



PRIVATE DEBT OUTLOOK & REVIEW

SAN BERNARDINO COUNTY
EMPLOYEES' RETIREMENT
ASSOCIATION

APRIL 9, 2026

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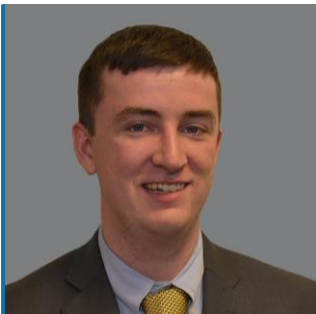
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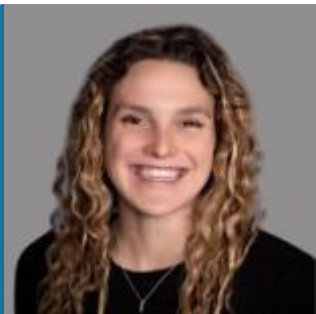
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TOPICS

- 2026 Private Debt Outlook
- 2025 Year-in-Review
- Private Debt in Today's Headlines
- Key Themes



PRIVATE DEBT OUTLOOK



2026 PRIVATE DEBT MARKET ENVIRONMENT

WHERE ARE WE NOW?

- **AUM growth continues driven primarily by New Entrants and Consolidation**
 - New entrants including private wealth & retail investors and insurance companies are significantly shaping private credit markets including a sharp rise in evergreen/open-ended vehicles
 - Continued consolidation through acquisitions and strategic partnerships including joint ventures between banks, asset managers, larger government/corporate investment entities and insurance companies
 - The convergence of public and private credit continues to expand as other strategies and asset classes look to expand into private credit and vice versa
- **Appearance vs. Reality: Bifurcation creating a stark contrast in the credit markets**
 - On the surface, credit markets appear healthy and growing; credit markets appear open and healthy; some companies with no issues getting financing whether it's by banks or direct lenders
 - Below the surface, the reality is a more nuanced and complex story
 - There are growing, deeper structural tensions including fragmentation, fragility and stress; most pronounced in certain segments of the market
- **Pressure and Propensity to Sell has permeated throughout credit markets**
 - Macro conditions, portfolio company stress, liquidity burden, manager performance, fund-level leverage, regulatory/ratings constraints has contributed to an uptick in willingness and need to sell both single assets and whole portfolios
 - Pressure to sell underperforming/troubled/complex assets; propensity to sell mature, performing assets
- **Structural shifts and evolving markets have created a dedicated Credit Secondary market**
 - The maturation of the market and development of professional secondary-market buyers has made it more attractive for both LPs and GPs to transact in both asset and portfolio sales - meaningful increase in private credit assets being sold by LPs (LP-led secondaries) and GPs (GP-led secondaries and continuation funds)
- **Uncertainty and episodic volatility has created opportunities for managers that seek Complexity rather than beta**
 - Not just a spread premium anymore; as the "illiquidity-only" trade gets competed away, complexity is what you are getting paid for
 - Structurally mis-financed capital structures, overlooked/misunderstood cash flows

2026 PRIVATE DEBT THEMES

Special Situations/ Stressed

- There is a growing of companies have already “kicked the can down the road” - further constraining options for their existing debt relative to last year; growing stress and distress in lower-quality parts of both public and private credit
- Defaults and stress are being masked by cov-lite, amendments & extensions, restructurings/liability management exercises, PIK, non-accruals, debt-for-equity exchanges and downgrades
- Focused on two main areas: 1) Forced Selling (Stressed & Non-Performing) 2) Financial & Operational Restructuring/Turnarounds

Credit Secondaries

- The structural growth of private credit, the maturation of many funds, and the increasing focus on secondary liquidity have created tailwinds
- Uptick in LPs looking to sell due to lack of distributions/liquidity concerns/portfolio rebalance
- The rise of new vehicles targeting private wealth/retail/insurance and industry consolidation is driving a lot of GP-led activity

Opportunistic Lending

- Opportunity to provide conservatively structured, oftentimes senior secured, loans that can still drive a return premium relative to direct lending beta
- Requires a specialized expertise; GPs must structure bespoke transactions, navigate complexity, and/or apply deep industry or asset knowledge. These barriers to entry reduce capital supply and support premium pricing.
- Return generation tend to be more income-oriented

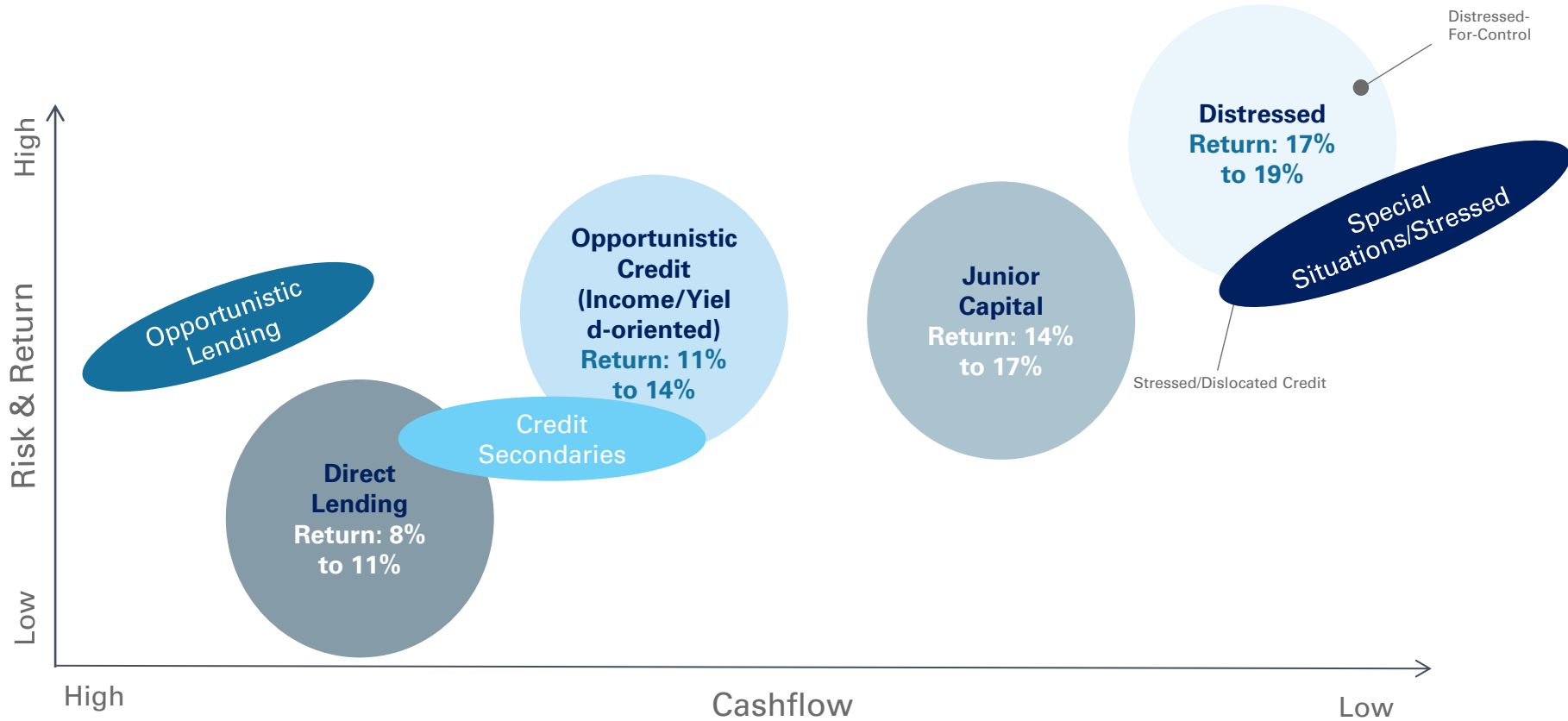
2026 PRIVATE DEBT THEMES

Theme	Overview	Merits	Risks	Implementation
Special Situations/ Stressed	<p>The combination of underwriting deterioration, macro & structural tailwinds and specific warning signs have led to elevated vulnerabilities in the credit markets, especially in lower-quality segments of the market</p> <p>Economic uncertainty (slower growth, higher rates) and higher levels of leverage in parts of the economy, especially among lower-quality credits</p>	<p>Growing opportunity set driven by structural shifts in addition to macro headwinds - companies that can no longer “amend & extend”</p> <p>Equity-upside/equity-like returns through low entry points and/or private equity-like value creation (restructuring)</p>	<ul style="list-style-type: none"> • “Beta” or “Value Trap” distressed (buying everything that’s cheap) • Execution risk - “Actual” manager capabilities • Concentrated sector bets • “Value trap” • Longer hold periods/higher risk tolerance needed 	<p>Benefit to Client Portfolios</p> <ul style="list-style-type: none"> • Total return enhancement • Natural market hedge <p>Strategy Options</p> <ul style="list-style-type: none"> • Opportunistic credit • Special Situations
Credit Secondaries	<p>LPs are in search of capital solutions for portfolio management purposes (ex. liquidity needs, rebalancing, etc.) and strategic goals (ex. change in mandate, relieve administrative burden, etc.)</p> <p>GPs are seeking financing for fund & asset-level purposes (ex. extend duration to maximize value, crystallize performance, etc.) and strategic goals (ex. balance sheet capital, develop new product offerings, etc.)</p>	<p>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 target better risk adjusted returns</p>	<ul style="list-style-type: none"> • Counterparty risk • Inadequate price discount • Misalignment/poor deal structuring • Underperformance of underlying portfolio companies • Managers with larger pools of capital 	<p>Benefit to Client Portfolios</p> <ul style="list-style-type: none"> • Diversification • Shorter duration <p>Strategy Options</p> <ul style="list-style-type: none"> • Credit secondaries • Opportunistic Credit
Opportunistic Lending	<p>While some segments of private debt are highly competitive, certain opportunities remain more insulated because they require specialized expertise. These situations demand GPs who can structure bespoke transactions, navigate complexity, and/or apply deep industry or asset-level knowledge.</p>	<p>These barriers to entry reduce capital supply, support premium pricing and/or afford greater downside protection.</p>	<ul style="list-style-type: none"> • If supply/demand dynamics worsen • GP’s not having requisite level of expertise • Counterparty risk 	<p>Benefit to Client Portfolios</p> <ul style="list-style-type: none"> • Return Enhancement • Diversification <p>Strategy Options</p> <ul style="list-style-type: none"> • Complex situations • Private credit ABL • Section/industry specialists



STRATEGY SELECTION

CASHFLOW & RETURN PROFILE



Source: NEPC Analysis

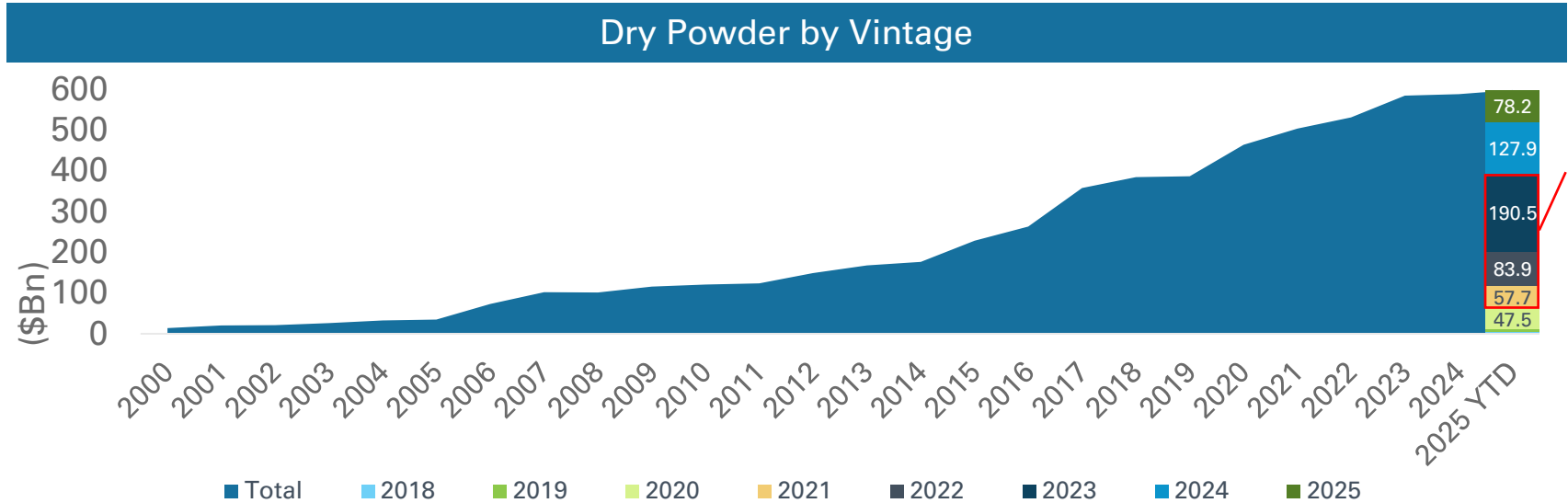
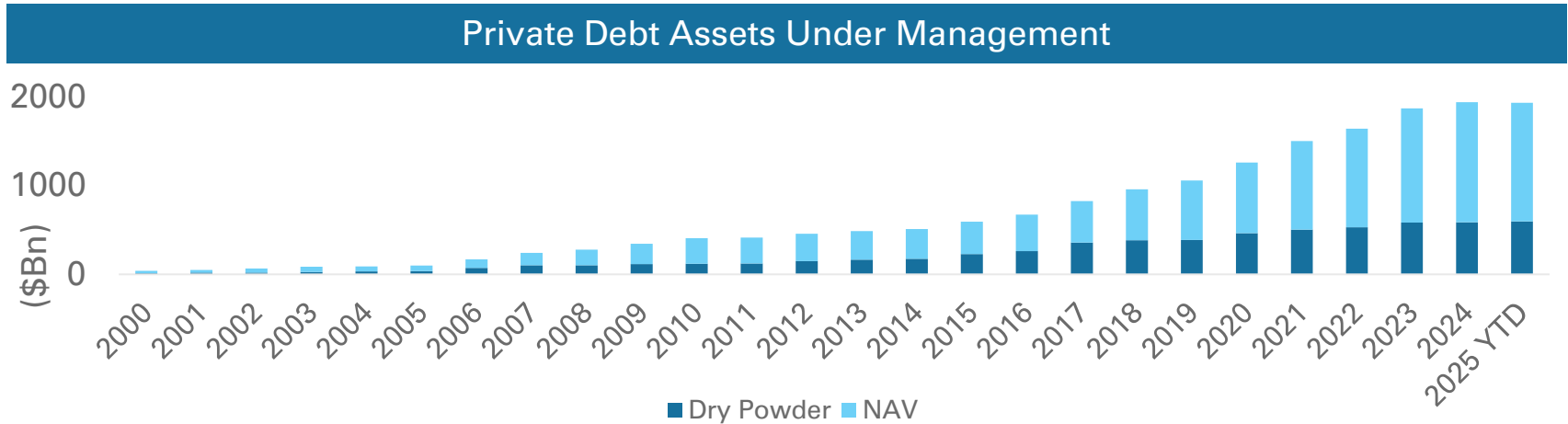
YEAR-IN REVIEW

Private Debt



PRIVATE DEBT ASSETS UNDER MANAGEMENT

OVERALL AUM CONTINUES TO GROW BUT SUPPLY IS BUILDING



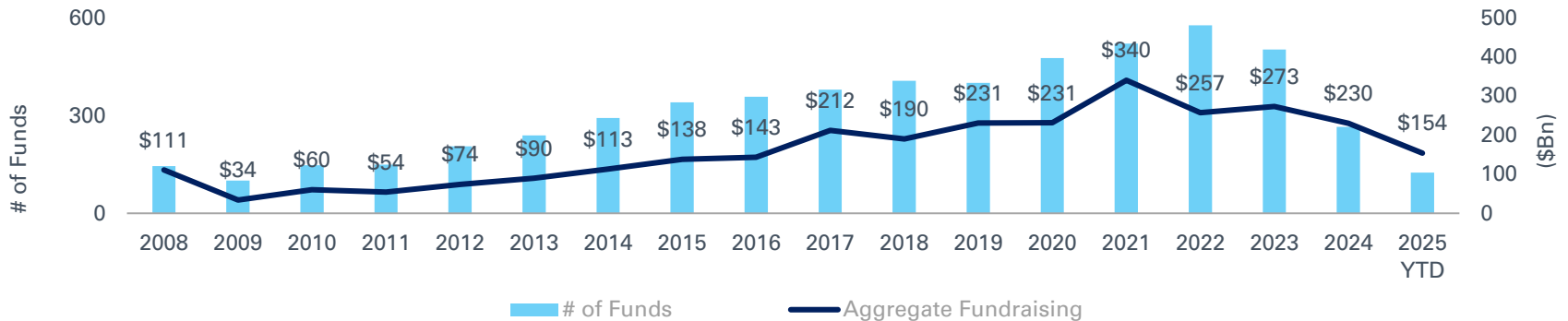
Source: Pitchbook as of 3/31/2025



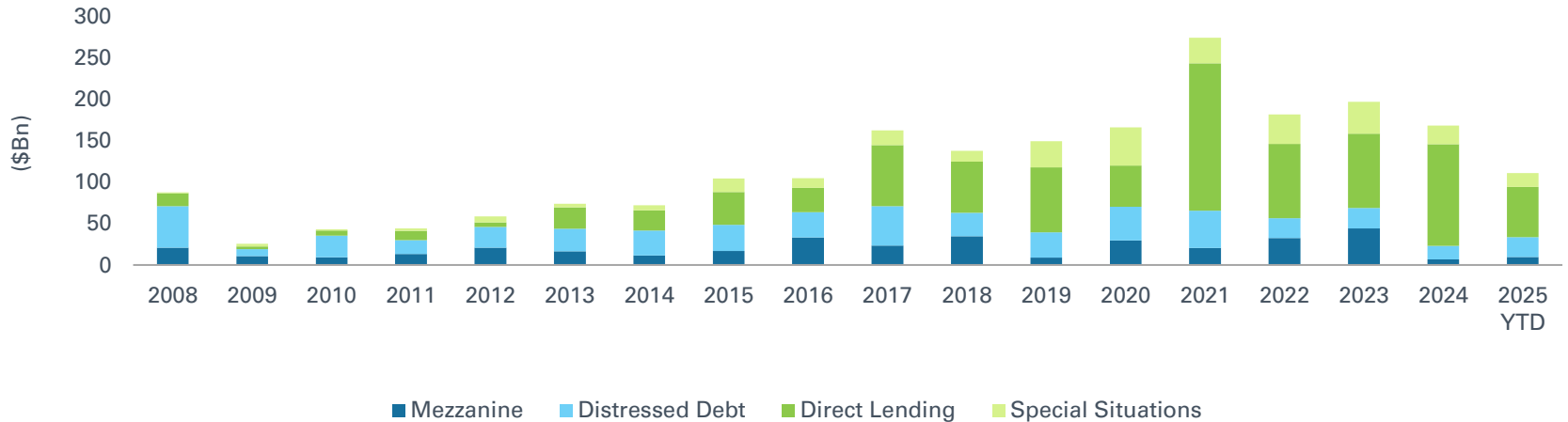
FUNDRAISING

OVERALL DECLINE IN DIRECT LENDING STRATEGIES...BUT THERE'S MORE TO THE STORY...

Aggregate Private Debt Fundraising



Fundraising by Strategy Type



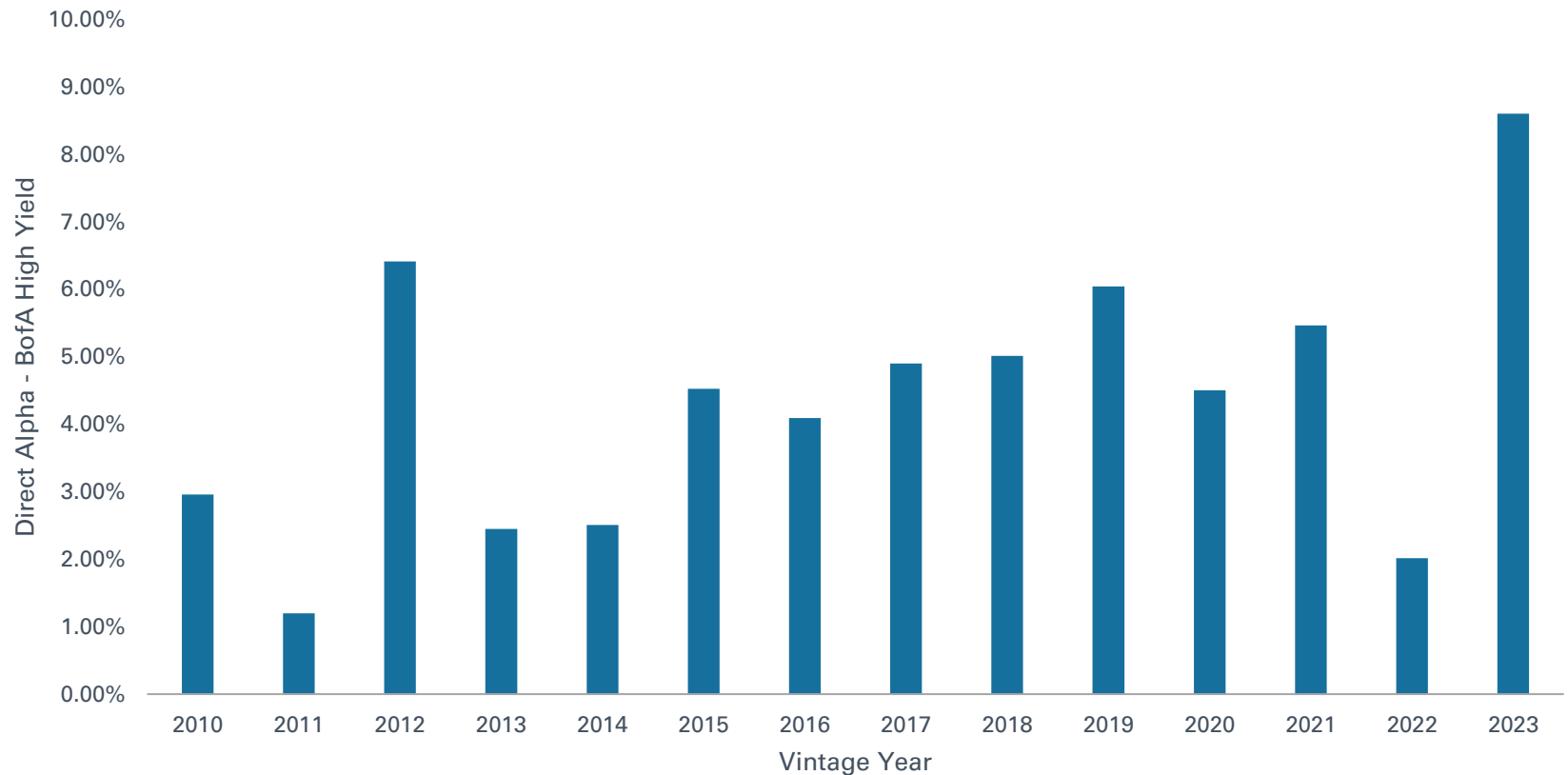
Source: Pitchbook as of 9/30/2025



PUBLIC MARKET EQUIVALENT (“PME”)

CONSISTENT OUTPERFORMANCE BUT NOT ENTIRELY CYCLE TESTED

Global Private Credit PME



Source: Thomson One/C|A and BofA Merrill Lynch as of 06/30/2025

PD Out/Under-performance is shown based on a PME using the pooled cash flows of all funds across Private Credit

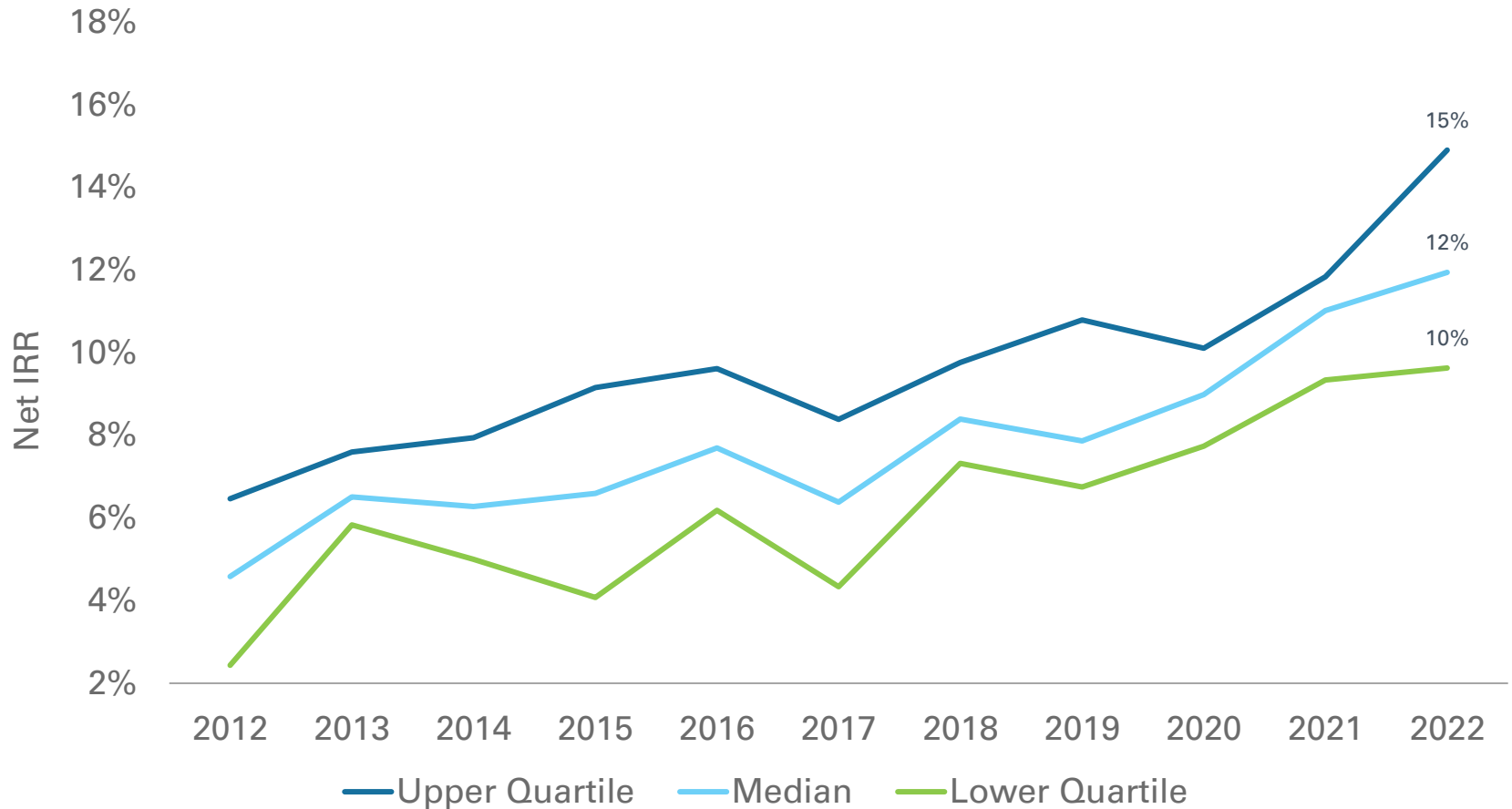
PME method is Direct Alpha and benchmark is BofA HY Index as of 06/30/2025

No NEPC clients are in vested in these exact strategies and have not achieved these returns – for illustrative purposes only.



DIRECT LENDING PERFORMANCE

RELATIVELY STABLE OVER TIME



Source: Thomson One/CJA as of 6/30/2025

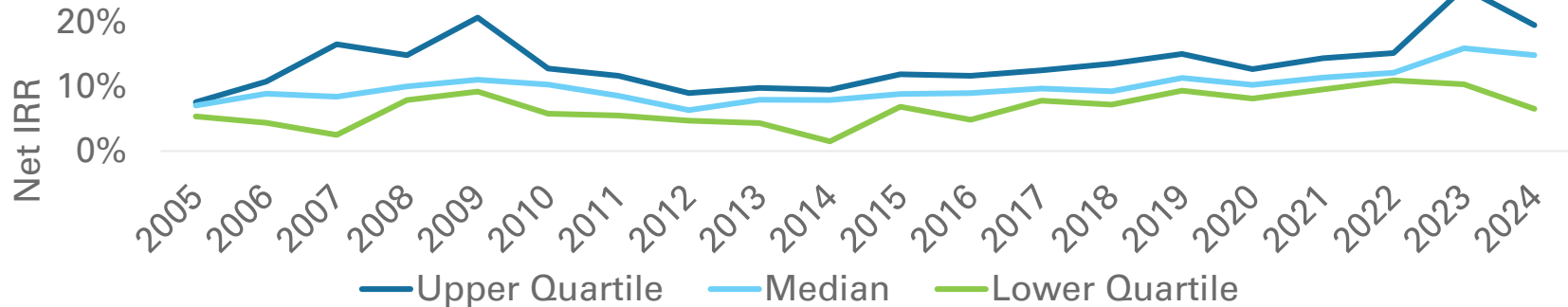
No NEPC clients are invested in these exact strategies and have not achieved these returns – for illustrative purposes only.



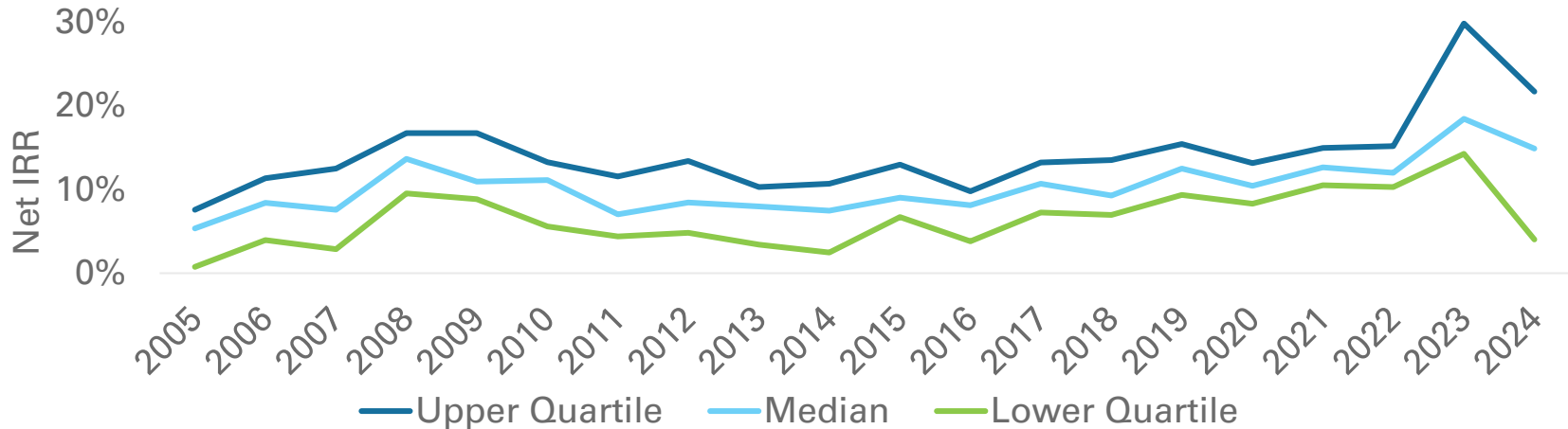
PERFORMANCE

HEIGHTENED IMPORTANCE ON MANAGER SELECTION

Junior Capital/Opportunistic Credit



Distressed/Opportunistic Credit



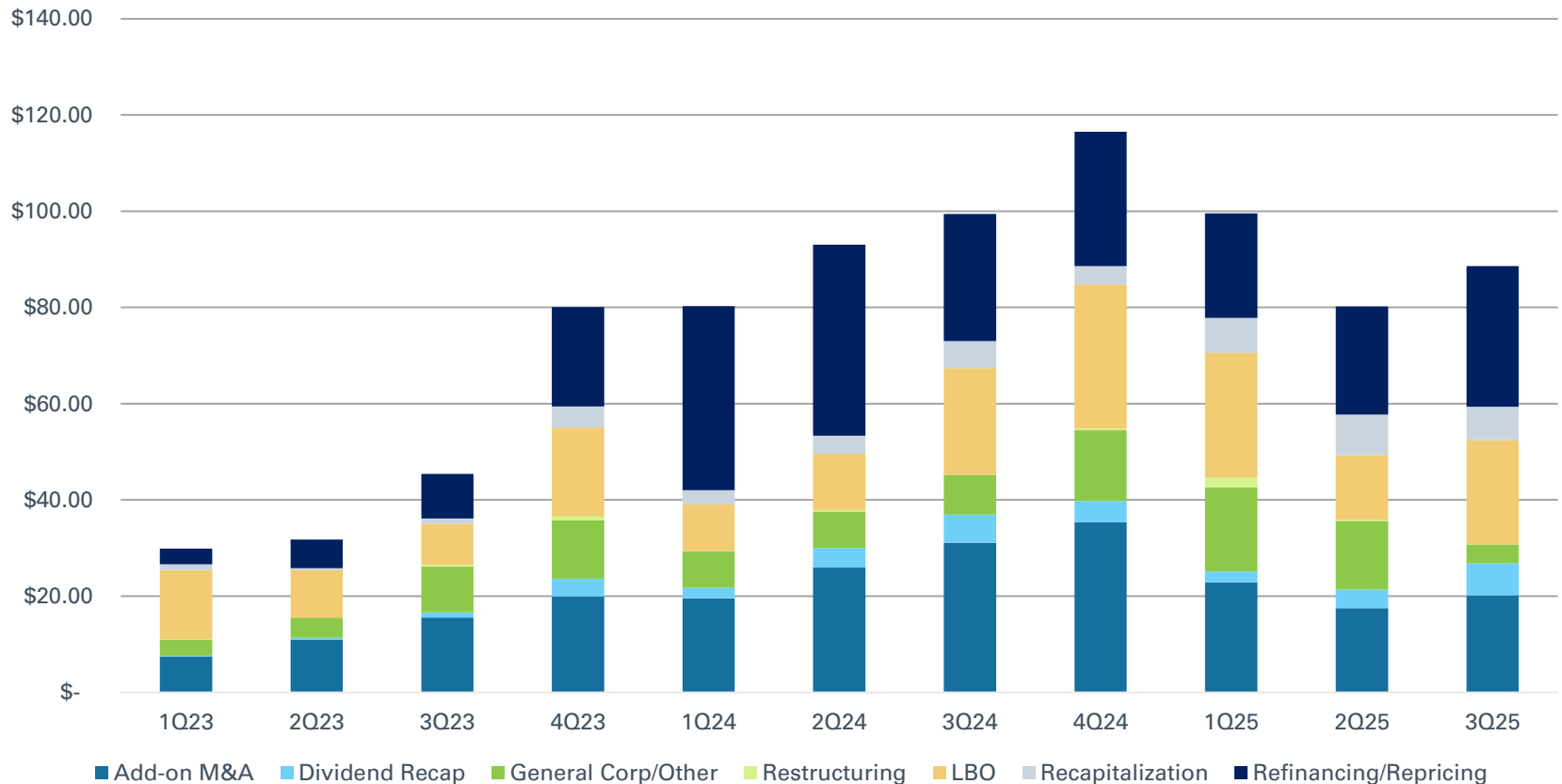
Source: Thomson One/CJA as of 6/30/2025

No NEPC clients are invested in these exact strategies and have not achieved these returns – for illustrative purposes only.



US SPONSORED DL VOLUME BY PURPOSE (\$BN)

LBOS, M&A AND OVERALL ACTIVITY HAS PICKED UP BUT WILL TAKE TIME

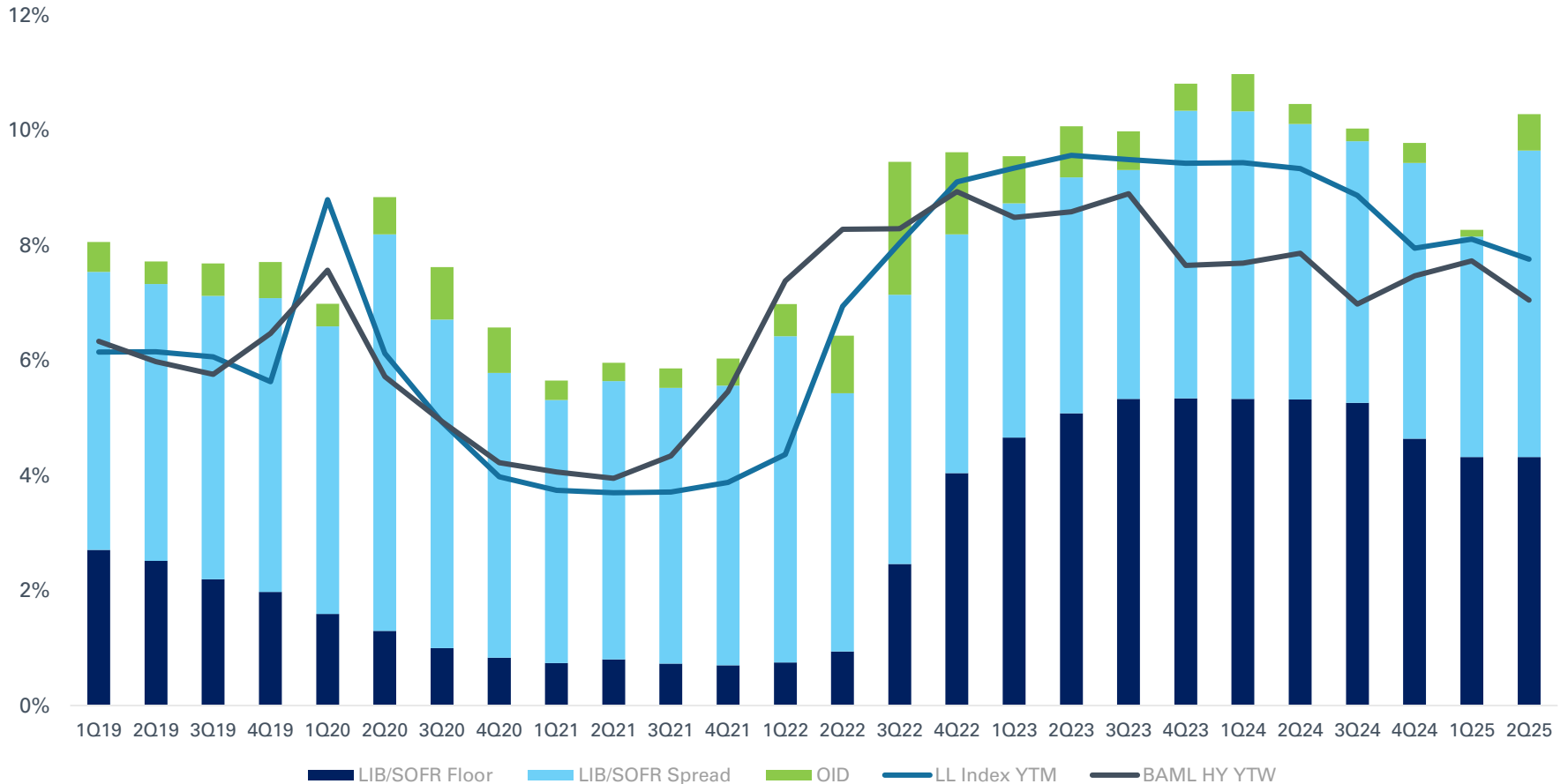


Source: LSEG LPC as of October 2025.



PUBLIC VS. PRIVATE YIELD COMPARISON

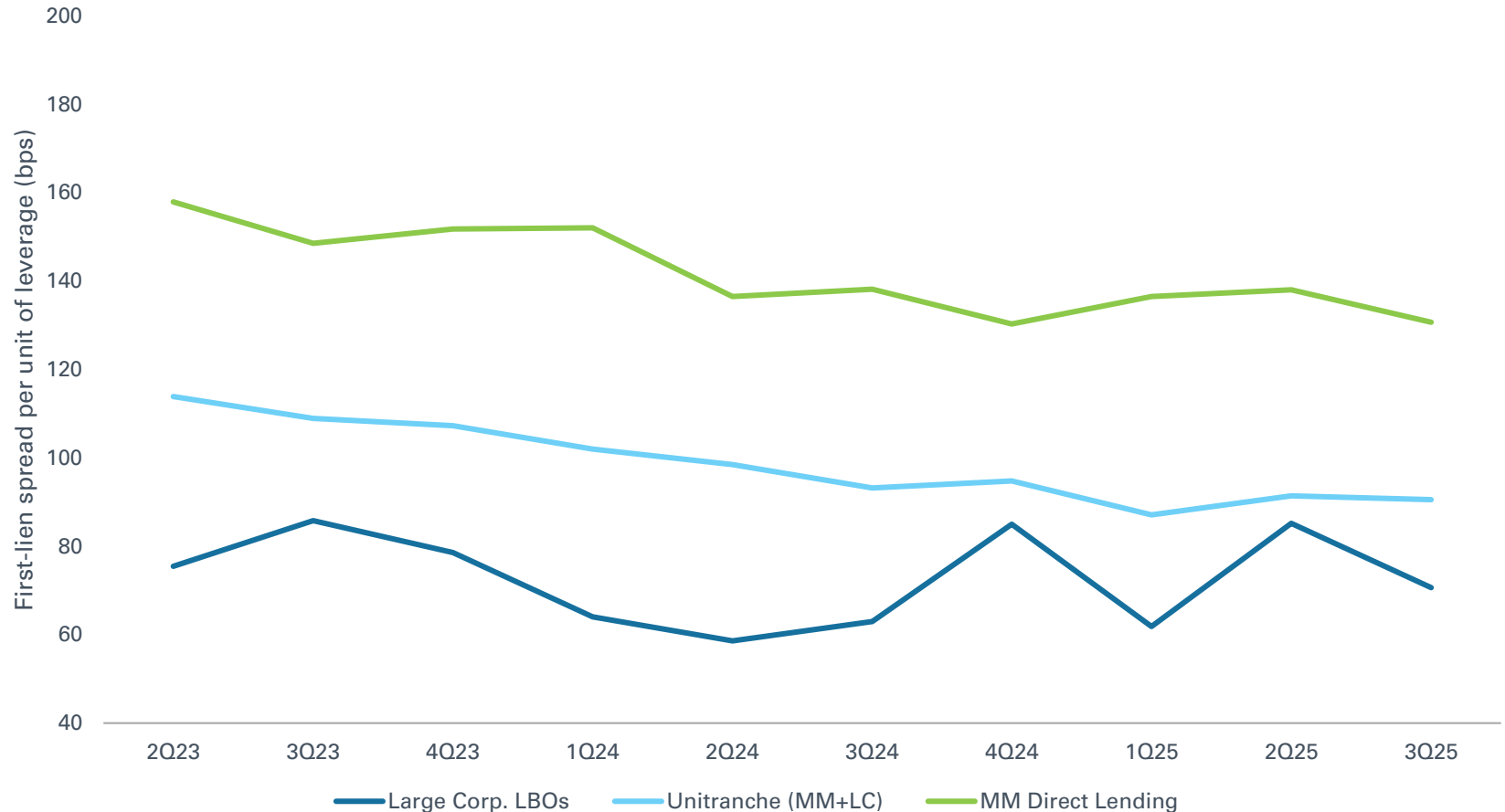
MIDDLE MARKET YIELDS STILL GENERATING PREMIUM



Source: LSEG LPC, FactSet, Bloomberg

SPREAD PER UNIT OF LEVERAGE

MIDDLE MARKET COMPANIES STILL BETTER PROTECTED IN HIGHER RATE ENVIRONMENT



Source: LSEG LPC



PRIVATE DEBT IN TODAY'S HEADLINES



STRUCTURAL MISMATCHES AND MISLEADING NARRATIVES

Exhibit A: Page 19



- Addressing Recent Headlines

- Private credit has become a frequent headline topic, recently
- Largely per structural mismatches in **retail-focused private credit funds**
 - Funds holding illiquid loans within more liquid fund structures

- Addressing Valuation Questions

- While GPs have discretion within valuation ranges; direct lending valuations rely on credit fundamentals, not short-term market trends
- Valuation inconsistencies arise mostly at borrower level, and less at portfolio level. We continue to place importance on manager-specific governance and disclosures
- We continue to track the indicators that affect portfolio valuation, e.g., spread compression, leverage levels, defaults, non-accrual rates, coverage ratios, PIK, sector concentration dispersion, etc.

TECHNOLOGY SECTOR EXPOSURE AND IMPLICATIONS FOR PRIVATE DEBT

Exhibit A / Page 20



- **AI Disruption Impact**

- AI disruption has increased risk concerns in tech, potentially affecting some private credit portfolios with challenged software exposure.
- Concerns have not fully flowed through portfolios yet but have been magnified by recent headlines.

- **Uncertain and Uneven Outcomes**

- Some public market firms have recently seen stock declines. This appears mainly per multiple contraction vs declining profit margins, but long-term outcomes remain uncertain.
- Private software loans are primarily at top of cap structure.
- We continue to emphasize sector diversification and prudent underwriting.
- Not all software is equal-dispersion is high. AI sector disruption should also create high upside opportunities for investors.

WHAT DOES IT ALL MEAN?



What Does It All Mean?

- Real cyclical pressures are emerging: compressed spreads, rising non-accruals, sector concentration & liquidity challenges
- **No systemic risk** – Limited risk of broad liquidity collapse or widespread insolvencies
- Expect **increased dispersion** across managers, vintages, sectors & structures
- More scrutiny on valuations + higher restructurings (mostly borrower- & segment-specific)

Key Implications for Investors

- Manager quality & vehicle design are now **paramount**
- Focus on: conservative underwriting, diversification (vintages, sub-sectors, borrowers), strong workout capabilities & valuation transparency
- Modest rise in volatility ahead – Review portfolios & demand greater transparency

Opportunity Ahead

- Early-to-mid cycle stress historically has improved forward returns
- Well-structured private credit offers both **resiliency** and selective investment opportunities

2026 PRIVATE DEBT THEMES



2026 THEME

Special Situations/Stressed



SPECIAL SITS OVERVIEW

Below the surface, stress continues to build...

What is Happening?

The combination of underwriting deterioration, macro & structural tailwinds and specific warning signs have led to elevated vulnerabilities in the credit markets, especially in the lower-quality segments of the market. Economic uncertainty (slower growth, higher rates) and higher levels of leverage has disproportionately affected a growing number of companies that have, proverbially, already “kicked the can down the road” and can’t amend & extend their debt anymore

So What?

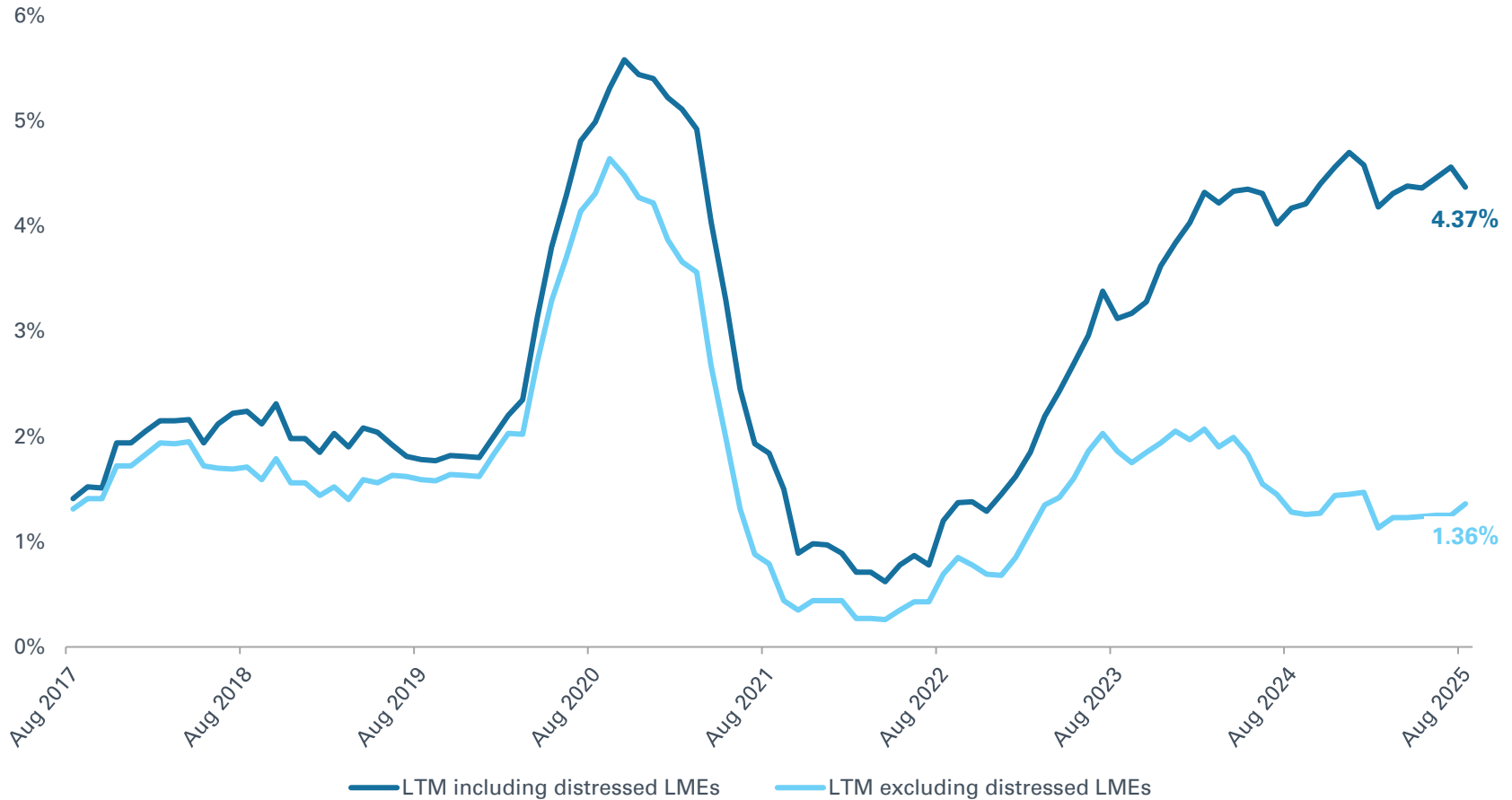
2026 is compelling because refinancing stress, elevated rates, weakening earnings, and a liquidity vacuum has created forced sellers — enabling special situations/stressed investors to buy assets at a lower entry basis, structure deals favorably including potential for control, convert debt to equity and capture both income and equity upside.

Call to Action

Although next year does not indicate a full distressed cycle, investors should seek managers that are “distress forward”; distressed backgrounds including both financial and operational restructuring experience. These managers usually have front-loaded risk management, back-ended equity upside and realized performance across market cycles

US LEVERAGED LOAN DEFAULT RATES

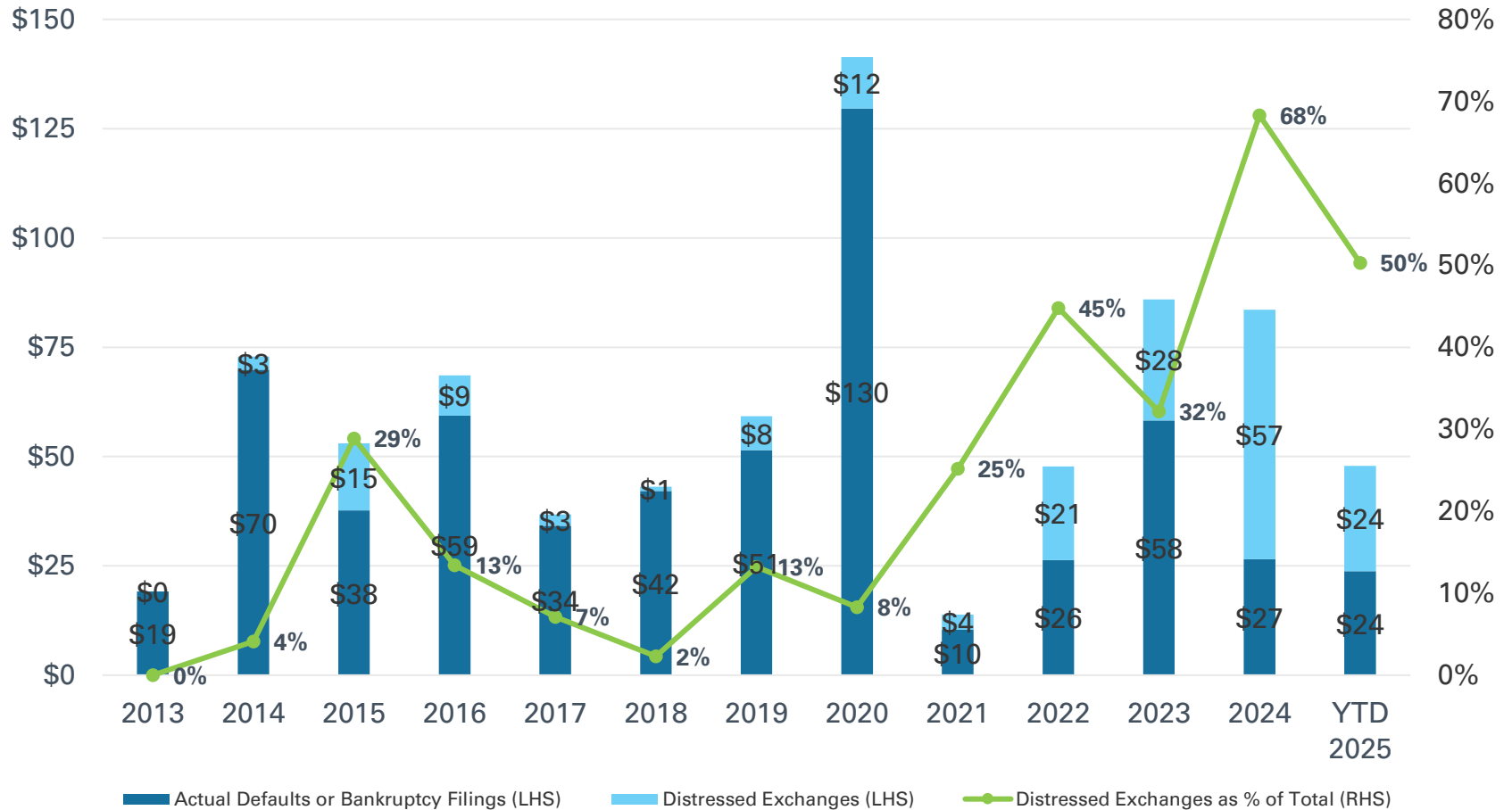
LIABILITY MANAGEMENT EXERCISES CONTINUE TO MASK THE DEFAULT LANDSCAPE



Source: Pitchbook / LCD as of 8/31/2025

ANNUAL DEFAULT VOLUME

INCLUSIVE OF DISTRESSED DEBT EXCHANGES

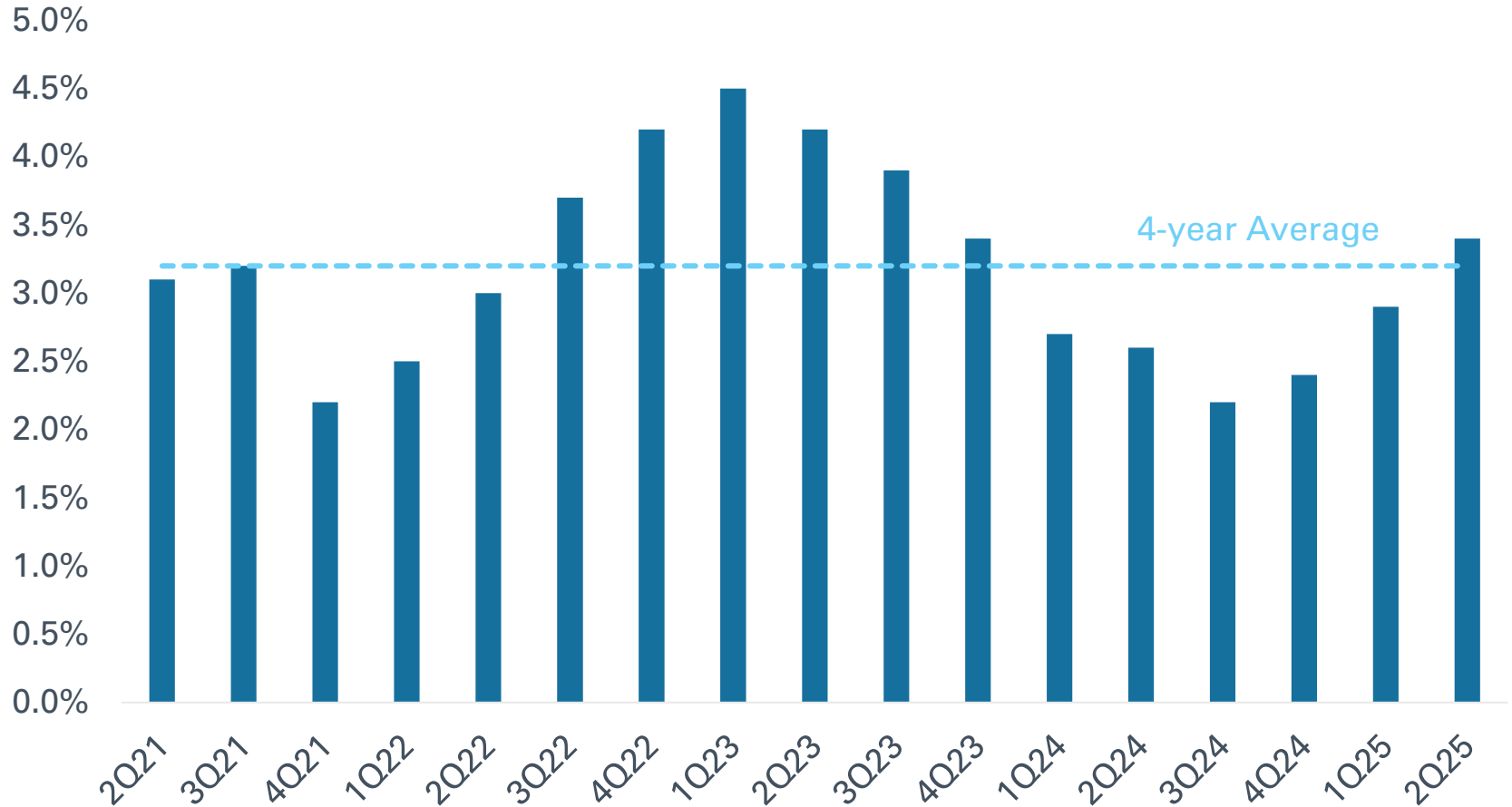


Source: Data was provided by TPG AG and was originally sourced by J.P. Morgan.
The YTD 2025 data is as of October 31, 2025.



DIRECT LENDING COVENANT DEFAULT RATE

LOWER QUALITY DEALS GETTING MORE EXPOSED



Source: Lincoln International as of 6/30/2025

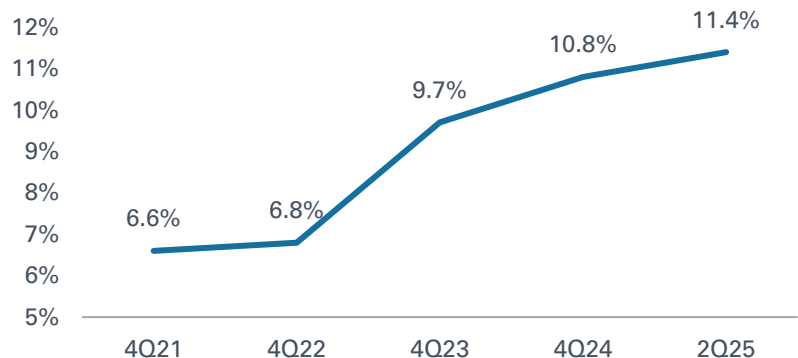


SIGNALS POINTING TOWARDS STRESS IN DIRECT LENDING

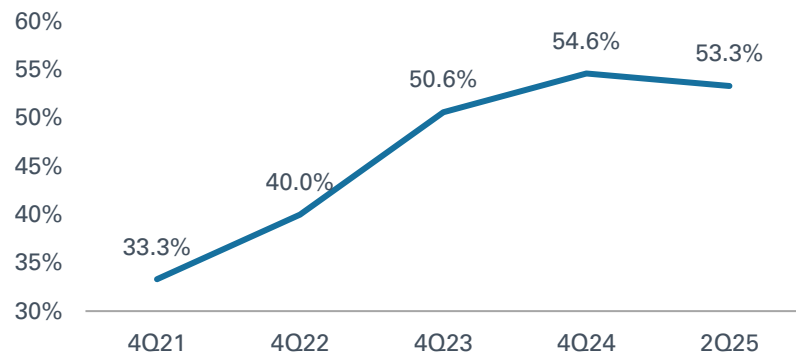
Exhibit A: Page 28

BUILD UP CONTINUES ESPECIALLY IN CERTAIN SEGMENTS

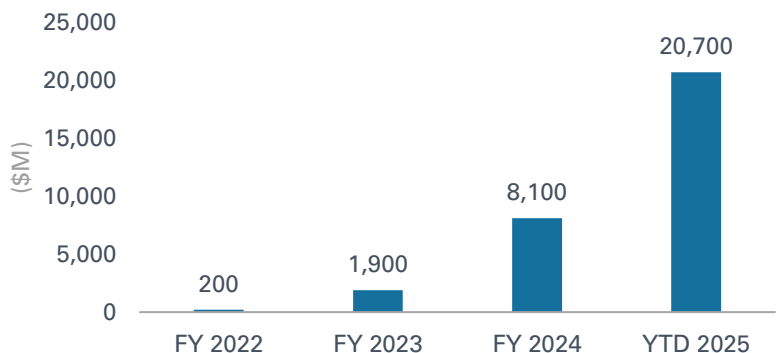
% of Investments with PIK



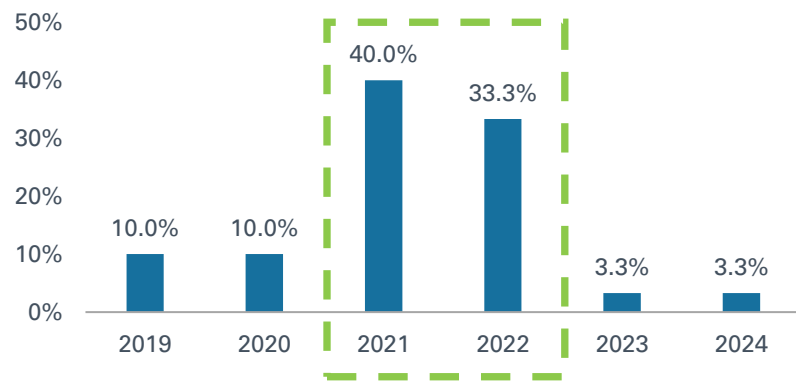
% of PIK that's "Bad" PIK



Total Debt Foreclosed



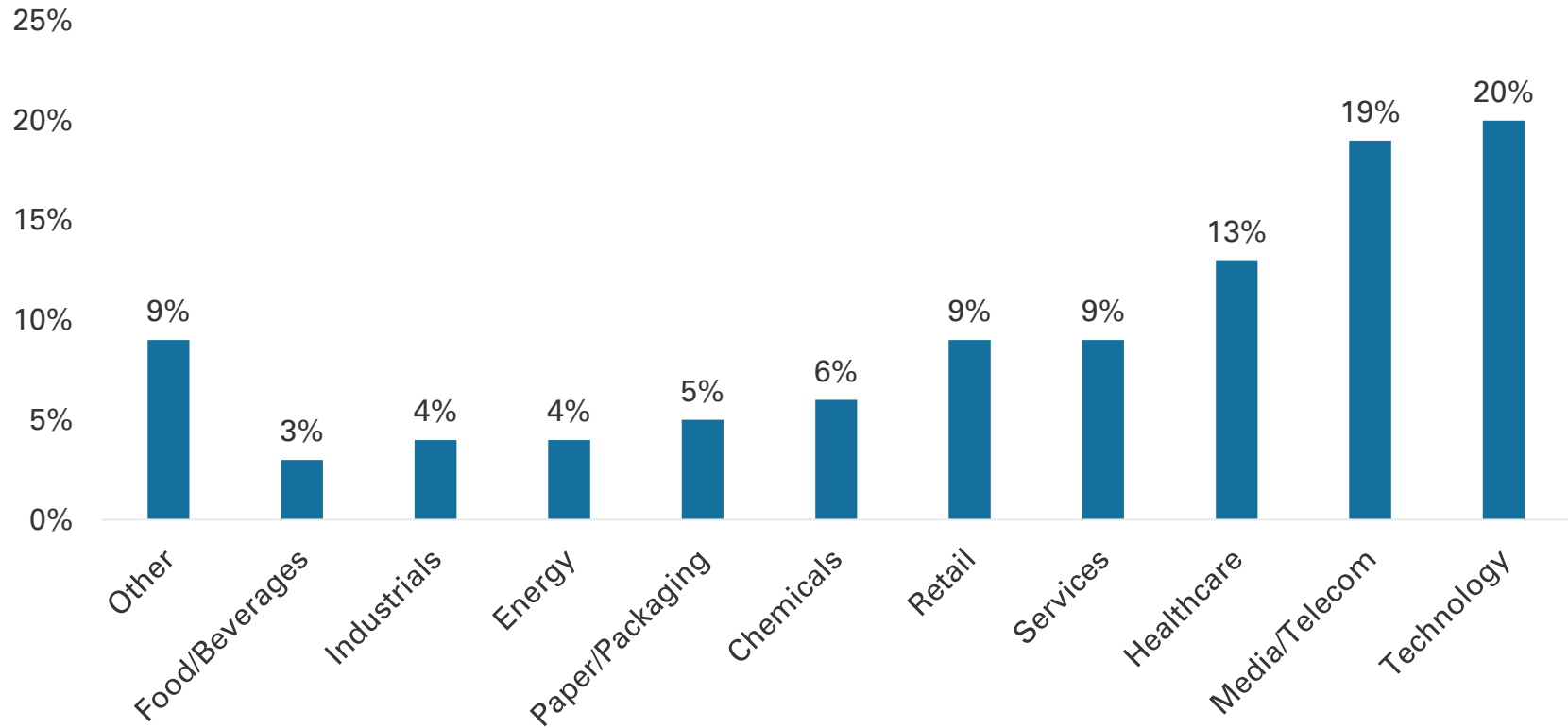
2025 Foreclosed Debt by VY



Source: Lincoln International as of 6/30/25

DISTRESS CONCENTRATED IN DISRUPTED SECTORS

Distressed Universe by Industry



As of September 30, 2025. Source: J.P. Morgan Default Monitor. 1. Media / Telecom represents aggregate default volume of Broadcasting, Cable & Satellite, Diversified Media and Telecom; Retail represents aggregate default volume of Consumer Products and Retail; Other represents aggregate default volume of all other industries. Distressed assets represent bonds with spreads over 1,000 bps and loans priced below \$80 in the JP Morgan HY and Loan Indices.



MIGRATION OF RISK FROM BONDS TO LOANS

HY QUALITY HAS IMPROVED WHILE LOAN QUALITY HAS DETERIORATED

Leveraged Loan Market Composition Changes

Single B Downgraded Exposure

28%



62%

% Deals >5x Leverage

20%



40%

1st Lien LBO Leverage

2.4x



4.9x

As of October 31, 2025, unless noted otherwise. Changes to composition represent characteristics as of January 2004 and October 2025, respectively. Exposures are based on percentage of face value. 1. Source: ICE BofA ML HY Index. 2. Source: S&P LSTA Loan Index; Bloomberg; Morgan Stanley Research; LCD Quarterly Leveraged Lending Review. Single-B exposure based on S&P LSTA Loan Index. Percentage of deals with over 5x leverage based on large corporate transactions of issuers with over \$50 million in EBITDA for the LCD universe of loan issuers; as of September 30, 2025. 1st lien leverage based on LBO loans of issuers with over \$50 million in EBITDA for the LCD universe of loan issuers; as of September 30, 2025.

2026 THEME

Credit Secondaries



CREDIT SECONDARIES OVERVIEW

Private credit secondaries are the fastest growing part of the secondaries market.

What is Happening?

Currently, there is \$900 billion in NAV from 2017 to 2022 vintages, with funds focusing on duration, distributions, and liquidity. Pitchbook reports \$17 billion raised by the top four private credit secondaries funds in 2025.

What is Happening?

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 further increase due to several tailwinds.

Call to Action

Invest with managers who can be **selective**; top quartile performance will heavily depend on asset quality, deal structure, and timing. Larger funds may create artificial price floors for sellers but limit upside, smaller portfolios may be **less competitive** but potentially generate higher returns

TAILWINDS FOR INCREASED DEAL ACTIVITY

WHY SELL?

LP-Led Transactions

GP-Led Transactions

LPs | Tactical Reasons to Sell

- Short-term Liquidity Needs
- Portfolio Rebalancing
- Accelerating Distributions
- Reduce Unfunded Liabilities

GPs | Tactical Reasons to Sell

- Extend Duration to Maximize Asset Value
- Maintain AUM Base While Generating Liquidity for LPs
- Crystalize Performance
- Finance GP Commitments

LPs | Strategic Reasons to Sell

- Short-term Liquidity Needs
- Portfolio Rebalancing
- Accelerating Distributions
- Reduce Unfunded Liabilities

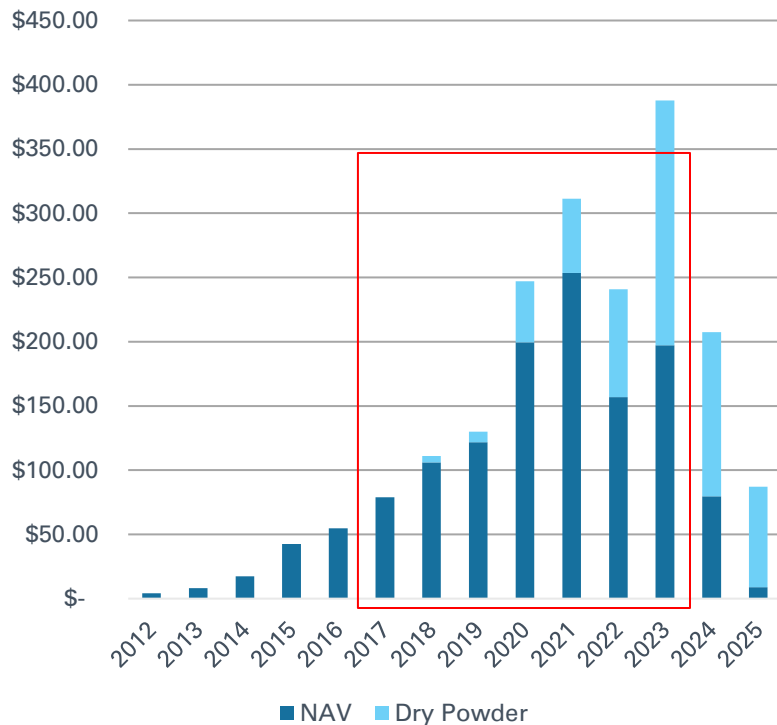
GPs | Strategic Reasons to Sell

- Seek Permanent Balance Sheet Capital
- Develop New Product Offerings
- Address Succession Planning Concerns
- Explore Growth Capital Alternatives

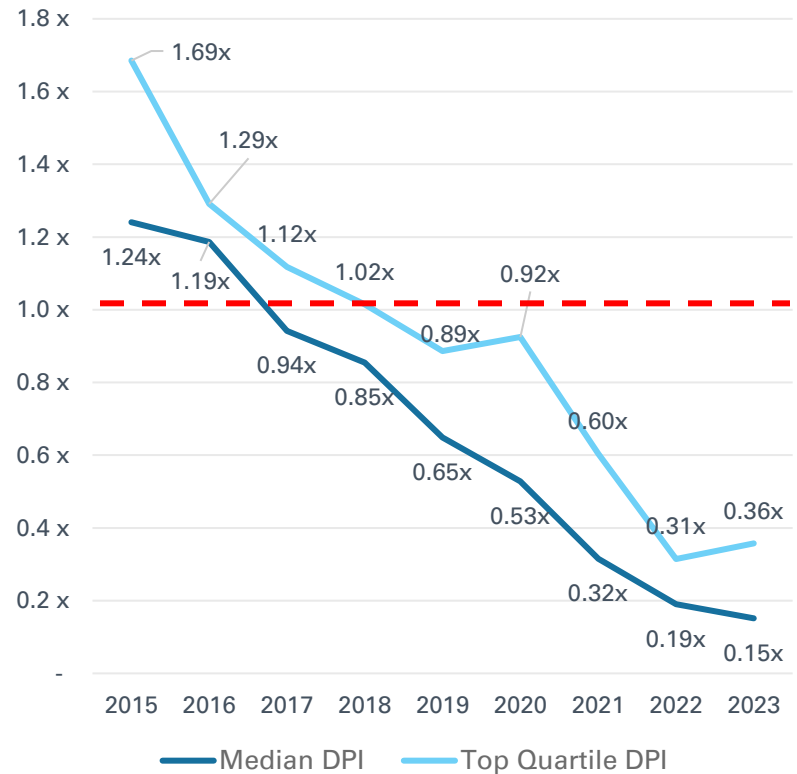
PRIVATE DEBT NAV & DISTRIBUTIONS

GROWING UNREALIZED NAV AND LACK OF REALIZATIONS HAS DRIVEN WILLINGNESS TO SELL ON THE SECONDARY MARKET

Private Debt AUM (\$BN)
NAV & Dry Powder by Vintage Year



Global Direct Lending DPI by
Vintage Year

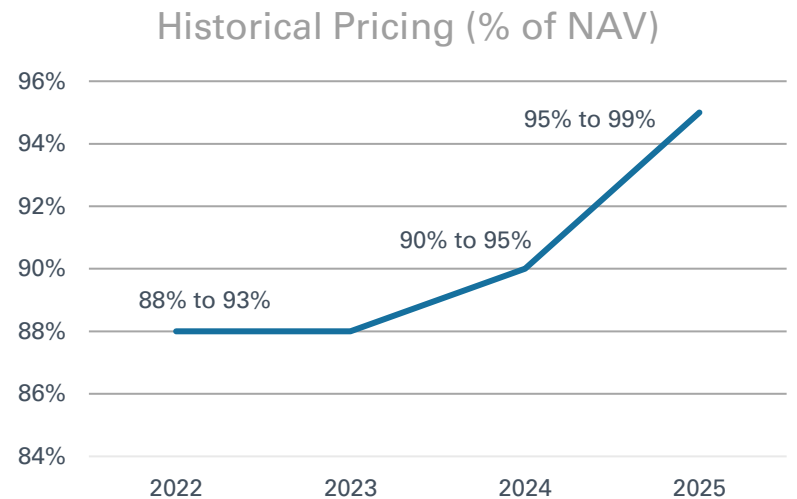
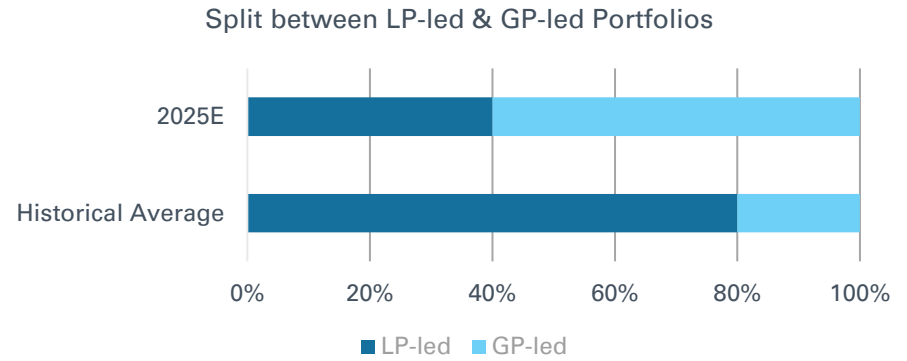
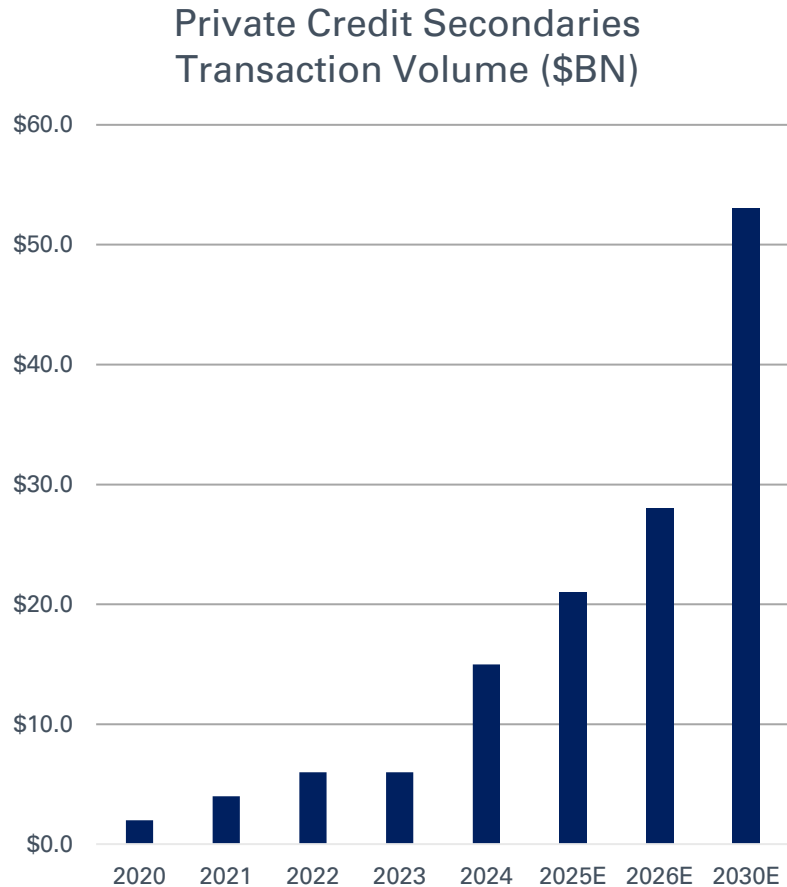


Source: Private Debt AUM from Pitchbook Q3 2025 Global Private Markets Fundraising Report Summary (data as of 3/31/2025); Global Direct Lending DPI from Preqin Global Direct Lending benchmark (data as of 6/30/2025).



CREDIT SECONDARIES

TRANSACTION VOLUME IS EXPECTED TO REACH \$53 BILLION BY 2030



Source: Transaction Volume Data from Evercore Private Capital Advisory FY 2024 Secondary Market Review (February 2025), Jeffries Private Capital Advisory 2024 Credit Secondaries Market Review (April 2025), and PJT Partners 1H 2025 Secondary Market Insight (July 2025). LP-led and GP-led transaction volume from Campbell Lutyens Research Secondary Market Overview Report (H1 2025). Pricing from PJT Partners 1H 2025 Secondary Market Insight (July 2025).

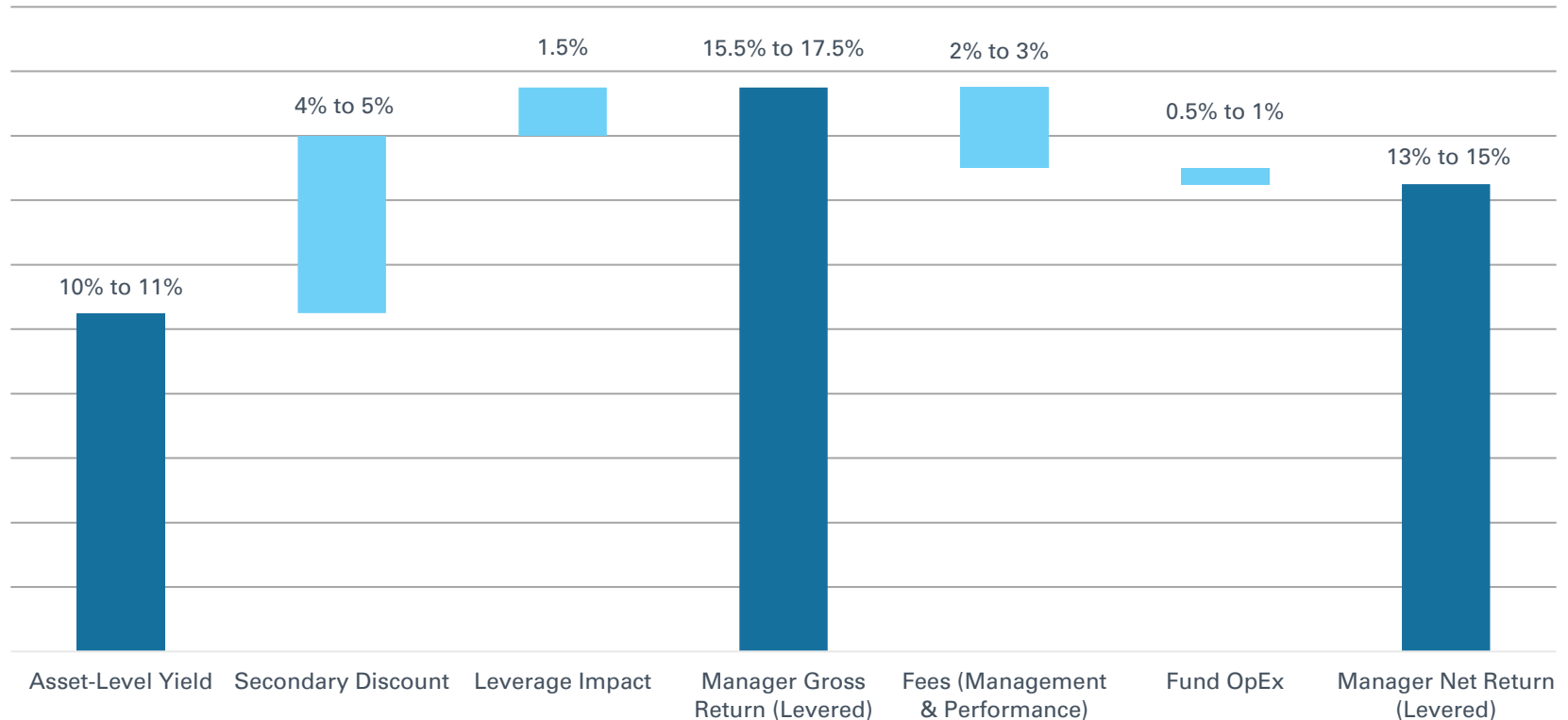


BENEFITS TO INVESTORS

LP-LED AND GP-LED PRIVATE CREDIT SECONDARIES



CREDIT SECONDARIES | RETURN BRIDGE



2026 THEME

Opportunistic Lending



OVERVIEW

What is happening?

- 1 Certain segments of private debt are dependent upon seeing a high velocity of deal flow that is clean and neatly packaged. Elevated rates and depressed M&A volumes have disrupted these opportunity sets, leading to heightened competition for any “cookie cutter” deals available.

So What?

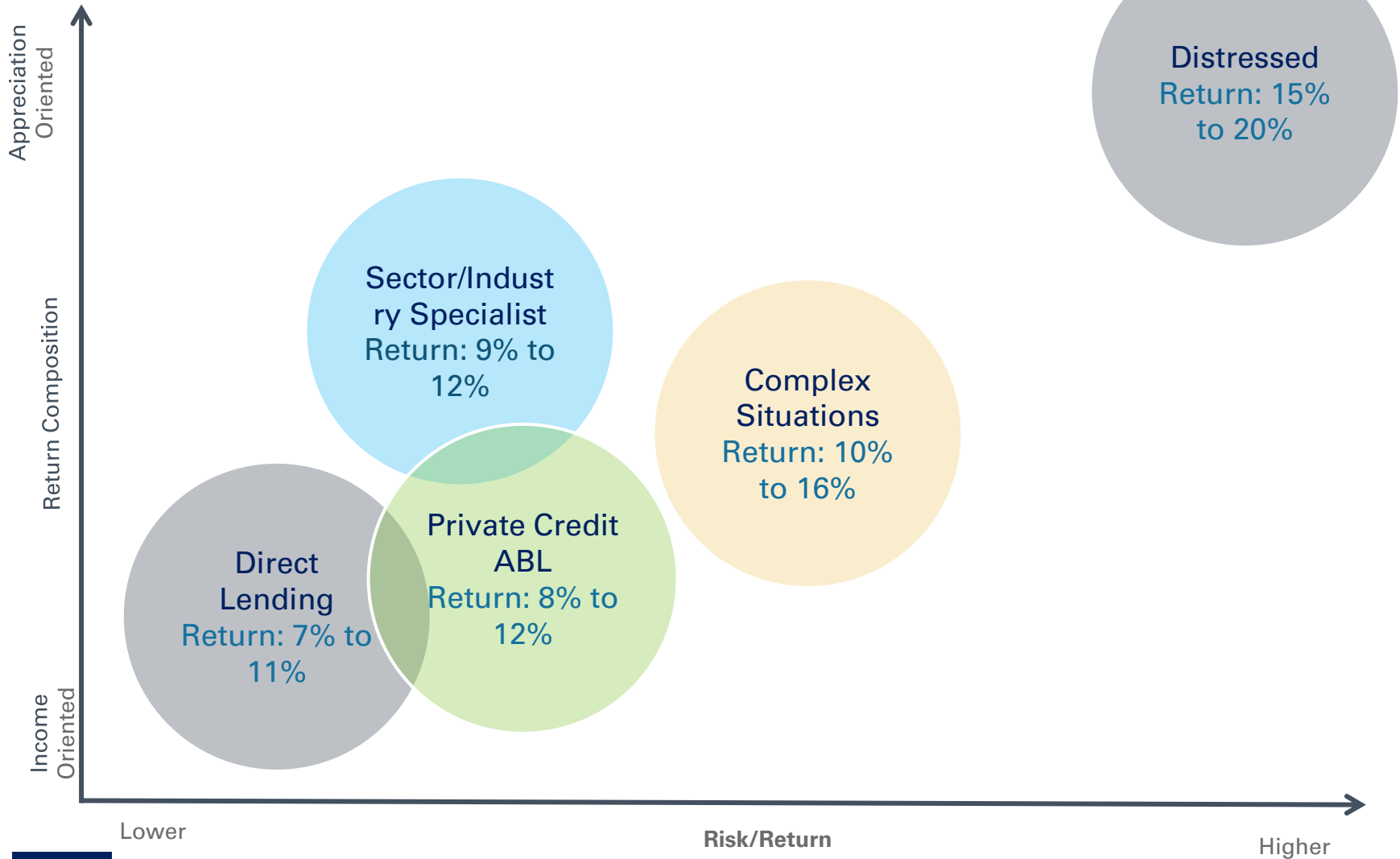
- 2 There are many interesting deals that are “falling through the cracks” in this market environment because they are misunderstood or do not fit neatly into a traditional structure.

Call to Action

- 3 Seek to partner with GP’s that have specialized skill sets and benefit from high barriers to entry. These strategies are more insulated from the heightened competition in other areas of the market, enabling them to generate a return premium and/or stronger downside protections.

IMPLEMENTATION MATRIX

OPPORTUNISTIC LENDING



2026 THEME: OPPORTUNISTIC LENDING

Complex Situations



DIRECT LENDING BETA VS. COMPLEX SITUATIONS

CURRENT MARKET ENVIRONMENT

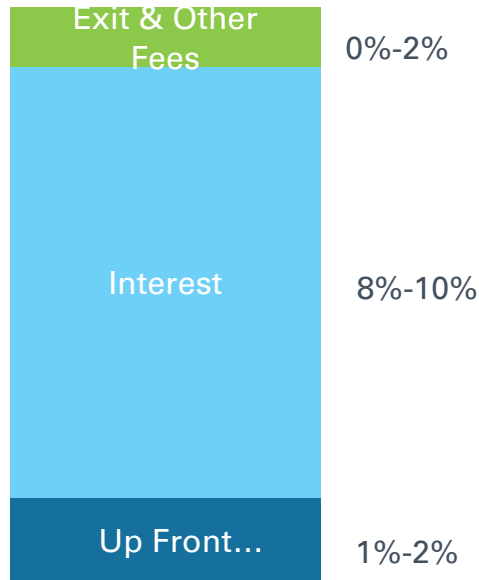
	Direct Lending Beta	Complex Situations
Borrower Profile	Performing borrower in a favorable industry seeking the cheapest cost of capital	Performing borrower with a complex/misunderstood profile or quick turnaround time requirements; not "cookie cutter" so has less access to more traditional or cheaper forms of capital
Relatively Limited Competition for Deals	X	✓
Persistent Spread Premium	Manager Specific	✓
Strong Loan Docs	Manager Specific	✓
Flexible Deal Structuring	X	✓
Less Likely to "Catch a Falling Knife"	✓	X
Less Reliant on Macro Environment for Deployment and Realizations	X	✓

Note: "Direct Lending Beta" is referring to areas where the majority of capital has been raised, which is therefore where the most competition is. This is not meant to be illustrative of the entire direct lending market, as there are still many GPs/offers and reasons to invest in traditional direct lending.



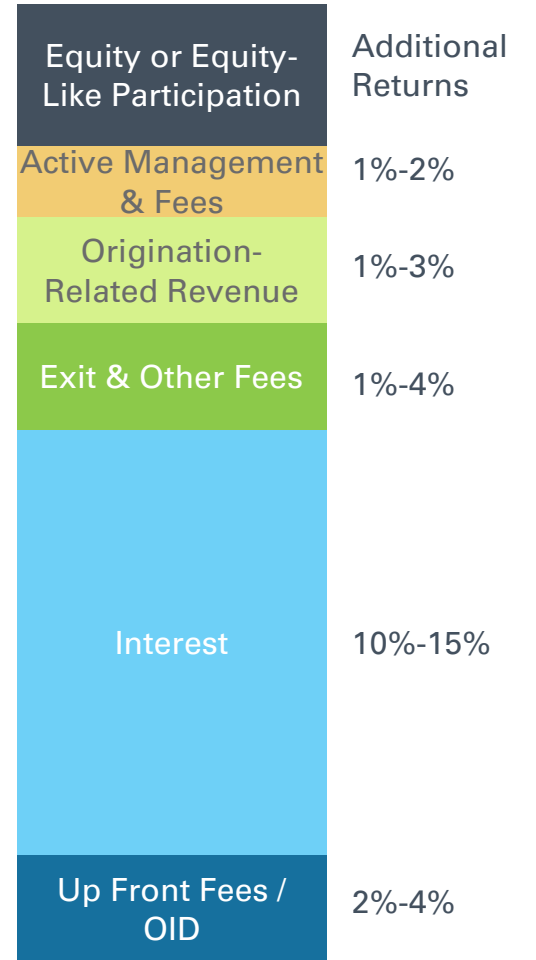
DEAL-LEVEL RETURN BRIDGE

Direct Lending Beta



Target
Gross
Return:
10%-14%

Complex Situations



Target
Gross
Return:
15%-25%



Source: NEPC analysis (December 2025)

2026 THEME: OPPORTUNISTIC LENDING

Private Credit ABL

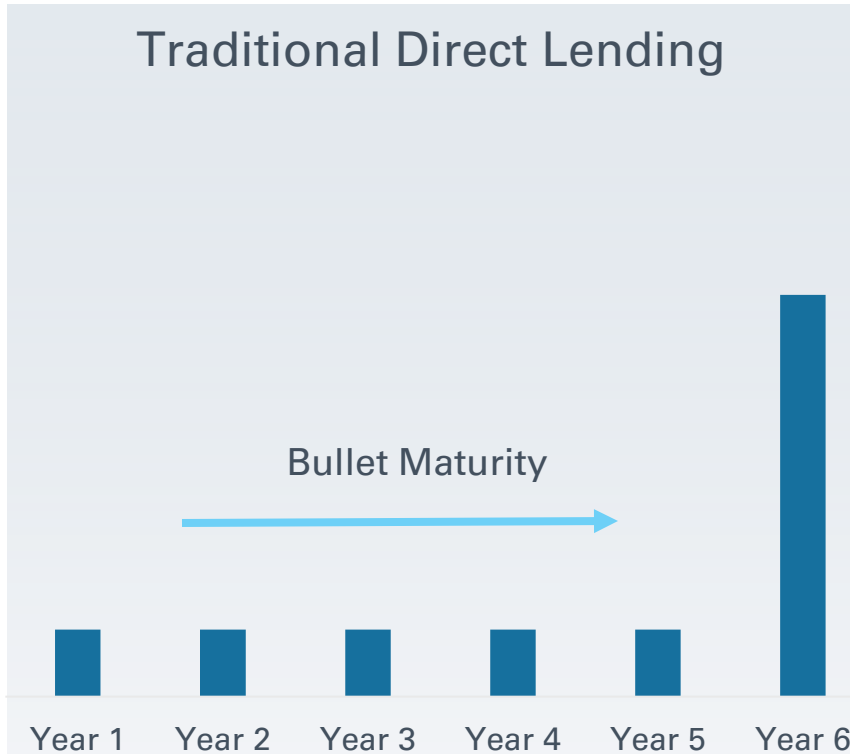


TRADITIONAL DIRECT LENDING VS. ABL

HOW ARE THEY DIFFERENT?

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

TRADITIONAL DIRECT LENDING VS. ABL



Usually only receives interest coupons until a realization event, such as a refinancing or sale of a company.



Often generates a high volume of front-loaded cash flows from the underlying assets. Not always reliant on a realization event.

DIFFERENT TYPES OF ABL

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

- Lend against cash flow streams generated by a physical or financial assets
- Financing to third-party originators
- Loan & lease portfolio acquisitions
- May participate in securitization markets

Note: Both investment types may be present in ABL funds

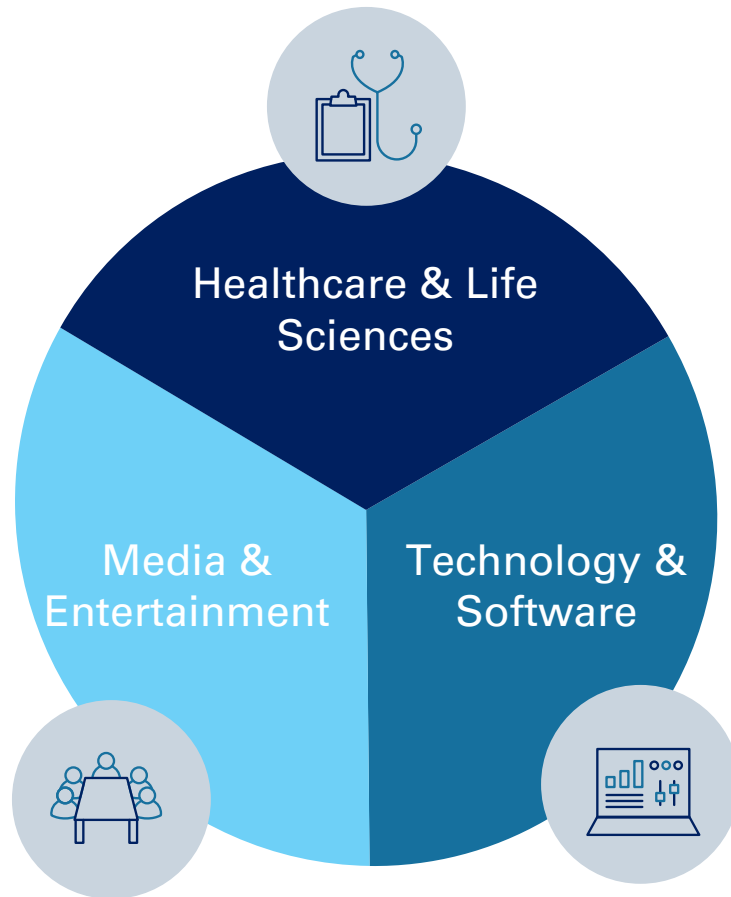
2026 THEME: OPPORTUNISTIC LENDING

Sector/Industry Specialist



SECTOR/INDUSTRY SPECIALIST

OVERVIEW



Common Deal Structures

- Senior Loans
- Junior Capital
- Equity and Equity-Like Participation
- Royalties
- Combination of Multiple Structures

Benefits of Specialization

- Deep domain knowledge may enable more precise risk assessment; aids in underwriting/structuring as well as portfolio monitoring
- Potential for differentiated origination capabilities; deep networks to source from and certain borrowers may prefer a lender that “speaks their language”

Considerations for Specialization

- Sector/industry concentration; if the sector/industry goes out of favor, it has an amplified impact

CONCLUSION



KEY TAKEAWAYS

THINGS TO CONSIDER IN 2026



Above & Below the Surface: Appearance vs. Reality



Beta vs. Actual Opportunities



Focus on Complexity



Manager Selection; Re-up with strong managers

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)

TOP-END OF MARKET IS CROWDED

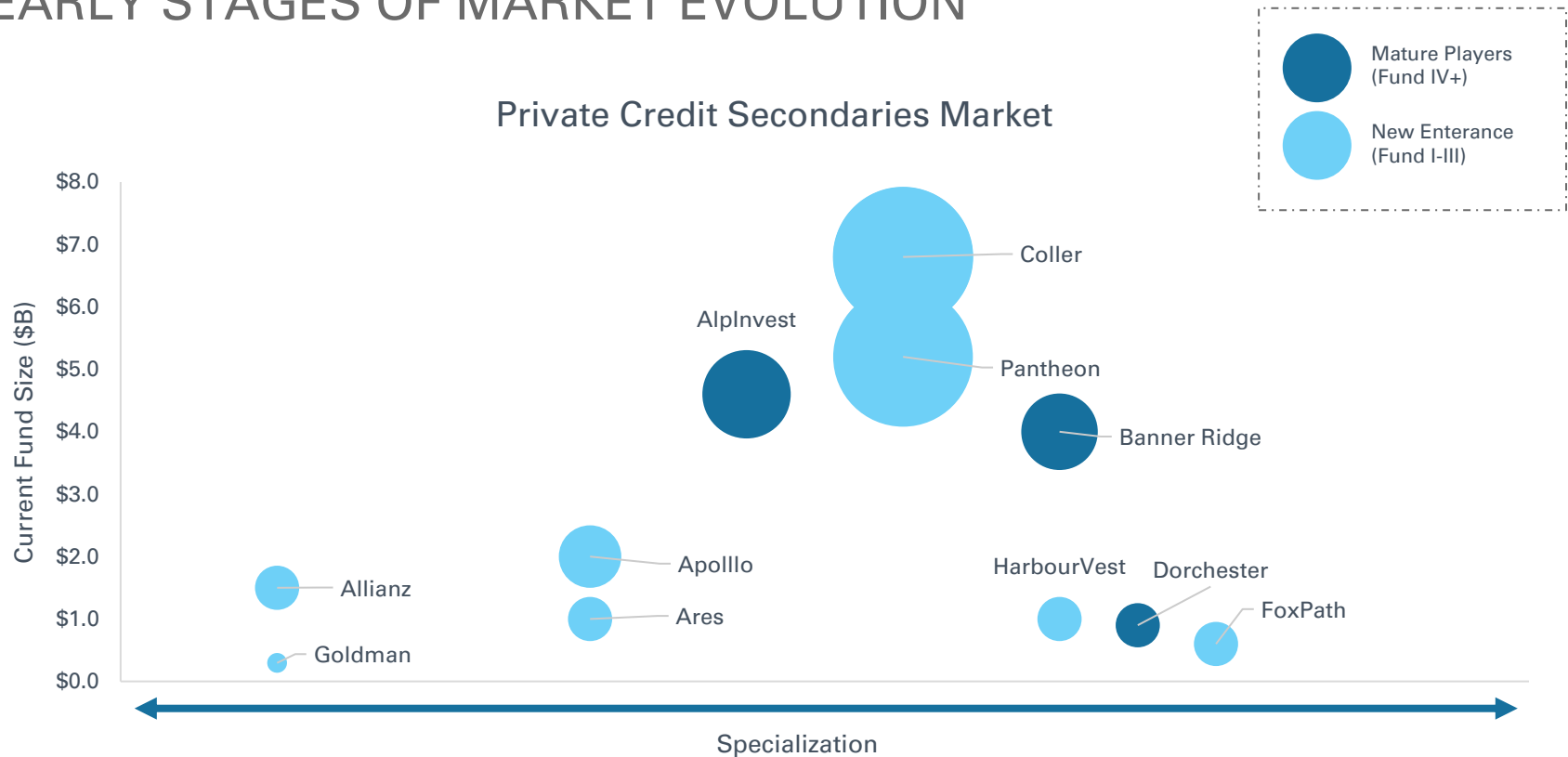
SIGNIFICANT OVERLAP IN LARGE UNITRANCHE DEALS

	Circana.	Catalent.	BradyIFS	Netsmart	ModMed	ENVERUS	PetVet Care CENTERS	databricks	inspira [®] FINANCIAL	dun&bradstreet
Tranche Size	\$4.4B	\$4.2B	\$2.6B	\$2.4B	\$2.4B	\$2.3B	\$2.3B	\$2.3B	\$2.2B	\$1.5B
 ARES ARES CAPITAL CORPORATION	✓	✓	✓		✓	✓	✓		✓	✓
Blackstone	✓	✓	✓	✓				✓	✓	
 BLUE OWL	✓	✓	✓		✓		✓	✓	✓	✓
<u>GOLUB CAPITAL</u>		✓	✓	✓	✓	✓				✓
 OAKTREE					✓	✓			✓	

As of November 2025. Source: Charlesbank; Credit Insights. Note: Logos shown are illustrative and not exhaustive of all managers; inclusion of such logos does not imply affiliation with or endorsement by any such firms or businesses

PRIVATE CREDIT SECONDARIES MARKET MAP

EARLY STAGES OF MARKET EVOLUTION



- According to Pitchbook data, \$17 billion was raised across the top four largest funds in 2025.

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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

