

RCM Bespoke Private Placement Portfolio

The **RCM Bespoke Portfolio** seeks to achieve attractive, risk-adjusted returns through a combination of capital appreciation and income generation investing in both public (liquid) and private (illiquid) investments. The Bespoke Portfolio is a discretionary portfolio that fully complies with the Investor Control Doctrine and Diversification Test requirements.

Fund Overview

- 1 Customized Investment Policy Statement for each policy or annuity owner
- 2 Target 50/50 allocation to public and private markets
- 3 Focus on illiquid investments that have estimated contractual yields materially higher than the Barclays Aggregate Bond Index*

Target Allocation

Liquid Assets (~50%)		Illiquid Assets (~50%)	
Equities	Active and factor-based, exchange-traded funds	Private Investments	Draw down vehicles Minimum allocation \$250k per investment
Covered Calls	Earn income through dividends and option premium	Direct Investments	One-time draw of capital Minimum allocation \$250k per investment
Precious Metals	Gold and silver	Co-Investments	Single investment sourced from existing private investments Reduced fee structure Minimum allocation \$100k per investment
Fixed Income	Government, agency, non-agency mortgages, corporate and high yield		
Cash	Money markets, cash equivalents		

Summary of Terms

Fees

Below \$10 million	.65%
\$10-\$25 million	.60%
\$25-\$50 million	.50%
\$50-\$100 million	.45%
Above \$100 million	.40%

Minimum Investment Amount

Private Placement Life Insurance: \$500,000 annually/\$5,000,000 aggregate
Private Placement Variable Annuity: \$5,000,000

Reporting

- Aggregated monthly reporting of all liquid and illiquid investments
- Detailed metrics on illiquid investments
- Multiple on Invested Capital (MOIC)
 - Internal Rate of Return (IRR)
 - Total Commitment + Unfunded Capital
 - Underlying fund terms

Structure

Customized, discretionary managed account, tailored to each policy or annuity owner

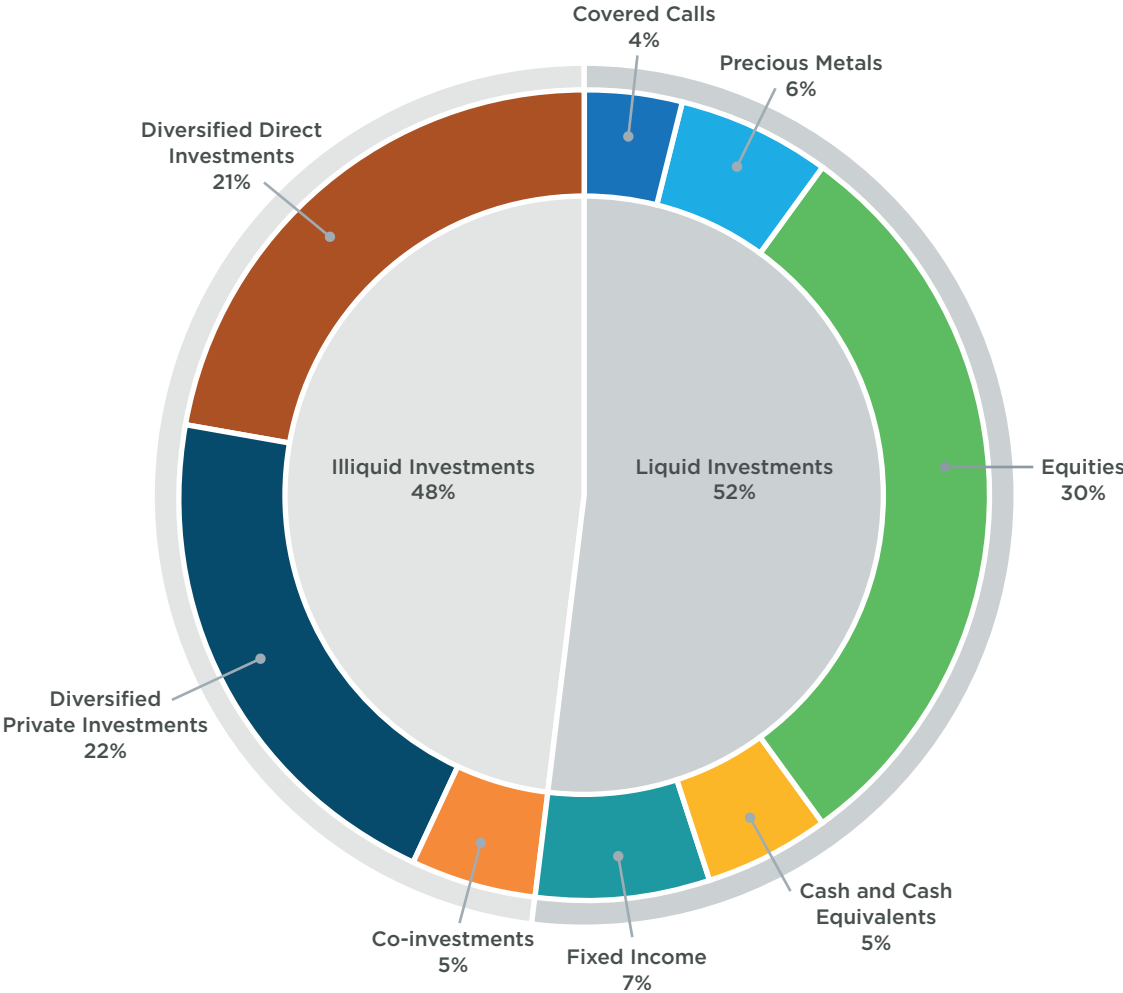
SEC Registered: YES

Requisite Capital Management Regulatory Assets Under Management: \$855,640,826 as of December 31, 2019

Requisite Capital Investment Philosophy

- Our asset allocation is built around the philosophy that portfolios should not be 100% path dependent on interest rates moving lower and stocks moving higher to generate returns. Private and direct investments offer a distinct risk/return profile from public markets. Portfolios should have a balance of both liquid and illiquid investments
- Opportunities exist for above-market returns in niche illiquid strategies where managers have a deep knowledge of a business or market segment
- Requisite Capital has a bias to illiquid investments that base a significant portion of the total return on contractual cash flows versus the traditional j-curve private equity model
- Fees matter
 - In public markets, execute investment strategies through low-cost, exchange-traded funds
 - In private markets
 - Seek to lower fees by negotiating directly with the general partner of each fund, avoiding feeder funds and third-party investment platforms
 - Manage customized, separately managed accounts which have a lower cost structure and better transparency than pooled vehicles

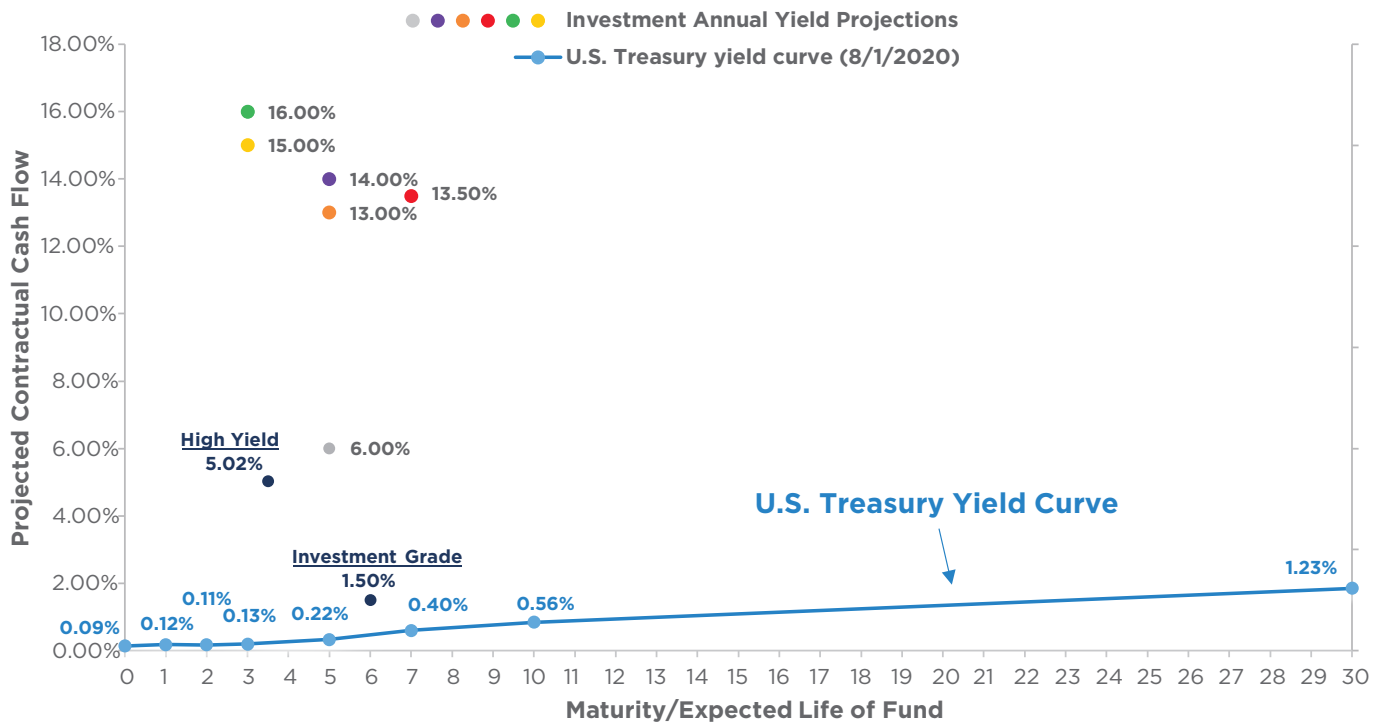
Sample Requisite Capital Allocation



Illiquid Investments Contractual Cash Flow Illustration

When constructing the illiquid allocation, we prefer private, direct and co-investments that have a mixture of yield and capital appreciation. The chart below highlights the contractual yields for the illiquid investments sourced in 2020.** In most cases, the total return is expected to be greater than the contractual yield.

U.S. Treasury Yield Curve vs. Projected Contractual Cash Flows

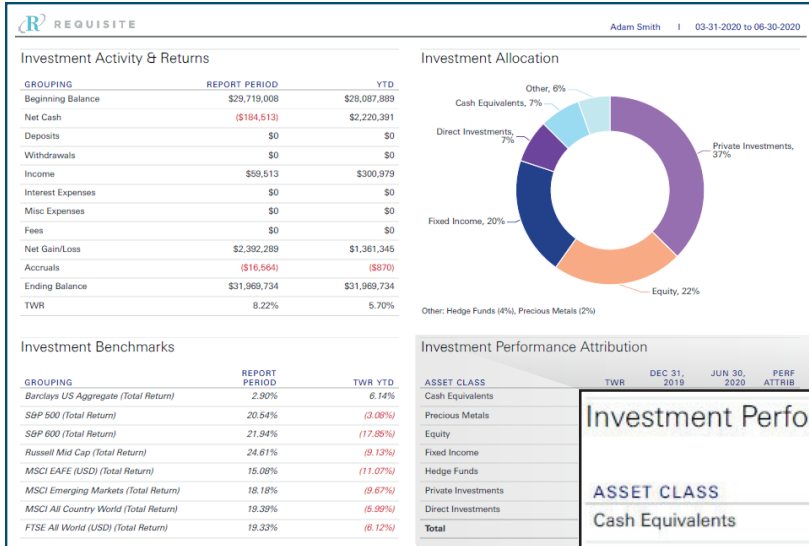


Investment	Investment Type	Contractual Yield	Description
1	Private Investment	~13.5% annual interest rate, monthly compounding	Portfolio of Preferred Equity investments in new-build, garden-style apartments
2	Private Investment	6% with the expectation of increasing to 10%	Portfolio of rental income properties purchased primarily via forced liquidation sales
3	Direct Investment	16% annual interest rate	Mezzanine loan to fund with ~25% loan to value
4	Co-Investment	15% annual interest rate, plus 2.5% origination fee, 6% exit fee	Senior secured loan to a data center company
5	Private Investment (purchased on secondary market)	~14% annual interest rate, plus origination and exit fees	Portfolio of private, senior secured loans
6	Direct Investment	13% annual interest rate	Promissory note to debt capital solutions company

Requisite Capital Reporting Capabilities

- Customized reporting, including performance attribution for both liquid and illiquid investments
- Timely reporting (consolidated monthly reporting available one week after month end)

Portfolio Overview



Performance attribution:
Understand drivers and detractors
of the portfolio across asset classes

Investment Performance Attribution

ASSET CLASS	TWR	DEC 31, 2019	JUN 30, 2020	PERF ATTRIB
Cash Equivalents	0.00%	11.70%	6.99%	0.00%
Precious Metals	17.12%	1.91%	1.96%	0.31%
Equity	10.82%	23.03%	22.42%	2.47%
Fixed Income	3.25%	20.66%	20.33%	0.71%
Hedge Funds	(2.03%)	4.11%	3.54%	(0.09%)
Private Investments	3.48%	34.17%	37.36%	1.37%
Direct Investments	12.99%	4.43%	7.40%	0.93%
Total	5.70%	100.00%	100.00%	5.70%

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Hedge Funds	(2.03%)	4.11%	3.54%	(0.09%)
Private Investments	3.48%	34.17%	37.36%	1.37%
Direct Investments	12.99%	4.43%	7.40%	0.93%
Total	5.70%	100.00%	100.00%	5.70%

Return Metrics on Illiquid Investments



Multiple metrics on illiquid investments including:

- MOIC (Multiple on Invested Capital)
- IRR (Internal Rate of Return)
- Income
- Unfunded Commitment
- Investment Terms

OWNER	TOTAL COMMIT	TOTAL CONTRIB	VALUE	TOTAL DISTRIB	TOTAL INT INCOME	UNFUNDED COMMITMENT	MOIC	IRR (ADMIN VAL DATE)	ADMIN VALUATION DATE
Adam Smith	\$22,350,000	\$19,427,000	\$18,468,266	\$7,888,596	\$1,587,479	\$3,223,000	1.44	4.88%	
Accel Partners V	\$3,000,000	\$2,705,000	\$2,705,998	\$363,389	\$14,245	\$295,000	1.14	1.22%	06-30-2020
Sequoia Global Growth Fund II	\$5,300,000	\$4,537,000	\$412,000	\$4,258,930	\$4,110	\$763,000	1.03	1.53%	06-30-2020
Invisible Hand LLC	\$2,500,000	\$2,225,053	\$2,275,000	\$125,000	\$0	\$274,947	1.08	8.03%	
Bain Capital VI	\$2,500,000	\$2,225,053	\$2,275,000	\$125,000	\$0	\$274,947	1.08	8.03%	06-30-2020
Total	\$24,850,000	\$21,652,053	\$20,743,266	\$8,013,596	\$1,587,479	\$3,497,947	1.40	4.94%	

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The information provided is for informational purposes only and does not constitute investment advice and it should not be relied on as such. It should not be considered a solicitation to buy or an offer to sell a security. It does not take into account any investor’s particular investment objectives, strategies, tax status or investment horizon. You should consult your attorney or tax advisor.

No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment.

All investments include a risk of loss that clients should be prepared to bear.

Alternative investment funds are designed only for sophisticated investors who are able to bear the risk of the loss of their entire investment. An investment in an alternative investment fund should be viewed as illiquid and interests in alternative investment funds are generally not readily marketable and are generally not transferable. Investors should be prepared to bear the financial risks of an investment in an alternative investment fund for an indefinite period of time. An investment in a alternative investment fund is not intended to be a complete investment program, but rather is intended for investment as part of a diversified investment portfolio. Typically interests in an alternative investment fund are not registered under the US Securities Act of 1933, as amended (“the Securities Act”), and the fund is not registered as an investment company under the US Investment Company Act of 1940, as amended (the “Investment Company Act”), and as such, investors will not be afforded the protections of those laws and regulations. A prospective investor should carefully review all offering materials associated with an alternative investment fund, including the risk factors, and should consult his or her own legal counsel and/or financial advisor prior to considering an investment in an alternative investment fund.

Risk associated with equity investing include stock values which may fluctuate in response to the activities of individual companies and general market and economic conditions.

Although bonds generally present less short-term risk and volatility risk than stocks, bonds contain interest rate risks; the risk of issuer default; issuer credit risk; liquidity risk; and inflation risk.

Derivative investments may involve risks such as potential illiquidity of the markets and additional risk of loss of principal.

There are risks associated with investing in Real Assets and the Real Assets sector, including real estate, precious metals and natural resources. Investments can be significantly affected by events relating to these industries.

Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income, gain and loss and the reinvestment of dividends and other income. You cannot invest directly in an Index.

* Bloomberg Barclays US Aggregate Bond Index is a broad-based, market capitalization-weighted bond market index representing intermediate-term, investment-grade bonds traded in the United States.

** A complete list of all illiquid investments sourced in 2020 is available upon request.