

# Seeking Alternative Sources of Income



# Your Colony Speakers



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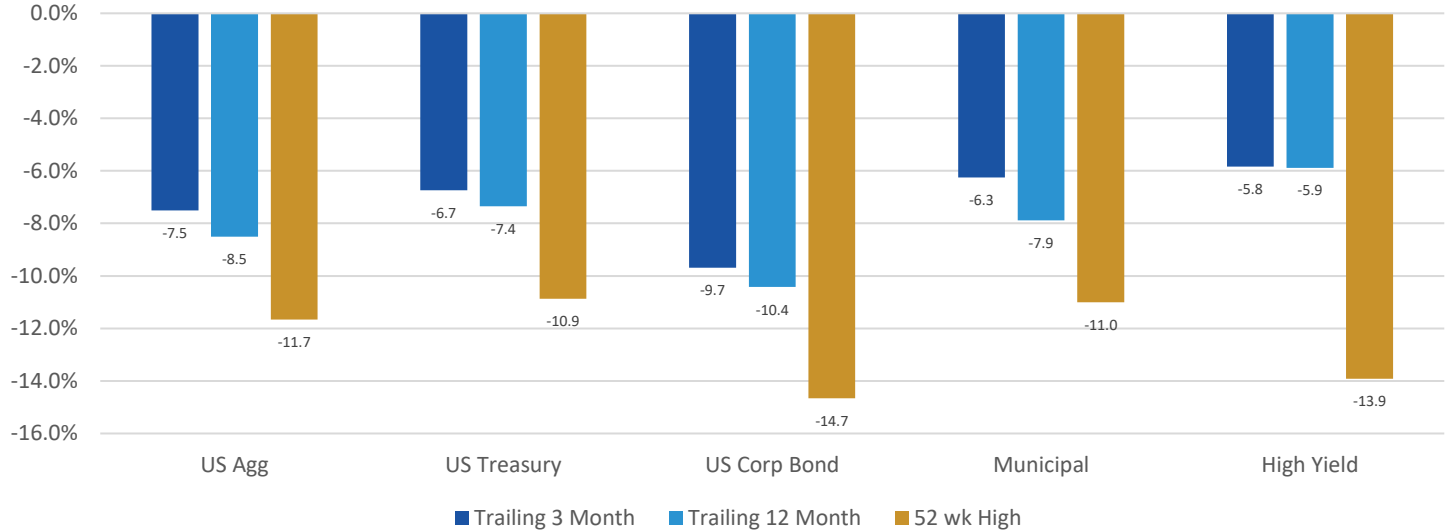
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# Rough Seas in Fixed Income

Bloomberg Index Returns  
As of 5/26/22



US Agg = Bloomberg US Aggregate Bond Index, US Treasury = Bloomberg US Treasury Bond Index, US Corp Bond = Bloomberg US Corp Bond Index, Municipal = Bloomberg Municipal Bond Index, and High Yield = Bloomberg VLI High Yield Bond Index.

Source: Morningstar and FactSet  
Please see disclosures at the end of this presentation.

# Bottoming Yields

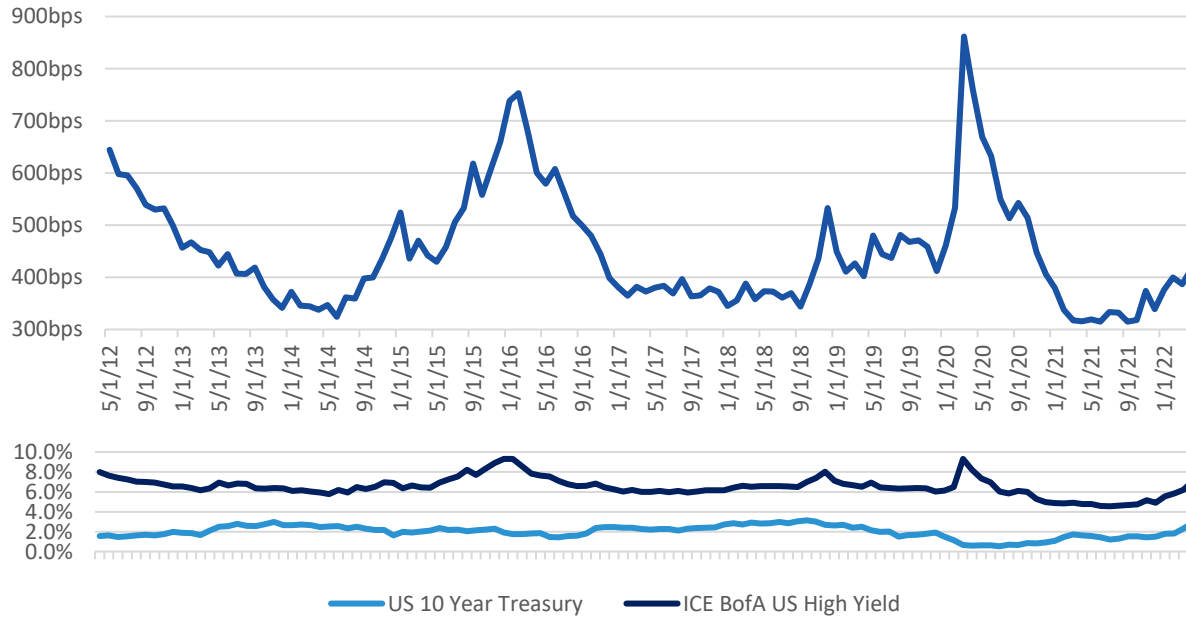
U.S. 10 Year Treasury Yield



Source: FactSet  
Please see disclosures at the end of this presentation.

# Spreads Widening

High Yield Spreads\*

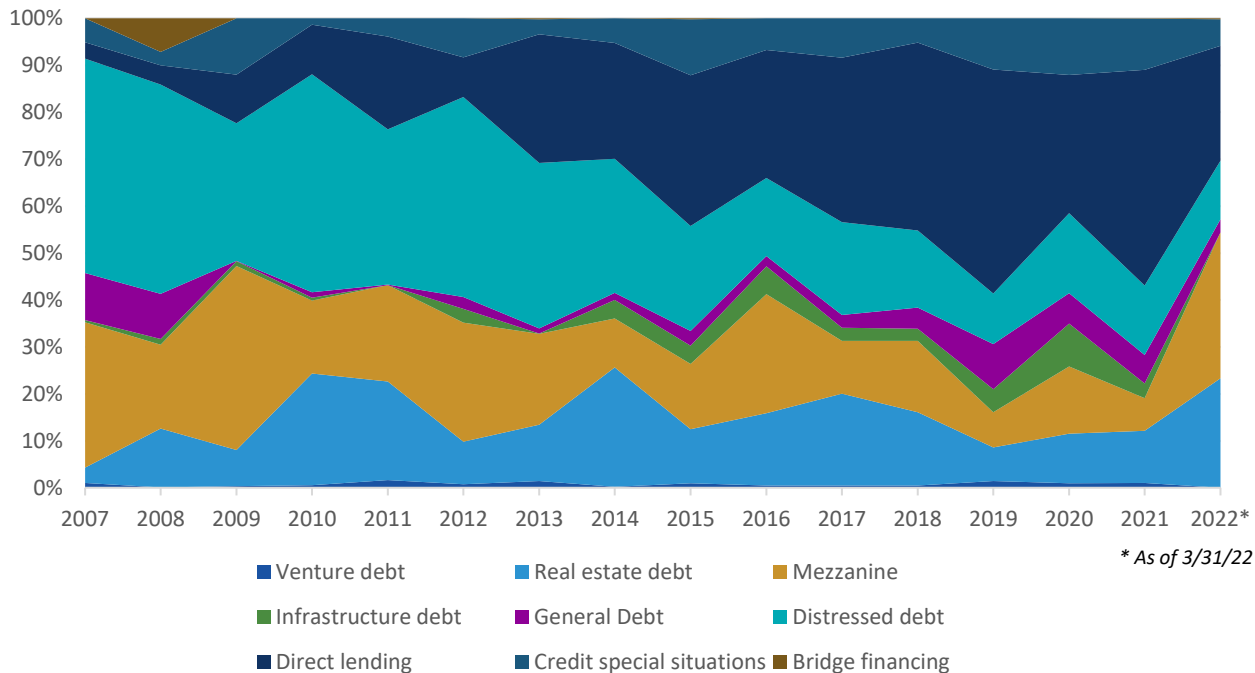


\*the difference of yield on ICE BofA US High Yield less 10 Year US Treasury



# Private Debt – Fundraising

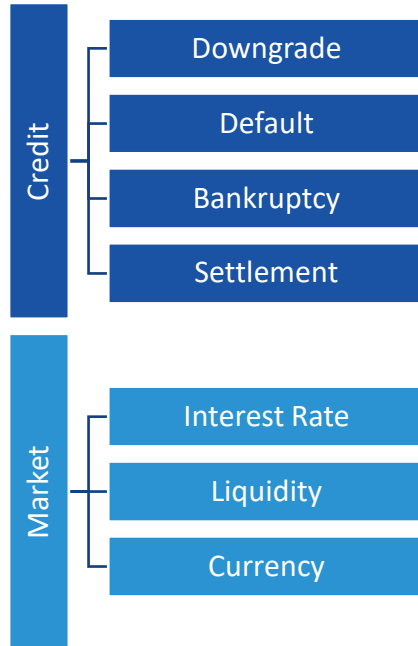
Private Debt Capital Raised by Type



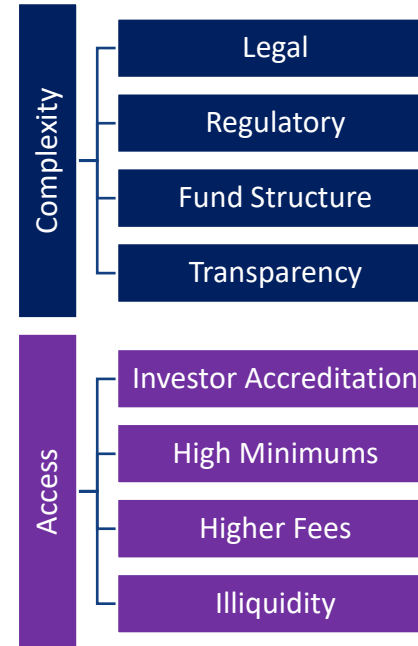
Source: PitchBook Data, Inc.  
Please see disclosures at the end of this presentation.

# Sources of Return

## Traditional



## Private / Alternative



# Private vs Public Debt

As of 9/30/21		1-year	3-year	5-year	10-year	15-year
Private Debt	Global private debt	15.42%	7.95%	7.99%	9.30%	8.44%
	Direct lending	10.71%	6.94%	7.02%	6.88%	6.88%
	Mezzanine & Bridge	16.53%	8.78%	5.86%	10.05%	9.12%
	Distressed and special sits.	19.83%	7.95%	9.34%	9.82%	8.70%
	Infrastructure and real estate	10.53%	8.85%	7.73%	9.83%	7.12%
Public Debt	US Agg	-0.90%	5.36%	2.94%	3.01%	4.17%
	US Treasury	-3.30%	4.89%	2.23%	2.21%	3.71%
	US Corp Bond	1.74%	7.45%	4.61%	4.87%	5.48%
	Municipal	2.63%	5.06%	3.26%	3.87%	4.25%
	High Yield	9.97%	6.47%	6.02%	7.09%	7.10%

*US Agg = Bloomberg US Aggregate Bond Index, US Treasury = Bloomberg US Treasury Bond Index, US Corp Bond = Bloomberg US Corp Bond Index, Municipal = Bloomberg Municipal Bond Index, and High Yield = Bloomberg VLI High Yield Bond Index*



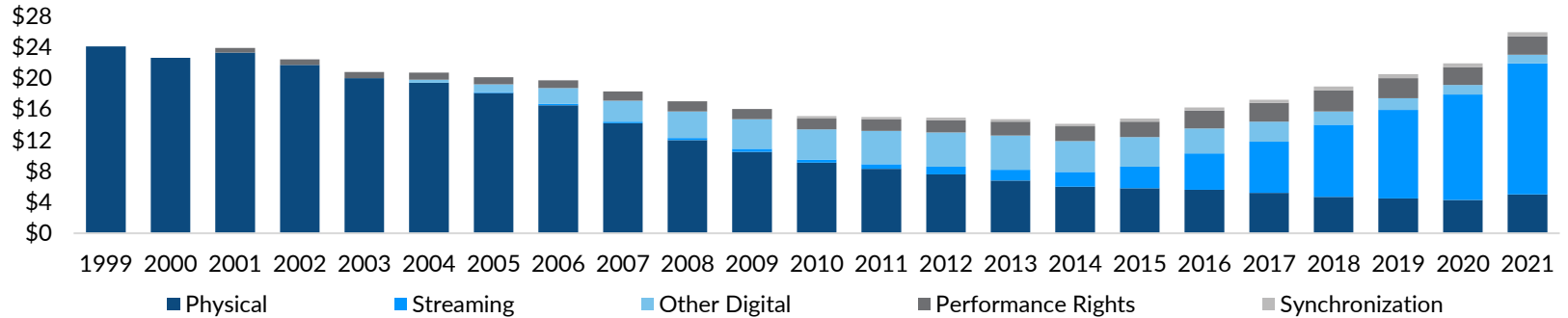
# Generating Alternative Income



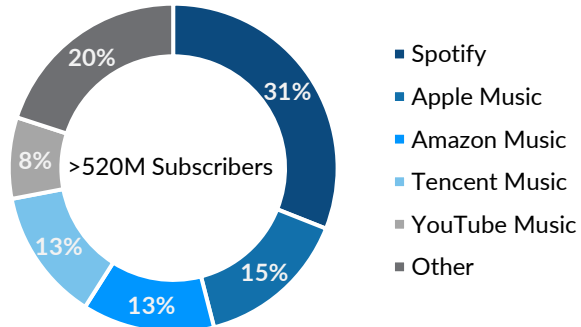
# Streaming Music Royalties

Strong Secular Tailwinds & Income Growth

Global Recorded Music Industry Revenue (in billions)



Global Streaming Platform Market Share



Streaming Music Royalty Payout Model

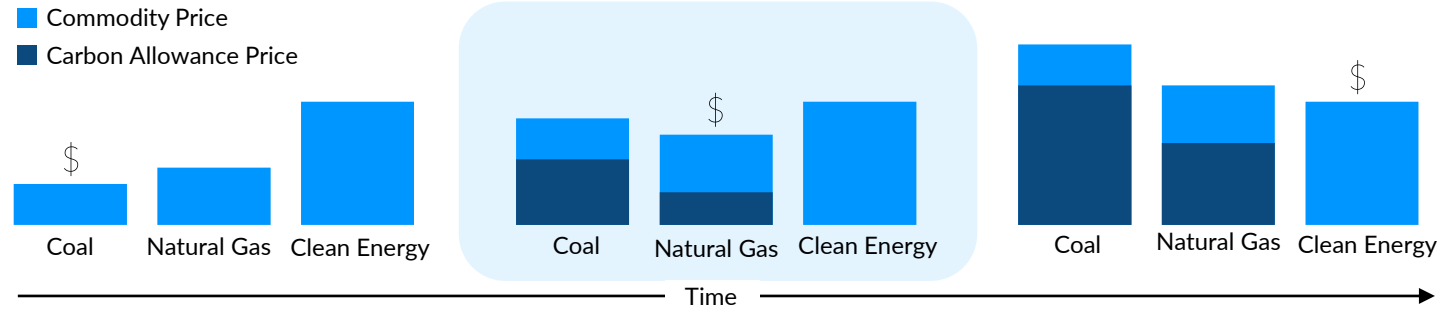
$$\left[ \begin{matrix} \text{monthly} \\ \text{platform} \\ \text{revenue} \end{matrix} \times \begin{matrix} \text{negotiated} \\ \text{royalty} \\ \text{rate \%} \end{matrix} \right] \times \frac{\text{\# of catalog streams}}{\text{total streams}}$$

Source: IFPI

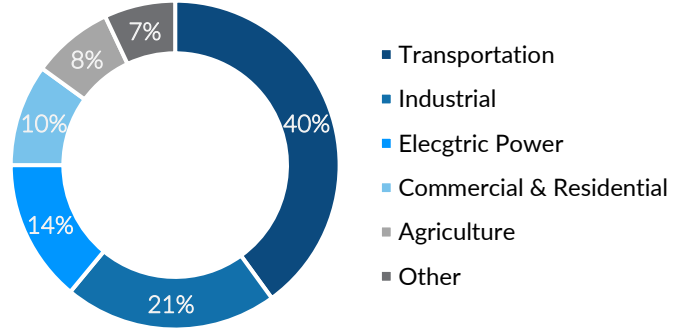
# California Carbon Allowances

Emerging Opportunity Set & Potential Environmental Benefits

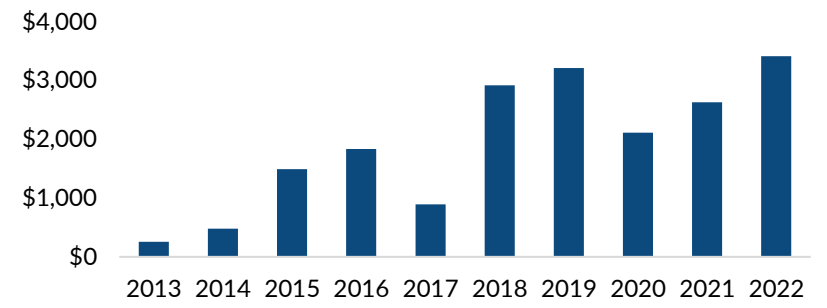
Illustration: How Carbon Allowances Reduce Emissions



Sources of Carbon Dioxide Emissions from Energy Consumption



GGRF Cap-and-Trade Fiscal Year Auction Proceeds (millions)

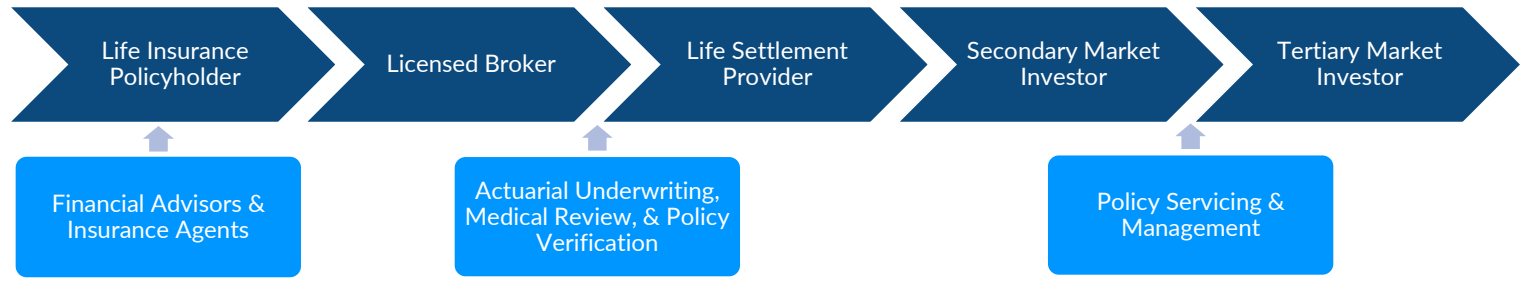


Source: California Air Resources Board

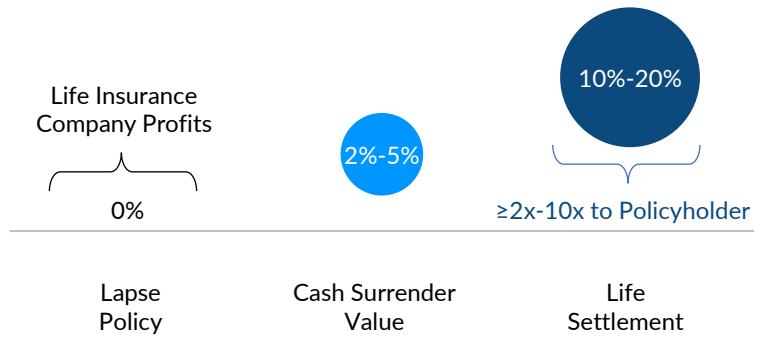
# Life Settlements

Seeking Non-Correlated Sources of Return & Actuarial Advantages

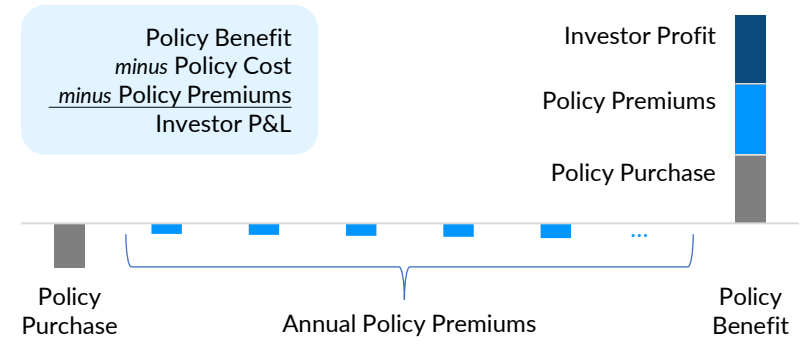
## Life Settlement Transactions



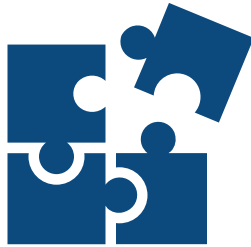
## A Positive Social Impact – Policyholder Alternatives (Pct. of Policy Benefit)



## Illustrative Life Settlement Investment Cash Flows



# Conclusions



Complementary



Protection



Complexity



# Disclosures

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