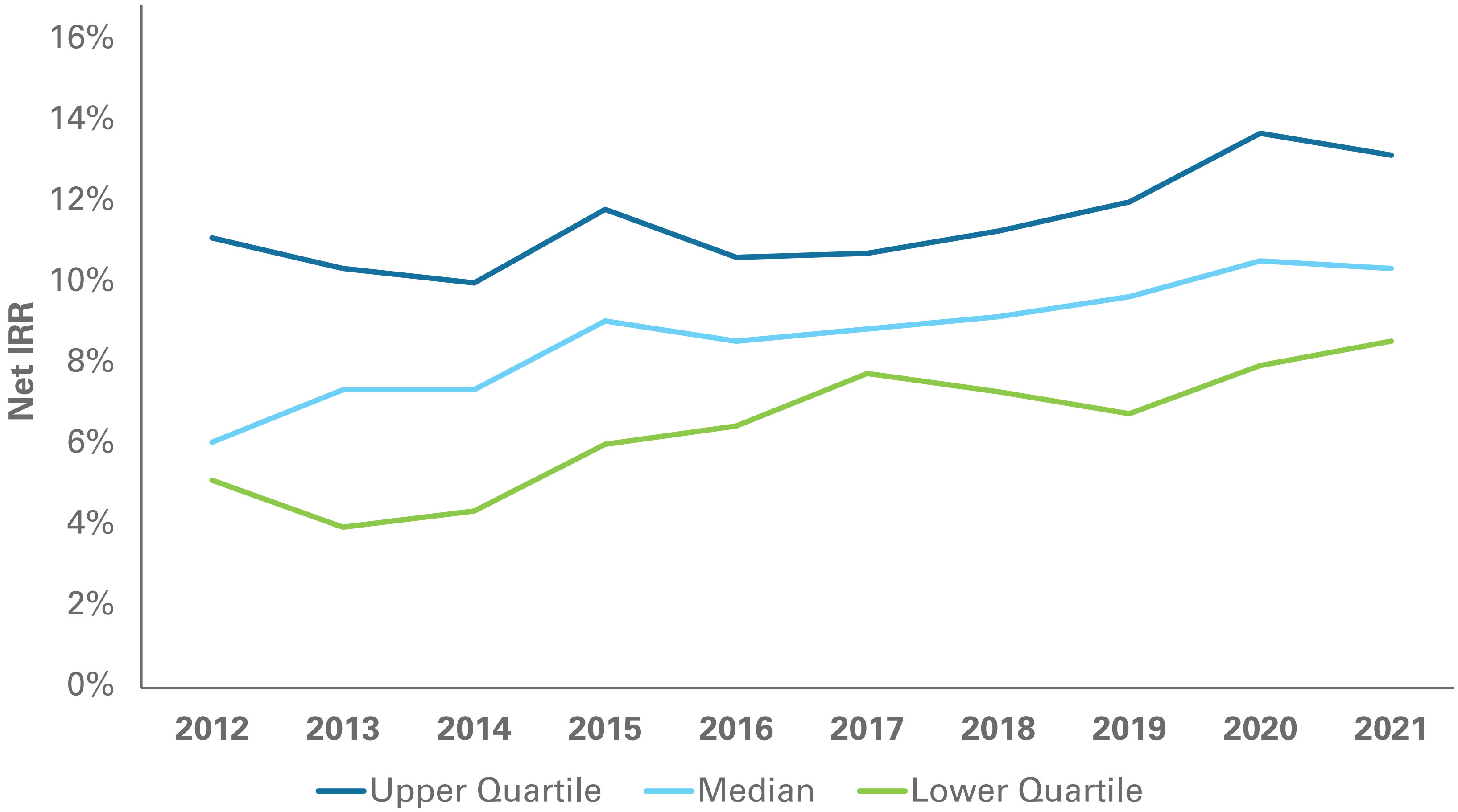
Source: Thomson One/C|A and BofA Merrill Lynch as of 06/30/2024
PD Out/Under-performance is shown based on a PME using the pooled cash flows of all funds across Private Credit
PME method is Direct Alpha and benchmark is BofA HY Index as of 06/30/2024
No NEPC clients are in vested in these exact strategies and have not achieved these returns – for illustrative purposes only.

YEAR-IN REVIEW

DIRECT LENDING

DIRECT LENDING PERFORMANCE

RELATIVELY STABLE OVER TIME

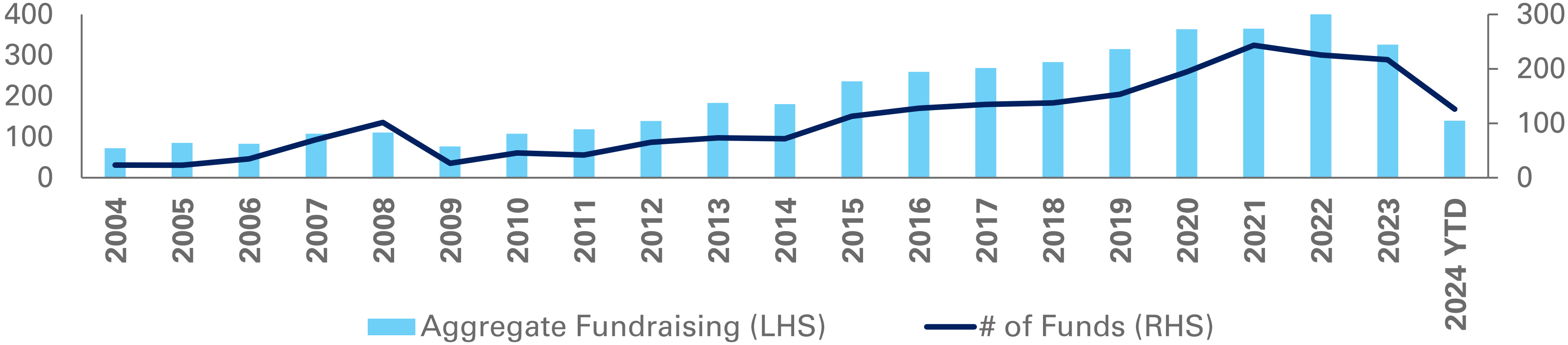


Source: Preqin as of 09/30/2024
No NEPC clients are in vested in these exact strategies and have not achieved these returns – for illustrative purposes only.

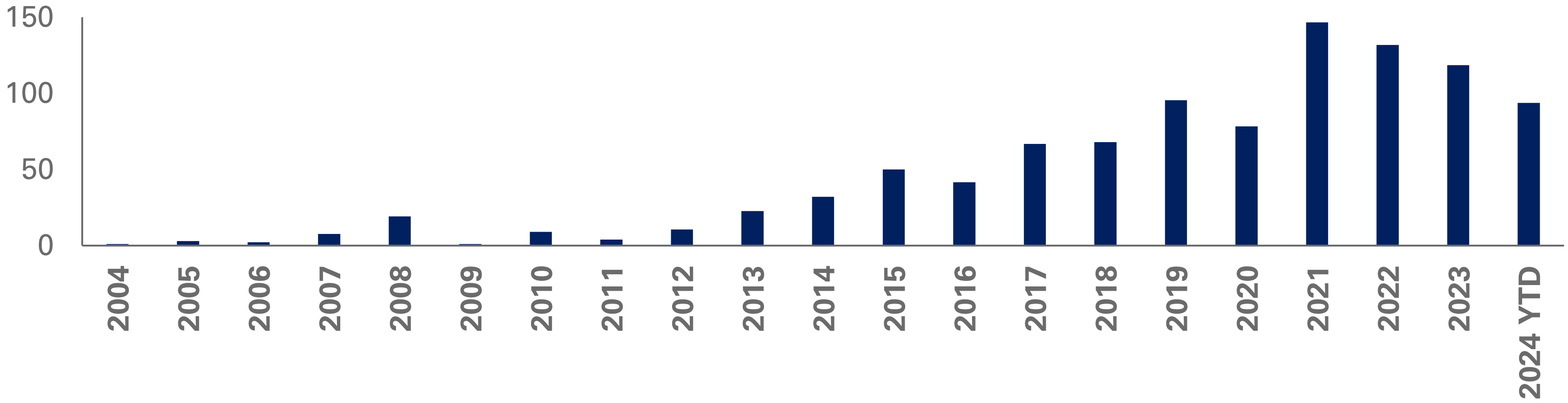
FUNDRAISING

DIRECT LENDING IN-LINE YOY WHILE OTHER STRATEGIES LAG

Aggregate Private Debt Fundraising



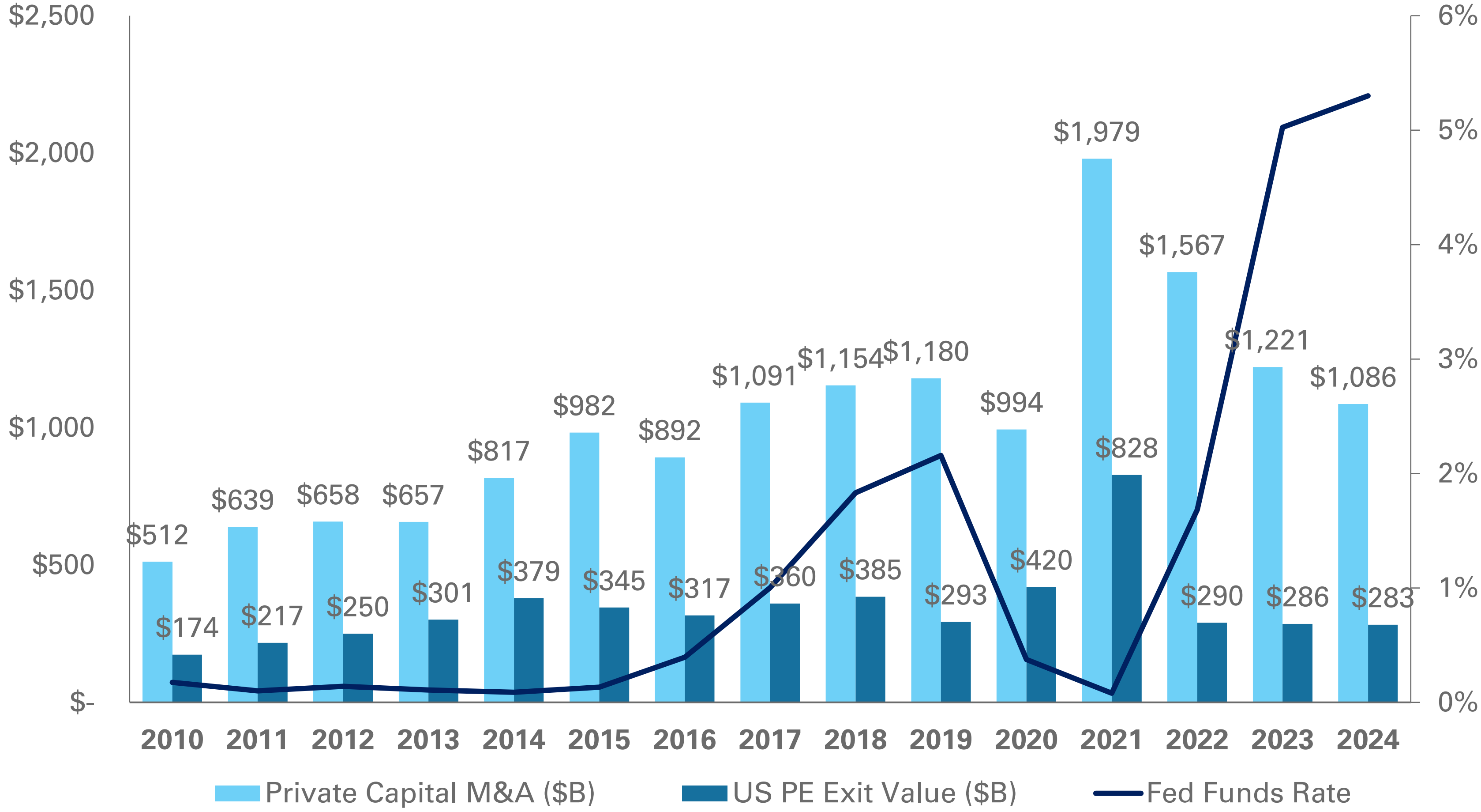
Direct Lending Fundraising



Source: Preqin as of 10/2024

M&A ACTIVITY

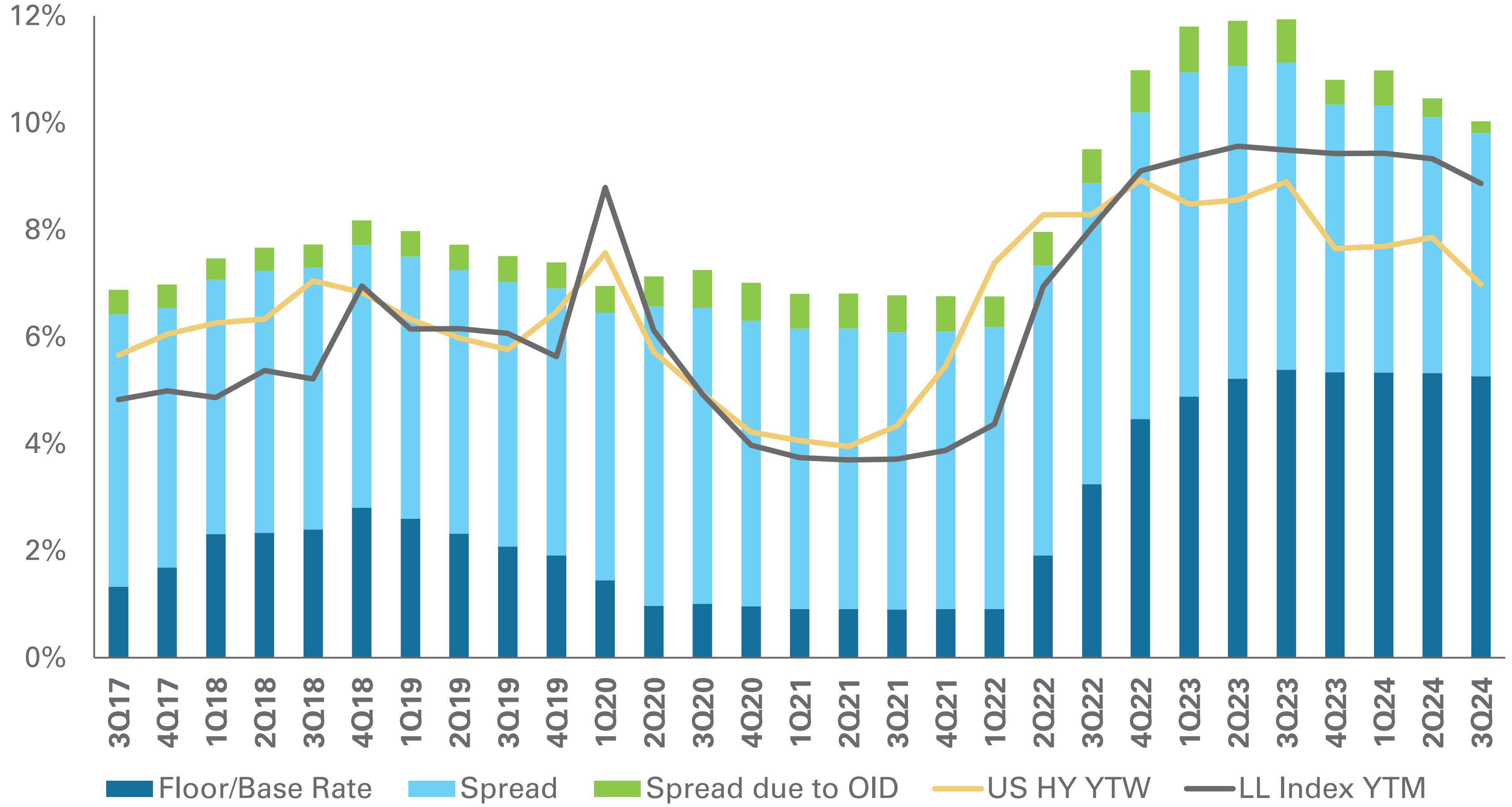
PRIVATE CAPITAL M&A DECLINING SINCE RATE HIKES BEGAN



Source: Fred (Annual Average), Pitchbook Q2 2024 Global M&A Report, Q2 2024 US PE Breakdown

PUBLIC VS. PRIVATE YIELD COMPARISON

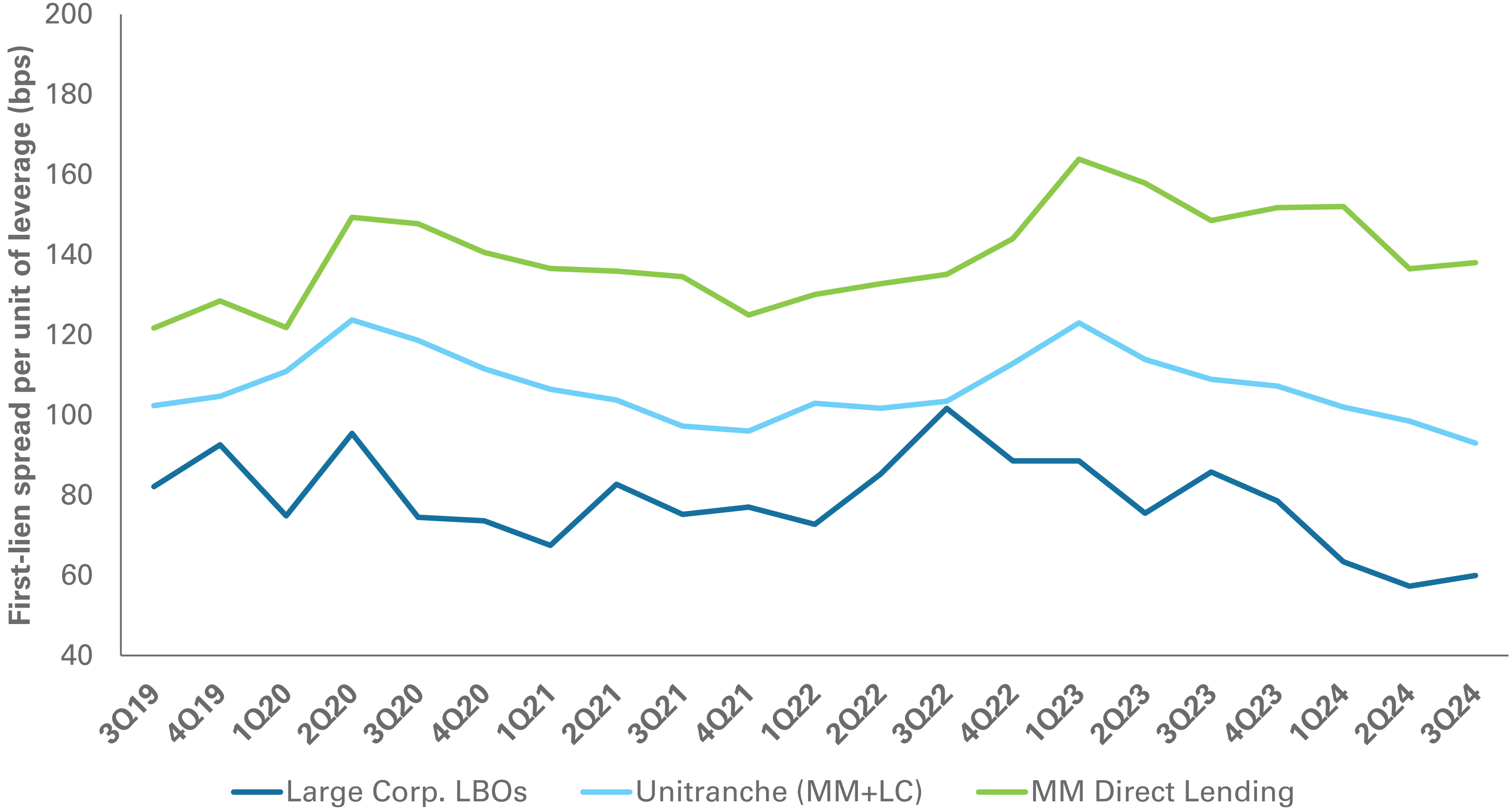
MIDDLE MARKET YIELDS STILL GENERATING PREMIUM



Source: LSEG LPC, FactSet, Bloomberg

SPREAD PER UNIT OF LEVERAGE

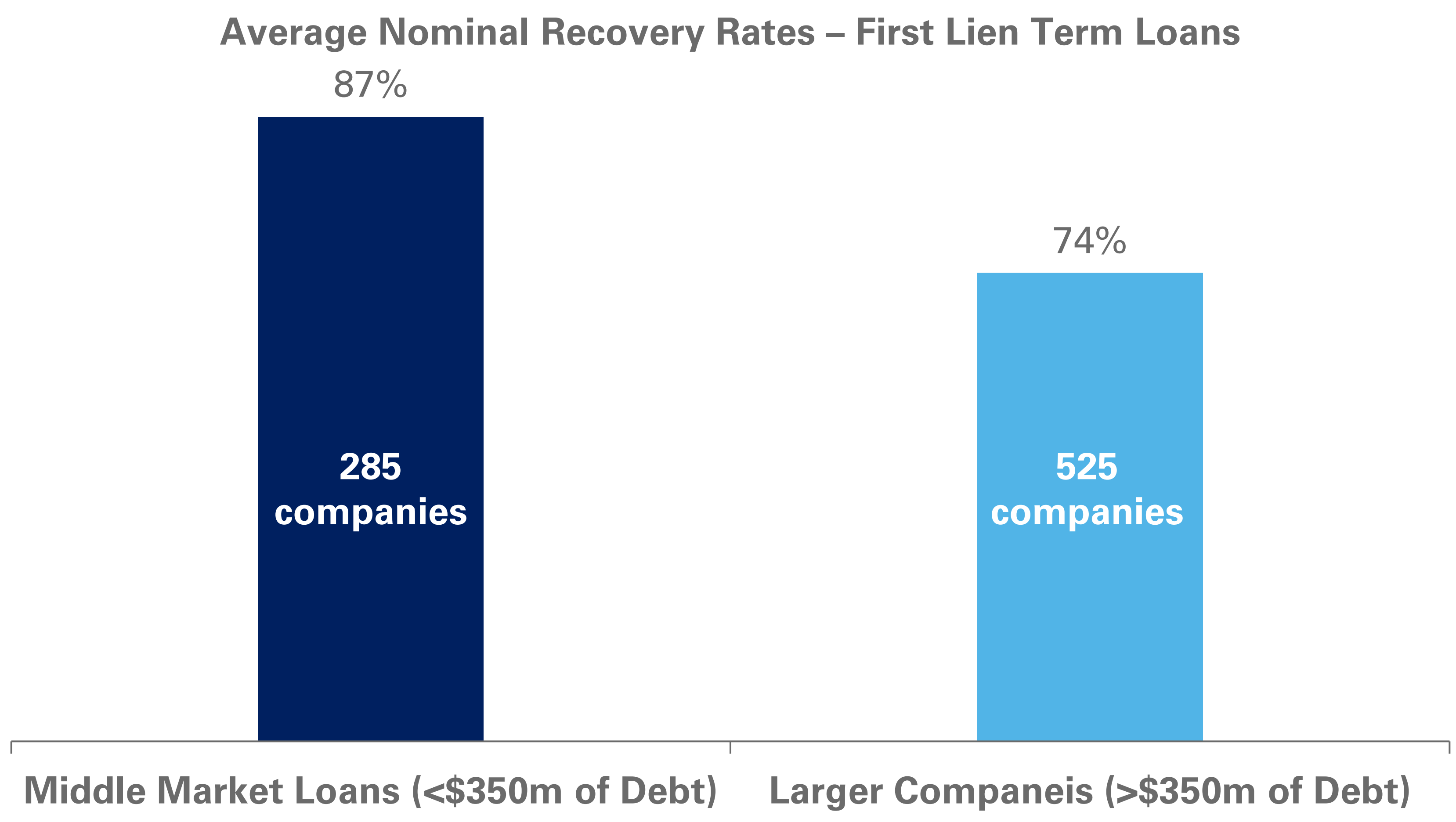
MIDDLE MARKET COMPANIES STILL BETTER PROTECTED IN HIGHER RATE ENVIRONMENT



Source: LSEG LPC

RECOVERY RATES

MIDDLE MARKET DIRECT LENDING DEMONSTRATES RESILIENCE



Source: S&P Global Market Intelligence's CreditPro, S&P Global Ratings Research & Insights as of September 30, 2023.

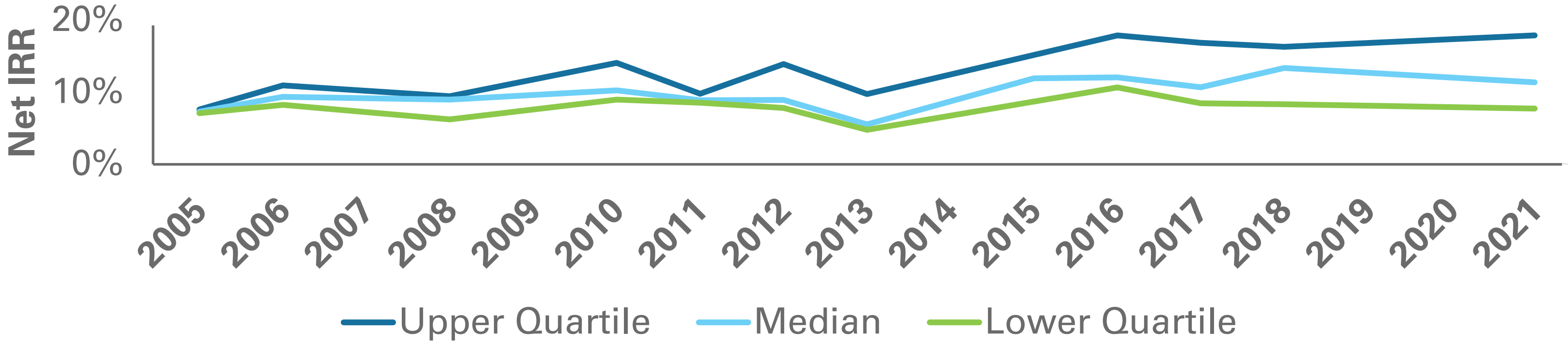
YEAR-IN REVIEW

DISTRESSED/ CREDIT OPPS/ JUNIOR CAPITAL

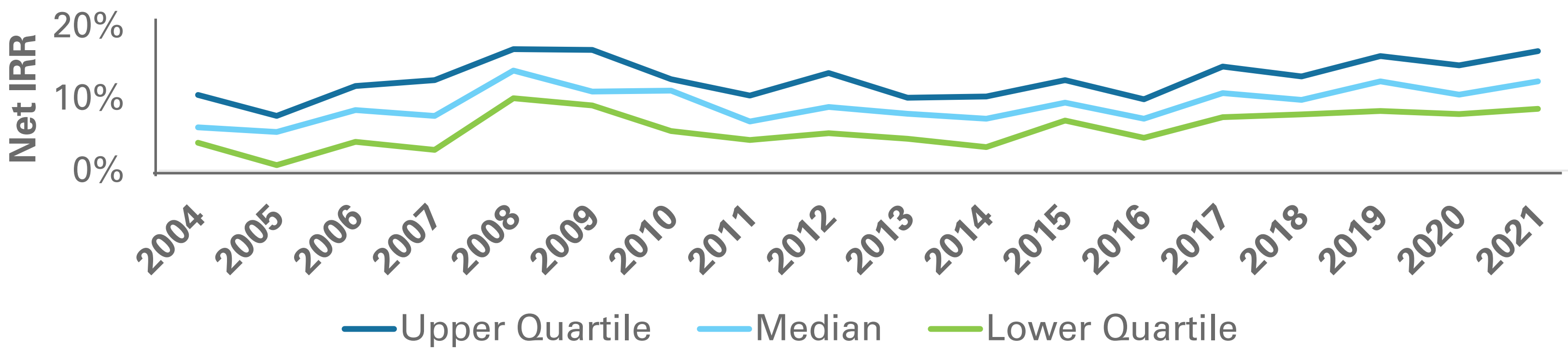
PERFORMANCE

HEIGHTENED IMPORTANCE ON MANAGER SELECTION

Junior Capital



Distressed/Opportunistic Credit

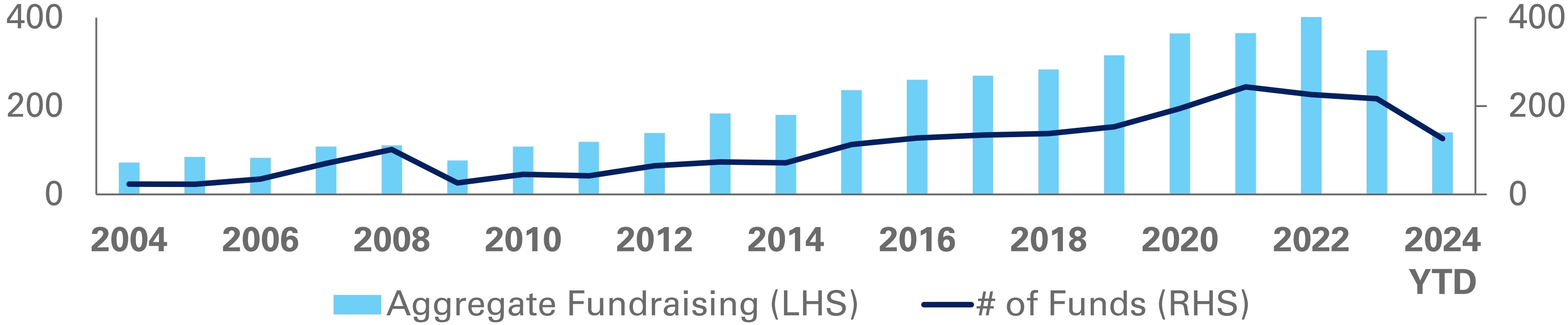


Source: Thomson One/C|A as of 06/30/2024
No NEPC clients are in vested in these exact strategies and have not achieved these returns – for illustrative purposes only.

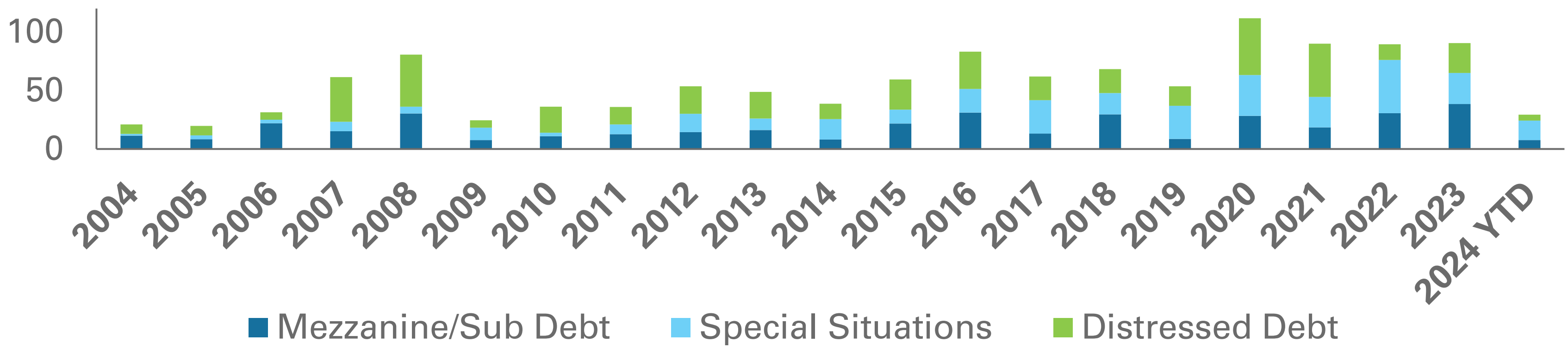
FUNDRAISING

2024 DECLINE FOR NON-DIRECT LENDING STRATEGIES

Aggregate Private Debt Fundraising



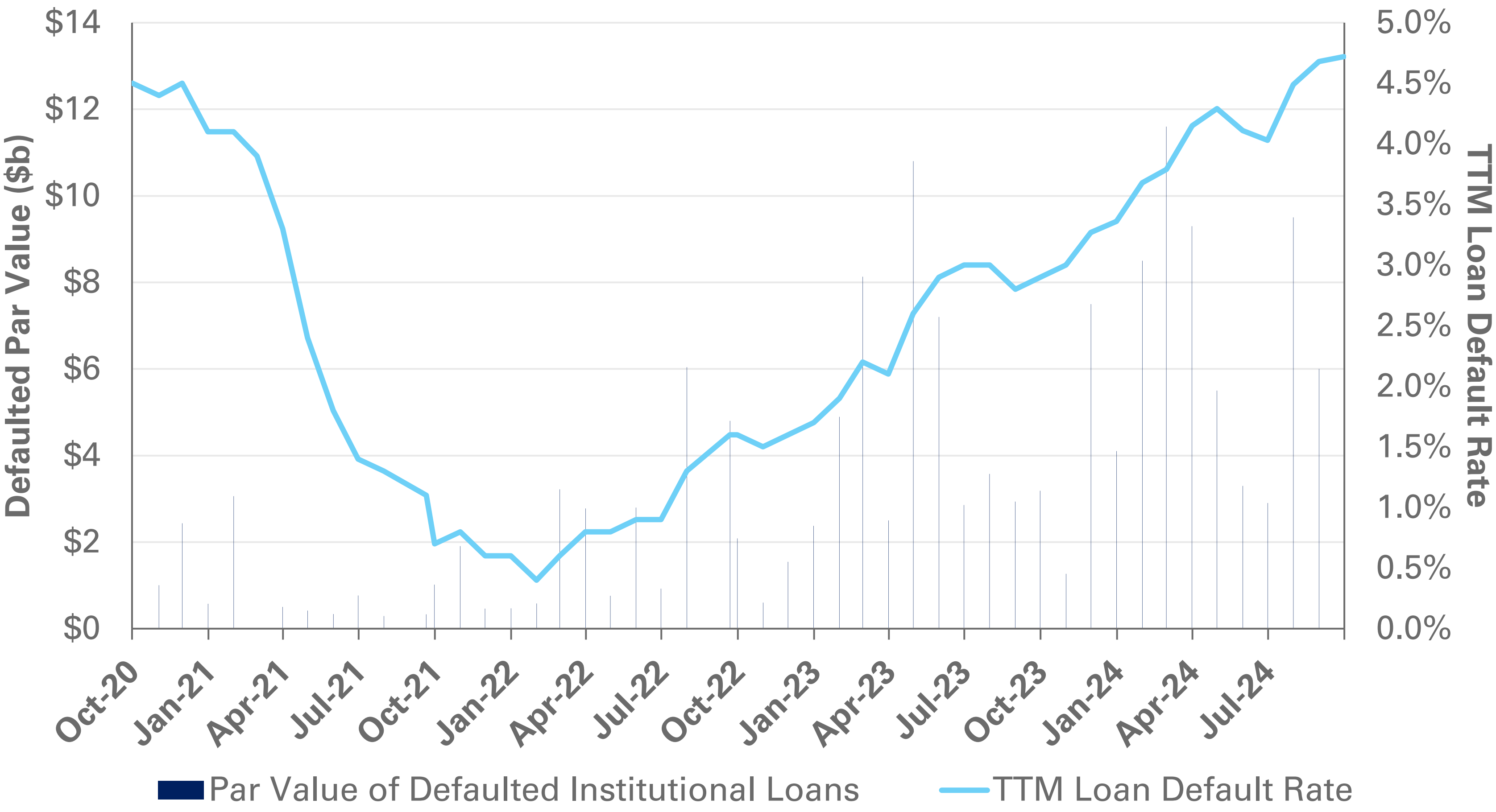
Fundraising by Strategy Type



Source: Preqin as of 10/2024

INSTITUTIONAL LOAN MARKET

DEFAULT RATE IS RISING



Source: LSEG LPC's Distressed Market Review as of October 2024

YEAR-IN REVIEW

INDUSTRY DEVELOPMENTS

INDUSTRY CONSOLIDATION

WHAT ARE THE CONCERNS?

ALIGNMENT OF INCENTIVES

- GPs: AUM growth and product proliferation
- LPs: Investment performance and fees

HUMAN CAPITAL

- Distracted from deployment/monitoring
- Talent exiting the firm

PERFORMANCE DETERIORATION

- Maintaining discipline
- Adverse selection

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"HYBRID FUNDS"

Hedge Fund Credit
3-5 year fund term

OVERLAP:
Cross-Over Opportunities
Opportunistic Semi-liquid public and private market exposure

Private Debt
6+ year fund term

Dislocated Trading, Non-control strategies, Restructuring

Smaller fund sizes that target esoteric markets or a niche segment spanning public and private markets

Origination, Process-Driven, Complexity and Illiquidity premiums

NEPC

OUTLOOK & 2025 THEMES

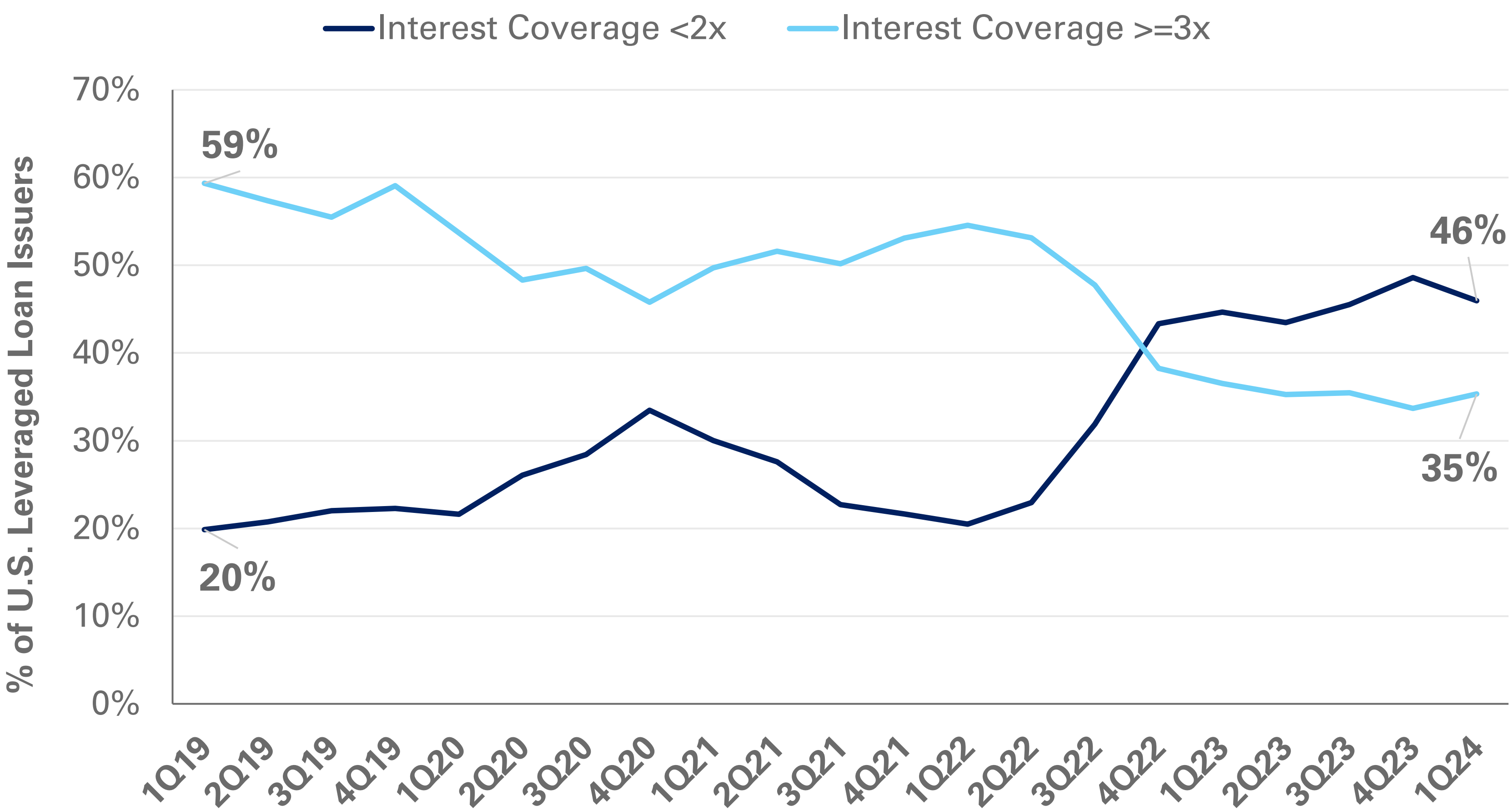
2025 THEME

TRANSITIONAL CAPITAL

Exhibit A: Page 27

INTEREST COVERAGE ON LEVERAGED LOANS

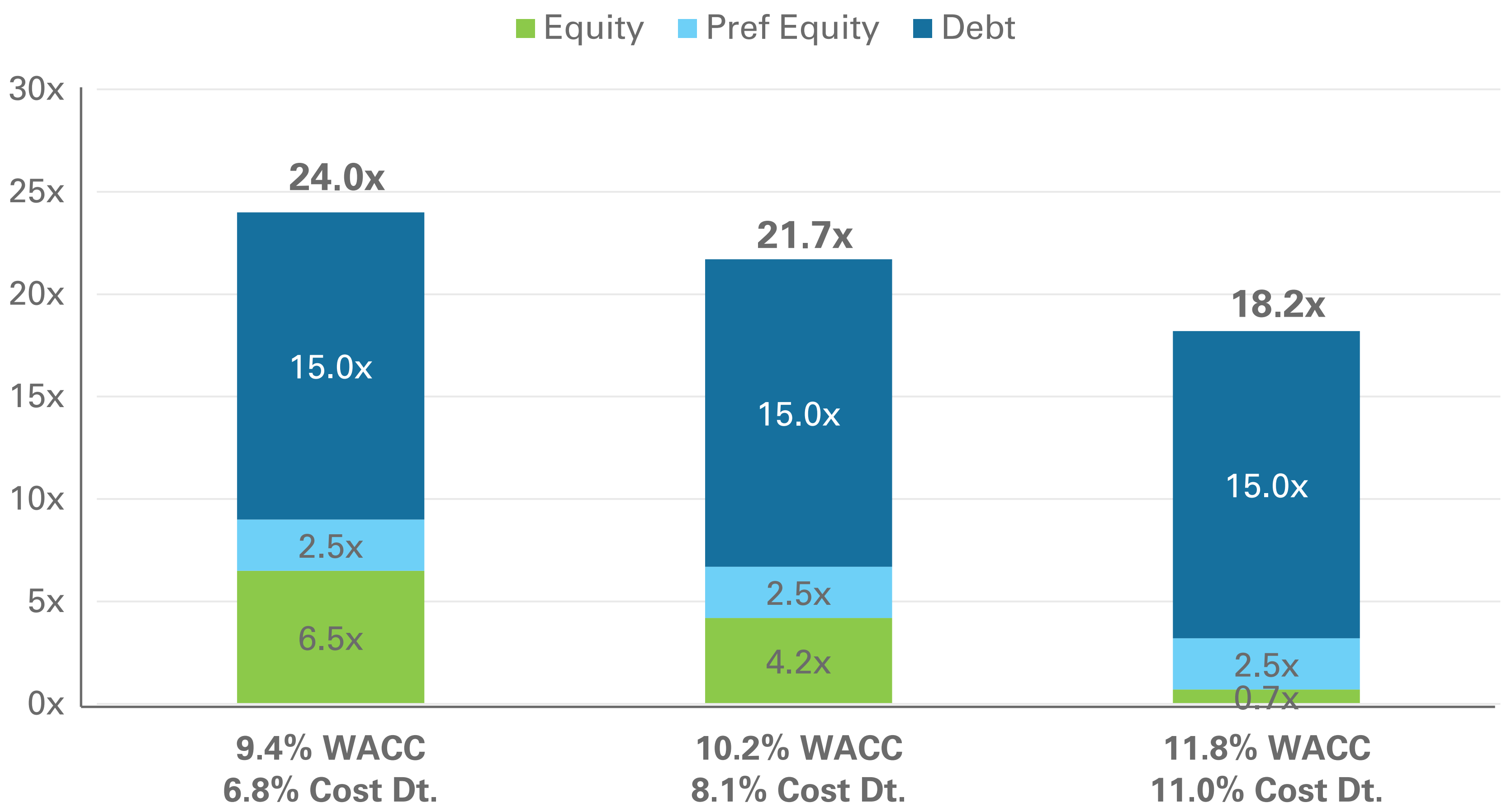
WORSENING AS RATES REMAIN ELEVATED



Source: J.P. Morgan, Capital IQ and Bixby Research and Analytics Inc.

ENTERPRISE VALUE AT VARIOUS WACC'S

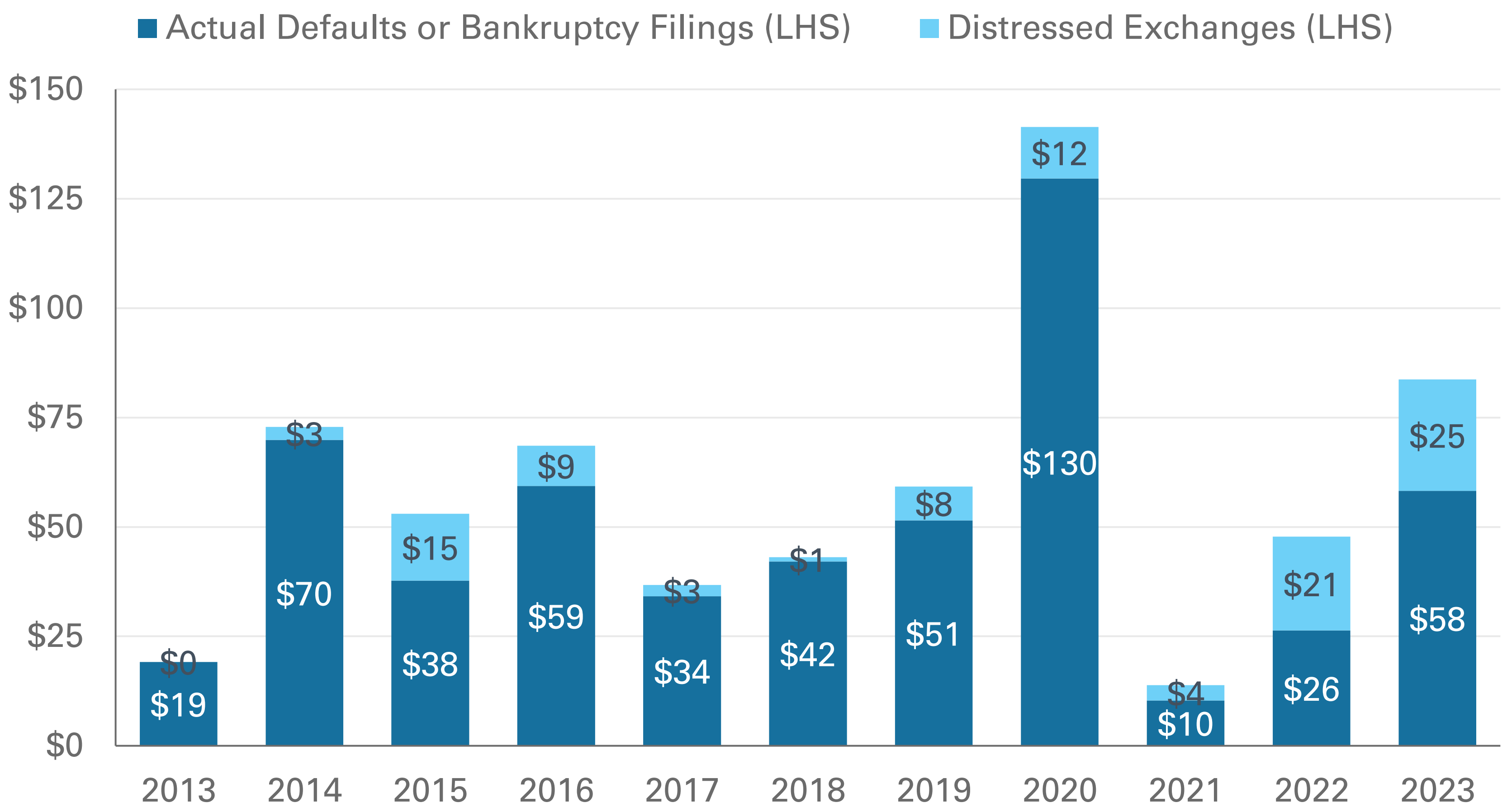
EQUITY VALUES CONTINUE TO GET SQUEEZED



Source: TPG Angelo Gordon analysis.

LIABILITY MANAGEMENT EXERCISES

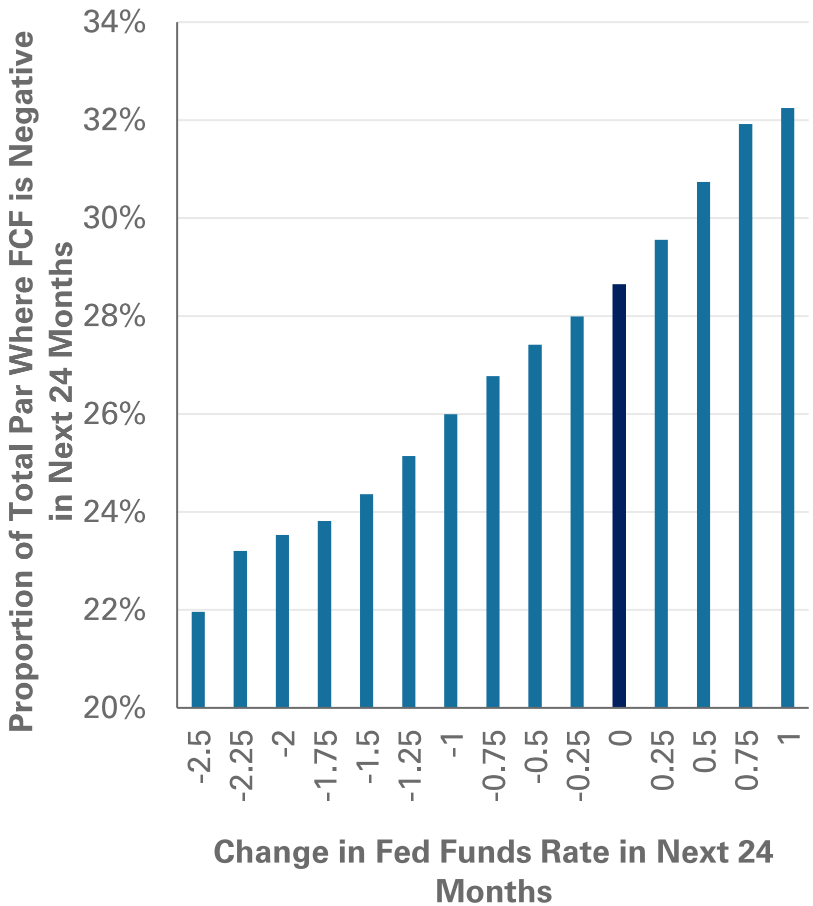
VOLUME IS INCREASING



Source: J.P. Morgan

IMPACT OF RATE OUTLOOK

RATE CUTS WILL NOT UNILATERALLY SOLVE BROKEN CAPITAL STRUCTURES



Interest Coverage Ratios							
		Change in Interest Rates					
Change in EBITDA		-200bp	-100bp	-50bp	Current	+50bp	+100bp
	30%	2.8	2.5	2.3	2.2	2.1	2
	20%	2.6	2.3	2.2	2	1.9	1.9
	10%	2.4	2.1	2	1.9	1.8	1.7
	0%	2.1	1.9	1.8	1.7	1.6	1.5
	-10%	1.9	1.7	1.6	1.5	1.5	1.4
	-20%	1.7	1.5	1.4	1.4	1.3	1.2
	-30%	1.5	1.3	1.3	1.2	1.1	1.1

Source: BofA Global Research, Citi Research, FTSE Indices

2025 THEME

BANK DISPLACEMENT CONTINUES…

BANK DISPLACEMENT CONTINUES…

ASSET-BASED LENDING

DIFFERENT TYPES OF ASSET-BASED LENDING

DIRECT ORIGINATION VS. STRUCTURED FINANCE

Direct Origination

- **Direct loans to corporate borrowers**
  - Usually structured as term loans
- **Primarily incremental liquidity and transition capital**
- **Portfolios typically consist of one pool of diversified, directly-originated loans**

VS.

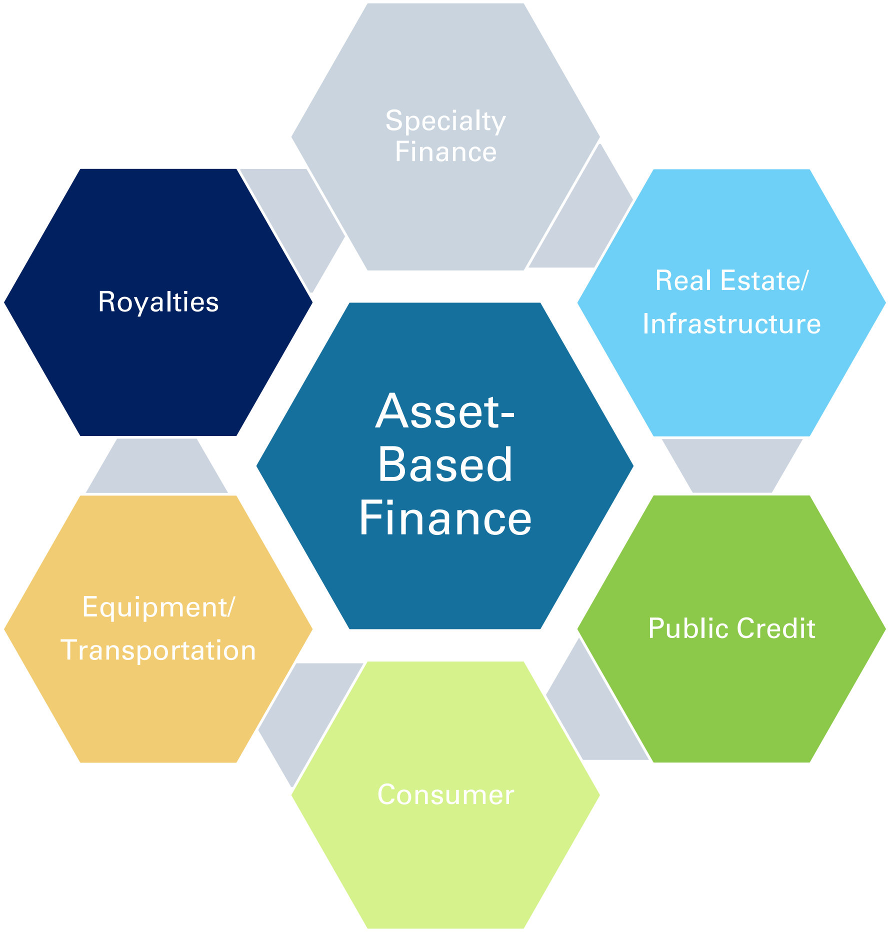
Structured Finance

- **Structure of purchase of cash flow streams generated by a physical or financial asset**
- **Financing to third-party originators**
- **Loan & lease portfolio acquisitions**
- **Acquisition of origination platforms**
- **Sometimes referred to as asset-backed securitization**

Note: Both investment types may present in ABL funds

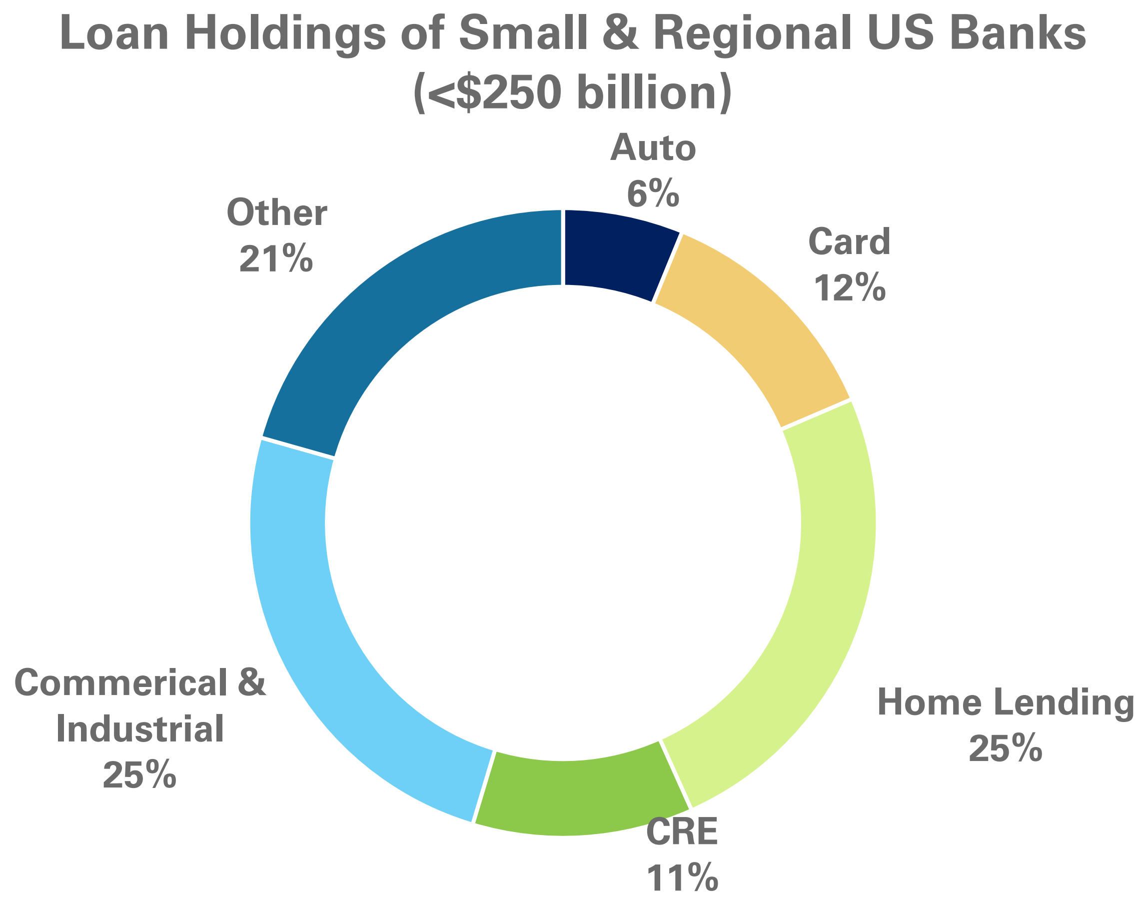
ASSET-BASED LENDING EXPOSURES

WIDE SPECTRUM OF ASSETS



BANK BALANCE SHEET COMPOSITION

ASSET-BASED EXPOSURE IS MAJORITY OF HOLDINGS; UP FOR GRABS AS BANKS RETREAT



Source: Goldman Sachs. As of June 2023.

Exhibit A: Page 36

ASSET-BASED LENDING

DIVERSIFICATION BENEFITS

	Agency RMBS	CMBX AAA	CMBX BBB	Auto Loan ABS	Credit Card ABS	Student Loan ABS	CDX IG	CDX HY
Agency RMBS	---	0.34	0.89	0.71	0.54	0.57	0.35	0.69
CMBX AAA	0.34	---	0.34	0.46	0.72	0.58	0.74	0.52
CMBX BBB	0.89	0.34	---	0.85	0.59	0.80	0.45	0.81
Auto Loans ABS	0.71	0.46	0.85	---	0.84	0.90	0.65	0.92
Credit Card ABS	0.54	0.72	0.59	0.84	---	0.79	0.70	0.76
Student Loan ABS	0.57	0.58	0.80	0.90	0.79	---	0.76	0.88
CDX IG	0.35	0.74	0.45	0.65	0.70	0.76	---	0.84
CDX HY	0.69	0.52	0.81	0.92	0.76	0.88	0.84	---
Average Correlation	0.58	0.53	0.68	0.76	0.70	0.76	0.64	0.77

Note: Correlations are based on asset-level returns between 1/25/2013 and 01/22/2024.
Source: Bloomberg, Markit, Haver Analytics, ICE-BAML, Goldman Sachs GIR, TPG.

BANK DISPLACEMENT CONTINUES…

EUROPE

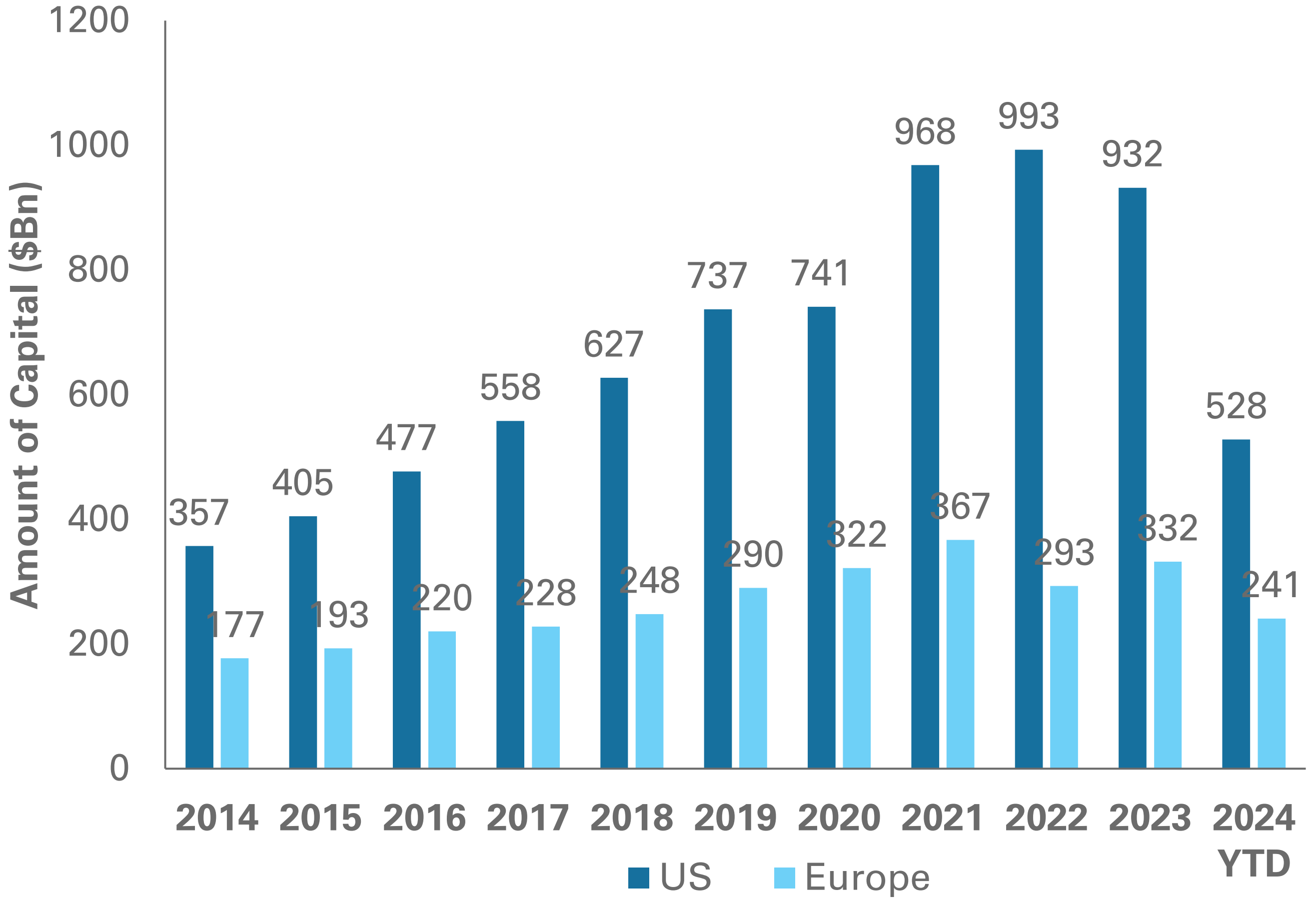
EUROPEAN BANK RETRENCHMENT

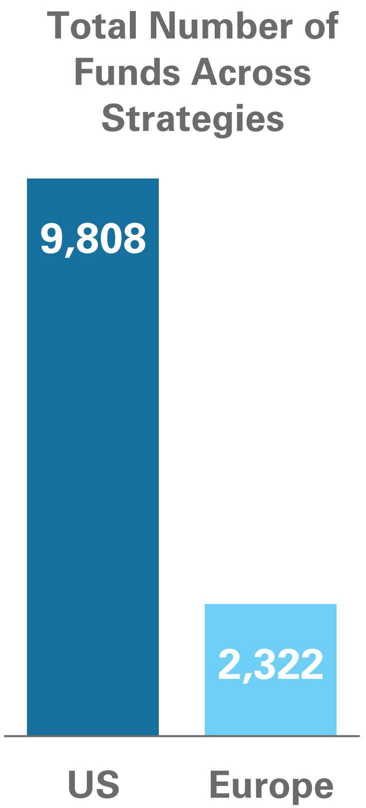
REASONS

1. **Larger Existing Exposure to Corporate Lending Relative to U.S. Peers**
2. **Higher Level of Risk Capital Requirements**
3. **Larger Existing Exposure to Commercial Real Estate Relative to U.S. Peers**
4. **Lower Profitability and Valuations Compared to U.S. Peers**

US VS. EUROPE PRIVATE CAPITAL

LESS PENETRATION AND COMPETITION IN EUROPE





Source: Preqin as of 09/2024

2025 THEME

PRIVATE MARKETS LIQUIDITY: PORTFOLIO FINANCE

PORTFOLIO FINANCE

	Use of Proceeds	Collateral	Underlying Strategies	Key Lenders
Subscription Lines	Cash Management Acquisition Financing	Uncalled Capital Commitments	All	Banks Insurance
Hybrid Facilities	Cash Management Acquisition Financing Leverage/Fund Recapitalization Return of Capital Alternative to LBO and IPO Support of Portfolio Companies	Uncalled Capital Commitments + Fund Positions	Primarily Buyout	Banks Insurance Asset Managers
NAV Lending	Cash Management Acquisition Financing Leverage/Fund Recapitalization Return of Capital Alternative to LBO and IPO Support of Portfolio Companies	Fund Positions	Primarily Buyout, with increasing activities in Credit, Real Estate, Infrastructure and Venture Capital	Banks Insurance Asset Managers
Credit Secondaries	Cash Management Acquisition Financing Leverage/Fund Recapitalization Return of Capital Alternative to LBO and IPO Support of Portfolio Companies	Diversified Pool of Private Funds	Primarily Buyout, with increasing activities in Credit, Real Estate, Infrastructure and Venture Capital	Banks Insurance Asset Managers
GP Solutions	Fundraising needs Non-dilutive Strategic Capital Raises Leverage for GP Commitments	Management Fees + GP Commitments	All	Asset Managers
CFOs	Regulatory Capital Efficiency Leverage/Recapitalization of Fund Portfolios	One or More Private Funds	All	Insurance Asset Managers

TAILWINDS FOR INCREASED DEAL ACTIVITY

LP Portfolio Management	
Short-Term Liquidity Needs	Portfolio Rebalancing
Accelerate Distributions	Reduce Unfunded Liabilities

GP Fund & Asset Level Solutions	
Extend Duration to Maximize Asset Value	Maintain AUM base while generating liquidity for LPs
Crystallize Performance	Finance GP Commitment

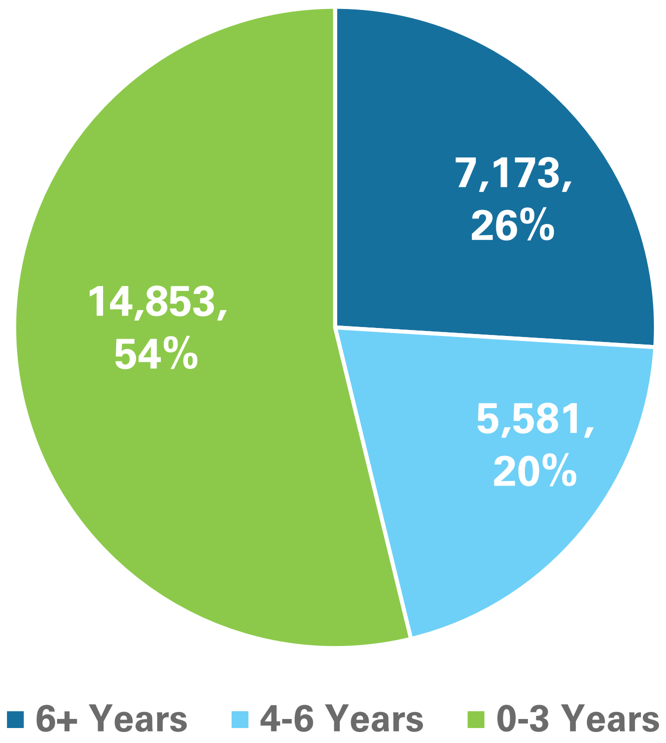
Strategic Goals	
Change in Investment Mandate	Ownership/Managerial Changes
Generate Dry Powder to Support New Commitments	Relieve Administrative Burden

Strategic Goals	
Seek Permanent B/S Capital	Address Succession Planning Concerns
Develop New Product Offerings	Explore Growth Capital Alternatives

AGING PRIVATE EQUITY ASSETS

IN NEED OF CREATIVE EXITS OR REFINANCINGS

Private Equity Assets Have Aged (Number of Companies)	…Due to Challenged Monetization Paths



Sale To Financial Sponsor	Unrealized NAV Draws Dry Powder; Challenged Financing Environment
Sale to Strategic	Regulatory Environment Less Hospitable; Valuation Expectation Mismatches
Public Exit	Recent IPO's Have Struggled; IPO Discounts Creating Valuation Gaps

Source: Pitchbook, 2024 Bain & Company Global Private Equity Report. Excludes add-ons; time in portfolio: "0-3 years" means the investments were made in 2020 and onward, "4-6 years" means the investments were made in 2017-2019, "6+ years" means the investments were made prior to 2017.

PORTFOLIO FINANCE HIGHLIGHT

CREDIT SECONDARIES

OVERVIEW

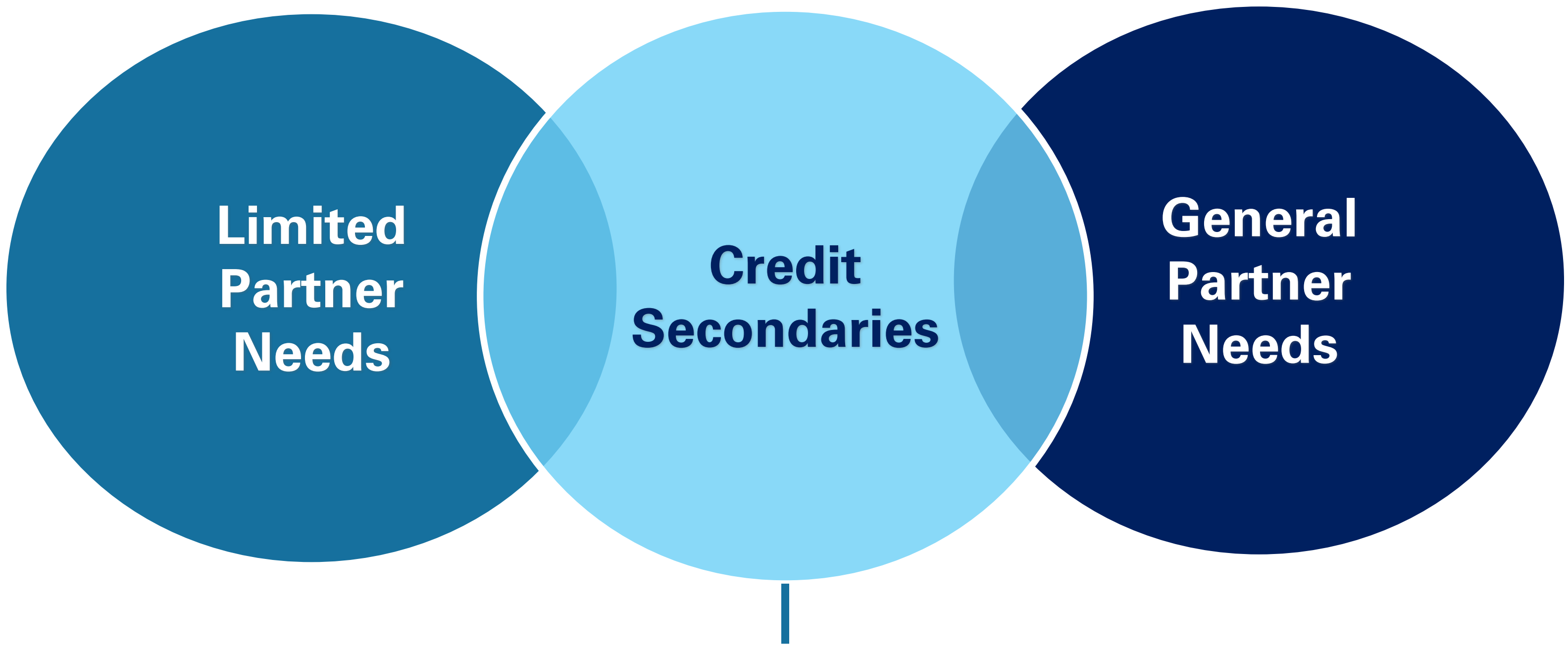
The emergence of private credit secondaries is part an organic evolution of the asset class.

1. Secondary transactions typically require **mature portfolios** and/or **periods of market volatility**.

2. These transactions within private credit have been limited because this is a relatively nascent asset class, born out of the GFC, and over that timeframe it has been a relatively benign credit environment (outside of the short-lived COVID volatility).

3. The opportunity set is expected to broaden with the adoption of new and innovative structures/solutions within the space, and deal flow is expected to increase due to several tailwinds.

ADDRESSING THE MARKET NEED



Limited liquidity for active portfolio management

Unpredictable pace of distributions

Slow reaction to market dislocations

Fluid regulatory environments

Need to rebalance allocations

Difficulty crystallizing returns

BENEFITS TO INVESTORS

LP-LED AND GP-LED PRIVATE CREDIT SECONDARIES

Shorter Duration	The standard secondary investment typically transacts at year three, four, or five of the fund's lifecycle; when the fund is generating realizations.
Diversification	Secondary funds are often well diversified in terms of number of borrowers, underlying investment strategies, fund managers, vintages and geographies.
Limited Competition	There are only a handful of private credit managers executing a dedicated secondaries strategy.
Enhanced Yield	There is a yield premium associated with secondaries strategies comprised of the discounted purchase price and current income component.
Reduced Blind Pool Risk	These are typically seasoned portfolios, thereby granting investors enhanced visibility into the health of the underlying within the portfolio.

BEST PRACTICES

PRIVATE MARKETS INVESTING

BEST PRACTICES

- Strategic targets are encouraged but don’t be dogmatic
- Pacing plans are a critical portfolio management and risk management tool
- Private markets are long-term investments and should not be used express tactical investment views
- Re-up with strong managers
- Ensure overall asset allocation has enough true liquidity to meet calls and spending
- If you are early in your private markets investment journey, or building out a larger allocation, know that it will take time

APPENDIX

VEHICLE STRUCTURE PROLIFERATION

COMMON OFFERINGS

Vehicle Structure	Definition	Suitability
Closed-End	Vehicles with finite committed capital, investment periods and overall fund terms	For investors that prefer clarity around capital deployment and distribution timelines
Evergreen	Open-ended vehicles allowing for continuous capital raising with no fund term explicitly stated	For investors prioritizing ongoing exposure to underlying investments or those seeking to limit the administrative burden of making frequent fund commitments
Rated-Note	Vehicles issue debt securities (notes) that are rated by credit rating agencies based on the quality of the underlying portfolio and the structure of the vehicle	For investors subject to regulatory capital charges on assets (ex. insurance companies)
ERISA Fiduciary/QPAM	Vehicles where the GP assumes heightened responsibilities and legal obligations under the Employee Retirement Income Security Act of 1974	For investors subject to ERISA regulations (ex. Taft-Hartley or corporate pensions)

BROADLY SYNDICATED LOANS VS. MIDDLE MARKET

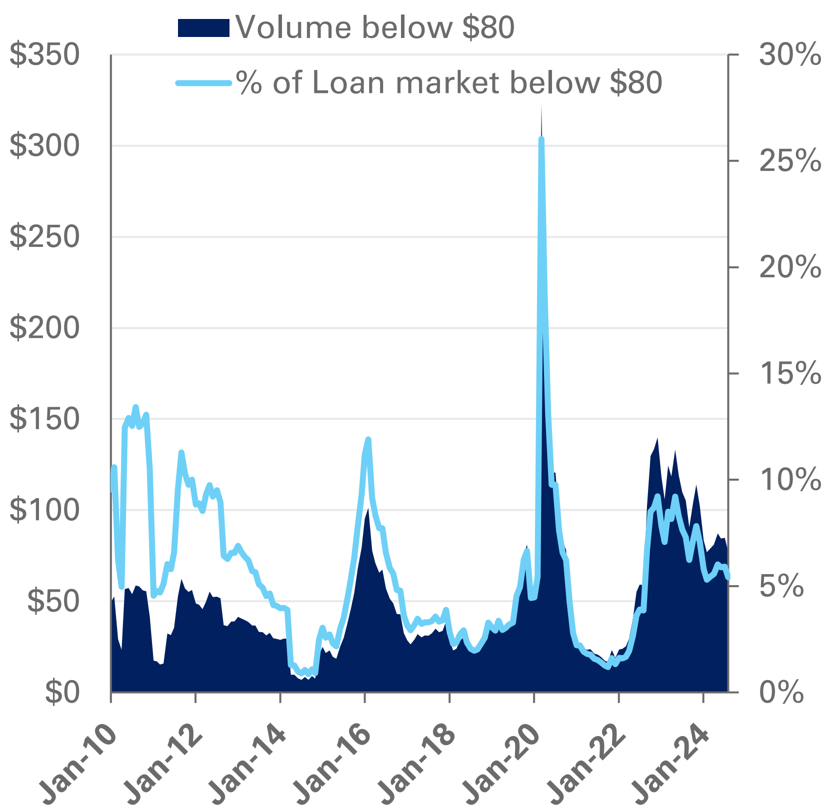
BEWARE OF CONCENTRATION AT THE LARGER END OF THE MARKET…

	Power-School	Catalent	Adevinta	Ardonagh	PDI	Hyland	BradyIFS	Baxter	Cotiviti	Coupa	Avalara	Zendesk	Kaseya
	$3.2b	$4.8b	$4.9b	$3.3b	$1.3b	$3.4b	$2.7b	$2.0b	$5.5b	$2.6b	$2.8b	$5.0b	$3.7b
Antares Capital		X		X	X		X	X					
APOLLO		X	X						X	X	X	X	
ARES	X	X		X	X	X	X	X	X	X	X	X	X
Blackstone	X	X	X		X		X	X	X	X		X	X
BLUE OWL	X	X	X	X	X	X	X	X	X	X	X	X	X
GOLUB CAPITAL	X	X			X	X	X			X	X	X	X
HPS	X	X		X				X	X	X	X	X	

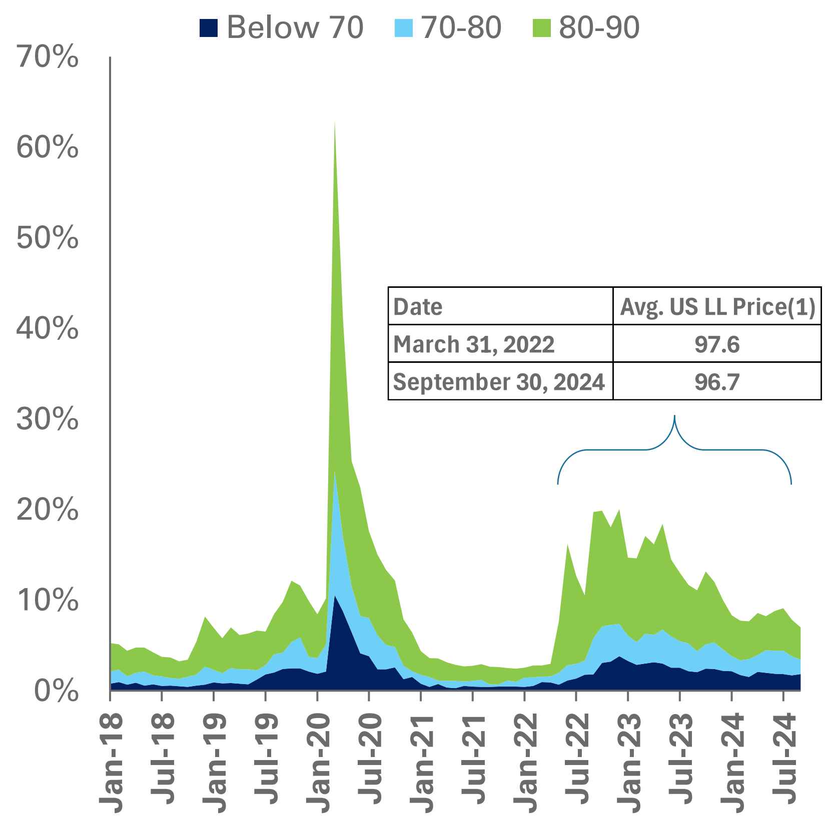
Source: Sources: Bloomberg; Direct Lending Deals, a publication of Capital Stack Publishing, LLC; LSEG; 9fin; Pitchbook, Leveraged Commentary & Data (LCD). Does not necessarily represent complete lender group for any transaction.

DISPERSION IN CORPORATES

Loan Market Trading Below 80 and Loan Prices



Percentage of the Loan Market Trading Below 90



Date	Avg. US LL Price(1)
March 31, 2022	97.6
September 30, 2024	96.7

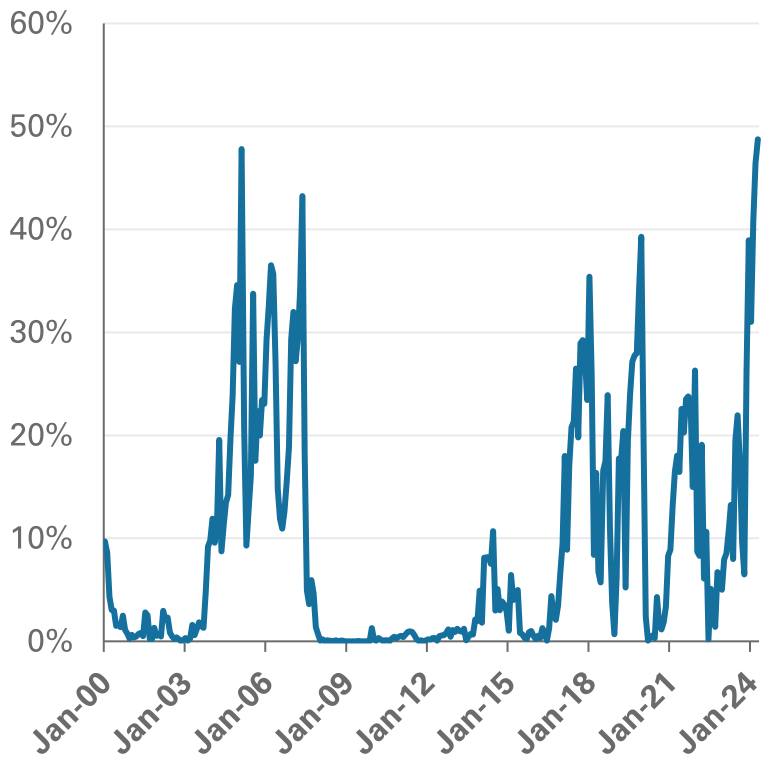
Source: LCD Pitchbook as of September 2024.

1. Weighted average bid price of US Leveraged Loans.
2. Loan Market Data below $80 is as of August 31, 2024. Volume is in billions.

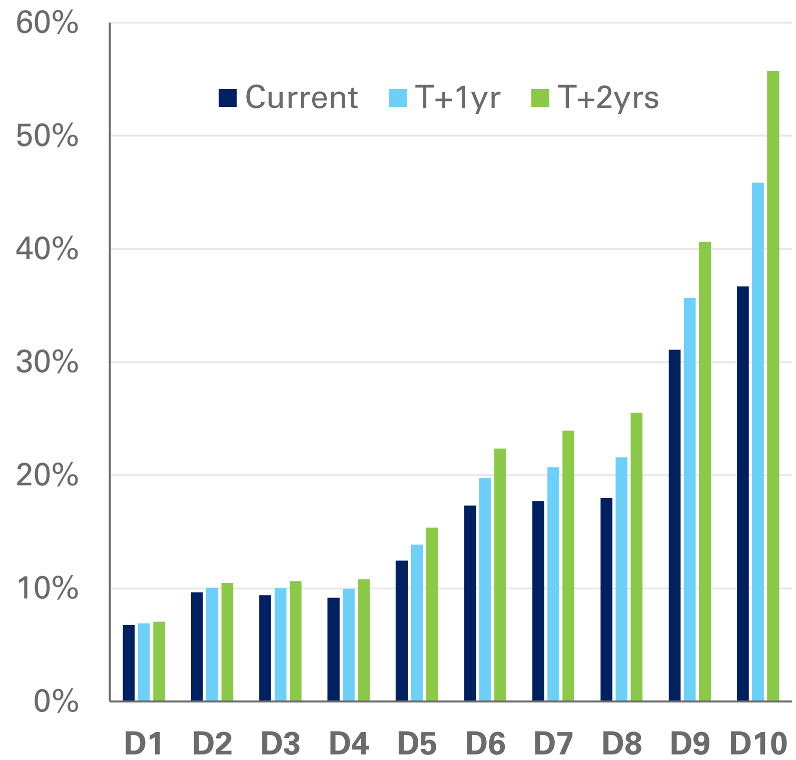
BIFURCATION IN THE MARKET

MARKET DIVIDED BY THE "HAVES" AND "HAVE NOTS"

High Yield Bonds Trading <200 bps Spread
(Percent of Face Value)



FCF-Negative Issuers by Quality Decile
(Percent of Face Value)



Source: BofA Global Research

ASSET-BASED LENDING VS. TRADITIONAL DIRECT LENDING

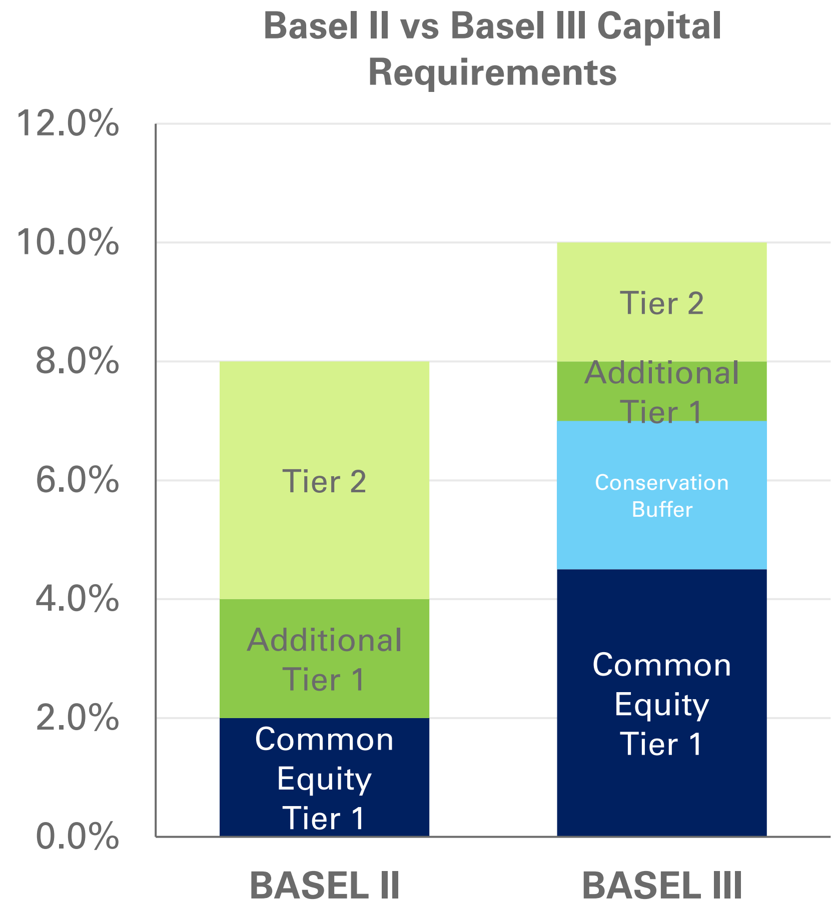
HOW IS ABL DIFFERENT?

	Asset-Based Lending	Traditional Direct Lending (Cash Flow/Enterprise Value Lending)
Collateral Base for Loan	Borrower's assets (e.g., PP&E, inventory, accounts receivable, etc.)	Borrower's enterprise value generally predicated on its ability to generate future cash flow
Basis for Determining Borrowing Capacity	A percentage of the value of various assets or loan-to-value (LTV) which is regularly monitored and modified	Multiple of borrower's cash flow/EBITDA which is set at the initiation of the loan
Repayment	Loans are typically self-amortizing over time	Loans are largely bullet repayment at maturity
Ability to Achieve Full Loan Recovery	Independent of borrower's performance	Dependent on borrower's performance and health of credit markets to refinance
Return Drivers	Principal, interest and fees, and the monetization of borrower's assets if in default	Principal, interest and fees
Competition	More of a niche market; less dedicated firms and funds	Represents a majority share of the U.S. small to mid sized corporate loan market

BASEL II VS. BASEL III

ADDITIONAL CONSTRAINTS FOR BANKS

Minimum Capital Requirements	BASEL II	BASEL III
Common Equity Tier 1	N/A	4.5%
Minimum Tier 1 Capital	4.0%	6.0%
Minimum Total Capital	8.0%	8.0%
Leverage Ratio	None	4.0%
Supplemental Leverage Ratio	None	3.0%
Capital Conservation Buffer	None	2.5%
Counter Cyclical Buffer	None	0% to 2.5%
Liquidity Requirements	None	Liquidity Coverage Ratio Net Stable Funding Ratio

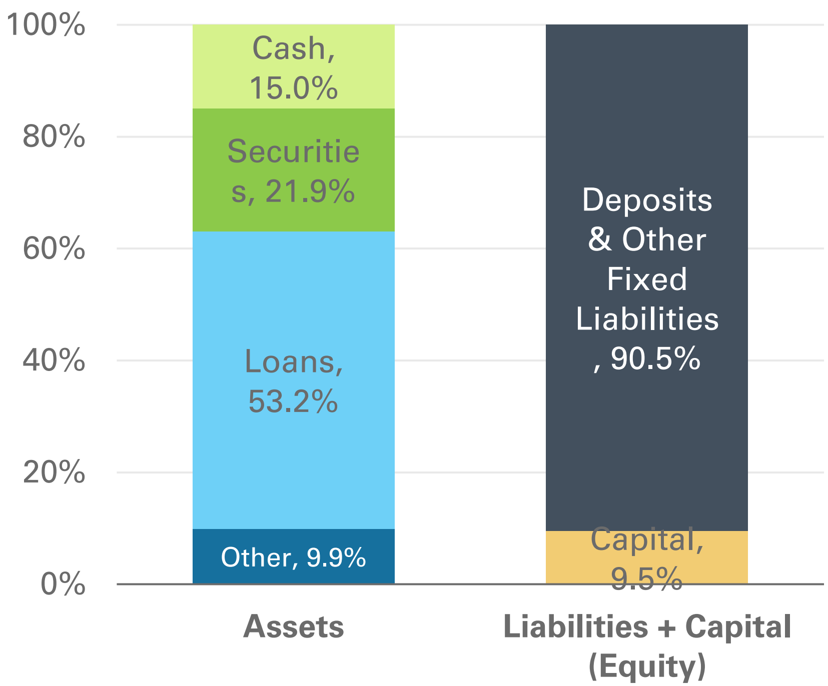


Source: Fitch Ratings U.S. Basel III and Dodd Frank Act Regulatory Guide as of July 2022; David Polk U.S. Basel III Final Rule: Visual Memorandum as of April 2015; Corporate Finance Institute

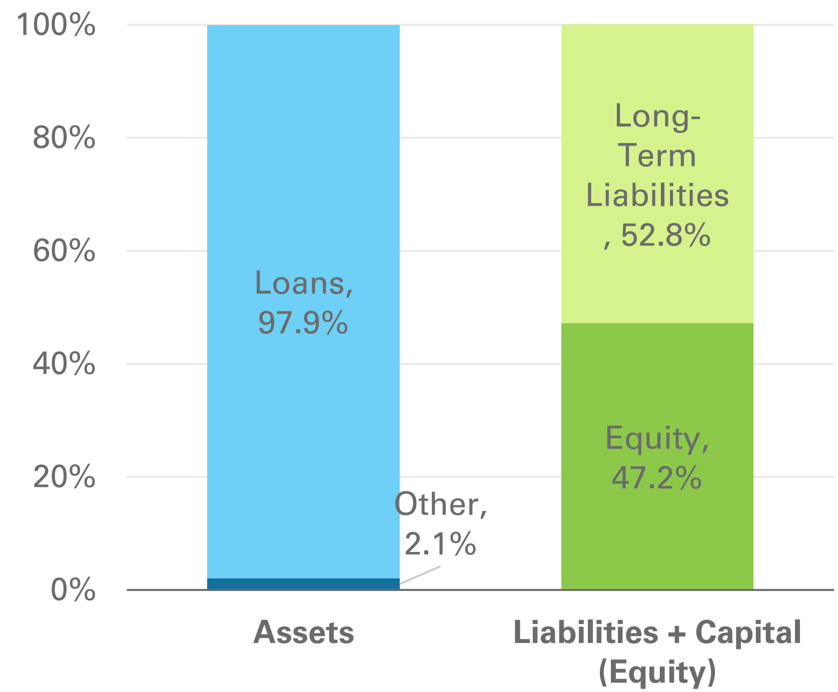
BUSINESS MODEL COMPARISON

INEFFICIENCY OF BANK MODEL

Business Model A: Banks	Business Model B: Public BDC's



Funding Model:	Lend Longer, borrow shorter
Leverage:	~10x



Funding Model:	Lend shorter, borrow longer
Leverage:	~1x

Note: For illustrative purposes only. Capital structures are demonstrative examples and not representative of a specific business.

NEPC DISCLOSURES

Past performance is no guarantee of future results.

All investments carry some level of risk. Diversification and other asset allocation techniques do not ensure profit or protect against losses.

Some of the information presented herein has been obtained from external sources NEPC believes to be reliable. While NEPC has exercised reasonable professional care in preparing this content, we cannot guarantee the accuracy of all source information contained within.

The opinions presented herein represent the good faith views of NEPC as of the publication date and are subject to change at any time.

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ALTERNATIVE INVESTMENT DISCLOSURES

It is important that investors understand the following characteristics of non-traditional investment strategies including hedge funds and private equity:

1. Performance can be volatile and investors could lose all or a substantial portion of their investment
2. Leverage and other speculative practices may increase the risk of loss
3. Past performance may be revised due to the revaluation of investments
4. These investments can be illiquid, and investors may be subject to lock-ups or lengthy redemption terms
5. A secondary market may not be available for all funds, and any sales that occur may take place at a discount to value
6. These funds are not subject to the same regulatory requirements as registered investment vehicles
7. Managers may not be required to provide periodic pricing or valuation information to investors
8. These funds may have complex tax structures and delays in distributing important tax information
9. These funds often charge high fees
10. Investment agreements often give the manager authority to trade in securities, markets or currencies that are not within the manager's realm of expertise or contemplated investment strategy

THANK YOU