

We would like to thank everyone that participated in the 2016 Asset Class Taxonomy Consultation for providing much valued feedback regarding the proposed enhancements. Through this process, we were gratified to discover that many of you had already given consideration to these issues and had reached similar conclusions. As the proposed enhancements were overwhelmingly in line with the consensus view, we will be proceeding with the taxonomy enhancements as originally proposed.

Below please find the finalized asset class taxonomy (see Appendix A for the full list of possible categories and guidance on transitioning to the new taxonomy):

<i>Tier 1</i>	<i>Tier 2</i>	<i>Tier 3</i>
<b>Equity</b>		
	<b>Venture Capital</b>	
		<b>Early Stage</b> <b>Late Stage</b>
	<b>Expansion Capital</b> <b>Buyout</b>	
<b>Debt</b>		
	<b>Mezzanine</b> <b>Distressed</b>	
<b>Real Assets</b>		
	<b>Real Estate</b>	
		<b>Opportunistic</b> <b>Value-Added</b>
	<b>Natural Resources</b>	
		<b>Oil &amp; Gas</b> <b>Timber</b>
	<b>Infrastructure</b>	

As a reminder, the Private Capital Classification System ('PCCS') taxonomies are designed to recognize meaningful, discrete categories in the private capital investing landscape. The remainder of investing activity is addressed in product using Generalist, Not Elsewhere Classified ('NEC'), and Unknown categories, which can be present in any of the tiers. Please note that the use of the NEC category allows the taxonomy to support investments not currently listed (e.g. senior debt, core real estate, agriculture), until their group reaches a meaningful size, and they can be formally recognized as a discrete category in the taxonomy structure.

Below find the taxonomy implementation schedule:

<b>Event</b>	<b>Timeline</b>
Consultation period	June 23rd, 2016 - August 1st, 2016
Finalized Asset Class taxonomy announcement	September 27th, 2016
Preliminary Burgiss Manager Universe constituent impact announcement	November 2016
<i>Taxonomy changes implemented in:</i>	
• Burgiss Manager Universe	December 18th, 2016
• Private iQ	December 18th, 2016
• Private i Peer Groups (separate communication to follow)	December 18th, 2016
• Licensed Data	December 18th, 2016
• Private informant	2017 - 2018

### **About Private Capital Classification System**

The Burgiss *Private Capital Classification System* ('PCCS') is the set of taxonomies used to classify private capital across all levels of investing, including funds, their underlying holdings, and direct investments. Its goal is to help bring more transparency, standardization and precision to the classification process.

All taxonomies within PCCS are subject to annual review.

### **About Burgiss**

Burgiss is a global provider of investment decision support tools for the private capital market. Founded in 1987, Burgiss is a multidisciplinary team of 140 professionals steeped in the world of private capital. Today our tools support over a thousand clients representing over \$2 trillion of committed capital.

**Appendix A – Asset Class Taxonomy**

Asset Class		
Tier 1	Tier 2	Tier 3
Equity		
Equity	Venture Capital	
Equity	Venture Capital	Early Stage
Equity	Venture Capital	Late Stage
Equity	Venture Capital	Generalist
Equity	Venture Capital	Not Elsewhere Classified
Equity	Venture Capital	Unknown
Equity	Expansion Capital	
Equity	Buyout	
Equity	Generalist	
Equity	Not Elsewhere Classified	
Equity	Unknown	
Debt		
Debt	Mezzanine	
Debt	Distressed	
Debt	Generalist	
Debt	Not Elsewhere Classified	
Debt	Unknown	
Real Assets		
Real Assets	Real Estate	
Real Assets	Real Estate	Opportunistic
Real Assets	Real Estate	Value-Added
Real Assets	Real Estate	Generalist
Real Assets	Real Estate	Not Elsewhere Classified
Real Assets	Real Estate	Unknown
Real Assets	Natural Resources	
Real Assets	Natural Resources	Oil & Gas
Real Assets	Natural Resources	Timber
Real Assets	Natural Resources	Generalist
Real Assets	Natural Resources	Not Elsewhere Classified
Real Assets	Natural Resources	Unknown
Real Assets	Infrastructure	
Real Assets	Generalist	
Real Assets	Not Elsewhere Classified	
Real Assets	Unknown	
Generalist		
Not Elsewhere Classified		
Unknown		

**Appendix A (continued) – Peer Group Transition**

Old Taxonomy		New Taxonomy
AssetClass	SubAssetClass	Tier 1/Tier 2/Tier 3
Corporate Finance	All	Equity/Buyout, Debt
Corporate Finance	Buyout	Equity/Buyout
Corporate Finance	Distressed Securities	Debt/Distressed
Corporate Finance	Mezzanine	Debt/Mezzanine
Corporate Finance	Special Situations	<i>See Note 1</i>
Venture Capital	All	Equity/Venture Capital
Venture Capital	Early Stage	Equity/Venture Capital/Early Stage
Venture Capital	Late Stage	Equity/Venture Capital/Late Stage
Venture Capital	Balanced	Equity/Venture Capital/Generalist
Real Assets	All	Real Assets/Natural Resources, Real Assets/Infrastructure
Real Assets	Energy	Real Assets/Natural Resources/Oil & Gas
Real Assets	Timber	Real Assets/Natural Resources/Timber
Real Assets	Infrastructure	Real Assets/Infrastructure
Real Assets	Other	Real Assets/Natural Resources/Not Elsewhere Classified
Real Estate	All	Real Assets/Real Estate
Real Estate	Opportunistic	Real Assets/Real Estate/Opportunistic
Real Estate	Value-Added	Real Assets/Real Estate/Value-Added
Real Estate	Core	Real Assets/Real Estate/Not Elsewhere Classified
Generalist		Generalist

(1) No direct mapping under the new taxonomy. Constituent funds were mostly moved to Generalist, Equity/Buyout and Debt/Distressed.

**Appendix B – Definitions for Asset Class**

<b>Asset Class</b>	<b>Defining Attributes<sup>(1)</sup></b>	<b>Description</b>
<b>Equity</b>	<ul style="list-style-type: none"> <li>Equity</li> <li>Company-Focused</li> </ul>	Equity investments in privately-held companies or companies expected to become private as a result of the transaction.
<b>Venture Capital</b>	<ul style="list-style-type: none"> <li>Equity</li> <li>Company-Focused</li> <li>Start-up / Developing</li> </ul>	Equity investments in small to medium private companies that are early in their development / lifecycle and in need of capital to grow their business. Typical investment amount is \$0.5-\$25 million with little to no leverage used. Wide range of returns can be expected.
<b>Early Stage</b>	<ul style="list-style-type: none"> <li>Equity</li> <li>Company-Focused</li> <li>Start-up</li> </ul>	Equity investments in companies that are early in their development / lifecycle. While operations may have begun, the companies have not yet reached any major scale and are far from becoming profitable. Typical investment amount is \$0.5-\$5 million with no leverage used. Wide range of returns can be expected.
<b>Late Stage</b>	<ul style="list-style-type: none"> <li>Equity</li> <li>Company-Focused</li> <li>Developing</li> </ul>	Equity investments in companies that are later in their development / lifecycle and are generating growing revenues and / or expected to become profitable in the near-term future. Typical investment amount is \$5-\$25 million with little to no leverage used. Wide range of returns can be expected.
<b>Expansion Capital</b>	<ul style="list-style-type: none"> <li>Equity</li> <li>Company-Focused</li> <li>Mature</li> <li>Non-control</li> </ul>	Equity investments in mature companies that do not result in a change of control and focus on the financing of specific expansion initiatives. Relatively narrower range of returns can be expected.
<b>Buyout</b>	<ul style="list-style-type: none"> <li>Equity</li> <li>Company-Focused</li> <li>Mature</li> <li>Control</li> </ul>	Equity investments in mature companies that result in a change of control. These are typically larger transactions that use leverage. Relatively narrower range of returns can be expected.
<b>Debt</b>	<ul style="list-style-type: none"> <li>Debt</li> </ul>	Debt investments comprised of loans, bonds, credit derivatives and other related securities of companies, government entities or tangible assets.
<b>Mezzanine</b>	<ul style="list-style-type: none"> <li>Debt</li> <li>Non-distressed</li> <li>Subordinated</li> </ul>	Debt investments which are subordinate to other debt in the capital structure and are backed by little to no collateral. Securities are generally term loans and notes; may contain warrants / conversion rights.
<b>Distressed</b>	<ul style="list-style-type: none"> <li>Debt</li> <li>Distressed</li> </ul>	Debt investments into companies / tangible assets under stress or distress, resulting in a substantial discount to the securities' par value.
<b>Real Assets</b>	<ul style="list-style-type: none"> <li>Asset-Focused</li> </ul>	Investments that provide ownership interests in underlying tangible assets, including land, properties, commodities, as well as long-life assets / structures that provide essential products or services.
<b>Real Estate</b>	<ul style="list-style-type: none"> <li>Asset-Focused</li> <li>Properties</li> </ul>	Investments in properties or land to be zoned for properties.
<b>Opportunistic</b>	<ul style="list-style-type: none"> <li>Asset-Focused</li> <li>Properties</li> <li>Development</li> <li>Non-Core Locations</li> </ul>	Investments in land or properties that are in need of major development or redevelopment, or are located in less developed or depressed markets. Significant leverage may be used. Return is expected to be driven by appreciation.
<b>Value-Added</b>	<ul style="list-style-type: none"> <li>Asset-Focused</li> <li>Properties</li> <li>Renovation</li> <li>Core Locations</li> </ul>	Investments in properties that require moderate to significant capital expenditures for renovations and / or the solving of various operational, management or capital constraint issues. Occupancy rates are expected to be moderate to high. Return is expected to be driven primarily by appreciation.
<b>Natural Resources</b>	<ul style="list-style-type: none"> <li>Asset-Focused</li> <li>Commodities</li> </ul>	Investments in natural resources that require some type of extraction, development or conversion to realize their value.
<b>Oil &amp; Gas</b>	<ul style="list-style-type: none"> <li>Asset-Focused</li> <li>Oil &amp; Gas</li> </ul>	Investments in oil & gas exploration & production companies, related land, royalties and any investments that provide ownership interests in the underlying assets.
<b>Timber</b>	<ul style="list-style-type: none"> <li>Asset-Focused</li> <li>Timber</li> </ul>	Investments in timberland and timber-related assets.
<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>Asset-Focused</li> <li>Structures for Essential Services</li> </ul>	Investments in long-life assets, properties or other structures that provide some type of essential product or service and generate investment returns through income. Includes midstream and downstream oil & gas, power generation, transmission and distribution, telecommunication, and logistic assets.

(1) See definitions on the next page.

**Appendix B (continued) – Glossary for Defining Attributes**

**Asset-Focused** investments are ownership interests in tangible assets either as a result of direct investment or investment in companies that derive value predominantly from their underlying assets.

**Commodities** are a type of tangible asset comprised of oil & gas, timber and other natural resources, as well as land zoned for the exploration & development of such resources.

**Company-Focused** investments are securities of companies for which the enterprise value is not primarily driven by underlying tangible assets.

**Core Locations** are mature, stable markets within developed regions.

**Debt** investments are loans, bonds, credit derivatives and other related securities of companies, government entities or tangible assets.

**Developing** stage companies are generally 5-10 years old with growing, material revenue and an EBITDA that is at least approaching breakeven.

**Development** is a range of processes involved in the conversion of land into properties or reconstruction / repurposing of existing properties.

**Distressed** debt investments are debt securities in entities which are experiencing financial or operational distress, resulting in a substantial discount to the securities' par value.

**Equity** investments are equity securities in privately-held companies or companies expected to become private as a result of the transaction.

**Mature** stage companies are generally 10+ years old, have been generating significant revenues for some time and are currently (or were previously) profitable.

**Non-Core Locations** are less developed regions and / or markets that are depressed.

**Oil & Gas** is a type of tangible asset comprised of upstream oil & gas assets, including land zoned for the exploration & development of such resources.

**Properties** are a type of tangible asset comprised of properties or land zoned for properties.

**Renovation** is a process through which existing property undergoes restoration, remodeling or some other type of improvement beyond standard maintenance.

**Start-Up** stage companies are generally 0-5 years old, have little to no revenue and are expected to be EBITDA-negative for the near-term future.

**Structures for Essential Services** are a type of tangible asset comprised of long-life assets, properties or other structures that provide essential products or services, including those which are economic (e.g. transportation, power generation, transmission and distribution, etc.) as well as social (healthcare, education, etc.).

**Subordinated** debt investments are debt securities with lower seniority in the capital structure.

**Timber** is a type of tangible asset comprised of timber assets, including timberland.