APERS
ARKANSAS PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Investments and Finance Sub-Committee
Thursday, May 15, 2025, 1:00 p.m.
124 West Capitol Avenue, Suite 400, Little Rock 72201

Hybrid Meeting: Arkansas Public Employees' Retirement System Board Room and Video Conference

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AGENDA

1. Call to order and recognition of new subcommittee chair – Larry Walther

2. Secondary Infrastructure – Carlos Borromeo, Deputy Director of Investments and Finance/CIO

3. Private Credit
    - Stephens Inc. - Larry Middleton, Bo Brister, and Seth Middleton
    - HarbourVest – Ms. Melissa Cahill, Managing Director and Mr. Bill Cole, Principal Private Credit
    - Neuberger Berman – Mr. Gabe Feghali, Client Advisor/Managing Director, Mr. Michael Schwartz, Portfolio Director, Mr. Will Proctor, Sponsor Coverage/Managing Director

4. Israel Bonds – Jason Brady

5. New Business

6. Old Business

Chief Investment Officer Report

For the May 15, 2025 Investment & Finance Subcommittee Meeting

Secondary Infrastructure

- The Strategic Asset Allocation will not change, it will remain

• Domestic Equity	39%
• International Equity	17%
• Fixed Income/Cash	21%
• Private Markets	7%
• Real Assets	16%

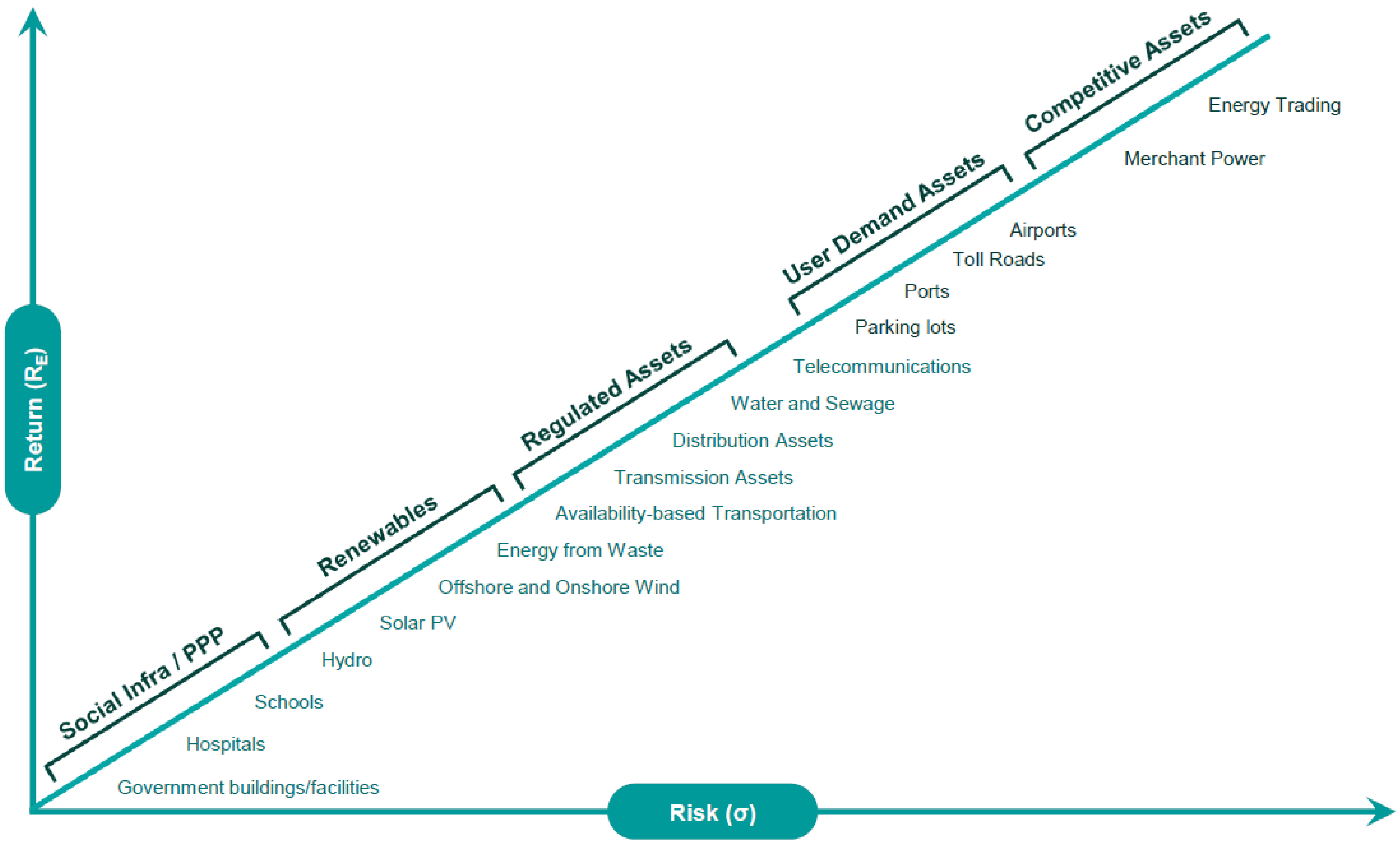
(domestic equity includes convertible bonds)

- The portfolio is currently overweight International Equity
- The portfolio is underweight Credit/Fixed Income and Real Assets (overweight real estate)
- Private Credit will be a subset of the Credit/Fixed Income allocation.
- Secondary Infrastructure will be a subset of real assets.

Secondary Infrastructure

Infrastructure Asset Spectrum

Actual risk and return highly dependent on contract structure



Secondary Infrastructure

- A secondary infrastructure approach aims to generate a premium risk-adjusted return versus a primary investment.
- There is an advantage of a shorter investment holding period, as well as better risk mitigation attributes.
- It is one of the fastest growing alternative asset classes.
- Key drivers of growth:
    - Underlying market – macroeconomic, demographic, supply chain, A.I. revolution, interest rates
    - LP's rebalancing – limited exit options, liquidity needs, strategy change, GP consolidation
    - GPs retaining best assets – GPs seek to launch continuation vehicles
    - Balance sheet – large investors seeking to syndicate successful investments that are now too large
- Undercapitalized market can allow for high selectivity and favorable pricing with discounts to NAV.

Secondary Infrastructure

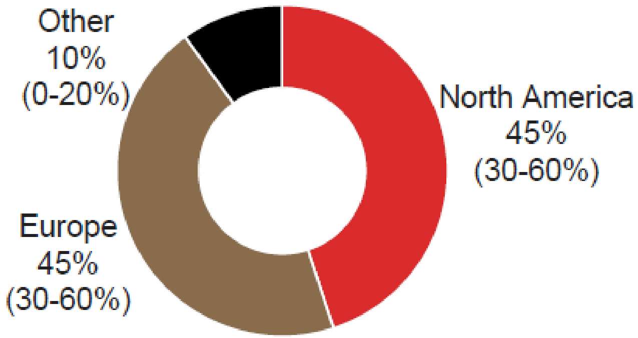
	Direct Investment in a Fund	Secondary Approach	
Visibility	Investing in a blind pool / limited visibility	Approx 70% to 80% of the assets can be indentified at the investment	✓
De-Risked Assets	Negative J-curve cashflow phase; limited early yield due to elevated leverage	J-curve mitigation; visibility on operating and financial performance; reduced leverage due to timing of entry point	✓
Investment Duration	Deployment of capital is 3 to 5 years; 5 to 10 year hold period; limited ability to recycle capital	Quicker deployment over 3 years which mitigates the J-curve; shorter duration of 2 to 7 years, recycling capital 1.2x-1.5x	✓
Competition	Large Universe of managers/funds; high quality assets typically acquired through intermediated or auction process	secondaries still inefficiect with limited purchasers; multiple sources of deal flow; assets that are typically "not for sale" can be accessed	✓
Diversification	Exposure to ~12-15 companies/assets	exposure to 100s of companies/assets both GP and LP; diversification	✓

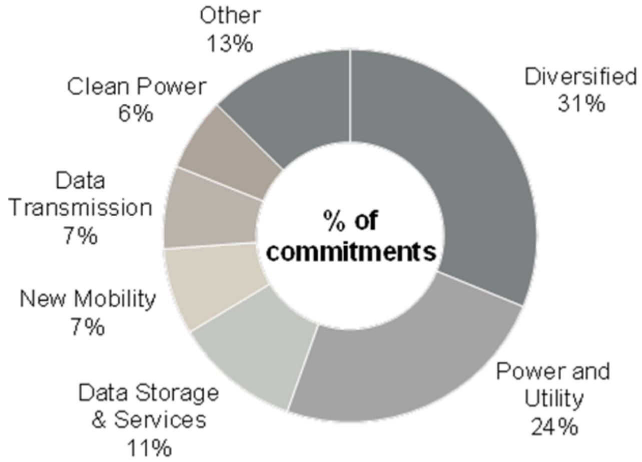
Secondary Infrastructure

	Partners Group Infrastructure Secondary (USA)	Ares Secondaries Infrastructure Solutions III	Pantheon Global Infrastructure V
Target Size	$750 million	$2 billion	$4 billion
Total Return Target	12% - 15% net IRR	11% - 14% net IRR	12% - 15% net IRR
Investment Period	4 years after final closing w/ 3 1yr extensions	4 years from final close date	5 years after close w/ two 3-mo extensions

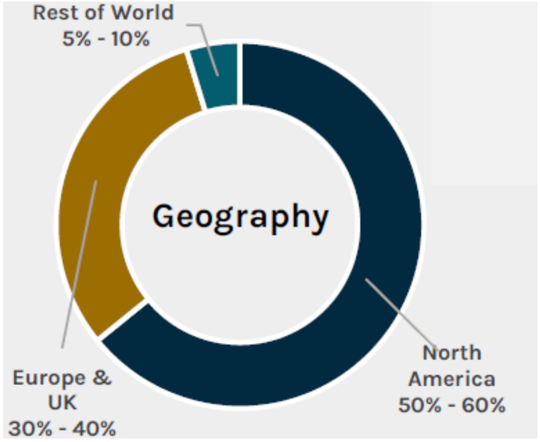
Secondary Infrastructure – Regions & Sectors

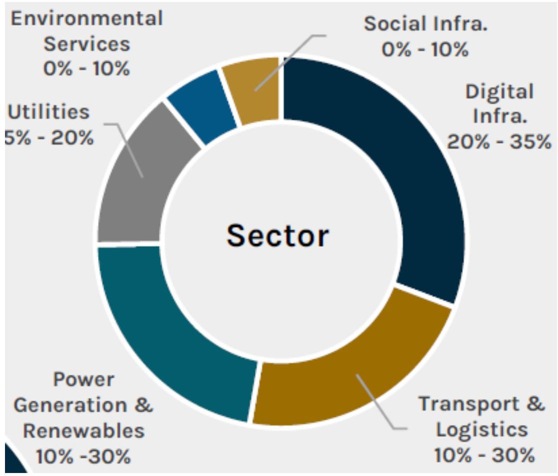
Partners Group Infrastructure Secondary (USA)



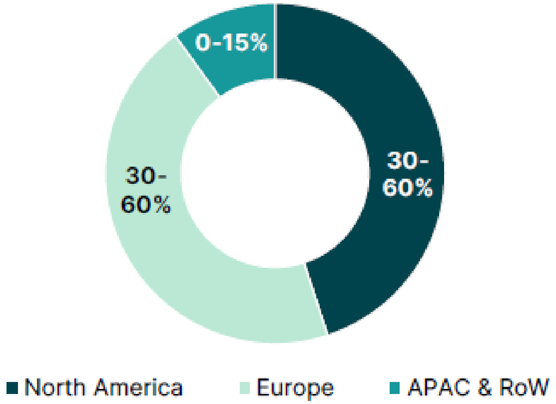


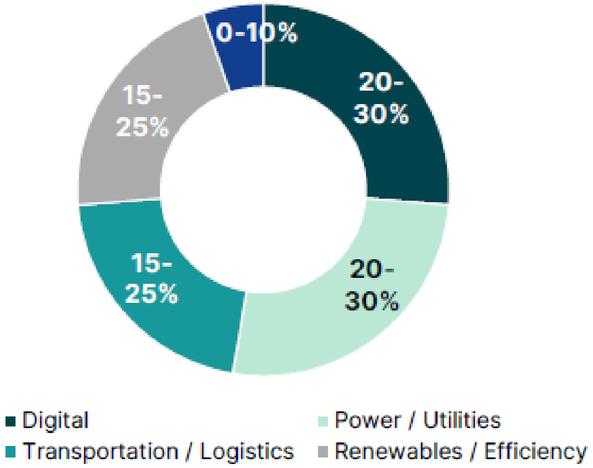
Ares Secondaries Infrastructure Solutions III





Pantheon Global Infrastructure V





Secondary Infrastructure

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APERS Private Credit Refresher

Contents

Why Private Credit?

DURABLE INCOME

With a focus on current income and regular distributions, private credit can help investors seek enhanced yields while diversifying their sources of income.[3]

REDUCED CREDIT AND INTEREST RATE RISK OPPORTUNITY

Private credit investments have demonstrated lower sensitivity to changes in interest rates and reduced credit risk relative to traditional public fixed income.

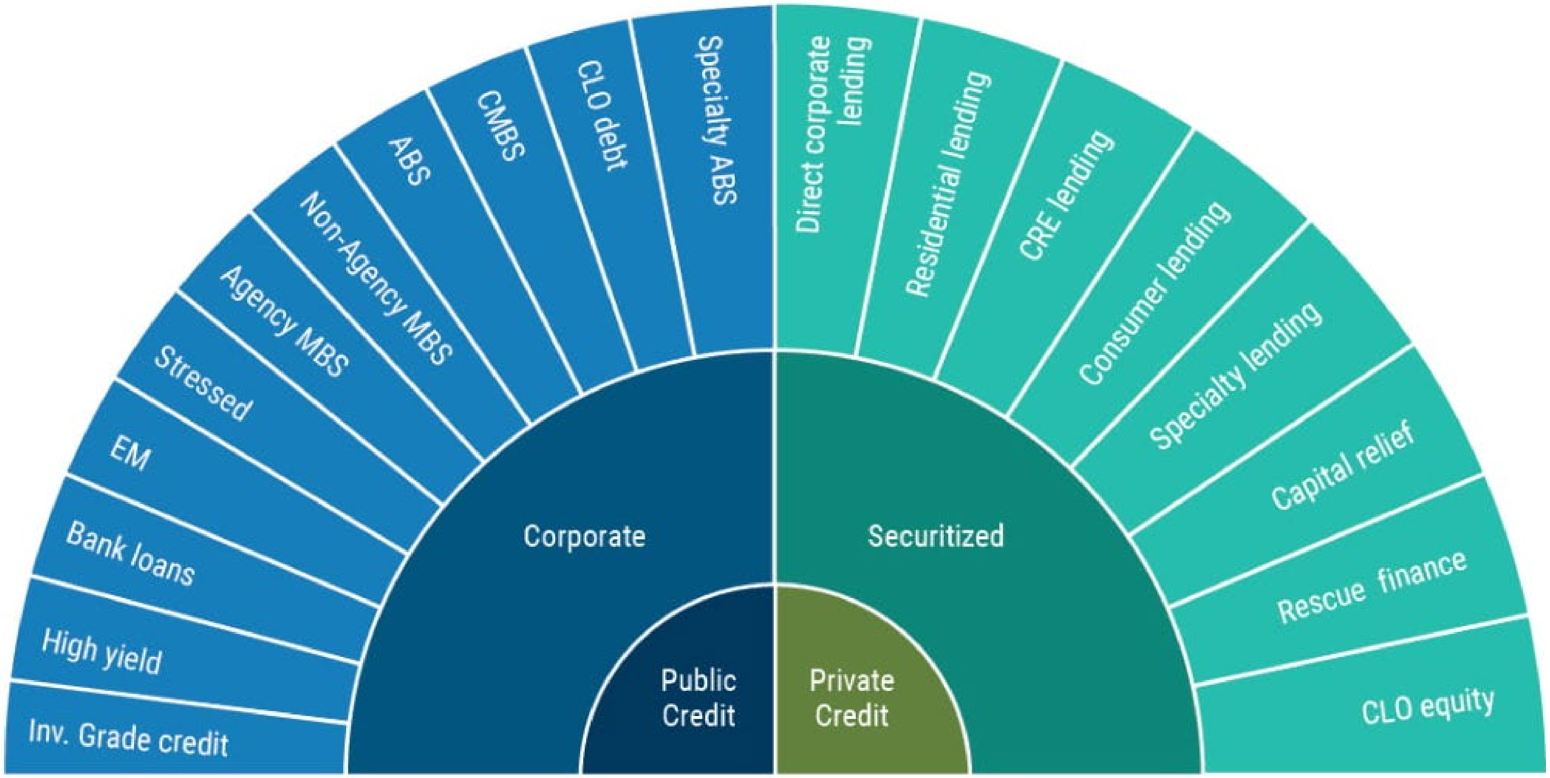
EXPANDING OPPORTUNITY SET

The long-term trends for growth in direct lending are evident as competitive dynamics and bank regulation continue to shift the market in favor of private credit. Direct lending is expanding to meet the growing need for capital and the reduced competition from banks, which may lead to a continuation of attractive risk-adjusted returns for the asset class.

For illustrative purposes only. Information included herein is not an indicator of actual results. Past performance is not a guarantee of future results. All data 09/30/2004 – 12/31/2023. U.S. Direct Lending is represented by the CDLI Index. The CDLI Index does not reflect the impact of fees and expenses of the Fund. Investors cannot invest directly in the index. U.S. Leveraged Loans is represented by Morningstar LSTA US Leveraged Loan Index. U.S. Treasuries is represented by ICE BofA Current 10-Year US Treasury Index. U.S. Aggregate Bond Index is represented by Bloomberg US Agg Total Return Value Unhedged USD Index. U.S. Municipal Bonds is represented by Bloomberg Municipal Bond Index. U.S. IG Corporate Bonds is represented by Bloomberg U.S. Corporate Bond Index. U.S. HY Corporate Bonds is represented by Bloomberg U.S. Corporate HY Bond Index. An investment in private credit is significantly less liquid than an investment in public fixed income and is not immune to fluctuations, including downward fluctuations.

Source: ARES

Spectrum of Public & Private Credit



For illustrative purposes only

Passive Public Fixed Income- replicate benchmarks, delivers beta exposure

Active Public Fixed Income- allocation constraints and limited opportunities for alpha

Broadly Syndicated Public Credit- generic deal terms and structures with limited covenant protections

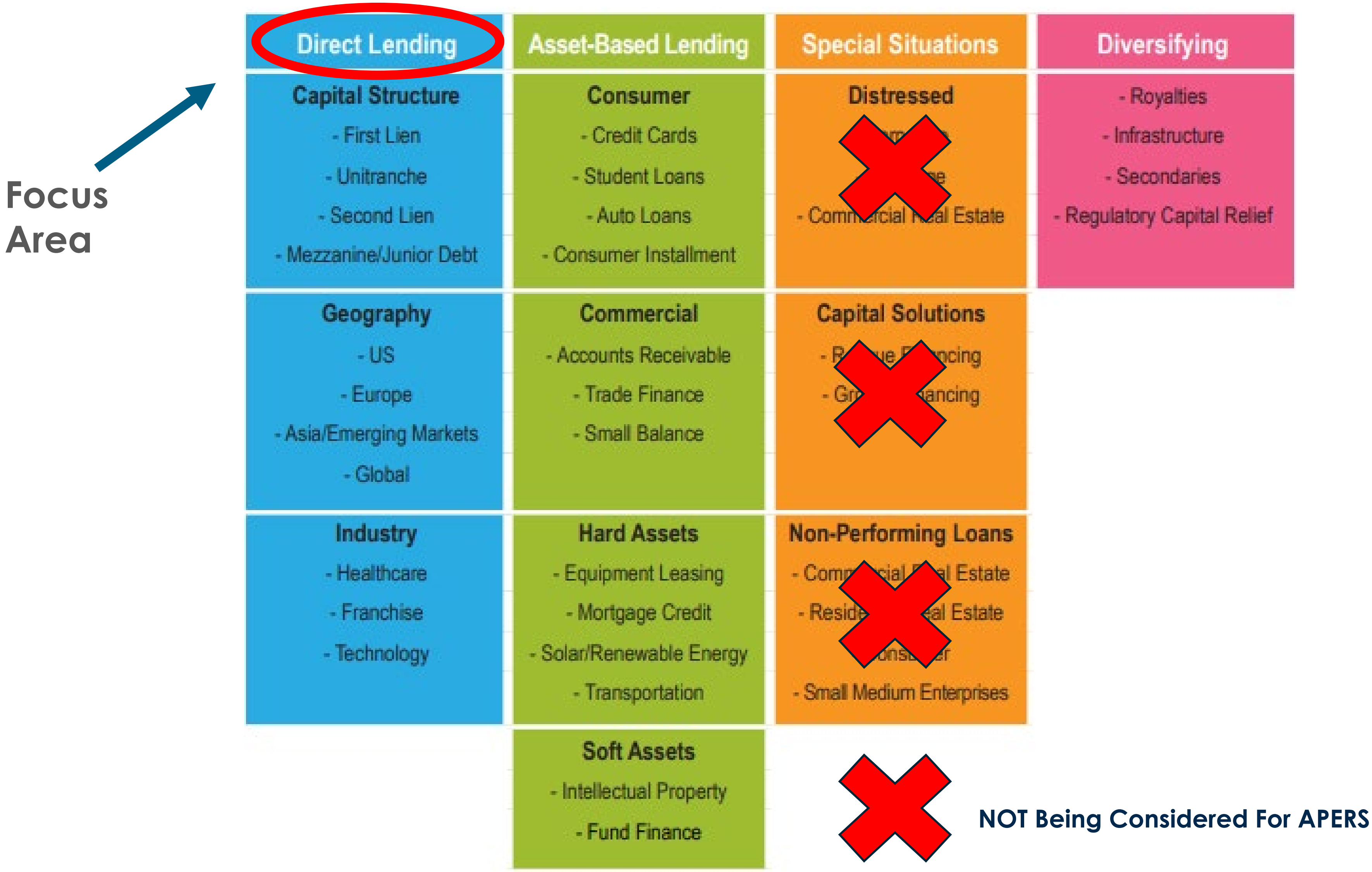
Integration of Public & Private- enhanced yields over public benchmarks

Differentiated Origination Machine- tailored financing solutions across private assets

Lower Correlation and Standard Deviation- senior structures with covenant documentation offering low correlation to public fixed income

Source: Apollo, PIMCO. For Discussions Purposes Only

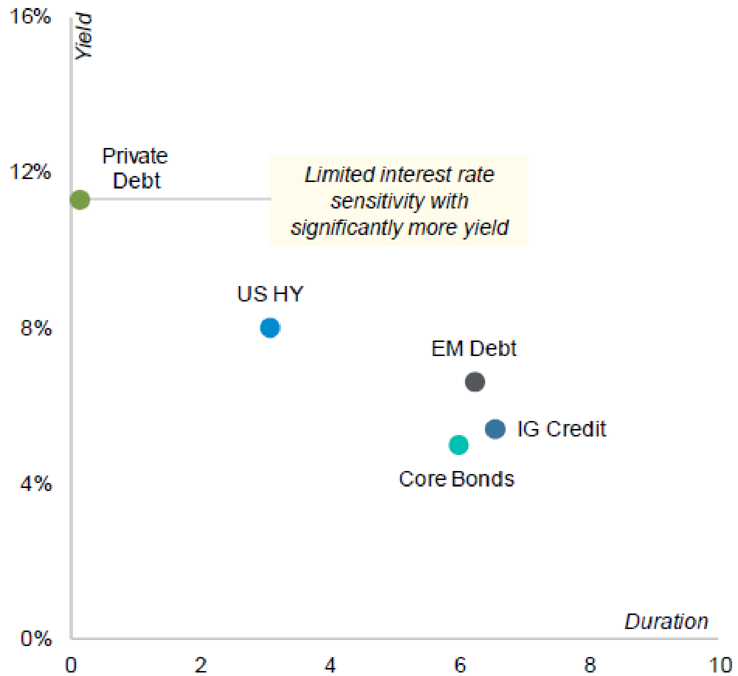
Private Debt & Credit Sub Strategies

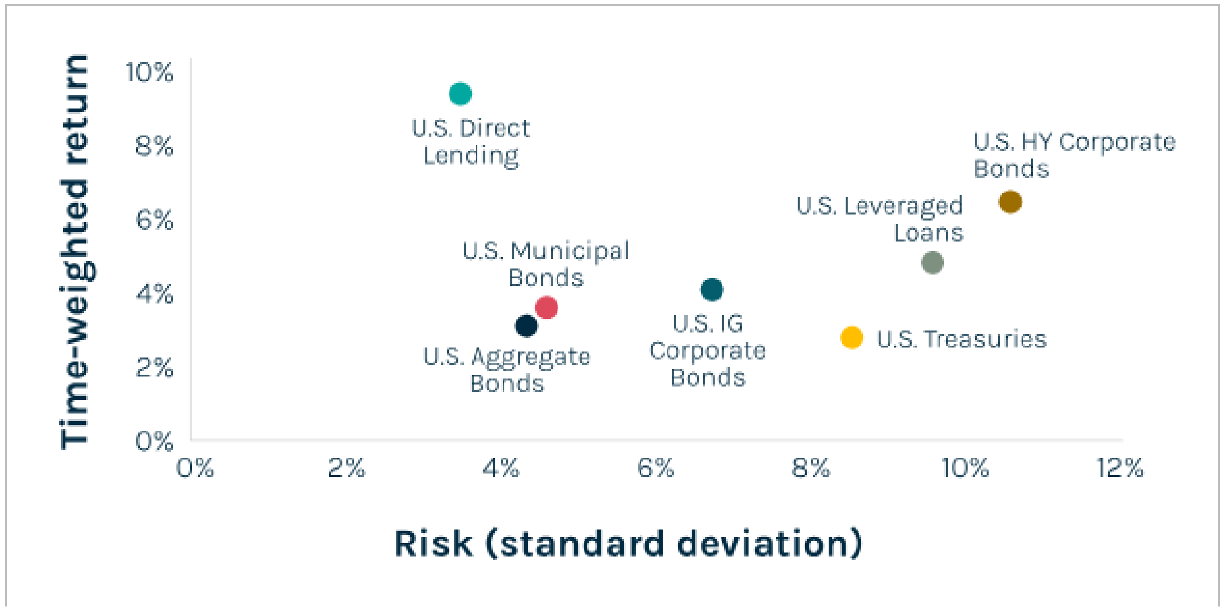


Source: Meketa

Low Risk Doesn't Have to Mean Low Return*

Yield vs. Duration





As of 30 June 2024. SOURCE: PIMCO, Bloomberg, JPMorgan. **Hypothetical performance for illustrative purposes only. Hypothetical performance is not based on actual results, has certain inherent limitations and should not be relied upon as the sole basis for making an investment decision. Investors should carefully review the appendix for additional, important information about hypothetical performance.**
[1]Unless otherwise specified, return estimates are an average annual return over a 5-year horizon. Please refer to the appendix for additional information on estimated returns.
Private Equity: Private Equity Model, Private Debt: Corporate Credit Lending Model, Core Bonds: Bloomberg U.S. Aggregate Bond Index, US High Yield: Bloomberg U.S. High Yield Index, IG Credit: Bloomberg U.S. Credit Index, EM Debt: JPMorgan EMBI Global Index
*Private Debt: Cliffwater Direct Lending Index, Private Equity: Cambridge Associates LLC US Private Equity Index, Venture Capital: Cambridge Associates LLC US Venture Capital Index
Refer to Appendix for additional hypothetical performance, index, investment strategy, model, Yield to Maturity, return assumptions and risk information.

For illustrative purposes only. Information included herein is not an indicator of actual results. Past performance is not a guarantee of future results. All data 09/30/2004 – 12/31/2023. U.S. Direct Lending is represented by the CDLI Index. The CDLI Index does not reflect the impact of fees and expenses of the Fund. Investors cannot invest directly in the index. U.S. Leveraged Loans is represented by Morningstar LSTA US Leveraged Loan Index. U.S. Treasuries is represented by ICE BofA Current 10-Year US Treasury Index. U.S. Aggregate Bond Index is represented by Bloomberg US Agg Total Return Value Unhedged USD Index. U.S. Municipal Bonds is represented by Bloomberg Municipal Bond Index. U.S. IG Corporate Bonds is represented by Bloomberg U.S. Corporate Bond Index. U.S. HY Corporate Bonds is represented by Bloomberg U.S. Corporate HY Bond Index. An investment in private credit is significantly less liquid than an investment in public fixed income and is not immune to fluctuations, including downward fluctuations.

Source: PIMCO,ARES and Apollo*

Private Credit/ Direct Lending Has a History of Working

Year	Direct Lending	High Yield Corporate Bonds	Broadly Syndicated Leveraged Loans	Bloomberg Aggregate Bond Index
2006	13.7%	11.9%	6.7%	4.3%
2007	10.2%	1.9%	2.1%	7.0%
2008	(6.5%)	(26.2%)	(29.1%)	5.2%
2009	13.2%	58.2%	51.6%	5.9%
2010	15.8%	15.1%	10.1%	6.6%
2011	9.8%	5.0%	1.5%	7.9%
2012	14.0%	15.8%	9.7%	4.2%
2013	12.7%	7.5%	5.3%	(2.0)%
2014	9.6%	2.5%	1.6%	5.9%
2015	5.5%	(4.5%)	(0.7%)	0.6%
2016	11.2%	17.1%	10.1%	2.7%
2017	8.6%	7.5%	4.1%	3.6%
2018	8.1%	(2.1%)	0.5%	0.0%
2019	9.0%	14.2%	8.7%	8.7%
2020	5.5%	7.1%	3.1%	7.5%
2021	12.8%	5.3%	5.2%	(1.5)%
2022	6.3%	(11.2%)	(0.8%)	(13.0)%
2023	8.9%	12.9%	13.2%	5.5%
10 Years	**8.9%**	**4.4%**	**4.0%**	**1.8%**

Source: Direct lending reflects CDLI, S&P High Yield Bond Index and Broadly Syndicated Leveraged Loans reflects the Morningstar LSTA U.S. Leveraged Loan 100 Index.

Source: Pantheon

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HARBOURVEST

Credit secondaries

May 2025

Table of contents

Additional information

This presentation has been provided to a limited number of investors solely as a basis for discussion among such investors and HarbourVest Partners, LLC regarding the appropriate structure and terms for the proposed fund referenced herein (the “Proposed Fund”). The Proposed Fund does not exist, and there is no guarantee that it will exist in the future. Any anticipated terms discussed herein are subject to change. The information in this presentation is provided for informational purposes only, is not complete, and may be changed. This presentation is confidential and may not be copied or distributed, in whole or in part, without the written consent of HarbourVest Partners, LLC.

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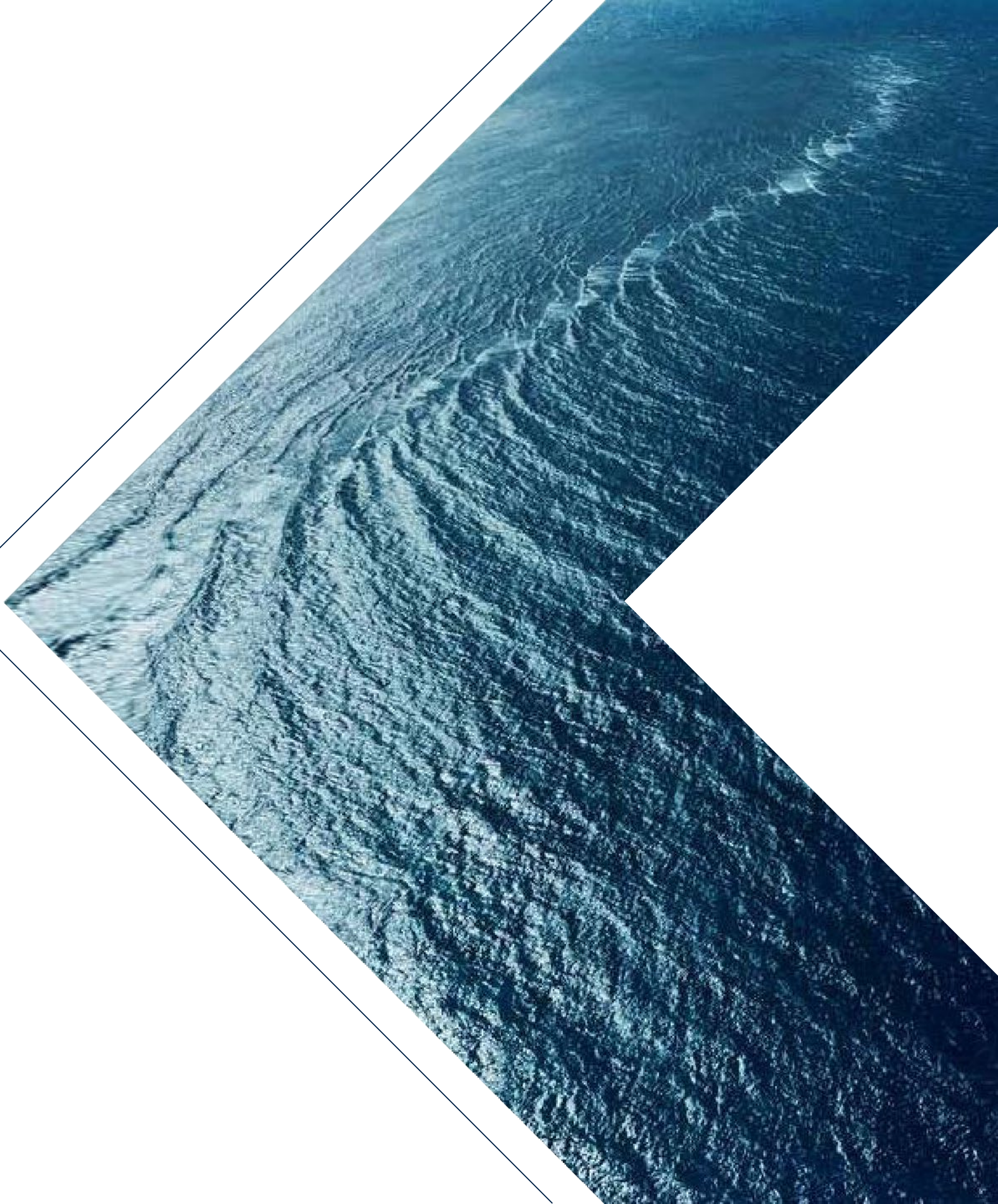
The Proposed Fund is expected to be speculative and involve a high degree of risk. It is anticipated that, at the time of any future offering, the Proposed Fund will not be registered as an investment company under the Investment Company Act of 1940, as amended (the “1940 Act”). As a result, investors will not receive the protections of the Investment Company Act of 1940 afforded to investors in registered investment companies (i.e. “mutual funds”). An investor could lose or a substantial portion of his/her/its investment. No secondary public market for the sale of the Interests exists, nor is one likely to develop. The ability to redeem Interests will be limited and subject to certain restrictions and conditions. The Proposed Fund may be subject to substantial fees. The Proposed Fund may invest in non-U.S. markets. The net asset value of the Proposed Fund may be determined by its administrator in consultation with its manager or adviser, or based on information from the manager of the Proposed Fund, and may include valuations for unrealized investments. Actual performance may differ substantially from the unrealized values presented. Investors in private equity funds such as the Proposed Fund are subject to pass-through tax treatment of their investment.

Introduction to credit secondaries



Understanding **private credit**

What is private credit?

Private credit is a form of lending where non-bank financial institutions provide credit that is not traded on public markets.

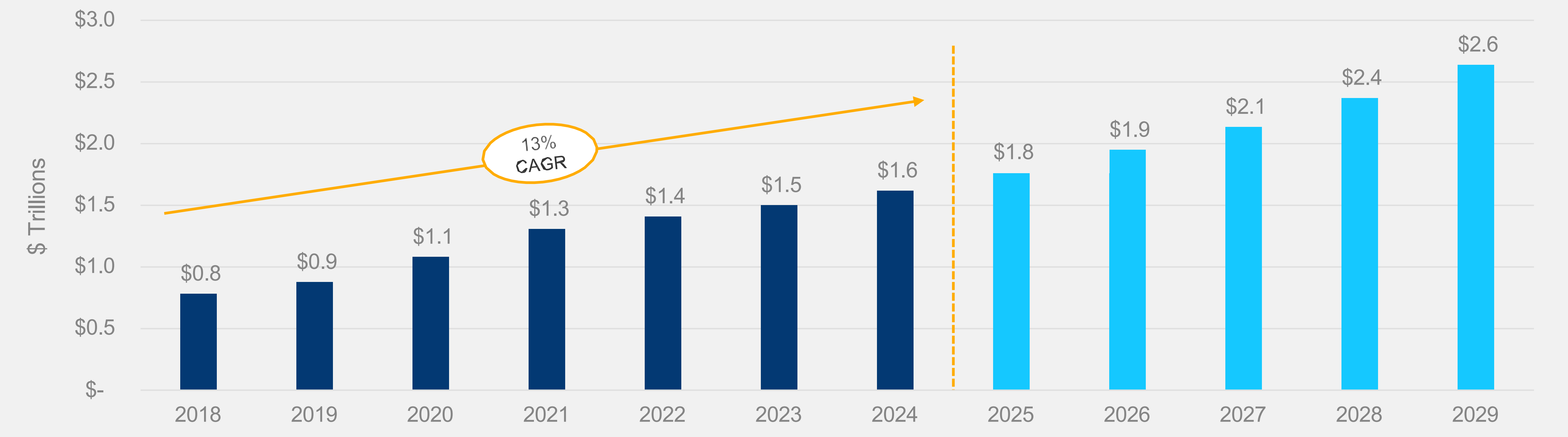
Why **borrowers** turn to private credit

- Speed
- Anonymity
- Flexibility
- Certainty of execution

Why **investors** turn to private credit

- Potential for attractive risk-adjusted returns
- Diversification to other risk assets
- Cash flow generative, illiquidity premium
- Focus on non-cyclical industries

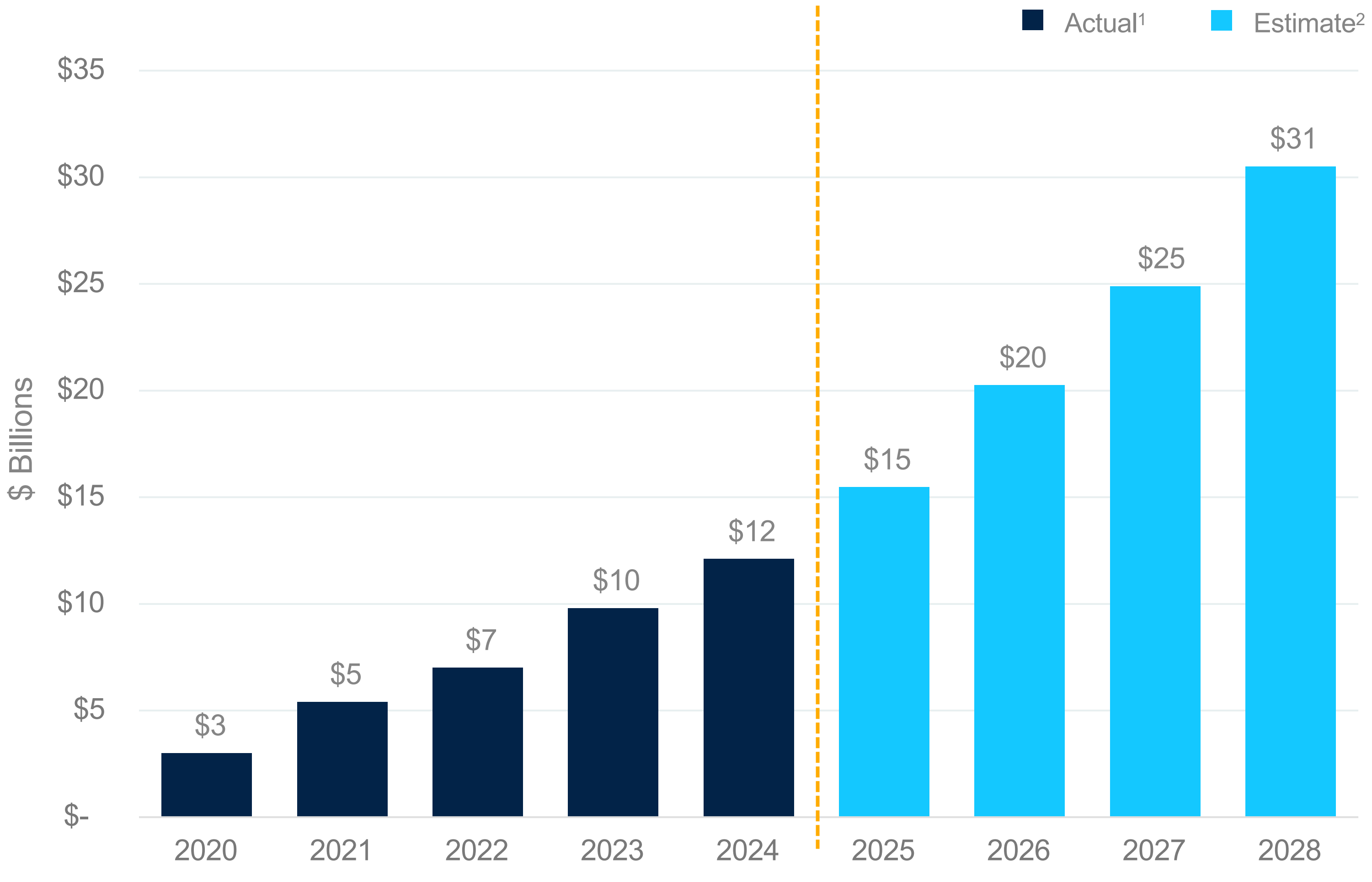
Market evolution: Global private credit assets under management[1]

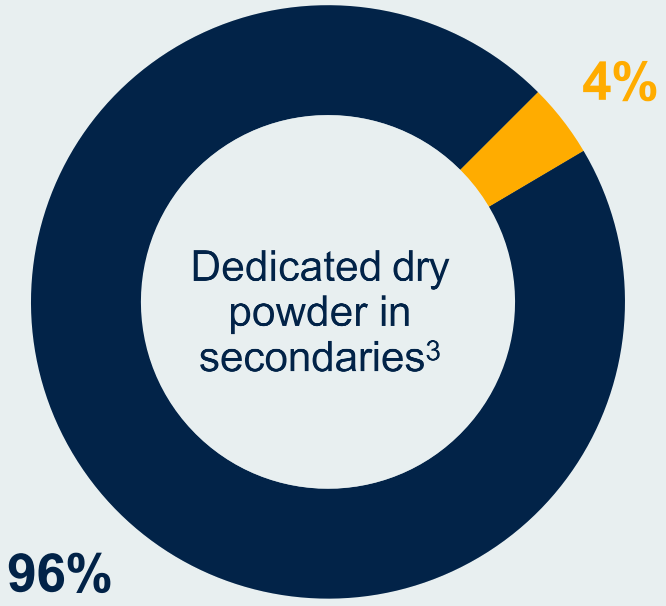


1. Forecasted Private Credit AUM based on Preqin 2024 Global Report: Private Debt. For illustrative purposes only. Past performance is not a reliable indicator of future results. Diversification does not ensure a profit or protect against a loss.

Increasing liquidity needs **create credit secondaries opportunity**

Private credit secondary transaction volume continues to grow





Yet remains **undercapitalized**

1. As of December 31, 2024. Based on Campbell Lutyens private credit secondary market volumes. 2. HarbourVest base case estimates. 3.As of February 2025. Source: Evercore FY 2024 Secondary Market Review. For illustrative purposes only. Past performance is not a reliable indicator of future results.

Credit secondaries can unlock benefits of both strategies

Accessing the credit market through secondaries can provide a powerful combination

Private credit		Secondaries		Credit secondaries*
Yield premium relative to traditional fixed income	+	Discounted prices due to undercapitalized market	=	**Higher potential returns** than primary commitments
Cash flow generative, accelerated DPI		J-curve mitigation, near-term liquidity		**Accelerated cash flows**
Downside protection potential through structural seniority		Exposure to seasoned assets		**Downside protection** potential via broad diversification and visibility into underlying assets
Capitalize on growing market		Increasing demand for liquidity from both LPs and GPs		Scarcity value of capital provides an opportunity to capture a **return premium**

For illustrative purposes only. Diversification does not ensure a profit or protect against a loss. *Relative to primary investments.

Key drivers for selling – LP and GP perspectives

LP-led example:

University endowment sells interest in private credit fund to credit secondaries manager

Reasons to sell:

- Liquidity needs
- Realign to asset allocation target
- Rebalance denominator effect
- Reduce private credit allocation
- Change in strategy due to new CIO or new ownership

Purchasing stakes in existing credit funds

Credit secondaries can satisfy liquidity needs for both LPs and GPs

Providing liquidity to other private credit managers

GP-led example:

Private credit manager initiates the sale of select assets to a new investment vehicle, capitalized by a secondary buyer

Reasons to sell:

- Accelerate DPI to investors
- Provide LPs with optionality at the end of fund's life
- Satisfy redemptions in semi-liquid vehicles
- Provide dry powder to continue to invest
- Crystalize fund returns

For illustrative purposes only.

Investing in seasoned assets typically allows buyer to price default risk

Newly issued loans are riskiest at time of issuance

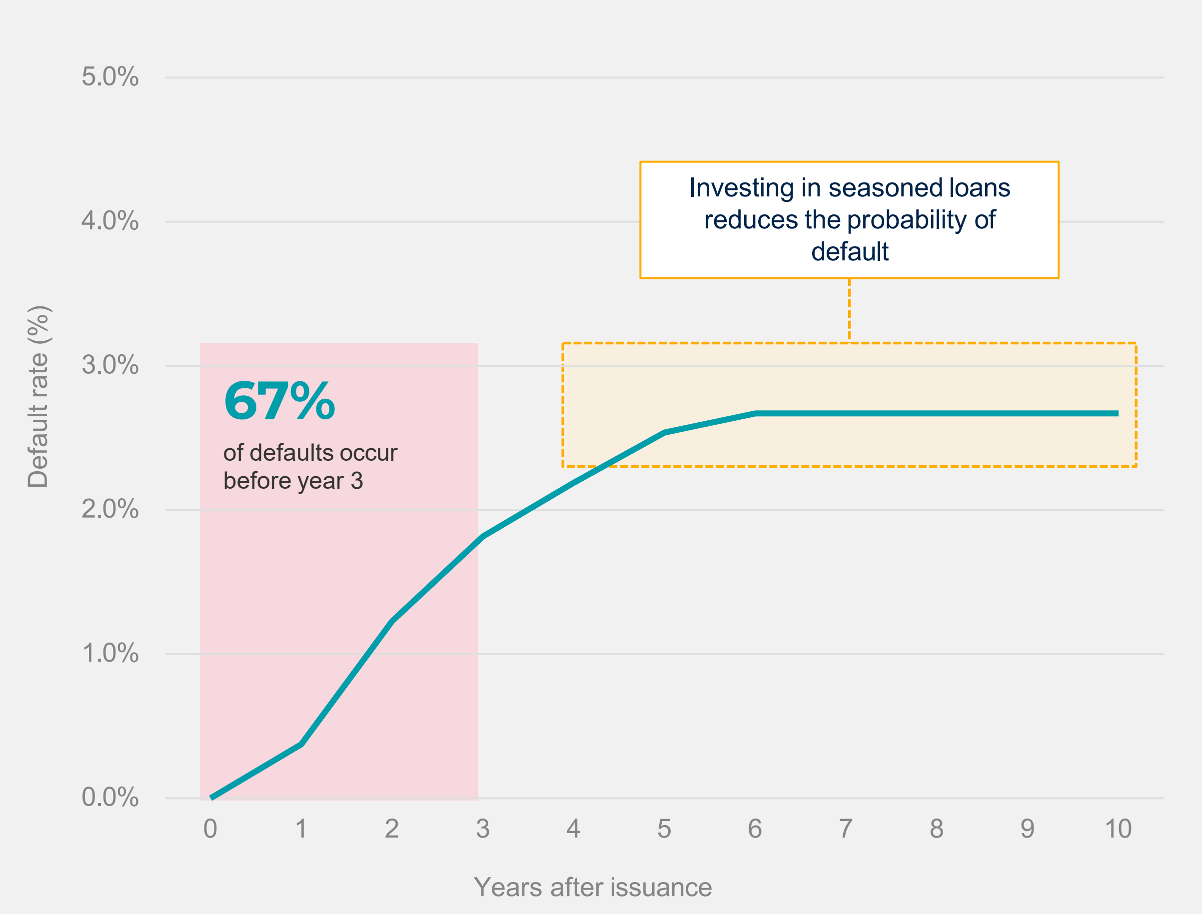
Peak
Leverage

Highest
EBITDA add-backs

Widest
Covenant thresholds

New
Sponsor & management

Cumulative loan default by year[1]



Seasoned loans can mitigate risk over time

Less
Leverage

Fewer
EBITDA add-backs

Tighter
Covenants

Healthier
Coverage ratios

For illustrative purposes only. Past performance is not a reliable indicator of future results. Representative of typical differences observed between newly issued and seasoned loans in HarbourVest's experience. 1. As of June 30, 2024. Source: Proskauer Private Credit Default Index.

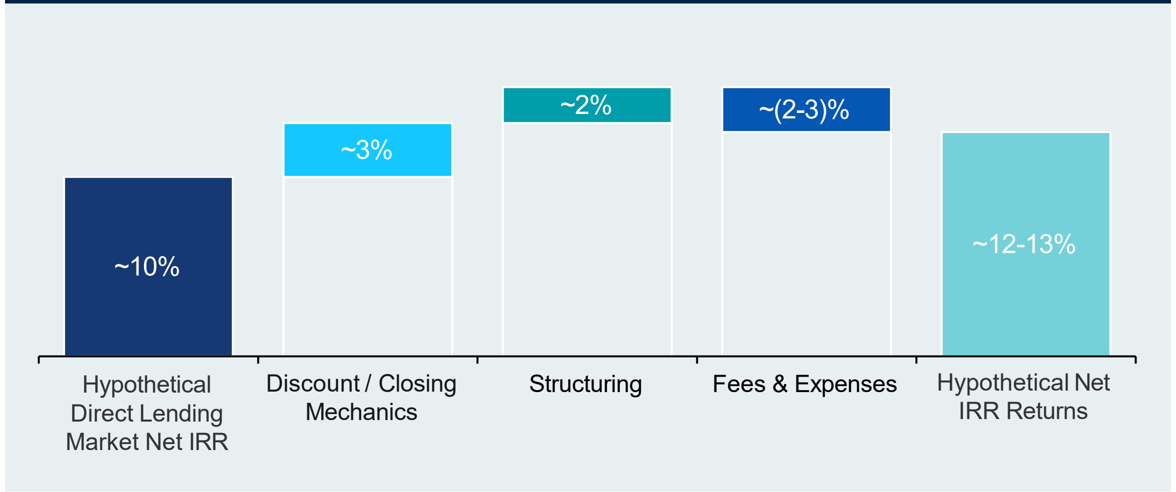
Credit secondaries have the potential to enhance the returns of a private credit allocation

Discounts in secondary transactions reflect the undercapitalized nature of the market

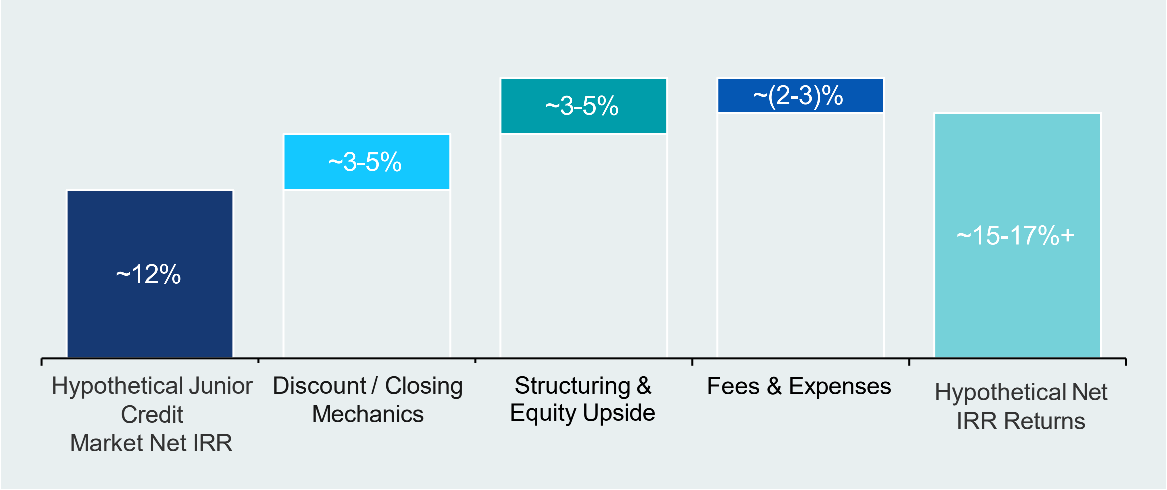
Providing liquidity to an undercapitalized market creates the opportunity to generate outsized returns through monetizing discounts and structuring

Credit secondary market pricing at approximately 84% on average from 2021-2024[1]

Hypothetical Senior Credit Return Profile[2]



Hypothetical Junior Credit Return Profile[2]



1. Source: Jefferies 2024 Credit Secondaries Market Review and includes 2021-2024 pricing. Average pricing is volume weighted. For illustrative purposes only. Past performance is not a reliable indicator of future results. 2. Estimate based on HarbourVest data. Note: The performance presented above is hypothetical in nature and is shown for illustrative, informational purposes only. Performance figures are estimated and do not represent actual net performance experienced by any investors. Based on current market expectations. Estimated average secondary discount for strategy for illustrative purposes only.

Credit secondaries allocation can help establish – or enhance – a private credit program

Establishing a private credit allocation

Mitigate J-curve by accelerating deployment, shortening duration and generating immediate income

Seek to minimize idiosyncratic credit risk by **diversifying at issuer and security level**

Backwards looking vintage diversification and exposure to seasoned assets

Seek to establish risk-mitigated and visible portfolio of underlying credits with **strong early returns**

Enhancing existing private credit program

Potential for **greater returns** through discounts and structuring expertise

Reduce overall risk profile of private credit allocation through enhanced diversification

Opportunistically **capitalize** on market dislocations

Seek to **accelerate returns** and boost current yield

For illustrative purposes only. All investments carry a certain degree of risk, including possible loss of principal and there is no assurance that an investment will provide positive performance over any period of time. Diversification does not ensure a profit or protect against a loss.

NEUBERGER | BERMAN

APERS /
NB Private Debt

May 15, 2025

Direct Lending: An All-Weather Asset Class

Attractive risk-adjusted returns across various interest rate environments

Lower volatility relative to traditional asset classes

Low default/loss rates and strong recovery rates

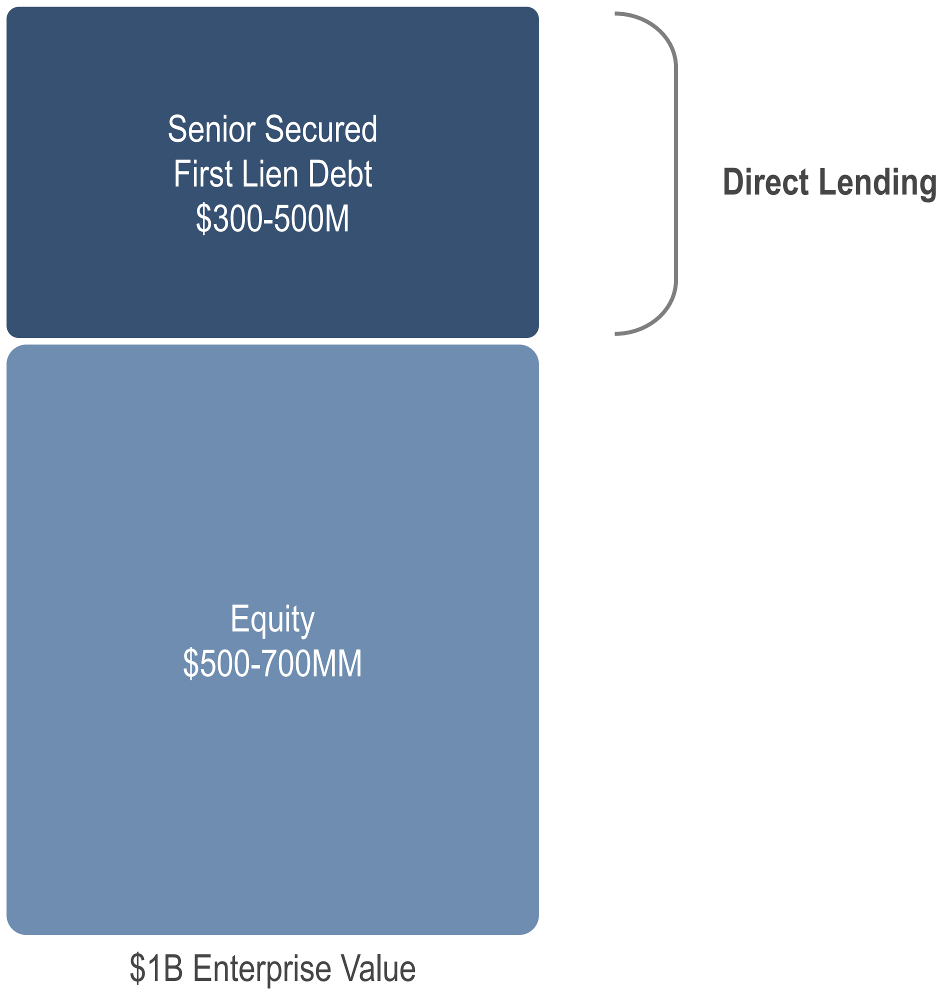
Senior in right of payment

Contractual cash coupon payments provide a consistent stream of income

No J-Curve effect

This material is intended as a broad overview of the portfolio managers' current style, philosophy and process and is subject to change without notice. Portfolio managers' views may differ from those of other portfolio managers as well as the views of Neuberger Berman. Investing entails risks, including possible loss of principal. **Past performance is not indicative of future results.** As with any investment, there is the possibility of profit as well as the risk of loss.

Direct Lending Lends to Quality Businesses Owned by Private Equity Sponsors



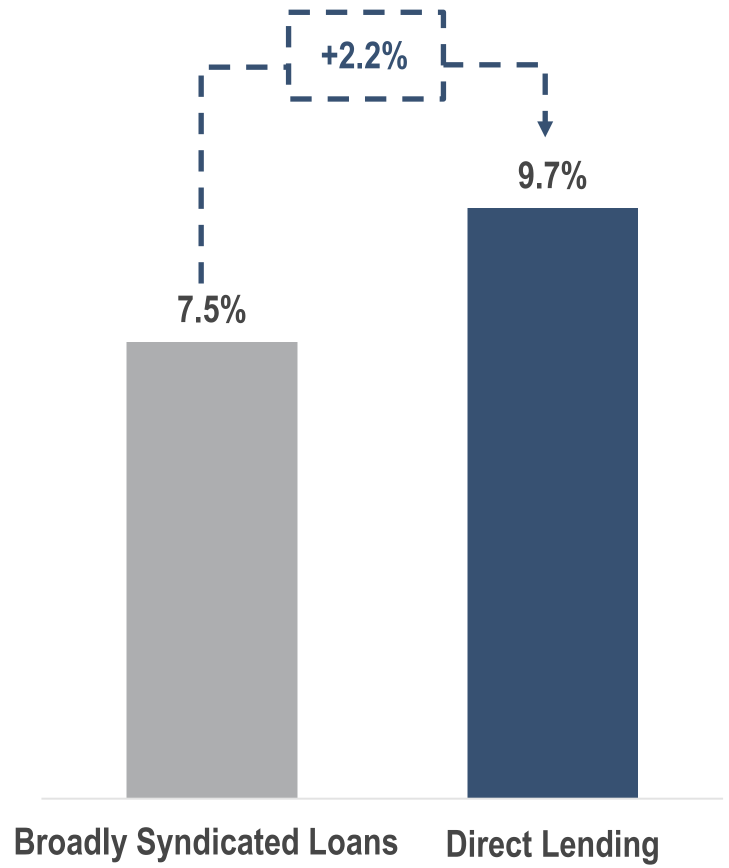
Source: NB Alternatives Advisers Analysis.

Market Characteristics: Direct Lending, Broadly Syndicated Loans and High Yield

	Direct Lending	Broadly Syndicated Loans	High Yield
Market Size	• $1.4 trillion	• $1.3 trillion	• $1.3 trillion
Issuance Size	• Average $400 million	• Average $500 million	• Average $750 million
Typical Borrower EBITDA	• $25 million – $150+ million	• $500+ million	• $950 million
Yield as of March 2025	• YTM: 9.9%	• YTM: 8.0%	• YTW: 7.8%
Ratings	• Unrated, but generally B	• Range: BB to CCC & Below	• Range: BB to CCC & Below
Fixed or Floating	• Floating	• Floating	• Fixed

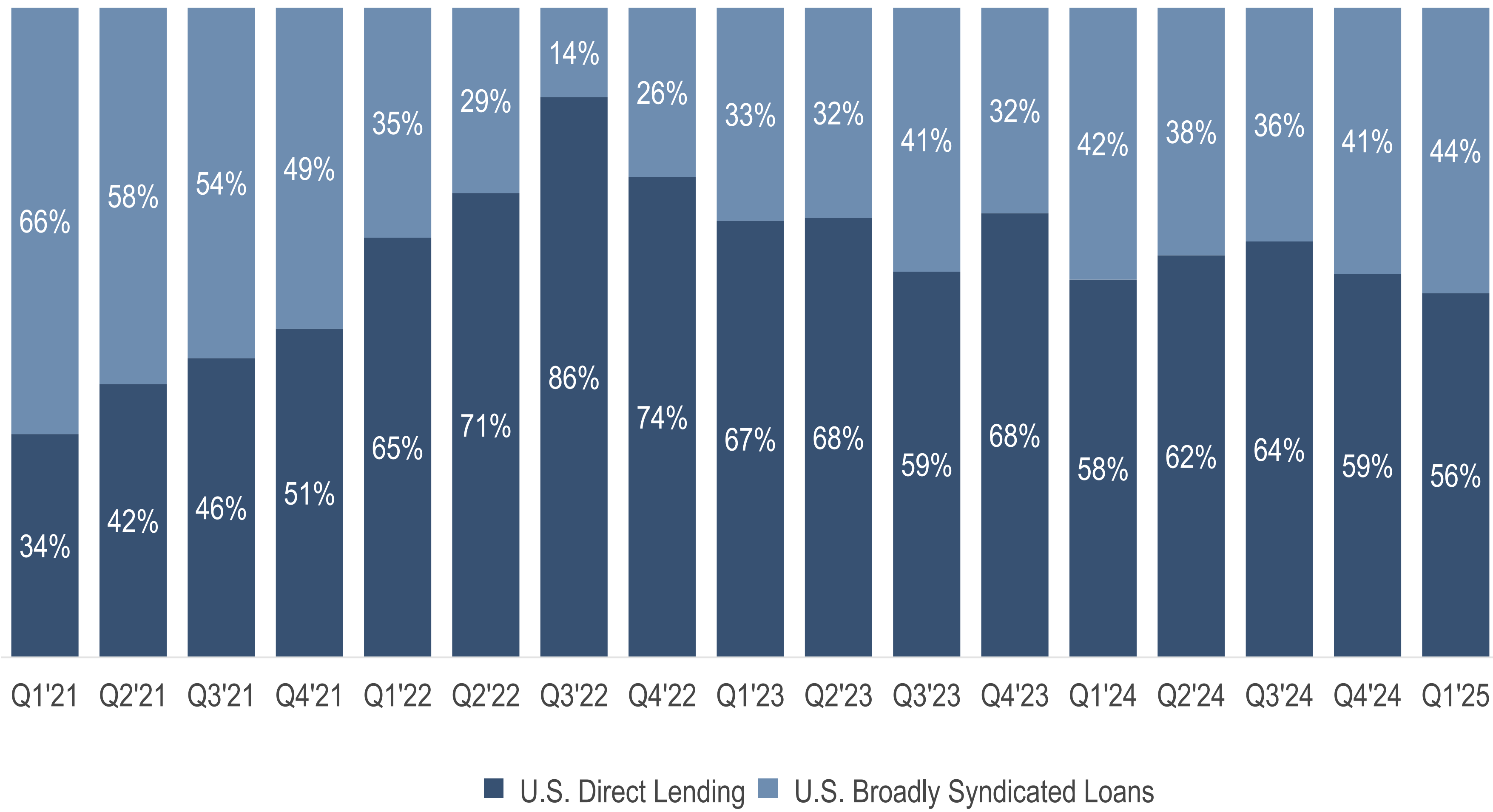
For illustrative purposes only. These estimates are based on market observations and no party provides any guarantee or assurance that these projections are accurate. Note, total return does not include management fees, performance fees, and other expenses and net return for an investor will be lower. As of March 31, 2025 unless otherwise indicated. BSL data based on the Morningstar LSTA US Leveraged Loan Index and HY data based on the ICE BofA USHY Index.

Premium for US Direct Lending Remains Consistent Even in a High Rate Environment



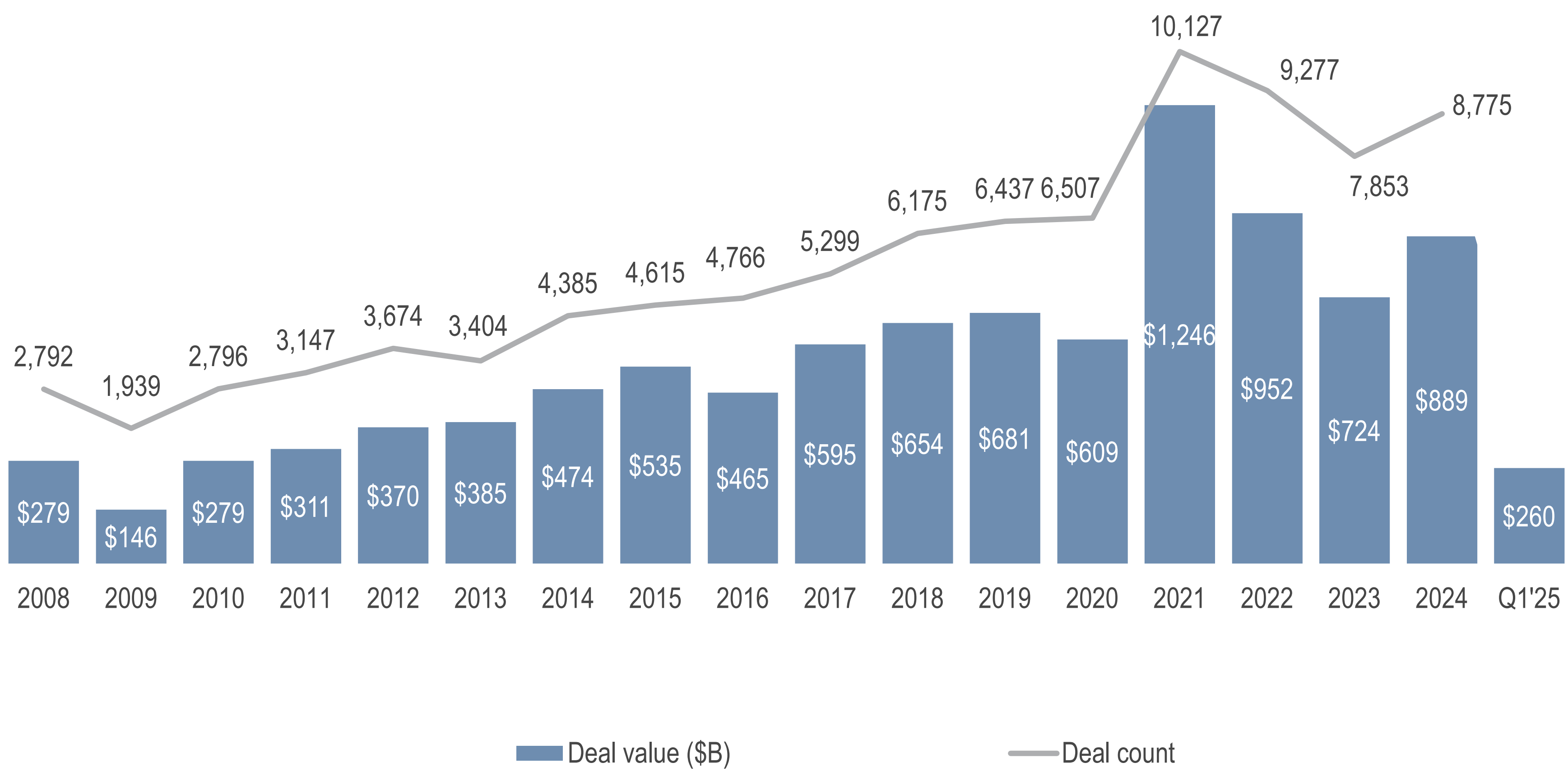
As of March 31, 2025. Sources: Pitchbook LCD BB/B rated BSL and Lincoln Direct Lending.

Direct Lending Is Taking Market Share from Broadly Syndicated Loans



Source: S&P LCD. Shows LBOs and Refinancings by Count (%) as of March 31, 2025.

US Private Equity Deal Activity Continues, Albeit Below Record 2021 Levels



Source: Pitchbook.

Case Study: Mechanix Wear

MECHANIX WEAR

GRYPHON INVESTORS

$163 million First Lien Senior Secured Financing

Pricing of SOFR + 4.50% with a 1.25% Underwriting Fee

Maintenance Covenants

NEUBERGER BERMAN Co-Arranger

October 2019

The case study discussed does not represent all past investments. It should not be assumed that an investment in the case study listed was or will be profitable. The information supplied about the investment is intended to show investment process and not performance.

Callan

May 12, 2025

Arkansas Public Employees' Retirement System

Infrastructure Secondaries Search
Finalists

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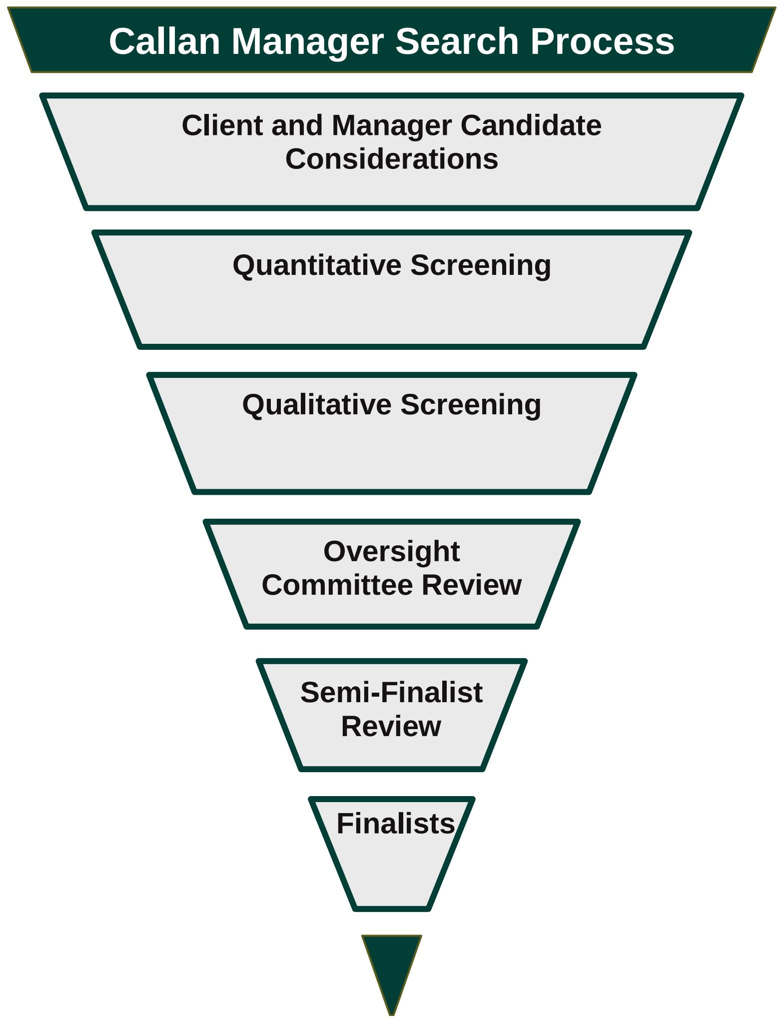
Infrastructure Secondaries Finalists

Callan

Manager Search Process



Manager Search Process Overview

Callan's investment manager searches are underpinned by a disciplined, six-step process:

I. Identify Client and Manager Candidate Considerations

At the onset of each search, Callan meets with the client to review and document any specific characteristics sought in an investment manager. This includes factors such as the manager's strategy and approach, organizational structure, minimum/maximum assets under management, performance criteria relative to an appropriate index and peer group, and risk tolerance. These factors serve as the basis for developing the appropriate quantitative and qualitative screening criteria.

II. Conduct Quantitative Screening

After beginning with the broadest possible universe of candidates, Callan narrows the field using client-specified screening criteria to screen our proprietary database. Screens examine numerous quantitative factors including performance, volatility, correlation with the existing structure, and assets under management. Callan screens performance across multiple time periods, market cycles, and statistical analyses so as to identify consistency of returns and avoid performance bias.

III. Perform Qualitative Screening

Qualitative screening concentrates the field even further. Qualitative screens examine manager type, organizational history, depth and experience of investment personnel, investment process and style, client servicing capability and resource allocation. Callan generates qualitative assessments based on manager research conducted by our dedicated asset class specialists and generalist consultants through regular in-house meetings, conference calls, and on-site manager due diligence.

IV. Oversight Committee Review of Preliminary Recommendations

Callan's Manager Search Committee—an oversight body that is comprised of more than a dozen senior consultants—reviews each search to thoroughly examine candidates and ensure Callan has met the client's specified criteria. Collectively, the Manager Search Committee vets the candidates and identifies semi-finalist candidates to present to the client.

V. Review Semi-finalist Candidates

A manager evaluation document comparing the semi-finalist candidates is prepared for the client. Callan reviews the report with the client to highlight important considerations in conducting the search, compare and contrast the manager candidates, and assist in the identification of finalist candidates.

VI. Interview Finalists

To gain additional insight, finalists are invited to present to the client. The presentations generally include an overview of the manager organization and a specific review of the product being considered. They also provide the opportunity for the client and/or consultant to address any outstanding issues. A winner is typically selected following these presentations.

Candidate Profile

1. **Manager Type**

   Only qualified investment counselors or organizations registered under the Investment Advisers Act of 1940 that are currently managing assets will be considered. Strict requirement that candidates must be SEC registered. Diverse-, Woman-, Disabled-Owned (DWDO) firms will be included as candidates in this search assuming product availability

2. **Investment Style**

   Arkansas PERS is seeking an investment manager(s) capable of managing an infrastructure secondaries fund.

   Managed Assets

   Candidates should have experience managing mandates for institutional investors.

3. **Professional Staff**

   Investment staff should be stable and of sufficient depth and breadth to perform the ongoing duties of the firm and to ensure continuity of the investment process. Additionally, there should be a sufficient number of client service professionals relative to the firm's client base to ensure that the client has reasonable access to the firm.

4. **Portfolio Manager Structure & Experience**

   Team approach is preferred but not required. It is preferred that key professionals have at least 8 years of investment experience and have worked together for at least three years. Firms that do not meet this criterion will be evaluated on a case-by-case basis.

5. **Investment Vehicle**

   A commingled fund is preferred.

6. **Historical Performance & Risk Criteria**

   A track record of at least three years is preferred.

7. **Qualities Specifically Sought**

   Arkansas seeks a manager(s) with a demonstrated track record of investing in infrastructure

   - Firm must be a viable, ongoing business
   - Organizational infrastructure to support institutional client base
   - Disciplined investment process

Candidate Profile (continued)

- Diversified portfolio by region, sector and revenue type
- Low turnover of key personnel
- Products with at least a three-year track record are preferred
- Commitment to client service and an ability to effectively articulate their investment process
- Willingness to visit client as needed

8. Characteristics To Be Avoided

- Candidates currently involved in a merger, acquisition, or recent transaction impacting the firm's senior executives
- Excessive recent personnel turnover

9. Specific Client Requests & Additional Considerations

- Preference to review approximately six candidates
- Fee information should be included in the search package

Infrastructure Secondaries Search

Background and Search Process

On behalf of **Arkansas Public Employees' Retirement System**, Callan conducted a search for infrastructure secondaries managers.

Six funds are being advanced for consideration by Callan's Alternative Review Committee

Manager	Fund Name
Ares	Ares Secondaries Infrastructure Solutions III
Blackstone	Blackstone Strategic Partners Infrastructure Fund IV
HarbourVest	HarbourVest Infrastructure Opportunities Fund III L.P.
Macquarie	Macquarie Alliance Partners Infrastructure Fund
Pantheon	Pantheon Global Infrastructure Fund V
Partners Group	Partners Group Infrastructure Secondary

Ares Management, LLC
2000 Avenue Of the Stars, 12th Floor
Los Angeles, CA 90067

History

Ares Management Corporation (NYSE: ARES) is a publicly traded global alternative investment manager with approximately $527 billion in assets under management (AUM) as of December 31, 2024. The firm operates across North America, Europe, Asia Pacific, and the Middle East, employing over 4,000 people in more than 50 global offices. Shares of its Class A common stock are listed on the New York Stock Exchange under the ticker symbol "ARES." Founded in 1997, Ares began as a team of investment professionals focused on leveraged loans, high-yield bonds, private debt, and private equity. It became independent in 2002 and launched its first private equity and private debt funds shortly thereafter. Ares Capital Corporation (ARCC), a specialty finance subsidiary formed in 2004, is the largest business development company in the U.S. by market capitalization. The firm has expanded significantly through both organic growth and strategic acquisitions.

Structure

Founded: 1997
Type of Firm: Limited Liability Corporation
Ownership: Publicly Owned
Errors and Omissions Insurance: Yes
In Compliance with SEC and DOL: Yes
Registered Investment Advisor: Yes

Contact

Scott P. McConnell, CFA
1000 Avenue of the Stars
6th Floor
Los Angeles, CA 90067
Phone: 310.921.7265
Email: smcconnel@aresmgmt.com

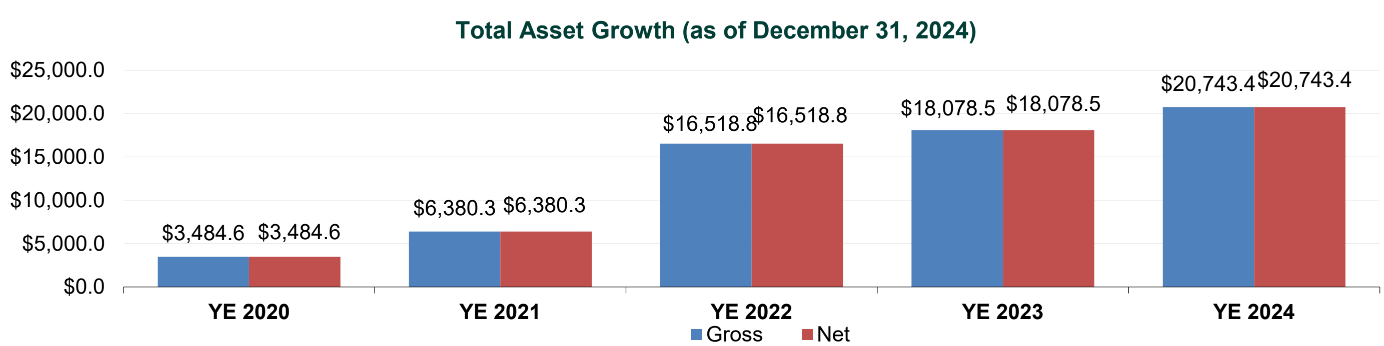
Key Professionals

	Year Started in Industry	Year Started with Firm
Michael J. Arougheti – CEO	1994	2004
Jarrod Phillips – CFO	2000	2016
Penni Roll – CCO	1995	2010

Employee Structure

Portfolio Management	1
Research	-
Acquisitions	9
Dispositions	-
Asset Management	-
Property Management	-
Leasing	-
Accounting/Financial	5
Legal	5
Client Servicing/Marketing	2
IT (Technology)	-
Senior Management	-
Engineering	-
Other	-
Total	**22**

Infrastructure Assets Under Management ($ millions)



Ares Secondaries Infrastructure Solutions III

Key Professionals	Year Started in Industry	Year Started with Firm
Edward Keith – Partner, Head of Infrastructure Secondaries	2008	2008
Kevin Chang – Partner, Infrastructure Secondaries	2009	2018
William Smalley – Partner, Infrastructure Secondaries	2012	2017

Vehicle	Year	Capital Commitments ($mm)
Landmark Infrastructure Partners II	2018	$**915**

Strategy

Ares Secondaries Infrastructure Solutions III ("ASIS III") has a principal investment objective to offer the traditional benefits of infrastructure investments (such as inflation protection, current yield, and asset durability) wit the potential benefits of the secondary asset class by seeking to build a diversified portfolio of infrastructure funds and other similar interests that the Ares Secondary Infrastructure Group ("ASIG") believes has the potential to generate attractive and near-term cash distributions at a lower risk relative to primary infrastructure investments. The three pillars of ASIG's investment strategy includes diversification, maximizing asset and manager quality, and protecting investment return from market or asset performance erosion through transaction structure. The Fund will target digital infrastructure (15%-30%), transport and logistics (10%-30%), power generation and renewables (10%-30%), utilities (5%-20%), environmental services (0%-10%), and social infrastructure (0%-10%).

Ares Secondaries Infrastructure Solutions III

Target Size:	$2.0 billion (hard cap $3.0 billion)
Sponsor Commitment:	1.0% of total committed capital
Total Return Target:	11%-14% net IRR
Leverage:	Long-term leverage not to exceed 25%
Term:	10 years from end of investment period, subject to two one-year extensions
Investment Period:	4 years from final close date
Management Fee:	Investment Period: 1.0% of committed capital Next Four Years: 1.0% of invested capital Thereafter: 1.0% of reported value Discounts available (during the investment period only) for commitments greater than $100 million
Distributions:	First, return of capital Second, 7% preferred return Third, 100% catch up until GP has received 20% Thereafter, 88% to the LPs and 12% to the GP
Expenses:	Capped at $4.0 million
GP Removal:	Majority in interest with cause 85% in interest without cause
Key Person	Any three of Edward Ketih, Kevin Chang, William Smalley, Nathan Walton, Paul Mehlman, Barry Miller

Fund Status

ASIS III completed its first close on April 16, 2024, and raised $931.8 million. To date, the Fund has raised $1.6 billion. The targeted final close is August 29, 2025.

Comments

- Ares Management LLC is registered with the SEC as of May 2014.
- Ares is publicly traded, listed on the New York Stock Exchange under the ticker symbol "ARES".
- In early 2021, Ares acquired Landmark Partners, a secondaries-focused investment manager. The Ares Secondary Infrastructure Group was acquired as part of the transaction. The Fund's predecessor, Landmark Infrastructure Partners II, a 2018 vintage fund, employed a similar strategy as ASIS III will target.
- The Ares team formally began its secondary real asset program in 2015 by investing out of two separately managed accounts with aggregate commitments equal to about $450 million. These two accounts are referred to as LRA 1 and are the predecessor to LIP II and ASIS III; however, due to the differences in strategy mandate, vehicle structure, and fund mechanics, LRA 1 was excluded from the infrastructure secondaries track record.
- ASIS tilts its exposure to higher quality managers and assets.
  - LP-led deals: The firm invests in large, concentrated commitments with well-performing managers. These deals often involve less competition, allowing access to assets at lower prices. Returns on these deals in the LIP II portfolio were 19% Gross IRR and 1.2x Gross TVPI.
  - GP-led deals: The firm selects top-performing assets, often from managers with strong past performance. Returns on these deals in the LIP II portfolio were 27% Gross IRR and 1.5x Gross TVPI.
  - Preferred structures: The firm invests in deals where the counterparty takes on more risk, allowing the firm to choose strong assets from a larger pool. Returns on these deals in the LIP II portfolio were 25% Gross IRR and 1.6x Gross TVPI.
- There are two LP-led deals closed into ASIS III to date. These include a secondary transaction involving the acquisition of three LP fund interests in EQT Infrastructure III, EQT Infrastructure IV, and Stonepeak Infrastructure III. The other is an LP-led transaction for a single fund managed by a large infrastructure GP that focuses on European core/core plus infrastructure assets. There are also six GP-led deals closed into ASIS III to date. These include a portfolio of solar plus storage assets, an investment in a global cold storage platform, a minority interest of a hyperscale data center platform with holdings in six countries, an interconnection and carrier hotel data center business, an investment in a toll road in Texas, and a minority interest in a data center platform in Sweden.

The Blackstone Group L.P.
345 Park Avenue
New York, NY 10154

History

Blackstone was founded in 1985 and today is the world's largest alternative asset manager. Blackstone completed an initial public offering in 2007 and is a publicly traded holding partnership organized in the state of Delaware. The Firm is led by Stephen A. Schwarzmann, Chairman, CEO, and Co-Founder. In 2010, Blackstone assumed the asset management responsibilities of Bank of America Merrill Lynch assets and Merrill Lynch Asian Real Estate Opportunity Fund. On October 1, 2015, Blackstone completed the spin-off of its financial and strategic advisory services, restructuring and reorganization advisory services and Park Hill Group businesses. Also in 2015, Blackstone acquired substantially all of GE Capital's real estate business.

Structure

Founded: 1985
Type of Firm: Limited Partnership
Ownership: Publicly Owned
Errors and Omissions Insurance: Yes
In Compliance with SEC and DOL: Yes
Registered Investment Advisor: Yes

Contact

Lucy Goodling
345 Park Avenue
New York NY 10154
Phone: 646-482-6074
Email: lucy.goodling@blackstone.com

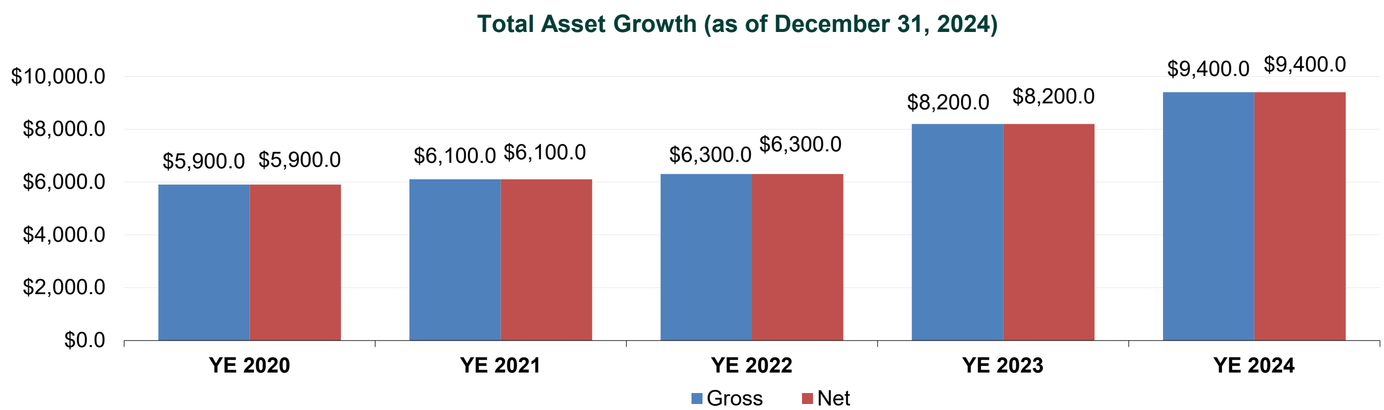
Key Professionals

	Year started in Industry	Year started w/Firm
Jonathan Gray – President and COO	1992	1992
Kenneth Caplan – Global Co-CIO	1995	1997
Lionel Assant – Global Co-CIO	1996	2003
Michael Chae – CFO	1997	**1997**

Employee Structure

BSP Infra Investment Professionals	11
BSP Non-Infra Investment Professionals	100
BSP Finance Professionals	16
BSP Legal & Compliance Professionals	7
Other	7
Total BSP Professionals	141
Total	**141**

Infrastructure Assets Under Management ($ millions)



Blackstone Strategic Partners Infrastructure IV

Key Professionals	Year Started in Industry	Year Started with Firm
Verdun Perry – Global Head of Strategic Partners	1994	2000
Mark Bhupathi – Head of Blackstone Strategic Partners Infrastructure	2004	2013

Vehicle	Year	Capital Commitments ($mm)
BSP Infra I	2014	$316
BSP Infra II	2017	$2,309
BSP Infra III	2020	$3,920

Strategy

Blackstone Strategic Partners Infrastructure Fund IV represents a continuation of Blackstone's decade-long strategy to deliver attractive, risk-adjusted returns by investing in secondary infrastructure transactions globally. The fund capitalizes on structural inefficiencies in the infrastructure secondary market, leveraging Blackstone's scale, access to proprietary deal flow, and operational expertise to create a diversified portfolio of core and core-plus infrastructure assets. BSP Infrastructure IV seeks to acquire mature infrastructure assets through secondary transactions, particularly LP-led deals and selective GP-led processes. These assets span sectors such as digital infrastructure, transportation, energy transition, utilities, and social infrastructure. The fund's focus on buying into existing infrastructure funds and co-investments allows it to access seasoned assets with proven cash flow, limiting exposure to development or early-stage risks.

Blackstone Strategic Partners Infrastructure IV

Target Size:	$4.0 billion
Sponsor Commitment:	The lesser of $55 million or 2.0% of aggregate third-party commitments
Total Return Target:	13%-15% net IRR
Leverage:	Not to exceed 30% provided that the leverage cap may be increased to 35% with Advisory Committee consent
Term:	4 years from final closing with one, one-year extension
Investment Period:	12 years after final closing with four one-year extensions
Management Fee:	1.125% on aggregate commitments during investment period; 1.125% on invested capital thereafter. Discounts available for commitment amounts of at least $100 million.
Distributions:	First, return of capital Second, 7% preferred return Third, 100% catch up Thereafter, 87.5% to the LPs and 12.5% to the GP
Expenses:	Capped at 0.15% of aggregate capital commitments
GP Removal:	66 2/3% in interest with cause Majority in interest without cause
Key Person	If any four or more of Verdun S. Perry, Joshua S. Blaine, David J. Corey, Mark A. Bhupathi, Jameson L. Mones, David R. Fox, or Kevin P. Bundschuh cease to be actively involved in the affairs of the GP

Fund Status

BSP IV held its first close in December 2023. The Fund's investment period began in July 2024. The fund has closed or hard circled $4.4 billion of capital commitments to date and will plan to hold rolling closing until the final on June 11, 2025.

Comments

- The Blackstone Group is registered with the SEC.
- Blackstone is publicly traded on the New York Stock Exchange (BX) with a significant ownership by its employees.
- Across the Strategic Partners business, Blackstone leverages its scale as sellers and general partners view the platform as a trustworthy and well-respected counterparty that is able to transact on a fair, timely, and confidential basis. Additionally, Blackstone believes that its scale as one of the most active participants in the secondary market provides it with an information advantage.
- The BSP Infra strategy has thematic focus concentrated on energy transition, digital infrastructure, and transportation assets. Blackstone focuses on acquiring secondary interests in mature infrastructure and real asset funds in addition to providing capital to tactical general-partner-led transactions and fund/asset recapitalizations. The fund targets brownfield assets with core and core-plus risk profiles, while capitalizing on favorable positioning in the high-growth infrastructure secondary market to create compelling risk/return asymmetry.
- As of September 30, 2024, aggregate historical performance across BSP Infrastructure Fund I through III was a 16% net IRR.

HarbourVest Partners, LLC
One Financial Center
Boston, MA 02111

History

HarbourVest Partners LLC is an independent global private markets asset manager that invests across private equity, private credit, and infrastructure and real assets investments. HarbourVest was founded in 1982, although the history of the HarbourVest team began in the late 1970s when its founders began making venture capital investments. The team expanded its investment focus in 1981 to include buyout partnerships, and in 1982 formed its first fund, which was one of the first closed-end, institutionally backed U.S. private equity fund-of-funds. The investment team expanded to make its first direct company investment in 1983, first European and Asian investments in 1984, and first secondary investment in 1986. HarbourVest today has more than 1,000 employees in 13 offices around the world.

Structure

Founded: 1982
Type of Firm: Limited Liability Corporation
Ownership: Independently Privately Owned
Errors and Omissions Insurance: Yes
In Compliance with SEC and DOL: Yes
Registered Investment Advisor: Yes

Key Professionals

	Year Started in Industry	Year Started with Firm
Michael J. Arougheti – CEO	1994	2004
Jarrod Phillips – CFO	2000	2016
Penni Roll – CCO	1995	2010

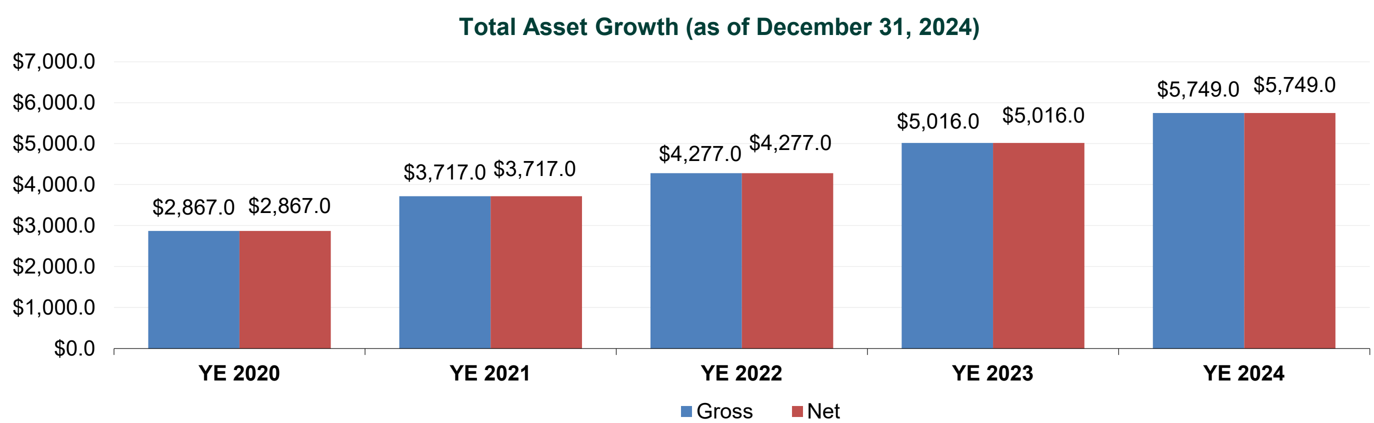
Contact

Julie Barry, CFA, CIPM
One Financial Center
Boston, MA 02111
Phone: 773-562-9420
Email: jbarry@harbourvest.com

Employee Structure

Portfolio Management	15
Research	31
Acquisitions	-
Dispositions	-
Asset Management	-
Property Management	-
Leasing	-
Accounting/Financial	206
Legal	59
Client Servicing/Marketing	127
IT (Technology)	163
Senior Management	1
Engineering	-
Other	653
Total	**1,255**

Infrastructure Assets Under Management ($ millions)



HarbourVest Infrastructure Opportunities Fund III

Key Professionals

	Year Started in Industry	Year Started with Firm
Dan Buffery – Managing Director	2002	2016
Michael Dean – Managing Director	1998	2014
Tim Flower – Managing Director	1997	2008

Vehicle

	Year	Capital Commitments ($mm)
Infrastructure Opportunities Fund I	2016	$366
Infrastructure Opportunities Fund II	2019	$456

Strategy

HarbourVest Infrastructure Opportunities Fund III L.P. ("Infrastructure Opportunities III" or "IOF III" or the "Fund") is designed to generate attractive risk-adjusted returns by constructing a diversified portfolio of core plus and value-add infrastructure investments, emphasizing secondary transactions complemented by direct investments. To achieve this objective, the Fund intends to utilize the specialized expertise of the Infrastructure and Real Assets (InfRA) investment team, along with HarbourVest's established experience in secondary investing, to target opportunities in the growing infrastructure secondary market. Infrastructure Opportunities III will serve as the successor fund to Infrastructure Opportunities Fund II.

Expected geographic diversification is 50%-80% North America; 10%-30% Europe; and 5%-15% rest of world.
Expected property sector diversification is 20%-35% renewables and efficiency; 15%-25% telecommunications and data; 10%-20% power and midstream; 5%-15% diversified real assets; 5%-15% transportation and logistics; and 5%-20% other infrastructure.
Expected strategy diversification is 35%-45% GP-led secondaries; 30%-40% traditional secondaries; and 20%-30% direct investments.

HarbourVest Infrastructure Opportunities Fund III L.P.

Target Size:	$1.0 billion (no hard cap)
Sponsor Commitment:	1.0% of aggregate commitments
Total Return Target:	Low- to mid-teens net IRR
Leverage:	Not to exceed 50%
Term:	10 years with four one-year extensions
Investment Period:	Up to 5 years from first capital call
Management Fee:	<$50 million: 0.86% on committed capital $50 million to $100 million: 0.76% $100 million to $150 million: 0.71% $150 million to $200 million: 0.66% $200 million to $250 million: 0.61% >$250 million: 0.57%
Distributions:	First, return of capital Second, 8% preferred return Third, 100% catch up Thereafter, 87.5% to the LPs and 12.5% to the GP
Expenses:	Capped at $8 million
GP Removal:	Majority in interest with cause No removal without cause
Key Person	If fewer than 23 of the Firm's senior managers continue to be actively involved in the affairs of the GP or HarbourVest

Fund Status

The fund is targeting $1 billion and, as of April 25, 2025, has closed on $539.7 million in commitments. IOF III LPs recently approved an extension of the Fund's final close to July 31, 2025.

Comments

- HarbourVest Partners LLC is registered with the SEC.
- HarbourVest is an independent, privately-owned Firm. The equity ownership is held by 34 individuals. Within this group, no individual owns more than 7% of the firm.
- Infrastructure Opportunities Fund III has committed to seven investments, totaling $145 million in commitments, as of May 2025, and the team anticipates closing on two additional opportunities within the next few months. These investments have been secured for an average discount of ~12%, which in conjunction with early liquidity events and appreciation has resulted in material embedded gains in the fund.
- HarbourVest has built out the Infrastructure & Real Assets platform to over a dozen dedicated professionals with significant primary fund, direct, and secondary investment experience across a full range of real assets sectors. The team also leverages the deep resources of HarbourVest's Primary Fund, Direct, and Secondary Teams – which includes more than 225 investment professionals. The Infrastructure & Real Assets Team is led by Tim Flower, Michael Dean and Dan Buffery who have 70 years of combined experience investing in infrastructure & real assets through primary funds, direct co-investments, and secondary investments. The professionals supporting the senior team all come with direct investment, investment banking, and consulting experience focused on energy and/or infrastructure sectors.
- The Firm manages diversified primary, secondary, and direct co-investment funds in buyout, venture capital, private credit, and infrastructure & real assets investments on a global basis. HarbourVest believes that its integrated approach to investing in all areas of private markets on a global basis further enhances its knowledge and relationships with managers.

Macquarie Asset Management
125 West 55th Street
18th Floor
New York, NY 10019

History

The Macquarie Group developed MIM in 1985, establishing the organization's capabilities in investment management in Australia. In 2010, Macquarie Affiliated Managers (USA) Inc.; a subsidiary of Macquarie Group Limited. Macquarie rebranded Delaware's institutional business as MIM in 2017. The US retail side of the business including the Delaware family of mutual funds retained the Delaware name. Delaware began as a personal investment counselor in 1929, registered with the SEC in June 1952, and in 1972, Delaware Investments was established to provide investment advisory services to tax-exempt institutions. In 2021, Macquarie acquired Waddell & Reed Financial, Inc., the parent company of Ivy Investment Management Co. and the investment adviser of the Ivy Funds. The Ivy Funds, as part of Delaware Funds by Macquarie, are now managed by Delaware Management Company and distributed by Delaware Distributors, L.P. In 2022, Macquarie Asset Management (MAM) acquired AMP Capital's Global Equity and Fixed Income (GEFI) business, including fixed income, Australian listed equities, listed real estate, listed infrastructure, and New Zealand multi-manager products.

Structure

Founded: 1985
Type of Firm: N/A
Ownership: Publicly Owned
Errors and Omissions Insurance: Yes
In Compliance with SEC and DOL: Yes
Registered Investment Advisor: Yes

Contact

Felicia Berryman, CFA
10250 Constellation Blvd
Los Angeles, CA 90067
Phone: 213.880.9920
Email: felicia.berryman@macquarie.com

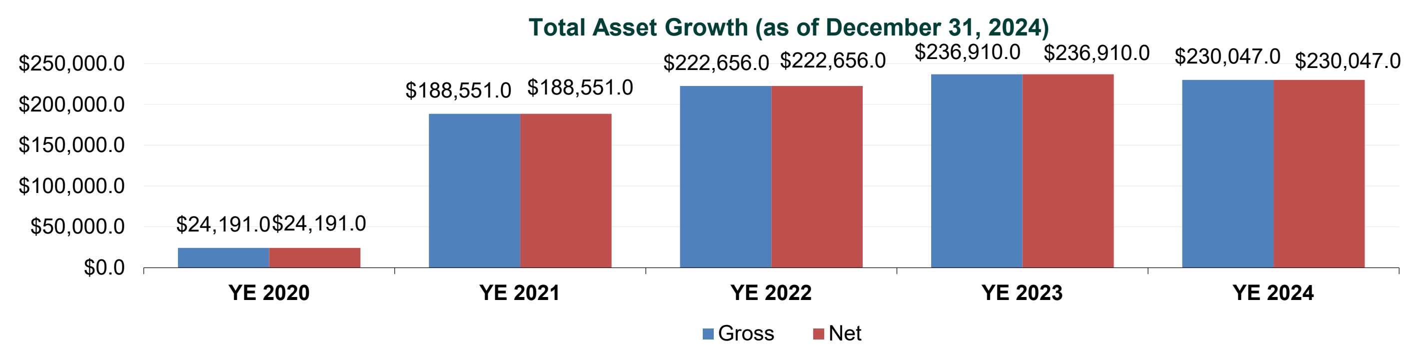
Key Professionals

	Year Started in Industry	Year Started with Firm
Ben Way – Group Head – Macquarie Asset Management	1997	2006
Holly Coleman – Chief Financial Officer	1995	1999
Graeme Conway – Chief Commercial Officer	1997	1997
James Dyckhoff – Chief Operating Officer	2000	2003

Employee Structure

Portfolio Management	1
Research	-
Acquisitions	8
Dispositions	-
Asset Management	-
Property Management	-
Leasing	-
Accounting/Financial	4
Legal	1
Client Servicing/Marketing	3
IT (Technology)	-
Senior Management	2
Engineering	-
Other	-
Total	**17**

Infrastructure Assets Under Management ($ millions)



Macquarie Alliance Partners Infrastructure Fund

Key Professionals

	Year Started in Industry	Year Started with Firm
Wandy Hoh – President, MAPIF	2000	2020
Graeme Conway – Head of MAM Solutions, Chief Commercial Officer	1997	1997
Charles Spiller – MAM Senior Advisor, MAPIF	1996	2022

Vehicle

Vehicle	Year	Capital Commitments ($mm)

Strategy

Macquarie Alliance Partners Infrastructure Fund ("MAPIF" or "the Fund") aims to generate attractive risk-adjusted returns through investments in managed infrastructure assets, primarily via secondary market purchases of interests in private investment funds and select primary investments in continuation vehicles and liquidity solutions. The Manager's strategy targets infrastructure secondaries across various geographies and sectors, including transportation (e.g., airports, ports, and logistics), digital infrastructure (e.g., towers and data centers), waste management (e.g., waste-to-energy), utilities and energy (e.g., regulated utilities), and social or government-related services (e.g., education and aged care facilities). Geographic diversification is expected to generally mirror distribution of primaries, with approximately 80% North America and Europe. The Fund is expected to generate consistent distributable cash flows over the investment cycle while benefiting from the intrinsic characteristics of infrastructure assets—such as long-term contracted revenue streams, limited demand or usage risk, and minimal exposure to market competition.

Macquarie Alliance Partners Infrastructure Fund

Target Size:	Not to exceed $1.0 billion
Sponsor Commitment:	The lesser of 15% of total commitments or $150 million
Total Return Target:	11%-13% net IRR
Leverage:	Not to exceed 30%
Term:	12 years with one one-year extension
Investment Period:	Three years with one one-year extension
Management Fee:	During the investment period, 1.25% of capital commitments per annum and thereafter 1.25% on net asset value Reduced by 50 bps for investors of at least $50 million and reduced by 75 bps for investors of at least $100 million
Distributions:	First, return of capital Second, 8% preferred return Third, 100% catch up Thereafter, 87.5% to the LPs and 12.5% to the GP The above waterfall is for investors with less than $100 million. Investors greater than $100 million will pay 10% over an 8% preferred return with a 100% catch up.
Expenses:	Capped at $5.0 million
GP Removal:	Majority in interest with cause 66 2/3 in interest without cause
Key Person	(i) Both Graeme Conway and Wandy Hoh; or (ii) one of Graeme Conway or Wandy Hoh and a combination of two out of the three of Irina Luckey, Bing Wong, and Bryan Beach.

Fund Status

MAPIF has ~$670 million of managed capital comprising of ~$475m of MAPIF Fund capital and $194m of SMA capital. As of May 2025, the Fund was 60% deployed. The Fund is targeting a final close on June 13, 2025.

Comments

- Macquarie Asset Management is registered with the SEC.
- Macquarie Group Limited, the parent company of Macquarie Asset Management, is publicly listed on the Australian Securities Exchange.
- MAPIF is a first-time strategy for the Macquarie, although one that the team believes represents a logical extension of the Firm's nearly 30 years of infrastructure fund management experience and knowledge. In 2020, MAM further expanded its infrastructure and alternatives platform with the hiring of a team of investment professionals with specialist knowledge and relevant experience in both infrastructure and secondaries, the MAPIF team. Together, in September of 2021, these individuals began making seed investments for MAPIF and has since deployed $508 million across four seed investments. As of June 30, 2024, MAPIF generated a gross IRR of 33.8% and gross MOIC of 1.1x. Additionally, separately managed accounts on behalf of globally recognized investors and totaling ~$195 million of the seed portfolio were closed into recently.
- As of September 30, 2024, the Fund outperformed its key return metric with 37.5% gross / 24.5% net IRR (unlevered) (compared to an 11-13% net target). MAPIF has made distributions every quarter since its inception.
- Macquarie believes that its specialist approach is unique and gives it the full set of experience and knowledge needed to effectively underwrite infrastructure secondaries transactions. The team argues that other secondaries buyers take a "generalist" approach to investing that lacks the deep knowledge and experience necessary to uncover pricing advantages. Key to Macquarie's specialist approach is having access to the Macquarie platform of individuals across MAM, Commodities and Currency, Capital Markets and Investment Banking whose nearly three decades of accumulated knowledge and experience may provide fund professionals with meaningful sector insights.

Pantheon Group
10 Finsbury Square, 4th Floor
London, EC2A 1AF
United Kingdom

History

Pantheon is an established global multi-strategy private equity, infrastructure, real assets and private debt investor. Pantheon has invested in private equity primaries since 1983, in secondaries since 1988 and in co-investments since 1997. Pantheon also launched dedicated programs for infrastructure in 2009, real assets in 2015, private debt in 2018 and real estate in 2021. Pantheon, which was established in 1982 as the private equity arm of GT Management, was later spun out in 1988 via a management buyout from the Partners. In 2004, the firm was acquired by Russell Investments, and then later by the Partners and Affiliated Managers Group Inc. ("AMG") in 2010. AMG is a global asset management company with investments in leading boutique investment management firms. Today, Pantheon is owned by senior Pantheon professionals in partnership with AMG. Today, Pantheon has approximately 458 employees, of which 128 are investment professionals.

Structure

Founded: 1982
Type of Firm: Limited Partnership
Ownership: Privately Owned
Errors and Omissions Insurance: Yes
In Compliance with SEC and DOL: Yes
Registered Investment Advisor: Yes

Contact

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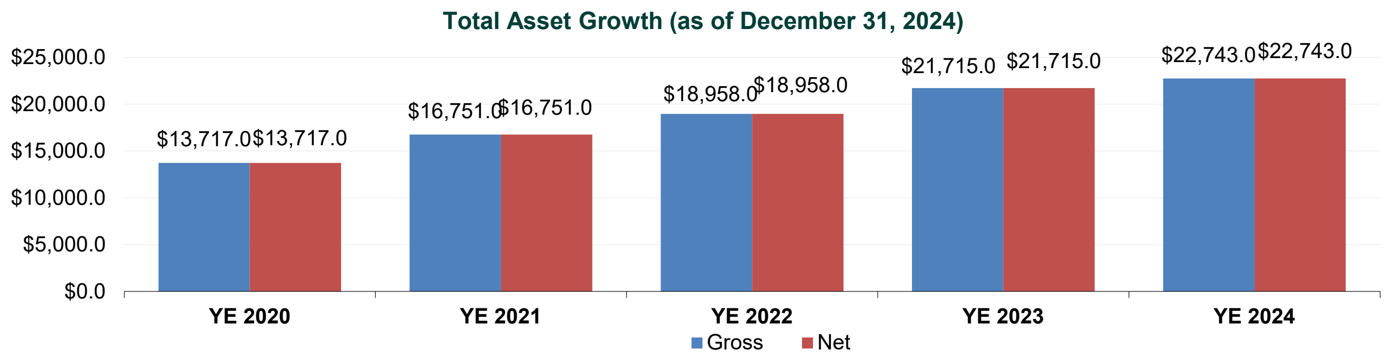
Key Professionals

	Year Started in Industry	Year Started with Firm
Kathryn Leaf – Partner, CEO	1998	2008
Jeff Miller – Partner, CIO	1996	2008
Andrea Echberg – Partner, Global Head of Infrastructure	1996	2012

Employee Structure

Portfolio Management	7
Research	-
Acquisitions	29
Dispositions	-
Asset Management	-
Property Management	-
Leasing	-
Accounting/Financial	-
Legal	-
Client Servicing/Marketing	-
IT (Technology)	-
Senior Management	-
Engineering	-
Other	-
Total	**36**

Infrastructure Assets Under Management ($ millions)



Pantheon Global Infrastructure Fund V

Key Professionals

	Year Started in Industry	Year Started with Firm
Andrea Echberg – Partner, Global Head of Infrastructure	1996	2012

Vehicle

	Year	Capital Commitments ($mm)
PGIF I	2010	$357
PGIF II	2013	$434
PGIF III	2017	$2,207
PGIF IV	2021	$2,797

Strategy

Pantheon Global Infrastructure Fund V will seek to deliver attractive investment returns over the long term by creating a global portfolio of high-quality infrastructure assets with a focus on digital infrastructure, power and utilities, transportation and logistics, and renewables and energy efficiency. PGIF V will seek to gain exposure to infrastructure investments mainly through the acquisition of LP-stake and GP-led secondary transactions and through select co-investments. Pantheon believes this approach should enable PGIF V to efficiently deploy capital in assets with strong operating histories and defensive characteristics at attractive valuations. Pantheon will leverage its deep relationships and scale to generate meaningful deal flow and identify differentiated entry points to de-risked infrastructure assets. PGIF V is a continuation of the successful approach developed by Pantheon in its four prior global infrastructure funds. The fund will target diversification of 90% secondaries and 10% co-investments, and 30%-60% North America, 30%-60% Europe, and 0%-15% Asia and rest of world. By sector, the fund will target 20%-30% digital infrastructure, 20%-30% power and utilities, 15%-25% transportation and logistics, and 15%-25% renewables and efficiency.

Pantheon Global Infrastructure Fund V

Target Size:	$4 billion, no hard cap
Sponsor Commitment:	1.0% of capital commitments
Total Return Target:	12%-15% net IRR
Leverage:	Up to 25% of fund commitments
Term:	10 years with up to three, one-year extensions at the discretion of the GP
Investment Period:	5 years from the date in which the first portfolio investment is closed, with two, three-month extensions at the discretion of the GP
Management Fee:	The standard management fee schedule is 1.0% on commitments during the 5-year commitment period, then 1.0% on the lower of NAV and investment paid-in plus unfunded. Size discounts are available at commitment amounts greater than $25 million.
Distributions:	First, return of capital Second, 8% preferred return Third, 75% catch up Thereafter, 90% to the LPs and 10% to the GP
Expenses:	Capped at $6 million
GP Removal:	Majority in interest with cause 66 2/3% without cause
Key Person	If fewer than two (2) of Andrea Echberg, Evan Corley, Kathryn Leaf, and Richard Sem or (b) fewer than four (4) of Andrea Echberg, Paul Barr, Evan Corley, Jerome Duthu-Bengtzon, Kathryn Leaf, Dinesh Ramasamy and Richard Sem continue to be actively involved in the affairs of the GP

Fund Status

The initial closing for PGIF V occurred in September 2024. The fund is targeting a $4.0 billion fund size. As of May 2025, $1.7 billion in capital has been raised (including closed and hard circled commitments). Pantheon expects the final close for PGIF V to occur in April 2026.

Comments

- Pantheon is registered with the SEC.
- Pantheon is privately owned by Affiliated Managers Group Inc. ("AMG") in 2010. AMG is a global asset management company with investments in leading boutique investment management firms. Today, Pantheon is owned by senior Pantheon professionals in partnership with AMG. The ownership structure is designed to promote long-term stability and alignment of interests with investors.
- Pantheon was an early mover into infrastructure secondaries, and the Team has seen positive net growth, with very little senior turnover, in the last five years and continues to grow. The Team consists of investment professionals as well as industry/banking specialists which is valuable to evaluate underlying investments in potential acquisitions.
- Pantheon does not have a direct infrastructure funds business and is not perceived as a direct competitor to other infrastructure fund managers, which helps to facilitate their deal sourcing.
- Kathryn Leaf, who was instrumental in the development of the infrastructure platform and a leader of the business until 2020, has received a series of promotions that have gradually separated her from the day-to-day operations of the infrastructure secondaries business. Beginning in January 2025, Ms. Leaf will assume the role of CEO. Ms. Leaf will remain involved with Investment Committee and other key activities with the infrastructure team. The Team has a deep bench of experienced investors, including Andrea Echberg, Partner and Head of Pantheon's Global Infrastructure and Real Assets, who has been with Pantheon since December 2012.
- Pantheon's performance in prior funds in the fund series has been strong, with just one realized loss. Prior portfolios have shown strong returns by vintage year, sector allocation, and type of investment.

Partners Group (USA) Inc.
1114 Ave of the Americas
34th Floor
New York, NY 10036

History

Partners Group was founded in 1996 in Switzerland by Marcel Erni, Alfred Gantner and Urs Wietlisbach. At inception, the Firm principally provided private markets consulting services but has evolved into a global investment platform with a variety of alternative investment products and services. Today, the Firm manages $127 billion in AUM across its private equity, infrastructure, private credit, and real estate business lines. In 2006, the Firm executed an IPO on the SIX Swiss Exchang0065 and continues to operate as a publiclytraded company. The three Co-Founders continue to sit on the board of directors. Mr. Gantner served as CEO and Mr. Erni as Chief Investment Officer until 2017, when the Firm transitioned leadership to Andre Frei and David Layton as Co-CEOs. Mr. Frei joined the Firm in 2000, and had assumed the Co-CEO title in 2013 after serving as Chief Risk Officer for five years. Mr. Layton joined the Firm in 2005 and previously led Partners Group's private equity practice. In 2021, Mr. Frei stepped down from his role as Co-CEO to become the Firm's Chairman of Sustainability, and Mr. Layton become the Firm's sole CEO. The firm has over 1,800 employees, including 500 investment professionals. Partners Group is headquartered in Zug, Switzerland with an American headquarters in Denver, CO and 18 additional offices globally.

Structure

Founded: 1996
Type of Firm: Corporation
Ownership: Publicly Owned
Errors and Omissions Insurance: Yes
In Compliance with SEC and DOL: Yes
Registered Investment Advisor: Yes

Key Professionals

	Year Started in Industry	Year Started with Firm
David Layton – CEO	2005	2005
Stephan Schali – CIO	1992	1999
Joris Gröflin – CFO	2001	2024

Contact

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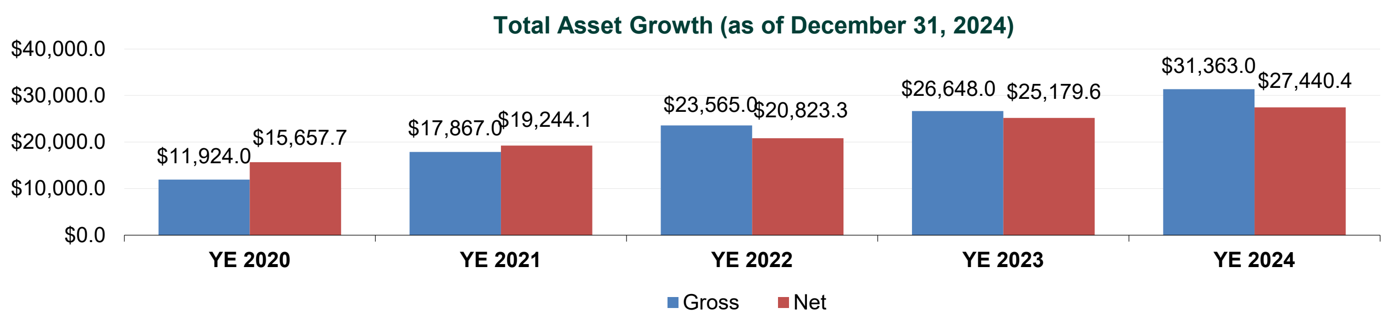
Employee Structure

Portfolio Management	40
Research	-
Acquisitions	100
Dispositions	-
Asset Management	10
Property Management	-
Leasing	-
Accounting/Financial	110
Legal	20
Client Servicing/Marketing	275
IT (Technology)	130
Senior Management	15
Engineering	-
Other	1,100
Total	**1,800**

Infrastructure Assets Under Management ($ millions)



Partners Group Infrastructure Secondary

Key Professionals

	Year Started in Industry	Year Started with Firm
Dmitry Antropov – Co-Head Infrastructure Secondary Strategy	2001	2007
Marc Meier – Co-Head Infrastructure Secondary Strategy	2006	2007

Vehicle

Vehicle	Year	Capital Commitments ($mm)

Strategy

Partners Group's Infrastructure Secondary strategy targets global broadly diversified infrastructure secondaries focusing on inflection portfolios (LP-led) and extension secondaries (GP-led) with value creation potential and consistent risk-adjusted returns in the mid-market segment. The strategy focuses on true infrastructure characteristics, meaning essential products and services characterized by inelastic demand or long-term contracted cash flows with overall low correlation to the economic cycle. The fund will target 70%-100% secondary investments, 0%-30% third-party co-investments, and 0%-10% primary investments. The geographic focus is expected to be 80%-100% in developed markets and 0%-20% in other markets. The Fund's infrastructure secondaries strategy focuses on sourcing and executing the following types of transactions: (i) Inflection L.P. portfolios and (ii) Extension secondaries with a Partners Group angle. Partners Group assembles diversified L.P. portfolio positions through acquisitions of interests in single or multi funds/assets from a variety of sellers. Partners Group leverages its direct investment toolkit and reputation to take active roles in extension secondary processes.

Partners Group Infrastructure Secondary

Target Size:	$750 million
Sponsor Commitment:	1.0% of aggregate commitments
Total Return Target:	12%-15% net IRR
Leverage:	Not to exceed (i) 15% of commitments or (ii) the lesser of 25% of commitments and 100% of undrawn commitments
Term:	12 years after final closing with three one-year extensions
Investment Period:	4 years after final closing with one one-year extension
Management Fee:	1.25% on aggregate commitments during investment period; 1.25% on invested capital thereafter.
Distributions:	First, return of capital Second, 8% preferred return Third, 100% catch up Thereafter, 87.5% to the LPs and 12.5% to the GP
Expenses:	Capped at $750,000
GP Removal:	Majority in interest with cause 75% in interest without cause
Key Person	If eight or more of the listed key personnel cease to be employed or engaged by the manager

Fund Status

Infrastructure Secondary Fund had a first close in April 2025 at approximately $200 million. The fund is targeting a total fund size of $750 million.

Comments

- Partners Group is registered with the SEC.
- Partners Group is publicly traded on the SIX Swiss Exchange (PGHN) with a major ownership by its partners and employees.
- While the Infrastructure Secondary Fund is the firm's first program dedicated to infrastructure secondary investments, Partners Group has a well-established track record in infrastructure secondaries having invested in the space for over 20 years. As of December 31, 2024, Partners Group has invested in 58 infrastructure secondary investments between 2006 and 2024 with $3.4 billion committed capital and a total portfolio net IRR of 15.4% and net TVPI of 1.41x since inception. The platform has 15 fully realized infrastructure secondary investments as of year-end 2024 with a realized portfolio net IRR of 19.7% and net TVPI of 1.52x.
- Partners Group's integrated primary ($29 billion AUM), direct ($22 billion AUM), and secondaries platforms provide proprietary deal flow and visibility on both LP-led and GP-led investment opportunities.
- The team invests thematically behind energy transition, digital infrastructure, and essential services. Because Partners Group's direct investment teams already own >120 assets in these verticals, the secondaries team can underwrite cash flows, cap ex plans and exit scenarios with conviction, allowing the team to price complex portfolios that most peers pass on.
- The fund is already 25% committed with a seed portfolio of three assets, including:
    - Project "Logan", an LP-led, minority stake in a 2017-vintage North American core infra fund (seven mature renewables and regulated utilities). The rationale for the investment is near-term distributions and inflation-linked cash yields.
    - Digital Backbone Co Investment Strip, a GP-led strip sale of a hyperscale data center platform in Western Europe. The rationale for the investment is to capture structural demand for cloud, leveraging the existing Partners Group direct stake.
    - Asia Transport Continuation Fund, a GP-led single asset continuation of a toll road portfolio with traffic growth upside. The rationale for the investment is attractive entry basis at 87 % of net asset value (vs market 94 %).

Candidate Comparison

	Ares	Blackstone	HarbourVest	Macquarie	Pantheon	Partners Group
Fund Details	**Ares Secondaries Infrastructure Solutions III**	**Blackstone Strategic Partners Infrastructure Fund IV**	**HarbourVest Infrastructure Opportunities Fund III**	**Macquarie Alliance Partners Infrastructure Fund**	**Pantheon Global Infrastructure Fund V**	**Partners Group Infrastructure Secondary**
Target Size	$2.0 billion	$4.0 billion	$1.0 billion	$1.0 billion	$4.0 billion	$750 million
Sponsor Commitment	1.0% of total committed capital	The lesser of $55 million or 2.0% of aggregate third-party commitments	1.0% of aggregate commitments	The lesser of 15% of total commitments or $150 million	1.0% of capital commitments	1.0% of aggregate commitments
Total Return Target	11%-14% net IRR	13%-15% net IRR	Low- to mid-teens net IRR	11%-13% net IRR	12%-15% net IRR	12%-15% net IRR
Leverage	Long-term leverage not to exceed 25%	Not to exceed 30% provided that the leverage cap may be increased to 35% with Advisory Committee consent	Not to exceed 50%	Not to exceed 30%	Up to 25% of fund commitments	Not to exceed (i) 15% of commitments or (ii) the lesser of 25% of commitments and 100% of undrawn commitments
Term	10 years from end of investment period, subject to two one-year extensions	4 years from final closing with one, one-year extension	10 years with four one-year extensions	12 years with one one-year extension	10 years with up to three, one-year extensions at the discretion of the GP	12 years after final closing with three one-year extensions
Investment Period	4 years from final close date	12 years after final closing with four one-year extensions	Up to 5 years from first capital call	Three years with one one-year extension	5 years from the date in which the first portfolio investment is closed, with two, three-month extensions at the discretion of the GP	4 years after final closing with one one-year extension
Management Fee	Investment Period: 1.0% of committed capital Next Four Years: 1.0% of invested capital Thereafter: 1.0% of reported value Discounts available (during the investment period only) for commitments greater than $100 million	1.125% on aggregate commitments during investment period; 1.125% on invested capital thereafter. Discounts available for commitment amounts of at least $100 million.	<$50 million: 0.86% on committed capital $50 million to $100 million: 0.76% $100 million to $150 million: 0.71% $150 million to $200 million: 0.66% $200 million to $250 million: 0.61% >$250 million: 0.57%	During the investment period, 1.25% of capital commitments per annum and thereafter 1.25% on net asset value Reduced by 50 bps for investors of at least $50 million and reduced by 75 bps for investors of at least $100 million	The standard management fee schedule is 1.0% on commitments during the 5-year commitment period, then 1.0% on the lower of NAV and investment paid-in plus unfunded. Size discounts are available at commitment amounts greater than $25 million.	1.25% on aggregate commitments during investment period; 1.25% on invested capital thereafter.
Distributions	First, return of capital Second, 7% preferred return Third, 100% catch up until GP has received 20% Thereafter, 88% to the LPs and 12% to the GP	First, return of capital Second, 7% preferred return Third, 100% catch up Thereafter, 87.5% to the LPs and 12.5% to the GP	First, return of capital Second, 8% preferred return Third, 100% catch up Thereafter, 87.5% to the LPs and 12.5% to the GP	First, return of capital Second, 8% preferred return Third, 100% catch up Thereafter, 87.5% to the LPs and 12.5% to the GP The above waterfall is for investors with less than $100 million. Investors greater than $100 million will pay 10% over an 8% preferred return with a 100% catch up.	First, return of capital Second, 8% preferred return Third, 75% catch up Thereafter, 90% to the LPs and 10% to the GP	First, return of capital Second, 8% preferred return Third, 100% catch up Thereafter, 87.5% to the LPs and 12.5% to the GP
Expenses	Capped at $4.0 million	Capped at 0.15% of aggregate capital commitments	Capped at $8 million	Capped at $5.0 million	Capped at $6 million	Capped at $750,000
GP Removal	Majority in interest with cause 85% in interest without cause	66 2/3% in interest with cause Majority in interest without cause	Majority in interest with cause No removal without cause	Majority in interest with cause 66 2/3 in interest without cause	Majority in interest with cause 66 2/3 in interest without cause	Majority in interest with cause 75% in interest without cause
Key Person	Any three of Edward Ketih, Kevin Chang, William Smalley, Nathan Walton, Paul Mehlman, Barry Miller	If any four or more of Verdun S. Perry, Joshua S. Blaine, David J. Corey, Mark A. Bhupathi, Jameson L. Mones, David R. Fox, or Kevin P. Bundschuh cease to be actively involved in the affairs of the GP	If fewer than 23 of the Firm's senior managers continue to be actively involved in the affairs of the GP or HarbourVest	(i) Both Graeme Conway and Wendy Hoh; or (ii) one of Graeme Conway or Wendy Hoh and a combination of two out of the three of Irina Luckey, Bing Wong, and Bryan Beach.	If fewer than two (2) of Andrea Echberg, Evan Corley, Kathryn Leaf, and Richard Sem or (b) fewer than four (4) of Andrea Echberg, Paul Barr, Evan Corley, Jerome Duthu-Bengtzon, Kathryn Leaf, Dinesh Ramasamy and Richard Sem continue to be actively involved in the affairs of the GP	If eight or more of the listed key personnel cease to be employed or engaged by the manager
Fundraising	ASIS III completed its first close on April 16, 2024, and raised $931.8 million. To date, the Fund has raised $1.6 billion. The targeted final close is August 29, 2025.	BSP IV held its first close in December 2023. The Fund's investment period began in July 2024. The fund has closed or hard circled $4.4 billion of capital commitments to date and will plan to hold rolling closing until the final on June 11, 2025.	The fund is targeting $1 billion and, as of April 25, 2025, has closed on $539.7 million in commitments. IOF III LPs recently approved an extension of the Fund's final close to July 31, 2025.	MAPIF has ~$670 million of managed capital comprising of ~$475m of MAPIF Fund capital and $194m of SMA capital. As of May 2025, the Fund was 60% deployed. The Fund is targeting a final close on June 13, 2025.	The initial closing for PGIF V occurred in September 2024. The fund is targeting a $4.0 billion fund size. As of May 2025, $1.7 billion in capital has been raised (including closed and hard circled commitments). Pantheon expects the final close for PGIF V to occur in April 2026.	Infrastructure Secondary Fund had a first close in April 2025 at approximately $200 million. The fund is targeting a total fund size of $750 million.

Performance Comparison (as of December 31, 2024)

Fund Name	Vintage Year	Status of Fund	Target Return (gross IRR, gross EM)	Target Return (net IRR, net EM)	Capital Raised ($mm)	# Investments	# Remaining Investments	Max Leverage %	Called Capital ($mm)	Distributed Capital ($mm)	Portfolio NAV ($mm)	Since Inception Gross IRR	Since Inception Net IRR	Since Inception Gross Multiple	Since Inception Net Multiple
Ares (as of September 30, 2024)															
Landmark Infrastructure Partners II	2019	Fully Invested	12%-14%, 1.7x-1.8x	10%-12%, 1.6x-1.7x	$915.0	25	23	25%	$607.6	$352.4	$886.2	61.3%	39.9%	1.6x	1.5x
Ares Secondaries Infrastructure Solutions III	2023	Raising & Investing	13%-14%, 1.7x-1.8x	11%-14%, 1.6x-1.7x	$2,079.0	9	9	25%	$0.0	$0.0	$403.5	N/A	N/A	N/A	N/A
Blackstone															
Strategic Partners Real Assets I	2014	Fully Invested	N/A	N/A	$274.0	19	0	35%	$197.2	$219.0	$32.1	12.0%	8.8%	1.40x	1.27x
Strategic Partners Real Assets II	2017	Fully Invested	High teens, 1.7x-1.9x	Mid teens, 1.5x-1.7x	$1,750.0	32	0	35%	$1,359.4	$1,073.9	$1,077.1	18.9%	15.0%	1.78x	1.58x
Strategic Partners Infrastructure III	2020	Fully Invested	High teens, 1.7x-1.9x	Mid teens, 1.5x-1.7x	$3,250.0	26	0	35%	$2,181.6	$530.4	$2,337.6	26.2%	18.1%	1.46x	1.31x
HarbourVest															
Infrastructure Opportunities Fund I	2017	Fully Invested	N/A	14%-18%, 1.7x-1.8x	$362.7	33	25	33%	$335.5	$182.7	$265.0	8.5%	6.4%	1.46x	1.35x
Infrastructure Opportunities Fund II	2021	Fully Invested	N/A	12%-16%, 1.6x-1.7x	$451.4	31	31	17%	$374.7	$126.5	$472.1	23.5%	21.7%	1.56x	1.39x
Infrastructure Opportunities Fund III	2025	Raising	N/A	12%-16%, 1.6x-1.7x	$268.7	4	4	N/A	$0.0	$0.0	$42.8	N/A	N/A	1.33x	N/A
Macquarie															
MAPIF CIV 1, L.P.	2022	Fully Invested	N/A	11%-13%	$75.1	4	4	0%	$71.9	$7.8	$76.8	13.5%	10.5%	1.20x	1.20x
MAPIF CIV 2, L.P.	2023	Fully Invested	N/A	11%-13%	$118.5	4	4	0%	$111.3	$7.9	$121.9	15.1%	13.6%	1.20x	1.20x
MAPIF	2023	Fundraising	N/A	11%-13%	$457.3	4	4	0%	$274.1	$6.7	$289.3	37.5%	24.5%	1.10x	1.10x
Macquarie does not have an infrastructure secondaries fund series track record as this is a first-time fund. In lieu of this, Macquarie provided the track record for the seed portfolio															
Pantheon															
Pantheon Global Infrastructure Fund I	2010	In Wind-down	N/A	N/A	$357.0	22	2	-	$312.2	$480.3	$27.9	13.9%	10.8%	1.72x	1.63x
Pantheon Global Infrastructure Fund II	2013	Fully Invested	12%-14%, 1.5x-1.7x	11%-13%, 1.4x-1.6x	$435.0	53	27	-	$394.1	$439.7	$185.3	12.3%	10.2%	1.75x	1.59x
Pantheon Global Infrastructure Fund III	2017	Fully Invested	12%-14%, 1.5x-1.7x	11%-13%, 1.4x-1.6x	$2,207.0	41	31	18%	$2,131.7	$1,116.1	$1,855.5	12.1%	11.7%	1.48x	1.40x
Pantheon Global Infrastructure Fund IV	2021	Fully Invested	12%-14%, 1.5x-1.7x	11%-13%, 1.4x-1.6x	$2,797.0	19	19	22%	$1,647.2	$165.5	$1,783.6	15.5%	14.2%	1.26x	1.18x
Pantheon Global Infrastructure Fund V	2025	Raising & Investing	14%-16%, 1.55x–1.65x	12%-15%, 1.4x-1.5x	$1,791.0	-	-	-	-	-	-	-	-	-	-
Partners Group															
Pre-program	N/A	N/A	N/A	N/A	$50.3	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Partners Group Global Infrastructure I	N/A	N/A	N/A	N/A	$314.3	15	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Partners Group Global Infrastructure II	N/A	N/A	N/A	N/A	$219.7	10	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Partners Group Global Infrastructure Vintage III	N/A	N/A	N/A	N/A	$116.3	2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Partners Group Global Infrastructure IV	N/A	N/A	N/A	N/A	$611.9	8	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Partners Group Global Infrastructure V	N/A	N/A	N/A	N/A	$2,104.1	22	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Partners Group does not have an infrastructure secondaries fund series track record as this is a first-time fund. In lieu of this, Partners Group provided the track record of secondaries deals invested in the Global Infrastructure fund series.															

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Definitions and Disclosures

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Unless Callan has been specifically engaged to do so, Callan does not conduct background checks or in-depth due diligence of the operations of any investment manager search candidate or investment vehicle, as may be typically performed in an operational due diligence evaluation assignment and in no event does Callan conduct due diligence beyond what is described in its report to the client.

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Callan undertakes no obligation to update the information contained herein except as specifically requested by the client.

Past performance is no guarantee of future results.

The investment manager organizations contained herein have submitted information to Callan regarding their investment management capabilities, for which information Callan has not necessarily verified the accuracy or completeness of or updated. The information provided to Callan has been summarized in this report for your consideration. Unless otherwise noted, performance figures reflect a commingled fund or a composite of discretionary accounts. All written comments in this report are based on Callan's standard evaluation procedures which are designed to provide objective comments based upon facts provided to Callan. The appropriateness of the candidate investment vehicle(s) discussed herein is based on Callan's understanding of the client's portfolio as of the date hereof. Certain operational topics may be addressed in this investment evaluation for information purposes. The investment evaluation and any related due diligence questionnaire completed by the candidate may contain highly confidential information that is covered by a non-disclosure or other related agreement with the candidate which must be respected by the client and its representatives. The client agrees to adhere to the conditions of any applicable confidentiality or non-disclosure agreement.

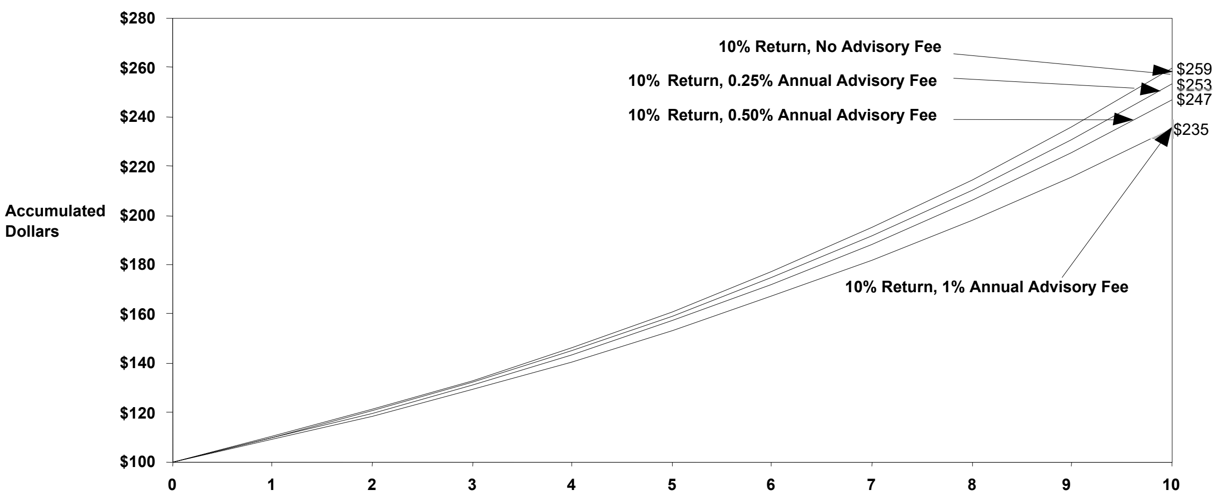
Disclosure Statement

The preceding report has been prepared for the exclusive use of Arkansas Public Employees' Retirement System. Unless otherwise noted, performance returns contained in this report do not reflect the deduction of investment advisory fees. The returns in this report will be reduced by the advisory fees and any other expenses incurred in the management of an investment account. The investment advisory fees applicable to the advisors listed in this report are described in Part II of each advisor's form ADV.

The following graphical and tabular example illustrates the cumulative effect of investment advisory fees on a $100 investment growing at 10% over ten years. Fees are assumed to be paid monthly.

In addition to asset-based investment advisory fees, some strategies may include performance-based fees ("carry") that may further lower the returns realized by investors. These performance-based fees can be substantial, are most prevalent in "Alternative" strategies like hedge funds and many types of private markets but can occur elsewhere. The effects of performance-based fees are dependent on investment outcomes and are not included in the example below.

The Cumulative Effect of Advisory Fees



Accumulated Dollars at End of Years

	1	2	3	4	5	6	7	8	9	10
No Fee	110.0	121.0	133.1	146.4	161.1	177.2	194.9	214.4	235.8	259.4
25 Basis Points	109.7	120.4	132.1	145.0	159.1	174.5	191.5	210.1	230.6	253.0
50 Basis Points	109.5	119.8	131.1	143.5	157.1	172.0	188.2	206.0	225.5	246.8
100 Basis Points	108.9	118.6	129.2	140.7	153.3	166.9	181.8	198.0	215.6	234.9

10% Annual Return Compounded Monthly, Annual Fees Paid Monthly.

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The table below indicates whether one or more of the candidates listed in this report is, itself, a client of Callan as of the date of the most recent quarter end. These clients pay Callan for educational, software, database and/or reporting products and services; refer to our Form ADV 2A for additional information. Given the complex corporate and organizational ownership structures of investment management firms and/or trust/custody or securities lending firms, the parent and affiliate firm relationships are not listed here if they don't separately contract with Callan.

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Blackstone Group (The)	X	
HarbourVest		X
Macquarie Investment Management	X	
Pantheon	X	
Partners Group (USA) Inc.	X	

*Based upon Callan manager clients as of the most recent quarter end.