

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: March 20, 2025

MEMO TO: Members of the Retirement Board

THROUGH: Cindy Charan, Director of Human Resources 

FROM: Lisa Sorani, Manager of Employee Services 

SUBJECT: Retirement Board Regular Meeting – 3/20/2025

A regular meeting of the Retirement Board will convene at 9:00 a.m. on Thursday, March 20, 2025. This meeting will be conducted in person with all Retirement Board members physically present in the Administration Training Resource Center, 375 Eleventh Street, Oakland, California, which shall serve as the physical location for members of the public who wish to attend the meeting in person. Please note, however, that members of the public will also be provided the opportunity to participate via video and teleconference. Public participation will also be available by live audio stream at <https://www.ebmud.com/about-us/board-directors/board-meetings/retirement-board-meetings/>; however, listeners will not be able to provide public comment via live audio stream. To participate in the meeting or provide public comment, please see the Appendix of the Agenda for instructions on joining the Zoom meeting online or by phone.

Some Staff and Presenters may be attending via Zoom which will be broadcast at the meeting.

Enclosed are the agenda items for the March 20, 2025 meeting, and the Minutes for the January 23, 2025 regular meeting. The package also includes the following: **(1) CONSENT items:** Approval of Minutes of the Retirement Board – Regular Meeting of January 23, 2025, Ratifying and Approving Investment Transactions by Retirement Fund Managers for December 2024 and January 2025, Ratifying and Approving the Short-Term Investment Transactions for December 2024 and January 2025, Approving Treasurer’s Statement of Receipts and Disbursements for December 2024 and January 2025; **(2) ACTION items:** Adopt Cost of Living Adjustment Effective July 1, 2025, Adopt Actuarial Audit Report from Cheiron, RFP Manager Presentations and Decisions; **INFORMATION items:** Performance Report and Economic Review, Discuss Proposed Changes to Election Board Rules, Update on HIB Outsourcing, Retirement Board Education Update, February 2025 LRS Pension Gold Implementation Update; **(4) REPORTS FROM THE RETIREMENT BOARD:**

CC:ls

Enclosure

AGENDA
EBMUD EMPLOYEES' RETIREMENT SYSTEM
March 20, 2025

A regular meeting of the Retirement Board will convene at 9:00 a.m. on Thursday, March 20, 2025. This meeting will be conducted with Retirement Board Members physically present in the Administration **Training Resource Center**, 375 Eleventh Street, Oakland, California. This location shall serve as the physical location for members of the public who wish to attend the meeting in person. Please note, however, that members of the public will also be provided the opportunity to participate via video and teleconference. Public participation will also be available by live audio stream <https://www.ebmud.com/about-us/board-directors/board-meetings/retirement-board-meetings/>; however, listeners will not be able to provide public comment via live audio stream. To participate in the meeting or provide public comment, please see the Appendix of the Agenda for instructions on joining the Zoom meeting online or by phone. Some Presenters may be attending via Zoom.

Retirement Board Members: Clifford Chan, Marguerite Young, April Chan, Jae Park, Max Fefer and Elizabeth Grassetti

Staff to the Retirement Board: Sophia Skoda, Lourdes Matthew, Cindy Charan, Robert Hannay, Lisa Sorani, Steven Goodman-Leibof, Valerie Weekly and Mae Shepherd

Consultants & Presenters: Meketa: Colin Bebee, Sarah Bernstein, and Eric Larsen; Cheiron: Graham Schmidt and Anne Harper; Beach Point: Sinjin Bowron, John Quintanar, and Emily Giovanniello; Aristotle Pacific Capital: Michael Spitler and Edward Rozell; Federated Hermes: Paul Anderson, Anthony Venturino and Sarah Swartz; Nomura: David Crall and Michael Savva; Brigade: Doug Pardon and Spencer Rouse

****Public Participation****

Please see Appendix at end of Agenda for Public Participation Details

ROLL CALL:

PUBLIC COMMENT: The Retirement Board is limited by State Law to providing a brief response, asking questions for clarification, or referring a matter to staff when responding to items that are not listed on the agenda.

REGULAR BUSINESS MEETING

CONSENT CALENDAR:

1. Approval of Minutes of the Retirement Board – Regular Meeting of January 23, 2025
2. Ratifying and Approving Investment Transactions by Retirement Fund Managers for December 2024 and January 2025
3. Ratifying and Approving Short-Term Investment Transactions for December 2024 and January 2025
4. Approving Treasurer's Statement of Receipts and Disbursements for December 2024 and January 2025

ACTION:

5. Adopt Cost of Living Adjustment Effective July 1, 2025 – C. Charan
6. Adopt Actuarial Audit Report from Cheiron – S. Skoda
7. RFP Manager Presentations and Decisions – S. Skoda

INFORMATION:

8. Performance Report and Economic Review – S. Skoda
9. Discuss Proposed Changes to Election Board Rules – C. Charan
10. Update on HIB Outsourcing - C. Charan
11. Retirement Board Education Update - C. Charan
12. February 2025 LRS Pension Gold Implementation Update - C. Charan

REPORTS FROM THE RETIREMENT BOARD:

ITEMS TO BE CALENDARED:

MEETING ADJOURNMENT:

The next regular meeting of the Retirement Board will be held on May 22, 2025.

Retirement Board Meetings

- May 22, 2025
- July 10, 2025
- September 18, 2025
- November 20, 2025

APPENDIX

Retirement Board Meeting
Thursday, March 20, 2025
9:00 a.m.

This meeting will be conducted with Retirement Board Members physically present in the Administration Training Resource Center, 375 Eleventh Street, Oakland, California. Members of the public are welcome to attend in person or virtually as described below.

Please note that Retirement Board meetings are recorded and live-streamed.

To view the livestream of the Retirement Board Meeting, without making public comment, please visit: <https://www.ebmud.com/about-us/board-directors/board-meetings/retirement-board-meetings/>

If you wish to join the meeting, or to make public comment, please visit this page beforehand to familiarize yourself with Zoom. <http://support.zoom.us/hc/en-us/articles/201362193-Joining-a-Meeting>

Zoom Webinar Information

You are invited to a Zoom webinar.

When: Mar 20, 2025 09:00 AM Pacific Time (US and Canada)

Topic: March 20, 2025 EBMUD Retirement Board Meeting

Please click the link below to join the webinar:

<https://ebmud.zoom.us/j/89854924672>

Or One tap mobile :

+16694449171, 89854924672# US

+16699006833, 89854924672# US (San Jose)

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

+1 669 444 9171 US

+1 669 900 6833 US (San Jose)

Webinar ID: 898 5492 4672

International numbers available: <https://ebmud.zoom.us/j/89854924672>

Providing Public Comment

The EBMUD Retirement Board is limited by State Law to providing a brief response, asking questions for clarification, or referring a matter to staff when responding to items that are not listed on the agenda.

If you wish to provide public comment, please:

- Use the raise hand feature in Zoom to indicate you wish to make a public comment
<https://support.zoom.us/hc/en-us/articles/20055661-Raising-your-hand-in-a-webinar>
 - If you participate by phone, press *9 to raise your hand
- When prompted by the Asst. Secretary, please state your name, affiliation if applicable, and topic
- The Assistant Secretary will call each speaker in the order received
- Comments on non-agenda items will be heard at the beginning of the meeting
- Comments on agenda items will be heard when the item is up for consideration
- Each Speaker is allotted 3 minutes to speak; The Retirement Board President has the discretion to amend this time based on the number of speakers
- The Assistant Secretary will keep track of time and inform each speaker when time is up

MINUTES
EBMUD EMPLOYEES' RETIREMENT SYSTEM
January 23, 2025

A regular meeting of the Retirement Board convened at 9:02 a.m. on Thursday, January 23, 2025. This meeting was conducted with Retirement Board Members physically present in the Administration **Training Resource Center**, 375 Eleventh Street, Oakland, California. This location served as the physical location for members of the public who wished to attend the meeting in person.

Retirement Board Members: Clifford Chan, Marguerite Young, April Chan, Jae Park, Max Fefer and Elizabeth Grasseti

Staff to the Retirement Board: Sophia Skoda, Lourdes Matthew, Cindy Charan, Robert Hannay, Lisa Sorani, Steven Goodman-Leibof, Valerie Weekly and Mae Shepherd

Consultants & Presenters: Meketa: Colin Bebee, Sarah Bernstein, and Eric Larsen; Segal: Andy Yeung Dirk Adamsen, and Emily Klare

****Public Participation****

Please see Appendix at end of Agenda for Public Participation Details

ROLL CALL:

Present: Jae Park, Clifford Chan, Marguerite Young, Max Fefer and Elizabeth Grasseti; April Chan (absent).

PUBLIC COMMENT: The Retirement Board is limited by State Law to providing a brief response, asking questions for clarification, or referring a matter to staff when responding to items that are not listed on the agenda.

There were no public comments.

REGULAR BUSINESS MEETING

CONSENT CALENDAR:

Clifford Chan moved to approve items 1-4 of the Consent Calendar and Max Fefer seconded the motion. Max Fefer asked if Max's recommended changes were made, and staff confirmed. The motion passed 4-1 by the following vote AYES (C. Chan, M. Fefer, and J. Park), NOES (none), ABSTAIN (none), ABSENT (A. Chan).

ACTION:

1. Adopt Valuation Report – S. Skoda

Robby Hannay introduced Andy Yeung and Emily Klare, who presented the valuation for pension and HIB programs for the fiscal year ending June 30, 2024. These valuation reports will provide the basis for District and employee contribution rates for fiscal year 2026. Updated assumptions were adopted in

Nov 2024 based on recommendations from the quadrennial experience study. Annually, Segal prepares the actuarial valuation, the review of actuarial funding policies, and establish contribution rates. Segal outlines the changes in assets, liabilities, and assumptions that result in recommended contribution changes. Beneficiaries of members are living longer than expected, and it is necessary for assumptions to track with experience. There are two ways to measure funding status: derive a ratio and look at the absolute difference of assets to liabilities. Secondary measures of funded ratio are to analyze the annual demographic experience and review performance from the prior year. There are three concepts to be aware of: the actuarial funding policy that was reviewed in 2022, normal cost or the benefits earned by each employee in a given year and asset smoothing. Going forward, it is recommended the Board approve an asset smoothing methodology, where if more or less of the assumed rate is earned, the superior/inferior investment performance is recognized and spread out over five years instead of one. The current District contribution rate is currently about 40% of payroll, a slight increase from last year. Employee contribution rates will increase overall going from 9.1% to 9.4% with the legacy plan members maintaining the same rate and an increase to the PEPRA employees.

Investment experience was a 12% total return with an actuarially smoothed return of 7.1%, which was an actuarial gain. Funding level on an actuarial basis has gone up from 75% to 76%. Changes that were made in assumptions related to retiree longevity were a major reason for the increase in the unfunded actuarial liability. The increase in member contribution rate of 0.4% is due to the change in normal cost for the plan. The 1955/1980 plan will have no change as the rate is established via MOU while the 2013 tier will be changing from 9.41% to 10.08% due to state law to cover one half of the normal cost. The increase is because the change in normal cost is greater than 1% from the last time the employee rate was set. This is only the second time this has happened since PEPRA was enacted.

Investment returns decreased the unfunded liability by \$9 million, however assumption changes increased the liability by \$25 million ultimately leading to a larger unfunded liability. If all assumptions are correct, the unfunded liability will be paid in 14 years. Investment return was \$128 million with 80% being deferred to future years. Given the smoothing of previous years, the actuarial value of assets increased by \$56 million.

For the HIB Andy commented contribution rates dropped by .03% from 4.34% to 4.31% due to increase in payroll. Funded status increased from 47.7% to 51.8%.

Young moved to approve. Clifford seconded the motion. The motion carried (4-0) by the following voice vote: AYES (J. Park, M. Young, C. Chan, M. Fefer), NOES (none), ABSTAIN (none), ABSENT (A. Chan).

INFORMATION:

2. Announce 2025 Retirement Board Election Timeline - C. Charan

Cindy Charan introduced Valerie Weekly who presented. The employee seat currently held by Jae Park expires on 6/23/2025. Staff has provided an election schedule that includes key dates. We have followed the schedule that has worked over the last couple of years and have provided dates for certain key activities.

Max Fefer expressed interest in future discussion on improving the voting process and making it more efficient. Max was concerned that there seems to be two voting periods during an election (one for the

nomination, and one for the election), and thought that might not be necessary. Max also noted the long process all the way through June. Dir. Young commented about changing term length, possibly extending the terms from 2 year to 4 years, and also stated that a nomination period ahead of voting is standard. Staff will bring this item back for discussion.

3. Performance Report and Economic Review – S. Skoda

Sophia Skoda introduced Colin Bebee who introduced Sarah Burns and Eric Larson. The total plan ended in November 2024 at a value of just under \$2.7 billion. It was a strong year for equity markets. November's return was up just over 3% and outperformed the total plan benchmark. The portfolio is up 19.2% over the trailing 12-month period. This was a strong performance from the total plan on both an absolute and relative basis. These returns were being driven by the U.S. equity portfolio. The passively managed US equities portfolio performed very well, up 34.5% over the trailing one-year period. There was additional strength coming from the covered calls composite and the U.S. equity portfolio. There was also strong performance from non-U.S. equities over the trailing 12-month period. Real estate was up just under 11% over the trailing 12-month period. Some positive returns from fixed income, up just about 8%. Continued strength out of the U.S. equity market; a lot of this had to do with the U.S. election: partly due to expectations for a potentially more pro-growth administration and policies, but also some as a result of the election. Outside of U.S., there was a struggle for emerging markets with the potential for trade-wars from the next administration. Despite a turbulent last 2 weeks of December, markets finished in positive territory driven by growth stocks, with the plan up an estimated 12%.

4. Update on Proxy Voting – S. Skoda

Sophia Skoda introduced Sarah Bernstein who provided an update on proxy voting. In recent years, we have moved to a more passive portfolio, and how our proxies are voted by Northern Trust becomes more important. In 2024, Northern Trust began talking about having a proxy voting option. The three current voting options are ISS Taft-Hartley guidelines; the socially responsible guidelines; and the ISS more borderline guidelines. What is currently not available are public pension plans guidelines which would be similar to outsourcing voting through Glass-Lewis. Northern Trust is trying to expand the options after the 2025 proxy voting season. Meketa backs staff's strategy to wait until there is a policy that more aligns with what the Glass Lewis is currently doing for the System before moving to one of the new proxy policies. The message from the Retirement Board to Northern Trust is clear that the District is interested as a public pension plan and having a voting option that is public pension plan guideline-related.

5. Update on Portfolio Transition Plans – S. Skoda

The liability study approved increases to the bank loan allocation from 2.5% to 5% and the high yield allocation from 2.5% to 7%. The plan will be to have two managers for each of these mandates.

The RFP was designed in October and released mid-November, with a good number of responses received in December. There were 38 firms and 39 strategies for a high-yield search and 29 firms and 30 strategies for the bank loan strategy 10 new firms and the incumbent for each strategy. These were narrowed down to 11 firms for high yield search and 11 for bank loans and will need to

be further narrowed to two or three that the Board will interview in March 2025. We will interview two managers if the incumbent is deemed competitive or three managers if the incumbent is underperforming. The goal is to have the funds invested by July 1, 2025.

6. December 2024 LRS Pension Gold Implementation Update - C. Charan

Cindy Charan and Valerie Weekly provided an update on the ongoing Pension Gold implementation and included an update on the HRIS core project. We are entering into a retesting phase where previously identified issues from deliverables 2 and 3 are being retested. The team has developed requirements for the HIB configuration and that has been submitted to LRS for development. The other concurrent project is the payroll replacement project which is separate project. There has been an urgent need identified that will be looked at separate from the HRIS core project, as a consultant that was supporting Payroll is terminating their support for EBMUD.

One of the things we've worked on for the last seven to eight months is building capacity, as well as looking at the bench strength of our staffing as it relates to the replacement of our HRIS core technology. The Steering Committee has approved the filling of two critical positions. The need for an Analyst II position is still acute. ; with the help of Emma Sebastian, the new IAS Administrator, the RFP process has been launched for engaging an external consultant that specializes in large technology implementation. A lot of interest has been received for the consultant RFP which expires soon.

Max Fefer asked if retirees would have access to a portal, through which they could access account information. Staff responded there would be a Pension Gold portal including self-service features. There would also be an EBMUDERS webpage accessed through EBMUD.com that will provide information to plan participants.

REPORTS FROM THE RETIREMENT BOARD:

Negotiations are underway; items being discussed cannot be publicly shared. HIB changes for retirees is not a subject of the current negotiations as that is a BOD decision. Lisa Sorani provided an update on the current outsourcing of claims processing to FBA. Various files are still needed to send data to the new vendor. The month of May is likely be the first claims reimbursement by the FBA.

Elizabeth Grassetti commented that it would be nice if the EBMUDERS landing page could be developed sooner than Pension Gold go-live. Retirees not having access to retirement board dates. Lisa Sorani responded that the dates are on the BOD calendar. Elizabeth noted that the information accessibility is about three layers deep.

ITEMS TO BE CALENDARED:

None

MEETING ADJOURNMENT: adjourned at 10:52 a.m.

The next regular meeting of the Retirement Board will be held on May 22, 2025.

Retirement Board Meetings

- May 22, 2025
- July 10, 2025
- September 18, 2025
- November 20, 2025



President

ATTEST:




Secretary

3/20/2025

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: March 20, 2025

MEMO TO: Members of the Retirement Board

FROM: Sophia D. Skoda, Director of Finance 

SUBJECT: Investment Transactions by Retirement Fund Managers for December 2024 and January 2025

The attached Investment Transactions by Retirement Fund Managers report for the months of December 2024 and January 2025 is hereby submitted for Retirement Board approval.

SDS:RLH:SGL

Attachment: Investment Transactions by Retirement Fund Managers

R.B. RESOLUTION NO. 7023


RATIFYING AND APPROVING INVESTMENT TRANSACTIONS BY FUND MANAGERS
FOR DECEMBER 2024 AND JANUARY 2025

Introduced by: Marguerite Young ; Seconded by: April Chan

WHEREAS, Retirement Board Rule No. B-5 provides for investment transactions without prior specific approval by the Retirement Board; and

WHEREAS, investment transactions have been consummated during December 2024 and January 2025, in accordance with the provisions of said rule and in securities designated as acceptable by Retirement Board Resolution No. 4975, as amended;

NOW, THEREFORE, BE IT RESOLVED that the investment transactions appearing on the following Exhibit A are hereby ratified and approved.



President

ATTEST:



Secretary

3/20/2025

INVESTMENT TRANSACTIONS BY RETIREMENT FUND MANAGERS

December 2024			
	PURCHASES	SALES	PORTFOLIO VALUE
<u>FIXED INCOME</u>			
C.S. McKee	\$25,216,163	\$24,037,105	\$220,831,480
Federated Bank Loans	\$387,830	\$0	\$59,761,579
Garcia Hamilton Associates	\$4,879,552	\$3,996,693	\$213,502,613
Mackay Shields - HY	\$2,002,121	\$867,881	\$63,554,212
TOTAL	\$32,485,666	\$28,901,679	\$557,649,884
<u>DOMESTIC EQUITY</u>			
Russell 3000 Index Fund	\$0	\$19,324	\$1,018,135,383
Total Domestic Equity	\$0	\$19,324	\$1,018,135,383
<u>COVERED CALLS</u>			
Parametric (BXM)	\$3,813,108	\$3,588,500	\$183,169,006
Parametric (Delta-Shift)	\$3,394,212	\$3,350,718	\$193,499,125
Van Hulzen	\$0	\$0	\$185
Total Covered Calls	\$7,207,321	\$6,939,218	\$376,668,315
<u>INTERNATIONAL EQUITY</u>			
ACWI Index fund	\$0	\$60,880	\$608,707,946
Global Transition	\$0	\$0	\$777,316
Total International Equity	\$0	\$60,880	\$609,485,262
<u>REAL ESTATE EQUITY</u>			
RREEF America II	\$0	\$0	\$52,793,187
CenterSquare	\$0	\$0	\$238
Total Real Estate	\$0	\$0	\$52,793,425
TOTAL ALL FUND MANAGERS	\$39,692,987	\$35,921,101	\$2,614,732,270
January 2025			
	PURCHASES	SALES	PORTFOLIO VALUE
<u>FIXED INCOME</u>			
C.S. McKee	\$28,530,390	\$24,085,975	\$222,040,384
Federated Bank Loans	\$460,071	\$0	\$60,225,756
Garcia Hamilton Associates	\$1,102,145	\$0	\$214,729,442
Mackay Shields - HY	\$2,447,146	\$703,228	\$64,484,088
TOTAL	\$32,539,751	\$24,789,203	\$561,479,669
<u>DOMESTIC EQUITY</u>			
Russell 3000 Index Fund	\$0	\$4,423,000	\$1,045,798,485
Total Domestic Equity	\$0	\$4,423,000	\$1,045,798,485
<u>COVERED CALLS</u>			
Parametric (BXM)	\$4,994,082	\$4,796,500	\$186,435,053
Parametric (Delta-Shift)	\$1,312,878	\$1,121,809	\$198,838,106
Van Hulzen	\$0	\$0	\$0
Total Covered Calls	\$6,306,961	\$5,918,309	\$385,273,159
<u>INTERNATIONAL EQUITY</u>			
ACWI Index fund	\$0	\$0	\$634,294,183
Global Transition	\$0	\$0	\$780,306
Total International Equity	\$0	\$0	\$635,074,489
<u>REAL ESTATE EQUITY</u>			
RREEF America II	\$0	\$0	\$52,987,940
CenterSquare	\$0	\$0	\$0
Total Real Estate	\$0	\$0	\$52,987,940
TOTAL ALL FUND MANAGERS	\$38,846,712	\$35,130,511	\$2,680,613,741


Prepared By: Sherry Sarcos
 Sherry Sarcos, Accounting Technician

Date: 2/19/2025

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: March 20, 2025

MEMO TO: Members of the Retirement Board

FROM: Sophia D. Skoda, Director of Finance 

SUBJECT: Short Term Investment Transactions for December 2024 and January 2025

The attached Short Term Investment Transactions reports for the months of December 2024 and January 2025 are hereby submitted for Retirement Board approval.

SDS:RLH:SGL

Attachments: Short Term Investment Transactions December 2024
Short Term Investment Transactions January 2025

R.B. RESOLUTION NO. 7024

RATIFYING AND APPROVING SHORT TERM INVESTMENT TRANSACTIONS BY THE
TREASURER FOR DECEMBER 2024 AND JANUARY 2025

Introduced by: Marguerite Young ; Seconded by: April Chan

WHEREAS, Retirement Board Rule No. B-7 provides for the temporary investment of retirement system funds by the Treasurer or Assistant Treasurer in securities authorized by Sections 1350 through 1366 of the Financial Code or holding funds in inactive time deposits in accordance with Section 12364 of the Municipal Utility District Act; and

WHEREAS, investment transactions during December 2024 and January 2025, have been made in accordance with the provisions of the said rule;

NOW, THEREFORE, BE IT RESOLVED that the investment transactions consummated by the Treasurer and included on the attached reports for December 2024 and January 2025 are hereby ratified and approved.



President

ATTEST:



Secretary

3/20/2025

**EBMUD EMPLOYEES' RETIREMENT SYSTEM
SHORT TERM INVESTMENT TRANSACTIONS
CONSUMMATED BY THE TREASURER
MONTH OF DECEMBER 2024**

<u>COST/ FACE VALUE</u>	<u>DESCRIPTION</u>	<u>DATE OF PURCHASE</u>	<u>DATE OF SALE/MATURITY</u>	<u>YIELD (%)</u>
\$ 5,514,000.00	Local Agency Investment Fund	6-Dec-24		4.434
\$ 5,476,000.00	Local Agency Investment Fund	20-Dec-24		4.434
<u>\$ 10,990,000.00</u>	Net Activity for Month			
\$ 6,250,952.49	Beginning Balance			
<u>10,990,000.00</u>	Net Activity for Month			
<u>\$ 17,240,952.49</u>	Ending Balance			

SUBMITTED BY David Glasser
 David Glasser
 Controller

DATE 02/25/2025

Robert L. Hannay Kevin Ma
 Robert L. Hannay Kevin Ma
 Treasury Mgr. Acct. Sys. Supv.
 prepared by Ssarcos

**EBMUD EMPLOYEES' RETIREMENT SYSTEM
SHORT TERM INVESTMENT TRANSACTIONS
CONSUMMATED BY THE TREASURER
MONTH OF JANUARY 2025**

<u>COST/ FACE VALUE</u>	<u>DESCRIPTION</u>	<u>DATE OF PURCHASE</u>	<u>DATE OF SALE/MATURITY</u>	<u>YIELD (%)</u>
\$ (14,460,000.00)	Local Agency Investment Fund		2-Jan-25	4.366
\$ 5,621,000.00	Local Agency Investment Fund	3-Jan-25		4.366
\$ 138,155.47	Local Agency Investment Fund	15-Jan-25		4.366
\$ 5,627,000.00	Local Agency Investment Fund	17-Jan-25		4.366
\$ 4,423,000.00	Local Agency Investment Fund	30-Jan-25		4.366
\$ (8,890,000.00)	Local Agency Investment Fund		30-Jan-25	4.366
<u>\$ (7,540,844.53)</u>	Net Activity for Month			
\$ 17,240,952.49	Beginning Balance			
<u>(7,540,844.53)</u>	Net Activity for Month			
<u>\$ 9,700,107.96</u>	Ending Balance			

SUBMITTED BY David Glasser
David Glasser
Controller

DATE 02/25/2025


Robert L. Hannay
Robert L. Hannay
Treasury Mgr.

Kevin Ma
Kevin Ma
Acct. Sys. Supv.
prepared by Sscaros

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: March 20, 2025

MEMO TO: Members of the Retirement Board

FROM: Sophia D. Skoda, Director of Finance 

SUBJECT: Treasurer's Statement of Receipts and Disbursements for December 2024 and January 2025

SUMMARY

The attached Treasurer's Statement of Receipts and Disbursements reports for the months of December 2024 and January 2025 are hereby submitted for Retirement Board approval.

SDS:RLH:SGL

Attachments: Statement of Receipts and Disbursements December 2024
Statement of Receipts and Disbursements January 2025

**STATEMENT OF RECEIPTS AND DISBURSEMENTS
EMPLOYEES' RETIREMENT FUND
MONTH OF DECEMBER 2024**

CASH BALANCE at November 30, 2024		\$	6,855,872.03
<u>Receipts</u>			
Employees' Contributions	\$		1,692,891.19
District Contributions			9,438,503.74
LAIF Redemptions			0.00
Northern Trust Redemptions			0.00
Refunds and Commission Recapture			<u>50,630.89</u>
TOTAL Receipts			11,182,025.82
<u>Disbursements</u>			
Checks/Wires Issued:			
Service Retirement Allowances	\$		12,607,122.58
Disability Retirement Allowances			164,030.10
Health Insurance Benefit			1,000,205.20
Payments to Retiree's Resigned/Deceased			2,062.32
LAIF Deposits			10,990,000.00
Administrative Cost			<u>803,987.60</u>
TOTAL Disbursements			<u>(25,567,407.80)</u>
CASH BALANCE at December 31, 2024		\$	<u>(7,529,509.95)</u>
LAIF			<u>17,240,952.49</u>
LAIF and CASH BALANCE at December 31, 2024		\$	<u>9,711,442.54</u>
<u>Domestic Equity</u>			
Russell 3000 Index Fund	\$		<u>1,018,135,382.55</u>
Subtotal Domestic Equity			1,018,135,382.55
<u>Covered Calls</u>			
Parametric (BXM)	\$		183,169,006.20
Parametric (Delta-Shift)			193,499,124.52
Van Hulzen			<u>184.68</u>
Subtotal Covered Calls			376,668,315.40
<u>International Equity</u>			
ACWI Index fund	\$		608,707,946.27
Global Transition			<u>777,315.93</u>
Subtotal International Equity			609,485,262.20
<u>Real Estate</u>			
RREEF America REIT II	\$		52,793,187.07
Center Square			<u>238.32</u>
Subtotal Real Estate			52,793,425.39
<u>Fixed Income</u>			
CS Mckee	\$		220,831,480.13
Federated Bank Loans			59,761,578.92
Garcia Hamilton Associates			213,502,613.07
Mackay Shields-High Yield			<u>63,554,212.20</u>
Subtotal Fixed Income			557,649,884.32
Total for Domestic and International Equities			<u>2,614,732,269.86</u>
MARKET VALUE of ASSETS at December 31, 2024		\$	<u>2,624,443,712.40</u>

Respectfully submitted,

David Glasser

David Glasser
Controller

Robert L. Hannay

Robert L. Hannay
Treasury Mgr.

Kevin Ma

Kevin Ma
Acct. Sys. Supv.

prepared by Ssarcos

**STATEMENT OF RECEIPTS AND DISBURSEMENTS
EMPLOYEES' RETIREMENT FUND
MONTH OF JANUARY 2025**

CASH BALANCE at December 31, 2024		\$	(7,529,509.95)
<u>Receipts</u>			
Employees' Contributions	\$	2,916,336.06	
District Contributions		14,123,661.96	
LAIF Redemptions		23,350,000.00	
Northern Trust Redemptions		4,423,000.00	
Refunds and Commission Recapture		<u>19,121.36</u>	
TOTAL Receipts			44,832,119.38
<u>Disbursements</u>			
Checks/Wires Issued:			
Service Retirement Allowances	\$	12,714,941.77	
Disability Retirement Allowances		164,030.10	
Health Insurance Benefit		466,937.78	
Payments to Retiree's Resigned/Deceased		0.00	
LAIF Deposits		15,671,000.00	
Administrative Cost		<u>293,857.71</u>	
TOTAL Disbursements			<u>(29,310,767.36)</u>
CASH BALANCE at January 31, 2025		\$	<u>7,991,842.07</u>
LAIF			<u>9,700,107.96</u>
LAIF and CASH BALANCE at January 31, 2025		\$	<u>17,691,950.03</u>
<u>Domestic Equity</u>			
Russell 3000 Index Fund	\$	<u>1,045,798,484.86</u>	
Subtotal Domestic Equity		<u>1,045,798,484.86</u>	
<u>Covered Calls</u>			
Parametric (BXM)	\$	186,435,053.39	
Parametric (Delta-Shift)		198,838,105.64	
Van Hulzen		<u>0.06</u>	
Subtotal Covered Calls		385,273,159.09	
<u>International Equity</u>			
ACWI Index fund	\$	634,294,182.57	
Global Transition		<u>777,315.93</u>	
Subtotal International Equity		635,071,498.50	
<u>Real Estate</u>			
RREEF America REIT II	\$	52,987,939.62	
Center Square		<u>0.00</u>	
Subtotal Real Estate		52,987,939.62	
<u>Fixed Income</u>			
CS Mckee	\$	222,040,383.95	
Federated Bank Loans		60,225,755.56	
Garcia Hamilton Associates		214,729,442.09	
Mackay Shields-High Yield		<u>64,484,087.54</u>	
Subtotal Fixed Income		561,479,669.14	
Total for Domestic and International Equities			<u>2,680,610,751.21</u>
MARKET VALUE of ASSETS at January 31, 2025		\$	<u>2,698,302,701.24</u>

Respectfully submitted,

David Glasser

David Glasser
Controller

Robert L. Hannay

Robert L. Hannay
Treasury Mgr.

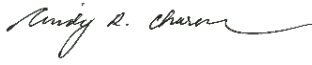
Kevin Ma

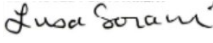
Kevin Ma
Acct. Sys. Supv.

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: March 20, 2025

MEMO TO: Members of the Retirement Board

THROUGH: Cindy Charan, Director of Human Resources 

FROM: Lisa Sorani, Manager of Employee Services 

SUBJECT: Determination of Retiree Cost of Living Adjustment

ACTION: Adopt Cost of Living Adjustment Effective July 1, 2025

RECOMMENDATION

Adopt Resolution authorizing a 2.8% Cost of Living Adjustment (COLA) for retirees, effective July 1, 2025, with up to 0.2% to be deducted from eligible retiree COLA banks.

DISCUSSION

In accordance with Retirement Board Rule C-24, the Retirement System actuary, Segal, has confirmed the annual average Consumer Price Index for All Urban Consumers for the San Francisco-Oakland-Hayward Area (CPI-U) for each of the two immediately preceding calendar years, and has determined the current year COLA as the percentage by which such index for the most recent full calendar year shall have increased or decreased over or below such index for the full calendar year immediately prior to the most recent calendar year. In addition, the Treasury Manager and the Manager of Employee Services have both reviewed and confirmed Segal's calculations.

Pursuant to Section 33 of the Retirement Ordinance, the annual retiree COLA is limited to 3%, unless the Retirement System is funded on a Projected Benefit Obligation (PBO) basis at or above 85%, in which case the maximum COLA is 5%. Effective October 1, 2000 in years when the Retirement System is more than 85% funded on a PBO basis (which allows for up to 5% COLA) and the change in the CPI is less than 4%, withdrawals from the banks can be made to allow COLAs up to 4%.

The ratio of the past two annual average CPI-U as a percentage change is 2.8%. Based on the June 30, 2024 actuarial valuations, the PBO funding ratio of the Retirement System is 78.4%. This ratio does not exceed the 85% threshold. Therefore, the COLA is calculated to be 2.8 % for retirees effective July 1, 2025. Since the change in CPI was 2.8%, eligible retirees will have up to 0.2% subtracted from their COLA banks to raise the benefit to the 3% max.

Adopt Cost of Living Adjustment effective July 1, 2025
Retirement Board Meeting
March 20, 2025

Upon approval of the attached Resolution, the COLA shall be applied to Retirement Allowances effective on July 1, 2025.

Attachments: 1. Resolution - Declaring the Cost of Living Adjustment to be
Effective as of July 1, 2025
2. Segal Letter on July 2025 EBMUDERS COLA

LS:vw

R. B. RESOLUTION NO. 7025

DECLARING THE COST OF LIVING ADJUSTMENT
TO BE EFFECTIVE AS OF JULY 1, 2025

Introduced by: April Chan ; seconded by: Clifford Chan

Whereas, pursuant to Section 33 of the Ordinance, the annual retiree Cost of Living Adjustment (COLA) is limited to 3% unless the Retirement System is funded on a Projected Benefit Obligation (PBO) basis at or above 85%, in which case the maximum COLA is 5%; and

Whereas, based on the June 30, 2024 actuarial valuations, the PBO funding ratio of the Retirement System was 78.4%; and


Whereas, the COLA to be applied effective July 1, 2025 is calculated to be **2.8%** with Members utilizing their COLA bank, if available, to increase the adjustment up to a maximum of **3.0%**; and

NOW THEREFORE BE IT RESOLVED BY THE RETIREMENT BOARD that

1. Members who retired on or before July 1, 2024 shall receive a **2.8%** COLA increase; and
2. Members with a balance in their COLA bank may apply up to **0.2%** to increase their COLA adjustment to a maximum of **3.0%**; and
3. Any amount applied from a Member's COLA bank shall result in a corresponding decrease to their COLA bank balance; and

BE IT FURTHER RESOLVED that Members who retired after July 1, 2024 shall receive a prorated COLA of up to **2.8%**, or 1/12 of the full COLA for each full month retired since July 1, 2024.

Any other resolution or parts of resolution in conflict herewith are hereby rescinded and cancelled.



President

ATTEST:



Secretary

3/20/2025



Andy Yeung, ASA, MAAA, FCA, EA
Vice President and Actuary
T 415.263.8283
ayeung@segalco.com

180 Howard Street
Suite 1100
San Francisco, CA 94105-6147
segalco.com

Via Email

February 25, 2025

Ms. Sophia Skoda
Director of Finance
East Bay Municipal Utility District
375 11th Street
Oakland, CA 94607-4240

Re: East Bay Municipal Utility District Employees' Retirement System (EBMUDERS) Cost-of-Living Adjustments (COLA) as of July 1, 2025

Dear Sophia:

We have determined the cost-of-living adjustment for retirees effective July 1, 2025 in accordance with Section 33 of the Employees' Retirement System Ordinance.

Pursuant to our understanding of the Ordinance, the cost-of-living adjustment to be used by the System each July 1 is determined by the change in the Consumer Price Index for All Urban Consumers (CPI-U) for the San Francisco-Oakland-Hayward Area¹ as published by the Bureau of Labor Statistics, for each of the two immediately preceding calendar years (i.e., the annual average CPI). The ratio of the past two annual average CPI, 348.417 in 2024 and 339.050 in 2023,² is 1.028 and the resulting percentage change (rounded to the nearest one-tenth of one percent) is 2.8%.

Under Section 33 of the Ordinance, the annual retiree COLA is limited to 3%, unless the Retirement System is funded on a Projected Benefit Obligation (PBO) basis at or above 85%, in which case the maximum COLA is 5%. This funding measure is defined as the ratio of the market value of assets to the PBO. Any excess of the change in the CPI above the maximum COLA is accumulated in individual retiree COLA banks. Withdrawals from the COLA banks can be made in years when the change in the CPI is less than 3%. We further understand that, effective October 1, 2000, in years when the Retirement System is more than 85% funded on a PBO basis (which allows for up to 5% COLA) and the change in the CPI is less than 4%, withdrawals from the banks can be made to allow COLAs up to 4% (not up to 5%).

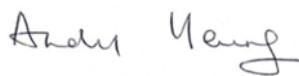
¹ We note that reference was made to the change in the Consumer Price Index in the San Francisco-Oakland Metropolitan Area in the Ordinance, but such Index is now only available for the San Francisco-Oakland-Hayward Area from the Bureau of Labor Statistics.

² Source: <https://data.bls.gov/timeseries/CUURS49BSA0>

Based on the June 30, 2024 actuarial valuations, the PBO funding ratio of the Retirement System as a whole (including both the Pension and Health Plans) was 78.4%, while the PBO funding ratios for each of the Pension and Health Plans were 79.7% and 50.2%, respectively. Accordingly, the maximum COLA payable effective July 1, 2025 is 3.0%. Since the change in the CPI mentioned above was 2.8%, this means that up to 0.2% can be subtracted from each eligible retiree's COLA bank as of July 1, 2025 to be granted up to the maximum 3.0% COLA. For active and deferred Members who retired (or active and deferred Members who died, leaving an eligible beneficiary) less than one full year before July 1, 2025, the 2.8% COLA noted above is to be prorated by one-twelfth of 2.8% for each full calendar month between the date of retirement (or date of death) and July 1, 2025.

Please give us a call if you have any questions.

Sincerely,



Andy Yeung, ASA, MAAA, FCA, EA
Vice President and Actuary


JT/elf

cc: Steven Goodman-Leibof
Robert Hannay
Lisa Sorani

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: March 20, 2025

MEMO TO: Members of the Retirement Board

FROM: Sophia D. Skoda, Director of Finance 

SUBJECT: Actuarial Audit Report

RECOMMENDATION

Accept the Actuarial Audit Report completed by Cheiron Inc.

DISCUSSION

According to Board Rule B-13, the Retirement System will conduct an audit of its consulting actuaries every six years. The last actuarial audit was completed in 2018, covering the Fiscal Year 2016 Actuarial Experience Study and the Fiscal Year 2017 Actuarial Valuations. At the September 19, 2024 meeting, the Retirement Board approved staff's recommendation to engage with Cheiron Inc. to perform a full scope audit of the Fiscal Year 2024 Valuation Report and Experience Study completed by Segal, the Retirement System's actuary. Cheiron completed its study in March 2025.

Staff recommends that the Retirement Board accept the attached report. The results of the audit showed that Segal continues to provide sound actuarial recommendations using reasonable assumptions and methodologies that are consistent with industry standards. The Cheiron calculations and methodologies in Cheiron's audit produced results that largely matched those of Segal with only minimal differences between the two companies' approaches. The audit identified some areas where additional disclosure of future risks would better assist in financial planning, and staff will work with Segal to make appropriate adjustments to our approach going forward.

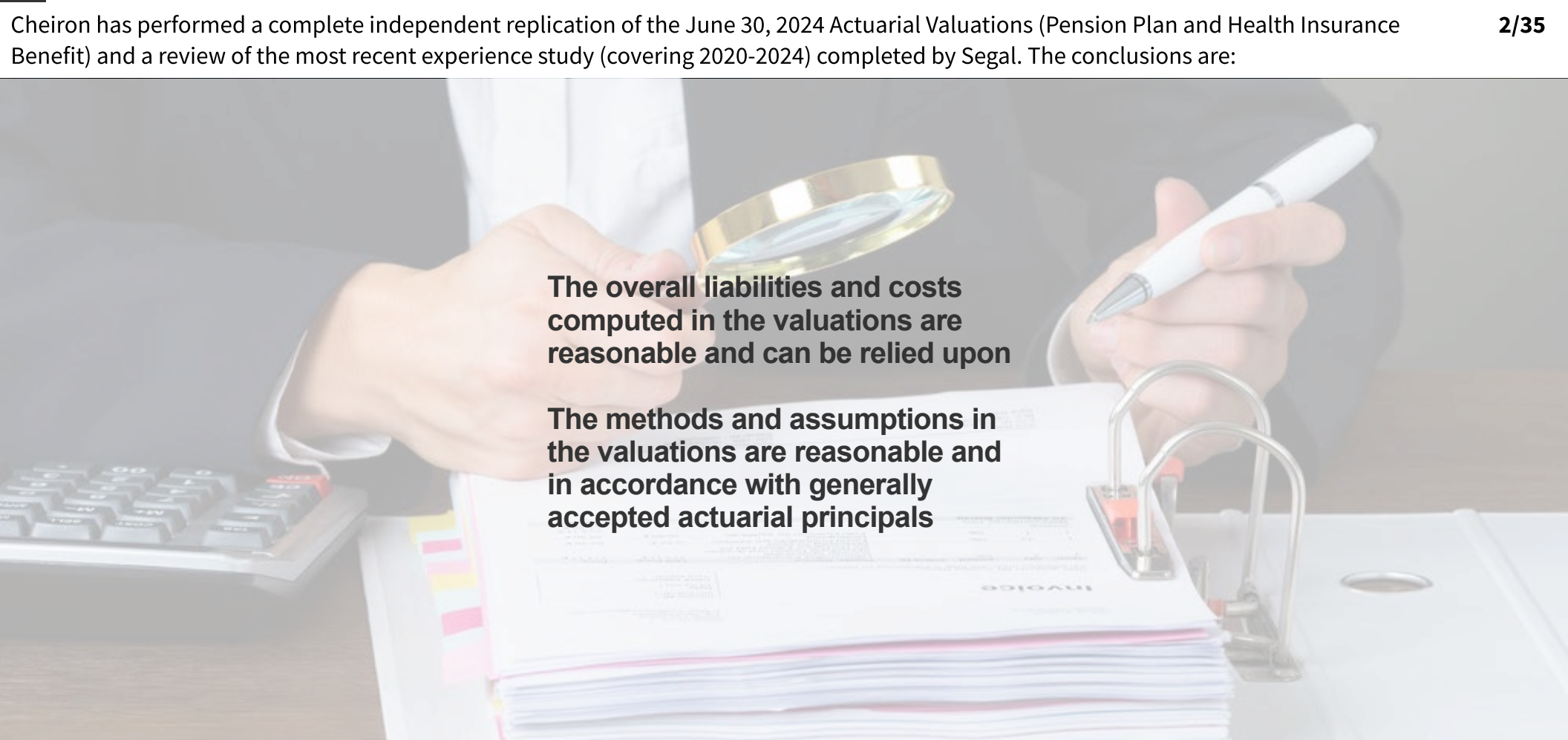
SDS:SGL

Attachments: Presentation – East Bay Municipal Utility District Employees' Retirement System Actuarial Audit Results
East Bay Municipal Utility District Employees' Retirement System Actuarial Audit Report

**East Bay Municipal Utility District
Employees' Retirement System
(EBMUDERS)**

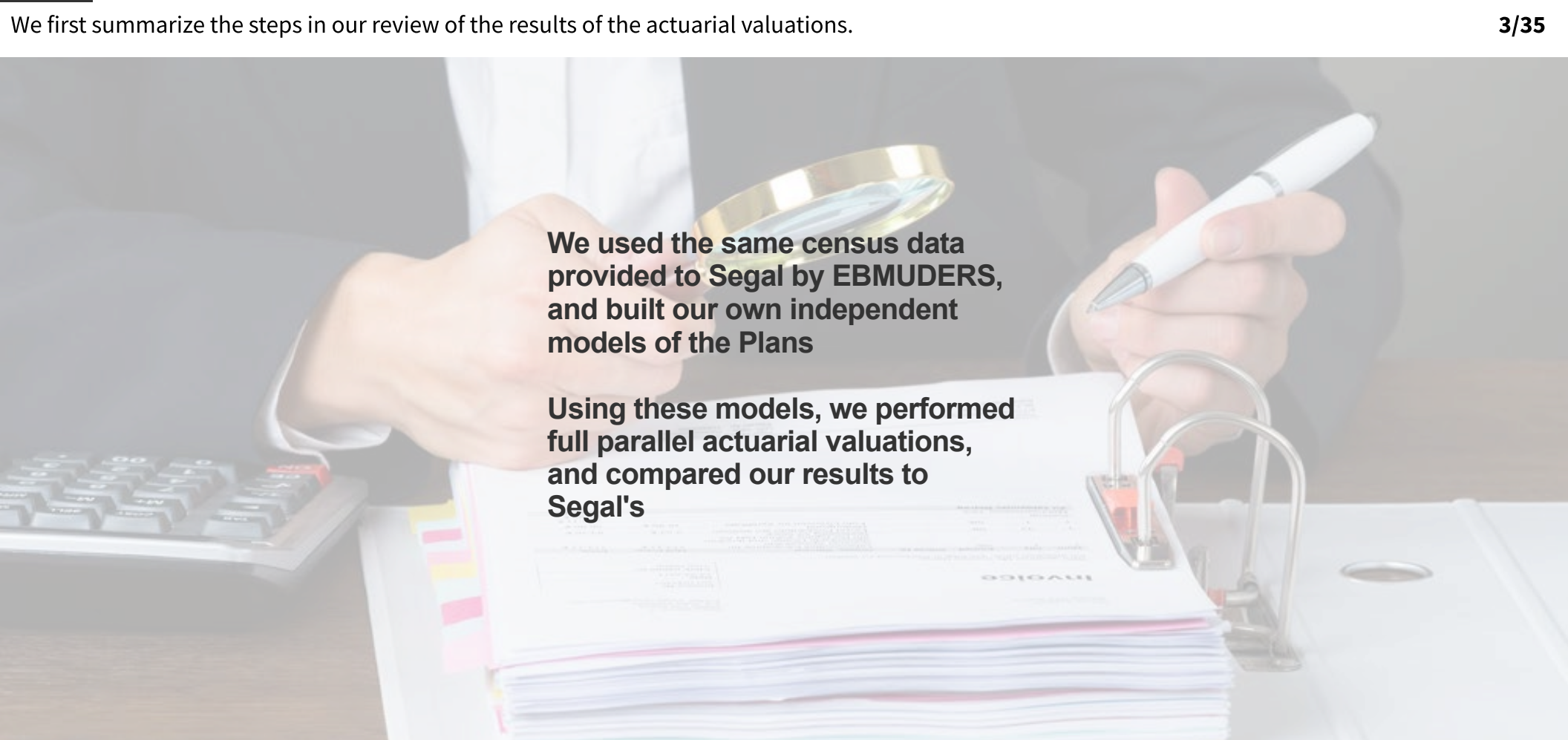
Actuarial Audit Results

**Graham Schmidt and Anne Harper
March 20, 2025**

A person wearing a white lab coat is shown from the chest down, holding a magnifying glass in their right hand and a white pen in their left hand. They are looking at a stack of papers on a desk. A keyboard is visible on the left side of the desk. The background is a plain, light-colored wall.

The overall liabilities and costs computed in the valuations are reasonable and can be relied upon

The methods and assumptions in the valuations are reasonable and in accordance with generally accepted actuarial principals

A person wearing a white lab coat is shown from the chest down, holding a magnifying glass in their right hand and a white pen in their left hand. They are looking at a stack of papers on a desk. The papers are held together by a silver binder. A keyboard is visible on the left side of the desk. The background is a plain, light-colored wall.

We used the same census data provided to Segal by EBMUDERS, and built our own independent models of the Plans

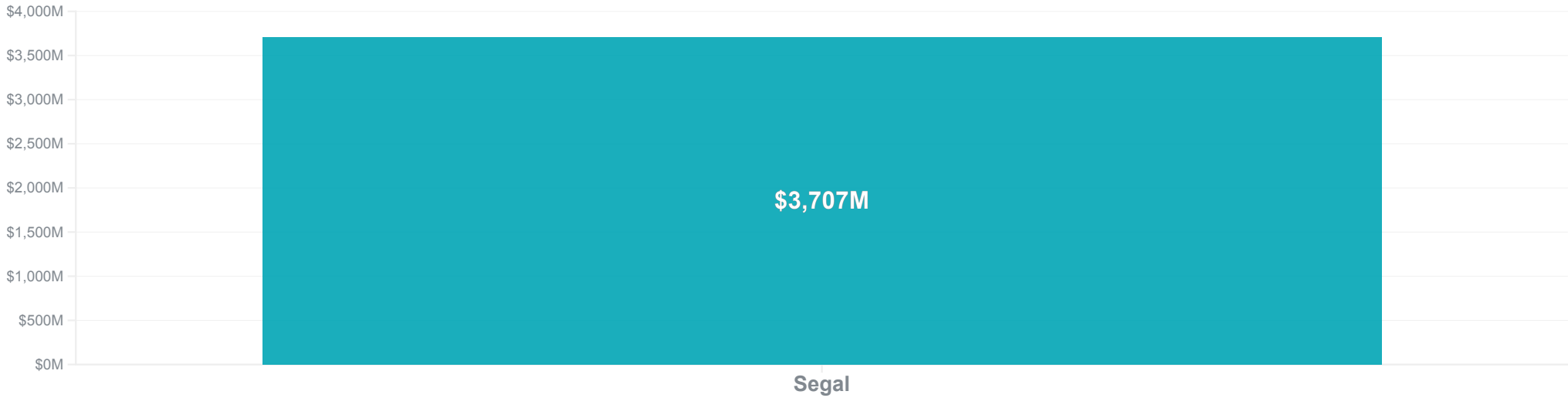
Using these models, we performed full parallel actuarial valuations, and compared our results to Segal's

We begin with a review of Segal's calculation in today's dollars of the **Pension Plan** benefits expected to be paid to EBMUDERS's members (active and retired) as of the valuation date, or the **Present Value of Benefits (PVB)**. As of June 30, 2024, Segal calculated this amount to be \$3.7 billion.

Pension Plan

Segal ▾

■ PVB ■ AL ■ PVFNC

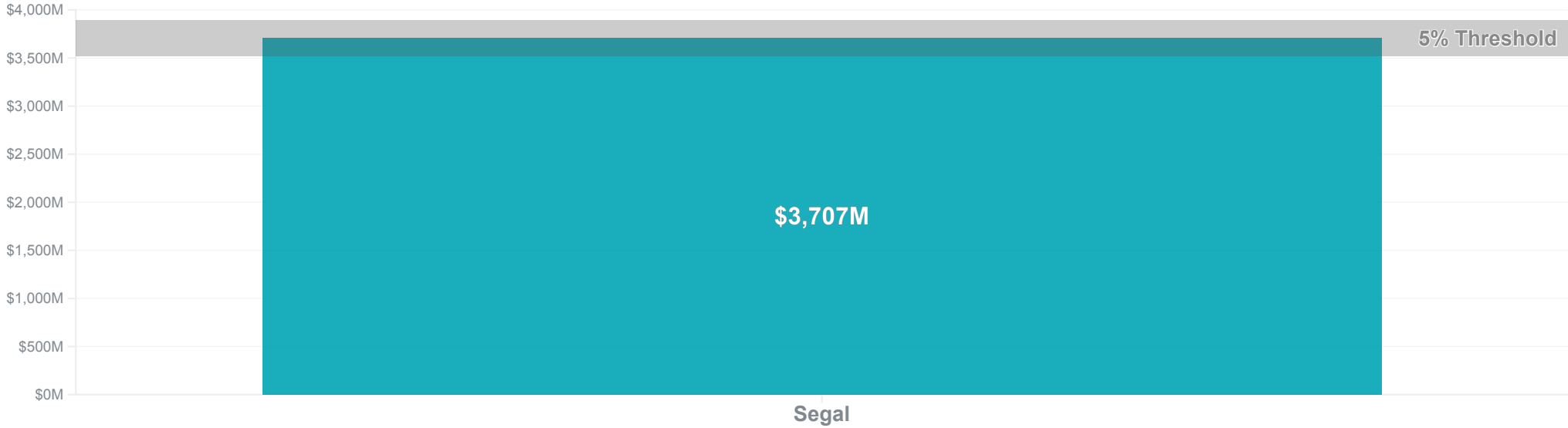


Generally for an actuarial audit, we target a 5% threshold for differences. If our comparative results are outside of this margin, further research may be warranted.

Pension Plan

Segal

PVB AL PVFNC

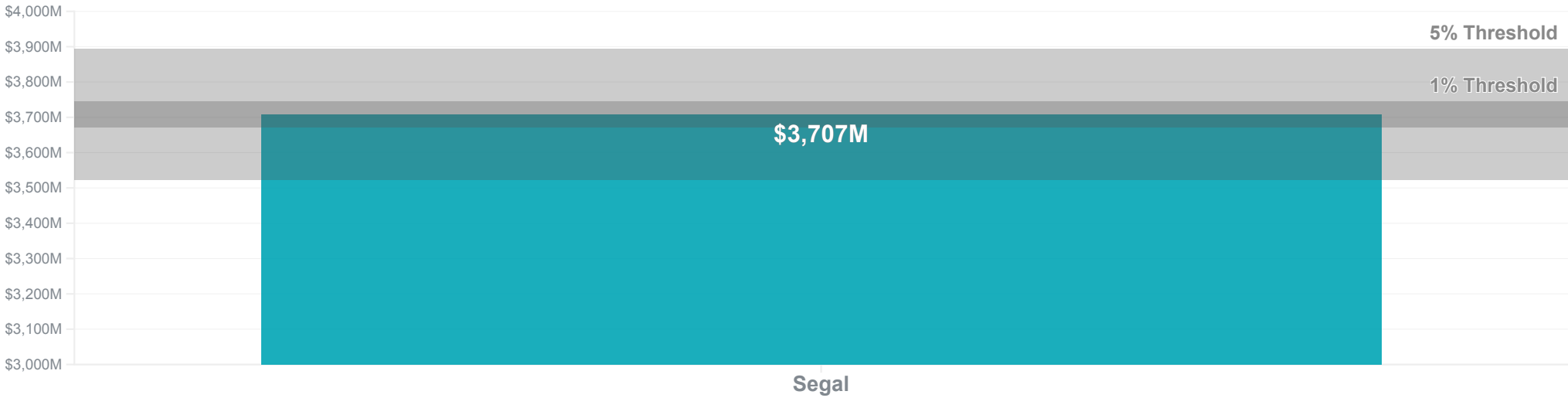


However, for some measures - particularly the overall present value of benefits - we target a much tighter margin, in this case 1%. This ensures that the overall funding requirements and funded status are being measured appropriately, given the assumptions and methods being used.

Pension Plan

Segal

PVB AL PVFNC

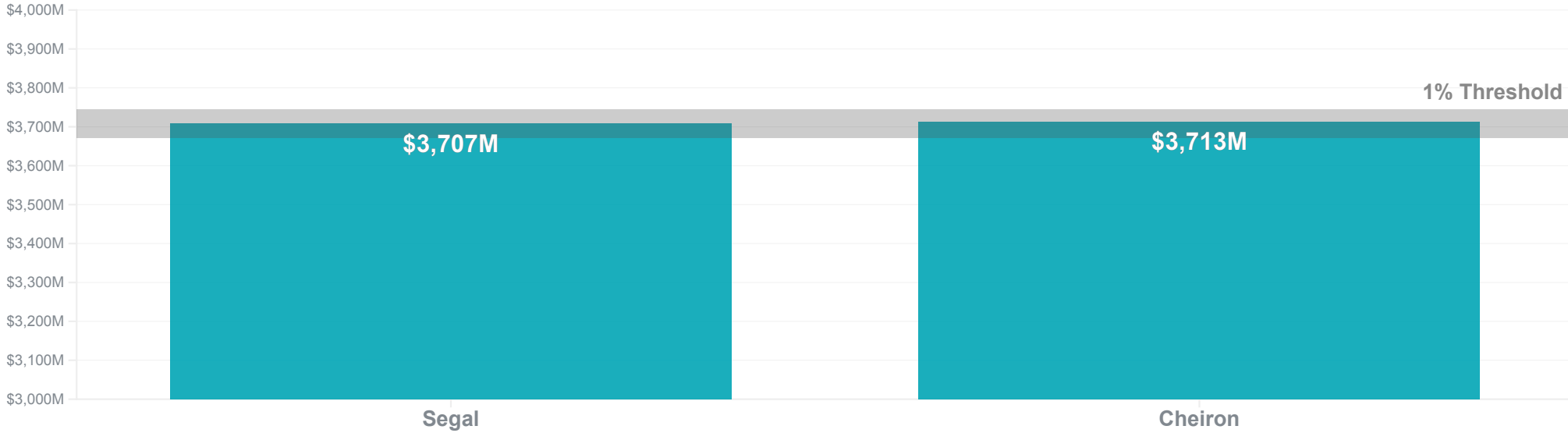


After building our own independent model of the benefits, we compared our results to Segal's. The key PVB measure is well within the 1% - within 0.1% in this case - therefore we are confident that the overall Pension benefits are being modeled by Segal accurately.

Pension Plan

All

PVB AL PVFNC

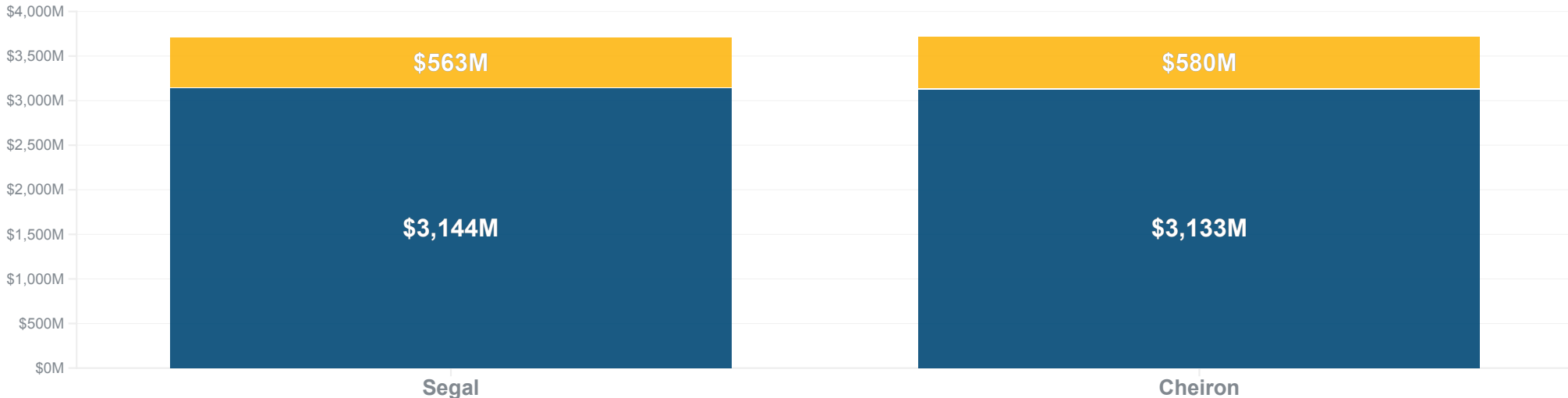


In addition to comparing the Present Value of Benefits for the Pension Plan we also calculate and compare two other measures: the **Actuarial Liability (AL)** and the **Present Value of Future Normal Costs (PVFNC)**. The AL represents the cost allocated to the benefits earned based on prior service. The PVFNC is the value of benefits expected to be paid, but yet to be earned by the active members.

Pension Plan

All ▾

PVB AL PVFNC



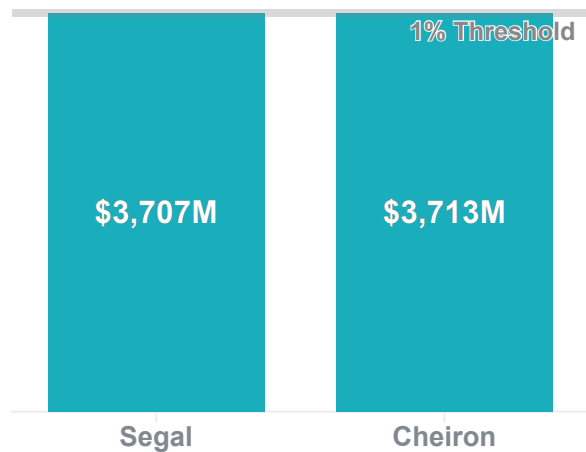
All measures fall within our 5% target margin, with the AL falling within 0.3% and the PVFNC within 2.9%. We are comfortable with slightly larger differences in the AL and PVFNC than the PVB, particularly when they are offsetting (as is the case here). These calculations relate to the allocation of cost between past and future service, and can be affected by technical features of each firm's valuation system.

Pension Plan

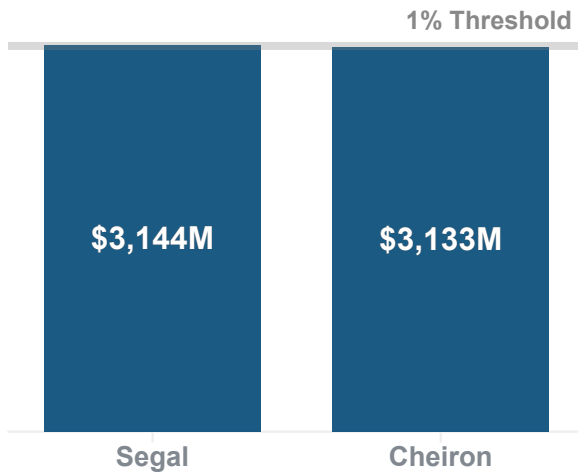
All

■ PVB ■ AL ■ PVFNC

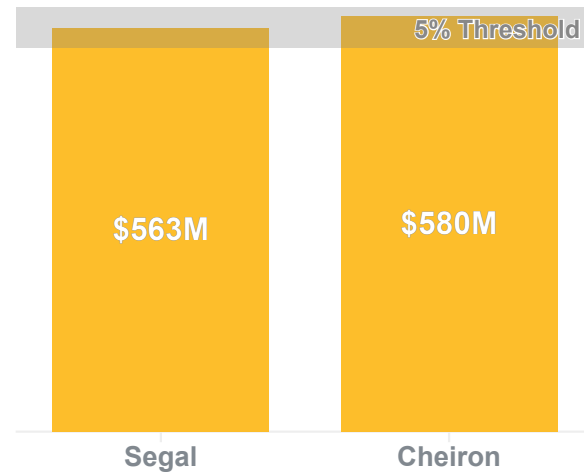
PVB



AL



PVFNC

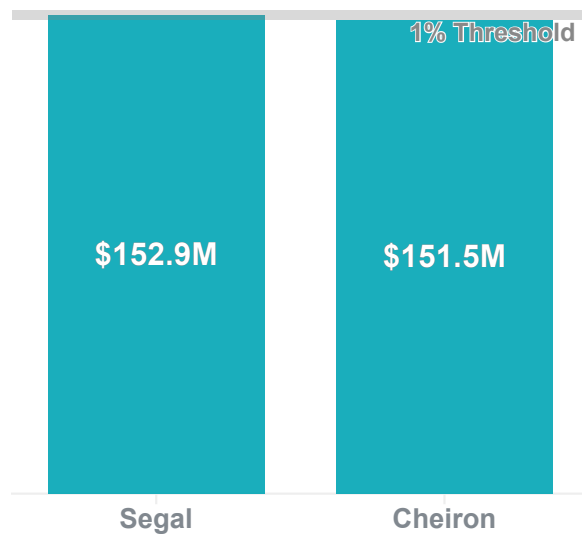


Health Insurance Benefit (HIB)

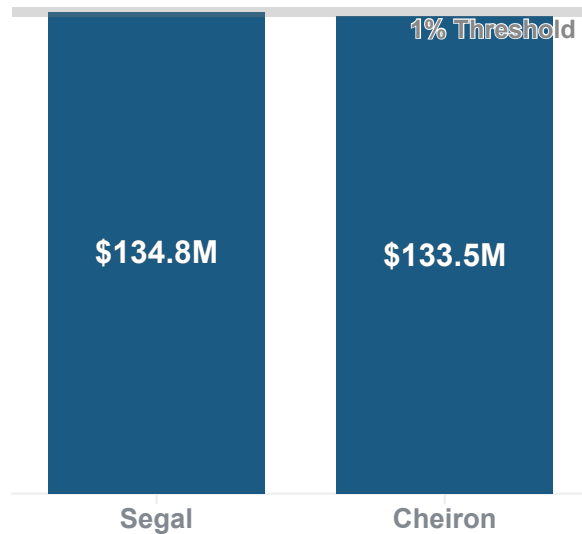
All

PVB AL PVFNC

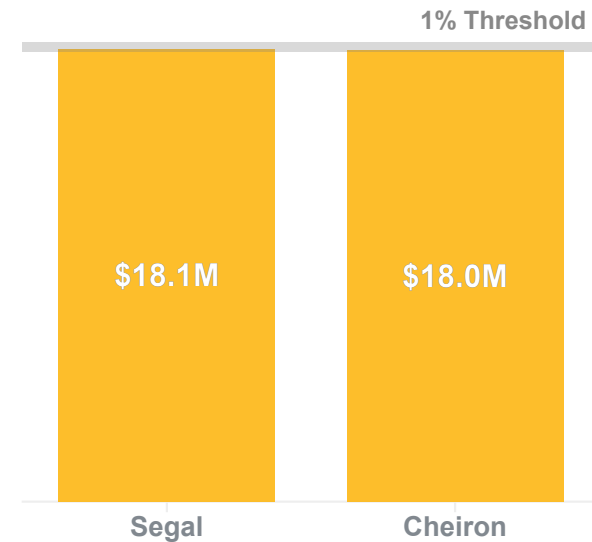
PVB



AL



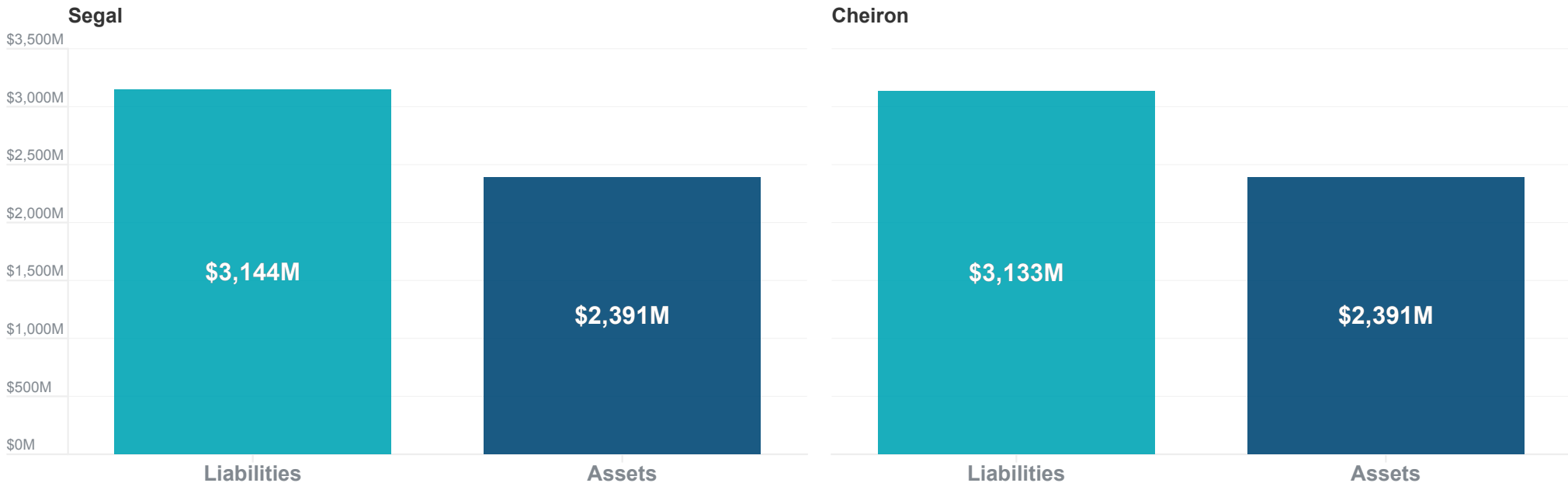
PVFNC



We next turn to a comparison of the funded status for the Pension Plan. For funding purposes, the liabilities are compared to the **Actuarial Value of Assets**, or the *actuarially-smoothed* value of the assets.

Pension Plan

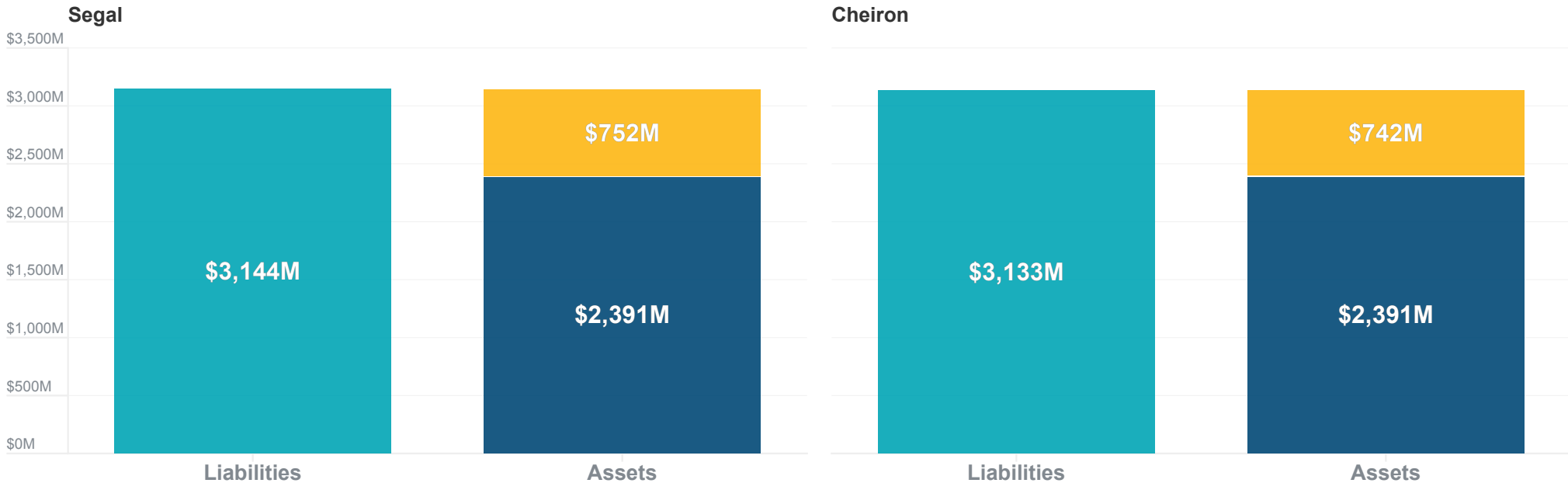
■ Actuarial Liability ■ Actuarial Value of Assets ■ UAL



The difference between these numbers is the **Unfunded Actuarial Liability (UAL)** for the Pension Plan. Our computed value is very close to Segal's: within \$11M (less than a 2% difference).

Pension Plan

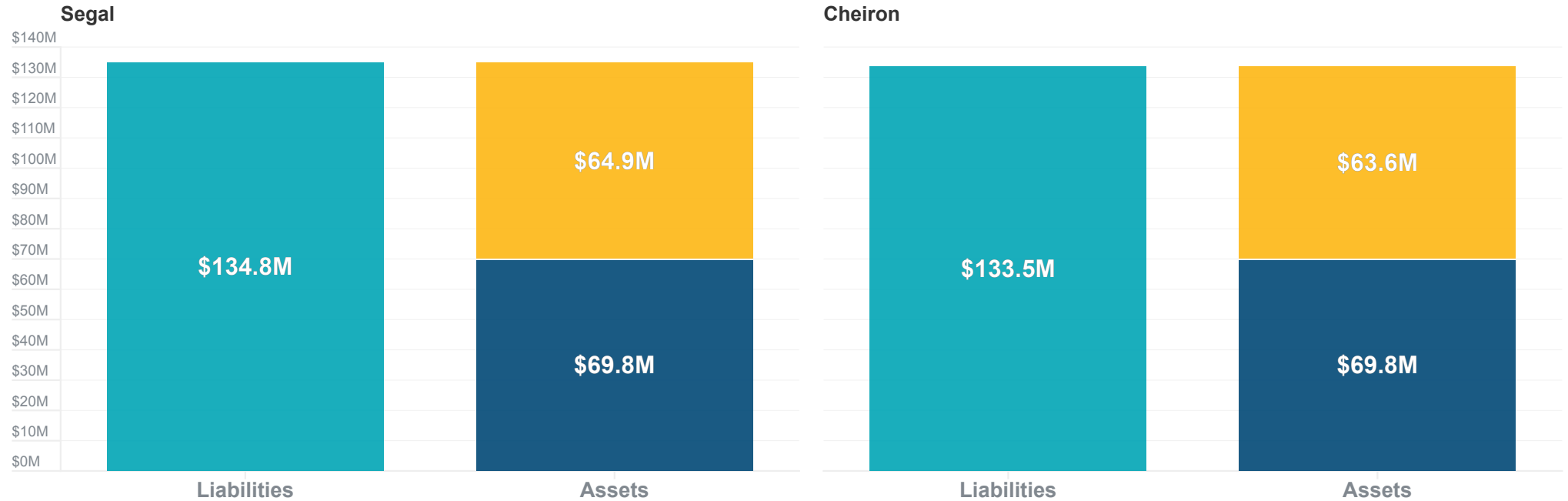
■ Actuarial Liability ■ Actuarial Value of Assets ■ UAL



Similarly for the HIB valuation, our UAL is within \$1.3M of Segal's, which is also less than a 2% difference.

Health Insurance Benefit (HIB)

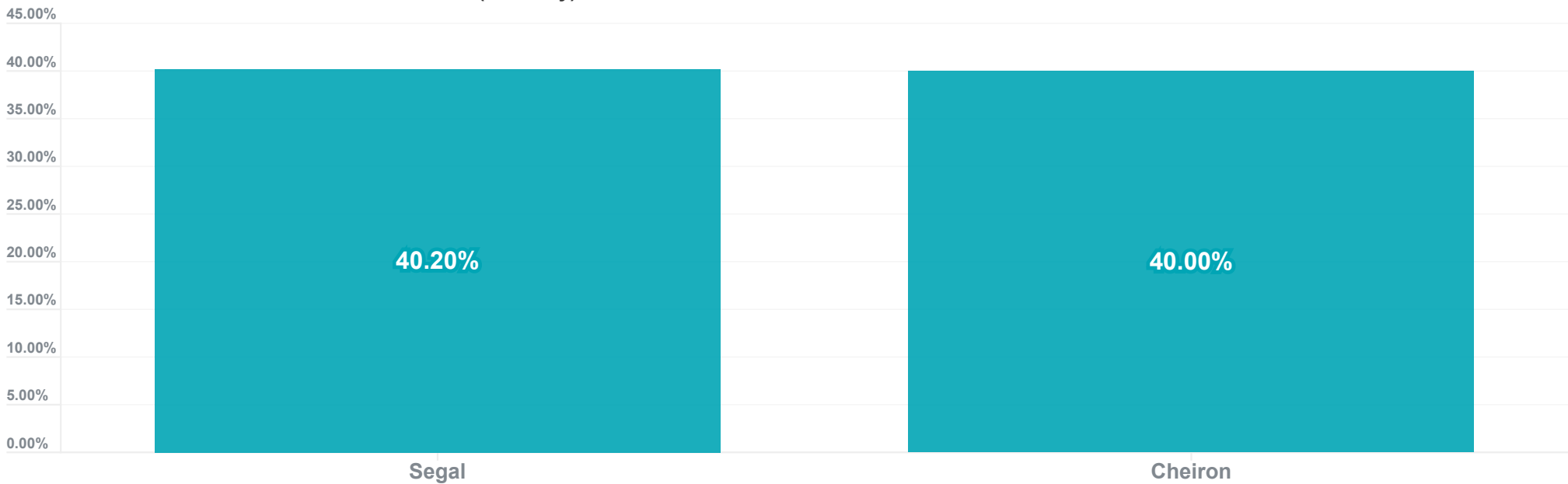
■ Actuarial Liability ■ Actuarial Value of Assets ■ UAL



We next turn to the **Actuarially Determined Contributions (the ADC)**. Based on the results shown earlier, an employer contribution rate is calculated and compared. The results are very close, within 0.20% of pay in aggregate for the Pension Plan, which works out to a 0.5% relative difference.

■ Total Rate ■ UAL Rate ■ Employer Normal Cost Rate

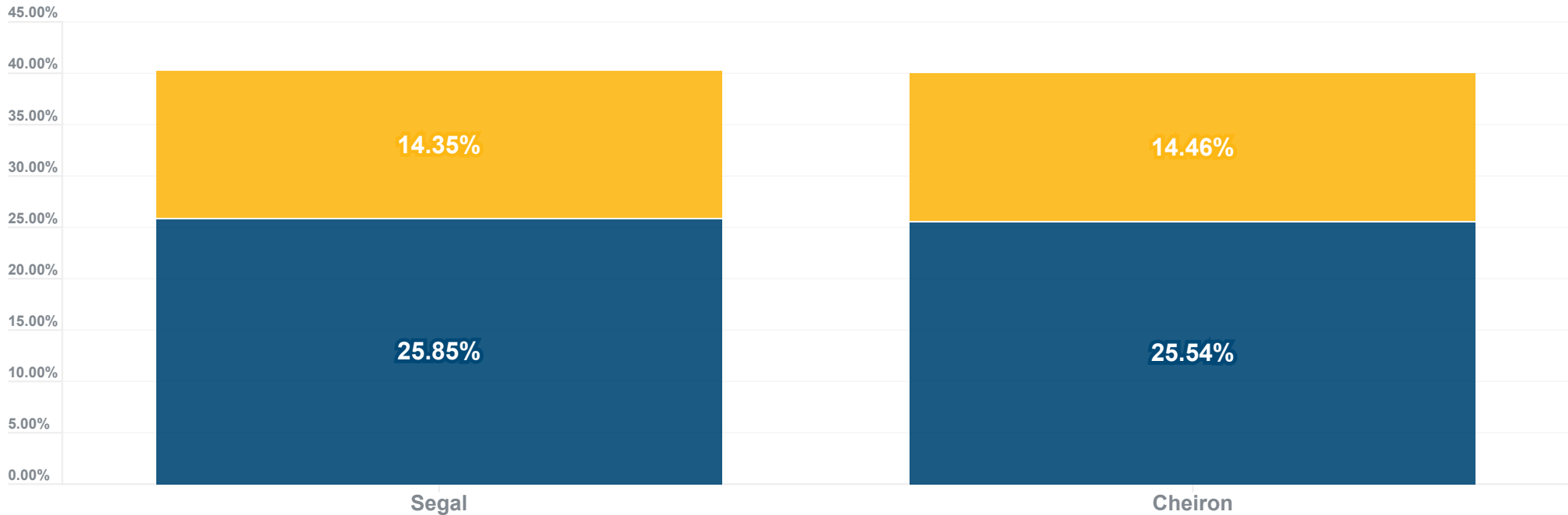
2025-2026 Pension Plan Contribution Rate (% of Pay)



The overall employer rate is made up of two pieces: the employer's share of the **Normal Cost** (the cost assigned to this year's service for active members) and the payment to **amortize the UAL** according to the Plan's funding policy. Both measures are also very close.

Total Rate UAL Rate Employer Normal Cost Rate

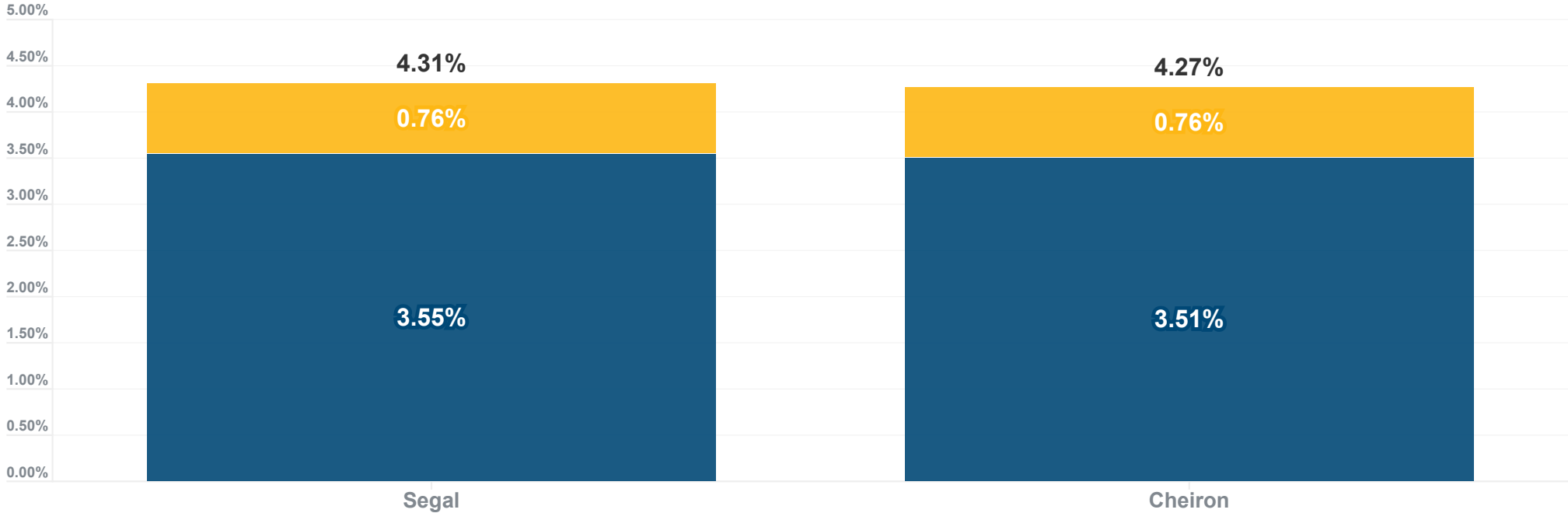
2025-2026 Pension Plan Contribution Rate (% of Pay)



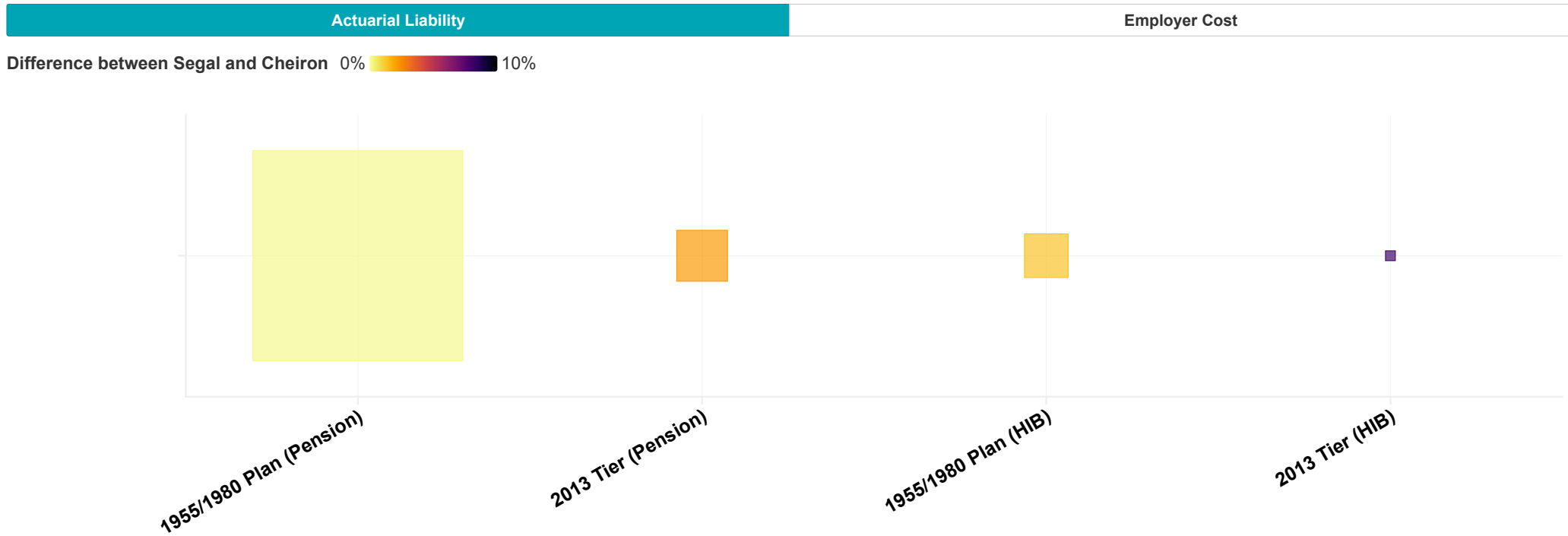
The actuarially determined contribution rates for the HIB are also very close, both in total (within 0.04% of pay, or 1% relative) and by component.

Total Rate UAL Rate Employer Normal Cost Rate

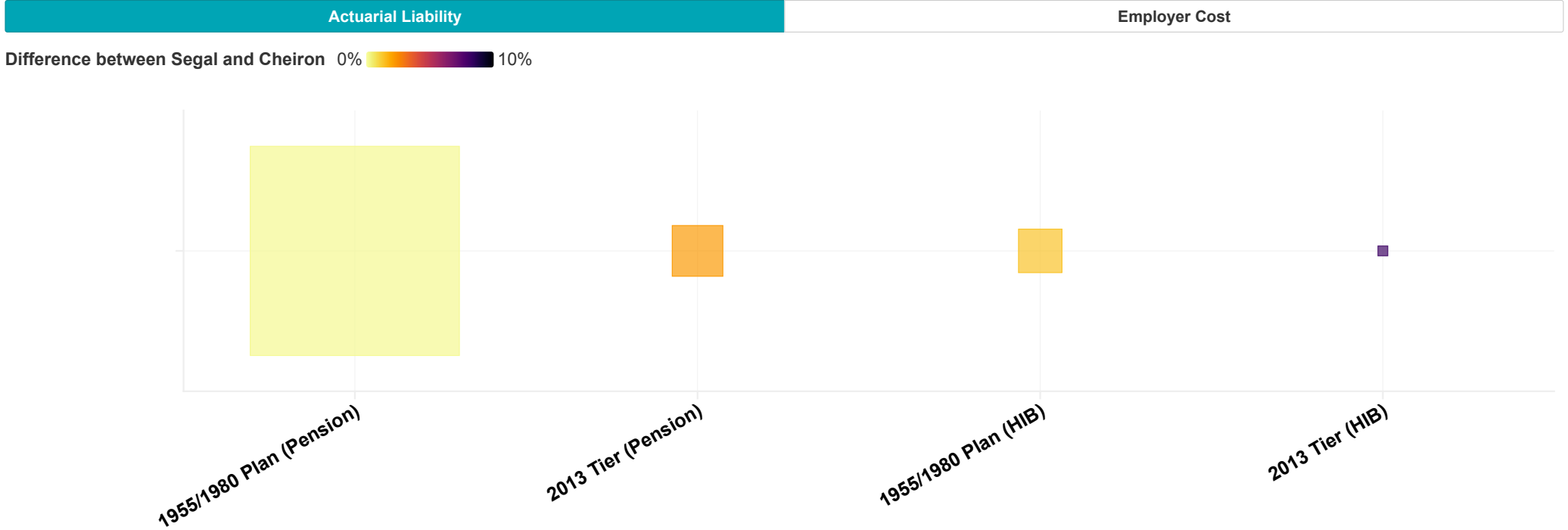
2025-2026 HIB Contribution Rate (% of Pay)



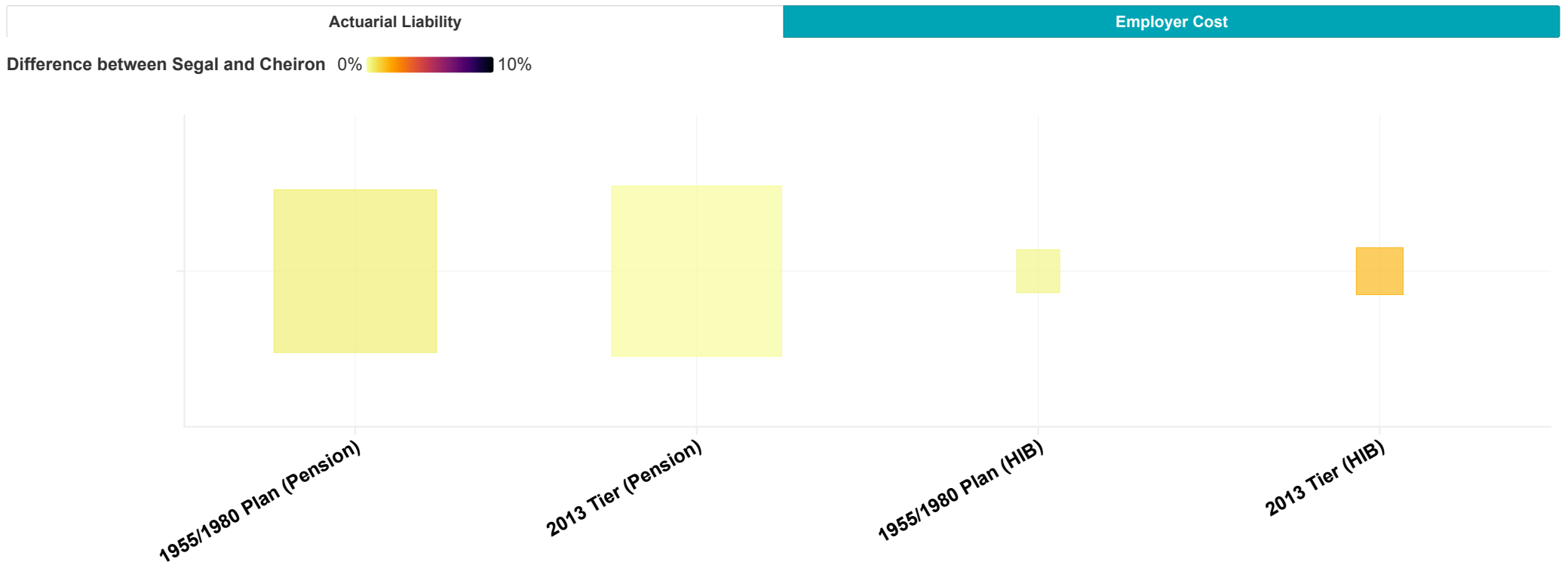
Within the valuation reports Segal also breaks down the **Actuarial Accrued Liability** by **Tier**. We compared our results for each tier and Plan (Pension / HIB) in the chart below, with the size of the square correlating to the relative share of the overall liability for that group, and the percentile differences between Cheiron's results and Segal's indicated by color.



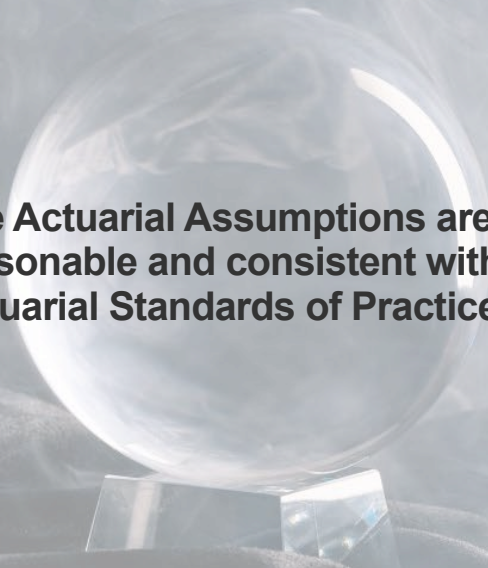
All results are within 2.2%, except for the HIB liability for the 2013 Tier, which differs by a greater margin (8.0%). However, this represents a difference in liability of about \$0.5 millio, which represents less than 0.02% of the \$3.3 billion of the overall EMBUDERS liabilities, and thus does not represent a material issue.



Next, we turn to a comparison of the **employer contribution rates** for each group. Here the boxes are sized by the share of the projected contributions in dollars. All of the rates are within 1.6% relative to each other, well below the 5% threshold, and within 0.3% of pay.



We reviewed the actuarial assumptions used in the valuation as of June 30, 2024, which were recommended by Segal as part of the most recent Actuarial Experience Study, and found them to be reasonable and consistent with the **Actuarial Standards of Practice (ASOP)**. Our final report includes minor comments on the demographic assumptions for consideration in the next experience study.

A crystal ball on a stand, symbolizing foresight and prediction. The crystal ball is clear and sits on a small, clear stand. The background is a soft, out-of-focus landscape with rolling hills and a bright sky, suggesting a clear and bright future.

**The Actuarial Assumptions are
reasonable and consistent with
Actuarial Standards of Practice**

We also reviewed the economic assumptions recommended by Segal in the experience study. The primary recommendations made by Segal are summarized below. We found Segal's recommended assumptions to be reasonable based on the information presented at the time of the experience study.



Discount Rate

Assumed annual return on investments (net of investment and administrative expenses)

Maintain at 6.75%



Inflation Rate

Price inflation; building block for other assumptions

Maintain at 2.50%



Payroll/Wage Growth

Base (across-the-board) pay increases

Maintain at 3.00%



COLA Rates

Annual growth in post-retirement COLAs (affected by banking / caps)

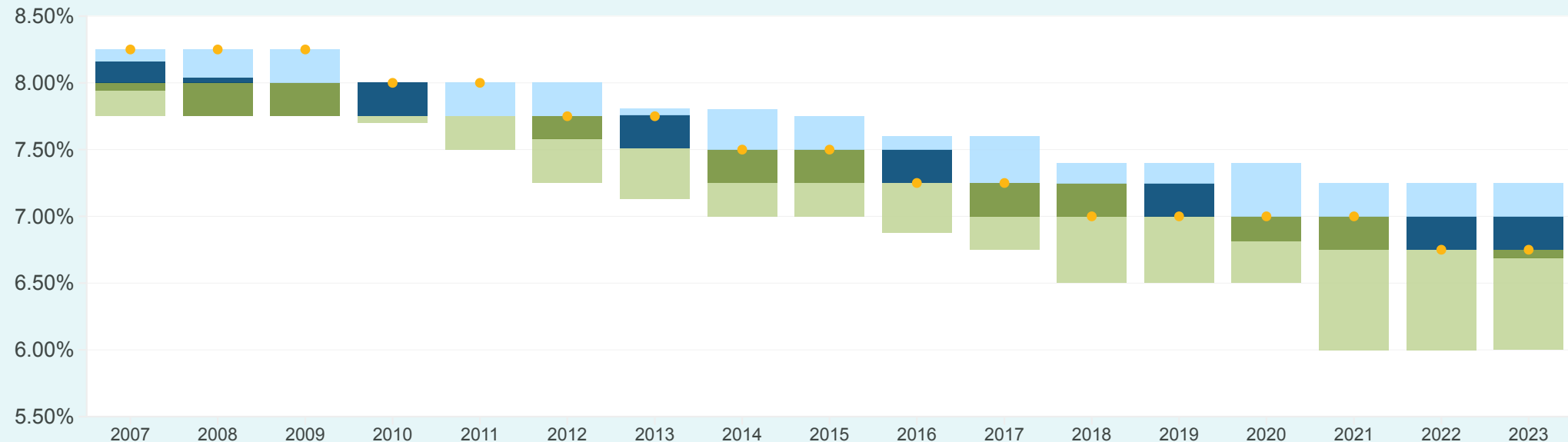
Maintain at 2.75%

In particular, we find their recommendation to retain a discount rate of 6.75% to be reasonable, especially given the assumption is net of investment and administrative expenses. Below we show the trend in discount rates from Cheiron's survey of 39 public pension plans in California. EBMUDERS's assumption was above the median prior to 2014, but has been at or below the median (50th percentile) since then.

California Public Retirement Systems - Distribution of Discount Rates

Gold dot = **East Bay Municipal Utility District**

Percentiles of Distribution ■ Min to 25th ■ 25th to 50th ■ 50th to 75th ■ 75th to Max



Source: [Cheiron Survey of California Public Retirement Systems](#) • Hover over a bar to see the statistics for that year. Click on a bar to see a bee swarm of the plans for the year.

We reviewed the Actuarial Methods used in the valuation and found these methods to be reasonable and consistent with the Actuarial Standards of Practice and current guidance published by various organizations, such as reflected in this document from the Conference of Consulting Actuaries and this website from the Government Finance Officers Association.



Actuarial Cost Method

Under the Entry Age Normal Cost Method, the Normal Cost is calculated as the amount necessary to fund Member's benefits as a level percentage of total payroll over their projected working lives.

We concur with this methodology. It is a "Model Practice" based on the California Actuarial Advisory Panel (CAAP) and "Best Practice" according to the Government Finance Officers Association (GFOA).

In addition, using this method complies with disclosure

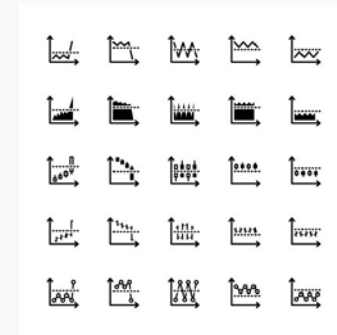


Amortization Policy

Layered amortization bases over a level percentage of payroll.

Current amortization periods by source: Plan changes - 15 years; All other changes - 20 years.

Confirmed that Segal applied policy to calculate contribution rates. Policy in accordance with CAAP, GFOA, and Conference of Consulting Actuaries (CCA).



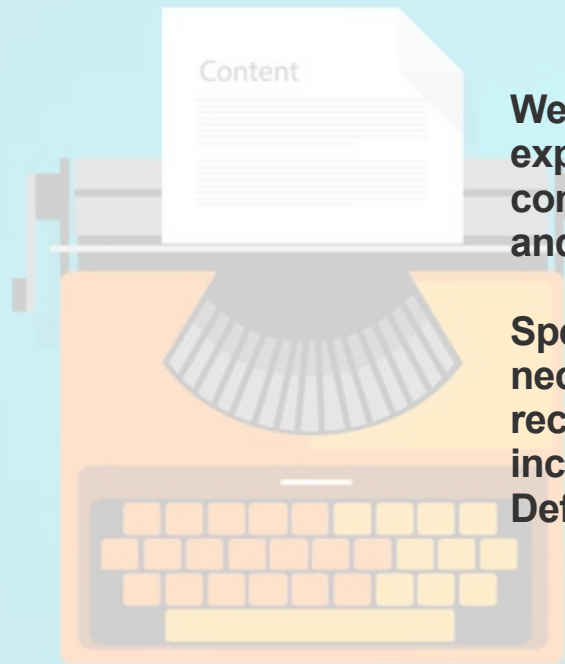
Actuarial Value of Plan Assets

AVA is a modified market-related value. Market Value of Assets (MVA) is adjusted to recognize difference between actual and assumed investment return over a five-year period. AVA limited to within 30% of MVA.

AVA is calculated for EBMUDERS in aggregate, and then allocated to Pension and HIB based on proportion of MVA.

In our opinion, this AVA method satisfies the Actuarial Standard of Practice No. 44. We recommend Segal consider calculating the AVA for each plan independently.

We also reviewed the contents of the report for consistency with the Actuarial Standards of Practice and other guidance (such as [this document](#) on model disclosure elements from the [California Actuarial Advisory Panel](#)).



We find the actuarial valuation and experience study reports to be in compliance with applicable ASOPs and guidance

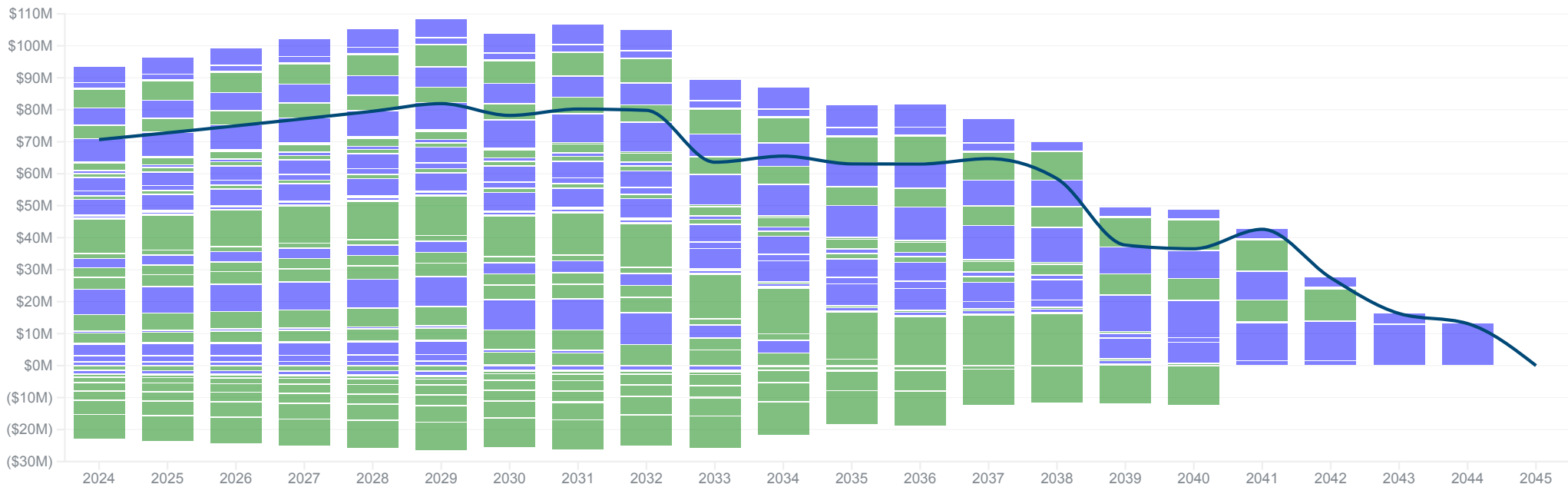
Specifically, the report includes the necessary items to comply with recent changes in ASOP #4, including the disclosure of a "Low-Default-Risk Obligation Measure"



We do have recommendations for additional information that could be included in the valuation report. We commend Segal for including projections of the UAAL balance and payment schedule in the Pension Plan valuation (pages 56-57 of the 2024 report).

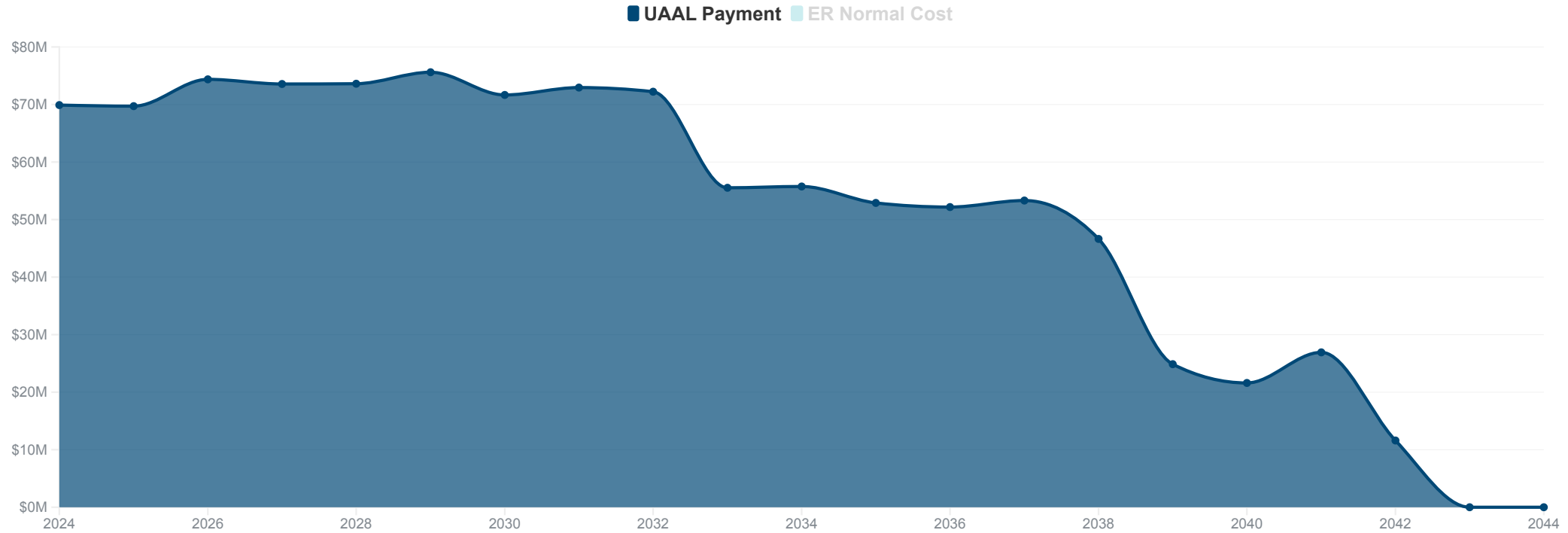
Projection of Pension Plan UAAL Payments

■ UAAL Payment ■ Gain Loss ■ Assumption / Plan Change



However, the UAAL payments tell only a portion of the story regarding the expected future of the contributions.

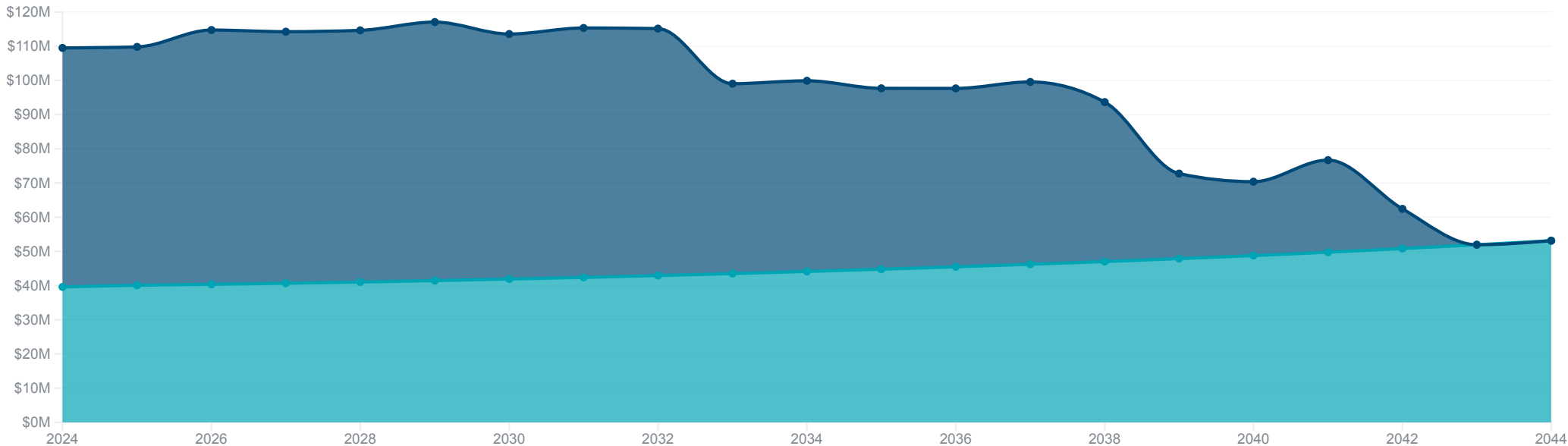
Projection of Pension Plan Actuarially Determined Contribution



As the Plans become better funded, the Normal Cost payments are expected to make up a greater share of the contributions. Changes in the Normal Cost rates due to shifts in the population between the 1955/1980 Plan and 2013 Tier - which have employer Normal Cost rates that differ by almost 10% of pay - will have a substantial impact on EBMUDERS going forward.

Projection of Pension Plan Actuarially Determined Contribution

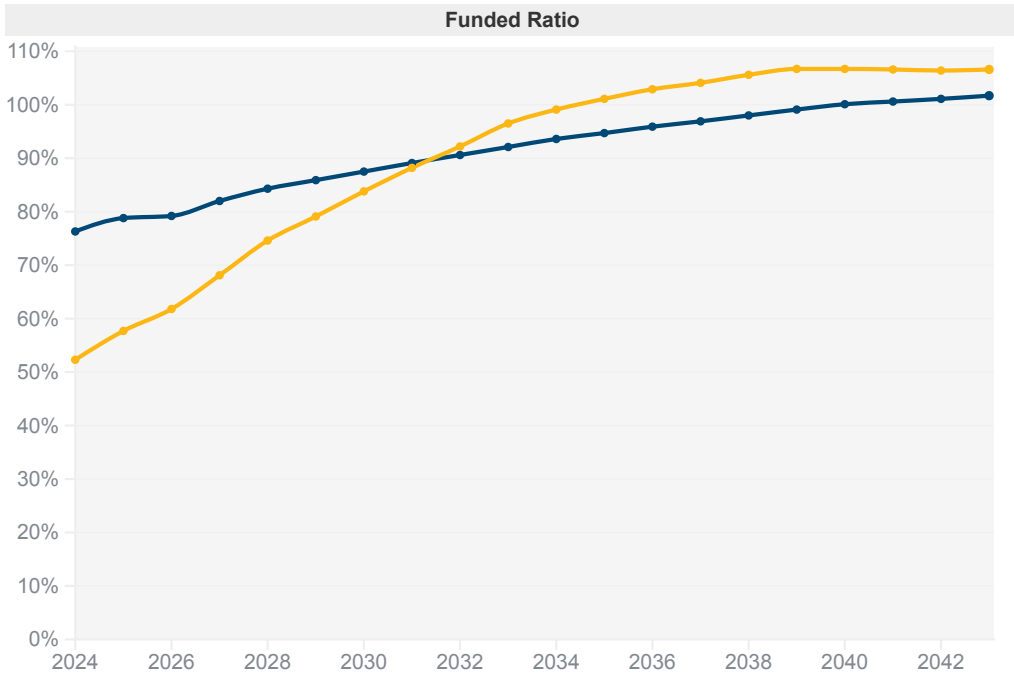
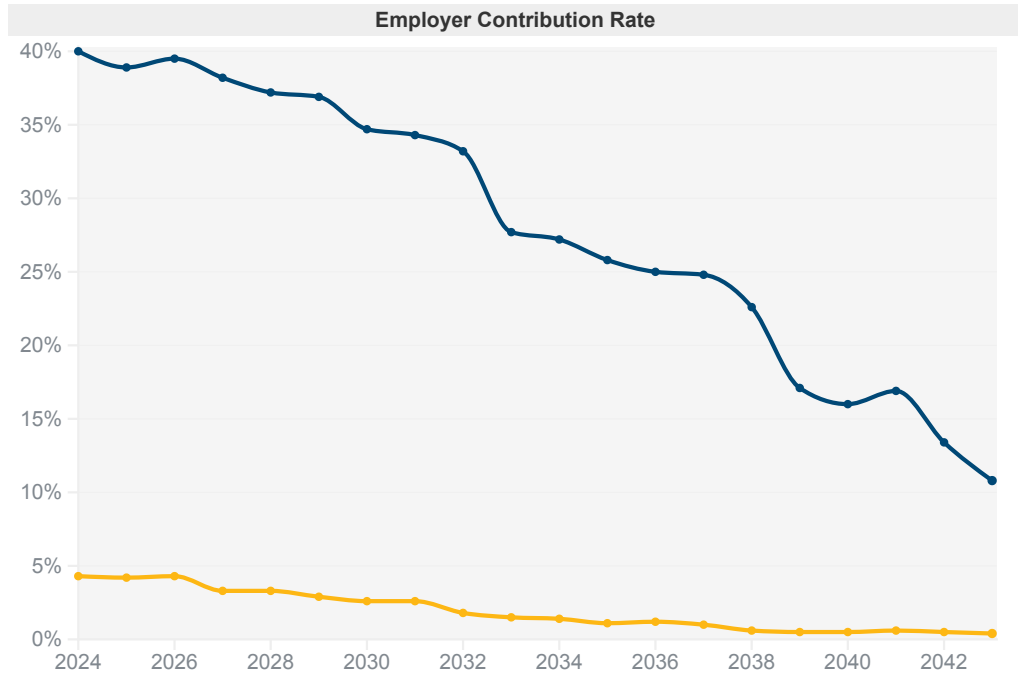
■ UAAL Payment ■ ER Normal Cost



At a minimum, we recommend including a projection of the ADC rate and the funded status if all assumptions are met. Segal included these types of projections in their most recent Risk Assessment report (as of 6/30/2020). However, as market conditions and other factors can change dramatically over relatively short periods, we recommend annual updates to these projections as part of the actuarial valuation.

Metric: Contribution and Funded Status

■ Pension (Baseline) ■ HIB (Baseline) ■ Pension (-3.25% return for 2024-2025)

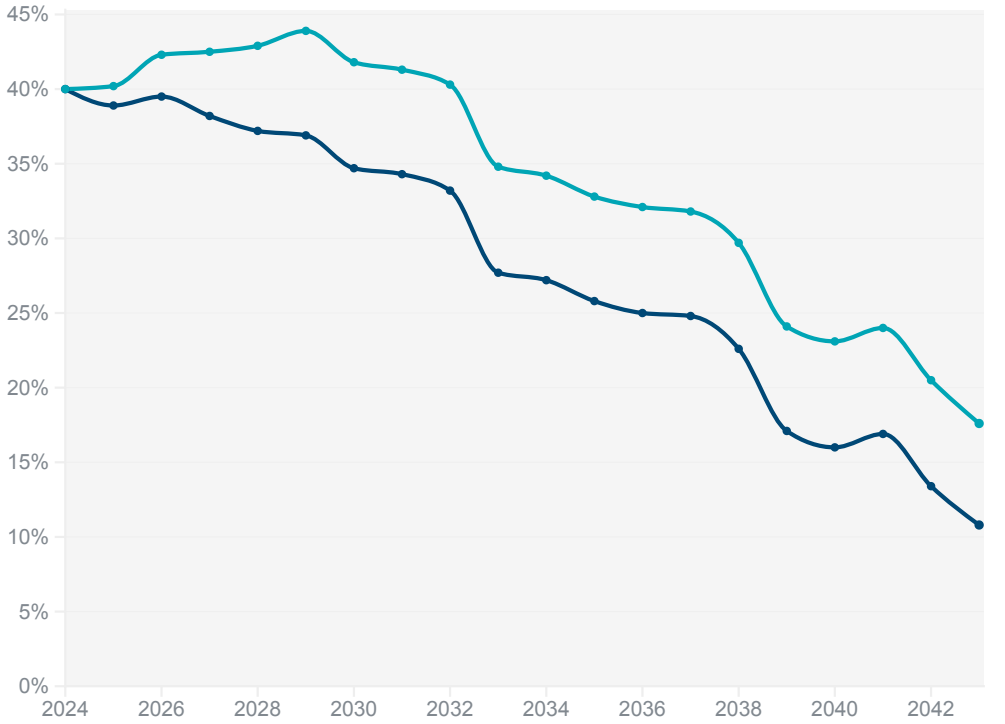


Other potential uses of a projection could include showing the impact of a stress test, such as a -3.25% return (a 10% loss compared to the 6.75% assumption), on the Plan's short and long-term cost and funded status.

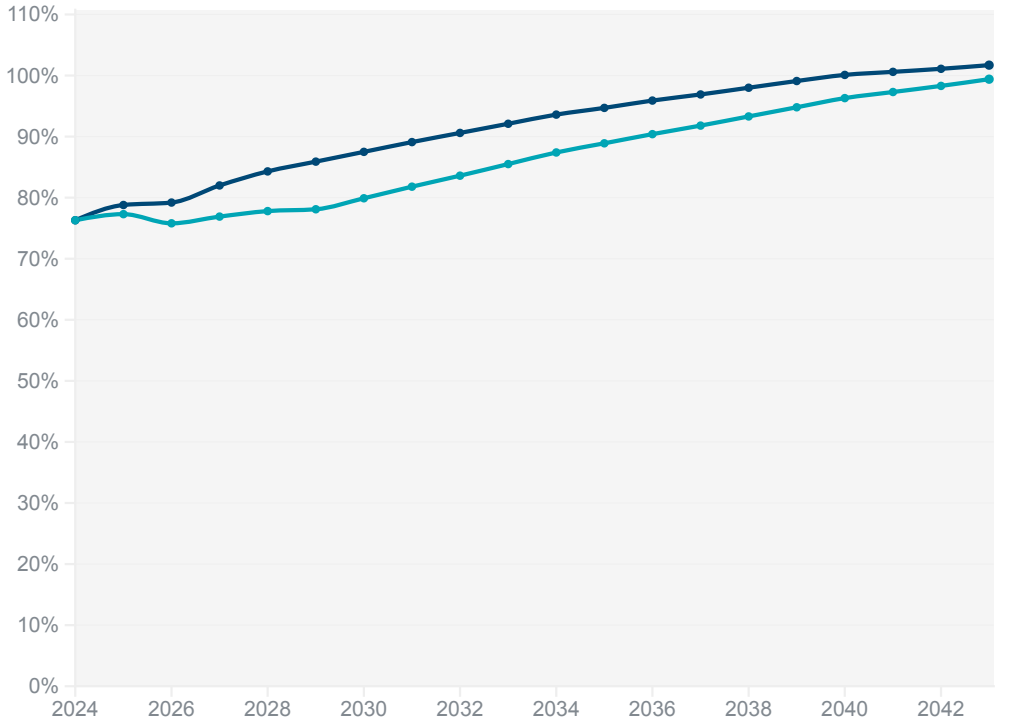
Metric: **Contribution and Funded Status** ▾

■ Pension (Baseline) ■ HIB (Baseline) ■ Pension (-3.25% return for 2024-2025)

Employer Contribution Rate

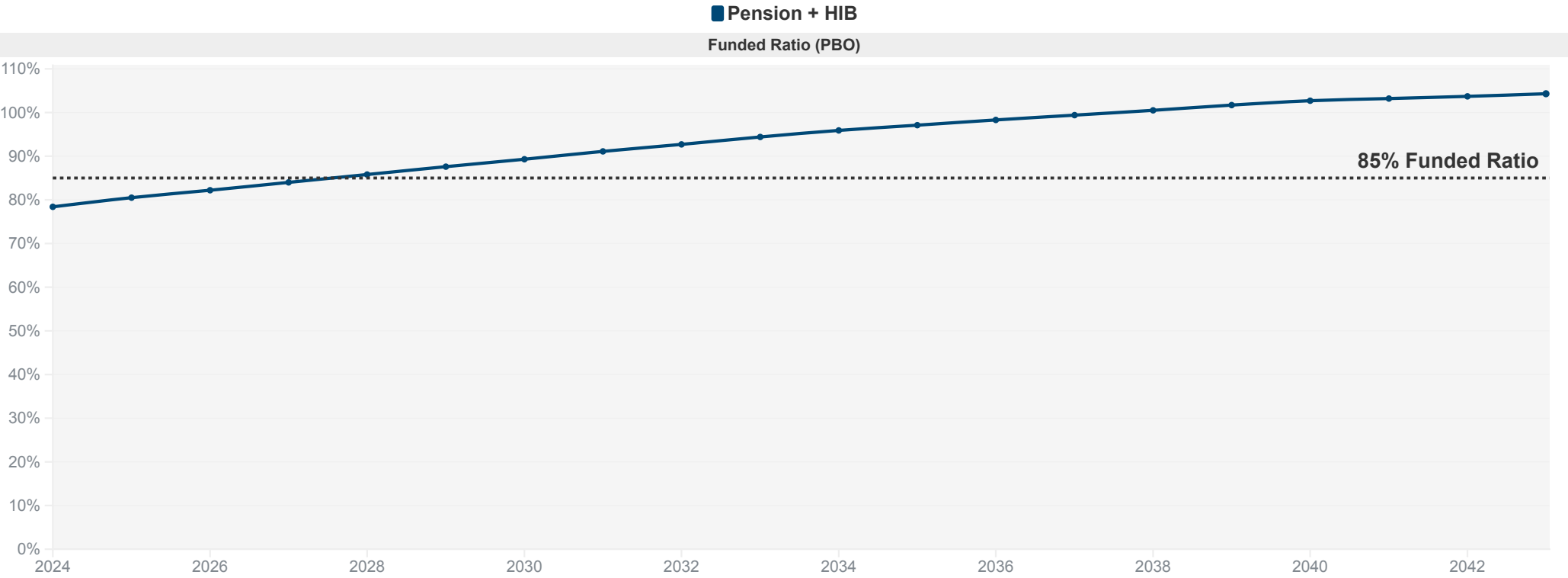


Funded Ratio



Projections are particularly important for EMBUDERS, because of the potential impacts on benefits once the funded ratio exceeds 85% on a Projected Benefit Obligation (PBO) and market value of assets basis, which is currently over 3% higher than actuarial liability funded ratio. Once that occurs, COLAs above the current 3% cap can be granted and members may draw down any existing COLA banks quicker.

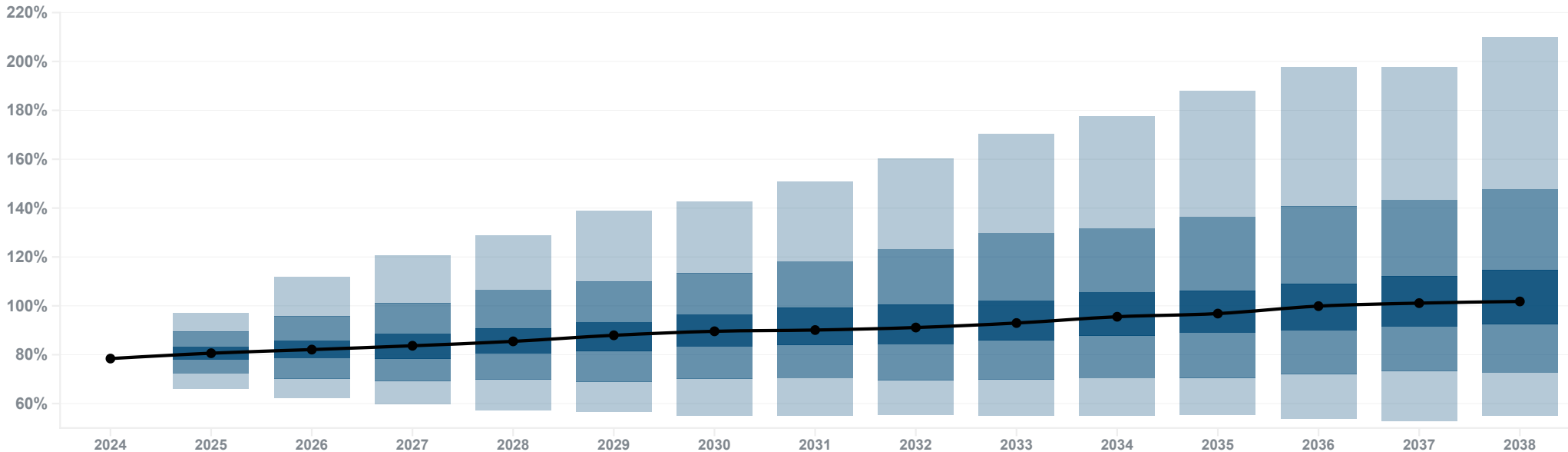
Metric:



To estimate the impact of these potential benefit changes, we must first calculate the likelihood of the PBO funded ratio exceeding 85% at each point in the future. This is done using a *stochastic simulation*, in which EBMUDERS's investment returns are simulated under thousands of scenarios.

PBO Funded Ratio Simulation

Percentiles 50.00% 5-20% 20-40% 40-60% 60-80% 80-95%



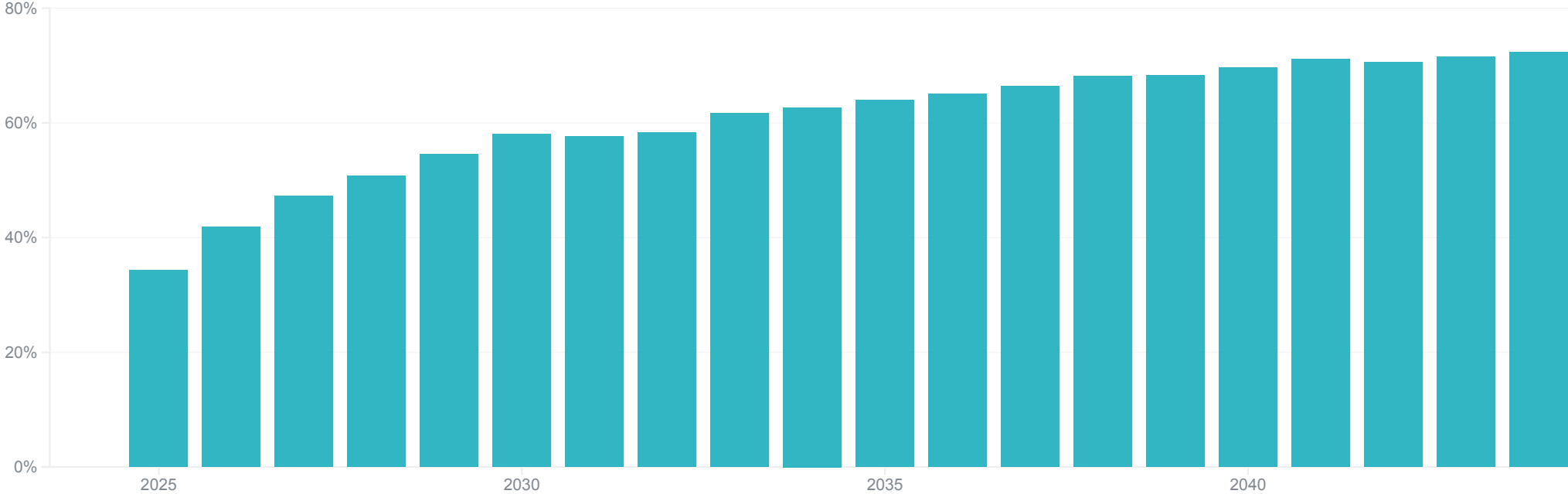
-Reflecting a 12.9% standard deviation of annual returns, based on information from Meketa
 -Each future year's investment return is assumed to be independent from all other years and identically distributed according to a lognormal distribution



We then calculate the probability of the PBO funded ratio exceeding 85% at each point in time.

Additional COLA Analysis

Probability of Exceeding 85% Funded



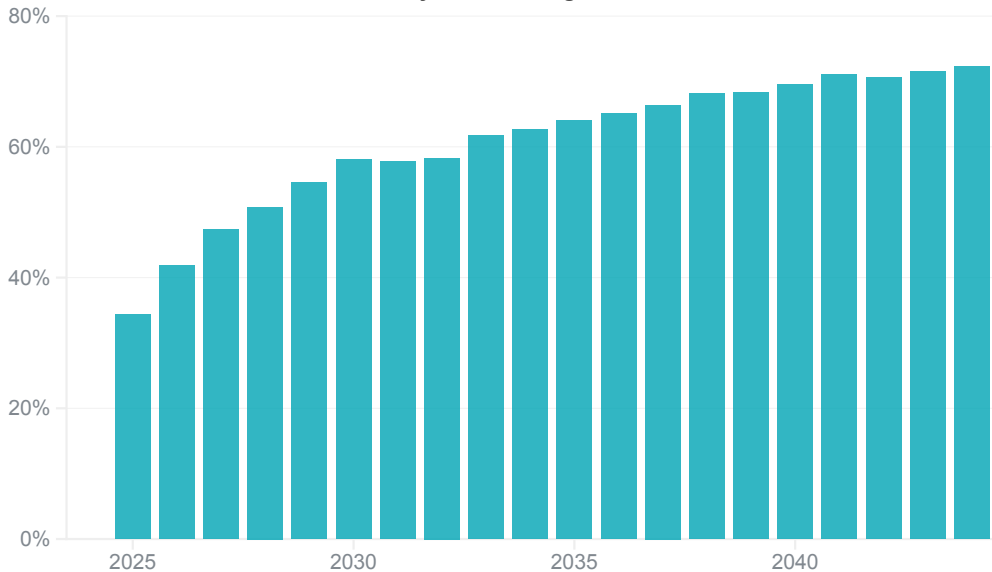
-Funding ratio projection based on 6.75% average return with 12.9% annual standard deviation
-CPI simulation on 2.50% average inflation with 1.5% annual standard deviation



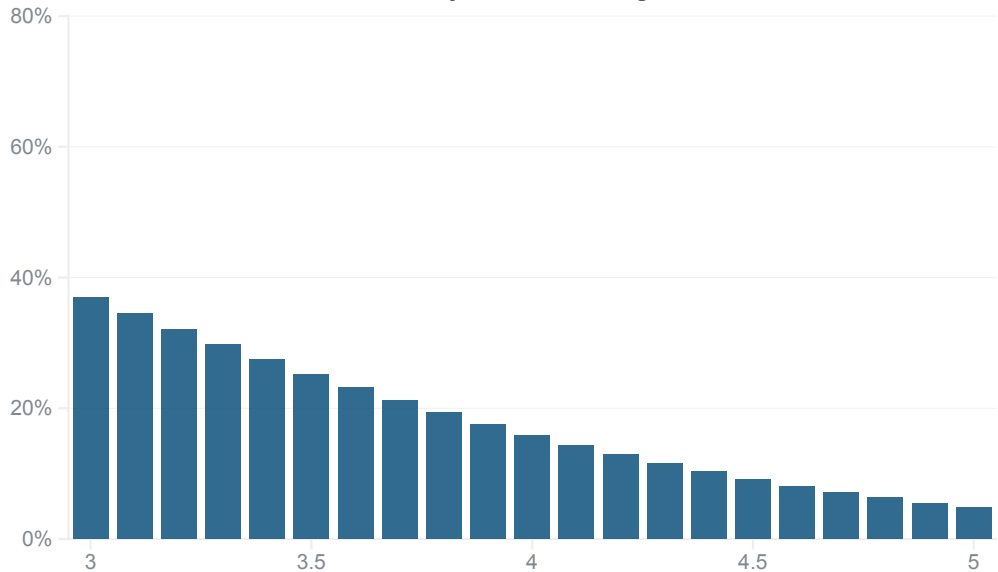
Next we calculate the likelihood of the CPI exceeding certain thresholds, and combine these probabilities to estimate the impact of the additional COLA benefits. Using a reasonable set of assumptions, our estimate is roughly **\$20M** in additional liability, and an increase in the employer contribution rate of about **0.6% of payroll**.

Additional COLA Analysis

Probability of Exceeding 85% Funded



Probability of CPI Exceeding x%



-Funding ratio projection based on 6.75% average return with 12.9% annual standard deviation
 -CPI simulation on 2.50% average inflation with 1.5% annual standard deviation



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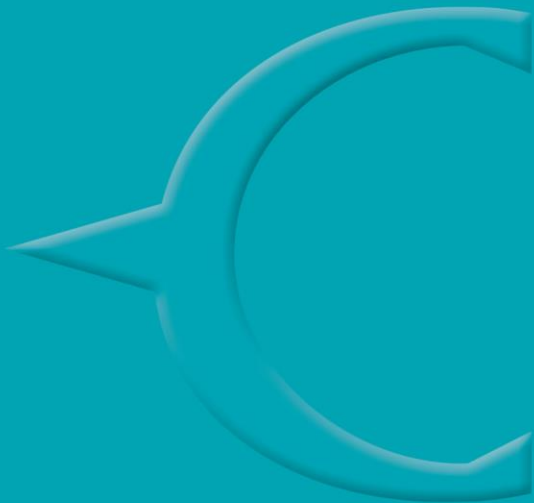
The purpose of this report is to present the results of the actuarial audit of the EBMUDERS Pension Plan and Health Insurance Benefit Actuarial Valuation Reports dated June 30, 2024 and the review of the Experience Study for the period from 2020-2024. This report is for the use of EBMUDERS.

In preparing our presentation, we relied on information (some oral and some written) supplied by EBMUDERS and Segal. This information includes, but is not limited to, the Plan provisions, employee data, and financial information. All data, assumptions, methods, and provisions are the same as those outlined in Segal's June 30, 2024 Actuarial Valuation Reports. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

Cheiron utilizes ProVal actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate liabilities and project benefit payments. We have relied on WinTech as the developer of ProVal. We have a basic understanding of ProVal and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this valuation. We have reviewed the model and have a basic understanding of it and have used it in accordance with its original intended purpose. We have not identified any material inconsistencies in the assumptions or other output of the model that would affect this report.

To the best of our knowledge, this presentation and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this presentation. This presentation does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

This presentation was prepared for the EBMUDERS Retirement Board for the purposes described herein. Other users of this presentation are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.



East Bay Municipal Utility District Employees' Retirement System

**Audit of the June 30, 2024
Pension and Health Insurance
Benefit Actuarial Valuations, and
Review of the Experience Study
(July 1, 2020 through June 30, 2024)**

Produced by Cheiron

March 2025

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Via Electronic Mail

March 12, 2025

Ms. Sophia Skoda
Director of Finance
East Bay Municipal Utility District
375 Eleventh Street
Oakland, CA 94607-4240

Dear Sophia:

Cheiron is pleased to present the results of our actuarial audit of the June 30, 2024 Actuarial Valuation and Review of the East Bay Municipal Utility District Employees' Retirement System (EBMUDERS) and the July 1, 2020 through June 30, 2024 Experience Study performed by Segal Consulting (Segal). We would like to thank Segal for providing us with information and explanations that facilitated the actuarial audit process and ensured that our findings are accurate and benefit EBMUDERS.

We direct your attention to the executive summary section of our report that highlights the key findings of our review. The balance of the report provides details in support of these findings along with supplemental data, background information, and discussion of the process used in the evaluation of the work performed by Segal.

In preparing our report, we relied on information (some oral and some written) supplied by EBMUDERS and Segal. This information includes, but is not limited to, actuarial assumptions and methods adopted by EBMUDERS, the plan provisions, employee data, and financial information.

We performed an informal examination of the obvious characteristics of the data for reasonableness in accordance with Actuarial Standard of Practice No. 23. A detailed description of all the information provided for this review is provided in the body of our report.

This report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

Ms. Sophia Skoda
East Bay Municipal Utility District
March 12, 2025
Page ii

This report was prepared exclusively for the East Bay Municipal Utility District Employees' Retirement System for the purpose described herein. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other users.

Sincerely,
Cheiron



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Principal Consulting Actuary



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Principal Consulting Actuary



Stephen Giordano, FSA, MAAA, FCA
Consulting Actuary

**ACTUARIAL AUDIT REPORT OF THE
EAST BAY MUNICIPAL UTILITY DISTRICT EMPLOYEES' RETIREMENT SYSTEM**

SECTION I – EXECUTIVE SUMMARY

Scope of Assignment

Cheiron performed a complete independent replication of the EBMUDERS June 30, 2024 Actuarial Valuations for the Pension Plan and the Health Insurance Benefit (HIB) Plan. We reviewed the census data provided by EBMUDERS staff and compared it to the information used by Segal in their valuations. We then performed a full parallel valuation, including the calculation of the projected benefits, Actuarial Liability, and normal cost for all EBMUDERS members, and compared the results to those shown in Segal's actuarial valuation report.

Additionally, Cheiron performed a review of the assumptions and actuarial methods recommended by Segal in the Actuarial Experience Study covering the period from July 1, 2020 to June 30, 2024.

The basic objectives of our review are to answer three questions:

1. Given the assumptions applied, are the valuation results (benefit flows, liabilities, and actuarial costs) accurate?
2. Are the valuation results based upon reasonable actuarial assumptions and methods, and are they in full compliance with Actuarial Standards of Practice (ASOPs)?
3. Is the actuarial information provided to EBMUDERS comprehensive? Does the EBMUDERS Board have the information required to assess the present and future financial status of the Plans?

Our review included an analysis of each of the following:

- We collected both raw member data from EBMUDERS and edited data from Segal. We performed an independent analysis on the raw data to confirm the member information used in the actuarial valuations.
- We reviewed and evaluated the actuarial methods and assumptions displayed in the valuation reports, and reviewed the results and recommendations made in the last experience study.
- We independently determined plan liabilities, assets and costs, and compared them to those presented in the valuation reports and in separate detailed results provided to us by Segal.
- In addition to the assets, liabilities, and costs shown in the valuation reports, we also reviewed the content of the reports for completeness and compliance with Actuarial Standards of Practice.

**ACTUARIAL AUDIT REPORT OF THE
EAST BAY MUNICIPAL UTILITY DISTRICT EMPLOYEES' RETIREMENT SYSTEM**

SECTION I – EXECUTIVE SUMMARY

This audit provides EBMUDERS confirmation that:

- The results reported by Segal can be relied upon,
- Segal's actuarial valuation report, assumptions, and methods comply with Actuarial Standards of Practice (ASOP), and
- The communication of the actuarial valuation results is complete and reasonable.

Key Findings and Recommendations

The main findings of our review are as follows:

1. As a result of our efforts, we are able to confirm that the liabilities and costs computed in the valuations as of June 30, 2024 are materially accurate and were computed in accordance with generally accepted actuarial principles. For the scope of this audit, materiality means the results in the aggregate are within industry standards of plus or minus 5%.
2. We have reviewed the economic and demographic assumptions recommended in the most recent Actuarial Experience Study presented by Segal. We have found them to be reasonable and in accordance with generally accepted actuarial principles.

We have a few comments and recommendations related to the Experience Study report:

- Cheiron determined the demographic assumptions proposed in Segal's Experience Study to be generally reasonable and in compliance with acceptable standards of actuarial practice. However, we have a few suggestions for Segal to consider at the time of the next experience study:
 - Use more than the most recent four years of data for analyzing the retirement and disability assumptions to minimize fluctuations in changes to the assumptions and provide a more robust analysis of the experience.
 - Continue to monitor the female retiree mortality experience to determine if an adjustment to their mortality rates is warranted, since the current assumption over-estimates mortality by about 10% on a benefits-weighted basis.
 - Disclose the number of exposures, actual and expected decrements, and the actual-to-expected ratios for each of the demographic assumptions. Providing this information will also allow better assessment of what credibility to give the observed experience versus the rates developed based on the historical experience.
- Overall, the economic assumptions recommended in Segal's review represent a reasonable set of assumptions.

**ACTUARIAL AUDIT REPORT OF THE
EAST BAY MUNICIPAL UTILITY DISTRICT EMPLOYEES' RETIREMENT SYSTEM**

SECTION I – EXECUTIVE SUMMARY

We also have a few comments related to the content of the reports:

- We commend Segal for including projections of the outstanding balance of the Unfunded Actuarial Liability (UAL) and UAL payment projections on pages 56-57 of the valuation report. However, we suggest that Segal also include projections of the employer contribution rate and funded status in their report to help the EBMUDERS Board and stakeholders understand the dynamics of their actuarial funding policies and the impact of the new benefit tiers on the future costs of the system.
- We recommend Segal provide more information to EBMUDERS on the impact of the potential additional COLAs if the Plans are 85% funded (on a Projected Benefit Obligation (PBO) and market value basis) and inflation is greater than 3.00%. The additional liabilities cannot be measured under the traditional deterministic approach. We suggest using stochastic simulations to measure the likelihood of the PBO funded ratio exceeding 85%, in conjunction with the likelihood of the CPI exceeding 3.00%.

Using this methodology and a reasonable set of assumptions, we estimate the potential for additional COLA benefits to add approximately \$20 million to the pension plan liability and increase the Actuarially Determined Contribution by about 0.6% of payroll.

**ACTUARIAL AUDIT REPORT OF THE
EAST BAY MUNICIPAL UTILITY DISTRICT EMPLOYEES' RETIREMENT SYSTEM**

SECTION II – REVIEW OF PENSION PLAN VALUATION RESULTS

Valuation Procedures

Overall, we find that the June 30, 2024 actuarial valuation procedures applied in the reporting of the pension plan funded status and the determination of the funding requirements based on the current policies and adopted assumptions are technically reasonable and conform to the ASOPs. Using the same actuarial assumptions and methods, census data, and plan provisions from the June 30, 2024 valuation report, we independently calculated the valuation results below:

- Present value for future benefits
- Actuarial Liability
- Unfunded Actuarial Liability
- Normal cost
- Contributions as a dollar amount and as a percentage of payroll

Valuation Results

Our independent replication of the June 30, 2024 pension plan actuarial valuation found no material difference in calculations of plan liabilities, normal costs, Actuarial Value of Assets, and contribution rates from the amounts calculated by Segal based on the adopted assumptions and methods. There is an industry standard when performing audits that results should be within 5.0% to allow for differences in valuation systems and differences in methodology approaches.

Our replication of the measures of pension plan liabilities and costs is summarized in Table II-1 below. We note that all results are within 5% of Segal's calculation. Consequently, we conclude that the valuation prepared by Segal for EBMUDERS as of June 30, 2024 is reasonable and can be relied on by the Board for its intended purpose.

Table II-1			
Pension Plan Valuation Results as of June 30, 2024			
	Segal	Cheiron	Ratio
Present Value of Benefits	\$ 3,707,316,726	\$ 3,712,754,916	100.1%
Actuarial Liability	\$ 3,143,728,340	\$ 3,132,890,782	99.7%
Valuation Value of Assets (VVA)	<u>2,391,378,364</u>	<u>2,391,378,364</u>	100.0%
Unfunded Actuarial Liability (UAL)	\$ 752,349,976	\$ 741,512,418	98.6%
Funded Ratio on VVA basis	76.1%	76.3%	100.3%
Contribution Rate by Component			
Net Employer Normal Cost	14.35%	14.46%	100.8%
UAL Payment Rate	<u>25.85%</u>	<u>25.54%</u>	98.8%
Total Employer Contribution	40.20%	40.00%	99.5%

**ACTUARIAL AUDIT REPORT OF THE
EAST BAY MUNICIPAL UTILITY DISTRICT EMPLOYEES' RETIREMENT SYSTEM**

SECTION II – REVIEW OF PENSION PLAN VALUATION RESULTS

To confirm that the match is close across all Tiers, we show a comparison of the pension plan liabilities for each Tier below in Table II-2. We note that all results are within the 5% threshold for the total pension, the 1955/1980 Plan, and the 2013 Tier.

	1955/1980 Plan			2013 Tier			Total Pension Plan		
	Segal	Cheiron	Ratio	Segal	Cheiron	Ratio	Segal	Cheiron	Ratio
Present Value of Benefits									
Retirees	\$ 1,895.9	\$ 1,886.9	99.5%	\$ 2.6	\$ 2.6	99.9%	\$ 1,898.5	\$ 1,889.5	99.5%
Disabled	19.5	19.5	100.0%	0.0	0.0		19.5	19.5	100.0%
Beneficiaries	163.4	163.6	100.1%	0.0	0.0		163.4	163.6	100.1%
Terminated Vested	56.2	54.2	96.3%	7.1	6.9	97.4%	63.3	61.1	96.5%
Active members	<u>1,055.0</u>	<u>1,062.8</u>	100.7%	<u>507.7</u>	<u>516.4</u>	101.7%	<u>1,562.7</u>	<u>1,579.2</u>	101.1%
Total	\$ 3,189.9	\$ 3,186.9	99.9%	\$ 517.4	\$ 525.9	101.6%	\$ 3,707.3	\$ 3,712.8	100.1%
Actuarial Liability									
Inactive members	\$ 2,135.0	\$ 2,124.1	99.5%	\$ 9.7	\$ 9.5	98.1%	\$ 2,144.6	\$ 2,133.6	99.5%
Active members	<u>834.4</u>	<u>838.2</u>	100.5%	<u>164.7</u>	<u>161.1</u>	97.8%	<u>999.1</u>	<u>999.3</u>	100.0%
Total	\$ 2,969.4	\$ 2,962.3	99.8%	\$ 174.3	\$ 170.6	97.8%	\$ 3,143.7	\$ 3,132.9	99.7%

**ACTUARIAL AUDIT REPORT OF THE
EAST BAY MUNICIPAL UTILITY DISTRICT EMPLOYEES' RETIREMENT SYSTEM**

SECTION II – REVIEW OF PENSION PLAN VALUATION RESULTS

Our replication of the employer contribution amounts and rates by Tier and in total is shown below in Table II-3. We note that all the components of the employer rates by Tier are all within the 5% threshold.

Table II-3						
Pension Plan Contribution Comparison as of June 30, 2024						
(\$ in millions)						
	Segal		Cheiron		Ratio	
	Amount	% of Payroll	Amount	% of Payroll	Amount	% of Payroll
Total Pension Plan						
Total Normal Cost	\$ 65.1	23.79%	\$ 65.9	24.09%	101.3%	101.3%
Expected Employee Contributions	<u>(25.8)</u>	<u>-9.44%</u>	<u>(26.4)</u>	<u>-9.63%</u>	102.0%	102.0%
Employer Normal Cost	\$ 90.9	14.35%	\$ 92.3	14.46%	100.8%	100.8%
UAL Payment Rate	<u>70.7</u>	<u>25.85%</u>	<u>69.9</u>	<u>25.54%</u>	98.8%	98.8%
Total Employer Contribution	\$ 161.5	40.20%	\$ 162.2	40.00%	99.5%	99.5%
1955/1980 Plan						
Total Normal Cost	\$ 34.7	28.24%	\$ 34.8	28.32%	100.3%	100.3%
Expected Employee Contributions	<u>(10.6)</u>	<u>-8.66%</u>	<u>(10.6)</u>	<u>-8.66%</u>	100.0%	100.0%
Employer Normal Cost	\$ 45.3	19.58%	\$ 45.4	19.66%	100.2%	100.4%
UAL Payment Rate	<u>31.8</u>	<u>25.85%</u>	<u>31.4</u>	<u>25.54%</u>	98.8%	98.8%
Total Employer Contribution	\$ 77.1	45.43%	\$ 76.8	45.19%	99.6%	99.5%
2013 Tier						
Total Normal Cost	\$ 30.4	20.16%	\$ 31.4	20.83%	103.5%	103.3%
Expected Employee Contributions	<u>(15.2)</u>	<u>-10.08%</u>	<u>(15.7)</u>	<u>-10.42%</u>	103.5%	103.3%
Employer Normal Cost	\$ 45.5	10.08%	\$ 47.1	10.42%	103.5%	103.3%
UAL Payment Rate	<u>38.9</u>	<u>25.85%</u>	<u>38.5</u>	<u>25.54%</u>	99.0%	98.8%
Total Employer Contribution	\$ 84.4	35.93%	\$ 85.6	35.95%	101.4%	100.1%

**ACTUARIAL AUDIT REPORT OF THE
EAST BAY MUNICIPAL UTILITY DISTRICT EMPLOYEES' RETIREMENT SYSTEM**

SECTION II – REVIEW OF PENSION PLAN VALUATION RESULTS

Census Data

The EBMUDERS Staff and Segal provided us with the data that was used in the June 30, 2024 actuarial valuations. We reviewed the information in both files and found that the data used in the valuation is valid, complete, and contains the necessary data elements for purposes of performing the actuarial valuation of EBMUDERS. We also find that the methods and requirements provided in the Actuarial Standard of Practice No. 23 *Data Quality* have been adhered to, to the extent applicable for the valuation of pension plan obligations.

In Table II-4 below and Table II-5 on the following page, we compare the raw June 30, 2024 data file provided by EBMUDERS to Segal's processed data file and find only very minor differences between the files. These differences are reasonable, and consistent with the types of edits typically made as part of data processing.

Table II-4			
Active Member Data Comparison as of June 30, 2024			
	Segal	Cheiron	Change
<i>Total Actives</i>			
Count	1,974	1,977	0.2 %
Average Age	46.9	46.9	0.0 %
Average Service	10.9	10.9	0.0 %
Total Annual Rate of Pay ¹	\$ 274,170,810	\$ 274,128,558	(0.0)%
Average Salaries	\$ 138,891	\$ 138,659	(0.2)%
<i>1955/1980 Plan</i>			
Count	778	784	0.8 %
Average Age	53.6	53.6	0.0 %
Average Service	19.5	19.4	(0.1)
Total Annual Rate of Pay	\$ 120,589,380	\$ 120,962,352	0.3 %
Average Salaries	\$ 154,999	\$ 154,289	(0.5)%
<i>2013 Tier</i>			
Count	1,196	1,193	(0.3)%
Average Age	42.5	42.5	0.0 %
Average Service	5.3	5.3	0.0 %
Total Annual Rate of Pay ¹	\$ 153,581,430	\$ 153,166,206	(0.3)%
Average Salaries	\$ 128,413	\$ 128,387	(0.0)%

¹ Individual pays are not limited by the PEPR compensation cap.

**ACTUARIAL AUDIT REPORT OF THE
EAST BAY MUNICIPAL UTILITY DISTRICT EMPLOYEES' RETIREMENT SYSTEM**

SECTION II – REVIEW OF PENSION PLAN VALUATION RESULTS

Table II-5			
Inactive Member Data Comparison as of June 30, 2024			
	Segal	Cheiron	Change
<i>Inactive Members</i>			
Count	407	408	0.2 %
Average Age	48.0	48.1	0.2 %
<i>Retired Members</i>			
Count	1,753	1,753	0.0 %
Average Age	71.4	71.4	0.0 %
Average Monthly Benefits	\$6,531	\$6,534	0.0 %
<i>Disabled Members</i>			
Count	51	51	0.0 %
Average Age	68.0	68.0	0.0 %
Average Monthly Benefits	\$2,699	\$2,699	0.0 %
<i>Beneficiaries</i>			
Count	372	372	0.0 %
Average Age	73.9	73.9	0.0 %
Average Monthly Benefits	\$3,538	\$3,538	0.0 %

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EAST BAY MUNICIPAL UTILITY DISTRICT EMPLOYEES' RETIREMENT SYSTEM**

SECTION II – REVIEW OF PENSION PLAN VALUATION RESULTS

Plan Provisions

We compared the summary of plan provisions shown in Section 4, Exhibit II of Segal's June 30, 2024 Valuation Report to the benefits in East Bay Municipal Utility District Employees' Retirement System Ordinance (As Amended Effective July 12, 2024) and the Retirement Handbook. In general, the plan provisions shown in Segal's exhibit match what is in the Ordinance and Handbook and based on our close match of the Segal liabilities as part of our parallel valuation, we conclude that Segal has appropriately reflected these provisions in the actuarial valuation.

**ACTUARIAL AUDIT REPORT OF THE
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SECTION III – REVIEW OF HEALTH INSURANCE BENEFIT (HIB) RESULTS

Valuation Procedures

Overall, we find that the June 30, 2024 actuarial valuation procedures applied in the reporting of the HIB funded status and the determination of the funding requirements based on the current funding policies and adopted assumptions are technically reasonable and conform to the ASOPs. This is based on our review of: the valuation report, the census data used in the valuation, and our parallel valuation using the information described above.

Valuation Results

Our independent replication of the June 30, 2024 HIB actuarial valuation found no material difference in calculations of plan liabilities, normal costs, Actuarial Value of Assets, and overall contribution rates from the amounts calculated by Segal based on the adopted assumptions and methods.

Our replication of the measures of HIB liabilities and costs is summarized in Table III-1 below. We note that all results are within 5% of Segal's calculation. Consequently, we conclude that the valuation prepared by Segal for EBMUDERS as of June 30, 2024 is reasonable and can be relied on by the Board for its intended purpose.

Table III-1					
Health Insurance Benefit Plan Valuation Results as of June 30, 2024					
		Segal	Cheiron	Ratio	
Present Value of Benefits	\$	152,949,440	\$	151,516,545	99.1%
Actuarial Liability	\$	134,756,478	\$	133,481,905	99.1%
Valuation Value of Assets (VVA)		<u>69,836,226</u>		<u>69,836,226</u>	100.0%
Unfunded Actuarial Liability (UAL)	\$	64,920,252	\$	63,645,679	98.0%
Funded Ratio on VVA basis		51.82%		52.32%	101.0%
Contribution Rate by Component					
Net Employer Normal Cost		0.76%		0.76%	99.7%
UAL Payment Rate		<u>3.55%</u>		<u>3.51%</u>	98.9%
Total Employer Contribution		4.31%		4.27%	99.0%

**ACTUARIAL AUDIT REPORT OF THE
EAST BAY MUNICIPAL UTILITY DISTRICT EMPLOYEES' RETIREMENT SYSTEM**

SECTION III – REVIEW OF HEALTH INSURANCE BENEFIT (HIB) RESULTS

We show a comparison of the HIB Plan liabilities in total below in Table III-2(a). We note that all results for the total Plan are within the 5% threshold, except for the disabled member liability which we calculated to be \$264,000 lower. This difference is only 0.17% of the total HIB present value of benefits and is immaterial to the calculation of the employer contribution rates and funded ratio.

Table III-2(a)			
Health Insurance Benefit Plan Liabilities as of June 30, 2024			
	Total HIB Plan		
	Segal	Cheiron	Ratio
Present Value of Benefits			
Retirees	\$ 90,559,979	\$ 88,207,902	97.4%
Disabled	1,919,000	1,655,114	86.2%
Beneficiaries	7,875,859	7,937,236	100.8%
Terminated Vested	2,540,207.0	2,652,565.0	104.4%
Active members	<u>50,054,395</u>	<u>51,063,728</u>	102.0%
Total	\$ 152,949,440	\$ 151,516,545	99.1%
Actuarial Liability			
Inactive members	\$ 102,895,045	\$ 100,452,817	97.6%
Active members	<u>31,861,433</u>	<u>33,029,088</u>	103.7%
Total	\$ 134,756,478	\$ 133,481,905	99.1%

**ACTUARIAL AUDIT REPORT OF THE
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SECTION III – REVIEW OF HEALTH INSURANCE BENEFIT (HIB) RESULTS

To confirm that the match is close across all Tiers, we show a comparison of the HIB Plan liabilities for each Tier below in Tables III-2(b). We note that all results are within the 5% threshold except for the active Actuarial Liability for the 2013 Tier members.

Table III-2(b)						
Health Insurance Benefit Plan Liabilities by Tier as of June 30, 2024						
	1955/1980 Plan			2013 Tier		
	Segal	Cheiron	Ratio	Segal	Cheiron	Ratio
Present Value of Benefits						
Retirees	\$ 90,395,024	\$ 88,046,821	97.4%	\$ 164,955	\$ 161,081	97.7%
Disabled	1,919,000	1,655,114	86.2%	0	0	
Beneficiaries	7,875,859	7,937,236	100.8%	0	0	
Terminated Vested	2,383,122	2,487,366	104.4%	\$ 157,085	\$ 165,199	105.2%
Active members	<u>\$ 32,238,865</u>	<u>\$ 33,061,840</u>	102.6%	<u>\$ 17,815,530</u>	<u>\$ 18,001,888</u>	101.0%
Total	\$ 134,811,870	\$ 133,188,377	98.8%	\$ 18,137,570	\$ 18,328,168	101.1%
Actuarial Liability						
Inactive members	\$ 102,573,005	\$ 100,126,537	97.6%	\$ 322,040	\$ 326,280	101.3%
Active members	<u>\$ 25,719,615</u>	<u>\$ 26,377,789</u>	102.6%	<u>\$ 6,141,818</u>	<u>\$ 6,651,299</u>	108.3%
Total	\$ 128,292,620	\$ 126,504,326	98.6%	\$ 6,463,858	\$ 6,977,579	107.9%

It is not unusual for there to be differences in the allocation of the total present value of benefits into past and future amounts (the Actuarial Liability and present value of future normal costs, respectively) for active members due to the different valuation systems and minor differences in programming, particularly for groups like the 2013 Tier where the members have low levels of service.

We are not concerned with these differences if the total present value of benefits is close (within 1% in our analysis) and the differences offset each other. Cheiron's Actuarial Liability is higher than Segal's, but Cheiron's present value of future normal cost (\$11.4 million) is lower than Segal's (\$11.7 million).

**ACTUARIAL AUDIT REPORT OF THE
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SECTION III – REVIEW OF HEALTH INSURANCE BENEFIT (HIB) RESULTS

Table III-3 Health Insurance Benefit Plan Contribution Comparison as of June 30, 2024							
	Segal		Cheiron		Ratio		
	Amount	% of Payroll	Amount	% of Payroll	Amount	% of Payroll	
Total Normal Cost	\$ 2,336,000	0.85%	\$ 2,332,000	0.85%	99.8%	99.7%	
Expected Employee Contributions	<u>(246,000)</u>	<u>-0.09%</u>	<u>(247,000)</u>	<u>-0.09%</u>	100.4%	100.0%	
Employer Normal Cost	\$ 2,582,000	0.76%	\$ 2,579,000	0.76%	99.9%	99.7%	
UAL Payment Rate	<u>9,679,000</u>	<u>3.54%</u>	<u>9,618,000</u>	<u>3.51%</u>	99.4%	99.2%	
Total Employer Contribution	\$ 12,261,000	4.30%	\$ 12,197,000	4.27%	99.5%	99.3%	
1955/1980 Plan							
Total Normal Cost	\$ 1,192,000	0.97%	\$ 1,223,000	1.00%	102.6%	102.6%	
Expected Employee Contributions	<u>(111,000)</u>	<u>-0.09%</u>	<u>(111,000)</u>	<u>-0.09%</u>	100.0%	100.0%	
Employer Normal Cost	\$ 1,303,000	0.88%	\$ 1,334,000	0.91%	102.4%	102.9%	
UAL Payment Rate	<u>4,350,000</u>	<u>3.54%</u>	<u>4,312,000</u>	<u>3.51%</u>	99.1%	99.2%	
Total Employer Contribution	\$ 5,653,000	4.42%	\$ 5,646,000	4.42%	99.9%	99.9%	
2013 Tier							
Total Normal Cost	\$ 1,144,000	0.76%	\$ 1,109,000	0.73%	96.9%	96.5%	
Expected Employee Contributions	<u>(135,000)</u>	<u>-0.09%</u>	<u>(136,000)</u>	<u>-0.09%</u>	100.7%	100.0%	
Employer Normal Cost	\$ 1,279,000	0.67%	\$ 1,245,000	0.64%	97.3%	96.1%	
UAL Payment Rate	<u>5,329,000</u>	<u>3.54%</u>	<u>5,306,000</u>	<u>3.51%</u>	99.6%	99.2%	
Total Employer Contribution	\$ 6,608,000	4.21%	\$ 6,551,000	4.15%	99.1%	98.7%	

**ACTUARIAL AUDIT REPORT OF THE
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SECTION IV – REVIEW OF ACTUARIAL ASSUMPTIONS

As part of our actuarial audit review, we have performed a peer review of the most recent Actuarial Experience Study covering the period July 1, 2020 through June 30, 2024. We reviewed the actuarial assumptions and methods used in the June 30, 2024 actuarial valuation and the analysis performed by Segal for experience study.

It should be noted that the setting of assumptions involves a great deal of professional judgment and is both art and science. Two actuaries reviewing the same experience may reach different conclusions with respect to recommendations of actuarial assumptions. It is not our intent to substitute our judgment for the judgment of the consulting actuary to EBMUDERS. Rather, it is our intent to determine whether the actuarial assumptions are reasonable based upon all of the data available.

Overall, we found the recommendations made by Segal to be reasonable and agree with the rationales and processes that led to their recommendations.

Demographic Assumptions

Our suggestions for the next experience study are summarized below.

- We suggest that Segal use more years of data for analyzing the retirement and disability assumptions. We note that for this study only the most recent four years of experience were used for analyzing the retirement and disability assumptions, while eight years of data were used for the termination experience. Using more years of data, especially for periods during and after the pandemic, helps minimize fluctuations in changes to the assumptions and provides a more robust analysis of the experience.
- For the healthy retirees, Segal recommended the Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Tables for both males and females, with a 5% increase to the male mortality rates. We suggest that Segal continue to monitor the female retiree mortality experience to determine if an adjustment to their mortality rates is warranted since the current assumption over-estimates mortality by about 10% on a benefits-weighted basis. We understand there may not have been sufficient credibility to recommend an adjustment with the current experience study, but with more years of data, an adjustment may be justified.
- We concur with Segal's recommendation to use the Pub-2010 Continent Survivor mortality table only for survivors and contingent beneficiaries after the member has died. This approach is consistent with how the published table was developed, using only data of surviving beneficiaries once the member died. Typically, beneficiaries have higher mortality rates after their spouses' death, sometimes referred to as the "widower" effect.
- We support Segal's recommendation to use the MP-2021 mortality improvement scale, the most recent scale published, replacing the MP-2020 improvement scale.
- We recommend that Segal disclose the number of exposures, actual and expected decrements, and the actual-to-expected ratios for each of the demographic assumptions,

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SECTION IV – REVIEW OF ACTUARIAL ASSUMPTIONS

not just for mortality. Providing this information will also allow better assessment of what credibility to give the observed experience versus the rates developed based on the historical experience.

Economic Assumptions

Overall, the economic assumptions proposed in Segal's review represent a reasonable set of assumptions. Segal recommended maintaining investment return assumption (6.75%), the inflation (2.50%), payroll growth (3.00%), and retiree cost-of-living increase (2.75%) assumptions.

Inflation

Segal's inflation assumption of 2.50% represents a reasonable inflation assumption in the long term. Segal notes in their report that the median inflation assumption used by 176 large public retirement funds in their 2023 fiscal year valuations is 2.50%. In addition, EBMUDERS' investment consultant Meketa anticipates an annual inflation rate of 2.80% over a 20-year horizon, while the average inflation assumption provided by Meketa and five other investment advisory firms as well as Segal Marco Advisors was 2.50%.

Segal's recommendation to maintain the overall payroll growth and COLA assumptions are appropriate given their recommendation to maintain the assumed rate of inflation.

Investment Returns and Expenses

Beginning with this study, Segal converts "the portfolio's expected arithmetic average return to an expected geometric average return." We support Segal's change in approach and confirm they have applied and described it appropriately. We also support their modification from prior experience studies to only adjust the assumed return for "investment consulting fees, custodian fees, and other miscellaneous investment expenses," explicitly excluding investment expenses associated with active management; we use a similar approach for our clients.

Segal discusses the concept of a "risk adjustment," noting that the "purpose of the risk adjustment (as measured by the corresponding confidence level) is to increase the likelihood of achieving the actuarial investment return in the long term." In maintaining the 6.75% assumed rate of return, the "risk adjustment" is 8 basis points. We find this recommendation, and the resulting return assumption of 6.75%, to be reasonable.

Comparison with Other California Public Retirement Systems

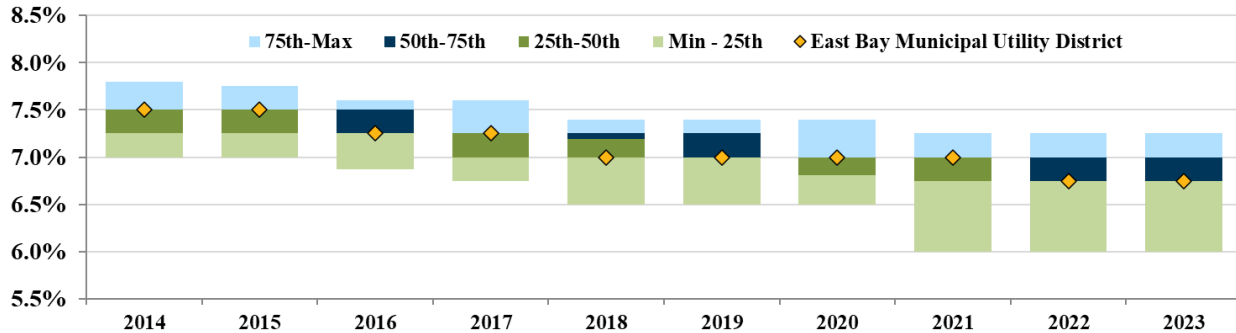
Each System has a unique asset allocation, which is the main driver in determining the portfolio's expected rate of investment return, along with the investment consultants' capital market assumptions for the respective asset classes. However, we would like to point out that there has been a significant trend over the last decade of public pension systems lowering their investment rate of return.

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SECTION IV – REVIEW OF ACTUARIAL ASSUMPTIONS

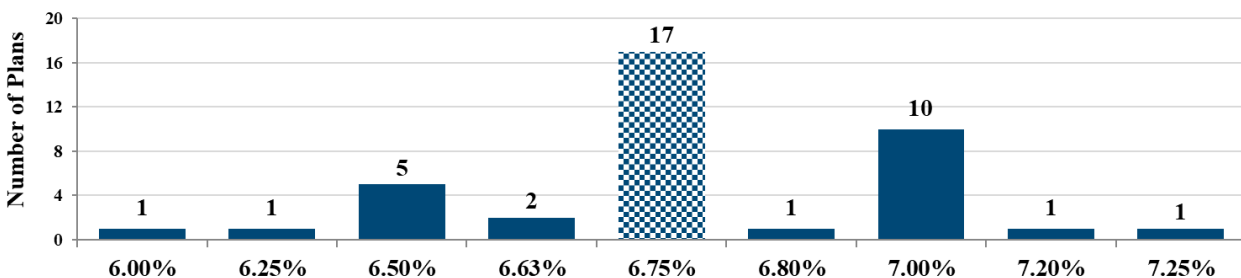
The following charts show a series of comparisons of the EBMUDERS return assumption based on Cheiron’s survey of 39 large public pension plans in California. The first chart shows the trend in the assumed rate of investment return for the 2014 to 2023 actuarial valuations. EBMUDERS’s assumed rate of return has been at the median of California systems every year except for 2018 where it was below the median.

Assumed Investment Rate of Return Trends
Cheiron Survey of California Systems



The chart below shows the distribution of the latest investment return assumptions, from June 30, 2023 or January 1, 2023/December 31, 2022 actuarial valuations. The median and most common assumption for California systems is 6.75%, EMBUDERS’ assumption since the June 30, 2022 actuarial valuation.

Distribution of Latest Return Assumptions
Cheiron Survey of California Systems



Other Economic Assumptions

We believe the analysis and assumptions proposed by Segal for the other economic assumptions – including payroll growth, COLA growth, and crediting rate for employee contributions – are reasonable based on the information presented, and consistent with the methods and assumptions we have seen used at other systems.

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SECTION V – REVIEW OF ACTUARIAL METHODS

Actuarial Methods

Actuarial methods relate to the application of actuarial assumptions in the determination of Plan liabilities and contributions. These methods include the actuarial cost method, amortization policy, and actuarial asset smoothing. The questions guiding our review of the actuarial methods were the following:

- Are the methods acceptable and appropriate for the intended purpose?
- Do the methods comply with relevant accounting and actuarial standards?

Actuarial Cost Method

The individual Entry Age Actuarial Cost Method is used in the June 30, 2024 actuarial valuations. Under this method, the expected cost of benefits for each individual member is allocated over that member's career as a level percentage of that member's expected salary. The normal cost for the plan is the sum of the individual normal costs calculated for each member. We concur with this methodology and note that it is a "Model Practice" based on the guidance issued by the California Actuarial Advisory Panel (CAAP), and a "Best Practice" based on guidance issued by the Government Finance Officers Association. Segal has also applied this method in a manner that complies with the disclosure requirements under GASB Statements 67 and 68.

Asset Smoothing Method

The Actuarial (or smoothed) Value of Assets is determined using a five-year period for investment gains and losses. The Actuarial Value of Assets (AVA) is limited by a 30% corridor around the Market Value of Assets and we have confirmed that the Segal report applies the actuarial smoothing method as described.

In our opinion, the method used by EBMUDERS satisfies the Actuarial Standard of Practice, which governs asset valuation methods (ASOP No. 44), which requires that the actuarial asset value should fall within a "reasonable range around the corresponding market value" and that differences between the actuarial and the market value should be "recognized within a reasonable period of time."

However, we suggest that Segal consider calculating the AVA for each plan independently, especially since the cash flow information is readily available in the Annual Comprehensive Financial Reports. Segal currently calculates the Actuarial Value of Assets in total for both the Pension and Health Insurance Benefit (HIB) plans and then allocates the AVA based on the proportion of the respective Market Value of Assets since the funds are invested together. However, the Plans do have substantially different net cash flows. The pension plan is in a negative cash flow position while the HIB is in a positive cash flow position. This dynamic can become pertinent in down market situations. Also, if there is any desire in the future to employ different asset smoothing methods for the two separate Plans, having independent AVAs would be valuable.

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SECTION V – REVIEW OF ACTUARIAL METHODS

Amortization Policy

The current amortization policy for EBMUDERS is a layered amortization policy, with the Unfunded Actuarial Liability (UAL) prior to July 1, 2011 amortized over separate closed 30-year periods. On or after July 1, 2011, any new UAL resulting from plan changes are amortized over separate closed 15-year periods, assumption and method changes are amortized over decreasing 25-year periods, and experience gains and losses are amortized over separate closed 20-year periods. On or after July 1, 2021, assumption and method changes are amortized over separate closed 20-year periods.

We have confirmed that the Segal report applies the amortization method as described. This amortization method is in accordance with funding policy guidance issued by the CAAP, GFOA, and the Conference of Consulting Actuaries Public Plans Community. Also, we concur with the most recent change in 2021 to adopt amortization periods shorter than 25 years for assumption and method changes.

We commend Segal for calculating and disclosing what is known as the “single equivalent amortization period” for the amortization schedule (about 14 years as of June 30, 2024). This provides the reader with an estimate of the “average” amortization period and represents the length of time that would be required to amortize the overall UAL if the current UAL payment rate were held constant.

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SECTION VI – CONTENTS OF REPORTS

Contents of the Actuarial Valuation Reports

As noted in the Executive Summary, one of the objectives of the audit is to determine whether the information being provided to EBMUDERS is comprehensive, and includes the information required to assess the present and future financial status of the Plans.

We find the actuarial valuation reports are comprehensive and provide the information required to assess the present financial status of the Plans. Also, the reports are in compliance with Actuarial Standards of Practice with respect to the disclosures required under the relevant standards, including recent updates under ASOP 4 (Measuring Pension Obligations) to disclose a Low-Default-Risk Obligation Measure under an alternative discount rate “derived from low-default-risk fixed income securities”, ASOP 6 (Measuring Retiree Group Benefits Obligations), ASOP 27 (Selection of Economic Assumptions), ASOP 35 (Selection of Demographic and Other Noneconomic Assumptions), ASOP 41 (Actuarial Communications), ASOP 44 (Selection and Use of Asset Valuation Methods), and ASOP 51 (Assessment and Disclosure of Risk).

However, we have some recommendations with respect to additional disclosures that could be included which we believe would add value to the valuation reports and related documents, in particular in areas that would assist the trustees and other stakeholders in their ability to assess the *future* financial status of the Plans.

Projections

We commend Segal for including projections of the outstanding balance of the Unfunded Actuarial Liability (UAL) and UAL payment projections in the pension plan actuarial valuation report. However, under EBMUDERS’s asset smoothing method there are gains and losses to be realized over the next four years, even if the investment returns achieve the 6.75% target each year, that are not included in Segal’s projections.

We believe that the report would be significantly improved and more useful to readers if it contained projections of future employer contributions, the projected UAL (including the phasing-in of deferred gains and losses), and funded ratios. Also, the dynamics of the 2013 Tier in reducing the employer contribution rate should be of interest to stakeholders. At a minimum, these projections should be based on all assumptions being met.

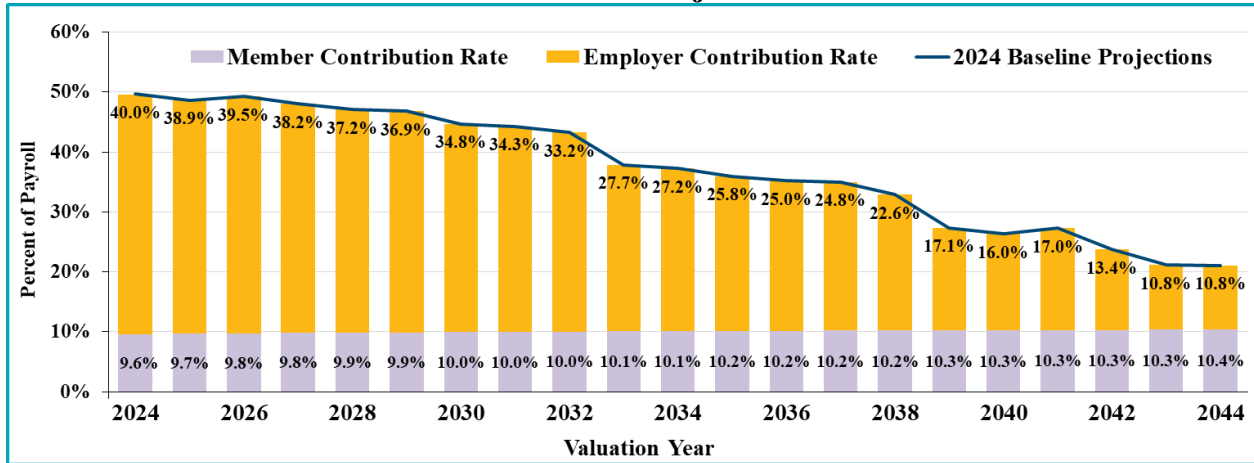
We note that including deterministic projections directly in the valuation report is a common approach. We note that these types of projections were included in EBMUDERS’s Risk Assessment report dated April 29, 2021, but we suggest that including these types of projections in the annual valuation report would provide a benefit to the reader by providing them with the most current information and enabling them to have complete information without having to review a second report.

On the following page, we have provided projections for EBMUDERS, the Pension Plan based on an assumption that the 6.75% assumed rate of investment return will be achieved every year in the projection period and all other actuarial assumption are met.

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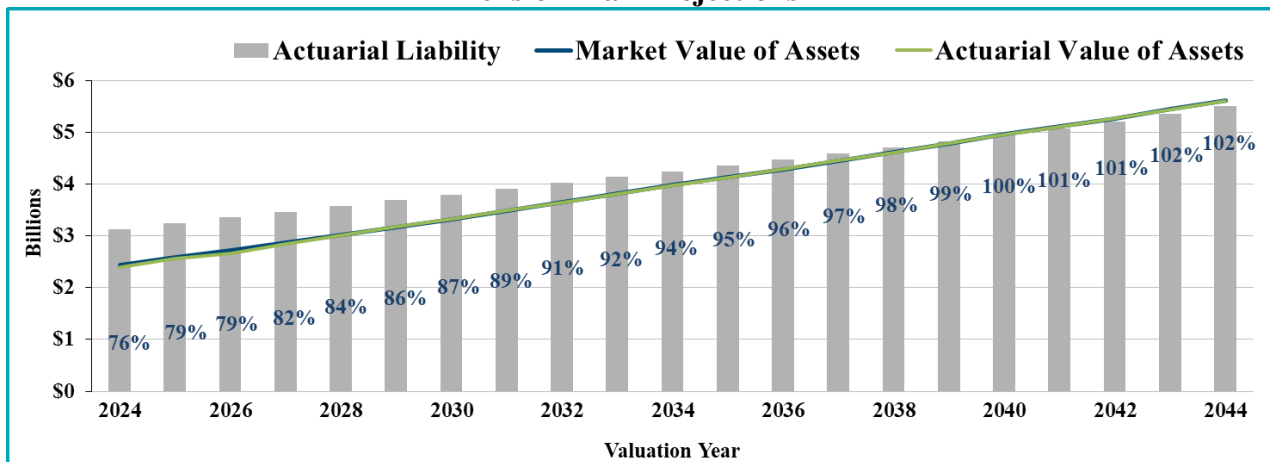
Pension Plan Projections



The contribution projections show the employer contribution rate over the next 20 years. The employer contribution rate is expected to decrease next year due to the final recognition of the 2021 asset gains and then increase in the 2026 valuation due to the final recognition of the 2022 asset losses. After 2026, the rate gradually decreases as amortization layers are fully paid and as 2013 Tier new hires replace the 1955/1980 Tier members when they leave the Plan. In 2033, the experience losses from 2003 and 2013 and a plan amendment from 2003 are fully paid, decreasing the contribution rate by 5.5% of payroll. The decrease in 2039 is primarily due to the investment loss from 2009 being fully paid. By 2043, the Unfunded Actuarial Liability is expected to be fully paid and the employer contribution rate is the normal cost rate.

The next graph shows a projection of the pension plan assets and liabilities with the funded ratio (shown in blue font) based on the Actuarial Value of Assets (the green line).

Pension Plan Projections



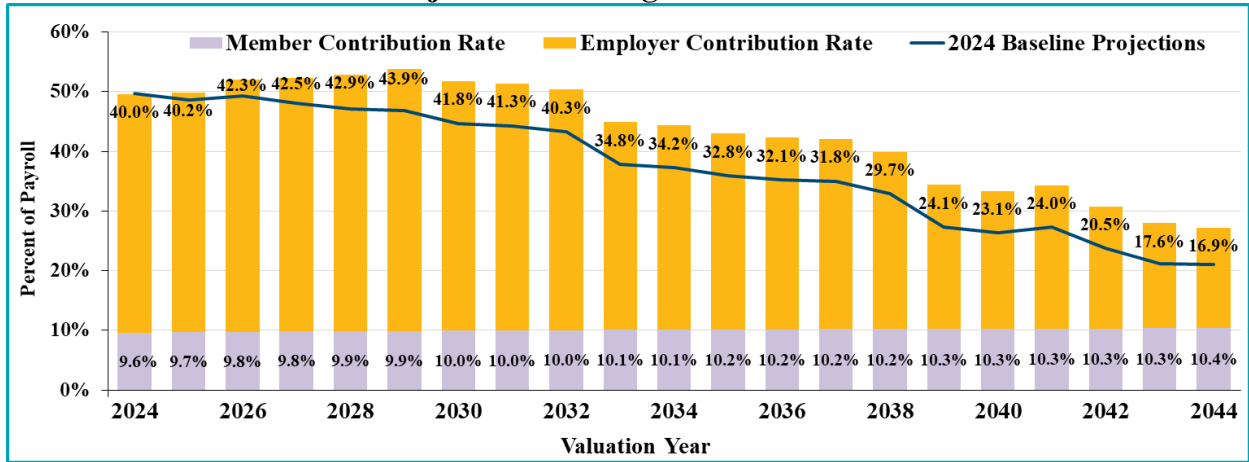
The projections show gradual funding progress each year, except in 2026, when the final recognition of the 2022 investment loss is recognized. The pension plan is expected to be fully funded in 2040, if all actuarial assumptions are met in each future year, including an investment return of 6.75% each year.

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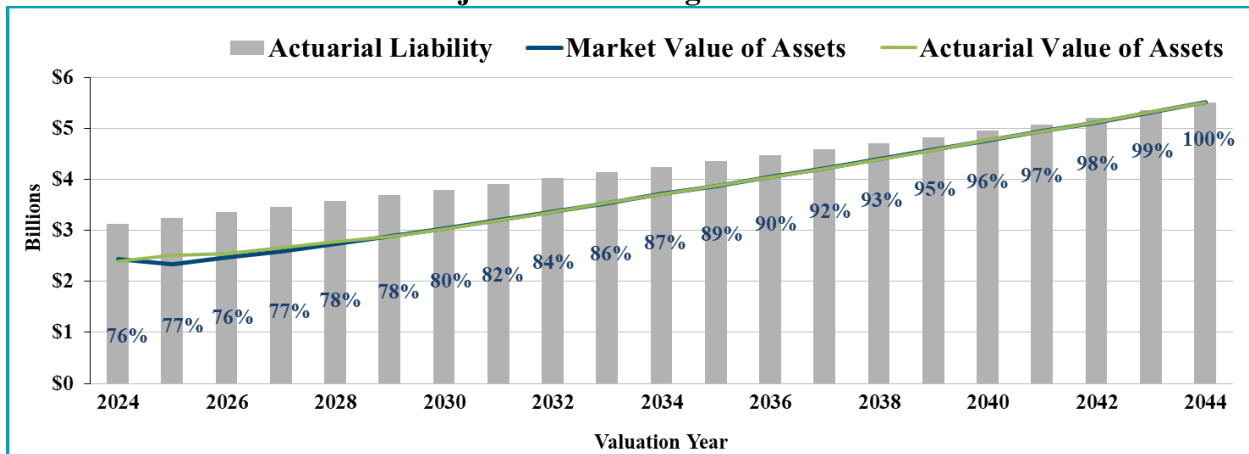
Other potential uses of a projection could include showing the impact of a stress test, such as a -3.25% return (a 10% loss compared to the 6.75% assumption), on the Plan's short and long-term cost and funded status. The blue line represents the 2024 baseline projection assuming a 6.75% return each year. The projected contribution rate increases over the next five years as the investment loss is recognized based on the actuarial smoothing method.

Pension Plan Projection assuming a -3.25% return in FYE 2025



There is slow progress in the funded ratio as the investment losses are phased-in over a 5-year period. The pension plan is still expected to reach 100% funding but not until 2044 under this scenario.

Pension Plan Projections assuming a -3.25% return in 2025



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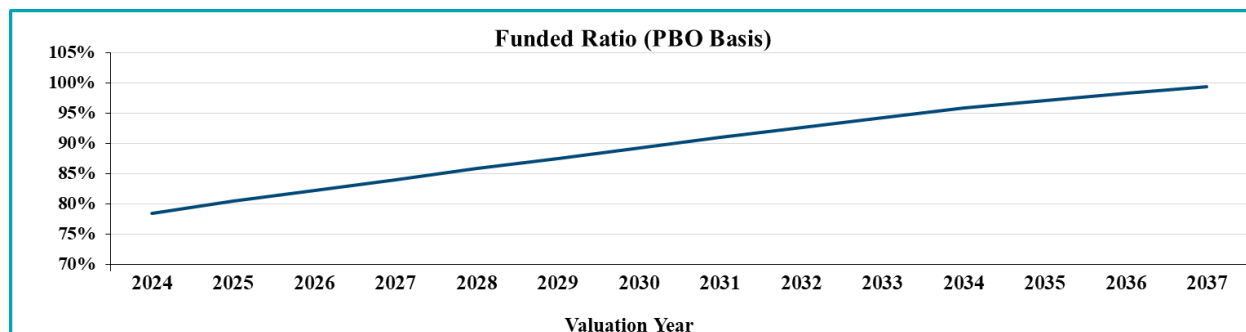
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Risk Disclosures

In order to comply with ASOP No. 51, actuaries must both identify and assess risks that “may reasonably be anticipated to significantly affect the plan’s future financial condition” (Section 3.2). The identification and measurement of risk can be done in either the valuation report or a separate document, as Segal has done in their Risk Assessment Report as of June 30, 2020, and we commend Segal in their identification of specific risk factors on page 12-13 of this report. However, we suggest Segal consider adding inflation risk since EBMUDERS’ additional COLA plan provision is dependent on inflation.

Section 3.4 of ASOP No. 51, identifies several methods – including stochastic modeling – for the actuary to use for assessing risks that have been identified. We note that Segal’s Risk Assessment Report does not include any analysis of this additional COLA provision. This risk is becoming more significant since the Plans are better funded and the retirees have built up COLA banks due to the recent higher inflationary environment.

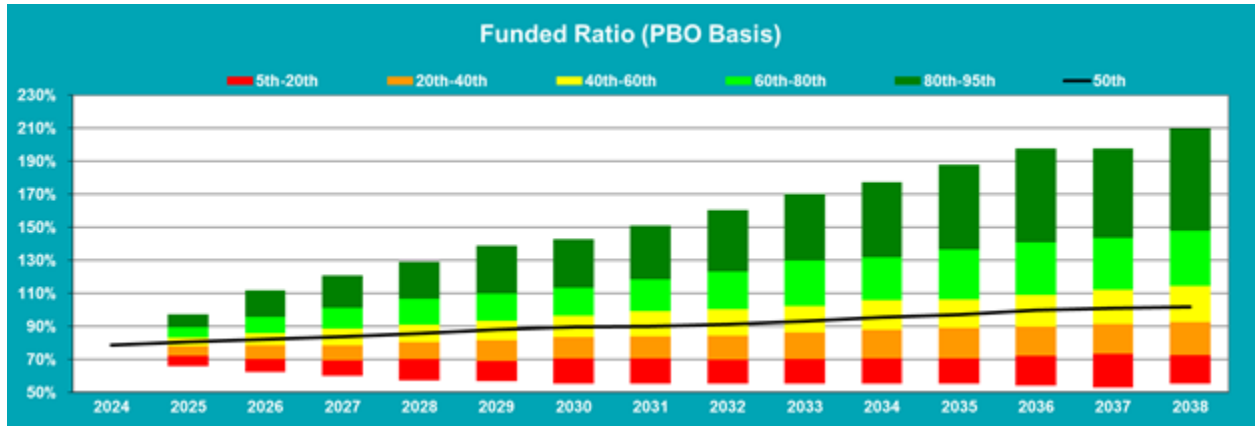
The graph below shows the projection of the funded ratio on a PBO and Market Value of Asset basis. As of June 30, 2024, the funded ratio is 78.4% and is expected to be 85% funded by 2028, if all assumptions are met including the assets earning 6.75% each year. Once the Plans are 85% funded, COLAs above the current 3% cap can be granted and members may draw down any existing COLA banks quicker if CPI is higher than 3%.



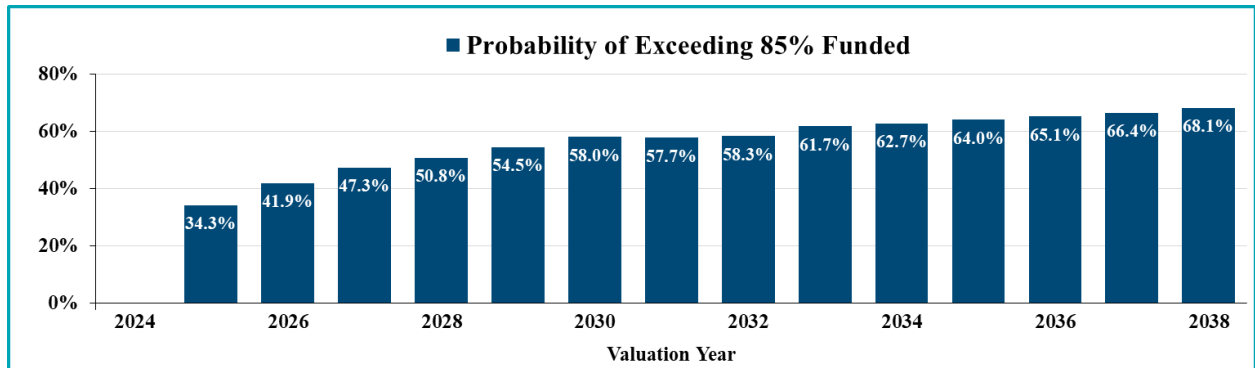
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SECTION VI – CONTENTS OF REPORTS

To estimate the impact of these potential increases in benefits, determining the likelihood of the PBO funded ratio exceeding 85% for each year in the future is necessary. Using stochastic modeling and simulating EBMUDERS's investment returns (based on a 12.9% standard deviation provided by Meketa) under thousands of scenarios, the distribution of the funded ratio for each year is shown in the graph below.



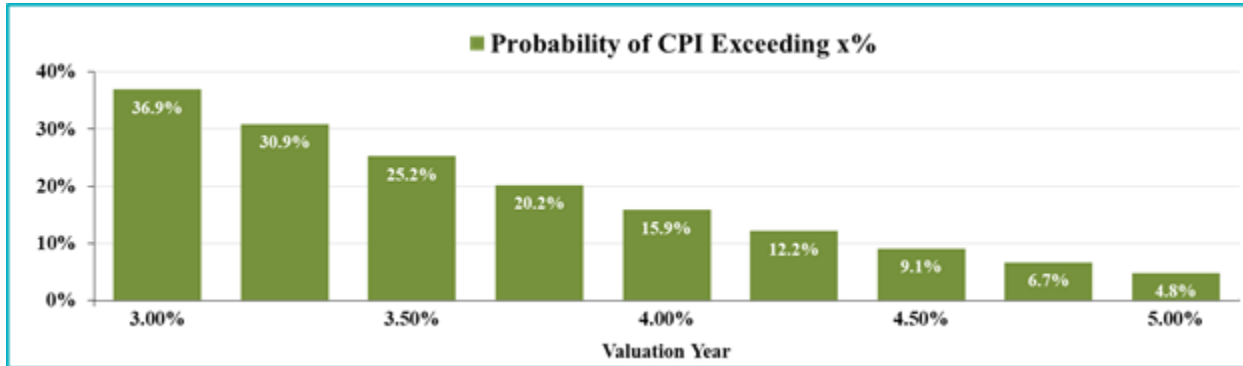
We then calculated the probability of the PBO funded ratio exceeding 85% for each year in the future. Here we are showing those probabilities through 2038, when it reaches 68.1%. The probabilities continue to increase and reach 85% by 2052 which means that the likelihood of granting these additional COLAs is expected to continue to increase.



**ACTUARIAL AUDIT REPORT OF THE
EAST BAY MUNICIPAL UTILITY DISTRICT EMPLOYEES' RETIREMENT SYSTEM**

SECTION VI – CONTENTS OF REPORTS

However, the likelihood of granting additional COLAs also depends on CPI exceeding certain thresholds. The graph below shows the probability of CPI exceeding 3.00% in 25 basis point increments based on EMBUDERS's assumed inflation of 2.5%.



By combining these probabilities to determine the chance and magnitude of an additional COLA being granted, we estimate the potential for additional COLA benefits adds roughly \$20 million to the pension plan Actuarial Liability and would increase the Actuarially Determined Contribution by about 0.6% of payroll.

**ACTUARIAL AUDIT REPORT OF THE
EAST BAY MUNICIPAL UTILITY DISTRICT EMPLOYEES' RETIREMENT SYSTEM**

APPENDIX A – GLOSSARY OF TERMS

1. Actuarial Assumptions

Estimates of future experience with respect to rates of mortality, disability, turnover, retirement, investment income, and salary increases. Demographic assumptions (rates of mortality, disability, turnover, and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.

2. Actuarial Gain (Loss)

The difference between actual experience and actuarial assumption anticipated experience during the period between two actuarial valuation dates, as determined in accordance with a particular actuarial funding method.

3. Actuarial Liability

The Actuarial Liability is the present value of all benefits accrued as of the valuation date using the methods and assumptions of the valuation. It is also referred to by some actuaries as the “accrued liability” or “actuarial accrued liability.”

4. Actuarial Present Value

The amount of funds currently required to provide a payment or series of payments in the future. It is determined by discounting future payments at predetermined rates of interest, and by probabilities of payment.

5. Actuarial Value of Assets

The Actuarial Value of Assets equals the Market Value of Assets adjusted according to the smoothing method. The smoothing method is intended to smooth out the short-term volatility of investment returns in order to stabilize contribution rates and the funded status.

6. Actuarial Cost Method

A mathematical budgeting procedure for allocating the dollar amount of the “actuarial present value of future plan benefits” between the actuarial present value of future normal costs and the Actuarial Liability. It is sometimes referred to as the “actuarial funding method.”

**ACTUARIAL AUDIT REPORT OF THE
EAST BAY MUNICIPAL UTILITY DISTRICT EMPLOYEES' RETIREMENT SYSTEM**

APPENDIX A – GLOSSARY OF TERMS

7. Funded Status

The Actuarial Value of Assets divided by the Actuarial Liability. The funded status can also be calculated using the Market Value of Assets.

8. Governmental Accounting Standards Board

The Governmental Accounting Standards Board (GASB) defines the accounting and financial reporting requirements for governmental entities. GASB Statement No. 67 defines the plan accounting and financial reporting for governmental pension plans, and GASB Statement No. 68 defines the employer accounting and financial reporting for participating in a governmental pension plan. GASB Statement No. 74 defines the plan accounting and financial reporting for governmental OPEB plans, and GASB Statement No. 75 defines the employer accounting and financial reporting for participating in a governmental OPEB plan.

9. Market Value of Assets

The fair value of the Plan's assets assuming that all holdings are liquidated on the measurement date.

10. Normal Cost

The annual cost assigned, under the actuarial funding method, to current and subsequent plan years. It is sometimes referred to as "current service cost." Any payment toward the Unfunded Actuarial Liability is not part of the normal cost.

11. Present Value of Projected Benefits

The estimated amount of assets needed today to pay for all benefits promised in the future to current members of the Plan, assuming all actuarial assumptions are met.

12. Present Value of Future Normal Costs

The actuarial present value of retirement association benefits allocated to future years of service.

13. Unfunded Actuarial Liability (UAL)

The difference between the Actuarial Liability and the Actuarial Value of Assets. This is sometimes referred to as the "unfunded accrued liability."



Classic Values, Innovative Advice

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: March 20, 2025

MEMO TO: Members of the Retirement Board

FROM: Sophia D. Skoda, Director of Finance *SDS*

SUBJECT: Selection of Fixed Income Investment Managers (Bank Loans and High Yield)

RECOMMENDATION

Select two Bank Loans managers and one High Yield manager from the finalists presenting to the Retirement Board.

BACKGROUND

As part of its Asset Allocation Study approved at the May 23, 2024 Retirement Board meeting, the Retirement Board selected an asset allocation that increased the portfolio's allocation to fixed income. The updated plan increases allocations to Bank Loans and High Yield. Each of these two mandates will have two managers after the conclusion of the current manager search.

Following a request for proposals (RFP) disseminated by Meketa, staff and Meketa worked to select finalists to present to the Retirement Board. Three firms, including incumbent Federated Hermes, will be interviewed for the Bank Loans mandate and two firms will be interviewed for the High Yield mandate. The firms that the Retirement Board will interview are:

Bank Loans

- Beach Point
- Aristotle Pacific Asset Management
- Federated Hermes

High Yield

- Brigade
- Nomura

Staff plans for the prospective Bank Loan managers to interview first followed by the High Yield managers. The items are agendaized as action items which will give the Retirement Board the opportunity to make firm selections at this Retirement Board meeting following the presentations/interviews. Staff recommend selecting two of the three Bank Loan firms following those interviews. Staff recommends selecting one of the two High Yield firms following their interviews.

Selection of Fixed Income Investment Managers (Bank Loans and High Yield)

March 20, 2025

Page 2

The attached memo from Meketa describes the due diligence and evaluation process utilized to identify, assess, and establish the list of the Bank Loans and High Yield managers invited to make presentations to the Retirement Board.

SDS:SGL

Attachments: Memo – High Yield and Bank Loans Manager Search – Finalists
Presentation – Comparison Bank Loans Finalists
Presentation – Beach Point
Presentation – Aristotle Pacific Asset Management Presentation
Presentation – Federated Hermes
Presentation – Comparison High Yield Finalists
Presentation – Nomura
Presentation – Brigade

MEMORANDUM

TO: East Bay Municipal Utility District Employees' Retirement System ("EBMUDERS")
FROM: Meketa Investment Group, Inc ("Meketa")
DATE: March 20, 2025
RE: High Yield and Bank Loans Manager Search - Finalists

Summary

At the completion of the 2024 Asset-Liability Study, the Board selected new long-term strategic allocation policy targets. With this new portfolio construct, the allocation to Bank Loans increased from 2.5% to 5.0%, and the allocation to High Yield increased from 2.5% to 7.5%. Based on the Evolving Policy Plan, these targets are expected to be achieved by the end of calendar year 2025, if not sooner.

In order to implement the increased allocations to the High Yield and Bank Loans segments, a public RFP was released in November 2024. The purpose of this memo is to briefly summarize the responses received, the review process that was completed, and the list of finalist firms (see table below). The Board will be interviewing the finalist firms at this March 20, 2025, Retirement Board Meeting.

Mandate	Finalist Firms
Bank Loans	<ul style="list-style-type: none">- Beach Point- Federated Hermes (incumbent)- Pacific Asset Management
High Yield	<ul style="list-style-type: none">- Brigade- Nomura

Given this finalist list, the EBMUDERS Retirement Board will be selecting two managers for the Bank Loans mandate and one manager (to pair with MacKay Shields) for the High Yield mandate.

Discussion

In October 2024, Meketa and Staff developed separate RFPs for both High Yield and Bank Loans manager searches. These RFPs were customized for the potential mandates with EBMUDERS, including specific questions related to ESG and DEI topics.

The RFP was publicly released on November 13, 2024. In addition to the public release, both of EBMUDERS's current managers (MacKay Shields and Federated) were asked to respond. The deadline for responses was December 9, 2024. For the High Yield search, 38 firms (39 strategies) submitted responses. For the Bank Loans search, 29 firms (30 strategies) submitted responses. In Meketa's

opinion, both of these searches were well-received by the marketplace and the quantity of responses provided EBMUDERS with an attractive universe to select from.

During the month of December, Meketa reviewed the responses for both the High Yield and Bank Loans RFPs. Responses were reviewed across multiple facets, including reviewing the respective organizations, investment teams, investment philosophies/processes, performance, and additional considerations that we believe to be important to a potential EBMUDERS engagement. In January 2025, Meketa provided EBMUDERS Staff with a “short-list” of 11 firms for each mandate (10 new firms + the respective incumbents). The goal was to incorporate Staff’s perspective/review during the latter stages of the review process in order to collectively land on a list of 2-3 managers per segment for the Board to interview in March. Meketa and EBMUDERS Staff held several calls in January and February in order to further discuss the analysis and potential finalist firms to be interviewed by the EBMUDERS Retirement Board.

Meketa’s manager research team is comprised of senior investment professionals, including former portfolio managers and research analysts. When conducting manager searches, we do not rely solely on a preferred list or a stable of investment managers, but instead, employ a rigorous due diligence process to identify top-flight managers to meet our clients’ objectives

Meketa has specific, strict criteria to identify manager candidates for our clients. Utilizing our expert tools and resources, we ensure that the most appropriate managers have been identified for each client for each search. As described below, we evaluate a manager’s strategy and process, resources and performance, and fees:

Investment Strategy – We analyze each manager’s investment strategy from several perspectives. We seek to understand the main drivers of performance (e.g., security selection, credit research, sector rotation, quality bias, etc.). We evaluate each strategy and its likelihood of producing superior investment returns in the future. As discussed earlier, each manager’s approach to ESG and DEI were reviewed in order to assess their consistency with EBMUDERS’s goals and objectives.

Investment Process – We evaluate the process behind the implementation of each manager’s investment strategy to ensure that it is clearly articulated, consistently applied, cohesive, and efficient. An inadequate process can lead to poor or delayed investment decisions.

Investment Resources – We evaluate each organization’s structure to ensure stability and depth. In today’s turbulent environment, when it’s common for key personnel to leave an investment organization without warning, it is crucial to ensure that the talent pool is sufficiently deep to withstand personnel departures.

Investment Performance – We evaluate the performance record of each manager, including relative and absolute total returns. Also, returns are evaluated to determine the risk inherent in the investment strategy and the “fit” of the particular strategy within the existing investment plan. For EBMUDERS’s, the “fit” was of particular importance given the number of managers in each segment and the potential pairing of multiple managers, including with EBMUDERS’s existing managers.

Operating Costs – We evaluate all the costs involved in implementing an investment strategy. The surest way to produce a higher investment return is to lower management fees and other operating costs.

Conclusion

Based on Meketa’s and EBMUDERS Staff’s analysis, the firms detailed below represent the highest conviction finalist candidates for the EBMUDERS portfolio. As discussed at the January 2024 Retirement Board meeting, if an existing manager (i.e., Federated and/or MacKay Shields) was reaffirmed to be an appropriate and competitive fit for the portfolio, they would not be required to interview to retain their mandate. If an existing manager was determined to exhibit certain shortcomings relative to the universe of alternative managers, that manager would be selected to interview with the EBMUDERS Retirement Board to determine their continued retention or termination. As detailed in the table below, Federated fell under this latter category and will be interviewed by the Retirement Board. Given this finalist list, the EBMUDERS Retirement Board will be selecting two managers for the Bank Loans mandate and one manager (to pair with MacKay Shields) for the High Yield mandate.

Mandate	Finalist Firms
Bank Loans	<ul style="list-style-type: none">- Beach Point- Federated Hermes (incumbent)- Pacific Asset Management
High Yield	<ul style="list-style-type: none">- Brigade- Nomura

A detailed overview of each of the firms and proposed strategies is provided in separate presentations for each of the manager searches. The Meketa Client Team, as well as members from Meketa’s Fixed Income Manager Research Team, will be available during the interview discussion to guide the Retirement Board through the final selection process.

APPENDIX

The primary contents of the original Evolving Policy Plan memorandum (as presented in July 2024) are provided below. The following tables has been modified with red font to highlight stages that are no longer in effect.

Evolving Policy Plan

Policy Allocations			
	Stage 0	Stage 1	Stage 2
	Starting Policy	Current Policy 10/1/2024	Approximately 7/1/2025
US Equity	25.0%	33.5%	35.0%
Non-US Equity	25.0%	25.0%	25.0%
Covered Calls	20.0%	14.0%	7.5%
REITS	2.5%	0.0%	0.0%
Core Private Real Estate	2.5%	2.5%	2.5%
Investment Grade Bonds	20.0%	20.0%	20.0%
High Yield Bonds	2.5%	2.5%	5.0%
Bank Loans	2.5%	2.5%	5.0%
Private Debt	0.0%	0.0%	0.0%
TOTAL	100.0%	100.0%	100.0%
Expected Long-term Return*	8.0%	8.1%	8.1%
Expected Volatility*	13.1%	13.2%	13.2%

Change from Prior Period			
	Stage 0	Stage 1	Stage 2
	Starting Policy	Current Policy 10/1/2024	Approximately 7/1/2025
US Equity	---	8.5%	1.5%
Non-US Equity	---	---	---
Covered Calls	---	-6.0%	-6.5%
REITS	---	-2.5%	---
Core Private Real Estate	---	---	---
Investment Grade Bonds	---	---	---
High Yield Bonds	---	---	2.5%
Bank Loans	---	---	2.5%
Private Debt	---	---	---

*From the 2024 Asset-Liability Study

Evolving Policy Plan (continued)

Policy Allocations			
	Stage 3	Stage 4	Stage 5
	<i>Approximately 1/1/2026</i>	<i>Approximately 4/1/2026</i>	<i>Approximately 7/1/2026</i>
US Equity	35.0%	35.0%	35.0%
Non-US Equity	25.0%	25.0%	25.0%
Covered Calls	5.0%	2.5%	0.0%
REITS	0.0%	0.0%	0.0%
Core Private Real Estate	2.5%	2.5%	2.5%
Investment Grade Bonds	20.0%	20.0%	20.0%
High Yield Bonds	7.5%	7.5%	7.5%
Bank Loans	5.0%	5.0%	5.0%
Private Debt	0.0%	2.5%	5.0%
TOTAL	100.0%	100.0%	100.0%
Expected Long-term Return*	8.1%	8.1%	8.2%
Expected Volatility*	13.2%	13.0%	12.9%

Change from Prior Period			
	Stage 3	Stage 4	Stage 5
	<i>Approximately 1/1/2026</i>	<i>Approximately 4/1/2026</i>	<i>Approximately 7/1/2026</i>
US Equity	---	---	---
Non-US Equity	---	---	---
Covered Calls	-2.5%	-2.5%	-2.5%
REITS	---	---	---
Core Private Real Estate	---	---	---
Investment Grade Bonds	---	---	---
High Yield Bonds	2.5%	---	---
Bank Loans	---	---	---
Private Debt	---	2.5%	2.5%

*From the 2024 Asset-Liability Study

East Bay Municipal Utility District Employees' Retirement System

March 20, 2025

Bank Loan Manager Search

- 1. Background**
- 2. Bank Loan Search Introduction**
- 3. Bank Loan Manager Search**
 - Manager Summaries
 - Portfolio Characteristics, Historical Performance, and Management Fees
- 4. Appendix**
 - Manager Evaluation Criteria

Background

Background

- EBMUDERS/Meketa issued a public RFP in which 29 firms responded with a total of 30 proposed strategies. Meketa Investment Group's Research collaborated with EBMUDERS Staff on developing a short list of managers for consideration. This list includes the following investment managers, which are discussed and analyzed throughout this document.
- The ten bank loan managers that made the initial short list are highlighted below, in addition to the incumbent manager (Federated).

Manager	Strategy
Ares Management, LLC	Bank Loan
Aristotle Pacific	Corporate (Bank) Loan
Bain Capital Credit	Senior Loan
Beach Point Capital Management	Loan Fund
Brigade Capital Management, LLC	Bank Loan
CVC Syndicated Loans Europe	Global Yield Fund
Federated Hermes ¹	Bank Loan
First Eagle Investment Management, LLC	Bank Loan Select
Kohlberg Kravis Roberts & Company	Bank Loans
Macquarie Investment Management	Bank Loan
Octagon Credit Investors, LLC	Senior Secured Credit

¹ Incumbent Manager.

Background (Continued)

- Following discussions with staff and Meketa, the short list was further narrowed down to 3 finalists.
- The three finalists outlined in this document are:

Manager	Strategy
Federated Hermes ¹	Bank Loan
Aristotle Pacific	Corporate (Bank) Loan
Beach Point Capital Management	Loan Fund

¹ Incumbent Manager.

Manager Research Structure and Monitoring

- At Meketa, manager research is a centralized function whereby there is an asset class specialist team, either in public markets or private markets, that actively monitors existing and potential strategies in their asset classes. On the public markets side, each team within fixed income, equities, and marketable alternatives have a team lead that reports up to our head of public markets research.
- On an individual account basis, the research team works in coordination with client specific consultants, investment analysts and performance analysts to monitor existing investments. It is the responsibility of the manager research teams to monitor developments at the investment manager while the client team will be responsible for monitoring client specific guidelines and objectives.
- In addition to periodic updates with investment managers in the industry, Meketa utilizes a combination of internal and external tools to monitor investments within each asset class including but not limited to, proprietary research, internal databases, Diligence Vault, eVestment, Morningstar, etc.
- Meketa's Public Markets Research Team members are shown on the following organizational chart. Mark McKeown leads Meketa's Fixed Income manager research team.

Public Markets Manager Research Team

Marketable Securities Oversight Committee



As of December 2024.
(Years industry experience, Years with firm)

Bank Loan Search Introduction

Manager Due Diligence Process Introduction

- Selecting strong and appropriate investment managers is a key determinant of the overall success of the plan. Investment managers are expected to operate within a client's investment guidelines and are given a large degree of latitude to achieve the investment objectives.
- Manager selection is a nuanced process and requires extensive due diligence. When selecting prospective active managers, Meketa Investment Group evaluates the following areas:
 - Organization
 - Investment team
 - Investment philosophy
 - Investment process
 - Investment performance
 - Management fees
- In addition, all managers are evaluated within the context of the client's overall investment policy.

Bank Loan Manager Search

Manager Summaries

Manager Overviews As of September 30, 2024

	Federated Hermes	Aristotle Pacific	Beach Point
Firm Location	Pittsburgh, PA	Newport Beach, CA	Los Angeles, CA
Firm Inception	1955	2007	2009
Ownership Structure	Publicly Traded	60% owned by Aristotle Capital 40% Employee owned	100% Employee Owned
Strategy Name	Bank Loan	Corporate (Bank) Loan Strategy	Loan Strategy
Benchmark	CS Leveraged Loan	CS Leveraged Loan	CS Leveraged Loan
Strategy Inception	Jan 2011	Jan 2007	May 2005
Vehicle Availability	SMA	Commingled	Commingled
Assets Under Management (Firm)	\$795.8 billion	\$29.4 billion	\$18.2 billion
Assets Under Management (Strategy)	\$465 million	\$8.3 billion	\$2.9 billion

Federated Hermes

Organization: Federated Hermes is a Pittsburgh-based global asset manager founded in 1955 with \$800 billion in assets under management as of September 2024. The firm is primarily known for liquidity management with \$593 billion under management within Money Markets. The firm also has \$100 billion in Fixed Income assets under management, of which \$465 million were managed in the Bank Loan strategy. The Global Fixed Income platform has seen meaningful growth over the past 5+ years where assets have grown from \$57 billion in 2018 to \$100 billion in 2024. About \$6 billion in assets came over following the acquisition of Hermes Investment Management in July 2018. Hermes was a London-based investment manager that specialized in ESG technology and integration. Following the acquisition, approximately 95% of the fixed income assets are managed out of Pittsburgh.

Investment Team: Anthony Venturino and Mark Durbiano are the lead portfolio managers responsible for the Bank Loan Strategy. Federated's fixed-income group is led by Robert Ostrowski, CFA, CIO of Global Fixed Income. Mr. Durbiano has been part of the High Yield Team since 1982 and has served as the lead portfolio manager since 1987. Mr. Venturino joined Federated in 2005 and has 27 years of industry experience. Mr. Durbiano leads a team of 17 dedicated investment professionals consisting of portfolio managers, analysts, and traders. The investment team averages 18 years of industry experience and 16 years of experience at Federated Hermes. Analysts are industry specialists that cover both bank loans and high yield bonds. Long time portfolio manager, Steven Wagner, departed Federated in September 2023 after 25 years with the firm.

Investment Philosophy: The foundation of their philosophy is to limit downside risk. They look for market leading companies with defensible share and proven management teams, and focus on business models that generate durable, consistent, and resilient free cash flow. They favor larger companies with broader end-market and customer diversification and tend to stay away from smaller companies or those in niche industries or with significant concentration.

Investment Process: The core of their investment process is their in-house research that is conducted for each specific issuer. They will also consider indentures and covenants as part of their overall analysis with support of a third-party service (Covenant Review). After they have completed a thorough fundamental analysis, they evaluate the company's debt securities for relative value. The relative value process includes the lead analyst, portfolio managers, and traders which results in the analyst assigning a risk-adjusted total return rating of 1 to 5 along with a recommendation to purchase or sell an existing holding. After the analyst makes a recommendation, the senior portfolio manager, high-yield traders, and the analyst assess the relative value. They define their investable universe as all US dollar denominated leveraged bank loans rated between BBB and CCC with at least \$50 million of EBITDA. The strategy will invest a minimum of 80% in bank loans but does not have formal constraints on 1st or 2nd lien exposure. Exposure to any one industry will not exceed 25%. The portfolio will typically hold between 250 to 350 positions. The strategy may invest in short duration high yield bonds, bank loan ETFs, ABS, CLOs and cash to manage liquidity needs.

Aristotle Pacific

Organization: Aristotle Pacific Capital is a privately owned investment manager headquartered in Newport Beach, CA. In 2023, Aristotle acquired Pacific Asset Management (“PAM”), a former subsidiary of Pacific Life, and the PAM team was rebranded as Aristotle Pacific Capital. The Aristotle Pacific team operates as one team that oversees bank loans, high yield, and investment grade bond strategies. Aristotle Capital owns 60% of the firm’s interest with the remaining 40% held by select employees. As of September 2024, Aristotle Pacific managed a total of \$29.4 billion, with \$8.3 billion managed in the proposed Bank Loan strategy that was incepted in January 2007.

Investment Team: The Bank Loan Strategy is managed by JP Leasure and Michael Marzouk, Co-Portfolio Managers on the Strategy. JP Leasure has been a portfolio manager on the strategy since its inception. Michael Marzouk became a Portfolio Manager on the strategy in 2010 but has supported the strategy since inception. The Portfolio Managers are also supported by an Associate Portfolio Manager, Tommy Zhang. Tommy joined the firm in 2016 and became an Associate Portfolio Manager in 2023. JP, Michael, and Tommy have 28, 27, and 11 years of experience, respectively. Portfolio managers also have trading responsibilities and are accountable for both strategy implementation and trading execution. The portfolio management team is supported by a credit research team of 14 analysts, comprised of dedicated research analysts and portfolio managers with research responsibilities. Analysts are sector specialists and cover the entire capital structure. In addition to the bank loan strategy, they also support the high yield bond and investment grade strategies.

Investment Philosophy: The strategy seeks to outperform over both the short- and long-term periods through credit selection and sector rotation. Bottom-up credit analysis drives the strategy, but the team also incorporates a top-down assessment of the economy and loan market into the portfolio. The team will concentrate on understanding each company thoroughly, and as such, they will manage a slightly more concentrated portfolio relative to the peer group. The portfolio is relatively more concentrated than peers as it tends to have exposure to 80-100 issuers and ~150 loan issues but will also focus on the largest and most liquid issues. Their process screens out issuers that are less than \$300 million in facility size or \$100 million in EBITDA and they do not invest in non-USD securities.

Investment Process: The investment process begins with an assessment of the macroeconomic environment, which is led by the portfolio managers, but supported by information and ideas from the analysts. This assessment directs the analysts on what type of companies and opportunities are most attractive for the portfolio, so they can spend most of their time performing research on loans that have a high likelihood of being appropriate for the portfolio. Analysts leverage their experience covering specific sectors to aid in their analysis of underlying companies. They conduct in-depth research on companies prior to recommending an investment. All potential portfolio positions are presented to the entire team, but portfolio managers make the final decision. Relative value is always a group discussion at this point. Each portfolio name must have a fundamental and portfolio thesis to be purchased. Portfolio managers collectively make decisions on credit selection, industry exposure, and credit quality positioning. The strategy invests at least 80% of assets in bank debt instruments, including secured and unsecured loans, first-lien and second-lien loans. The strategy may invest up to 20% in other types of debt instruments.

Beach Point

Organization: Beach Point is 100% employee owned and was founded in Santa Monica, CA by Carl Goldsmith and Scott Klein in January 2009 when the alternative credit and bank loans team spun out of Post Advisory. Goldsmith and Klein were the longest tenured members of Post's investment team, as they were Larry Post's first and second hires in 1995 and 1996, respectively. In addition, they are childhood friends and also got their undergraduate and law degrees together. They are currently Co-Chairmen & Co-CEOs of Beach Point and each own 50% of the firm. As of September 2024, Beach Point had \$18.2 billion in assets under management with \$2.9 billion on the Senior Loan strategy (incepted in May 2005).

Investment Team: Allan Schweitzer and Sinjin Bowron are the day-to-day managers of the Loan Fund and the high yield-focused long-only strategies. They were added to as PMs to the Loan Fund in 2017/2018. They discuss all high-level credit and portfolio exposure decisions with Goldsmith and Klein but are very active in making relative value and shorter-term trades. Mr. Schweitzer joined Beach Point in 2010 from Post where he was the lead portfolio manager on the high yield strategies. Mr. Bowron has been working on the Loan Fund since 2015. They are supported by a large team of sector focused analysts who support all Beach Point Strategies. Eight members of the investment team (including the co-founders) are lawyers or are legally trained.

Investment Philosophy: Beach Point employs an opportunistic approach that seeks to identify credits that are misunderstood and mis-valued by the market. Their approach to credit analysis and portfolio management is hedge fund/alternative-like in that they try to not only understand a company and its debt structure, but also how the debt is traded and if there are any short-term opportunities or events, they may be able to exploit to realize total return. Additionally, Beach Point believes that they can add value by following smaller and/or off-the-run bond or loan issues, or getting involved in complex companies, capital structures, or situations. Beach Point typically has an overweight to the smaller names in the bank loan universe (facility sizes less than \$500 million).

Investment Process: Investment ideas are generated by both portfolio managers and analysts based on their extensive industry experience, close relationships with companies, and sell-side analysts. The credit research process is thorough and involves an in-depth analysis of the capital structure, loan covenants, asset coverage, and liquidation value. Loans are evaluated using a proprietary Value Scoring Model, developed by the team many years ago while at Post. The model measures the company, industry, and loan structure attributes that may be attractive or cause concern. The team uses this as a checklist, evaluation, and relative value tool. Each loan in the portfolio is given a risk and liquidity score and the individual position and portfolio scores are regularly monitored by portfolio managers. The portfolio managers also incorporate their industry and credit views into the portfolio positioning. The Bank Loan strategy will invest in non-benchmark sectors such as debtor-in-possession ("DIP") loans, high yield bonds (typically 25% max), and exit financings. The portfolio will not have less than 90% invested in secured debt. The portfolio will also have exposure to non-US company debt (30% max). The portfolio managers will also allocate cash to reduce portfolio-level risk.

Summary of ESG Responses

Our review finds that each manager has a sound process for integrating material ESG considerations into their bank loan investment decisions. We find BeachPoint and Federated Hermes have somewhat longer experience and more thoroughly developed processes for integrating material ESG risks than Aristotle Pacific.

- Each finalist integrates material ESG considerations into investment decisions.
- Each finalist has dedicated ESG specialists either supplementing the investment team (Beach Point and Aristotle Pacific) or embedded in the investment team (Federated Hermes).
- No finalist invests in single family or small multi-family housing in this product.
- Each finalist is a member of PRI (Federated Hermes a founding member in 2006 and Aristotle Pacific since 2024).
- Finalists exhibit varying percentages of overall firm AUM that integrate ESG (reflects type of investment products to some degree).
- No finalist is a minority-owned firm.

Firm	PRI Member	Percent of Firm AUM Incorporating ESG	Written Diversity Policy?	Integrate ESG?	Integrate Since when?	ESG Engagement?	ESG Specialist Staff?	Invest in single or small multi-family homes?
Federated Hermes	Yes, 2006 (founding member)	76.6%	Yes	Yes	2019 (RI since 2004)	Yes (mainly HY)	Yes, within investment team	No
Aristotle Pacific	Yes, 2024	39%	Not Yet. Have DEI Council Statement	Yes	No Date Provided	No	Yes, addition to investment team	No
BeachPoint	Yes, 2021	83.7%	Yes	Yes	2019	Yes	Yes, addition to investment team	No

Portfolio Characteristics, Historical Performance, and Management Fees

Portfolio Characteristics As of September 30, 2024

	Federated Hermes	Aristotle Pacific	Beach Point	CS Lev Loan
Pricing				
Average Dollar Price (\$)	97.8	99.6	97.8	97.4
Average Spread (bps)	316	375	492	363
Average Maturity (years)	4.9	4.5	4.7	4.4
Average Quality	BB	B	B	B
Credit Quality Breakdown (%)				
AAA, AA, and A	4	-	-	-
BBB	7	-	1	3
BB	26	5	14	21
B	53	75	77	63
CCC or Lower	2	11	6	7
Not Rated	8	7	2	6
Sector Allocation (%)				
US Treasury and Agency	-	-	-	-
High Yield Bonds	5	5	2	-
Bank Loan – 1 st Lien	86	82	93	98
Bank Loan – 2 nd Lien	2	8	2	2
CLOs	-	-	-	-
Other Structured Credit	-	-	-	-
Equity	-	-	0	-
Cash Equivalents	-	3	3	-
Other	9	2	-	-
Portfolio Concentration				
Number of Issues	229	133	235	1,366
Number of Issuers	197	95	161	1,155
% of portfolio in top 10 issuers	16	22	11	5
% of portfolio in top 25 issuers	27	42	25	11
% of portfolio <\$500M facility/issue size	8	0	16	9

Trailing and Calendar Year Performance (Gross of Fees)¹
As of September 30, 2024

	Federated Hermes	Aristotle Pacific	Beach Point	CS Lev Loan
Trailing Period Returns (%)				
MRQ	1.6	2.0	1.9	2.1
YTD	5.9	6.7	7.5	6.6
1 year	8.7	10.2	11.7	9.7
3 years	4.3	7.2	7.5	6.3
5 years	4.2	6.1	6.4	5.6
7 years	4.2	5.8	5.9	5.2
10 years	4.5	5.4	5.4	4.9
Calendar Year Returns (%)				
2023	11.1	14.5	16.1	13.0
2022	-4.4	-0.1	-1.2	-1.1
2021	5.3	5.4	5.1	5.4
2020	1.8	3.0	3.5	2.8
2019	8.3	9.1	9.3	8.2
2018	1.1	1.0	0.8	1.1
2017	4.1	4.9	3.2	4.2
2016	10.3	9.3	6.4	9.9
2015	1.8	1.9	3.6	-0.4
2014	2.1	1.3	3.1	2.1

¹ Returns sourced from eVestment utilizing composite details.

Common Period Returns and Risk Statistics (Gross of Fees)¹ As of September 30, 2024

	Federated Hermes	Aristotle Pacific	Beach Point	CS Lev Loan
Performance:				
Returns (%)	4.6	5.6	6.0	5.0
Up Period Percent	40	51	60	-
Down Period Percent	44	62	82	-
Risk Measures:				
Standard Deviation (%)	4.4	4.2	4.5	4.9
Tracking Error (%)	1.0	1.4	1.3	-
Beta	0.89	0.83	0.89	1.00
Correlation to Benchmark	0.98	0.96	0.97	-
Downside Deviation (%)	5.8	5.1	5.4	6.2
Upside Capture (%)	92	100	103	-
Downside Capture (%)	94	82	76	-
Risk-Adjusted Performance:				
Jensen Alpha (%)	0.01	1.17	1.35	-
Sharpe Ratio	0.75	1.02	1.05	0.76
Information Ratio	-0.39	0.41	0.80	-

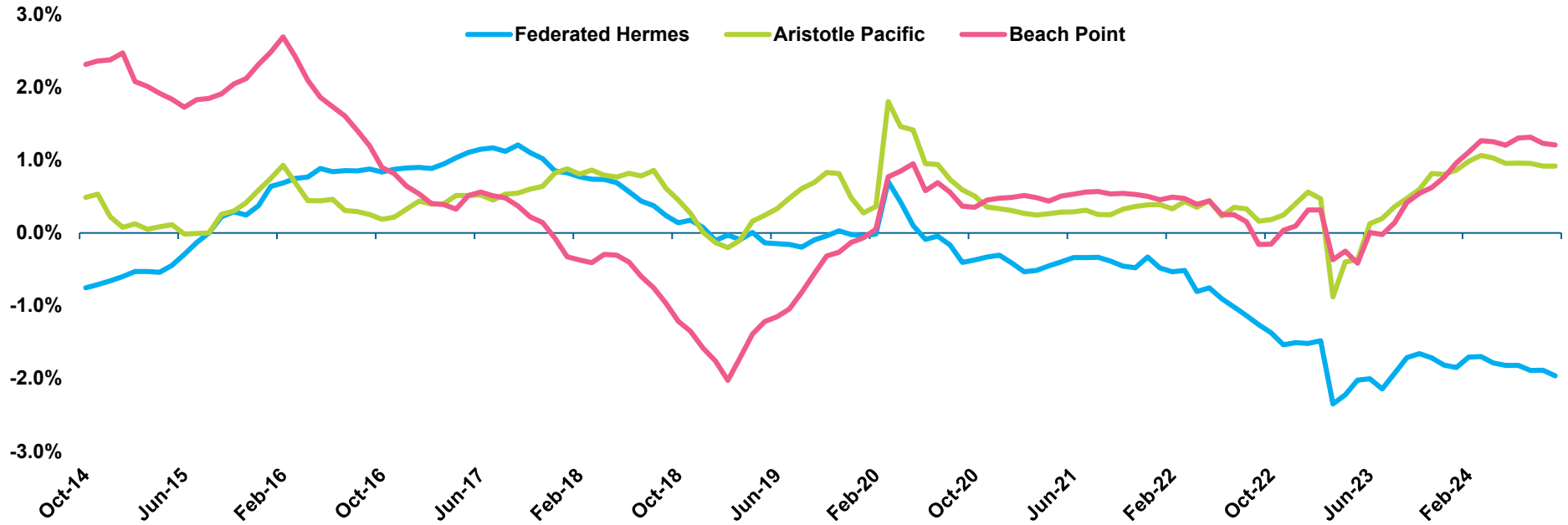
¹ Common period is Jan 2011 to September 2024. Benchmark: CS Leveraged Loan Index.

Historical Trailing Risk Statistics (Gross of Fees) ¹
As of September 30, 2024

	Federated Hermes				Aristotle Pacific				Beach Point			
	3 Yr.	5 Yr.	7 Yr.	10 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.
Information Ratio	-2.33	-1.07	-0.91	-0.35	1.23	0.25	0.30	0.34	1.43	0.64	0.56	0.43
Tracking Error (%)	0.84	1.31	1.14	1.06	0.75	2.06	1.76	1.58	0.84	1.26	1.10	1.26
Sharpe Ratio	0.19	0.29	0.35	0.59	0.90	0.66	0.70	0.85	0.90	0.60	0.61	0.75
Standard Deviation (%)	3.8	6.2	5.5	4.8	4.0	5.6	5.0	4.4	4.3	6.7	5.9	5.0
<i>S. D. Index (%)</i>	<i>3.7</i>	<i>7.1</i>	<i>6.2</i>	<i>5.4</i>	<i>3.7</i>	<i>7.1</i>	<i>6.2</i>	<i>5.4</i>	<i>3.7</i>	<i>7.1</i>	<i>6.2</i>	<i>5.4</i>
Jensen's Alpha	-1.8	-1.0	-0.7	0.0	0.7	1.2	1.1	1.1	0.8	1.0	0.8	0.8
Beta	0.99	0.87	0.88	0.88	1.06	0.77	0.79	0.79	1.15	0.93	0.94	0.90
Correlation Coefficient	0.97	0.99	0.99	0.98	0.98	0.97	0.97	0.97	0.99	0.98	0.98	0.97
Upside Market Capture (%)	83	84	88	92	110	94	97	96	117	105	104	97
Downside Market Capture (%)	115	96	99	93	98	79	82	77	110	94	93	79

¹ Benchmark: CS Leveraged Loan Index.

Trailing Three-Year Rolling Excess Returns ¹ October 2014 to September 2024



As of 9/30/2024	Total Periods	Periods Outperformed	Percentage (%)	Average Excess Return (%)	Median Excess Return (%)	Max (%)	Min (%)	Range (%)
Federated Hermes	120	46	38	-0.3	-0.2	1.2	-2.3	3.6
Aristotle Pacific	120	111	93	0.5	0.4	1.8	-0.9	2.7
Beach Point	120	88	73	0.5	0.5	2.7	-2.0	4.7

¹ Rolling excess returns calculated vs the CS Leveraged Loan Index.

Correlation Matrix – Excess Returns (Common Period) ¹

As of 9/30/24	Federated Hermes	Aristotle Pacific	Beach Point
Federated Hermes	1.00	0.58	0.39
Aristotle Pacific	0.58	1.00	0.56
Beach Point	0.39	0.56	1.00

¹ Common period is January 2011 to September 2024. Benchmark: CS Leveraged Loan Index. All returns are gross of fees.

Style Analysis

	Style	Alpha Driver	Risks
Federated Hermes	<ul style="list-style-type: none"> → Moderately concentrated holdings → Low/Medium risk, quality focus 	<ul style="list-style-type: none"> → Favor larger companies and avoid highly cyclical or capital-intensive or commodity-driven businesses → Focus on quality of an issuer's underlying business, emphasizing less-volatile sectors, such as technology, healthcare and insurance brokers 	<ul style="list-style-type: none"> → Risk of underperformance versus the index and peers when lower quality issues or cyclical businesses outperform
Aristotle Pacific	<ul style="list-style-type: none"> → Concentrated holdings → Low/Medium risk, targets only largest issuers 	<ul style="list-style-type: none"> → Active rotation through largest issuers with focus on liquidity 	<ul style="list-style-type: none"> → Risk of underperformance when smaller issuers rally
Beach Point	<ul style="list-style-type: none"> → Moderately concentrated holdings → Medium risk 	<ul style="list-style-type: none"> → Complexity premium → Middle Market/Smaller issuer premium → Longer term holding of mis-priced loans 	<ul style="list-style-type: none"> → Risk when securities are priced above fair market value, limited opportunities in low turnover strategy

Fees and Terms

	Fee Schedule	Other expenses	Vehicle Type	Minimum Account Size	Liquidity
Federated Hermes	0.45% on the first \$30 million, 0.35% on \$30 - \$50 million, 0.25% on \$50 - \$75 million, 0.20% on assets greater than \$75 million	NA	SMA	\$25M	NA
Aristotle Pacific	<\$200mln: 0.37% on all assets >\$200mln: 0.35% on all assets	none	Commingled 3c7	\$5M	Monthly +21 days
Beach Point	0.35% on all assets	~0.15% operating	Commingled 3c7	\$3M	Monthly +90 days

- The median fee for a commingled fund or separately management account Bank Loan mandate in the eVestment US Floating-Rate Bank Loan universe for the expected mandate sizes of \$65 million is 50 basis points.
- Federated Hermes' separately managed account effective fee of 37.3 basis points ranks in the 5th percentile
 - Aristotle Pacific's commingled fund discounted management fee for Meketa clients of 37 basis points ranks in the 3rd percentile.
 - Beach Point's commingled fund discounted management fee for Meketa clients of 35 basis points ranks in the 2nd percentile.

Appendix

Manager Evaluation Criteria

The Five Key Areas of the Meketa Investment Manager Evaluation Process



Organization

- Stability
- Focus
- Employee ownership
- Investment-driven culture
- Operationally sound

Investment Team

- Experience
- Depth of resources
- Team-oriented, performance-driven
- Credit selection ability
- Investment intuition

Investment Philosophy

- Set of beliefs
- Bond price determinants
- Reasons for mispricings
- Competitive edge / how add value
- Avoid the tails
- High quality bias

Investment Process & Risk Management

- Level of due diligence
- Thought process assessment
- Communication
- Decision-making and portfolio construction
- Self-evaluation / lessons learned
- Risk controls

Performance & Fees

- Validates process
- Long-term record
- Risk-adjusted returns
- Reasonable fees

Manager Evaluation Criteria

Organization

While there is no single “correct” way to organize an asset management effort, we believe that the ideal investment management organization possesses most of the following elements:

- Focused on a single investment style or a focused team within a larger organization.
- Appropriately sized for the firm’s assets under management, with a reasonable growth plan and a willingness to close capacity-constrained strategies.
- Stable, investment driven, independent, and employee-owned (or majority employee-owned).
- Performance driven with a team-oriented, supportive culture.
- Organized in such a way to ensure that information flows efficiently so that investment decisions can be made easily and, if necessary, quickly.
- Financially and operationally sound.

Manager Evaluation Criteria (continued)**Investment Team**

Members of the investment team responsible for managing the strategy are evaluated in order to assess their competitive “edge” and to determine if they will be able to add value in the future. In a profession where intellectual capital is the greatest differentiator between managers, an investment strategy is only as good as the people behind it.

During the course of our due diligence, we review the background of each member of the team. We want to know what motivated these individuals to work in the fixed income management business, what experience they bring, and how long they have been in the industry.

Specific qualities that we believe make a good investor are intelligence, inquisitiveness, analytical ability, and natural skepticism. A command of the details and an ability to assimilate lots of information, yet tie the information together and make a decision, are valued. Through the interview process, we seek to understand how a manager thinks about bonds, the bond market, and their portfolio.

In credit, it is important that investment teams have sufficient resources allocated to evaluating the legal documents and covenants of each bond or loan. Managers will either have lawyers on their teams, retain outside counsel, or train their analyst teams to complete a legal review.

Significant time is spent evaluating how the investment team interacts, their tenure together and their depth. Although some firms have been successful using the generalist model, we prefer specialization. Our belief is that there is value in having analysts with specific sector expertise who have followed an industry through multiple cycles.

Compensation structure and incentives are also analyzed. The investment team should be incented to place the interests of the client first and to maximize performance while assuming an appropriate level of risk.

Manager Evaluation Criteria (continued)**Investment Philosophy**

An investment philosophy is a set of beliefs about what factors drive changes in bond prices, what factors cause securities to be mispriced, and how security mispricing can be exploited through active management. A manager's investment philosophy also incorporates their beliefs about what their competitive edge is and how they distinguish themselves from their peers.

We try to find managers who have a clear investment philosophy, and who can articulate how they are able to identify undervalued bonds and take advantage of the opportunities they uncover. Understanding where this philosophy comes from, how it has evolved over time, and how the manager identifies and selects attractive investments using their research process are very important. Some managers may not have formally thought about their philosophy, and are therefore not able to articulate what they believe. Their philosophy often becomes evident when they explain their investment process and discuss the bonds they own in their portfolio.

Another element of a manager's philosophy is how they think about the benchmark they are evaluated against. Most managers we recommend are either benchmark aware or believe in managing portfolios in a benchmark agnostic manner. We are biased toward managers who have conviction in their ideas and reflect that conviction by establishing relatively large positions in their portfolios.

Manager Evaluation Criteria (continued)

Investment Process

Every analysis of an investment manager must entail an examination of how they pick bonds for their portfolio, why they sell bonds from the portfolio, and how their portfolio is constructed. We like investment processes that are straightforward and easy to understand. Although we want to see consistency in the process, there is considerable art to investing. A repeatable process, in and of itself, does not guarantee good investment results. It is in the execution of the process where managers differentiate themselves and add value.

In our analysis, we determine whether the portfolio is bottom-up driven, or if there is a significant top-down element to the process. Themes can also play a role in how portfolios are managed.

With this information as a backdrop, our analysis of the investment process initially focuses on how new ideas are generated and how these ideas find their way into the portfolio. Once the opportunity set has been identified, we seek to understand what kind of fundamental research a manager performs. Superior managers generally perform intensive due diligence and their level of understanding of the businesses in which they invest often gives them an edge. We want to make sure they know what they own in their portfolios.

Once the research on an idea has been completed, an investment decision must be made. Ultimately, successful active fixed income management requires exercising good judgment. We always want to know how managers make investment decisions and who makes them. It is important to us that investment ideas are thoroughly vetted. We also want the decision-making process to be efficient and responsive to changing dynamics in the market. How managers construct their portfolios, and think about, as well as control, risk is also evaluated.

Manager Evaluation Criteria (continued)**Investment Performance**

Just because a manager has performed well in the past does not guarantee they will be able to continue to do so in the future. We do feel that if we can find strong organizations with bright, motivated, knowledgeable, and experienced people, combined with a history of long-term, consistent success, we significantly increase the chances that managers we recommend to clients will add value in the future. If we are correct in our assessment of the quality of the organization and the people, then the performance should follow.

Portfolio performance over multiple time horizons is evaluated. We review calendar-year results over as long a period as possible. We also examine rolling time periods to eliminate the impact of end point bias. We do not expect a manager to outperform the relevant index every year, but we do believe they should outperform over a full market cycle. What we are looking for is consistency. In addition, we analyze each manager's risk-adjusted returns. We want to make sure that our clients are being compensated for the risk the manager is taking. For each manager, we also look at the standard deviation, beta, tracking error, and correlation with the benchmark. Our analysis of upside and downside capture gives us a sense of which managers can be expected to perform well in up and down markets. We have a bias toward fixed income managers who protect their clients on the downside because of the asymmetric nature of fixed income returns.

We review the portfolio holdings of each manager to verify their investment style, to assess where their biases are, and to determine where they have been able to add value. We always look at security-level performance attribution. This analysis tells us what helped and hurt the portfolio, and in which industries a manager is particularly adept. We also look at the distribution of returns within the portfolio. Avoiding bad credits and credit downgrades, or minimizing their impact, is an important part of successfully managing a diversified portfolio.

Manager Evaluation Criteria (continued)**Management Fees**

The final step in our analysis is evaluating an investment manager's fees and the expenses they incur in managing the portfolio. Minimizing fees and expenses is important because these costs reduce the return to our clients. This effect can be very pronounced over time, so we seek to negotiate lower fees whenever possible.

Trading costs are another hidden expense to investors and must also be evaluated. In general, portfolio managers with high turnover trading less liquid bonds or loans will incur the highest trading costs.

Information Ratio: This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

Sharpe Ratio: A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

Standard Deviation: A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

Tracking Error: This statistic measures the standard deviation of excess returns relative to a benchmark. Tracking error is calculated by multiplying the standard deviation of the monthly excess returns of a portfolio relative to a benchmark by the square root of twelve in order to annualize. The higher the tracking error, the greater the volatility of excess returns relative to a benchmark.

Upside/Downside Market Capture: A measure of the manager's performance in up(down) markets relative to the market itself. For UMC, a value of 110 suggests the manager performs ten percent better than the market when the market is up during the selected time period. For DMC, A value of 90 suggests the manager's loss is only nine tenths of the market's loss during the selected time period. The Upside/Downside Capture Ratio is calculated by dividing the return of the manager during the up market periods by the return of the market for the same period. Generally, the higher the UMC Ratio and lower the DMC, the better (If the manager's UMC Ratio is negative, it means that during that specific time period, the manager's return for that period was actually negative and if the DMC is negative, the manager's return for that period was actually positive)

Up/Down Period Percent: Measures the number of periods that a fund outperformed the benchmark when the benchmark return was greater(less) or equal to than 0%, divided by the number of periods that the benchmark return was greater(less) than or equal to 0%. The larger the ratio, the better, indicating the percentage of periods that the product outperformed the benchmark in an up(down) market.

Sources:

www.evestment.com

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EAST BAY MUNICIPAL UTILITY DISTRICT EMPLOYEES' RETIREMENT SYSTEM

BEACH POINT LOAN FUND
Q4-2024 OVERVIEW & UPDATE

MARCH 2025



BEACH POINT
CAPITAL MANAGEMENT

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Executive Summary

Beach Point Capital Management

- **Long-Standing Institutional Partnerships:** With over 90% of our client base comprised of institutional investors, Beach Point has developed trusted relationships by working to deliver consistent results and align with the sophisticated needs of our partners. We believe the continuity and cohesiveness of our investment team supports long-standing relationships with our clients.
- **Deep Credit Knowledge:** Beach Point brings extensive experience in below-investment grade credit, including nearly two decades of investing in the leveraged loan market. Beach Point draws on robust relationships and industry knowledge, developed over multiple cycles across our integrated credit platform.
- **Discernment in Credit Selection:** The loan market has become increasingly complex with policy uncertainty and idiosyncratic risks driving higher dispersion across and within capital structures. Beach Point's focus on active credit selection is well-suited, in our view, to help capture inefficiencies and long-term value in this type of environment.
- **Legal Acumen:** Harnessing in-house legal talent on the investment team, Beach Point takes a rigorous approach to risk management and covenant analysis. An understanding of underlying loan documents can provide valuable insights in the new paradigm of credit investing, particularly as risks and opportunities related to Liability Management Exercises (LME) are expected to grow.

Beach Point - By The Numbers

Beach Point is a multi-strategy credit manager



Assets Under Management



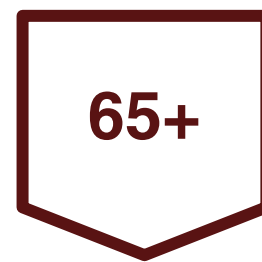
Firm Inception



Offices (LA, NY, London and Dublin)

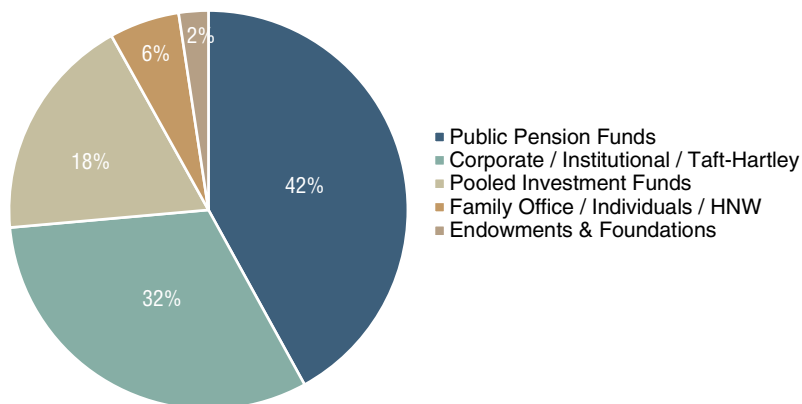


Total Employees

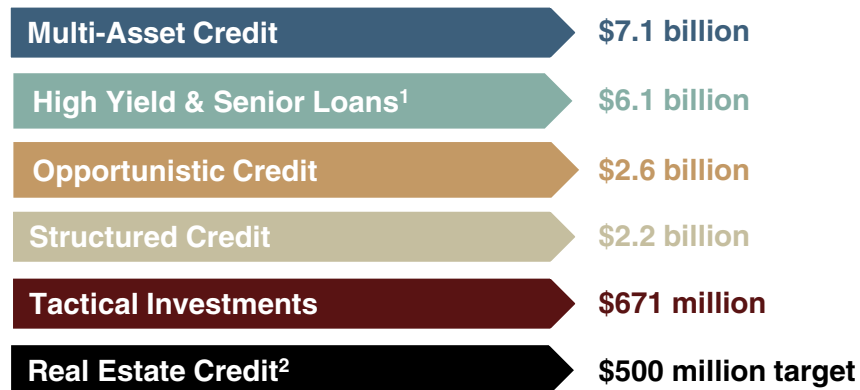


Investment Professionals

CLIENT BASE*



STRATEGY ASSETS



Source: Beach Point internal research.

The above information is preliminary data provided as of December 31, 2024, based on unaudited internal estimates and is subject to change. *Includes separate accounts and fund investors.

Please see important disclosures at the end of this document for more information regarding the calculation of assets under management.

¹ Includes Sandstone Peak CLOs managed by an affiliate of Beach Point. Values reflect notional liabilities at pricing.

² BPC Real Estate Debt Fund LP has \$387mm committed and is in its fundraising period.

Investment Team

Consistency & Tenure

68 investment professionals; senior investment team has over 25 years of experience on average;* low turnover since inception

Legal Experience

A portion of the investment team is legally trained for covenant analysis and structuring

Specialized Research

Analysts cover individual sectors, allowing in-depth sector coverage

CARL GOLDSMITH^{1,2}

Co-Founder, Co-Chairman & Co-CEO

SCOTT KLEIN^{1,2,4}

Co-Founder, Co-Chairman & Co-CEO

RESEARCH & TRADING

ROBERT BERGMANN Portfolio Manager	SINJIN BOWRON⁴ Portfolio Manager	ANDREW CHEN Portfolio Manager (NY)	KATHY CHOI^{1,4} Portfolio Manager	MICHAEL HAYNES⁴ Portfolio Manager (NY)	BEN HUNSAKER Portfolio Manager	SHANE LANIGAN Portfolio Manager (IRL)	LAWRENCE SADAKA Portfolio Manager
ALLAN SCHWEITZER^{1,3} Portfolio Manager	KEN WOLFE Portfolio Manager	JARED WORK³ Portfolio Manager	BRIDGET BARTLETT⁴ Portfolio Strategist	JAY TAKEFMAN Senior Managing Director (NY)	ALAN CHAO Managing Director	HUBERT CHU Managing Director	JOSEPH FABIANI^{2,4} Managing Director
GABRIEL FINEBERG Managing Director (NY)	DANIEL GURVICH Managing Director (NY)	EVAN KLEBE Managing Director	BRYAN KURNOFF Managing Director	BORDON LAI Managing Director (NY)	NIRAJ PATEL Managing Director (UK)	PATRICK SHEFFIELD Managing Director	CHRISTOPHER SU Managing Director
ELIZABETH WEGENER Managing Director	JENNY ZHAN Managing Director	TAHAR BETBOUT Senior Trader	WILLIAM LYNCH Senior Trader	DAVID SEAY Senior Trader	C.J. FOSTER Director (NY)	SHIN BOWERS Senior Vice President	TONY CARDONA Senior Vice President
CONOR D'ALTON Senior Vice President	RICHARD HUANG Senior Vice President	STEPHEN KRISTAN Senior Vice President (NY)	LADONNA NEUHAUS Senior Vice President	JAMIE PARK Senior Vice President	JORDAN SAUER² Senior Vice President	PALMER LEFF Vice President (NY)	KHOA TRAN Vice President
JACOB WEINER² Vice President (NY)	MARTIN HOOD Senior Associate (NY)	PAUL KUSHNER Senior Associate (NY)	TRENT WONG Senior Associate	MARIAH HARVEY-BROWN Associate (NY)	CAMERON MIR Associate	EVAN LA RIVIERE Quantitative Analyst	ZOHAIR AZMI Senior Analyst
CIARA McGOVERN Senior Analyst (IRL)	JAKOB NILSSON Senior Analyst (UK)	SETH VAUGHAN Senior Analyst (UK)	AUSTIN ADAMCZYK Analyst (NY)	MICHAEL ARONSON Analyst	GOWTHAM BALAJI Analyst	ALAN DAVIS Analyst (IRL)	ANDREW GEENEN Analyst (NY)
WILLARD HAWLEY Analyst	CURREN MODY Analyst (NY)	JEREMY SEOW Analyst	WILLIAM BROOKS Senior Portfolio Analyst	COLE GAUTHIER Portfolio Analyst - CLO (NY)	AZITA GUIV Portfolio Analyst	CHRISTOPHER REED Macro Strategist	VERONICA SOVAKIAN Trading Assistant
ROY YOU³ Risk Manager	DALI CAO Risk Analyst						

As of December 31, 2024

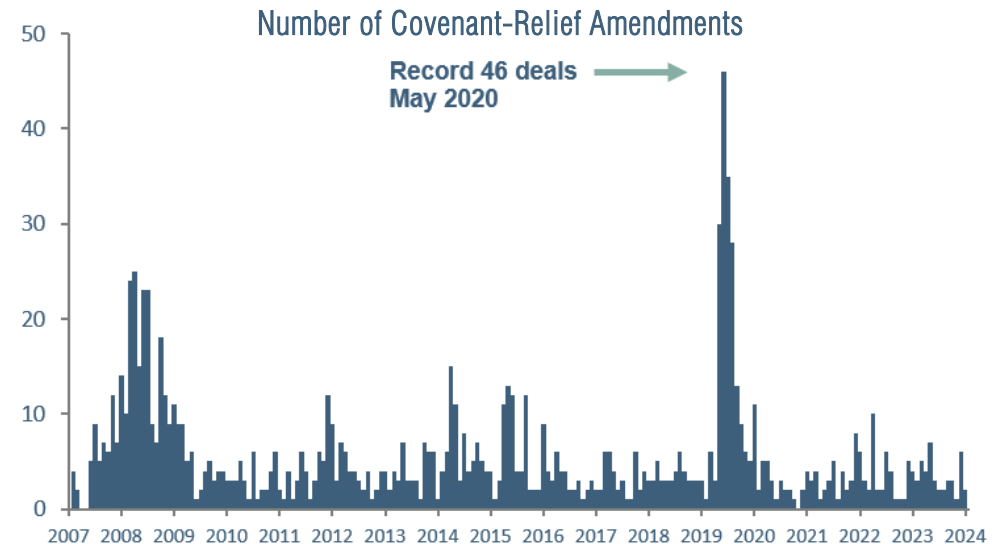
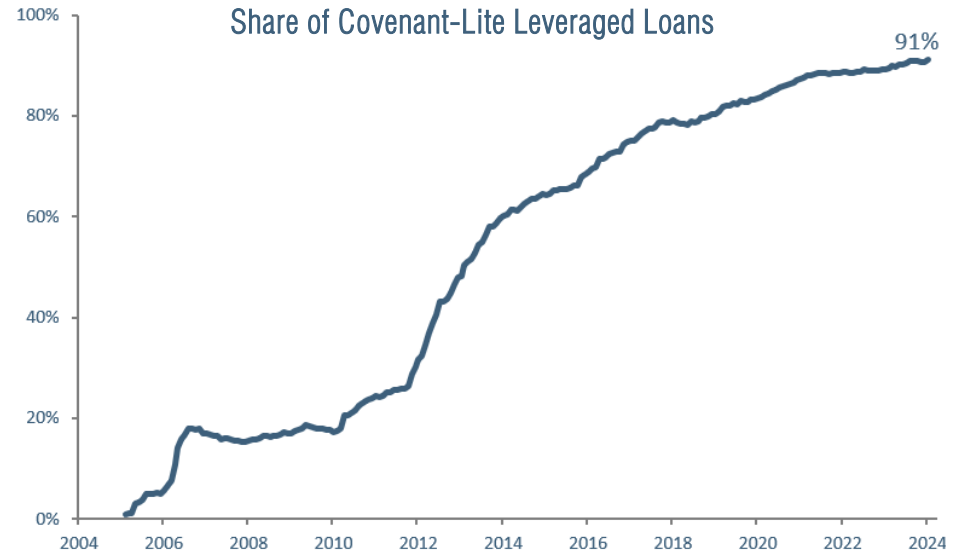
* Senior Investment team consists of Co-CEOs, Portfolio Managers, and Portfolio Strategists

¹ Management Committee ² Lawyer / Legally Trained ³ Risk Committee ⁴ ESG Committee

There can be no assurance that any particular individual will be involved in the management of any portfolio for any given period of time, if at all.

Our Legal Experience

- **Portion of investment team is legally-trained**, including the Co-CEOs and the in-house legal group who represent the firm in restructuring and creditors' committees as well as perform thorough covenant/legal analysis across our investments.
- **We believe legal experience matters more in today's environment**, as an understanding of underlying loan documents and legal transaction structures provides strategic legal insight into a legally informed advantage in regulatory, tax and credit risk issues.
- **Enables us to be a sprinter and a marathon runner.** We believe having embedded legal resources allows us to respond swiftly to rapid market developments. Our legal team may also partner with borrowers and sponsors over a multi-year time horizon to guide companies through restructuring processes and provide creative liquidity solutions.



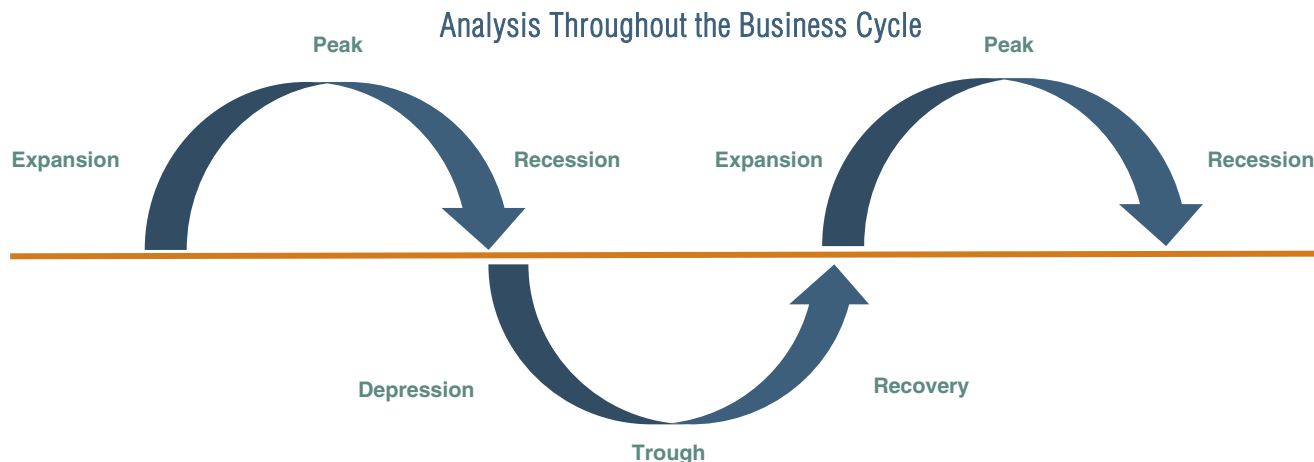
Source: PitchBook LCD News as December 31, 2024

While legal resources can help mitigate risk, they cannot eliminate it, nor do they imply that investments are low risk.

Industry Experience

Our senior team¹ has an average of over 25 years of experience covering industries across multiple business cycles

- **Industry specialists cover sectors across business cycles** - Analysts follow industries across the full investment life-cycle, from new issue to restructuring. We believe thorough due diligence across multiple downturns has prepared us to navigate varying market conditions, from recessionary to expansionary phases of the business cycle.
- **Understand the capital structure** - We believe our flexible capital mandate allows us to locate value across markets and up and down the capital structure, including secondary market and direct/private instruments. In our view, the sharing of industry insights across the firm helps to identify potential relative value.
- **Existing industry relationships** - Help source potential opportunities where we may be able to provide liquidity solutions and utilize our restructuring experience.



¹ Senior Investment team consists of Co-CEOs, Portfolio Managers, and Portfolio Strategists.

While legal resources can help mitigate risk, they cannot eliminate it, nor do they imply that investments are low risk.

The investment process components illustrated above are aspirational and intended solely for illustrative purposes. There can be no assurance that these components will be applied to any portfolio at any given time.

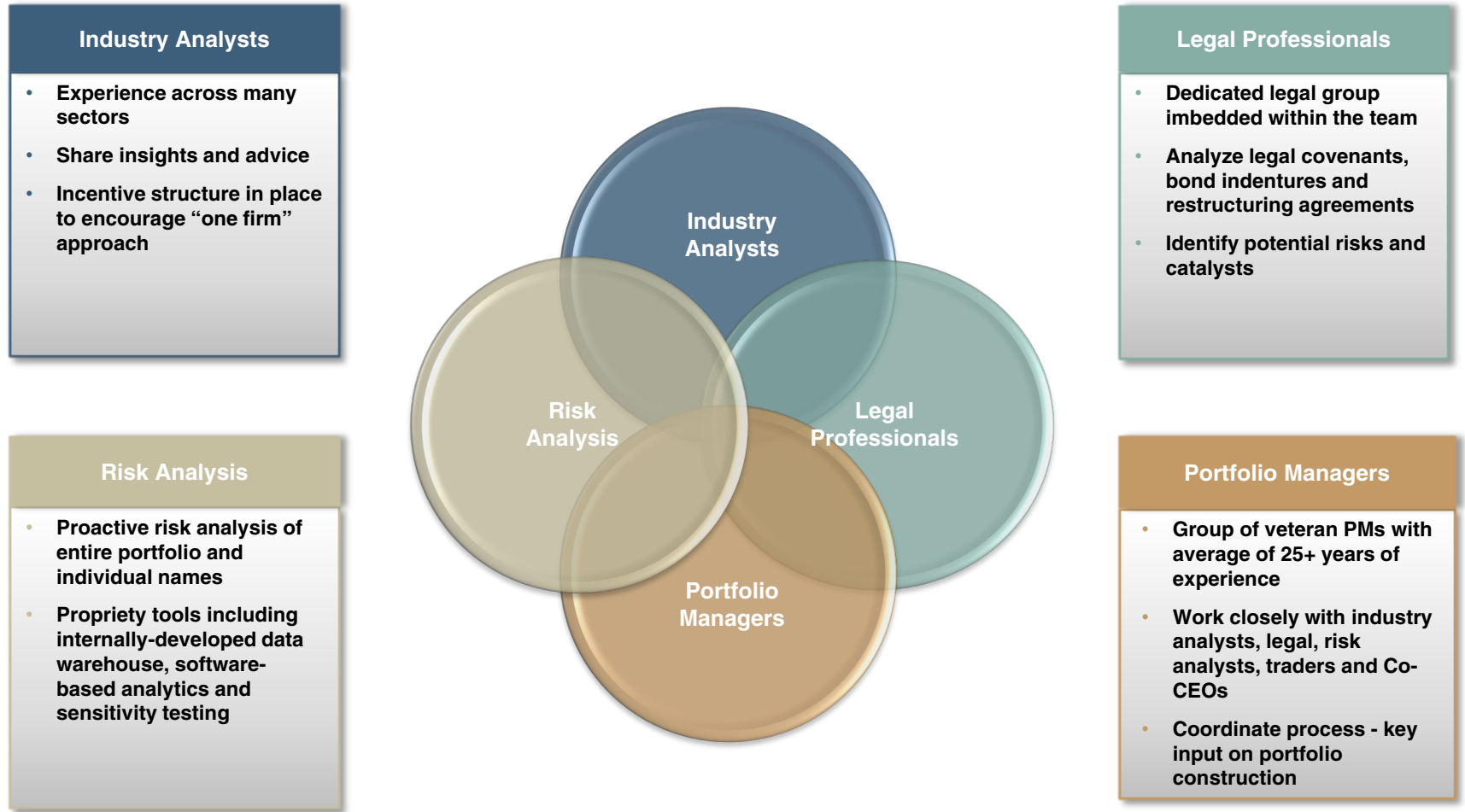


INVESTMENT PROCESS

Investment Beyond the Traditional

Investment Process

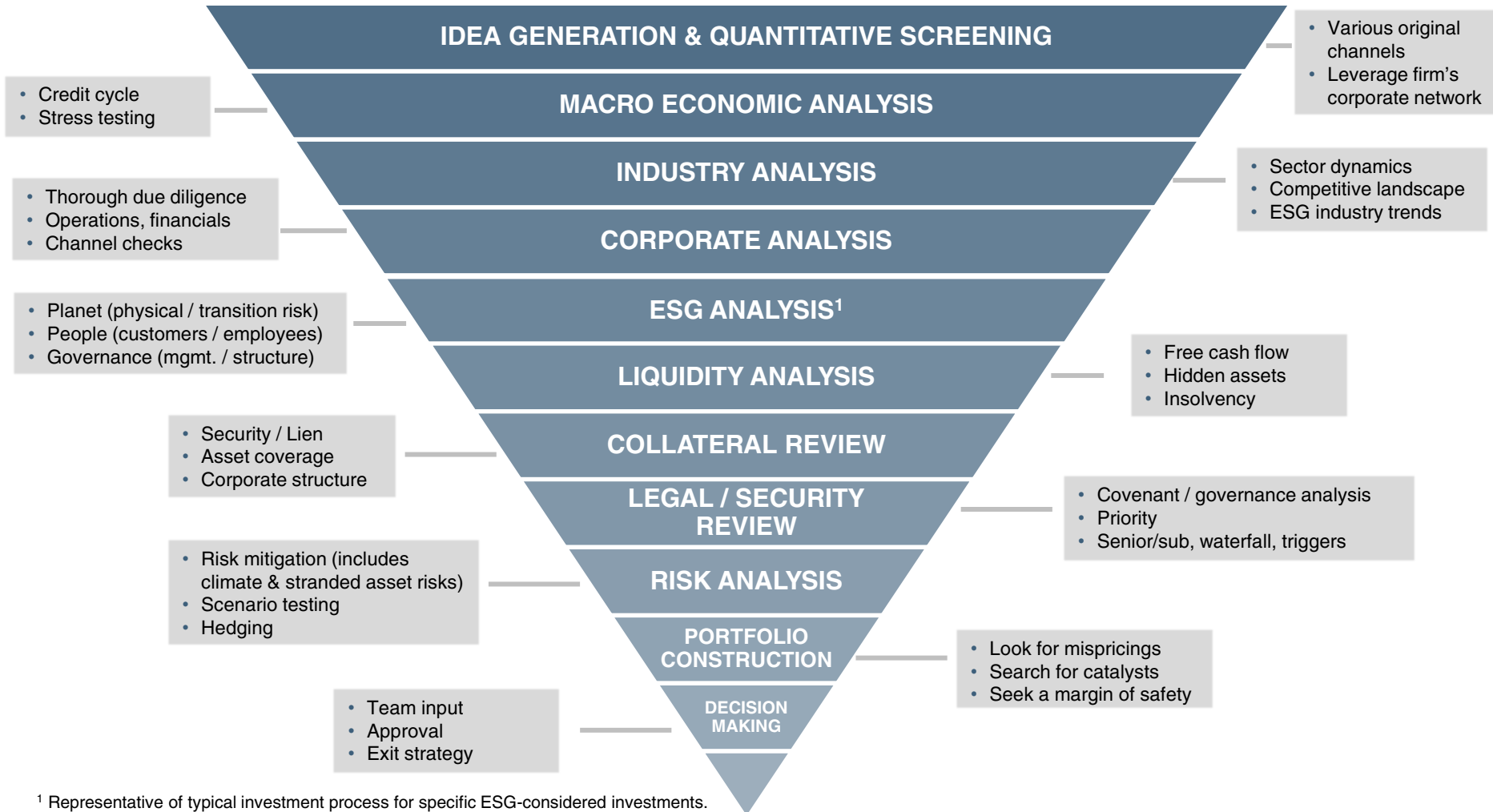
Four intertwining groups anchor our investment process



While risk management and diversification processes can help mitigate risk, they cannot eliminate it, nor do they imply that investments are low risk. Please refer to the confidential private offering memorandum for a complete description of the investment, terms, and risks. The investment process components illustrated above are aspirational and intended solely for illustrative purposes. There can be no assurance that these components will be applied to any portfolio at any given time.

Multi-layered Due Diligence

Repeatable, research-intensive and risk-controlled



¹ Representative of typical investment process for specific ESG-considered investments.

There can be no assurance that ESG goals and/or objectives will be achieved

While risk management and diversification processes can help mitigate risk, they cannot eliminate it, nor do they imply that investments are low risk. Please refer to the confidential private offering memorandum for a complete description of the investment, terms, and risks.

The investment process components illustrated above are aspirational and intended solely for illustrative purposes. There can be no assurance that these components will be applied to any portfolio at any given time.

Portfolio Management

Beach Point pursues a multi-step portfolio management process

Portfolio Allocation

- Decision following credit analysis
- Collective team input and approval process

Ongoing Surveillance

- Coordinated process involving investment, risk, accounting, and operations teams
- Actively managing, not just passively monitoring

Risk Management

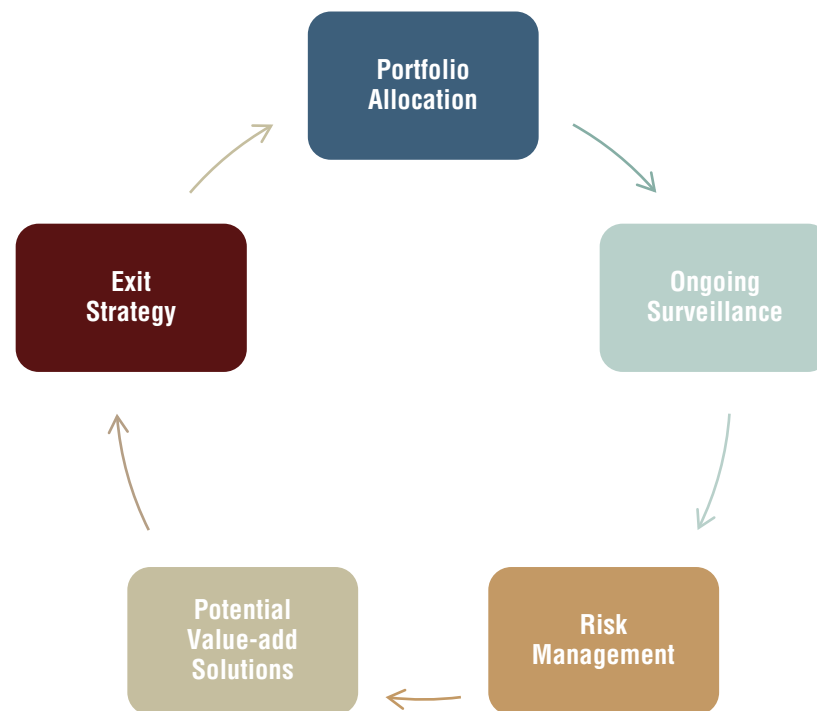
- Focus on risk mitigation
- Downside protection through scenario testing
- Risk reports, risk modeling, portfolio analysis

Potential Value-add Solutions

- Provide creative financing solutions and structures
- Additional opportunities such as tack-on investments, direct loans, bridge loans, rescue financings, acquisition financings
- Utilize in-house structuring and legal experience
- Take advantage of market dislocations or forced selling

Exit Strategy

- Determine clear exit strategy
- Preference for multiple pathways to value realization
- Exits can include public and private markets, IPO, dividend recaps, debt refinancings, asset sales, mergers and/or strategic sales



While risk management and diversification processes can help mitigate risk, they cannot eliminate it, nor do they imply that investments are low risk. Please refer to the confidential private offering memorandum for a complete description of the investment, terms, and risks. The portfolio management process components illustrated above are aspirational and intended solely for illustrative purposes. There can be no assurance that these components will be applied to any portfolio at any given time.

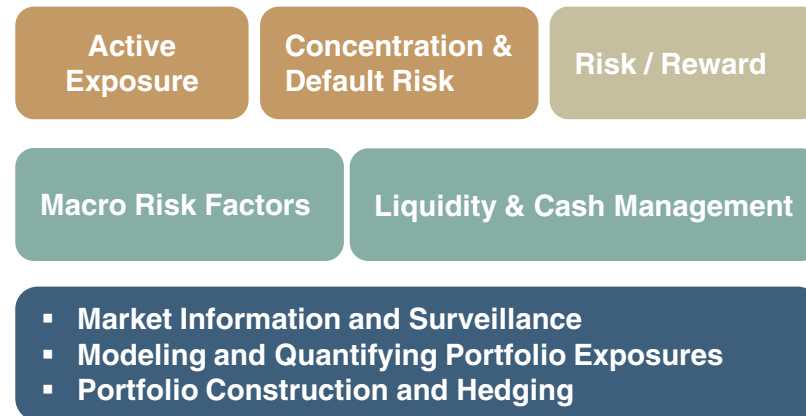
Portfolio Risk Management

Risk Review & Analytics



- Market Surveillance and Portfolio Risk Control
- Macro Exposure (Yield, Spread, Carry, Interest Rate Exposure, Spread Duration, DTS ratio)
- Rating/Sector Overweight/Underweight, Issuer Concentration
- Proprietary Default Risk Model (to assess hidden default risk)
- Risk Measures Linked with Performance Attribution

Risk Tools & Analytics



- Risk reviews on portfolio and issuer exposures
- Risk analysis for internal team and clients
- Hedging discussion
- Portfolio information available to all relevant teams through Beacon
- Information available as needed (not just upon request)






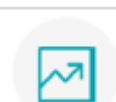


While risk management and diversification processes can help mitigate risk, they cannot eliminate it, nor do they imply that investments are low risk.

Please refer to the confidential private offering memorandum for a complete description of the investment, terms, and risks.

The risk management process components illustrated above are aspirational and intended solely for illustrative purposes. There can be no assurance that these components will be applied to any portfolio at any given time.

ESG Objectives and Roadmap Ahead

We have outlined the following ESG objectives to drive our integration efforts:

	Accomplished Goals: Stage I	Accomplished Goals: Stage II	Future Goals: Stage III
Internal	 <p>Integrate ✓</p> <p>Seek to incorporate financially material ESG factors into certain investment analysis; launch issuer ESG scoring model</p>	 <p>Assess ✓</p> <p>Engage third-party consultant to review and evaluate the Firm's ESG processes and policies</p>	 <p>Systematize</p> <p>Endeavor to embed proprietary and additional third-party ESG data into internal risk management systems</p>
	External Focus	 <p>Evaluate ✓</p> <p>Aim to evaluate proprietary and third-party data sources to best assess, monitor and report on ESG risks and opportunities</p>	 <p>Partner ✓</p> <p>Partner with industry experts and join investor initiatives to deepen collaborative & policymaker engagement</p>
 <p>Support ✓</p> <p>Beach Point became a supporter of TCFD in Q3 2020; UN PRI signatory in Q1 2021; and CDP signatory in Q3 2021</p>		 <p>Report ✓</p> <p>Report to industry standards / frameworks to drive external accountability</p>	 <p>Develop</p> <p>Explore development of more robust ESG practices to reflect evolving client goals and regulatory priorities</p>

Evolution of our ESG program and Integration Efforts

Source: Beach Point internal research, as of December 31, 2024. For illustrative purposes only. There can be no assurance that ESG goals and/or objectives will be achieved. Beach Point's ability to influence credit investments may be more limited, while the availability of ESG data / disclosure may also be reduced relative to publicly-listed securities. In addition, due to the nature of the investments typically held in client portfolios, Beach Point generally has limited ability, if any, to influence and control the integration of financially material ESG factors by an issuer. Furthermore, Beach Point may have limited ability to conduct extensive ESG-related due diligence in connection with investments.

Diversity, Equity & Inclusion (“DEI”) at Beach Point

We focus on three goals to help sustain a culture of inclusion that embrace diverse perspectives:

01

INTERNAL PRACTICES

HIRING, ONBOARDING, TRAINING, RETENTION AND MENTORSHIP




As part of our goal to attract, develop and retain diverse talent, we have worked to implement training and development programs as well opportunities for mentorship and growth across teams.

02

EXTERNAL PRACTICES

PARTNERSHIPS, PHILANTHROPIC INITIATIVES AND INTERNSHIPS




Strive to engage our community and external organizations to promote our mission of Diversity, Equity and Inclusion and aim to create opportunities for diverse talent.

03

TRANSPARENCY

METRICS, ASSESSMENT AND REPORTING



Endeavor to conduct qualitative and quantitative assessments through surveys and open dialogue as well as report our progress on our targeted DEI goals.

We are proud to partner with and be recognized by organizations including:



**RECOGNIZED
AS AN**





FUND OVERVIEW

Investment Beyond the Traditional

Fund Attributes

Beach Point Loan Fund (the “Fund”)

Attractive Investment Opportunity

- Senior bank loans can provide investors with an attractive opportunity
- Attractive current income
- Seek to provide downside protection through collateral and a senior position in corporate issuers
- Floating rate can offer protection from interest rate increases

Flexible Mandate

- Focuses primarily on floating rate, secured corporate loans, and other income generating instruments
- The Fund may also invest in DIP loans, hung bridge loans, secured bonds and other opportunistic investments

Consistent Performance

- Beach Point Capital Management is an experienced loan manager
- Beach Point Loan Strategy has a long-standing track record of nearly 20 years (May 2005)¹

Source: eVestment and Beach Point internal research.

¹ The management of the Loan funds (the “funds”) was assigned by the prior investment adviser, Post Advisory Group, LLC (“Post”), to Beach Point in January 2009. Prior to January 2009, performance for the funds was achieved by senior members of Beach Point’s investment team while they were managing the funds at Post. Past performance is not indicative of future results.

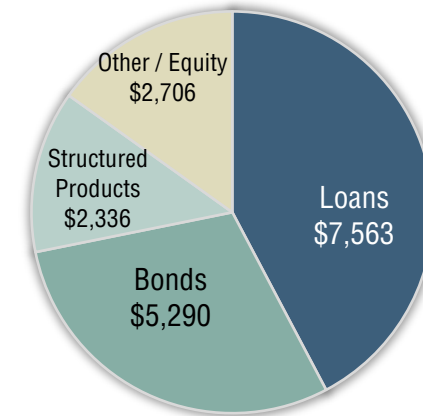
Senior Loan Strategy Snapshot

\$7.5 billion in loan assets across all strategies

As of December 31, 2024

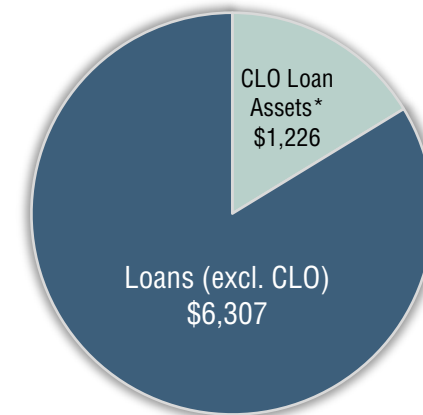
Firm Overview

- \$19.0 billion in AUM including \$7.5 billion in loan assets¹
- Beach Point has invested \$35+ billion in leveraged loans in the last decade
- Senior team investment team has been investing in loans and high yield bonds for over 25 years on average²
- 172 total employees with 68 dedicated investment professionals



Beach Point CLO Platform

- CLO program launched in 2021
- Beach Point has priced three Sandstone Peak CLOs: Q4 2021, Q2 2023, and Q2 2024
- Sandstone Peak is the highest summit in the Santa Monica Mountains



Source: Beach Point internal research as of December 31, 2024. Past performance is not indicative of future results. Beach Point Loan Fund and Beach Point loan-focused portfolios also invest in a variety of other financial instruments.

¹ Firm-wide loan assets include bank debt holdings in liquidating portfolios (\$66mm) and Sandstone Peak CLOs managed by an affiliate of Beach Point.

² Senior team consists of Co-CEOs, Portfolio Managers, and Portfolio Strategists.

*Values reflect notional liabilities at pricing.

Fund Snapshot

Beach Point Loan Fund

As of December 31, 2024

- **Safety** – focus on senior first lien secured investments
- **Opportunistic** – flexible structure aims to capitalize on relative value opportunities and market efficiencies
- **Yield** – focus on identifying opportunities with attractive current yield potential

LOAN FUND CHARACTERISTICS	
Weighted Average Spread ¹	SOFR +466 bps
Weighted Average Maturity	4.4 years
Yield to Maturity (Performing Debt) ²	8.3%
Current Yield ³	8.4%

Source: Beach Point internal research.

Past strategy allocations are not necessarily indicative of future allocations. Percentages are estimates based on invested capital at month-end and subject to change.

¹ Weighted Average Spread is based on a percentage of capital invested at month-end and is calculated using the weighted average credit spread for bank debt and bonds in the portfolio.

² Yield to Maturity excludes cash. The calculation only includes performing debt investments.

³ Current Yield reflects a sum of the investments' long market value * coupon rate divided by its long market value * current price. The calculation only includes performing debt investments.

Performance Summary

Beach Point Loan Fund (Cayman) Ltd. (net)

Inception (May 1, 2005) through December 31, 2024

Fund vs Benchmarks	Performance			
	QTD	YTD	Annualized Since Inception	Cumulative Since Inception
Beach Point Loan Fund (Cayman) Ltd.	2.71	9.92	4.89	155.91
S&P UBS Leveraged Loan Index	2.29	9.05	4.91	156.85
Morningstar LSTA US Leveraged Loan TR USD	2.27	8.95	5.04	163.25

Fund vs Benchmarks	Performance Measurements		
	Sharpe Ratio	Standard Deviation	Average Monthly Return
Beach Point Loan Fund (Cayman) Ltd.	0.44	7.43	0.42
S&P UBS Leveraged Loan Index	0.50	6.58	0.42
Morningstar LSTA US Leveraged Loan TR USD	0.50	6.92	0.43

Past performance is not indicative of future results.

	BEACH POINT	S&P UBS LEVERAGED LOAN INDEX	MORNINGSTAR LSTA US LEVERAGED LOAN TR USD
2005*	6.20	3.92	3.74
2006	10.01	7.33	6.74
2007	-0.04	1.88	2.08
2008	-32.98	-28.75	-29.10
2009	44.51	44.87	51.62
2010	11.31	9.97	10.13
2011	2.90	1.82	1.52
2012	13.29	9.43	9.66
2013	6.66	6.15	5.29
2014	2.20	2.06	1.60
2015	2.53	-0.38	-0.69
2016	5.65	9.88	10.16
2017	2.43	4.25	4.12
2018	-0.11	1.14	0.44
2019	8.64	8.17	8.64
2020	2.29	2.78	3.12
2021	4.43	5.40	5.20
2022	-1.73	-1.06	-0.77
2023	15.14	13.04	13.32
2024	9.92	9.05	8.95
Annualized	4.89	4.91	5.04

Sources: Beach Point internal research, S&P UBS, and Morningstar LSTA.

Prior to January 1, 2009, the Loan Fund employed leverage. The use of leverage amplifies potential gains as well as possible losses.

Prior to 2013, performance was calculated net of all expenses and the actual management fees and incentive fees paid by all fee-paying investors in the Loan Fund. From January 1, 2013 through June 30, 2014, performance was calculated net of all expenses and a 1.00% management fee. From June 30, 2014 through March 31, 2018, performance is calculated net of all expenses and a 0.75% management fee. After March 31, 2018, performance is calculated net of all expenses and a 0.50% management fee. Fees have changed over time and existing investors may pay fees that differ from each other and those currently available to new investors. See important disclosures attached at the end of this document.

Term Sheet

Beach Point Loan Fund

Fees	0.50% management fee
Subscription	Monthly
Minimum Initial Investment	\$3,000,000
Redemption	Monthly with 90-day written notice subject to 10% fund-level gate
Prime Broker	J.P. Morgan Securities LLC
Administrator	BNY
Custodians	State Street Bank & Trust Company / BNY
Legal Counsel	Sidley Austin LLP / Maples and Calder
Auditor	PwC



MARKET UPDATE

Investment Beyond the Traditional

Pro-Cyclical Policies Friendly Environment for Credit Markets

The National Federation of Independent Business showed the second largest quarterly rise in small business optimism in its 50-year history¹

Companies are reacting positively towards expectations of lighter regulations and increased onshoring by boosting capital expenditure^{1,2}

SMALL BUSINESS OPTIMISM INDEX¹



CAPEX OUTLOOK & SPENDING PLANS^{1,2}



Sources: ¹ National Federation of Independent Business, Small Business Optimism Survey, as of December 31, 2024

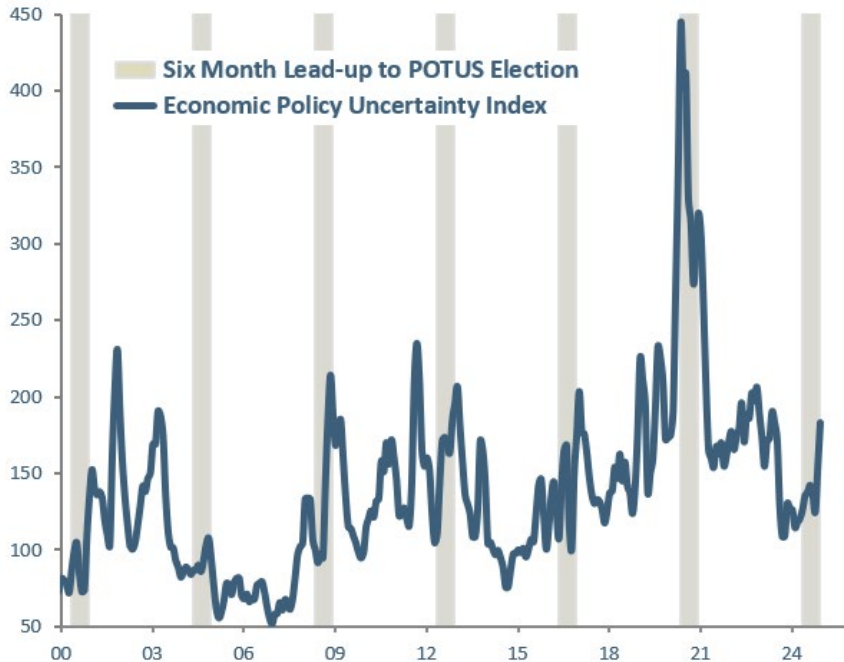
² The Business Roundtable, CEO Economic Outlook Index, as of December 10, 2024.

Trade Policy Uncertainty Replaces Election Uncertainty

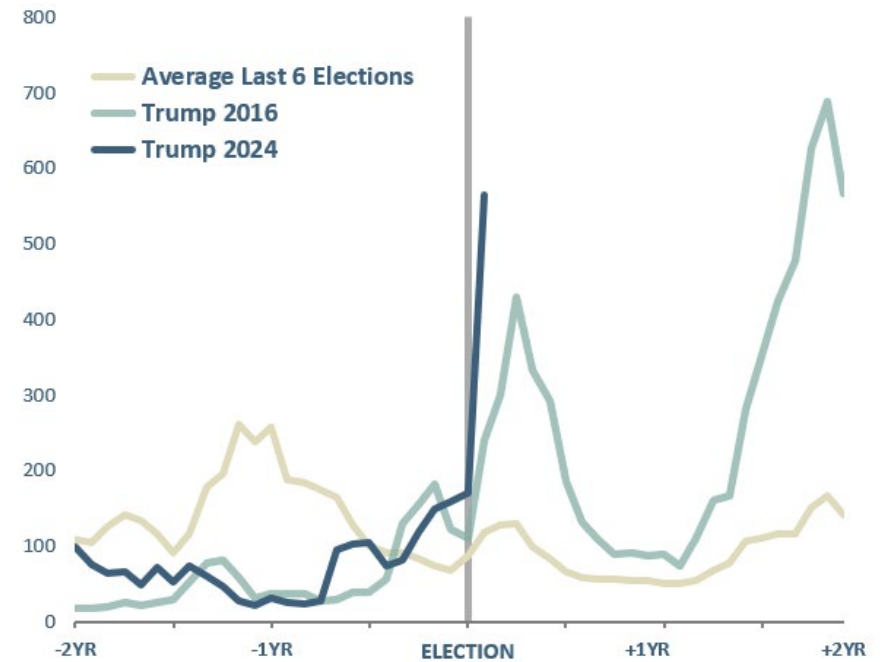
Uncertainty indices assess how often newspaper articles reference economic and trade uncertainty, with higher values indicating increased levels of uncertainty

Economic policy uncertainty tends to decrease once a US president is elected. However, trade policy uncertainty is currently surpassing the elevated levels seen early in the previous Trump administration

ECONOMIC POLICY UNCERTAINTY INDEX¹



TRADE UNCERTAINTY INDEX²



Sources: ¹ Economic Policy Uncertainty Index, <https://policyuncertainty.com>, as of December 31, 2024

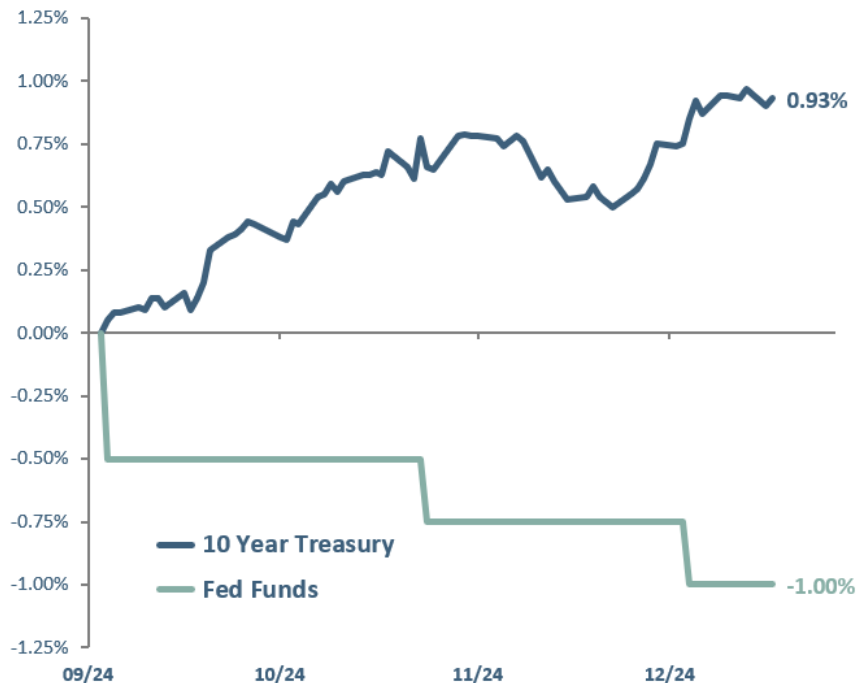
² Trade Policy Uncertainty Index, <https://policyuncertainty.com>, as of December 31, 2024

Long-Term Rates Climb As Fed Eases Policy Stance

The Federal Reserve began recalibrating short-term interest rates last September and lowered its target by 100 basis points (bps) to a range of 4.25% to 4.50% through December¹

Since the Fed began cutting rates, the 10-year government bond rate has risen by about the same amount that the Fed funds rate has fallen, which is unusual compared to previous easing cycles where long-term rates often declined²

YIELD REACTION SINCE SEPTEMBER POLICY EASE^{1,2}



10-YEAR YIELD AFTER FIRST FED RATE CUT²



Sources: ¹ Federal Reserve, Federal Open Market Committee, as of December 18, 2024

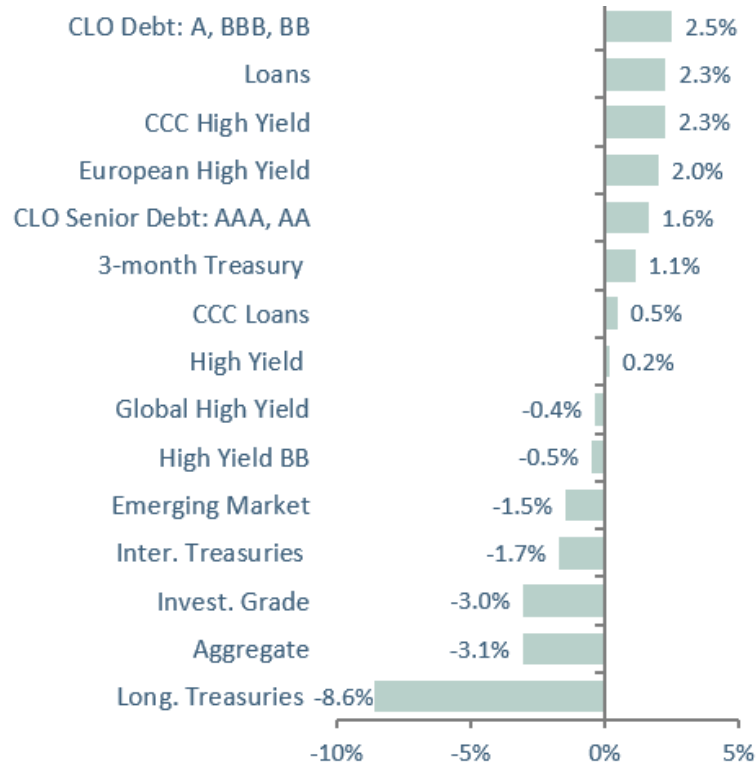
² Department of the Treasury, Daily Treasury Par Yield Curve Rates, as of December 31, 2024

Lower-Rated Bonds Outperformed

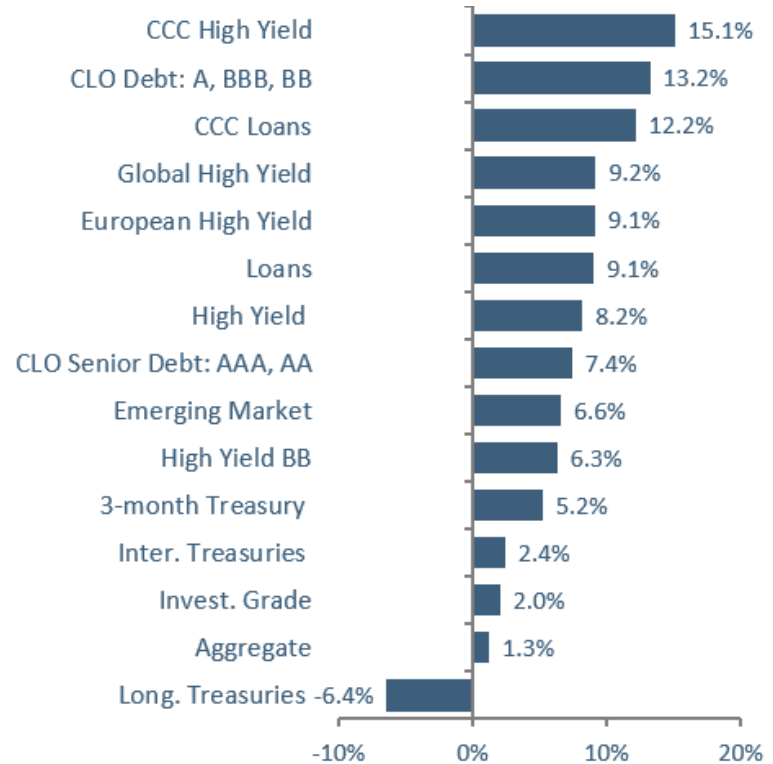
Fixed Income credit posted another solid year, with CCC loans and bonds near the top

- High yield returned **0.2%** in Q4 after gaining **8.0%** during the first three quarters
- Loans returned **2.3%** during the quarter, following gains of **6.6%** the first three quarters
- After gaining **2.4%** during the first three quarters, Long Treasuries lost **-8.6%** in Q4

Q4 RELATIVE PERFORMANCE



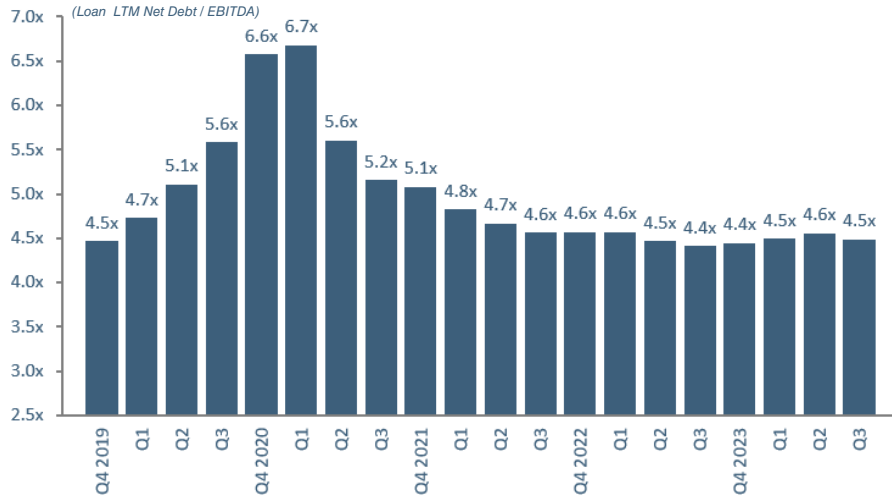
2024 RELATIVE PERFORMANCE



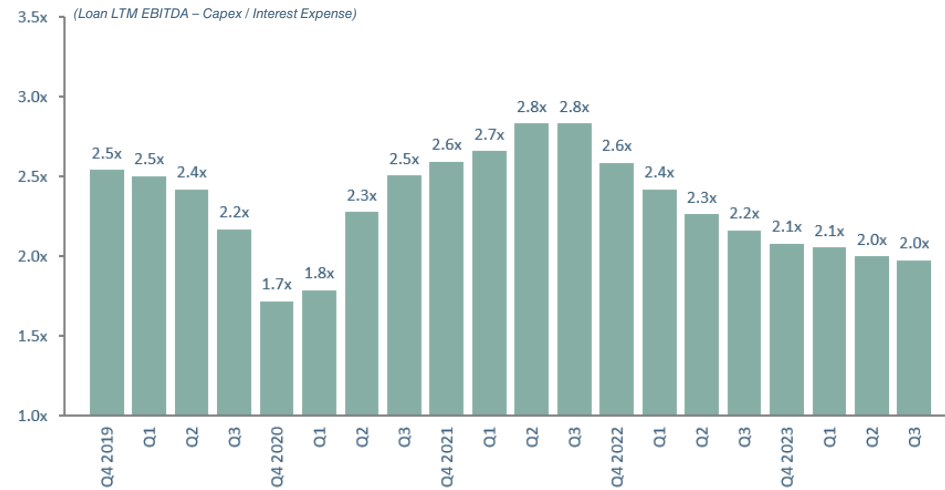
Sources: Bloomberg Long Treasury Index, Bloomberg Emerging Market Index, Bloomberg Global High Yield Index, Bloomberg Investment Grade Credit Index, Bloomberg Pan-European High Yield Index, Bloomberg U.S. Corporate High Yield Index, Bloomberg Aggregate Bond Index, Palmer Square CLO Debt Index A, BBB and BB index, Palmer Square CLO Senior Debt Index AAA and AA, S&P UBS Leveraged Loan Index, as of December 31, 2024

Fundamental Metrics Show Continued Resilience

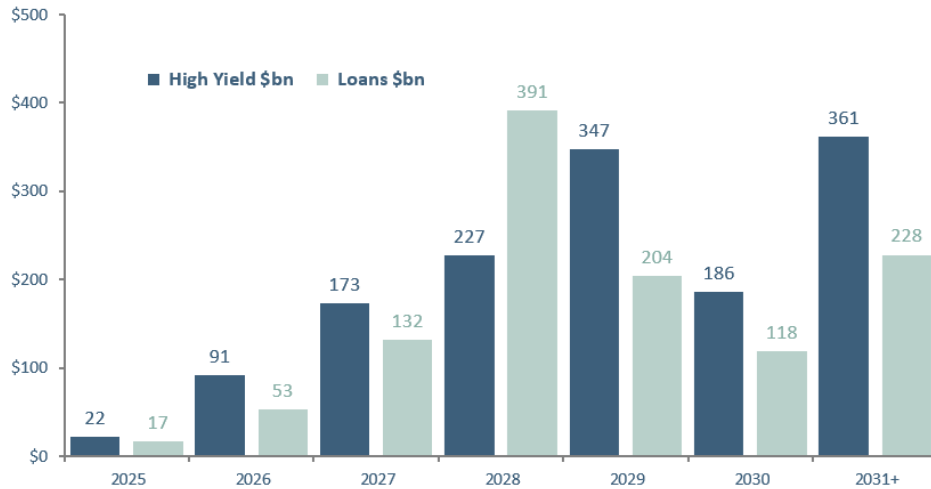
NET LEVERAGE HISTORICAL AVERAGE 4.5x¹



INTEREST COVERAGE HISTORICAL AVERAGE 2.0x¹



MATURITY WALL²



PROFIT MARGINS NEAR ALL-TIME HIGH³



Sources: ¹ JPMorgan Research, Q3 Leveraged Loan Index Credit Metrics, as of December 23, 2024.

² Bank of America Research, as of December 31, 2024

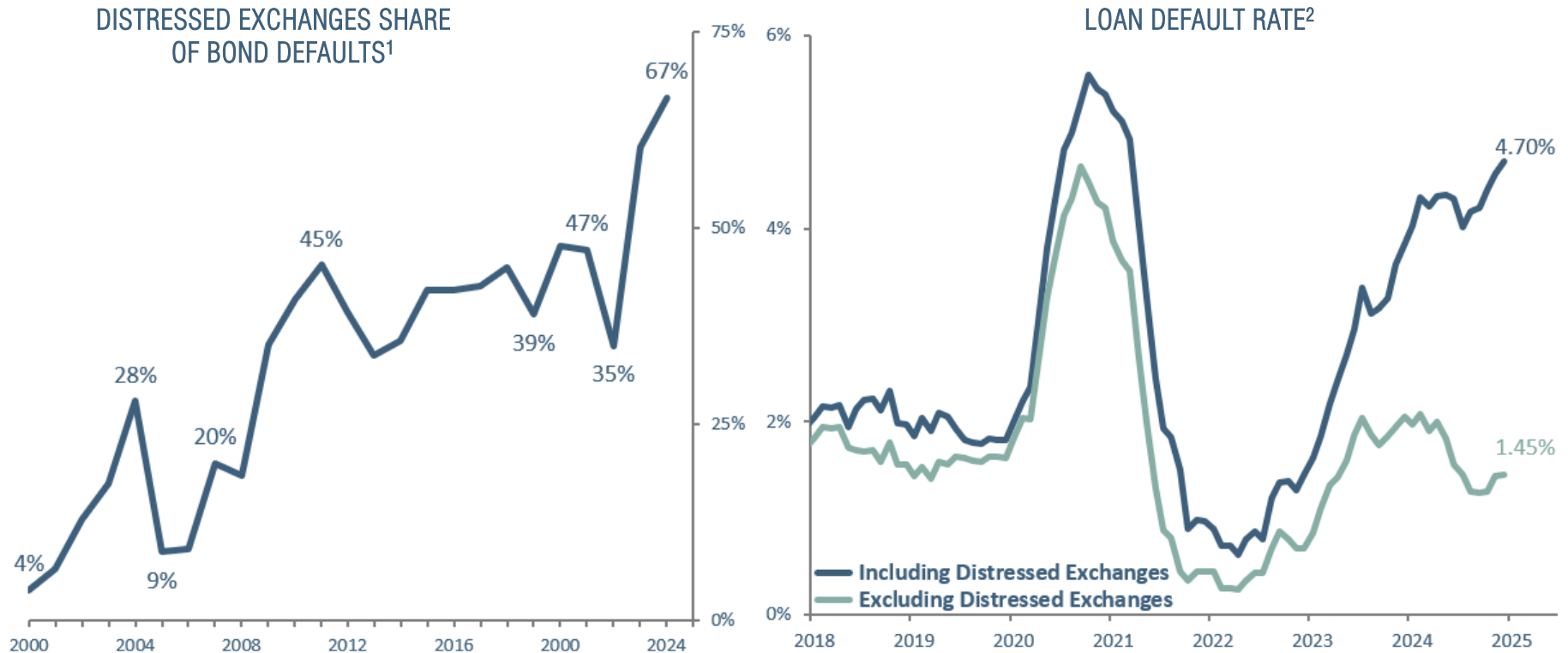
³ Bureau of Economic Analysis, Q3 After-tax Profits share of Gross Value Added, as of December 19, 2024

Companies Increasingly Using Liability Management Exercises

Distressed Exchanges (DEs) remained a prevalent approach in debt restructurings to help preserve shareholders' equity interest and avoid the expensive costs associated with a bankruptcy

67% (40 of 60) of year-to-date bond defaults were DEs, up from 60% (96 of 159) in 2023 and 35% (55 of 157) in 2022¹

Loan default rates are considerably higher when we include Loan DEs (4.7% vs. 1.5%)²



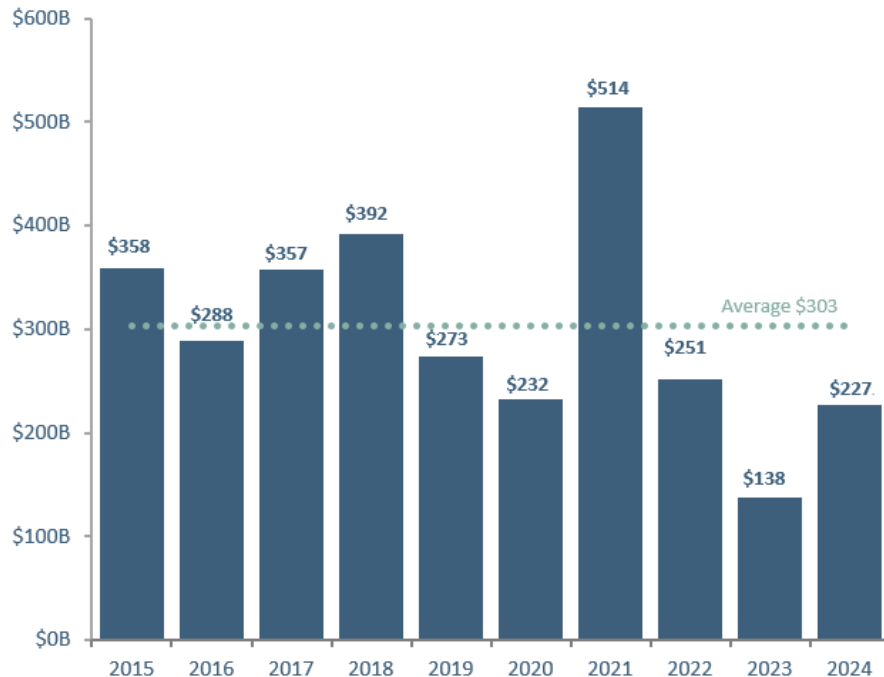
Source: ¹ Moody's Research, as of December 31, 2024, ² PitchBook LCD, as of December 31, 2024

Bullish Backdrop for Merger and Acquisitions

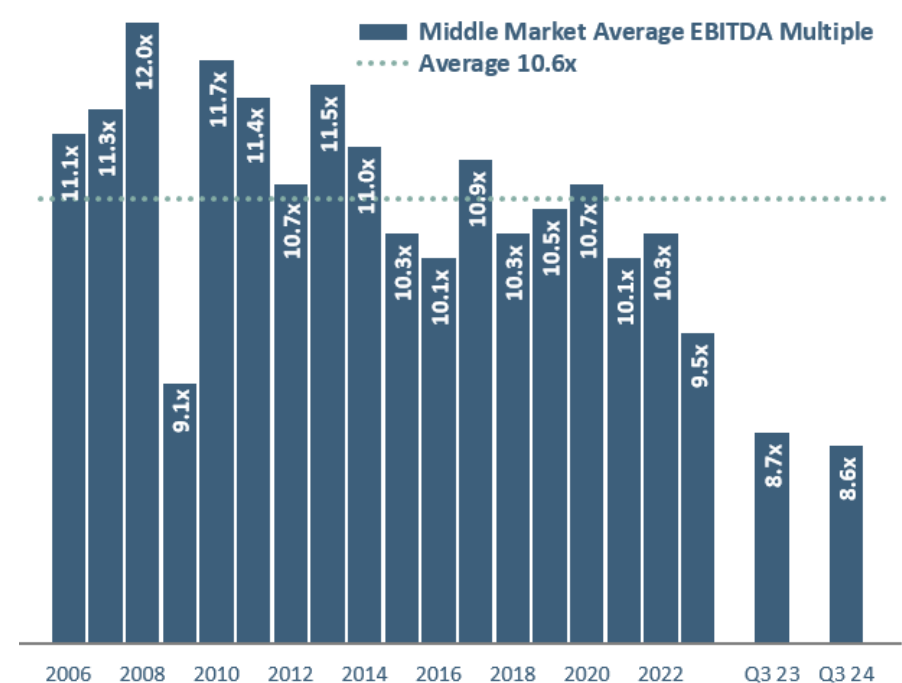
M&A volumes have recorded a third consecutive year of below-average activity.¹ Sponsors still possess significant reserves of dry powder, which continues to be primarily utilized for add-on acquisitions aimed at scaling existing portfolio companies²

The average middle market purchase multiple was 8.6x EV/EBITDA, nearly matching the prior year period but still below the historical average of 10.6x²

LOAN & HIGH YIELD M&A SUPPLY (\$B)¹



MIDDLE MARKET PURCHASE MULTIPLES²



Sources: ¹ PitchBook LCD, as of December 31, 2024

² Capstone Partners, Q3 Capital Markets Update, as of December 17, 2024.

Near-Term Maturity Wall Opportunity

8.0% of high yield bonds and 6.1% of leveraged loans are coming due in the next two years, exceeding the 20-year averages of 7.0% and 5.0%, respectively¹

There are substantial variations among sectors and quality ratings

MATURITIES NEXT 2-YEARS¹

Loan Sector	%	Par (\$B)	High Yield Sector	%	Par (\$B)
Metals	22%	\$ 2.5	Transportation	21%	\$ 7.2
Media	21%	\$ 10.3	Retail	19%	\$ 13.8
Telecoms	13%	\$ 5.4	Travel	18%	\$ 11.9
Travel	12%	\$ 6.1	Packaging/Paper	15%	\$ 5.1
Packaging/Paper	11%	\$ 3.5	Technology	14%	\$ 5.6
Food Producers	11%	\$ 3.7	Autos	12%	\$ 7.2
Energy	10%	\$ 3.2	Financials	12%	\$ 16.2
Cable	9%	\$ 3.3	Gaming	10%	\$ 4.1
Retail	7%	\$ 5.4	Utilities	9%	\$ 3.7
Chemicals	6%	\$ 3.3	Energy	7%	\$ 15.4
Technology	5%	\$ 9.1	Services	6%	\$ 4.4
Healthcare	4%	\$ 5.5	Media	5%	\$ 5.2
Financials	3%	\$ 4.1	Cable	4%	\$ 7.6
Real Estate	3%	\$ 2.0	Healthcare	4%	\$ 7.8
Services	3%	\$ 3.3	Metals	4%	\$ 2.0
Utilities	2%	\$ 0.4	Telecoms	4%	\$ 3.6
Autos	2%	\$ 0.9	Food Producers	3%	\$ 1.1
Transportation	2%	\$ 0.8	Chemicals	3%	\$ 1.7
Capital Goods	2%	\$ 1.3	Capital Goods	2%	\$ 2.3
Gaming	0%	\$ -	Real Estate	0%	\$ 2.0
BB	4%	\$ 11.0	BB	9%	\$ 66.2
B	4%	\$ 29.2	B	8%	\$ 35.4
CCC	19%	\$ 34.0	CCC	13%	\$ 26.4

HISTORICAL MATURITIES NEXT 2-YEARS¹



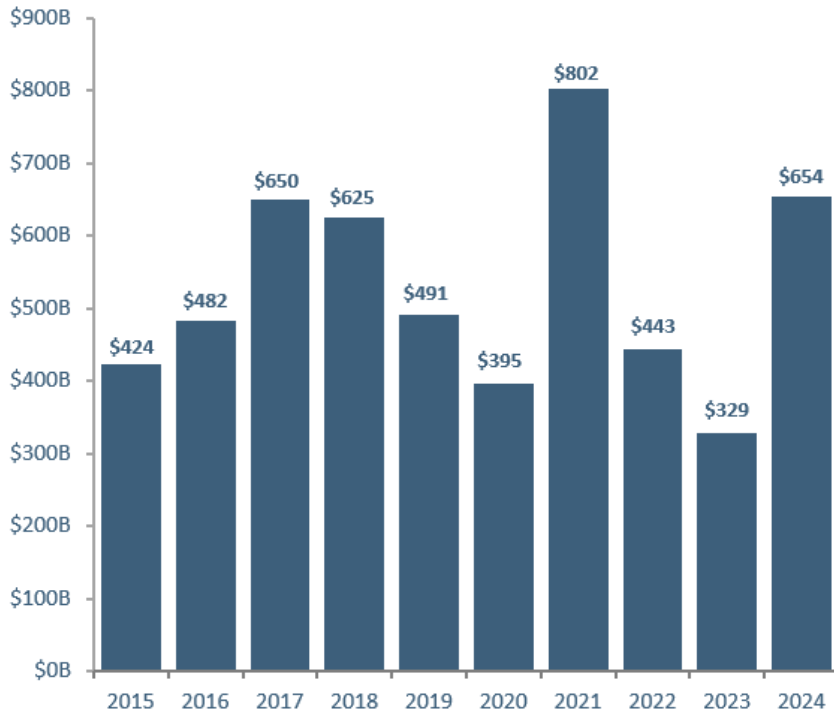
Source: ¹ Bank of America Research, as of December 31, 2024

Robust New Issue Calendar

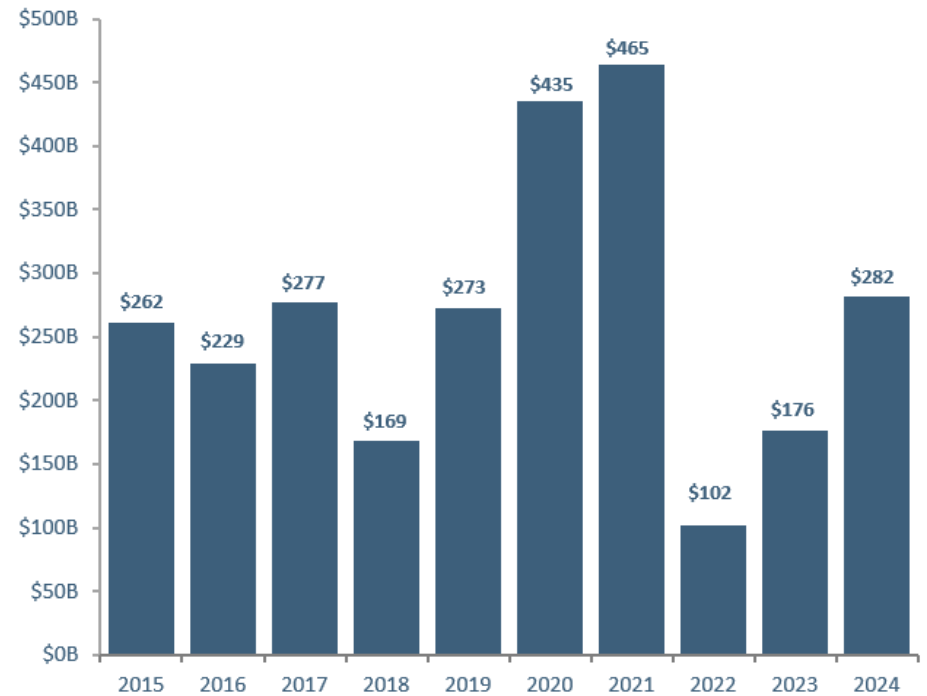
In 2024 loan and high yield borrowers issued \$935.7 billion, compared to \$504.9 billion in 2023¹

Leveraged loans priced \$654.1 billion, which is 99% higher than last year. The issuance of high yield bonds also increased, reaching \$281.6 billion, a 60% rise from 2023¹

LOAN VOLUMES (\$B)¹



HIGH YIELD VOLUMES (\$B)¹



Source: ¹ PitchBook LCD, as of December 31, 2024



APPENDIX

Investment Beyond the Traditional

Organizational Chart – Infrastructure

OPERATIONS / DATA MANAGEMENT / INFORMATION SECURITY / SOFTWARE DEVELOPMENT / CYBERSECURITY					ACCOUNTING / TAX / VALUATION / CORPORATE ACCOUNTING			
DARSHAN DESAI ^{1,3,4} Chief Operating Officer					THOMAS BOYACK ^{1,2,3} Chief Financial Officer			
OPERATIONS	DATA MANAGEMENT	INFORMATION TECHNOLOGY / SOFTWARE DEVELOPMENT / CYBERSECURITY			FUND ACCOUNTING	TAX	VALUATION	CORPORATE ACCOUNTING
JONATHAN CANNON Managing Director	JACK PHAN Director – Data Mgmt.	CESAR QUEBRAL Chief Technology Officer			ADRIAN ESTRADA-GONZALEZ Fund Controller	STEPHEN ROSE ^{2,3} Global Head of Tax	ANTHONY PARK Managing Director	MARK SPALDING Corporate Controller
ITHRAN OLIVACCE Director	JULIANNE CAMERINO Assistant Vice President	KRITSANA KEOPUNNA Director of Infrastructure	SEAN SEDRULEY Director of Software Engineering	ED MORALES Director of Information Security	MEGHAN EVERETT Fund Controller	LAILA ROBERTS Senior Vice President – Tax	GLEN COOK Sr. Valuation Associate	KURTIS NAKASHIMA Senior Accountant
ABRAHAM YAO Director		IT SUPPORT STAFF (5 Employees)	SOFTWARE DEV. STAFF (7 Employees)	AMY LOU Information Security Engineer	ASHLEY WILLEMS Fund Controller	SIOBHAN CORONADO Senior Vice President – European Tax (IRL)		
ANDREW SUSSMAN Director (NY)					YVONNE LI VP Accounting – SPVs (NY)	JANET HSU ² Vice President – Tax		
OPERATIONS STAFF (10 Employees)					ACCOUNTING STAFF (7 Employees)	TAX STAFF (3 Employees)		

Organizational Chart – Infrastructure

MARKETING / INVESTOR RELATIONS			LEGAL / COMPLIANCE		HUMAN RESOURCES / ADMINISTRATION
JOHN QUINTANAR ^{1,3,4} Managing Director			DAVID ROSENBLUM ^{1,2,3,4} General Counsel Chief Compliance Officer		LAWRENCE M. GOLDMAN ^{1,2,3} Chief Administrative Officer
MARKETING		INVESTOR RELATIONS	LEGAL	COMPLIANCE & REGULATORY	HUMAN RESOURCES & ADMINISTRATION
GLEN ABBOTT Managing Director	CHERIE ALCOFF Managing Director (NY)	CHRISTINA BAU Managing Director, Head of Investor Relations	KEVIN PARKER ² Deputy General Counsel	CAROLINA REESER Senior Compliance Officer	LEIGH KNIGHT Head of Human Resources
JOEL KARSCH Managing Director (NY)	SAMANTHA LEVENSTEIN ² Managing Director	PAUL BERBERIAN Senior Director	MICHAEL D'ANDREA ² Assistant General Counsel	ALANA FLEDDERJOHN Compliance Officer	MOLLY RIORDAN HR Analyst
ROBERT WEINERT Managing Director (NY)	IAN GRIFFITHS Director (UK)	LARISSA CHAPIN Senior Director	CARISSA SAUCEDO Senior Paralegal & Director - Legal Affairs	JOSEPH STIKELEATHER ⁴ Vice President - Regulatory Affairs	AMANDA HESTER Officer Manager
JAMES MALONEY Senior Advisor	MIKE CARTER Senior Advisor	EMILY GIOVANNIELLO Director	MARLENE GALDAMEZ Legal Administrative Assistant	DIANA BURKE Compliance Director	SUPPORT STAFF (11 Employees)
		JORDAN EPSTIEN Product Specialist		LUCY CHEN Compliance Associate	
		IR SUPPORT STAFF (5 Employees)		CHRISTINA GREGORY Compliance Analyst	
		ESG SUPPORT STAFF (2 Employees)			

Biographies

Co-Founders, Co-Chairmen and Co-CEOs

Carl Goldsmith

Carl Goldsmith is the Co-Founder, Co-Chairman, and Co-CEO of Beach Point Capital Management LP. Bringing over 30 years of investing experience in the credit markets, Mr. Goldsmith has managed portfolios across high yield bonds, bank loans, and distressed debt, while leading restructurings for companies in financial distress. Prior to founding Beach Point Capital, Mr. Goldsmith co-led the multi-billion dollar alternative credit business at Post Advisory Group. In the early 1990s, Mr. Goldsmith worked in the Bankruptcy Support and Valuation departments at Price Waterhouse, where he advised debtors and creditors in bankruptcy restructurings. Mr. Goldsmith received a bachelor's degree in economics from the Wharton School of the University of Pennsylvania and a J.D. from UCLA Law School.

Scott Klein

Scott Klein is the Co-Founder, Co-Chairman, and Co-CEO of Beach Point Capital Management LP. Mr. Klein has over 30 years of experience investing in public and private credit markets and managing alternative investment portfolios. Prior to founding Beach Point, Mr. Klein co-led the multi-billion dollar alternative credit business at Post Advisory Group and previously worked as a bankruptcy attorney. He graduated magna cum laude from the Wharton School of the University of Pennsylvania and received a J.D. from UCLA Law School. Mr. Klein serves on the Board of Trustees of Saint John's Health Center Foundation, the Board of Governors of Cedars Sinai Hospital, and the Board of Advisors of UCLA Law School.

Biographies

Investment Team

Robert Bergmann

Portfolio Manager

Robert Bergmann is a Portfolio Manager focused on private equity and special situation investing. Mr. Bergmann has more than 25 years of experience in the private equity industry and has worked closely with many public and private middle market companies over that period. Prior to Beach Point, he co-founded and served as Managing Partner of Bregal Partners, a \$600 million private equity fund focused on investing in the consumer, food & beverage, healthcare and energy services industries. Before founding Bregal Partners, Mr. Bergmann served as a Senior Partner at Centre Partners and led the firm's Los Angeles office. During his 20 years at Centre Partners, the firm invested over \$3 billion in equity capital. Mr. Bergmann started his career in the Investment Banking group at Donaldson, Lufkin & Jenrette (DLJ). He received a bachelor's degree in economics from the Wharton School of the University of Pennsylvania and an MBA from Harvard University.

Sinjin Bowron

Portfolio Manager

Sinjin Bowron is a Portfolio Manager and head of Beach Point's High Yield and Bank Loan strategies. Mr. Bowron has been investing in high yield bonds and leveraged loans since 1999. Prior to Beach Point he was a Senior Vice President at Trust Company of the West (TCW) overseeing credit research across several industries in investment grade, high yield, and loans, as well as assisting in the launch of TCW's CLO platform. He was also previously at PIMCO and Metropolitan West Asset Management, where he served as a credit analyst covering several sectors including Media, Technology, Healthcare, and Energy, among others. Mr. Bowron received a bachelor's degree in history from Harvard University and an MBA from the University of Chicago where he specialized in finance, economics and financial accounting.

Andrew Chen

Portfolio Manager (NY)

Andrew Chen is a Portfolio Manager dedicated to private commercial and residential real estate investing for Beach Point, and has been in the real estate finance industry since 2006. Prior to Beach Point, he was a Portfolio Manager at the Abu Dhabi Investment Authority (ADIA), where he helped lead all aspects of U.S. commercial real estate equity and debt investing for the world's largest institutional real estate investor. At ADIA, Mr. Chen was responsible for investing \$3.9 billion of equity across 47 distinct transactions. Prior to ADIA, Mr. Chen worked at Lehman Brothers Real Estate Partners, where he focused on evaluating and executing opportunistic real estate equity investments. Prior to this, he was a member of Merrill Lynch's Global Real Estate Investment Banking Group. Mr. Chen received a bachelor's degree from the Walsh School of Foreign Service at Georgetown University and is a CFA Charterholder.

Kathy Choi

Portfolio Manager

Kathy Choi is a Portfolio Manager focused on opportunistic credit mandates. Mrs. Choi has been in the industry since 1991. Prior to Beach Point she was a Managing Director at Post Advisory Group where she spent eight years focusing on a variety of high yield and distressed investments. She was previously a Senior Research Analyst for three years at DDJ Capital Management where she analyzed high yield and distressed investments. Mrs. Choi has also worked at Salomon Brothers as an Associate in the High Yield Capital Markets group and as a Financial Analyst in the Mergers and Acquisitions group. Mrs. Choi received a bachelor's degree in economics from the Wharton School of the University of Pennsylvania and an MBA from Harvard University.

Biographies

Investment Team

Michael Haynes

Portfolio Manager (NY)

Michael Haynes is a Portfolio Manager focused on private debt and special situation investing as well as sourcing new investment opportunities and performing fundamental research and company analysis. Mr. Haynes, who has been in the finance industry since 1996, is the head of the firm's New York office. Prior to Beach Point he was a Director at Post Advisory Group. Mr. Haynes was previously at Babcock & Brown where he was responsible for principal investing and advisory assignments involving debt and equity across a range of industries and asset types. Earlier, he was the Vice President & Treasurer of Sirius Satellite Radio, where he was responsible for raising capital, strategic planning, and investor relations. Mr. Haynes has also served as an Investment Banker at Merrill Lynch and Oppenheimer. He currently serves on the board of advisors of the Tufts University Athletics Department. Mr. Haynes received a bachelor's degree from Tufts University.

Ben Hunsaker

Portfolio Manager

Ben Hunsaker is a Portfolio Manager focused on securitized credit. Mr. Hunsaker has been in the industry since 2006. Prior to Beach Point Mr. Hunsaker was a Portfolio Manager at Western Asset Management (WAMCO) where he was responsible for structured products. Prior to WAMCO, he was a Senior Analyst at Countrywide Securities Corporation in the structured finance and banking group responsible for securitizing ABS and MBS. Mr. Hunsaker is also a CFA Charterholder and GARP certified Financial Risk Manager. Mr. Hunsaker is the co-chairman of the board of directors for the non-profit organization Uncommon Good and serves on the Board of Directors for Visio Financial Services. Mr. Hunsaker received a bachelor's degree in economics and accounting from Claremont McKenna College and an MBA from the Drucker School of Management.

Shane Lanigan

Portfolio Manager (IRL)

Shane Lanigan is a Portfolio Manager focused on direct lending opportunities. Mr. Lanigan has been in the industry since 1993 with credit experience gained in insurance and banking. Prior to Beach Point he worked at BMS Finance for 10 years as a Portfolio Manager managing their direct lending sourcing, origination and credit operations in Ireland and the UK. Before BMS Finance he worked at Elgin Capital and was involved in sourcing, origination, trading and analysis of leveraged loan transactions for the Dalradian European CLO series of funds. He has also worked for several banks including The Fuji Bank (acquired by Mizuho) and Erste Bank within their credit, leveraged and acquisition finance departments. Mr. Lanigan received a bachelor's degree in Commerce and a master's in Business Studies from University College Dublin.

Lawrence Sadaka

Portfolio Manager

Lawrence Sadaka is a Portfolio Manager focused on sourcing new investment opportunities and performing fundamental research and company analysis. Mr. Sadaka has been in the industry since 2005. Prior to Beach Point, Mr. Sadaka worked at Goldman Sachs in their Investment Banking and Fixed Income Divisions. Mr. Sadaka received a bachelor's degree in philosophy and economics from Washington University in St. Louis and an MBA from Harvard Business School.

Biographies

Investment Team

Allan Schweitzer

Portfolio Manager

Allan Schweitzer is a Portfolio Manager focused on opportunistic credit mandates. Mr. Schweitzer has been in the industry since 1993. Prior to Beach Point he was Chief Investment Officer and Senior Portfolio Manager at Post Advisory Group where he specialized in High Yield securities. He was previously a senior high yield analyst at Trust Company of the West (TCW) where he specialized in healthcare, media, and the telecommunications industries. In prior years, he was an emerging market corporate credit analyst at Putnam Investments where he also designed global fixed income risk models. He currently serves on the Curtis School Board of Trustees and the Washington University in St. Louis Olin Alumni Board. Mr. Schweitzer is a CPA (inactive). Mr. Schweitzer received a bachelor's degree in business administration from Washington University at St. Louis and his MBA from the University of Chicago with a concentration in analytical finance and international economics.

Ken Wolfe

Portfolio Manager

Ken Wolfe is a Portfolio Manager focused on opportunistic credit mandates. Mr. Wolfe has been investing in high yield bonds and distressed credits since 1998. Prior to Beach Point he was a Senior Investment Analyst at Post Advisory Group. Mr. Wolfe was previously a Research Analyst at Ares Management where he invested in bank debt, high yield and distressed investments, primarily in the automotive and industrial/manufacturing sectors. Earlier, he was an Analyst in the investment banking group at Jefferies & Company, where he worked on a variety of corporate finance transactions. Mr. Wolfe received a bachelor's degree in economics with dual concentration in finance and accounting from the Wharton School of the University of Pennsylvania.

Jared Work

Portfolio Manager

Jared Work is a Portfolio Manager focused on structured products. Mr. Work has been in the industry since 2004. Prior to Beach Point, Mr. Work was a Portfolio Manager at Balyasny Asset Management where he focused on Agency MBS and REITs. Prior to Balyasny Asset Management, he was a Portfolio Manager and Chief Risk Officer of Seer Capital Management. Mr. Work received a bachelor's degree in economics from the Wharton School at the University of Pennsylvania.

Bridget Bartlett

Portfolio Strategist

Bridget Bartlett serves as Portfolio Strategist focused on credit market analysis and Environmental, Social, and Governance (ESG) integration across portfolios. Ms. Bartlett has been in the industry since 2010. Prior to Beach Point, she was a Vice President at Goldman Sachs where she spent ten years in the Fixed Income, Global Investment Research, and Investment Management Divisions with a focus on credit market research and cross-asset strategy. Ms. Bartlett most recently served as the Head of ESG and Impact investing for the Private Wealth division at Goldman Sachs. Ms. Bartlett graduated summa cum laude with a bachelor's degree from Princeton University in the Princeton School of Public and International Affairs.

Biographies

Investment Team

Jay Takefman

Senior Managing Director (NY)

Jay Takefman is a Senior Managing Director focused on private equity investing. Mr. Takefman has more than 25 years of experience in the private equity industry and has worked closely with many public and private middle market companies over that period. Prior to Beach Point, for 15 years, he served as Co-Head of Quilvest Capital Partners private equity buyout group, investing over \$1 billion primarily in founder-led businesses in the lower middle market globally. Prior to Quilvest, Mr. Takefman worked at Centre Partners, a middle market private equity firm and L Catterton, one of the largest consumer-focused private equity firms in the world. Mr. Takefman started his career in the Investment Banking group at Legg Mason. He received a bachelor's degree in business administration from the University of Michigan's Ross School of Business.

Alan Chao

Managing Director

Alan Chao is a Managing Director focused on securitized credit. Mr. Chao has been in the industry since 2004. Prior to Beach Point, Mr. Chao was an Associate at Credit Suisse in New York focusing on securitized product structuring and collateral analysis. Prior to Credit Suisse, he was a Vice President at Mortgage Industry Advisory Corp (MIAC) in the capital markets group. Prior to MIAC, he was a Portfolio Analyst at EverBank Financial. Mr. Chao is a CFA charterholder and received a bachelor's degree in business administration from National Taipei University and master's degree in finance from the University of Florida.

Hubert Chu

Managing Director

Hubert Chu is a Managing Director focused on sourcing new investment opportunities and performing fundamental research and company analysis. Mr. Chu has been in the industry since 2005. Prior to Beach Point, he was a Vice President at Goldman Sachs Asset Management in Singapore, where he focused on credit investments in Asia. He was previously an Associate at General Atlantic, where he worked on private equity investments across a variety of sectors. Mr. Chu has also held roles in Technology Mergers and Acquisitions at UBS Investment Bank and as an engineer at NASA's Jet Propulsion Laboratory. Mr. Chu received a bachelor's degree in electrical engineering from Stanford University and an MBA from the Wharton School of the University of Pennsylvania.

Joseph Fabiani

Managing Director

Joseph Fabiani is a Managing Director focused on special situations and private debt transactions. Mr. Fabiani is an integral part of the debt restructuring and legal research function for the investment team. He has been working in the distressed debt industry since 2007. He previously practiced law as a bankruptcy and restructuring attorney at Latham & Watkins LLP. Mr. Fabiani holds a bachelor's degree in economics, summa cum laude, from the University of Pennsylvania and a J.D. from Harvard.

Biographies

Investment Team

Gabriel Fineberg

Managing Director (NY)

Gabriel Fineberg is a Managing Director focused on sourcing new investment opportunities and performing fundamental research and company analysis. Mr. Fineberg has been in the industry since 2015. Prior to Beach Point, he was an Analyst in the Restructuring and Debt Advisory Group at Evercore. Mr. Fineberg graduated from the University of Pennsylvania summa cum laude with bachelor's degrees in economics and history.

Daniel Gurvich

Managing Director (NY)

Daniel Gurvich is a Managing Director focused on sourcing new investment opportunities and performing fundamental research and company analysis. Mr. Gurvich has been in the industry since 2012. Prior to Beach Point, he was an Associate in Investment Banking at Credit Suisse. Mr. Gurvich received a bachelor's degree from the University of Michigan's Ross School of Business.

Evan Klebe

Managing Director

Evan Klebe is a Managing Director focused on private equity and special situation investing. Mr. Klebe has been in the industry since 2003 and has worked closely with many companies across a broad spectrum of industries over that period. Prior to Beach Point, Mr. Klebe was a Principal at Lindsay Goldberg, a New York-based private equity fund managing over \$10 billion in equity capital. He previously also worked at 3i Group and Morgan Stanley. Mr. Klebe received a bachelor's degree in economics from Harvard University and an MBA from The Wharton School at the University of Pennsylvania.

Bryan Kurnoff

Managing Director

Bryan Kurnoff is a Managing Director focused on sourcing new investment opportunities and performing fundamental research and company analysis. Mr. Kurnoff has been in the industry since 2011. Prior to Beach Point, Mr. Kurnoff served as an Associate at Oaktree Capital. Before Oaktree, he was an investment banker at Moelis & Company focusing on mergers and acquisitions. Mr. Kurnoff received a bachelor's degree in business economics, magna cum laude from the University of California, Los Angeles.

Biographies

Investment Team

Bordon Lai

Managing Director (NY)

Bordon Lai is a Managing Director focused on private equity and special situation investing. Mr. Lai has been in the industry since 2002 and was previously at Quilvest Private Equity, a global multi-family office with \$5B of AUM. Prior to Quilvest, he worked at Pegasus Capital Advisors and Vision Capital, where he invested under a flexible mandate in opportunistic investments in the middle market. He started out his career as an investment banking analyst at Wachovia Securities and Credit Suisse First Boston. Mr. Lai received a bachelor's degree from Georgetown University and an MBA from The Wharton School of University of Pennsylvania.

Niraj Patel

Managing Director (UK)

Niraj Patel is a Managing Director focused on sourcing new investment opportunities and performing fundamental research and company analysis. Mr. Patel has been in the industry since 2005. Prior to Beach Point, Mr. Patel was Vice President at MatlinPatterson Global Advisers, both in London and New York, where he focused on distressed and special situation investments across a variety of sectors. He was previously at Merrill Lynch in its investment banking division. Mr. Patel received a bachelor's degree in natural sciences from Cambridge University.

Patrick Sheffield

Managing Director

Patrick Sheffield is a Managing Director focused on sourcing new investment opportunities and performing fundamental research and company analysis. Mr. Sheffield has been in the industry since 2005. Prior to Beach Point, Mr. Sheffield was at Kohlberg Kravis Roberts & Co. (KKR), where he worked on Retail and Infrastructure private equity investments. He also worked in the Mergers and Acquisitions group at Morgan Stanley. Mr. Sheffield received a bachelor's degree in economics, cum laude, from Harvard University and an MBA from Stanford Graduate School of Business.

Christopher Su

Managing Director

Christopher Su is a Managing Director focused on sourcing new investment opportunities and performing fundamental research and company analysis. Mr. Su has been in the industry since 2005. Prior to Beach Point, he was an investment analyst at Tiger Legatus, a long/short Tiger fund in New York, where he worked on public equity investments across a variety of sectors. He was previously a high yield desk analyst at Credit Suisse, where he focused on the healthcare, IPP, and utilities sectors. Mr. Su received a bachelor's degree in engineering and an MBA in finance from Columbia University.

Biographies

Investment Team

Elizabeth Wegener

Managing Director

Elizabeth Wegener is a Managing Director focused on sourcing new investment opportunities and performing fundamental research and company analysis. Ms. Wegener has been in the industry since 2008. Prior to Beach Point, she was a Senior Vice President at PIMCO focused on credit investments. Previously, she worked at Citigroup as an investment banking analyst focused on M&A and capital raising assignments for Media and Telecom clients. Ms. Wegener holds a bachelor's degree in Economics from Dartmouth and an MBA from the Wharton School.

Jenny Zhan

Managing Director

Jenny Zhan is a Managing Director focused on sourcing new investment opportunities and performing fundamental research and company analysis. Ms. Zhan has been in the industry since 2010. Prior to Beach Point, Ms. Zhan worked at Kohlberg Kravis Roberts & Co. (KKR) in San Francisco where she focused on credit investments in the Healthcare and Education sectors. She also was an investment banking analyst at UBS in the Leveraged Finance group in New York. Ms. Zhan is a CFA Charterholder and received dual bachelor's degrees in economics and international studies, magna cum laude, from the Wharton School and the College of Arts and Sciences of the University of Pennsylvania.

Tahar Betbout

Senior Trader & Managing Director

Tahar Betbout is a Senior Trader and Managing Director dedicated to helping execute market transactions. Mr. Betbout has been in the industry since 2011. Prior to Beach Point, Mr. Betbout worked at Crescent Capital Group and Barclay Investments in a similar capacity. Mr. Betbout graduated magna cum laude from the University of South Carolina with a double major in International Business and Marketing and a minor in French.

William Lynch

Senior Trader & Managing Director

William Lynch is a Senior Trader and Managing Director focused on managing trading relationships and executing market transactions. Mr. Lynch has been in the industry since 2000. Prior to Beach Point he was as a Trader at Post Advisory Group. Mr. Lynch previously worked at JPMorgan Chase where he supported fixed income trading desks in a revenue control function. Mr. Lynch received a bachelor's degree from the University of Delaware.

Biographies

Investment Team

David Seay

Senior Trader & Managing Director

David Seay is a Senior Trader and Managing Director focused on managing trading relationships and executing market transactions. Mr. Seay has been trading fixed income securities since 1999. Prior to Beach Point, Mr. Seay was a Director of U.S. High Yield Corporate Bond Trading at UBS Securities LLC where he has held various Director of Corporate Bond Trading positions. He previously was an Associate Vice President of Corporate Bond Trading at PPM America, Inc. Mr. Seay graduated, with honors, from Principia College where he received a bachelor's degree with dual concentrations in International Relations and Economics and a minor in Asian Studies.

C.J. Foster

Director (NY)

C.J. Foster is a Director focused on sourcing new investment opportunities and performing fundamental research and company analysis. Mr. Foster has been in the high yield credit industry since 2003. Prior to Beach Point, he was an investment analyst at Squarepoint Capital where he co-lead a buildout of its discretionary corporate credit strategy. Earlier, at Oak Hill Advisors, he served as Managing Director where he was responsible for credit investing across a range of products including performing, distressed, public, and private credit opportunities. Mr. Foster has also worked at Post Advisory Group as a Senior Analyst, Bear Stearns as a Vice President in the High Yield Research group, and Prudential Investment Management as a fixed income research analyst. C.J. received his bachelor's degree in finance from Rutgers University and has also earned the right to use the CFA designation.

Shin Bowers

Senior Vice President (NY)

Shin Bowers is a Senior Vice President focused on commercial and residential real estate investing, and has been in the industry since 2010. Prior to Beach Point, Mr. Bowers was a Director at 3650 REIT where he focused on commercial real estate credit investments. He started his career at Fortress Investment Group where he focused on opportunistic real estate-related debt and asset acquisitions in Japan and was an analyst in the Fixed Income Division at Morgan Stanley. Mr. Bowers received a bachelor's degree with honors in chemical engineering from Brown University, an MBA from the Wharton School of the University of Pennsylvania, and is a CFA charterholder.

Tony Cardona

Senior Vice President

Tony Cardona is a Senior Vice President focused on structured products and REIT investment opportunities. Mr. Cardona has been in the industry since 2009. Prior to Beach Point, Mr. Cardona was a Portfolio Manager at the Employee Retirement System of Texas where he was responsible for Equity REIT & PropTech investments. Prior to ERS of Texas, he worked at Avondale Partners as an Equity Research Associate focused on the Healthcare Services, Equity REITs, and Healthcare IT sectors. He previously worked at Citigroup in New York where he worked on the Equity Capital Markets syndicate and origination desks. Mr. Cardona received a bachelor's degree from Cornell University.

Biographies

Investment Team

Conor D'Alton

Senior Vice President

Conor D'Alton is a Senior Vice President focused on structured product investments and sourcing commercial real estate loan opportunities. Mr. D'Alton has been in the industry since 2004. Prior to Beach Point, Mr. D'Alton was a Vice President at Credit Suisse in New York where he originated commercial real estate balance sheet and CMBS loans. Prior to Credit Suisse, he worked at Macquarie in CMBS/CRE capital markets and at Barclays in securitized product sales. He previously worked at Anglo Irish Bank in New York where he originated and asset managed transitional balance sheet loans across all commercial real estate asset classes. Mr. D'Alton received a bachelor's degree in economics from Rollins College and an MBA from the University of Michigan's Ross School of Business.

Richard Huang

Senior Vice President

Richard Huang is a Senior Vice President focused on securitized credit. Mr. Huang has been in the industry since 2007. Prior to Beach Point, Mr. Huang was a Manager at State Street, where he was responsible for overseeing trade management and settlements for fixed-income products. Mr. Huang received his bachelor's degree from the University of California, Irvine.

Stephen Kristan

Senior Vice President (NY)

Stephen Kristan is a Senior Vice President focused on commercial and residential real estate investing. Mr. Kristan has been in the real estate industry since 2014. Most recently, Mr. Kristan was part of the real estate asset management team at Fortress Investment Group for ten years. Prior to Fortress, Mr. Kristan was on the structured products and real estate team at PricewaterhouseCoopers. Mr. Kristan received a bachelors' degree and Master's Degree in Real Estate Development from New York University.

LaDonna Neuhaus

Senior Vice President

LaDonna Neuhaus is a Senior Vice President for Beach Point Capital Management. Mrs. Neuhaus has been in the industry since 1998, focused on portfolio strategy for insurance companies and balance sheet clients. She also has experience working in portfolio management at both insurance companies as well as asset management firms. Prior to Beach Point, Mrs. Neuhaus worked at CNO Financial Group, Goldman Sachs Asset Management, and Fidelity & Guaranty Life. Mrs. Neuhaus is a CFA Charterholder and has received a bachelor's degree in economics & finance from Eureka College.

Biographies

Investment Team

Jamie Park

Senior Vice President

Jamie Park is a Senior Vice President focused on the senior bank loan and high yield market. Ms. Park has been analyzing senior bank loans and high yield securities since 2005. Prior to Beach Point she was an Analyst at Post Advisory Group and before that as a Credit Research Analyst at AIG Global Investment Group (AIGGIG). Her primary responsibilities at AIGGIG included analyzing and monitoring credits in the global telecommunications, cable/satellite, and broadcasting industries. She previously worked at Comerica Bank as a credit analyst and with AIG SunAmerica as a Financial Analyst. Ms. Park has passed all four parts of the CPA exam. Ms. Park received a bachelor's degree from UCLA.

Jordan Sauer

Senior Vice President

Jordan Sauer is a Senior Vice President focused on sourcing new investment opportunities and performing fundamental research and company analysis. Mr. Sauer has been in the industry since 2014. Prior to Beach Point, he previously practiced law in the Restructuring and Finance Group at Wachtell, Lipton, Rosen & Katz. Mr. Sauer holds a bachelor's degree with distinction in Political Science from Yale University and a J.D. magna cum laude from Harvard Law School.

Palmer Leff

Vice President (NY)

Palmer Leff is a Vice President focusing on private commercial and residential real estate investing. Mr. Leff has been in the industry since 2012. Prior to Beach Point, Mr. Leff worked at Artemis Real Estate Partners where he focused on opportunistic and value-add acquisitions and development. Before Artemis he worked at Cerberus Capital Management and Sculptor Capital Management. Mr. Leff holds a bachelor's degree in Economics-Mathematics from Columbia University.

Khoa Tran

Vice President

Khoa Tran is a Vice President focusing on securitized product structuring and collateral analysis. Mr. Tran was previously an Accounting Manager at Beach Point Capital. Prior to Beach Point, Mr. Tran worked at Productivity Advisors, a software consulting firm, implementing web-based applications and designing marketing materials for clients across various industries. Mr. Tran received a bachelor's degree from University of California, Los Angeles.

Biographies

Investment Team

Jacob Weiner

Vice President (NY)

Jacob Weiner is a Vice President focused on stressed and distressed investments, privates, covenant analysis, and restructurings. Mr. Weiner has been in the industry since 2015. Prior to Beach Point, Mr. Weiner practiced law in the Restructuring Group at Davis Polk & Wardwell LLP, where he represented creditors, debtors and other strategic parties in bankruptcies, liability management transactions and other financing transactions. Mr. Weiner received a bachelors' degree magna cum laude from Emory University and a J.D. magna cum laude from the University of Pennsylvania Law School.

Martin Hood

Senior Associate (NY)

Martin Hood is a Senior Associate focused on private equity and special situation investing. Mr. Hood has been in the industry since 2015. Prior to Beach Point, Mr. Hood was an Associate in the private equity group at Angelo Gordon, a New York-based alternative investment manager. Before Angelo Gordon, he worked in investment banking at Lazard and SunTrust Robinson Humphrey, where he focused on M&A, private capital, and leveraged finance transactions. Mr. Hood received a bachelor's degree from Florida State University with a double major in Finance and Real Estate, and an MBA from the Wharton School at the University of Pennsylvania, where he graduated with Honors.

Paul Kushner

Senior Associate (NY)

Paul Kushner is a Senior Associate focused on private equity and special situation investing. Mr. Kushner has been in the industry since 2017. Prior to Beach Point, Mr. Kushner worked at Stonetower Partners where he focused on private equity investments in consumer and industrial end-markets. Before Stonetower, he worked at ABX Partners, Citadel, and Bregal Partners, focusing on investments in multiple capital structures within the consumer, industrial, and technology sectors. Mr. Kushner received a bachelor's degree from the University of North Carolina at Chapel Hill with a double major in Economics and Mathematics, where he graduated with Highest Honors and was a Carolina Scholar.

Trent Wong

Senior Associate

Trent Wong is a Senior Associate focused on private equity and special situation investing. Mr. Wong has been in the industry since 2018. Prior to Beach Point, Mr. Wong was an Associate at OpenGate Capital, a private equity firm based in Los Angeles. Mr. Wong was primarily focused on investments within enterprise software, technology enabled services, and corporate divestitures. Mr. Wong received a bachelor's degree, magna cum laude, from the University of Southern California with a double major in business administration and accounting.

Biographies

Investment Team

Mariah Harvey-Brown

Associate (NY)

Mariah Harvey-Brown is an Associate focused on performing fundamental research and company analysis. Mrs. Brown has been in the industry since 2018. Prior to Beach Point, Mrs. Harvey-Brown was a Senior Associate at Castle Hill Partners in Austin, Texas where she focused on private equity real estate development and asset management across all asset classes and U.S. Geographies. Mrs. Harvey-Brown graduated magna cum laude with a bachelor's degree in Economics and a bachelor's degree in Environmental Science from Tufts University. She also serves as a board member and Treasurer of the New Land Foundation, a nonprofit organization which funds programs in conservation, environment, civil rights and leadership development.

Cameron Mir

Associate

Cameron Mir is an Associate focused on commercial and residential real estate investing. Mr. Mir has been in the industry since 2020. Prior to Beach Point, Mr. Mir worked at CIM Group where he was an Investment Associate on the Real Estate team. Before CIM Group, he was a Real Estate Investment Banking Analyst at Eastdil Secured. Mr. Mir received a bachelor's degree in Business Administration from the University of California, Berkeley.

Evan La Riviere

Quantitative Analyst

Evan La Riviere is a Quantitative Analyst focused on securitized products. Mr. La Riviere has been in the industry since 2014. Prior to Beach Point, Mr. La Riviere was a Vice President of securitized products analytics at Nomura Securities International where he focused on developing prepayment and analytics models. Prior to Nomura, he was a Quant for the American International Group (AIG) Agency RMBS trading desk where he focused on collateral research and developing analytics models for a multi-billion dollar portfolio. Mr. La Riviere holds a bachelor's degree from the University of Rhode Island.

Zohair Azmi

Senior Analyst

Zohair Azmi is a Senior Analyst focused on performing fundamental research and company analysis. Mr. Azmi has been in the industry since 2017. Prior to Beach Point, Mr. Azmi worked as an Analyst at Cyrus Capital Partners focusing on event-driven and distressed investments. Mr. Azmi graduated summa cum laude from the Wharton School at the University of Pennsylvania with a BSc concentrating in Statistics and Finance.

Biographies

Investment Team

Ciara McGovern

Senior Analyst (IRL)

Ciara McGovern is a Senior Analyst focused on sourcing new investment opportunities and performing fundamental research and company analysis. Ms. McGovern has been in the industry since 2011. Prior to Beach Point, Ms. McGovern was a Manager in the Financial Advisory Services team at Deloitte, Dublin where she focused on the provision of financial and commercial due diligence to Irish corporates, lenders and investors. During her time in Deloitte, she was seconded to Credit Suisse in London where she focused on regulatory stress testing/market risk projects. Ms. McGovern received a Bachelor of Commerce in Commerce from University College Dublin and a Master of Accounting from Dublin Institute of Technology. She is also a member of Chartered Accountants Ireland since 2013.

Jakob Nilsson

Senior Analyst (UK)

Jakob Nilsson is a Senior Analyst focused on sourcing new investment opportunities and credit risk analysis within the UK loan market. Mr. Nilsson has been working within the industry since 2011. Prior to Beach Point Mr. Nilsson worked at BMS Finance, a specialized UK SME debt lender, as Investment Manager focusing on the UK loan market. Prior to BMS Finance Mr. Nilsson worked for Mubadala GE Capital, a Mubadala and GE joint venture, working within their global finance investment team specializing in the execution of a wide range of commercial debt investments. Mr. Nilsson began his career at GE Capital working both in London and Abu Dhabi looking at European and US mid-market leveraged finance transactions. Mr. Nilsson received a bachelor's degree in Business Economics from University of Westminster in London.

Seth Vaughan

Senior Analyst (UK)

Seth Vaughan is a Senior Analyst focused on direct lending opportunities. Mr. Vaughan has been in the industry since 2007. Prior to Beach Point he worked at BOOST&Co, an alternative finance provider, as a Principal involved in sourcing and execution of loans to high growth SMEs. Before his time at BOOST&Co, he worked at Lloyds Banking Group (LBG) where he operated in portfolio management, origination and structuring roles and focused on strategic and leverage finance for mid to large sized public and private businesses in the Corporate and Institutional Coverage team. He is a Chartered Accountant with the ICAEW, having qualified with PricewaterhouseCoopers. Mr. Vaughan received his bachelor's degree in Economics from the University of Durham.

Austin Adamczyk

Analyst (NY)

Austin Adamczyk is an Analyst focused on performing fundamental research and company analysis. Mr. Adamczyk has been in the industry since 2020. Prior to Beach Point, Mr. Adamczyk worked at Black Diamond Capital Management where he focused on performing loans, distressed credit, and public equities. Mr. Adamczyk started his career in the restructuring group at Greenhill & Co. Mr. Adamczyk has a bachelor's degree in Finance from Indiana University.

Biographies

Investment Team

Michael Aronson

Analyst

Michael Aronson is an Analyst focused on performing fundamental research and company analysis in the senior bank loan and high yield market. Mr. Aronson has been in the industry since 2017. Prior to Beach Point, Mr. Aronson held investing roles with DoubleLine Capital and Oaktree Capital. He began his career at Lazard, where he focused on mergers and acquisitions across Aerospace & Defense, Gaming, and Media. Mr. Aronson received a bachelor's degree in business administration, summa cum laude, from the University of Southern California.

Gowtham Balaji

Analyst

Gowtham Balaji is an Analyst focused on performing fundamental research and company analysis. Mr. Balaji has been in the industry since 2021. Prior to Beach Point, Mr. Balaji worked at Houlihan Lokey where he focused on Restructuring. Mr. Balaji has a bachelor's degree in from Wharton School of the University of Pennsylvania.

Alan Davis

Analyst (IRL)

Alan Davis is an Analyst responsible for performing fundamental research and company analysis. Mr. Davis has been in the industry since 2020. Prior to Beach Point, Mr. Davis worked at Bank of Ireland as an associate on the Corporate Banking Origination team focusing on sourcing and executing loans for mid to large sized public and private businesses. Mr. Davis holds a BSc in Financial Mathematics and Economics from the National University of Ireland, Galway (NUIG).

Andrew Geenen

Analyst (NY)

Andrew Geenen is an Analyst focused on performing fundamental research and company analysis. Mr. Geenen has been in the industry since 2013. Prior to Beach Point, Mr. Geenen was a Vice President at CBAM. Before CBAM, Andrew was a desk analyst at Citi focused on high yield and distressed debt. Mr. Geenen received a bachelor's degree in finance from Villanova University and an MBA from the Wharton School of the University of Pennsylvania.

Biographies

Investment Team

Willard Hawley

Analyst

Willard Hawley is an Analyst focused on performing fundamental research and company analysis. Mr. Hawley has been in the industry since 2019. Prior to Beach Point, Mr. Hawley was an Analyst at Rothschild & Co where he focused on restructuring and debt advisory engagements. Mr. Hawley is a CFA Charterholder and received a bachelor's degree in applied mathematics from UCLA. Before UCLA, he attended the US Naval Academy.

Curren Mody

Analyst (NY)

Curren Mody is an Analyst focused on performing fundamental research and company analysis. Mr. Mody has been in the industry since 2019. Prior to Beach Point, he was an Analyst in the Restructuring and Liability Management group at Guggenheim. Mr. Mody received dual bachelor's degrees in Commerce and Statistics, with distinction, from the McIntire School of Commerce and College of Arts & Sciences of the University of Virginia.

Jeremy Seow

Analyst

Jeremy Seow is an Analyst focused on securitized product structuring and system optimization. Mr. Seow has been in the industry since 2021. Mr. Seow received a bachelor's degree in computer science and a bachelor's degree in financial economics from Claremont McKenna College.

William Brooks

Senior Portfolio Analyst

William Brooks is a Senior Portfolio Analyst focused on analysis of position level portfolio data. Mr. Brooks has been in the industry since 1996. Prior to Beach Point, he was an Analyst at Post Advisory Group and before that he worked as an Analyst at Allegiance Capital Management and a Corporate Actions Manager at Putnam Investments. Mr. Brooks received his bachelor's degree and MBA in finance from Pepperdine University.

Biographies

Investment Team

Cole Gauthier

Portfolio Analyst – CLO (NY)

Cole Gauthier is a Portfolio Analyst - CLO dedicated to the establishment and management of Beach Point's CLO Platform with a focus on portfolio analysis, test compliance/eligibility criteria, cash management, detailed CLO indenture knowledge and trading mechanics. Mr. Gauthier has been in the industry since 2014. Prior to Beach Point, he managed CLO Operations at Brigade Capital Management. At Brigade, he assisted in the growth and development of both US and European CLO platforms. Before Brigade he worked as an Operations Analyst in the Corporate Credit Department at Guggenheim Partners. Mr. Gauthier received a bachelor's degree in Environmental Studies from Soka University of America.

Azita Guiv

Portfolio Analyst

Azita Guiv is a Portfolio Analyst dedicated to evaluating and rebalancing investment portfolios and quantifying risk in support of the firm's High Yield and Bank Loan strategies. Ms. Guiv has been in the industry since 2013. Prior to Beach Point, Ms. Guiv worked at Trust Company of the West and State Street. Ms. Guiv received her bachelor's degree in economics with a minor in accounting from UC San Diego.

Christopher Reed

Macro Strategist

Christopher Reed is a Macro Strategist focused on managing the firm's FX exposure and executing market transactions. Mr. Reed has been in the industry since 2011, most recently as an FX Trader at Banco Bilbao Vizcaya Argentaria (BBVA) where he focused on G10 and various EM currencies. Prior to BBVA, he was an Analyst at BNSF Railway where he managed their unconsolidated subsidiaries. Mr. Reed received a bachelor's in Finance and Accounting from Texas Christian University.

Veronica Sovakian

Trading Assistant

Veronica Sovakian is a Trading Assistant dedicated to helping support the traders. Ms. Sovakian has been in the industry since 2017. Prior to Beach Point, she worked for Pennymac Loan Services, LLC where she focused on mortgage backed securities. Ms. Sovakian received her bachelor's degree from University of Southern California.

Biographies

Investment Team

Roy You

Risk Manager

Roy You is a Risk Manager responsible for analyzing portfolios and quantifying risk. Mr. You has been in the industry since 2006. Prior to Beach Point, he worked at Western Asset Management where he covered portfolio risk for US High-Yield and Bank Loan portfolios and was also involved in defining and validating the methodologies and analytics used in risk management. Prior to that, he was Executive Director of Market Risk and Analytics with J.P. Morgan Asset Management, Vice President of Market Risk Control with TD Securities, and Vice President of Market Risk Management with the Royal Bank of Scotland. Prior to his career in finance, Roy worked in tenure tracked academic position as well as briefly for NASA Jet Propulsion Lab as an academic fellow. Mr. You received both his bachelor's and Ph.D. degrees in electrical engineering from the University of California, Berkeley.

Dali Cao

Risk Analyst

Dali Cao is a Risk Analyst responsible for analyzing portfolios and quantifying risk. Ms. Cao has been in the industry since 2011. Prior to Beach Point, Ms. Cao worked at Payden & Rygel as a Portfolio Architecture Analyst where she oversaw firm-wide risk analytics and data integrity. Ms. Cao received a bachelor's degree from Cornell College with a double major in Mathematics and Economics and a master's degree in financial engineering from Claremont Graduate University.

Biographies

Infrastructure

David Rosenblum

*General Counsel
Chief Compliance Officer*

David Rosenblum is General Counsel and Chief Compliance Officer for Beach Point Capital Management. Mr. Rosenblum oversees the firm's legal matters and compliance. Mr. Rosenblum has been in the industry since 1997. Prior to his current role with Beach Point Capital, Mr. Rosenblum served as Chief Compliance Officer and Assistant General Counsel for Post Advisory Group and was previously in-house counsel at AIG SunAmerica. Prior to AIG SunAmerica, Mr. Rosenblum spent several years working at law firms, including Paul Hastings and Perkins Coie, where he specialized in corporate finance. Mr. Rosenblum received a bachelor's degree from Emory University and a J.D. from the Ohio State College of Law, where he graduated summa cum laude.

Thomas Boyack

Chief Financial Officer

Thomas Boyack is Chief Financial Officer at Beach Point Capital Management. Mr. Boyack has been in the industry since 1997. Prior to Beach Point Capital, he was Chief Financial Officer for Post Advisory Group. Mr. Boyack has also served in similar roles at Akanthos Capital Management and Psetta Capital Management. Previously, Mr. Boyack spent several years as a senior manager in Ernst & Young's Financial Services Group serving investment advisors, hedge funds and mutual funds. Mr. Boyack received a bachelor's degree in accounting, magna cum laude from Brigham Young University and a J.D. Mr. Boyack also received a LL.M in Business Taxation, with honors from Golden Gate University, and is a member of the State Bar of California.

Darshan Desai

Chief Operating Officer

Darshan Desai is the Chief Operating Officer for Beach Point Capital Management. Mr. Desai oversees the Operations, Risk and Technology departments of the firm. Mr. Desai has been in the industry since 1999. Prior to joining Beach Point, he worked at BATS Exchange as an analyst, where he designed and constructed equity indices. Mr. Desai constructed the BATS 1000 index and is named on the patent. Mr. Desai started his career at York Capital Management where he held various positions within the firm including Vice President and Global Head of Operations from 1999 through 2008. While at York, he was responsible for managing operations in New York, London, Singapore and Hong Kong. Mr. Desai received a bachelor's degree from Pace University with a major in Finance.

Lawrence M. Goldman

Chief Administrative Officer

Lawrence M. Goldman is Chief Administrative Officer for Beach Point Capital Management. Mr. Goldman has been in the industry since 1986. Prior to Beach Point he was Chief Administrative Officer and Chief Legal Officer at Post Advisory Group. Mr. Goldman was previously at AIG SunAmerica, where he served in various roles including General Counsel of SunAmerica Life Insurance Company. Prior to AIG SunAmerica, he worked for eight years at the law firm of O'Melveny & Myers, specializing in banking, finance, and corporate law. Mr. Goldman serves on the Board of Directors of Ride On Therapeutic Horsemanship, a 501(c)(3) organization which supports adaptive horseback riding for children and adults with physical and cognitive disabilities. Mr. Goldman received a bachelor's degree in economics from the University of California, San Diego and a J.D. from Boalt Hall School of Law at the University of California, Berkeley.

Biographies

Infrastructure

Cesar Quebral

Chief Technology Officer

Cesar Quebral is the Chief Technology Officer and will oversee all of technology, information systems, software development, and information security for Beach Point Capital Management. Mr. Quebral has been in the industry since 2000, and he has successfully led key technology initiatives including digital transformations, datacenter migrations, and Cloud infrastructure deployment. Prior to Beach Point, Mr. Quebral worked for Genesis Capital LLC where he served as the Chief Information Security Officer. Mr. Quebral was the Director of Technology at Community Bank and worked at Western Asset Management (WAMCO) as a Technology Manager. Mr. Quebral has a bachelor's degree from Indiana Wesleyan University and has an Executive MBA from Claremont Graduate University.

John Quintanar

Managing Director of Investor Relations

John Quintanar leads the Investor Relations team at Beach Point Capital Management. He has been with the team for over a decade. Mr. Quintanar has been in the industry since 1999. Prior to Beach Point he was Director of Development and Government Relations at the Milken Institute. Prior to that, Mr. Quintanar served as Staff Director for United States House of Representatives member Grace F. Napolitano. Mr. Quintanar received a bachelor's degree from Whittier College.

Glen Abbott

Managing Director of Investor Relations

Glen Abbott is a Managing Director for Beach Point Capital Management. Mr. Abbott has been in the industry since 2002. Prior to Beach Point, Glen was a Managing Director at Cerberus Capital Management for 14 years. Before Cerberus, Glen was at Bear Stearns & Co. where he served in several roles in the Mortgage Securities Sales and Trading division. Mr. Abbott received a bachelor's degree in Finance from Tulane University.

Cherie Alcoff

Managing Director of Investor Relations (NY)

Cherie Alcoff is a Managing Director for Beach Point Capital Management. Ms. Alcoff has been in the industry since 1997. Prior to Beach Point, Ms. Alcoff was a Senior Managing Director at Avenue Capital Group for 17 years. Before Avenue, Ms. Alcoff was at Cyrus Capital Partners and Davidson Kempner Partners. Ms. Alcoff began her career at Goldman Sachs in the Investment Banking analyst program. Ms. Alcoff received a bachelor's degree in Political Science from Colgate University.

Biographies

Infrastructure

Joel Karsch

Managing Director of Investor Relations (NY)

Joel Karsch is a Managing Director of Investor Relations for Beach Point Capital Management. Mr. Karsch has been in the industry since 1993. Prior to Beach Point he was a Senior Client Portfolio Manager at Aberdeen Asset Management. Before Aberdeen, Mr. Karsch was a Portfolio Manager at Deutsche Asset Management and Morgan Grenfell focusing on investments in residential, commercial and asset-backed securities. Mr. Karsch received a bachelor's degree from the University of Pennsylvania and an MBA from Temple University.

Samantha Levenstein

Managing Director of Investor Relations

Samantha Levenstein is a Managing Director for Beach Point Capital Management. Ms. Levenstein has been in the industry since 2009 focusing on helping institutional investors build out their hedge fund, private credit and opportunistic programs, as well as business development. Prior to Beach Point, she spent 9 years with Aksia LLC, where she sourced and managed the firm's prospective and existing client relationships. Ms. Levenstein received a bachelor's degree from the University of Florida's College of Journalism and Communications and a J.D. from New York Law School.

Robert Weinert

Managing Director of Investor Relations (NY)

Robert Weinert is a Managing Director for Beach Point Capital Management leading business development for Structured Credit strategies. Mr. Weinert has been in the industry since 2006. Prior to joining Beach Point, Mr. Weinert was the Head of Investor Relations & Business Development for Roosevelt Management Company, a residential mortgage fund platform. Prior to that, Mr. Weinert spent 15 years at Blackstone both in New York and Asia Pacific, working with institutional investors to build their alternative investment programs across a variety of hedge fund, credit, private equity and special situations strategies. During his tenure at Blackstone, he opened BAAM's Singapore office, where he spent 5 years developing sovereign wealth fund and other large institutional relationships in the region. Mr. Weinert has a bachelors' degree from Haverford College and an MBA from the Gabelli School of Business.

Ian Griffiths

Director of Investor Relations (UK)

Ian Griffiths is a Director of Investor Relations for Beach Point Capital Management. Mr. Griffiths has been in the industry since 1999. Prior to Beach Point, Mr. Griffiths was a Senior Investment Manager to Lloyds Bank Pension Trust and the Royal Mail Pension Plan, advising on all pension scheme investment matters to their respective Investment and Funding Committees. Mr. Griffiths was also an Investment Consultant for Mercer, Aon Hewitt and Deloitte where he advised trustees and sponsors on the full range of investment opportunities and liability management. Mr. Griffiths is a CFA Charterholder since 2004 and received a bachelor's degree in economics from University of Wales, Bangor.

Biographies

Infrastructure

Mike Carter

Senior Advisor

Mike Carter is a Senior Advisor for Beach Point Capital Management. Prior to Beach Point, Mr. Carter was a Captain with the Los Angeles City Fire Department and for 15 years served as the Fire Department's elected representative to the Board of Fire and Police Pension Commissioners. During Mr. Carter's time on the Fire and Police Pension Board he served as President and Vice President, and chaired the real estate and investment committees. Mr. Carter received his bachelor's degree in public administration from California State University, Los Angeles and also attended Wharton's Public Policy Initiative.

James Maloney

Senior Advisor

James Maloney is a Senior Advisor for Beach Point Capital Management. Prior to Beach Point, he served as a Lieutenant for the Chicago Police Department with 35 years of service. Mr. Maloney was an elected Trustee on the Chicago Police Pension Board and was Chairman of the Investment Committee for the Pension Fund and Acting Chief Investment Officer from November 2014 to April 2016. He currently serves on the Board of Directors for the Illinois Public Pension Fund Association (IPPPA). Mr. Maloney holds a bachelor's degree in Law Enforcement Administration from Western Illinois University and an MBA and MPA from Illinois Institute of Technology and a Masters Certificate in Financial Fraud from St. Xavier University. In addition, Mr. Maloney is a graduate of the Federal Bureau of Investigation National Academy (FBINA), Quantico, VA, Session 233.

Important Disclosure

The net fund performance set forth herein is for the Beach Point Loan Fund (Cayman) Ltd., a feeder fund of Beach Point Loan Master Fund, L.P. Current performance may be lower or higher than the performance data quoted.

Prior to January 1, 2009, the Loan Fund employed leverage. The use of leverage amplifies potential gains as well as possible losses.

Fees have changed over time and existing investors may pay fees and allocations that differ from each other and those currently available to new investors. Prior to 2013, performance was calculated net of all expenses and actual management fees and incentive allocations paid by all fee-paying investors in the fund. From January 1, 2013 through June 30, 2014, performance was calculated net of all expenses and a 1.00% management fee. From June 30, 2014 through March 31, 2018, performance was calculated net of all expenses and a 0.75% management fee. After March 31, 2018, performance is calculated net of all expenses and a 0.50% management fee. Expenses may vary among feeder funds.

Performance includes the reinvestment of dividends and other earnings that may have a powerful compounding effect on investment performance. Certain factors, such as subscription and redemption dates, may cause performance to vary from investor to investor. Performance for the other Loan funds will be provided upon request.

Past performance is no guarantee or predictor of future results and there is no assurance that these or comparable returns will be achieved by any fund or that a fund's investment objective will be achieved. Any investment in any investment product or fund managed by Beach Point is speculative, illiquid and subject to a high degree of risk. There can be no assurance that any fund or account will achieve its objective or avoid substantial or total losses.

The management of the Loan funds (the "funds") was assigned by the prior investment adviser, Post Advisory Group, LLC ("Post"), to Beach Point in January 2009. Prior to January 2009, performance for the funds was achieved by senior members of Beach Point's investment team while they were managing the funds at Post.

Calculation of Assets Under Management (AUM) – Beach Point's methodology for calculating firm-wide AUM includes (i) the gross asset value (GAV) of assets managed directly by Beach Point, (ii) undrawn capital that the firm is entitled to call from investors in certain funds pursuant to their capital commitments, and (iii) the aggregate notional liabilities of collateralized loan obligations (CLOs) at pricing. This calculation methodology may differ from the AUM definitions outlined in agreements governing the funds, vehicles, or accounts managed by Beach Point and is not based on regulatory AUM definitions.

Portfolio Characteristics – With respect to portfolio characteristics provided herein:

Unless otherwise indicated, portfolio characteristics are presented for Beach Point Loan Master Fund, L.P. Figures are unaudited estimates based on Beach Point's internal research and subjective categorization of investments and should not be relied upon. Values may not sum due to rounding.

Unless otherwise specified, the exposures of derivatives are calculated as the market values of the underlying assets. For options, the exposures are delta-adjusted by multiplying the market values of the underlying instrument by its option delta.

Important Disclosure

Certain positions (such as sovereign shorts from different countries) may be grouped together, and a single position may be comprised of more than one security or instrument where such securities or instruments provide exposure to the same issuer or type of issuer.

The number of positions includes only positions of > 0.25% of capital.

Sharpe Ratio and standard deviation are 3-year statistics.

Investments in cash equivalents (i.e., T-bills, securities of the United States government and its agencies and sponsored entities, short term money market instruments and AA rated or better short-term investment funds) are not included in portfolio characteristics.

Investments in certain liquid, derivative instruments (e.g. CDX) and exchange-traded funds (ETFs) that provide exposure to various indices are not included in certain portfolio characteristics. Such investments are typically entered into by Beach Point in connection with, among other things, (1) current or anticipated subscription / redemption activity, (2) cash / liquidity management, (3) availability / timing of other investment opportunities, and/or (4) market hedges. As with all investments held in the portfolio, such investments are subject to gain or loss and will impact the performance of the fund.

Asset type, rate structure, geography and lien information only include long positions and are based on a percentage of capital invested at month-end.

Capitalization information only includes long positions and is based on the total amount of debt outstanding (in the case of a debt position) or equity capitalization (for equity) as a percentage of capital invested at month-end.

Industry or sector information only includes long exposure of the largest sectors held and excludes treasury hedges, foreign currency hedges, Interest Rate Overlay positions, or other index hedges.

Credit ratings information only includes long positions and is based on a percentage of capital invested at month-end and does not include investments where a rating does not apply (e.g., equity securities, cash and cash equivalents).

Yield to Maturity excludes cash. The calculation only includes performing debt investments.

Weighted Average Spread is based on a percentage of capital invested at month-end and is calculated using the weighted average credit spread for bank debt and bonds in the portfolio.

Current Yield reflects a sum of the investments' long market value * coupon rate divided by its long market value * current price. The calculation only includes performing debt investments.

The percentage of performing investments includes PIK investments.

Important Disclosure

Portfolio duration is calculated using an assigned duration of 0.25 years for the floating rate portion of the portfolio and the weighted average duration of the fixed rate portion of the portfolio.

Future market conditions may be different from the market conditions that prevailed during the period covered by the information contained herein and as a result, future investment allocations and portfolio characteristics may vary from the historical information set forth herein.

Important Notes Regarding the Use of Index Comparisons – Indices are included to show general market trends for the periods indicated and are not, nor should they be interpreted to be, absolute benchmarks to compare to an investor's performance. Index performance and yield data are shown for illustrative purposes only and have limitations when used for comparison or for other purposes due to, among other matters, volatility, credit or other factors (such as number and types of securities). It may not be possible to directly invest in one or more of these indices and the holdings of any fund or account managed by Beach Point may differ markedly from the holdings of any such index in terms of levels of diversification, types of securities or assets represented and other significant factors. In addition, funds and accounts managed by Beach Point are typically not managed to closely track an index and instead often pursue investments in issuers that not included in an index. Indices are unmanaged, do not charge any fees or expenses, assume reinvestment of income and do not employ special investment techniques such as leveraging or short selling. Such fees and expenses would reduce returns. Past performance of an index is not an indication of the future results of any fund or account managed by Beach Point.

Bloomberg US Corporate High Yield Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on the indices' EM country definition, are excluded.

S&P UBS Leveraged Loan Index measures the market-value weighted performance of the investable universe of the U.S. dollar denominated leveraged loans.

The Morningstar LSTA US Leveraged Loan TR USD is a market-value weighted index designed to measure the performance of the US leveraged loan market. The Morningstar LSTA US Leveraged Loan TR USD derives its constituents from syndicated term leveraged loans that are held within institutional investor loan portfolios tracked by PitchBook and LCD. Loans from within the PitchBook and LCD database must meet the following criteria to be included in the Morningstar LSTA US Leveraged Loan TR USD:

- Seniority: senior secured;
- Minimum initial term: 1 year;
- Currency: USD denominated (although all loans must be USD denominated, issuers may be of any origin);
- Minimum initial spread: Base rate (SOFR) + 125 bps; and
- Minimum initial issue size: \$50 million

Important Disclosure

Beach Point Loan funds are not sponsored, endorsed, sold or promoted by Morningstar, Inc. or any of its affiliates (all such entities, collectively, “Morningstar Entities”) or the Loan Syndications and Trading Association (“LSTA”). The Morningstar Entities and LSTA make no representation or warranty, express or implied, to the owners of Beach Point Loan funds or any member of the public regarding the advisability of investing in a portfolio of senior secured bank loans of below investment grade companies or derivatives on such loans (e.g., total return swaps), supplemented by investments in other below investment grade fixed income assets generally or in Beach Point Loan funds in particular or the ability of the Morningstar LSTA US Leveraged Loan TR USD to track general leveraged loan market performance. THE MORNINGSTAR ENTITIES AND LSTA DO NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE MORNINGSTAR LSTA US LEVERAGED LOAN INDEX OR ANY DATA INCLUDED THEREIN AND HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN.

Unless otherwise specified, high yield markets are represented by the Bloomberg U.S. Corporate High Yield Index; and unless otherwise specified, loan, bank loan or leveraged loan markets are represented by the S&P UBS Leveraged Loan Index.

Risk of Pursuing Opportunities in Non-Index Issuers – Seeking investments in issuers that are not constituents in an index may result in holdings that are hard to value and difficult to sell.

Risk of Illiquid Investments – The portfolio generally holds private or otherwise illiquid investments. Such investments may be difficult to value and may not be readily disposed of and, in some cases, may be legally prohibited from disposition for a specific period of time. The value assigned to such investments for purposes of determining profits and losses may differ from the value a portfolio is ultimately able to realize.

Risk of Participating on Equity Holders’ or Creditors’ Committees – From time to time, Beach Point serves on creditors' committees, equity holders' committees or other groups in an effort to preserve or enhance a portfolio’s position as a creditor or equity holder. As a result, Beach Point may owe certain obligations to all parties similarly situated that the committee represents and may be subject to various trading or confidentiality restrictions and may be restricted or prohibited under applicable law from disposing of or increasing investments in such company while it continues to serve on such committee or group, which may mean that a portfolio will not be able to dispose of, or hedge, investments in such issuer.

Risk of Investing in Financially Distressed Companies – The portfolio may invest in obligations of issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. There is no assurance that the value of the assets collateralizing such investments will be sufficient or that prospects for a successful reorganization or similar action will become available.

Important Disclosure

Risk of Relying on Beach Point's Legal Experience – While Beach Point believes that the legal background of certain members of its investment team provides valuable insight into the review and negotiation of investment-related documents (e.g., bond indentures, credit agreements, purchase agreements, offering documents, plans of reorganization, etc.), there is no assurance that such legal experience will enable Beach Point to identify opportunities with a higher likelihood of success or to avoid investments that result in substantial losses.

Third-Party Ratings and Rankings –

The UN Principles for Responsible Investment (the “PRI”) is an international organization that works to promote the incorporation of environmental, social, and corporate governance factors (“ESG”) into the investment decision-making process. Beach Point became a UN PRI signatory in February 2021 and the firm’s annual reporting obligations begin with respect to its investment activities in 2024. The PRI is funded primarily via an annual membership fee payable by all signatories. The annual signatory fee is payable each April and is scaled according to each signatory’s category. The PRI is a not for profit organization and signatory fees and other revenue are spent on delivering value to signatories.

The Financial Stability Board (the “FSB”) created the Task Force on Climate-Related Financial Disclosures (the “TCFD”) in 2015 to develop recommendations on the types of information that organizations should disclose to support investors, lenders, and insurance underwriters in appropriately assessing and pricing a specific set of risks related to climate change. Beach Point became a supporter of TCFD in August 2020. Support indicates that Beach Point believes the TCFD recommendations provide a useful framework to increase transparency on climate-related risks and opportunities within financial markets. Investors of Beach Point may utilize the TCFD framework to understand how Beach Point manages climate-related risks and opportunities across certain strategies. There is no cost to become a supporter.

CDP (formerly the Carbon Disclosure Project) is a non-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. CDP provides investors with environmental data infrastructure to integrate sustainability within the investment process. Beach Point became a CDP Capital Markets signatory in October 2021. CDP’s Capital Markets team supports its signatories with access to CDP data, updates regarding disclosure, regional insights and relevant invitations to initiatives that further support corporate disclosure. As a firm with more than \$1bn of assets under management, Beach Point pays an annual signatory administrative fee of \$4,200.



Corporate (Bank) Loan Strategy

March 20, 2025

Presented to:

East Bay Municipal Utility District

FOR INSTITUTIONAL INVESTOR USE ONLY

Aristotle Pacific Capital

Presenters



Edward Rozell
Senior Vice President

Edward Rozell is a Senior Vice President, Institutional Services at Aristotle Capital. Prior to joining Aristotle Capital, Edward was Managing Director and Co-Head of the Equity Division at Loop Capital Markets LLC, where he was responsible for leading the firm's equity research, global trading and sales efforts. Prior to joining Loop Capital, Edward served as Senior Vice President at M.R. Beal & Company where he was responsible for institutional equity sales and relationship management for institutional asset managers, consultants and U.S. public funds. He began his career at William Blair & Company within the Private Investment Group as a portfolio associate where he developed extensive experience in portfolio management, equity research, marketing and equity trading. Edward earned his Bachelor of Business Administration degree in Economics and Marketing from the University of Iowa.



Michael Spitler, CFA
Managing Director

Michael is a Managing Director and Partner for Aristotle Pacific Capital. Prior to joining Pacific Asset Management (now Aristotle Pacific Capital) in 2011, Michael was a fixed-income product and account manager for the Macquarie Funds Group in Los Angeles from 2004 to 2010. Michael holds a bachelor's degree in business from Sacramento State University and completed part of his undergraduate coursework at the London School of Economics and the University of Pittsburgh's foreign study program. He has over 20 years of industry experience. Michael is a CFA charterholder and member of the CFA Society of Los Angeles.

SUMMARY

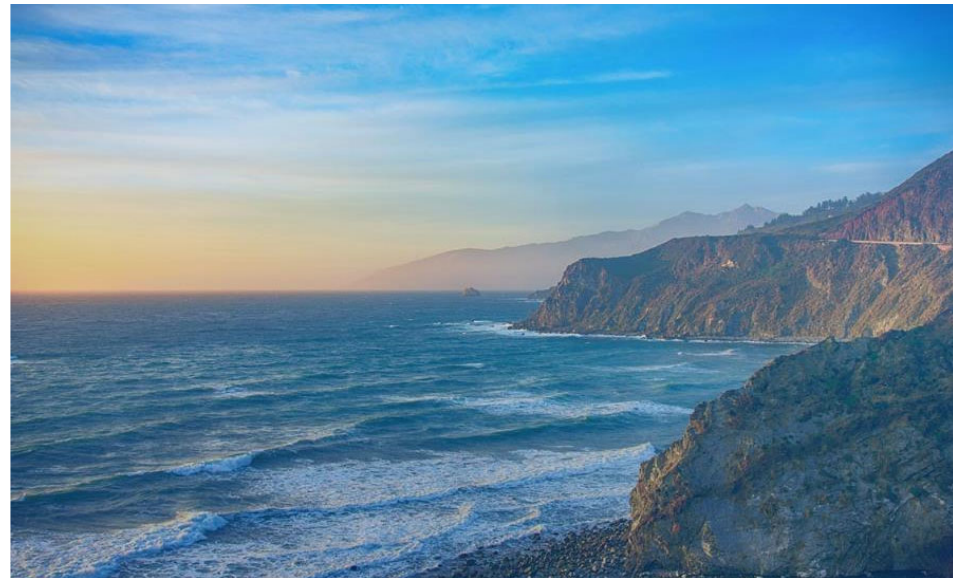
BANK LOAN STRATEGY

- Aristotle Pacific Capital, LLC (formerly Pacific Asset Management LLC) has specialized in Bank Loans since our founding with investment professionals managing loan investments for multiple decades.
- Our differentiation is a selective approach focused on the larger issuers. We focus on companies we understand with margins of safety towards downside risk.
- Our investment process has led to strong historical performance and downside risk protection relative to peers, as measured by downside market capture, default rates, standard deviation, and performance during 2008 and 2015.
- The Strategy has outperformed 94% of its peer group since inception.¹
- Aristotle Pacific Capital manages the Strategy in various investment vehicles, including separate accounts, private funds, and registered mutual funds. We manage the **Aristotle Floating Rate Income Fund (Class I Shares: PLFRX)** a publicly offered open-ended 40-act mutual fund.²



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	<i>Important Disclaimers</i>



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Aristotle Pacific Capital

Section 1

Aristotle Pacific Capital

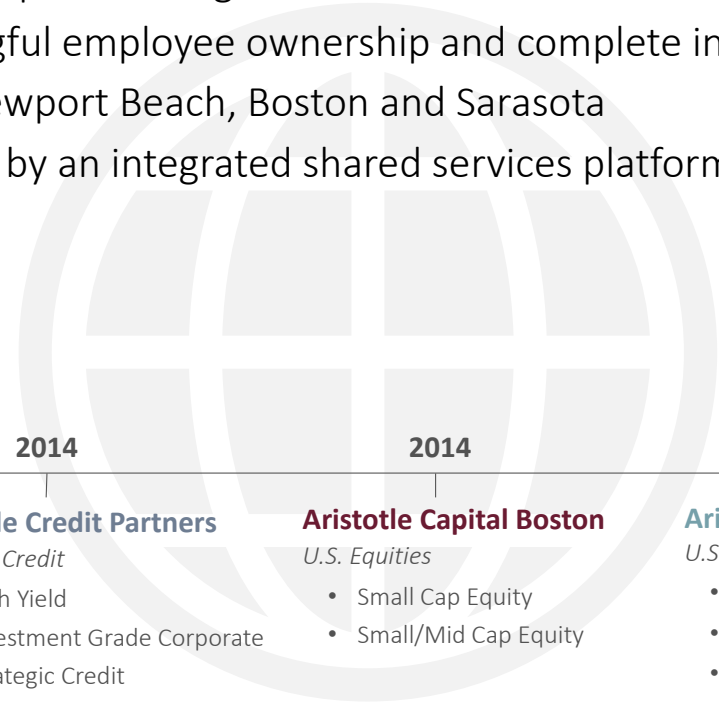
INTRODUCTION

- Founded in 2007
- Located in **Newport Beach, California**
- **\$30.1bn assets** under management¹
- Focused on **corporate credit**
- An affiliate of **Aristotle Capital Management**²
- **27** investment professionals
- **Commitment** to manage capacity

Aristotle Overview

PROFILE

- Aristotle is a family of independent registered investment advisors
- Each advisor has meaningful employee ownership and complete investment autonomy
- Offices in Los Angeles, Newport Beach, Boston and Sarasota
- The teams are supported by an integrated shared services platform¹



¹. Aristotle Pacific Capital's use of shared services platform is primarily HR/IT. Each firm is an independent investment adviser registered under the Investment Advisers Act of 1940, as amended.

Aristotle Pacific Capital

Dominic Nolan, CEO, Executive Management Committee
JP Leasure, Executive Management Committee

Portfolio Management & Trading

JP Leasure, Sr. Managing Director (28/MBA)
Michael Marzouk, CFA, Sr. Managing Director (27/MBA)
Bob Boyd, Sr. Managing Director (26/MBA)
David Weismiller, CFA, Sr. Managing Director (27/MBA)
Ying Qiu, CFA, Managing Director (25/MBA)
Brian Robertson, CFA, Sr. Managing Director (21/BA)
Andrew Ross, CFA, FRM, CAIA, Managing Director (19/MBA)

Jeff Klingelhofer, CFA, Managing Director, (21/MBA)
Doug Lopez*, CFA, Managing Director (36/MBA)
Michael Lonia, Managing Director, Head of Trading (21/MBA)
John Brueggemann, Portfolio Manager (12/BS)
Tommy Zhang, CFA, Portfolio Manager (11/BA)
Valerie Chang, CFA, Trading Analyst (7/BA)

Business Development / Client Service

Michael Spittler, CFA, Managing Director (21/BS)
Matthew Cecil, Managing Director (19/MBA)
Scott Goldberg, Senior Vice President (21/MBA)
Alex Warren, CFA, CAIA, Vice President (17/BS)
Megan Gilroy, Assistant Vice President (9/BS)
Dou-Yih Yang, Assistant Vice President (14/BA)

Research Analysts

Ivor Schucking, Managing Director, Head of Credit (32/MBA) *Financials*
Brian Robertson, CFA, Sr. Managing Director (21/BA) *Commodities & Construction*
Ying Qiu, CFA, Managing Director (25/MBA) *Structured Products*
Michael Long, Sr. Research Analyst (40/MBA) *Consumer*
Doug Lopez*, CFA, Managing Director (36/MBA) *REITs*

Bob Boyd, Sr. Managing Director, (26/MBA) *Consumer*
Jeff Klingelhofer, CFA, Managing Director (21/MBA) *Securitized*
Shalini Viswanathan, CFA, Sr. Research Analyst (17/MBA) *Media/Telecom & Technology*
John Brueggemann, Portfolio Manager (12/BS) *Industrials*
Tommy Zhang, CFA, Portfolio Manager (11/BA) *Construction*

Partha Bose, CFA, Sr. Research Analyst (14/MBA) *Energy & Commodities*
Ronald Rangel, CFA, Sr. Research Analyst (7/BA) *Consumer & Aerospace*
Abre Kaizar, Research Analyst (7/BA) *Commodities & Utilities*
Vincent Trapani, CFA, Research Analyst (9/BA) *Healthcare & Retail*

Compliance / Legal

Carol Rumsey, Chief Compliance Officer (23/MBA)
James Sandoval, Assistant Vice President (14/BA)
Kiaton Ly, Vice President (23/BA)
Maria Perrin, Assistant Vice President (23/BA)
JG Lallande, General Counsel (26/JD)
Carl Gee, Counsel (8/JD)

Risk Management

Andrew Ross, CFA, FRM, CAIA, Managing Director (19/MBA)
Ravneet Boparai, Vice President (26/MBA)
Lily Bowles, ESG Product Specialist (12/MSC)

Operations

Joshua Schwab, CFA, CPA, CFO and COO (20/BS)
Chandra Manibog, Senior Vice President, Operations (26/MBA)
Chas Reid, Assistant Vice President, Operations (19/BA)
Anar Majmudar, Assistant Vice President, Operations (19/BA)
Joanne Chyun, CPA, Senior Vice President, Finance (20/MA)
Kristie Sykes, CPA, Vice President, Finance (14/BA)
Jessica Kim, CPA, Assistant Vice President, Finance (12/BS)
Katie Feith, Associate, Finance (3/BA)
Virtus Group, LP, Middle/Back Office

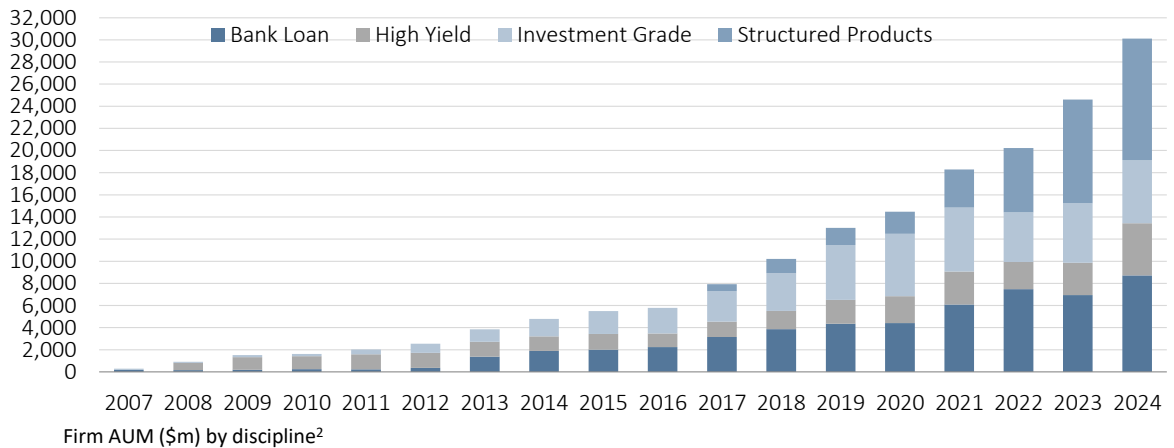
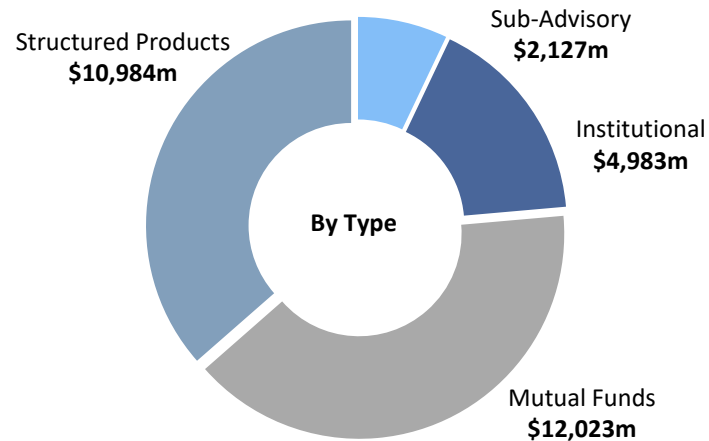
Aristotle Pacific Capital

STRATEGIES

- Focused on corporate debt
- Primary disciplines are Bank Loans, High Yield, Investment Grade, and Structured Products
- Bank Loan Strategy is longest tenured
- Diversified among institutional clients, mutual funds, and sub-advisory

Strategy	AUM (\$m)	Vehicle Availability ¹
Structured Products	10,984	SA, CF, CLO
Bank Loan Strategies	8,719	SA, CF, MF, ETF
Strategic Credit Strategy	3,597	SA, MF
Core Plus Bond Strategy	3,420	SA, MF
Short Duration Strategies	1,565	SA, MF
High Yield Bond Strategies	1,072	SA, MF, CF
Investment Grade Strategies	711	SA, MF
Credit Opportunities Strategy	50	SA
Total AUM	30,118	

As of December 31, 2024



The AUM totals for each strategy may contain marketed and non-marketed composites. As of December 31, 2024, total AUM presented includes that of Aristotle Pacific and its CMVs.

¹ Separate Accounts ("SA"); Commingled Private Fund ("CF"); Registered Mutual Fund ("MF"); Collateralized Loan Obligation ("CLO"); Exchange-Traded Fund ("ETF"). ² Excludes Money Market Funds previously managed by Aristotle Pacific Capital. NOT ALL STRATEGIES AND NOT ALL VEHICLES WILL BE AVAILABLE TO ALL CLIENTS AND/OR INVESTORS.



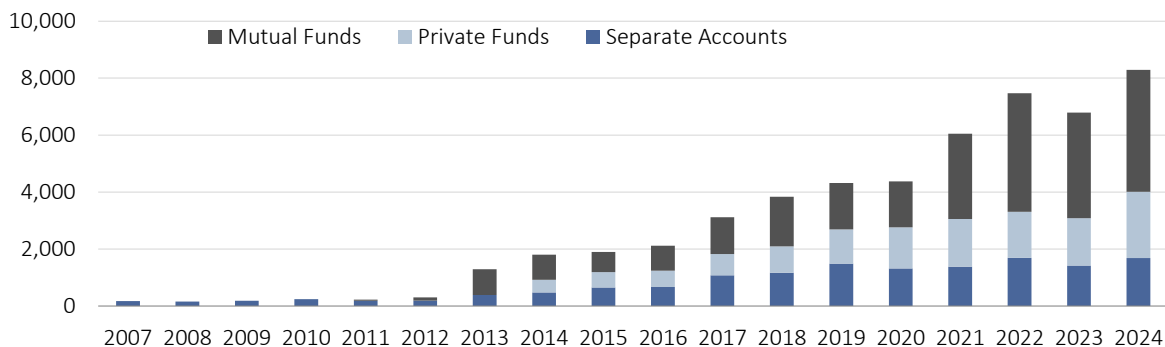
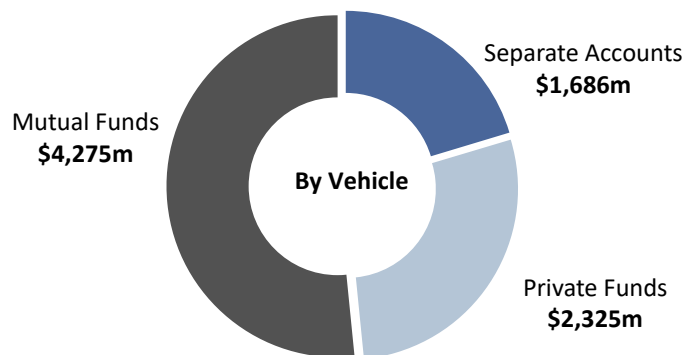
Corporate (Bank) Loan Strategy

LOAN STRATEGY AUM

- We manage eight accounts in two composites totaling approximately \$8.3bn
- Assets managed via separate accounts, mutual funds, and private fund vehicles
- Capacity is 1% of the asset class
- CLOs are separately managed and not included in Bank Loan Composite data

By Account	Vehicle	Inception	AUM (\$m)
Insurance	Separate Account	1/2007	149
Aristotle Floating Rate Income Fund	Mutual Fund	7/2011	4,275
Corporate	Separate Account	5/2012	245
Sub-Advised (Pacific Life)	Separate Account	5/2013	366
PAM Bank Loan Fund L.P.	Commingled Fund (onshore)	5/2014	2,325
Public Plan	Separate Account	9/2015	243
Health Care	Separate Account	6/2018	482
Asset Manager (Sub-Advisory)	Separate Account	1/2022	201
Total AUM¹			8,286

By Client Type	AUM (\$m)	% of Strategy
Mutual Fund	4,275	52
Government/Public Plans	1,508	18
Corporate	835	10
Sub-Advised	568	7
Health Care	504	6
Taft-Hartley/ERISA	425	5
Bank/Insurance Co.	149	2
Foundations	19	0
HNW Individuals	4	0
Total AUM¹		100



Corporate (Bank) Loan Strategy

Public Fund Clients

- Austin Fire Fighters Relief & Retirement Fund
- Baltimore City Employees' Retirement System
- Baltimore County Employees' Retirement System
- Bucks County Employees' Retirement System
- California State University System
- City of Phoenix Employees Retirement System
- Dallas Police and Fire Pension System
- City of Detroit Retirement Trust
- Fire and Police Healthcare Fund, San Antonio
- Fulton County Employees' Retirement System
- Illinois Police Officers Pension Fund
- Irving Firemen's Relief and Retirement Fund
- Kern County Employees Retirement System
- Louisiana Municipal Police Employees' Retirement System
- Los Angeles Water and Power Retirement System
- Massachusetts Port Authority
- Miami Fire Fighters' and Police Officers' Retirement Trust
- Mobile Police and Firefighters Retirement Plan
- Pasadena Fire and Police Retirement System
- Pennsylvania State Treasury
- Port of Houston of Harris County
- Shelby County Employees Retirement System
- St. Louis Employees Retirement System
- San Luis Obispo County Pension Trust
- Utah State University
- University of Iowa



Corporate (Bank) Loan Strategy

Corporate (Bank) Loan Strategy

STRATEGY DIFFERENTIATORS

- We believe our differentiation is a focus on larger companies, selectivity, and downside risk management.
- We focus on the larger issue/facility sizes with no exposure to middle-market or mezzanine type issuers. Our process screens out issuers that are less than \$300m in facility size or \$100m in EBITDA. We do not invest in non-USD securities.
- We seek a highly selective portfolio of 80-150 issuers. We hold meaningful positions in what we believe are companies with a fundamental catalyst for outperformance.
- We actively seek to minimize defaults and downside risk by focusing on large companies with a margin of safety. Since its inception (2007), the Strategy has had three defaults and outperformance in periods of negative market returns.¹

Corporate (Bank) Loan Strategy

INVESTMENT TENETS

Fundamental Analysis

The core of our process evaluates companies in a rigorous framework of bottom-up credit analysis. We seek a high degree of comfort and understanding of the business, fundamentals, management, industry dynamics, and downside risk.



Selective Construction

We believe security selection drives returns. We hold meaningful positions (80-150 issuers) in high conviction companies that we believe have a fundamental catalyst for outperformance.



Top-Down Market Assessment

We incorporate top-down views into portfolio strategy to identify risks and opportunities over the medium term. Current top-down views include U.S. domestic earnings focus and underweights to distressed companies.



Capital Preservation

We actively seek to minimize defaults by focusing on large-cap companies with a margin of safety and downside risk protection. The Strategy has had three defaults versus 666 for the benchmark¹ since inception.



Team Approach

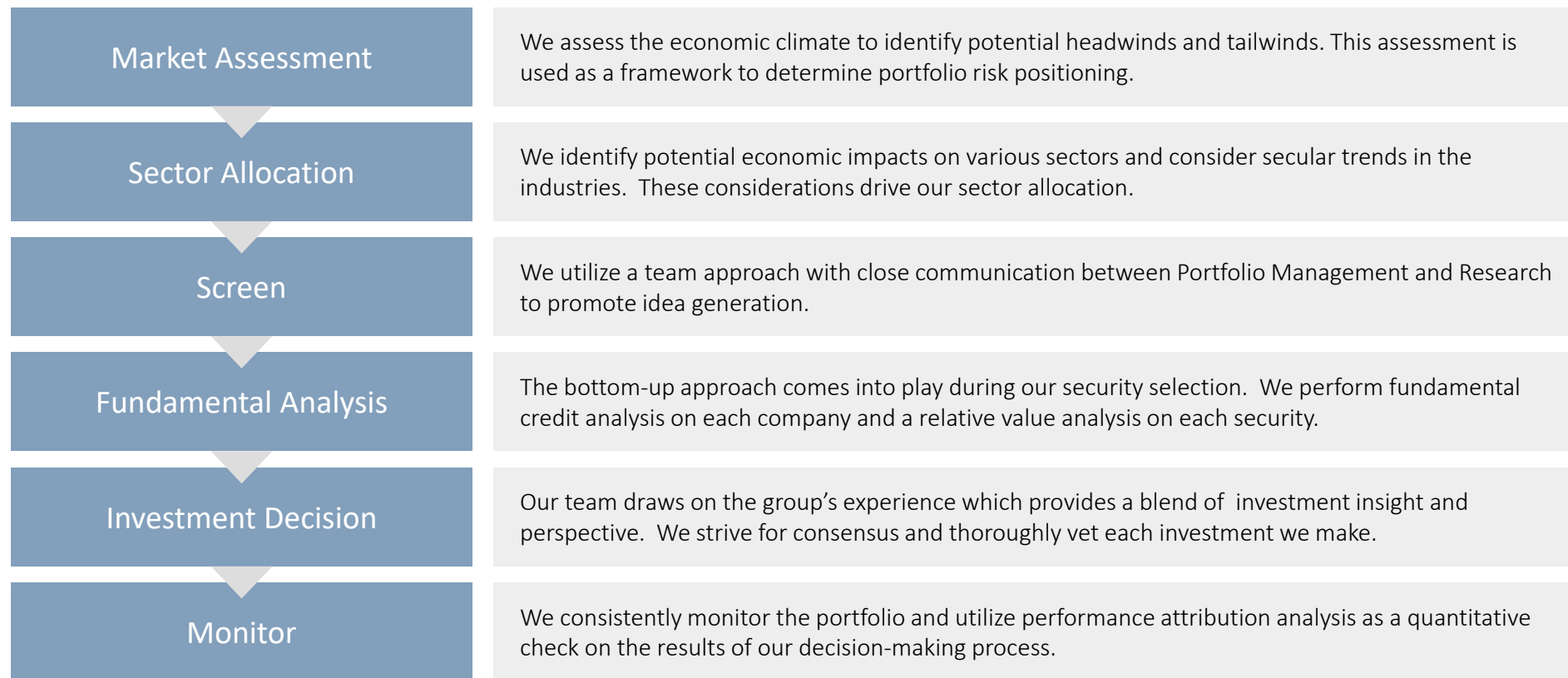
Investment professionals have worked together since inception. We believe in a collaborative process of idea vetting, challenge, and discussion amongst individuals who have worked together for 22 years on average.

Inception of the Strategy was January 1, 2007. 1. Strategy defaults are benchmarked against the Moody's bank loan issuer universe, as of December 31, 2024.

The process outlined above is for illustrative purposes only and no assurance can be given that it will be applied to any portfolio at any given time. Past performance is not indicative of, or a guarantee, of future performance.

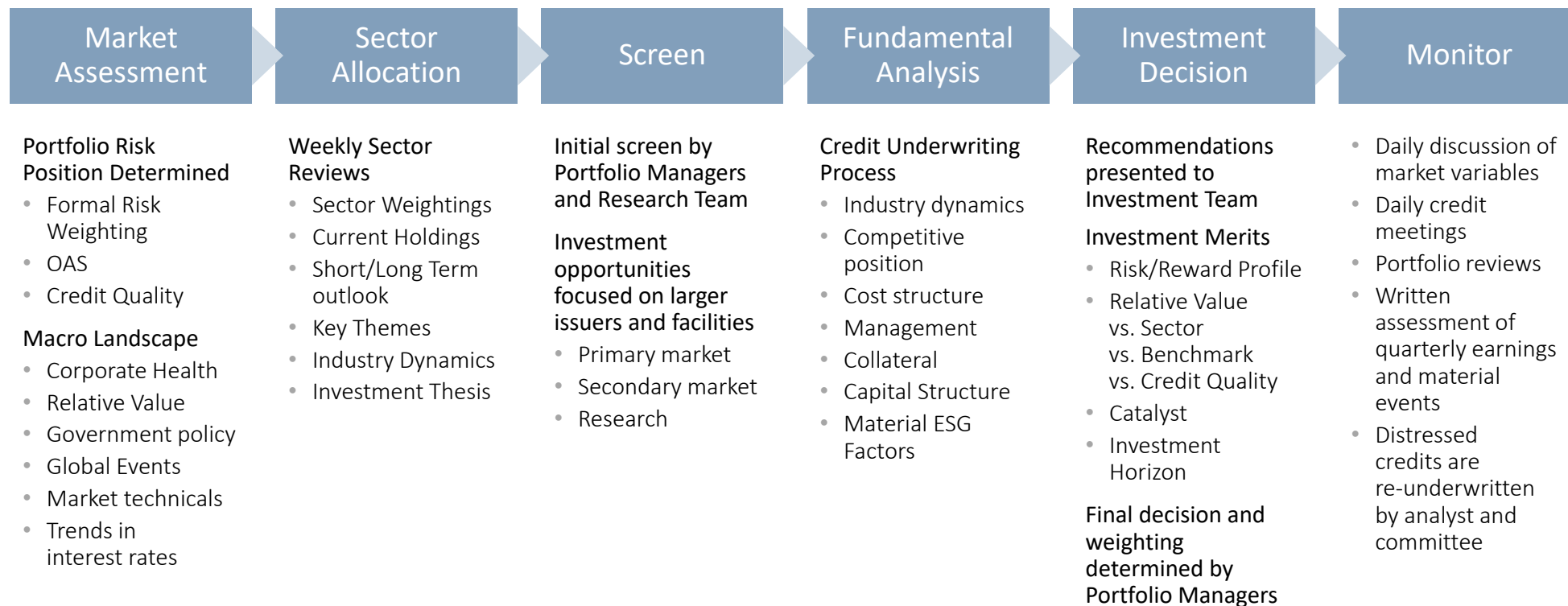
Investment Process Overview

ARISTOTLE PACIFIC CAPITAL



Investment Process (continued)

ARISTOTLE PACIFIC CAPITAL

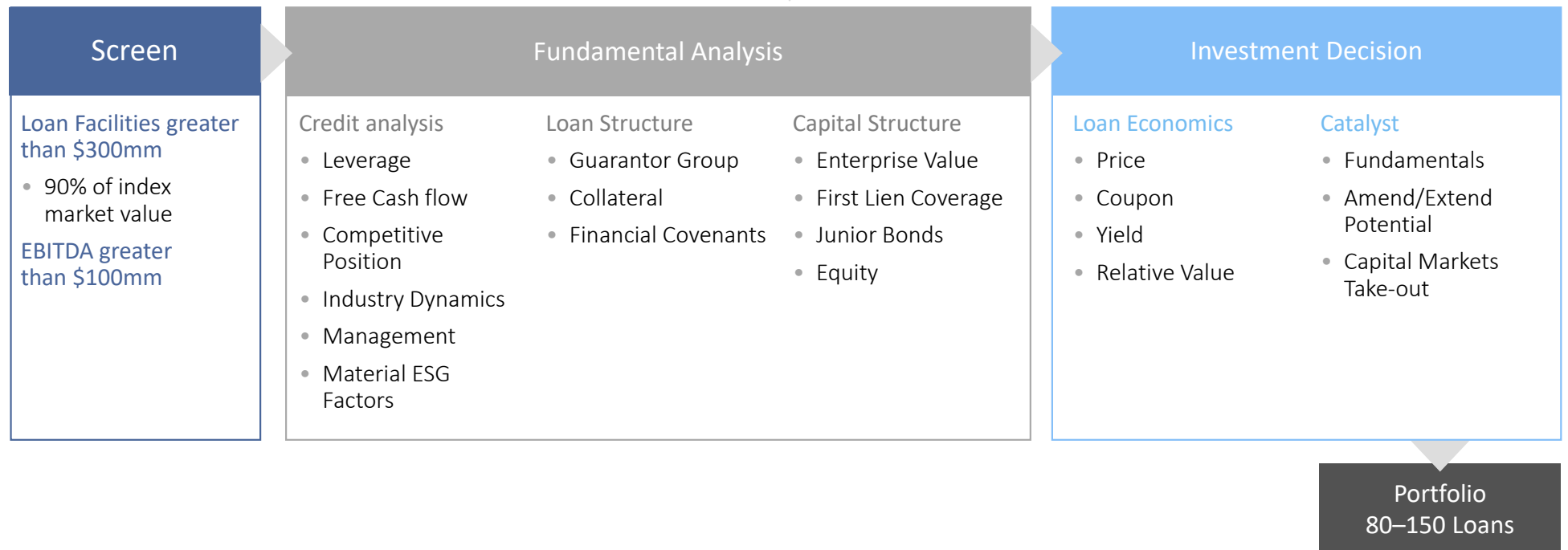


The process outlined above is for illustrative purposes only and no assurance can be given that it will be applied to any portfolio at any given time. Past performance is not indicative of, or a guarantee, of future performance.

Loan Selection Process

ARISTOTLE PACIFIC CAPITAL

Bank Loan Universe – 1,300 Companies





Performance and Attribution

Strategy Attribution

4Q24 PERFORMANCE

- For the 4th quarter, the Corporate (Bank) Loan Strategy composite returned 2.07% net of fees, versus the S&P UBS Leveraged Loan Index (“benchmark”) which returned 2.29% and the Morningstar LSTA US Leveraged Loan Index which returned 2.27%.
- Our overweight to B-rated loans benefitted performance for the quarter, while security selection within B-rated loans detracted from performance. The Strategy remained underweight to distressed (CC, C and default) loans, which detracted from performance.
- The Strategy’s underweight to distressed loans quoted < \$60 contributed to performance in the quarter. For the full year, our underweight to discounted loans (loans priced between \$80-90) detracted from performance as this segment of the market returned ~12% during 2024.
- By sector, the Strategy’s underweight to Media / Telecom detracted from performance. Security selection in Information Technology and Service was a positive driver, while security selection in Financial, Retail and Manufacturing detracted from performance.
- The Strategy had no defaults for the quarter. The Strategy’s since inception default rate is 0.29% versus the Moody’s issuer weighted default rate of 3.56% over the same time period.¹

Performance

CORPORATE (BANK) LOAN STRATEGY COMPOSITE

Annualized – Ending 4Q24	1 Year	2 Year	3 Year	4 Year	5 Year	6 Year	7 Year	8 Year	9 Year	10 Year	11 Year	12 Year	13 Year	14 Year	15 Year	16 Year	17 Year	Inception
Corporate (Bank) Loan Strategy (Gross)	9.06	11.77	7.65	7.09	6.26	6.73	5.89	5.77	6.16	5.72	5.31	5.40	5.80	5.62	5.95	7.78	5.94	5.80
Corporate (Bank) Loan Strategy (Net)	8.52	11.22	7.12	6.56	5.73	6.20	5.37	5.25	5.63	5.20	4.79	4.88	5.27	5.09	5.42	7.24	5.41	5.28
S&P UBS Leveraged Loan Index	9.05	11.03	6.84	6.48	5.73	6.13	5.41	5.26	5.76	5.13	4.85	4.96	5.29	5.04	5.36	7.48	4.91	4.74
Morningstar LSTA US Leveraged Loan Index	8.95	11.12	7.00	6.55	5.86	6.32	5.46	5.29	5.82	5.15	4.82	4.86	5.22	4.95	5.29	7.72	5.10	4.93
<i>eVestment U.S. Floating Rate Loan Peer Group</i>	<i>58</i>	<i>26</i>	<i>10</i>	<i>20</i>	<i>20</i>	<i>20</i>	<i>13</i>	<i>15</i>	<i>18</i>	<i>15</i>	<i>18</i>	<i>24</i>	<i>25</i>	<i>24</i>	<i>28</i>	<i>31</i>	<i>18</i>	<i>6</i>

Calendar Year Performance	4Q24	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Corporate (Bank) Loan Strategy (Gross)	2.20	9.06	14.54	-0.13	5.43	3.00	9.09	1.03	4.91	9.33	1.85	1.26	6.43	10.69	3.29	10.67	39.30	-19.55	3.50
Corporate (Bank) Loan Strategy (Net)	2.07	8.52	13.97	-0.63	4.90	2.49	8.55	0.53	4.39	8.79	1.34	0.76	5.91	10.14	2.78	10.12	38.62	-19.96	2.99
S&P UBS Leveraged Loan Index	2.29	9.05	13.04	-1.06	5.40	2.78	8.17	1.14	4.25	9.88	-0.38	2.06	6.15	9.43	1.82	9.97	44.87	-28.75	1.88
Morningstar LSTA US Leveraged Loan Index	2.27	8.95	13.32	-0.77	5.20	3.12	8.64	0.44	4.12	10.16	-0.69	1.60	5.29	9.66	1.52	10.13	51.62	-29.10	2.02
<i>eVestment U.S. Floating Rate Loan Peer Group</i>	<i>79</i>	<i>58</i>	<i>12</i>	<i>23</i>	<i>42</i>	<i>43</i>	<i>38</i>	<i>38</i>	<i>31</i>	<i>55</i>	<i>26</i>	<i>77</i>	<i>50</i>	<i>35</i>	<i>39</i>	<i>47</i>	<i>65</i>	<i>5</i>	<i>15</i>

Inception of the Strategy was January 1, 2007. Data collected from eVestment as of January 24, 2025.

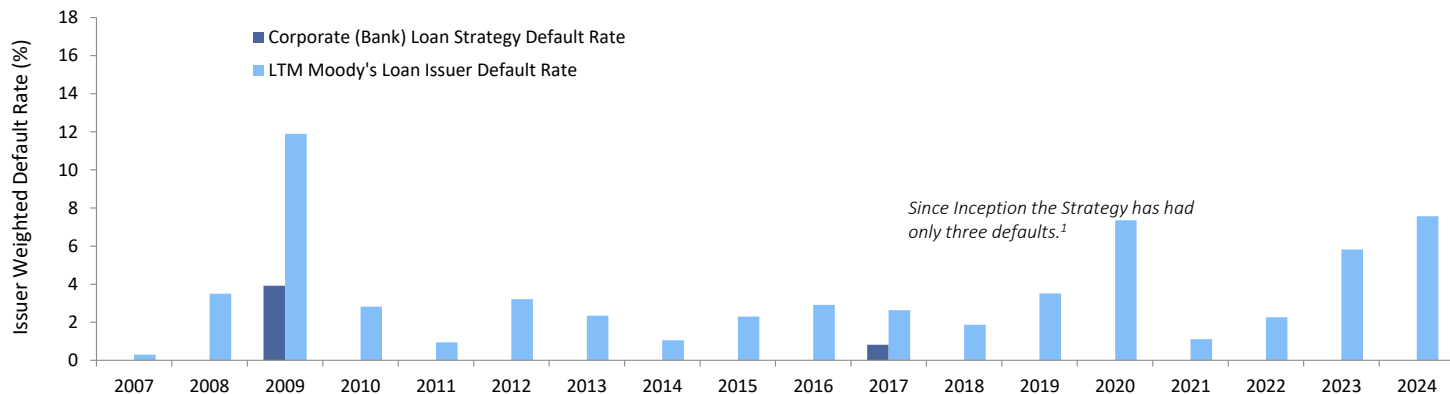
Past performance is no guarantee, prediction or indication of future results. Gross-of-fee returns are presented before management fees but after all trading expenses. Net of fee returns are presented after management fees and trading expenses. Clients' returns will be reduced by the advisory fees and any other expenses which may be incurred in the management of their investment advisory account.



Strategy Default Experience

HISTORICALLY LOW DEFAULT RATE

- We believe loss avoidance is a critical factor in our long term performance
- Since inception, the Strategy has experienced three defaults, two occurring in 2009 and one in 2017
- The since inception default rate is 0.29% versus the Moody Default rate of 3.56% during the same time period



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Strategy Distressed Sales Rate (%) ²	0	0	2.46	0	0	0	0.87	0	4.59	1.04	0.91	0.25	0	4.07	0	0.61	0.95	1.04
Strategy Issuer Default Rate (%)	0	0	3.92	0	0	0	0	0	0	0	0.82	0	0	0	0	0	0	0
LTM Moody's Issuer Default Rate (%)	0.30	3.50	11.89	2.82	0.94	3.21	2.35	1.05	2.30	2.91	2.63	1.87	3.52	7.36	1.11	2.26	5.82	7.57
Strategy Number of Issuer Defaults¹	0	0	2	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0
Moody's Number of Issuer Defaults	2	31	101	21	4	21	17	9	26	33	26	23	46	92	15	29	79	91

Data as of December 31, 2024.

¹ Idearc, Charter Communications, and Ocean Rig

² Distressed Sales Rate is calculated on an annual basis. Aristotle Pacific Capital defines a distressed sale as a greater than 20 point loss from cost.

Performance

SINCE INCEPTION RISK AND RETURN MEASURES

	Strategy	eVest Bank Loan Peer Group Median	S&P UBS Leveraged Loan Index
Annualized Return	5.80	5.03	4.74
Annualized Excess Return	1.06	0.29	N/A
Annualized Standard Deviation	6.15	6.77	6.87
Sharpe Ratio	0.72	0.51	0.49
Information Ratio	0.47	0.13	N/A
Upside Market Capture	99.16	99.58	N/A
Downside Market Capture	78.84	93.63	N/A
Beta to CSLLI	0.85	0.93	1.00
Correlation to CSLLI	0.95	0.98	1.00

Inception: January 1, 2007

Source: eVestment Alliance as of December 31, 2024. Data collected from eVestment as of January 24, 2025. Based on monthly data frequency. All information is shown gross of fees. For net returns see slide 18. Past performance is no guarantee, prediction or indication of future results.

Strategy Attribution

4Q24 SECTOR ATTRIBUTION

Sector	Strategy			Benchmark			Sector Allocation	Security Selection	Total Difference
	Return	Contribution	Weight	Return	Contribution	Weight			
Aerospace	2.32	0.15	6.31	1.48	0.04	2.89	(0.01)	0.05	0.03
Chemicals	2.77	0.03	1.02	2.51	0.11	4.47	(0.01)	0.00	(0.00)
Consumer Durables	4.66	0.01	0.29	2.95	0.04	1.38	(0.01)	0.00	(0.00)
Consumer Non-Durables	0.00	0.00	0.00	2.39	0.05	1.97	(0.00)	0.00	(0.00)
Energy	2.84	0.02	0.82	2.51	0.06	2.54	(0.00)	0.00	(0.00)
Financial	2.48	0.51	20.58	2.89	0.27	9.79	0.06	(0.08)	(0.01)
Food And Drug	0.00	0.00	0.00	1.22	0.00	0.13	0.00	0.00	0.00
Food/Tobacco	1.68	0.05	3.39	0.44	0.01	3.34	(0.00)	0.04	0.04
Forest Prod/Containers	2.39	0.16	6.68	2.49	0.06	2.36	0.01	(0.01)	0.00
Gaming/Leisure	2.37	0.12	5.19	1.99	0.09	4.72	(0.00)	0.02	0.01
Healthcare	2.57	0.18	6.65	2.51	0.27	10.91	(0.01)	0.02	0.01
Housing	2.65	0.04	1.60	1.83	0.07	3.89	0.01	0.01	0.02
Information Technology	2.58	0.43	16.57	1.90	0.29	15.16	(0.01)	0.11	0.10
Manufacturing	2.22	0.20	9.06	2.47	0.10	4.23	0.01	(0.02)	(0.02)
Media/Telecom	2.50	0.01	0.26	3.30	0.32	9.66	(0.09)	0.00	(0.09)
Metals/Minerals	0.00	0.00	0.00	3.70	0.01	0.41	(0.01)	0.00	(0.01)
Retail	1.21	0.04	3.10	2.96	0.09	3.10	0.00	(0.05)	(0.05)
Service	2.78	0.27	9.72	2.26	0.28	12.67	0.00	0.05	0.05
Transportation	0.80	0.06	5.46	0.97	0.04	4.04	0.00	(0.01)	(0.01)
Utility	0.63	0.00	0.06	2.67	0.06	2.34	(0.01)	0.00	(0.01)
Cash	1.16	0.01	1.13	0.00	0.00	0.00	(0.03)	0.00	(0.03)
ETF	(0.16)	(0.00)	2.09	0.00	0.00	0.00	(0.05)	0.00	(0.05)

Strategy Attribution

4Q24 ATTRIBUTION BY ALLOCATION

Credit Quality	Strategy			Benchmark			Sector Allocation	Security Selection	Total Difference
	Return	Contribution	Average Weight	Return	Contribution	Average Weight			
Split BBB	1.94	0.02	0.94	1.98	0.09	4.18	0.01	0.00	0.01
BB	2.16	0.11	5.11	2.15	0.36	16.90	0.02	0.01	0.03
Split BB	3.52	0.33	9.63	2.01	0.25	12.10	0.01	0.13	0.14
B	2.41	1.53	63.59	2.71	1.40	52.07	0.05	(0.19)	(0.14)
Split B	(3.19)	(0.04)	0.66	(0.34)	(0.01)	3.14	0.06	(0.04)	0.03
CCC/Split CCC	1.34	0.17	11.42	0.51	0.03	4.97	(0.10)	0.11	0.01
Nr	1.67	0.15	7.52	2.77	0.17	6.02	(0.00)	(0.06)	(0.06)
Default	0.00	0.00	0.00	3.13	0.01	0.61	0.01	0.00	0.01
Cash	1.16	0.01	1.13	0.00	0.00	0.00	(0.03)	0.00	(0.03)

By Price	Strategy			Benchmark			Sector Allocation	Security Selection	Total Difference
	Return	Contribution	Average Weight	Return	Contribution	Average Weight			
\$0.0 - \$90.0	(6.94)	(0.17)	1.94	(2.65)	(0.18)	6.61	0.21	(0.10)	0.11
>\$90	2.54	2.45	96.92	2.66	2.48	93.39	0.01	(0.10)	(0.09)
Cash	1.16	0.01	1.13	0.00	0.00	0.00	(0.03)	0.00	(0.03)

By Lien Type	Strategy			Benchmark			Sector Allocation	Security Selection	Total Difference
	Return	Contribution	Average Weight	Return	Contribution	Average Weight			
First Lien	2.48	2.09	84.56	2.31	2.25	97.70	(0.00)	0.15	0.15
Second Lien	2.37	0.17	7.39	1.99	0.05	2.30	(0.02)	0.04	0.01
Third Lien	0.00	0.00	0.00	(27.03)	(0.00)	0.00	0.00	0.00	0.00
Secured	(0.23)	(0.01)	2.85	0.00	0.00	0.00	(0.07)	0.00	(0.07)
Unsecured	1.28	0.03	1.98	0.00	0.00	0.00	(0.02)	0.00	(0.02)
ETF	(0.16)	(0.00)	2.09	0.00	0.00	0.00	(0.05)	0.00	(0.05)
Cash	1.16	0.01	1.13	0.00	0.00	0.00	(0.03)	0.00	(0.03)

Data as of December 31, 2024. Past performance is no guarantee, prediction or indication of future results.
Source: FactSet. Based on month end average weightings

Strategy Attribution

4Q24 ISSUE ATTRIBUTION

Top 10 contributors to performance		
Description	Sector	Contribution to Strategy Return (bps)
UKG	Information Technology	0.09
Polaris Newco	Information Technology	0.06
Duff & Phelps	Financial	0.06
Broadstreet Partners	Financial	0.06
Filtration Group Corporation	Manufacturing	0.06
8th Avenue Food & Provisions	Food/Tobacco	0.06
AssuredPartners	Financial	0.06
ClubCorp	Gaming/Leisure	0.05
Husky Injection Molding Systems Ltd.	Service	0.05
Applied Systems	Information Technology	0.05

Top 10 detractors from performance		
Description	Sector	Contribution to Strategy Return (bps)
LaserShip	Transportation	(0.08)
Peraton	Aerospace	(0.05)
Tropicana	Food/Tobacco	(0.04)
TK Elevator Midco	Manufacturing	(0.02)
Panther Escrow Issuer	Financial	(0.01)
Pathway Vet Alliance	Service	(0.01)
Spin Holdco	Service	(0.01)
Central Parent	Information Technology	(0.00)
Wand Newco 3	Transportation	(0.00)
Alliant Holdings Intermediate	Financial	(0.00)

Data as of December 31, 2024. Past performance is no guarantee, prediction or indication of future results. Methodology: Contributors/Detractors from performance is driven by an individual loan's contribution to strategy return. It is based on the average monthly weight of an issue. Source: Factset.

Strategy Characteristics

ASSET ALLOCATION

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	SPUBSLLI ¹	LSTA ²
Bank Loans	90	93	97	95	95	95	93	94	96	99	96	97	94	94	93	92	89	92	91	89	92	94	90	92	100	100
High Yield Bonds	10	7	2	4	2	3	6	2	1	2	2	2	2	4	5	5	7	6	5	5	5	3	5	5	0	0
Investment Grade	0	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	3	2	2	2	0	0
Cash	0	0	0	1	4	2	1	4	3	0	2	2	4	2	3	3	4	2	4	5	1	1	3	2	0	0

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	SPUBSLLI ¹	LSTA ²
Duration	0.73	0.48	0.41	0.41	0.30	0.39	0.44	0.28	0.28	0.26	0.28	0.26	0.28	0.33	0.35	0.34	0.38	0.36	0.34	0.30	0.37	0.34	0.39	0.40	0.25	0.25
Average Maturity	5.41	5.53	5.65	5.46	4.89	4.76	5.31	5.23	5.07	4.73	4.49	4.83	4.52	4.52	4.12	4.23	4.09	3.90	3.78	3.77	4.19	4.43	4.51	4.56	4.36	4.54
Average Price (\$)	99.01	96.33	99.30	100.88	98.10	97.78	100.64	100.32	95.31	100.14	97.62	99.94	99.12	93.02	93.33	94.51	95.95	97.31	98.68	98.99	98.82	99.57	99.57	100.13	96.37	97.33
Average Loan Only Price (\$)	98.54	96.50	99.50	100.71	97.25	98.95	100.31	100.24	95.26	100.14	99.26	99.84	99.00	93.25	93.07	94.24	95.63	97.21	98.67	99.03	99.74	99.73	99.39	100.09	96.37	97.33
Coupon (%)	5.21	5.36	5.53	5.30	4.75	4.52	5.31	5.03	5.94	5.12	4.37	4.56	4.62	5.59	7.19	8.55	8.63	8.79	9.14	9.12	9.20	9.03	8.40	7.85	8.26	7.71
Effective Yield (4yr)	5.50	6.20	5.38	4.78	5.31	5.17	5.15	4.93	7.30	5.12	4.55	4.54	4.87	7.56	9.06	9.97	9.91	10.00	9.60	9.32	9.23	9.12	8.62	7.93	8.57	8.35
Average Quality	BB-	BB-/B+	BB-/B+	B+	B+	BB-	B+	B+	B+	B+	B	B	B	B	B	B	B	B	B	B+	B	B	B	B	B	B+
Number of Issues ³	99	100	119	153	113	118	165	154	152	164	173	154	153	149	150	150	143	140	151	146	151	148	133	131	1,556	1,330
Number of Issuers ³	99	88	105	132	98	93	123	124	124	123	128	113	111	105	106	104	97	99	103	99	110	108	95	94	1,273	1,112

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	SPUBSLLI ¹	LSTA ²
BBB	3	5	7	6	2	8	1	2	2	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	6
BB	51	61	42	33	34	49	33	35	24	32	12	9	9	8	8	9	6	7	9	5	8	7	5	9	28	23
B	40	31	43	53	51	35	54	49	61	59	79	78	75	76	75	72	74	77	70	70	76	78	75	71	54	64
CCC	4	2	6	7	8	6	9	9	10	6	7	9	9	9	10	11	11	9	11	12	10	7	11	13	5	5
CC and below	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NR	2	1	2	2	1	0	0	1	0	0	1	3	3	5	4	5	5	5	7	8	5	7	7	5	9	2
Cash	0	0	0	0	4	2	1	4	3	0	2	2	4	2	3	3	4	2	4	5	1	1	3	2	0	0

Data as of December 31, 2024. Source: Factset.

¹ S&P UBS Leveraged Loan Index

² Morningstar LSTA US Leveraged Loan Index

³ Does not include ETF holdings in Issue and Issuer Count starting 12/31/2024



Strategy Characteristics

FACILITY SIZES AND SECTOR WEIGHTS

By Facility/Loan Size	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	SPUBSLLI ¹
\$300m or less	1	2	2	3	1	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2
\$301-500m	8	20	24	19	10	8	4	4	9	3	3	4	3	3	2	2	2	4	6	6	4	0	0	0	6
\$501m-\$1bn	30	25	21	28	25	18	19	28	21	15	18	13	13	13	12	11	10	9	12	14	13	10	11	13	19
\$1-5bn	56	46	48	47	53	61	67	55	62	77	74	75	72	75	75	75	75	76	69	63	73	74	73	74	63
\$5bn+	5	8	5	4	11	13	9	12	8	5	5	9	13	9	11	12	13	10	13	17	10	16	16	13	10

Sector Weights (%)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	SPUBSLLI ¹
Aerospace	3	5	6	5	3	4	0	3	4	7	3	5	4	3	4	4	5	7	7	7	8	7	6	7	3
Chemicals	3	0	1	4	7	3	5	4	3	2	1	1	3	3	3	3	2	1	0	0	1	1	1	1	4
Consumer Durables	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
Consumer Non-Durables	2	2	0	0	0	0	0	1	1	0	1	1	1	1	1	1	1	1	1	0	1	0	0	0	2
Energy	0	0	4	9	3	0	4	1	1	0	1	4	4	3	1	1	1	1	1	1	1	1	1	1	2
Financial	3	2	7	5	1	3	4	9	9	9	11	9	9	12	12	13	15	16	15	18	16	21	21	20	11
Food And Drug	2	3	5	4	7	4	4	3	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Food/Tobacco	8	9	9	5	6	6	5	5	9	5	1	1	1	1	1	1	1	1	3	4	4	3	3	3	3
Forest Products	6	6	2	3	6	9	7	9	6	4	5	7	7	7	7	7	6	5	4	4	6	6	7	6	2
Gaming/Leisure	6	6	5	9	7	6	5	7	4	7	6	6	5	7	7	8	7	7	5	3	7	6	6	5	5
Healthcare	10	10	11	6	8	4	3	5	10	9	15	16	17	17	16	14	15	12	14	10	6	7	6	6	10
Housing	2	3	6	5	10	11	8	6	3	6	6	3	4	3	3	3	3	3	2	2	4	2	2	2	4
Information Technology	9	2	3	5	0	7	10	12	8	11	14	16	17	17	18	20	22	21	19	19	17	16	17	17	15
Manufacturing	2	5	4	7	6	7	8	13	7	6	8	6	6	5	5	6	6	9	10	11	11	9	9	9	4
Media/Telecom	19	16	11	11	9	10	11	6	10	13	5	4	2	2	2	2	2	1	1	0	0	0	0	0	10
Metals/Minerals	1	2	3	2	1	0	2	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retail	7	10	9	5	8	11	7	1	5	1	4	4	4	4	4	2	1	1	1	1	2	2	2	3	3
Service	9	9	7	9	12	12	11	7	11	14	12	11	10	9	9	9	8	11	10	10	11	14	11	9	13
Transportation	4	3	2	3	1	1	1	2	2	3	2	2	2	3	3	2	2	3	3	4	3	2	3	6	4
Utility	5	7	3	3	0	0	3	2	2	0	1	1	1	1	1	1	1	0	0	0	0	0	0	0	3
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	3	2	2	2	0

Outlook

PORTFOLIO THEMES

- Entering the 1st quarter of 2025, we view the portfolio as underweight-to-neutral risk versus the index.
- Our overweight to B-rated issuers is focused on performing companies. We continue to favor the Financials (Insurance Brokers) sector and Information Technology (Software) sector.
- We remain overweight Forest Products / Containers (Packaging), Aerospace, Financials and Manufacturing, while remaining underweight Media / Telecom, Healthcare, Utilities, and Chemicals.
- The Strategy focuses on large-cap issuers and the performing segment of the loan market. 87% of our Strategy is in loans with a facility size of \$1bn or more (versus 73% for the benchmark).
- We seek to avoid deteriorating credits and bankruptcies. The Strategy holds less than 1% weighting to loans quoted \$80 or below (versus close to 3% for the benchmark).
- With the S&P UBS Leveraged Loan Index at an average price of \$96.37 and a coupon of 8.26%, we believe the asset class looks fair to attractive in the context of a resilient economy.
- We are currently comfortable with portfolio positioning.



Performance during periods of market stress

CORPORATE (BANK) LOAN STRATEGY COMPOSITE

	2022	1Q20	2015	2008
Corporate (Bank) Loan Strategy (Gross)	-0.13	-9.42	1.85	-19.55
Corporate (Bank) Loan Strategy (Net)	-0.63	-9.53	1.34	-19.96
S&P UBS Leveraged Loan Index	-1.06	-13.19	-0.38	-28.75
Morningstar LSTA US Leveraged Loan Index	-0.77	-13.05	-0.69	-29.10
<i>eVestment U.S. Floating Rate Loan Peer Group</i>	23	9	26	5

Inception of the Strategy was January 1, 2007. Data collected from eVestment as of January 24, 2025.

Past performance is no guarantee, prediction or indication of future results. Gross-of-fee returns are presented before management fees but after all trading expenses. Net of fee returns are presented after management fees and trading expenses. Clients' returns will be reduced by the advisory fees and any other expenses which may be incurred in the management of their investment advisory account.

Global Investment Performance Standards

	Strategy (Gross)	Strategy (Net)	S&P UBS Leveraged Loan Index	# of Portfolios	Dispersion (%)	Composite Size (\$m)	Total Firm Assets (\$m)
2024	9.06	8.52	9.05	7	0.17	7,773	26,689
2023	14.54	13.97	13.04	7	0.43	6,648	21,685
2022	-0.13	-0.63	-1.06	7	0.33	7,324	20,214
2021	5.43	4.90	5.40	6	0.23	5,853	18,288
2020	3.00	2.49	2.78	6	1.18	4,179	14,480
2019	9.09	8.55	8.17	7	0.06	4,116	13,014
2018	1.04	0.53	1.14	6	0.11	3,638	10,206
2017	4.91	4.39	4.25	6	0.19	2,914	7,928
2016	9.33	8.79	9.88	6	0.56	2,026	5,792
2015	1.85	1.34	-0.38	7	0.40	1,942	5,499
2014	1.26	0.76	2.06	<5	N/A	1,849	4,785

Creation date of the Corporate Bank Loan Composite is August 1, 2011. Inception of the Corporate Bank Loan Composite is January 1, 2007.

The annual composite dispersion is an asset-weighted standard deviation calculated for the accounts in the Corporate Bank Loan Composite the entire year. The internal dispersion and three-year annualized ex-post standard deviation of the composite are calculated using gross-of fees returns. For 2022, there are only 6 accounts that has a full year of gross-return fees.

COMPLIANCE STATEMENT

Aristotle Pacific Capital, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Aristotle Pacific Capital has been independently verified for the periods January 1, 2007 through December 31, 2023. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Corporate Bank Loan Composite has had a performance examination for the periods from January 1, 2007 through December 31, 2023. The verification and performance examination reports are available upon request.

FIRM DEFINITION

Aristotle Pacific Capital, LLC (the "Firm") specializes in institutional fixed income management with a focus on corporate credit. The Firm definition changed on 4/17/23. Prior to Aristotle Pacific Capital, LLC (formerly Pacific Asset Management LLC) was a wholly owned indirect subsidiary of Pacific Life Insurance Company ("Pacific Life"), a Nebraska stock insurance company. On October 24, 2022, Pacific Life Insurance Company and certain of its affiliates entered into a transaction agreement with Aristotle Capital Management, LLC ("ACM"), whereby ACM would acquire 100% of Pacific Asset Management LLC's equity interests from Pacific Life. The acquisition transaction was completed on April 17, 2023, and "Pacific Asset Management LLC" was renamed "Aristotle Pacific Capital, LLC."

COMPOSITE DESCRIPTION

The Corporate (Bank) Loan Composite consists of fixed income portfolios comprised of primarily the bank debt of non-investment grade companies managed with a view towards current income. The Corporate (Bank) Loan Composite includes all actual, fully discretionary bank loan portfolios managed by Aristotle Pacific Capital that meet the following criteria: minimum asset level of \$5 million and no material client restrictions. For comparison purposes, the Corporate Bank Loan Composite is measured against the S&P UBS Leveraged Loan Index.

Global Investment Performance Standards

BENCHMARK. The S&P UBS Leveraged Loan Index is an index designed to mirror the investable universe of the U.S. dollar denominated leveraged loan market. Index returns assume reinvestment of all dividends and distributions, if any. The index is unmanaged, has no fees and is not available for investment. Comparisons of returns to a benchmark index may be of limited value for various reasons. For example, indices not presented herein may have performed better (or worse) than the one used in the comparisons. There may be differences in the types of assets contained in such investment vehicles and those in the index. The performance information is not audited and accordingly no assurance is given with respect to its accuracy.

CURRENCY. Valuations are computed and performance is reported in U.S. dollars.

PERFORMANCE. All calculations are on a total return basis and includes the reinvestment of all income. Actual performance results may differ from composite returns, depending on the size of the account, investment guidelines and/or restrictions, inception date and other factors. Past performance is not indicative of future results. As with any investment vehicle, there is always the potential for gains as well as the possibility of losses.

FEES AND FEE SCHEDULE. Gross-of-fee returns are presented before management and custodial fees but after all trading expenses. Net performance is calculated using the highest applicable fee as shown in the fee schedule provided and applied monthly. The treatment of withholding tax on dividends, interest income and capital gains, if applicable have not been considered in the performance calculations and are subject to each investors tax situation. The fee schedule, as stated in our ADV Part II, for portfolios in the Corporate Bank Loan Composite is: First \$100 million 0.50%, excess negotiable. The total expense cap fee for the Bank Loan Fund L.P. which is included in the composite is 0.45% respectively. The current management fee of the Fund is 0.41%. The Bank Loan Fund L.P. is a Limited Distributed Pooled Fund.

EX-POST STANDARD DEVIATION. The three-year annualized ex-post standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period, if available. The standard deviation of the composite and benchmark as of each year end is as follows:

	Composite 3-year Standard Deviation (%)	Benchmark 3-year Standard Deviation (%)
2024	3.92	3.64
2023	3.94	3.67
2022	6.81	8.76
2021	6.27	8.46
2020	6.50	8.63
2019	2.61	2.63
2018	2.39	2.75
2017	2.06	2.63
2016	2.37	2.78
2015	2.11	2.07
2014	2.18	1.92

POLICIES. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. A list of all composite and pooled fund investment strategies offered by the firm, with a description of each strategy, is available upon request. The type of portfolios in which each strategy is available (segregated account, limited distribution pooled fund, or broad distribution pooled fund) is indicated in the description of each strategy.

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Important Disclosures

This material is for general information purposes only and does not constitute an offer to sell, or a solicitation of an offer to buy, any security, nor is it a recommendation of any particular investment strategy or investment product.

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While the information and statistical data contained herein are based on sources to be reliable, Aristotle Pacific does not represent that it is accurate and should not be relied on or be the basis for an investment decision. The information contained herein may include data up to a recent date but that no longer reflects the current state of affairs, preliminary information or “forward-looking statements.” As a result of a variety of factors, actual events may differ substantially from those presented. Aristotle Pacific assumes no duty to update any information, forward-looking statements or opinions in this presentation. Any opinions contained herein are current only as of the time made and are subject to change without notice.

Past performance is no guarantee, prediction or indication of future results.

Index Disclosure:

The indices are unmanaged, have no fees and are not available for investment. Index composition or performance information is not audited and accordingly no assurance is given with respect to its accuracy. Comparisons of returns to a benchmark index may be of limited value for various reasons. For example, indices not presented herein may have performed better (or worse) than the one used in the comparisons. There may be differences in the types of assets contained in such investment vehicles and those in the index.

- The S&P UBS Leveraged Loan Index is an index designed to mirror the investable universe of the U.S. dollar denominated leveraged loan market. Index returns assume reinvestment of all dividends and distributions, if any.

- The Morningstar LSTA US Leveraged Loan Index is a market-value weighted index designed to measure the performance of the US leveraged loan market.¹

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About Aristotle Pacific:

Aristotle Pacific’s investment team, formerly known as “Pacific Asset Management,” was formed in 2007 as a division of Pacific Life Fund Advisors LLC. Pacific Asset Management was reorganized from Pacific Life Fund Advisors LLC into Pacific Asset Management LLC on December 31, 2019. On April 17, 2023, Aristotle Capital Management, LLC acquired Pacific Asset Management LLC from Pacific Life Insurance Company and renamed it Aristotle Pacific Capital, LLC.

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Leveraged Finance Fixed Income Strategy

Presented to



*East Bay Municipal Utility District
Employees' Retirement System*

March 20, 2025

Federated Investment Counseling

Prepared exclusively for East Bay Municipal Utility District Board of Trustees. Not for Distribution to the Public.

25-10032 (3/25)

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Our Time Together Today

2

12 min

Bank Loan Strategy Overview & Insights

Tony Venturino, VP, PM, Senior Analyst

- Return gen: sector specialists; skew to high quality
- Risk control: 3-levels, 14 components, enterprise-wide

- 20 years at Federated Hermes
- 27 years in industry; credit, risk analysis, portfolio mgt.

3

5 min

Sustainability Underpinnings & Overlays

Sarah Swartz, Sustainability Senior Analyst

- Depth: Fully integrated team, embedded experts
- Breadth: \$2.1 Trillion⁽¹⁾ AUA; worldwide presence

- 5 years at Federated Hermes; 2 years on Lev. Fin. team
- Background: Envi-Science, public policy, engagement

4

5 min

Questions & Answers

1

3 min

Client Coverage Introductions & Update

Paul Anderson, VP, West Coast Business Dev.

- New: Yiannis Repoulis - Advisory Client Service
- New: Paul Anderson, CFA – Advisory Sales & Solutions

- New to Federated Hermes; new EBMUD customer
- 30+ years in industry; 20 years in client facing roles

(1) The EOS team works on behalf of long-term global investors who entrust us with the stewardship of approximately \$2.1tn as of 9/30/2024.

About Federated Hermes

1





\$829.6 B

Assets under management

\$2.1 T

Assets under stewardship

2,072

Employees

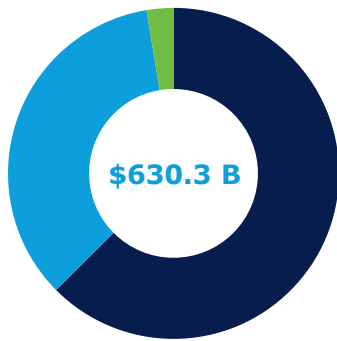
449

Investment & stewardship staff

Federated Hermes assets (as of Dec. 31, 2024)

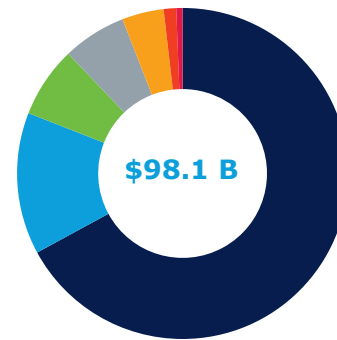
Active manager and global leader in responsible investing

Money market



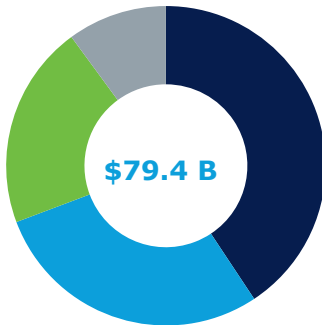
- Government: \$394.3 B
- Prime: \$219.5 B
- Tax-free: \$16.5 B

Fixed income



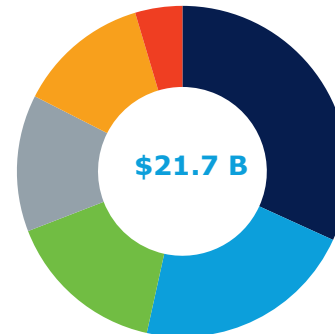
- Multi-sector: \$65.8 B
- High-yield: \$13.6 B
- Municipal: \$6.8 B
- U.S. corporate: \$6.1 B
- U.S. government: \$4.0 B
- International/global: \$1.2 B
- Mortgage-backed: \$0.6 B

Equity



- Value and income: \$32.3 B
- International/global: \$22.7 B
- Growth: \$16.4 B
- Blend: \$8.0 B

Alternative/private markets and multi-asset



- Real estate: \$6.9 B
- Private equity: \$4.7 B
- Private credit: \$3.4 B
- Multi-asset: \$2.9 B
- Infrastructure: \$2.8 B
- Other alternative: \$1.0 B

Bank Loan process



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Federated Hermes strength in Leveraged Finance

Points of distinction

Experienced portfolio management team

- 17-person dedicated team
- Average investment experience of 19 years
- Manage over \$13 billion in leveraged finance assets as of 12/31/2024
- High yield since 1972
- Established loan portfolio in 2010

Demonstrated investment process

- Well established bottom-up fundamental credit analysis process
- Focus on strong operating companies
- Seeks alpha through security selection

Intensive risk management

- Analyst experience with key credit drivers
- Daily risk management dashboards
- Monthly CIO level performance and risk review

Leveraged finance investment team

Mark Durbiano CFA, MBA

Senior Vice President
Senior Portfolio Manager
Co-Head of High Yield
Joined Federated Hermes 1982

Kathryn Glass, CFA, MBA

Senior Vice President
Senior Portfolio Manager
Co-Head of High Yield
Cable/Satellite, Telecommunications & Retail
Joined Federated Hermes 1999

- Experienced and seasoned investment professionals
- 35-40 active portfolio holdings per analyst
- Bonus based on 1, 3, 5-year portfolio performance vs. peers and benchmark

Portfolio managers/analysts

B. Anthony Delsarone, CFA, MBA

VP, Sr. Portfolio Manager
Sr. Investment Analyst
Chemicals, Forest Products, Utilities and Metals & Mining
Joined Federated Hermes 1998

Gene Neavin, CFA, MBA

VP, Portfolio Manager
Sr. Investment Analyst
Media, Gaming and Lodging
Joined Federated Hermes 2001

Thomas Scherr, CFA, MBA

VP, Portfolio Manager
Sr. Investment Analyst
Food, Consumer Products, Restaurants and Leisure
Joined Federated Hermes 2006

Anthony Venturino, CFA, MBA

VP, Portfolio Manager
Sr. Investment Analyst
Technology
Joined Federated Hermes 2005

Gregory Czamara, CFA, MBA

VP, Sr. Investment Analyst
Energy, Midstream and Automotive
Joined Federated Hermes 2010

Nicholas Cecchini, CFA, MBA

VP, Sr. Investment Analyst
Aerospace, Building Products, General Industrials and Home Construction
Joined Federated Hermes 2011

Randal Stuckwisch, CFA, MBA

VP, Portfolio Manager,
Sr. Investment Analyst
Automotive, Financial and Packaging
Joined Federated Hermes 2013

Braden Rotberg, CFA, MBA

VP, Portfolio Manager,
Sr. Investment Analyst
Media and Health Care
Joined Federated Hermes 2015

Audra Stundziaite, CFA

VP, Sr. Investment Analyst
Technology, Automotive and Health Care
Joined Federated Hermes 2015

Grant Glosner, CFA

Intermediate Investment Analyst
Technology
Joined Federated Hermes 2024

Traders

Eamonn Folan

SVP, Head of Global Fixed Income Trading
Joined Federated Hermes 1983

Chris Bodamer, MBA

VP, Senior Trader
Joined Federated Hermes 2005

Ashok Sheridan

Associate Trader
Joined Federated Hermes 2023

Sustainable Fixed Income

Mitch Reznick, CFA

Head of Sustainable Fixed Income

Jake Goodman, CFA

Sustainability Sr. Investment Analyst

Bertie Nicholson, CFA

Sustainability Investment Analyst

Elisa Hirn

Sustainability Investment Analyst

Sarah Swartz*

Sustainability Sr. Investment Analyst

Helena Wolenski*

Sustainability Investment Analyst

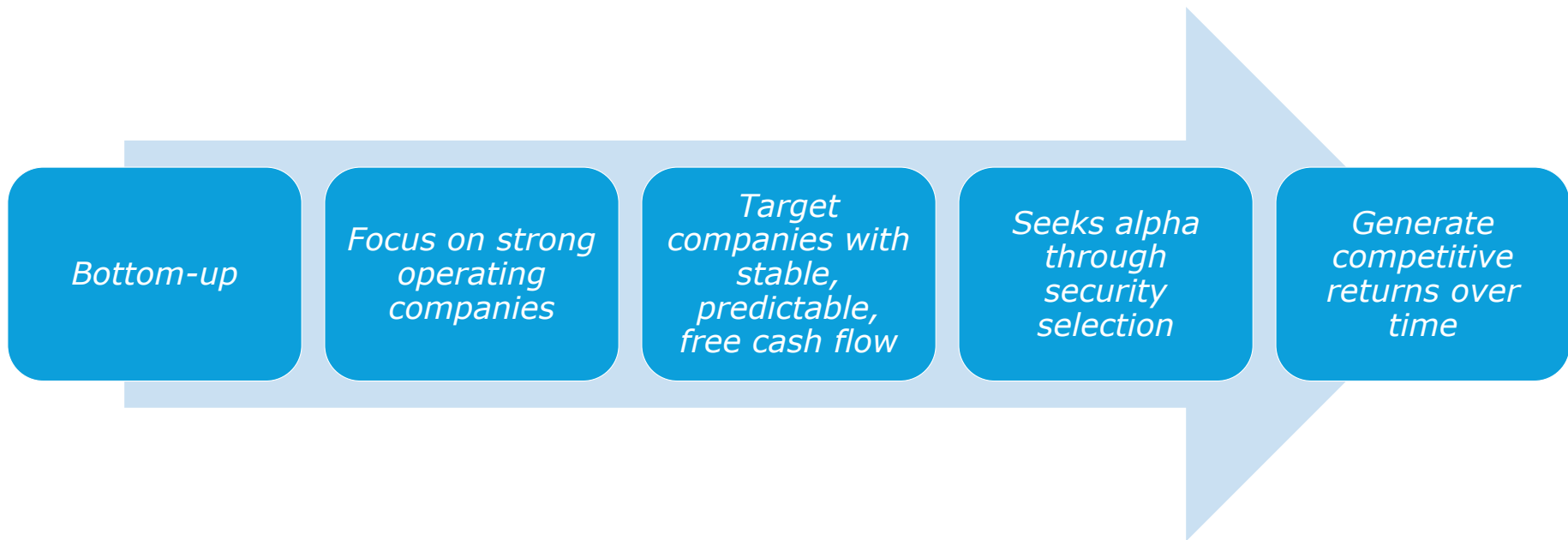
Brittany Bell*

Sustainability Investment Analyst

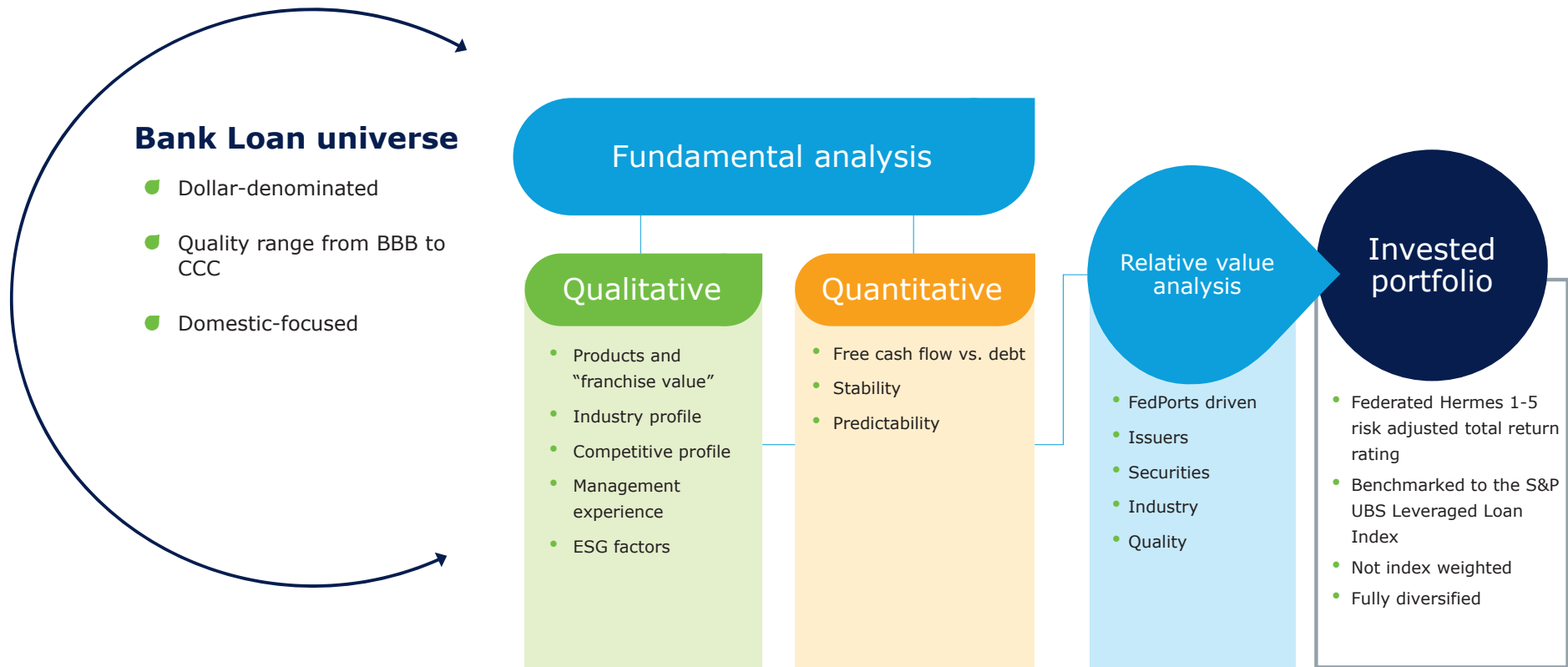
*Sarah Swartz, Helena Wolenski and Brittany Bell have a dual role reporting to Mark Durbiano, CFA, Co-Head of High Yield, Federated Investment Management Company, and Mitch Reznick, CFA, Group Head of Fixed Income-London, Global Head of Sustainable Fixed Income, Federated Hermes Limited

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Leveraged Finance investment philosophy



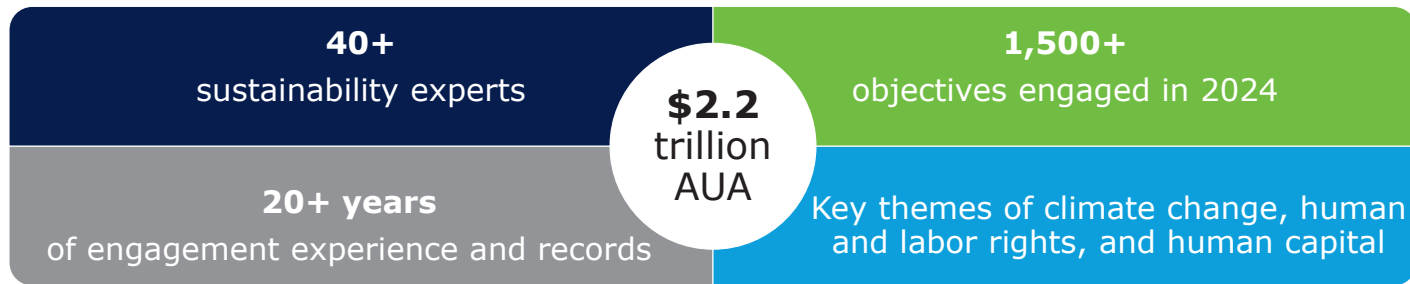
Leveraged finance investment process



Sustainability capabilities

Dedicated sustainability professionals uncovering ESG insights and driving sustainable outcomes

Engagement by EOS at Federated Hermes Limited and Sustainable Fixed Income analysts



Representative Engagements



Evaluating climate risk at a restaurant company

Completed climate scenario analysis to assess and develop mitigation strategies for climate change risk in the agricultural supply chain



Eliminating hazardous substance and managing water at a specialty chemicals company

Phased out per- and polyfluoroalkyl substances (PFAS) in its legacy business and actively phasing out PFAS in products from a recent acquisition

Dialogue on increasing the ambition of a water reduction target

Source: [EOS 2024 Annual Review | Federated Hermes Limited](#)
For illustrative purposes only and not representative of any specific portfolio.

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Constant monitoring



Portfolio composition

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Bank Loan Strategy

Portfolio profile as of 12/31/2024

	Bank Loan Strategy Representative Account	S&P UBS Leveraged Loan Index¹
Current # of issues	231	1,556
Weighted average coupon	7.45%	N/A
Weighted average yield to maturity	7.39%	8.78%
Weighted average 3-YR Discount Margin	243	475
Weighted average price	\$98.49	\$96.37

1. Effective December 2, 2024, the Credit Suisse Leveraged Loan Index was renamed the S&P UBS Leveraged Loan Index. Some index information is no longer available.

Past performance is no guarantee of future results.

Characteristics are from a representative portfolio and for illustrative purposes only. Actual account characteristics of individual accounts may be different. Portfolio characteristics are as of 12/31/2024 and are based on individual securities in the portfolio on that date. Securities in the portfolio are subject to change. Statistics shown are not indicative of future statistics and are not representative of future portfolio performance.

Since this is a managed portfolio and market conditions can fluctuate suddenly and frequently, the portfolio holdings and investment mix will change. Refer to the attached GIPS® report for additional information.

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10 largest industry positions (%)

As of 12/31/2024

Industry	Bank Loan Strategy Representative Account December 31, 2024	Bank Loan Strategy Representative Account December 31, 2023	Change from 12/31/2023 – 12/31/2024	S&P UBS Leveraged Loan Index as of 12/31/2024
Technology	22.0	20.2	+1.8	14.9
Insurance - P&C	11.6	8.5	+3.1	11.1
Services	9.6	8.3	+1.3	13.3
Healthcare	9.6	10.0	-0.4	10.0
Media/Telecom	5.2	3.8	+1.4	9.8
Housing	4.8	3.9	+0.9	3.6
Chemicals	4.5	3.6	+0.9	4.4
Gaming/Leisure	3.9	7.2	-3.3	4.7
Transportation	3.1	2.4	+0.7	4.0
Manufacturing	3.0	4.6	-1.6	4.2

Portfolio composition is subject to change. Effective December 2, 2024, the Credit Suisse Leveraged Loan Index was renamed the S&P UBS Leveraged Loan Index. Characteristics are from a representative portfolio and for illustrative purposes only. Actual account characteristics of individual accounts may be different. Portfolio characteristics are as of 12/31/2024 and are based on individual securities in the portfolio on that date. Securities in the portfolio are subject to change. Statistics shown are not indicative of future statistics and are not representative of future portfolio performance. Since this is a managed portfolio and market conditions can fluctuate suddenly and frequently, the portfolio holdings and investment mix will change. Refer to the attached GIPS® report for additional information.

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10 largest parent issuers (%)

As of 12/31/2024

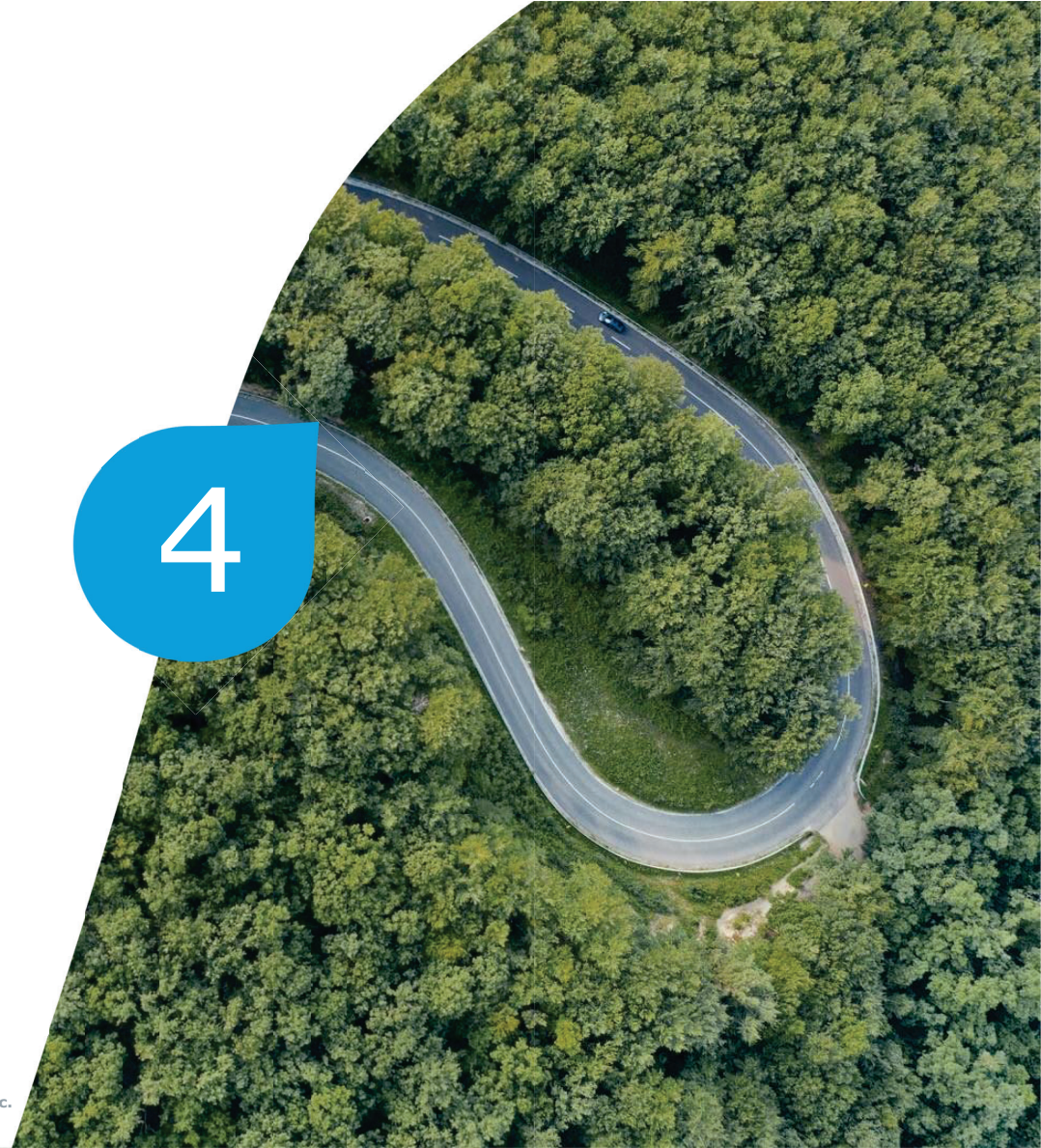
Issuer	Bank Loan Strategy Representative Account	S&P UBS Leveraged Loan Index
Medline Borrower LP	1.1	0.5
Hub International Ltd	1.0	0.3
Athenahealth, Inc.	1.0	0.4
BroadStreet Partners	1.0	0.2
Ardonagh Group Finance	0.9	0.1
Boost Newco Borrower	0.9	0.4
Epicor Software Corp.	0.9	0.2
Boxer Parent Co, Inc	0.9	0.4
Jones Deslauriers Insurance Mgmt	0.9	0.0
Transdigm, Inc.	0.9	0.6

Portfolio composition is subject to change. Effective December 2, 2024, the Credit Suisse Leveraged Loan Index was renamed the S&P UBS Leveraged Loan Index. Characteristics are from a representative portfolio and for illustrative purposes only. Actual account characteristics of individual accounts may be different. Portfolio characteristics are as of 12/31/2024 and are based on individual securities in the portfolio on that date. Securities in the portfolio are subject to change. Statistics shown are not indicative of future statistics and are not representative of future portfolio performance. Since this is a managed portfolio and market conditions can fluctuate suddenly and frequently, the portfolio holdings and investment mix will change. Refer to the attached GIPS® report for additional information.

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Performance

4



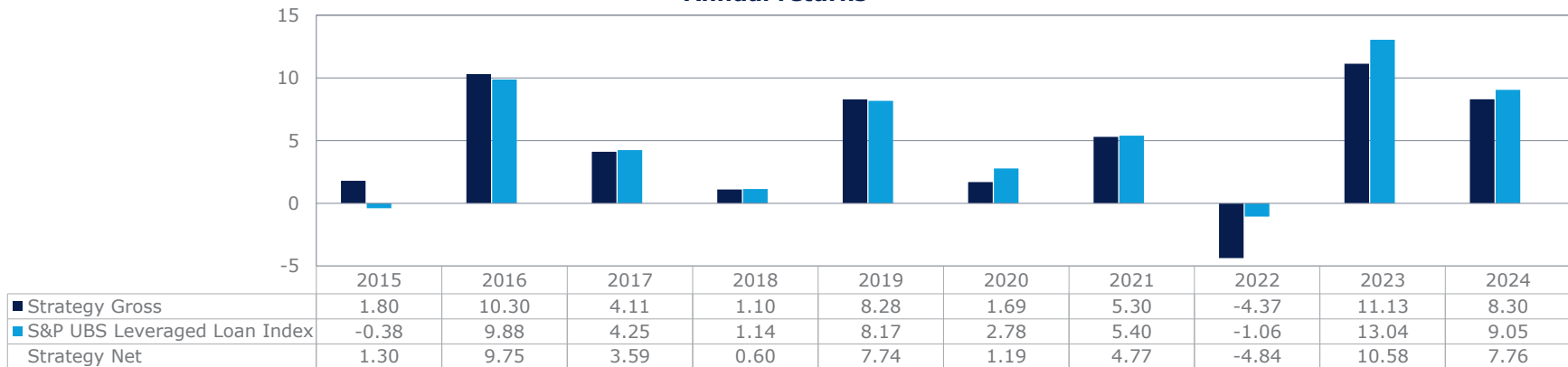
Bank Loan Strategy results

Returns (%) for periods ending 12/31/2024

Annualized returns

	Strategy returns		S&P UBS Leveraged Loan Index
	Gross	Net	
4Q 2024	2.28	2.15	2.29
YTD	8.30	7.76	9.05
1 Year	8.30	7.76	9.05
3 Years	4.80	4.28	6.85
5 Years	4.27	3.75	5.73
10 Years	4.66	4.14	5.13
Since inception (1/1/2011)	4.63	4.11	5.04

Annual returns



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 Effective December 2, 2024, the Credit Suisse Leveraged Loan Index was renamed the S&P UBS Leveraged Loan Index
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Leveraged Finance outlook

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Leveraged Loan Market outlook

As of March 2025

■ Macro economic environment – Neutral

- Economic data remains relatively healthy, but jobs and inflation could be turning
- Labor market resiliency could be challenged by massive government layoffs and firings, the impact of which to the economy is still uncertain
- Inflation has moderated but is still sticky. The onset of tariffs could be inflationary.
- Credit card delinquencies are rising, especially among lower income consumers.
- Geopolitical risks remain high.
- The Fed has telegraphed cuts in 2025 but the pace and magnitude are uncertain

■ Corporate credit quality – Neutral

- Default rates at the end of February were 4.2% inclusive of distressed exchanges which is off the peak from late 2024 but still above the comparable period last year
- The market is bifurcated – high quality companies are profitable and thriving while lower quality companies continue to struggle
- Much of the Fed’s rate reduction is in the past, but companies will continue to benefit from lower borrowing costs
- Q4 earnings and guidance were mixed but in general, companies still see a positive operating environment albeit with increased uncertainty

■ Technicals – Neutral

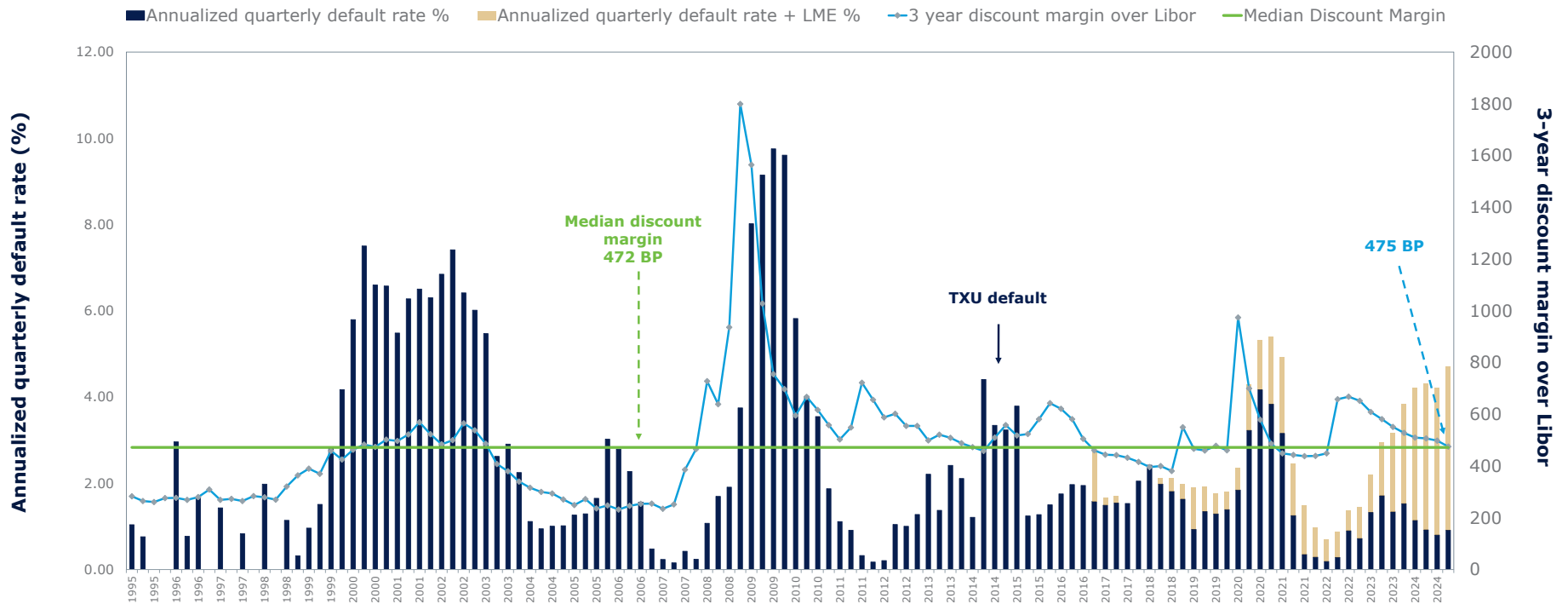
- Net new issuance continues to be below historical averages while demand as measured by CLO formation remains elevated leading to loan prices above par
- Refinancings continue to be the primary use of new issuance proceeds. M&A and LBO activity is expected to increase, but hasn’t yet

■ Valuation – Neutral

- Discount Margins to a 3-YR life (478 basis points at 2/28) while still above the 30-year median level, are at the tightest levels since before the Fed’s rate hiking cycle
- The income component offers an attractive return relative to other fixed income asset classes, even with the expected cut in short term rates

Leveraged loan 3-year discount margin vs. default rates

1995-12/31/2024



Default rate source: Pitchbook | LCD; prior to 1999 the source is Credit Suisse.
 Discount margin source: Credit Suisse
 Past performance is no guarantee of future results.
 This chart is for illustrative purposes only and is not representative of performance for any specific investment

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Appendix

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Fee schedule

45 basis points	On the first \$30 million
35 basis points	\$30-\$50 million
25 basis points	\$50-\$75 million
20 basis points	Assets greater than \$75 million

Leveraged Finance investment team

Mark E. Durbiano, CFA
*Senior Vice President,
Senior Portfolio Manager,
Co-Head of Domestic High
Yield Group, Head of Bond
Sector Pod/Committee*

Responsible for portfolio management and research in the fixed income area concentrating on domestic high yield securities. B.A., Dickinson College; M.B.A., University of Pittsburgh. Professional affiliation: Member, CFA Society of Pittsburgh. Joined Federated Hermes 1982; Investment Experience: 42 Years.

B. Anthony Delserone, CFA
*Vice President,
Senior Portfolio Manager,
Senior Investment Analyst*

Responsible for portfolio management and research in the fixed income area concentrating on domestic high yield securities and leveraged loans. Previous associations: Vice President/Director of Credit Research, Falcon Asset Management; Credit Analyst, USF&G Corporation; Fixed Income Portfolio Manager, Sovran Financial Corporation. B.B.A., The College of William and Mary in Virginia; M.B.A., Sellinger School of Business, Loyola College of Maryland. Professional affiliation: Member, CFA Society of Pittsburgh. Joined Federated Hermes 1998; Investment Experience: 41 Years.

Kathryn P. Glass, CFA
*Senior Vice President,
Senior Portfolio Manager,
Senior Investment Analyst,
Co-Head of Domestic High
Yield Group*

Responsible for portfolio management and research in the fixed income area concentrating in the domestic high yield sector. Previous association: Summer Associate, Goldman Sachs; Analyst, Federated Hermes. B.A., University of Pittsburgh; M.A., Cornell University; M.S.I.A., Carnegie Mellon University. Professional Affiliations: Member, CFA Society of Pittsburgh. Joined Federated Hermes 1999; Investment Experience: 27 Years.

Gene B. Neavin, CFA
*Vice President, Portfolio Manager,
Senior Investment Analyst*

Responsible for portfolio management and research in the fixed income area concentrating in the domestic high yield sector. Previous associations: Senior Credit Analyst, MBNA America Bank. B.A., University of Delaware; M.B.A., Carnegie Mellon University. Professional Affiliations: Member, CFA Society of Pittsburgh. Joined Federated Hermes 2001; Investment Experience: 23 Years.

Thomas C. Scherr, CFA
*Vice President, Portfolio
Manager, Senior
Investment Analyst*

Responsible for portfolio management and research in the fixed income area concentrating in the domestic high yield sector. Previous associations: Assistant Vice President-Treasury Analytics, Bank One/J.P. Morgan Chase; Credit Card Officer, Bank One Card Services. B.S., Lehigh University; M.B.A., Carnegie Mellon University. Professional Affiliations: Member, CFA Society of Pittsburgh. Joined Federated Hermes 2006; Investment Experience: 18 Years.

Anthony A. Venturino, CFA
*Vice President,
Portfolio Manager,
Senior Investment Analyst*

Responsible for portfolio management and research in the fixed income area concentrating in the domestic high yield sector. Previous associations: Manager and Senior Analyst, Fixed Income Performance Attribution and Risk Management, Federated Hermes; Senior Analyst, Monticello Associates; Portfolio Analyst, Westpeak Global Advisors; Senior Fund Accountant, Bisys Fund Services. B.S., University of Dayton; M.B.A., Tepper School of Business, Carnegie Mellon University. Professional affiliations: Member, CFA Society of Pittsburgh. Joined Federated Hermes 2005; Investment Experience: 27 Years.

Leveraged Finance investment team

<p>Nicholas S. Cecchini, CFA Vice President, Senior Investment Analyst</p>	<p>Responsible for research in the fixed income area concentrating in the domestic high yield sector. Previous associations: Associate Equity Portfolio Manager, Mellon Capital Management; Derivatives Project Manager, Bank of New York Mellon Corp.; Trader/Portfolio Manager, SKTY Trading; Trader, D.E. Trading. B.S., Carnegie Mellon University; M.B.A., Tepper School of Business, Carnegie Mellon University. Professional Affiliations: Member, CFA Society of Pittsburgh. Joined Federated Hermes 2011; Investment Experience: 21 Years.</p>	<p>Audra Stundziaite, CFA Vice President, Senior Investment Analyst</p>	<p>Responsible for research in the fixed income area concentrating in the domestic high yield sector. Previous associations: Head of Corporate Credit Research and Senior Credit Analyst, Federated Hermes Limited; Associate, Long Short Healthcare Equity; Assistant Vice President, Credit Research, Barclays Capital. B.A., University of Pennsylvania. Joined Federated Hermes in 2019. Investment Experience: 16 Years.</p>
<p>Braden J. Rotberg, CFA Vice President, Senior Investment Analyst, Portfolio Manager</p>	<p>Responsible for research in the fixed income area concentrating in the domestic high yield sector. Previous associations: Investment Analyst, J.P. Morgan. B.A., University of Virginia; M.B.A., The Wharton School, University of Pennsylvania. Joined Federated Hermes: 2015. Investment Experience: 14 Years</p>	<p>Grant Glosner, CFA Intermediate Investment Analyst</p>	<p>Responsible for research in the fixed income area concentrating in the domestic high yield sector. Previous association: Senior Fixed Income Research Associate, Fidelity Investments; Equity Research Summer Associate, Citigroup. B.S.B.A, Carnegie Mellon University. Joined Federated Hermes 2024; Investment Experience: 6 Years.</p>
<p>Gregory V. Czamara, CFA Vice President, Senior Investment Analyst</p>	<p>Responsible for research in the fixed income area concentrating in the domestic high yield sector. Previous associations: Fixed Income Credit Analyst, Standish Asset Management, LLC; Fixed Income Credit Analyst, MTB Investment Advisors; Fixed Income Credit Analyst, State of Wisconsin Investment Board; Money Market Credit Analyst, ING Aeltus Investment Management; Commercial Credit Analyst, HSBC Bank USA. B.S., Gannon University; M.A., University of Albany, State University of New York; M.B.A., Carnegie Mellon University. Professional Affiliations: Member, CFA Society of Pittsburgh. Joined Federated Hermes 2010; Investment Experience: 23 Years.</p>	<p>Sarah Swartz Sustainability Senior Investment Analyst</p>	<p>Primarily responsible for leading engagement with issuers on sustainability factors in the fixed income area for investment purposes. Previous Associations: EOS Assistant Manager, Federated Hermes; Analyst, BNY Mellon Business and Environmental Sustainability. B.S., Allegheny College; M.P.M, Carnegie Mellon University. Joined Federated Hermes 2020; Investment Experience 4 Years; Sustainability Experience: 8 Years.</p>
<p>Randal Stuckwisch, CFA Vice President, Senior Investment Analyst, Portfolio Manager</p>	<p>Responsible for research in the fixed income area concentrating in the domestic high yield sector. Previous associations: Finance Rotational Intern, Ashland, Inc.; Chief Executive Officer, Chief Portfolio Manager, Robert J. McCann Family Student Investment Fund. B.S., Bethany College; M.B.A., Tepper School of Business, Carnegie Mellon University. Joined Federated Hermes 2013; Investment Experience: 13 Years.</p>	<p>Helena Wolenski Sustainability Investment Analyst</p>	<p>Primarily responsible for assessing the sustainability credentials of issuers in the fixed income area for investment purposes. Previous Associations: ESG Consultant, Intellex Technologies. B.A., Miami University; MENV, University of Colorado Boulder. Joined Federated Hermes 2023; Investment Experience: 1 Year.</p>
		<p>Brittany Bell Sustainability Investment Analyst</p>	<p>Primarily responsible for assessing the sustainability credentials of issuers in the fixed income area for investment purposes. Dual Masters of Sustainability & Master of Business Administration, Chatham University; B.S., Robert Morris University. Joined Federated Hermes 2024.</p>

Leveraged Finance investment team

High yield trading

Eamonn G. Folan
*Senior Vice President, Head of
Global Fixed Income Trading*

Responsible for management of taxable fixed income trading. Previous association: Senior Trader, High Yield; Performance Supervisor and Fund Analyst, Pricing, Income & Performance, Federated Hermes. Attended Duquesne University. Joined Federated Hermes 1983; Investment Experience: 30 Years.

Christopher S. Bodamer
*Vice President,
Senior Trader*

Responsible for trading high yield bonds and leveraged loans. Previous associations: Trading Assistant, Corporate Actions Coordinator, Inner Circle Sales Representative, Massachusetts Financial Services. B.S., University of Delaware; M.B.A., Katz Graduate School of Business, University of Pittsburgh. Joined Federated Hermes 2005; Investment Experience: 23 Years.

Ashok Sheridan
Associate Trader

Responsible for trading investment grade, high yield, swaps, and leveraged loans. Previous Associations: FX Trading Quant Co-op, State Street; Investor Relations Co-op, Advantage Solutions. B.S.B.A, Northeastern University, D'Amore McKim School of Business. Joined Federated Hermes 2023; Investment Experience: 1 Year.

Risk management process

Portfolio level

- **Buy/sell decisions**
Based on proprietary research conducted by our analysts
Rating agency opinions considered but are not relied upon
- **Internal system pre-trade compliance screen**
Fund investment policies programmed into trading system
- **Monthly performance attribution analysis**
Performed on all portfolios

- **Risk management reporting of security positions**
 - Pre-/post-trade compliance monitoring
 - FactSet primary analytic system
 - Tracking error risk budget
 - Risk characteristics vs. targets

Portfolio manager is ultimately accountable.

Investment department level

- **Investment management risk committee**
Senior investment and governance managers
Monitors portfolio risks and compliance with risk limits
- **Counterparty risk committee**
Senior investment and risk management personnel
Monitors credit and counterparty risks
- **Derivative policy committee**
Approves new derivatives
Monitors derivatives usage

- **Valuation committee**
Investment, internal audit, compliance and legal personnel
Seeks to ensure accurate pricing of all securities
- **Liquidity committee**
Monitors individual security and portfolio liquidity
Provides forum for discussing industry events

Firm level

- **Enterprise-wide risk management committee:**
Michael R. Granito, Chief Risk Officer
Identifies and monitors risk, oversees mitigation
- **Compliance department:**
Stephen Van Meter, Chief Compliance Officer
Monitors all investment activities for compliance with security investment policies, legal regulations and corporate policies and procedures

- **Internal audit department:**
Eric OKunewick, Chief Audit Executive
Evaluates and tests effectiveness of internal controls, business process adherence to corporate policies and procedures
- **Legal: Peter J. Germain, General Counsel**
Oversees legal and regulatory matters for securities and business; primary liaison with outside counsel and regulators

Disclosure

Past performance is no guarantee of future results.

Effective December 2, 2024, the Credit Suisse Leveraged Loan Index was renamed the S&P UBS Leveraged Loan Index

Bond prices are sensitive to changes in interest rates, and a rise in interest rates can cause a decline in their prices.

Issues discussed within this communication represent the investment manager's explanation of factors that were considered when executing transactions or holding specific securities on the prior date indicated. Because this is a managed portfolio, the investment mix will change and the holdings are not indicative of future portfolio composition. Marketplace conditions fluctuate suddenly and frequently, and investment manager's opinions may change. These comments are not intended to be and do not constitute recommendations that others buy, sell or hold any of the securities discussed.

Bank loan instruments carry increased levels of credit and default risk and are generally less liquid than government and investment-grade bonds.

ESG factors may be considered in the investment analysis process in a manner that is complementary to and enhances the fundamental research and analysis process. Certain ESG factors may help identify business and operational risks or opportunities and add a contextual dimension to the overall evaluation of a security. Like any aspect of investment analysis, there is no guarantee that an investment strategy that considers ESG factors will result in performance better than or equal to products that do not consider such factors.

Portfolio characteristics are from a representative portfolio and for illustrative purposes only. Actual account characteristics of individual accounts may be different. Portfolio characteristics are as of the date shown above and are based on individual securities in the portfolio on that date. Securities in the portfolio are subject to change.

Schedule of rates of return and statistics

Composite Index Periods Ending Federated Hermes Bank Loan Credit Suisse Leveraged Loan Index 12/31/2024

Returns (%)

	Composite Gross Return	Composite Net Return (Assuming Maximum Fee)	Index
Q4 24	2.28	2.15	2.29
YTD	8.30	7.76	9.05
1 Year	8.30	7.76	9.05
3 Years (Annlzd)	4.80	4.28	6.85
5 Years (Annlzd)	4.27	3.75	5.73
10 Years (Annlzd)	4.66	4.14	5.13
Jan 11 - Dec 24 (Annlzd)^^	4.63	4.11	5.04

	Composite Gross Return (%)	Composite Net Return (%)	Index Return (%)	Composite* 3-Yr Std Dev	Benchmark* 3-Yr Std Dev	Number of Portfolios	Dispersion**	Composite Assets (mil)	Firm Assets (bil)
2015	1.80	1.30	(0.38)	1.87	2.07	<5	N/A	550.2	343.4
2016	10.30	9.75	9.88	2.56	2.78	<5	N/A	699.1	342.3
2017	4.11	3.59	4.25	2.46	2.63	<5	N/A	806.5	354.7
2018	1.10	0.60	1.14	2.71	2.75	<5	N/A	940.1	377.2
2019	8.28	7.74	8.17	2.76	2.63	<5	N/A	1157.8	503.1
2020	1.69	1.19	2.78	7.47	8.63	<5	N/A	1596.3	585.7
2021	5.30	4.77	5.40	7.27	8.46	<5	N/A	1899.5	634.2
2022	(4.37)	(4.84)	(1.06)	7.61	8.76	<5	N/A	764.3	627.4
2023	11.13	10.58	13.04	3.69	3.67	<5	N/A	441.8	720.0
2024	8.30	7.76	9.05	3.71	3.64	<5	N/A	471.3	792.2

^^Represents composite inception period. See page 2 for additional notes to the schedule of rates of return and statistics

*Represents the 3-year annualized standard deviation for both the composite and index returns. The statistic is used to measure the volatility of composite returns.

**Standard deviation is calculated using gross returns. Standard deviation is not applicable ("N/A") for any period if fewer than five accounts are in the composite for that period. (See footnote 5)

Please see the Notes to the Schedule of Rates of Return and Statistics.

This composite is comprised of bank loan portfolios managed by utilizing Federated Hermes' leveraged loan strategy that focuses on fundamental bottom-up security selection techniques to create broadly diversified portfolios of low duration securities with non-investment grade credit ratings. Bank loan instruments carry increased levels of credit and default risk and are generally less liquid than government and investment-grade bonds. Portfolios eligible for this composite may include portfolios managed on behalf of registered investment companies (mutual funds) or separate account portfolios. This composite was created February 2011. Federated Hermes has managed portfolios in this investment style since June 2010. Federated Hermes claims compliance with the Global Investment Performance Standards ("GIPS®") and has prepared and presented this report in compliance with the GIPS® standards. Federated Hermes has been independently verified for the period of January 1, 1992, through June 30, 2021. The verification report is available upon request. A firm that claims compliance with the GIPS® standards must establish policies and procedures for complying with all the applicable requirements of the GIPS® standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS® standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. The firm's separately managed account fee schedule for this product is 0.50% on the first \$30 million; 0.40% on \$30 - \$50 million; 0.30% on \$50 - \$75 million; 0.25% on assets greater than \$75 million. Currently, all composite net-of-fee returns are calculated using highest fee. See disclosure notes for any appropriate historical fee calculations. Actual fees may vary by client.

Notes to the schedule of rates of return and statistics

1. Federated Hermes is a global, independent, multi-strategy investment management firm. For GIPS® purposes, Federated Hermes is defined to include the assets of registered investment companies that are advised or sub-advised by the various Federated Hermes advisory companies. Effective September 30, 2020, for GIPS® purposes the name of the firm was officially changed to Federated Hermes. Firm assets on this report exclude assets affiliated with Hermes GPE and the advisory-only, model-based assets that may be included in other reports providing total firm assets.
2. Interest income and dividends are recognized on an accrual basis. Returns include the reinvestment of all income.
3. All market values and performance information are valued in USD unless currency is denoted in composite description.
4. Annual composite dispersion is measured and presented using the asset weighted standard deviation of the gross returns of all of the portfolios included in the composite over the entire year. Prior to January 2023, annual dispersion for the CW Henderson composites was measured using the equal weighted standard deviation of the returns of all the portfolios included in the composite over the entire year. Effective January 2023 this was changed to asset weighted. Prior to March 2020 with regard to Federated Clover Investment Advisors composites, annual dispersion was measured using the equal weighted standard deviation of the returns of all the portfolios included in the composite over the entire year.
5. Composite dispersion does not measure the risk of the product presented; it simply measures the return variance among portfolios managed in a similar fashion. This variance can be affected by variations in cash flow or specific client parameters among the portfolios comprising the composites, as well as by execution of strategy across accounts.
6. See the composite description language for a discussion on appropriate fees currently applied to calculate composite performance. With regard to the institutional composites not managed by the MDT Advisers and Federated Hermes London office teams, for the period July 1, 1992 through September 30, 2009, net of fee performance was calculated monthly by reducing the gross composite return by the highest actual fee of any account in the composite for that month, regardless of investment vehicle. Prior to July 1992, the maximum management fee for third quarter 1992 was used to calculate net of fee performance historically to inception of the composite. For those composites managed by the Federated Hermes London office investment team, net composite results are based off model fees using the stated fee schedule. In addition, further fee information can be obtained from the firm's respective Forms ADV Part 2 Brochure Item 5.
7. Additional information regarding the policies for valuing investments, calculating performance, and preparing GIPS® reports, as well as a complete list and description of the firm's composites and pooled funds is available upon request.
8. Past performance is not indicative of future results.
9. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.
10. See disclosures on the Schedule of Rates of Return and Statistics Reports for additional information.

East Bay Municipal Utility District Employees' Retirement System

March 20, 2025

High Yield Manager Search

- 1. Background**
- 2. High Yield Search Introduction**
- 3. High Yield Manager Search**
 - Manager Summaries
 - Portfolio Characteristics, Historical Performance, and Management Fees
- 4. Appendix**
 - Manager Evaluation Criteria

Background

Background

- EBMUDERS/Meketa issued a public RFP in which 38 firms responded with a total of 39 proposed strategies. Meketa Investment Group's Research collaborated with EBMUDERS Staff on developing a short list of managers for consideration.
- The ten high yield managers that made the initial short list are highlighted below, in addition to the incumbent manager (MackKay Shields).

Manager	Strategy
Advent Capital	High Yield
BlackRock Inc.	Systematic Enhanced High Yield
Blackstone Credit	High Yield Systematic Corporate
Brigade Capital	Traditional High Yield
Columbia Threadneedle	Institutional High Yield
MackKay Shields ¹	High Yield
Mesirow Financial	High Yield
Nomura	High Yield Total Return
Payden & Rygel	High Yield
PGIM Fixed Income	US Broad Market High Yield
Polen Capital	US Opportunistic High Yield

¹ Incumbent manager.

Background (Continued)

- Following discussions with Staff and Meketa, the short list was further narrowed down to 3 finalists.
- The three finalists outlined in this document are:

Manager	Strategy
MacKay Shields ¹	High Yield
Brigade Capital	Traditional High Yield
Nomura	High Yield Total Return

¹ Incumbent manager.

Manager Research Structure and Monitoring

- At Meketa, manager research is a centralized function whereby there is an asset class specialist team, either in public markets or private markets, that actively monitors existing and potential strategies in their asset classes. On the public markets side, each team within fixed income, equities, and marketable alternatives have a team lead that reports up to our head of public markets research.
- On an individual account basis, the research team works in coordination with client specific consultants, investment analysts and performance analysts to monitor existing investments. It is the responsibility of the manager research teams to monitor developments at the investment manager while the client team will be responsible for monitoring client specific guidelines and objectives.
- In addition to periodic updates with investment managers in the industry, Meketa utilizes a combination of internal and external tools to monitor investments within each asset class including but not limited to, proprietary research, internal databases, Diligence Vault, eVestment, Morningstar, etc.
- Meketa's Public Markets Research Team members are shown on the following organizational chart. Mark McKeown leads Meketa's Fixed Income manager research team.

Public Markets Manager Research Team

Marketable Securities Oversight Committee



As of December 2024.
(Years industry experience, Years with firm)

High Yield Search Introduction

Manager Due Diligence Process Introduction

- Selecting strong and appropriate investment managers is a key determinant of the overall success of the plan. Investment managers are expected to operate within a client's investment guidelines and are given a large degree of latitude to achieve the investment objectives.
- Manager selection is a nuanced process and requires extensive due diligence. When selecting prospective active managers, Meketa Investment Group evaluates the following areas:
 - Organization
 - Investment team
 - Investment philosophy
 - Investment process
 - Investment performance
 - Management fees
- In addition, all managers are evaluated within the context of the client's overall investment policy.

High Yield Manager Search

Manager Summaries

Manager Overviews As of September 30, 2024

	MacKay Shields	Brigade	Nomura
Firm Location	New York, NY	New York, NY	New York, NY
Firm Inception	1938	2006	1991
Ownership Structure	100% Parent Owned ¹	90% Employee Owned ²	100% Parent Owned ³
Strategy Name	High Yield	High Yield	NCRAM High Yield Total Return
Benchmark	ICE BofAML US High Yield	ICE BofAML US High Yield Constrained	ICE BofAML US High Yield Constrained
Strategy Inception	July 1991	March 2009	October 1991
Vehicle Availability	Separate Account	3c7 Commingled Mutual Fund	Separate Account CIT
Assets Under Management (Firm)	\$150.5 billion	\$27.8 billion	\$38.6 billion
Assets Under Management (Strategy)	\$27.7 billion	\$6.8 billion	\$25.2 billion

→ A 3(c)(7) fund is a pooled investment vehicle that is limited to investors that are qualified purchasers and otherwise meets criteria outlined in Section 3(c)(7) of the Investment Company Act.

¹ MacKay is 100% owned by New York Life Investment Management Holdings LLC, which is wholly owned by New York Life Insurance Co.

² The firm sold a minority stake (~10%) to Asset Management Finance (AMF) in early 2011. Brigade is owned by its 28 senior professionals making it majority employee owned.

³ 99% Nomura Holding America, Inc., 1% Nomura Holdings, Inc.

MacKay Shields

Organization: Since 1984, MacKay Shields has been a wholly owned subsidiary of New York Life, allowed to operate independently. The firm's headquarters are in New York, NY with satellite offices in the United States, Dublin and London. As of September 2024, MacKay Shield had \$150.5 billion in assets under management with \$32 billion managed by the high yield team. The High Yield strategy alone makes up \$27.7 billion.

Investment Team: The High Yield team has been managing high yield portfolios since 1991. The team was originally founded by Steve Tananbaum who left to become founder of GoldenTree in 2000. Andrew Susser, who joined the firm in 2006, has been the lead portfolio manager with final decision-making authority since 2014. There are 17 professionals on the team with senior leadership averaging 27 years of investment experience. The High Yield team is completely separate from the Global Fixed Income team. The team has its own trading, research and sales, but share consultant relations compliance and legal. There is somewhat of a wall in place from a compliance perspective where if each team were to be trading in the same credit, there is a formal review by compliance. MacKay is very much a boutique structure with different teams.

Investment Philosophy: The High Yield Team's strategy is a bottom-up, value-oriented approach to investing in the high yield market. It is a pure-play, diversified portfolio that invests primarily in US high yield corporate debt. MacKay's objective is to outperform the high yield market over the long term through credit selection, while mitigating downside risks. Their approach to this objective involves maximizing the default adjusted yield and spread of a diversified portfolio.

Investment Process: The most important part of their investment process is "margin-of-safety" analysis. Every bond or loan invested in must have a large margin-of-safety through asset coverage and free cash flow. Asset coverage is the ratio of their estimate of a company's value to the amount of its debt (the inverse of asset coverage is loan-to-value). Every high yield security invested in has a minimum of 1.5x asset coverage, which they believe builds in a significant margin-of-safety and downside protection. The portfolio construction splits the portfolio into four distinct Risk Groups. Every security is categorized into a Risk Group based on strength of asset coverage and potential for default. Portfolio construction is determined by the default-adjusted spread and relative value between Risk Groups. Within these groups they maintain a margin of safety of at least 1.5x asset coverage. They are looking at relative value across industries within each group such as home builder versus chemical for group 1. They go through every week what each group looks like and review the underlying holdings. They do not try to have top-down industry weightings, the weightings will more so be a result of credit relative value across industries. Their goal is to have a diversified portfolio across sectors but within sectors they may have some sub sectors where they may be very light or heavy in. The team doesn't have an implicit bias into trading in the primary or secondary market. Nothing is going to go into the portfolio that doesn't fit their process, and they are not going to flip just to capture new issue concessions. They understand they may give up some benefit from that, but they hope to get better allocations based on their reputation. While the strategy is a traditional high yield strategy, the guidelines have maximum allowable amounts of up to 20% bank loans and up to 10% investment grade. The strategy is primarily US focused with limits of no more than 10% to issuers outside of North America and the EU.

Brigade

Organization: Brigade Capital Management (“Brigade”) was established in 2006 and is headquartered in New York with additional offices in London and Tokyo. The firm is majority employee-owned but sold a minority stake (~10%) to Asset Management Finance (“AMF”) in early 2011. There are currently 28 Brigade employee partners. Founder Donald Morgan is the firm’s largest shareholder (we believe in the mid-30% range). As of September 2024, Brigade had \$27.8 billion in AUM with High Yield strategy assets comprising \$6.8 billion.

Investment Team: Brigade's investment team is led by CIO & Managing Partner, Donald Morgan, who has 31 years of leveraged finance experience and Doug Pardon, Head of Corporate Credit, who has 23 years of experience. Mr. Morgan oversees the 50-member investment team. The investment team includes portfolio managers, analysts, traders, and others. The team has deep sector expertise and experience across multiple credit cycles in the leveraged finance market. Additionally, the Investment Team has extensive experience in capital restructurings and bankruptcy reorganizations. A ten-person Investment Committee consisting of the most senior members of the team support Mr. Morgan and Mr. Pardon. The global credit research team consists of 19 industry specialist analysts who are responsible for the entire capital structure (bonds and loans).

Investment Philosophy: Brigade seeks long term growth of capital through all market environments with a strong focus on capital preservation. Brigade’s process focuses on asset coverage and free cash flow as the key determinants for default likelihood and severity. Portfolio diversification is also central to Brigade’s investment philosophy. They believe the ability to trade a bond or loan is more important than any yield premium that may be attributable to size or liquidity as it allows them to efficiently rotate credit exposure the keep the portfolios optimized.

Investment Process: All of Brigade’s fundamental strategies are managed by one investment team implementing a consistent and disciplined investment process. The investment team is sector focused, with small pods of research analysts focused on one to two sectors. Brigade follows a six-step process that involves idea generation, research, screening, relative value analysis, strategy selection, execution, and monitoring. Brigade’s Investment Committee (“IC”) process is very fluid and less formal than other firms. Performing credit ideas that will be core positions do not need to pass through a full vote to be added to the portfolios but will be discussed by all IC members present. Any position that is likely to grow will be fully vetted by the IC. As markets move through the credit cycle, the Investment Team seeks to opportunistically rotate the portfolio in order to take advantage of the changing opportunity sets. They will invest throughout the capital structures of the companies in the leveraged finance universe, relying on a fundamental, bottom-up research approach to identify securities with the most attractive risk/return profiles. They understand this may add some volatility to their return profile. The majority of the portfolio will always be comprised of high yield bonds and leveraged loans, to a lesser extent. Loans in the commingled fund historically range between 10-25%. Loans in the mutual fund range between 25-50%.

Nomura

Organization: Nomura Corporate Research and Asset Management (“NCRAM”) is a credit investment boutique established as a subsidiary of Nomura Holding America, which is 100% owned by Nomura Holdings, a publicly traded Japanese company. As of September 2024, NCRAM had \$38.6 billion in total assets under management. The total firm AUM is in high yield fixed income strategies. In the NCRAM High Yield Total Return Strategy, NCRAM had \$25.2 billion in AUM. High Yield Total Return is the flagship strategy (inception 1991). Approximately 72% of AUM is in separately managed accounts, 12% in UCITS, and 17% in other pooled vehicles.

Investment Team: The team is stable and has a strong tenure, as the four most senior PMs have worked together for over 20 years. David Crall (CEO/CIO) has been there 30 years. The research analysts are dedicated and not shared with other parts of the firm. There are six PMs and 16 credit analysts (12 industry specialist high yield and 4 EMD). There are two dedicated traders and all PMs trade for their respective strategies. Steve Kotsen is the lead PM of the High Yield Total Return strategy. Steve Kotsen has 30 years of experience in HY credit and 25 years at NCRAM. He is supported by Assistant PM Chris Parham, who is also one of the credit analysts, and by Derek Leung who is a portfolio manager with 20 years of experience.

Investment Philosophy: NCRAM believes a total return approach driven by credit research is the best way to generate alpha in high yield. They describe their investment approach as the “Strong Horse” philosophy. Strong Horse companies can carry their debt load through good times and bad. These companies generally have the ability to de-lever their balance sheet by generating sustainable cash flows. The creditworthiness of these companies tends to increase over time, as do their credit ratings. They seek to create portfolios of Strong Horse issuers and manage the overall attributes of these portfolios through the cycle.

Investment Process: NCRAM characterizes research and investment process as fundamental, as opposed to a quantitative approach. While being a bottom-up, fundamental credit strategy with a top-down overlay, the portfolio managers and analysts do incorporate some quantitative, top-down aspects into their investment processes. As a result, the strategy tends to be 70% bottom-up and 30% top-down. Existing positions and exposures are monitored by research analysts and are formally reviewed during periodic portfolio reviews among the portfolio manager and credit analysts. The CIO supervises the investment process overall, including the bottom-up communication between the analysts and PMs, and the top-down posture of each portfolio. Ongoing portfolio management decisions, such as buy/sell, sector and rating weights, duration, etc., are made by portfolio managers. This recommended strategy is a more traditional high yield strategy which allows for up to 20% off-benchmark exposure that includes investment grade, distressed, bank loans, trust preferred, floaters, PIKs, etc. In practice, this strategy stays well below this limit and currently has 3% investment grade and 1% or less in other sectors.

Summary of ESG Responses

Our review finds that each High Yield finalist has a sound process for integrating material ESG considerations into their high yield investment decisions. We find Brigade and Nomura have somewhat longer experience and somewhat more thoroughly developed processes for integrating material ESG risks, with Nomura exhibiting the deepest in-house ESG risk expertise. However, all three firms have sound processes and practices for integrating material ESG factors.

- Each finalist describes a well thought-out and thorough process for how they integrate material ESG considerations into their high yield investment decisions.
- Each finalist ensures that the Investment Team has ESG expertise that is supplemented by additional ESG committee and research support.
- No finalist invests in single family or small multi-family homes in this product.
- Each finalist is a member of PRI.
- Firms exhibit varying percentages of overall firm AUM that integrate ESG (reflects type of investment products to some degree).
- No finalist is a minority-owned firm.

Firm	PRI Member	Percent of Firm AUM Incorporating ESG	Written Diversity Policy?	Integrate ESG?	Integrate Since when?	ESG Engagement?	ESG Specialist Staff?	Invest in single or small multi-family homes?
Brigade	2019	100%	Yes	Yes, as part of overall analysis.	2006	Yes	Investment team with ESG committee and director input	No
Mackay Shield	2016	75%	Yes	Yes, ESG is an integral part of bottom-up research	2014	Yes	Investment team with responsible investment support and Industry Research Specialists	No
Nomura	2013	100%	Yes	Yes, deep in-house analysis	1995 (evolving with market)	Yes	Investment team with input from ESG committee	No

Portfolio Characteristics, Historical Performance, and Management Fees

Portfolio Characteristics As of September 30, 2024

	MacKay	Brigade	Nomura	ICE BofAML US High Yield Index
Portfolio Profile				
Average Duration	2.7	2.8	3.3	3.3
Average Coupon	6.2	7.4	6.5	6.3
Yield to Worst	6.5	9.5	7.1	7.0
Average Price	98.8	91.4	96.6	90.1
Average Quality	BB-	B	B+	BB-/B+
Credit Quality Breakdown (%)				
AAA, AA, and A	0	0	0	0
BBB	3	2	3	0
BB	51	32	49	48
B	39	37	35	40
CCC or Lower	6	18	13	12
Not Rated	1	11	0	0
Sector Allocation (%)				
US Treasury and Agency	0	0	0	0
US IG Corporate Bonds	2	0	2	0
US High Yield Corporate Bonds	81	65	78	100
Developed Corp. Bonds	10	10	15	0
EM Corporate	0	0	3	0
Structured Credit	0	0	0	0
Bank Debt (Leveraged Loans)	5	15	1	0
Convertible Bonds	0	1	0	0
Preferred Stock	0	1	0	0
Equity	0	0	0	0
Cash Equivalents	2	4	1	0
Other	0	4	0	0
Portfolio Concentration				
Number of Issues	336	309	1,647	1,981
Number of Issuers	238	178	747	920
% of portfolio in top 10 issuers	16	18	12	13
% of portfolio in top 25 issuers	31	37	22	21
% of portfolio <\$500M facility/issue size	22	69	17	18

Trailing and Calendar Year Performance (Gross of Fees)¹
As of September 30, 2024

	MacKay	Brigade	Nomura	ICE BofAML US High Yield Index
Trailing Period Returns (%)				
MRQ	3.9	6.5	5.1	5.3
YTD	7.3	9.7	7.9	8.0
1 year	14.0	15.3	15.7	15.7
3 years	3.9	2.7	3.8	3.1
5 years	5.4	5.5	6.0	4.5
7 years	5.5	5.1	5.5	4.6
10 years	6.0	5.6	6.0	5.0
Calendar Year Returns (%)				
2023	12.6	12.8	14.9	13.5
2022	-7.5	-13.5	-10.5	-11.2
2021	5.9	11.0	7.9	5.4
2020	7.2	6.5	8.9	6.2
2019	14.2	14.2	13.3	14.4
2018	-0.7	-2.0	-2.3	-2.3
2017	7.7	8.2	7.9	7.5
2016	16.8	23.8	20.0	17.5
2015	-0.5	-7.2	-3.3	-4.6
2014	2.7	2.7	3.8	2.5

¹ Returns sourced from eVestment utilizing composite details.

Common Period Returns and Risk Statistics (Gross of Fees)¹ As of September 30, 2024

	MacKay	Brigade	Nomura	ICE BofAML US High Yield Index
Performance:				
Returns (%)	8.9	9.8	11.0	8.9
Up Period Percent	31	61	78	--
Down Period Percent	90	60	54	--
Risk Measures:				
Standard Deviation (%)	6.5	8.4	8.7	8.1
Tracking Error (%)	2.0	2.4	1.2	--
Beta	0.79	1.00	1.06	1.00
Correlation to Benchmark	0.99	0.96	0.99	--
Downside Deviation (%)	6.9	9.1	8.8	8.2
Upside Capture (%)	87	105	114	--
Downside Capture (%)	74	98	99	--
Risk-Adjusted Performance:				
Jensen's Alpha (%)	1.49	0.80	1.44	---
Sharpe Ratio	1.20	1.03	1.14	0.97
Information Ratio	-0.01	0.35	1.70	--

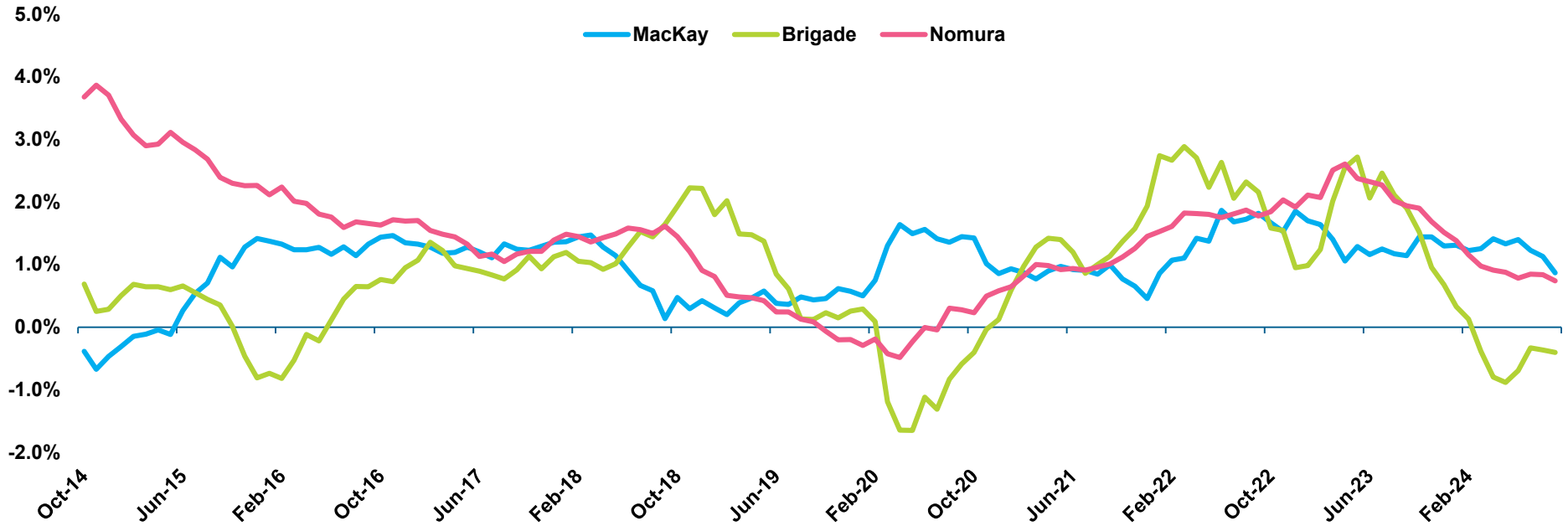
¹ Common period is April 2009 to September 2024. Benchmark: ICE BofAML US High Yield Index.

Historical Trailing Risk Statistics (Gross of Fees)¹
As of September 30, 2024

	MacKay Shields				Brigade				Nomura			
	3 Yr.	5 Yr.	7 Yr.	10 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.
Information Ratio	0.51	0.53	0.60	0.71	-0.15	0.31	0.19	0.25	1.17	1.60	1.07	1.21
Tracking Error (%)	1.70	1.67	1.51	1.43	2.77	3.18	2.85	2.58	0.63	0.93	0.91	0.86
Sharpe Ratio	0.04	0.37	0.45	0.65	-0.12	0.31	0.31	0.47	0.02	0.37	0.37	0.54
Standard Deviation (%)	7.2	8.2	7.2	6.6	7.9	10.2	9.0	8.4	8.9	9.9	8.8	8.0
<i>S. D. Index (%)</i>	8.6	9.5	8.4	7.7	8.6	9.5	8.4	7.7	8.6	9.5	8.4	7.7
Jensen's Alpha	0.7	1.1	1.2	1.4	-0.5	1.0	0.5	0.5	0.8	1.3	0.9	0.9
Beta	0.83	0.86	0.85	0.85	0.87	1.02	1.02	1.05	1.04	1.05	1.04	1.03
Correlation Coefficient	0.99	0.99	0.99	0.99	0.95	0.95	0.95	0.95	1.00	1.00	1.00	0.99
Upside Market Capture (%)	88	92	92	94	88	108	107	110	106	112	109	108
Downside Market Capture (%)	80	82	79	78	91	100	103	106	100	101	101	99

¹ Benchmark: ICE BofAML US High Yield Index.

Trailing Three-Year Rolling Excess Returns ¹ October 2014 to September 2024



As of 9/30/2024	Total Periods	Periods Outperformed	Percentage (%)	Average Excess Return (%)	Median Excess Return (%)	Max (%)	Min (%)	Range (%)
MacKay	120	112	93	1.0	1.2	1.9	-0.7	2.5
Brigade	120	97	81	0.8	0.9	2.9	-1.6	4.5
Nomura	120	110	92	1.4	1.5	3.9	-0.5	4.4

¹ Rolling excess returns calculated vs the ICE BofAML US High Yield Index.

Correlation Matrix – Excess Returns (Common Period)¹

As of 9/30/24	MacKay	Brigade	Nomura
MacKay	1.00	0.02	-0.47
Brigade	0.02	1.00	-0.04
Nomura	-0.47	-0.04	1.00

¹ Benchmark: ICE BofAML US High Yield Index. Common period is April 2009 to September 2024. All returns are gross of fees.

Style Analysis

	Style	Alpha Driver	Risks
MacKay Shield	<ul style="list-style-type: none"> → Moderately concentrated → Lower Risk, low beta 	<ul style="list-style-type: none"> → Size/Scale/Access from large global platform → Moderate use of bank loans 	<ul style="list-style-type: none"> → Risk of underperformance during strong credit rallies
Brigade	<ul style="list-style-type: none"> → Moderately concentrated → Medium risk 	<ul style="list-style-type: none"> → Tactical trading with fluid investment process. → Leverage experience across bonds and loans managed by the same team → Moderate/high use of bank loans. 	<ul style="list-style-type: none"> → Risk of losses relative to index in flight to quality given higher beta approach
Nomura	<ul style="list-style-type: none"> → Diversified Holdings → Medium risk 	<ul style="list-style-type: none"> → Size/Scale/Access from large global platform → Relative value across issues from same issuers → Pure High Yield strategy 	<ul style="list-style-type: none"> → Risk of losses relative to index in flight to quality given higher beta approach

Fees and Terms

	Fee Schedule	Other expenses	Vehicle Type	Minimum Account Size	Liquidity
MacKay Shields	0.42% on first \$50M, 0.37% on balance	NA	SMA	\$10M	NA
Brigade	0.30% on all assets	0.05% capped	Commingled 3c7	\$5M	Monthly +30 days
Nomura	0.45% on first \$100mln, 0.40% thereafter	NA	SMA	\$100M	NA
	<\$100mln: 0.45% on all assets; >\$100mln: 0.41% on all assets	none	CIT	\$50mln for CIT II \$100mln for CIT III	Daily

- The median fee for a commingled fund High Yield Bond mandate in the eVestment US High Yield Bond universe for the expected mandate sizes of \$100 million is 50 basis points.
 - Brigade’s discounted management fee for Meketa clients of 30 basis points ranks in the 3rd percentile
 - Nomura’s management fee for their CIT III share class of 41 basis points ranks in the 24th percentile
- The median fee for a High Yield Bond Separately Managed Account mandate in the eVestment US High Yield Bond universe for the expected mandate sizes of \$100 million is 46 basis points.
 - MacKay’s effective fee of 39.5 basis points ranks in the 12th percentile.
 - Nomura’s effective fee of 45 basis points ranks in the 31st percentile.

Appendix

Manager Evaluation Criteria

The Five Key Areas of the Meketa Investment Manager Evaluation Process



Organization

- Stability
- Focus
- Employee ownership
- Investment-driven culture
- Operationally sound

Investment Team

- Experience
- Depth of resources
- Team-oriented, performance-driven
- Credit selection ability
- Investment intuition

Investment Philosophy

- Set of beliefs
- Bond price determinants
- Reasons for mispricings
- Competitive edge / how add value
- Avoid the tails
- High quality bias

Investment Process & Risk Management

- Level of due diligence
- Thought process assessment
- Communication
- Decision-making and portfolio construction
- Self-evaluation / lessons learned
- Risk controls

Performance & Fees

- Validates process
- Long-term record
- Risk-adjusted returns
- Reasonable fees

Manager Evaluation Criteria

Organization

- While there is no single “correct” way to organize an asset management effort, we believe that the ideal investment management organization possesses most of the following elements:
- Focused on a single investment style or a focused team within a larger organization.
- Appropriately sized for the firm’s assets under management, with a reasonable growth plan and a willingness to close capacity-constrained strategies.
- Stable, investment driven, independent, and employee-owned (or majority employee-owned).
- Performance driven with a team-oriented, supportive culture.
- Organized in such a way to ensure that information flows efficiently so that investment decisions can be made easily and, if necessary, quickly.
- Financially and operationally sound.

Manager Evaluation Criteria (continued)**Investment Team**

Members of the investment team responsible for managing the strategy are evaluated in order to assess their competitive “edge” and to determine if they will be able to add value in the future. In a profession where intellectual capital is the greatest differentiator between managers, an investment strategy is only as good as the people behind it.

During the course of our due diligence, we review the background of each member of the team. We want to know what motivated these individuals to work in the fixed income management business, what experience they bring, and how long they have been in the industry.

Specific qualities that we believe make a good investor are intelligence, inquisitiveness, analytical ability, and natural skepticism. A command of the details and an ability to assimilate lots of information, yet tie the information together and make a decision, are valued. Through the interview process, we seek to understand how a manager thinks about bonds, the bond market, and their portfolio.

In credit, it is important that investment teams have sufficient resources allocated to evaluating the legal documents and covenants of each bond or loan. Managers will either have lawyers on their teams, retain outside counsel, or train their analyst teams to complete a legal review.

Significant time is spent evaluating how the investment team interacts, their tenure together and their depth. Although some firms have been successful using the generalist model, we prefer specialization. Our belief is that there is value in having analysts with specific sector expertise who have followed an industry through multiple cycles.

Compensation structure and incentives are also analyzed. The investment team should be incented to place the interests of the client first and to maximize performance while assuming an appropriate level of risk.

Manager Evaluation Criteria (continued)**Investment Philosophy**

An investment philosophy is a set of beliefs about what factors drive changes in bond prices, what factors cause securities to be mispriced, and how security mispricing can be exploited through active management. A manager's investment philosophy also incorporates their beliefs about what their competitive edge is and how they distinguish themselves from their peers.

We try to find managers who have a clear investment philosophy, and who can articulate how they are able to identify undervalued bonds and take advantage of the opportunities they uncover. Understanding where this philosophy comes from, how it has evolved over time, and how the manager identifies and selects attractive investments using their research process are very important. Some managers may not have formally thought about their philosophy, and are therefore not able to articulate what they believe. Their philosophy often becomes evident when they explain their investment process and discuss the bonds they own in their portfolio.

Another element of a manager's philosophy is how they think about the benchmark they are evaluated against. Most managers we recommend are either benchmark aware or believe in managing portfolios in a benchmark agnostic manner. We are biased toward managers who have conviction in their ideas and reflect that conviction by establishing relatively large positions in their portfolios.

Manager Evaluation Criteria (continued)**Investment Process**

Every analysis of an investment manager must entail an examination of how they pick bonds for their portfolio, why they sell bonds from the portfolio, and how their portfolio is constructed. We like investment processes that are straightforward and easy to understand. Although we want to see consistency in the process, there is considerable art to investing. A repeatable process, in and of itself, does not guarantee good investment results. It is in the execution of the process where managers differentiate themselves and add value.

In our analysis, we determine whether the portfolio is bottom-up driven, or if there is a significant top-down element to the process. Themes can also play a role in how portfolios are managed.

With this information as a backdrop, our analysis of the investment process initially focuses on how new ideas are generated and how these ideas find their way into the portfolio. Once the opportunity set has been identified, we seek to understand what kind of fundamental research a manager performs. Superior managers generally perform intensive due diligence and their level of understanding of the businesses in which they invest often gives them an edge. We want to make sure they know what they own in their portfolios.

Once the research on an idea has been completed, an investment decision must be made. Ultimately, successful active fixed income management requires exercising good judgment. We always want to know how managers make investment decisions and who makes them. It is important to us that investment ideas are thoroughly vetted. We also want the decision-making process to be efficient and responsive to changing dynamics in the market. How managers construct their portfolios, and think about, as well as control, risk is also evaluated.

Manager Evaluation Criteria (continued)**Investment Performance**

Just because a manager has performed well in the past does not guarantee they will be able to continue to do so in the future. We do feel that if we can find strong organizations with bright, motivated, knowledgeable, and experienced people, combined with a history of long-term, consistent success, we significantly increase the chances that managers we recommend to clients will add value in the future. If we are correct in our assessment of the quality of the organization and the people, then the performance should follow.

Portfolio performance over multiple time horizons is evaluated. We review calendar-year results over as long a period as possible. We also examine rolling time periods to eliminate the impact of end point bias. We do not expect a manager to outperform the relevant index every year, but we do believe they should outperform over a full market cycle. What we are looking for is consistency. In addition, we analyze each manager's risk-adjusted returns. We want to make sure that our clients are being compensated for the risk the manager is taking. For each manager, we also look at the standard deviation, beta, tracking error, and correlation with the benchmark. Our analysis of upside and downside capture gives us a sense of which managers can be expected to perform well in up and down markets. We have a bias toward fixed income managers who protect their clients on the downside because of the asymmetric nature of fixed income returns.

We review the portfolio holdings of each manager to verify their investment style, to assess where their biases are, and to determine where they have been able to add value. We always look at security-level performance attribution. This analysis tells us what helped and hurt the portfolio, and in which industries a manager is particularly adept. We also look at the distribution of returns within the portfolio. Avoiding bad credits and credit downgrades, or minimizing their impact, is an important part of successfully managing a diversified portfolio.

Manager Evaluation Criteria (continued)**Management Fees**

The final step in our analysis is evaluating an investment manager's fees and the expenses they incur in managing the portfolio. Minimizing fees and expenses is important because these costs reduce the return to our clients. This effect can be very pronounced over time, so we seek to negotiate lower fees whenever possible.

Trading costs are another hidden expense to investors and must also be evaluated. In general, portfolio managers with high turnover trading less liquid bonds will incur the highest trading costs.

Information Ratio: This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

Sharpe Ratio: A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

Standard Deviation: A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

Tracking Error: This statistic measures the standard deviation of excess returns relative to a benchmark. Tracking error is calculated by multiplying the standard deviation of the monthly excess returns of a portfolio relative to a benchmark by the square root of twelve in order to annualize. The higher the tracking error, the greater the volatility of excess returns relative to a benchmark.

Upside/Downside Market Capture: A measure of the manager's performance in up(down) markets relative to the market itself. For UMC, a value of 110 suggests the manager performs ten percent better than the market when the market is up during the selected time period. For DMC, A value of 90 suggests the manager's loss is only nine tenths of the market's loss during the selected time period. The Upside/Downside Capture Ratio is calculated by dividing the return of the manager during the up market periods by the return of the market for the same period. Generally, the higher the UMC Ratio and lower the DMC, the better (If the manager's UMC Ratio is negative, it means that during that specific time period, the manager's return for that period was actually negative and if the DMC is negative, the manager's return for that period was actually positive)

Up/Down Period Percent: Measures the number of periods that a fund outperformed the benchmark when the benchmark return was greater(less) than or equal to 0%, divided by the number of periods that the benchmark return was greater(less) than or equal to 0%. The larger the ratio, the better, indicating the percentage of periods that the product outperformed the benchmark in an up(down) market.

Sources:

www.evestment.com

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NCRAM High Yield Total Return Strategy

Prepared for: East Bay Municipal Utility District Employees' Retirement System

March 20th 2025

David Crall, CFA: CEO and CIO

Michael Savva: VP, Institutional Business Development

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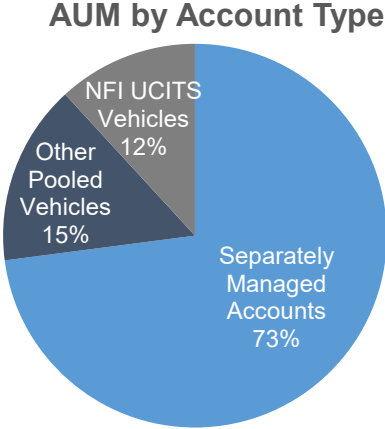
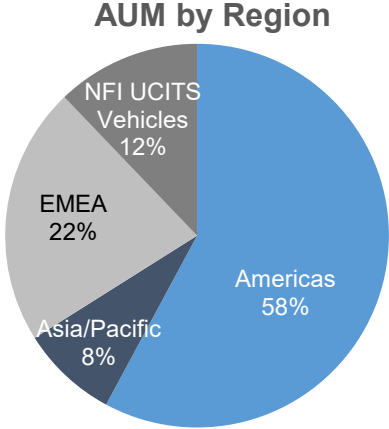
NCRAM Overview

NCRAM Overview

NCRAM is a credit investment boutique affiliated with Nomura Capital Management.

Nomura Corporate Research and Asset Management Inc.

AUM \$37.6 BN
 Founded in 1991
 SEC-Registered Investment Adviser
 22 Investment Professionals
 23 Average Years of Experience
 CEO & CIO David Crall, CFA



High Yield Total Return

- **AUM \$25.7 BN**
- Incepted 1991
- PM: Kotsen

BB-B US High Yield

- **AUM \$9.7 BN**
- Incepted 1995
- PM: Yu Chang

European and Global High Yield

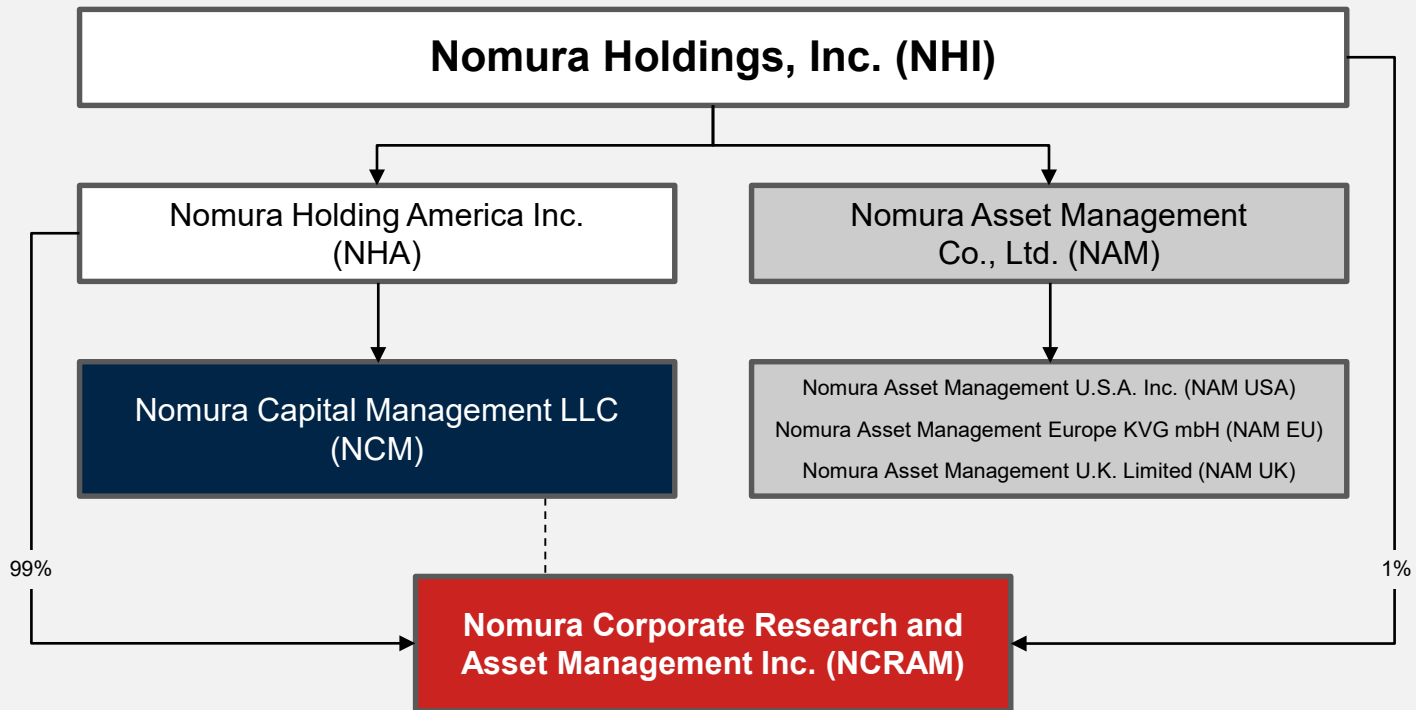
- **AUM \$2.1 BN**
- European High Yield Incepted 2012
- Global High Yield Incepted 2014
- PM: Leung

EM Sovereign and Corporate Debt

- **AUM \$292.7 MM**
- EM Sovereign Debt Incepted 1996
- EM Broad Corporate Debt Incepted 2023
- PM: Stroemer, Torres

As of January 31, 2025
 Strategy AUMs may not sum to total NCRAM AUM due to overlap between strategies.
 NFI UCITS vehicles refer to 5 Ireland-domiciled UCITS funds managed by Nomura Asset Management U.K. Limited (NAM UK) and sub-advised by NCRAM.

NCRAM operates as a semi-autonomous credit boutique.



Credit Boutique

“Strong Horse” approach to credit research

Disciplined Investment Process

Opportunistic process that seeks to capture credit market returns while minimizing losses

Stability & Consistency

Our four most senior high yield investment professionals have worked together for over 20 years

Dedicated Research

Credit analysts evaluate issuers on financial and sustainability factors and participate directly in investment decisions

Scale

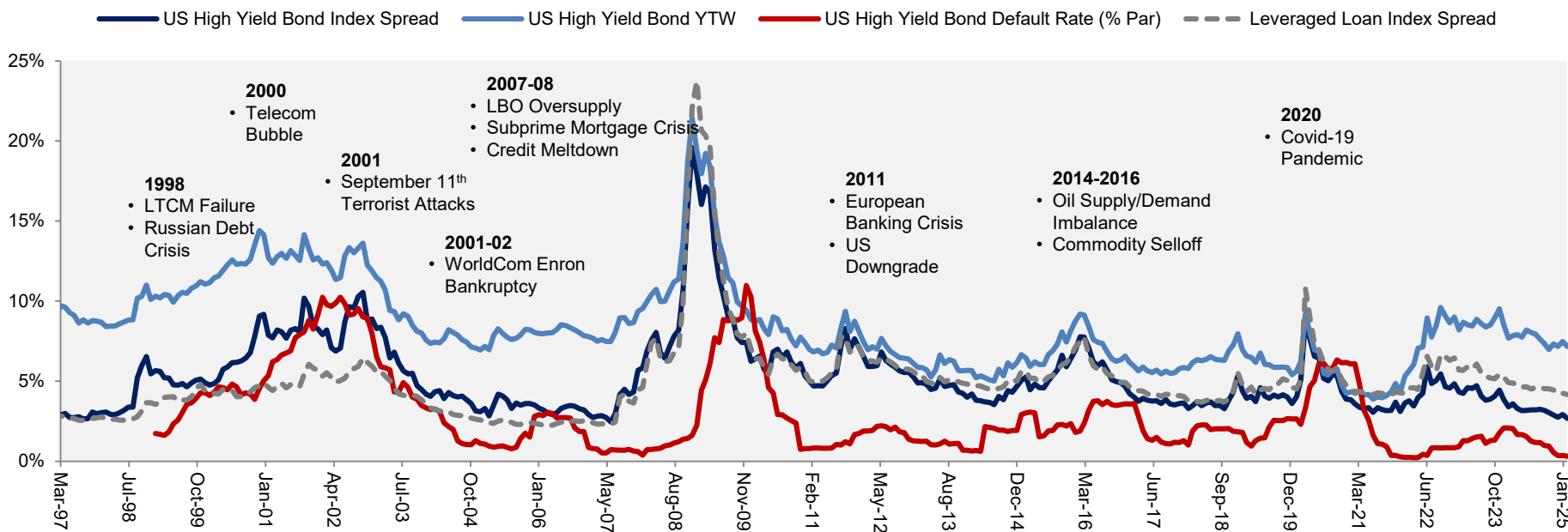
Manage \$37.6 billion in mostly below-investment-grade assets

Performance

Competitive performance on an absolute and risk-adjusted basis

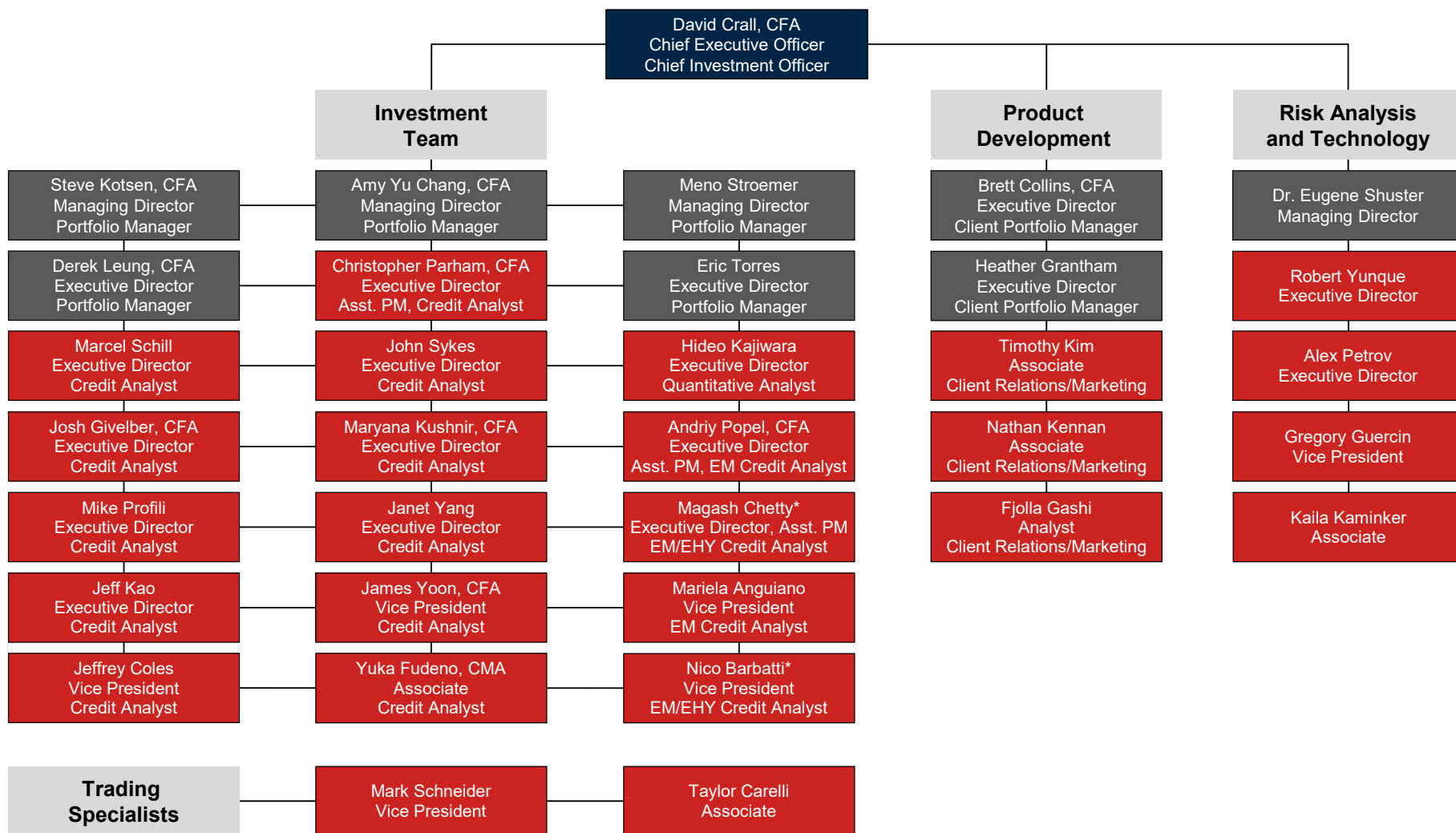
Our Experience

Shown through cycles and challenging markets



Sources: ICE BofA (US High Yield Bond Spread, YTW), JP Morgan (Default Rate), S&P (Leveraged Loan Spread), as of January 31, 2025

Cohesive and Experienced Team



Dedicated Portfolio Managers and Sector Specialists

Investment Team	Years at NCRAM	Total Experience	Responsibility/ Coverage	Education
David Crall, CFA	33	33	Chief Executive Officer and Chief Investment Officer	Yale University
Steve Kotsen, CFA	26	31	Portfolio Manager, US High Yield	Princeton University, Columbia University MBA
Amy Yu Chang, CFA	25	25	Portfolio Manager, BB-B High Yield	Yale University
Derek Leung, CFA	22	22	Portfolio Manager, European and Global High Yield	Yale University
Meno Stroemer	2	33	Portfolio Manager, EM Corporates	Hamilton College, American Graduate School of International Management MBA
Eric Torres	17	29	Portfolio Manager, EM Sovereigns	National University of Mexico, Fordham University MBA
Marcel Schill	18	27	Leveraged Loans, Homebuilding, Building Products, Services	University of Bern
Christopher Parham, CFA	18	18	Assistant Portfolio Manager, Broadcasting, Financials, Publishing	Harvard University
John Sykes	22	36	Automakers, Auto Parts & Equipment, European High Yield	Rutgers University, Fairleigh Dickinson University MBA
Joshua Givelber, CFA	18	32	Chemicals, Metals & Mining, Retail	Johns Hopkins University, Columbia University MBA
Maryana Kushnir, CFA	22	25	Oil & Gas	Western Kentucky University
Michael Profili	19	21	Gaming, Equipment Rentals, Business Services, Lodging & Leisure, Theaters	Towson University, New York University MBA
Janet Yang	18	18	Cable, Fixed-line Telecom, Wireless Telecom, Healthcare	Yale University
Hideo Kajiwara, CMA	5	28	Quantitative Analyst, EM Debt	Sophia University
Andriy Popel, CFA	8	21	EM Sovereign Debt	Rutgers University, Columbia University MBA
Magash Chetty	2	22	EM Corporate Debt and European High Yield	Imperial College London
Jeff Kao	9	21	Aerospace & Defense, Satellites, Technology, Transportation	Rutgers University
Mariela Anguiano	8	12	EM Corporate Debt	Columbia University, Fordham University MBA
James Yoon, CFA	5	13	Oil & Gas, Pipelines, Machinery	New York University
Jeffrey Coles	3	19	Airlines, Forestry & Paper, Packaging, Utilities, Distressed Situations	Columbia University, New York University MBA
Nico Barbatti	2	5	EM Corporate Debt and European High Yield	University of Zurich
Yuka Fudeno, CMA	2	6	Consumer Products, Food & Restaurants, Supermarkets	University of Tokyo

Independent Support and Oversight Groups

Robust Portfolio and Risk Oversight

Group	Group Head	Additional Team Members	Business Entity
Operations/IT	Cynthia Yen	20	NCRAM
Risk Analysis	Dr. Eugene Shuster	4	NCRAM
Compliance	Neil Daniele	5	NHA*
Finance	Michael Hyer	3	NHA*
Legal	Melanie Hawthorne	1	NHA*



Risk Monitoring Committee Members
<ul style="list-style-type: none"> • David Crall, CFA, CEO and CIO (Chair) • Cynthia Yen, Operations • Dr. Eugene Shuster, Risk Analysis • Neil Daniele, Compliance • Michael Hyer, Finance • Melanie Hawthorne, Investment Management Legal • Heather Grantham, Product Development • Brett Collins, CFA, Product Development

Signatory of:



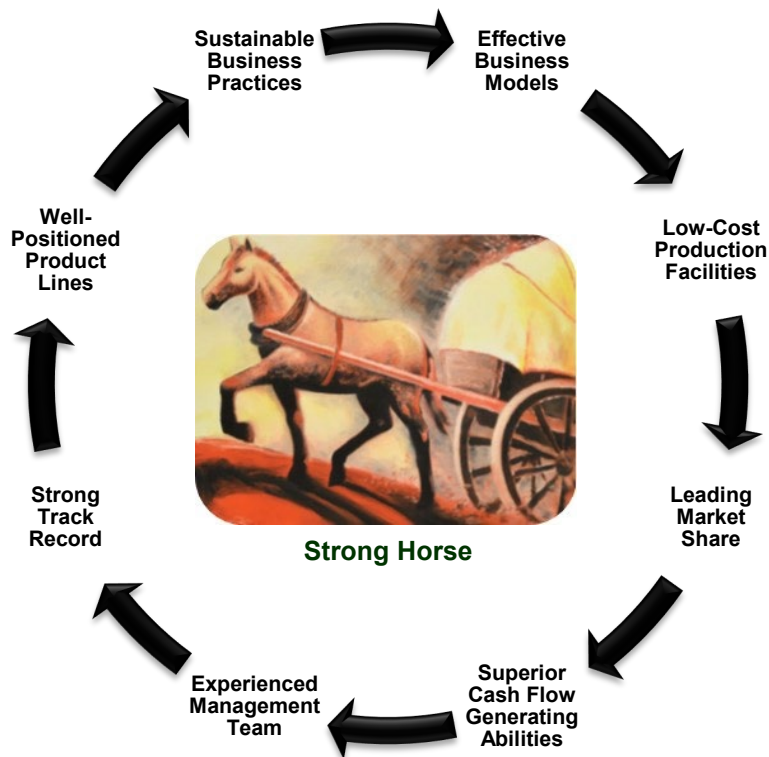
As of January 31, 2025

*NCRAM's Compliance team is comprised of employees of NCRAM's parent company Nomura Holding America Inc. (NHA). NCRAM also receives finance and legal support from NHA. NHA was recognized as a "Best Place to Work for LGBTQ Equality" by the Human Rights Campaign in 2020, 2021, 2022, and 2023. NCRAM follows NHA's employee-related policies.

Investment Philosophy and Process

Strong Horse Philosophy

NCRAM believes that we can outperform our peers by identifying strong horse companies across the ratings spectrum, carefully weighing business, financial and sustainability risk, and communicating to quickly seize opportunities and avoid losses.



High Yield & Leveraged Loan Investment Process

NCRAM seeks to excel at every step of our disciplined investment process.

Investment Process

Portfolio

Idea Generation

- Large team of credit analysts and portfolio managers
- Robust communication promotes cross-fertilization of ideas
- Research meetings

Credit Analysis

- Sector analysts perform detailed fundamental credit research
- Analysts and portfolio managers assess relative value
- ESG assessment
- Credit and sector meetings

Top-Down Posture

- Default rate expectations
- Monetary and fiscal policy
- Health of the capital markets
- Portfolio manager meetings

Portfolio Construction

- Issuer and industry diversification
- Portfolio managers overlay sector and macroeconomic views
- PMs, supported by Asst. PM & Trading Specialists, execute trades

Optimal Risk/Reward Profile

- Highly diversified by issuer
- Typical maximum issuer exposure: 3.0%
- Typical maximum sector exposure: 20.0%
- Maximum off-benchmark exposure: 20.0%

Rigorous Credit Analysis

NCRAM's in-depth credit research includes economic and sustainability analysis.

Business Risk

- Industry trends and the issuer's position within the industry
- Cash flows and returns on investments

Financial Risk

- Leverage applied to the issuer's cash flows
- Liquidity and financial flexibility

Structure

- Bond or loan indenture protections
- Seniority of bond or loan
- Collateral value of secured instruments

Continual Review and Risk Management

Environmental Factors

- Carbon and climate change
- Energy transition and efficiency
- Natural resources and environmental conservation

Social Factors

- Human rights and labor standards
- Employee relations and diversity
- Customer impact
- Community interaction

Governance Factors

- Board composition and independence
- Corporate structure and executive compensation
- Disclosure and transparency

ESG factors listed above are intended as examples. NCRAM's credit analysts may not consider every factor listed for every issuer, or may consider other relevant factors not specifically enumerated. Strategies and funds that do not specifically promote or pursue ESG characteristics or objectives are not obliged to align investment decisions to sustainability analysis/ESG scores, and may invest in securities with higher sustainability risks should NCRAM believe that such investments offer attractive financial return on a sustainability risk-adjusted basis.

Risk Management and Portfolio Oversight



Sources of Alpha

We believe that there are five factors that drive our alpha generation:

Stability

- Our four most senior high yield investment professionals have worked together for over 20 years.

Value Investing

- We strive to collect extra yield and price return for appropriate levels of risk.

Avoiding Problems

- We believe “Strong Horse” companies are less likely to default on payments of principal or interest.

Top-Down Overlay

- Ratings posture, beta, duration, and sector weights.

Active Management

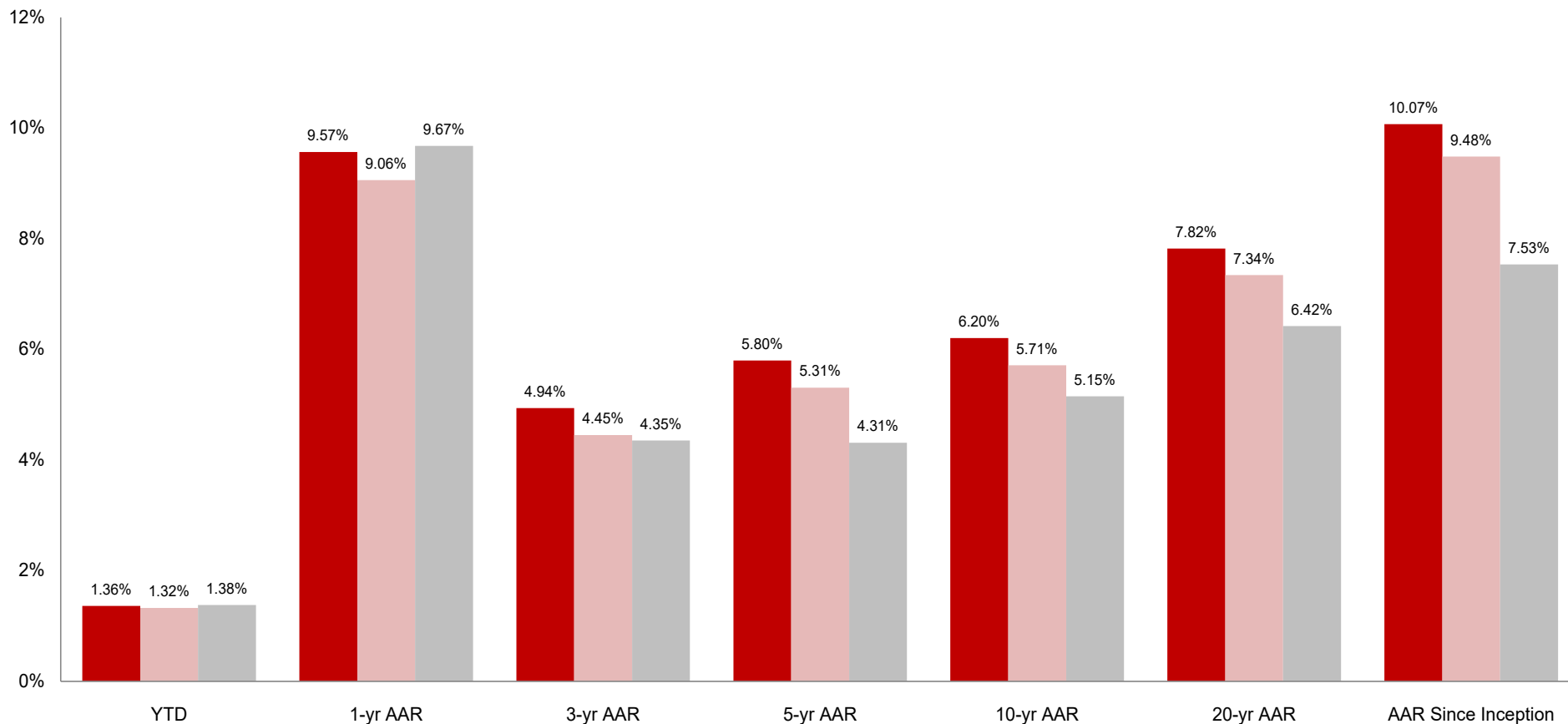
- We are active in the new issue market, and portfolio managers trade for their respective strategies.

Performance and Characteristics

NCRAM High Yield Total Return Strategy

NCRAM High Yield Total Return Institutional Composite (HYTRIC) – Inception October 1, 1991 Performance through January 31, 2025

■ NCRAM HYTRIC (GoF) ■ NCRAM HYTRIC (NoF) ■ ICE BofA Benchmark*

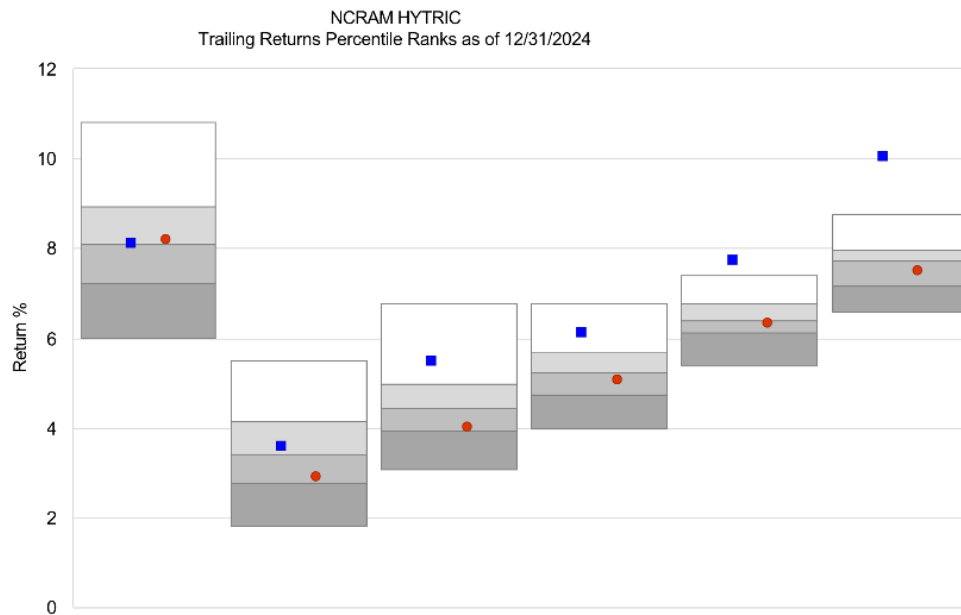


Sources: NCRAM, ICE BofA

*ICE BofA benchmark shown is the US Cash Pay High Yield Index (JOA0) from inception through December 31, 2005, and the US High Yield Constrained Index (HUC0) beginning January 1, 2006.

Returns include reinvestment of interest and other earnings. Returns for periods less than one year are not annualized. Past performance is no guarantee of future results. There is a risk of loss. From inception to March 31, 2015, net of fee returns have been calculated by reducing gross returns by actual management fees. Beginning April 1, 2015, net of fee returns have been calculated by reducing gross returns by an annual 0.45% model asset-based fee, unless actual fees are higher. Performance fees paid by accounts in the composite are not reflected in the net return calculations. This information supplements the NCRAM High Yield Total Return Institutional Composite performance information located at the back of this presentation.

Time-Tested Process: Performance



Universe: eVestment US High Yield Fixed Income (Percentile)

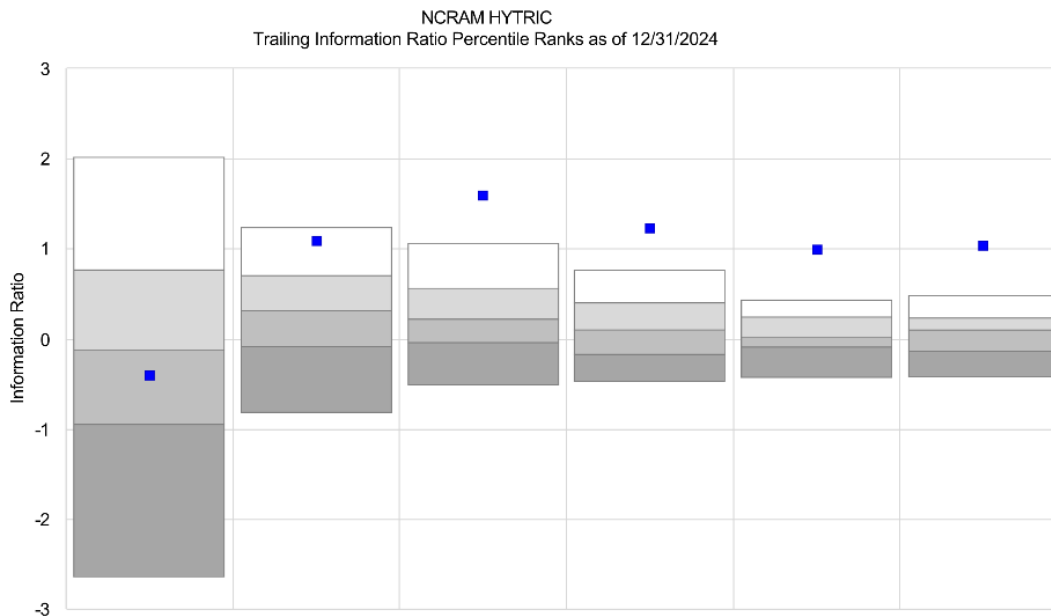
	1 Year		3 Years		5 Years		10 Years		20 Years		Since Inception 33.25 Years ¹	
		Rk		Rk		Rk		Rk		Rk		Rk
□ 5th percentile	10.80		5.49		6.76		6.76		7.39		8.75	
▒ 25th percentile	8.92		4.13		4.97		5.66		6.76		7.95	
Median	8.08		3.40		4.42		5.22		6.38		7.71	
▓ 75th percentile	7.21		2.75		3.92		4.72		6.11		7.15	
■ 95th percentile	5.99		1.80		3.06		3.97		5.37		6.58	
# of Observations	252		245		229		195		107		18	
■ NCRAM: HYTRIC	8.12	48	3.60	42	5.50	15	6.13	12	7.74	3	10.05	1
● ICE BofA: HYTRIC Benchmark	8.20	46	2.92	69	4.03	71	5.08	61	6.34	52	7.51	61

Results displayed in USD using Spot Rate (SR).

¹10/1991 - 12/2024

Source: eVestment Alliance. Generally, universes are gross of fees and populated on a quarterly basis. Rankings for additional time periods are available upon request. Figures for periods greater than one year are annualized. NCRAM's performance is gross of management fees with income reinvested. "ICE BofA: HYTRIC Benchmark" in the chart above refers to the ICE BofA US High Yield Constrained Index. "NCRAM HYTRIC" refers to the NCRAM High Yield Total Return Institutional Composite. Rk = Percentile Rank. # of Observations refers to the number of products being compared over the time period. This information supplements the NCRAM High Yield Total Return Institutional Composite performance information located at the back of this presentation. The composite's annualized net of fee performance figures as of December 31, 2024 are as follows: 1 year = 7.62%, 3 years = 3.12%, 5 years = 5.01%, 10 years = 5.64%, 20 years = 7.27% and since inception = 9.46%. From inception to March 31, 2015, net of fee returns have been calculated by reducing gross returns by actual management fees. Beginning April 1, 2015, net of fee returns have been calculated by reducing gross returns by an annual 0.45% model asset-based fee, unless actual fees are higher. Performance fees paid by accounts in the composite are not reflected in the net return calculations. Past performance is no guarantee of future results. There is a risk of loss. Please refer to the previous slide in this material for the most recent month-end net of fee performance for the strategy.

Time-Tested Process: Information Ratio



Universe: eVestment US High Yield Fixed Income (Percentile)

	1 Year ¹		3 Years ¹		5 Years ¹		10 Years ¹		20 Years ¹		Since Inception 33.25 Years ^{1 2}	
		Rk		Rk		Rk		Rk		Rk		Rk
□ 5th percentile	2.01		1.23		1.06		0.76		0.43		0.48	
▒ 25th percentile	0.76		0.70		0.56		0.40		0.24		0.23	
▒ Median	-0.13		0.31		0.22		0.10		0.02		0.10	
▒ 75th percentile	-0.95		-0.09		-0.04		-0.18		-0.09		-0.14	
■ 95th percentile	-2.64		-0.82		-0.51		-0.48		-0.43		-0.43	
# of Observations	252		245		229		195		107		18	
■ NCRAM: HYTRIC	-0.41	61	1.08	7	1.59	1	1.23	1	0.99	1	1.03	1

Results displayed in USD using Spot Rate (SR).

¹HYTRIC Benchmark; ²10/1991 - 12/2024

Source: eVestment Alliance. Generally, universes are gross of fees and populated on a quarterly basis. Rankings for additional time periods are available upon request. Figures for periods greater than one year are annualized. NCRAM's performance is gross of management fees with income reinvested. "ICE BofA: HYTRIC Benchmark" in the chart above refers to the ICE BofA US High Yield Constrained Index. "NCRAM HYTRIC" refers to the NCRAM High Yield Total Return Institutional Composite. Rk = Percentile Rank. # of Observations refers to the number of products being compared over the time period. This information supplements the NCRAM High Yield Total Return Institutional Composite performance information located at the back of this presentation. The composite's annualized net of fee performance figures as of December 31, 2024 are as follows: 1 year = 7.62%, 3 years = 3.12%, 5 years = 5.01%, 10 years = 5.64%, 20 years = 7.27% and since inception = 9.46%. From inception to March 31, 2015, net of fee returns have been calculated by reducing gross returns by actual management fees. Beginning April 1, 2015, net of fee returns have been calculated by reducing gross returns by an annual 0.45% model asset-based fee, unless actual fees are higher. Performance fees paid by accounts in the composite are not reflected in the net return calculations. Past performance is no guarantee of future results. There is a risk of loss. Please refer to the second slide prior to this slide in this material for the most recent month-end net of fee performance for the strategy.

HYTRIC Performance Drivers

Performance Attribution Summary through January 31, 2025

Time Period	Attribution by Sector (Geometric Calculation)			Attribution by Rating (Geometric Calculation)			Performance Summary (Arithmetic Calculation)			
	Asset Weighting	Security Selection	Total OP/UP	Asset Weighting	Security Selection	Total OP/UP	HYTRIC (GoF)	HYTRIC (NoF)	HUC0	OP/UP (GoF)
2025 YTD	0.02	-0.04	-0.02	0.00	-0.02	-0.02	1.36	1.32	1.38	-0.02
2024	-0.08	-0.09	-0.16	0.03	-0.17	-0.14	8.12	7.62	8.20	-0.08
2023	0.40	0.82	1.22	-0.01	1.24	1.22	14.93	14.40	13.47	1.46
2022	0.77	-0.03	0.73	-0.00	0.23	0.22	-10.52	-10.94	-11.21	0.69
2021	0.47	1.92	2.39	0.72	1.38	2.11	7.87	7.37	5.35	2.52
2020	0.95	1.74	2.71	0.37	1.78	2.16	8.95	8.44	6.07	2.88
2019	-0.03	-0.91	-0.95	-0.47	-0.31	-0.78	13.33	12.80	14.41	-1.08
2018	-0.07	0.09	0.02	0.27	-0.29	-0.02	-2.25	-2.71	-2.27	0.02
2017	-0.01	0.40	0.38	0.24	0.17	0.40	7.89	7.39	7.48	0.41
2016	0.35	1.82	2.18	0.65	1.74	2.40	20.03	19.48	17.49	2.54
2015	2.67	-1.25	1.39	-1.36	2.67	1.28	-3.31	-3.75	-4.61	1.30
2014	0.83	0.46	1.29	-0.75	1.87	1.11	3.84	3.39	2.51	1.33
2013	0.45	3.51	3.98	0.72	2.67	3.41	11.72	11.23	7.41	4.31
2012	0.18	4.86	5.04	0.52	4.06	4.61	21.36	20.81	15.54	5.82
2011	0.67	0.31	0.98	-1.41	2.30	0.86	5.39	4.91	4.37	1.02

Portfolio performance attribution is shown gross of fees, and summary OP/UP is based on the gross performance of the strategy. Benchmark shown is the ICE BofA US High Yield Constrained Index (HUC0). Source: Sylvan attribution system. "OP/UP" refers to outperformance and underperformance relative to the benchmark. Performance as determined by attribution does not equal actual performance due to residual effects of the geometric calculation. The rating attribution methodology includes only the fixed income portion of the portfolio and excludes cash and non-fixed-income securities. The ratings distribution is based on S&P ratings, and securities not rated by S&P are considered Not Rated for the purposes of this calculation. The Portfolio Weights may differ from ratings distributions disclosed in other reports due to differences in the distribution methodology. In addition, attribution is calculated using daily average weights over the period covered by the calculation, and will therefore differ from data presented "as of" a specific date.

Past performance is no guarantee of future results. There is a risk of loss. This information supplements the NCRAM High Yield Total Return Institutional Composite performance information located at the back of this presentation.

HYTRIC Characteristics

Portfolio Statistics as of January 31, 2025

Top Holdings

Top 10 Issuers	HYTRIC % of Total	HUC0 % of Total
Charter	2.13%	1.89%
Carnival	1.53%	0.71%
Transdigm	1.37%	1.18%
Tenet Healthcare	1.07%	0.94%
Community Health Systems	1.07%	0.73%
Allice USA	1.03%	0.97%
Vistra Energy	1.01%	0.55%
Iron Mountain	1.00%	0.68%
Cloud Software Group	0.94%	0.74%
Venture Global	0.82%	0.88%
Total	11.99%	9.26%

Top 10 Industries (BofA Level 4)	HYTRIC % of Total	HUC0 % of Total
Support-Services	5.42%	5.74%
Gas Distribution	5.41%	4.72%
Cons/Comm/Lease Financing	4.99%	3.94%
Energy - Exploration & Production	4.28%	3.57%
Recreation & Travel	4.22%	2.83%
Cable & Satellite TV	4.16%	4.27%
Telecom - Wireline Integrated & Services	4.06%	4.34%
REITs	3.95%	3.67%
Software/Services	3.16%	3.13%
Gaming	2.89%	2.61%
Total	42.54%	38.81%

Summary of Portfolio Statistics

Portfolio vs. Index	HYTRIC	HUC0
Yield to Worst	7.37%	7.17%
Avg. S&P Rating	B+	B+
Avg. Coupon	6.61%	6.52%
\$ Price	96.21	96.34
Mod. Duration to Worst	3.27	3.22
OAS (bps)	280	268

Sources: NCRAM, ICE BofA US High Yield Constrained Index (HUC0)

Bond indices use a four-tier classification schema. The schema classifies constituent securities according to asset class (level or class 1), group (level or class 2), category (level or class 3) and sub-category (level or class 4). Portfolio holdings and characteristics are calculated by NCRAM and are subject to change without notice. Index characteristics are sourced from the relevant index provider where available, and otherwise calculated by NCRAM's proprietary risk model. This information supplements the NCRAM High Yield Total Return Institutional Composite performance information located at the back of this presentation.

HYTRIC Sector Positioning

Portfolio Statistics as of January 31, 2025



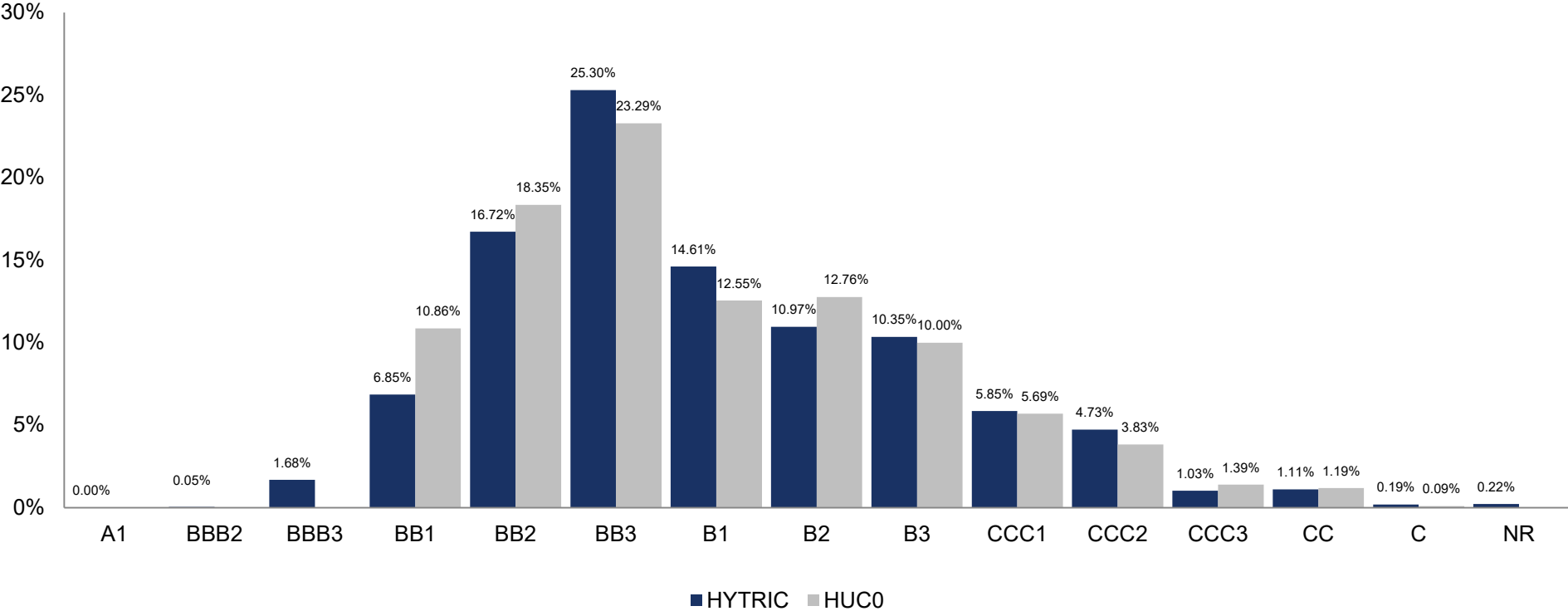
Sources: NCRAM, ICE BofA US High Yield Constrained Index (HUC0)

Portfolio holdings and characteristics are calculated by NCRAM and are subject to change without notice. Index characteristics are sourced from the relevant index provider where available, and otherwise calculated by NCRAM's proprietary risk model. This information supplements the NCRAM High Yield Total Return Institutional Composite performance information located at the back of this presentation.

HYTRIC Rating Positioning

Portfolio Statistics as of January 31, 2025

Credit Ratings Distribution



Sources: NCRAM, ICE BofA US High Yield Constrained Index (HUC0)
 The portfolio ratings distribution shows a composite ratings calculation which uses the average of available ratings from S&P, Moody's, and Fitch. NR includes securities not rated by any of these three credit ratings agencies. Cash and cash equivalents are excluded. Totals may not add up to 100% due to rounding. Portfolio holdings and characteristics are calculated by NCRAM and are subject to change without notice. Index characteristics are sourced from the relevant index provider where available, and otherwise calculated by NCRAM's proprietary risk model. This information supplements the NCRAM High Yield Total Return Institutional Composite performance information located at the back of this presentation.

Current High Yield Market Outlook

US High Yield Market Scenarios (Next 12 Months)

Scenario	Market Return Next 1 Year	Market Yield End 1 Year	Market Spread End 1 Year	Market Default Rate End 1 Year	US GDP	EU GDP	China GDP	Oil Price (WTI)	Fed Funds Rate	ECB Deposit Rate
Growth Accelerates	3.0% to 5.0%	7.5% to 8.5%	325 bps	0.5% to 1.5%	2024: +3.0% 2025: +3.2%	2024: +1.1% 2025: +2.3%	2024: +5.2% 2025: +5.5%	\$80 to \$90	4.0%-4.25% (-0.25%)	2.25% (-0.5%)
Base Case: Soft Landing	6.0% to 8.0%	6.75% to 7.75%	325 bps	0.5% to 1.5%	2024: +2.8% 2025: +2.2%	2024: +0.9% 2025: +1.3%	2024: +5.0% 2025: +4.5%	\$70 to \$80	3.75%-4.0% (-0.5%)	1.75% (-1.0%)
Mild Recession	3.0% to 5.0%	7.25% to 8.25%	450 bps	2.0% to 3.0%	2024: +2.6% 2025: +0.7%	2024: +0.7% 2025: -0.2%	2024: +4.8% 2025: +3.0%	\$55 to \$65	2.75%-3.0% (-1.5%)	1.25% (-1.5%)
Hard Landing	-3.0% to -1.0%	8.5% to 9.5%	600 bps	4.0% to 5.0%	2024: +2.5% 2025: -1.3%	2024: +0.6% 2025: -2.2%	2024: +4.7% 2025: +1.0%	\$35 to \$45	2.25%-2.5% (-2.0%)	0.75% (-2.0%)
Inflation with Slow Growth	0% to 2.0%	8.0% to 9.0%	350 bps	2.0% to 3.0%	2024: +2.7% 2025: +1.2%	2024: +0.8% 2025: +0.3%	2024: +4.9% 2025: +3.5%	\$80 to \$90	4.25%-4.5% (0.0%)	2.75% (0.0%)

Source: NCRAM, as of January 31, 2025

US High yield market, as measured by the ICE BofA US High Yield Constrained Index (HUC0)

Economic and market forecasts presented herein reflect our judgment as of the date of this material and are subject to change without notice. These forecasts are estimated, based on internal assumptions, and are subject to significant revision and may change materially as economic and market conditions change. The views and opinions expressed may differ from those of NCRAM affiliates. Investors are urged to consult with their financial advisors before buying or selling any securities. This information may not be current and NCRAM has no obligation to provide any updates or changes. This slide reflects the potential impact on the above referenced market of a range of potential "scenarios." The different scenarios presented above were selected by NCRAM in its discretion to represent a range of potential future variations in the referenced market over the next 12 months from the above listed date. Although NCRAM believes the above range is based on reasonably possible scenarios, it is possible that the market could incur losses that are substantially greater than those reflected in any scenario above. The above scenarios are intended to be general market commentary. These scenarios are not related to any fund or strategy managed or sub-advised by NCRAM and are not intended to be predictive of any such fund or strategy. The return and yield predictions included in each scenario are hypothetical and for illustrative purposes only. Any fund or strategy managed by NCRAM will have different return and yield characteristics, will consist of different components, and will be subject to fees and expenses that would materially reduce such return and yield.

New President Brings Opportunities and Risks

The Trump administration has proposed policies that could both positively and negatively impact growth and inflation.

Pro-Growth

- Extended and New Tax Cuts
- Deregulation
- Enhanced Efficiency

Anti-Growth

- Tariff Wars
- MAGA Trade Policy
- Heightened Diplomatic Tensions

Potential Winners

- Financials
- Industrials
- Transportation
- Firms Seeking M&A

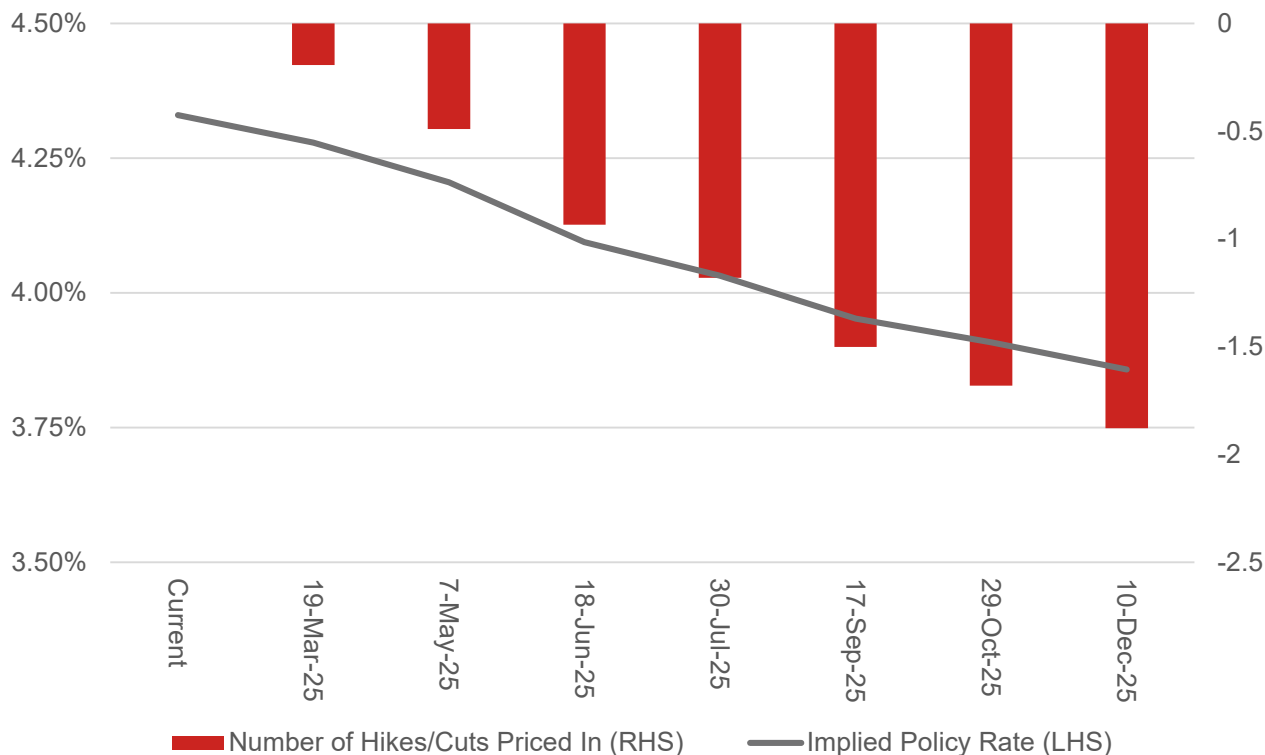
Potential Losers

- Healthcare
- Homebuilders
- Green Energy
- Food and Agriculture

Fed Easing Likely to Slow in 2025

The Fed Funds futures market suggests one or two additional cuts by the end of 2025.

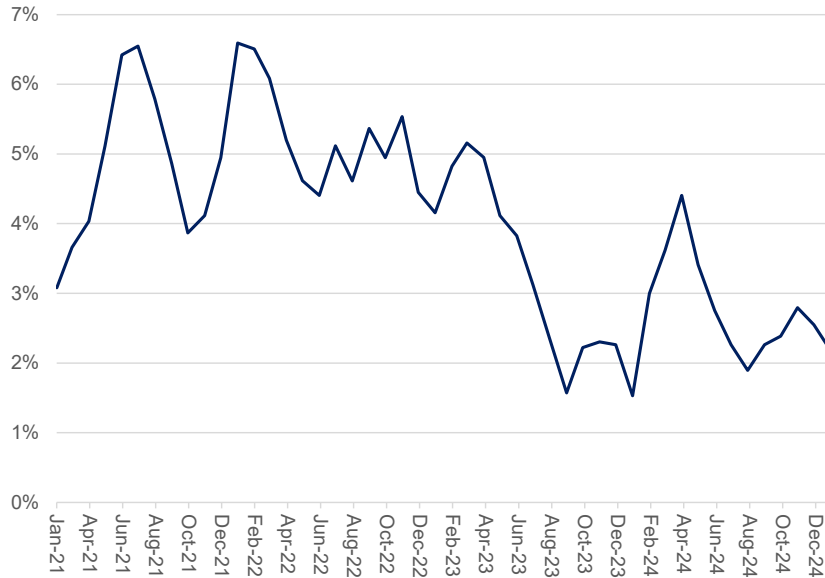
- Fed Funds rate declined -100 bps in 2024, to 4.25-4.5%



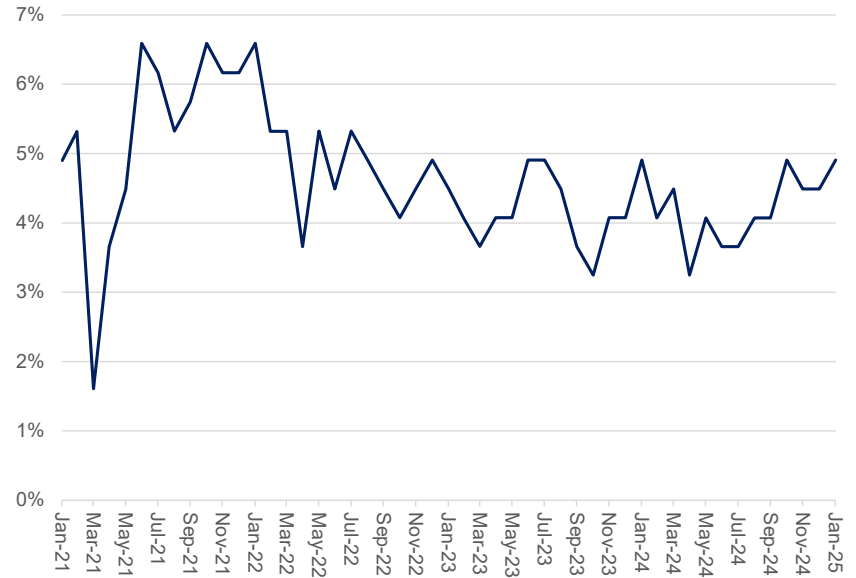
Inflation Remains High but Some Measures are Converging on the Fed's Target

Rolling 3-month Core PCE is approaching the Fed's 2% inflation target.

Rolling 3-mo Annualized Core PCE Inflation



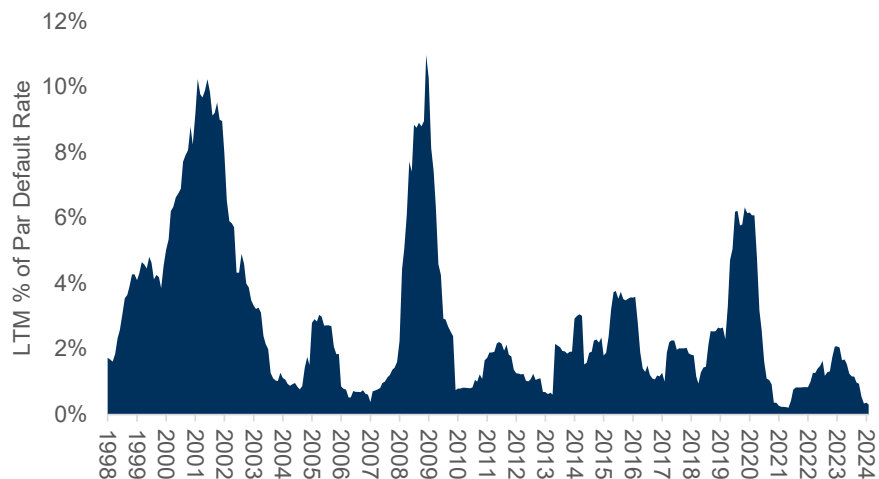
Rolling 3-mo Annualized Avg. Hourly Earnings Growth



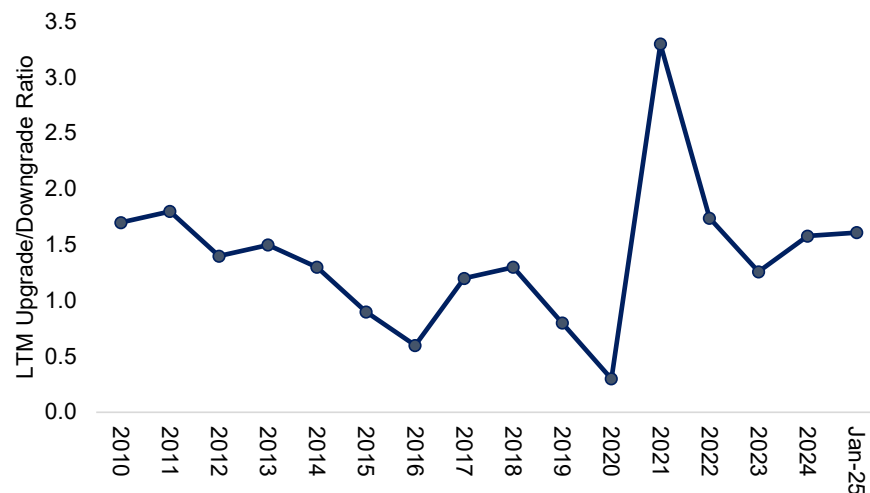
Resilient High Yield Fundamentals

The LTM default rate ended January at 0.3%, net leverage was 3.8x, and the distress ratio was 3.8%.

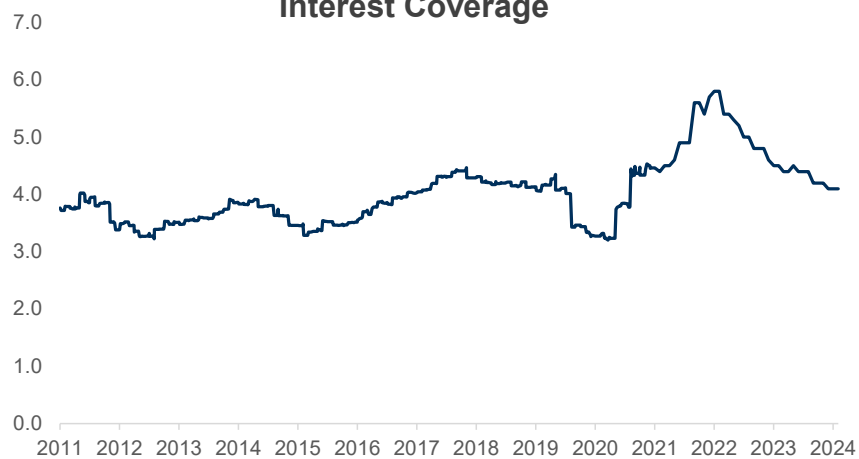
Default Rate



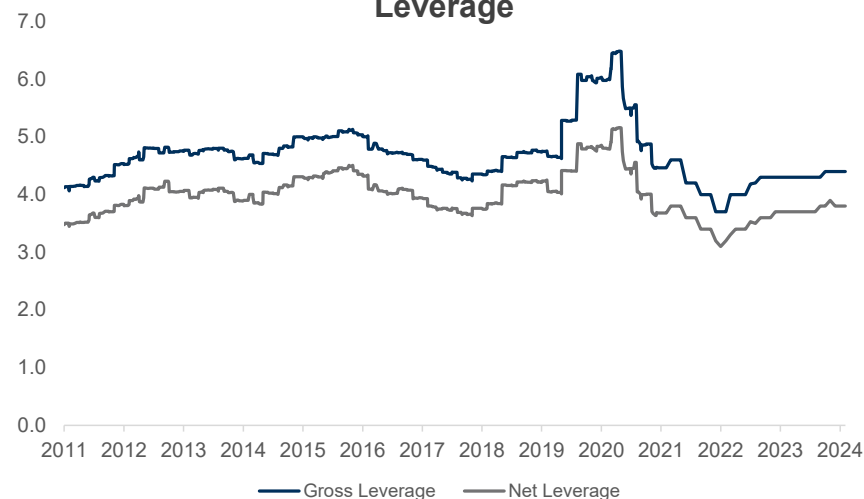
Upgrade Ratio



Interest Coverage



Leverage



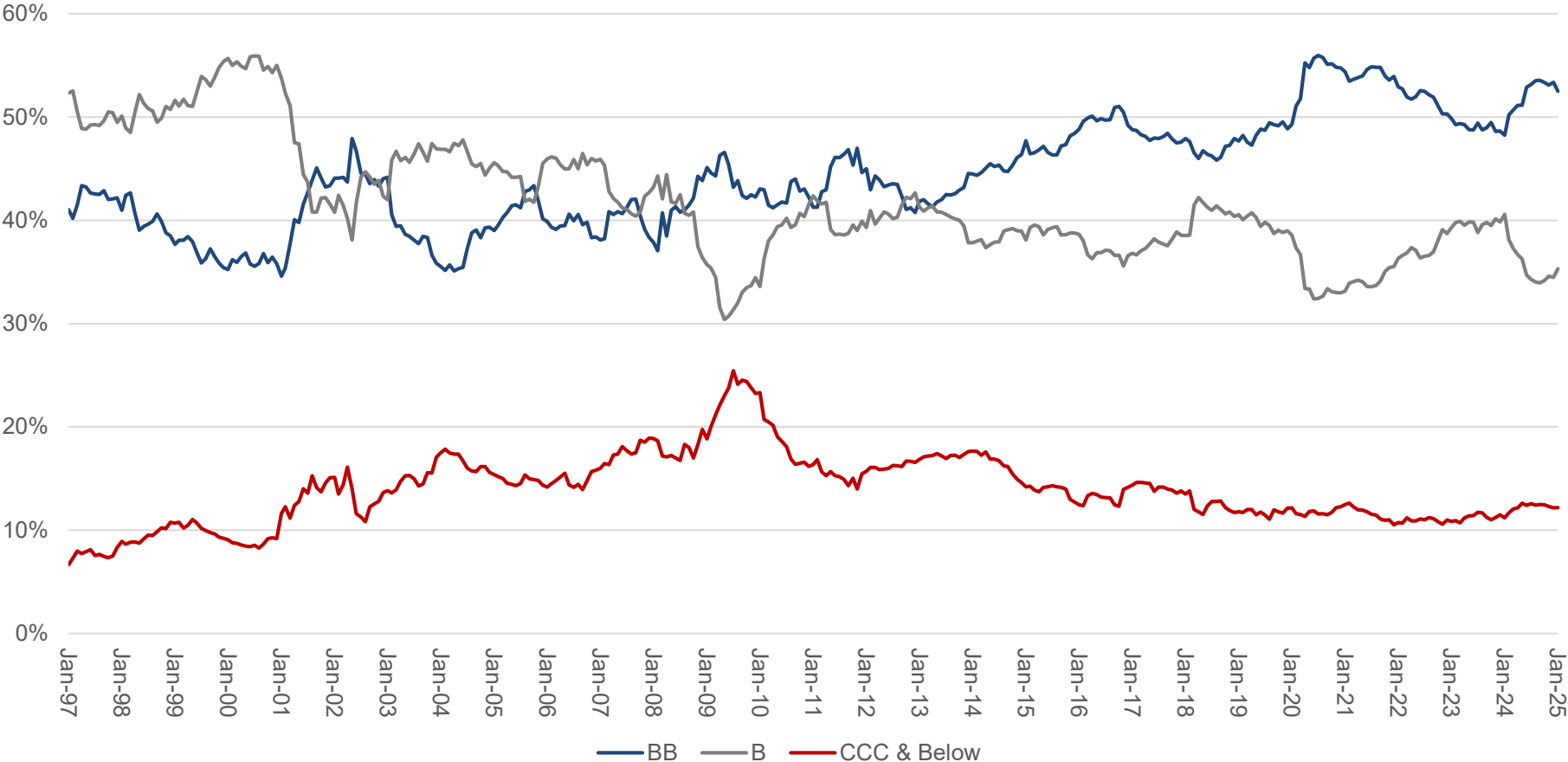
Sources: NCRAM, JP Morgan (default rate, upgrade ratio), BofA (leverage, interest coverage, distress ratio), as of January 31, 2025
 Distress ratio is calculated as the percentage of index market cap trading at spreads over 1,000 bps.

— Gross Leverage — Net Leverage

Improved High Yield Market Credit Quality

Credit quality in high yield is near its historical high, with 53% of the market rated BB.

Ratings Breakdown: ICE BofA US High Yield Constrained Index (HUC0)



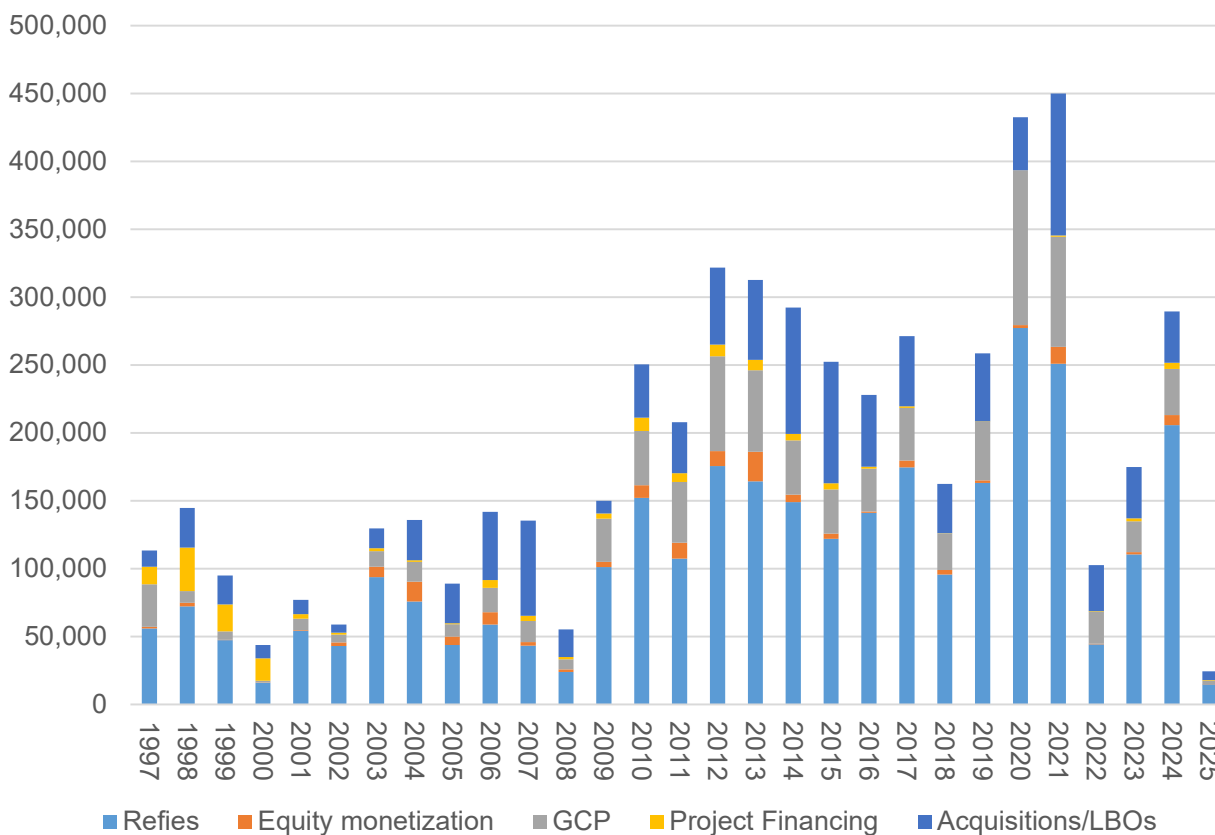
Sources: NCRAM, ICE BofA, as of January 31, 2025

Strong High Yield Technicals

Light net new issuance supports high yield technicals.

- Refinancing accounted for 71% of issuance in 2024 and 60% in January 2025

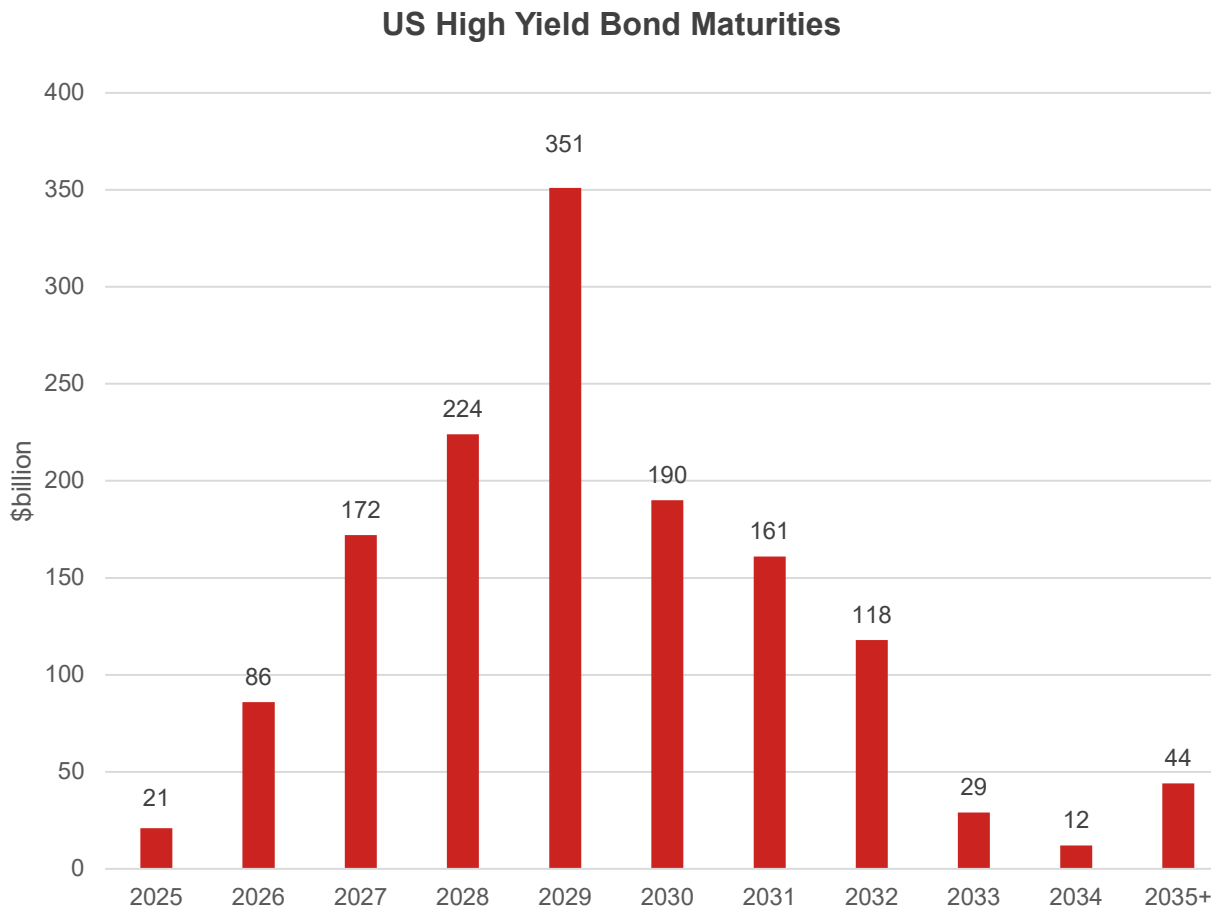
USD High Yield Issuance and Use of Proceeds



Modest Near-Term High Yield Bond Maturities

Limited near-term high yield maturity schedule allows issuers to optimize timing of new issuance.

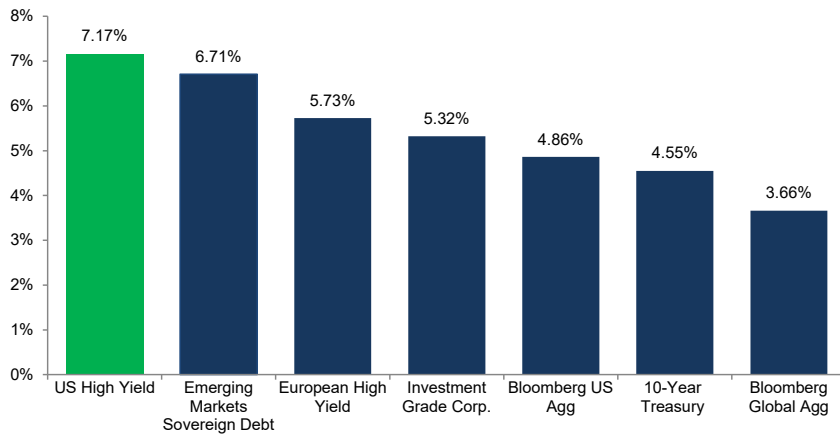
- Less than 8% of high yield debt outstanding matures before 2027, and less than 20% matures before 2028



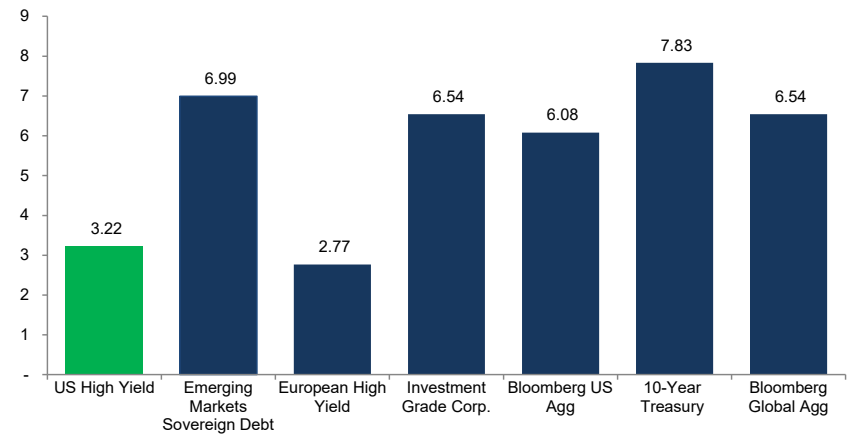
Risk-Adjusted Yields Are Attractive

High yield offers attractive yields relative to other fixed income asset classes.

Yield to Worst



Modified Duration to Worst

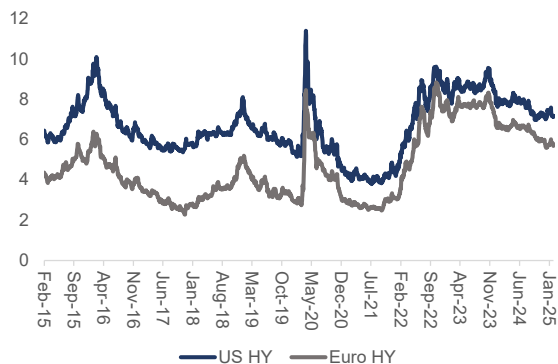


Sources: NCRAM, Bloomberg, ICE BofA, as of January 31, 2025

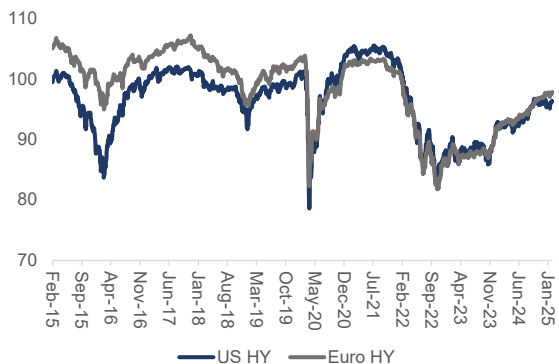
US High Yield as measured by the ICE BofA US High Yield Constrained Index (HUC0), Emerging Markets Sovereign Debt as measured by the ICE BofA US Emerging Markets External Sovereign Index (DGOV), Investment Grade as measured by the ICE BofA US Corporate Index (C0A0), European High Yield as measured by the ICE BofA European Currency High Yield Constrained Index (HPC0)

High Yield Spreads Are Tight, but All-In Yield Remains Attractive

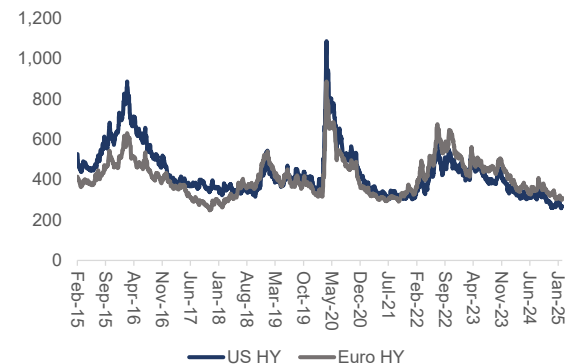
Yield to Worst



Average Price



Option-Adjusted Spread



YTW	US HY	Euro HY
Latest	7.17	5.73
Median	6.43	4.17
Percentile	62%	70%

Avg. Price	US HY	Euro HY
Latest	96.34	97.86
Median	97.95	100.591
Percentile	43%	38%

OAS	US HY	Euro HY
Latest	268	310
Median	399	391
Percentile	1%	12%

Source: ICE BofA, data from February 2015 through January 2025
 US HY as measured by the ICE BofA US High Yield Constrained Index (HUC0), Euro HY as measured by the ICE BofA European Currency High Yield Constrained Index (HPC0)
 Percentiles are based on daily data, and measure current valuation relative to the full distribution of daily values over the last 10 years.

Appendix

The Case for High Yield

High yield offers strong historical returns, portfolio diversification, and potential alpha generation.

Attractive historical absolute and risk-adjusted returns over 20+ years:

	Ann. TR	Std. Dev.	Risk/Return	Batting Avg.
High Yield	6.55%	8.86%	0.74	69.84%
Loans	5.03%	6.69%	0.75	77.78%
EM Sovereigns	5.65%	8.70%	0.65	65.87%
Inv Grade	4.08%	6.23%	0.65	62.70%
US Agg Bond	3.08%	4.22%	0.73	61.11%
10-Year UST	2.70%	7.31%	0.37	51.19%
US LC Equity	10.38%	14.69%	0.71	67.86%
US SC Equity	8.27%	19.92%	0.42	61.90%

Broad, diverse investment universe demonstrating alpha generation potential:

US High Yield Index	
Face Value	\$1.38tn
Issuers	878
Issues	1,879
Sectors	18
Industries	65

Portfolio diversification vs. rates, credit, and equity:

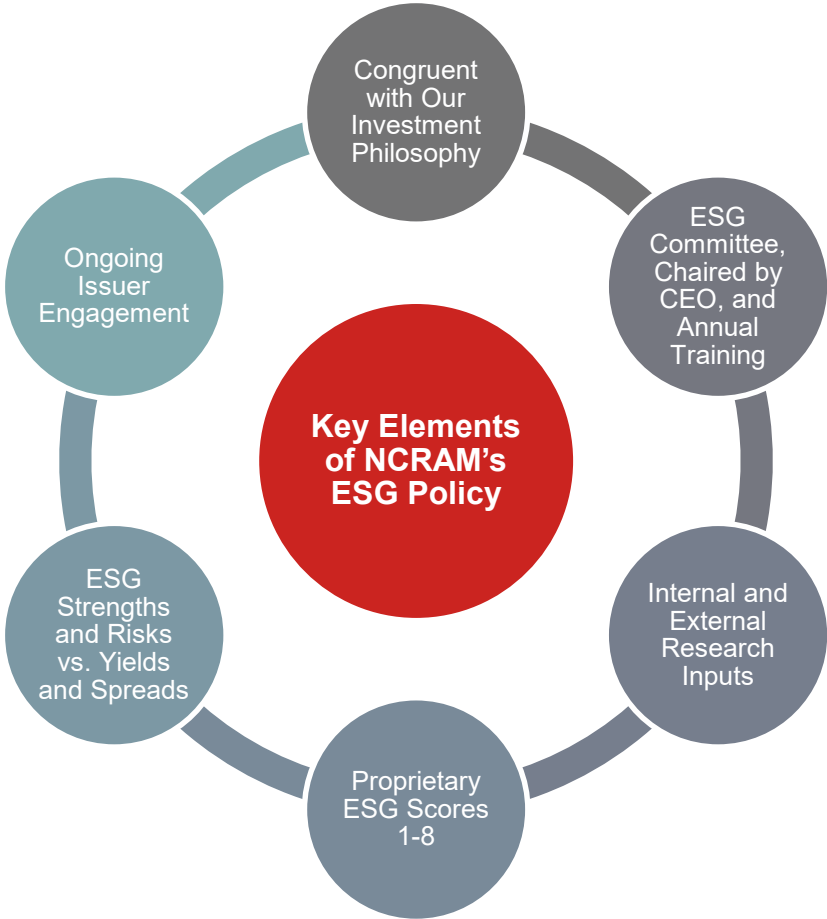
Correlation	High Yield	Loans	EM Sovereign	Inv Grade	US Agg Bond	10-Year UST	US LC Equity	US SC Equity
High Yield	1.00	0.84	0.79	0.68	0.36	-0.03	0.74	0.71
Loans	0.84	1.00	0.55	0.44	0.06	-0.32	0.58	0.57
EM Sovereigns	0.79	0.55	1.00	0.83	0.65	0.35	0.61	0.54
Inv Grade	0.68	0.44	0.83	1.00	0.86	0.60	0.47	0.39
US Agg Bond	0.36	0.06	0.65	0.86	1.00	0.88	0.24	0.17
10-Year UST	-0.03	-0.32	0.35	0.60	0.88	1.00	-0.09	-0.15
US LC Equity	0.74	0.58	0.61	0.47	0.24	-0.09	1.00	0.89
US SC Equity	0.71	0.57	0.54	0.39	0.17	-0.15	0.89	1.00

Sources: NCRAM, Bloomberg, batting average calculated as the percentage of months with total returns greater than zero, data herein based on monthly returns from January 2004 through December 2024
 High Yield as measured by the ICE BofA US High Yield Constrained Index (HUC0), Loans as measured by the Morningstar LSTA US Leveraged Loan Index, EM Sovereigns as measured by the JPMorgan Emerging Markets Bond Index Global (EMBIG), Investment Grade as measured by the ICE BofA US Corporate Index (COA0), US Agg Bond as measured by the Bloomberg US Aggregate Bond Index, 10-Year UST as measured by the ICE BofA Current 10-Year US Treasury Index (GA10), US LC Equity as measured by the S&P 500 Index, US SC Equity as measured by the Russell 2000 Index

ESG Policy and Integration

Environmental, Social, and Governance (ESG) issues are important factors when analyzing a company’s sustainability and investment prospects.

- NCRAM became a UN PRI signatory in 2013.
- We manage \$578mm in our ESG-specific strategies, and an additional \$9.3bn in SMAs with meaningful ESG tilts.



Source: NCRAM, as of January 31, 2025
While NCRAM assigns ESG scores to the vast majority of our investment universe, not all issuers will be assigned an ESG score. Engagement will generally be conducted with a relatively small number of issuers, seeking depth of engagement over quantity, typically based on the materiality of the issue and/or our exposure to the company, i.e. the absolute amount invested or percentage owned.

NCRAM High Yield Team Biographies

David Crall, CFA, is the President, Chief Executive Officer (CEO), Chief Investment Officer (CIO), and a Managing Director with NCRAM. He is also a member of NCRAM's Board of Directors. Mr. Crall became President and CEO of NCRAM in June 2019, and in this capacity he is responsible for the firm's overall management and business strategy. In addition, as CIO since January 2010, he leads the investment activities and investment team of NCRAM. He is the Chair of NCRAM's Management Oversight, Investment, New Product, Risk Monitoring, and ESG Committees. Previously, he was a portfolio manager and co-head of the high yield bond team at NCRAM, encompassing primarily high yield bonds but also public-side management of loans and distressed investments, since 2000. Prior to that, he was a portfolio manager of various high yield accounts at NCRAM since 1997, and an analyst in the high yield group at NCRAM for various industries since 1992. Mr. Crall received his B.A. in English from Yale University in 1992. He is a CFA® charterholder, a member of the CFA institute, and a member of the New York Society of Security Analysts.

Steve Kotsen, CFA, is a Managing Director and Portfolio Manager with NCRAM. He has been the lead portfolio manager for NCRAM's flagship High Yield Total Return Strategy since 2000, including numerous separate accounts, mutual funds, UCITS funds, and other commingled vehicles. He joined NCRAM in 1998 and initially worked as a high yield credit analyst covering various sectors. Previously, he was a portfolio manager at Lazard Frères Asset Management, managing fixed income portfolios exceeding \$2bn, and prior to that role, he served as a credit analyst at Lazard. Mr. Kotsen received his M.B.A. in Finance from Columbia Business School in 1995, and his B.A. in International Relations from Princeton University in 1991. Mr. Kotsen is a CFA® charterholder, a member of the CFA Institute, and a member of the New York Society of Security Analysts.

Amy Yu Chang, CFA, is a Managing Director and Portfolio Manager with NCRAM. She manages NCRAM's higher credit quality accounts, including the BB-B High Yield Strategy, and also assists in managing accounts in the full spectrum High Yield Total Return Strategy. She has been a high yield bond Portfolio Manager since 2007. Prior to that, she was an Assistant Portfolio Manager of various long-only high yield accounts at NCRAM since 2004, and an analyst in the high yield group at NCRAM for various industries including Retail, Apparel, Food, Restaurants, Technology, and Business Services since 1999. Ms. Yu Chang received her B.S. in Biology from Yale University in 1999. She is a CFA® charterholder, a member of the CFA Institute, and a member of the New York Society of Security Analysts.

NCRAM High Yield Team Biographies

Derek Leung, CFA, is an Executive Director and Portfolio Manager with NCRAM. He is the lead Portfolio Manager of the firm's European and Global High Yield strategies, and he has managed the Global Sustainable High Yield Strategy since 2021. He has managed a subset of US high yield portfolios since 2019, and also served as Assistant Portfolio Manager for various high yield portfolios from 2010 through 2019. Mr. Leung joined NCRAM in 2003 as a high yield credit analyst. He has covered numerous industries including Industrials and Services, Aerospace and Defense, Utilities, Technology, Shipping, Airlines and Aircraft Lessors, and Paper and Packaging. Mr. Leung received his B.A. in Economics from Yale University in May 2003. He is a CFA® charterholder, a member of the CFA Institute, and a member of the New York Society of Security Analysts.

Marcel Schill joined NCRAM in June 2007 and is a Leveraged Loan Portfolio Manager and a Credit Analyst covering the Home Building, Building Products and Waste & Service industries. Prior to joining NCRAM, Mr. Schill spent 9 years at Credit Suisse most recently as a Vice President of the Loan Portfolio Management team, where he was responsible for risk managing a portion of the firm's multi-billion bank debt portfolio through the use of credit default swaps and secondary market sales. Industries under coverage have included Auto & Auto Parts Suppliers, Retail and Consumer Products. Mr. Schill earned his M.B.A. from the University of Bern in Switzerland in 1998.

Christopher Parham, CFA, joined NCRAM in August 2007 as a Credit Analyst and covers the Printing & Publishing, Broadcasting, and Banking & Financials industries. He became an Assistant Portfolio Manager of NCRAM's high yield strategies in January of 2018. Mr. Parham graduated cum laude from Harvard University with a B.A. in Government and a minor in Economics. Mr. Parham is a CFA® charterholder, a member of the CFA Institute, and a member of the New York Society of Security Analysts.

John Sykes joined NCRAM in November 2002 as a Credit Analyst, and covers the Automotive subsectors as well as serving as NCRAM's European high yield generalist. Prior to joining NCRAM, Mr. Sykes spent 7 years at BHF-BANK as a Vice President of the Loan Portfolio Management team and a Business Development Officer in its Corporate Finance Group, where he was responsible for managing a portion of the firm's multi-billion bank debt portfolio and subsequently developing client relationships that resulted in several new business opportunities. Industries under coverage have included Auto & Auto Parts Suppliers, Industrials, Packaging, Food & Beverage, Gaming, Building & Development, Retail, Chemicals, and Oil & Gas. Mr. Sykes earned his M.B.A. with a concentration in Accounting from Fairleigh Dickinson University in 1994.

NCRAM High Yield Team Biographies

Joshua Givelber, CFA, joined NCRAM in May 2007 as a Credit Analyst and has covered the Chemicals and Metals & Mining sectors. Prior to joining NCRAM, Mr. Givelber was a high yield analyst and portfolio manager at Morgan Stanley Investment Management. Prior to that, he was a distressed securities analyst at Davidson Kempner Partners and also worked in the credit supervision group at Fuji Bank Ltd. Mr. Givelber received an M.B.A. in Finance from Columbia University in 1990 and a B.A. in Economics and Natural Sciences from Johns Hopkins University, graduating cum laude, in 1987. He is a CFA® charterholder and a member of the CFA Institute.

Maryana Kushnir, CFA, joined NCRAM in March 2003 as a Credit Analyst and covers the Oil & Gas industries. Prior to joining NCRAM, Ms. Kushnir worked as an associate at the private placements group of Banc One Capital Markets, Inc. (BOCM), covering issuers in a variety of industries. Prior to that, she was a research analyst covering high yield issuers at BOCM. Ms. Kushnir received her B.S. in Financial Management from Western Kentucky University, graduating *magna cum laude*, in 2000. She attended Western Kentucky University on a "Freedom Support Act" scholarship from the U.S. government. Prior to moving to the U.S., Ms. Kushnir studied for two years at Lviv State University in Ukraine majoring in International Finance and Economics. Ms. Kushnir is a CFA® charterholder, a member of the CFA Institute, and a member of the New York Society of Security Analysts.

Jeff Kao joined NCRAM in September 2015 as a Credit Analyst and covers the Aerospace & Defense, Satellites, Technology, and Transportation sectors. Prior to joining NCRAM, Mr. Kao was a senior credit analyst at RBC Capital Markets covering Retail, Consumer and Restaurants. Prior to that, he was a research analyst at Merrill Lynch covering Gaming, Lodging & Leisure. Mr. Kao received his B.S. at Rutgers University, majoring in Computer Science and Economics.

Michael Profili joined NCRAM in March 2006 and is currently a Credit Analyst covering the Gaming, Equipment Rentals, Business Services, Lodging and Leisure sectors. Prior to this position, Mr. Profili assisted the portfolio managers with trading securities for NCRAM's high yield portfolios. Before joining NCRAM, he was an associate at T. Rowe Price from 2004 to 2006. Mr. Profili received his M.B.A. in Finance from the NYU Stern School of Business in 2012 and his B.S. in Business Administration from Towson University, graduating summa cum laude, in 2004.

NCRAM High Yield Team Biographies

Janet Yang joined NCRAM in 2007 as a Credit Analyst and covers the Cable, Fixed-line Telecom, and Healthcare sectors. She has previously covered Satellites and Food & Restaurants. Ms. Yang received her B.A. in History from Yale University in 2007.

James Yoon, CFA, joined NCRAM in March 2020 as a Credit Analyst and covers the Pipelines, Machinery, and Oil & Gas sectors. Prior to joining NCRAM, Mr. Yoon was a senior credit analyst at Citigroup covering Metals, Mining, and Packaging and was ranked Runner-Up in the 2019 Institutional Investor survey for the High Yield Paper & Packaging category. Prior to that, he was a high yield research associate at PGIM from 2012 to 2015, where he covered various industries, including Energy, Autos, Industrials, Paper & Packaging, Metals & Mining, and Airlines. Mr. Yoon received his B.S. in Finance and International Business from NYU Stern School of Business in 2012. He is a CFA® charterholder, a member of the CFA Institute, and a member of the New York Society of Security Analysts.

Jeffrey Coles joined NCRAM in April 2022 as a Credit Analyst and covers the Utilities and Airlines industries. Prior to joining NCRAM, Mr. Coles spent five years as a high yield and leveraged loan analyst at DWS Group. Prior to that, he was a desk analyst at Jefferies Group and also worked as a credit sales and trading analyst at Credit Suisse. Industries under coverage have included Utilities, Oil & Gas, Paper & Packaging, and Automotive. Mr. Coles received an M.B.A. in Economics and Finance from The NYU Stern School of Business in 2013 and a B.A. in Political Science from Columbia University in 2006.

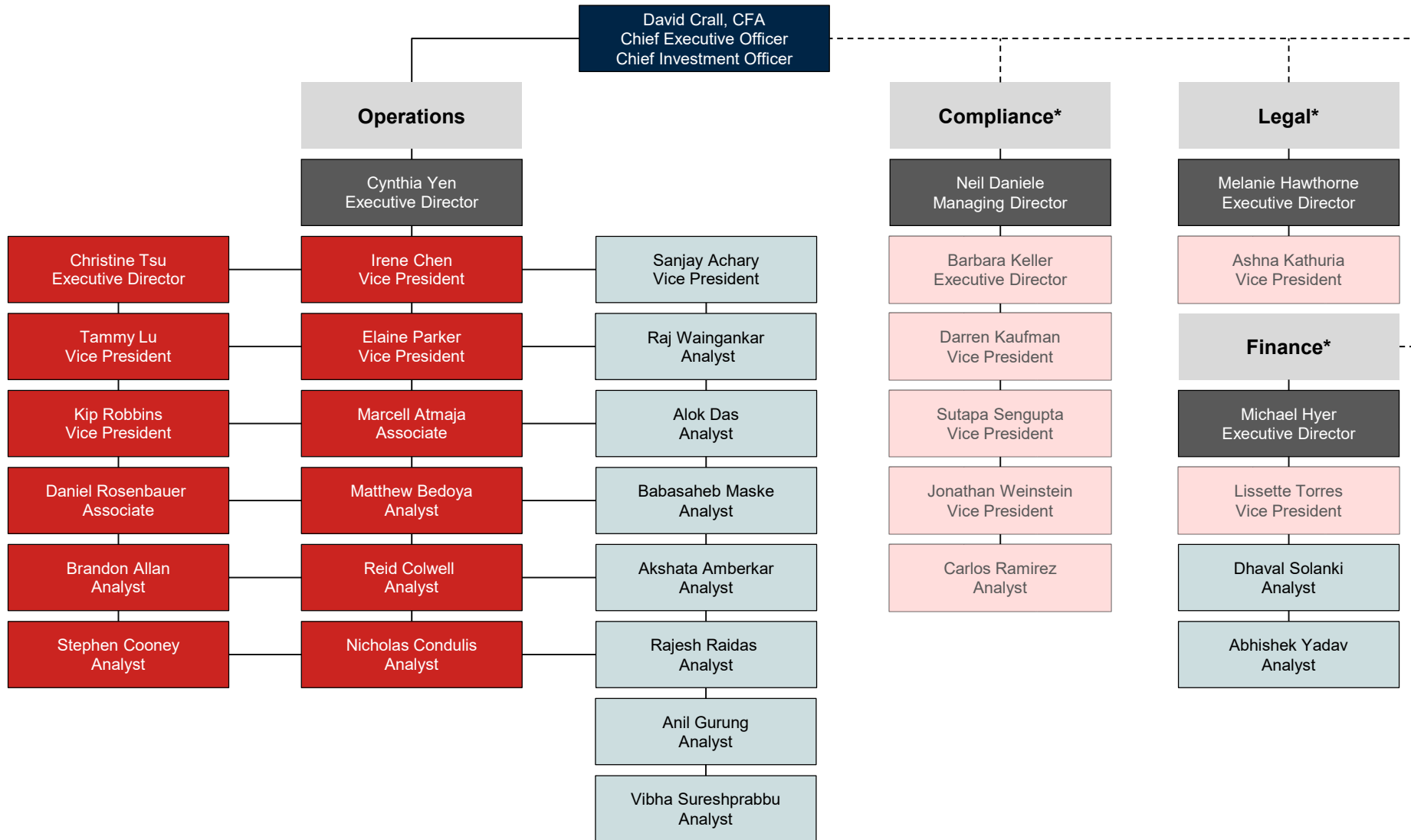
Yuka Fudeno, CMA, joined NCRAM in February 2023 as a Credit Analyst, covering Food & Restaurants and Supermarkets. Before joining NCRAM, Ms. Fudeno worked as an Assistant Credit Analyst and Portfolio Manager in the Investment Department at Nomura Asset Management in Tokyo. Prior to that, she was an assistant equity research analyst at NAM Tokyo covering the Retail sector. She received her bachelor's degree in Economics and Marketing from the University of Tokyo. She is a CMA charterholder and a member of the CMA Institute.

NCRAM Client Portfolio Managers

Heather Grantham is an Executive Director, Client Portfolio Manager, ESG Specialist, and the Head of Client Relations at NCRAM, where she manages institutional client relationships and works closely with portfolio management, credit research, sales and business development teams to create and market high-yield fixed-income investment products for investors globally. She also serves on NCRAM's ESG Committee and has a leadership role in defining and framing NCRAM's responsible investing practices, ESG integration and ESG-focused products to clients, prospects, internal stakeholders and global Nomura affiliates. Ms. Grantham joined NCRAM's Product Development team in 2012, prior to which her background was in financial services communications, branding, investor relations and business development support. She earned a B.A. in Government, with additional studies in Sociology and Fine Arts, from Cornell University.

Brett Collins, CFA, is an Executive Director and Client Portfolio Manager at NCRAM. He rejoined the firm in July 2021 and covers High Yield, Emerging Market Debt, and Multi-Asset Credit strategies. Prior to this role, Brett held a variety of positions at State Street Global Advisors, including Quantitative Equity Client Portfolio Manager and Chief Operating Officer of the firm's Investment Solutions Group. Brett also worked at NCRAM from 1996 to 2004 as an Analyst with the firm's Emerging Market Debt team. He holds an M.B.A. in Finance and International Business from Columbia Business School and a B.S. in Finance/Investments from Babson College. He is a CFA® charterholder and a member of the CFA Institute.

Organization Chart: Non-Investment Teams



As of January 31, 2025

Light blue boxes denote employees of Nomura Services India Private Ltd. (NSIPL) located in Powai, India, who provide certain finance and operations-related services under the supervision of NCRAM Operations.

*NCRAM's Compliance team is comprised of employees of NCRAM's parent company Nomura Holding America Inc. (NHA). NCRAM also receives finance and legal support from NHA.

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Performance data is calculated by NCRAM and based upon market prices obtained from market dealers and pricing services or, in their absence, an estimate of market value based on NCRAM's pricing and valuation policy. Performance data stated herein may vary from pricing determined by an advisory client or by a third party on behalf of the advisory client. Performance data set forth herein is provided for the purpose of facilitating analysis of account assets managed by NCRAM, and should not be used for the purpose of reporting or advertising performance of specific account portfolios to account beneficiaries or to third parties.

Certain information contained in this document contains forward-looking statements including future oriented financial information and financial forecasts under applicable securities laws (collectively referred to herein as forward-looking statements). Except for statements of historical fact, information contained herein constitutes forward-looking statements. Although NCRAM believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, it can give no assurance that forward-looking statements will prove to be accurate. These statements are not guarantees of future performance and undue reliance should not be placed on them. Forward-looking information is subject to certain risks, trends, and uncertainties that could cause actual performance and financial results in future periods to differ materially from those projected. NCRAM undertakes no obligation to update forward-looking statements if circumstances or NCRAM's estimates or opinions should change.

A copy of NCRAM's Code of Ethics and its Part 2A of Form ADV are available upon request by contacting NCRAM's Chief Compliance Officer via e-mail at compliancenomuraasset@nomura.com or via postal mail request at Nomura Corporate Research and Asset Management Inc., Worldwide Plaza, 309 West 49th Street, Compliance Department, Attn: Chief Compliance Officer, New York, NY 10019-7316.

Economic and market forecasts presented herein reflect our judgment as of the date of this material and are subject to change without notice. These forecasts do not take into account the specific investment objectives, restrictions, tax and financial situation or other needs of any specific client. Clients should consider whether any advice or recommendation in this material is suitable for their particular circumstances and, if appropriate, seek professional advice, including tax advice.

An investment in high yield instruments involves special considerations and certain risks, including risk of default and price volatility, and such securities are regarded as being predominantly speculative as to the issuer's ability to make payments of principal and interest.

NCRAM uses certain processes when determining the ESG strengths and weaknesses of issuers. Different ESG processes may achieve different results. NCRAM's overall ESG determinations with regard to issuers may change over time. NCRAM's ESG determinations may not conform to a client's ESG determinations. NCRAM may purchase or hold securities from issuers which may be considered to have low ESG ratings and/or substantial ESG risk (unless limitations are stipulated in client guidelines). Low ESG determinations do not automatically result in an exclusion or sell decision (unless exclusions are stipulated in client guidelines).

The portfolio may participate in new issuances of securities ("New Issues"), and a portion of the portfolio's returns consequently may be attributable to its investment in New Issues. The market value of New Issues may fluctuate considerably due to factors such as the absence of a prior public market, unseasoned trading, and the limited availability for trading and limited information about the issuer. When a portfolio's asset base is small, New Issues may have a magnified impact on the portfolio's performance. As a portfolio's assets grow, it is probable that the effect of the composite's investment in New Issues on its total returns may not be as significant, which could reduce the portfolio's performance. There is no guarantee that the availability or economic attractiveness of New Issues will be consistent from year to year.

Further, this document is not to be construed as investment advice, or as an offer to buy or sell any security, or the solicitation of an offer to buy or sell any security or financial product.

Notes to Investment Performance

NCRAM High Yield Total Return Institutional Composite

NOMURA

Nomura Asset Management Global GIPS Report
NCRAM High Yield Total Return Institutional Composite
Annual Disclosure Presentation

1) Composite Name: NCRAM High Yield Total Return (Institutional) Composite (C220040)

2) Composite Inception Date: 1 Oct 1991

3) Composite Creation Date: 1 Sep 2008

4) Currency Name: USD

5) Investment Performance and etc.:

Year	Total Firm Assets (millions)	Composite Assets (millions)	# of Accounts	% Non-Fee Accounts	Benchmark	Annual Performance Results			36 months Rolling Standard Deviation	
						Gross	Net	Dispersion (Gross)	Composite Standard Deviation (Gross)	Benchmark
1991(10-12)	740	10	1	0.00	5.37	4.40	4.22	N/A	N/A	N/A
1992	2,868	37	2	3.51	18.16	19.32	18.69	N/A	N/A	N/A
1993	3,348	104	3	7.81	17.18	25.99	25.38	N/A	N/A	N/A
1994	3,157	15	1	0.00	-1.17	9.36	8.39	N/A	4.25	4.36
1995	3,121	112	4	0.00	19.91	23.71	22.43	N/A	3.97	4.22
1996	1,674	141	3	0.00	11.06	20.80	19.59	N/A	3.94	4.18
1997	3,745	180	4	0.00	12.83	20.52	19.33	N/A	4.60	3.06
1998	3,015	258	6	0.00	3.66	0.20	-0.75	1.71	8.76	4.71
1999	2,949	295	5	0.00	1.57	7.48	6.59	N/A	9.04	4.85
2000	2,180	320	5	0.00	-3.79	-5.09	-5.57	N/A	9.62	5.45
2001	2,569	420	5	0.00	6.20	15.04	14.55	N/A	9.12	7.24
2002	4,411	647	5	0.00	-1.14	4.65	4.23	N/A	9.86	9.60
2003	6,519	1,345	5	0.00	27.22	26.85	26.35	N/A	8.95	9.97
2004	9,915	1,880	7	0.00	10.76	12.66	12.24	0.26	6.66	8.12
2005	180,080	2,019	6	0.00	2.83	3.47	3.09	0.61	5.52	5.38
2006	211,693	3,059	10	0.00	10.76	13.11	12.69	0.54	4.46	3.83
2007	259,000	3,474	13	0.00	2.53	1.63	1.26	0.56	5.25	4.50
2008	214,909	2,349	13	0.00	-26.11	-29.49	-29.77	2.57	14.08	13.31
2009	246,483	2,751	11	0.00	58.10	64.41	63.70	5.08	17.86	16.87
2010	290,310	2,766	10	0.00	15.07	19.85	19.34	0.72	18.10	17.00
2011	284,623	1,645	10	0.00	4.37	5.39	4.91	0.43	12.17	11.12
2012	279,413	2,163	8	0.00	15.54	21.36	20.81	0.56	8.60	7.12
2013	305,097	3,610	11	0.00	7.41	11.72	11.23	1.24	7.79	6.52
2014	295,289	4,342	12	0.00	2.51	3.84	3.39	0.25	5.07	4.50
2015	337,743	5,784	17	0.00	-4.61	-3.31	-3.75	0.39	5.61	5.34
2016	356,598	9,172	26	0.00	17.49	20.03	19.48	0.46	6.10	6.10
2017	433,450	13,860	33	0.00	7.48	7.89	7.39	0.24	5.61	5.67
2018	425,446	13,418	35	0.00	-2.27	-2.25	-2.71	0.19	4.79	4.70
2019	494,337	15,128	39	0.00	14.41	13.33	12.80	0.38	4.29	4.19
2020	572,566	13,193	31	0.00	6.07	8.94	8.44	0.59	10.05	9.51
2021	570,057	14,615	32	0.00	5.35	7.87	7.37	0.41	9.74	9.27
2022	470,506	10,484	25	0.00	-11.21	-10.52	-10.94	0.43	11.90	11.25
2023	531,319	9,831	25	0.00	13.47	14.93	14.40	0.22	8.84	8.45

Notes to Investment Performance (cont'd)

NCRAM High Yield Total Return Institutional Composite

NOMURA

6) Firm Definition: For the purpose of compliance with GIPS from January 2005 to September 2024, Nomura Asset Management Global (NAM Global) defines itself as all assets covered by and corresponding to investment management contracts and agreements in which any of the following entities are identified as the investment manager, or advisor (Collectively, "Nomura Asset Management Global"): Nomura Asset Management Co., Ltd. (NAM Tokyo), Nomura Asset Management U.S.A. Inc. (NAM USA), (Nomura Global Alpha LLC, (NGA); Closed as of February 2020), Nomura Asset Management U.K. Limited (NAM UK), Nomura Asset Management Singapore Limited (NAM SG), Nomura Asset Management Hong Kong Limited (NAM HK), Nomura Asset Management Malaysia Sdn.Bhd (NAM ML), Nomura Islamic Asset Management Sdn Bhd (NIAM), Nomura Asset Management Europe KVG mbH (NAM EU), or Nomura Corporate Research and Asset Management Inc. (NCRAM).

The decision was made to integrate NCRAM into the Global firm 1 January 2010, which was implemented effective 31 December 2011. Prior to 1 January 2005, the information presented is that of NCRAM prior to being combined with the Global firm. The portfolio management team and investment process is materially the same for all periods.

7) Effective Date of Firm Definition: Effective January 1 2010, the firm definition was broadened to include offices and operations in NAM Global, i.e. NAM Tokyo, NAM USA, (NGA; Closed as of February 2020), NAM UK, NAM SG, NAM HK, NAM ML, NIAM, NAM EU and NCRAM in accordance with GIPS recommendations.

8) Composite Description: The NCRAM High Yield Total Return Institutional Composite includes portfolios with a mandate to invest in a diversified portfolio of US High Yield bonds that have generally wide flexibility to invest across ratings and industries and are measured against a broad US High Yield index. These portfolios generally allow some investments that are out of benchmark but in some way related to, or similar to, US High Yield bonds. The objective of these portfolios is to seek an attractive risk-adjusted return through income and capital gains, while controlling credit losses and volatility. The Composite excludes fund vehicles with significant direct retail investment that cause them to carry higher cash balances or incur higher trading volume activity than other similarly managed funds without these characteristics.

The standard fee schedule for accounts managed in the style of this composite is 50 basis points, though fees are negotiable in some circumstances.

The Composite is measured against a blended benchmark which consists of the ICE BofA US Cash Pay High Yield Index (J0A0) prior to January 1, 2006 and the ICE BofA US High Yield Constrained Index (HUC0) after that date. The benchmark was changed to better reflect the characteristics of the composite strategy. Effective January 1, 2016, the Composite has adopted a Significant Cash Flow Policy for cash flows 20% or greater of a portfolio's immediate previous month-end value. Prior to January 1, 2016 (effective March 1, 2006), the Composite has adopted a Significant Cash Flow Policy for cash flows 30% or greater of a portfolio's immediate previous month-end value.

GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. NAM Global claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. NAM Global has been independently verified for the periods from January 2005 through September 2024.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. NCRAM's compliance with the GIPS standards has been verified for the period October 1, 1991 through December 31, 2010 by an independent accountant. In addition, a performance examination was conducted on the High Yield

Notes to Investment Performance (cont'd)

NCRAM High Yield Total Return Institutional Composite

Total Return Institutional Composite for the period October 1, 1991 through December 31, 2010 by an independent accountant. The High Yield Total Return Institutional Composite has had a performance examination for the periods January 1, 2005 through December 31, 2023. The verification and performance examination reports are available upon request.

9) Dividends, interest income and capital gains are presented gross of withholding tax.

10) Beginning April 2015, net returns have been calculated by reducing gross returns by model fees unless actual fees are higher. Prior to April 2015, net returns have been calculated by reducing gross returns by actual management fees. Performance fees paid by accounts in the composite are not reflected in the net return calculations.

11) The Asset-Weighted Standard Deviation is a dispersion measure that explains deviation of account rates of return from the asset-weighted composite return. The Asset-Weighted Standard Deviation is not considered meaningful if the composite consisted of fewer than six portfolios throughout the period. Only accounts within the Composite that have been managed for the full year are included in the Asset-Weighted Standard Deviation calculation.

12) A complete list and description of all composites and limited distribution pooled fund descriptions and/or a list of broad distribution pooled funds maintained by NAM Global and additional information regarding policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

13) New Issues: The composite may participate in new issuances of securities ("New Issues"), and a portion of the composite's returns consequently may be attributable to its investment in New Issues. The market value of New Issues may fluctuate considerably due to factors such as the absence of a prior public market, unseasoned trading, and the limited availability for trading and limited information about the issuer. When a composite's asset base is small, New Issues may have a magnified impact on the composite's performance. As a composite's assets grow, it is probable that the effect of the composite's investment in New Issues on its total returns may not be as significant, which could reduce the composite's performance. There is no guarantee that the availability or economic attractiveness of New Issues will be consistent from year to year.

14) Returns include the re-investment of all income.

15) Past performance is not indicative of future results. There is a risk of loss.

Special Notes to Performance

All performance is historical and assumes reinvestment of all dividends and capital gains. Investment return and principal value of an account will fluctuate, and there can be no assurances that losses will not be incurred. Current performance may be lower or higher than the return figures quoted.

All performance quoted in this document is past performance and is no guarantee of future results. Unusually high returns may not be sustainable.

The information presented may relate to accounts that are subject to laws and regulations that may be different from those applicable to an account for an investor in a different jurisdiction. Therefore, results may differ materially due to different investment limitations, regulatory environments and portfolio compositions. Presentation of this information does not constitute an offer to sell any security.

Definitions of Indices

Set forth below are descriptions of various indices and terms used in this presentation. These summaries may not be complete and do not purport to describe how the indices are calculated or all of their parameters. In addition, these indices represent past performance, are shown solely for comparative purposes, and are not indicative of future returns. Indices are unmanaged. You cannot invest directly into an index.

The Intercontinental Exchange (ICE) BofA US Corporate Index (C0A0) tracks the performance of US dollar denominated investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of \$250 million. Original issue zero coupon bonds, 144a securities (with and without registration rights), and pay-in-kind securities (including toggle notes) are included in the index. Callable perpetual securities are included provided they are at least one year from the first call date. Fixed-to-floating rate securities are included provided they are callable within the fixed rate period and are at least one year from the last call prior to the date the bond transitions from a fixed to a floating rate security. Contingent capital securities ("cocos") are excluded, but capital securities where conversion can be mandated by a regulatory authority, but which have no specified trigger, are included. Other hybrid capital securities, such as those issues that potentially convert into preference shares, those with both cumulative and non-cumulative coupon deferral provisions, and those with alternative coupon satisfaction mechanisms, are also included in the index. Equity-linked securities, securities in legal default, hybrid securitized corporates, eurodollar bonds (USD securities not issued in the US domestic market), taxable and tax-exempt US municipal securities and DRD-eligible securities are excluded from the index. Index constituents are market capitalization weighted. Accrued interest is calculated assuming next-day settlement. Cash flows from bond payments that are received during the month are retained in the index until the end of the month and then are removed as part of the rebalancing. Cash does not earn any reinvestment income while it is held in the index. Information concerning constituent bond prices, timing and conventions is provided in the ICE BofA Bond Index Guide, which can be accessed on our public website (<https://indices.theice.com>), or by sending a request to iceindices@theice.com. The index is rebalanced on the last calendar day of the month, based on information available up to and including the third business day before the last business day of the month. New issues must settle on or before the calendar month end rebalancing date in order to qualify for the coming month. No changes are made to constituent holdings other than on month end rebalancing dates. Inception Date: December 31, 1972.

The ICE BofA AAA US Corporate Index (C0A1) is a subset of The BofA US Corporate Index including all securities rated AAA. Inception date: December 16, 1988.

The ICE BofA AA US Corporate Index (C0A2) is a subset of The BofA US Corporate Index including all securities rated AA1 through AA3, inclusive. Inception date: December 16, 1988.

The ICE BofA Single-A US Corporate Index (C0A3) is a subset of The BofA US Corporate Index including all securities rated A1 through A3, inclusive. Inception date: December 16, 1988.

The ICE BofA BBB US Corporate Index (C0A4) is a subset of the BofA US Corporate Index including all securities rated BBB1 through BBB3, inclusive. The inception date of the index is December 16, 1988.

The ICE BofA US Emerging Markets External Sovereign Index (DGOV) tracks the performance of US dollar emerging markets sovereign debt publicly issued in the US and eurobond markets. In order to qualify for inclusion in the Index an issuer must have risk exposure to countries other than members of the FX-G10, all Western European countries, and territories of the US and Western European countries. The FX-G10 includes all Euro members, the US, Japan, the UK, Canada, Australia, New Zealand, Switzerland, Norway and Sweden. Qualifying securities must have at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of \$250 million. Original issue zero coupon bonds, 144a securities (both with and without registration rights), and eurobonds are included in the index. Securities issued or marketed primarily to retail investors, or those in legal default are excluded from the index. Index constituents are market capitalization weighted. Accrued interest is calculated assuming next-day settlement. Cash flows from bond payments that are received during the month are retained in the index until the end of the month and then are removed as part of the rebalancing. Cash does not earn any reinvestment income while it is held in the index. Information concerning constituent bond prices, timing and conventions is provided in the ICE BofA Bond Index Guide, which can be accessed on our public website (<https://indices.theice.com>), or by sending a request to iceindices@theice.com. The index is rebalanced on the last calendar day of the month, based on information available up to and including the third business day before the last business day of the month. New issues must settle on or before the calendar month end rebalancing date in order to qualify for the coming month. No changes are made to constituent holdings other than on month end rebalancing dates. Inception date: December 31, 1991.

The ICE BofA High Yield US Emerging Markets Corporate Plus Index (EMUH) tracks the performance of US dollar denominated below investment grade emerging markets corporate debt publicly issued in the US domestic or eurobond market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch). The country of risk of qualifying issuers must be a country other than an FX-G10 member, a Western European nation, or a territory of the US or a Western European nation. The FX-G10 includes all Euro members, the US, Japan, the UK, Canada, Australia, New Zealand, Switzerland, Norway and Sweden. In addition, qualifying securities must have at least one year remaining term to final maturity, at least 18 months to final maturity at point of issuance, a fixed coupon schedule and a minimum amount outstanding of \$100 million. Original issue zero coupon bonds, 144a securities (with and without registration rights), both with and without registration rights, and pay-in-kind securities, including toggle notes, and eurodollar bonds qualify for inclusion. Contingent capital securities ("cocos") are excluded, but capital securities where conversion can be mandated by a regulatory authority, but which have no specified trigger, are included. Other hybrid capital securities, such as those issues that potentially convert into preference shares, those with both cumulative and non-cumulative coupon deferral provisions, and those with alternative coupon satisfaction mechanisms, are also included in the index. Callable perpetual securities qualify provided they are at least one year from the first call date. Fixed-to-floating rate securities also qualify provided they are callable within the fixed rate period and are at least one year from the last call prior to the date the bond transitions from a fixed to a floating rate security. Equity-linked securities, DRD-eligible, hybrid securitized corporate securities, and securities in legal default are excluded from the index. Index constituents are market capitalization weighted. Accrued interest is calculated assuming next-day settlement. Cash flows from bond payments that are received during the month are retained in the index until the end of the month and then are removed as part of the rebalancing. Cash does not earn any reinvestment income while it is held in the index. Information concerning constituent bond prices, timing and conventions is provided in the ICE BofA Bond Index Guide, which can be accessed on our public website (<https://indices.theice.com>), or by sending a request to iceindices@theice.com. The index is rebalanced on the last calendar day of the month, based on information available up to and including the third business day before the last business day of the month. New issues must settle on or before the calendar month end rebalancing date in order to qualify for the coming month. No changes are made to constituent holdings other than on month end rebalancing dates. Inception Date: December 31, 1998.

The ICE BofA All Maturity US Government Index (G0QJ) tracks the performance of US dollar denominated sovereign debt publicly issued by the US government in its domestic market. Qualifying securities must have at least one month remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$1 billion. Qualifying securities must have at least 18 months to final maturity at the time of issuance. Callable perpetual securities qualify provided they are at least one year from the first call date. Fixed-to-floating rate securities also qualify provided they are callable within the fixed rate period and are at least one year from the last call prior to the date the bond transitions from a fixed to a floating rate security. Bills, inflation-linked debt and strips are excluded from the Index; however, original issue zero coupon bonds are included in the index and the amounts outstanding of qualifying coupon securities are not reduced by any portions that have been stripped. Securities issued or marketed primarily to retail investors do not qualify for inclusion in the index. Index constituents are market capitalization weighted. Accrued interest is calculated assuming next-day settlement. Cash flows from bond payments that are received during the month are retained in the index until the end of the month and then are removed as part of the rebalancing. Cash does not earn any reinvestment income while it is held in the index. Information concerning constituent bond prices, timing and conventions is provided in the ICE BofA Bond Index Guide, which can be accessed on our public website (<https://indices.theice.com>), or by sending a request to iceindices@theice.com. The index is rebalanced on the last calendar day of the month, based on information available up to and including the third business day before the last business day of the month. New issues must settle on or before the calendar month end rebalancing date in order to qualify for the coming month. No changes are made to constituent holdings other than on month end rebalancing dates. Inception date: December 31, 1996

The ICE BofA Current 5-Year US Treasury Index (GA05) is a one-security index comprised of the most recently issued 5-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 5-year note must be auctioned on or before the third business day before the last business day of the month. Inception date: December 31, 1987.

Definitions of Indices

Set forth below are descriptions of various indices and terms used in this presentation. These summaries may not be complete and do not purport to describe how the indices are calculated or all of their parameters. In addition, these indices represent past performance, are shown solely for comparative purposes, and are not indicative of future returns. Indices are unmanaged. You cannot invest directly into an index.

The ICE BofA Current 10-Year US Treasury Index (GA10) is a one security index comprised of the most recently issued 10-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 10-year note must be auctioned on or before the third business day before the last business day of the month. The inception date of the index is December 31, 1987.

The ICE BofA US High Yield Index (H0A0) tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of \$250 million. In addition, qualifying securities must have risk exposure to countries that are members of the FX-G10, Western Europe or territories of the US and Western Europe. The FX-G10 includes all Euro members, the US, Japan, the UK, Canada, Australia, New Zealand, Switzerland, Norway and Sweden. Original issue zero coupon bonds, 144a securities (both with and without registration rights), and pay-in-kind securities (including toggle notes) are included in the index. Callable perpetual securities are included provided they are at least one year from the first call date. Fixed-to-floating rate securities are included provided they are callable within the fixed rate period and are at least one year from the last call prior to the date the bond transitions from a fixed to a floating rate security. Contingent capital securities ("cocos") are excluded, but capital securities where conversion can be mandated by a regulatory authority, but which have no specified trigger, are included. Other hybrid capital securities, such as those issues that potentially convert into preference shares, those with both cumulative and non-cumulative coupon deferral provisions, and those with alternative coupon satisfaction mechanisms, are also included in the index. Securities issued or marketed primarily to retail investors, equity-linked securities, securities in legal default, hybrid securitized corporates, eurodollar bonds (USD securities not issued in the US domestic market), taxable and tax-exempt US municipal securities and DRD-eligible securities are excluded from the index. Index constituents are market capitalization weighted. Accrued interest is calculated assuming next-day settlement. Cash flows from bond payments that are received during the month are retained in the index until the end of the month and then are removed as part of the rebalancing. Cash does not earn any reinvestment income while it is held in the index. Information concerning constituent bond prices, timing and conventions is provided in the ICE BofA Bond Index Guide, which can be accessed on our public website (<https://indices.theice.com>), or by sending a request to iceindices@theice.com. The index is rebalanced on the last calendar day of the month, based on information available up to and including the third business day before the last business day of the month. New issues must settle on or before the calendar month end rebalancing date in order to qualify for the coming month. No changes are made to constituent holdings other than on month end rebalancing dates. Inception Date: August 31, 1986.

The ICE BofA BB US High Yield Index (H0A1) is a subset of ICE BofA US High Yield Index including all securities rated BB1 through BB3, inclusive. Inception date: December 31, 1996

The ICE BofA Single-B US High Yield Index (H0A2) is a subset of ICE BofA US High Yield Index including all securities rated B1 through B3, inclusive. Inception date: December 31, 1996

The ICE BofA CCC & Lower US High Yield Index (H0A3) is a subset of ICE BofA US High Yield Index including all securities rated CCC1 or lower. Inception date: December 31, 1996

The ICE BofA US High Yield Constrained Index (HUC0) tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of \$250 million. In addition, qualifying securities must have risk exposure to countries that are members of the FX-G10, Western Europe or territories of the US and Western Europe. The FX-G10 includes all Euro members, the US, Japan, the UK, Canada, Australia, New Zealand, Switzerland, Norway and Sweden. Original issue zero coupon bonds, 144a securities (both with and without registration rights), and pay-in-kind securities (including toggle notes) are included in the index. Callable perpetual securities are included provided they are at least one year from the first call date. Fixed-to-floating rate securities are included provided they are callable within the fixed rate period and are at least one year from the last call prior to the date the bond transitions from a fixed to a floating rate security. Contingent capital securities ("cocos") are excluded, but capital securities where conversion can be mandated by a regulatory authority, but which have no specified trigger, are included. Other hybrid capital securities, such as those issues that potentially convert into preference shares, those with both cumulative and non-cumulative coupon deferral provisions, and those with alternative coupon satisfaction mechanisms, are also included in the index. Securities issued or marketed primarily to retail investors, equity-linked securities, securities in legal default, hybrid securitized corporates, eurodollar bonds (USD securities not issued in the US domestic market), taxable and tax-exempt US municipal securities and DRD-eligible securities are excluded from the index. Index constituents are market capitalization weighted, provided the total allocation to an individual issuer does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of their bonds is adjusted on a pro-rata basis. Similarly, the face values of bonds of all other issuers that fall below the 2% cap are increased on a pro-rata basis. In the event there are fewer than 50 issuers in the Index, each is equally weighted and the face values of their respective bonds are increased or decreased on a pro-rata basis. Accrued interest is calculated assuming next-day settlement. Cash flows from bond payments that are received during the month are retained in the index until the end of the month and then are removed as part of the rebalancing. Cash does not earn any reinvestment income while it is held in the index. Information concerning constituent bond prices, timing and conventions is provided in the ICE BofA Bond Index Guide, which can be accessed on our public website (<https://indices.theice.com>), or by sending a request to iceindices@theice.com. The index is rebalanced on the last calendar day of the month, based on information available up to and including the third business day before the last business day of the month. New issues must settle on or before the calendar month end rebalancing date in order to qualify for the coming month. No changes are made to constituent holdings other than on month end rebalancing dates. Inception Date: December 31, 1996.

The ICE BofA BB US High Yield Constrained Index (HUC1) contains all securities in The ICE BofA US High Yield Index that are rated BB1 through BB3, based on an average of Moody's, S&P and Fitch, but caps issuer exposure at 2%. Index constituents are capitalization-weighted, based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of their bonds is adjusted on a pro-rata basis. Similarly, the face values of bonds of all other issuers that fall below the 2% cap are increased on a pro-rata basis. In the event there are fewer than 50 issuers in the Index, each is equally weighted and the face values of their respective bonds are increased or decreased on a pro-rata basis. Accrued interest is calculated assuming next-day settlement. Cash flows from bond payments that are received during the month are retained in the index until the end of the month and then are removed as part of the rebalancing. Cash does not earn any reinvestment income while it is held in the index. The index is rebalanced on the last calendar day of the month, based on information available up to and including the third business day before the last business day of the month. Issues that meet the qualifying criteria are included in the Index for the following month. Issues that no longer meet the criteria during the course of the month remain in the Index until the next month-end rebalancing at which point they are removed from the Index. Inception Date: December 31, 1996.

The ICE BofA Single-B US High Yield Constrained Index (HUC2) contains all securities in The ICE BofA US High Yield Index that are rated B1 through B3, based on an average of Moody's, S&P and Fitch, but caps issuer exposure at 2%. Index constituents are capitalization-weighted, based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of their bonds is adjusted on a pro-rata basis. Similarly, the face values of bonds of all other issuers that fall below the 2% cap are increased on a pro-rata basis. In the event there are fewer than 50 issuers in the Index, each is equally weighted and the face values of their respective bonds are increased or decreased on a pro-rata basis. Accrued interest is calculated assuming next-day settlement. Cash flows from bond payments that are received during the month are retained in the index until the end of the month and then are removed as part of the rebalancing. Cash does not earn any reinvestment income while it is held in the index. The index is rebalanced on the last calendar day of the month, based on information available up to and including the third business day before the last business day of the month. Issues that meet the qualifying criteria are included in the Index for the following month. Issues that no longer meet the criteria during the course of the month remain in the Index until the next month-end rebalancing at which point they are removed from the Index. Inception Date: December 31, 1996.

The ICE BofA CCC and Lower US High Yield Constrained Index (HUC3) contains all securities in The ICE BofA US High Yield Index that are rated CCC1 and lower, based on an average of Moody's, S&P and Fitch, but caps issuer exposure at 2%. Index constituents are capitalization-weighted, based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of

Definitions of Indices

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their bonds is adjusted on a pro-rata basis. Similarly, the face values of bonds of all other issuers that fall below the 2% cap are increased on a pro-rata basis. In the event there are fewer than 50 issuers in the Index, each is equally weighted and the face values of their respective bonds are increased or decreased on a pro-rata basis. Accrued interest is calculated assuming next-day settlement. Cash flows from bond payments that are received during the month are retained in the index until the end of the month and then are removed as part of the rebalancing. Cash does not earn any reinvestment income while it is held in the Index. The Index is rebalanced on the last calendar day of the month, based on information available up to and including the third business day before the last business day of the month. Issues that no longer meet the criteria during the course of the month remain in the Index until the next month-end rebalancing at which point they are removed from the Index. Inception Date: December 31, 1996.

The ICE BofA BB-B US High Yield Constrained Index (HUC4) contains all securities in the ICE BofA US High Yield Index rated BB1 through B3, based on an average of Moody's, S&P and Fitch, but caps issuer exposure at 2%. Index constituents are capitalization-weighted, based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of their bonds is adjusted on a pro-rata basis. Similarly, the face values of bonds of all other issuers that fall below the 2% cap are increased on a pro-rata basis. In the event there are fewer than 50 issuers in the Index, each is equally weighted and the face values of their respective bonds are increased or decreased on a pro-rata basis. Accrued interest is calculated assuming next-day settlement. Cash flows from bond payments that are received during the month are retained in the index until the end of the month and then are removed as part of the rebalancing. Cash does not earn any reinvestment income while it is held in the index. Information concerning constituent bond prices, timing and conventions is provided in the ICE BofA Bond Index Guide, which can be accessed on Bloomberg (IND2[go], 4[go]), or by sending a request to iceindices@theice.com. The index is rebalanced on the last calendar day of the month, based on information available up to and including the third business day before the last business day of the month. No changes are made to constituent holdings other than on month end rebalancing dates. Inception Date: December 31, 1996.

The ICE BofA BB-B Rated Developed Markets High Yield Constrained Index (H4DC) contains all securities in the ICE BofA Global High Yield Index provided they: 1) are BB-B rated based on average of Moody's, S&P and Fitch; 2) have a developed markets country of risk. Issuer exposure is capped at 2%. Developed markets is defined as an FX-G10 member, a Western European nation, or a territory of the US or a Western European nation. The FX-G10 includes all Euro members, the US, Japan, the UK, Canada, Australia, New Zealand, Switzerland, Norway and Sweden. Index constituents are capitalization-weighted, based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of their bonds is adjusted on a pro-rata basis. Similarly, the face values of bonds of all other issuers that fall below the 2% cap are increased on a pro-rata basis. In the event there are fewer than 50 issuers in the Index, each is equally weighted and the face values of their respective bonds are increased or decreased on a pro-rata basis. Accrued interest is calculated assuming next-day settlement. Cash flows from bond payments that are received during the month are retained in the index until the end of the month and then are removed as part of the rebalancing. Cash does not earn any reinvestment income while it is held in the index. Information concerning constituent bond prices, timing and conventions is provided in the ICE BofA Bond Index Guide, which can be accessed on Bloomberg (IND2[go], 4[go]), or by sending a request to iceindices@theice.com. The index is rebalanced on the last calendar day of the month, based on information available up to and including the third business day before the last business day of the month. No changes are made to constituent holdings other than on month end rebalancing dates. Inception Date: December 31, 1997.

The ICE BofA BB-B Global Non-Financial Developed Markets High Yield Constrained Index (H4NC) is based on securities in the ICE BofA Global High Yield Index that have risk exposure to countries that are members of the FX-G10, Western Europe or territories of the US and Western Europe. The FX-G10 includes all Euro members, the US, Japan, the UK, Canada, Australia, New Zealand, Switzerland, Norway and Sweden. The index includes the debt of all non-financial issuers rated BB1 through B3, inclusive, but caps issuer exposure at 2%. Index constituents are capitalization-weighted, based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of their bonds is adjusted on a pro-rata basis. Similarly, the face values of bonds of all other issuers that fall below the 2% cap are increased on a pro-rata basis. In the event there are fewer than 50 issuers in the Index, each is equally weighted and the face values of their respective bonds are increased or decreased on a pro-rata basis. Accrued interest is calculated assuming next-day settlement. Cash flows from bond payments that are received during the month are retained in the index until the end of the month and then are removed as part of the rebalancing. Cash does not earn any reinvestment income while it is held in the Index. The Index is rebalanced on the last calendar day of the month, based on information available up to and including the third business day before the last business day of the month. Issues that meet the qualifying criteria are included in the Index for the following month. Issues that no longer meet the criteria during the course of the month remain in the Index until the next month-end rebalancing at which point they are removed from the Index. Inception Date: December 31, 1997.

The ICE BofA BB-B US High Yield US & Canadian Issuers Constrained Index (H4US) contains all securities in the ICE BofA US High Yield Index with a country of risk associated with the US or Canada, but caps issuer exposure at 2%. Index constituents are capitalization-weighted, based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of their bonds is adjusted on a pro-rata basis. Similarly, the face values of bonds of all other issuers that fall below the 2% cap are increased on a pro-rata basis. In the event there are fewer than 50 issuers in the Index, each is equally weighted and the face values of their respective bonds are increased or decreased on a pro-rata basis. Accrued interest is calculated assuming next-day settlement. Cash flows from bond payments that are received during the month are retained in the index until the end of the month and then are removed as part of the rebalancing. Cash does not earn any reinvestment income while it is held in the Index. The Index is rebalanced on the last calendar day of the month, based on information available up to and including the third business day before the last business day of the month. Issues that meet the qualifying criteria are included in the Index for the following month. Issues that no longer meet the criteria during the course of the month remain in the Index until the next month-end rebalancing at which point they are removed from the Index. Inception Date: December 31, 1996.

The ICE BofA US Non-Financial High Yield Constrained Index (HCNF) contains all non-financial securities in the ICE BofA US High Yield Index but caps issuer exposure at 2%. Index constituents are capitalization-weighted, based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of their bonds is adjusted on a pro-rata basis. Similarly, the face values of bonds of all other issuers that fall below the 2% cap are increased on a pro-rata basis. In the event there are fewer than 50 issuers in the Index, each is equally weighted and the face values of their respective bonds are increased or decreased on a pro-rata basis. Accrued interest is calculated assuming next-day settlement. Cash flows from bond payments that are received during the month are retained in the index until the end of the month and then are removed as part of the rebalancing. Cash does not earn any reinvestment income while it is held in the Index. The Index is rebalanced on the last calendar day of the month, based on information available up to and including the third business day before the last business day of the month. Issues that meet the qualifying criteria are included in the Index for the following month. Issues that no longer meet the criteria during the course of the month remain in the Index until the next month-end rebalancing at which point they are removed from the Index. Inception Date: December 31, 1996.

The ICE BofA US High Yield Excluding 144a & Subordinated Financials Constrained Index (HXSC) contains all securities in the ICE BofA US High Yield Index except those issued under rule 144a and subordinated debt of Financial issuers. Index constituents are capitalization-weighted, based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of their bonds is adjusted on a pro-rata basis. Similarly, the face values of bonds of all other issuers that fall below the 2% cap are increased on a pro-rata basis. In the event there are fewer than 50 issuers in the Index, each is equally weighted and the face values of their respective bonds are increased or decreased on a pro-rata basis. Accrued interest is calculated assuming next-day settlement. Cash flows from bond payments that are received during the month are retained in the index until the end of the month and then are removed as part of the rebalancing. Cash does not earn any reinvestment income while it is held in the index. Information concerning constituent bond prices, timing and conventions is provided in the ICE BofA Bond Index Guide, which can be accessed on Bloomberg (IND2[go], 4[go]), or by sending a request to iceindices@theice.com. The index is rebalanced on the last calendar day of the month, based on information available up to and including the third business day before the last business day of the month. No changes are made to constituent holdings other than on month end rebalancing dates. Inception Date: December 31, 1996.

Definitions of Indices

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The ICE BofA Euro High Yield Index (HE00) tracks the performance of EUR denominated below investment grade corporate debt publicly issued in the euro domestic or eurobond markets. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch) and at least 18 months to final maturity at the time of issuance. In addition, qualifying securities must have at least one year remaining term to maturity, a fixed coupon schedule and a minimum amount outstanding of EUR 250 million. Original issue zero coupon bonds, "global" securities (debt issued simultaneously in the eurobond and euro domestic markets), 144a securities and pay-in-kind securities, including toggle notes, qualify for inclusion in the Index. Callable perpetual securities qualify provided they are at least one year from the first call date. Fixed-to-floating rate securities also qualify provided they are callable within the fixed rate period and are at least one year from the last call prior to the date the bond transitions from a fixed to a floating rate security. Contingent capital securities ("cocos") are excluded, but capital securities where conversion can be mandated by a regulatory authority, but which have no specified trigger, are included. Other hybrid capital securities, such as those issues that potentially convert into preference shares, those with both cumulative and non-cumulative coupon deferral provisions, and those with alternative coupon satisfaction mechanisms, are also included in the index. Securities in legal default, equity-linked and euro legacy currency securities are excluded from the Index. Securities issued or marketed primarily to retail investors do not qualify for inclusion in the index. Index constituents are market capitalization weighted. Accrued interest is calculated assuming next-day settlement. Cash flows from bond payments that are received during the month are retained in the index until the end of the month and then are removed as part of the rebalancing. Cash does not earn any reinvestment income while it is held in the index. Information concerning constituent bond prices, timing and conventions is provided in the ICE BofA Bond Index Guide, which can be accessed on our public website (<https://indices.theice.com>), or by sending a request to iceindices@theice.com. The index is rebalanced on the last calendar day of the month, based on information available up to and including the third business day before the last business day of the month. New issues must settle on or before the calendar month end rebalancing date in order to qualify for the coming month. No changes are made to constituent holdings other than on month end rebalancing dates. Inception Date: December 31, 1997.

The ICE BofA Euro High Yield Constrained Index (HEC0) contains all securities in the ICE BofA Euro High Yield Index but caps issuer exposure at 3%. Index constituents are capitalization-weighted, based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 3%. Issuers that exceed the limit are reduced to 3% and the face value of each of their bonds is adjusted on a pro-rata basis. Similarly, the face values of bonds of all other issuers that fall below the 3% cap are increased on a pro-rata basis. In the event there are fewer than 34 issuers in the Index, each is equally weighted and the face values of their respective bonds are increased or decreased on a pro-rata basis. Accrued interest is calculated assuming next-day settlement. Cash flows from bond payments that are received during the month are retained in the index until the end of the month and then are removed as part of the rebalancing. Cash does not earn any reinvestment income while it is held in the Index. The Index is rebalanced on the last calendar day of the month, based on information available up to and including the third business day before the last business day of the month. Issues that meet the qualifying criteria are included in the Index for the following month. Issues that no longer meet the criteria during the course of the month remain in the Index until the next month-end rebalancing at which point they are removed from the Index. Inception Date: December 31, 1997.

The ICE BofA European Currency High Yield Index (HP00) tracks the performance of EUR and GBP denominated below investment grade corporate debt publicly issued in the eurobond, sterling domestic or euro domestic markets. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, a fixed coupon schedule and a minimum amount outstanding of EUR 250 million or GBP 100 million. Original issue zero coupon bonds, "global" securities (debt issued simultaneously in the eurobond and domestic markets), 144a securities (both with and without registration rights) and pay-in-kind securities, including toggle notes, qualify for inclusion in the Index. Contingent capital securities ("cocos") are excluded, but capital securities where conversion can be mandated by a regulatory authority, but which have no specified trigger, are included. Other hybrid capital securities, such as those issues that potentially convert into preference shares, those with both cumulative and non-cumulative coupon deferral provisions, and those with alternative coupon satisfaction mechanisms, are also included in the index. Callable perpetual securities qualify provided they are at least one year from the first call date. Fixed-to-floating rate securities also qualify provided they are callable within the fixed rate period and are at least one year from the last call prior to the date the bond transitions from a fixed to a floating rate security. Securities in legal default, equity-linked securities, euro legacy currency securities, and hybrid securitized corporate securities are excluded from the Index. Index constituents are market capitalization weighted. Accrued interest is calculated assuming next-day settlement. Cash flows from bond payments that are received during the month are retained in the index until the end of the month and then are removed as part of the rebalancing. Cash does not earn any reinvestment income while it is held in the index. Information concerning constituent bond prices, timing and conventions is provided in the ICE BofA Bond Index Guide, which can be accessed on our public website (<https://indices.theice.com>), or by sending a request to iceindices@theice.com. The index is rebalanced on the last calendar day of the month, based on information available up to and including the third business day before the last business day of the month. New issues must settle on or before the calendar month end rebalancing date in order to qualify for the coming month. No changes are made to constituent holdings other than on month end rebalancing dates. Inception Date: December 31, 1997.

The ICE BofA European Currency High Yield Constrained Index (HPC0) tracks the performance of EUR and GBP denominated below investment grade corporate debt publicly issued in the eurobond, sterling domestic or euro domestic markets. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of EUR 250 million or GBP 100 million. Original issue zero coupon bonds and pay-in-kind securities, including toggle notes, qualify for inclusion in the Index. Callable perpetual securities qualify provided they are at least one year from the first call date. Fixed-to-floating rate securities also qualify provided they are callable within the fixed rate period and are at least one year from the last call prior to the date the bond transitions from a fixed to a floating rate security. Contingent capital securities ("cocos") are excluded, but capital securities where conversion can be mandated by a regulatory authority, but which have no specified trigger, are included. Other hybrid capital securities, such as those issues that potentially convert into preference shares, those with both cumulative and non-cumulative coupon deferral provisions, and those with alternative coupon satisfaction mechanisms, are also included in the index. Equity-linked securities, securities in legal default and hybrid securitized corporates are excluded from the index. Index constituents are market capitalization weighted, provided the total allocation to an individual issuer does not exceed 3%. Issuers that exceed the limit are reduced to 3% and the face value of each of their bonds is adjusted on a pro-rata basis. Similarly, the face values of bonds of all other issuers that fall below the 3% cap are increased on a pro-rata basis. In the event there are fewer than 34 issuers in the Index, each is equally weighted and the face values of their respective bonds are increased or decreased on a pro-rata basis. Accrued interest is calculated assuming next-day settlement. Cash flows from bond payments that are received during the month are retained in the index until the end of the month and then are removed as part of the rebalancing. Cash does not earn any reinvestment income while it is held in the index. Information concerning constituent bond prices, timing and conventions is provided in the ICE BofA Bond Index Guide, which can be accessed on our public website (<https://indices.theice.com>), or by sending a request to iceindices@theice.com. The index is rebalanced on the last calendar day of the month, based on information available up to and including the third business day before the last business day of the month. New issues must settle on or before the calendar month end rebalancing date in order to qualify for the coming month. No changes are made to constituent holdings other than on month end rebalancing dates. Inception Date: December 31, 1997.

The ICE BofA Global High Yield Index (HW00) tracks the performance of USD, CAD, GBP and EUR denominated below investment grade corporate debt publicly issued in the major domestic or eurobond markets. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of USD 250 million, EUR 250 million, GBP 100 million, or CAD 100 million. Original issue zero coupon bonds, eurodollar bonds, 144a securities (with and without registration rights), and pay-in-kind securities (including toggle notes) are included in the index. Callable perpetual securities are included provided they are at least one year from the first call date. Fixed-to-floating rate securities are included provided they are callable within the fixed rate period and are at least one year from the last call prior to the date the bond transitions from a fixed to a floating rate security. Contingent capital securities ("cocos") are excluded, but capital securities where conversion can be mandated by a regulatory authority, but which have no specified trigger, are included. Other hybrid capital securities, such as those issues that potentially convert into preference shares, those with both cumulative and non-cumulative coupon deferral provisions, and those with alternative coupon satisfaction mechanisms, are also included in the index. Securities issued or marketed primarily to retail investors, equity-linked securities, securities in legal default, hybrid securitized corporates, taxable and tax-exempt US municipal securities and DRD-eligible securities are excluded from the index. Index constituents are market capitalization weighted. Accrued interest is calculated assuming next-day settlement. Cash flows from bond payments that are received during the month are retained in the index until the end of the month and then are removed as part of the rebalancing. Cash does not earn any reinvestment income while it is held in the index. Information concerning constituent bond prices, timing and

Definitions of Indices

Set forth below are descriptions of various indices and terms used in this presentation. These summaries may not be complete and do not purport to describe how the indices are calculated or all of their parameters. In addition, these indices represent past performance, are shown solely for comparative purposes, and are not indicative of future returns. Indices are unmanaged. You cannot invest directly into an index.

conventions is provided in the ICE BofA Bond Index Guide, which can be accessed on our public website (<https://indices.theice.com>), or by sending a request to iceindices@theice.com. The index is rebalanced on the last calendar day of the month, based on information available up to and including the third business day before the last business day of the month. New issues must settle on or before the calendar month end rebalancing date in order to qualify for the coming month. No changes are made to constituent holdings other than on month end rebalancing dates. Inception Date: December 31, 1997.

The ICE BofA Global High Yield Constrained Index (HW0C) contains all securities in the ICE BofA Global High Yield Index but caps issuer exposure at 2%. Index constituents are capitalization-weighted, based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of their bonds is adjusted on a pro-rata basis. Similarly, the face values of bonds of all other issuers that fall below the 2% cap are increased on a pro-rata basis. In the event there are fewer than 50 issuers in the Index, each is equally weighted and the face values of their respective bonds are increased or decreased on a pro-rata basis. Accrued interest is calculated assuming next-day settlement. Cash flows from bond payments that are received during the month are retained in the index until the end of the month and then are removed as part of the rebalancing. Cash does not earn any reinvestment income while it is held in the Index. The Index is rebalanced on the last calendar day of the month, based on information available up to and including the third business day before the last business day of the month. Issues that meet the qualifying criteria are included in the Index for the following month. Issues that no longer meet the criteria during the course of the month remain in the Index until the next month-end rebalancing at which point they are removed from the Index. Inception Date: December 31, 1997.

The ICE BofA Developed Markets High Yield Constrained Index (HYDC) contains all securities in the ICE BofA Global High Yield Index from developed markets countries, but caps issuer exposure at 2%. Developed markets is defined as an FX-G10 member, a Western European nation, or a territory of the US or a Western European nation. The FX-G10 includes all Euro members, the US, Japan, the UK, Canada, Australia, New Zealand, Switzerland, Norway and Sweden. Index constituents are capitalization-weighted, based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of their bonds is adjusted on a pro-rata basis. Similarly, the face values of bonds of all other issuers that fall below the 2% cap are increased on a pro-rata basis. In the event there are fewer than 50 issuers in the Index, each is equally weighted and the face values of their respective bonds are increased or decreased on a pro-rata basis. Accrued interest is calculated assuming next-day settlement. Cash flows from bond payments that are received during the month are retained in the index until the end of the month and then are removed as part of the rebalancing. Cash does not earn any reinvestment income while it is held in the index. Information concerning constituent bond prices, timing and conventions is provided in the ICE BofA Bond Index Guide, which can be accessed on Bloomberg (IND2[go], 4[go]), or by sending a request to iceindices@theice.com. The index is rebalanced on the last calendar day of the month, based on information available up to and including the third business day before the last business day of the month. No changes are made to constituent holdings other than on month end rebalancing dates. Inception Date: December 31, 1997.

The ICE BofA US Cash Pay High Yield Index (J0A0) tracks the performance of US dollar denominated below investment grade corporate debt, currently in a coupon paying period, that is publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of \$250 million. In addition, qualifying securities must have risk exposure to countries that are members of the FX-G10, Western Europe or territories of the US and Western Europe. The FX-G10 includes all Euro members, the US, Japan, the UK, Canada, Australia, New Zealand, Switzerland, Norway and Sweden. 144a securities (both with and without registration rights) are included in the index. Callable perpetual securities are included provided they are at least one year from the first call date. Fixed-to-floating rate securities are included provided they are callable within the fixed rate period and are at least one year from the last call prior to the date the bond transitions from a fixed to a floating rate security. Contingent capital securities ("cocos") are excluded, but capital securities where conversion can be mandated by a regulatory authority, but which have no specified trigger, are included. Other hybrid capital securities, such as those issues that potentially convert into preference shares, those with both cumulative and non-cumulative coupon deferral provisions, and those with alternative coupon satisfaction mechanisms, are also included in the index. Securities trading without accrued interest (i.e., trading flat), deferred interest bonds that are not yet accruing a coupon, original issue zero coupon bonds are excluded from the index. Pay-in-kind bonds are excluded from the index, but toggle notes no longer within the toggle period are included. Also excluded from the index are securities issued or marketed primarily to retail investors, equity-linked securities, securities in legal default, hybrid securitized corporates, eurodollar bonds (USD securities not issued in the US domestic market), taxable and tax-exempt US municipal securities and DRD-eligible securities are excluded from the index. Index constituents are market capitalization weighted. Accrued interest is calculated assuming next-day settlement. Cash flows from bond payments that are received during the month are retained in the index until the end of the month and then are removed as part of the rebalancing. Cash does not earn any reinvestment income while it is held in the index. Information concerning constituent bond prices, timing and conventions is provided in the ICE BofA Bond Index Guide, which can be accessed on our public website (<https://indices.theice.com>), or by sending a request to iceindices@theice.com. The index is rebalanced on the last calendar day of the month, based on information available up to and including the third business day before the last business day of the month. New issues must settle on or before the calendar month end rebalancing date in order to qualify for the coming month. No changes are made to constituent holdings other than on month end rebalancing dates. Inception Date: October 31, 1984.

The ICE BofA BB-B US Cash Pay High Yield Constrained Index (JUC4) contains all securities in The ICE BofA US Cash Pay High Yield Index rated BB1 through B3, based on an average of Moody's, S&P and Fitch, but caps issuer exposure at 2%. Index constituents are capitalization-weighted, based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of their bonds is adjusted on a pro-rata basis. Similarly, the face values of bonds of all other issuers that fall below the 2% cap are increased on a pro-rata basis. In the event there are fewer than 50 issuers in the Index, each is equally weighted and the face values of their respective bonds are increased or decreased on a pro-rata basis. Accrued interest is calculated assuming next-day settlement. Cash flows from bond payments that are received during the month are retained in the index until the end of the month and then are removed as part of the rebalancing. Cash does not earn any reinvestment income while it is held in the Index. The Index is rebalanced on the last calendar day of the month, based on information available up to and including the third business day before the last business day of the month. Issues that meet the qualifying criteria are included in the Index for the following month. Issues that no longer meet the criteria during the course of the month remain in the Index until the next month-end rebalancing at which point they are removed from the Index. Inception Date: December 31, 1996.

Source: ICE BofA, used with permission. ICE BofA is licensing the ICE BofA indices "as is," makes no warranties regarding the same, does not guarantee the suitability, quality, accuracy, timeliness, and/or completeness of the ICE BofA indices or any data included in, related to, or derived therefrom, assumes no liability in connection with their use, and does not sponsor, endorse, or recommend NCRAM, or any of its products or services.

The Bloomberg Barclays US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Barclays EM country definition, are excluded. The index was created in 1986, with history backfilled to July 1, 1983.

The Bloomberg Barclays US High Yield 2% Issuer Capped Bond Index is an issuer-constrained version of the flagship US Corporate High Yield Index, which measures the USD-denominated, high yield, fixed-rate corporate bond market. The index follows the same rules as the uncapped version, but limits the exposure of each issuer to 2% of the total market value and redistributes any excess market value index-wide on a pro rata basis. The index was created in 2002, with history backfilled to January 1, 1993.

The Bloomberg Barclays U.S. High-Yield Ba/B 1% Issuer Capped Index is an issuer-constrained version of the Bloomberg Barclays U.S. High-Yield Index that covers the USD-denominated, non-investment-grade, fixed-rate, taxable corporate bond market. The Bloomberg Barclays U.S. High Yield BB/B 1% Issuer Capped Index limits issuer exposures to a maximum of 1% and redistributes the excess market value index-wide on a pro-rata basis. Securities must be rated below investment-grade (Ba1/BB+/BB+ or below) using the middle rating of Moody's, S&P, and Fitch, and have at least one year until final maturity.

Definitions of Indices

Set forth below are descriptions of various indices and terms used in this presentation. These summaries may not be complete and do not purport to describe how the indices are calculated or all of their parameters. In addition, these indices represent past performance, are shown solely for comparative purposes, and are not indicative of future returns. Indices are unmanaged. You cannot invest directly into an index.

The Bloomberg Barclays (Customized) High Yield Cash Pay Index covers the universe of fixed-rate, coupon-paying, non-investment-grade corporate bonds issued by U.S. and Canadian-domiciled entities. Unlike the Barclays Capital High Yield Index, no bond may carry an investment-grade rating from either Moody's, S&P or Fitch. All other rules of Barclays' High Yield Index apply. Issues must be at least \$150mm in size, fixed-rate coupon (although step-ups are included), and dollar-denominated. Pay-in-kind (PIK), convertible, floaters, and defaulted securities are excluded. The index is trader priced twice a month (mid-month and end of month) and IDC priced on other days. Bonds are weighted on a market value basis. The index was created and began operating on August 1, 2004.

The Bloomberg Barclays Global High Yield Corporate Index is a multi-currency measure of the global high yield corporate debt market. The index represents the union of the US High Yield, the Pan-European High Yield, and the corporate sector of the Emerging Markets (EM) Hard Currency High Yield Indices. The high yield and emerging markets sub-components are mutually exclusive. The Global High Yield Corporate Index is a component of the Global High Yield Index and subsequently a component of the Multiverse Index, along with the Global Aggregate, Euro Treasury High Yield and EM Local Currency Government Indices. It was created in 2010, with history backfilled to December 1, 2000.

The Bloomberg Barclays Global High Yield Corporate Developed Market Bond Index is a multi-currency measure of the global developed markets high yield corporate debt market. The index represents the union of the US High Yield, the Pan-European High Yield. Securities must be rated high yield (Ba1/BB+/BB+ or below) using the middle rating of Moody's, S&P and Fitch; when a rating from only two agencies is available, the lower is used; when only one agency rates a bond, that rating is used. Issue sizes are set for all local currency markets: US High Yield: USD150mm; Pan-European High Yield: EUR100mm, GBP50mm, CHF100mm, DKK500mn, NOK500mn, SEK1bn. The index was created and began operating on March 31, 2017.

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The Credit Suisse High Yield Index (CSFB HY) is designed to mirror the investable universe of the \$US-denominated high yield debt market. The index frequency is weekly and monthly. Issues must be rated "5B" or lower (i.e. the highest Moody's/S&P ratings are Baa1/BB+ or Ba1/BBB+). The Credit Suisse High Yield Index was created from merging the DLJ High Yield Index and the CSFB Global High Yield Index. In order to maintain the separate histories of these two indices, the historical data for the DLJ High Yield Index has been renamed the Credit Suisse High Yield Index II. The Credit Suisse High Yield Index and Credit Suisse High Yield Index II are identical starting in October 2001. Also, note that the name CSFB Global High Yield Index was used from January 1999 through April 2001; prior to that, it was the CSFB High Yield Index. The inception date of the index is January 1986.

The Corporate Emerging Markets Bond Index (CEMBI/CEMBI Broad) tracks total returns of U.S. dollar-denominated debt instruments issued by corporate entities in emerging markets countries. Two variations are available: CEMBI Broad and CEMBI. The CEMBI Broad is the most comprehensive corporate benchmark and the CEMBI consists of an investable universe of corporate bonds. Both indices are also available in diversified versions.

The Emerging Markets Bond Index Global (EMBI Global or EMBIG) tracks total returns for U.S. dollar-denominated fixed income sovereign and quasi-sovereign securities including Brady bonds, loans, and Eurobonds. Countries included in the index are Argentina, Belize, Brazil, Bulgaria, Chile, China, Colombia, the Dominican Republic, Ecuador, Egypt, El Salvador, Gabon, Georgia, Ghana, Hungary, Indonesia, Iraq, Jamaica, Kazakhstan, Lebanon, Malaysia, Mexico, Pakistan, Panama, Peru, the Philippines, Poland, Russia, Serbia, South Africa, Sri Lanka, Tunisia, Turkey, Ukraine, Uruguay, Venezuela, and Vietnam. The index has no cash component or transaction costs and is trader priced.

The FTSE (Citigroup) US High Yield Market Index Capped uses the US High Yield Market Index, a US Dollar-denominated index which measures the performance of high yield debt issued by corporations domiciled in the US or Canada, as its foundation. The index uses the same design criteria and calculation methodology as the US High Yield Market Index, but caps the total debt of any single issuer at USD 15 billion of par amount outstanding and also delays the entry of fallen angels for a minimum of one month after their downgrade to high-yield status. When the total eligible par amount from one issuer exceeds USD 15 billion, the par amount of each bond from this issuer is scaled pro-rata to reduce the total to USD 15 billion. Capping the par amount outstanding of large issuers helps limit the exposure that these issuers have on the US High Yield Market Capped Index, while retaining the characteristics of the issuer's distribution across different maturities. The US High Yield Market Capped Index addresses the disproportionate influence that a recently downgraded issuer can have on the index's characteristics upon entry. This is accomplished by delaying the entry of a fallen angel issuer's debt for a minimum of one month from its downgrade to high-yield status. Specifically, if both S&P and Moody's downgrade an issuer's debt to BB+ and Ba1 respectively, or below, it will be eligible for the US High Yield Market Capped Index after a waiting period of one full calendar month.

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index designed to measure the performance of emerging equity markets. As of October 2009, the MSCI Emerging Markets Index consisted of the emerging market country indices of Argentina, Bahrain, Brazil, Chile, China, Colombia, the Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Jordan, Kuwait, Malaysia, Mexico, Morocco, Oman, Pakistan, Peru, the Philippines, Poland, Qatar, Russia, South Africa, South Korea, Sri Lanka, Taiwan, Thailand, Turkey, and the UAE. It was developed with a base value of 100 as of December 31, 1987.

The Morningstar LSTA Leveraged Loan Index is a total return index that captures accrued interest, repayments, and market value changes. It represents a broad cross section of leveraged loans syndicated in the United States, including dollar-denominated loans to overseas issuers. Standard & Poor's and the Loan Syndications & Trading Association ("LSTA") conceived of the LLI to establish a performance benchmark for the syndicated leveraged loan industry.

The S&P 500 (SPX) is widely regarded as the best single gauge of the U.S. equities market, this world-renowned index is a total fair weighted index of 500 leading companies in leading industries of the U.S. economy. S&P 500 is a core component of the U.S. indices that could be used as building blocks for portfolio construction. Although S&P 500 focuses on the large-cap segment of the market, with about 75% coverage of U.S. equities, it is also an ideal proxy for the total market. It has a market capitalization of a \$5 billion. The dividends of the S&P 500 constituents are reinvested. It is also the U.S. component of S&P Global 1200. The history of the S&P 500 dates back to 1923, with an expansion to include 500 companies in 1957. It is created by Standard & Poor's.

The CBOE Volatility Index (VIX) is a key measure of market expectations of near-term volatility conveyed by S&P 500 stock index option prices. Since its introduction in 1993, VIX has been considered by many to be the world's premier barometer of investor sentiment and market volatility.

The iTraxx Crossover Index (Xover) comprises the 75 most liquid sub-investment grade entities. Total Return indices are calculated and published hourly for iTraxx Europe, Asia and Crossover. These indices measure the performance of the respective on-the-run iTraxx CDS contracts. The European iTraxx indices trade 3, 5, 7 and 10-year maturities, and a new series is determined on the basis of liquidity every six months. The benchmark iTraxx Europe index comprises 125 equally-weighted European names



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MARCH 2025

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BRIGADE CAPITAL MANAGEMENT, LP CLAIMS COMPLIANCE WITH THE GLOBAL INVESTMENT PERFORMANCE STANDARDS (GIPS®) AND HAS PREPARED AND PRESENTED THE ENCLOSED REPORT IN COMPLIANCE WITH THE GIPS® STANDARDS. PLEASE SEE THE GIPS STANDARDS COMPOSITE REPORT ENCLOSED ON PAGE 32.

Firm Overview

Executive Summary

Brigade Capital Management, LP (“Brigade”) is a well-established global investment advisor specializing in credit-focused strategies.

DISTINGUISHED TEAM

Led by CIO & Managing Partner, Donald Morgan, who has 31 years of leveraged finance experience

Senior investment team has 22 years of experience, on average

INVESTMENT FOCUS

Global investment platform focused on below investment grade credit strategies

Fundamental research process emphasizing free cash flow, asset coverage and relative value

BRIGADE EDGE

Disciplined investment process proven over numerous market cycles

Seasoned investment team with significant industry-specific experience

ORGANIZATION

2006

Year the firm was founded

\$27.5bn

Assets Under Management¹

123

Total number of employees globally

29

Equity partners across the employee-owned firm

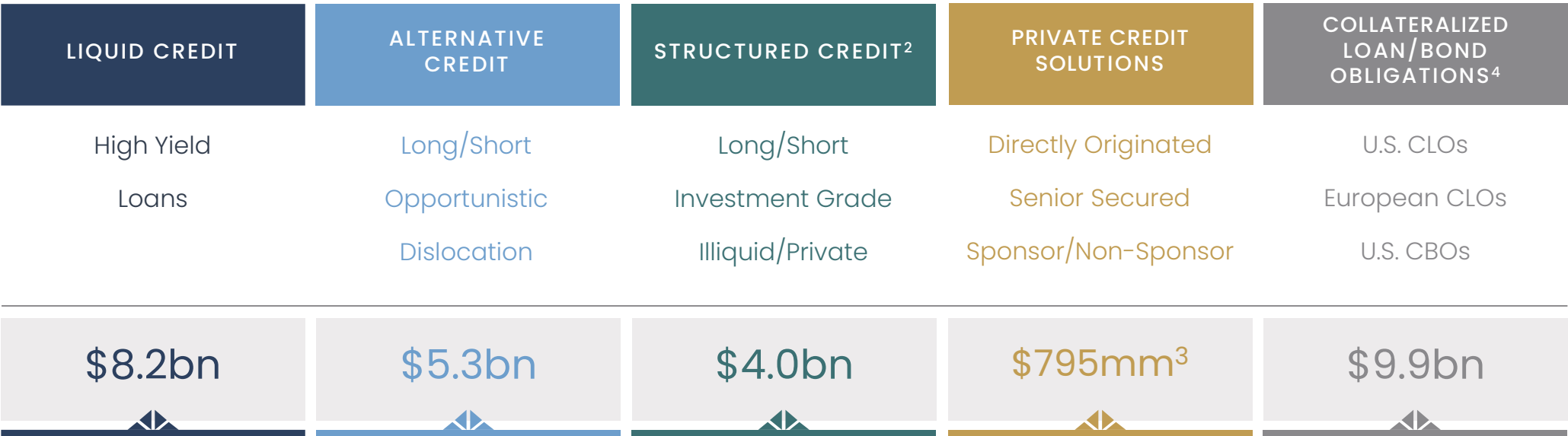
48

Investment professionals with significant industry-specific expertise

¹As of February 1, 2025.

The Brigade Credit Platform

Brigade offers credit solutions with centralized portfolio management and a consistent investment process managed by the same investment team across the Brigade credit platform.



AUM is as of February 1, 2025.

¹Total Firm AUM is adjusted to exclude AUM of Brigade funds/accounts that are invested in Brigade managed CLOs.

²Excludes structured credit positions held in funds categorized as Liquid and Alternative Credit Strategies/accounts that are invested in Brigade managed CLOs.

³This figure represents committed capital to the strategy as of January 31, 2025. Assumptions and projections are speculative in nature, and it can be expected that some or all of the underlying assumptions will not materialize or will vary significantly from actual results, and such variations may be material.

⁴Includes 18 U.S. CLOs, 6 European CLOs and 2 U.S. CBOs.

Brigade Investment Team

Brigade's investment strategies are supported by substantial credit research and trading expertise.¹

INVESTMENT COMMITTEE

Donald E. Morgan III, CFA*
CIO, Portfolio Manager, Managing Partner
31 Years

Doug Pardon*
Co-CIO, Portfolio Manager
23 Years

Steven Bleier*
Co-CIO, Portfolio Manager
26 Years

Gregory Soeder, CFA*
Head of Portfolio Strategy
27 Years

Andrew Petitjean, CFA*
Global CLO Portfolio Manager
30 Years

Thomas O'Shea*,²
PM, Head of European
Investments
28 Years

Jenny Y. Lee*
Co-Head of Private Credit
31 Years

Raymond Garson*
Head of Corporate Credit
Research
30 Years

Patrick Robb*
Research
12 Years

GLOBAL CREDIT RESEARCH

STRUCTURED CREDIT

RISK & TRADING

PRIVATE CREDIT

Kunal Banerjee, CFA*
Chemicals

John Baylis*
Media & Cable

Chris Chai*
Head of Distressed Research

Luc-Antoine Lebard*,²
European Tech Media & Telecom

Matthew Perkal*
Head of Special Situations & SPACs

Gaurav Tejwani*
Macro Products

Michael Kreicher*
CMBS

Justin Pauley*
CLO Management

Russ DiMinni*
Co-Head of Trading

Michael Walker*
Co-Head of Trading

Jim Wolf*
Co-Head of Private Credit

Sumit Sablok*
Technology

Sandro Carissimo*
Energy

Pavlin Kumchev²
European Healthcare & Industrials

Florian Kass, CFA²
European Business Services

Emily Brown, CFA
Autos & Industrials

Philip Ha
CLO Investing

Jess Wang
RMBS

Byron Maturo, CFA
Macro Credit

Rob Lefkowitz, CFA, CAIA, FRM*
Head of Risk

Tom Eardley, CFA²
European Trader

Philip DiPasquale
Director

Matthew D'Ambrisi
Tech, Media & Telecom

Conor Dillon
Homebuilders & Building Products

Tommy Anderson
Healthcare

Nicholas Chapman
Financials

Christopher Lembo
Energy, Power, Metals & Mining

Gabby Champagne-Sitzler
ABS

Cailin Blaney
CLO Management

Marco Gomez-Wong
CLO Investing

Emily Keinz
Portfolio Analytics & Trading

Michael Bennett
Trader

Hue Vuong
Director

Phil Shannon
Consumer & Retail

Alexander Zwick
Technology

Louis Lou
Macro Credit

Melissa Qui
Volatility Products

Haroon Ashraf
Vice President

Diego Campos
Vice President

*Indicates Firm Partner.

¹Reflects years of relevant industry experience.

²Located in the London office.

There is no assurance that any individual will continue to be employed by Brigade or be involved in the management of any transaction for any period.

Strategy Overview & Investment Process

Investment Strategy

Credit Selection & Portfolio Construction



HIGH YIELD STRATEGY

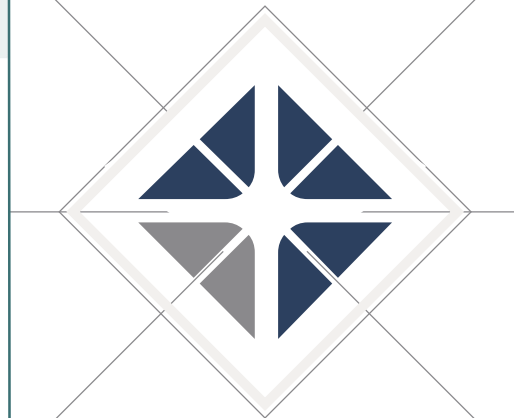
Liquid Credit Focused Strategy:
high yield bonds, leveraged loans,
and non-traditional credit instruments

Extensive expertise in leveraged
finance and credit selection

Fundamental bottom-up credit selection
determines portfolio construction

Credit cycle rotation is a crucial determinant
of sector and credit weightings

Ability to reduce market exposure through
non-traditional allocations and macro hedges



DISCIPLINED INVESTMENT PROCESS



Catalyst Focused Investments:
capital raise, asset sale,
restructuring, free cash flow

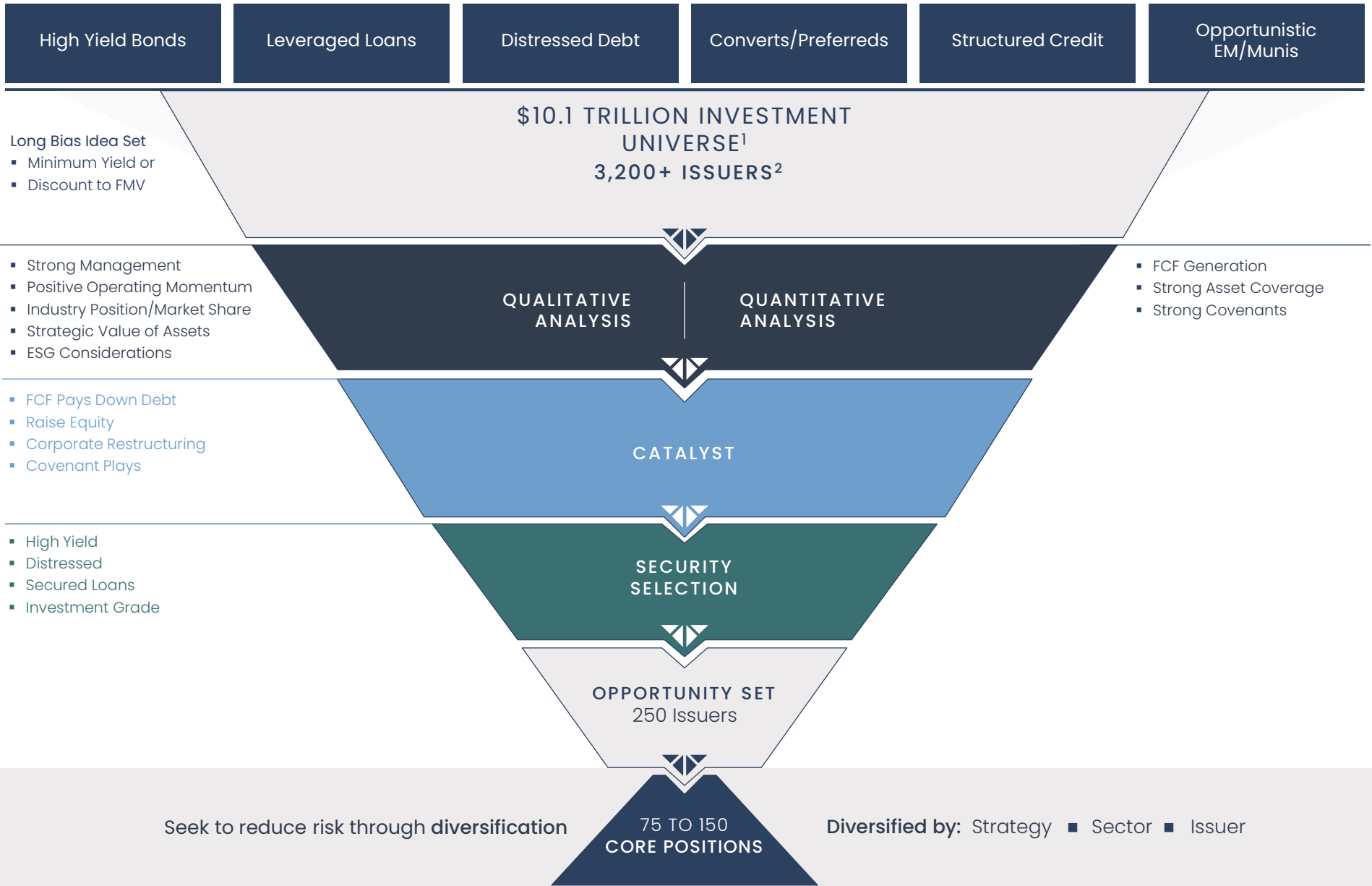
Asset coverage/margin of safety:
> 1.5x or approximately 65% loan-to-value

Free cash flow generation:
>5% to 10% of debt

Relative value analysis

Extensive expertise in restructuring, debt
exchanges and negotiated recapitalization

Repeatable Investment Process



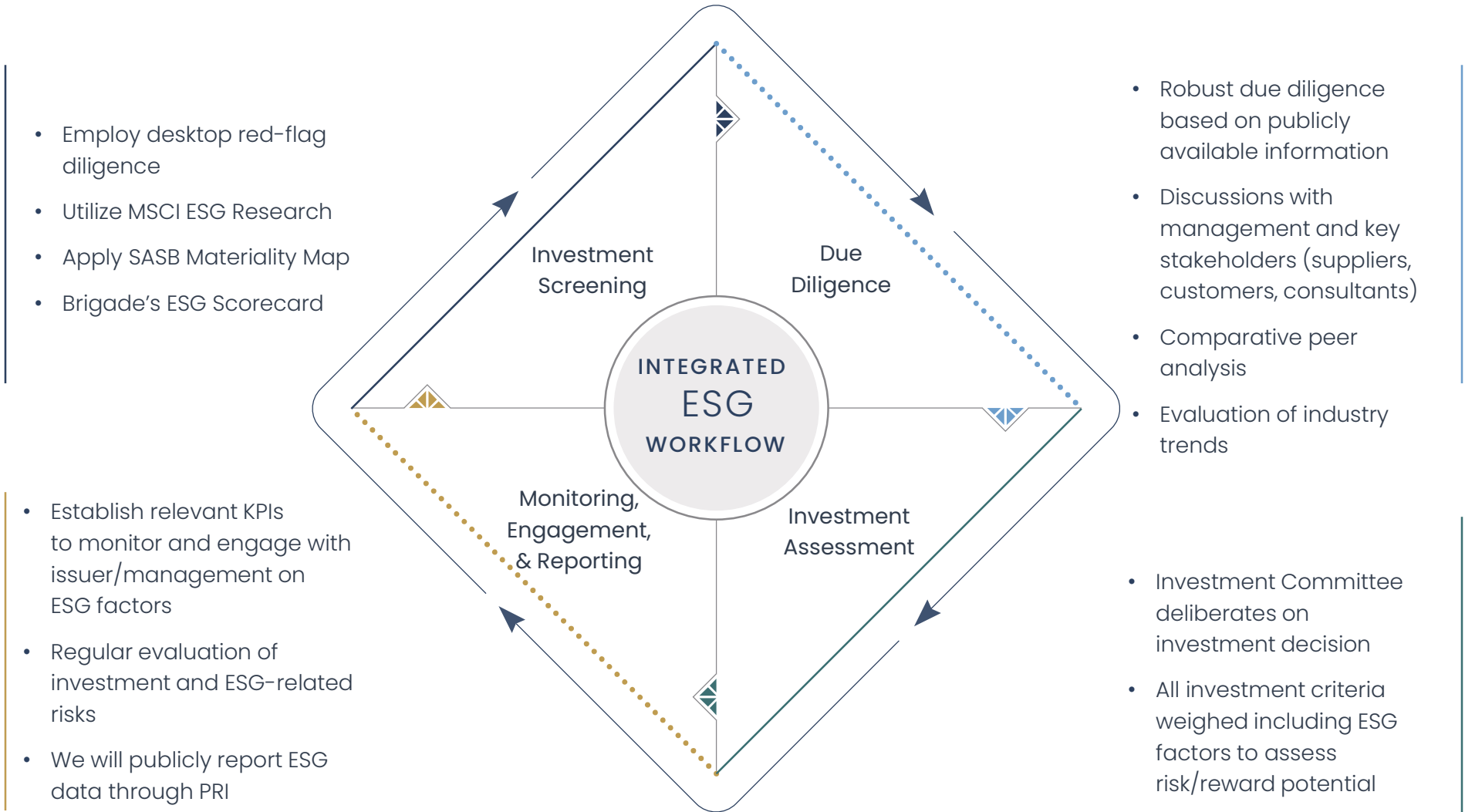
¹Values as of 9/30/2024. Source: BofA Global Research, Credit Suisse Leveraged Loan Index, Credit Suisse Leveraged Equity Index (as of 12/31/2023), JP Morgan European Leveraged Loan Index, ICE BofA Global High Yield Index, ICE BofA US Fixed Rate CMBS Index, Bloomberg and Intex.

²Includes the total issues in the ICE BofA Global High Yield Index, 9/30/2024.

All portfolio exposures are measured at the time of investment unless otherwise noted. While Brigade generally expects to adhere to the above exposures during normal market conditions, such exposures are targets and not investment restrictions. Brigade may modify its portfolio exposure targets at any time and in any manner which it believes is consistent with its overall investment objective in response to market conditions or other factors without notice to investors or clients.

Repeatable Process: Integrated ESG Workflow

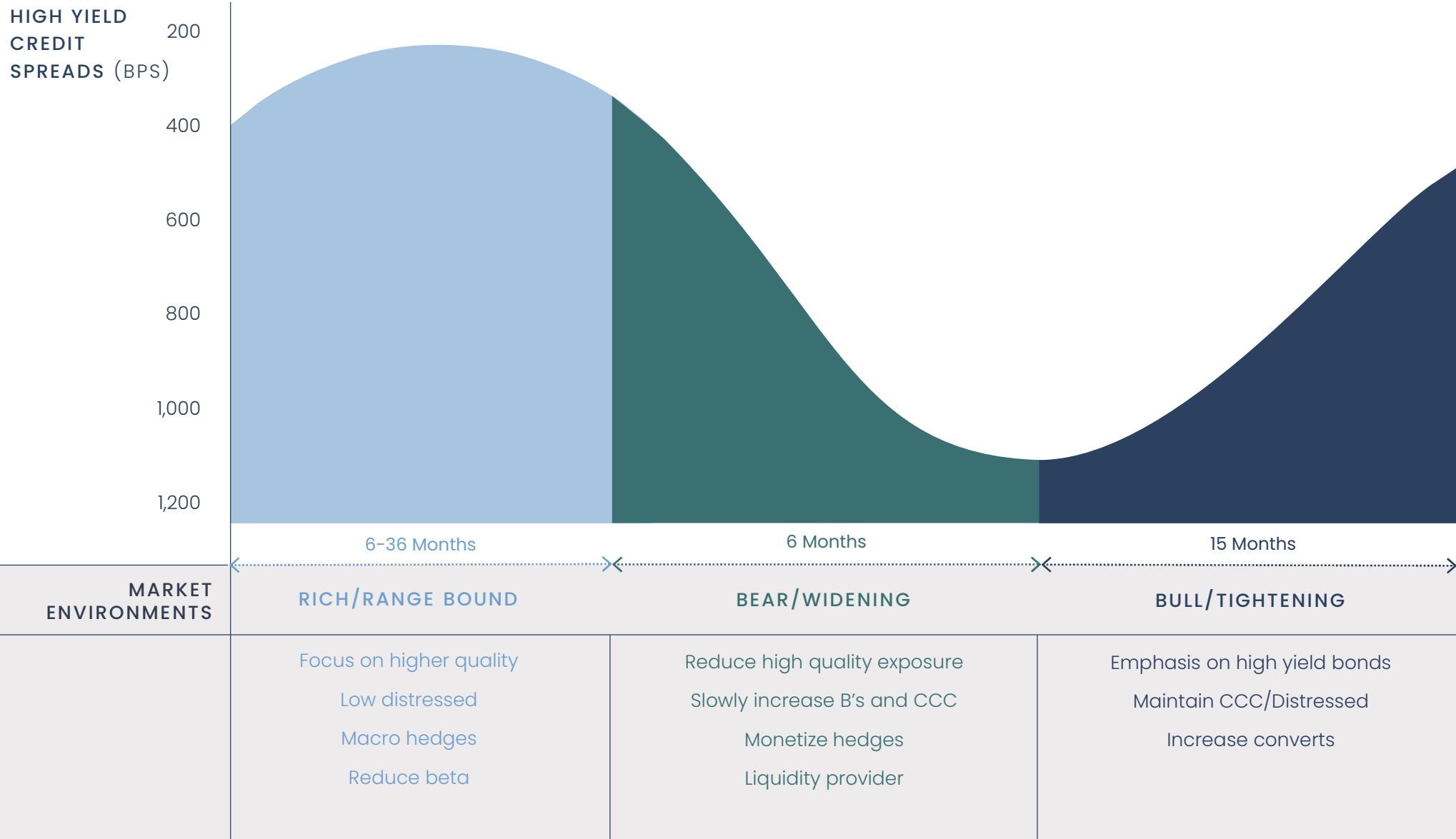
ESG awareness and evaluation is integrated throughout the investment life cycle, from pre-screening through the monitoring and reporting phases.



Portfolio Construction

Brigade seeks to rotate the portfolio as risk and return potential change over the credit cycle.

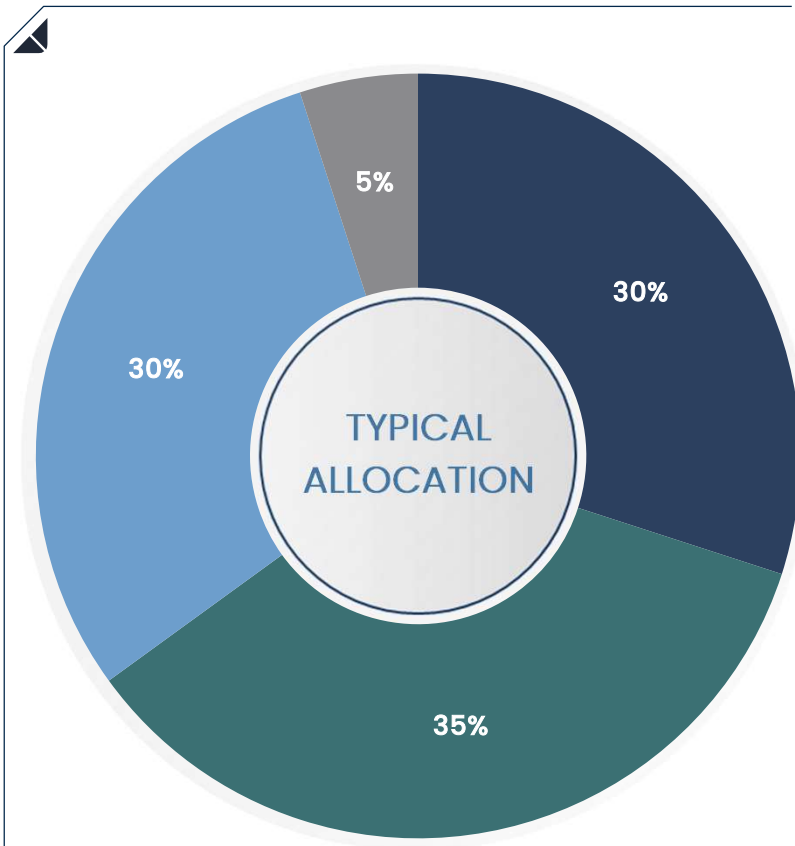
Capital allocation is a function of the **market environment** and the **relative value** of investment ideas.



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Default Risk Categories For Risk Management

Every security is grouped by likelihood of default – spread widening sensitivity is monitored



RISK CATEGORY	CREDIT DESCRIPTION	TYPICAL RATING	TYPICAL ALLOCATION
Group I	Highest quality credits	BBB to BB	30%
	<ul style="list-style-type: none"> • Lowest volatility • Sufficient relative value 		
Group II	Seasoned issuers	BB to B	35%
	<ul style="list-style-type: none"> • Significant equity value • Strong credit statistics • Strong asset value 		
Group III	Risk credits	B to CCC	30%
	<ul style="list-style-type: none"> • Trading at discount • More research intensive • Higher-yielding relative to universe 		
Group IV	Restructurings	CCC to NR	5%
	<ul style="list-style-type: none"> • Look for significant discount to asset value 		

Case Study¹: Global Medical Response

Global Medical Response (“GMR”) is the largest domestic provider of Air and Ground medical transportation (“MT”) services. GMR operates in 46 states, employs ~ 36K professionals and provides disaster response services to FEMA.

INVESTMENT THESIS

GMR is a critical part of the nation’s healthcare delivery system & safety net. GMR is the only provider capable of offering its clients integrated one stop solutions.

We expect strong financial performance to drive incremental deleveraging and an attractive risk adjusted total return:

- Sustainable organic growth
- Value creation projects driving margin expansion and improved FCF conversion
- Refinancing (4/24) improved financial flexibility and was deleveraging
- Stable rate environment

QUANTITATIVE ASSESSMENT

- FCF/Total Debt: 7% estimated FY25
- Asset Coverage²: 2.0x

QUALITATIVE ASSESSMENT

- Market leader in the mission critical medical transportation and disaster response industries
 - Positioned for profitable growth in attractive end markets with differentiated capabilities
 - Partner of choice for leading health systems with geographically diversified footprint
 - Provides end-to-end critical disaster response infrastructure to state and federal agencies
- Strong leadership team focused on simplifying the business and driving operating efficiencies
 - Significant operating/industry experience and history of successfully delivering results
 - Exiting low margin contracts/geographies and selling non-core businesses
- Recently completed A&E transaction provides financial flexibility
 - Transaction deleveraged the balance sheet and improved GMR’s liquidity and maturity profile
 - Sponsor invested significant new junior capital to support the business
 - Upon completion, GMR’s credit ratings were upgraded, and Brigade was directly involved in helping design the A&E such that it rewards incremental deleveraging

ESG ASSESSMENT

- The company is focused on managing its carbon footprint having set clear cut measurements of fuel usage across the business
 - GMR has begun to phase in hybrid/electric vehicles within the ground transportation segment
- Provides mission critical rescue services to FEMA, deploying lifesaving help into places impacted by hurricanes and other natural disasters
- GMR is heavily active in philanthropy and has established educational programs providing EMTs the opportunity for secondary education
- While the company is owned by its sponsor, KKR, GMR does have three independent directors on a visibly diverse board

RELATIVE VALUE

ISSUE ³	YIELD	SPREAD
Global Medical Response, 10% First Lien Notes	13.5%	931bps
ICE BofA, Healthcare Index ⁴	7.9%	331bps
ICE BofA, High Yield Index ⁴	7.5%	292bps

CATALYST

- GMR is well positioned in attractive markets and we expect strong financial performance to drive incremental deleveraging
- Value creation initiatives/portfolio rationalization are now largely implemented and are expected to drive margin expansion and improved FCF conversion going forward
- Regulatory uncertainty related to Surprise Medical Billing and potential VA rate cuts should continue to subside, and we believe these could become modest tailwinds over time
- Investors who were concerned about GMR’s ability to refinance will likely begin to reevaluate the credit as the market appreciates the favorable creditor aspects of the A&E transaction



Portfolio Snapshot: Brigade High Yield Fund LP

LARGEST ISSUERS ^{1,2,3}		BRIGADE MV%	ICE BofA HY INDEX MV%
1	CCO Holdings LLC	2.7%	1.9%
2	Radiology Partners Inc.	2.1%	0.1%
3	Team Health Holdings Inc.	2.0%	0.0%
4	Air Medical Group Holdings Inc.	1.8%	0.0%
5	Envision Healthcare Corp.	1.5%	0.0%
6	Zayo Group LLC	1.5%	0.2%
7	Gray Television Inc.	1.4%	0.2%
8	Avaya Holdings Corp.	1.3%	0.0%
9	CMG Media Corp.	1.3%	0.0%
10	Tenet Healthcare Corp.	1.3%	0.9%

RISK CHARACTERISTICS ²	BRIGADE	ICE BofA HY INDEX
Avg Coupon	7.51%	6.45%
Avg Price	\$92.73	\$96.32
Avg Quality (Moody's)	B2	B1
Yield To Worst	9.26%	7.17%
Spread (Bps)	524	265
Effective Duration (Yrs)	2.85	3.04

* For Bank Loans: Spread = 3yr DM, YTW = 3 Yr Yield

¹Excludes cash positions.

²As of 1/31/2025. Numbers are reflective of the Brigade High Yield Fund LP ("the BHY Fund"), an onshore feeder fund in the High Yield Strategy (the "Strategy"). This benchmark reflects the ICE BofA US High Yield Constrained Index ("ICE BofA HY Index"). The index information is included to show the general trend in the high yield markets in the periods indicated and is not intended to imply that the BHY Fund's portfolio was similar to the index in composition, diversification, volatility or element of risk. The BHY Fund may hold substantially fewer positions than the ICE BofA HY Index and certain or all of the securities held by such index may not be held by the BHY Fund. Due to such differences, among others, indexes should not be relied upon as an accurate measure of comparison.

³The description of the BHY Fund's past trades is presented for information purposes in order to present examples of Brigade's analytical methods and investment approaches. This information should not be construed as a performance record or as an indicator of future performance results. The description of past trades should not be considered a recommendation to purchase or sell any particular security. The securities discussed herein do not represent the entire portfolio of the fund and in the aggregate represent only a small percentage of overall portfolio holdings therein. Prospective investors should not assume that any of the securities discussed herein have been or will be profitable, or that recommendations made in the BHY Fund in the future will be profitable or will equal the investment performance of the securities discussed herein. The historical portfolio construction should not be viewed as an indication that future construction will remain the same. There can be no assurance that a particular portfolio would have taken or will take positions similar to those taken by the BHY Fund. No representation is being made that the BHY Fund will or is likely to achieve profits or losses similar to any of the securities mentioned herein.

PLEASE SEE THE BHY FUND'S HISTORICAL RETURNS ON SLIDE 21 AND IMPORTANT NOTES AND DISCLAIMERS ON SLIDE 33.

Portfolio Snapshot: Brigade High Yield Fund LP^{1,2}

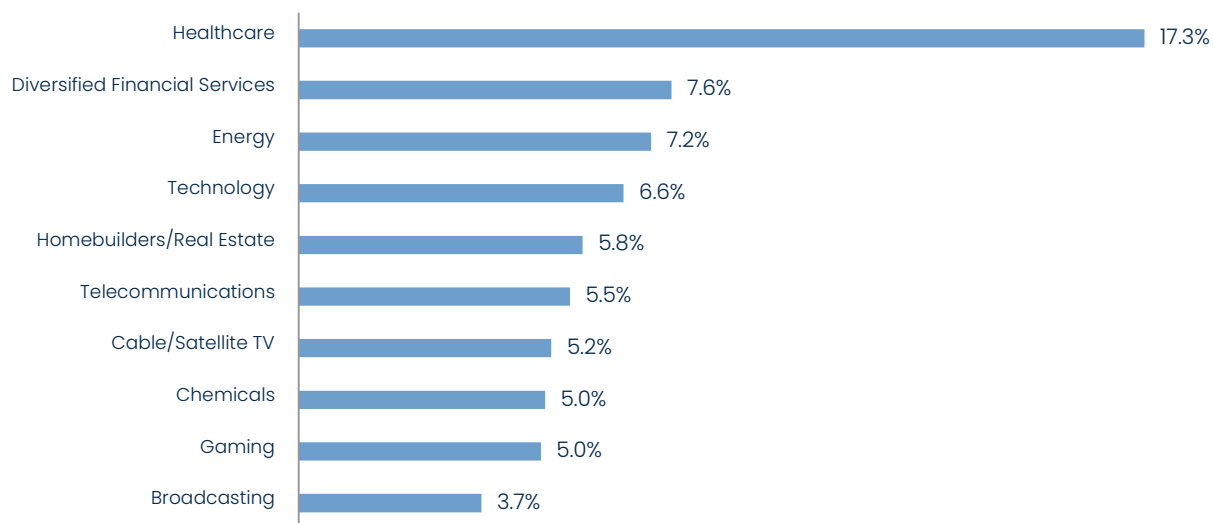
OVERWEIGHT SECTORS

SECTOR	BRIGADE	ICE BofA HY INDEX	RELATIVE WEIGHT
Healthcare	17.3%	8.0%	9.3%
Chemicals	5.0%	2.6%	2.4%
Diversified Media	3.4%	1.0%	2.4%
Gaming	5.0%	2.6%	2.4%
Banking	2.5%	0.7%	1.8%
Technology	6.6%	5.0%	1.6%
Broadcasting	3.7%	2.5%	1.2%
Diversified Financial Services	7.6%	6.7%	0.9%
Cable/Satellite TV	5.2%	4.3%	0.9%
Food & Drug Retail	1.8%	1.0%	0.8%

UNDERWEIGHT SECTORS

SECTOR	BRIGADE	ICE BofA HY INDEX	RELATIVE WEIGHT
Energy	7.2%	11.3%	-4.1%
Services	2.1%	5.7%	-3.6%
Utilities	0.4%	3.3%	-2.9%
Automotive & Auto Parts	0.0%	2.4%	-2.4%
Insurance	0.4%	2.7%	-2.3%
Food/Beverage/Tobacco	0.4%	2.5%	-2.1%
Leisure	2.5%	4.4%	-1.9%
Capital Goods	0.0%	1.9%	-1.9%
Transportation	0.6%	1.9%	-1.3%
Building Materials	0.8%	1.8%	-1.0%

BRIGADE SECTOR EXPOSURE³



¹Excludes cash and credit hedge positions.

²As of 1/31/2025. Numbers are reflective of the Brigade High Yield Fund LP (the "BHY Fund"), an onshore feeder fund in the High Yield Strategy (the "Strategy"). This benchmark reflects the ICE BofA US High Yield Constrained Index ("ICE BofA HY Index"). The index information is included to show the general trend in the high yield markets in the periods indicated and is not intended to imply that the BHY Fund's portfolio was similar to the index in composition, diversification, volatility or element of risk. The BHY Fund may hold substantially fewer positions than the ICE BofA HY Index and certain or all of the securities held by such index may not be held by the BHY Fund. Due to such differences, among others, indexes should not be relied upon as an accurate measure of comparison.

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PLEASE SEE THE BHY FUND HISTORICAL RETURNS ON SLIDE 21 AND IMPORTANT NOTES AND DISCLAIMERS ON SLIDE 33.

Risk Management: Brigade Portfolio Monitoring Tools¹

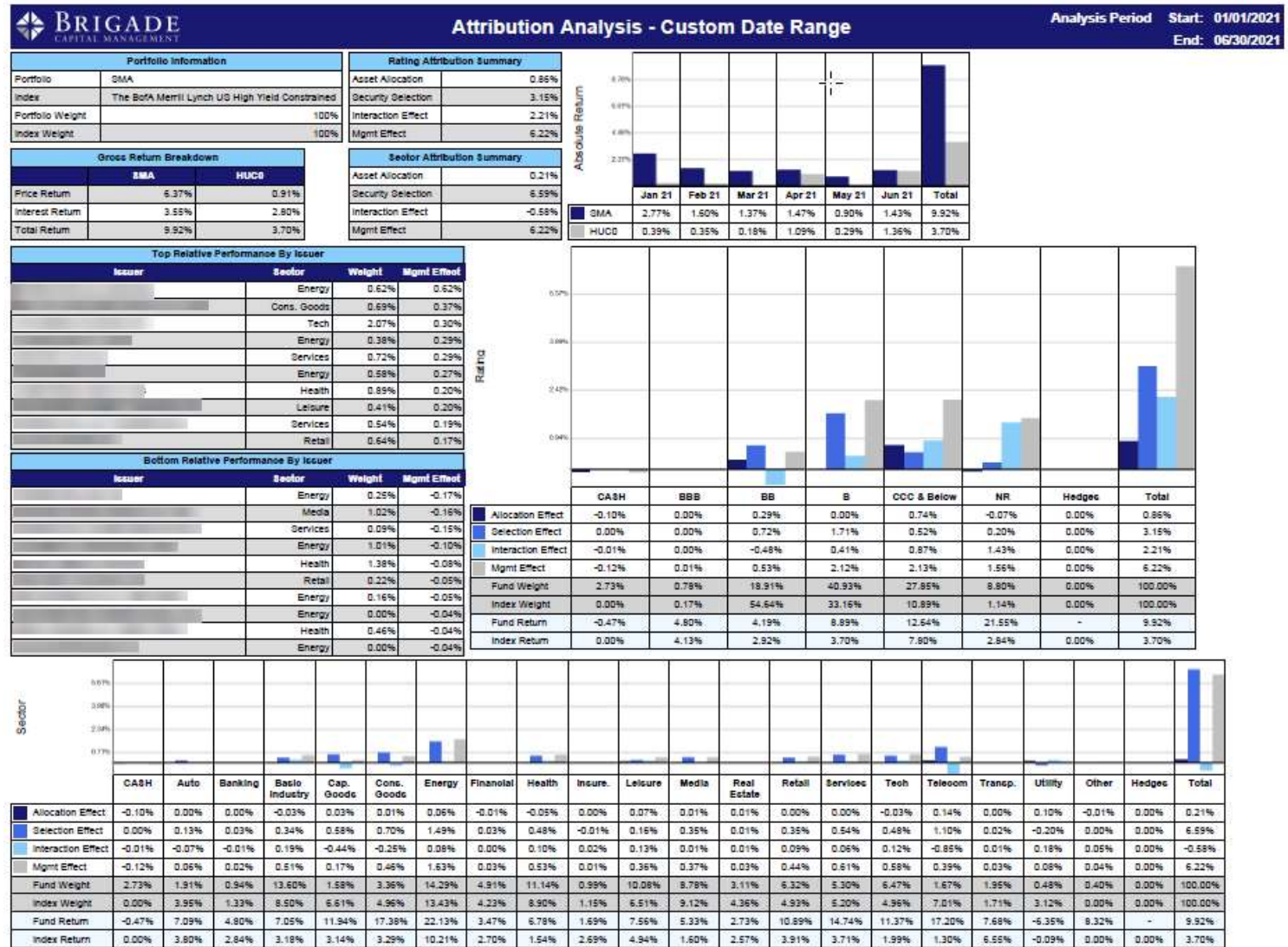
Risk Management: Culture and Controls

The Risk and Investment Committees meet regularly to discuss individual names and portfolio strategies

Calculate performance contribution across multiple risk/return categories including Issuer, Sector and Quality exposures

The Risk Committee monitors portfolio limits/guidelines, as well as portfolio risks through proprietary software and risk management

The Investment Committee meets to analyze portfolio risks at credit-specific and sector levels

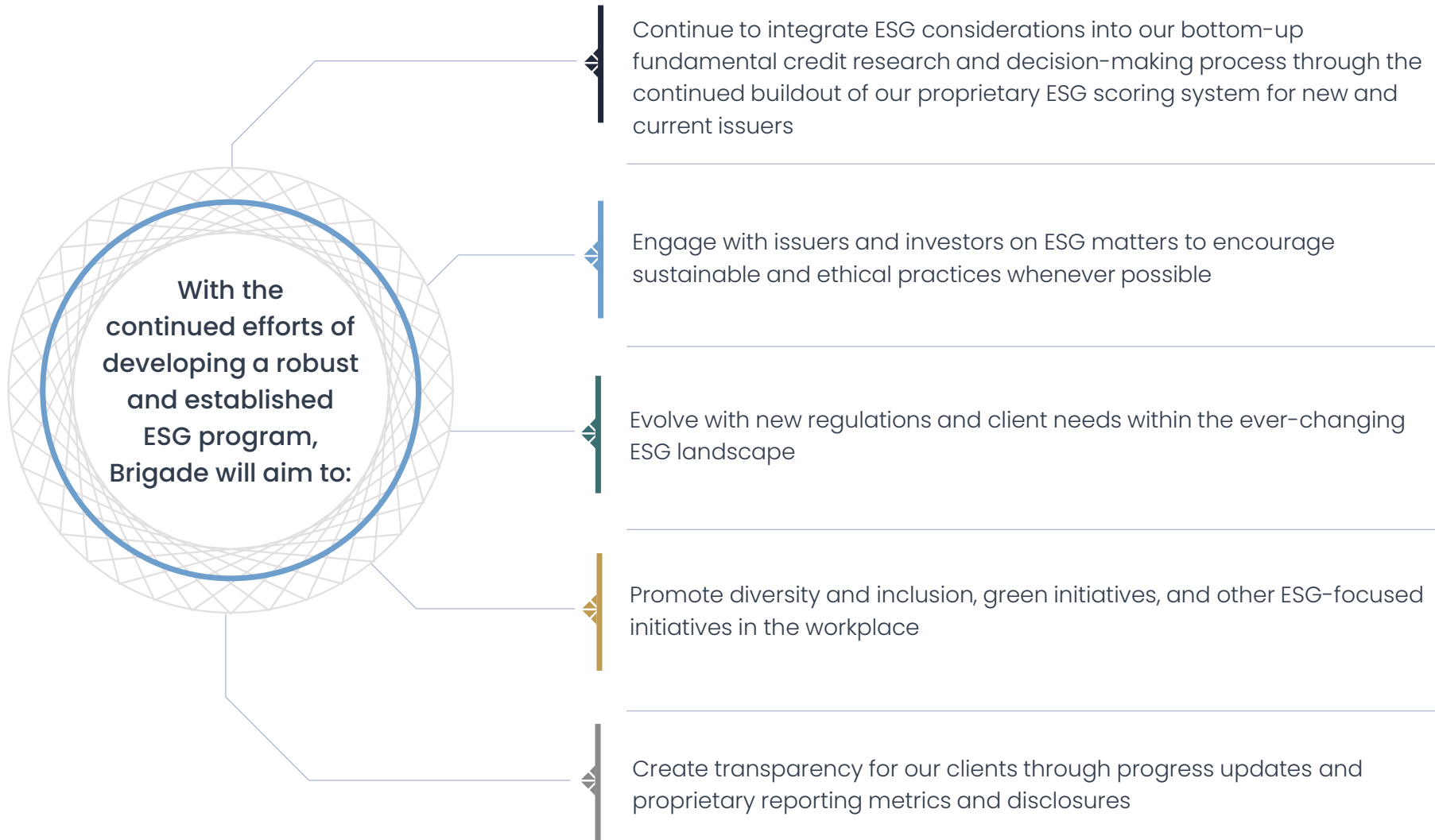


¹The YTD Attribution Analysis is provided to show an example of Brigade's proprietary portfolio monitoring tools and is not reflective of an actual account.

ESG and DEI Overview

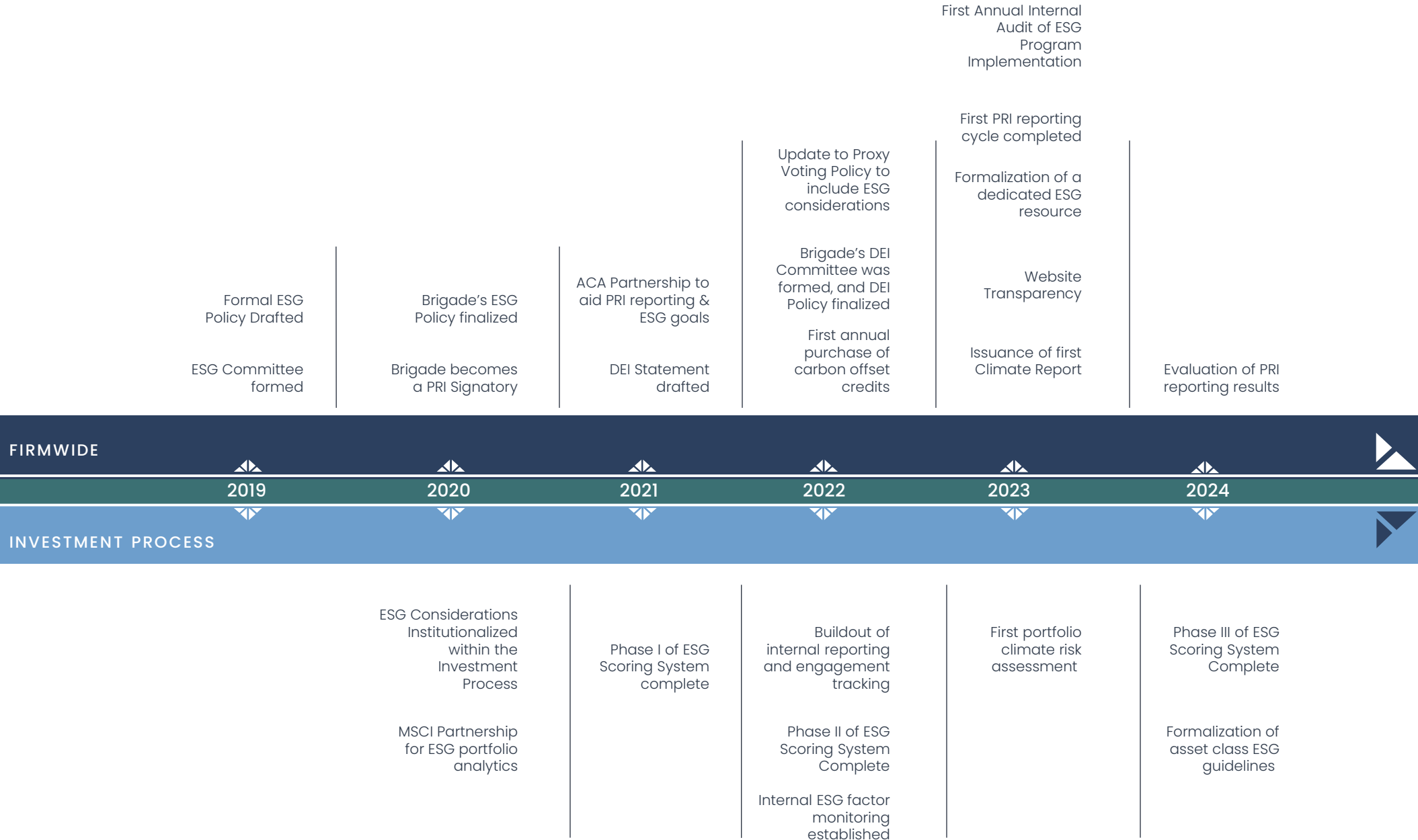
Brigade ESG Mission Statement

Brigade is committed to the consideration of environmental, social and governance (“ESG”) issues and the impact it has on our clients’ investments and our business. We believe that ESG considerations are an integral part of our fiduciary and ethical responsibility and will help us evaluate material risks and opportunities.



ESG Timeline

ESG considerations have been informally built into our investment process since the founding of Brigade in 2006. Our formal ESG program has become a primary focus since 2019.



Diversity, Equity and Inclusion

At Brigade, fostering diversity and inclusion is a core value. We are deeply committed to attracting, retaining, and promoting individuals from diverse backgrounds and with diverse experiences. We believe such an approach leads to broader perspectives, superior outcomes for the companies in which we invest and the communities they serve, while generating a positive, lasting impact on our business.

Brigade's DEI Committee was formed in 2022 and is comprised of 16 professionals representing all levels and areas of the organization. The Committee is tasked with implementing the below priorities.

FOSTERING AN INCLUSIVE ENVIRONMENT FIRM-WIDE.

Brigade launched BWIN, our Women's Network aimed at developing, empowering, recruiting, and retaining women at the firm through training, internal and external networking opportunities, and recruitment efforts. Brigade also launched BPRIDE, a network for the firm's LGBTQ+ employees and allies. Brigade provides inclusive benefits offerings (paid parental leave, fertility, adoption and surrogacy assistance.)

ENHANCING COMMUNITY INVOLVEMENT.

Brigade volunteers within the local community and encourages employees to volunteer and donate to causes both locally and to macro causes. As a firm, Brigade is involved with various charities such as University Settlement and City Harvest.

RECRUITING, INVESTING IN, AND PROMOTING EMPLOYEES FROM ALL BACKGROUNDS.

Brigade engages with community organizations targeted at educating students and young professionals of historically underrepresented ethnic and socioeconomic backgrounds, including Cristo Rey High School and All Star Code. This includes educational programming, access to Brigade's leaders, and internship opportunities.



AllStarCode*



Market Outlook

Market Environment

As of
1Q 2025

While the economy has remained strong, uncertainties have not diminished: inflation remains above target and the Federal Reserve's interest rate path is unclear following a series of front-loaded cuts.

Additionally, as we prepare for the transition to the incoming administration, **the market is optimistic on the planned pro-business and anti-regulation policies; however, it is not yet clear how policies will be implemented.**

Brigade's Current Views

With this backdrop in mind, we remain steadfast in maintaining the core themes of managing the portfolio that led to a successful 2024 across Brigade's investment platform.

With spreads at historically tight levels and the market pricing risk to a point where most upside scenarios are baked in, we are continuing to look for **one-off, catalyst driven investment ideas** within stressed pockets of the leveraged finance markets that **offer outsized risk-adjusted returns**.

Concurrently, as positions that fit this theme that we have invested in over the past 18-24 months reach price targets, we are **rotating the proceeds up in quality and into a larger quantity of issuers** in order to **earn solid all-in yields** and increase diversification while waiting for further opportunities to present themselves.

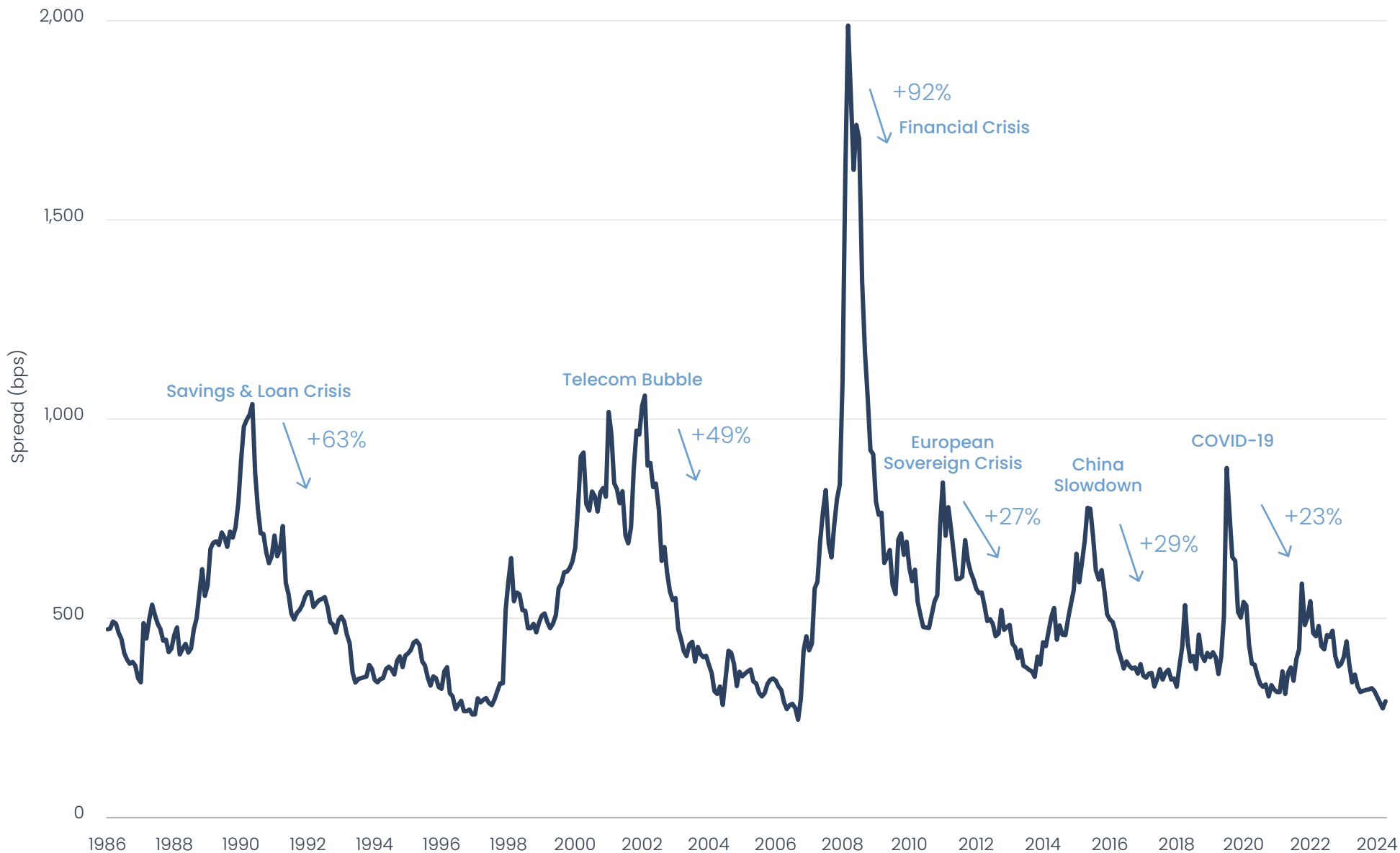
As always, **capital preservation** remains a core facet of Brigade's active research process over the course of the credit cycle.

We are excited about the opportunities that we expect to be offered in the new year and are confident we are positioned properly to be nimble and capitalize on opportunities that will help **generate excess returns while minimizing downside risk**.

Market Environment: Material spread widening creates significant opportunity

Strong total return potential following spread peak (arrows show cumulative 24-month return).

ICE BOFA HY SPREAD (H0A0), 1986 - 2024

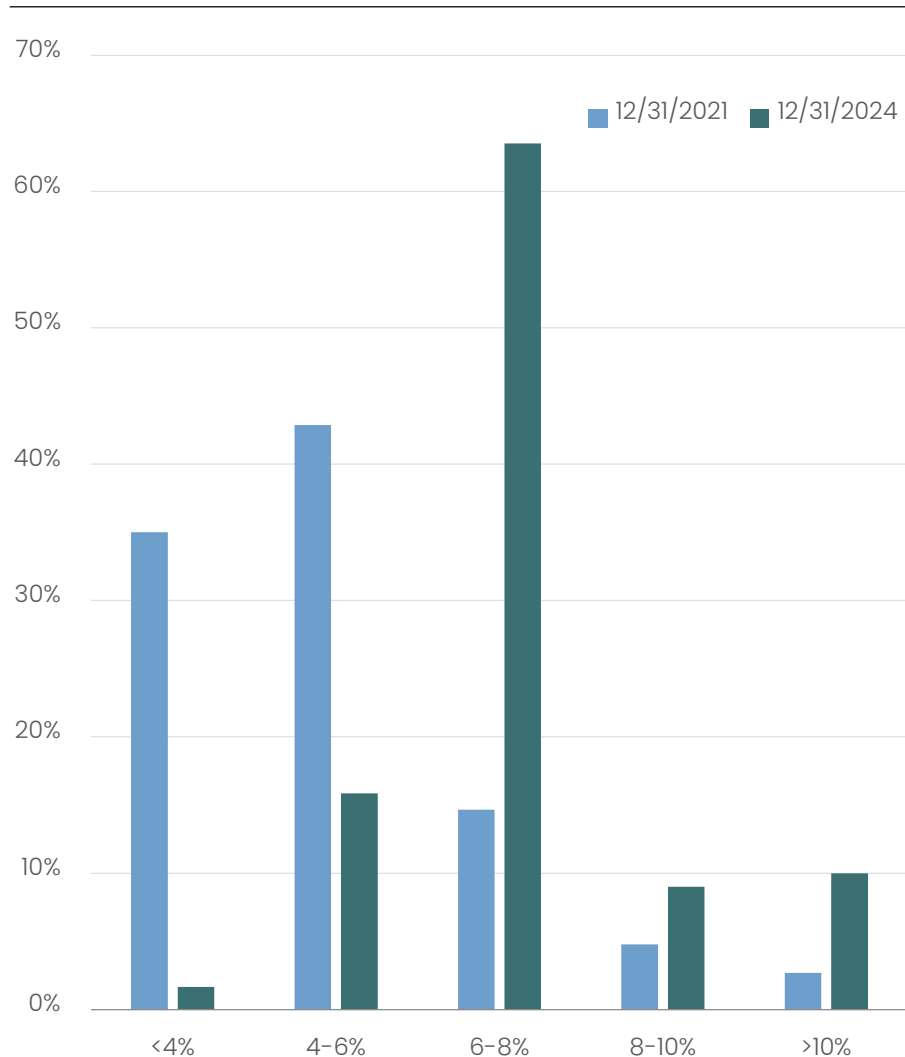


Source: ICE BofA as of 12/31/2024.

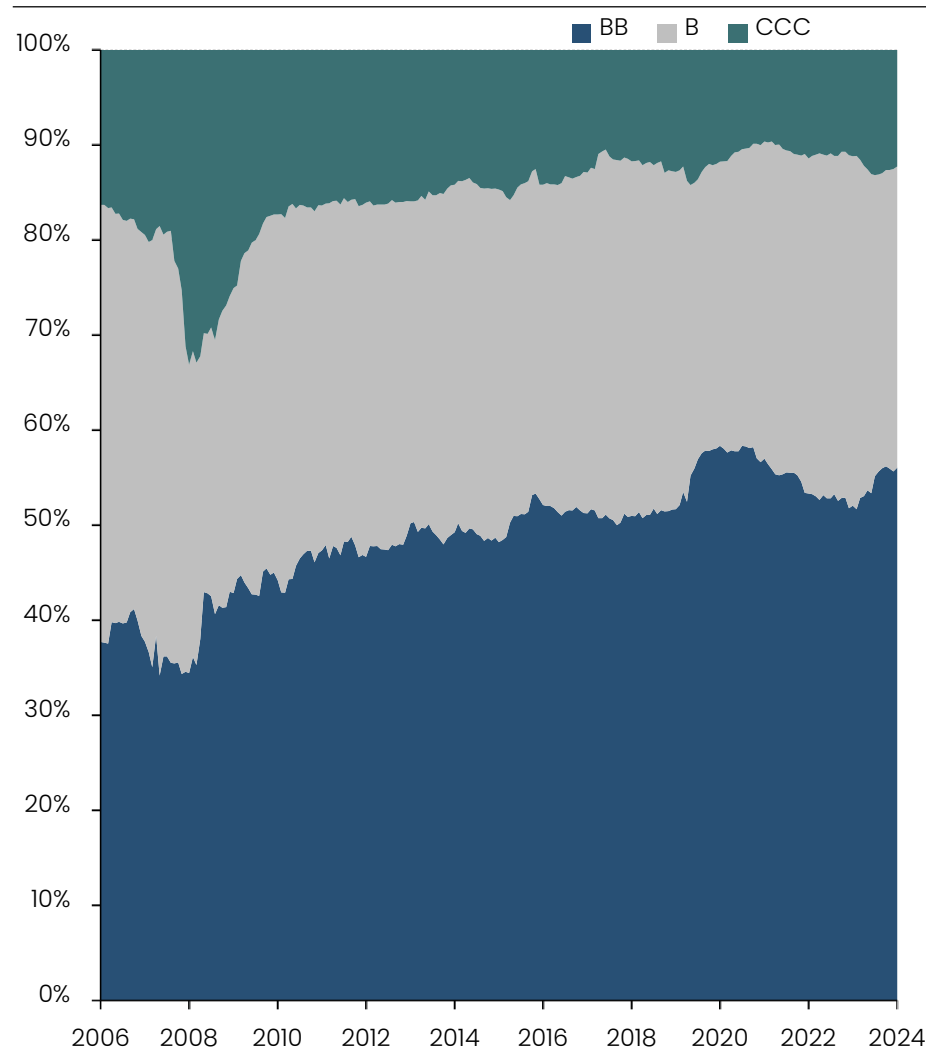
Market Environment: Increased yield and quality across high yield

We believe the move higher in all-in yields coinciding with heightening credit quality within the asset class is providing attractive single name alpha opportunities in mispriced higher rated securities.

YIELD DISTRIBUTION FOR ICE BOFA U.S. HIGH YIELD CONSTRAINED INDEX¹



RATINGS BREAKDOWN FOR ICE BOFA U.S. HIGH YIELD CONSTRAINED INDEX²



¹Source: Bloomberg, as of 12/31/2024.

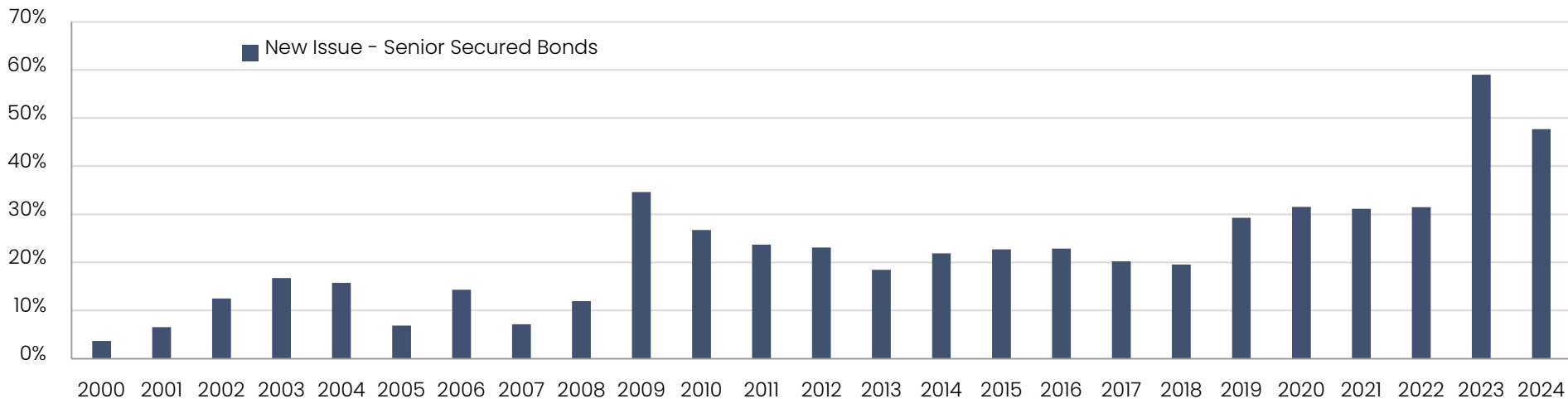
²Source: BofAML High Yield Strategy, HY Credit Chart book, January 2, 2025. All data as of December 31, 2024.

Any projections or outlooks contained herein should not be construed to be indicative of the actual events which will occur. Such projections and outlooks are forward looking statements and are based on certain assumptions, and other events which were not taken into account may occur and significantly affect the returns or performance of the funds/accounts.

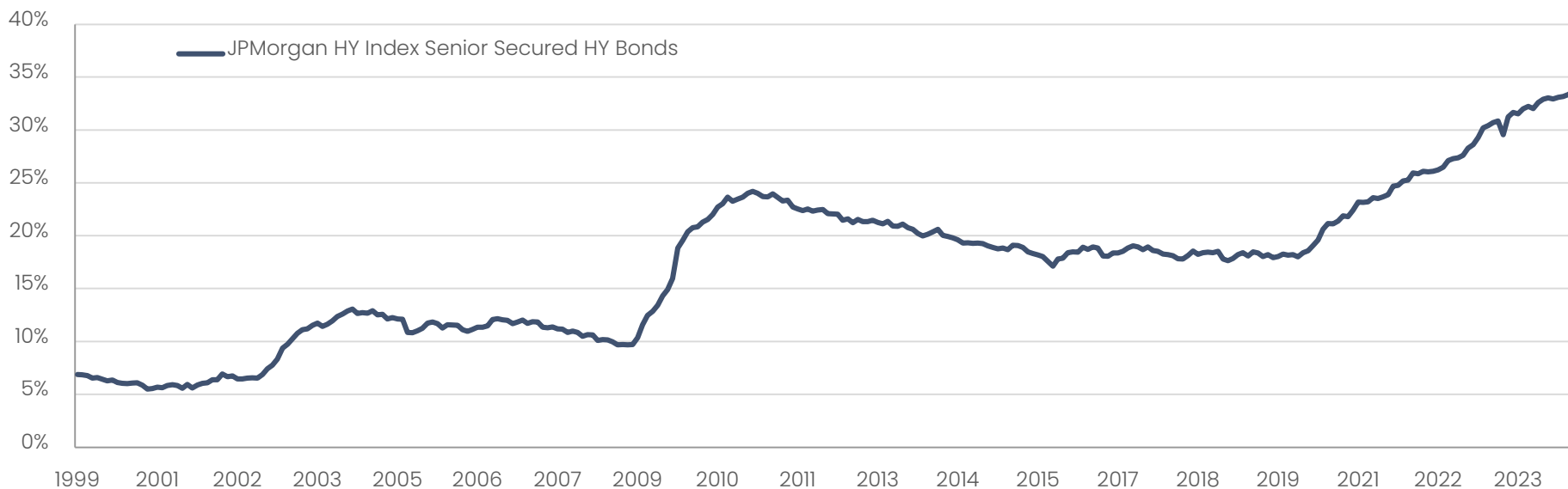
Market Environment: The high yield market's shift towards secured bonds

The increasing secured nature of the market allows for an additional margin of safety

JP MORGAN HY INDEX – PERCENTAGE OF NEW ISSUES THAT ARE SENIOR SECURED



JP MORGAN HY INDEX SENIOR SECURED HIGH YIELD BOND EXPOSURE



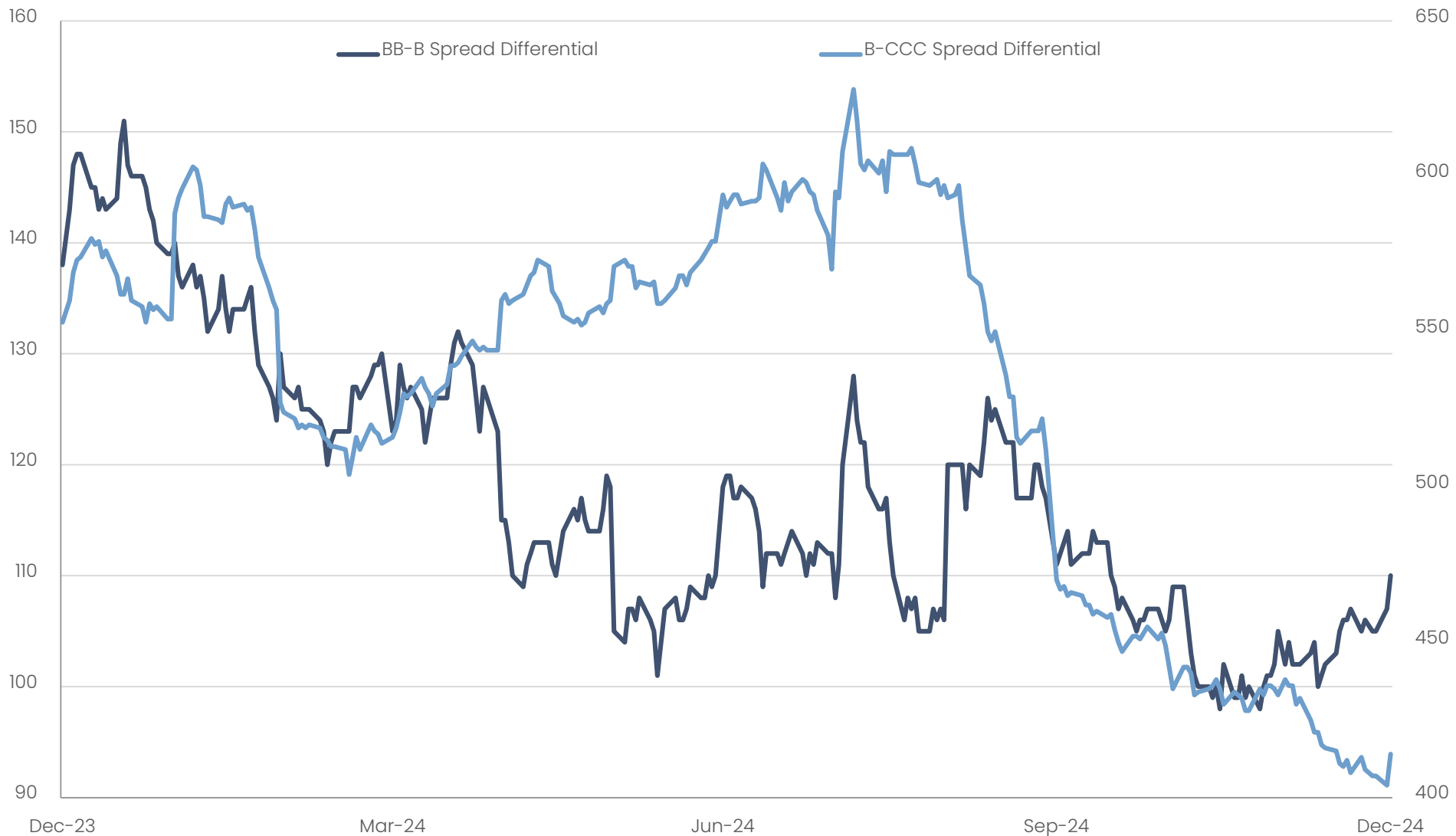
Source: JP Morgan, as of 12/31/2024.

Any projections or outlooks contained herein should not be construed to be indicative of the actual events which will occur. Such projections and outlooks are forward looking statements and are based on certain assumptions, and other events which were not taken into account may occur and significantly affect the returns or performance of the funds/accounts.

Market Environment: Moving up in quality within high yield

As the lower-rated high yield market outperformed throughout 2024, spreads and yields have compressed across ratings cohorts, leading to opportunities higher up in quality.

SPREAD DIFFERENTIAL BY RATINGS PAIRS - 2024¹



¹Source: Bloomberg, as of 12/31/2024.

Historical Returns

Brigade High Yield Fund LP Performance

BRIGADE HIGH YIELD FUND LP NET RETURNS (AS OF 1/25)¹

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD	ICE BofA HY INDEX ⁴
2025	1.56%												1.56%	1.38%
2024	0.73%	0.79%	0.91%	-2.06%	1.38%	1.30%	2.53%	1.59%	2.03%	0.10%	0.91%	-0.55%	10.01%	8.20%
2023	4.35%	-0.31%	-1.00%	0.72%	0.33%	1.57%	2.09%	0.70%	-0.99%	-1.98%	3.20%	3.18%	12.29%	13.47%
2022	-1.54%	-0.60%	-0.83%	-3.02%	-1.45%	-6.04%	3.74%	-1.97%	-3.99%	1.05%	1.53%	-1.59%	-14.09%	-11.21%
2021	1.26%	1.01%	0.54%	1.22%	0.50%	1.26%	-0.10%	0.50%	0.33%	0.17%	-1.11%	1.87%	7.69%	5.35%
2020	-	-	-	-	-	-	-0.02% ²	1.49%	-0.61%	0.69%	4.77%	2.29%	8.82%	7.77% ²

¹Brigade High Yield Fund LP (the "BHY Fund") is an onshore feeder fund in a "master-feeder" fund structure. The above net returns are shown at such feeder fund level and are net of incentive compensation, management fees, and expenses. The 2020-2023 returns were prepared based on audited financial statements. The 2024-2025 returns were prepared based on unaudited estimates and are subject to change. The returns presented are indicative of the returns on an investment made at the BHY Fund's inception (July 22, 2020), assume the reinvestment of all earnings, and include both realized and unrealized gains and losses. As of February 1, 2025, the BHY Fund had approximately \$876 million in assets under management. There can be no guarantee that the BHY Fund's investment objective will be achieved or that the BHY Fund will not suffer losses.

²The BHY Fund launched July 22, 2020. As a result, both the BHY Fund and Index returns reflect a partial month return for July 31, 2020.

³This benchmark reflects the ICE BofA High Yield Constrained Index ("ICE BofA HY Index"). The ICE BofA HY Index tracks the performance of high yield corporate bonds. Please note that it is not intended to imply that the portfolio was similar to any index in composition, diversification, volatility or element of risk. Comparison of a fund/account's performance to benchmark returns has limitations because indexes have volatility and other material characteristics that may differ from the fund/account. Performance information for all portfolios that make up the Composite for the Strategy is available on request.

Brigade U.S. High Yield Composite Performance

BRIGADE U.S. HIGH YIELD COMPOSITE NET RETURNS (AS OF 1/25)¹

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD	ICE BofA HY INDEX ²
2025	1.57%												1.57%	1.38%
2024	0.75%	0.69%	0.68%	-1.96%	1.27%	1.41%	2.47%	1.57%	2.22%	0.14%	0.95%	-0.47%	10.08%	8.20%
2023	4.45%	-0.70%	-0.70%	1.03%	-0.14%	1.65%	2.12%	0.33%	-1.13%	-1.99%	3.63%	3.45%	12.42%	13.47%
2022	-1.52%	-0.58%	-0.63%	-3.04%	-1.27%	-6.20%	3.98%	-2.27%	-3.97%	1.21%	1.56%	-1.67%	-13.83%	-11.21%
2021	2.12%	1.33%	1.18%	1.35%	0.68%	1.24%	-0.23%	0.63%	0.72%	0.27%	-1.05%	1.86%	10.54%	5.35%
2020	0.48%	-1.67%	-15.09%	2.25%	4.82%	2.91%	4.26%	2.04%	-0.41%	0.78%	4.76%	2.49%	6.08%	6.07%
2019	3.49%	2.15%	0.61%	2.42%	-1.42%	1.72%	0.35%	-0.29%	0.75%	0.38%	0.10%	2.87%	13.85%	14.41%
2018	1.10%	-1.02%	-0.47%	0.52%	0.44%	0.79%	1.48%	0.41%	0.90%	-1.82%	-1.49%	-3.12%	-2.36%	-2.27%
2017	1.73%	2.01%	-0.22%	0.94%	1.07%	0.43%	1.18%	-0.38%	0.84%	0.17%	-0.60%	0.43%	7.82%	7.48%
2016	-1.39%	0.35%	5.50%	5.03%	0.84%	1.85%	3.02%	2.91%	1.10%	0.16%	-0.33%	2.43%	23.43%	17.49%
2015	0.96%	2.67%	-0.32%	1.34%	0.50%	-1.81%	-0.93%	-1.79%	-2.78%	1.66%	-3.58%	-3.47%	-7.52%	-4.61%
2014	0.78%	1.62%	0.60%	1.21%	1.31%	1.30%	-1.12%	1.34%	-2.53%	0.28%	-0.48%	-1.84%	2.39%	2.51%
2013	1.38%	0.59%	1.16%	1.63%	-0.12%	-2.85%	1.41%	-0.51%	1.47%	1.94%	0.63%	0.38%	7.25%	7.41%
2012	2.54%	2.05%	0.23%	1.17%	-0.86%	1.54%	1.89%	1.47%	1.48%	0.77%	0.75%	1.72%	15.72%	15.55%
2011	2.22%	1.23%	0.34%	1.29%	0.47%	-0.26%	1.26%	-3.14%	-1.46%	3.63%	-0.80%	2.00%	6.79%	4.37%
2010	1.37%	0.23%	2.90%	1.84%	-3.31%	1.10%	3.06%	0.45%	2.71%	2.48%	-0.83%	1.24%	13.86%	15.07%
2009				12.84%	7.41%	3.52%	6.01%	2.49%	5.54%	2.27%	1.28%	2.64%	52.96%	49.84%

COMPOSITE RETURNS

	1 YEAR	3 YEAR	5 YEAR	7 YEAR	10 YEAR	ITD ¹
Composite (Net)	10.98%	3.22%	4.79%	4.88%	5.58%	9.33%
ICE BofA HY Index ²	9.67%	4.35%	4.31%	4.62%	5.15%	8.81%

¹The Brigade U.S. High Yield Composite Net Returns reflect the net weighted-average monthly returns based on an aggregation of accounts that follow a similar investment strategy and these performance figures are net of all fees and expenses. Accounts within the Composite are subject to asset based management fees and will incur administrative/operating expenses; these fees and expenses will significantly reduce the returns of an actual account due to compounding and other effects. The fees charged to accounts within the Composite may vary depending on a number of factors, and information regarding the range of fees charged is included in Brigade's Form ADV Part 2A, which should be carefully reviewed before making an investment. All returns herein reflect the reinvestment of all earnings, and include both realized and unrealized gains and losses. In addition, these returns were prepared by Brigade and are unaudited. As of February 1, 2025, the Composite had approximately \$5.2 billion in assets under management. There can be no guarantee that an account's investment objective will be achieved or that an account will not suffer losses.

²This benchmark reflects the ICE BofA High Yield Constrained Index ("ICE BofA HY Index"). The ICE BofA HY Index tracks the performance of high yield corporate bonds. Please note that it is not intended to imply that the portfolio was similar to any index in composition, diversification, volatility or element of risk. Comparison of a fund/account's performance to benchmark returns has limitations because indexes have volatility and other material characteristics that may differ from the fund/account. Performance information for all portfolios that make up the Composite is available on request. Please contact Brigade for performance information for the portfolios making up the Composite.

Appendix

Appendix: Brigade High Yield Fund Term Sheet

INVESTMENT TERMS

Minimum Investment:	\$5,000,000 (subject to reduction)
Subscriptions:	Monthly, first day of the month
Withdrawals:	Monthly, with 15 days' notice
Management Fee:	0.50% for Standard Investors (0.30% for Meketa Relationships)
Incentive Compensation:	N/A
Client Transfers:	Transfer by clients not considered redemption assuming no beneficial change in ownership
Client Service:	Monthly account statement Monthly newsletter Monthly transparency (provided on a 30-day lag)

SERVICE PROVIDERS

Investment Adviser:	Brigade Capital Management, LP
Investment Fund:	Brigade High Yield Fund LP Brigade High Yield Offshore Fund Ltd. (To be formed at a future date)
Legal Counsel:	Seward & Kissel, LLP (Domestic) Ogier (Offshore)
Accounting/Auditor:	Ernst & Young LLP
Prime Brokers/ Custodians:	Goldman Sachs BNY Mellon JP Morgan
Administrator:	SS&C Technologies, Inc.

Appendix: Presenter Biographies

DOUG PARDON

Partner / Co-Chief Investment
Officer / Portfolio Manager

Mr. Pardon is Co-Chief Investment Officer and Portfolio Manager for the High Yield, Bank Loans, and Opportunistic Credit strategies. Mr. Pardon is a member of Brigade's Investment and Management Committees and chairs the firm's ESG Committee. Mr. Pardon joined Brigade in early 2007 as a senior analyst covering the retail, gaming, and leisure sectors and was promoted to head the High Yield Research Team in 2012, then Head of Corporate Credit in 2021. Prior to joining Brigade, Mr. Pardon was a Vice President/Senior Analyst in the High Yield Group at Lehman Brothers Asset Management. His sectors of responsibility included the healthcare, gaming/lodging/leisure, retail, consumer products, food/drug/tobacco and the services industries. Mr. Pardon also served as an Analyst in the Mergers and Acquisitions Group at Merrill Lynch & Co. Mr. Pardon received a BBA in Finance with a minor in Accounting, magna cum laude, from the University of Notre Dame's Mendoza College of Business.

SPENCER ROUSE

Vice President / Marketing

Mr. Rouse is a Vice President on the Marketing Team, focused on building and maintaining relationships with institutional investors and consultants in North America. Prior to joining Brigade in 2022, Mr. Rouse worked at Schroders Investment Management on their US Consultant Relations Team, where he was responsible for the coverage of US based investment consulting firms. Mr. Rouse is a graduate of Lafayette College where he received a BA in both Economics and Policy Studies.

Appendix: Brigade U.S. High Yield Composite GIPS Disclosure

BRIGADE CAPITAL MANAGEMENT U.S. HIGH YIELD COMPOSITE (APRIL 1, 2009 THROUGH DECEMBER 31, 2023)

YEAR	GROSS-OF FEES RETURN (%)**	NET-OF FEES RETURN (%)**	BENCHMARK RETURN (%)	COMPOSITE 3-YR ANN. EX-POST STANDARD DEVIATION (%)	BENCHMARK 3-YR ANN. EX-POST STANDARD DEVIATION (%)	NUMBER OF PORTFOLIOS	INTERNAL DISPERSION (%)*	TOTAL COMPOSITE ASSETS (USD MM)	TOTAL FIRM ASSETS (USD MM)
March 1, 2009 (inception of Composite) to December 31, 2009	53.30	52.96	49.84			5 or less	N/A	\$753.1	\$5,868.5
2010	14.21	13.86	15.07			5 or less	N/A	\$886.5	\$7,586.4
2011	7.13	6.79	4.37			5 or less	N/A	\$927.6	\$8,099.0
2012	16.09	15.72	15.55	5.39	7.12	5 or less	N/A	\$1,006.2	\$12,406.9
2013	7.57	7.25	7.41	4.81	6.52	5 or less	N/A	\$1,247.0	\$15,394.3
2014	2.71	2.39	2.51	4.36	4.50	5 or less	N/A	\$1,257.4	\$16,866.7
2015	(7.23)	(7.52)	(4.61)	5.80	5.34	5 or less	N/A	\$1,224.1	\$15,589.4
2016	23.82	23.43	17.49	7.26	6.10	5 or less	N/A	\$1,608.9	\$18,128.8
2017	8.18	7.82	7.48	6.90	5.67	6	N/A	\$1,870.5	\$19,172.0
2018	(2.03)	(2.36)	(2.27)	5.90	4.70	7	0.43	\$1,681.4	\$20,028.6
2019	14.22	13.85	14.41	4.59	4.19	7	0.17	\$2,164.5	\$26,594.2
2020	6.46	6.08	6.07	11.48	9.51	9	1.20	\$3,146.6	\$29,624.6
2021	10.98	10.54	5.35	10.91	9.27	16	1.68	\$5,566.7	\$30,148.5
2022	(13.52)	(13.83)	(11.21)	12.17	11.25	14	0.55	\$4,254.2	\$25,116.1
2023	12.80	12.41	13.47	7.65	8.45	14	0.60	\$4,822.3	\$26,325.7

* Internal Dispersion is not calculated for composites with five or fewer portfolios for the full year.

** Not annualized for the period April 1, 2009 (inception of Composite) to December 31, 2009.

Brigade Capital Management, LP claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. Brigade Capital Management, LP has been independently verified for the periods January 1, 2007 through December 31, 2023. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Brigade Capital U.S. High Yield Composite has had a performance examination for the periods April 1, 2009 through December 31, 2023. The verification and performance examination reports are available upon request.

GIPS® is a registered trademark with the CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Firm: Brigade Capital Management, LP ("Brigade"), a Delaware limited partnership established in 2007, provides discretionary investment advisory services, and is registered as an Investment Advisor with the Securities and Exchange Commission since February, 2009. Brigade Capital Management, LP and subsidiaries (the "Firm") seek to attain superior risk-adjusted returns through diversified portfolios of debt and equity securities of leveraged companies with a strong focus on capital preservation.

Additional information regarding the Firm's policies and procedures for calculating and reporting performance results and the Firm's valuation policy are available upon request.

Composite: Brigade U.S. High Yield Composite: The Composite reflects a long-only strategy investing predominately in high-yield fixed income securities denominated in USD, publicly issued in the U.S. market and rated below investment grade. The strategy will primarily use corporate bonds and debentures, bank loans, convertible and preferred securities and zero coupon obligations to maximize total return. Given the nature of the fixed income investments within the strategy, accounts within the Composite are predominantly subject to the credit risk of issuers. Credit risk is the possibility of a loss resulting from a borrower's failure to repay a loan or meet contractual obligations. The strategy seeks long-term growth of capital through specific credit selection and rotation with a strong focus on capital preservation. This Composite will not employ leverage. The calculation of the Composite's return will take into consideration the impact of large cash flows. Accounts with monthly capital inflows between 25% and 65% of the account's previous net asset value will also be excluded from the multi-account Composites for at least the following 30 days (rounding to the nearest month) to reflect the time it takes to invest new assets. Similarly, accounts with monthly capital inflows greater than 65% of the account's previous net asset value will be excluded from the multi-account Composites for at least the following 60 days (rounding to the nearest month). To the extent the account is not substantially invested after 60 days, Brigade may elect to extend the period until the account is substantially invested in the strategy. Likewise, to the extent an account is deemed substantially invested, Brigade may elect to include the account in the Composite return sooner than the 30 or 60 days, respectively. For accounts with subsequent net monthly capital outflows greater than 25% of the account's previous net asset value, the month of the redemption and/or the month(s) leading up to the redemption will be excluded from the multi-account Composite if that account's available cash balance is 15 percentage points higher than the account's average daily available cash balance (over the prior 12 months) for at least 10 business days of the month being measured. The creation year of the Composite was 2022 and inception date of the Composite was April 2009. A complete list and description of the Firm's Composites are available upon request.

Benchmark: The ICE BofA US High Yield Constrained Index (HUCO) tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of \$250 million. In addition, qualifying securities must have risk exposure to countries that are members of the FX-G10, Western Europe or territories of the US and Western Europe. The FX-G10 includes all Euro members, the US, Japan, the UK, Canada, Australia, New Zealand, Switzerland, Norway and Sweden. Original issue zero coupon bonds, 144a securities (both with and without registration rights), and pay-in-kind securities (including toggle notes) are included in the index. Callable perpetual securities are included provided they are at least one year from the first call date. Fixed-to-floating rate securities are included provided they are callable within the fixed rate period and are at least one year from the last call prior to the date the bond transitions from a fixed to a floating rate security. Contingent capital securities ("cocos") are excluded, but capital securities where conversion can be mandated by a regulatory authority, but which have no specified trigger, are included. Other hybrid capital securities, such as those issues that potentially convert into preference shares, those with both cumulative and non-cumulative coupon deferral provisions, and those with alternative coupon satisfaction mechanisms, are also included in the index. Securities issued or marketed primarily to retail investors, equity-linked securities, securities in legal default, hybrid securitized corporates, eurodollar bonds (USD securities not issued in the US domestic market), taxable and tax-exempt US municipal securities and \$1000 par preferred and DRD-eligible securities are excluded from the index.

External dispersion: The three-year annualized ex-post standard deviation measures the variability of the Composite and the benchmark returns over the preceding 36-month period. The external dispersion is not presented for 2009 through 2011 because thirty-six monthly Composite and benchmark returns were not available.

Internal dispersion: Internal dispersion is a measure of the variability of returns. As a measure of internal dispersion, standard deviation quantifies the distribution of the returns of the individual accounts within the Composite. Annual dispersion is calculated using an asset-weighted standard deviation for accounts included in the Composite for the entire year. Asset-weighted standard deviation is not meaningful when the Composite consisted of five or fewer portfolios throughout the entire calendar year presented.

Return Calculation: The Composite returns are calculated by asset-weighting the individual portfolio's periodic returns (i.e., monthly and daily, where applicable) using each account's beginning of month net asset value for those accounts with monthly liquidity and a weighted monthly net asset value for those accounts with intra-month liquidity. These asset-weighted returns are then geometrically linked to calculate the monthly and then annual aggregate Composite return. For any portfolio with intra-month liquidity, the returns are calculated as of each break period (to account for the intra-month cash flows). These break-periods are then geometrically linked to calculate the monthly return.

The Portfolio(s) in the Composite adhere to Brigade's Valuation Policy and the GIPS Valuation Principles. Gross returns assume the reinvestment of all earnings and include all unrealized and realized trading profit and loss as well as any other trading related income/expense. When applicable, gross returns are calculated net of non-reclaimable withholding taxes on income and capital gains (refer to the Withholding Tax disclosure for further detail). The net return is the gross return less any administrative/operating expenses, management fees and performance fees (if applicable), which are accrued for on a monthly basis.

Currency: Valuations are computed and performance reported in U.S. dollars.

Fees: Gross-of-fees performance returns are presented before administrative/operating expenses, and management fees (ranging from 0.30% to 0.55%), but after all trading expenses. The expense ratio for administrative/operating expenses for the commingled fund within this Composite is approximately 0.17%. Net-of-fees performance returns are calculated by deducting administrative/operating expenses, and actual management fees.

Withholding Taxes (if applicable): To the extent any accounts within the Composite receive U.S. Source Dividend Income, any withholding tax (of 30%) on those dividends are only allocated to offshore investors in those accounts. Additionally, interest and/or capital gains on certain non-U.S. investments may also be subject to a withholding tax (applicability and rate vary depending on jurisdiction of the issuer and/or the investment type). Likewise, to the extent any account is holding an investment through a corporate tax blocker, any corporate level tax will also be allocated to the account. All taxes are included in the Gross-of-Fees Return for each account and Composite.

Disclaimer: Actual performance results may differ from Composite returns, depending on the size of the account, investment guidelines and/or restrictions, inception data and other factors. As with any investment vehicle, there is always the potential for gains as well as the possibility of loss. Past performance should not be construed as an indicator of future performance. This is not an offering or the solicitation of an offer to purchase an interest. Any such offer or solicitation will be made to qualified investors only by means of a final offering memorandum and only in those jurisdictions where permitted by law. This presentation is for discussion purposes only. An investment in a fund in this Composite is speculative and involves a high degree of risk. Please contact Brigade for performance information of the portfolios that make up this composite. Opportunities for withdrawal and transferability of interests are restricted, so investors may not have access to capital when it is needed. The portfolio is under the sole trading authority of the investment manager. The fees and expenses charged in connection with this investment may be higher than the fees and expenses of other investment alternatives and may offset profits. There is no guarantee that the investment objective will be achieved.

The ICE BofA US High Yield Constrained Index tracks the performance of high yield corporate bonds. Comparison of the Composite's performance to benchmark returns has limitations because indexes have volatility and other material characteristics that may differ from the Composite. Furthermore, a fund in the Composite may hold substantially fewer positions than the ICE BofA US High Yield Constrained Index and certain or all of the securities held by the indexes may not be held by a fund in the Composite. Because of these differences, among others, these benchmarks should not be relied upon as an accurate measure of comparison.

Footnotes

SLIDE 13:

¹The case studies are presented for information purposes in order to present examples of Brigade's analytical methods and investment approaches in the credit space. This information should not be construed as a performance record or as an indicator of future performance results. The case studies should not be considered a recommendation to purchase or sell any particular security. There can be no assurance that any securities discussed herein remain in the portfolios of accounts managed by Brigade or if sold will not be repurchased. The securities discussed in this presentation do not represent the entire portfolio of the relevant accounts and in the aggregate represent only a small percentage of overall portfolio holdings in such accounts. Prospective investors should not assume that any of the holdings discussed in this presentation have been or will be profitable, or that recommendations made in the future will be profitable or will equal the investment performance of the securities discussed herein. The above reflects Brigade's opinion at the time of the presentation and is subject to change at any time without notice. Any securities discussed herein are not representative of the performance of all the securities in the Brigade Funds, but are merely a sample. Brigade has made numerous recommendations to the Brigade Funds in the past year, and only a small number of those recommendations are discussed herein. As a result, you will not be able to determine the context in which any specific recommendation referred to herein was made or make any inference or assessment with regard to all the investment recommendations made by the investment manager. In particular, it should not be assumed that recommendations made in the future will equal the performance of the investments discussed herein. Contact Brigade if you would like information on recommendations not discussed herein.

²Based on fiscal year 1Q24 financials

³Based on data as of 12/31/2024, Source: Bloomberg

⁴This benchmark reflects the ICE BofA US High Yield Index ("ICE BofA HY Index") or a sector that is a subset of the ICE BofA HY Index. The index information is included to show the general trend in the high yield or a sector of the high yield markets in the periods indicated and is not intended to imply that the fund/account's portfolio was similar to the index in composition, diversification, volatility or element of risk. The fund/account may hold substantially fewer positions than the ICE BofA HY Index and certain or all of the securities held by such index may not be held by the fund/account. Due to such differences, among others, indexes should not be relied upon as an accurate measure of comparison.

Disclaimer

THE DESCRIPTION OF PAST TRADES OF A REPRESENTATIVE ACCOUNT IN BRIGADE'S HIGH YIELD STRATEGY (THE "STRATEGY") IS PRESENTED FOR INFORMATIONAL PURPOSES IN ORDER TO PRESENT EXAMPLES OF BRIGADE'S ANALYTICAL METHODS AND INVESTMENT APPROACHES IN THIS STRATEGY. THIS INFORMATION SHOULD NOT BE CONSTRUED AS A PERFORMANCE RECORD OR AS AN INDICATOR OF FUTURE PERFORMANCE RESULTS. THE DESCRIPTION OF PAST TRADES SHOULD NOT BE CONSIDERED A RECOMMENDATION TO PURCHASE OR SELL ANY PARTICULAR SECURITY. THE SECURITIES DISCUSSED HEREIN DO NOT REPRESENT THE ENTIRE PORTFOLIO OF THE REPRESENTATIVE ACCOUNT AND IN THE AGGREGATE REPRESENT ONLY A SMALL PERCENTAGE OF OVERALL PORTFOLIO HOLDINGS THEREIN. PROSPECTIVE INVESTORS SHOULD NOT ASSUME THAT ANY OF THE SECURITIES DISCUSSED HEREIN HAVE BEEN OR WILL BE PROFITABLE, OR THAT RECOMMENDATIONS MADE IN THE FUTURE WILL BE PROFITABLE OR WILL EQUAL THE INVESTMENT PERFORMANCE OF THE SECURITIES DISCUSSED HEREIN. THE HISTORICAL PORTFOLIO CONSTRUCTION AND RISK CHARACTERISTICS SHOULD NOT BE VIEWED AS AN INDICATION THAT FUTURE CONSTRUCTION OR CHARACTERISTICS WILL REMAIN THE SAME. BRIGADE MAY MODIFY THE REPRESENTATIVE ACCOUNT'S PORTFOLIO CONSTRUCTION AND RISK CHARACTERISTICS AT ANY TIME AND IN ANY MANNER THAT IT BELIEVES IS CONSISTENT WITH THE REPRESENTATIVE ACCOUNT'S INVESTMENT OBJECTIVE, IN RESPONSE TO MARKET CONDITIONS OR OTHER FACTORS, WITHOUT NOTICE TO INVESTORS. THERE CAN BE NO ASSURANCE THAT A PARTICULAR PORTFOLIO WOULD HAVE TAKEN OR WILL TAKE POSITIONS SIMILAR TO THOSE TAKEN BY THE REPRESENTATIVE ACCOUNT. NO REPRESENTATION IS BEING MADE THAT A PORTFOLIO WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN HEREIN.

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EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: March 20, 2025

MEMO TO: Members of the Retirement Board

FROM: Sophia D. Skoda, Director of Finance 

SUBJECT: Meketa Performance and Economic Review

SUMMARY

Under section III, part D of the Retirement System's Statement of Investment Policy and Procedures (the Investment Policy), the Retirement System's investment consultant is required to present quarterly performance reports to the Retirement Board. The attached report from the Retirement System's investment consultant, Meketa, provides information on portfolio performance through the fourth quarter of 2024.

DISCUSSION

The Retirement System's portfolio had a market value of \$2.6 billion as of December 31, 2024 – down \$24.4 million from the end of the third quarter. The portfolio return was -1.1 percent for the fourth quarter. Over a one-year period, the portfolio return was 12.0 percent, just below the total plan benchmark return of 12.2 percent. The portfolio return remains above the plan benchmark by 0.3 percent over a 10-year period.

SDS:SGL

Attachment: Performance Report

East Bay Municipal Utility District Employees' Retirement System

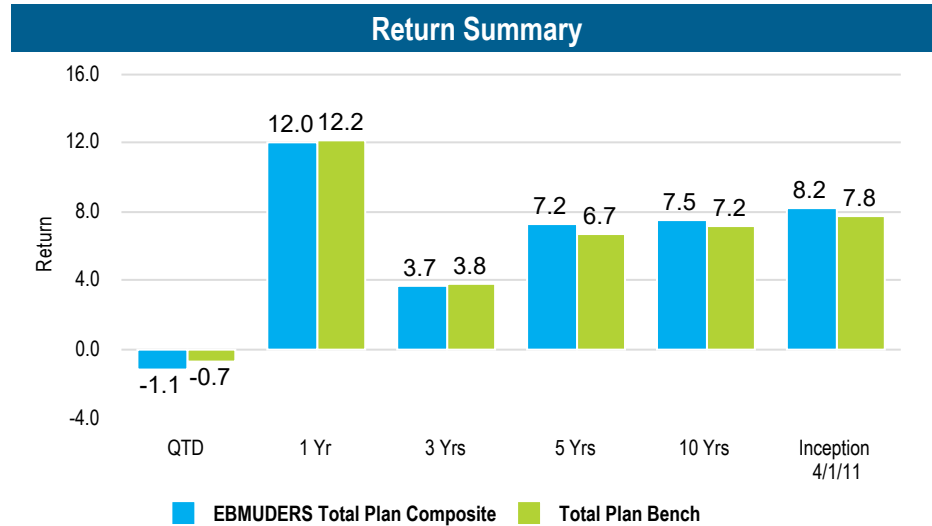
March 20, 2025

Q4 2024 Performance Report

1. Introduction
2. Economic and Market Update as of January 31, 2025
3. Fourth Quarter Performance Review
4. Gross Performance Update as of January 31, 2025
5. Manager Watch Screens
6. Manager Compliance Certification Responses
7. Appendix

Introduction

EBMUDERS Total Plan Composite | As of December 31, 2024



	QTD	1 Yr
EBMUDERS Total Plan Composite		
Beginning Market Value	\$2,656,881,374	\$2,360,015,381
Net Cash Flow	\$4,412,526	-\$11,849,208
Net Investment Change	-\$28,819,872	\$284,307,855
Ending Market Value	\$2,632,474,028	\$2,632,474,028

	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	20 Yrs (%)
EBMUDERS Total Plan Composite - Net	-1.1	12.0	3.7	7.2	7.5	--
EBMUDERS Total Plan Composite - Gross	-1.1	12.1	3.8	7.4	7.7	7.6
<i>Total Plan Bench</i>	-0.7	12.2	3.8	6.7	7.2	7.2
InvMetrics Public DB > \$1B Median	-0.8	9.1	2.9	7.0	7.1	7.1

Historical net returns for the Total Portfolio Aggregate are currently available from 2Q 2011.

EBMUDERS | As of December 31, 2024

	Market Value \$	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
EBMUDERS Total Plan Composite	2,632,474,028	100.0	-1.1	12.0	3.7	7.2	7.5	8.2	Apr-11
<i>Total Plan Bench</i>			<i>-0.7</i>	<i>12.2</i>	<i>3.8</i>	<i>6.7</i>	<i>7.2</i>	<i>7.8</i>	
US Equity Composite	1,018,912,698	38.7	2.6	23.8	8.0	13.8	12.7	13.1	Apr-11
<i>Russell 3000 Hybrid</i>			<i>2.6</i>	<i>23.8</i>	<i>8.0</i>	<i>13.9</i>	<i>12.5</i>	<i>13.1</i>	
Non-US Equity Composite	608,707,946	23.1	-7.5	5.7	1.1	4.4	4.6	6.1	Jul-95
<i>MSCI ACWI xUS (blend)</i>			<i>-7.5</i>	<i>6.1</i>	<i>1.3</i>	<i>4.6</i>	<i>5.3</i>	<i>5.4</i>	
Covered Calls Composite	376,668,315	14.3	3.0	17.2	6.5	9.4	8.7	9.5	Feb-14
<i>Cboe S&P 500 Buy Write Index</i>			<i>5.8</i>	<i>20.1</i>	<i>6.0</i>	<i>6.9</i>	<i>6.9</i>	<i>7.1</i>	
Real Estate Composite	53,294,231	2.0	-0.5	5.5	0.3	5.0	6.7	5.8	Jan-07
<i>Real Estate Composite Benchmark</i>			<i>0.8</i>	<i>6.5</i>	<i>1.1</i>	<i>5.2</i>	<i>6.7</i>	<i>6.8</i>	
Fixed Income Composite	557,649,884	21.2	-2.9	2.0	-0.3	0.9	2.0	2.6	Apr-11
<i>Fixed Income Composite Bench</i>			<i>-2.2</i>	<i>2.6</i>	<i>-0.3</i>	<i>0.9</i>	<i>2.1</i>	<i>2.6</i>	
Cash Composite	17,240,952	0.7	1.3	4.8	3.5	2.6	1.9	1.4	Aug-10
<i>FTSE 3 Month T-Bill</i>			<i>1.2</i>	<i>5.4</i>	<i>4.1</i>	<i>2.5</i>	<i>1.8</i>	<i>1.3</i>	

Economic and Market Update

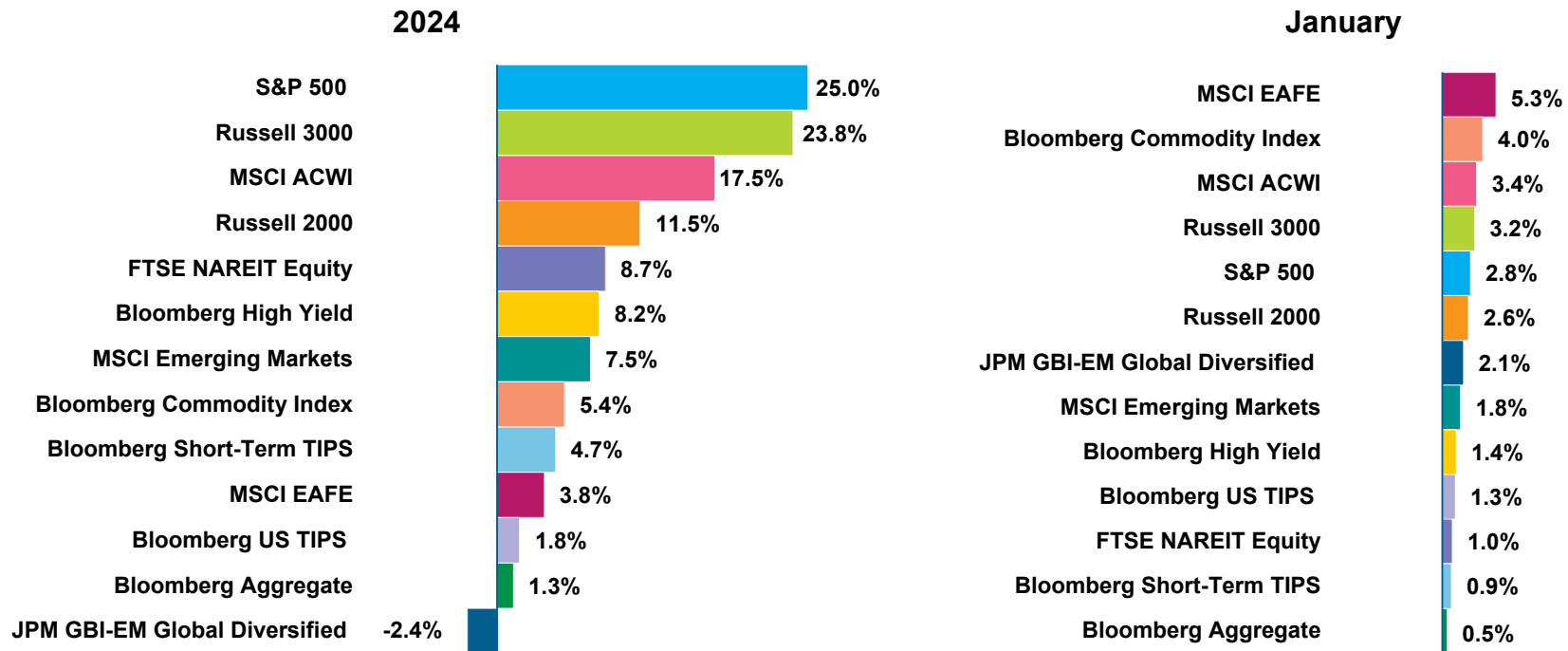
Data as of January 31, 2025

Commentary

Equity and bond markets posted gains in the first month of 2025 after a largely positive 2024.

- Domestic equity markets (Russell 3000) returned 3.2% in January. Technology stocks sold off, then recovered in the last week of the month as the release of Chinese AI application – DeepSeek-R1 – challenged market expectations for US technology stocks.
- Non-US developed market stocks (MSCI EAFE +5.3%) led the way in January, supported by rate cuts from the ECB and a rotation out of the US tech sector.
- Emerging market equities returned +1.8% for the month, underperforming developed markets given tariff risks from the US, particularly toward China.
- The Federal Reserve held policy rates steady in January as inflation remains above the target level and the labor market continues to be relatively healthy.
- Most fixed income markets posted positive returns to start the year, with high yield bonds (+1.4%) and TIPS (+1.3%) outperforming the broad US bond market (Bloomberg Aggregate +0.5%).
- Looking ahead, uncertainty related to the Trump Administration’s policies and their impact on the economy, inflation, and Fed policy will be key. The path of China’s economy and concerns over elevated valuations and technology-driven concentration in the US equity market will also be important focuses of 2025.

Index Returns¹



→ In 2024, most major assets classes appreciated, led by the S&P 500's 25.0% return.

→ To start the year, all asset classes posted gains with equities generally leading the way. In a reversal of the prior trend, non-US developed markets were the top performers given pressures on the tech sector in the US.

¹ Source: Bloomberg. Data is as of January 31, 2025.

Domestic Equity Returns¹

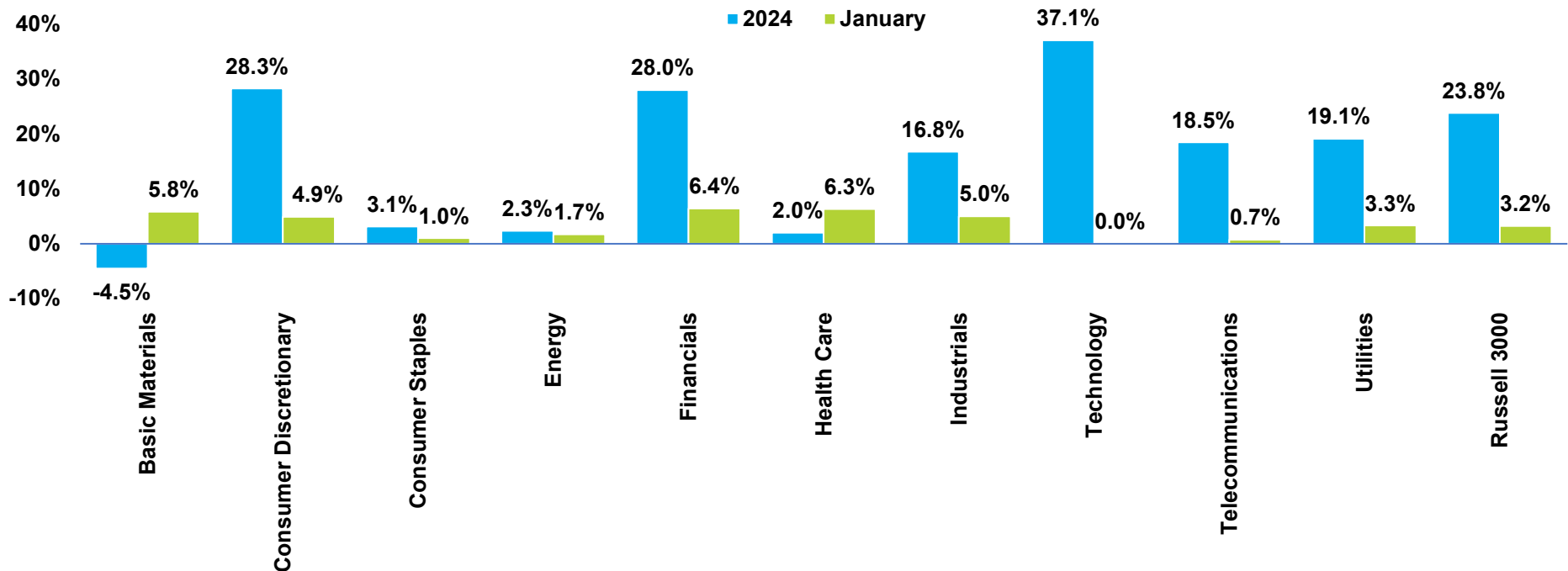
Domestic Equity	January (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	2.8	26.4	11.9	15.1	13.7
Russell 3000	3.2	26.3	11.3	14.6	13.2
Russell 1000	3.2	26.7	11.7	15.0	13.5
Russell 1000 Growth	2.0	32.7	14.6	18.9	17.2
Russell 1000 Value	4.6	19.5	8.1	10.1	9.4
Russell MidCap	4.3	22.0	8.0	11.0	10.2
Russell MidCap Growth	6.4	30.6	11.2	12.6	12.4
Russell MidCap Value	3.5	19.2	6.6	9.8	8.6
Russell 2000	2.6	19.1	5.6	8.7	8.4
Russell 2000 Growth	3.2	22.7	6.2	7.8	8.7
Russell 2000 Value	2.1	15.5	4.7	8.9	7.8

US Equities: The Russell 3000 rose 3.2% in January, bringing the one-year return to +26.3%.

- US stocks rose 3.2% for the month, driven in part by bank earnings. JP Morgan, Wells Fargo, and Citigroup all advanced more than 10% after reporting strong quarters.
- The “Magnificent 7” stocks diverged during January amid a disruption to the AI narrative by Chinese firm DeepSeek. Meta, Amazon, and Alphabet were the top performers in the Russell 3000 index for the month. Microsoft, Apple, and NVIDIA were among the largest detractors.
- Growth stocks continued to outperform value stocks within the mid cap and small cap markets, but trailed in large cap given the issues in the tech sector. While large cap stocks continued to outperform small cap stocks, mid cap stocks outperformed both groups. These stocks benefitted versus the large cap sector due to the lower exposure to the weaker “Magnificent 7” stocks. Relative performance against small cap was driven by increased exposure to select software and capital markets companies.

¹ Source: Bloomberg. Data is as of January 31, 2025.

Russell 3000 Sector Returns¹



- The release of the Chinese AI Model (DeepSeek-R1) in late January roiled US technology stocks with Nvidia losing 16% of its market share in a single day; technology stocks recovered after their sell-off but still lagged other sectors in January.
- Outside of technology, all sectors rose in January on continued US consumer and economic strength.
- Financials (+6.4%) led the way, driven by strong earnings reports from large banks. Health care (+6.3%) and basic materials (+5.8%) also posted strong returns.

¹ Source: Bloomberg. Data is as of January 31, 2025.

Foreign Equity Returns¹

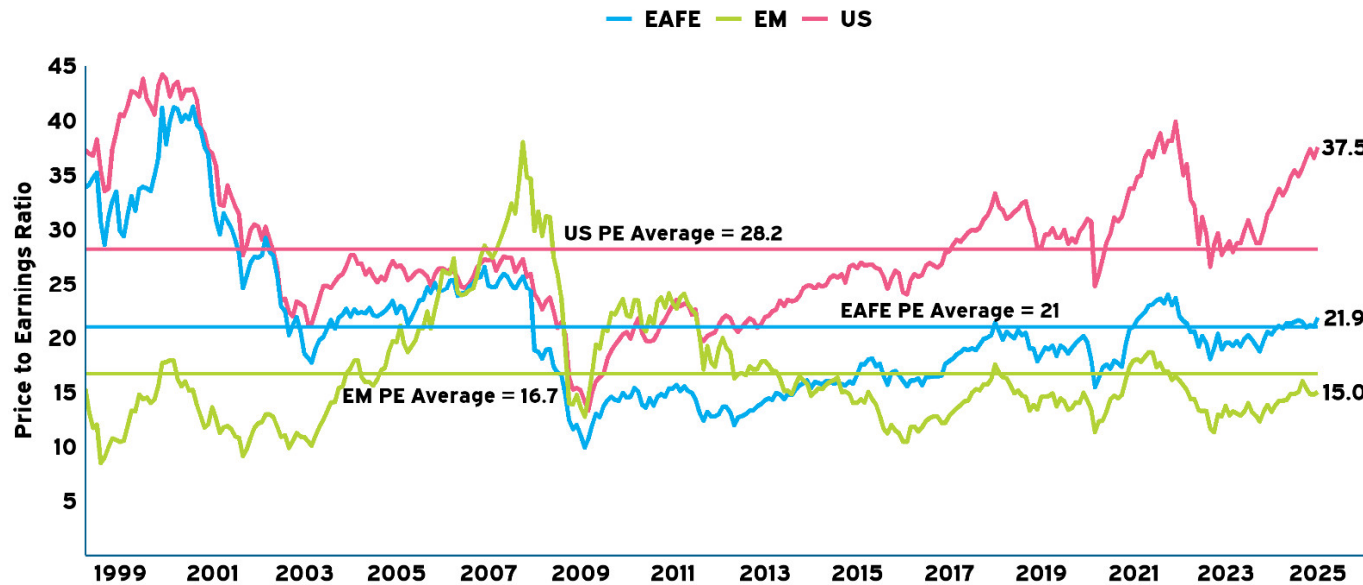
Foreign Equity	January (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI Ex US	4.0	10.9	3.4	5.5	5.2
MSCI EAFE	5.3	8.7	5.1	6.2	5.7
MSCI EAFE (Local Currency)	4.8	13.7	9.3	8.8	7.3
MSCI EAFE Small Cap	3.4	7.1	0.4	3.6	5.9
MSCI Emerging Markets	1.8	14.8	-0.7	3.0	3.8
MSCI Emerging Markets (Local Currency)	1.6	19.1	2.8	5.6	6.0
MSCI EM ex China	2.1	8.5	1.3	5.9	4.9
MSCI China	0.9	34.8	-4.9	-2.3	1.7

Foreign Equity: Developed international equities (MSCI EAFE) returned 5.3% in January and emerging market equities (MSCI Emerging Markets) rose 1.8%.

- Developed equities outperformed US and emerging market peers in January. Eurozone equities saw the highest returns globally, bolstered by rate reductions from the ECB and a lower weight to the tech sector. UK equities followed shortly behind, also benefiting from the rotation out of large cap tech stocks in the US. Japan was the weakest performer in January, at 0.1%, due in part to concerns over potential tariffs from the US given it has an export-focused economy.
- Emerging markets saw modest gains but lagged international developed market and US peers for the month given tariff concerns from the US. China saw slightly positive returns as dynamics in the tech sector and economic stimulus were balanced by ongoing tensions with the US and a sluggish economy. South Korea saw strong returns as political turmoil ebbed, while India faced its fourth consecutive month of declines given growth concerns.

¹ Source: Bloomberg. Data is as of January 31, 2025.

Equity Cyclically Adjusted P/E Ratios¹



- Valuations in US stocks remained at a significant premium to non-US developed and emerging market stocks at the start of 2025.
- US stocks, priced at 37.5 times earnings, continue to trade well above their long-run P/E average of 28.2.
- Non-US developed market valuations (21.9 times) are trading near their long-term average. Emerging market stock valuations (15.0 times) are below their long-run average.

¹ US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E Source: Bloomberg. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of January 2025. The average line is the long-term average of the US, EM, and EAFE PE values from April 1998 to the recent month-end, respectively.

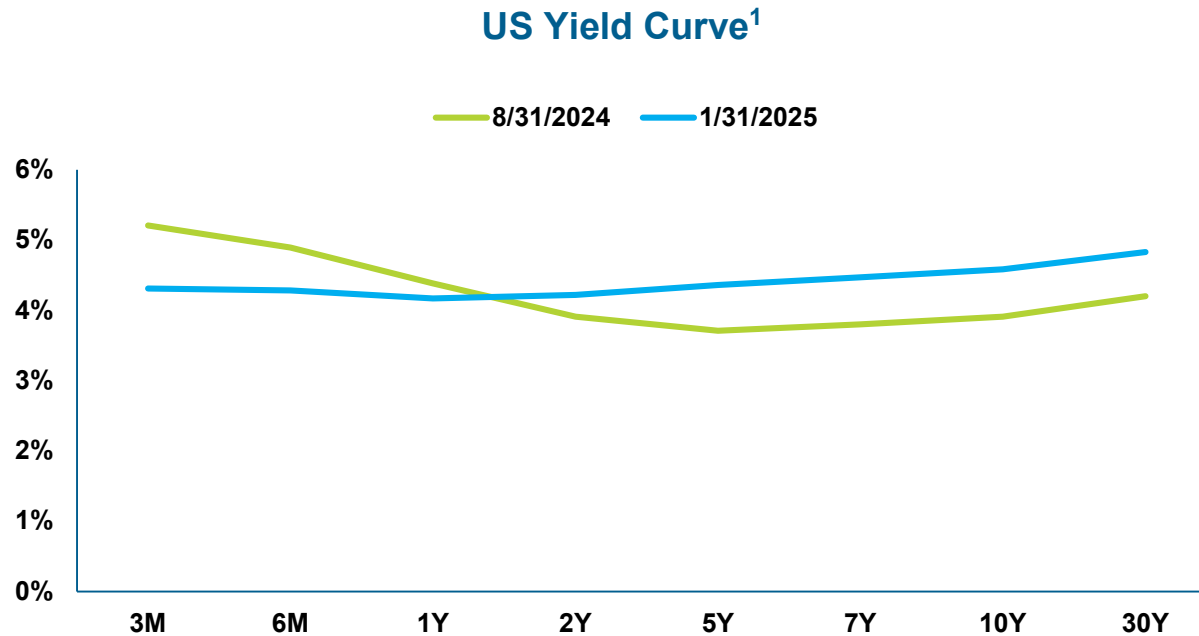
Fixed Income Returns¹

Fixed Income	January (%)	1 Yr (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	0.6	2.9	-1.0	-0.2	1.6	5.1	5.9
Bloomberg Aggregate	0.5	2.1	-1.5	-0.6	1.2	4.9	6.1
Bloomberg US TIPS	1.3	3.0	-1.2	1.7	2.1	4.6	6.8
Bloomberg Short-term TIPS	0.9	5.2	2.6	3.4	2.6	4.4	2.6
Bloomberg US Long Treasury	0.4	-3.9	-10.6	-6.4	-1.4	4.9	14.8
Bloomberg High Yield	1.4	9.7	4.3	4.5	5.2	7.2	3.3
JPM GBI-EM Global Diversified (USD)	2.1	1.2	-0.3	-1.2	0.6	--	--

Fixed Income: The Bloomberg Universal index rose 0.6% in January.

- After an initial increase in rates at the start of the month, they fell after and fixed income indexes provided positive returns for the month. This dynamic was driven by initial concerns over the potential inflationary impacts of the new administration’s policies followed by a flight to quality on the news of Chinese AI technology.
- The broad US bond market (Bloomberg Aggregate) rose 0.5% in January, with TIPS outperforming as inflation risks remain elevated.
- High yield bonds and emerging market debt outperformed as investor risk appetite remained robust.

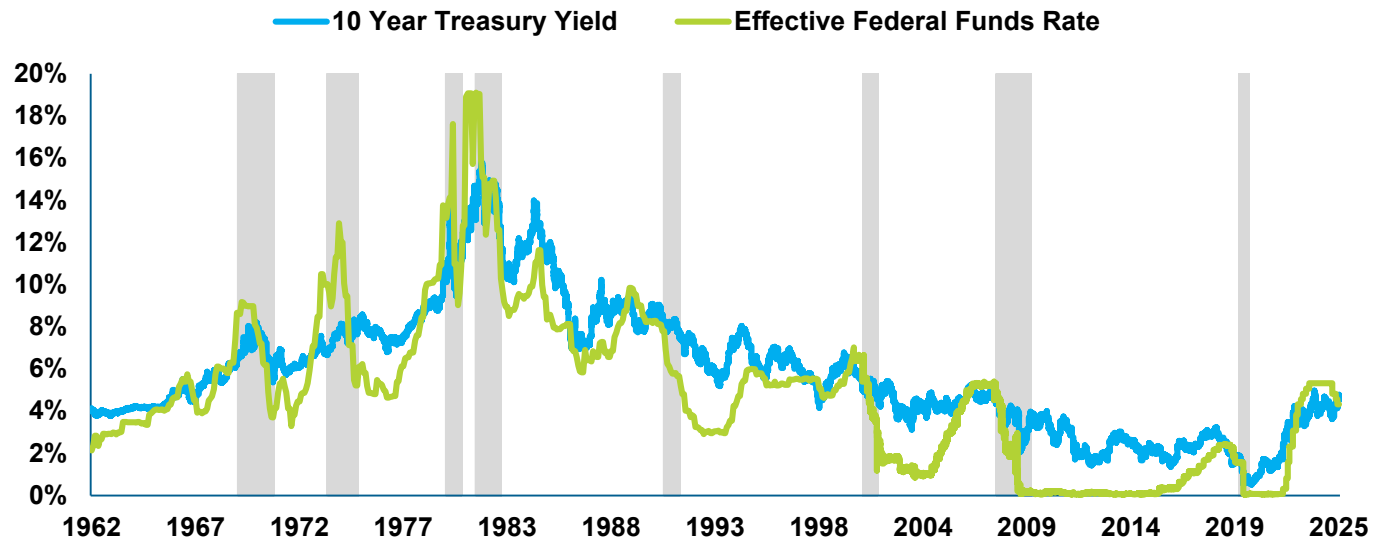
¹ Source: Bloomberg. Data is as of January 31, 2025. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration, respectively. JPM GBI-EM data is from J.P. Morgan. Current yield and duration data is not available.



- With the exception of the very shortest maturities, US Treasury yields declined slightly over the month.
- The more policy sensitive 2-year Treasury yield moved from 4.24% to 4.20%, while the 10-year Treasury yield declined from 4.57% to 4.54%.
- After the Fed started reducing interest rates in September 2024, the yield curve stopped being inverted (short-term interest rates higher than long-term interest rates) given expectations for the Fed to continue to reduce rates amid resilient economic growth and persistent inflation.

¹ Source: Bloomberg. Data is as of January 31, 2025. The August 2024 Treasury yields are shown as a reference before the first interest rate cut.

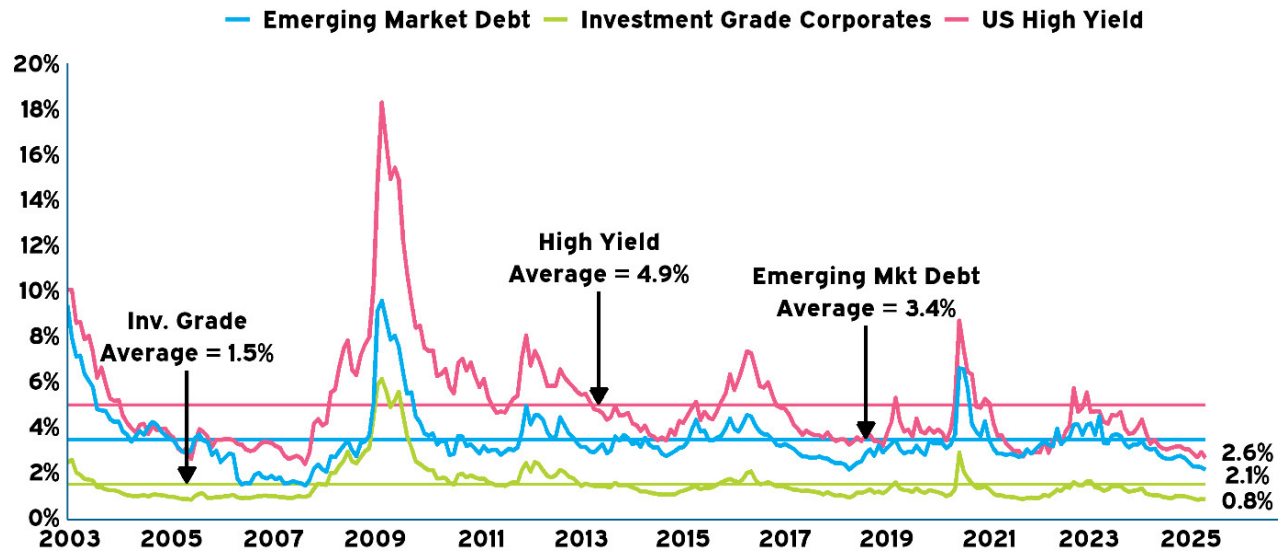
10-Year Treasury Yield versus Fed Funds Rate¹



- Typically, when the Fed cuts interest rates, the yield on the ten-year Treasury follows, as rate cuts often come in an environment of falling inflation and rising unemployment.
- The recent dynamic has been very unusual with the Fed cutting interest rates by a total of 1.0% since September and the 10-year Treasury increasing by a similar amount over the same period.
- Inflation concerns and broad uncertainty about the future path of interest rates (also known as “term premium”) are the key factors driving this dynamic.

¹ Source: FRED. Data is as of January 31, 2025.

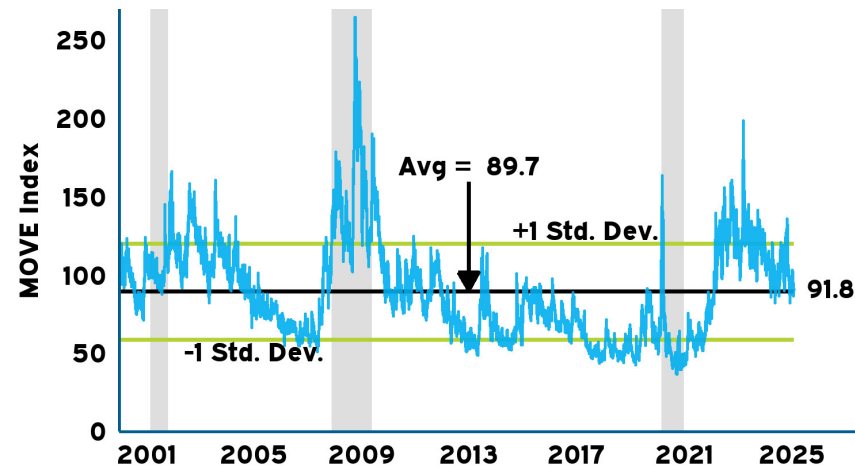
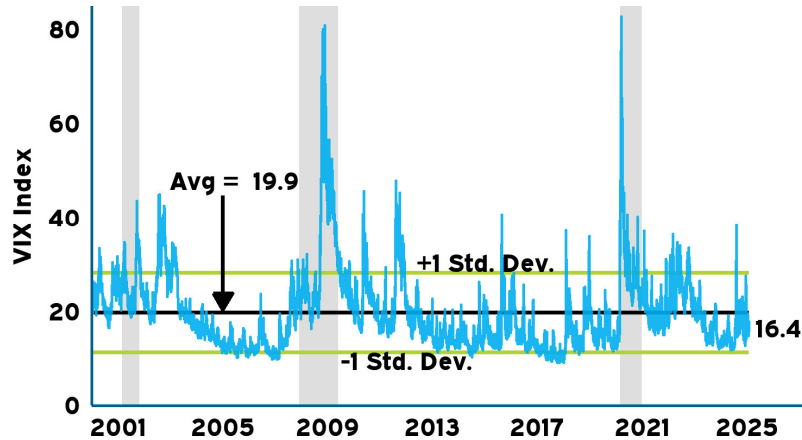
Credit Spreads vs. US Treasury Bonds¹



- Spreads (the yield above a comparable maturity Treasury) continued to tighten in January for riskier bonds, and were stable for investment grade issues.
- All yield spreads remained below their respective long-run averages, particularly high yield (2.6% versus 4.9%).
- Although spreads are tight, absolute yields remain at above-average levels compared to the last two decades.

¹ Source: Bloomberg. Data is as January 31, 2025. Average lines denote the average of the investment grade, high yield, and emerging market spread values from September 2002 to the recent month-end, respectively.

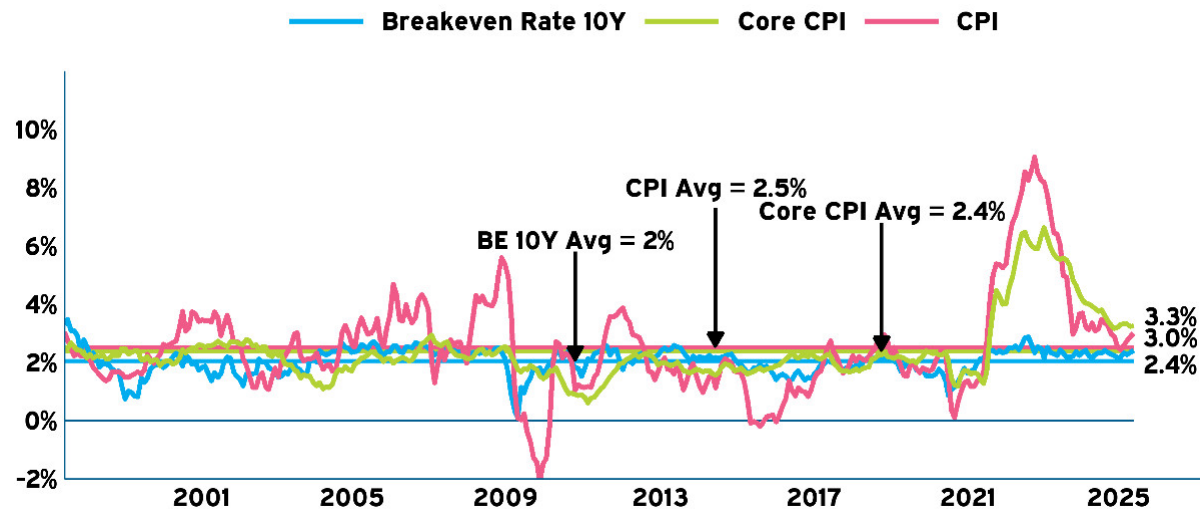
Equity and Fixed Income Volatility¹



- Bond and equity volatility declined in January despite tech stock volatility and policy uncertainty.
- Volatility levels (VIX) in the US stock market finished January below its long-run average, while volatility in the bond market (MOVE) finished the month slightly above its long-run average.

¹ Equity Volatility – Source: FRED. Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of January 31, 2025. The average line indicated is the average of the VIX and MOVE values between January 2000 and January 2025.

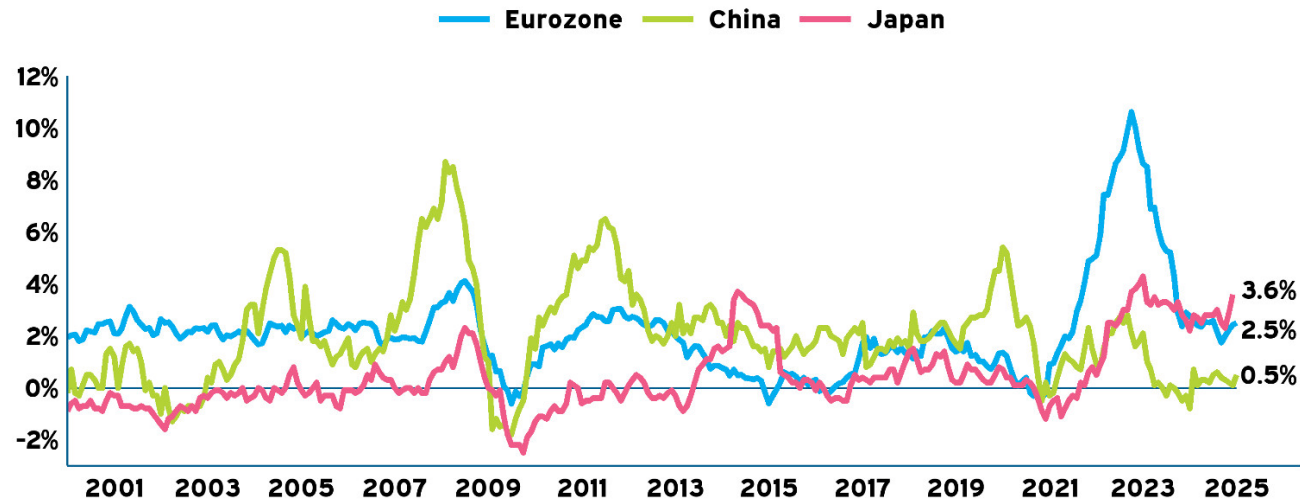
US Ten-Year Breakeven Inflation and CPI¹



- In January, inflation surprised to the upside across most categories. Month-over-month (mom) inflation came in at 0.5% compared to a 0.3% expectation, while 12-month inflation was expected to stay stable at 2.9% but increased to 3.0%.
- Shelter (+0.4% mom) accounted for 30% of the monthly gain and contributed to the surprise in inflation. Energy prices also rose (+1.1% for the month), while food increased 0.4% over the same period.
- In January, core inflation (excluding food and energy) rose 0.4% lifting the 12-month gain to 3.3%, slightly above December's year-over-year 3.2% reading and expectations of a decline to 3.1%.
- Inflation expectations (breakevens) rose over the quarter from the September lows of 2.0%, on continued uncertainty regarding the likelihood and magnitude of the new administration's policies.

¹ Source: FRED. Data is as of January 2025. The CPI and 10 Year Breakeven average lines denote the average values from February 1997 to the present month-end, respectively. Breakeven values represent month-end values for comparative purposes.

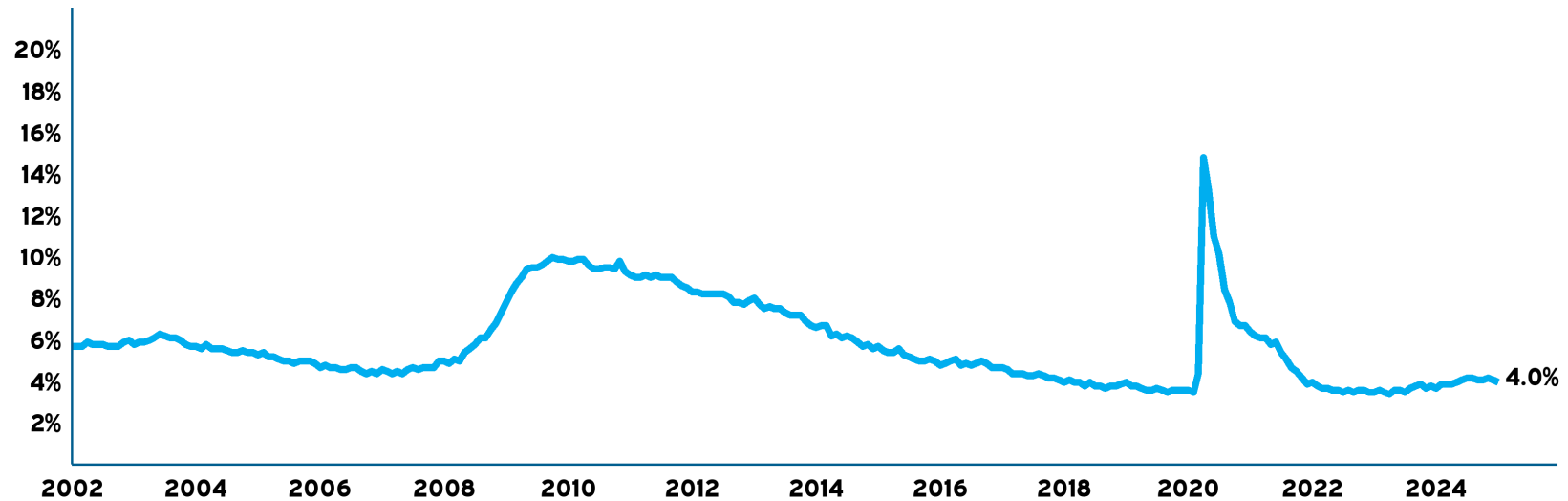
Global Inflation (CPI Trailing Twelve Months)¹



- In the eurozone, inflation increased each month since last September, but levels remain below the US. The increase has been largely driven by last year’s significant fall in energy prices no longer being included in the calculation.
- In the latest reading of inflation in Japan, it rose from 2.9% to 3.6% due in part to an increase in food prices and the end of energy subsidies driving electricity and gas prices higher.
- After four months of declines, inflation in China increased in January from 0.1% to 0.5% (above expectations) driven by the Lunar New Year and recent stimulus. Despite the rise, inflation levels remain only slightly positive in China as the economy slows and consumers pulls back.

¹ Source: Bloomberg. Data is as January 2025, except Japan which is as of December 2024.

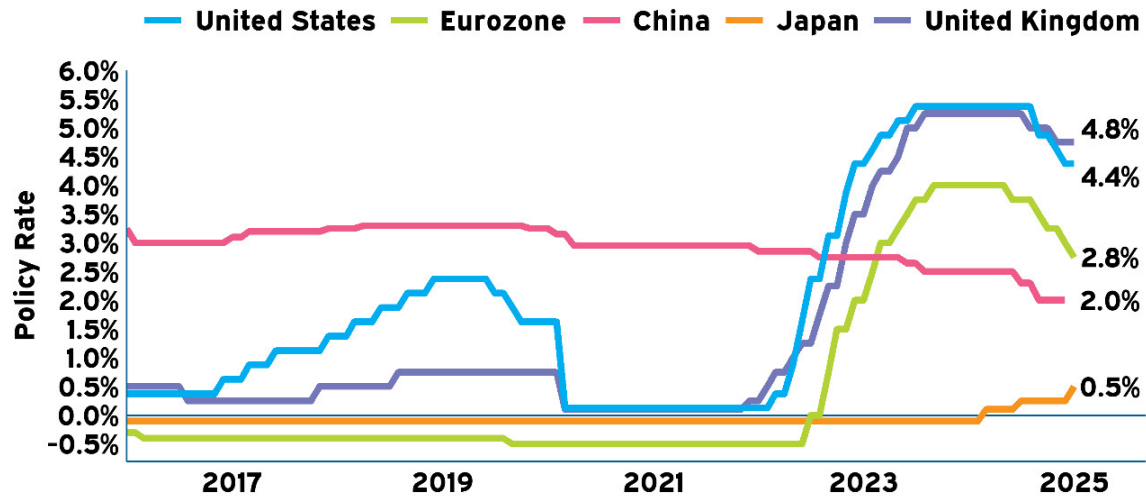
US Unemployment¹



- The unemployment rate fell slightly in January to 4.0% (it was expected to stay at 4.1%) as the annual population adjustment was made. The economy added 143,000 jobs, below expectations of 175,000, but prior month job gains were revised higher by 51,000 jobs to 307,000 jobs added in December 2024.
- In January, the health care (+44K), retail (+34K), and government (+32K) sectors added the most jobs.
- The last reading of job openings fell from 8.1M to 7.6M, a level well below the pandemic highs (>12M); the number of openings exceeds the number of unemployed workers looking for work (6.9M).
- Separations (5.3M) and hires (5.5M) remained steady and average hourly wages continued to grow at approximately 4.2% a year.

¹ Source: FRED and BLS. Data is as of January 31, 2025.

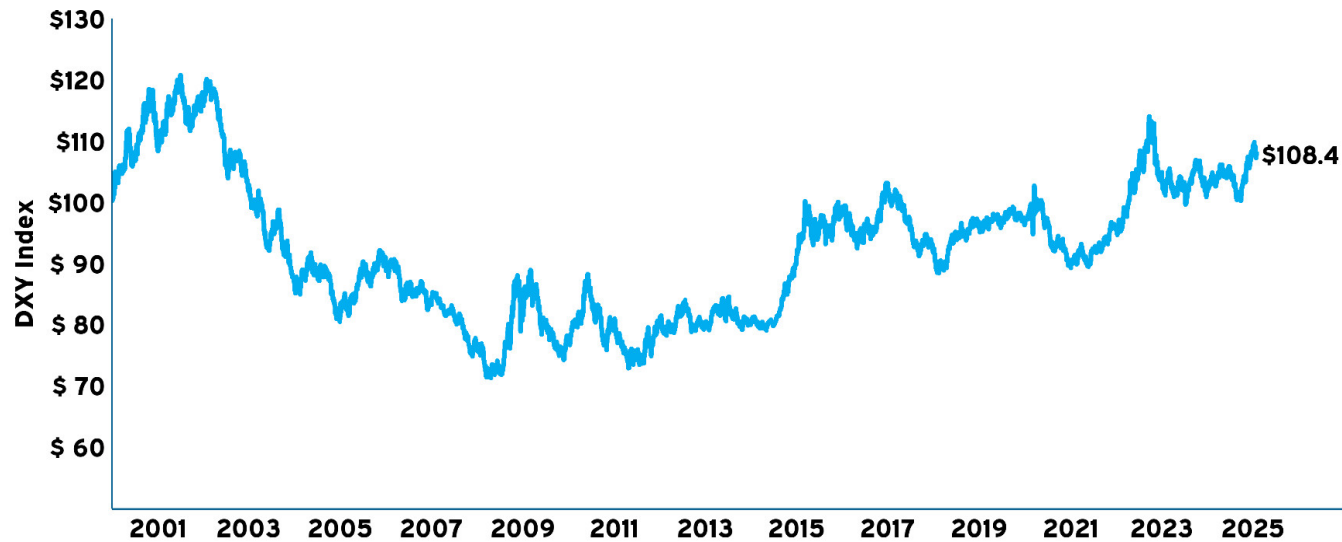
Policy Rates¹



- In the US, the Fed kept interest rates steady at their January meeting after reducing interest rates by 0.25% twice over the final quarter of 2024 to a range of 4.25% to 4.50%. Going forward, questions remain about the timing and amount of additional cuts (if any) given the strength of the economy and persistent above-target inflation.
- After month-end, the Bank of England cut interest rates for the third time by 0.25%, while the European Central Bank cut rates by another 0.25% in January. The People's Bank of China also continues to maintain measures to try to stimulate the economy.
- In contrast to many other central banks, the Bank of Japan increased interest rates in January, in the face of persistent inflation. Rate cutting by other major central banks are complicating prospects for further policy rate hikes in Japan.

¹ Source: Bloomberg. Data is as of January 31, 2025 except China Rate is as of December 31, 2024. United States rate is the mid-point of the Federal Funds Target Rate range. Eurozone rate is the ECB Deposit Facility Announcement Rate. Japan rate is the Bank of Japan Unsecured Overnight Call Rate Expected. China rate is the China Central Bank 1-Year Medium Term Interest Rate. UK rate is the UK Bank of England Official Bank Rate.

US Dollar vs. Broad Currencies¹



- The strength of the US dollar persisted in the first month of 2025 as the Fed paused its rate cutting while other central banks continued to cut interest rates.
- A rise in interest rates driven by potential inflationary impacts of proposed higher tariffs, lower taxes, and immigration policies from the new US administration has led to the dollar's recent gains.

¹ Source: Bloomberg. Data as of January 31, 2025.

Summary

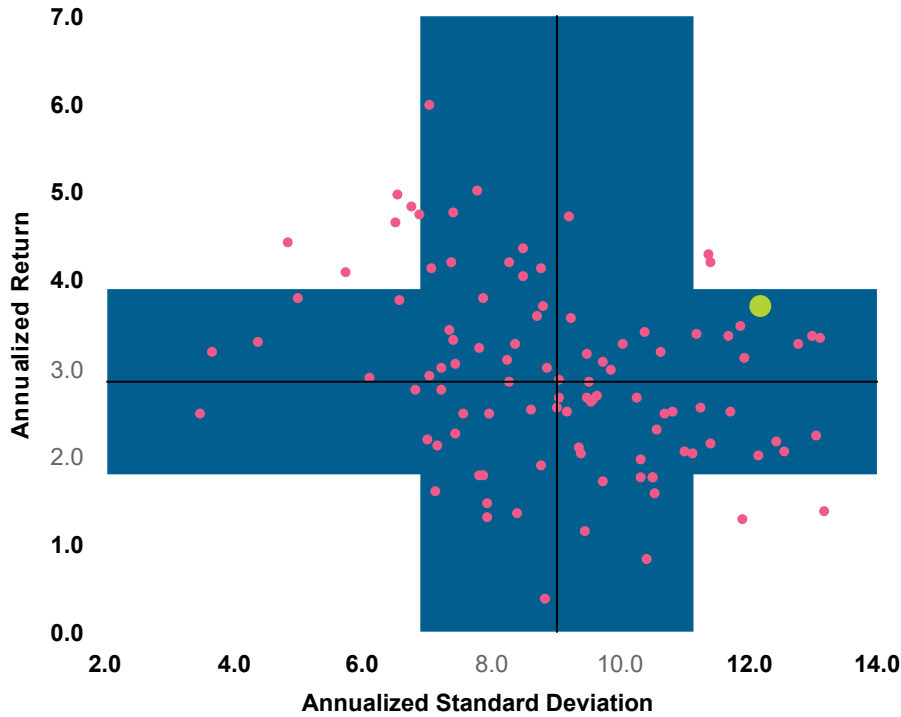
Key Trends:

- According to the International Monetary Fund's (IMF) October report, global growth in 2025 is expected to be similar to 2024 at around 3.2%, with most major economies predicted to avoid a recession.
- Questions remain about what policies will be implemented by the new administration in the US. Although deregulation and tax cuts could support growth, these policies, along with higher tariffs and restrictive immigration, could fan inflation. This will likely lead to additional uncertainty regarding the timing and pace of interest rate cuts in the coming year.
- US consumers could feel pressure as certain components of inflation (e.g., shelter) remain high, borrowing costs stay elevated, and the job market may weaken further.
- A focus for US equities going forward will be whether earnings can remain resilient if growth slows. Also, the future paths of the large technology companies that have driven market gains will be important.
- We have started to see divergence in monetary policies. The Fed is likely going to cut interest rates at a much slower pace than previously expected with the chance of no further cuts in 2025. On the other hand, additional rate cuts are expected from the European Central Bank and the Bank of England, while the Bank of Japan has increased interest rates. This disparity will likely influence capital flows and currencies.
- China appears to have shifted focus to more policy support for the economy/asset prices with a suite of fiscal and financial policy stimulus measures. Thus far, these efforts have not increased weak consumer spending or helped the lingering trouble in the real estate sector. It is not clear what the long-term impact of these policies will be on the economy and if policy makers will remain committed to these efforts.

Fourth Quarter Performance Review

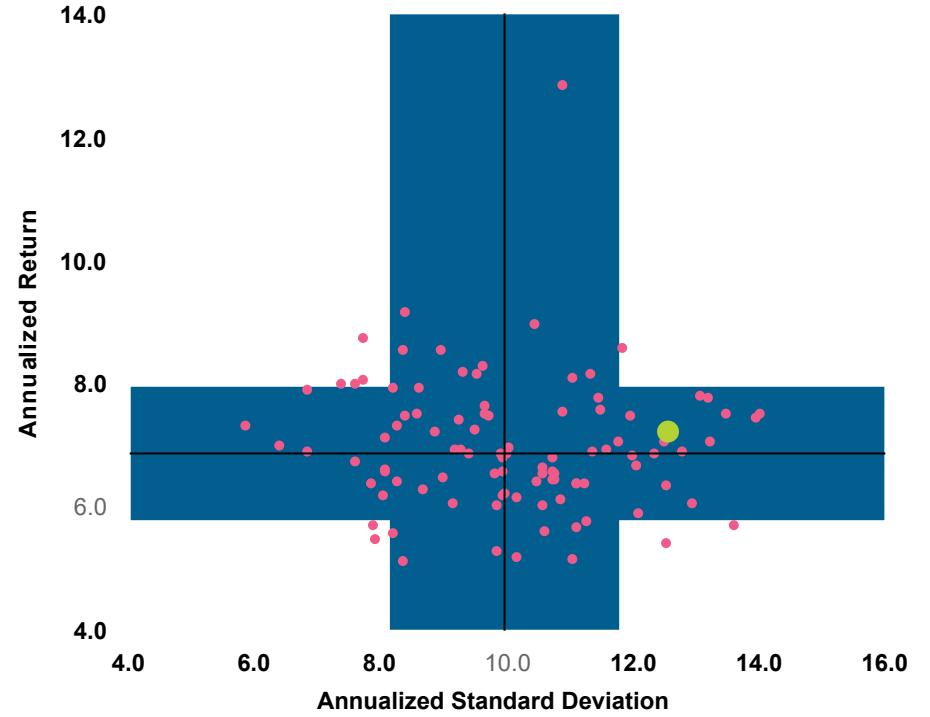
EBMUDERS | As of December 31, 2024

Annualized Return vs. Annualized Standard Deviation
3 Years Ending December 31, 2024



- InvMetrics All Public DB Plans > \$1B
- EBMUDERS Total Plan Composite

Annualized Return vs. Annualized Standard Deviation
5 Years Ending December 31, 2024



- InvMetrics All Public DB Plans > \$1B
- EBMUDERS Total Plan Composite

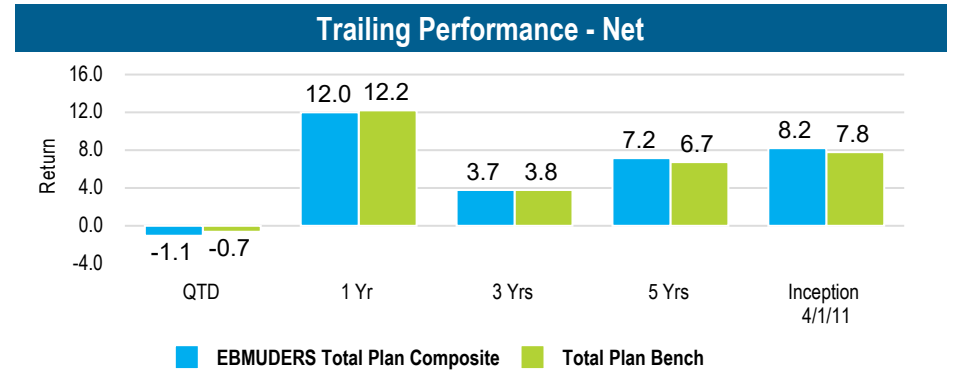
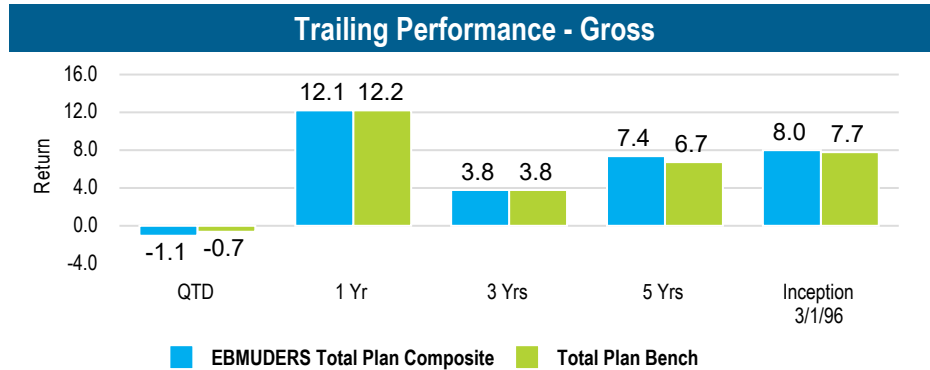
3 Years Ending December 31, 2024

	Return	Standard Deviation	Sharpe Ratio
EBMUDERS Total Plan Composite	3.7	12.2	0.0
Total Plan Bench	3.8	11.3	0.0

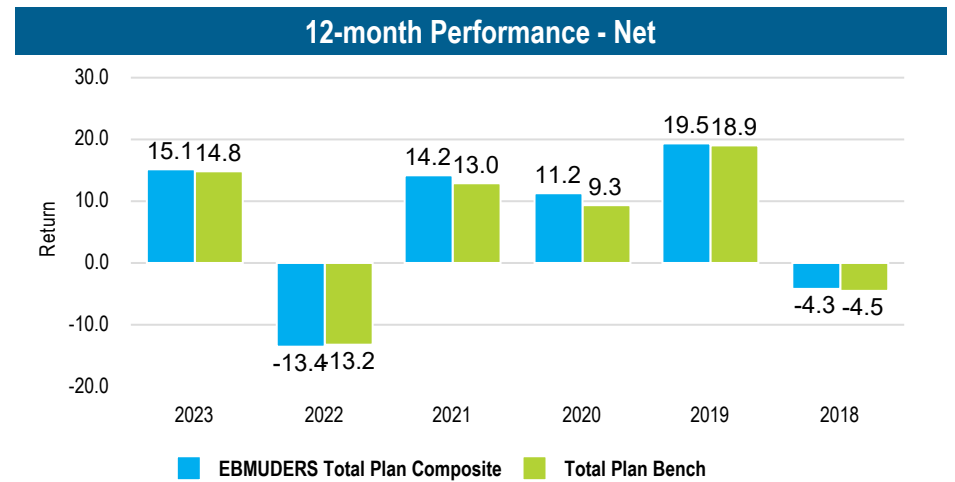
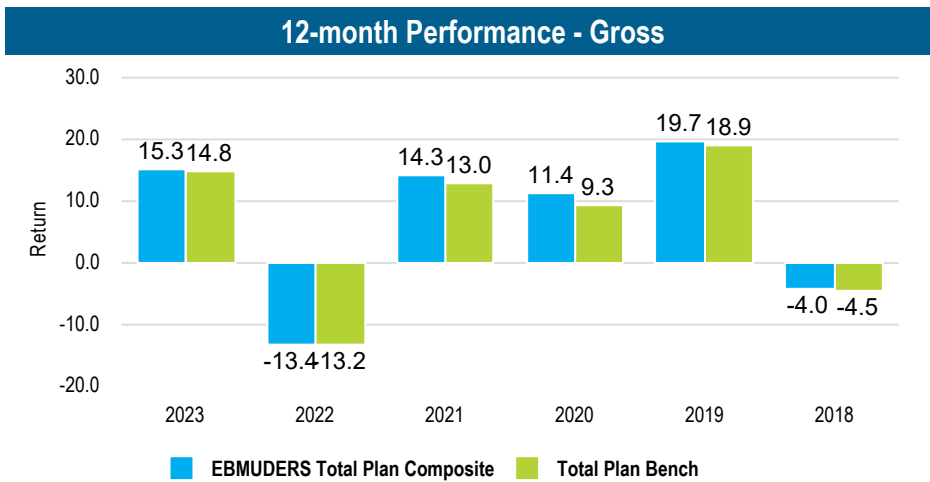
5 Years Ending December 31, 2024

	Return	Standard Deviation	Sharpe Ratio
EBMUDERS Total Plan Composite	7.2	12.5	0.4
Total Plan Bench	6.7	12.2	0.4

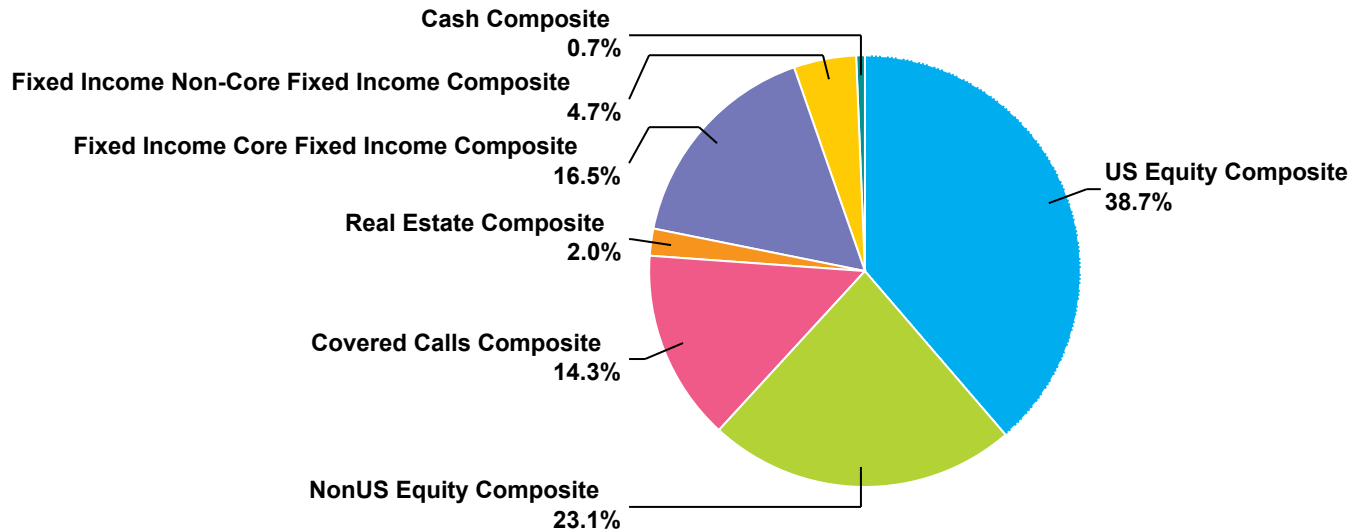
EBMUDERS Total Plan Composite | As of December 31, 2024



	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)
EBMUDERS Total Plan Composite	-1.1	12.0	3.7	7.2	7.5	15.1	-13.4	14.2	11.2	19.5	-4.3
EBMUDERS Total Plan Composite	-1.1	12.1	3.8	7.4	7.7	15.3	-13.4	14.3	11.4	19.7	-4.0
<i>Total Plan Bench</i>	<i>-0.7</i>	<i>12.2</i>	<i>3.8</i>	<i>6.7</i>	<i>7.2</i>	<i>14.8</i>	<i>-13.2</i>	<i>13.0</i>	<i>9.3</i>	<i>18.9</i>	<i>-4.5</i>
InvMetrics Public DB > \$1B Median	-0.8	9.1	2.9	7.0	7.1	11.4	-10.4	15.8	11.8	17.3	-3.2



Allocation vs. Targets and Policy				
	Current Balance (\$)	Current Allocation (%)	Policy (%)	Policy Range (%)
Domestic Equity	\$1,018,912,698	38.7	33.5	28.5 - 38.5
International Equity	\$608,707,946	23.1	25.0	20.0 - 30.0
Covered Calls	\$376,668,315	14.3	14.0	11.0 - 17.0
Real Estate	\$53,294,231	2.0	2.5	0.5 - 4.5
Core Fixed Income	\$434,334,093	16.5	20.0	17.0 - 23.0
Non-Core Fixed Income	\$123,315,791	4.7	5.0	3.0 - 7.0
Cash	\$17,240,953	0.7	0.0	0.0 - 5.0
Total	\$2,632,474,028	100.0	100.0	



Policy Targets reflect stage 1 Interim Policy Targets per the Evolving Policy Plan.
Actual allocations may deviate from Policy Targets and ranges during the asset allocation transition.

Manager Performance - Net of Fees | As of December 31, 2024

	Market Value \$	QTR (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
EBMUDERS Total Plan Composite	2,632,474,028	-1.1	12.0	3.7	7.2
<i>Total Plan Bench</i>		<i>-0.7</i>	<i>12.2</i>	<i>3.8</i>	<i>6.7</i>
US Equity Composite	1,018,912,698	2.6	23.8	8.0	13.8
<i>Russell 3000 Hybrid</i>		<i>2.6</i>	<i>23.8</i>	<i>8.0</i>	<i>13.9</i>
Northern Trust Russell 3000	1,018,135,383	2.6	23.8	8.0	13.8
<i>Russell 3000 Index</i>		<i>2.6</i>	<i>23.8</i>	<i>8.0</i>	<i>13.9</i>
Non US Equity Composite	608,707,946	-7.5	5.7	1.1	4.4
<i>MSCI ACWI xUS (blend)</i>		<i>-7.5</i>	<i>6.1</i>	<i>1.3</i>	<i>4.6</i>
Northern Trust ACWI ex US	608,707,946	-7.5	5.7	1.1	4.2
<i>MSCI AC World ex USA index</i>		<i>-7.5</i>	<i>6.1</i>	<i>1.3</i>	<i>4.6</i>

Manager Performance - Net of Fees | As of December 31, 2024

	Market Value \$	QTR (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Covered Calls Composite	376,668,315	3.0	17.2	6.5	9.4
<i>Cboe S&P 500 Buy Write Index</i>		<i>5.8</i>	<i>20.1</i>	<i>6.0</i>	<i>6.9</i>
Parametric BXM	183,169,006	3.3	16.1	6.6	9.0
<i>Cboe S&P 500 Buy Write Index</i>		<i>5.8</i>	<i>20.1</i>	<i>6.0</i>	<i>6.9</i>
Parametric Delta Shift	193,499,125	2.6	19.4	6.7	12.5
<i>Cboe S&P 500 Buy Write Index</i>		<i>5.8</i>	<i>20.1</i>	<i>6.0</i>	<i>6.9</i>

Van Hulzen had \$185 of residual assets at the time of this report.

Manager Performance - Net of Fees | As of December 31, 2024

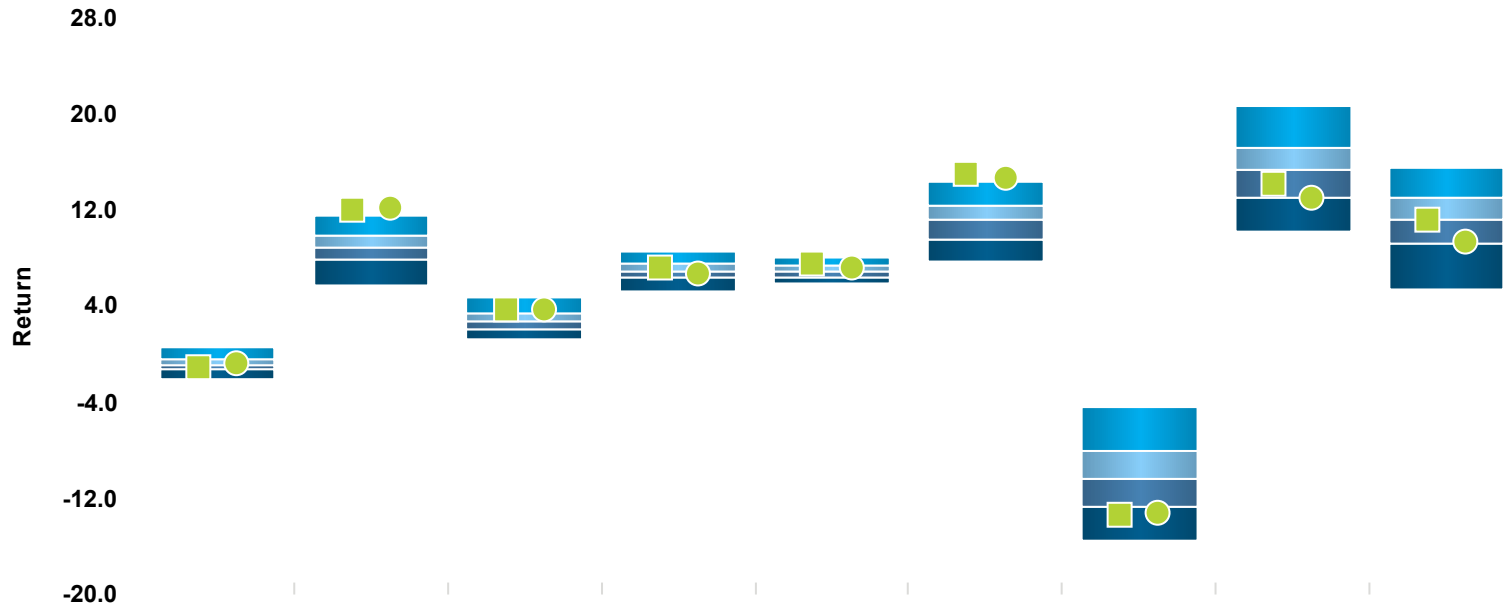
	Market Value \$	QTR (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Core Fixed Income Composite	434,334,093	-3.8	0.7	-1.5	0.1
<i>Fixed Income Core Composite Bench</i>		<i>-3.1</i>	<i>1.3</i>	<i>-1.7</i>	<i>0.0</i>
CS McKee	220,831,480	-3.2	1.6	-2.1	-0.1
<i>Blmbg. U.S. Aggregate Index</i>		<i>-3.1</i>	<i>1.3</i>	<i>-2.4</i>	<i>-0.3</i>
Garcia Hamilton	213,502,613	-4.5	-0.2	-1.0	0.2
<i>Blmbg. U.S. Aggregate Index</i>		<i>-3.1</i>	<i>1.3</i>	<i>-2.4</i>	<i>-0.3</i>
Non-Core Fixed Income Composite	123,315,791	0.7	6.7	4.1	4.1
<i>Fixed Income Non-Core Composite Bench</i>		<i>1.2</i>	<i>8.0</i>	<i>5.2</i>	<i>4.5</i>
MacKay Shields (HY)	63,554,212	0.1	6.8	4.9	5.1
<i>ICE BofA ML US Corp Cash Pay BB-B 1-5Yr</i>		<i>0.2</i>	<i>7.9</i>	<i>4.6</i>	<i>4.3</i>
Federated Investment Counseling (Bank Loans)	59,761,579	1.3	7.0	3.3	2.9
<i>60% CredSuisLevLoan/40% BBStGovCorp</i>		<i>1.8</i>	<i>7.5</i>	<i>5.6</i>	<i>4.5</i>

Manager Performance - Net of Fees | As of December 31, 2024

	Market Value \$	QTR (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Real Estate Composite	53,294,231	-0.5	5.5	0.3	5.0
<i>Real Estate Composite Benchmark</i>		<i>0.8</i>	<i>6.5</i>	<i>1.1</i>	<i>5.2</i>
RREEF America II Lag	53,293,993	-0.6	-7.9	-0.6	2.3
<i>NCREIF NPI Lag</i>		<i>0.8</i>	<i>-3.5</i>	<i>0.9</i>	<i>3.3</i>

RREEF results are lagged 1 quarter.
CenterSquare had \$238 of residual assets at the time of this report.

InvMetrics Public Plans > \$1B Return Comparison December 31, 2024



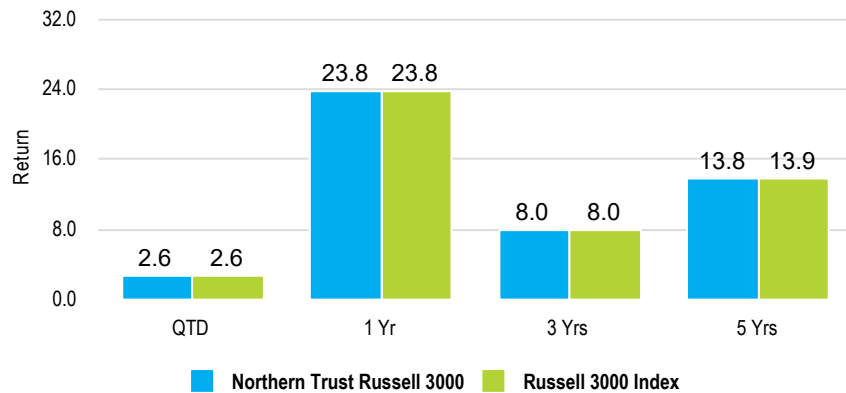
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	2023	2022	2021	2020
■ EBMUDERS Total Plan Composite	-1.1 (62)	12.0 (2)	3.7 (20)	7.2 (36)	7.5 (19)	15.1 (4)	-13.4 (85)	14.2 (62)	11.2 (50)
● Total Plan Bench	-0.7 (39)	12.2 (2)	3.8 (18)	6.7 (58)	7.2 (33)	14.8 (4)	-13.2 (82)	13.0 (76)	9.3 (75)
5th Percentile	0.6	11.6	4.8	8.6	8.1	14.4	-4.4	20.7	15.5
1st Quartile	-0.4	9.9	3.4	7.5	7.4	12.4	-8.0	17.2	13.0
Median	-0.9	8.9	2.8	6.9	6.9	11.3	-10.3	15.3	11.2
3rd Quartile	-1.3	7.9	2.1	6.3	6.4	9.6	-12.7	13.0	9.3
95th Percentile	-2.0	5.7	1.3	5.3	5.8	7.8	-15.5	10.2	5.4
Population	108	107	103	100	94	194	192	226	239

Parenteses contain percentile rankings.
Calculation based on monthly periodicity.

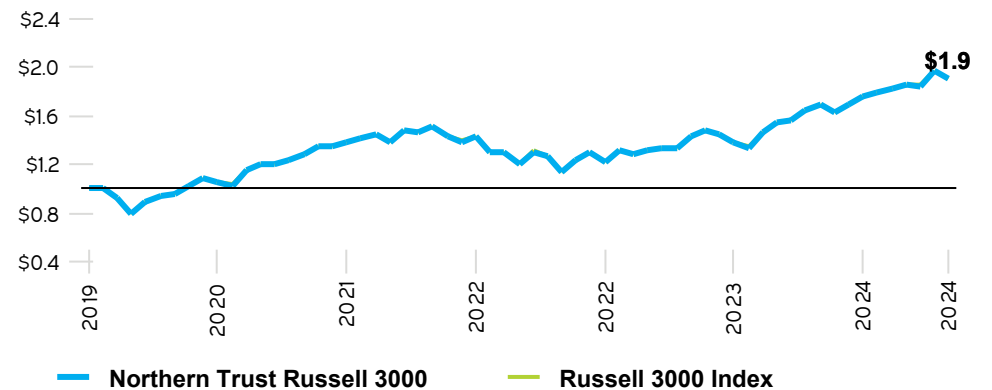
Statistics Summary 5 Years Ending December 31, 2024

	Alpha	Beta	Information Ratio	Sharpe Ratio	Tracking Error	R-Squared	Up Capture	Down Capture
Northern Trust Russell 3000	0.0	1.0	-0.3	0.7	0.1	1.0	99.8	99.8
Russell 3000 Index	0.0	1.0	-	0.7	0.0	1.0	100.0	100.0

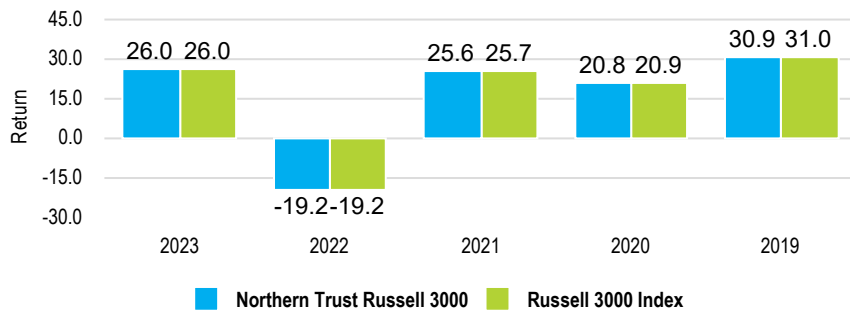
Return Summary



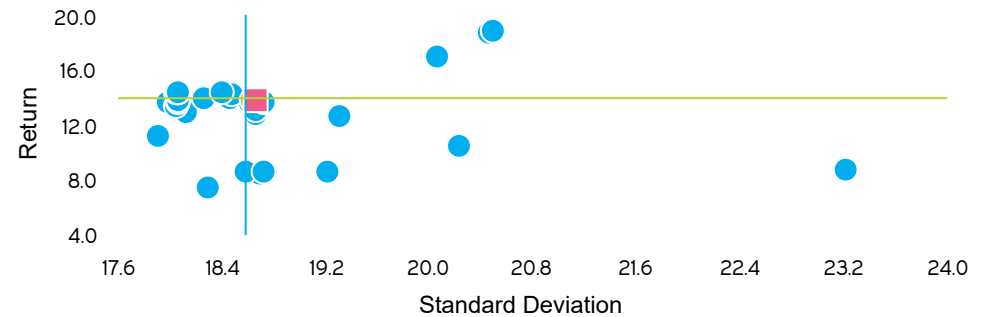
Investment Growth



Return Summary



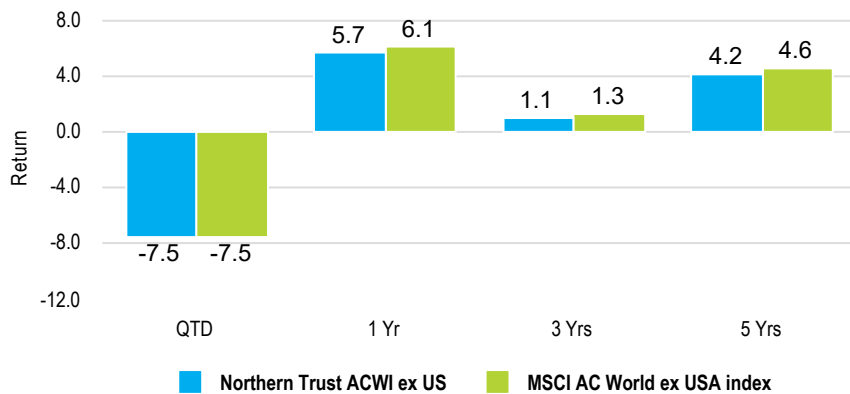
Risk Reward



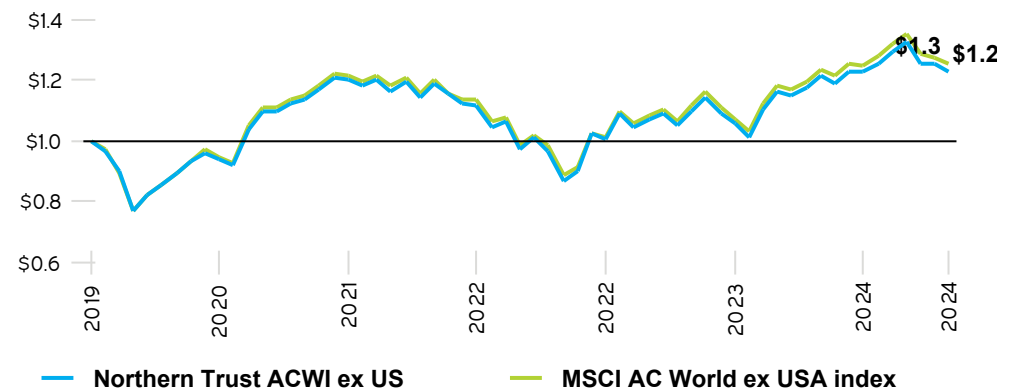
Statistics Summary 5 Years Ending December 31, 2024

	Alpha	Beta	Information Ratio	Sharpe Ratio	Tracking Error	R-Squared	Up Capture	Down Capture
Northern Trust ACWI ex US	-0.4	1.0	-0.2	0.2	1.8	1.0	101.5	103.6
MSCI AC World ex USA index	0.0	1.0	-	0.2	0.0	1.0	100.0	100.0

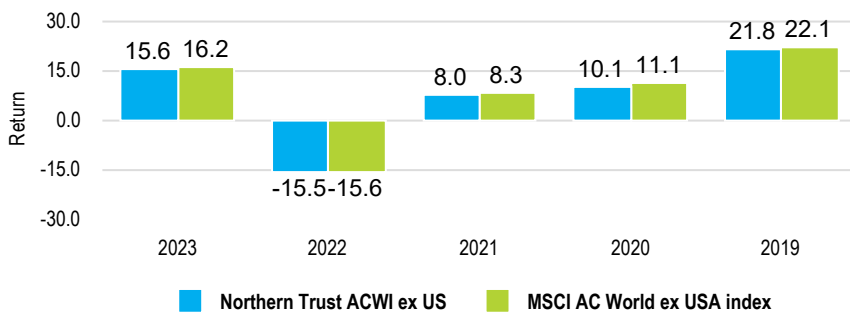
Return Summary



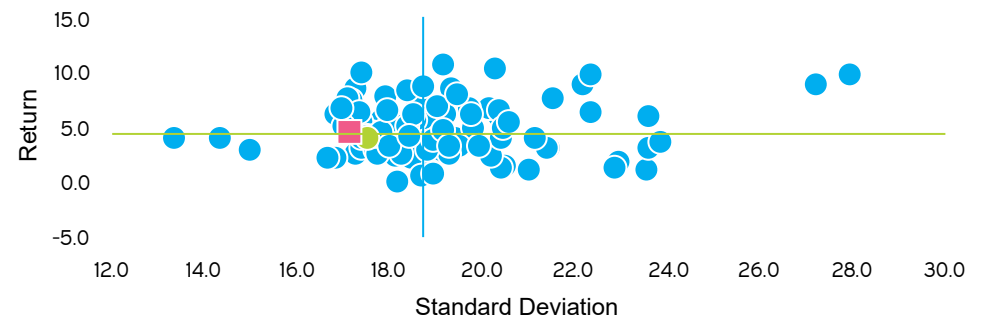
Investment Growth



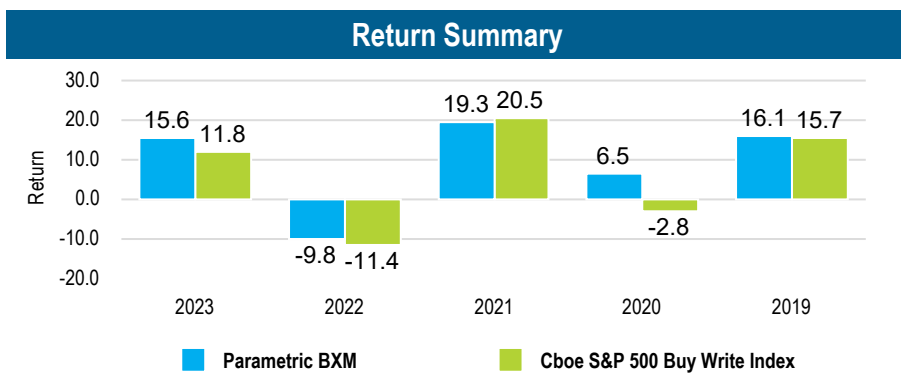
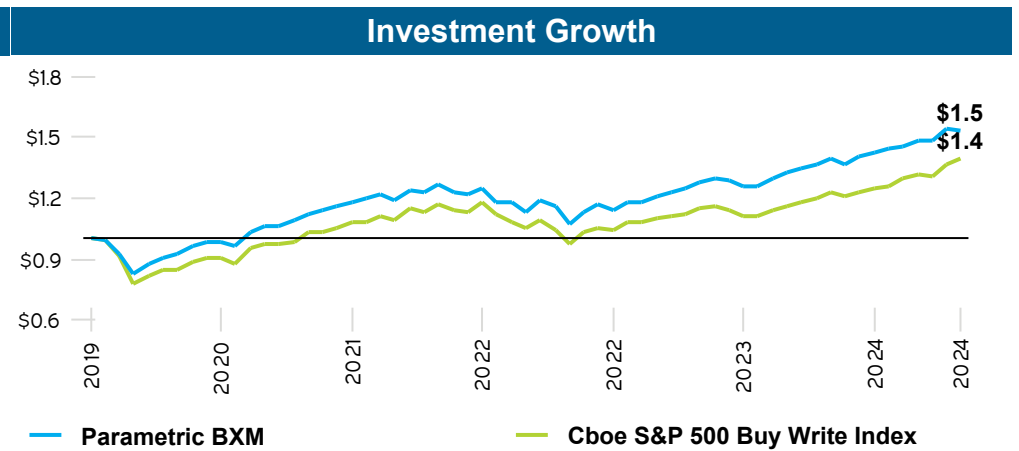
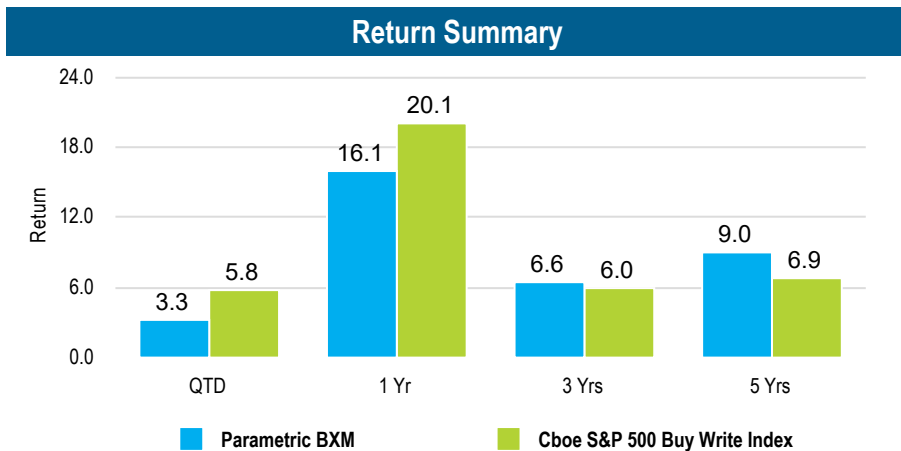
Return Summary



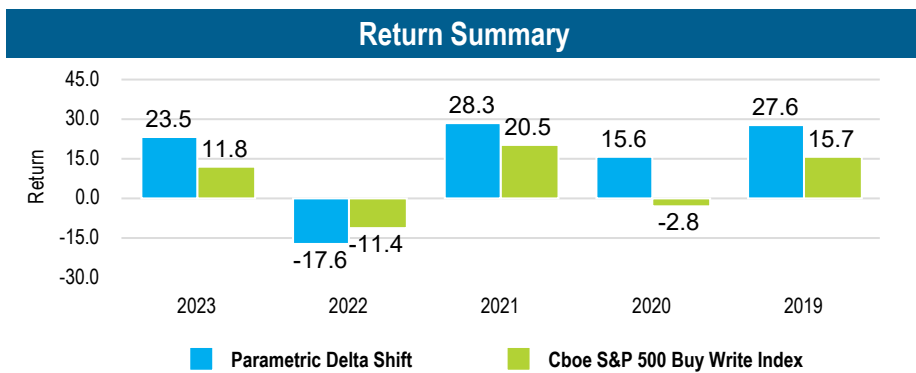
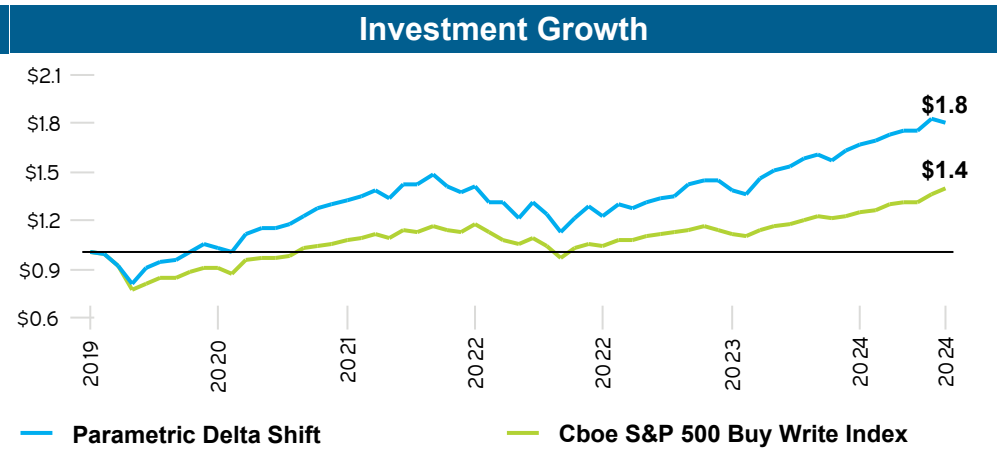
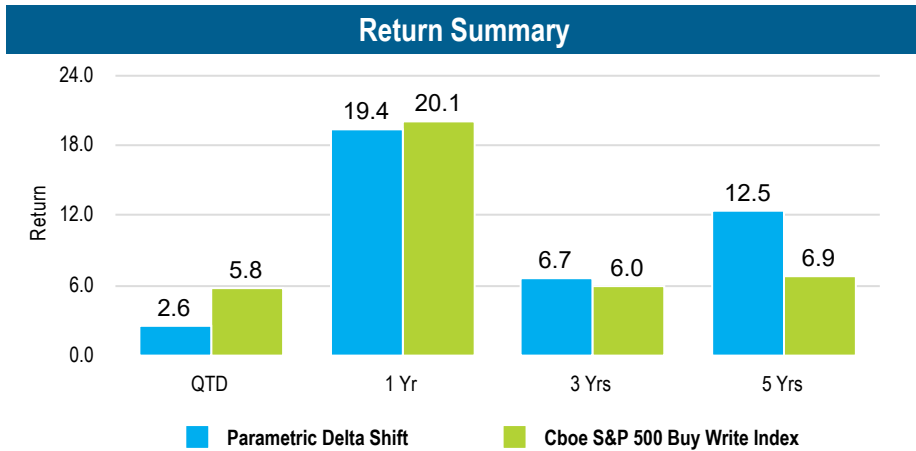
Risk Reward



Statistics Summary 5 Years Ending December 31, 2024									
	Alpha	Beta	Information Ratio	Sharpe Ratio	Tracking Error	R-Squared	Up Capture	Down Capture	
Parametric BXM	3.1	0.8	0.4	0.6	4.4	0.9	94.8	78.4	
Cboe S&P 500 Buy Write Index	0.0	1.0	-	0.4	0.0	1.0	100.0	100.0	



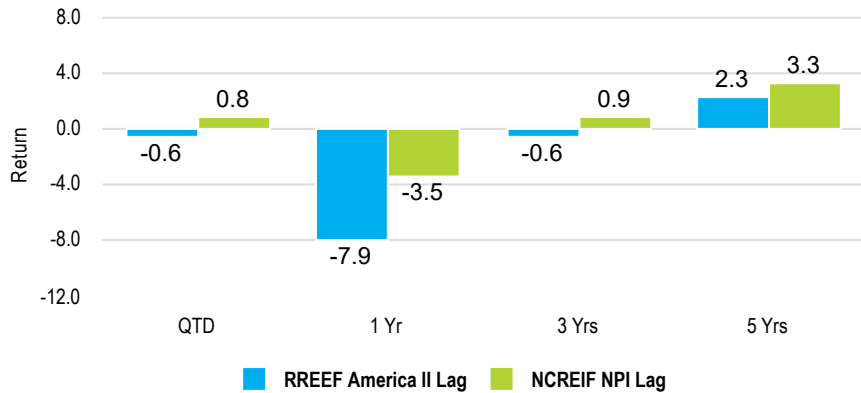
Statistics Summary 5 Years Ending December 31, 2024									
	Alpha	Beta	Information Ratio	Sharpe Ratio	Tracking Error	R-Squared	Up Capture	Down Capture	
Parametric Delta Shift	4.6	1.2	0.7	0.7	7.6	0.8	143.3	124.5	
Cboe S&P 500 Buy Write Index	0.0	1.0	-	0.4	0.0	1.0	100.0	100.0	



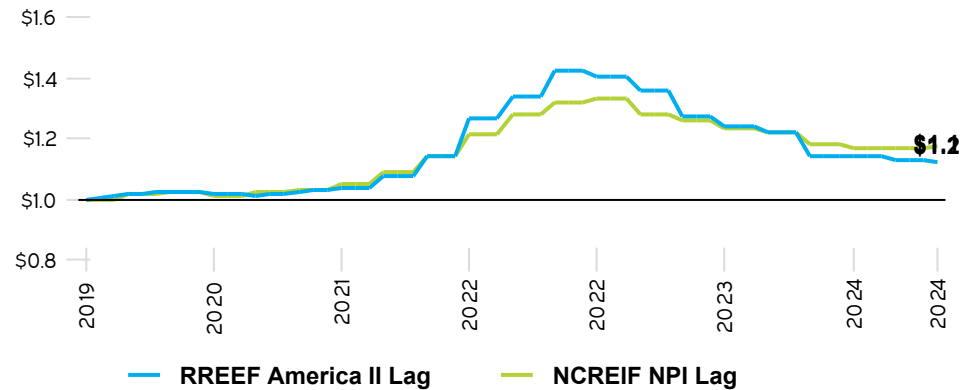
Statistics Summary 5 Years Ending December 31, 2024

	Alpha	Beta	Information Ratio	Sharpe Ratio	Tracking Error	R-Squared	Up Capture	Down Capture
RREEF America II Lag	-2.0	1.4	-0.2	0.0	3.9	0.8	112.8	155.9
NCREIF NPI Lag	0.0	1.0	-	0.2	0.0	1.0	100.0	100.0

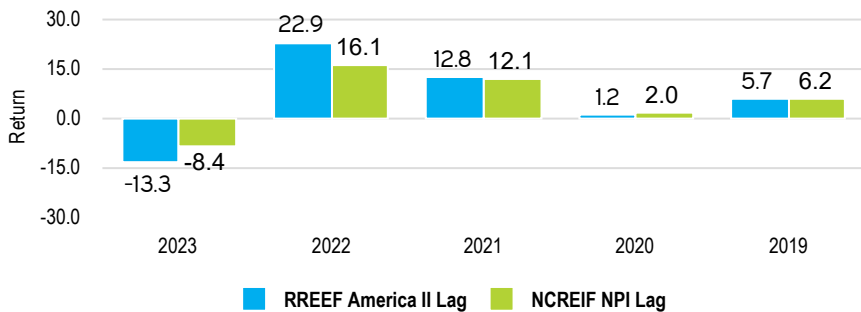
Return Summary



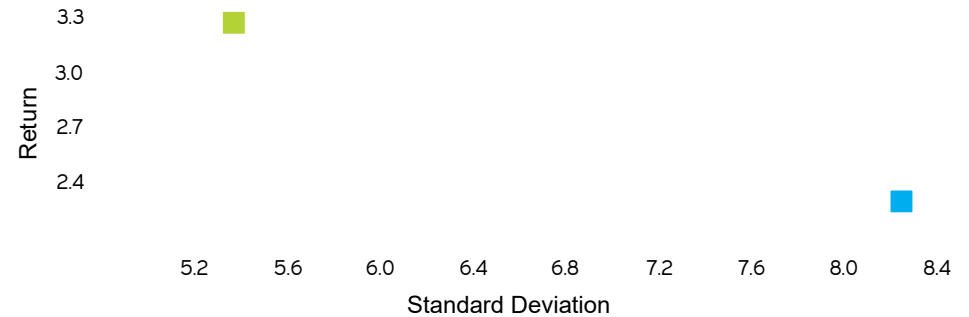
Investment Growth



Return Summary



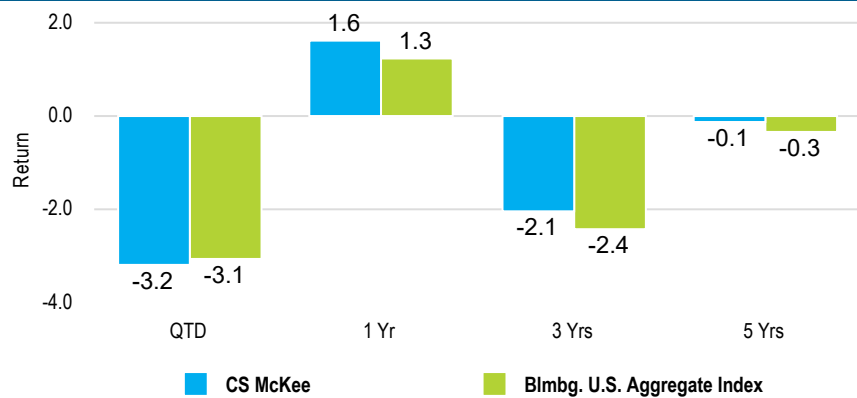
Risk Reward



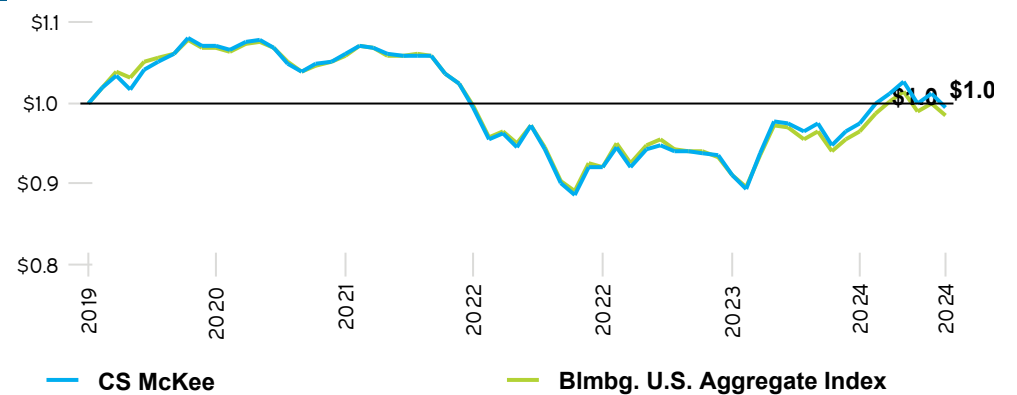
Statistics Summary 5 Years Ending December 31, 2024

	Alpha	Beta	Information Ratio	Sharpe Ratio	Tracking Error	R-Squared	Up Capture	Down Capture
CS McKee	0.2	1.0	0.2	-0.4	0.9	1.0	106.0	103.5
Blmbg. U.S. Aggregate Index	0.0	1.0	-	-0.4	0.0	1.0	100.0	100.0

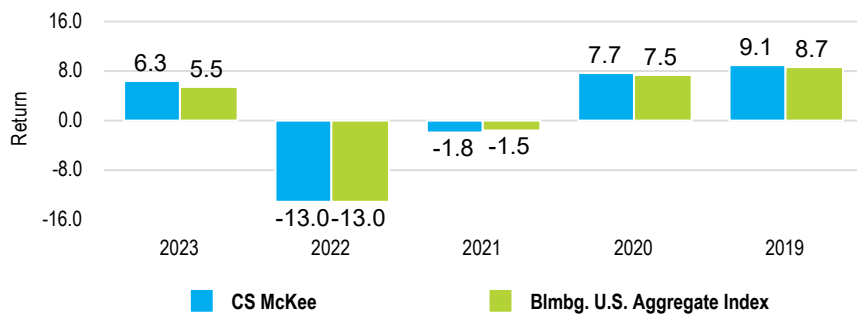
Return Summary



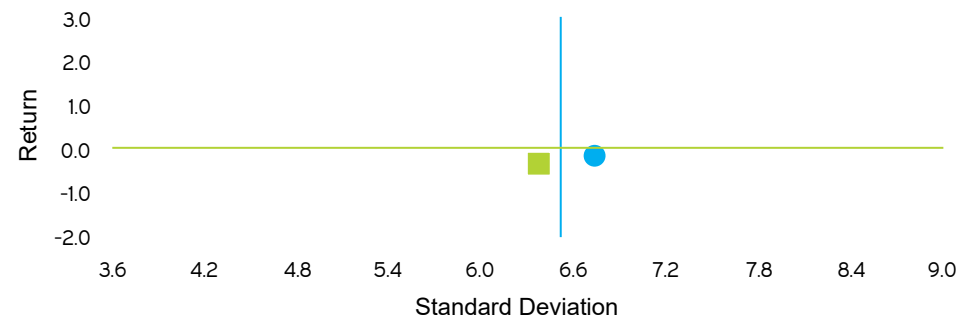
Investment Growth



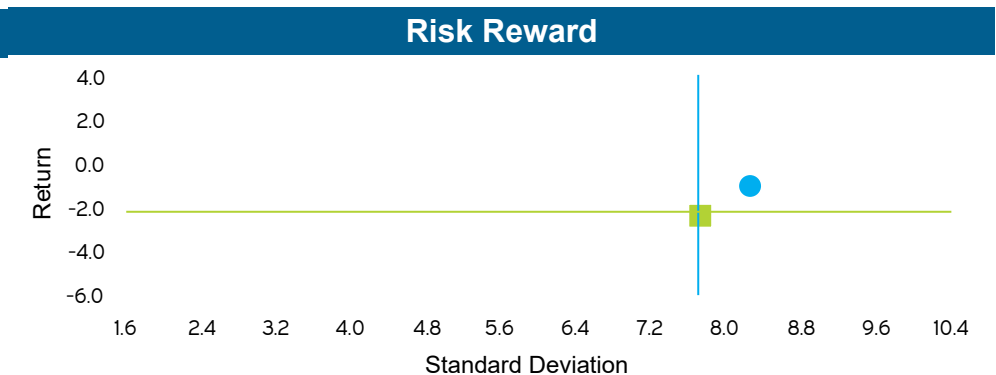
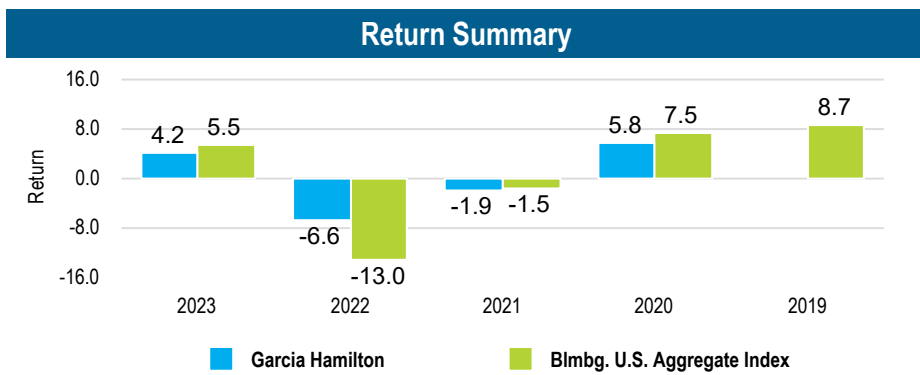
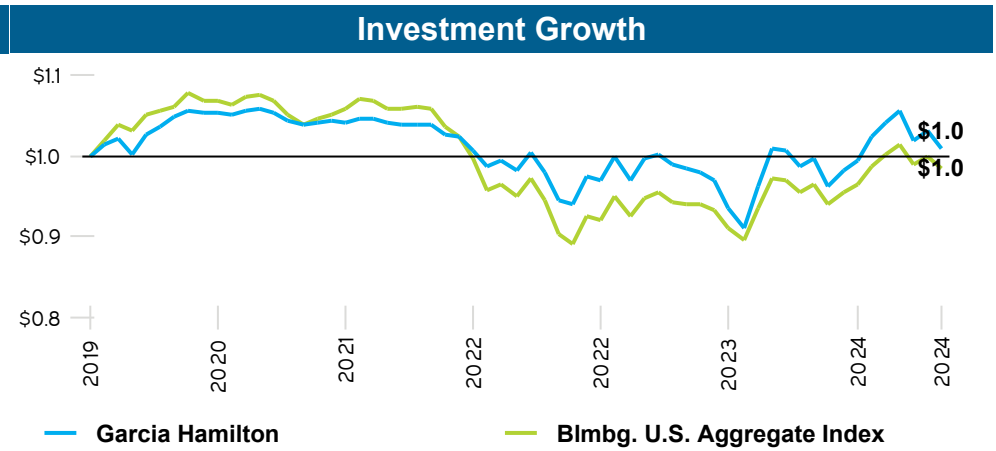
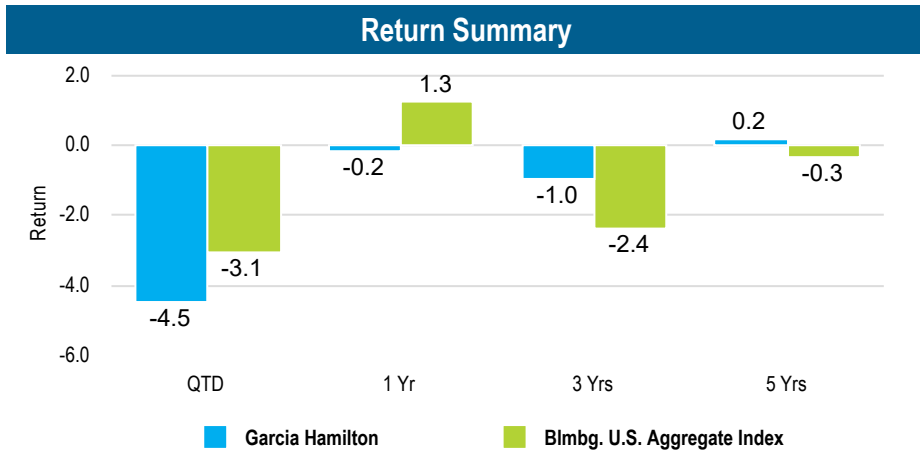
Return Summary



Risk Reward



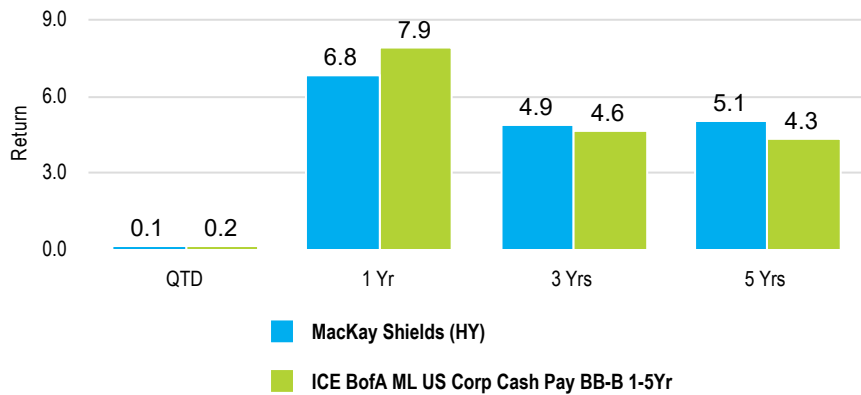
Statistics Summary 5 Years Ending December 31, 2024									
	Alpha	Beta	Information Ratio	Sharpe Ratio	Tracking Error	R-Squared	Up Capture	Down Capture	
Garcia Hamilton	0.5	1.0	0.2	-0.3	2.2	0.9	101.6	95.9	
Blmbg. U.S. Aggregate Index	0.0	1.0	-	-0.4	0.0	1.0	100.0	100.0	



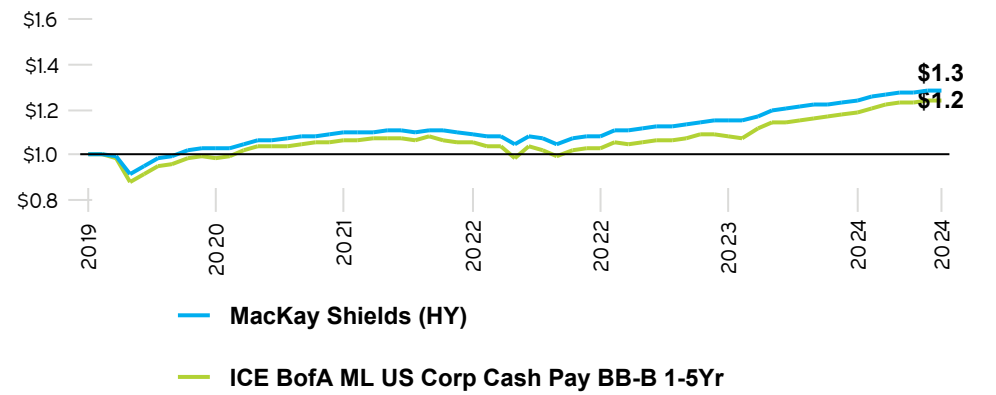
Statistics Summary 5 Years Ending December 31, 2024

	Alpha	Beta	Information Ratio	Sharpe Ratio	Tracking Error	R-Squared	Up Capture	Down Capture
MacKay Shields (HY)	1.8	0.7	0.3	0.5	2.3	1.0	83.0	61.5
ICE BofA ML US Corp Cash Pay BB-B 1-5Yr	0.0	1.0	-	0.3	0.0	1.0	100.0	100.0

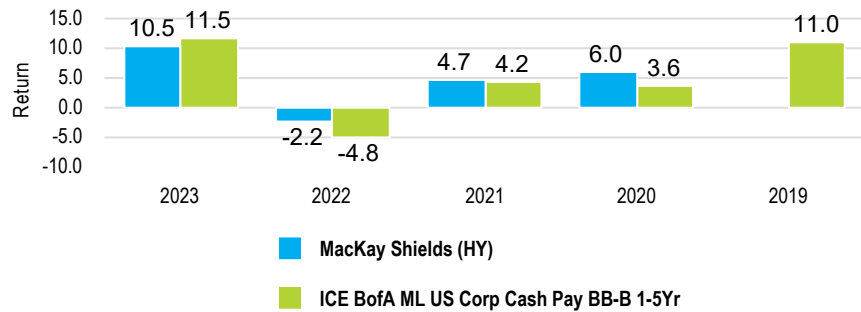
Return Summary



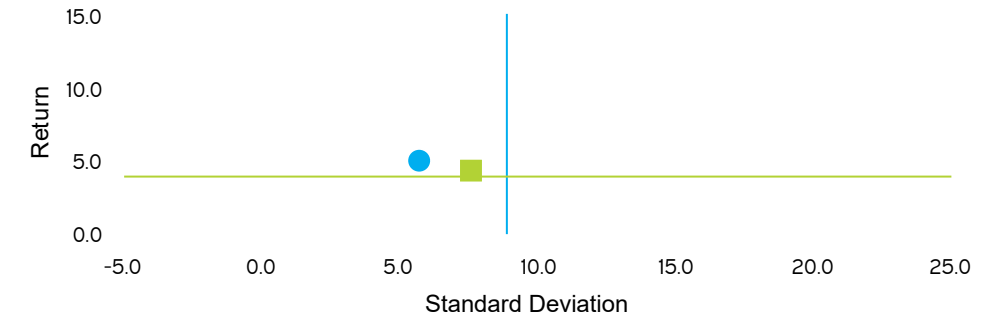
Investment Growth



Return Summary



Risk Reward

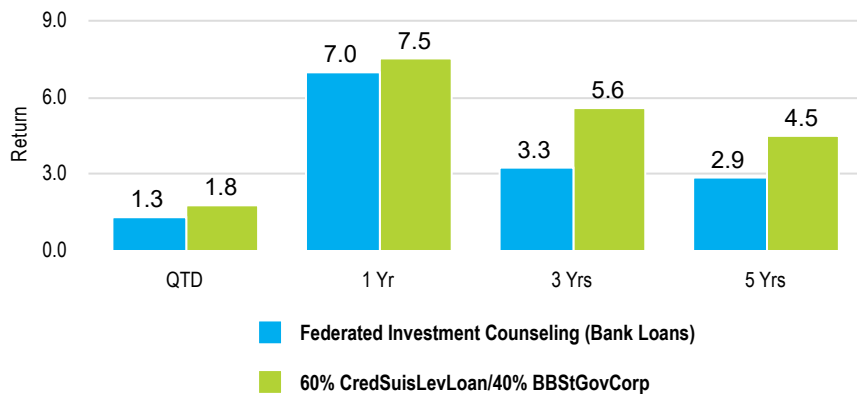


Federated Investment Counseling (Bank Loans) | As of December 31, 2024

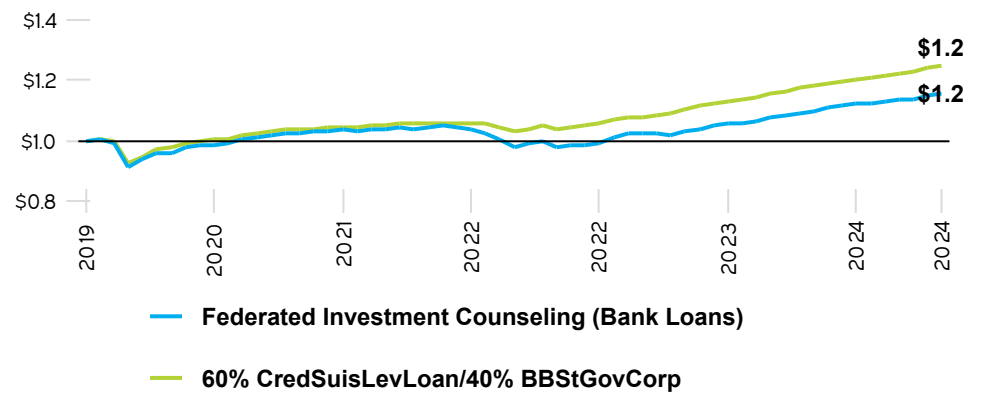
Statistics Summary 5 Years Ending December 31, 2024

	Alpha	Beta	Information Ratio	Sharpe Ratio	Tracking Error	R-Squared	Up Capture	Down Capture
Federated Investment Counseling (Bank Loans)	-2.0	1.1	-1.1	0.1	1.4	0.9	91.3	136.1
60% CredSuisLevLoan/40% BBStGovCorp	0.0	1.0	-	0.5	0.0	1.0	100.0	100.0

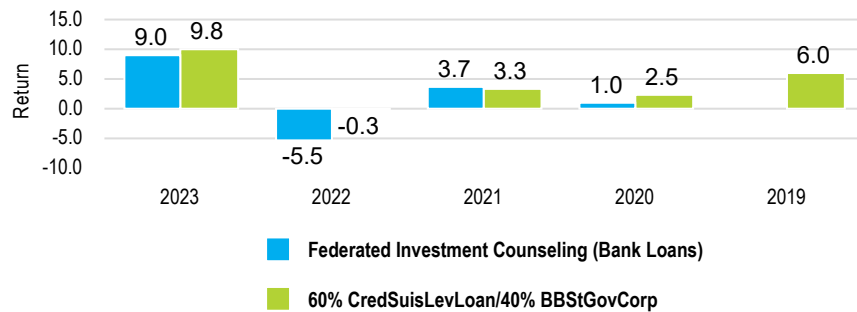
Return Summary



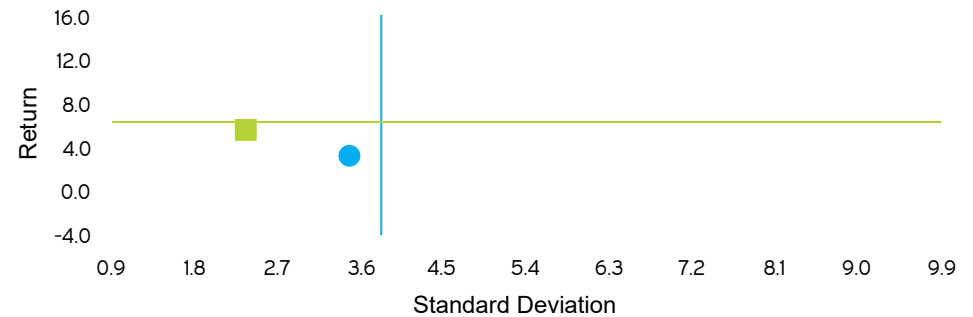
Investment Growth



Return Summary

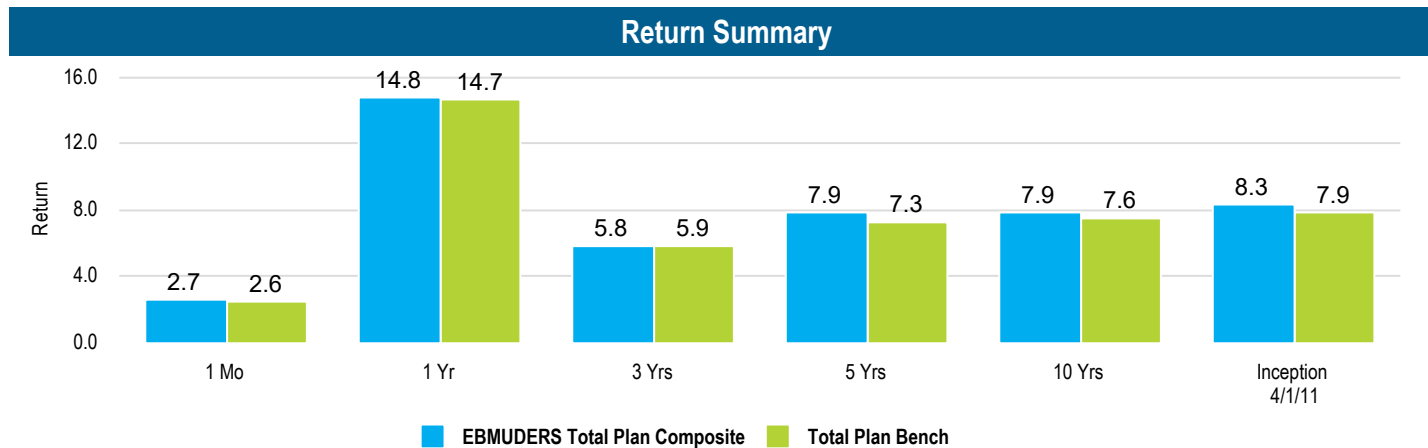


Risk Reward



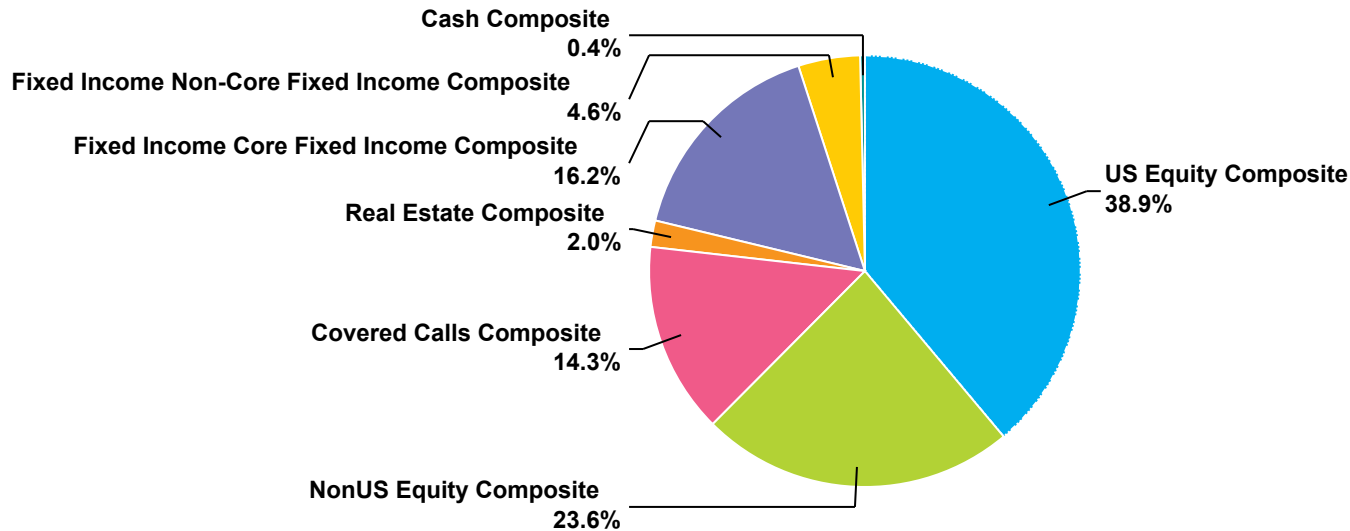
Gross Performance Update
As of January 31, 2025

Summary of Cash Flows		
	1 Mo	1 Yr
EBMUDERS Total Plan Composite		
Beginning Market Value	\$2,632,474,028	\$2,361,526,063
Net Cash Flow	-\$12,057,598	-\$20,861,248
Net Investment Change	\$70,203,473	\$349,955,088
Ending Market Value	\$2,690,619,903	\$2,690,619,903



Benchmark definitions are listed at the end of this report.

Allocation vs. Targets and Policy				
	Current Balance (\$)	Current Allocation (%)	Policy (%)	Policy Range (%)
Domestic Equity	\$1,046,578,791	38.9	33.5	28.5 - 38.5
International Equity	\$634,294,183	23.6	25.0	20.0 - 30.0
Covered Calls	\$385,273,159	14.3	14.0	11.0 - 17.0
Real Estate	\$53,293,993	2.0	2.5	0.5 - 4.5
Core Fixed Income	\$436,769,826	16.2	20.0	17.0 - 23.0
Non-Core Fixed Income	\$124,709,843	4.6	5.0	3.0 - 7.0
Cash	\$9,700,108	0.4	0.0	0.0 - 5.0
Total	\$2,690,619,903	100.0	100.0	



Policy Targets reflect stage 1 Interim Policy Targets per the Evolving Policy Plan.
Actual allocations may deviate from Policy Targets and ranges during the asset allocation transition.

EBMUDERS | As of January 31, 2025

	Market Value \$	% of Portfolio	1 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	20 Yrs (%)	Inception (%)	Inception Date
EBMUDERS Total Plan Composite	2,690,619,903	100.0	2.7	14.9	6.0	8.0	8.1	7.7	9.5	Aug-84
<i>Total Plan Benchmark</i>			<i>2.6</i>	<i>14.7</i>	<i>5.9</i>	<i>7.3</i>	<i>7.6</i>	<i>7.3</i>	<i>9.6</i>	
US Equity Composite	1,046,578,791	38.9	3.2	26.3	11.4	14.6	13.5	10.6	11.8	Aug-84
<i>Russell 3000 Hybrid</i>			<i>3.2</i>	<i>26.3</i>	<i>11.4</i>	<i>14.6</i>	<i>13.2</i>	<i>10.6</i>	<i>--</i>	
Non-US Equity Composite	634,294,183	23.6	4.2	11.4	3.5	6.1	5.3	5.8	6.5	Jul-95
<i>MSCI ACWI xUS (blend)</i>			<i>4.0</i>	<i>11.5</i>	<i>4.0</i>	<i>6.0</i>	<i>5.7</i>	<i>5.6</i>	<i>5.5</i>	
Covered Calls Composite	385,273,159	14.3	2.3	18.3	8.6	10.2	9.4	--	9.9	Feb-14
<i>Cboe S&P 500 Buy Write Index</i>			<i>2.2</i>	<i>20.6</i>	<i>7.7</i>	<i>7.6</i>	<i>7.3</i>	<i>6.0</i>	<i>7.2</i>	
Real Estate Composite	53,293,993	2.0	0.0	8.4	2.1	5.5	6.8	--	6.3	Jan-07
<i>Real Estate Composite Benchmark</i>			<i>0.0</i>	<i>8.7</i>	<i>2.3</i>	<i>5.1</i>	<i>6.3</i>	<i>7.9</i>	<i>6.8</i>	
Fixed Income Composite	561,479,669	20.9	0.7	3.0	0.5	0.9	2.2	3.5	6.5	Aug-84
<i>Fixed Income Composite Benchmark</i>			<i>0.6</i>	<i>3.4</i>	<i>0.4</i>	<i>0.8</i>	<i>2.0</i>	<i>3.4</i>	<i>6.3</i>	
Cash Composite	9,700,108	0.4	1.3	5.0	3.9	2.7	2.0	2.0	2.9	Apr-96
<i>FTSE 3 Month T-Bill</i>			<i>0.4</i>	<i>5.4</i>	<i>4.2</i>	<i>2.6</i>	<i>1.8</i>	<i>1.6</i>	<i>2.3</i>	

Benchmark definitions are listed at the end of this report.

Manager Performance - Gross of Fees | As of January 31, 2025

	Market Value \$	1 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
EBMUDERS Total Plan Composite	2,690,619,903	2.7	14.9	6.0	8.0
<i>Total Plan Bench</i>		<i>2.6</i>	<i>14.7</i>	<i>5.9</i>	<i>7.3</i>
US Equity Composite	1,046,578,791	3.2	26.3	11.4	14.6
<i>Russell 3000 Hybrid</i>		<i>3.2</i>	<i>26.3</i>	<i>11.4</i>	<i>14.6</i>
Northern Trust Russell 3000	1,045,798,485	3.2	26.3	11.4	14.6
<i>Russell 3000 Index</i>		<i>3.2</i>	<i>26.3</i>	<i>11.4</i>	<i>14.6</i>
Non US Equity Composite	634,294,183	4.2	11.4	3.5	6.1
<i>MSCI ACWI xUS (blend)</i>		<i>4.0</i>	<i>11.5</i>	<i>4.0</i>	<i>6.0</i>
Northern Trust ACWI ex US	634,294,183	4.2	11.4	3.5	5.8
<i>MSCI AC World ex USA index</i>		<i>4.0</i>	<i>11.5</i>	<i>4.0</i>	<i>6.0</i>
Covered Calls Composite	385,273,159	2.3	18.3	8.6	10.2
<i>Cboe S&P 500 Buy Write Index</i>		<i>2.2</i>	<i>20.6</i>	<i>7.7</i>	<i>7.6</i>
Parametric BXM	186,435,053	1.8	16.6	8.4	9.6
<i>Cboe S&P 500 Buy Write Index</i>		<i>2.2</i>	<i>20.6</i>	<i>7.7</i>	<i>7.6</i>
Parametric Delta Shift	198,838,106	2.8	21.4	9.7	13.5
<i>Cboe S&P 500 Buy Write Index</i>		<i>2.2</i>	<i>20.6</i>	<i>7.7</i>	<i>7.6</i>

Manager Performance - Gross of Fees | As of January 31, 2025

	Market Value \$	1 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Core Fixed Income Composite	436,769,826	0.6	1.7	-0.6	0.0
<i>Fixed Income Core Composite Bench</i>		<i>0.5</i>	<i>2.1</i>	<i>-0.9</i>	<i>-0.2</i>
CS McKee	222,040,384	0.5	2.5	-1.0	-0.2
<i>Blmbg. U.S. Aggregate Index</i>		<i>0.5</i>	<i>2.1</i>	<i>-1.5</i>	<i>-0.6</i>
Garcia Hamilton	214,729,442	0.6	0.9	-0.3	0.2
<i>Garcia Hamilton Blended Benchmark</i>		<i>0.5</i>	<i>2.1</i>	<i>-0.4</i>	<i>0.2</i>
Non-Core Fixed Income Composite	124,709,843	1.1	7.8	4.9	4.6
<i>Fixed Income Non-Core Composite Bench</i>		<i>1.0</i>	<i>8.7</i>	<i>5.8</i>	<i>4.7</i>
MacKay Shields (HY)	64,484,088	1.5	8.1	6.0	5.8
<i>Mackay Shields Blended Benchmark</i>		<i>1.4</i>	<i>9.3</i>	<i>5.6</i>	<i>4.6</i>
Federated Investment Counseling (Bank Loans)	60,225,756	0.8	7.9	4.0	3.5
<i>Federated Investment Counseling Blended Benchmark</i>		<i>0.7</i>	<i>8.1</i>	<i>5.9</i>	<i>4.7</i>
Real Estate Composite	53,293,993	0.0	8.4	2.1	5.5
<i>Real Estate Composite Benchmark</i>		<i>0.0</i>	<i>8.7</i>	<i>2.3</i>	<i>5.1</i>
RREEF America II Lag	53,293,993	0.0	-7.1	0.2	3.1
<i>NCREIF NPI Lag</i>		<i>0.0</i>	<i>-3.5</i>	<i>0.9</i>	<i>3.3</i>

Manager Performance - Gross of Fees | As of January 31, 2025

	Market Value \$	1 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Cash Composite	9,700,108	1.3	5.0	3.9	2.7
Cash LAIF	9,700,108	1.3	5.0	3.9	2.7
<i>FTSE 3 Month T-Bill</i>		<i>0.4</i>	<i>5.4</i>	<i>4.2</i>	<i>2.6</i>

Benchmark History

From Date	To Date	Benchmark
EBMUDERS Total Plan Composite		
10/01/2024	Present	33.5% Russell 3000 Index, 20.0% Blmbg. U.S. Aggregate Index, 25.0% MSCI AC World ex USA index, 2.5% Morningstar LSTA U.S. Performing Loans, 14.0% Cboe S&P 500 Buy Write Index, 2.5% Credit Suisse Leveraged Loans, 2.5% Blmbg. U.S. Corp. High Yield Index
02/01/2023	10/01/2024	2.5% Real Estate Composite, 25.0% Russell 3000 Index, 20.0% Blmbg. U.S. Aggregate Index, 25.0% MSCI AC World ex USA index, 2.5% Morningstar LSTA U.S. Performing Loans, 20.0% Cboe S&P 500 Buy Write Index, 2.5% 60% CredSuisLevLoan/40% BBStGovCorp, 2.5% ICE BofA ML US Corp Cash Pay BB-B 1-5Yr
12/01/2019	02/01/2023	2.5% Real Estate Composite, 25.0% Russell 3000 Index, 10.0% Blmbg. Intermed. U.S. Government/Credit, 10.0% Blmbg. U.S. Aggregate Index, 25.0% MSCI AC World ex USA index, 2.5% Morningstar LSTA U.S. Performing Loans, 20.0% Cboe S&P 500 Buy Write Index, 2.5% 60% CredSuisLevLoan/40% BBStGovCorp, 2.5% ICE BofA ML US Corp Cash Pay BB-B 1-5Yr
03/01/2019	12/01/2019	2.5% Real Estate Composite, 25.0% Russell 3000 Index, 5.0% Bloomberg U.S. Gov/Credit 1-3 Year Index, 15.0% Blmbg. U.S. Aggregate Index, 25.0% MSCI AC World ex USA index, 2.5% Morningstar LSTA U.S. Performing Loans, 20.0% Cboe S&P 500 Buy Write Index, 2.5% 60% CredSuisLevLoan/40% BBStGovCorp, 2.5% 50% BBG EM Hard Cur Agg: Sovereign/50% BBG EM USD Aggregate Corporate TR
07/01/2018	03/01/2019	2.5% Real Estate Composite, 25.0% Russell 3000 Index, 5.0% Bloomberg U.S. Gov/Credit 1-3 Year Index, 15.0% Blmbg. U.S. Aggregate Index, 25.0% MSCI AC World ex USA index, 2.5% Morningstar LSTA U.S. Performing Loans, 2.5% Blmbg. U.S. High Yield 1-5 Yr Cash Pay 2%, 20.0% Cboe S&P 500 Buy Write Index, 2.5% NCREIF NPI Lag
04/01/2014	07/01/2018	2.5% Real Estate Composite, 40.0% Russell 3000 Index, 5.0% Bloomberg U.S. Gov/Credit 1-3 Year Index, 10.0% Blmbg. U.S. Aggregate Index, 15.0% MSCI AC World ex USA index, 2.5% Morningstar LSTA U.S. Performing Loans, 2.5% Blmbg. U.S. High Yield 1-5 Yr Cash Pay 2%, 20.0% Cboe S&P 500 Buy Write Index, 2.5% NCREIF NPI Lag
03/01/2014	04/01/2014	2.5% Real Estate Composite, 40.0% Russell 3000 Index, 15.0% Blmbg. U.S. Aggregate Index, 15.0% MSCI AC World ex USA index, 2.5% Morningstar LSTA U.S. Performing Loans, 2.5% Blmbg. U.S. High Yield 1-5 Yr Cash Pay 2%, 20.0% Cboe S&P 500 Buy Write Index, 2.5% NCREIF NPI Lag
11/01/2011	03/01/2014	2.5% Real Estate Composite, 50.0% Russell 3000 Index, 20.0% MSCI AC World ex USA index, 25.0% Blmbg. U.S. Universal Index, 2.5% NCREIF NPI Lag
01/01/2008	11/01/2011	50.0% Russell 3000 Index, 20.0% MSCI AC World ex USA index, 25.0% Blmbg. U.S. Universal Index, 5.0% NCREIF NPI Lag
01/01/2007	01/01/2008	50.0% Russell 3000 Index, 25.0% Blmbg. U.S. Aggregate Index, 20.0% MSCI AC World ex USA index, 5.0% NCREIF NPI Lag
10/01/2005	01/01/2007	50.0% Russell 3000 Index, 25.0% Blmbg. U.S. Aggregate Index, 20.0% MSCI EAFE (Net), 5.0% NCREIF NPI Lag
04/01/2005	10/01/2005	10.0% Russell 2000 Index, 30.0% S&P 500 Index, 10.0% S&P MidCap 400 Index, 25.0% Blmbg. U.S. Aggregate Index, 20.0% MSCI EAFE (Net), 5.0% NCREIF NPI Lag
09/01/1998	04/01/2005	10.0% Russell 2000 Index, 33.0% S&P 500 Index, 10.0% S&P MidCap 400 Index, 30.0% Blmbg. U.S. Aggregate Index, 17.0% MSCI EAFE (Net)

From Date	To Date	Benchmark
07/01/1978	09/01/1998	30.0% S&P 500 Index, 30.0% Blmbg. U.S. Aggregate Index, 5.0% FTSE 3 Month T-Bill, 15.0% MSCI EAFE (Net), 5.0% NCREIF NPI Lag, 15.0% Wilshire 5000 Total Market Index
Fixed Income Composite		
10/01/2024	Present	80.0% Blmbg. U.S. Aggregate Index, 10.0% Credit Suisse Leveraged Loans, 10.0% Blmbg. U.S. Corp: High Yield Index
02/01/2023	10/01/2024	80.0% Blmbg. U.S. Aggregate Index, 10.0% 60% CredSuisLevLoan/40% BBStGovCorp, 10.0% ICE BofA ML US Corp Cash Pay BB-B 1-5Yr
12/01/2019	02/01/2023	40.0% Blmbg. Intermed. U.S. Government/Credit, 40.0% Blmbg. U.S. Aggregate Index, 10.0% 60% CredSuisLevLoan/40% BBStGovCorp, 10.0% ICE BofA ML US Corp Cash Pay BB-B 1-5Yr
03/01/2019	12/01/2019	20.0% Bloomberg U.S. Gov/Credit 1-3 Year Index, 60.0% Blmbg. U.S. Aggregate Index, 10.0% 60% CredSuisLevLoan/40% BBStGovCorp, 10.0% ICE BofA ML US Corp Cash Pay BB-B 1-5Yr
07/01/2018	03/01/2019	20.0% Bloomberg U.S. Gov/Credit 1-3 Year Index, 60.0% Blmbg. U.S. Aggregate Index, 10.0% Morningstar LSTA U.S. Performing Loans, 10.0% Blmbg. U.S. High Yield 1-5 Yr Cash Pay 2%
04/01/2014	07/01/2018	25.0% Bloomberg U.S. Gov/Credit 1-3 Year Index, 50.0% Blmbg. U.S. Aggregate Index, 12.5% Morningstar LSTA U.S. Performing Loans, 12.5% Blmbg. U.S. High Yield 1-5 Yr Cash Pay 2%
03/01/2014	04/01/2014	75.0% Blmbg. U.S. Aggregate Index, 12.5% Morningstar LSTA U.S. Performing Loans, 12.5% Blmbg. U.S. High Yield 1-5 Yr Cash Pay 2%
01/01/2008	03/01/2014	100.0% Blmbg. U.S. Universal Index
01/01/1976	01/01/2008	100.0% Blmbg. U.S. Aggregate Index
Fixed Income Core Fixed Income Composite		
02/01/2023	Present	100.0% Blmbg. U.S. Aggregate Index
12/01/2019	02/01/2023	50.0% Blmbg. Intermed. U.S. Government/Credit, 50.0% Blmbg. U.S. Aggregate Index
Fixed Income Non-Core Fixed Income Composite		
10/01/2024	Present	50.0% Credit Suisse Leveraged Loans, 50.0% Blmbg. U.S. Corp: High Yield Index
12/01/2019	10/01/2024	50.0% 60% CredSuisLevLoan/40% BBStGovCorp, 50.0% ICE BofA ML US Corp Cash Pay BB-B 1-5Yr
03/01/2019	12/01/2019	50.0% Bloomberg U.S. Gov/Credit 1-3 Year Index, 25.0% 60% CredSuisLevLoan/40% BBStGovCorp, 25.0% ICE BofA ML US Corp Cash Pay BB-B 1-5Yr
03/01/2014	03/01/2019	50.0% Bloomberg U.S. Gov/Credit 1-3 Year Index, 25.0% Morningstar LSTA U.S. Performing Loans, 25.0% Blmbg. U.S. High Yield 1-5 Yr Cash Pay 2%

Real Estate Composite

From Date	To Date	Benchmark
10/01/2024	Present	100.0% NCREIF NPI Lag
11/01/2011	10/01/2024	50.0% NCREIF NPI Lag, 50.0% FTSE NAREIT Equity REIT Index
10/01/1998	11/01/2011	100.0% NCREIF NPI Lag
04/01/1978	10/01/1998	100.0% NCREIF Property Index

Fixed Income Blended Benchmarks

Garcia Hamilton

02/01/2023	Present	100.0% Blmbg. U.S. Aggregate Index
11/01/2019	02/01/2023	100.0% Blmbg. Intermed. U.S. Government/Credit

MacKay Shields (HY)

10/01/2024	Present	100.0% Blmbg. U.S. Corp: High Yield Index
02/01/2019	10/01/2024	100.0% ICE BofA ML US Corp Cash Pay BB-B 1-5Yr

Federated Investment Counseling (Bank Loans)

10/01/2024	Present	100.0% Credit Suisse Leveraged Loans
02/01/2019	10/01/2024	100.0% 60% CredSuisLevLoan/40% BBStGovCorp

Benchmark History

From Date	To Date	Benchmark
Real Estate Composite		
10/01/2024	Present	100.0% NCREIF NPI Lag
11/01/2011	10/01/2024	50.0% NCREIF NPI Lag, 50.0% FTSE NAREIT Equity REIT Index
10/01/1998	11/01/2011	100.0% NCREIF NPI Lag
04/01/1978	10/01/1998	100.0% NCREIF Property Index
Fixed Income Blended Benchmarks		
Garcia Hamilton		
02/01/2023	Present	100.0% Blmbg. U.S. Aggregate Index
11/01/2019	02/01/2023	100.0% Blmbg. Intermed. U.S. Government/Credit
MacKay Shields (HY)		
10/01/2024	Present	100.0% Blmbg. U.S. Corp: High Yield Index
02/01/2019	10/01/2024	100.0% ICE BofA ML US Corp Cash Pay BB-B 1-5Yr
Federated Investment Counseling (Bank Loans)		
10/01/2024	Present	100.0% Credit Suisse Leveraged Loans
02/01/2019	10/01/2024	100.0% 60% CredSuisLevLoan/40% BBStGovCorp

Manager Watch Screens

Manager Performance			
	QTD	1 Yr	3 Yrs
Northern Trust Russell 3000	2.6	23.8	8.0
Russell 3000 Index	2.6	23.8	8.0

Short-Term Criteria (rolling 12-month periods)

Fund return < benchmark return -3.5% for 6 consecutive months

Current Status: **Acceptable**

Medium-Term Criteria (rolling 36-month periods)

Fund annualized return < benchmark annualized return -1.75% for 6 consecutive months

Current Status: **Acceptable**

Long-Term Criteria (60+ months)

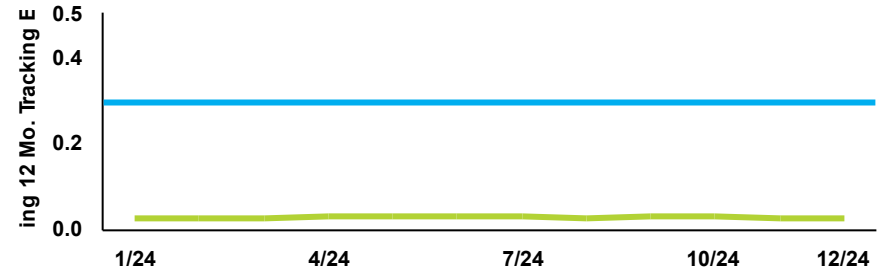
VRR < 0.98 for 6 consecutive months

Current Status: **Acceptable**

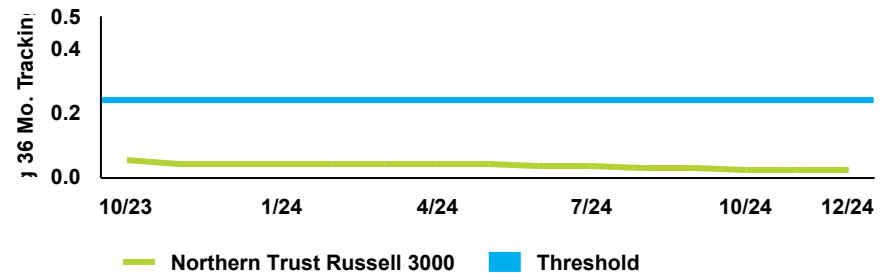
Overall Status:

Acceptable

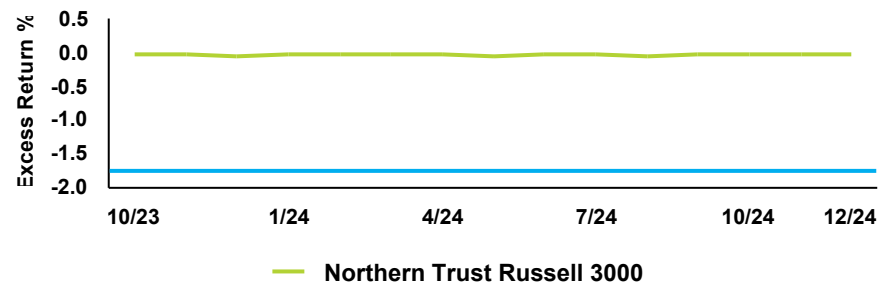
Short-Term Performance Evaluation



Medium-Term Performance Evaluation



Medium-Term Performance Evaluation



Northern Trust ACWI ex US | As of December 31, 2024

Manager Performance				
	QTD	1 Yr	3 Yrs	5 Yrs
Northern Trust ACWI ex US	-7.5	5.7	1.1	4.2
MSCI AC World ex USA index	-7.5	6.1	1.3	4.6

Short-Term Criteria (rolling 12-month periods)

Fund return < benchmark return -3.5% for 6 consecutive months

Current Status: **Acceptable**

Medium-Term Criteria (rolling 36-month periods)

Fund annualized return < benchmark annualized return -1.75% for 6 consecutive months

Current Status: **Acceptable**

Long-Term Criteria (60+ months)

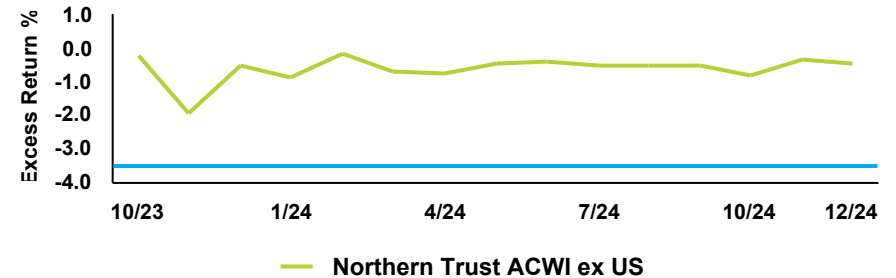
VRR < 0.98 for 6 consecutive months

Current Status: **Acceptable**

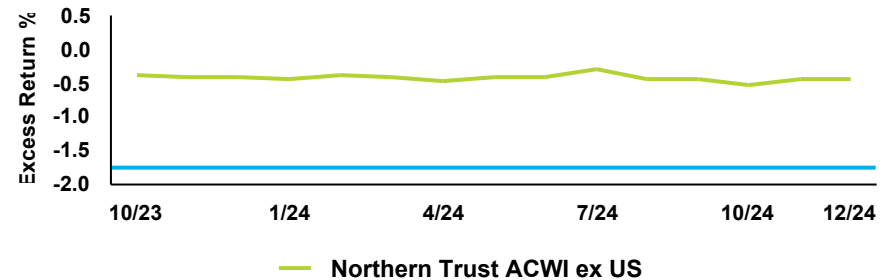
Overall Status:

Acceptable

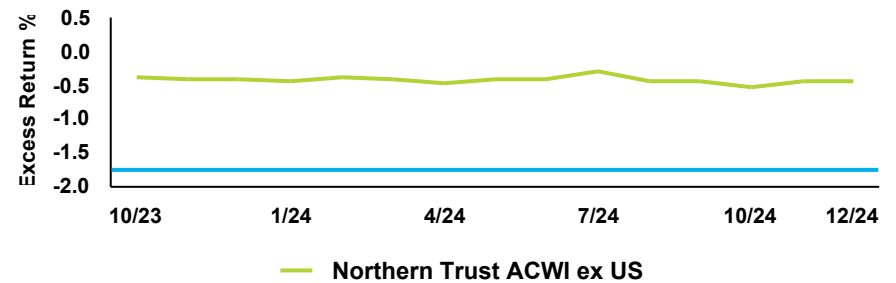
Short-Term Performance Evaluation



Long-Term Performance Evaluation



Long-Term Performance Evaluation



Manager Performance				
	QTD	1 Yr	3 Yrs	5 Yrs
Parametric BXM	3.3	16.1	6.6	9.0
Cboe S&P 500 Buy Write Index	5.8	20.1	6.0	6.9

Short-Term Criteria (rolling 12-month periods)

Fund return < benchmark return -3.5% for 6 consecutive months

Current Status: **Acceptable**

Medium-Term Criteria (rolling 36-month periods)

Fund annualized return < benchmark annualized return -1.75% for 6 consecutive months

Current Status: **Acceptable**

Long-Term Criteria (60+ months)

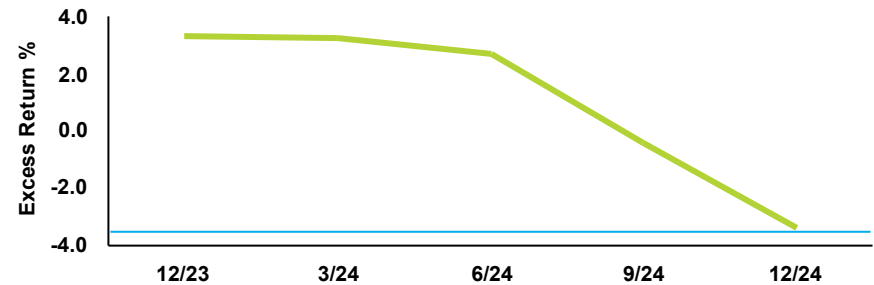
VRR < 0.97 for 6 consecutive months

Current Status: **Acceptable**

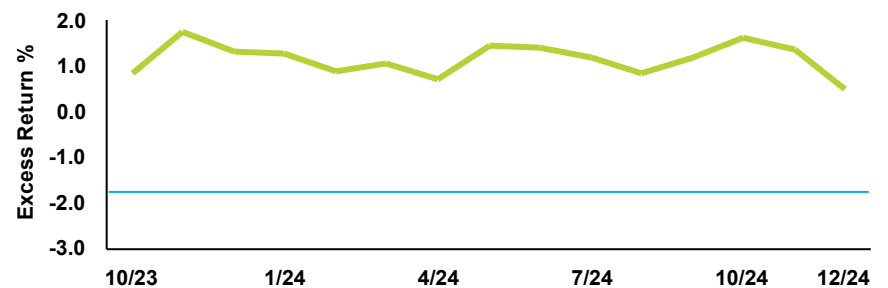
Overall Status:

Acceptable

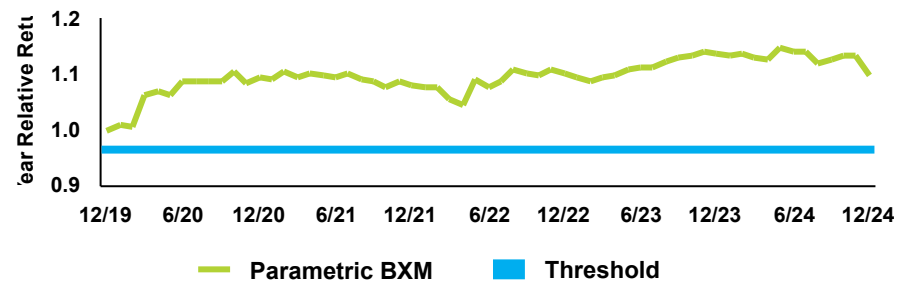
Short-Term Performance Evaluation



Medium-Term Performance Evaluation



Long-Term Performance



Manager Performance				
	QTD	1 Yr	3 Yrs	5 Yrs (%)
Parametric Delta Shift	2.6	19.4	6.7	12.5
Cboe S&P 500 Buy Write Index	5.8	20.1	6.0	6.9

Short-Term Criteria (rolling 12-month periods)

Fund return < benchmark return -3.5% for 6 consecutive months

Current Status: **Acceptable**

Medium-Term Criteria (rolling 36-month periods)

Fund annualized return < benchmark annualized return -1.75% for 6 consecutive months

Current Status: **Acceptable**

Long-Term Criteria (60+ months)

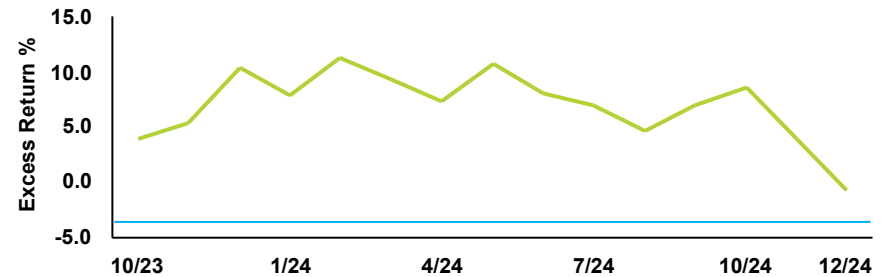
VRR < 0.97 for 6 consecutive months

Current Status: **Acceptable**

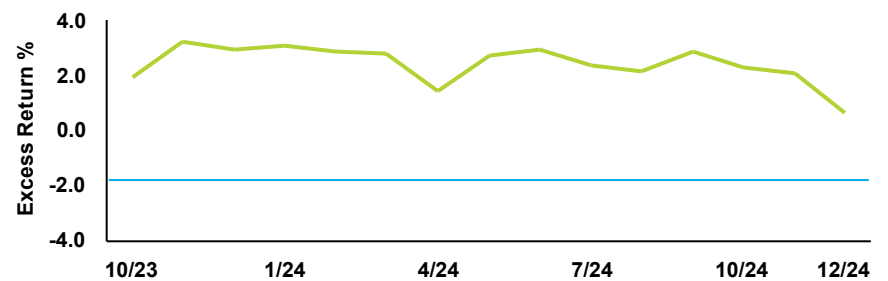
Overall Status:

Acceptable

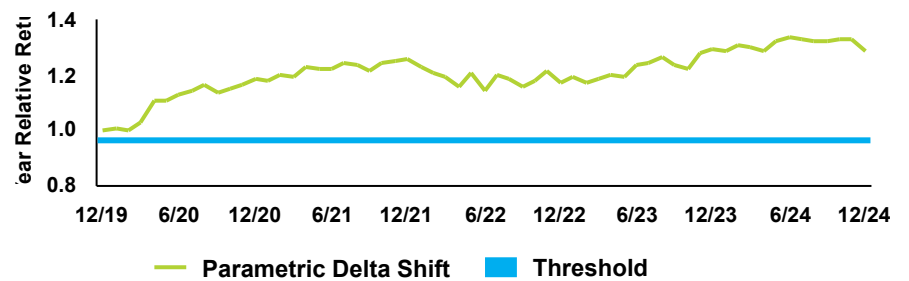
Short-Term Performance Evaluation



Medium-Term Performance Evaluation



Long-Term Performance Evaluation



Manager Performance				
	QTD	1 Yr	3 Yrs	5 Yrs
CS McKee	-3.2	1.6	-2.1	-0.1
BImbg. U.S. Aggregate Index	-3.1	1.3	-2.4	-0.3

Overall Status:

Acceptable

Short-Term Criteria (rolling 12-month periods)

Fund return < benchmark return -1.5% for 6 consecutive months

Current Status: **Acceptable**

Medium-Term Criteria (rolling 36-month periods)

Fund annualized return < benchmark annualized return -1.0% for 6 consecutive months

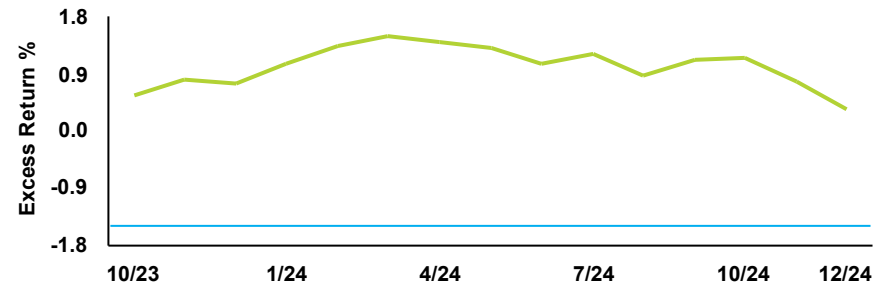
Current Status: **Acceptable**

Long-Term Criteria (60+ months)

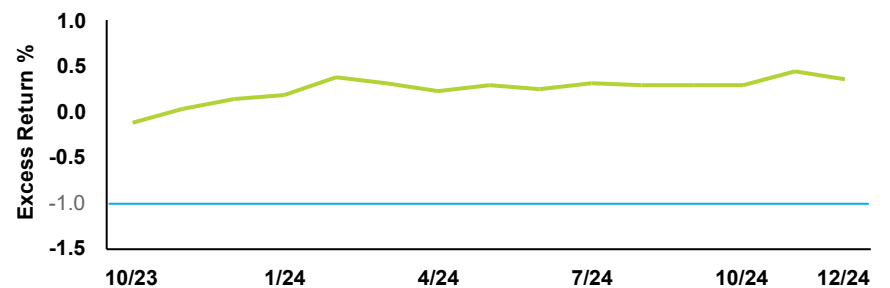
VRR < 0.98 for 6 consecutive months

Current Status: **Acceptable**

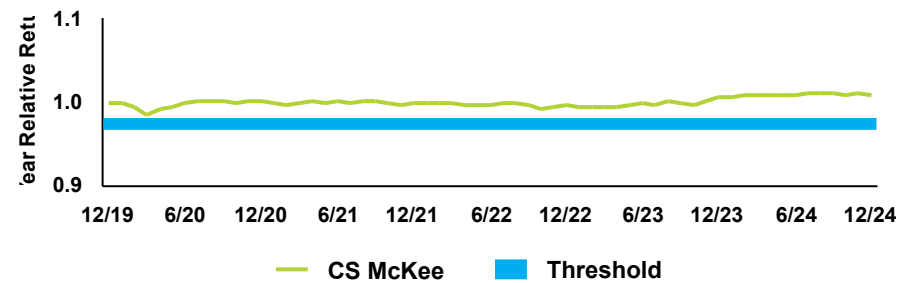
Short-Term Performance Evaluation



Medium-Term Performance Evaluation



Long-Term Performance



Manager Performance			
	QTD	1 Yr	3 Yrs
Garcia Hamilton	-4.5	-0.2	-1.0
BImbg. U.S. Aggregate Index	-3.1	1.3	-2.4

Short-Term Criteria (rolling 12-month periods)

Fund return < benchmark return -3.5% for 6 consecutive months

Current Status: **Acceptable**

Medium-Term Criteria (rolling 36-month periods)

Fund annualized return < benchmark annualized return -1.75% for 6 consecutive months

Current Status: **Acceptable**

Long-Term Criteria (60+ months)

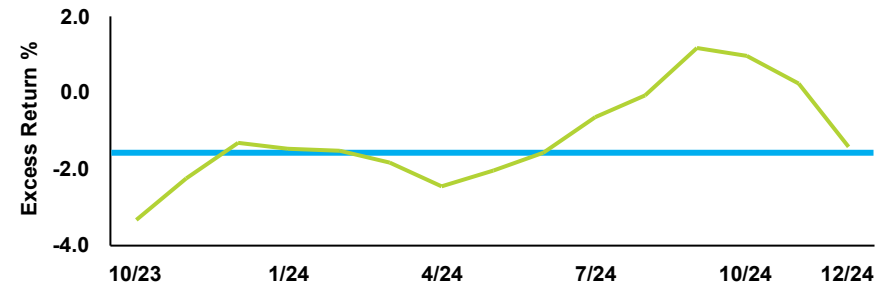
VRR < 0.97 for 6 consecutive months

Current Status: **Acceptable**

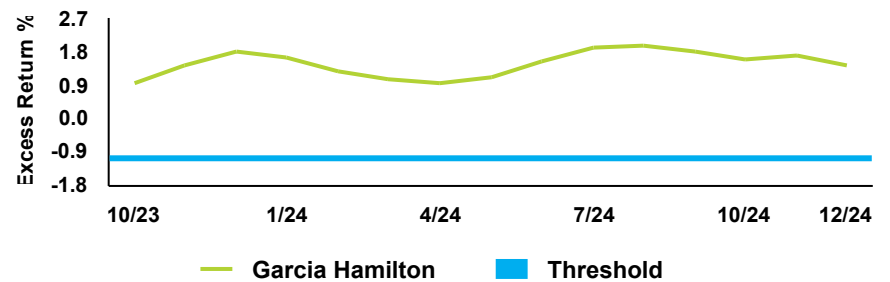
Overall Status:

Acceptable

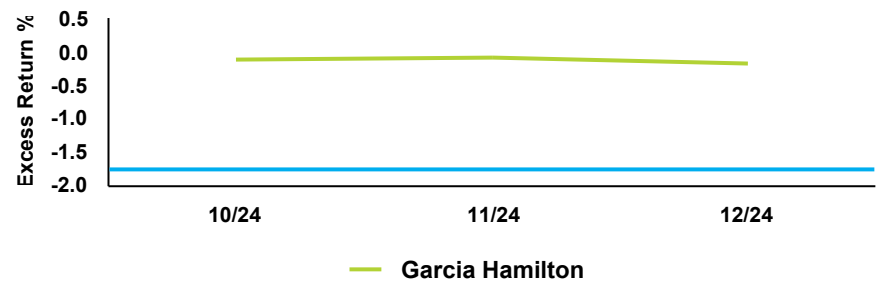
Short-Term Performance Evaluation



Medium-Term Performance Evaluation



Long-Term Performance Evaluation



Manager Performance			
	QTD	1 Yr	3 Yrs
Mackay Shields (HY)	0.1	6.8	4.9
ICE BofA ML US Corp Cash Pay BB-B 1-5Yr	0.2	7.9	4.6

Short-Term Criteria (rolling 12-month periods)

Fund return < benchmark return -3.5% for 6 consecutive months

Current Status: **Acceptable**

Medium-Term Criteria (rolling 36-month periods)

Fund annualized return < benchmark annualized return -1.75% for 6 consecutive months

Current Status: **Acceptable**

Long-Term Criteria (60+ months)

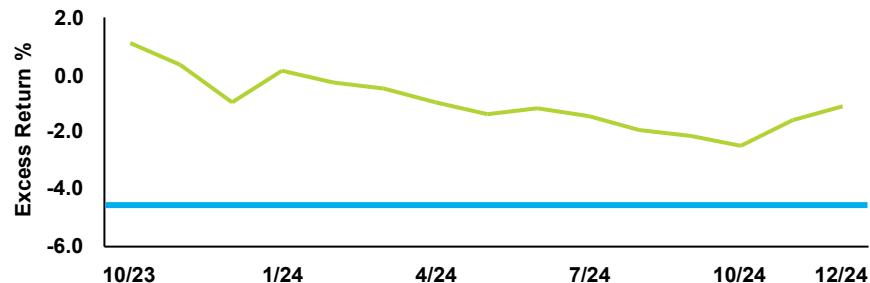
VRR < 0.97 for 6 consecutive months

Current Status: **Acceptable**

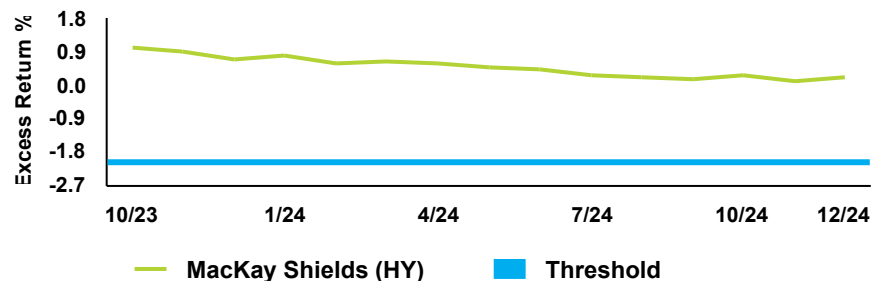
Overall Status:

Acceptable

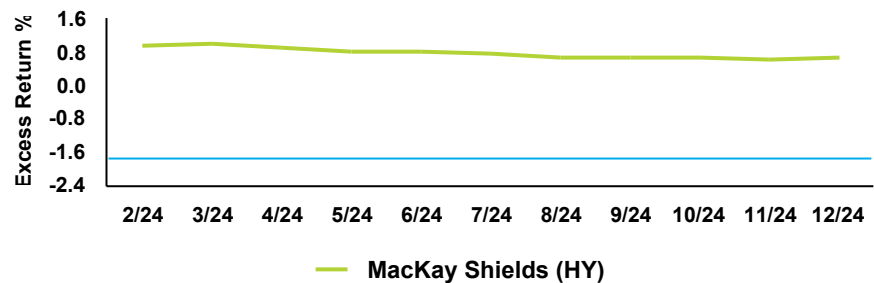
Short-Term Performance Evaluation



Medium-Term Performance Evaluation



Long-Term Performance Evaluation



Manager Performance			
	QTD	1 Yr	3 Yrs
Federated Investment Counseling (Bank Loans)	1.3	7.0	3.3
60% CredSuisLevLoan/40% BBStGovCorp	1.8	7.5	5.6

Short-Term Criteria (rolling 12-month periods)

Fund return < benchmark return -3.5% for 6 consecutive months

Current Status: **Acceptable**

Medium-Term Criteria (rolling 36-month periods)

Fund annualized return < benchmark annualized return -1.75% for 6 consecutive months

Current Status: **Acceptable**

Long-Term Criteria (60+ months)

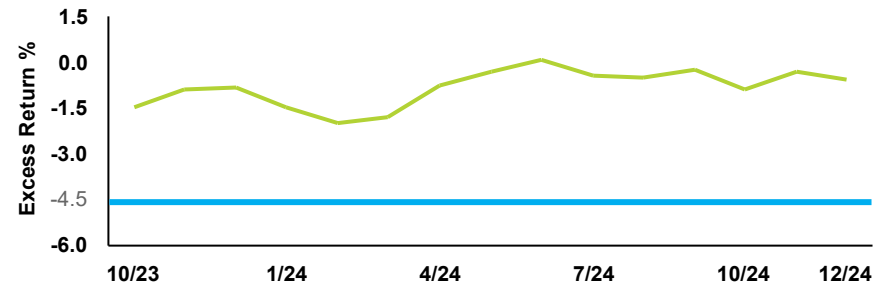
VRR < 0.97 for 6 consecutive months

Current Status: **Acceptable**

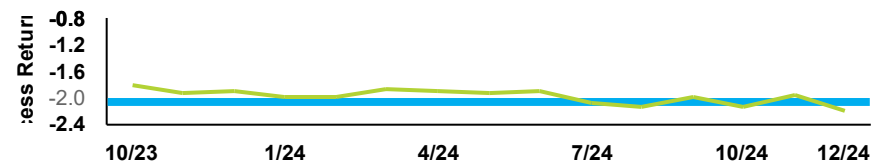
Overall Status:

Acceptable

Short-Term Performance Evaluation



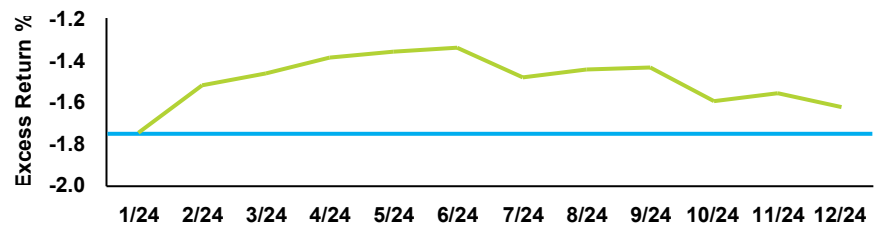
Medium-Term Performance Evaluation



— Federated Investment Counseling (Bank Loans)

■ Threshold

Long-Term Performance Evaluation



— Federated Investment Counseling (Bank Loans)

Performance Monitoring Summary

Portfolio	Violation Type (Window) ¹	Date of Initial Violation	Correction Action(s)	Current Status			
				Current Status	Est. Beg. Date of Current Status	Months Since Est. Beg. Date	Performance Since Est. Beg. Date ²³
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--

→ No managers are currently on watch.

¹ Defined as: Short-Term (12 months), Medium-Term (36 months), Long-Term (60 months).

² Annualized for periods greater than 12 months.

³ Performance figures not yet available.

Quantitative Compliance Monitoring per Watch Criteria

Active Management Criteria

- Active investment managers are expected to outperform their respective passive benchmarks related to both their asset class and investment style.
- Relative excess performance that falls below the red acceptable threshold stated in the Watch Criteria for six consecutive months may be a trigger for Watch status.

Passive Management Criteria

- Passive investment managers are expected to track the performance of their respective passive benchmarks related to both their asset class and their investment style.
- Tracking error is a measure of how closely a portfolio follows the index to which it is benchmarked.
- For short- and medium-term performance monitoring, a portfolio with tracking error that is above the red acceptable threshold stated in the Watch Criteria for six consecutive months may be a trigger for Watch status.
- For long-term performance monitoring, relative excess performance that falls below the red acceptable threshold stated in the Watch Criteria for six consecutive months may be a trigger for Watch status.

Quantitative Monitoring Results - Overall Status Summary

	Prior Qtr Status	Current Qtr Status
Northern Trust – R3000	Acceptable	Acceptable
Northern Trust – ACWixUS	Acceptable	Acceptable
Parametric – BXM	Acceptable	Acceptable
Parametric – Delta Shift	Acceptable	Acceptable
Van Hulzen	Acceptable	Acceptable
CS McKee	Acceptable	Acceptable
Garcia Hamilton	Acceptable	Acceptable
Mackay Shields – Short Term HY	Acceptable	Acceptable
Federated – Bank Loans	Acceptable	Acceptable
CenterSquare	Acceptable	Acceptable

Investment Performance Criteria by Asset Class

Asset Class	Short-term (rolling 12-month periods)	Medium-term (rolling 36-month periods)	Long-term (60+ months)
Domestic Equity - Passive	Tracking error > 0.30%	Tracking error > 0.25% for 6 consecutive months	Fund annualized return < benchmark annualized return -0.40% for 6 consecutive months
Non-US Equity - Passive	Tracking error > 1.75%	Tracking error > 1.5% for 6 consecutive months	Fund annualized return < benchmark annualized return - 0.50% for 6 consecutive months
Covered Calls - Active	Fund return < benchmark return - 3.5%	Fund annualized return < benchmark annualized return -1.75% for 6 consecutive months	VRR < 0.97 for 6 consecutive months
Covered Calls - Replication	Fund return < benchmark return - 3.5%	Fund annualized return < benchmark annualized return -1.75% for 6 consecutive months	Fund annualized return < benchmark annualized return - 0.40% for 6 consecutive months
Fixed Income - Core – Active	Fund return < benchmark return - 1.5%	Fund annualized return < benchmark annualized return -1.0% for 6 consecutive months	VRR < 0.98 for 6 consecutive months
Fixed Income - Core – Passive	Tracking error > 0.25%	Tracking error > 0.20% for 6 consecutive months	Fund annualized return < benchmark annualized return - 0.30% for 6 consecutive months
Fixed Income - Non-Core	Fund return < benchmark return - 4.5%	Fund annualized return < benchmark annualized return - 2.0% for 6 consecutive months	VRR < 0.97 for 6 consecutive months

All criteria are on an annualized basis.

VRR – Value Relative Ratio – is calculated as: manager cumulative return / benchmark cumulative return.

Manager Compliance Certification Responses

Manager Compliance Certification Responses**Qualitative Compliance Monitoring per EBMUDERS Investment Policy**

Each of EBMUDERS managers is required to respond to a questionnaire on a quarterly basis to certify their compliance with EBMUDERS Investment Policy Statement and provide an update on specific qualitative indicators to be evaluated.

These indicators include:

- Compliance with the guidelines of 'Eligible Investments' for the manager's specific mandate
- Any litigation or governmental regulatory proceedings involving the firm/manager
- Changes to the manager's investment outlook, investment strategy, and/or portfolio structure
- Personnel changes to the investment team responsible for the EBMUDERS mandate
- Significant personnel changes at the management level of the firm
- Material client terminations
- Compliance with EBMUDERS current Investment Policy Statement

The manager's responses are rated based on the potential effects these factors could pose to the performance and management of the EBMUDERS portfolio.

Reasons for heightened concern triggering Watch status include, but are not limited to:

- Instability of key members of the portfolio management team and organization
- Changes in investment strategy and style
- Failure to comply with investment guidelines

A summary of manager responses as of the latest quarter-end is provided below.

Manager Compliance Certification Responses

Manager Compliance Certification Responses

Manager	Asset Class	Question 1 Compliance with 'Eligible Investments' for mandate	Question 2 Good standing as Registered Investment Advisor	Question 3 Litigation?	Question 4 Changes in manager's investment outlook, strategy, structure	Question 5 Investment team personnel changes	Question 6 Management level personnel changes	Question 7 Material business changes	Question 8 Compliance with IPS
Northern Trust R3000	Domestic Equity – All Cap	Yes	Yes	No	No	Yes*	Yes*	No	Yes
Northern Trust ACWI ex US	International Equity	Yes	Yes	No	No	Yes*	Yes*	No	Yes
Parametric	Covered Calls	Yes	Yes	No	No	No	No	No	Yes
CS McKee	Fixed Income – Core	Yes	Yes	No	No	No	No	No	Yes
Garcia Hamilton	Fixed Income – Core	Yes	Yes	No	No	No	No	No	Yes
Mackay Shields	Fixed Income – Short-term HY	Yes	Yes	No	No	Yes*	Yes*	No	Yes
Federated	Fixed Income – Bank Loans	Yes	Yes	No	No	No	No	No	Yes
RREEF	Real Estate	Yes	Yes	No	No	No	No	No	Yes

■ no concern
 ■ low concern
 ■ high concern (Watch status)

* see detailed manager response below

Northern Trust – R3000 and ACWI ex US

Question 5: Have there been any personnel changes to the investment team responsible for the EBMUD portfolio during the quarter?

- Specific to the portfolio management team, in October of 2024, Robert Anstine is named Head of US Index Equity, replacing Brent Reeder, who left firm.
- As you are aware, NTAM utilizes a team managed approach and thus the departure of one portfolio manager does not affect the management of your portfolio.

Question 6: Have there been any significant personnel changes at the management level of the Firm during the quarter?

- **Senior Management Changes:** As a result of the constantly changing landscape of asset management, we believe the occasional organizational changes are a natural progression and necessary in order to adapt to new market and regulatory environments. The most recent changes to senior personnel are the following:
 - January 2025: Shannon Crowley has been named Head of Asset Management Marketing. Additionally, Darrell Hassler will assume the role of Head of Strategic Content.
 - October 2024: Rob Anstine has been named Head of Equity Index, U.S. effective October 1, replacing Brent Reeder who left the firm.

MacKay Shields**Question 5: Have there been any personnel changes to the investment team responsible for the EBMUD portfolio during the quarter?**

→ Maureen O'Callaghan, Portfolio Manager and Analyst on the High Yield Team, left the firm in December 2024. We are conducting a thorough search to hire an experienced credit specialist who aligns with our investment process and fits within the team's unique credit culture. In the interim, Maureen's responsibilities will be absorbed by senior team members.

Question 6: Have there been any significant personnel changes at the management level of the Firm during the quarter?

→ Effective January 1, 2025, Alison Micucci became MacKay Shields CEO. Naïm Abou-Jaoudé, Chairman and CEO of New York Life Investment Management serves as MacKay Shields' Chairman.

- Allison replaced Jeffrey Phlegar, former Chairman and Chief Executive Officer of MacKay Shields of 13 years who retired on March 8, 2024.
- Alison has almost 35 years of experience across the asset management, securities and insurance industries. Her career began with senior roles at the SEC, PGIM, and GSAM.
- Since joining New York Life in 2002, Micucci has held various leadership roles, including Head of Institutional Annuities, New York Investments' Chief Administrative Officer, and Head of New York Life's Business Planning and Strategy team.
- Among her accomplishments were launching New York Life Ventures, driving transformation initiatives to enhance client operations and services, and helping to develop New York Life Investments' international asset management strategy.
- She has been most recently serving as Head of New York Life Direct, a leader in direct-to-consumer life insurance, which serves approximately 2 million customers.
- Alison earned bachelor's degrees in political science and economics from the University of Massachusetts, Amherst, and a J.D. from the Western New England College School of Law.

Required California AB 2833 Disclosure – RREEF AMERICA II

Effective January 1, 2017 RREEF America REIT II, Inc. (“alternative investment vehicle”) is required to provide to the East Bay Municipal Utility District (“public investment fund” or “District”) specific information at least annually pursuant to Section 7514.7 of the California Government Code (“Section 7514.7”).

1. The fees and expenses that the public investment fund pays directly to the alternative investment vehicle, the fund manager, or related parties.
 - EBMUD: includes intermediate and partnership fees – January 2024 – December 2024 = \$509,593.04
2. The public investment fund’s pro rata share of fees and expenses not included in paragraph (1) that are paid from the alternative investment vehicle to the fund manager or related parties.

\$0.00
3. The public investment fund’s pro rata share of carried interest distributed to the fund manager or related parties.

N/A
4. The public investment fund’s pro rata share of aggregate fees and expenses paid by all of the portfolio companies held within the alternative investment vehicle to the fund manager or related parties.
 - EBMUD: includes intermediate and partnership fees – January 2024 – December 2024 = \$509,593.04
5. Any additional information described in subdivision (b) of Section 6254.26.

N/A
6. The gross and net rate of return of each alternative investment vehicle since inception.

Gross = 5.7% Net = 4.8% (as of December 31, 2024)¹
7. Any other information required to be collected pursuant to Section 7514.7.

N/A

¹Please note that since inception returns provided represent the client’s time frame in the Fund, and not the returns of the Fund as a whole.

Appendix

Glossary of Terms

Alpha: The premium an investment earns above a set standard. This is usually measured in terms of a common index (i.e., how the stock performs independent of the market). An Alpha is usually generated by regressing a security's excess return on the S&P 500 excess return.

Annualized Performance: The annual rate of return that when compounded t times generates the same t-period holding return as actually occurred from period 1 to period t.

Batting Average: Percentage of periods a portfolio outperforms a given index.

Beta: The measure of an asset's risk in relation to the Market (for example, the S&P 500) or to an alternative benchmark or factors. Roughly speaking, a security with a Beta of 1.5 will have moved, on average, 1.5 times the market return.

Bottom-up: A management style that de-emphasizes the significance of economic and market cycles, focusing instead on the analysis of individual stocks.

Dividend Discount Model: A method to value the common stock of a company that is based on the present value of the expected future dividends.

Growth Stocks: Common stock of a company that has an opportunity to invest money and earn more than the opportunity cost of capital.

Information Ratio: The ratio of annualized expected residual return to residual risk. A central measurement for active management, value added is proportional to the square of the information ratio.

R-Squared: Square of the correlation coefficient. The proportion of the variability in one series that can be explained by the variability of one or more other series a regression model. A measure of the quality of fit. 100% R-square means perfect predictability.

Standard Deviation: The square root of the variance. A measure of dispersion of a set of data from its mean.

Sharpe Ratio: A measure of a portfolio's excess return relative to the total variability of the portfolio.

Style Analysis: A returns-based analysis using a multi-factor attribution model. The model calculates a product's average exposure to particular investment styles over time (i.e., the product's normal style benchmark).

Top-down: Investment style that begins with an assessment of the overall economic environment and makes a general asset allocation decision regarding various sectors of the financial markets and various industries.

Tracking Error: The standard deviation of the difference between the performance of a portfolio and an appropriate benchmark.

Turnover: For mutual funds, a measure of trading activity during the previous year, expressed as a percentage of the average total assets of the fund. A turnover rate of 25% means that the value of trades represented one-fourth of the assets of the fund.

Value Stocks: Stocks with low price/book ratios or price/earnings ratios. Historically, value stocks have enjoyed higher average returns than growth stocks (stocks with high price/book or P/E ratios) in a variety of countries.

Definition of Benchmarks

BC Aggregate: an index comprised of approximately 6,000 publicly traded investment-grade bonds including U.S. Government, mortgage-backed, corporate, and yankee bonds with an approximate average maturity of 10 years.

BC High Yield: covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (e.g., Argentina, Brazil, Venezuela, etc.) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, 144-As and pay-in-kind bonds (PIKs, as of October 1, 2009) are also included. Must be rated high-yield (Ba1/BB+ or lower) by at least two of the following ratings agencies: Moody's, S&P, Fitch. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. All issues must have at least one year to final maturity regardless of call features and have at least \$150 million par amount outstanding.

BC Multiverse Non-US Hedged: provides a broad-based measure of the international fixed-income bond market. The index represents the union of the BC Global Aggregate Index and the BC Global High Yield Index. In this sense, the term "Multiverse" refers to the concept of multiple universes in a single macro index.

BC US Credit: includes publicly issued U.S. corporate and foreign debentures and secured notes that which are rated investment grade or higher by Moody's Investor Services, Standard and Poor's Corporation, or Fitch Investor's Service, with all issues having at least one year to maturity and an outstanding par value of at least \$250 million. Issues must be publicly issued, dollar-denominated and non-convertible.

BC US Government: includes treasuries (i.e., public obligations of the U.S. Treasury that have remaining maturities of more than one year) and agencies (i.e., publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government).

BC Universal: includes market coverage by the Aggregate Bond Index fixed rate debt issues, which are rated investment grade or higher by Moody's Investor Services, Standard and Poor's Corporation, or Fitch Investor's Service, with all issues having at least one year to maturity and an outstanding par value of at least \$100 million) and includes exposures to high yield CMBS securities. All returns are market value weighted inclusive of accrued interest.

Citigroup 3-Month Treasury Bills (T-bills): tracks the performance of U.S. Treasury bills with 3-month maturity.

MSCI ACWI x US ND: comprises both developed and emerging markets less the United States. As of August 2008, the index consisted of 23 countries classified as developed markets and 25 classified as emerging markets. This series approximates the minimum possible dividend reinvestment. The dividend is reinvested after deduction of withholding tax, applying the rate to non-resident individuals who do not benefit from double taxation treaties. MSCI Barra uses withholding tax rates applicable to Luxembourg holding companies, as Luxembourg applies the highest rates.

MSCI EAFE Free (Europe, Australasia, Far East) ND: is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US & Canada. This series approximates the minimum possible dividend reinvestment. The dividend is reinvested after deduction of withholding tax, applying the rate to non-resident individuals who do not benefit from double taxation treaties. MSCI Barra uses withholding tax rates applicable to Luxembourg holding companies, as Luxembourg applies the highest rates.

MSCI EM (Emerging Markets) GD: is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. This series approximates the maximum possible dividend reinvestment. The amount reinvested is the entire dividend distributed to individuals resident in the country of the company, but does not include tax credits.

MSCI Europe is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Europe. As of June 2007, this index consisted of the following 16 developed market country indices: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom.

MSCI Pacific is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in the Pacific region. As of June 2007, this index consisted of the following 5 Developed Market countries: Australia, Hong Kong, Japan, New Zealand, and Singapore.

NAREIT Index: consists of all tax-qualified REITs listed on the New York Stock Exchange, American Stock Exchange, and the NASDAQ National Market System. The data is market weighted.

NCREIF Property Index: the NPI contains investment-grade, non-agricultural, income-producing properties which may be financed in excess of 5% gross market value; were acquired on behalf of tax exempt institutions; and are held in a fiduciary environment. Returns are gross of fees; including income, realized gains/losses, and appreciation/depreciation; and are market value weighted. Index is lagged one quarter.

Russell 1000: measures the performance of the 1,000 largest securities in the Russell 3000 Index. Russell 1000 is highly correlated with the S&P 500 Index and capitalization-weighted.

Russell 1000 Growth: measures the performance of those Russell 1000 securities with a greater-than-average growth orientation. Securities in this index tend to exhibit higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth values than the Value universe.

Russell 1000 Value: measures the performance of those Russell 1000 securities with a less-than-average growth orientation. Securities in this index tend to exhibit lower price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values than the Growth universe.

Russell 2000: measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.

Russell 2000 Growth: measures the performance of those Russell 2000 securities with a greater-than-average growth orientation. Securities in this index tend to exhibit higher price-to-book and price-to-earnings ratios.

Russell 2000 Value: measures the performance of those Russell 2000 securities with a less-than-average growth orientation. Securities in this index tend to exhibit lower price-to-book and price-to-earnings ratios.

Russell 3000: represents the largest 3,000 US companies based on total market capitalization, representing approximately 98% of the investable US equity market.

Value Relative Ratio (VRR): Performance metric used to evaluate long-term manager performance relative to a benchmark and to highlight compounded over/under performance data over a certain time frame. VRR is calculated by the growth of a dollar invested with the manager divided by the growth of a dollar invested in the benchmark for the same time period.

Risk Metric Description – Rationale for Selection and Calculation Methodology**US Equity Markets**

Metric: P/E ratio = Price / "Normalized" earnings for the S&P 500 Index

To represent the price of US equity markets, we have chosen the S&P 500 index. This index has the longest published history of price, is well known, and also has reliable, long-term, published quarterly earnings. The price= P of the P/E ratio is the current price of the market index (the average daily price of the most recent full month for the S&P 500 index). Equity markets are very volatile. Prices fluctuate significantly during normal times and extremely during periods of market stress or euphoria. Therefore, developing a measure of earnings power (E) which is stable is vitally important, if the measure is to provide insight. While equity prices can and do double, or get cut in half, real earnings power does not change nearly as much. Therefore, we have selected a well known measure of real, stable earnings power developed by Yale Professor Robert Shiller known as the Shiller E-10. The calculation of E-10 is simply the average real annual earnings over the past 10 years. Over 10 years, the earnings shenanigans and boom and bust levels of earnings tend to even out (and often times get restated). Therefore, this earnings statistic gives a reasonably stable, slow-to-change estimate of average real earnings power for the index. Professor Shiller's data and calculation of the E-10 are available on his website at <http://www.econ.yale.edu/~shiller/data.htm>. We have used his data as the base for our calculations. Details of the theoretical justification behind the measure can be found in his book *Irrational Exuberance* [Princeton University Press 2000, Broadway Books 2001, 2nd ed., 2005].

Developed Equity Markets Excluding the US

Metric: P/E ratio = Price / "Normalized" earnings for the MSCI EAFE Index

To represent the price of non-US developed equity markets, we have chosen the MSCI EAFE index. This index has the longest published history of price for non-US developed equities. The price= P of the P/E ratio is the current price of the market index (the average daily price of the most recent full month for the MSCI EAFE index). The price level of this index is available starting in December 1969. Again, for the reasons described above, we elected to use the Shiller E-10 as our measure of earnings (E). Since 12/1972, a monthly price earnings ratio is available from MSCI. Using this quoted ratio, we have backed out the implied trailing-twelve month earnings of the EAFE index for each month from 12/1972 to the present. These annualized earnings are then inflation adjusted using CPI-U to represent real earnings in US dollar terms for each time period. The Shiller E-10 for the EAFE index (10 year average real earnings) is calculated in the same manner as detailed above.

However, we do not believe that the pricing and earnings history of the EAFE markets are long enough to be a reliable representation of pricing history for developed market equities outside of the US. Therefore, in constructing the Long-Term Average Historical P/E for developed ex-US equities for comparison purposes, we have elected to use the US equity market as a developed market proxy, from 1881 to 1982. This lowers the Long-Term Average Historical P/E considerably. We believe this methodology provides a more realistic historical comparison for a market with a relatively short history.

Emerging Market Equity Markets

Metric: Ratio of Emerging Market P/E Ratio to Developed Market P/E Ratio

To represent the Emerging Markets P/E Ratio, we have chosen the MSCI Emerging Market Free Index, which has P/E data back to January 1995 on Bloomberg. To represent the Developed Markets PE Ratio, we have chosen the MSCI World Index, which also has data back to January 1995 on Bloomberg. Although there are issues with published, single time period P/E ratios, in which the denominator effect can cause large movements, we feel that the information contained in such movements will alert investors to market activity that they will want to interpret.

US Private Equity Markets

Metrics: S&P LCD Average EBITDA Multiples Paid in LBOs and US Quarterly Deal Volume

The Average Purchase Price to EBITDA multiples paid in LBOs is published quarterly by S&P in their LCD study. This is the total price paid (both equity and debt) over the trailing-twelve month EBITDA (earnings before interest, taxes, depreciation and amortization) as calculated by S&P LCD. This is the relevant, high-level pricing metric that private equity managers use in assessing deals. Data is published monthly.

US quarterly deal volume for private equity is the total deal volume in \$ billions (both equity and debt) reported in the quarter by Thomson Reuters Buyouts. This metric gives a measure of the level of activity in the market. Data is published quarterly.

US Private Real Estate Markets

Metrics: US Cap Rates, Cap Rate Spreads, and Transactions as a % of Market Value

Real estate cap rates are a measure of the price paid in the market to acquire properties versus their annualized income generation before financing costs (NOI=net operating income). The data, published by NCREIF, describes completed and leased properties (core) on an unleveraged basis. We chose to use current value cap rates. These are capitalization rates from properties that were revalued during the quarter. This data relies on estimates of value and therefore tends to be lagging (estimated prices are slower to rise and slower to fall than transaction prices). The data is published quarterly.

Spreads between the cap rate (described above) and the 10-year nominal Treasury yield, indicate a measure of the cost of properties versus a current measure of the cost of financing.

Transactions as a % of Market Value Trailing-Four Quarters is a measure of property turnover activity in the NCREIF Universe. This quarterly metric is a measure of activity in the market.

Credit Markets Fixed Income

Metric: Spreads

The absolute level of spreads over treasuries and spread trends (widening / narrowing) are good indicators of credit risk in the fixed income markets. Spreads incorporate estimates of future default, but can also be driven by technical dislocations in the fixed income markets. Abnormally narrow spreads (relative to historical levels) indicate higher levels of valuation risk, wide spreads indicate lower levels of valuation risk and / or elevated default fears. Investment grade bond spreads are represented by the Barclays Capital US Corporate Investment Grade Index Intermediate Component. The high yield corporate bond spreads are represented by the Barclays Capital US Corporate High Yield Index.

Measure of Equity Market Fear / Uncertainty

Metric: VIX – Measure of implied option volatility for US equity markets

The VIX is a key measure of near-term volatility conveyed by implied volatility of S&P 500 index option prices. VIX increases with uncertainty and fear. Stocks and the VIX are negatively correlated. Volatility tends to spike when equity markets fall.

Measure of Monetary Policy

Metric: Yield Curve Slope

We calculate the yield curve slope as the 10 year treasury yield minus the 1 year treasury yield. When the yield curve slope is zero or negative, this is a signal to pay attention. A negative yield curve slope signals lower rates in the future, caused by a contraction in economic activity. Recessions are typically preceded by an inverted (negatively sloped) yield curve. A very steep yield curve (2 or greater) indicates a large difference between shorter-term interest rates (the 1 year rate) and longer-term rates (the 10 year rate). This can signal expansion in economic activity in the future, or merely higher future interest rates.

Measures of US Inflation Expectations

Metrics: Breakeven Inflation and Inflation Adjusted Commodity Prices

Inflation is a very important indicator impacting all assets and financial instruments. Breakeven inflation is calculated as the 10 year nominal treasury yield minus the 10 year real yield on US TIPS (treasury inflation protected securities). Abnormally low long-term inflation expectations are indicative of deflationary fears. A rapid rise in breakeven inflation indicates an acceleration in inflationary expectations as market participants sell nominal treasuries and buy TIPS. If breakeven inflation continues to rise quarter over quarter, this is a signal of inflationary worries rising, which may cause Fed action and / or dollar decline.

Commodity price movement (above the rate of inflation) is an indication of anticipated inflation caused by real global economic activity putting pressure on resource prices. We calculate this metric by adjusted in the Dow Jones UBS Commodity Index (formerly Dow Jones AIG Commodity Index) by US CPI-U. While rising commodity prices will not necessarily translate to higher US inflation, higher US inflation will likely show up in higher commodity prices, particularly if world economic activity is robust.

These two measures of anticipated inflation can, and often are, conflicting.

Measures of US Treasury Bond Interest Rate Risk

Metrics: 10-Year Treasury Forward-Looking Real Yield and 10-Year Treasury Duration

The expected annualized real yield of the 10 year US Treasury Bond is a measure of valuation risk for US Treasuries. A low real yield means investors will accept a low rate of expected return for the certainty of receiving their nominal cash flows. Meketa estimates the expected annualized real yield by subtracting an estimate of expected 10 year inflation (produced by the Survey of Professional Forecasters as collected by the Federal Reserve Bank of Philadelphia), from the 10 year Treasury constant maturity interest rate.

Duration for the 10-Year Treasury Bond is calculated based on the current yield and a price of 100. This is a measure of expected percentage movements in the price of the bond based on small movements in percentage yield. We make no attempt to account for convexity.

Definition of “Extreme” Metric Readings

A metric reading is defined as “extreme” if the metric reading is in the top or bottom decile of its historical readings. These “extreme” reading should cause the reader to pay attention. These metrics have reverted toward their mean values in the past.

RISK METRICS DESCRIPTION – Meketa Market Sentiment Indicator

What is the Meketa Market Sentiment Indicator (MMSI)?

The MMSI is a measure meant to gauge the market's sentiment regarding economic growth risk. Growth risk cuts across most financial assets, and is the largest risk exposure that most portfolios bear. The MMSI takes into account the momentum¹ (trend over time, positive or negative) of the economic growth risk exposure of publicly traded stocks and bonds, as a signal of the future direction of growth risk returns; either positive (risk seeking market sentiment), or negative (risk averse market sentiment).

How do I read the Meketa Market Sentiment Indicator (MMSI) graph?

Simply put, the MMSI is a color coded indicator that signals the market's sentiment regarding economic growth risk. It is read left to right chronologically. A green indicator on the MMSI indicates that the market's sentiment towards growth risk is positive. A gray indicator indicates that the market's sentiment towards growth risk is neutral or inconclusive. A red indicator indicates that the market's sentiment towards growth risk is negative. The black line on the graph is the level of the MMSI. The degree of the signal above or below the neutral reading is an indication the signal's current strength.

How is the Meketa Market Sentiment Indicator (MMSI) Constructed?

The MMSI is constructed from two sub-elements representing investor sentiment in stocks and bonds:

1. Stock return momentum: Return momentum for the S&P 500 Equity Index (trailing 12-months)
2. Bond yield spread momentum: Momentum of bond yield spreads (excess of the measured bond yield over the identical duration U.S. Treasury bond yield) for corporate bonds (trailing 12-months) for both investment grade bonds (75% weight) and high yield bonds (25% weight). The scale of this measure is adjusted to match that of the stock return momentum measure.

The black line reading on the graph is calculated as the average of the stock return momentum measure and the bonds spread momentum measure. The color reading on the graph is determined as follows:

1. If both stock return momentum and bond spread momentum are positive = GREEN (positive)
2. If one of the momentum indicators is positive, and the other negative = GRAY (inconclusive)
3. If both stock return momentum and bond spread momentum are negative = RED (negative)

What does the Meketa Market Sentiment Indicator (MMSI) mean? Why might it be useful?

There is strong evidence that time series momentum is significant and persistent.² In particular, across an extensive array of asset classes, the sign of the trailing 12-month return (positive or negative) is indicative of future returns (positive or negative) over the next 12 month period. The MMSI is

¹ Momentum is defined as the persistence of relative performance. There is a significant amount of academic evidence indicating that positive momentum (e.g., strong performing stocks over the recent past continue to post strong performance into the near future) exists over near-to-intermediate holding periods. See, for example, "Understanding Momentum," *Financial Analysts Journal*, Scowcroft, Sefton, March, 2005.

² "Time Series Momentum" Moskowitz, Ooi, Pedersen, August 2010 <http://pages.stern.nyu.edu/~lpederse/papers/TimeSeriesMomentum.pdf>

constructed to measure this momentum in stocks and corporate bond spreads. A reading of green or red is agreement of both the equity and bond measures, indicating that it is likely that this trend (positive or negative) will continue over the next 12 months. When the measures disagree, the indicator turns gray. A gray reading does not necessarily mean a new trend is occurring, as the indicator may move back to green, or into the red from there. The level of the reading (black line) and the number of months at the red or green reading, gives the user additional information on which to form an opinion, and potentially take action.

THIS REPORT (THE “REPORT”) HAS BEEN PREPARED FOR THE SOLE BENEFIT OF THE INTENDED RECIPIENT (THE “RECIPIENT”).

SIGNIFICANT EVENTS MAY OCCUR (OR HAVE OCCURRED) AFTER THE DATE OF THIS REPORT, AND IT IS NOT OUR FUNCTION OR RESPONSIBILITY TO UPDATE THIS REPORT. THE INFORMATION CONTAINED HEREIN, INCLUDING ANY OPINIONS OR RECOMMENDATIONS, REPRESENTS OUR GOOD FAITH VIEWS AS OF THE DATE OF THIS REPORT AND IS SUBJECT TO CHANGE AT ANY TIME. ALL INVESTMENTS INVOLVE RISK, AND THERE CAN BE NO GUARANTEE THAT THE STRATEGIES, TACTICS, AND METHODS DISCUSSED HERE WILL BE SUCCESSFUL.

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PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: March 20, 2025
MEMO TO: Retirement Board
THROUGH: Cindy Charan, Director of Human Resources *Cindy S. Charan*
FROM: Lisa Sorani, Manager of Employee Services *Lisa Sorani*
SUBJECT: Discuss Proposed Changes to Election Board Rules

SUMMARY

At the Board’s request, staff has drafted a proposed Election Board Rule that incorporates comments from the Board and recommendations from staff to modernize and streamline the election process.

DISCUSSION

The Retirement Ordinance Section 4a outlines the composition of the Retirement Board and states that vacancies in the case of the elected members shall be filled by special election for a two-year term. However, the Ordinance does not provide guidance on running the elections for employee or retiree seats. Over the years, staff has drafted various versions of an Election Board Rule outlining guidelines for the election process to guide our process, but those have not been formally adopted as a Board Rule.

In response to the Board’s request, staff has drafted an Election Board Rule that incorporates Board and staff recommendations. This is an informational item intended to encourage discussion and guidance so staff can bring back a final version for Board consideration and potential approval. **In addition to establishing an Election Board Rule, staff is recommending a change to the term for elected seats from two (2) years to four (4) years. A change to the term would require an Ordinance change.**

	Current Provision – Employee Member	Proposed Provisions
Term of the Seat	2 years	4 years
Candidacy Interest Window	~30 calendar days	~15 workdays
Nomination Window	~30 calendar days	~15 workdays
Nomination Method	Nominations are emailed to RetirementBoardElections@ebmud.com	Nominations will be made via the Survey Monkey or similar e-survey tool. Staff will notify each candidate of

Discuss Proposed Changes to Election Board Rules

March 20, 2025

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	with a cc: to the candidate's personal email address.	their nominations on a weekly basis or upon request.
Nomination Requirement for Employee Seat	50	25
Nomination Requirement for Retiree Seat	5	5

NEXT STEPS

Proposed Election Board Rules are attached for the Board's review and discussion. Staff can incorporate language reflecting recommendations from the Board and present a revised version for formal action at a future meeting.

CRC:LS:vw

Attachment: Draft Retirement Board Rule - Employee and Retiree Seat Elections

DRAFT RETIREMENT BOARD RULE – EMPLOYEE AND RETIREE RETIREMENT BOARD SEAT ELECTIONS

PROCESS FOR EMPLOYEE BOARD MEMBER ELECTIONS

1. The current employee Retirement Board seats expire on June 26, 2026 and June 26, 2027. At each of these next two elections and thereafter, the duly elected employee member will serve a 4-year term.
2. Staff will prepare an Election Schedule which will be presented at the January Retirement Board meeting of each election year.
3. Retirement Services will use multiple communication channels to announce the election and remind members of key deadlines. Notifications will be sent from RetirementBoardElections@ebmud.com, reported on SplashPad, published in Splashes, and posted on District bulletin boards. To accommodate members who are on authorized leave during the election period, letters will be mailed to the home address of each member on leave of absence.
4. Members interested in candidacy for the open Retirement Board Employee Representative seat must complete and submit the Retirement Board Candidate Application to RetirementBoardElections@ebmud.com within the designated ~15 workday period.
5. During the candidacy period, staff will host at least one *Retirement Board Roles and Responsibilities* informational session.
6. Members may not use District time or resources to promote their own or another member's election efforts.
7. After the deadline for candidate submissions, Retirement Services will introduce the candidates to Retirement System Members by email, District Splashes, Splashpad, and on work-site bulletins. Members will be provided ~15 workdays to nominate candidates.
8. Employee members can nominate multiple candidates but cannot cast multiple nominations for a single candidate.
9. Candidates must receive at least 25 nominations from Retirement System Members to be included on the ballot. Retirement Services will use an e-survey tool to be used for collection of nominations. Candidates will be notified weekly of their nominations.
10. If only one candidate receives the 25 nominations needed to be included on the Ballot, that candidate will be deemed the winner of the election and assume the open Employee Representative Retirement Board Member seat without requiring a vote.

11. If multiple candidates receive the 25 nominations needed to be included on the Ballot, staff will create an e-survey to facilitate voting and tracking of votes.
12. Each member may cast a single vote for one candidate during the 3-week voting period.
13. If a candidate withdraws from the election during the voting window, votes already cast by Members for that candidate cannot be changed or reassigned to another candidate.
14. Ballots will be tallied by Retirement Services staff and provided to the Retirement Board Secretary with supporting election documents. The Retirement Board Secretary will review and certify the election results if there are no deficiencies.
15. The Secretary's certification is agendaized on the May Retirement Board meeting and is provided to the District Secretary's Office to be included in the District Board of Directors' information packet.
16. All candidates are emailed the results by email and notification will be sent to the Employee Candidate who won the election by email and by a letter mailed to the member's home address.
17. The results are then sent by email to all District outlook users, announced in Splashes and on the SplashPad, and posted on the bulletin boards.
18. The new Board Member takes office for a four year-term beginning the day after the term of the sitting Board Member ends, and attends the next scheduled Retirement Board meeting after their term start date. If the exiting employee Board Member was in the role of President, Board members will follow Retirement Ordinance language and vote for a new President at the next Board meeting.

PROCESS FOR RETIREE BOARD MEMBER ELECTIONS

1. The current retiree Retirement Board term will end in September 2026. When the seat is refilled, the duly elected retiree member will serve a 4-year term.
2. Staff will prepare an Election Schedule which will be presented at the January meeting of each election year
3. Retirement Services will use a combination of media to announce the election and remind retired members of key deadlines.
 - a. The initial election kick-off notice will be mailed to all retirees at their home address. In addition, the kickoff electronic notifications will be sent from

RetirementBoardElections@ebmud.com and/or PensionGold's Member Direct for those who have email addresses on record.

- b. Thereafter, election notices will be sent from RetirementBoardElections@ebmud.com and/or PensionGold's Member Direct for those who have email addresses on record. Notices will only be mailed to those with no email address on record.
 - c. Details of the election will be reported on Retirement System webpages once developed and published in Splashes.
4. Retired members interested in candidacy for the open Retiree Member of Retirement Board seat, must complete and submit the Retirement Board Candidate application to RetirementBoardElections@ebmud.com within the designated ~15 day period.
 5. During the Candidacy period, staff will host at least one *Retirement Board Roles and Responsibilities* informational session.
 6. After the deadline for candidate submissions, Retirement Services will introduce the candidates to Retirement System Members by email/Member Direct, EBMUD.com Retirement System Pages and Splashes newsletter. Retired members will be provided ~15 days to nominate candidates.
 7. Retirement Services will develop an e-survey tool to be used for collection of nominations. Candidates will be notified weekly of their nominations.
 8. Retired members may nominate multiple candidates but cannot cast multiple nominations for a single candidate.
 9. Candidates must collect at least 5 nominations from retired retirement system members to be included on the ballot for the Retirement Board seat.
 10. If only one candidate receives the 5 nominations needed to be included on the Ballot, the candidate will be deemed the winner of the election and assume the open Retiree Representative Retirement Board Member seat.
 11. If more than one candidate collects the 5 nominations needed to be included on the Ballot, Staff will announce the voting window to retired members and will create an electronic survey that eases voting and tracking of the votes.
 12. At Retiree request, staff will provide a paper ballot to be used for their vote. Tallying of paper ballots received by the deadline will be witnessed by at least 3 representatives of the Retirement Services Team.

13. Each retired member may place a single vote for one candidate during the 3-week voting period.
14. If a candidate withdraws from the election during the voting window, members placing their vote for the candidate will not be given a chance to change their vote or cast another vote for a different candidate.
15. Ballots are tallied by Retirement Services staff and provided to the Retirement Board Secretary with supporting election documents. The Retirement Board Secretary reviews all provided documents, and the election process then certifies the vote if there are no deficiencies.
16. The Secretary's certification is agendaized on the August Retirement Board meeting and is provided to the District Secretary's Office to be included in the District Board of Directors' informational packet.
17. All candidates will be notified of the results of the election by email and a letter mailed to the retiree candidate's home.
18. The results are then sent to Retired Members via email/Member Direct for those who have emails on file. Retired members without emails on record will be notified via mail. Results will also be published in Splashes and on the Retirement System pages on EBMUD.com.
19. The new Board Member takes office for a 4-year term beginning the day after the term of the sitting Board Member ends, and attends the next scheduled Retirement Board meeting after their term start date.

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: March 20, 2025

MEMO TO: Members of the Retirement Board

THROUGH: Cindy Charan, Director of Human Resources *Cindy L. Charan*

FROM: Lisa Sorani, Manager of Employee Services *Lisa Sorani*

SUBJECT: Update on Transition to Flexible Benefit Administrators (FBA) for HIB Administration

SUMMARY

The transition of HIB administration to Flexible Benefit Administrators (FBA), the firm staff hired to manage administration of the retiree HIB, is planned for the end of April 2025.

DISCUSSION

In November 2023, the Retirement Board authorized staff to sign a contract with Flexible Benefit Administrators for administration of the retiree HIB. A contract was signed, but implementation work was deferred until after the Retirement Board HIB Study and the 2025 Open Enrollment Health Fair.

All of the initial work involved building data files both from the District and from TELUS Health, our benefit administration firm. Currently TELUS maintains much of the HIB claims data and currently provides files to process HIB claims on retiree paychecks. Staff hold weekly meetings with HR staff, pension project staff, ISD staff, and technical leads from FBA and TELUS.

Through March, we have moved on to retiree communications, District staff training with FBA staff on their technical platform and planning the retiree in person meetings.

March 10, 2025 – Retiree Letter	
<ul style="list-style-type: none">• Confirms first date of HIB payment from FBA• Sample calculation showing the change, same total pay, two sources• Confirms that there is nothing retirees need to do ahead of May to receive their first payment from FBA• Detailing the three meeting dates 3/26, 4/2, 4/7	
March 26	1 st In person retiree meeting with Zoom access in Large TRC EBMUD and FBA

April 2	2 nd In person retiree meeting with Zoom access
April 7	3 rd In person retiree meeting with Zoom access
April 28	Retiree Letter confirming all contact details for FBA
March 26-April 28	Final technical work to ensure accurate payments first week of May
May 2025	FBA will kick off the 2025 HIB Audit, requesting that retirees submit all non-District 2025 claims by August 2025.

Staff at FBA have been very patient as we have worked together to a final implementation date. No costs have been incurred as we have been working on the transition. The monthly contracting costs will begin when the first monthly payment is made.

The retiree meetings will be held with District staff and FBA staff. The online platform will be introduced, as will retiree options for mailing claims if they do not wish to use a computer. All of the transition details will be explained. There is no action required of retirees ahead of the April transition date, other than to understand that instead of receiving their HIB payment on their pension check in April, the HIB will pay approximately one week later in the first few days of May. For every retiree who uses direct deposit for their pension check, FBA payments will follow the same direct deposit instructions.

Once the first payment has been made, retirees will be asked to submit their 2025 non-District HIB claims. Once their claims are mailed or uploaded to FBA, their HIB claims status will be updated within 48 hours and processed the following month. This is one of the best benefits of this transition.

Retirement staff expect a high volume of retiree calls through the next few months as we make this transition. All Employee Services and Payroll staff have been updated on the changes and will be able to help retirees and direct them to FBA as needed.

It is very important that we meet this transition date, as other projects are both already in progress and ramping up that require participation from most of the same resources needed to complete this transition, including implementing any changes from the current union negotiations, the emergency payroll project, Pension Administration Implementation project, deferred compensation Secure Act compliance changes, and the core HRIS Replacement project.

As a reminder, below is a list of the expected improvements and changes to our HIB administration by outsourcing with FBA:

- Timely response to submission of retiree HIB claims

- Cost savings to the Retirement System; discontinue overusing District staff for HIB administration
- HIB managed by an organization that does similar work for many other retirement systems
- Specialized technology and dedicated staff trained to work with retiree populations
- Dedicated customer service line for HIB claims questions
- 24-hour online access to HIB account information for retirees
- Secure system giving retirees the ability to post claims online or by app on cell phone or by USPS mail
- Claim review and processing completed within 48 hours of each received claim
- Faster claim review means fewer adjustments in HIB reimbursements
 - This alone saves hours of work every month for retirement services and payroll staff and allows retiree payroll processing to be streamlined, straight forward and reduces the potential for payment errors and corrections.
- Payment to retiree by vendor (not on retiree pension checks)
- District provides retiree direct deposit details with vendor, so HIB payments are deposited straight to their bank account
- Coordinated monthly payment of HIB by vendor, such that reimbursements are paid to coincide with the deductions for health insurance on retiree paychecks
- Dedicated Account Manager for District Retirement Staff contact

NEXT STEPS

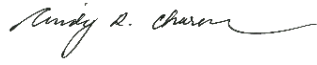
Staff will host retiree meetings and finalize all technical details for the end of April transition to FBA.

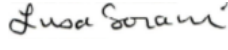
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EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: March 20, 2025

MEMO TO: Members of the Retirement Board

THROUGH: Cindy Charan, Director of Human Resources 

FROM: Lisa Sorani, Manager of Employee Services 

SUBJECT: Annual Retirement Board Training Report and Ethics Training Update

SUMMARY

This memo discusses the Retirement Board's training during calendar years 2024 and 2025 and provides a list of upcoming trainings available annually.

DISCUSSION

As designed by the Retirement Board, Retirement Board Rule C-23 requires 24 hours of training every two years for Retirement Board members and provides a budget of \$2,500 per year for each Board member for training expenses.

The attached spreadsheets provide the training hours and costs for each Retirement Board member to date for the two-year period from January 1, 2024 to December 31, 2025. As a reminder, training sessions brought to Retirement Board meetings are included in the training hours and are noted on the attached worksheet.

The one mandated training requirement is the semi-annual AB 1234 Ethics Training. Retirement Board member Ethics Trainings taken in this two-year period are included on the attached training report so that hours are counted. Board Member Ethics Training is tracked with most recent training dates on the second page of the report.

Several Retirement Board members have asked staff to suggest trainings. Below is a list of trainings for 2025 from the California Association of Public Retirement Systems (CALAPRS) and International Foundation of Employee Benefit plans (IFEBCP). The CALAPRS Round Tables are held twice each year, one in-person and one virtual. The Trustee and Investment Officer Round Tables may be of interest to the Retirement Board. They cost \$100 per participant.

The International Federation of Employee Benefits is a U.S. and Canadian agency promoting health and retirement benefit administration. They offer a trustee/administrator level Certificate of Achievement in Public Plan Policy (CAPPP®) that can be earned

Annual Retirement Board Training Report and Ethics Training Update
Retirement Board Meeting
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through two courses (Pensions Part I and Pensions Part II) and an exam. The CAPPP® is designed for public sector benefit plan trustees at all levels of experience. Lastly, the State Association of County Retirement Systems (SACRS) runs a Public Pension Investment Management Program with UC Berkeley each year.

California Association of Public Retirement Systems-CALAPRS

- Virtual Overview Course in Retirement Plan Administration – 4/26/24
- Virtual Trustee Round Table – 5/3/24
- Principles of Pension Governance for Trustees – 8/26/24 to 8/29/24
- In-person Trustee Round Table – 10/11/24
- Virtual Investment Officer’s Round Table – 11/22/24
- General Assembly – annually in March. The location alternates between the Bay Area and Southern California every other year. The 2026 assembly will be held in Southern California

International Foundation of Employee Benefit Plans-IFEBP

- Washington Legislative Update (Washington, DC) 5/19/25 – 5/20/25
- Advanced Trustees and Administrators Institute (Nashville) 6/23/25 to 6/25/25
- IFEBP Annual Conference (Hawaii) – 11/9/25 to 11/12/25
- Advanced Investments Management (San Francisco) – the next training is in 2026. This training takes place every other year.
- Certificate of Achievement in Public Plan Policy: Pension Part I (Chicago) – 7/15/25 to 7/16/25

State Association of County Retirement Systems-SACRS

- <https://sacrs.org/Events/SACRS-UC-Berkeley-Program> (Berkeley) –available in July 2026. Registration has closed for July 2025. Registration opens in January and appears to close quickly. If you are interested, mark your calendar for the first week of January 2026.

NEXT STEPS

Staff have worked to build a process in Elsie for processing Retirement Board member training authorizations and expense reports. If you are interested in any of these trainings, please send your training request to the Retirement Board president for approval and contact retirement staff by email to Judy McCree (judy.mccree@ebmud.com) and cc Valerie Weekly (valerie.weekly@ebmud.com) on your email request.

LS:jm

Attachment: Calendar Years 2024 and 2025 Retirement Board Training Report

Retirement Board Member Training Pursuant to RB Rule C-23

1/1/2024 - 12/31/2025

Goal is 24 hours in two years - we review in 2 year blocks.

Budgeted amount is \$2,500 per a year/per Member.

Clifford Chan	Training Date	Provider/Topic	Hours	Cost
Hours at Ret. Board Meetings 2024			8 \$	-
Hours at Ret. Board Meetings 2025			0 \$	-
Total			8 \$	-
April Chan	Training Date	Provider/Topic	Hours	Cost
Hours at Ret. Board Meetings 2024			8 \$	-
Hours at Ret. Board Meetings 2025			0 \$	-
Total			8 \$	-
Marguerite Young	Training Date	Provider/Topic	Hours	Cost
Hours at Ret. Board Meetings 2024			8 \$	-
Hours at Ret. Board Meetings 2025			0 \$	-
Total			8 \$	-
Jae Park	Training Date	Provider/Topic	Hours	Cost
Hours at Ret. Board Meetings 2024			8 \$	-
Hours at Ret. Board Meetings 2025			0 \$	-
Total			8 \$	-
Max Fefer	Training Date	Provider/Topic	Hours	Cost
	8/26 - 8/29/2024	CalaPRS Principles of Pension Governance	19 \$	3,053.98
Hours at Ret. Board Meetings 2024			0 \$	-
Hours at Ret. Board Meetings 2025			0 \$	-
Total			19 \$	3,053.98
Elizabeth Grasseti	Training Date	Provider/Topic	Hours	Cost
Hours at Ret. Board Meetings 2024			7 \$	-
Hours at Ret. Board Meetings 2025			0 \$	-
Total			7 \$	-

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: March 20, 2025

MEMO TO: Members of the Retirement Board

THROUGH: Cindy Charan, Director of Human Resources 

FROM: Valerie Weekly, Principal Management Analyst, Retirement 

SUBJECT: PensionGold (LRS) Implementation Project Update

SUMMARY

This memo provides ongoing status updates for the PensionGold (LRS) implementation project.

DISCUSSION

PROJECT SPONSOR UPDATE

Human Resources is making strides in the following areas to build capacity and ensure that the project has staffing support:

- The HRIS Analyst II position is projected to be filled in May/June 2025.
- Replacement of HRIS Core Project: An RFP for the consultancy services has been conducted; vendor responses are being scored by an evaluation committee which includes members of the Pension Project team. In mid-March 2025, a list of the three top scoring vendors will be selected for interviews and further questions. Based on these interviews and the RFP responses, a recommendation will be made to the Steering Committee.
- The payroll replacement project has been approved by the Planning and Priorities Committee and the Technology and Investment Committee. Pension Project and Retirement Services staff participated in the development of the statement of work and will be key SMEs during the Payroll project which will further divide the time of both teams.

PRODUCT OWNER UPDATE

The Project Payroll and Retirement Service teams have signed off on Software Deliverable Three: Payroll and Retirement Benefits COLA, and began reviewing system designs for Software Deliverable Four: Pension Benefits Administration. The Project team has identified issues during testing which they are working with LRS to resolve.

KEY TASKS

- Retest vendor solutions for issues identified in Software Deliverable Three.
- Continued creation of data files from scanned images. This effort is essential to fill gaps in the data housed in PeopleSoft.
- Testing of Problem Incident Reports (PIRs).
- Future-state business process design regarding reinstatement, service purchase, plan-to-plan transfers and employer-reporting. This now includes the development of an interim employer-reporting to accommodate the new payroll system.
- Assess requirements and status for Change Requests.

ACTIVE RISKS AND BUILDING STAFFING CAPACITY

- The need for the HRIS Analyst II position continues to be a critical need. The recruitment for both positions has been initiated.
- The new payroll system will impact the pension project. The PensionGold vendor will need to do one of the following, and there may be other scenarios as well:
 - Integrate with PeopleSoft and then again with the replacement payroll system once that becomes available, or,
 - Integrate directly with the new payroll system if that is available before PensionGold goes live.

These scenarios can impact the PensionGold go-live timeline and incur further cost due to a vendor change order to accommodate integrating with the additional or changed payroll system.

CC:vw