

CONSULTANT PROFILE FOR AIMSE 2022

NAME OF INVESTMENT CONSULTING FIRM: AndCo Consulting

** Please limit the profile to three pages. We would appreciate you including any organization charts on research and field consultant structure.*

DIFFERENTIATING FEATURES

At AndCo, we strive to provide objective and value-added investment consulting services to our clients with unrivaled service. In our strategy statement we specifically outline the below items as our competitive advantages.

Independence:

Independence is the foundation of AndCo. We strive to challenge the traditional sense of independence and go above and beyond in seeking to avoid situations that create or even have the appearance of a conflict of interest. This level of true independence supports our ability to put clients first in the decisions we make or recommendations we offer on our client's behalf. Further, this independence allows us to provide our clients objective advice. We believe this gives us a higher probability to add value for our client relationships.

Reinvestment:

We are currently reinvesting 100% of our net profits to enhance our customized service model to better serve our institutional clients. As an example of this reinvestment, over the three-year period ending December 31, 2020, AndCo has hired 28 team members throughout the organization to continue enhancing the services that we provide our clients.

Customization:

We consult and advise to each plan. We believe each client is unique and to provide appropriate solutions for each client you need the ability to be flexible and meet the demands of each client. The AndCo service framework supports customization and the ability to solve unique challenges for our clients.

Passion:

We love what we do and more importantly who we do it for. We look to hire team members that will retire at AndCo. Our firm isn't a stepping-stone for another opportunity. Our team members want to be at our firm based on our Mission, Vision and Values. Our team is passionate about our approach and this passion creates a strong culture which helps differentiate AndCo.

AndCo's Research Department is responsible for providing research, recommendations, and education for asset classes, asset categories, investment strategies, and capital markets. The Research Department's directives include conducting investment manager searches, conferring with investment managers, performing investment analysis, conducting asset allocation studies, and researching new investment strategies. They are tasked with monitoring industry and market trends affecting asset classes, categories, and investment funds, and providing an opinion on the potential effect of those trends on our approved strategies.

The group consists of asset class specialists covering a wide variety of public and private markets across traditional and alternative asset classes. Each of the six overarching specializations (Public Equity, Private Equity, Public Fixed Income, Private Fixed Income, Real Estate/Real Assets, and Hedge Funds) are covered by a core group of experienced professionals. Our Research Department is centralized at our headquarters, sits in proximity, and continuously shares ideas on relative value and market opportunities. We built the AndCo Research Department with an emphasis on experience, specialization and collaboration as this reflects our belief that a more experienced and integrated team benefits our clients. We believe that the nature of a more complex world and ever-growing multi-factor investment options requires market experience and perspective. Our team of complementary analysts supports a collaborative environment that fosters cross pollination of ideas, critical thinking, personal growth, and comprehensive asset class, category, and manager universe coverage.

MANAGER RESEARCH CONTACTS BY ASSET CLASS

AndCo prides itself on our customized service model. Each client has a different risk tolerance, cash flow needs, tax status and other factors that result in portfolio construction that is specific to their plan. Our manager research team is therefore built to source the needs of our firm's diverse client base through our customized service model. While our team constructs approved lists of strategies that may be suitable for the majority of our clients, we are structured to be highly flexible to address client and consultant investment strategy requests.

Please see the attached organizational chart for specific coverage details.

AREAS CLIENT INTEREST / CONCERN

More recent areas of client interest/concern generally include Minority & Women Business Enterprises (MWBE) and ESG strategies. Many public pension plan clients have expressed an interest to work with MWBE managers, preferably those in close geographic proximity. We have also seen an uptick in alternative investment searches in both the private equity buyout space (direct, secondaries, fund of funds and co-investments) as well as senior direct lending strategies within private debt. Finally, there have been increased conversations around cryptocurrency in the past 6-12 months, but no specific client investments to speak of.

We are closely monitoring the situation pertaining to Russia and Ukraine along with the possible impact to forward looking return expectations in the emerging market asset class and underlying managers within that space. We are also talking to many investment managers about how this conflict has potentially impacted their investment strategies and return/risk profiles to institutional clients.

MANAGER SEARCH TRENDS

Private Equity: We are seeing steady demand for secondary strategies from clients that are initially building out their private equity programs. We are also seeing co-investment funds begin to gain traction within private equity allocations as either a substitute or compliment to fund of fund strategies. We have recently seen an uptick in demand for co-investment funds, most notably from clients that are adding on to their private equity programs seeking to benefit from their lower cost structures.

Private Debt: We are seeing strong search activity in U.S. senior direct lending this year. Year-to-date client commitments to senior direct lending funds have already exceeded our clients' full-year 2021

commitments. Some of the more successful candidates tend to target the lower middle market, keep borrower- and fund-level leverage low, and have strong long-term track records.

Private Real Assets: While there is interest in core, open-end, infrastructure strategies, the significantly long entry queues (4-6 quarters) is causing potential investors to pause and re-think the asset category and alternative vehicles (i.e. seek out public securities options). When contemplating core, open-end real estate strategies, investors appear to be placing a bias towards strategies which have relative over-weights to Industrial/Warehouse and Multifamily exposures. Investors are asking how, specifically, Infrastructure and Real Estate mitigate inflationary pressures. This may lead to a search trend for property-types with shorter duration leases (i.e. Multifamily, Hospitality, Single Family for Rent).

Public Equity: We have seen an uptick in emerging markets searches and most of those are driven by clients making new allocations to the asset class where none existed previously. We have also seen a big uptick in international developed mandates in the value style. Most of this is driven by consultants who want to diversify and complement other managers we recommend in the space with growth tilts.

Public Debt: Over the last six months public fixed income search activity has been limited and mostly concentrated in core bonds. Of that, most of the activity has been related to the potential for rising interest rates and clients seeking to mitigate some of that risk by either shortening their duration profile by moving into short/intermediate mandates, or allocating to floating rate strategies such as bank loans.

Multi-Asset: We see investors looking for hedge fund strategies that are strong diversifiers to a traditional portfolio. These strategies include global macro and managed futures.

ASSET CLASSES WHERE YOU WOULD LIKE TO SEE MORE PRODUCT AVAILABILITY

Private Equity: We would like to see more co-investment funds. We would also like to see more options that qualify for MWBE status across the private equity landscape. Finally, we would like to see more mature growth equity strategies where managers are allocating to breakeven or slightly positive bootstrapped businesses.

Private Debt: We would like to see more institutionally marketed, open-end senior direct lending funds. Ideally, the funds would be continuously open and offer quarterly subscriptions and redemptions like most core real estate strategies do.

Private Real Assets: Closed-end infrastructure vehicles with lower minimum commitment levels (\$1.0 million to \$5.0 million versus >\$10.0 million, or higher). Closed-end infrastructure vehicles with lower minimum commitment levels (\$1.0 million to \$5.0 million versus >\$10.0 million, or higher). Opportunistic/Distressed real estate strategies; or, overall fund strategies which have the flexibility within the investment mandate to pivot to such distressed strategies.

Public Real Assets: Public security options for Infrastructure that have a higher correlation to similar core, open-end fund options.

Public Equities: We would like to see more strategies that allocate to Emerging Markets ex China. A lot of the strategies that have this type of allocation have very short track records. We would also appreciate more actively managed Mid Cap Core offerings.

Public Debt: No needs in this area.

Multi-Asset: Overall capacity and product availability is good.