Albourne Family Office Capabilities and Market Update

Fox Family Office Wealth Advisory Council

March 21, 2024

ALBOURNE

Presenters

David Tatkow

Primary Consultant for SBA
23 years experience
Partner, share option holder
Joined 2010
Core Capital Management, HVB Group
MBA University of Chicago Booth School of Business. AB Dartmouth College
Chief Investment Officer's Knowledge Brokers 2021
Based in Connecticut

Kathy Rossi

Client Relationship Manager for SBA
25 years of experience
Partner, share option holder
Joined 2004
Fir Tree Partners
MBA Pace University, NY. BSc Finance Ithaca College, NY
Based in Florida

Business Model

Our goal is to empower our clients to be the best investors that they can be

Albourne is committed to:

- Non-discretionary advice
- Transparent pricing
- Independent ownership

Albourne believes in promoting alignment and minimizing conflicts

1994	1994	2000	2007	2014	2014
Albourne Partners Limited founded in London	Hedge Fund Service	Castle: client website launched	Private Markets Service	Dynamic Beta Service	Implementation Services

Albourne Services

ADVISORY

- **Portfolio Construction** — Strategy & Manager Mix
- **Risk Analysis** — Measure, Monitor & Manage
- **Monitoring** — Alerts

RESEARCH

- **Investment Due Diligence** — Rating the Investment Strategy
- **Operational Due Diligence** — Rating the Back Office
- **Quantitative Due Diligence** — Fund & Portfolio Modelling

Private Equity
Private Credit
Real Estate
Real Assets
Hedge Funds
Dynamic Beta

IMPLEMENTATION*

- **Middle Office** — Document Review, Fee Negotiation Assistance
- **Back Office** — Transaction & Valuation Reporting
- **Fees & Liquidity** — Analysis, Validation, Reconciliation

FINTECH

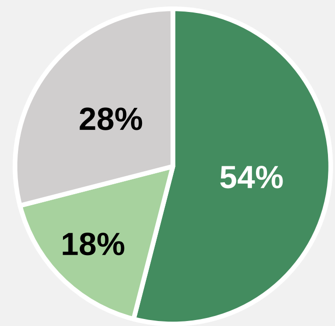
- **Data** — Public, Private & Indices
- **Analytics** — Models, Tools, Software
- **News** — Daily Curated Feed & Summary

*Some Implementation Support services are not available in certain jurisdictions

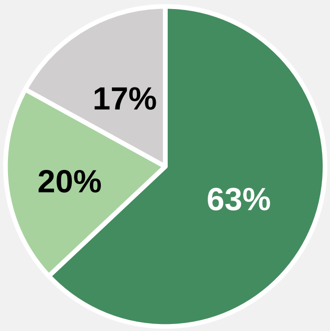
Clients

- >340[1] clients globally
- >$700bn[2] in alternatives
- One of the largest groups of investors in alternative investments

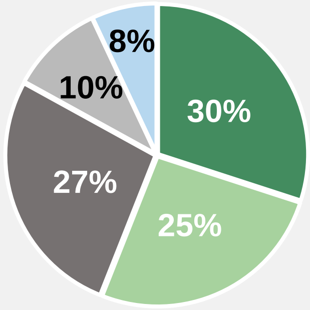
Clients by Type



Clients by Region



Institutions by Type

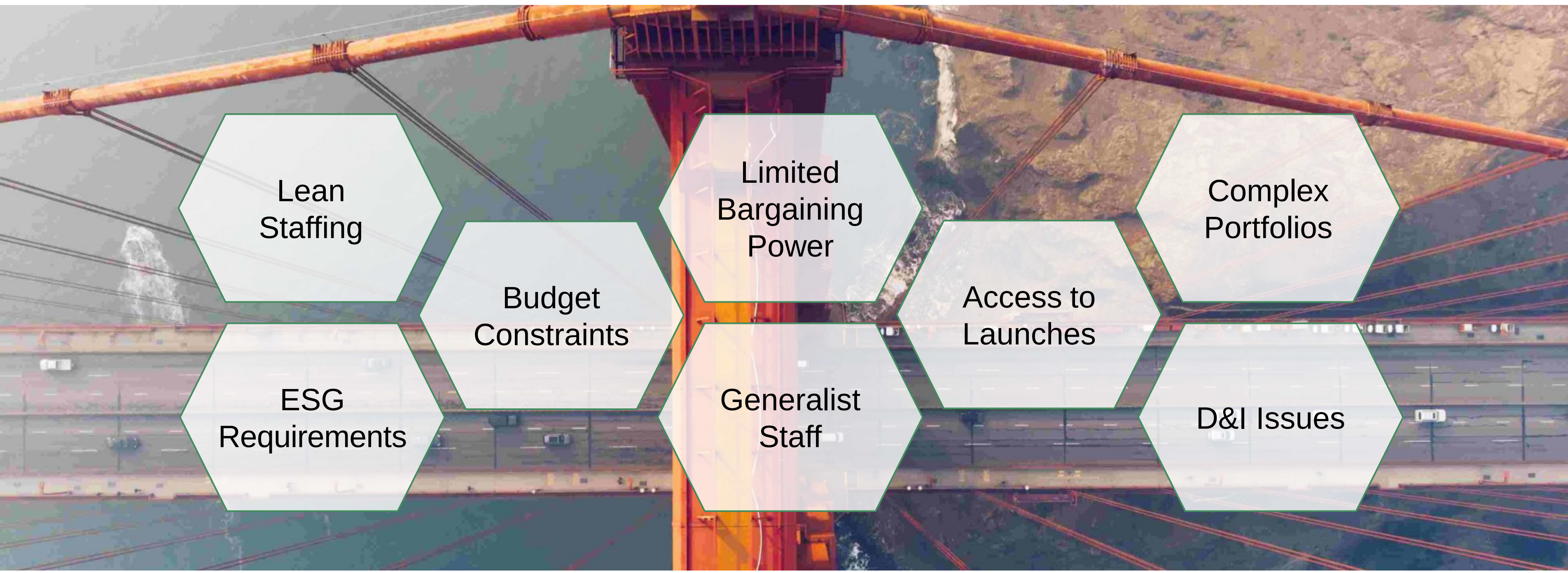


1. The aggregate number of client entities for the Albourne Group worldwide. Clients may be subscribed to multiple services.
2. A conservative aggregation of the estimated investments in alternatives (where known) of Albourne Group clients worldwide, using public sources where possible.

All data as of 1 January 2024

Albourne Family Office Clients

- >60 Family Office clients globally
- >$30bn* in alternatives



*A conservative aggregation of the estimated investments in alternatives (where known) of Albourne Group Family Office clients worldwide, using public sources where possible.

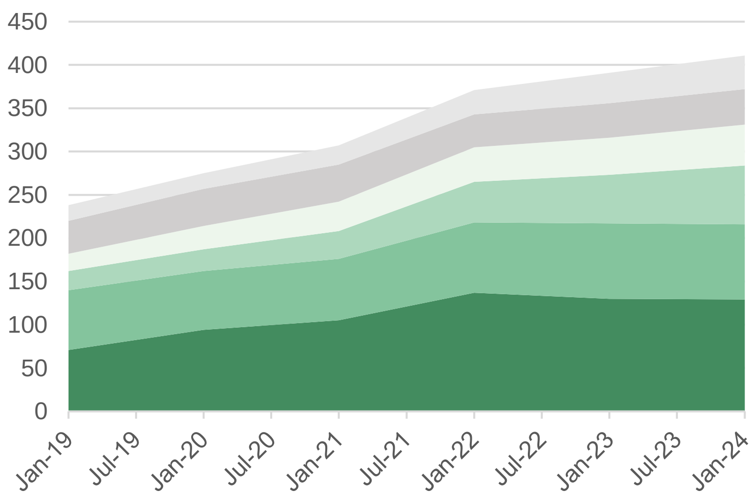
Colleagues

632 Total Headcount[1]

411 Analysts

11 Offices Globally

47%53% Female / Male



Fintech	**39**
QDD Analysts	**41**
Portfolio Analysts	**47**
Implementation	**68**
IDD Analysts	**87**
ODD Analysts	**129**
Total Analysts	**411**

100% Owned by Employees[2]

>80 Employee Share & Option Holders

117 Partners

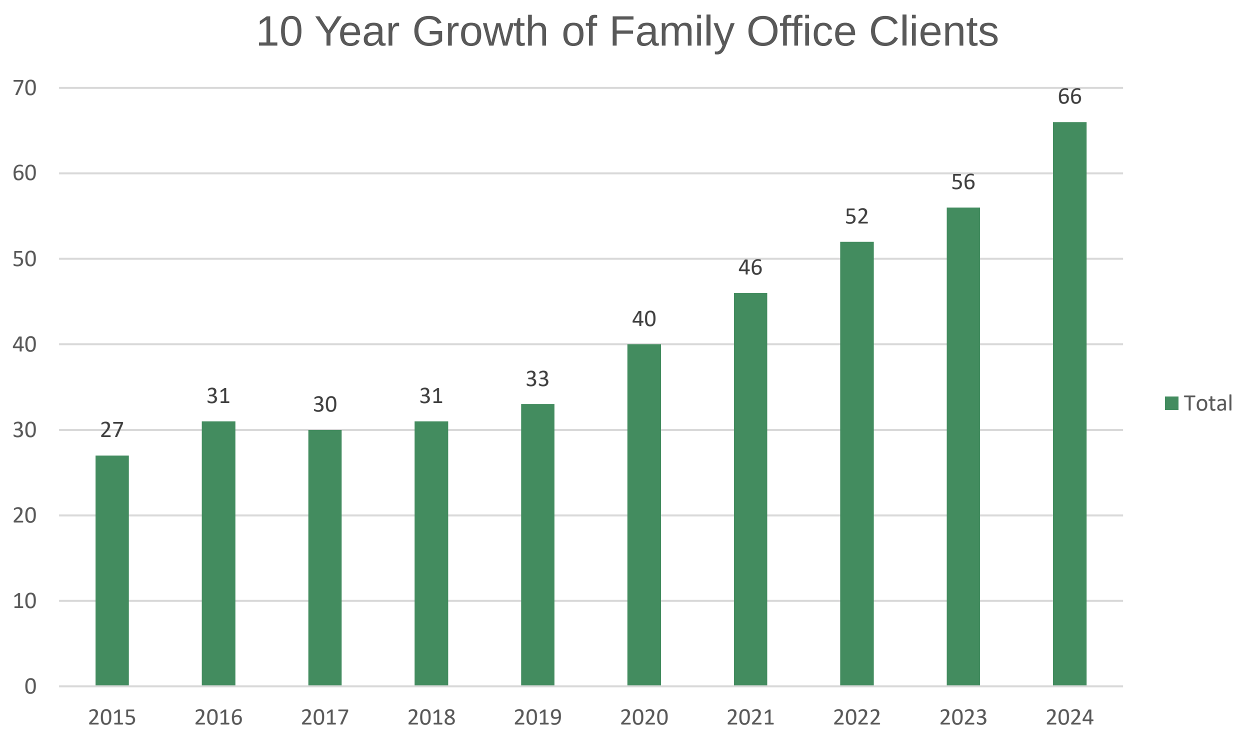
>15 Partners' Average Tenure (Years)

1. Headcount numbers are aggregated across all Albourne Group entities worldwide
2. Including the Albourne Employee Benefit Trust and three retired employees

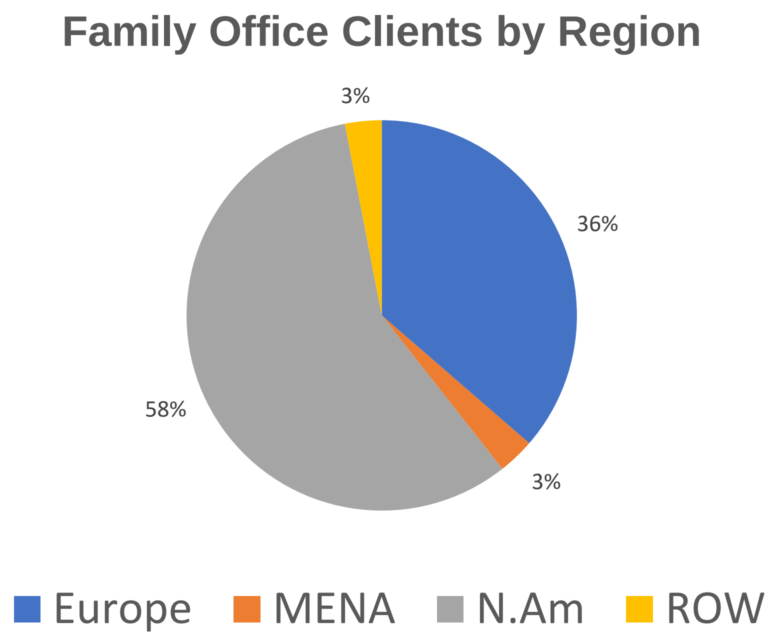
Albourne Single Family Office Use Cases

Growth in Single Family Office Clients

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
#	27	31	30	31	33	40	46	52	56	66



Albourne Family Office Clients by Region



Why Family Offices hire Albourne?

Albourne Supports Key Family Office Stakeholders

	Patriarch	Chief Investment Officer or Chief Executive Officer	Family Office Investment Team Members
Key responsibilities	• Ensuring their wealth is protected for multiple generations.	• Managing expectations of Family and key stakeholders • Managing internal and external investment staff and vendors. • Managing a portfolio across all asset classes.	• Performance • Manager Selection, • Headline Risk, • Investment ideas • Operations Due Diligence
Key pain points	• Trusting external parties to support the family office. • Managing family dynamics.	• Juggling multiple roles • Generalist background • Greater focus on performance measurement and compensation	• Sourcing Investment Ideas, • Access to Analytics • Access to second opinions
Albourne as a Family Office Partner	• Long term, independent, stable partner • Our mission is to make our clients the best investors they can be.	• Albourne supports the CIO and their team with global, institutional investment ideas and specialist knowledge. • Albourne helps FO/MFOs achieve greater economies of scale	• Albourne provides breadth and depth of research and analytics across all strategies • Clients have access to specialists for second opinions • Extensive Operations Due Diligence Capabilities

Industry Commentary

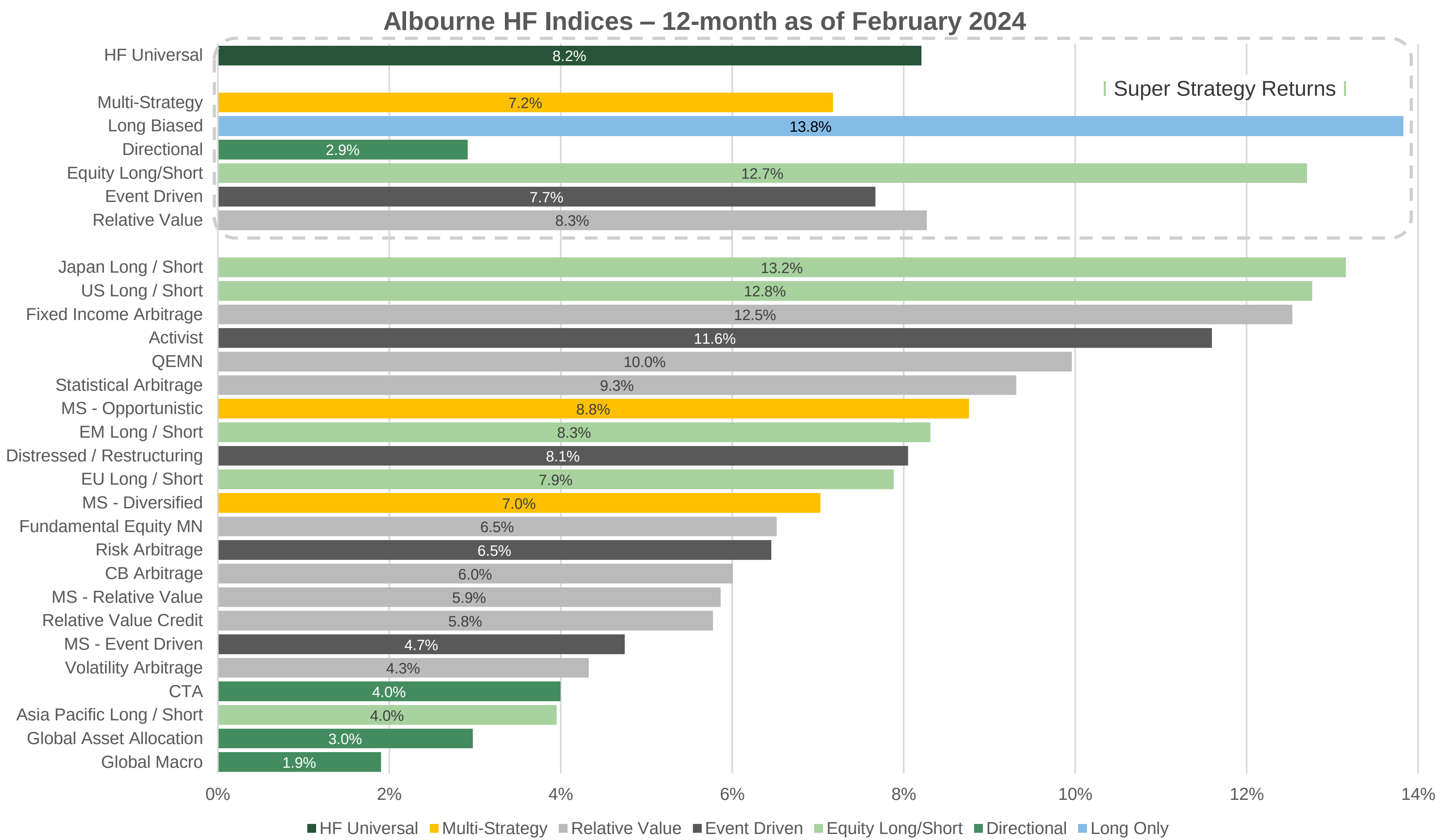
Trends/Observations

- Private Market Focus (Venture Capital, Private Credit, Infrastructure)
- Evaluating Hedge Funds in a high-rate environment
- Fees - The new generation of HNW seems to be more fee conscious. They have grown up in a world of more fee transparency and are questioning high fees or lack of transparency.
- Non-correlated strategies (i.e., Insurance)
- Artificial Intelligence
- Democratization of Private Markets
- Responsible Investing

The Year in Review: 12 Key Themes in 2023

[1] Artificial Intelligence (AI)	[2] Military Conflicts	[3] Global Supply Chains	[4] China
• The surge in AI is one of the contributing factors towards the outperformance of tech equities during 2023. As of 22 December YTD, the S&P 500 IT Index had gained nearly 56%, more than a 2x percentage increase compared to the main S&P 500 Index • Albourne's survey across fund managers showed that (i) Generative AI is being used across functions with at least minimal productivity improvements, (ii) about 1/3 of respondents are not currently using Gen AI tools, (iii) the most common adoption hurdles relate to concerns around data security, followed by accuracy and compliance.	• The geopolitical uncertainties ensued from 2022 and reached new highs with the addition of the Israel-Gaza conflict in October. Fighting on the Ukraine front remained relentless, entering its 22nd month. In October, President Biden proposed a $106bn supplemental funding directed mainly towards Ukraine, Israel, Gaza and border security. This has so far failed in the procedural vote. • Overall, the impact of the conflicts was periodical and largely limited to the commodities sector, including oil.	• Following the developments in Gaza, Yemen's Houthi rebels have been targeting vessels in the Red Sea, thus affecting the accessibility to the Suez Canal. Shipping companies are diverting to alternative and more costly routes. The US has announced that it, alongside a number of other countries, will aim to boost the safety of the Red Sea. • China holds many key supply chains around the world and continuously strives to move up the value chain. From a trade perspective, China's ability to often outproduce other countries at a cheaper price creates an ongoing friction point.	• Economic woes persisted in China, as the early 2023 momentum from the China reopening following the lift of the COVID-zero policies was short-lived. This was reflected by the underperformance of equity markets. • Defaults from property developers continued to make headlines. • 2023 saw an increasing internationalization of the yuan. In April, the Chinese yuan reportedly surpassed the dollar in being the most widely used currency for cross-border transactions in China.
[5] Banking Crisis	**[6] Digital Assets**	**[7] SEC Final Private Fund Advisers Rules**	**[8] Inflation, Rates & GDP**
• 1H 2023 saw the second, third and fourth largest regional commercial bank failures in US history. • SVB's failure sent shockwaves to the banking sector and beyond, as it was also a prominent bank used in the Private Equity/Venture Capital market.	• Recent approvals for ETFs backed by physical BTC units add to the optimism for the Digital Assets space. • The tokenization of real-world assets is emerging as a prevailing use case for blockchain technology, with successful tokenization of real estate, commercial paper, private placements, and other assets. However, regulatory pressure remains.	• The US SEC had an open meeting in August 2023 discussing the adoption of rules originally proposed in February 2022. The changes are far reaching, with the key focus being on the risks to investors around a lack of transparency, conflicts of interest, and a lack of governance mechanisms. The final rules appear to address many of the concerns originally submitted by Albourne to the SEC along with other industry participants.	• While inflationary pressures materially decreased in 2023, they remained above the Fed's and ECB's target 2% inflation rate. • Rate hike expectations remained the key driver of market returns. Notably, the release of US inflationary figures in November, that showed a significant decrease in the inflation rate, paved the way to a market rally, as market participants revised their 2024 rate expectations downwards.
[9] Uptick in Distressed Opportunities	**[10] Private Equity valuations**	**[11] Japan Equities and Corp. Governance**	**[12] Insurance**
• As a consequence of the sharp increase in interest rates in 2022-2023 and the increased cost of borrowing, bankruptcies are rising. • The uptick in defaults is expected to be more sustained than in previous bouts, given that the Fed is less well-situated to inject liquidity. Separately, with capital markets not fully open, Distressed hedge fund managers had some opportunity to structure and price financings that would otherwise be placed in traded markets.	• Higher interest rates and the resulting pressures on valuations appear to persist, however, the strong performance of equities has eased the downward adjustment of private company valuations. • This makes the denominator effect that was prominent earlier in the year and in 2022 less pronounced, offering a more balanced view of portfolio-level allocations to PE investments.	• Nikkei 225 outperformed many of its western counterparts. Besides the ultra-accommodative monetary policy, equity markets also benefited by the reforms in corporate governance. • The Japanese regulators have recently introduced guidance that aims to improve shareholder value. Companies continue to strengthen corporate governance and are under pressure to improve price-to-book ratio.	• Insurance was the best performing Hedge Fund strategy for the year. • Despite 2023 having been one of the most active years on record in terms of industry loss, these losses came mainly from small to medium sized events from secondary perils and the year has lacked any catastrophic events that caused large insured losses. • Inflation has increased the value of underlying exposures as well as replacement costs, so the dollar amount of cover required grew.

Albourne HF Indices – 12-month Returns for February 2024



Long Biased Super-Strategy return presented is based on the returns of Insurance and Direct Lending Strategies.

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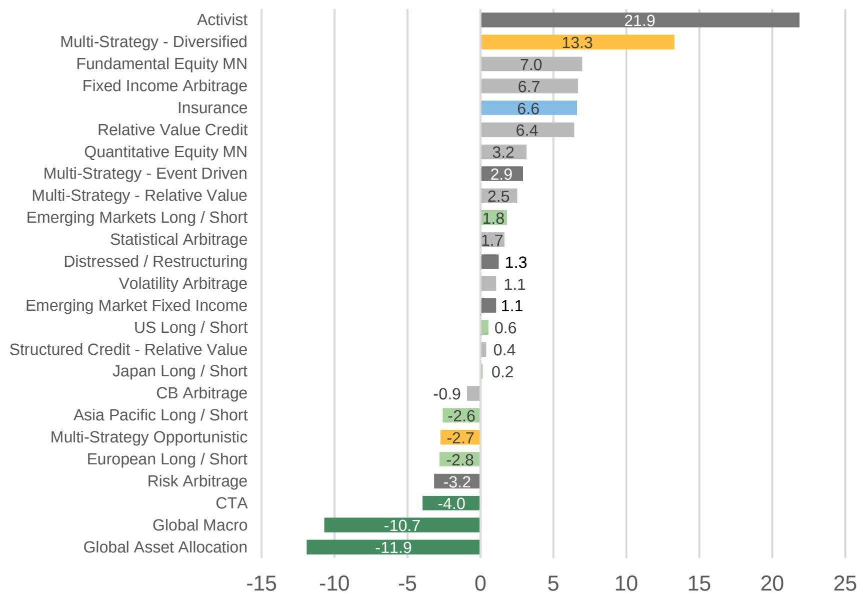
Source: Albourne HedgeRS Indices. https://village-eu.albourne.com/castle/hedgers
Based on fund returns/estimates received as of 7 March 2024. Past performance is not necessarily indicative of future results

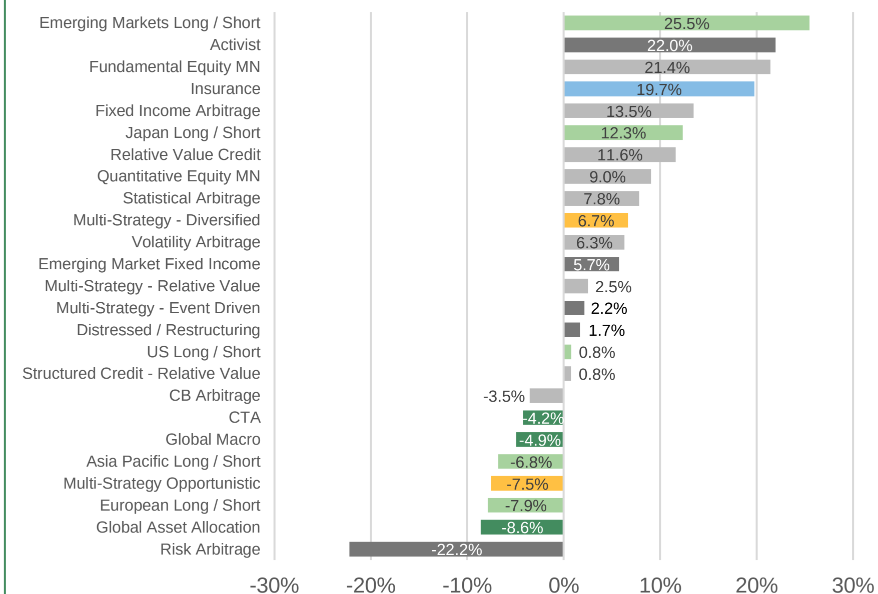
Hedge Fund AUM Trends (December 2022 – December 2023)

All of the **Super-Strategies experienced outflows year-on-year**, with Directional strategies suffering the largest absolute and percentage Outflows.

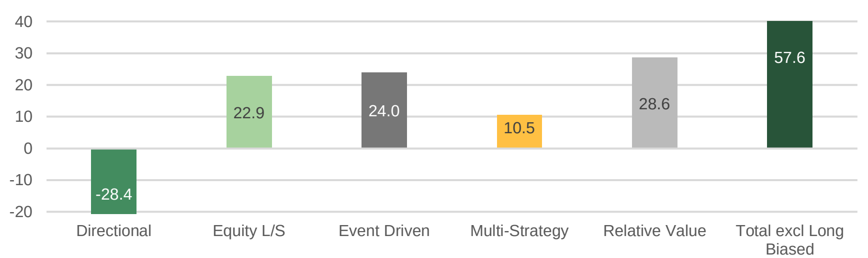
Hedge Fund AUM Trends ($bn)



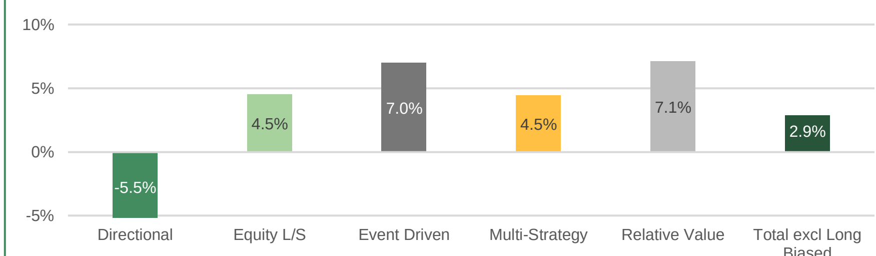
Hedge Fund AUM Trends (%)



Super Strategies ($bn, 12-month)



Super Strategies (%, 12-month)



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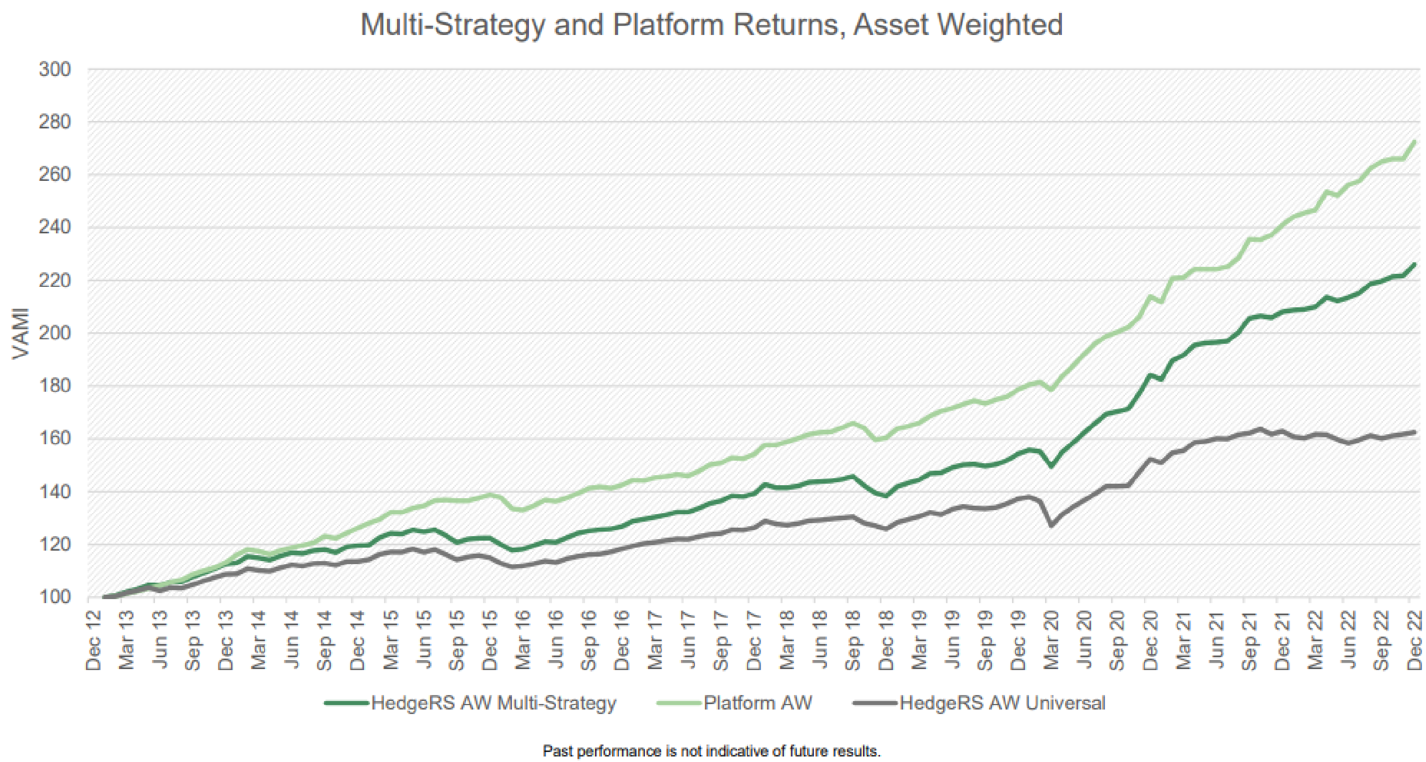
Source: Albourne
Data as of 31 December 2023
The trends show the total AUM changes, due to both Subscriptions/Redemptions and returns.

Platform Funds Versus Multi Strategy Funds



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Source: Albourne
December 2012-December 2022.

Private Markets Performance Overview

PM Snapshot (Trends and Observations) & PM Forecast

The Outlook for Secondaries is Positive due to relatively narrow entry discounts. The infrastructure opportunity set, especially in the middle market, is attractive. Furthermore, Primary Lending in Asia remains appealing, driven by the structural funding gap in the region.

Strategy	Outlook / Change		Comments
US LBO	Marginally Negative	↔	Given the current market environment, Albourne's outlook remains moderated. Positively, a "soft-landing" outcome seems more probable as inflationary concerns appear to recede.
European LBO	Marginally Negative	↔	Opportunities remain limited relative to the level of dry powder. However, M&A activity is anticipated to pick up in 2024.
Asian LBO	Marginally Positive	↔	While geopolitical risks remain, with better pricing and positive trends toward economic stabilization and growth, the opportunity set in Asia remains attractive.
Venture Capital	Neutral	↔	Overall, the US VC market is expected to continue its moderation, with extended fundraising cycles, slower deployment of capital, and a challenging exit environment, with the number of market participants and pricing levels becoming more rational and additional markdowns expected.
Secondaries	Positive	↔	With entry discounts still relatively narrow, and with many LPs seeking to rebalance their portfolios in a GP-led market, create a positive environment for the strategy.
US Distressed & Special Situations	Marginally Positive	↓	All-in yields on low rated performing loans and bonds have come in but remain high by historic standards – driven in large part by elevated base rates.
US Lending	Neutral	↔	The lack of LBO activity led to spread tightening at year-end. There were relatively more direct lenders than supply of M&A given the higher rate environment. However, nominal yields remain attractive due to higher base rates.
European Distressed	Marginally Positive	↔	Pricing is expected to become more attractive as credit fundamentals deteriorate. Default rates may rise slightly in 2024, albeit not dramatically
European Lending	Marginally Positive	↔	High inflation and tightening monetary policy led to improved deal pricing in 2022/2023. Albourne expects pricing to continue to be attractive, and the pace of deal flow is expected to improve in 2024.
Asian Private Credit	Positive	↔	Primary lending remains attractive due to the structural funding gap in Asia, while secondary distressed opportunities continue to be led by the Chinese property bond dislocation.
Oil & Gas	Marginally Positive	↑	Underinvestment in the space, driven by ESG investment mandates and the desire to move towards carbon neutrality, continues to drive the opportunity set in Oil & Gas, where the economics remain attractive.
Infrastructure	Positive	↔	The negative impact of rising rates has been largely offset by the positive impact of higher inflation; however, inflation may moderate while higher rates may linger. Nonetheless, there is a strong opportunity set, particularly in the middle market.
Real Estate	Marginally Negative	↔	Fundraising and dry powder have declined as Real Estate across all styles is generally expected to face continued headwinds in 2024.

↑ Upgrade; ↓ Downgrade; ↔ No change: from previous review
Comments last updated/reviewed: 05 February 2024

US LBO/Growth – PM Outlook / Forecast

Updated	3Q 2023
Reviewed	1Q 2024

PM Forecast (New Commitments)

Summary: Given the current market environment, Albourne is relatively moderate on the outlook for US LBO/Growth. Positively, recessionary fears within the US economy have been slowly receding in favour of a potential “soft-landing” outcome. Although continued economic outlook uncertainty remains and higher interest rates make it more difficult for GPs to underwrite new investments to an acceptable return, we expect to see a pick-up in deal activity from its current depressed levels due to the narrowing gap between seller and buyer expectations, as well as the historical levels of dry powder still available. Conversely, fundraising remains challenged as many LPs remain hesitant on new commitments, while their potential re-ups face increased scrutiny due to changing liquidity dynamics in some portfolios. Overall, these dynamics create the opportunity for high-quality GPs with strong end-to-end strategy capabilities to further distinguish themselves from peers who have been more historically reliant upon cheap financing and rising markets.

Drivers	Outlook	Comments
Deal Pricing	Neutral (Changed from Marginally Positive)	Deal pricing remains slightly more attractive compared to 2021-2022 as purchase price multiples have generally trended lower, especially in higher growth sectors such as software. However, valuations may have already found a near-term bottom as sentiment has improved and public market performance has rebounded, led by the large-cap technology sector.
Supply of Opportunities	Marginally Positive (Unchanged)	The potential investment universe remains very large due to the sheer size and diversity of the US economy. Seller expectations and valuations are the key driving factors behind the fluctuations in supply over short periods of times but not over the medium- or long-term. As the composition and supply of buyout targets (private companies, divisions of corporates, public-to-privates, etc.) varies depending on size, there is naturally a greater supply of potential investment targets in the lower middle market and middle market as compared to the large market.
Leverage Availability	Negative (Unchanged)	With debt markets extremely susceptible to overall volatility and recessionary fears, sponsors broadly continue to face more difficulties in securing debt financing following the sharp increase in rates over the past year and half. Although the cost of debt is more expensive and it is generally harder to secure loans, well-established middle-market sponsors with limited to no history of lender losses should have an advantage due to their time-tested relationships with direct lenders. Direct lenders have enthusiastically stepped into the middle market issuance gap vacated by banks, while new syndicated loan issuance for large market buy-outs (>$50m EBITDA) will likely remain slower as these deals typically require a consortium of lenders.
Supply of Capital (Dry Powder)	Negative (Unchanged)	The fundraising environment remains more competitive and challenging than it has been in years. Despite the fundraising slowdown, the historical level of dry powder available in the market has remained relatively steady due to the steep decline in deal activity. With expectations for deal activity to pick-up before an improvement in fundraising conditions, there appears to be potential for a modest decline in the overall amount of dry powder, albeit not to a material degree.
External / Political Influences	Marginally Negative (Unchanged)	The emergence of a de-globalization theme following the Russia/Ukraine War and deteriorating relations with China over the past year may continue to drive stronger domestic investment interest. However, the seemingly constant threat of the US tightening various regulatory and disclosure requirements for private equity firms and their portfolio companies remains.
OVERALL	Marginally Negative	Unchanged

US VC – PM Outlook / Forecast

PM Forecast (New Commitments)

Updated	1Q 2024
Reviewed	1Q 2024

Drivers	Outlook	Comments
Deal Pricing	Marginally Positive (Unchanged)	Except for relatively competitive AI and climate financings, pricing has moderated and diligence timelines have extended, with VCs often able to obtain more attractive terms. VC funds have continued to expand geographically in pursuit of high-performing companies at lower valuations outside of Silicon Valley.
Supply of Opportunities	Positive (Unchanged)	The pace of company creation has increased significantly on a global basis, fueling increased interest in seed and early-stage investment. Startup technology offerings, no-code and open-source technologies, and AI enhance the ability to create companies.
Leverage Availability	Neutral (Unchanged)	Although financial leverage to fund investments and/or generate returns is not a core component of US VC, the cost of capital is higher in a tightening interest rate environment. Regional bank failures such as SVB and First Republic shifted some short-term borrowing/loan access sought by private technology companies to the systemically important banks and alternative sources of capital.
Supply of Capital (Dry Powder)	Neutral (Changed from Marginally Negative)	While US VC managers have amassed a record amount of dry powder after peak fundraising levels in 2021-2022, the pace of capital deployment has slowed and selectivity increased. Many LPs are experiencing the "denominator effect" and may re-up with existing managers at reduced amounts.
External / Political Influences	Marginally Positive (Unchanged)	For the majority of US VC, the external and/or regulatory environments are conducive, including the technology and healthcare sectors. The crypto space is the exception, with a still relatively nascent investment environment and ongoing regulatory uncertainty. The macroeconomic environment remains challenging for US VC, with rising interest rates and inflation driving a funding gap, and pricing pressure becoming an increasing concern in 2023.
OVERALL	Neutral	Unchanged

Exits	Outlook	Comments
Exit Environment for Current Investments (medium term):	Marginally Negative (Unchanged)	Exit valuations are more muted. Exits via public markets remain limited and the IPO market has not yet re-opened, which will impact late-stage and growth companies more than seed and early-stage. Acquisitions continue to represent the largest proportion of recent exits. US VC managers will generally need to hold positions longer, in turn delaying distributions to LPs. Regulatory scrutiny over M&A has increased. However, the Secondaries market continues to grow as an exit channel and PE sponsors offer select exit options.

Negative	Marginally Negative	Neutral	Marginally Positive	Positive

US Lending – PM Outlook / Forecast

PM Forecast (New Commitments)

Updated	1Q 2024
Reviewed	1Q 2024

Drivers	Outlook	Comments
Deal Pricing	Marginally positive (Changed from Positive)	As of YE 2023, the lack of LBO activity resulted in spread tightening from nearly 700 at the beginning of 2023 to 2021 levels of 550 or below. Anecdotally, Albourne has heard that borrowers are increasingly dictating loan terms as well. With the Fed announcing its intention of cutting rates in 2024, the absolute yield expectation over the life of the loans has also been reduced. Still, with SOFR at 5.3% as of year-end 2023, the base rate produces the absolute yields that have drawn so many new investors to examine the senior direct lending asset class, and the nominal yields remain attractive to many.
Supply of Opportunities	Marginally Negative (Changed from Neutral)	While direct lending took market share from the broadly syndicated loan market at the beginning of 2023, at the end of 2023, there were relatively more direct lenders seeking to fund new deals than supply of M&A given the higher rate environment. As a result, the few M&A deals that close are seeing intense interest and heavy competition among lenders, leading to not only the tighter spreads but weaker lender protections as well. To the extent that M&A activity continues to pick up, however, the supply dynamic should return to being a more neutral factor.
Leverage Availability	Neutral (Changed from Negative)	Banks have tightened underwriting standards more generally, or at the very least increase the cost of financing. While subscription and asset-backed lines have largely remained intact, financing is meaningfully more expensive, and for some lenders the increase in financing costs has outpaced the widening of asset spreads. That said, CLO issuance has largely resumed, and financing is generally widely available, albeit at a higher price
Supply of Capital (Dry Powder)	Neutral (Changed from Marginally Negative)	Many direct lenders have been wrapping up extended fundraising periods and new entrants are canvassing the market. On the whole, lenders have made adjustments to the slower repayment pace and increasingly are funding add-ons. Dry powder availability has become increasingly lender specific, with certain lenders having ample reserves while others will struggle to maintain the same commitments sizes of prior years
External / Political Influences	Neutral (Changed from Marginally Negative)	With CPI readings cooling in 4Q 2023, the Federal Reserve has shifted from talks of pausing hikes to contemplating when a rate cut will be. While SOFR remains 5.3% as of year-end, many believe placing a rate cart in 2024 is just a matter of when and few political moves will be made given that it is an election year.
OVERALL	Neutral	Unchanged

Negative	Marginally Negative	Neutral	Marginally Positive	Positive

US Distressed & Special Sits – PM Outlook / Forecast

PM Forecast (New Commitments)

Updated	1Q 2024
Reviewed	1Q 2024

Drivers	Outlook	Comments
Deal Pricing	Marginally Positive (Changed from Positive)	All-in yields on low rated performing loans and bonds have come in but remain high by historic standards – driven in large part by elevated base rates. Although the year closed with all-in spreads above mid-year tights, they were down from their starting levels in January 2023 and well below peaks in recent history (e.g., peaks hit within COVID-19). At 928bps, spreads for performing bonds rated CCC and below came back roughly inline with the post-GFC average, and well within peaks hit within COVID-19 and the energy selloff. The illiquidity and complexity premium in the primary market for "solutions" providers is around the midpoint of recent ranges.
Supply of Opportunities	Marginally Positive (Unchanged)	The recent pickup in default volumes has driven trailing 12m default rates for HY and leveraged loans up to 3.1% and 1.53% by amount (2.05% by count), respectively; a reversion to roughly long-term averages. Private credit default rates were above 2% in 4Q 2023 in the core middle market and upper middle market but also not excessive. The proportion of high yield bonds trading at "distressed" spreads (i.e., greater than 1000bps) was 5.83%, above the 10-year average, but below 10%+ annual peak levels seen in March 2023 and well below the 30%+ reached in 2020. The proportion of leveraged loans trading below 80c on the dollar was 6.36%, above the 10-year average but. Both public and private credit default rates are likely to increase. The wall of maturities over the next three years remains elevated and recent refinancing activity has skewed towards higher-quality/higher-rated borrowers – leaving the outstanding proportion skewed towards riskier credits. Interest coverage ratios remain low with a large proportion of borrowers facing sub 1x interest coverage and many issuers at risk for downgrades. The higher cost of capital environment is likely a catalyst for dispersion but not necessarily widespread market dislocation.
Leverage Availability	N/A	N/A
Supply of Capital (Dry Powder)	Neutral (Changed from Marginally Negative)	While distressed and special situations dry powder have been growing steadily, the size of the leveraged loan markets has outpaced growth in fundraising levels and the outlook for availability of opportunities is improving – increasing default rate, broadening by sector, spanning secondary market and primary market opportunities, etc. There has been a continued shift in the composition of the broader competitive landscape to include more special situations funds (e.g., opportunistic and capital solutions-oriented mandates), which may or may not also pursue dislocated secondary credit. Distressed debt and special situations funds had dry powder of ~$89bn as of March 2023, down from peak levels in 2020 and 2021 (e.g., $110bn as of March 2021; source Preqin) albeit likely to increase.
External / Political Influences	Neutral (Unchanged)	External government/political influence can cut both ways for Distressed funds. Notably, after markets and borrowers were caught off guard by the rapid rise interest rates, markets have now adjusted to the "higher-for-longer" interest rate environment. The debate in 2024 has pivoted to how fast and by how much the Fed will cut rates. There remains an abundance of both known and unknown risks. Investors are faced with the unwind of COVID-19 abnormalities, slowing macro growth slowing, risks in the labor market, an election year in the US and elsewhere, etc. Markets are expected to remain volatile due to the various cross currents..
OVERALL	Marginally Positive	Changed from Positive

Negative	Marginally Negative	Neutral	Marginally Positive	Positive

Infrastructure– PM Outlook / Forecast

Updated	1Q 2024
Reviewed	1Q 2024

PM Forecast (New Commitments)

Drivers	Outlook	Comments
Return Potential	Marginally Positive (Unchanged)	Not surprisingly, infrastructure returns are very sensitive to changes in rates and inflation; there exists a negative relationship between returns and rates and a positive relationship between returns and inflation. Though it varies by the specific attributes of each asset, the negative impact of rising rates has been largely offset by the positive impact of increased inflation. However, even as inflation moderates, Central Banks commit to prolonged higher rates, which could result in downward return pressure that is exacerbated by higher debt costs and tightening lending standards. So far, outside influences such as government support and capital inflows have kept valuations stable. Albourne continues to believe that mid-market assets provide greater overall return potential, given the segment's market dynamics, and that they present more easily executed value creation opportunities.
Supply of Opportunities	Positive (Unchanged)	The infrastructure asset class continues to evolve, and the opportunity set continues to expand. The energy transition continues to give rise to a strong supply of investment opportunities; there is increased government support for such investments, spurred by energy price inflation and the need for energy security. Investors have many options along the risk/return spectrum to participate in this theme. Digital infrastructure also continues to be an area of growth, as the Covid-19 pandemic highlighted the need for the build-out of telecommunications networks and supporting infrastructure. Some of these investments illustrated their utility-like characteristics, the place has been solidified within the infrastructure opportunity set. Infrastructure managers continue to expand into other sectors, such as leisure infrastructure, medical facilities, and cold storage. Investors should be mindful to ensure that the characteristics of these investments align with the goals of their infrastructure allocation.
Leverage Availability	Marginally Negative (Unchanged)	Current leverage levels continue to appear rational and well-covered by cash flows. That said, the increasing cost of debt forces GPs to rationalize capital structures at a time when interest rate increases could be prolonged and lending standards are tightening. Bank financing is still available to most deals, both brownfield and development, across all sectors, especially those related to the energy transition. However, increased input costs coupled with higher financing costs have led to cancelled renewables projects, particularly when the counterparty can't or won't renegotiate the offtake agreement. Some banks have reached their limits on digital exposure, but this has not yet been apparent in our asset reviews. Infrastructure debt managers continue to be a viable alternative to banks, particularly for more niche or complex deals. As such, the senior debt space has become very competitive and there is a growing focus on, and supply of capital to, non-investment grade projects.
Supply of Capital (Dry Powder)	Neutral (Unchanged)	Infrastructure has historically had significant levels of dry powder levels, particularly in the large-cap and core-plus segments of the market. This can be attributable to strong LP demand, ever-increasing fund sizes, and a finite investment opportunity set. While we do not expect a reversal of this trend, there are several signs indicating that these high levels may be moderating. Volatility in the global macro economy and rising inflation have led to a decline in public markets, and the denominator effect had a real impact on portfolios. The result of shrinking allocations is that LPs are having to rationalize commitments, which over time could reduce the overall dry powder available. The denominator effect has extended fundraising processes across all segments of the market. LPs with capital to put to work can use this dynamic to negotiate more favorable terms.
External / Political Influences	Positive (Unchanged)	Inflationary pressures and energy security concerns have renewed government commitments to move towards a green economy. In the US, the Inflation Reduction Act of 2022 and the EU's REPowerEU plan, offer incentives to accelerate the energy transition and should have a notable positive impact on investment opportunities in the coming years. These opportunities, coupled with the emphasis on the densification of digital infrastructure that came out of policies during the Covid-19 pandemic, are the source of the two primary trends in the infrastructure market today.
OVERALL	Positive	Unchanged

Democratization of Private Market Funds

Why the move to retail by Managers?

For fund managers, perhaps most significant is the potential to access the large retail investor pool as a source of capital. Further, the recent slowdown in capital raising from institutional investors may be incentivizing fund managers to expedite their push into the retail space. For retail investors, the interest in private markets lies in their return potential – many private market asset classes have performed well in recent years[1]. Additionally, through investing in private markets, retail investors can diversify their investment portfolios.

Regulatory Evolution

Demand for access to private market funds by retail investors has led to regulatory changes. In the US, for example, the SEC expanded the definition of "accredited investor" in 2020 to not solely focus on financial thresholds but also an individual's financial knowledge. Likewise, in 2020, the US Department of Labor published an Information Letter that expanded access for 401(k) and other defined contribution plans to invest in private equity. However, they later clarified that they neither endorse nor advocate for such investments.

Manager Innovations

To help facilitate retail investors' access to private markets, managers are innovating – three key areas of innovation are:

•**Fund Vehicle Structures:** Differing from traditional closed-end, private equity-style funds, managers have innovated to perpetual open-ended funds, commonly termed as hybrid or semi-liquid funds. Specific examples include Non-Traded Business Development Companies (Private Credit), Non-Traded REITs (Real Estate) and Interval Funds (All). Liquidity is typically provided quarterly, but some offer monthly liquidity.

•**Fees:** The fee base is not committed or invested capital, but rather Net Asset Value (NAV). The spectrum for management and performance fees is broad, but common management fees range between 1%-1.5% and performance fees 10%-15%.

•**Minimum Investments:** Instead of necessitating investments in the millions, investment minimums are set in the thousands, typically ranging between $25k-$50k.

[1] US Securities and Exchange Commission. *Going Dark: The Growth of Private Markets and the Impact on Investors and the Economy. Speech.* Link (12 October 2021)

Democratization of Private Market Funds

ODD Considerations

Considering the impact of manager innovations, below are five key ODD considerations:

1. Asset-Liability Management: Mismatches between the open-ended fund structure and the illiquid nature of the assets (which are typically held in closed ended structures) can present challenges. It is important to understand portfolio diversification and natural liquidity sources. Mechanisms to manage the mismatch include formal redemption mechanisms, such as lock-ups, redemption limits (gates) and fast-pay/slow-pay mechanisms. However, investors should understand the impact that these mechanisms can have on their ability to withdraw capital.

2. Valuation: Charging fees and allowing redemptions/subscriptions at NAV can present challenges due to the illiquid nature of assets and subjective valuations. Best practices involve robust internal valuation programs, regular engagement with third-party valuation agents – the frequency should align with fund dealing dates.

3. Governance: As many managers are new to open-ended fund structures, they can lack market and best practices knowledge regarding fund governance for these types of vehicles. Best practices include establishing a Board of Directors or a Trustee arrangement with a majority of external representatives that meet on an appropriately frequent basis. The governing body should be attuned to fund valuation and liquidity considerations for reasons noted above.

4. Operational Complexity: The unique demands of open-ended structures require specific operational setups which require them to deal with subscriptions, redemptions, and regular accurate calculations of NAV. Best practices include thorough team education, appropriate fund administration systems, and effective cash management strategies. Engaging with third-party fund administrators is the norm.

5. Alignment of Interests, Fees & Expenses: Ensuring shared interests between the manager and investor is crucial. Offering documents should clearly specify redemption conditions for internal investment, which should align with external investments. Performance fees should only be monetized upon realization. While investors should expect higher expenses, it’s important that expenses – including service provider expenses – are justified and appropriate. In all cases, proper disclosures of “dual layer” charges or otherwise are paramount. Managers should also be transparent around how their closed ended fund range interacts with any open-ended vehicles, particularly in terms of deal flow.

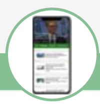
Working With Albourne

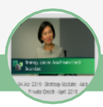
Family Office Client Experience

Single/Multi Family Office

EXTENSIVE ONLINE RESOURCES


Client Website
Castle


Information on the go
Albourne App


Education
Albourne TV


Education
Events

DEDICATED CLIENT TEAM

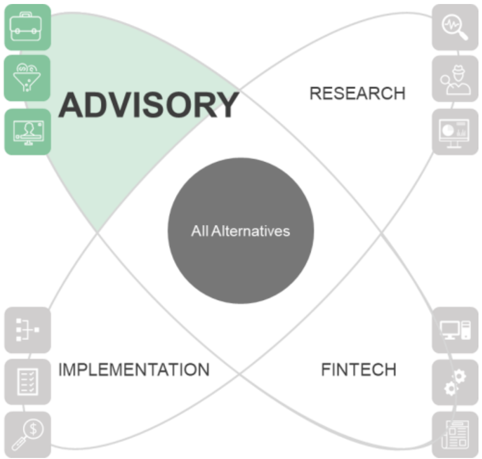
- Client Relationship Manager
- Portfolio Consultant
- Client Account Manager
- Onboarding Project Manager

Albourne Global Analyst Team

- **87** Investment Due Diligence Analysts
- **129** Operations Due Diligence Analysts
- **41** Quantitative Due Diligence Analysts

Advisory

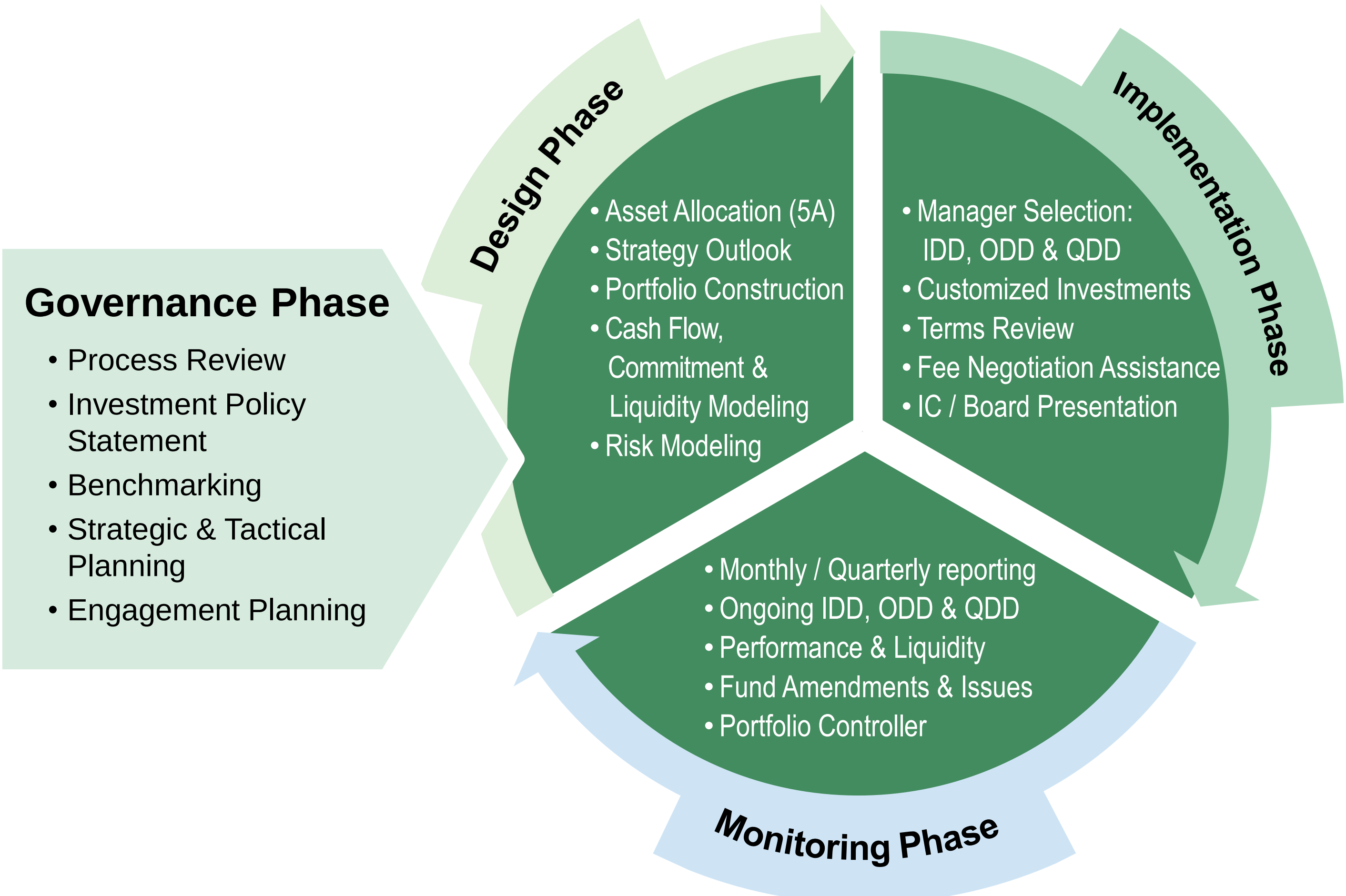
- 47 Portfolio Analysts
- 34 Client Account Managers
- Advise on >600 portfolios
- Investment Policy Statements
- Hedge Fund & Private Markets model portfolios
- Hedge Fund & Private Markets strategy forecasts



Dedicated local team: Portfolio Analysts and Client Account Managers

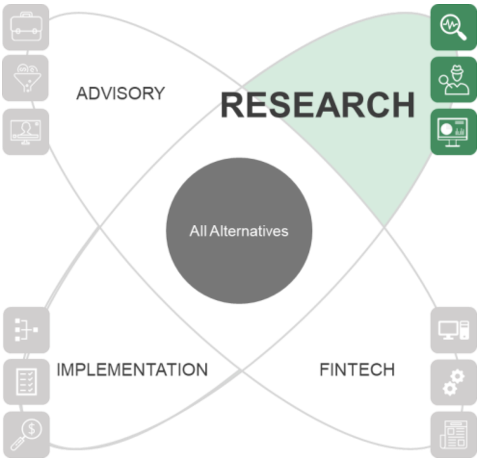
Portfolio Advisory

Onboarding typically starts with a review of a client's governance



Research

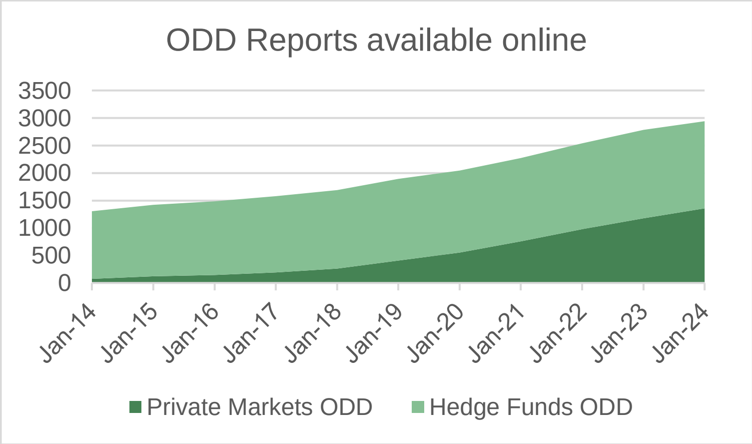
- Standardized, robust, repeatable & documented due diligence framework
- Strategy specialists
- Transparent & opinionated IDD
- Disciplined & consistent ODD
- Sophisticated & proprietary QDD (risk analysis)
- Albourne is not paid by managers to rate or recommend their funds

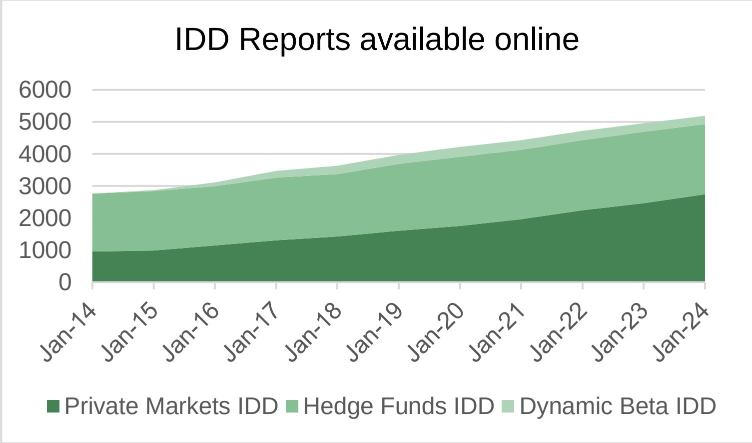


Dedicated local team: IDD, ODD & QDD Analysts around the world

Research Coverage

Private Markets (PM)	Hedge Funds (HF)	Dynamic Beta (DB)
Private Equity	Relative Value	Equity
Private Credit	Event Driven	Fixed Income
Real Assets	Equity Long/short	Currency
Real Estate	Directional	Commodity
Esoteric	Long Biased	Credit





Coverage includes Commingled Funds, Co-Investments, Secondaries, SMAs

ALBOURNE

*Includes FR (Formerly Rated) funds
Not all tools and services are included in all client contracts

IDD - Investment Due Diligence

Three Reasons: **Albourne IDD**

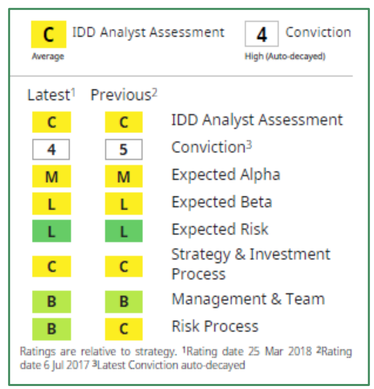
- Breadth and Depth of global coverage across alternatives
- Clients can access experienced specialist analysts & their fund ratings
- Client scale can provide access to some of the best managers

Global Team

- 56 Private Markets IDD Analysts*
- 43 Hedge Fund IDD Analysts*
- On the ground in 8 locations

Online Library

- >2,700 Private Markets IDD Reports
- >2,100 Hedge Fund IDD Reports
- >260 Dynamic Beta IDD Reports



C IDD Analyst Assessment Average | 4 Conviction High (Auto-decayed)

Latest[1]	Previous[2]	
C	C	IDD Analyst Assessment
4	5	Conviction[3]
M	M	Expected Alpha
L	L	Expected Beta
L	L	Expected Risk
C	C	Strategy & Investment Process
B	B	Management & Team
B	C	Risk Process

Ratings are relative to strategy. [1]Rating date 25 Mar 2018 [2]Rating date 6 Jul 2017 [3]Latest Conviction auto-decayed

Clear rating scheme based on qualitative & quantitative input

Focus for 2024

- **AI / Machine Learning Integration**
- **Impact of Rising Rates**
- **Emerging Managers / Strategies:**
  - **NEMO****
  - **MWBE**
  - **Impact**
  - **Digital Assets**

*Includes 12 Multi Asset IDD Analyst
**New and Emerging Manager Opportunities
Not all tools and services are included in all client contracts

ODD - Operational Due Diligence

RESEARCH

Three Reasons: **Albourne ODD**

- Large global team based in Europe, Asia, North America
- Flexible Offering depending on depth of ODD required
- Feedback to managers can help make research "actionable"

Global Team

- 129 ODD Analysts
- On the ground in 7 locations
- 18 Partners in ODD

Online Library

- >1,300 Private Markets ODD Reports
- >1,500 Hedge Fund ODD Reports
- >2,000 managers ongoing desk based monitoring

C Manager ODD

Acceptable practices with areas for improvement.

Latest[1]	Peers[2]	
C	C	Manager ODD
B	B	Disclosure
C	B	Manager Organization
C	B	Background Checks
D	C	Compliance Resources & Policy
B	B	Investment Operations
B	C	Infrastructure & Business Continuity

Ratings are relative to industry best practices. [1]Rating date 19 Feb 2021 [2]Average rating of 17 managers in the Asset Class Specialist - Private Equity peer group.

C Fund ODD

Acceptable practices with areas for improvement.

Latest[5]	Previous[6]	Peers[7]	
C	C	B	Fund ODD
C	C	C	Fund Terms & Governance
B	B	B	Custody & Counterparties
C	C	B	Valuation
C	C	B	Review of Financial Statements

Ratings are relative to industry best practices. [5]Rating date 19 Feb 2021 [6]Rating date 15 Jun 2015 [7]Average rating of 15 fund series with North American Multi-Strategy LBO/Growth strategy.

Focus for 2024

- **Data Analytics & Digitization**
- **Impact of AI**
- **Regulatory Changes**

QDD - Quantitative Due Diligence

RESEARCH

Three Reasons: **Albourne QDD**

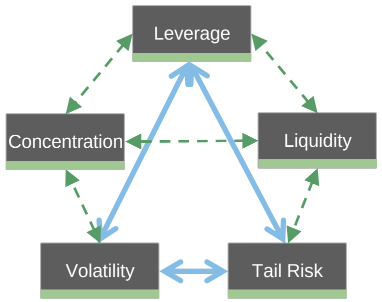
- Proprietary, robust models, academically rigorous philosophy
- Portfolio & fund level analytics across all asset classes
- Open Protocol (OP) enables standardized risk reporting & monitoring

Deep Analytical Capability

- 41 QDD Analysts
- >600 portfolio risk models
- QDD Reports published since 2004

Online Resources

- >2,200 QDD Reports on HF & UCITS
- >400 Level 3* QDD Reports on PM
- >700 Hedge funds reporting OP



Measure, Monitor & Manage
5 Columns of Risk

Focus for 2024

- **PriMaRS****
- **Machine Learning**
- **Expanding OP coverage**

*Level 3 = Portfolio company financial data allowing value bridge analysis, including fair value estimates of unrealized company investments
**Albourne Private Markets Return Series
Not all tools and services are included in all client contracts

Monitoring

Continually

- Regulatory filings and court cases
- Form ADV
- News / media articles
- Contact with Albourne Analysts

Monthly / Quarterly

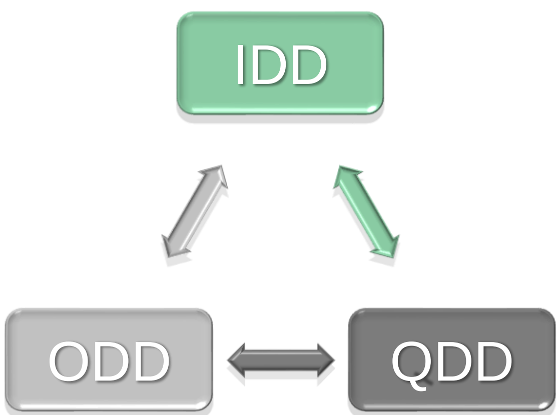
- Performance / exposures
- Control Alerts
- Newsletter Reviews
- Calls / Video Conferences

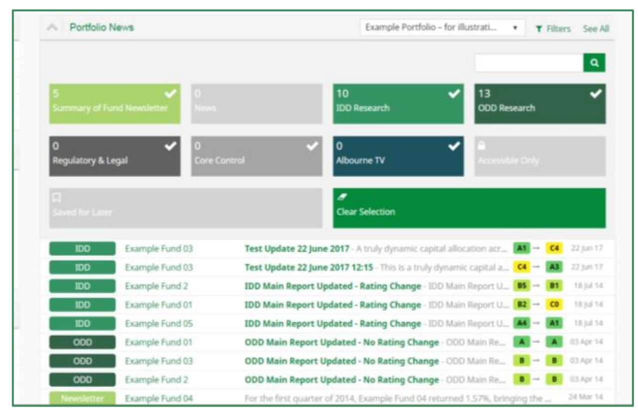
Annually

- Questionnaire
- Background checks
- Review of Audited Financial Statements

Every 3 Years

- Full ODD Update

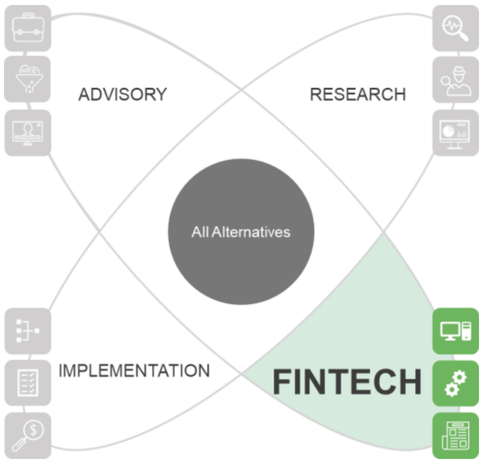




Portfolio News monitoring on the client website, the Castle

Fintech

- Timely, detailed, empowering data
- Proprietary, innovative, integrated analytics
- 55 Developers & Software Engineers
- Dedicated data gathering team
- As an advisor, Albourne may be able to contextualize data better than a pure data provider



Dedicated Data & IT Teams

Fintech: Data

Three Reasons: **Albourne Data**

- Data coverage: greatly enhanced by client footprint
- Data collection: improved by our understanding, as industry practitioners
- Data embedded into research & reporting

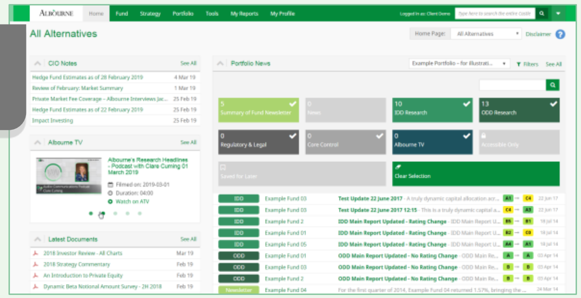
Hedge Funds: >13,000 funds	Private Markets: >37,000 funds	Dynamic Beta: >2,000 strategies
Returns, AUM, Exposures, Strategy, Terms, Documents, Holdings, Filings, Open Protocol* 50 HedgeRS Indices - Albourne Hedge Fund Return Series	Returns, Cash flows, Fund Raising, AUM, Filings, Open Protocol* 16 PriMaRS Indices - Albourne Private Markets Return Series	Returns, Strategy, Tickers, Open Protocol* 55 DyBeRS Indices - Albourne Dynamic Beta Return Series

*Open Protocol information is reserved for clients of the Premium D&A service, which includes more data than the Standard service, please see D&A Capabilities

Fintech: Analytics

FINTECH

The Castle



- IT Team of 84
- >$579m of development*
- Castle since 2000

Resources

The App

- Combined Harvester
- Albourne proprietary API
  (Application Programming Interface)
- >1,700 downloadable fields

Excel plug-ins

*CoCoMo model, see https://en.wikipedia.org/wiki/COCOMO
Not all tools and services are included in all client contracts.
The ISO 27001 standard provides requirements for establishing, implementing, maintaining and continually improving an information security management system, but it is not a standard for products or services.

CERTIFIED MANAGEMENT SYSTEM
ISO 27001
Certificate No. ISMS.20.001

Fintech: Tools

FINTECH

Private Markets & Hedge Funds: “We’ve got a tool for that!”

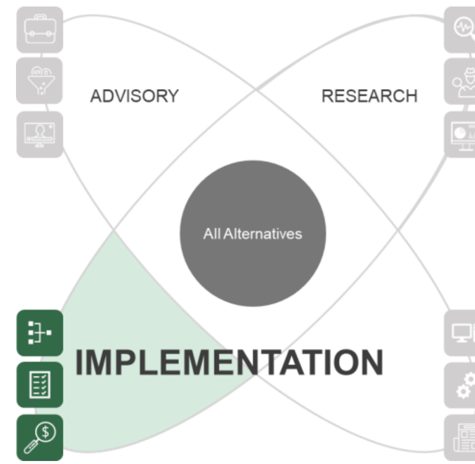
Cash Flow Model	Intelligent Cash Flow forecasting
Portfolio Controller	Transaction tracking platform
PM QDD & Reporting	Value bridge analysis of individual portfolio companies
Portfolio Manager	Advanced portfolio model
Fund Comparison Tool	Peer comparison of fund performance
Fee Controller	Fee & expense benchmarking*

Portfolio News Daily news feed	Liquidity Calendar Fund liquidity terms analysis	Advanced Search Fund due diligence search	Combined Harvester Excel Plug-in for Albourne data
Open Protocol Explorer Exposure evolution	13F Explorer Quarterly long positions analysis	Factor Analysis Multi-factor modelling	Calendars Collection of upcoming events

*For FeeConciliation clients

Implementation

Cost effective implementation support[1]



Middle Office

Efficiency in Execution

- Legal Document Diligence
- Deal Support[2,3]
- Subscription Assistance[2]
- Ongoing Support[2]
- Process Review

Back Office

Confidence in Reporting

- Data Collection and Reporting
- Pre-processing and Confirmation
- NAV Reconciliation
- Monitoring of Manager Communications
- Portfolio Controller: Back Office Software Solution

Fee & Liquidity Services

Review of Terms

- Fee Collection & Aggregation
- Fee Validation for Private Markets
- Fee Reconciliation for Hedge Funds
- Aggregate Consultant Discounts
- Liquidity Service

Implementation Support around the world: 68 Analysts

ALBOURNE

1. Implementation Support services are provided on a task-based pricing basis, depending on client requirements. Albourne does not provide legal or tax advice.
2. These services are not available in certain jurisdictions.
3. Albourne manages client's external counsel, ensuring terms are consistent with client defined requirements.

Middle Office

13 Middle Office Analysts

- **Legal Document Diligence (LDD):** identify issues, inform negotiations
- **Deal Support[1,2]:** raise issues with manager, assist with side letter negotiation
- **Subscription Assistance[1]:** assist with completion of subscription forms, satisfy AML requirements
- **Ongoing Support[1]:** advice & completion of forms for amendments, consents, notices, etc.
- **Bespoke Fee Analysis**
- **Aggregate Consultant Discounts (ACDs):** Albourne group fee discounts
- **Process Review:** assessment, mapping & feedback

Legal Document Diligence covers 70 terms

>490 LDD Reports available on demand on the Castle

As short as 2 week turnaround on new commissions[3]

Market Assessment Summary

Term, Termination & Removal	
Term	Within Market
Term - Extensions	Within Market
Investment Period	Within Market
Investment Period - Extensions	Within Market
Cause	N/A
Investment Period - No Fault Termination	Within Market
Investment Period - Cause Termination	Within Market
Key Person	Within Market
GP Removal - No Fault	Within Market
GP Removal - Cause	Off Market
GP Removal - Haircut	N/A
GP Removal - Payment Priority	N/A
Fund Termination - No Fault	Within Market
Fund Termination - Cause	Within Market

Successor Funds, Allocations & Co-Investments	
Successor Funds	Within Market
Allocation Priority	Within Market
Co-Investments	Within Market

Investment Restrictions	
Investment Limitations	Within Market
Debt Limitations	Within Market
Subscription Facilities	Within Market
Debt Maturity Limits	Within Market

Recalling & Recycling	
Recalling Distributions	Within Market
Calls After Investment Period	Within Market
Follow-on Limitations	Within Market
LP Giveback Categories	Within Market
LP Giveback Limits	Off Market

Management Fee	
Rate	Within Market
Base - Investment Period	Within Market
Base - Post Investment Period	Off Market
Start & Stop Dates	Within Market
Inside or Outside Commitment	Within Market
LP Level or Fund Level	Within Market
Treatment of Write Downs	Within Market
Offsets	Within Market

Expenses	
Organization - Caps	Within Market
Compliance & Regulatory	Within Market
Overhead & Salaries	Within Market
Other	Off Market

Distribution Waterfall	
Waterfall	Within Market
Preferred Return - Rate	Within Market
Preferred Return - Base	Within Market
GP Catch-Up	Within Market
Carry Percentage	Within Market
Distributions - Tax	Within Market
Distributions - In-Kind	Within Market

GP Clawback	
Clawback - Tests	Within Market
Clawback - Limits	Within Market
Clawback - Calculation	Within Market
Guaranty & Escrow	Off Market

MFN	
Included & Scope	Within Market
Type	N/A

GP Commitment	
Amount	Within Market
Treatment of Increase	Within Market
Management Fee Waiver	Within Market

Indemnity & Exculpation	
Standard of Care	Within Market
Excluded Claims	Within Market
Limits to Advancement	Within Market
Ordering of Liability	Within Market

Advisory Committee	
Size & Qualification	Within Market
Approvals	Within Market

Miscellaneous	
Subsequent Close Buy-In	Off Market
Confidentiality	Within Market
Investment Excuse	Within Market
Defaulting LPs - Capital Calls	Within Market
Defaulting LPs - Management Fees	Within Market
Amendments	Within Market
Negative Consent	Above Market
GP Voting	Within Market
Power of Attorney	Within Market
Other Issues	Off Market

1. This Service is not available in certain jurisdictions.
2. Albourne manages client's external counsel, ensuring terms are consistent with client defined requirements.
3. Aim is to deliver within 10 business days when requested.

Albourne does not provide legal or tax advice.

Back Office

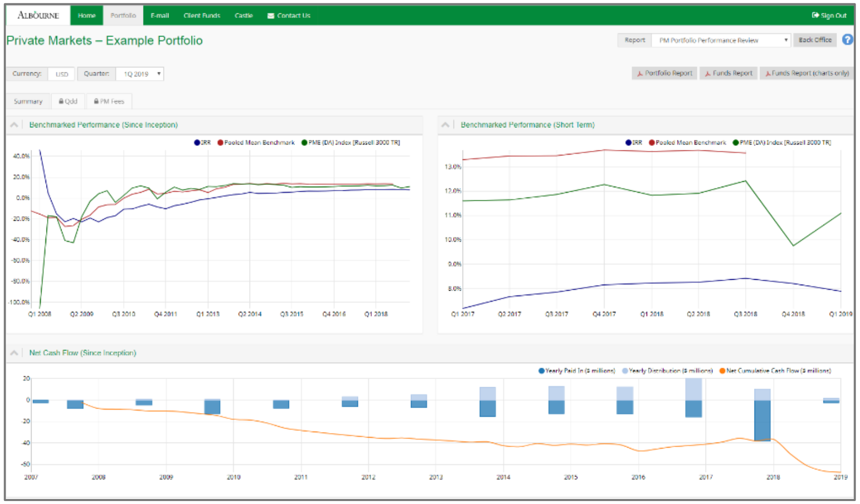
IMPLEMENTATION

27 Back Office Analysts

- **Portfolio Controller** software solution
- **Logging** of cash flow, transactions & valuations
- **Pre-processing and confirmation** of capital call & distribution account statement aggregation
- **Reporting**: reconciled portfolio performance reporting
- **NAV reconciliation** with custodian
- **Ongoing monitoring** of manager communications

Albourne uses Portfolio Controller on client's behalf

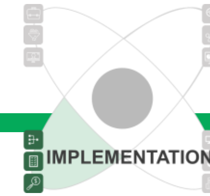
- Run an inbox for client
- Reconcile cash flows with custodian
- Account statement aggregation
- Capital call / distribution review & pre-processing
- May enter but not approve payments with custodian*



*Enhanced Back Office Service

For illustrative purposes only

Fee & Liquidity



28 Fee & Liquidity Analysts

- **Fee Reconciliation** for Hedge Funds
- **Fee Aggregation and Validation** service for Private Market Funds
- **PDF & Excel** Annual and / or Quarterly Reports
- **Comparison** of management & performance fees vs expected fees, highlighting variances
- **Benchmarking** of terms and expenses
- **Liquidity Calendar**: calculates redemption dates, notice dates, payment dates & redemption amounts

Clear process and deliverables

COLLECT – Collect and Process Fund Data → **RECORD** – Set Up Fee Terms → **CHECK** – Calculate expected fees → **ANALYSE** – Determine Investor Profit Share

Across Hedge Funds and Private Markets:

- >6,000 investments analysed
- >$200bn of client assets validated

Portfolio Dashboard

Reconciled | Positive Variance | Negative Variance

Fund	From - To	Allocation	Net Gain/ Loss ($)	Accrued Management Fees: Manager Reported MF ($)	Albourne Calculated MF ($)	Difference ($)	Difference (%)	Accrued Performance Fees: Manager Reported PF ($)	Albourne Calculated PF ($)	Difference ($)	Difference (%)	Investor Profit Share
FeeConciliation Fund 01 - Client Demo	Jan 17 - Dec 17	8.94%	8,614,331	874,303	874,303	0	0.00%	1,111,874	1,111,874	0	0.00%	85.91%
FeeConciliation Fund 02 - Client Demo	Jan 17 - Dec 17	10.35%	8,000,000	547,165	547,165	0	0.00%	1,973,781	1,984,395	10,614	0.53%	72.04%
FeeConciliation Fund 03 - Client Demo	Jan 17 - Dec 17	6.32%	7,602,719	686,099	696,672	10,573	1.52%	474,112	476,307	2,195	0.46%	85.57%
FeeConciliation Fund 04 - Client Demo	Jan 17 - Dec 17	11.57%	4,499,059	1,508,302	1,508,302	0	0.00%	0	0	0	0.00%	73.69%
FeeConciliation Fund 05 - Client Demo	Jan 17 - Dec 17	2.54%	3,610,362	369,706	380,832	11,126	2.92%	755,562	769,567	14,005	1.82%	74.32%
FeeConciliation Fund 06 - Client Demo	Jan 17 - Dec 17	6.00%	7,746,628	908,833	889,823	-19,010	-2.14%	2,249,021	2,249,021	0	0.00%	70.26%
FeeConciliation Fund 07 - Client Demo	Jan 17 - Dec 17	2.12%	-1,228,843	662,056	640,543	-21,513	-3.36%	145,672	139,057	-6,615	-4.76%	49.38%
FeeConciliation Fund 08 - Client Demo	Jan 17 - Dec 17	6.04%	4,755,499	1,019,309	1,032,849	13,539	1.31%	864,002	839,206	-24,796	-2.95%	70.26%
FeeConciliation Fund 09 - Client Demo	Jan 17 - Dec 17	8.41%	8,386,271	1,510,232	1,514,441	4,210	0.28%	2,017,849	2,096,568	78,719	3.75%	69.05%
FeeConciliation Fund 10 - Client Demo	Jan 17 - Dec 17	14.71%	12,091,918	3,360,528	3,356,318	-4,210	-0.13%	4,056,679	4,030,639	-26,040	-0.65%	61.30%
FeeConciliation Fund 11 - Client Demo	Jan 17 - Dec 17	2.22%	2,933,283	337,507	322,151	-15,356	-4.77%	257,140	257,140	0	0.00%	82.22%
FeeConciliation Fund 12 - Client Demo	Jan 17 - Dec 17	2.71%	1,713,212	497,101	474,149	-22,952	-4.84%	4,832	4,832	0	0.00%	76.48%
FeeConciliation Fund 13 - Client Demo	Jan 17 - Dec 17	5.90%	8,086,889	926,399	913,488	-12,910	-1.41%	1,792,623	1,792,623	0	0.00%	74.36%
FeeConciliation Fund 14 - Client Demo	Jan 17 - Dec 17	9.33%	13,319,470	1,743,589	1,743,589	0	0.00%	3,331,166	3,329,867	-1,299	-0.04%	71.93%
FeeConciliation Fund 15 - Client Demo	Jan 17 - Dec 17	2.85%	540,283	490,518	497,844	7,326	1.47%	167,558	135,071	-32,488	-24.05%	44.05%
Total		100.00%	90,671,081	**15,441,646**	**15,392,469**	-49,176	-0.32%	**19,201,871**	**19,216,167**	14,295	0.07%	

Reconciliation Threshold: $20,000

For illustrative purposes only

Industry Engagement & Advocacy

Adrian Sales
Member, Sound Practices Committee
AIMA

Jonathan Koerner
Member, Advisory Committee
Alignment of Interests Association

Steve D'Mello
Member, Digital Assets Working Group
AIMA

John Claisse
Member, Board of Trustees
SBAI

Stephen Kennedy
Chair, Hedge Funds Steering Committee
UNPRI

Tom Cawkwell
Member, Portfolio Company Template Working Group
ILPA

Richard Johnston
Deputy Chair, APAC Committee
SBAI

Emlyn Ade Palmer
Member, Responsible Investment Working Group
SBAI

Gaurav Amin
Co-chair, Working Group
Open Protocol

Jessica Ross
Member, EMEA Committee
SBAI

Susan Lee
Chair, Culture & Diversity APAC Committee
SBAI

Debra Ng
Member, Executive Committee
AIMA Singapore
Chair, Singapore Advisory Committee
SBAI

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Sustainable Investing: Impact & Sustainability

What we're seeing

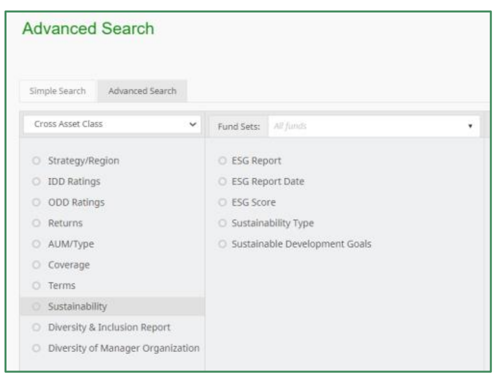
- Investors' objectives range from thematic opportunity seeking to non-concessionary impact to risk mitigation
- Scope includes Impact Funds, Sustainability Themed Funds, Sustainability Integrated Funds
- Investor interest in SFDR Article 8 and Article 9 Funds[1]

How we're helping

- Assessing Sustainable Investing opportunities through IDD, Impact DD[2] and Sustainability Profile Reports[3]
- Sustainability risk mitigation via Sustainability Integration Questionnaire (SiQ), the SiQ Score, Sustainability Due Diligence[2] and Exposure-Based Sustainability Risk[2] profiles
- Benchmarking managers' corporate sustainability practices through ODD
- Helping clients develop their Sustainable Investing Policies and assisting with implementation

Resources

SUSTAINABLE INVESTING



ALBOURNE

1. SFDR = Sustainable Finance Disclosure Regulation. EU disclosure requirements for funds. See SFDR
2. These reports can be produced on a bespoke basis for clients 3. Albourne is building a library of Sustainability Profile Reports
Albourne colleagues pictured do not necessarily work full time on sustainability

Sustainable Investing: Diversity, Equity & Inclusion

What we're seeing

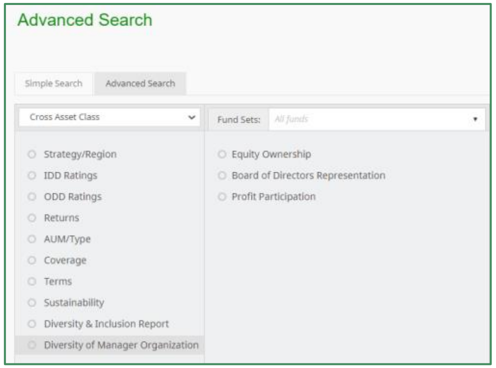
- Gathering DEI data (incl. demographics) to benchmark absolute & relative progress at portfolio / manager levels
- Explicit evaluation of employment policies & practices, e.g. a focus on inclusive culture, not only team diversity
- Investment policy & process changes plus stakeholder education, aimed at understanding & overcoming biases

How we're helping

- Engaging with industry organizations to support diverse manager sourcing
- Providing Castle access to AIMA D&I Questionnaires on >5,000 funds
- Delivering manager DEI policy and practice benchmarking through ODD
- Highlighting diverse managers via enhanced search tool & dedicated Castle DEI Page

Resources

Diversity Equity & Inclusion



Albourne colleagues pictured do not work full time on DEI.

Diversity, Equity, Inclusion & Belonging in Albourne

Implementation

- Published DEIB Strategic Plan
- Developed DEIB Goals, Initiatives & Milestones
- Established EC* led Global DEIB Council

Training

- Allyship & Unconscious Bias
- Micro Aggressions & Inclusive Communication
- Mental Health & LGBTQ+ awareness

Leadership

- ILPA Diversity in Action signatory
- CEO Action for D&I pledge and contributor
- Toigo Foundation Governing Board member

Partnerships

- MentorcliQ
- tEQuitable
- CrossKnowledge

Community

Albourne For Good

Albourne Women's Network

Albourne Pride!

Educational Resources

Expanding Equity

Fisher Law Practice

Mind Share Partners

WMFDP

FDP Global — Lead. Include. Thrive.

Connected Leaders Academy

Lean In

tlc

ReadySet

*EC = Executive Committee, the 3-person team that manages Albourne on a day-to-day basis.

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Service Provider Landscape

Albourne remains committed to non-discretionary advice

Three Reasons: Non-discretionary

- Avoids long bias and asset gathering
- Albourne does not compete with clients for fund access
- Our focus is on our clients' performance and our clients' terms, not our own

Ask your other service providers about:

Conflicts of Interest	Independence / Stability	Fee structure
Direct conflicts – participation in fee rebates? Indirect conflicts – related entities which profit from the relationship with client or with managers?	Plans for take over / merger / acquisition / IPO? Detailed succession planning?	Performance fees – is variability only on the upside? Denominator-based fees –is there an incentive to increase assets deployed?

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