

# AEL Investor Day Presentation

**26 NORTH** ✨

December 2022

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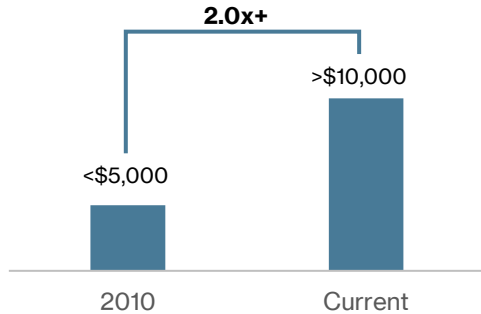
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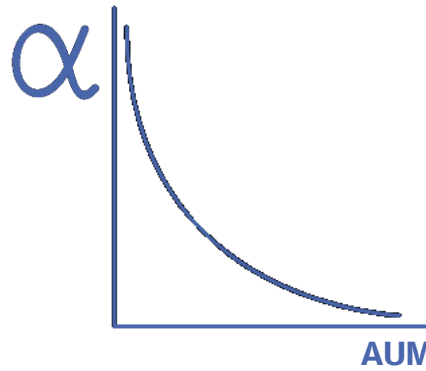
- Founder of 26North
- Prior to founding 26North, Josh co-founded Apollo Global Management
  - Josh led some of the firm's most successful private equity investments
- Josh is also the Founder and Managing General Partner of Harris Blitzer Sports & Entertainment (HBSE)
- He is the Managing Partner of the Philadelphia 76ers, General Partner of the Crystal Palace Football Club in the Premier League and a minority owner of the Pittsburgh Steelers in the NFL
- Josh and his wife, Marjorie, founded Harris Philanthropies to advocate for youth and community development through equitable and inclusive investing in sports, enhanced wellness and education
- Josh holds an MBA from Harvard Business School and a B.S. in Economics from the University of Pennsylvania's Wharton School of Business
- He currently serves on the Boards of Harvard Business School, the Wharton School at the University of Pennsylvania, the NBA, and the NHL

## Alternatives Industry Experiencing Growth in AUM

*AUM (\$B) of Select Cohort of Alternative Asset Managers with \$300bn+ in Current AUM<sup>1</sup>*

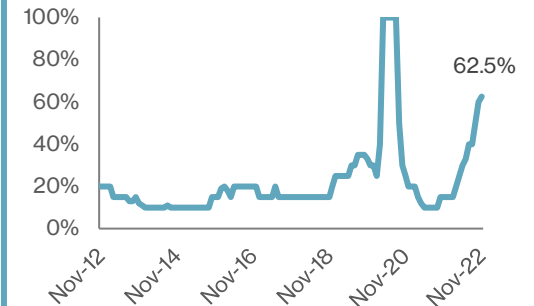


## 26North Focused on Alpha



## Macro Lining up for Opportunistic Entry Point

*Bloomberg Recession Probability Forecast*



## Regulatory Pressures Resulting in Asset Availability



**Banks**

## Attractive Opportunity for Elite Talent



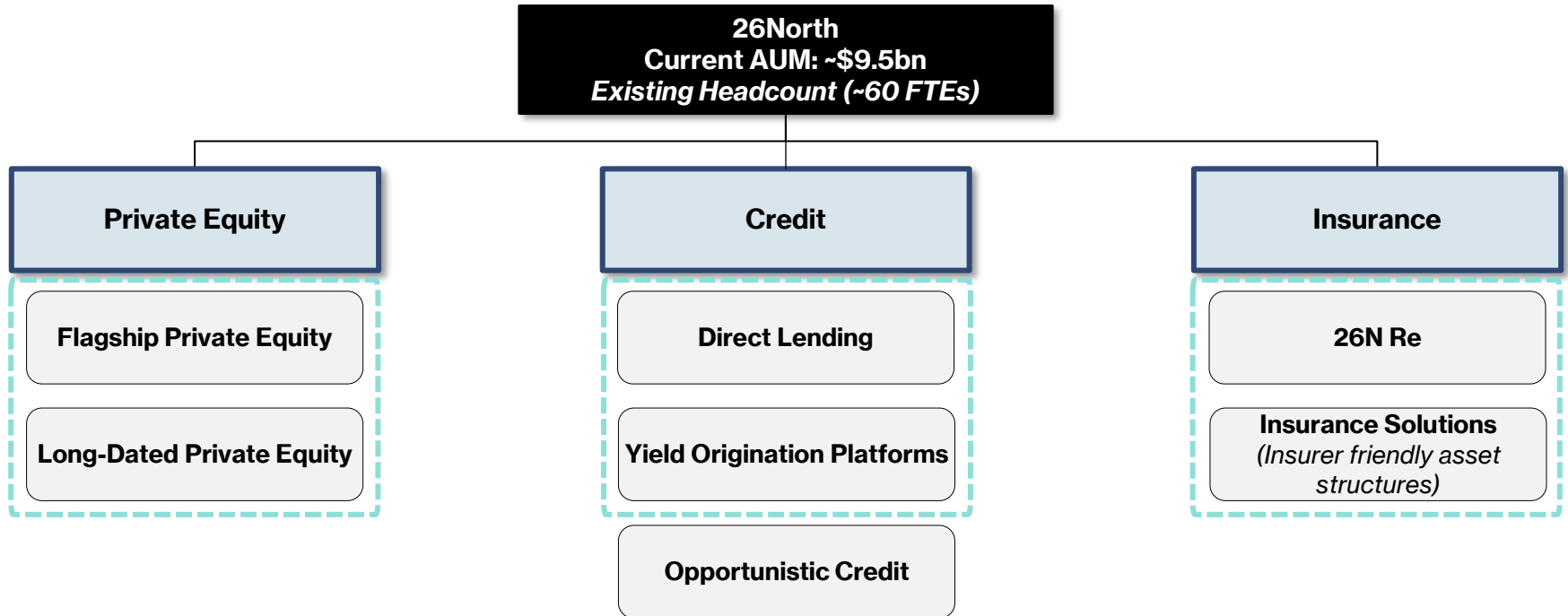
Source: Company Filings, Bloomberg, Preqin

Note: The use or display of other parties' trade names, trademarks or service marks is not intended to imply a relationship with, or endorsement or sponsorship by, such other parties. The figures above represent the collective growth in AUM for several alternative asset managers who are unaffiliated with 26North. Future growth in AUM for asset managers will be subject to the impact of market events and there can be no assurance that 26North will experience similar growth.

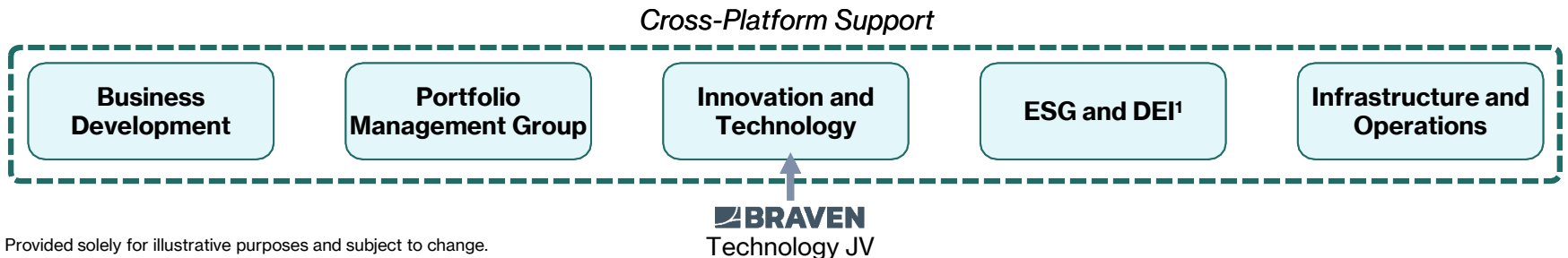
<sup>1</sup>Includes Brookfield, Apollo, KKR, Carlyle, Ares, Goldman Sachs, JP Morgan, Credit Suisse and Blackstone. Reflects assets under management/supervision.

# 26North Platform Overview

Building a fully-integrated platform across asset classes in an effort to drive synergies and returns



 Expected initial rollout



Note: Provided solely for illustrative purposes and subject to change.

<sup>1</sup>Extensive build-out plan to come

# Attracting World-Class Talent

26N\*

26North launches with a talented team of senior leaders with experience at the world's leading financial institutions and a strong pipeline of future candidates



**Josh Harris**  
**Founder**

- Co-Founder of Apollo Global Management
- Founder and Managing General Partner of Harris Blitzer Sports & Entertainment



**Brendan McGovern**  
**Senior Partner - Head of Direct Lending**

- Partner, Co-Head of the Goldman Sachs Asset Management (GSAM) Credit Alternatives investment team
- Prior, Head of Private Credit, GSAM



**Identified Hire**  
**Senior Partner – Future Head of Private Equity**



**Lance West**  
**Senior Partner - Strategy**



**Evan Zemsky**  
**Senior Partner - Operations and Strategy**



**Tina Raja**  
**Partner - Head of Business Development**



**Cole Charnas**  
**Partner - Insurance, Strategic Platforms**



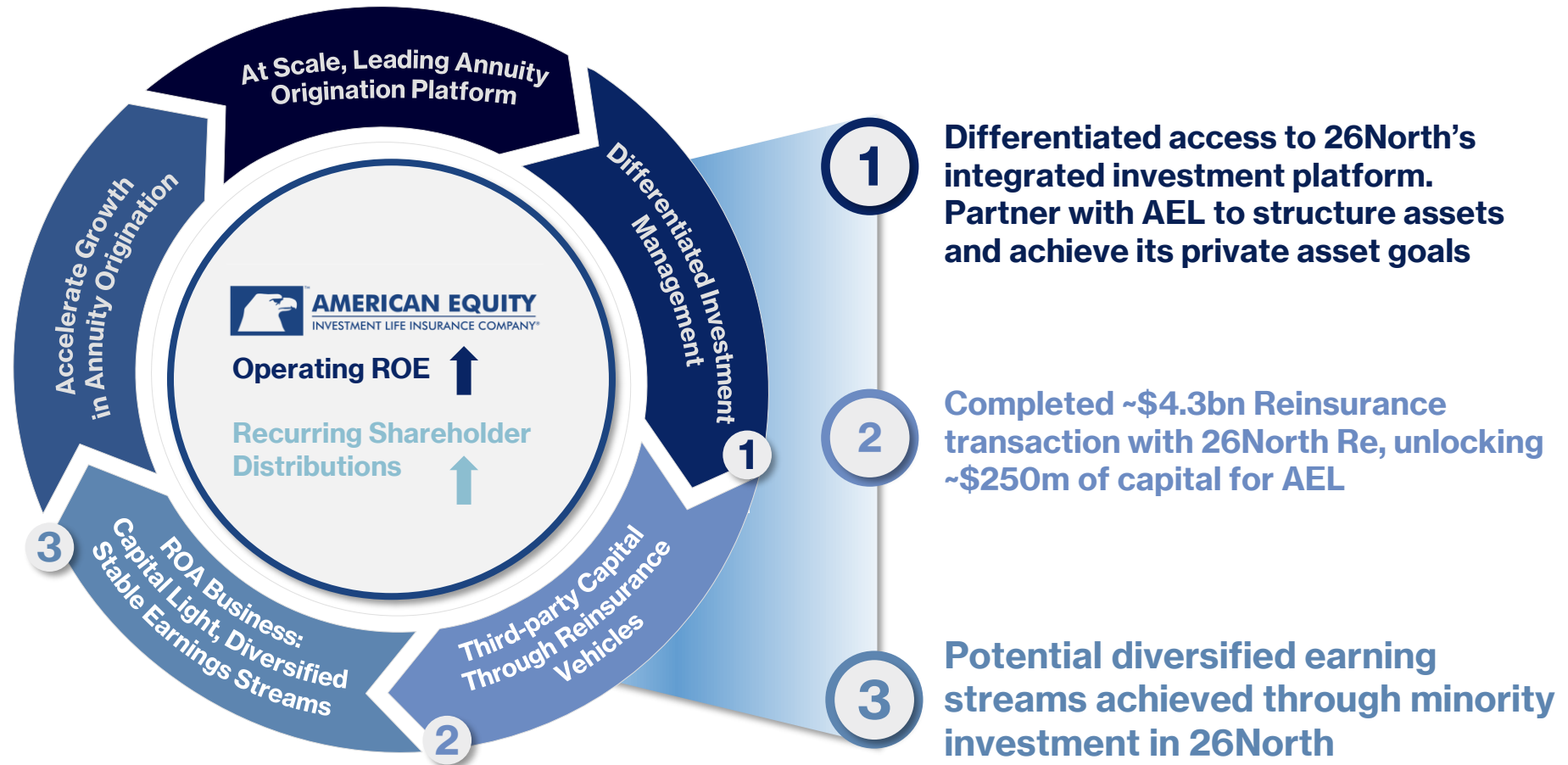
**Michael Corbat**  
**Senior Advisor – Former CEO, Citigroup**



**William Abecassis**  
**Partner - Head of Innovation**

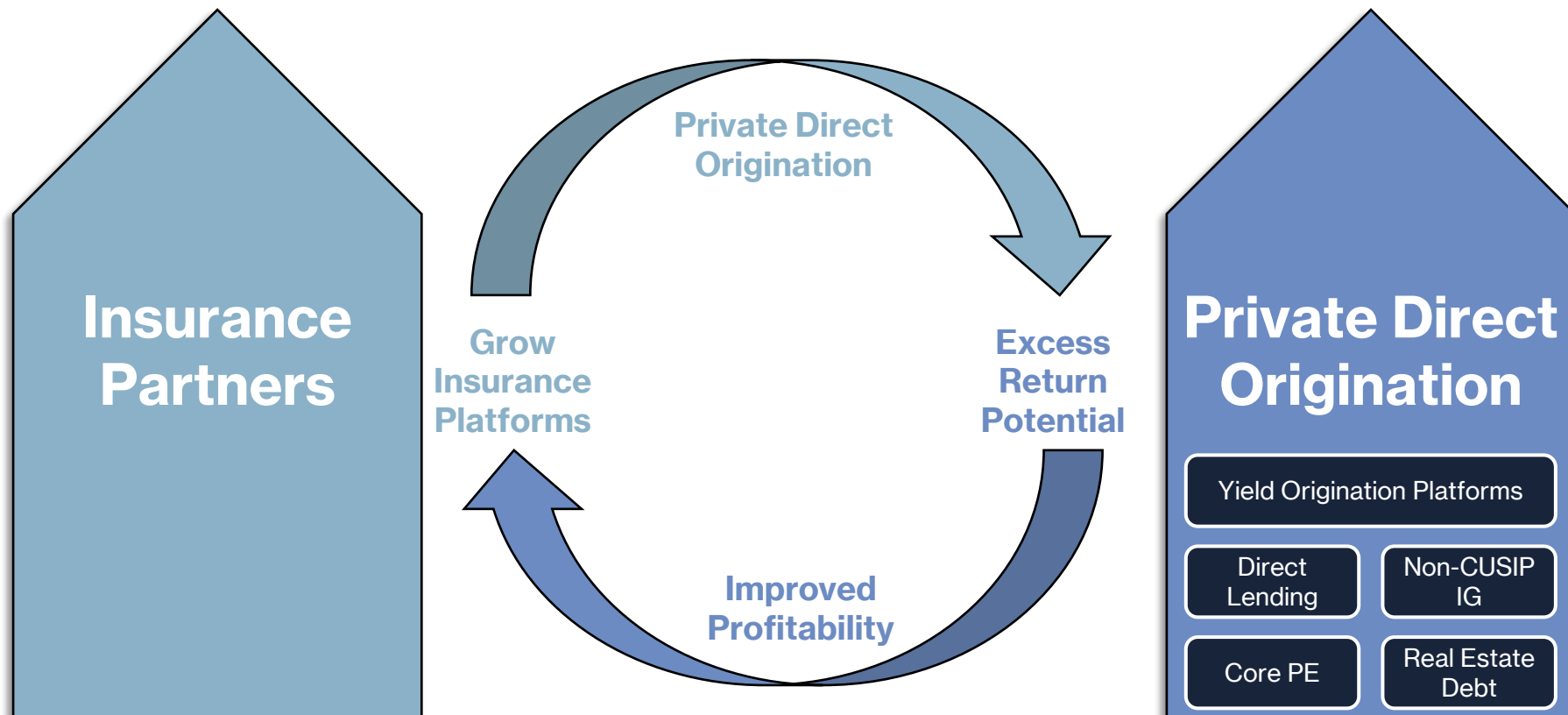


Note: 26North may not be able to on-board some, or all, candidates currently identified or those identified in the future. 26North is newly organized and certain individuals on the initial team may have little or no experience working together. Identified Hire is expected to join 26North early 2023. The use or display of other parties' trade names, trademarks or service marks is solely for illustrative purposes and is not intended to imply a relationship with, or endorsement or sponsorship by, such other parties. An identified hire may decide not to join 26North, and a replacement may never be found.

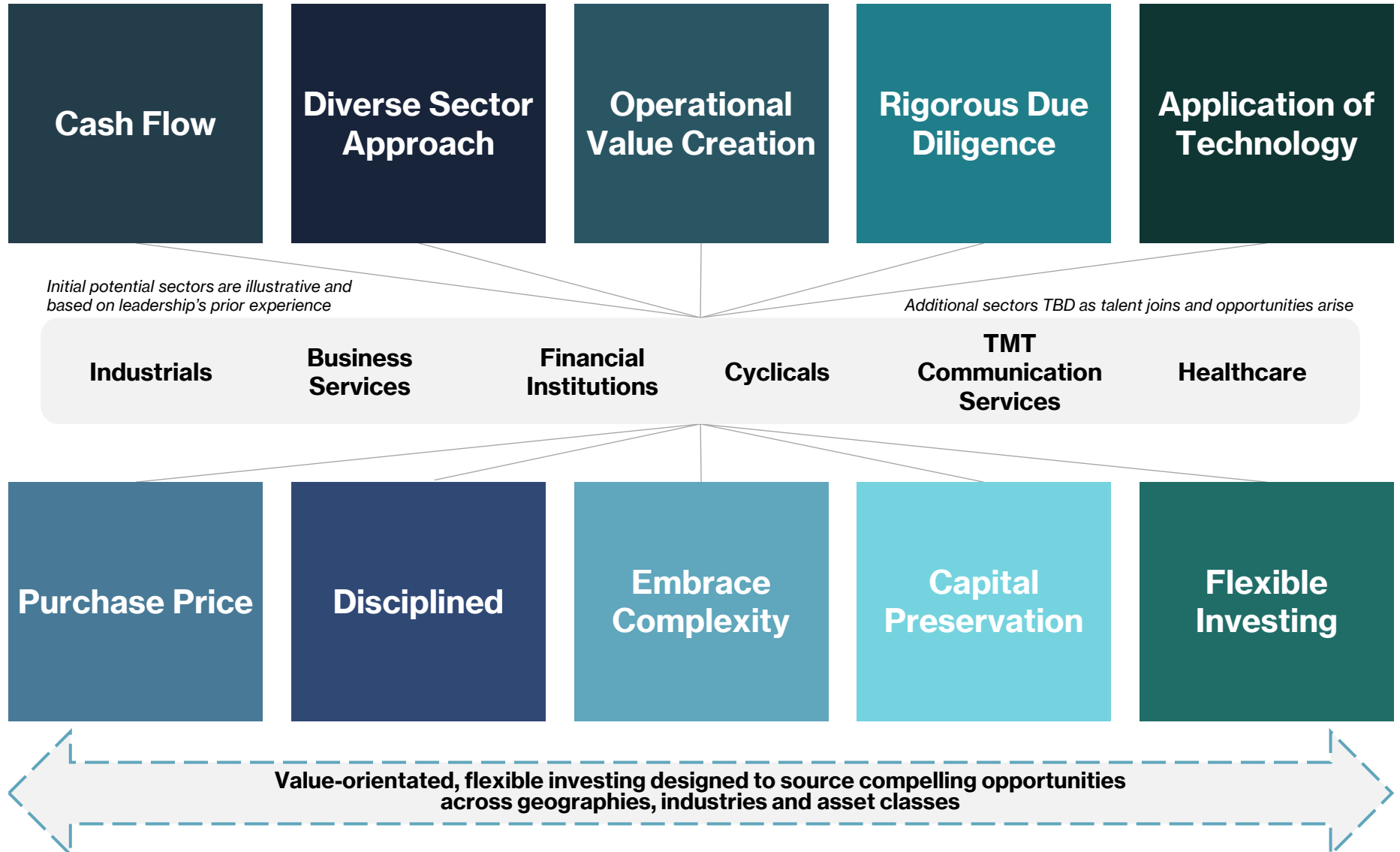


Private direct origination can generate repeatable excess return at scale

## Symbiotic Growth of Private Direct Origination and Insurance







Note: There can be no assurance that 26North will implement this investment philosophy successfully or at all or will invest in the sectors outlined above.

## 26North Direct Lending

*Top of capital structure*  
*Floating rate coupon*  
*Robust covenants*  
*Primary due diligence*  
*Premium to public debt*

## Differentiated Investing Strategy

*Middle market focus*  
*Thematic strategy*  
*Direct-to-company sourcing*  
*Technology partnership with Braven*  
*Access to other yield origination strategies*

## AEL & 26North Alignment

26North founder capital to be invested side-by-side with AEL



## High Demand for Capital

**3.7x**

More financing volume in the direct lending market vs. syndicated market between 1Q-3Q22

## Market Depth Shallow



Capacity set aside for unfunded commitments and portfolio stress



Lack of repayments reducing available capital

## Opportunistic Time to Launch

	2021	Current
<b>SOFR</b>	1.00%	4.40%
<b>Spread</b>	500-650	650-800
<b>OID</b>	98	97
<b>Leverage</b>	5.5x-7.0x	5.0-6.0x
<b>Documentation</b>	Loose	Significantly tighter

# Partnership Highlights

26N\*

First-class organizations augmenting each other to co-create insurer friendly assets in an effort to create value for stakeholders



26NORTH\*



- ✓ Access to proprietary alternative offerings and co-invest
- ✓ Differentiated access to talented professionals
- ✓ Value-add new investment yield platforms and strategies
- ✓ Early minority participation in 26N provides potential for significant value creation opportunity
- ✓ Private asset alpha tailored to be insurer balance sheet friendly

Note: Information herein reflects current beliefs of 26North as of the date hereof and are based on a variety of assumptions and estimates that are subject to various risks. There can be no assurance that 26North will implement these investment objectives or strategies successfully or at all.