

Private Credit Market Overview

Nebraska Investment Council

April 2025





- Assets not sourced in an open market
- Loans negotiated between lender and borrower, not through an investment banker/broker

- Credit investments similar to public markets: corporate debt, real estate, consumer debt
- But also include niche and esoteric assets like venture lending, healthcare royalties and legal settlements

Private Credit is a Diverse Asset Class

DIRECT LENDING

U.S. Direct Lending

Senior
Opportunistic
LMM (sponsored)
LMM (non-sponsored)
Private BDCs
Industry Focused
Revolvers

European Direct Lending

Senior
Opportunistic
LMM
Country-Specific Funds

Emerging Markets Lending

Asian
African
CEE/Middle East
Latin American
Pan-EM

Global Direct Lending

DISTRESSED DEBT & SPECIAL SITUATIONS

Corporate Distressed

Stress / Distressed Trading
Influence / Control
Diversified Distressed

Opportunistic Structured Credit

3rd Party CLO Equity
Captive CLO Equity
CLO Debt
CLO Multi
Consumer ABS
CMBS/CRE
Esoteric ABS
European Structured Credit
RMBS
Structured Credit Multi-Sector

Real Estate Distressed

NPLs

Capital Solutions

PC Special Situations

PC Secondaries

SPECIALTY FINANCE

Consumer & SME Lending

Marketplace Finance
Lender/Platform Finance

Rediscount Lending

Factoring & Receivables

Regulatory Capital Relief

Music/Film/Media Royalties

Oil & Gas Minerals Royalties

Metals Royalties

Healthcare Lending & Royalties

Healthcare Lending
Healthcare Royalties

Venture Lending

Technology Lending

Financial Services Credit

Insurance Linked Credit

Diversified
Life Insurance
Non-Life

Litigation Finance

Litigation Finance
Merger Appraisal Rights

PE Portfolio Finance

Stretch ABL

Diversified Specialty Finance

REAL ESTATE CREDIT

U.S. CRE Core Lending

U.S. CRE Transitional Lending

Large Loan
Middle Market
Small Balance
Opportunistic

U.S. CRE Bridge Lending

Large Loan
Middle Market
Small Balance

European CRE Lending

Bridge
Transitional
Core

Emerging Markets CRE Lending

CRE Structured Credit

Agency CRE B-Piece
Non-Agency CRE B-Piece

Residential Mortgages

Residential NPLs
Single Family Rental
Mortgage Servicing Rights
Residential Origination

REAL ASSETS CREDIT

Infrastructure Lending

Senior Focus
Sub-IG Focus
Mezz Focus

Energy Credit

Energy Lending
Energy Mezzanine Lending
Opportunistic

Trade Finance

Metals & Mining Finance

Agricultural Credit

Transportation

Aviation Lending
Maritime Lending
Road & Rail Lending
Transportation Lending (Multi)

MEZZANINE

U.S. Mezzanine

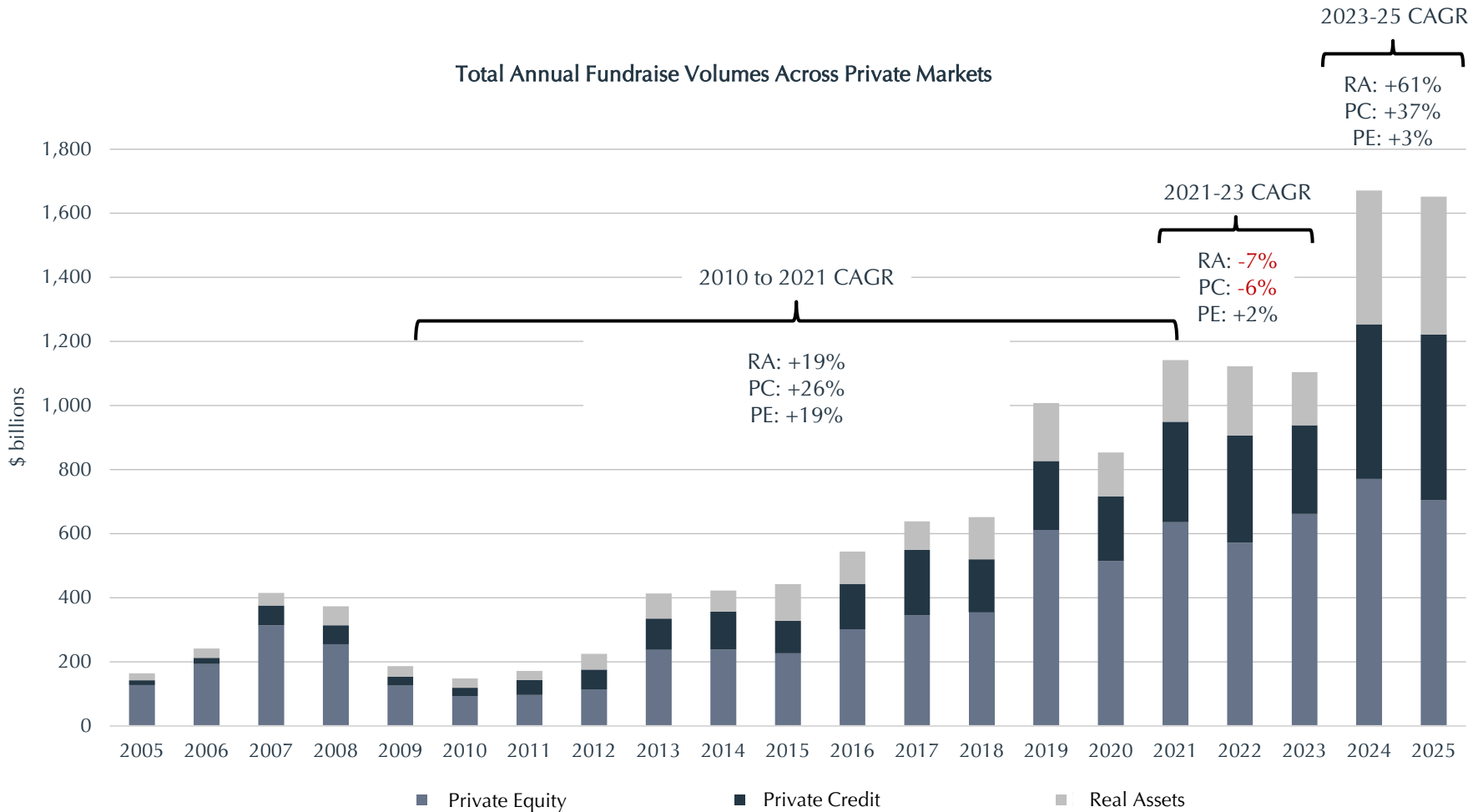
Upper Middle Market
Middle Market
Lower Middle Market

European Mezzanine

Structured Equity

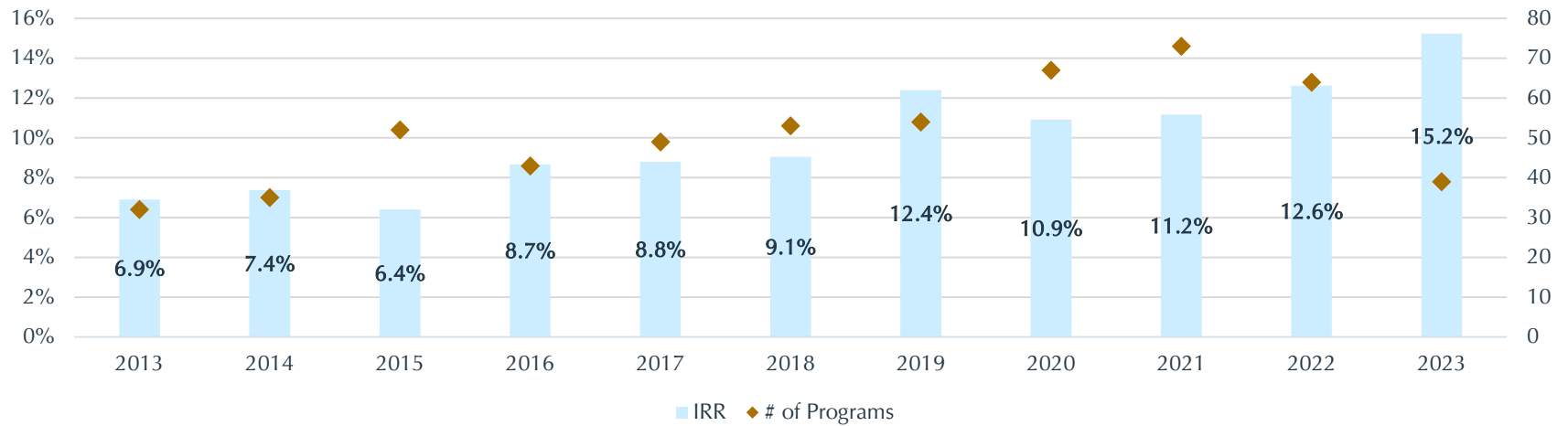
Private Credit Compared to Other Asset Classes

Private Credit	vs. Private Equity	vs. High Yield Bonds	vs. Hedge Funds	vs. Real Estate
Typical Benefits	<ul style="list-style-type: none"> - Typically, lower fees / often paid on invested capital - Shorter J-Curve mitigation - Current yield - Shorter fund duration - Capital structure seniority - Less dispersion of returns / narrower range of outcomes 	<ul style="list-style-type: none"> - Benefit from rising rates (floating rate) - Senior vs. subordinated - Yield pick-up from illiquidity premium - Less price volatility / technical- driven selling - Lower EBITDA leverage - Covenant protection 	<ul style="list-style-type: none"> - Suitable structure for less liquid assets - Preferred return or hard hurdle - Improved transparency - Reduced investor adjacency risk - Reduced cash performance drag - Less whipsaw risk 	<ul style="list-style-type: none"> - Wider range of collateral types - Predominately floating rate based yield - Shorter fund duration - Capital structure seniority - Less dispersion of returns / narrower range of outcomes
Typical Drawbacks	<ul style="list-style-type: none"> - Lower expected returns / upside is capped - GP track record duration often limited - Less operational control 	<ul style="list-style-type: none"> - Less liquidity - Slower capital deployment - Less market transparency - Smaller issuers - Higher fees 	<ul style="list-style-type: none"> - Less liquidity - No ability to short - Less able to pivot with opportunity 	<ul style="list-style-type: none"> - Lower expected total return - Potential use of mark-to-market leverage - Less operational control

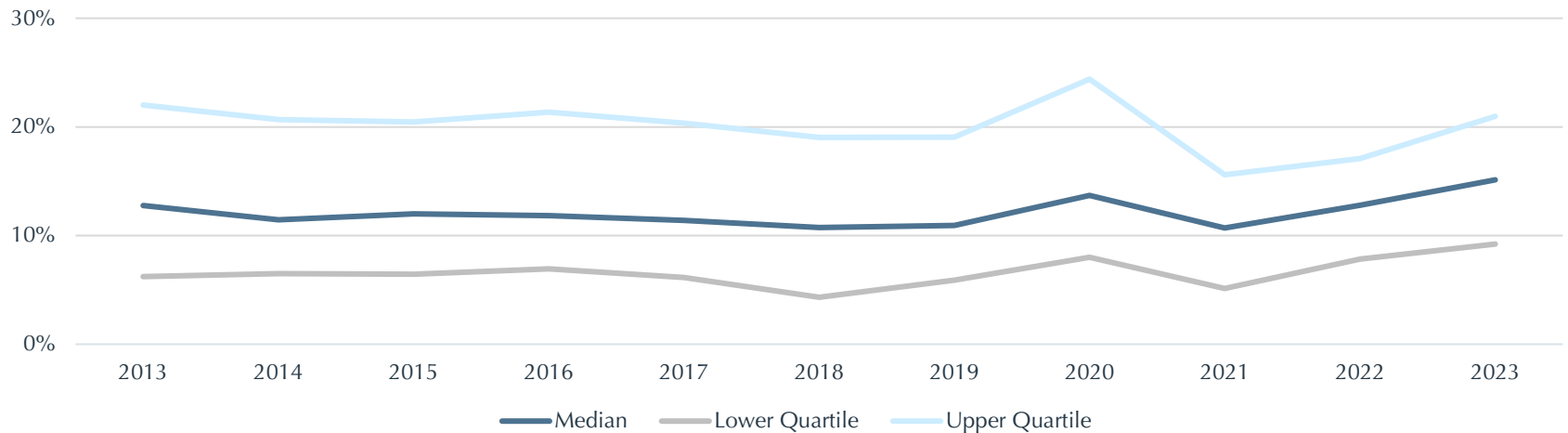


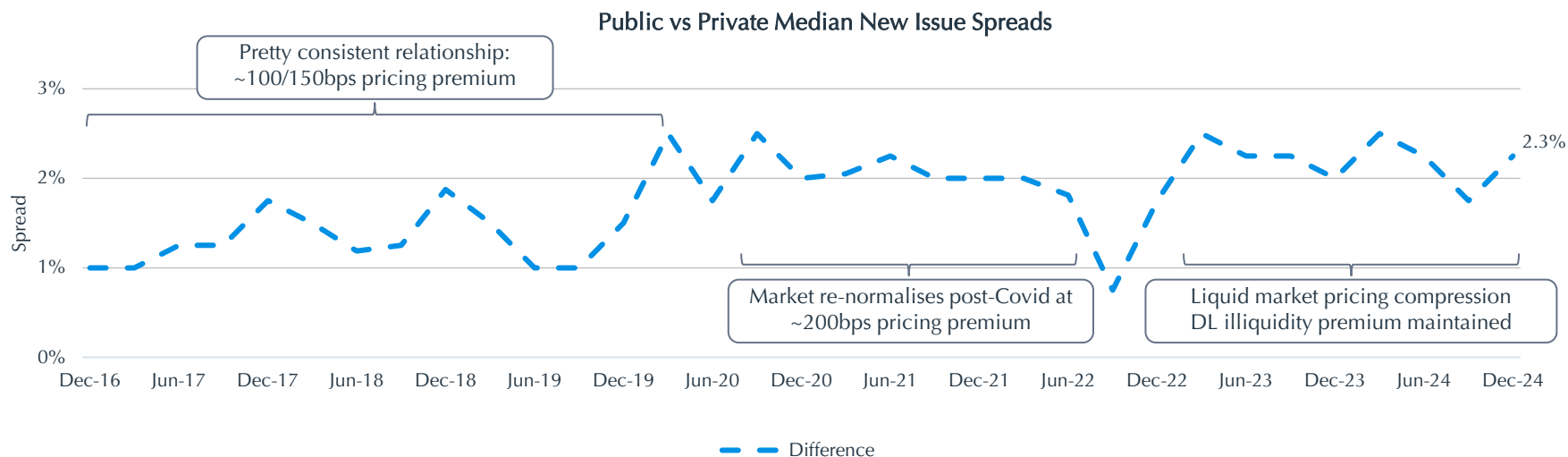
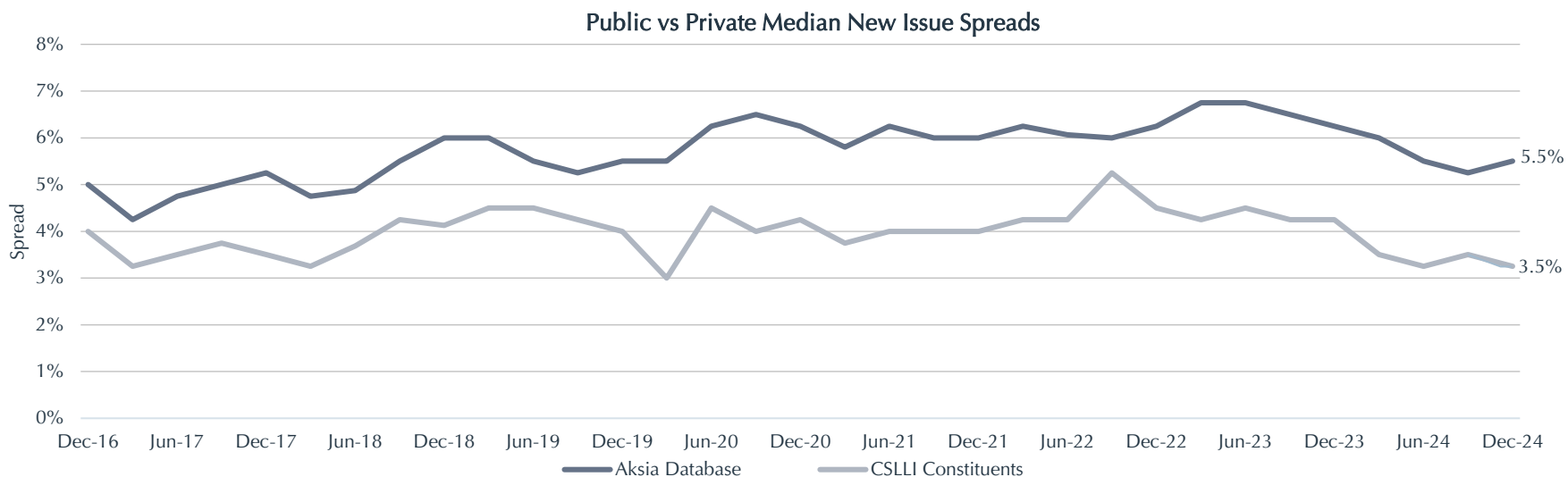
- Private markets growth and fundraising activity has been strong in recent years, though PE has been more stable while RA/PC has rebounded since 2024 following a few more subdued post-pandemic years.

Annual Fund Net Returns by Vintage Year

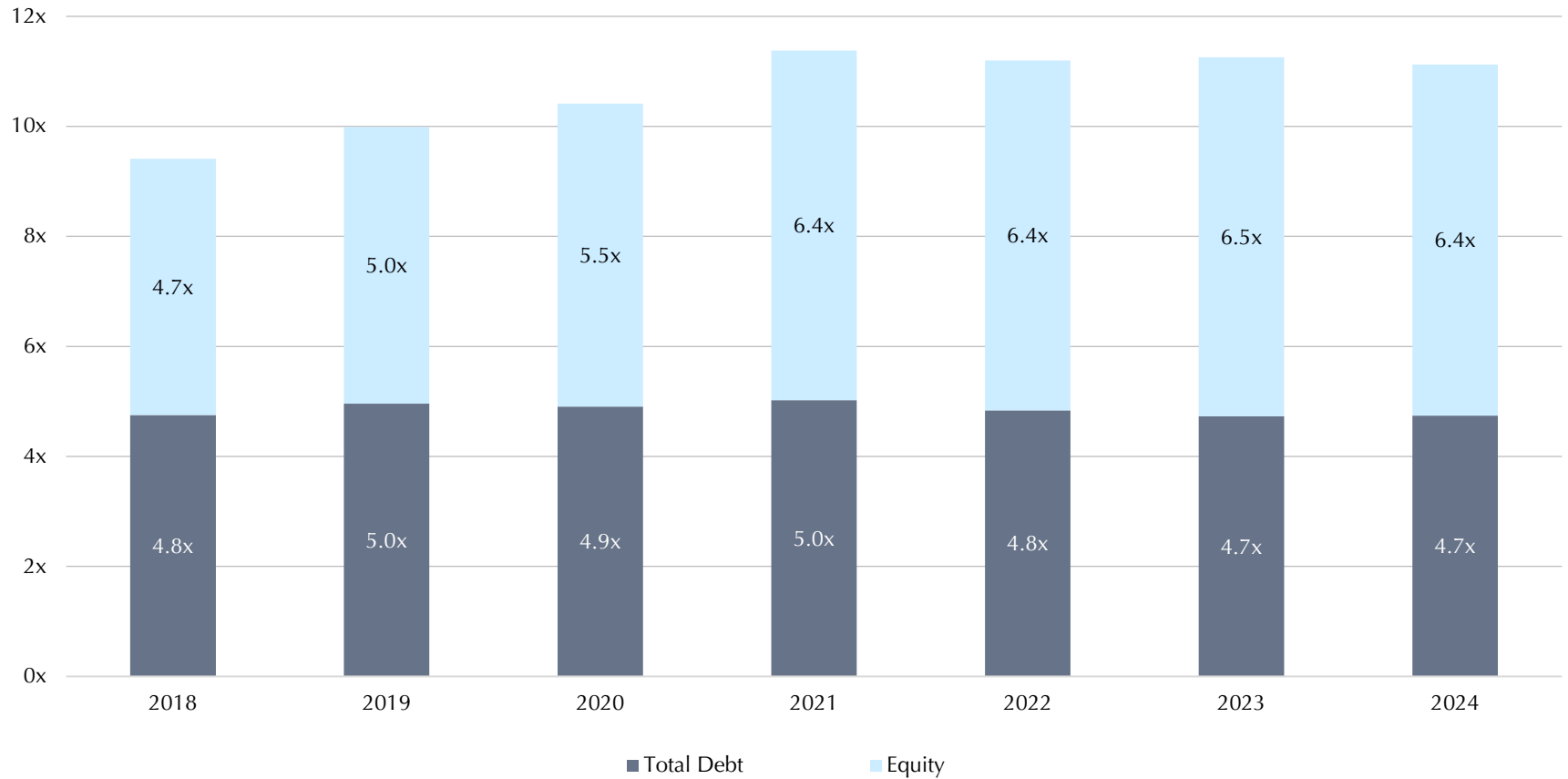


Gross Investment IRR by Investment Year



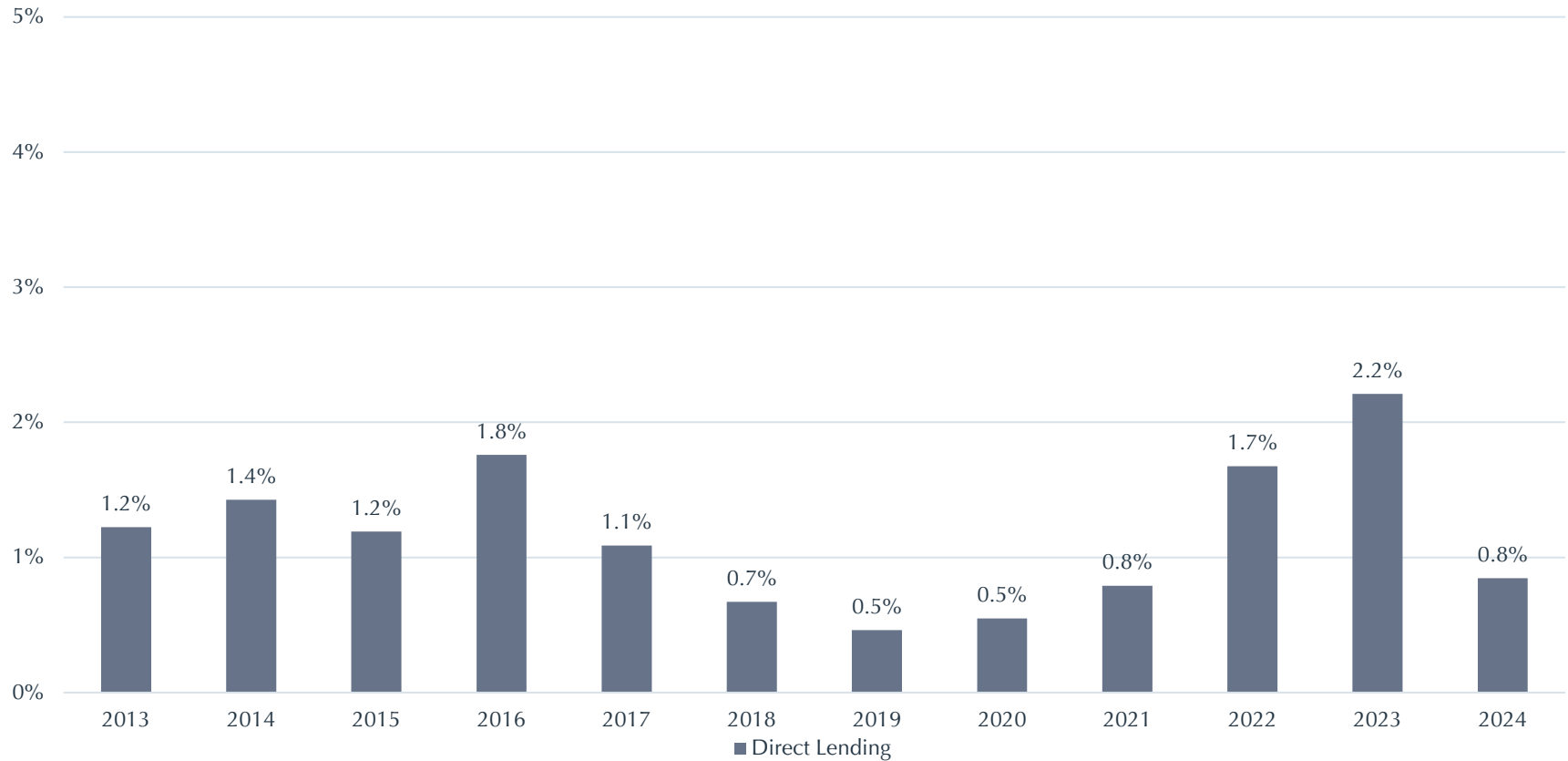


Enterprise Value Composition (x EBITDA)



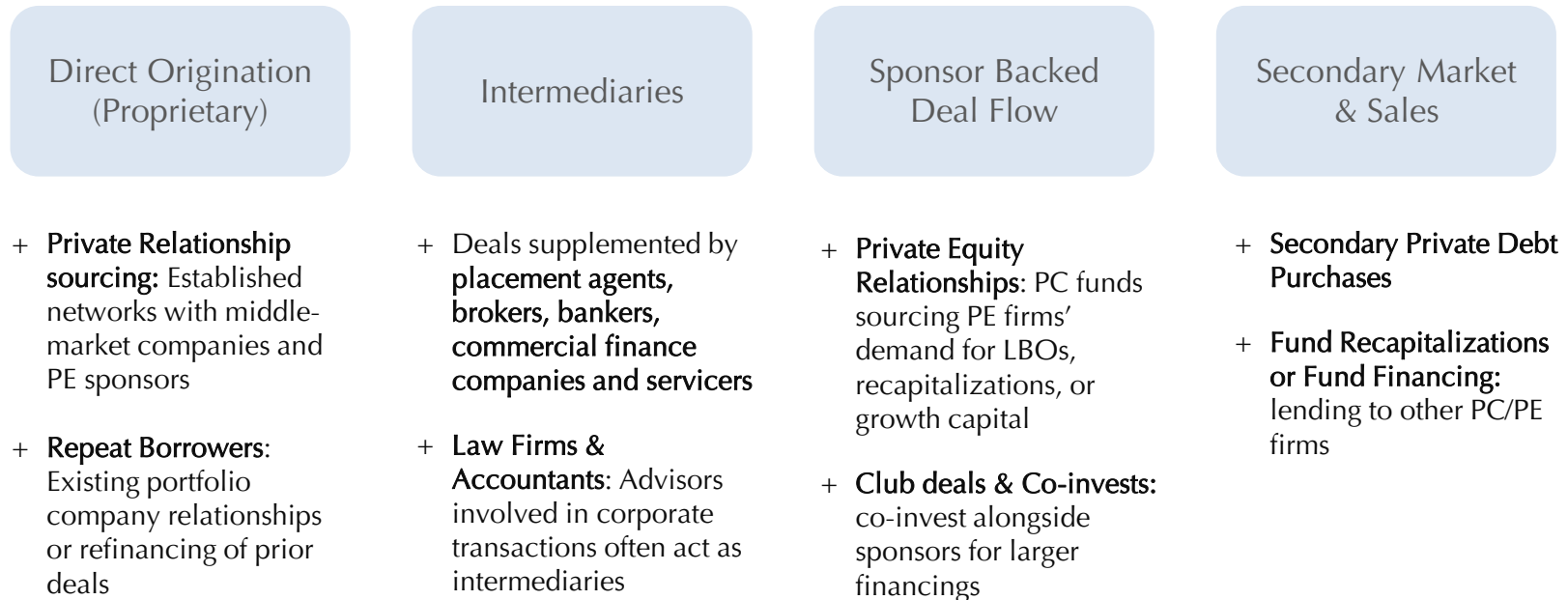
- Senior debt has remained largely consistent across a 7-year period. Total enterprise value multiples have increased over that time, providing a greater valuation cushion for creditors.

All Sectors - Loss Ratio



- Direct lending loss ratios have generally been between 0.5% and 2.0% of invested capital
- Mezzanine and Distressed & Special Situations (not depicted here) have generally experienced higher loss ratios than direct lending, typically between 2.5% and 8%, though commensurate with the higher risk-return profile of those strategies.

Private credit GP managers rely on a combination of proprietary networks, intermediaries, and structured sourcing strategies to originate and execute deals. Investor LPs also have a broad sourcing universe of investable opportunities.



Investor PC Opportunity Sourcing

- New primary fund launches
- Emerging managers
- Co-investments
- Secondary opportunities
- SMAs/Funds-of-One
- Thematic investments
- Dislocation vehicles
- Seasoned primaries

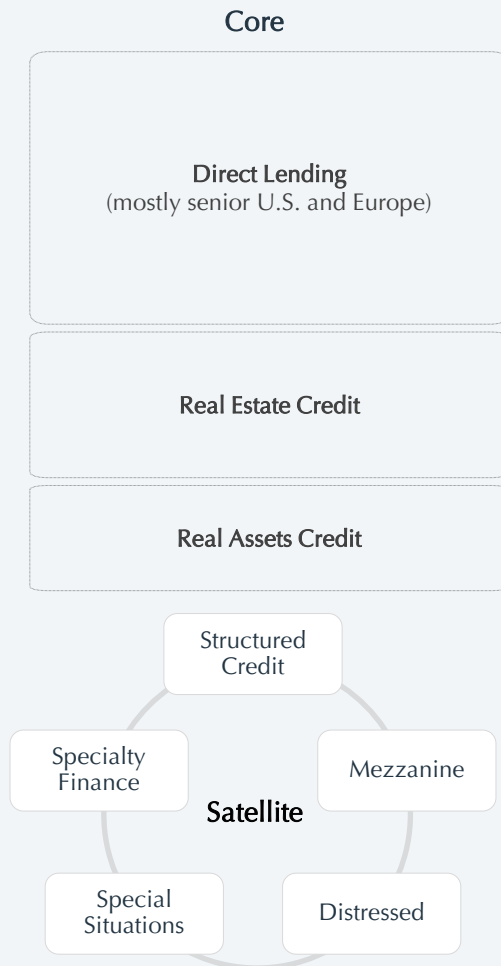
Fixed Income Substitute:

Diversified positions in senior lending strategies - often a combination of corporate and real estate debt strategies



Core + Satellite:

Concentrated positions in direct lending and/or cross asset complemented with smaller holdings in specialized strategies



Opportunistic:

Diversified across various collateral types with a bias towards niche opportunities



Into 2025, we observe numerous forces that should drive the continued positive growth and relevance for the asset class. At the same time, the attractiveness of the asset class is not uniform, and we expect some strategies and/or particular legacy investments to face some challenges during the year.

Tailwinds	Private Strategies of Focus
Banking stress and retrenchment	Asset-backed strategies, consumer finance, CRE lending, portfolio finance, residential credit
Capital markets constraints	Direct lending – new buyouts, incremental term loans, “rescue” loans
New and tighter bank regulations	Regulatory capital, and primary lending strategies
Capital solutions	Preferred equity, incremental senior loans, junior debt
Increased need for liquidity solutions for LPs + GPs	Private credit secondaries, structured secondaries and NAV loans
Headwinds	Impacted Areas
Tightening borrower interest coverage & liquidity	Varied but sensitive to vintage year
Office market challenges	Legacy CRE debt
Increased market competition	UMM spread compression + more aggressive credit metrics
Limited “distressed” opportunity set (for now)	Secondary credit purchases of syndicated loans and HY

Appendix – Private Credit Sector Overviews

Private Credit Strategies – Summary Descriptions

Sector	Strategy	Description
Direct Lending	US/Euro/EM/Global Direct Lending	Senior capital provision (including unitranche, stretch senior, second lien, and "last-out" loans) to predominantly middle-market businesses. Debt capital is typically used to finance buyouts, for refinancings/recaps, and for growth initiatives.
	Corporate Distressed	Stressed/distressed investments with control elements involving companies undergoing financial or operational challenges.
Distressed Debt & Special Situations	Opportunistic Structured Credit	Investments in securitized debt obligations (e.g. CLOs, CDOs, etc.) and/or securities backed by diverse revenue streams (e.g. esoteric ABS).
	Real Estate Distressed	Strategy that encompasses stressed/distressed RE debt, which may also be structured to include an element of equity upside
	NPL's	Focused on purchases of distressed non-performing loans or loan portfolios with loan negotiation component
	Capital Solutions	Wide range of debt financing solutions generally provided in the context of distressed situations, ranging from acquisitions of distressed companies or assets to bridge financing or other novel debt structures
	PC Special Situations	Lending to idiosyncratic situations including balance sheet restructurings, or opportunistic market dislocations
Specialty Finance	Consumer & SME Lending	Lending to consumer and small businesses across both whole loan strategies and structured lending.
	Factoring & Receivables	Accounts receivable and invoice factoring, working capital cash advances, and asset-based lending, typically against inventory.
	Regulatory Capital Relief	Synthetic securitization of bank balance sheet assets driven by regulatory restrictions/constraints. Common collateral may include, but is not limited to, investment or non-investment grade corporate loans, RMBS/CMBS, trade finance, fund financing lines, and credit value adjustment ('CVA').
	Royalties (Music, Film, Media, Oil, gas, & Metals)	Investments in loans collateralized by intellectual property and contractual royalty revenue streams tied to the performance of sales or volumes.
	Healthcare Lending & Royalties	Strategy focused on lending to healthcare companies using a variety of collateral including physical assets, intellectual property, and contractual revenue streams; typically, on a senior secured basis with occasional equity warrant upside
	Venture Lending	Lending strategy to venture stage businesses. Capital may be often utilized as bridge between different equity financing rounds and is short-term in nature.
	Insurance Linked Credit	Strategy encompassing the illiquid spectrum of insurance (life and non-life), driven primarily by regulatory capital or funding relief (e.g. run-off portfolios and annuities) or opportunistic purchases, implemented as buy-and-hold portfolios.
	Litigation Finance	Lending strategy focused on participating in contingency outcome litigation, lending to law firms or against pools of ongoing cases, shareholder claims, and other legal pursuits.
	PE Portfolio Finance	Loans or preferred equity stakes collateralized by PE funds or PE fund assets that provide liquidity to the related funds, their PE LPs or GPs in exchange for contractual income and upside return potential
	Stretch ABL	Corporate or SPV loans on inventory, receivables, real estate etc.

Private Credit Strategies – Summary Descriptions

Sector	Strategy	Description
Real Estate Credit	CRE Core Lending	Senior lending strategy backed by commercial RE performing assets or assets [only requiring regular capex]
	CRE Transitional Lending	Senior secured (first mortgage), B-note, mezzanine lending strategy in the U.S. backed by commercial RE assets undergoing repositioning/stabilization or requiring some capex
	CRE Bridge Lending	Senior, B-note or mezzanine lending strategy in the U.S. backed by RE assets requiring heavy capital expenditures; typically includes ground-up construction, pre-development, and land loans
	CRE Structured Credit	Strategy that targets investments in securities ultimately backed by cash flows from commercial real estate assets
	Residential Mortgages	Strategy focused on the residential mortgages ecosystem including but not limited to origination, securitization, rental, and/or servicing.
Real Assets Credit	Infrastructure Lending	Direct lending strategy focused on infrastructure projects and/or companies. Cash flows are generated by long-life, capital-intensive assets that typically provide essential products or services to the economy.
	Energy Credit	Specialized credit opportunities focused on issuers across the energy value chain (including upstream, midstream, refining, and power) in both developed and/or EM geographies
	Trade Finance	Lending strategy focused on companies involved in international trade. Products may include working capital and asset-based loans, inventory financing/factoring, export financing and receivables finance.
	Metals and Mining Finance	Specialized credit opportunities focused on issuers across the metals and mining sector (including upstream, midstream and downstream). The relatively small private funds market is mostly concentrated in direct origination strategies to smaller or growing mining businesses and often focuses on a specific mineral or resource (e.g. gold).
	Agricultural Credit	Lending strategy focused on companies participating across the agricultural value chain. Loans are typically shorter duration and secured by tangible collateral. Cash flows are generally derived from the production, processing, and distribution of commodities or globally traded goods coming from agricultural resources.
	Transportation	Hard asset leasing strategy with collateral ranging from aviation, maritime, to railcar leasing
Mezzanine	US/ European Mezzanine	Subordinated debt capital (including second lien, mezzanine, "pay in kind" (PIK) loans and bonds, and "last-out" loans) normally provided to corporate businesses. Debt capital is often utilized in conjunction with PE buyout transactions or balance sheet recapitalization/refinancings.
	Structured Equity	Hybrid debt and equity financing solutions that can take several forms, including equity-linked debt, preferred equity or convertible warrants

Strategy Overview: Senior loans to middle market companies, either private or public corporates including both firms which are privately owned by PE Sponsors and non-Sponsor firms. Lenders typically target relatively stable, cash generative businesses. Historically, this segment has experienced relatively low losses and some fund-level leverage is often applied to help boost target returns.

Instrument Characteristics	
Instrument/Asset Type	Senior & Unitranche, stretch senior, and "last-out" "cashflow" corporate loans
Collateral Examples	Corporate enterprise value and corporate assets
Security Type	Senior perfected claims
Credit Status	Performing
Capital Structure	Senior
Performance Characteristics	
Manager Target Returns	7-13%
Capital Appreciation Expectations	Low
Inflation impact	Favorable (floating rate)
Optimal Market Environment	Steady/Rising

Merits

- Potential for yield pick-up versus liquid strategies
- Defensive approach, resilient credits and diversified portfolios
- Established strategy with demonstrable track record of credit performance (default and LGD)**
- Banking regulations curtailing banks' ability to effectively compete
- Ability for LPs to deploy rapidly and at scale
- Strategy now converging towards maturity with a range of access points to meet differing investor preferences
- Upward impact on returns from recent base rate hikes

Considerations

- Later stages of credit cycle, incl. higher leverage levels and tighter pricing
- Benign, low default environment may have bolstered the track records of lower quality managers
- In some instances, the use of fund-level leverage could lead to elevated portfolio volatility in the event of a prolonged downturn

*Target returns are forward-looking statements established by underlying managers using assumptions and various factors that are outside of the control of the underlying managers and Aksia, and as such should not be relied upon. The target returns are not indicative of future results and should not be taken as an indication or guarantee of any future performance or prediction. No representation is being made that any investment will or is likely to achieve the target returns similar to those shown above. **Part performance is not indicative of future results.

Strategy Overview: *New origination or secondary purchase of loans to companies facing financial or operational challenges (Distressed) and opportunistic structured credit, portfolio purchases, asset purchases, or other capital solutions (Special Situations). Distressed debt managers typically invest with the expectation of capturing a purchase discount, influencing a company and/or class of securities, or in the most extreme case gaining control of a company. In each instance, capital appreciation is often a key component of overall returns. Targeted issuers may range from large public companies to private middle market companies. Special situations managers encompass a range of strategies which generally seek unique situations requiring creative financing to solve specific needs.*

Instrument Characteristics

Instrument/Asset Type	Distressed for control, bespoke 'capital solutions', secondary purchase of liquid instruments
Collateral Examples	Various, including corporate EV (senior/junior), real estate, junior/subordinated or unsecured, equity
Security Type	Super-senior, senior and junior with bespoke terms
Credit Status	Stressed or Non-performing
Capital Structure	Senior and Junior

Performance Characteristics

Manager Target Returns	10-15%
Capital Appreciation Expectations	Medium to High
Inflation impact	Mixed - rate increases can lead to market stress and volatility
Optimal Market Environment	Volatile/Declining

Merits

- Large addressable opportunity set resulting from the massive growth of global corporate credit markets since 2010
- Public credit markets often feature periodic declines in liquidity resulting in dislocated pricing opportunities
- Growing probability of recession in the current challenging macro-economic environment which could lead to high default rates (and hence greater opportunity flow)
- Provides opportunity to diversify and take advantage of dislocated situations or cyclically depressed asset values

Considerations

- Performance can be tied to timing the credit cycle
- Lower quality borrowers/highly levered capital structures/capital intensive or commodity-linked industries
- Merits of "go-anywhere" mandates vs. specialist/dedicated approach
- Fees on committed capital more punitive if opportunity set slow to develop
- Limited capacity for some strategies (special situations)

*Target returns are forward-looking statements established by underlying managers using assumptions and various factors that are outside of the control of the underlying managers and Aksia, and as such should not be relied upon. The target returns are not indicative of future results and should not be taken as an indication or guarantee of any future performance or prediction. No representation is being made that any investment will or is likely to achieve the target returns similar to those shown above.

Strategy Overview: Loans backed by financial or physical assets (non-real estate). Typically involves purchase of non-traded obligations or esoteric income generating assets. Private lenders in the space provide an alternative to public market or venture financing options, especially where borrowers are considered too small or their needs too specific for traditional bank financing.

Instrument Characteristics	
Instrument/Asset Type	Senior loans (often with reference to underlying collateral value), assets that require collection expertise
Collateral Examples	Consumer receivables, NPLs, royalty streams, contingent claims (i.e., litigation and insurance linked securities)
Security Type	Borrower bases, appraisal references, performance requirements
Credit Status	Performing
Capital Structure	Mostly Senior
Performance Characteristics	
Manager Target Returns	8-12%
Capital Appreciation Expectations	Low
Inflation impact	Varied, less sensitive
Optimal Market Environment	Varied

Merits

- Potential to access high quality, granular pools of assets not available in securities markets
- Significant diversification potential for a portfolio - low correlation and volatility compared to traditional asset classes
- Borrowers often have recurring revenue profiles, which typically lends itself well to credit structures
- Lenders typically have a controlling position which provides significant leverage and protection in the event of financial difficulty of a borrower

Considerations

- Borrowers may be small to medium sized companies, sometimes with high capital needs
- Risk profiles often characterized by high levels of complexity or idiosyncrasies
- Use of complex, structural leverage to enhance return targets
- Some sub-sectors are relatively young and have primarily emerged post-GFC, the sector often features newer platforms and teams

*Target returns are forward-looking statements established by underlying managers using assumptions and various factors that are outside of the control of the underlying managers and Aksia, and as such should not be relied upon. The target returns are not indicative of future results and should not be taken as an indication or guarantee of any future performance or prediction. No representation is being made that any investment will or is likely to achieve the target returns similar to those shown above.

Strategy Overview: Real estate credit typically loans to borrowers backed by real estate collateral. It comprises a set of strategies focused on commercial real estate ('CRE') collateral or residential mortgage origination. Real estate credit sub-strategies include, but are not limited to, transitional lending, core lending, bridge lending, non-qualified mortgage origination, single family rental ('SFR'), residential non-performing loans, and mortgage servicing rights

Instrument Characteristics	
Instrument/Asset Type	Transitional lending, core lending, bridge lending, single family rental, residential non-performing loans etc.
Collateral Examples	Real estate (mostly performing)
Security Type	CRE (bridge/transitional), mortgages, multi-family assets
Credit Status	Performing
Capital Structure	Senior and junior
Performance Characteristics	
Manager Target Returns	6-11%
Capital Appreciation Expectations	Low
Inflation impact	Mixed –generally favorable impact on asset values
Optimal Market Environment	Steady/Rising

Merits

- Potential for some strategies to be highly scalable
- Regional and community banks have reduced appetite to provide real estate financing to middle market borrowers, lowering competition
- Transitional and bridge loans are relatively short-term loans in primary and secondary markets typically with higher quality and more experienced equity sponsors
- Relatively high barriers to entry including high compliance cost, relationships with originators and capital market experience

Considerations

- Real estate asset collateral is often pro-cyclical with the wider economic cycle
- Strategies often feature significant leverage (often either asset-level or fund-level)
- Significant growth area in the Private Credit asset class, competition appears to have increased over the past 2-3 years

*Target returns are forward-looking statements established by underlying managers using assumptions and various factors that are outside of the control of the underlying managers and Aksia, and as such should not be relied upon. The target returns are not indicative of future results and should not be taken as an indication or guarantee of any future performance or prediction. No representation is being made that any investment will or is likely to achieve the target returns similar to those shown above.

Strategy Overview: Strategies focused on providing debt capital primarily backed by real assets (other than real estate), which may include transportation assets, infrastructure, and energy, commodity and agricultural assets.

Instrument Characteristics	
Instrument/Asset Type	Agricultural lending, energy credit, infrastructure lending, metals and mining finance, trade finance
Collateral Examples	Physical/real assets (mostly performing), non real-estate
Security Type	Renewables, midstream infrastructure, transport assets, commodities etc.
Credit Status	Performing
Capital Structure	Senior and junior
Performance Characteristics	
Manager Target Returns	5-11%
Capital Appreciation Expectations	Low
Inflation impact	Generally favorable
Optimal Market Environment	Steady/Rising

Merits

- Many of the underlying assets (in particular infrastructure) typically maintain monopolistic-type market position involving long-term contracts with strong counterparties
- In general, lower default rates and higher recovery rates relative to corporate credit given contracted nature of assets
- Large funding gap within infrastructure as most governments lack the resources needed to fully finance their infrastructure needs
- Real assets are typically resilient in an inflationary and rising rate environment, and can provide meaningful diversification benefits

Considerations

- The contracted nature of underlying assets has driven material spread compression
- Historically, many credit facilities have been fixed rate which creates inflation exposure
- Within infrastructure, longer investment horizons are typical and debt funds in the space typically exhibit longer fund terms than other areas within private credit
- Some strategies may rely on more unpredictable asset prices (energy, commodities)

*Target returns are forward-looking statements established by underlying managers using assumptions and various factors that are outside of the control of the underlying managers and Aksia, and as such should not be relied upon. The target returns are not indicative of future results and should not be taken as an indication or guarantee of any future performance or prediction. No representation is being made that any investment will or is likely to achieve the target returns similar to those shown above.

Strategy Overview: *Junior or subordinated corporate debt instruments, often with equity participation rights. These strategies will bridge the gap between senior debt and equity in the middle of the capital structure. Non-control growth capital has increased in attractiveness in recent times as owner-managed businesses and sponsors may be less willing to contemplate equity dilution in the context of a potentially softening valuation environment.*

Instrument Characteristics	
Instrument/Asset Type	Second lien, mezzanine, HoldCo PIK, hybrid/structured equity
Collateral Examples	Corporate (mostly performing)
Security Type	Subordinated Debt, Limited Security Interest
Credit Status	Performing
Capital Structure	Junior
Performance Characteristics	
Manager Target Returns	8-15%
Capital Appreciation Expectations	Moderate
Inflation impact	Favorable
Optimal Market Environment	Steady/Rising

Merits

- Potential for attractive investment risk/return profiles, particularly in periods of economic volatility
- Hybrid capital strategies (which span debt and equity) can enable duality of control – negative control through the debt and positive through the equity
- Borrower focus tends to be skewed towards the upper mid-market, which can be complementary to a PC portfolio which may focus on the mid or lower mid-market

Considerations

- Credit selection is generally the primary means of downside protection
- Structural protections, such as layering risk and dividend leakage, are of elevated importance
- Where equity risk is present, the softening economic environment could eliminate any return uplift that has become a key component of junior capital strategies

*Target returns are forward-looking statements established by underlying managers using assumptions and various factors that are outside of the control of the underlying managers and Aksia, and as such should not be relied upon. The target returns are not indicative of future results and should not be taken as an indication or guarantee of any future performance or prediction. No representation is being made that any investment will or is likely to achieve the target returns similar to those shown above.

IMPORTANT NOTICE: These materials are for informational and educational purposes only. Unauthorized reproduction, distribution, electronic posting, or incorporation into other documents, in whole or in part, is strictly prohibited without prior written permission from Aksia LLC and/or its affiliates, as applicable (collectively, "Aksia"). Use of Aksia's name or logo in any materials requires prior written consent.

NO OFFERING: These materials do not in any way constitute an offer or a solicitation of an offer to buy or sell funds, private investments or other securities mentioned herein. These materials are provided only in contemplation of Aksia's research and/or advisory services. These materials shall not constitute advice or an obligation to provide such services.

RELIANCE ON TOOLS AND THIRD PARTY DATA: These materials reflect and rely upon information provided by fund managers and other third parties which Aksia reasonably believes to be accurate and reliable. Such information may be used by Aksia without independent verification of accuracy or completeness, and Aksia makes no representations as to its accuracy and completeness. For the avoidance of doubt, these materials have not been produced, reviewed, verified or approved by the fund managers and other third parties to which the materials relate. As such, they do not necessarily reflect the views or opinions of such fund managers and third parties. Furthermore, any reference to EBITDA (or ratios using EBITDA as a component) included in the report, reflect Adjusted EBITDA provided by the fund manager (unless otherwise stated) typically as defined in the transaction quality of earnings report and / or loan agreements. Adjusted EBITDA can be expected to be higher than EBITDA figures calculated based on GAAP or IFRS compliant financial statements, which will result in relatively lower debt/EBITDA and higher interest coverage ratios. In addition, any fund IRRs shown are as reported by the manager/administrator or calculated using cash flows provided by the manager/administrator, and may benefit from such fund's use of a subscription line.

NOT TAX, LEGAL OR REGULATORY ADVICE: The Intended Recipient is responsible for performing his, her or its own reviews of any private investment fund it may invest in including, but not limited to, a thorough review and understanding of each fund's offering materials. The Intended Recipient is advised to consult his, her or its tax, legal and compliance professionals to assist in such reviews. Aksia does not provide tax advice or advice concerning the tax treatments of a private investment fund's holdings of assets or an investor's allocations to such private investment fund. Tax treatment depends on the individual circumstances of each client and may be subject to change in the future.

PRIVATE INVESTMENT FUND DISCLOSURE: Investments in private investment funds involve a high degree of risk and investors could lose all or substantially all of their investment. Any person or institution investing in private investment funds must fully understand and be willing to assume the risks involved. Some private investment funds may not be suitable for all investors. Private investment funds may use leverage, hold illiquid positions, suspend redemptions indefinitely, modify investment strategy and documentation without notice, short sell securities, incur high fees and contain conflicts of interests. Private investment funds may also have limited operating history, lack transparency, manage concentrated portfolios, exhibit high volatility, depend on a concentrated group or individual for investment management or portfolio management and lack any regulatory oversight. Past performance is not indicative of future results.

RECOMMENDATIONS: Any Aksia recommendation or opinion contained in these materials is a statement of opinion provided in good faith by Aksia and based upon information which Aksia reasonably believes to be true. Recommendations or opinions expressed in these materials reflect Aksia's judgment as of the date shown, and are subject to change without notice. Except as otherwise agreed between Aksia and the Intended Recipient, Aksia is under no future obligation to review, revise or update its recommendations or opinions.