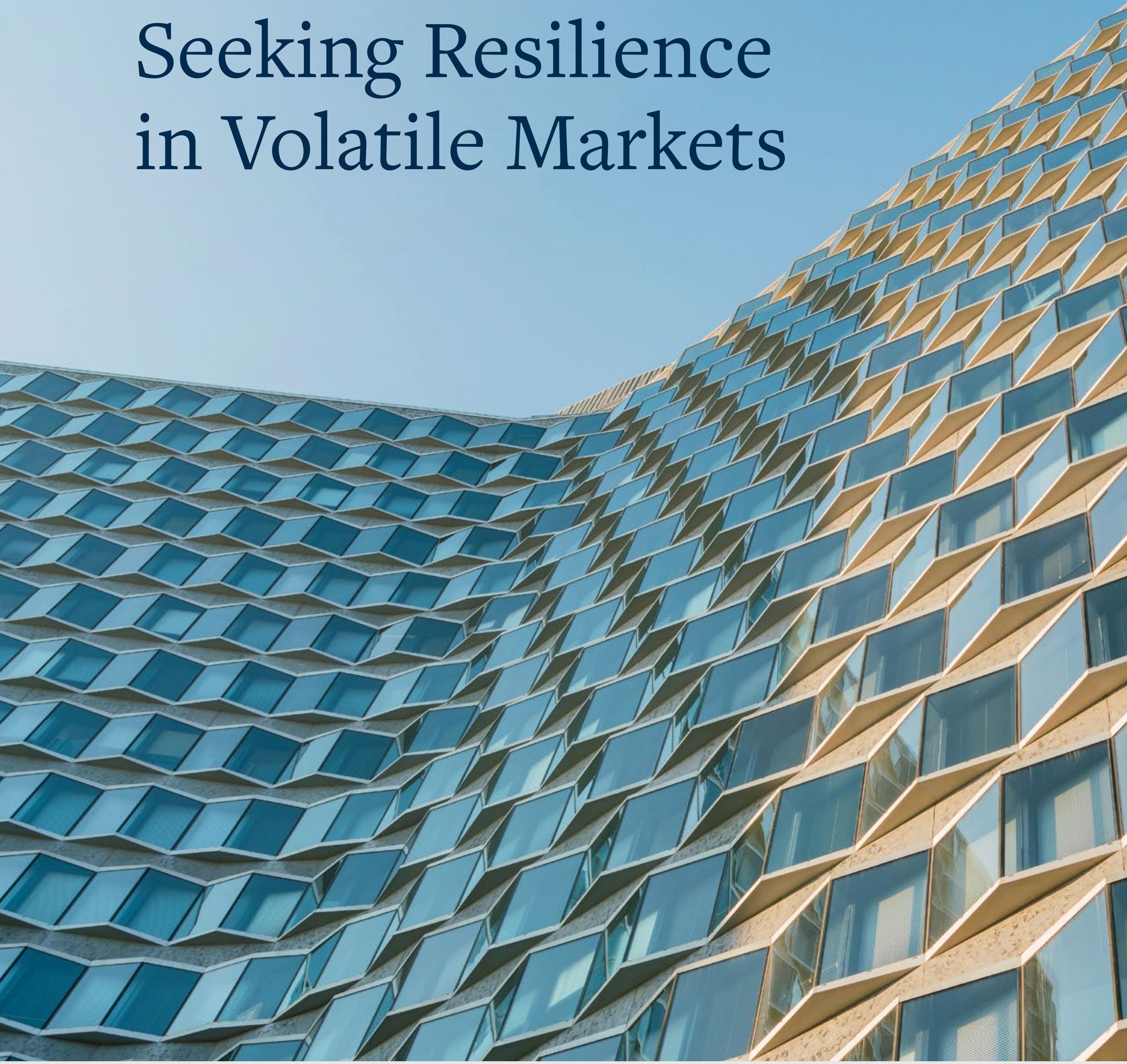
Brookfield | OAKTREE
WEALTH SOLUTIONS

Seeking Resilience in Volatile Markets



ALTS QUARTERLY | MAY 2025

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Introduction

The first quarter of 2025 began with a continuation of the rally in risk assets from last year, with many equity indexes reaching an all-time high by early February. But sentiment shifted in February when the Trump administration announced a series of higher tariffs on a wide range of imported goods from major trading partners, which coincided with concerns around slowing growth and the Federal Reserve (the "Fed") pausing its rate cuts. Concerns over possible tariff increases then dominated market sentiment for the rest of Q1. The S&P 500 fell 5.75% in March, and returns were worse for many of the technology names that had long led the market as investors rotated into less risky assets.

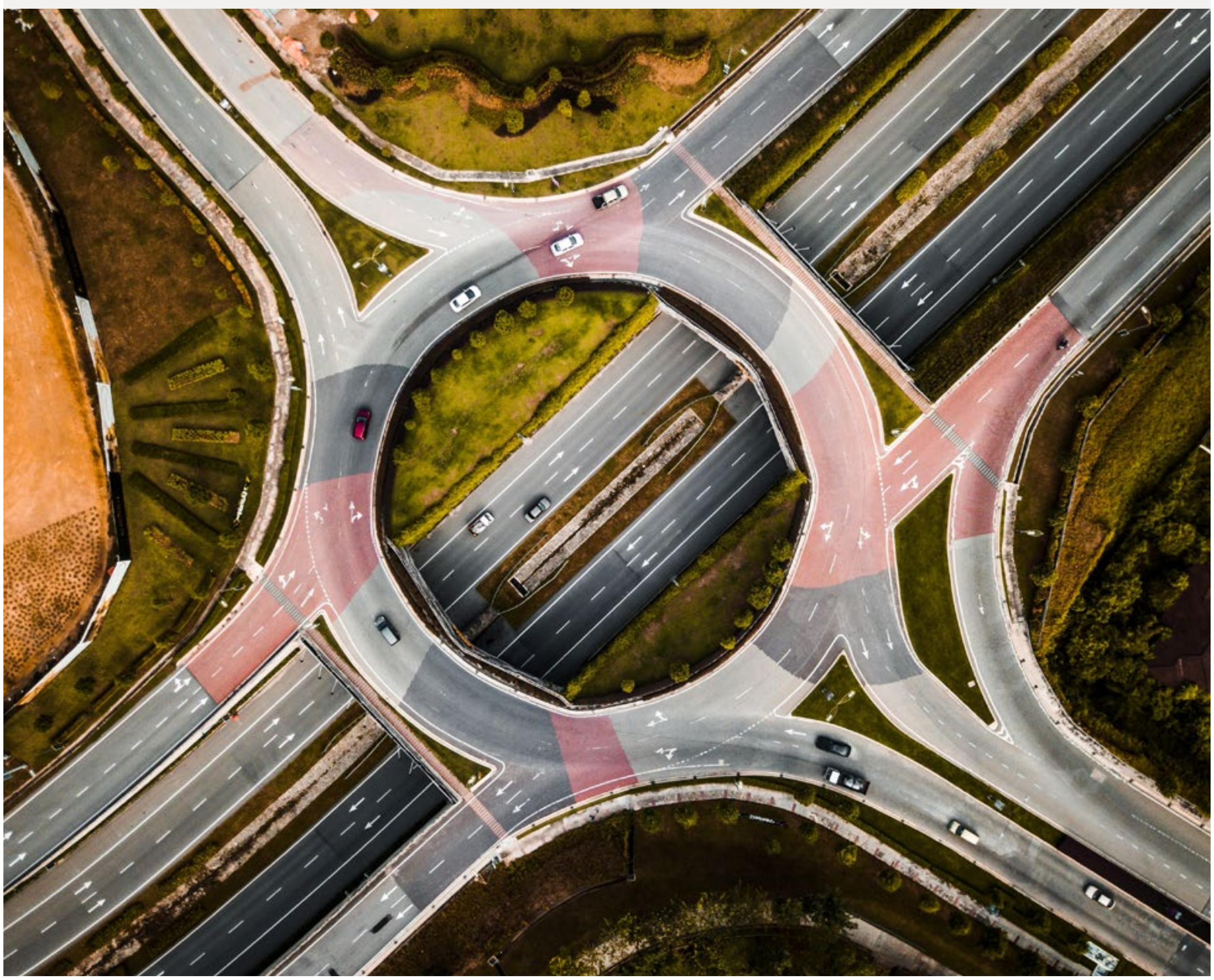
At the beginning of the second quarter, the Trump administration announced broad-based tariff increases to nearly all U.S. trading partners, which resulted in a significant equity selloff. As of April 7th, the S&P 500 had fallen 14% for the year, while the Nasdaq had dropped 19%. Some international markets fared better—the Euro Stoxx 50 Index was down 5% for 2024—while the Morningstar LSTA Leveraged Loan Index, a key measure of leveraged loans, had dropped 1%.

In the near term, equity and other risk asset performance is most likely inextricably linked to trade policy developments and their impact on the economy. As such, it is difficult to forecast with any confidence the future trajectory of risk asset performance.

Although the current environment is undoubtedly unique, the best solution in uncertain markets is still the tried and true one: consider ways to strengthen the diversification of your portfolio. One such potential solution is alternative investments.

In this issue of the *Alts Quarterly*, we explore how alternative investments could help insulate portfolios during periods of high market volatility—and why private equity, infrastructure, credit and real estate have historically outperformed traditional investments in markets like today's. We believe alts can help strengthen portfolios and help investors meet their goals in all market scenarios, but their benefits, particularly their ability to diversify portfolios, may be particularly relevant now. Specifically:

- **Private infrastructure.** We examine how private infrastructure historically has helped mitigate risk in portfolios.
- **Private credit**. We discuss three advantages of private credit that underscore why it has historically outperformed traditional fixed income across market cycles.
- **Real estate.** We explore the potential impact of tariffs, the outlook for the asset class—and how manager skill is more important now than ever in real estate investing.
- **Private equity.** We analyze how private equity can enhance diversification and provide resilience in uncertain market environments.



Infrastructure and Risk Mitigation

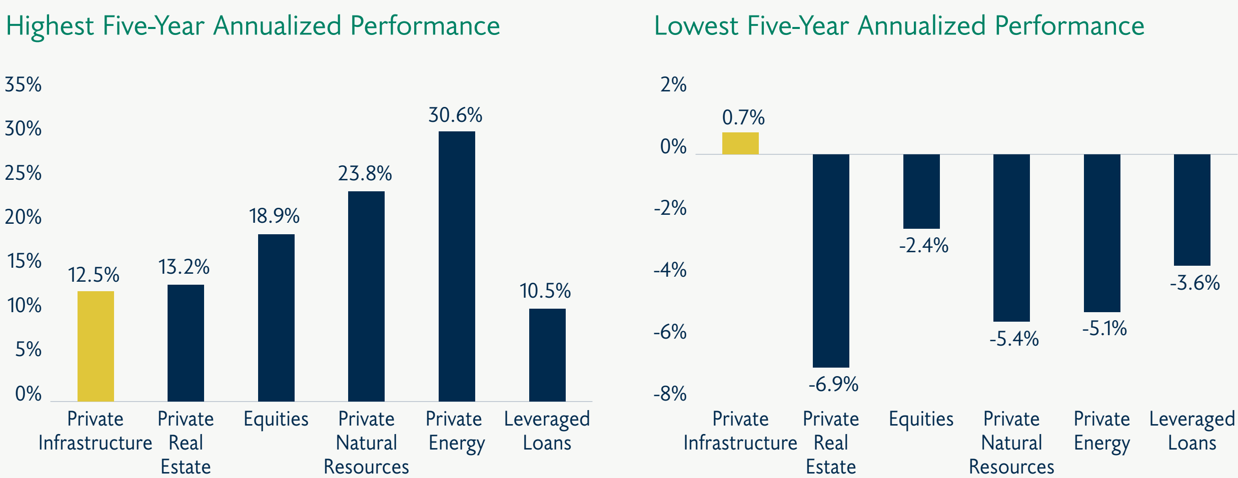
With volatility on the rise this year, infrastructure is increasingly in focus, as investors seek the stability it can provide as an investment. As an asset class, infrastructure has a number of desirable characteristics provided by the underlying investments it targets. For example, infrastructure delivers essential services, such as transportation or power, that are necessary for daily life and economic activity. It also requires large capital investments, which give it high barriers to entry from competitors. Additionally, infrastructure projects are generally contracted and generate free cash flow, which helps maximize investor value through regularly scheduled income distributions and through the funding of accretive capital expenditures.

What History Reveals

It should come as no surprise, therefore, that private infrastructure has historically performed well during difficult market environments. Consider, for example, **Figure 1**, which illustrates the highest and lowest returns of a range of asset classes and investment strategies over a five-year period since 2004. In strong markets, private infrastructure tends to deliver solid absolute returns, though not always the highest compared to other asset classes. But in challenging market environments, it has historically outperformed most other asset classes by a wide margin.

In other words, over no five-year period since the reference index's inception has private infrastructure lost money. In short, infrastructure may potentially provide upside in addition to risk mitigation benefits. Hence, we believe that the historical performance characteristics of the asset class may be important to consider when evaluating options for long-term portfolio construction.

Figure 1: Highest and Lowest Five-Year Asset Class Performance

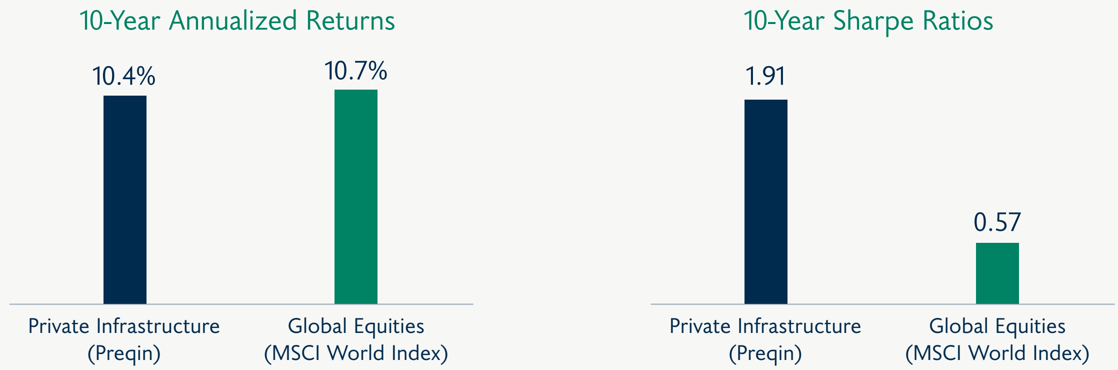


Past performance does not guarantee future results. Indexes are unmanaged, and performance is shown for illustrative purposes only and does not predict or depict the performance of any investment. There may be material factors relevant to any such comparison, such as differences in volatility and also regulatory and legal restrictions between the indexes shown. Five-year periods beginning December 31, 2004 through September 30, 2024. Private Infrastructure represented by Cambridge Associates Infrastructure Index; Private Real Estate by Cambridge Associates Real Estate Index; Equities by MSCI World Index; Private Natural Resources by Cambridge Associates Natural Resources Index; Private Energy by Cambridge Associates Private Equity Energy Index; and Leveraged Loans by S&P UBS Leveraged Loan Index.

Source: Cambridge Associates, Bloomberg, as of Apri 30, 2025.

Private infrastructure has also outperformed public market equities from a risk/reward perspective, and offered consistency of returns. It has provided attractive total returns with a fraction of the volatility (**Figure 2**). Private infrastructure has posted a 10-year annualized return of 10.4% with a Sharpe ratio of 1.91 (as a reminder, Sharpe ratios are a measure of excess return for the risk taken, with a Sharpe ratio greater than 1 indicating an investment should provide a good level of return relative to its volatility). In contrast, global equities posted a 10.7% return over the same period with a significantly lower Sharpe ratio of 0.57.

Figure 2: Private Infrastructure Offers Defensive Qualities Compared With Global Equities



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Source: Prequin, Bloomberg, as of September 30, 2024.

Private Infrastructure: Stability, Upside, and Strong Risk-Adjusted Performance

- Outperformed public market equities from a risk/reward perspective
- Delivered consistent, attractive total returns
- Achieved upside with a fraction of the volatility

We believe that evergreen infrastructure funds with no set termination date may provide an excellent potential intersection of risk and return. These structures are typically easier to access than privately offered structures but yet are often overlooked due to occasional lower performance in any given individual year. Nonetheless, evergreen infrastructure funds have historically delivered consistent returns.

Summing Up

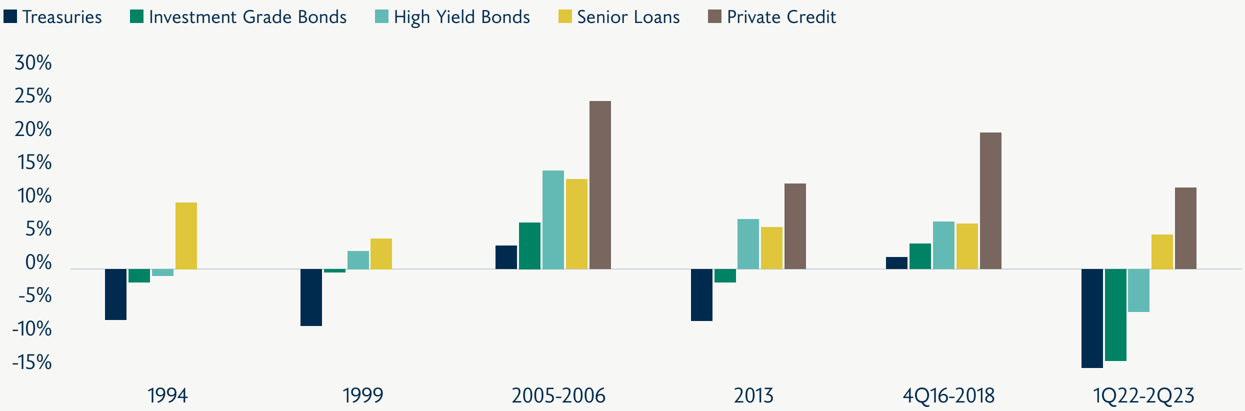
Infrastructure investments provide highly contracted and regulated revenues that deliver fixed income-like cash flows, inflation protection and upside from the participation in economic growth. This makes the asset class an appealing investment choice in all market conditions. In today's market environment, portfolios can be enhanced by the value of what infrastructure seeks to provide: risk mitigation, attractive total returns, low volatility and the potential for additional alpha through selection of a sophisticated manager who can construct a diversified portfolio of stable, cash-flowing assets.

Why Private Credit May Offer Advantages in Volatile Environments

With equity markets becoming more volatile, many investors are boosting fixed income exposures, long considered a potential refuge when equities sell off. Typically, investors consider Treasuries and perhaps high-quality corporate bonds. Increasingly, however, investors are also turning to private credit, which may offer greater stability and resilience during periods of market stress. In fact, private credit has historically outperformed other fixed income assets across interest rate cycles while also demonstrating lower volatility (**Figure 3**).

Figure 3: Private Credit Has Demonstrated Resiliency Through Varying Rate Environments

Cumulative total return % in the last six interest rate cycles



Past performance does not guarantee future results. Indexes are unmanaged, and performance is shown for illustrative purposes only and does not predict or depict the performance of any investment. There may be material factors relevant to any such comparison, such as differences in volatility and also regulatory and legal restrictions between the indexes shown. Chart shows performance over last six interest rate cycles through June 2023. Treasuries represented by FTSE 10-Year Treasury, Investment Grade Bonds by ICE BofA Global Corporate Bond Index, High Yield Bonds by ICE BofA Index, Senior Loans by S&P UBS Leveraged Loan Index, Private Credit by Cliffwater Direct Lending Index (data since index inception in 2005, as of June 30, 2023).

Three key characteristics help explain this dynamic:

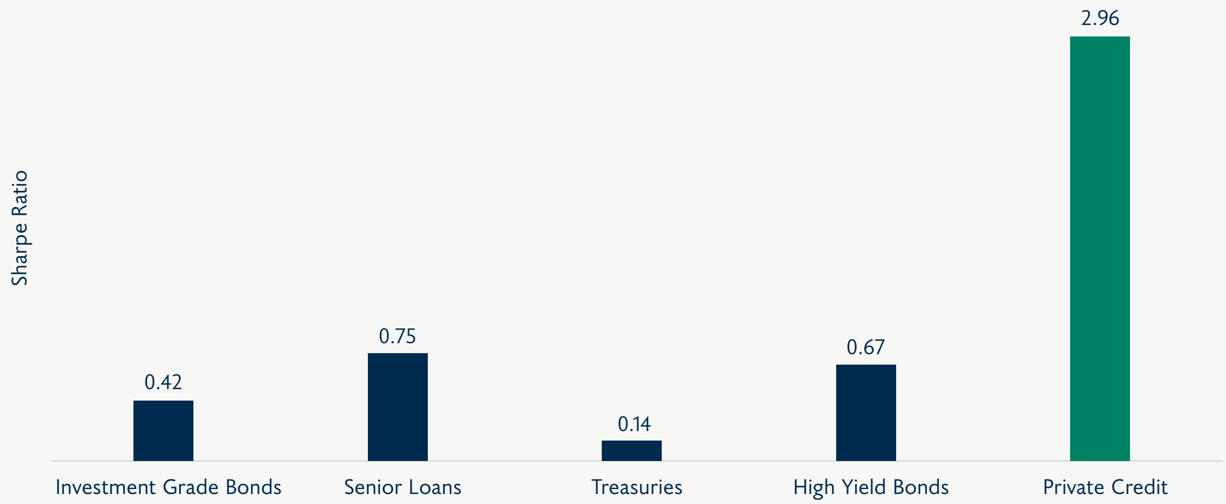
Lack of price discovery: Unlike publicly traded fixed income securities, private credit is not priced in the open secondary market. This means that pricing is not subject to daily fluctuations based on market sentiment. This lack of price discovery contributes to private credit's stability during periods of market stress.

Enhanced structural protections: Private credit typically involves a bilateral agreement with negotiated covenants and other lender protections designed to limit borrower behavior. For example, a lender might restrict the borrower's ability to take on additional debt or sell assets that serve as key collateral. These features offer stronger risk mitigation than traditional fixed income, where bonds and broadly syndicated loans are often covenant-lite—providing fewer safeguards and leaving investors more exposed to borrower actions, particularly during periods of market volatility.

Low duration risk due to floating-rate nature: Most private loans have floating-rate coupons, meaning their interest payments reset periodically—typically every 30 to 90 days—based on a benchmark rate like SOFR. This structure helps mitigate duration risk, or the sensitivity of a bond's price to interest rate changes, which can be significant in fixed-rate instruments.

When interest rates rise, floating-rate private loans may generate higher income while maintaining more stable prices than traditional fixed-rate bonds. While the Fed has paused its most recent cycle of rate hikes, the near-term path for interest rates remains uncertain. In this environment, understanding duration risk—and the benefits of low-duration assets—is critical when balancing private and public fixed income allocations (**Figure 4**).

Figure 4: Private Credit Offers Attractive Risk-Adjusted Return Potential



Past performance does not guarantee future results. Indexes are unmanaged, and performance is shown for illustrative purposes only and does not predict or depict the performance of any investment. There may be material factors relevant to any such comparison, such as differences in volatility and also regulatory and legal restrictions between the indexes shown. Information does not represent returns of a fund. Risk-adjusted returns are represented by Sharpe Ratio, which measures the excess return (or risk premium) per unit of risk (measured by standard deviation) in an investment asset or a trading strategy. Investment Grade Bonds represented by Bloomberg U.S. Corporate Bond Index, Senior Loans represented by S&P UBS Leveraged Loans Index, Treasuries represented by FTSE 10-Year Treasury (OTR), High-Yield Bonds represented by ICE BofA U.S. High Yield Index, Private Credit represented by Cliffwater Direct Lending Index.

Source: Bloomberg, Cliffwater. January 1, 2010 through December 31, 2024.

Summing Up

Few asset classes are as well-suited to volatile markets as private credit. Limited mark-to-market volatility, negotiated protective covenants, and floating-rate income together provide the kind of stability and risk-adjusted return potential that can help strengthen portfolios in uncertain times. For investors looking to navigate today's challenges with greater confidence, we believe that now may be an ideal time to take a closer look.

In Real Estate, Skill Matters in Challenging Market Environments

The combination of heightened volatility, weakening investor sentiment, and falling equity markets resulting from tariffs on major trading partners has the potential to translate into a slowing economy, particularly within the service sector. This could have a significant impact across investment sectors. While the impact may only be indirect on the real estate sector, the uncertainty surrounding the tariffs underscores the importance of operating skill when selecting a real estate manager, in order to achieve strong performance in a volatile market.

Short-Term vs. Long-Term Impact

Tariffs could lead to reduced overall spending and slowing economic growth, since the costs are usually passed on to consumers. Of course, much depends on how long those tariffs are left in place and whether key industries are able to secure exemptions. The flow of goods and consumer spending are key drivers of demand for industrial and retail space, and lower demand would potentially impact leasing in these real estate sectors. Higher inflation triggered by the tariffs could also have an impact on borrowing costs to finance real estate investment—which may lead to increases in distressed acquisition opportunities from undercapitalized, motivated sellers.

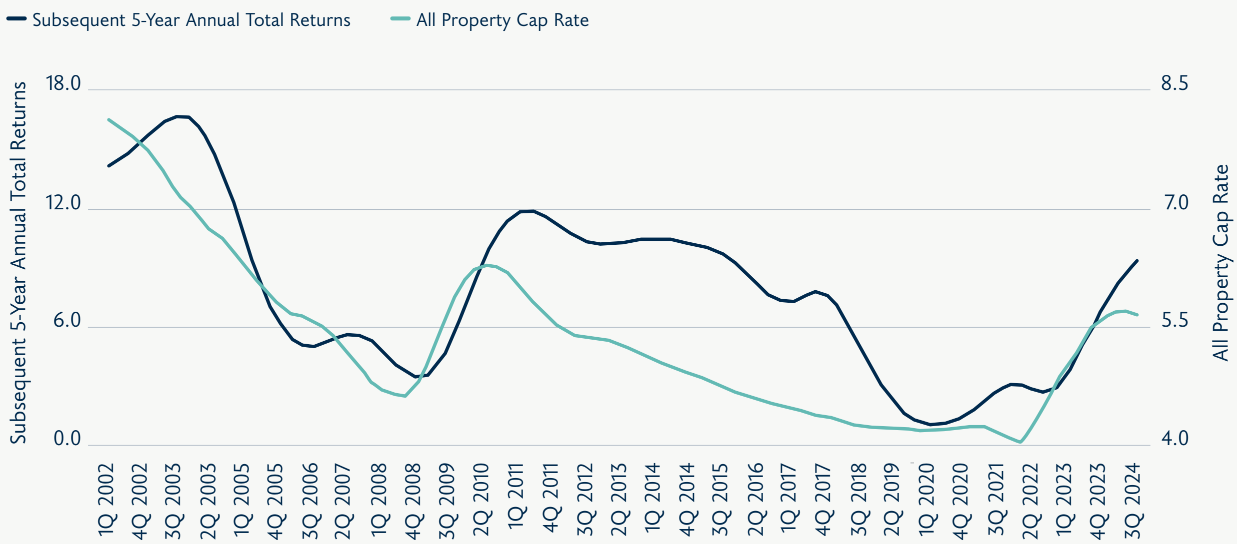
While tariffs are generally viewed as having negative economic impacts, there are a number of potential positive effects on the real estate market they can provide, including a shift in investment toward real estate due to the inherent characteristics of the asset class. Higher inflation has positive benefits for real estate. Rents often rise with inflationary expectations, sometimes even in excess of inflation. In addition, the value of real estate assets tends to increase as replacement costs rise. Over the long term, tariffs should also yield positive results for real estate, particularly if they translate to an increase in domestic manufacturing activity and employment. This would likely lead to increased demand for real estate sectors accommodating manufacturing, such as logistics. Onshoring trends led to an average annual increase of 50% year-over-year in real estate requirements since 2020, and the trend is expected to continue.[1]

Despite Uncertainty, a Positive Outlook

Despite the uncertain environment, commercial real estate pricing should remain largely stable, given the expectation that long-term bond yields should move lower over time, and that investor sentiment improves as the year goes on. Lower yields, combined with an improving lending environment, should allow the real estate investment market to continue recovering.

Figure 5 shows the historical relationship between real estate capitalization rates and subsequent five-year returns. Using this same calculation on a go-forward basis, there is potential to achieve an average 9.3% annual return over the next five years across all property types (2025 to 2029).[2]

Figure 5: Relationship Between Cap Rates and Subsequent 5-Year Annual Total Returns



IMPORTANT: The projections or other information generated by CBRE Research regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results.
Source: CBRE Econometric Advisors, CBRE Research, Q1 2025.

Summing Up

The trajectory and effects of tariffs—including the dispersion of impacts shaped by a fast-changing political environment—could steer the course of inflation, economic growth and interest rates in the years ahead. Navigating that type of environment is enormously complex. Therefore, skilled, on-the-ground operating capabilities are required to maximize cash flow growth over holding periods.

During the last real estate cycle, declining cap rates contributed greatly to performance. Now, in contrast, achieving strong returns over the coming years may require a greater emphasis on successfully executing business plans with operational upside—rather than relying on financial engineering.

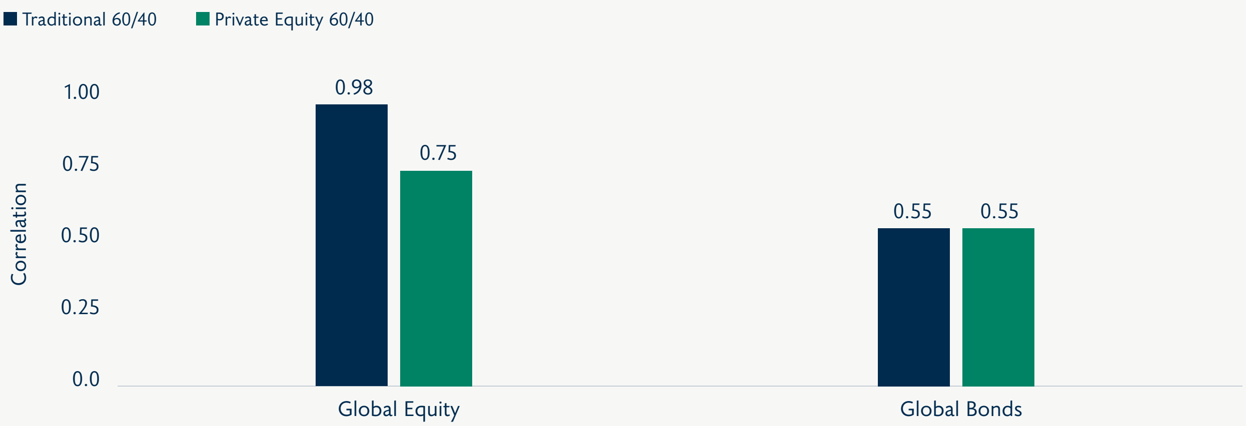
Asset selection will be key as investors focus on income growth. The strength of an operational platform to streamline costs, achieve efficiencies of scale and drive improvements will similarly be critical in securing incremental returns. In short, the value of a hands-on operating approach is vital to driving cash flows despite market dynamics.

Private Equity as an Equity Diversifier

The recent volatility and uncertainty in equity markets serve as powerful reminders of the importance of expanding portfolio diversification. Even before the current events, the traditional 60/40 portfolio had shown limitations—offering little diversification from equities, with global bonds exhibiting a striking 0.98 correlation to equities (**Figure 6)**.

Figure 6: With a 0.98 Correlation to Global Equities, the 60/40 Portfolio Has Offered Limited Diversification for Decades

Private Equity Lowers Correlation to Global Equities Without Raising Correlation to Bonds



Past performance does not guarantee future results. Risk factors that may negatively impact return expectations include, but are not limited to, fees, liquidity differences, tax treatment, default risk, and recovery rates. Indexes are unmanaged, and performance is shown for illustrative purposes only and does not predict or depict the performance of any investment. There may be material factors relevant to any such comparison, such as differences in volatility and also regulatory and legal restrictions between the indexes shown. Global Equity represented by MSCI World Index, Global Bonds represented by Bloomberg Global Aggregate Bond Index, Traditional 60/40 represented by 60 MSCI World Index, 40% Bloomberg Global Aggregate Index, Private Equity 60/40 represented by 60% Preqin Private Equity Index, 40% Bloomberg Global Aggerate Bond Index for periods between January 1, 2008 and September 30, 2024.

Source: Morningstar, Preqin, as of September 2024.

Private equity can serve as an effective portfolio diversifier, a trait that is often underappreciated. As shown in **Figure 6**, substituting global equities with private equity significantly reduces equity correlation to 0.75 from that 0.98 figure, while maintaining a similar diversification benefit to global bonds.

Why Private Equity Has Helped Diversification

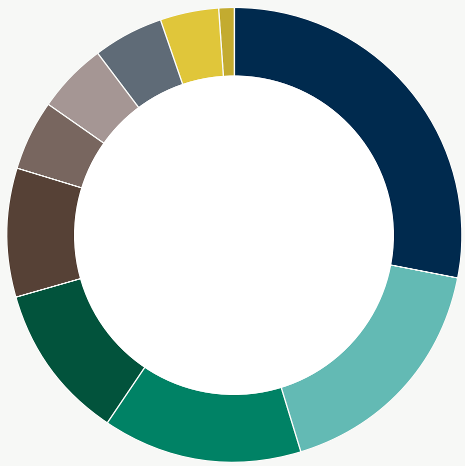
Why does private equity enhance diversification? To begin, private equity managers have a broader set of techniques to influence outcomes and drive value creation—tactics that public equity managers typically do not have access to. Beyond these operational differences, however, private equity also offers fundamentally different exposure to companies and industries compared with public markets.

First, by definition, private equity invests in a distinct universe of companies—those that are not included in public indexes. This means you're accessing a different pool of opportunities, capital structures and growth profiles.

Second, the industry composition of the private equity universe differs meaningfully from that of public markets, offering a unique return stream. Industries tend to behave differently across market cycles, and private markets often emphasize sectors that are underrepresented in public benchmarks. For example, consumer discretionary companies accounted for the third-largest share of private equity deals over the past decade yet rank only fifth in global public equity indexes by sector weight.

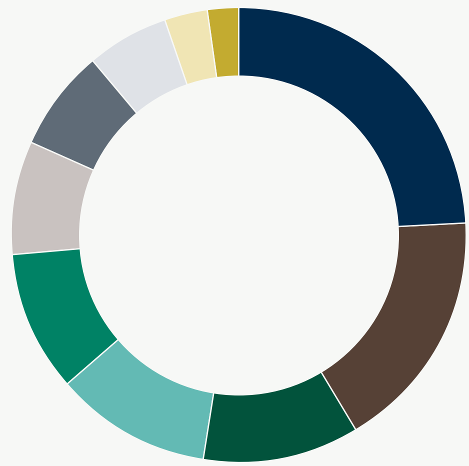
As a result, investing in private equity can provide differentiated sector exposure—enhancing portfolio diversification beyond what's available in public markets (**Figure 7**).

Figure 7: Global Private Equity Sector Breakdown



- Information Technology
- Health Care
- Consumer Discretionary
- Industrials
- Financial & Insurance Services
- Raw Materials & Natural Resources
- Telecoms & Media
- Energy & Utilities
- Business Services
- Real Estate

MSCI World Sector Breakdown



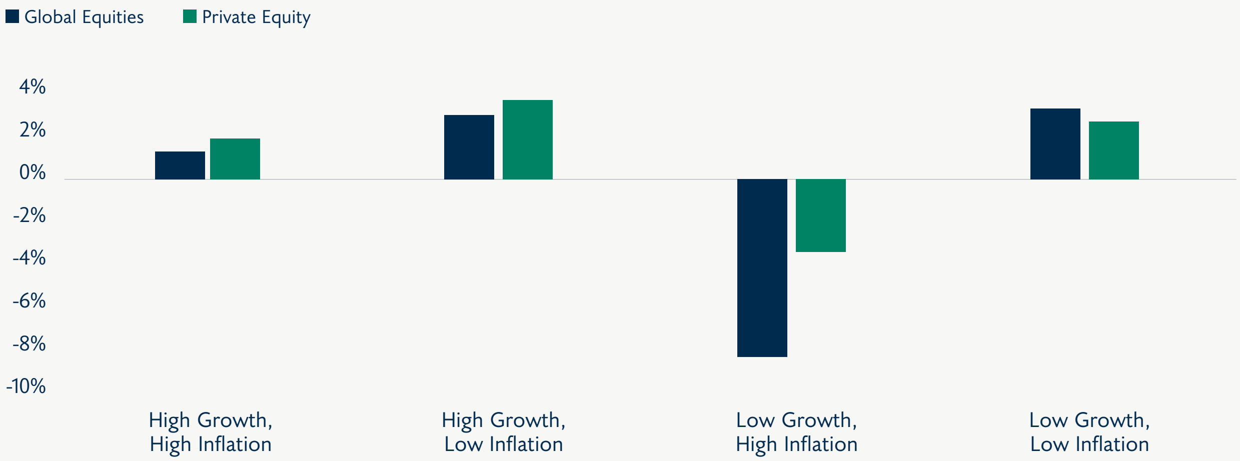
- Information Technology
- Financials
- Industrials
- Health Care
- Consumer Discretionary
- Communication
- Energy & Utilities
- Consumer Staples
- Materials
- Real Estate

10-Year Aggregate Global Private Equity Deal Value ending February 2025, MSCI World Index, as of March 31, 2025. Source: Preqin, Bloomberg.

Building on the diversification benefits discussed earlier, private equity not only provides access to a different set of companies and industries but also has historically demonstrated comparatively resilient performance across various market environments.

As shown in the figure below, private equity has demonstrated its ability to act as a portfolio shock absorber. Across varying combinations of growth and inflation—whether high growth, low growth, high inflation, or low inflation—private equity helped moderate drawdowns and delivered more stable performance relative to public equities. For example, in the most challenging environment of low growth and high inflation, global equities experienced a sharp decline, while private equity showed a shallower drawdown, cushioning the blow for investors (**Figure 8**).

Figure 8: Private Equity as a Portfolio Shock Absorber



Past performance does not guarantee future results. Indexes are unmanaged, and performance is shown for illustrative purposes only and does not predict or depict the performance of any investment. There may be material factors relevant to any such comparison, such as differences in volatility and also regulatory and legal restrictions between the indexes shown. Performance Period: Q1 2008 to Q3 2024. Private Equity represented by Preqin Private Equity, Global Equities represented by MSCI World Index. Inflation as measured by OECD Inflation rate, Growth measured as OECD GDP Growth Rate. The average growth rate was 1.6%; there were 49 periods with above-average growth and 18 periods with below-average growth. The average inflation rate for the period was 3.0%; there were 19 periods with above-average inflation and 48 periods with below-average inflation. Risk factors that may negatively impact return expectations include, but are not limited to, fees, liquidity differences, tax treatment, default risk, and recovery rates.

Source: OECD, Preqin, Bloomberg, as of September 30, 2024.

This resilience stems from private equity's long-term investment horizon, operational control, and less frequent mark-to-market pricing—all of which help insulate it from the short-term volatility that often defines public markets.

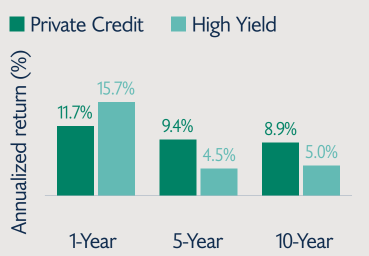
Summing Up

Taken together, private equity's differentiated exposures, lower correlations, and ability to absorb shocks make it a compelling addition to a diversified portfolio—particularly in uncertain or volatile macro environments.

Alts Market Dashboard

Below are some metrics to help investors interpret market conditions within various alternative asset classes. Brookfield and Oaktree believe the addition of both public and private alternatives can play an important role in an investor's portfolio.

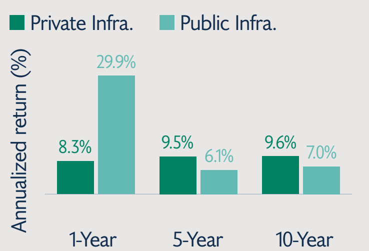
Credit



$17.6B	11.41%	6.56%	$432B
Deal volume Q4 2024	Direct lending yield Q3 2024	High-yield yield Q3 2024	Dry powder Q4 2024
-50.6%	-56 bps	-113 bps	-6.4%
1-year change	YTD change	YTD change	YTD change

- Private credit has continued to deliver strong income while losses remain below historical averages
- Risk-on sentiment prevailed in the quarter, which led to a widening gap between private and public yields and a tightening of high-yield bond spreads

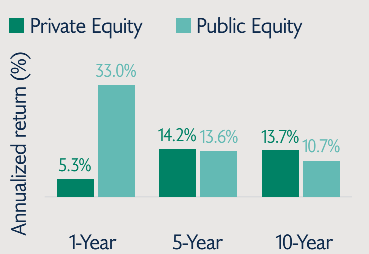
Infrastructure



$79B	3.62%	9.87x	$333B
Deal volume Q4 2024	Public infrastructure yield Q4 2024	Public average EV/EBITDA multiple Q4 2024	Dry powder Q4 2024
-24.0%	-6 bps	+0.21x	+20.2%
1-year change	YTD change	YTD change	YTD change

- Despite a recent slowdown in fundraising following several years of historic growth, nearly half of investors look to increase their allocation to infrastructure.
- Currently public yields and valuations remain steady, despite elevated interest rates

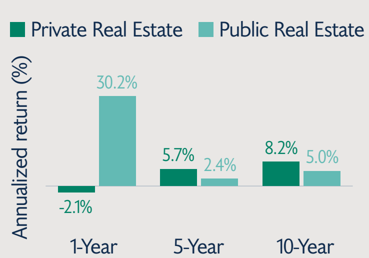
Private Equity



$366.4B	91.6%	13.6x	$2,552B
Deal volume Q4 2024	Average secondary pricing Q2 2024	Median EV/ EBITDA deal multiple Q3 2024	Dry powder Q4 2024
-28.1%	+180 bps	+2.1x	-12.7%
1-year change	Quarter over quarter	1-year change	YTD change

- The total value of U.S. private equity exits reached $413.2 billion in 2024, representing a nearly 50% increase from the previous year, marking a thaw in exit activity
- Secondary market prices continued to strengthen, driven by a surge in buyers and a limited number of sellers

Real Estate



$53.7B	6.8%	2.7%	$368B
Deal volume Q4 2024	Average cap rates Q4 2024	1-year net operating income growth Q4 2024	Dry powder Q4 2024
+66.3%	0 bps	10.6%	-8.2%
1-year change	Quarter over quarter	vs. historical average	YTD change

- Deal activity surged to its highest level since the current rate-hiking cycle began, driven by optimism about easing financial conditions following Fed rate cuts
- Net operating income (NOI) growth slowed, weighed down by the office sector, which was partially mitigated by reaccelerating industrial rents

Past performance does not guarantee future results. The indexes are unmanaged and cannot be purchased directly by investors. Index performance is shown for illustrative purposes only and does not predict or depict the performance of any investment. Private Credit represented by Cliffwater Direct Lending Index; High Yield represented by ICE BofA U.S. High Yield Index; Private Infrastructure represented by Preqin Infrastructure Index; Public Infrastructure represented by FTSE Global Core Infrastructure 50/50 Index; Private Equity represented by Preqin Private Equity Index; Public Equity represented by MSCI World Index; Private Real Estate represented by Preqin Real Estate Index; Public Real Estate represented by FTSE EPRA Nareit Developed Index.

Performance except for Private Credit, Deal Volume and Dry Powder data from Preqin are preliminary as of September 30, 2024 and are subject to revision, reflecting the Preqin Private Credit, Infrastructure, Private Equity, and Real Estate indexes, respectively.

Deal Volume refers to the cumulative value of deals that transacted during a specified time period. Net Operating Income (NOI) is a calculation used to analyze the profitability of income-generating real estate investments. NOI equals all revenue from the property, minus all reasonably necessary operating expenses.

Source: Bloomberg, Cliffwater, PEFOX Research, Preqin data (unless otherwise noted) as of December 31, 2024, the latest available for private market indices shown.

ENDNOTES

[1] Source: JLL, as of February 28, 2025.

[2] Source: CBRE, as of March 21, 2025.

A WORD ABOUT RISK

As an asset class, private credit comprises a large variety of different debt instruments. While each has its own risk and return profile, private credit assets generally have increased risk of default, due to their typical opportunistic focus on companies with limited funding options, in comparison with their public equivalents.

Because private credit usually involves lending to below-investment-grade or non-rated issuers, yield on private credit assets is increased in return for taking on increased risk.

Investments in real estate-related instruments may be affected by economic, legal or environmental factors that affect property values, rents or occupancies of real estate. Infrastructure companies may be subject to a variety of factors that may adversely affect their business, including high interest costs, high leverage, regulation costs, economic slowdown, surplus capacity, increased competition, lack of fuel availability and energy conservation policies.

Alternative investments often are speculative and include a high degree of risk. Investors could lose all or a substantial amount of their investment. High-yield bonds are subject to interest rate risk. When interest rates rise, bond prices fall; generally, the longer a bond's maturity, the more sensitive it is to this risk. Yields are subject to change with economic conditions. Yield is only one factor that should be considered when making an investment decision.

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Words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe" and other similar words are intended to identify these forward-looking statements. Forward-looking statements can be affected by inaccurate assumptions or by known or unknown risks and uncertainties. Many such factors will be important in determining our actual future results or outcomes. Consequently, no forward-looking statement can be guaranteed. Our actual results or outcomes may vary materially. Given these uncertainties, you should not place undue reliance on these forward-looking statements. It is not intended to provide an overview of the terms applicable to any products sponsored by Brookfield Corporation and its affiliates (together, "Brookfield"). Information and views are subject to change without notice. Some of the information provided herein has been prepared based on Brookfield's internal research, and certain information is based on various assumptions made by Brookfield, any of which may prove to be incorrect. Brookfield may not have verified (and disclaims any obligation to verify) the accuracy or completeness of any information included herein, including information that has been provided by third parties, and you cannot rely on Brookfield as having verified any of the information.

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INDEX DEFINITIONS

Cliffwater Direct Lending Index (CDLI) seeks to measure the unlevered, gross-of-fee performance of U.S. middle-market corporate loans, as represented by the asset-weighted performance of the underlying assets of business development companies (BDCs), including both exchange-traded and unlisted BDCs, subject to certain eligibility requirements.

EURO STOXX 50 Index, Europe's leading blue-chip index for the eurozone, provides a blue-chip representation of supersector leaders in the region.

FTSE EPRA Nareit Developed Real Estate Index is an unmanaged market-capitalization-weighted total-return index that consists of publicly traded equity REITs and listed property companies from developed markets.

FTSE Global Core Infrastructure 50/50 Index gives participants an industry-defined interpretation of infrastructure and adjusts the exposure to certain infrastructure subsectors. The constituent weights are adjusted as part of the semi-annual review according to three broad industry sectors: 50% Utilities; 30% Transportation, including capping of 7.5% for railroads/railways; and a 20% mix of other sectors including pipelines, satellites and telecommunication towers. Company weights within each group are adjusted in proportion to their investable market capitalization.

ICE BofA U.S. High Yield Index tracks the performance of U.S.-dollar-denominated below-investment-grade corporate debt publicly issued in the U.S. domestic market. The ICE BofA Merrill Lynch Global High Yield European Issuers Non-Financial 3% Constrained Ex Russia Index is a sub-index that contains all securities in the broader index except those from financial issuers or with Russia as their country of risk but caps issuer exposure at 3%. The index is rebalanced monthly. The index is USD hedged.

Morningstar LSTA U.S. Leveraged Loan Index is a market-value-weighted index designed to measure the performance of the U.S. leveraged loan market.

MSCI World Index is a free-float-adjusted market-capitalization-weighted index that is designed to measure the equity market performance of developed markets.

Nasdaq Index is a market-cap-weighted index tracking companies traded on the Nasdaq stock market.

Preqin Infrastructure Index captures in an index the return earned by investors on average in their private infrastructure portfolios, based on the actual amount of money invested in private capital partnerships. Each data point is individually calculated from the pool of closed-end funds for which comprehensive performance data is held, as of both the start and end of the quarter.

Preqin Private Equity Index captures in an index the return earned by investors on average in their private equity portfolios, based on the actual amount of money invested in private capital partnerships. Each data point is individually calculated from the pool of closed-end funds for which comprehensive performance data is held, as of both the start and end of the quarter.

Preqin Real Estate Index captures in an index the return earned by investors on average in their private real estate portfolios, based on the actual amount of money invested in private capital partnerships. Each data point is individually calculated from the pool of closed-end funds for which comprehensive performance data is held, as of both the start and end of the quarter.

S&P 500 Index is a market-cap-weighted equity index of 500 widely held, large-capitalization U.S. companies.

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