

AETOS CAPITAL

City of Ocala General Employees' Retirement System

Confidential Discussion Materials

James Gibbons
Senior Portfolio Manager

John Stimpson
*Director of Business Development and
Client Relations*

August 8, 2016

Investing in hedge funds and other alternatives investment strategies involve substantial risks, including the risk of loss of invested capital. These risks remain substantial notwithstanding the risk management practices we employ in selecting and monitoring investments. Alternative investments are typically made through investments in illiquid, unregulated investment funds that employ sophisticated investment techniques, often involving derivatives and leverage.

Presenter Biographies



James Gibbons

Managing Director, Senior Portfolio Manager

Mr. Gibbons is a Managing Director and Senior Portfolio Manager of Aetos Capital. Prior to joining Aetos Capital in 2002, Mr. Gibbons served as a Senior Vice President at Evaluation Associates Capital Markets, where he was responsible for research and due diligence on a large group of relative value and event driven hedge fund managers. Before joining Evaluation Associates, Mr. Gibbons spent ten years with AIG in New York, London and Tokyo. He served as chief investment officer for various AIG insurance entities and Managing Director for AIG Global Investment Corp. His responsibilities included asset allocation as well as the management of fixed income, equity and non-traditional investment teams. Earlier in his career, Mr. Gibbons worked for Unilever in their treasury units in the U.S. and London. Mr. Gibbons received a Bachelor of Science in Finance from Georgetown University.



John Stimpson

Director, Client Relations and Business Development

Mr. Stimpson is a Director on Aetos Capital's client relations and business development team. Prior to joining Aetos Capital in 2015, Mr. Stimpson spent six years with KKR Prisma, the hedge fund solutions group of Kohlberg Kravis Roberts & Co., where he was responsible for marketing customized portfolios of hedge funds to primarily corporate and public pension plans in the Midwest and West Coast. He has held senior business development roles in the fund of hedge funds industry since 2004. Earlier in his career, he served as an associate in the public finance department of UBS/PaineWebber where he helped advise state and municipal governments on debt financing. Mr. Stimpson began his career in state government, initially as an analyst in the Massachusetts state legislature and then as a senior aide to former Massachusetts Governor William F. Weld. Mr. Stimpson is a cum laude graduate of Villanova University and earned an MBA from Columbia Business School.

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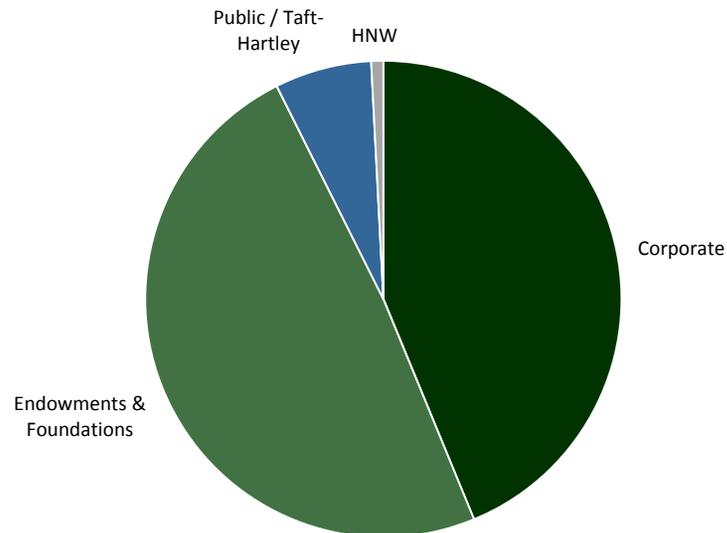
SECTION I

Firm Overview

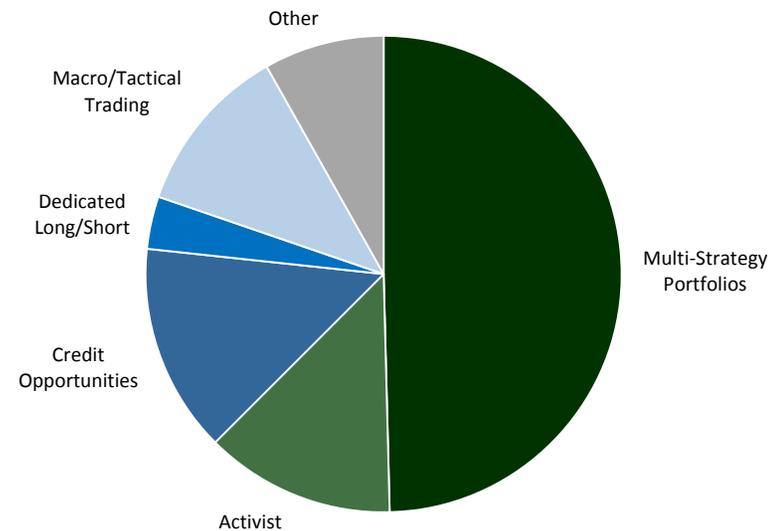
Overview of Aetos

- Founded in 2001, Aetos Alternatives Management, LLC (“Aetos”) has focused since inception exclusively on providing alternative investment solutions for institutional clients
- Aetos has served as a Strategic Partner to large, sophisticated institutions starting with our first client in 2001
- The senior investment team has worked together for over a decade and is responsible for our long-term track record. Each Partner has been with the firm since inception
- Aetos is independently-owned and managed by its founding Partners

Client Type 107 Clients¹ / \$10,270 Million AUM²



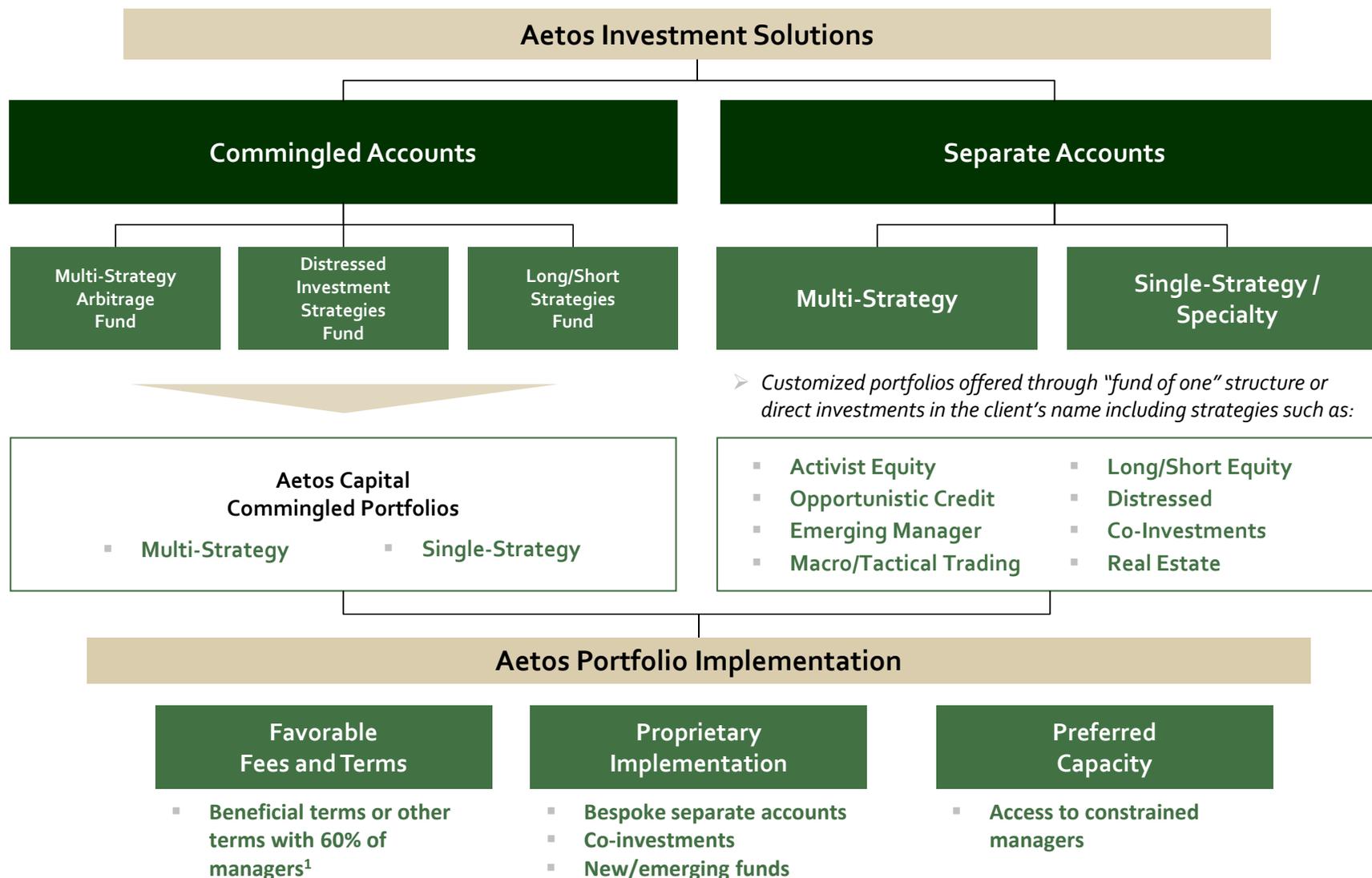
Strategy



¹ Certain clients with multiple mandates managed by Aetos are counted more than once.

² As of June 30, 2016.

Investment Solutions



¹ Information is as of January 1, 2016 for the Aetos Capital SEC-registered 1940 Act Funds and excludes managers under redemption.

Organizational Overview

Senior Investment Leadership ¹			
Name	Function	Industry Experience	Aetos Experience
Anne Casscells	<i>Chief Investment Officer</i>	36 years	15 years
Michael Klein	<i>Chief Risk Officer</i>	31 years	15 years
James Gibbons	<i>Senior Portfolio Manager</i>	33 years	14 years
Jonathan Bishop	<i>Portfolio Manager / Research</i>	15 years	12 years
Andrew Walling	<i>Portfolio Manager / Research</i>	15 years	11 years
Harold Schaaff	<i>Chief Legal Officer</i>	30 years	15 years
Joseph McDonald	<i>Manager of Operational Due Diligence</i>	26 years	10 years

Investment Management and Research

11 dedicated professionals

- Fundamental and macroeconomic research
 - Manager sourcing and due diligence
- Over 500 hedge fund manager meetings annually
- Portfolio construction and investment risk management

Operational, Business and Legal Due Diligence

8 dedicated professionals

- Parallel process with investment due diligence
- Distinct specialists in operations, legal, audit, counterparty and valuation risk
- Regularly re-underwrite each manager

Client Relations and Business Development Team

5 dedicated professionals

Information Technology, Business Management, Administration

9 dedicated professionals

Independent Board of Directors

Aetos Capital Commingled Hedge Funds of Funds

¹ Individuals denoted in green are members of Aetos' Investment Committee.

Organizational Overview

Investment Committee				
<p>Anne Casscells Co-President Chief Investment Officer</p>	<p>Michael Klein Co-President Chief Risk Officer</p>	<p>James Gibbons Managing Director Senior Portfolio Manager</p>	<p>Jonathan Bishop, CFA Managing Director Portfolio Manager / Research</p>	<p>Andrew Walling, CFA Managing Director Portfolio Manager / Research</p>
Portfolio Management and Research			Operational, Business and Legal Due Diligence	
<p>Anne Casscells Chief Investment Officer Yale University, B.A. Stanford University, M.B.A.</p>	<p>James Gibbons Senior Portfolio Manager Georgetown University, B.S.</p>		<p>Michael Klein Chief Risk Officer Colgate University, B.A. Boston College, J.D.</p>	
<p>Jonathan Bishop, CFA Managing Director Portfolio Manager / Research University of Virginia, B.S.</p>	<p>Andrew Walling, CFA Managing Director Portfolio Manager / Research Princeton University, B.A. Stanford University, M.B.A.</p>		<p>Harold Schaaff Managing Director Chief Legal Officer Brown University, B.A. University of California, Los Angeles, J.D.</p>	
<p>Nate Blair Director Research Rice University, B.A. Stanford University, M.B.A.</p>	<p>Filbert Cua Director Research University of Pennsylvania, B.S., B.A.S. Stanford University, M.B.A.</p>		<p>Joseph McDonald Managing Director Operational Due Diligence Cornell University, B.A. Columbia University, M.B.A.</p>	<p>Reid Conway Director Chief Compliance Officer Stanford University, B.A. New York University, M.B.A.</p>
<p>A.J. Chen, CFA Vice President Research University of California, Berkeley, B.A.</p>	<p>Daniel Fagan, CFA Vice President Research Stanford University, B.A.</p>		<p>Scott Sawyer Director Chief Financial Officer Bucknell University, B.S.</p>	<p>Nicole Ispass Vice President Accounting / Tax Services University of Wisconsin, B.S.</p>
<p>Ryan Fuh, CFA Research Associate Princeton University, B.A.</p>	<p>Juna Lee Research Analyst Stanford University, B.S.</p>	<p>Nicholas Lee Research Analyst University of California, Berkeley, B.S.</p>	<p>Valerie Romeo Associate Compliance Rutgers University, B.A.</p>	<p>Mike Sheehan Associate Operational Due Diligence Loyola University Maryland, B.A.</p>
Client Relations and Business Development Team				
<p>James Conzelman III Managing Director Georgetown University, B.A.</p>	<p>John Stimpson Director Villanova University, B.A. Columbia University, M.B.A.</p>	<p>Elizabeth Leung Vice President Wellesley College, B.A. New York University, M.B.A.</p>	<p>Anna Li Associate University of California, Berkeley, B.A., B.S.</p>	<p>Giselle Salcedo-Henriquez Associate Skidmore College, B.A.</p>
Information Technology, Business Management and Administration				
<p>Lauren Clepper Angela Duffy</p>	<p>Debi Gewirtz Dawn Griffin</p>	<p>Joan Hopkins Inara Koshkarli</p>	<p>Chuck McClendon Marie McHugh</p>	<p>Salah Siraj</p>

Competitive Edge and Experience

Experience

- Fiduciary perspective and capital markets experience
- Best practices from leading institutions
- Broad and deep team of specialists focusing on investment research and operational due diligence
- Senior professionals average over 25 years of experience

Expertise

- Specializing exclusively in alternative investment strategies for institutional clients
- Significant history of building hedge fund portfolios for institutions
- Emphasis on serving as an extension of staff
- Focus on knowledge transfer by providing transparency and staff training through joint manager meetings and onsite meetings
- Relationship-driven approach offering thoughtful research, market insights, tailored solutions and customized reporting
- Solution-driven culture with approximately 80% of assets under management in highly customized mandates

Judgment

- Demonstrable record of success through a research driven process:
 - Manager identification
 - Tactical strategy allocation
 - Portfolio construction and risk management
 - Insightful and comprehensive monitoring
- Strong alignment of interest with clients

SECTION II

City of Ocala General Employees' Retirement System Portfolio

City of Ocala General Employees' Retirement System

Fund Description

The Aetos Capital Growth Portfolio is a tactically allocated portfolio comprised of allocations to the three strategy-specific Aetos Capital SEC-registered 1940 Act Commingled Hedge Funds of Funds. The Portfolio is designed to provide institutional investors with attractive risk-adjusted returns and low betas to traditional markets, and is relatively concentrated by manager yet diversified by strategy.

City of Ocala Funding History

Funding Date:	April 1, 2008
Funding Amount:	\$4,000,000
Additional Contributions:	\$3,000,000
Ending Capital Balance (Net) as of June 30, 2016:	\$7,941,100

City of Ocala General Employees' Retirement System

City of Ocala General Employees' Retirement System Portfolio¹
 Since Inception April 1, 2008 through June 30, 2016 (net of fees in US\$ terms):

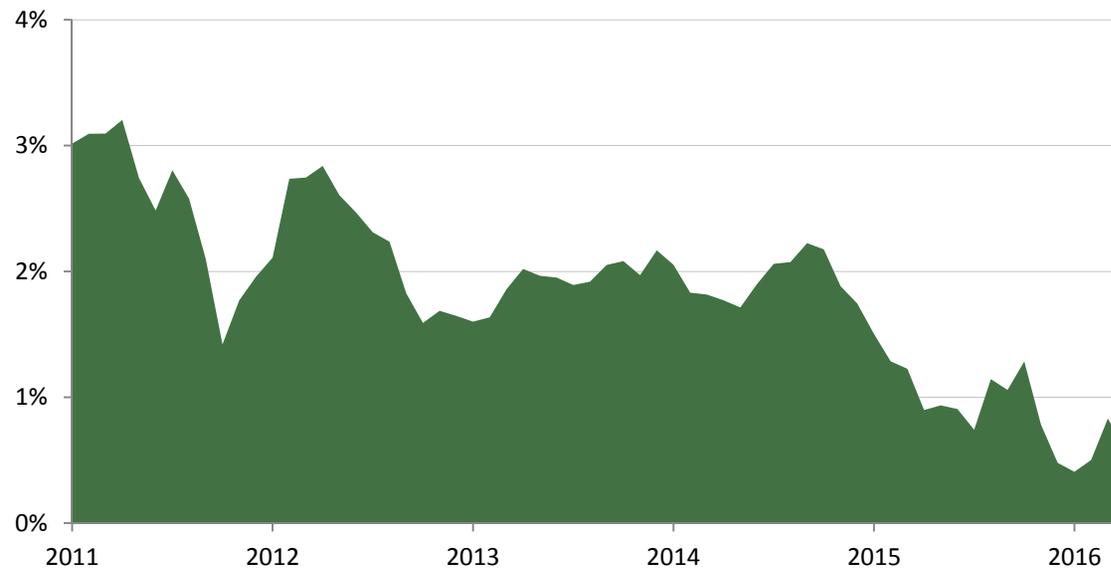
	YTD 2016	2Q16	2015	2014	2013	Annualized Returns				Standard Deviation	Sharpe Ratio
						1 Year	3 Years	5 Years	Since Inception		
City of Ocala General Employees' Retirement System¹	-1.83%	1.71%	0.48%	4.41%	10.27%	-2.64%	2.54%	3.13%	2.54%	4.64%	0.51
90-Day Treasury Bills	0.14%	0.06%	0.05%	0.03%	0.06%	0.18%	0.08%	0.07%	0.19%	0.11%	-
Barclays Capital Aggregate Index <i>(Global Bond Index)</i>	5.31%	2.21%	0.55%	5.97%	-2.02%	6.00%	4.06%	3.76%	4.49%	3.34%	1.29
MSCI ACWI (Net) <i>(Global Equity Index)</i>	1.23%	0.99%	-2.36%	4.16%	22.80%	-3.73%	6.03%	5.38%	3.37%	18.07%	0.18
HFRI FOF: Conservative Index <i>(Peers)</i>	-1.55%	0.54%	0.37%	3.14%	7.70%	-3.32%	1.94%	1.92%	0.57%	4.42%	0.09

¹ Performance figures shown are net of fees for the City of Ocala General Employees' Retirement System Portfolio and are net of investment advisory and performance fees of 0.75% of assets annually and 10% of profits above the three month Treasury bill return, respectively. The performance figures shown may include returns that are preliminary, unaudited, and estimated based on the most recent information provided by underlying fund managers, and are subject to change. Past performance is not indicative of future returns.

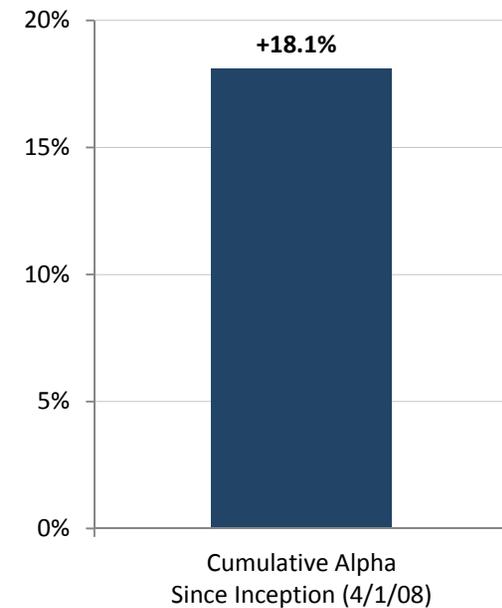
Relative Performance Against Peers

- The Aetos Capital Growth Portfolio outperformed its peers (as measured by the HFRI Fund of Funds Conservative Index) on a rolling 3-year annualized return basis
- Since City of Ocala General Employees' Retirement System Portfolio's inception in April 1, 2008, the fund has generated cumulative alpha of +18.1%, compared to its peers

Rolling 3-year Alpha Generation vs. HFRI FOF: Conservative Index (Peers)



Cumulative Alpha vs. HFRI FOF: Conservative Index Since Inception

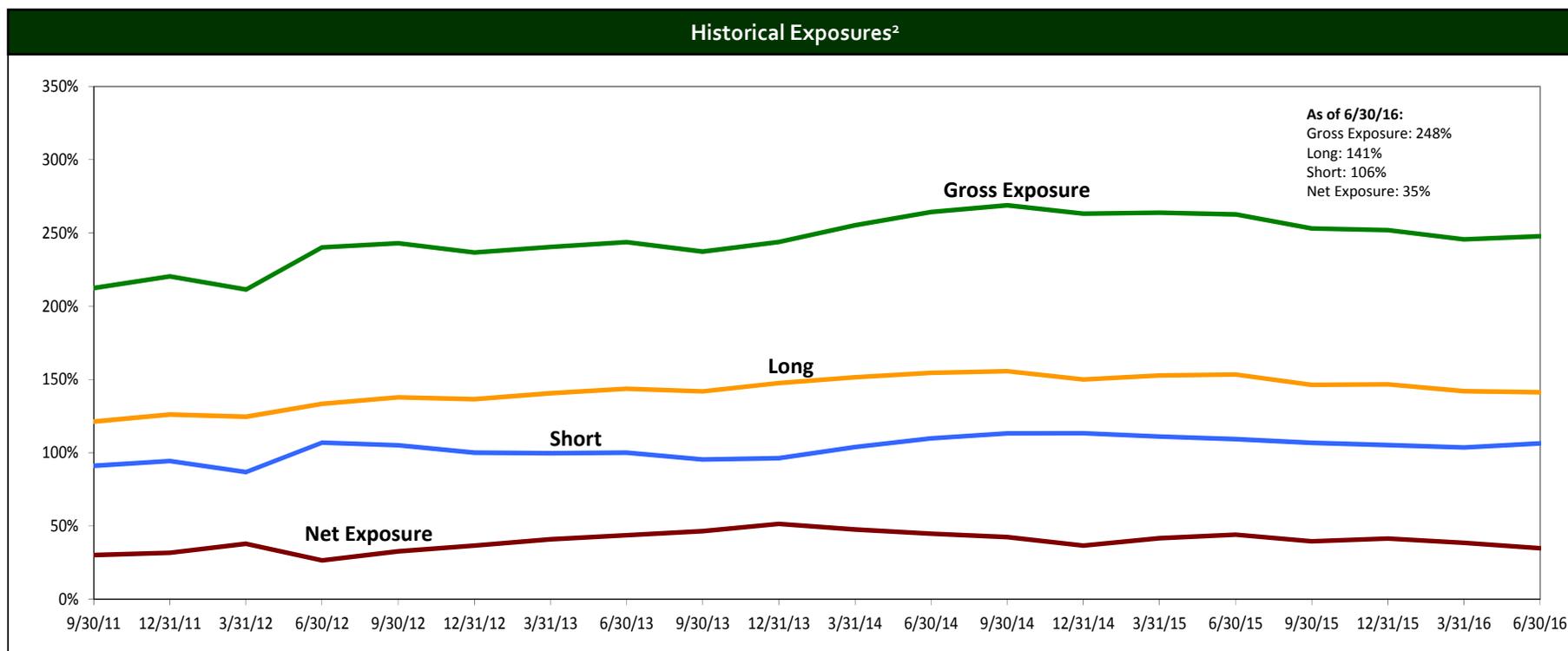


Note: Performance figures shown is of the City of Ocala General Employees' Retirement System Portfolio from April 1, 2008 to June 30, 2016 and are net of investment advisory and performance fees of 0.75% of assets annually and 10% of profits above the three month Treasury bill return, respectively. The performance figures shown may include returns that are preliminary, unaudited, and estimated based on the most recent information provided by underlying fund managers, and are subject to change. Past performance is not indicative of future returns.

Portfolio Exposure

Betas: Since Aetos Capital Funds' Inception (September 1, 2002) through June 30, 2016 (net of fees in US\$ terms)

	Beta: Barclays Capital Aggregate Index	Beta: MSCI ACWI (Net)
Aetos Capital Growth Portfolio ¹	0.00	0.19



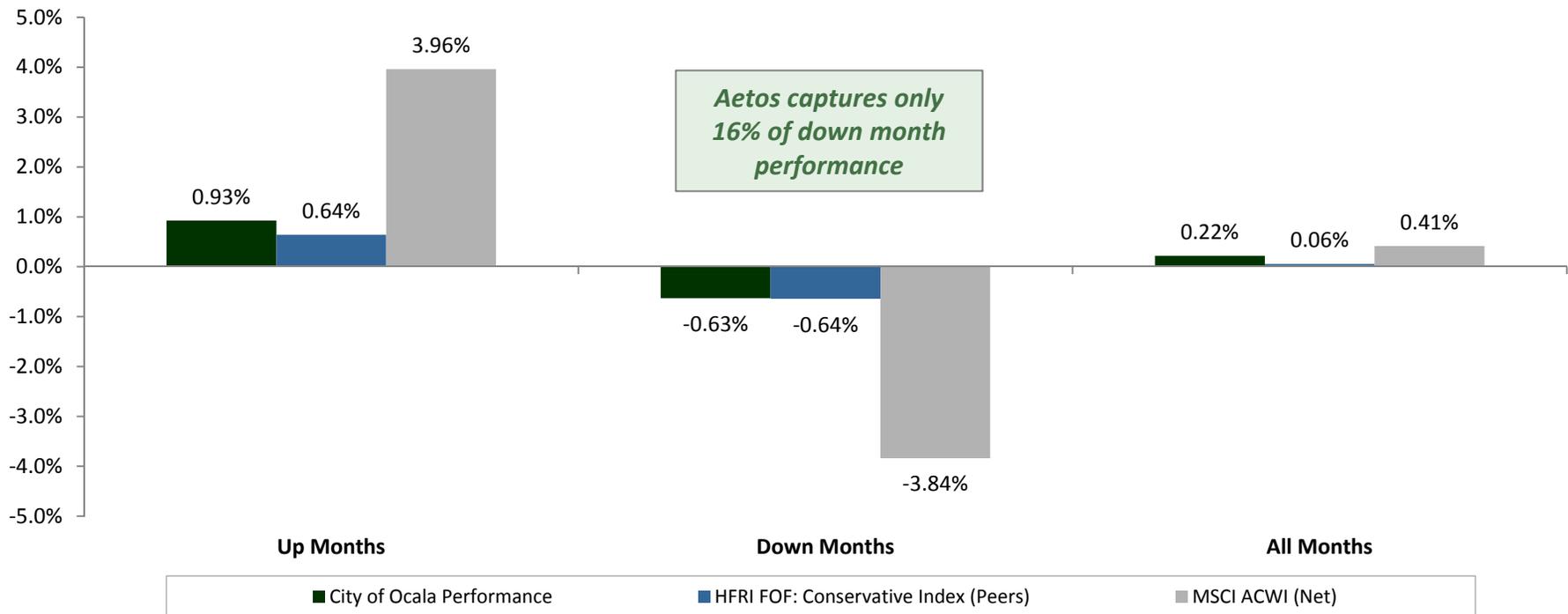
¹ Betas are based on actual performance of the City of Ocala General Employees' Retirement System Portfolio for the period of April 1, 2008 through June 30, 2016, and on the model Aetos Capital Growth Portfolio performance for the period of September 1, 2002 through March 31, 2008.

² Exposures are for the Aetos Capital Growth Portfolio.

Focus on Capital Preservation

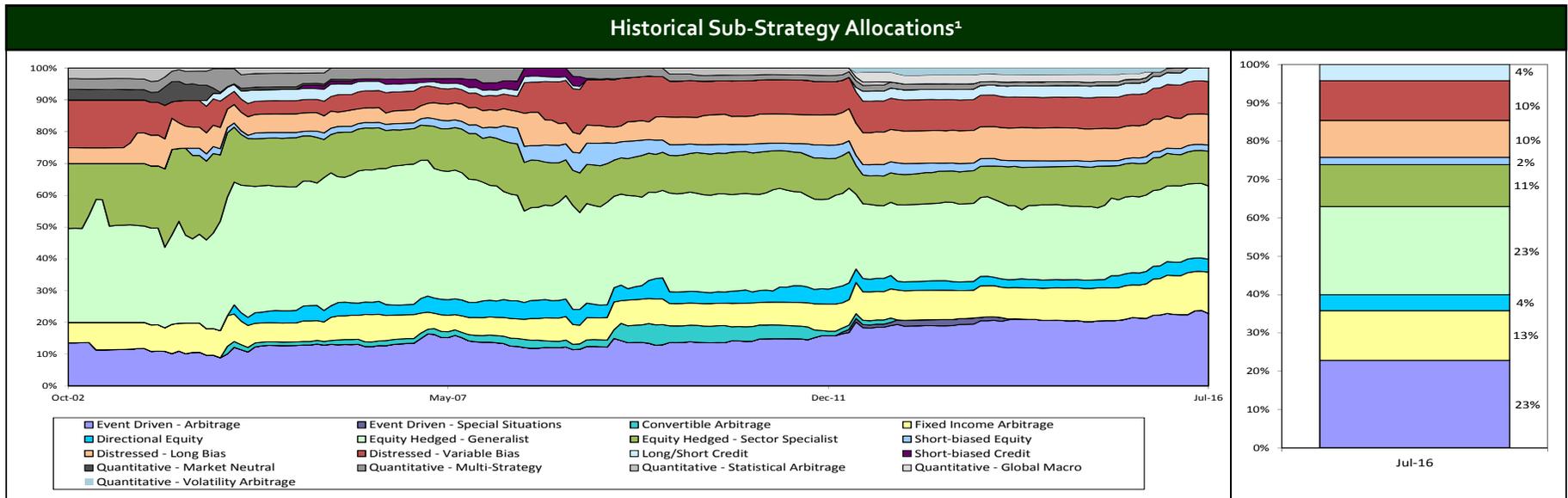
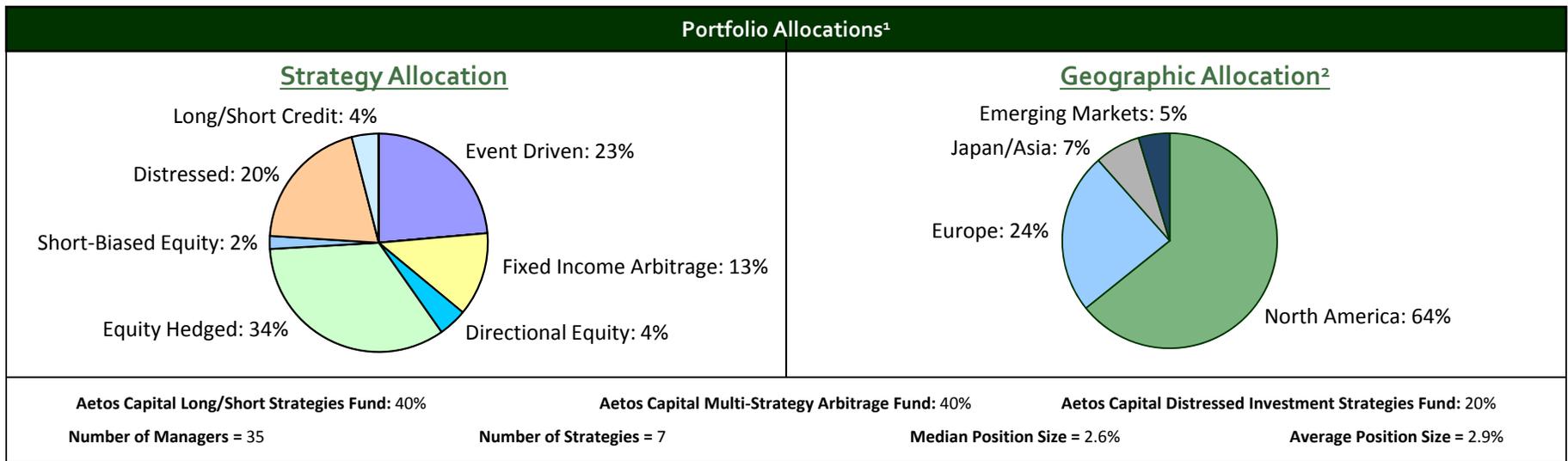
Emphasis on capital preservation through disciplined investment process and active risk management intended to produce a predictable and repeatable pattern of return and risk

Market Capture Since Inception (April 2008) through June 2016



Note: Data as of June 30, 2016. "Up Months" represent monthly performance of the MSCI ACWI (Net) index that were positive, of which there were 54 up months. "Down Months" represent monthly performance of the MSCI ACWI (Net) index that were negative, of which there were 45 down months. Performance figures reflect the City of Ocala General Employees' Retirement System Portfolio and are net of investment advisory and performance fees of 0.75% of assets annually and 10% of profits above the three month Treasury bill return, respectively. The performance figures shown may include returns that are preliminary, unaudited, and estimated based on the most recent information provided by underlying fund managers, and are subject to change. Past performance is not indicative of future returns.

Portfolio Allocations



¹ Information shown is as of July 1, 2016 based on target allocations for the City of Ocala General Employees' Retirement System Portfolio, is subject to change over time and excludes cash.

² Geographic allocations are as of June 30, 2016.

Manager List

Underlying Manager List as of July 1, 2016¹

Fund Name	Strategy
AG Mortgage Value Partners, LP	Distressed
Anchorage Capital Partners, LP	Distressed
Aurelius Capital Partners, LP	Distressed
Bracebridge FFIP, LP	Fixed Income Arbitrage
Cadian Fund, LP	Equity Hedged
Centerbridge Credit Partners, LP	Distressed
Conatus Capital Partners, LP	Equity Hedged
Crescent Park Partners LP	Equity Hedged
Davidson Kempner Distressed Opportunities Fund LP	Distressed
Davidson Kempner Partners, LP	Event Driven
DW Catalyst Onshore Fund, LP	Long/Short Credit
Egerton Capital Partners, LP	Directional Equity
Eminence Partners, LP	Equity Hedged
Encompass Capital Fund LP	Equity Hedged
Eton Park Fund, LP	Equity Hedged
Farallon Capital Offshore Investors, Inc.	Event Driven
Governors Lane Onshore Fund LP	Event Driven
Highfields Capital II LP	Equity Hedged
King Street Capital, LP	Distressed
Kriticos International Limited	Short-biased Equity
Long Pond Capital QP Fund LP	Equity Hedged
MW TOPS Fund Ltd.	Equity Hedged
North River Partners, LP	Equity Hedged
Oceanwood Global Opportunities Fund, LP	Event Driven
Parsec Trading Corporation	Fixed Income Arbitrage
Sachem Head Capital Management LP	Directional Equity
Turiya Fund LP	Equity Hedged
Viking Global Equities LP	Equity Hedged

¹ Subject to change over time. Excludes managers under redemption.

City of Ocala General Employees' Retirement System

Fees and Terms

Management Fee¹	0.75%
Incentive Fee¹	10% of Profits
Hurdle Rate	3 Month T-Bills
High Water Mark	Yes
Contribution Frequency	Monthly
Lock-Up Period	1 Year
Redemption Frequency	Quarterly with 90 Days Notice
Minimum Investment	\$1 Million
Auditor	PricewaterhouseCoopers, LLC
Administrator	HedgeServ Limited

SECTION III

Macroeconomic Outlook and Role of Hedge Funds

Macroeconomic Outlook

Global Growth

- US trend growth of 1.5% - 2.0% real, which is low relative to history but is likely near potential
- Improving conditions in the Eurozone with recent growth of close to 2%, but strength is highly dependent on ECB accommodation and is yet to become self-sustaining (and Brexit is weighing on the outlook)
- Japan continues to face significant challenges, with aggressive BOJ balance sheet expansion yet to achieve promising results (trend growth remains below 1%)
- China's slowdown and tightening USD liquidity represent material headwinds for emerging markets

Global Inflation

- Global inflation remains low despite aggressive monetary stimulus, owing to secular household deleveraging and associated weakness in aggregate demand
- US core inflation is tracking above 2% and could encourage the Fed to continue tightening gradually
- Inflation is running well below target in the Eurozone, and has again turned negative (deflation) in Japan
- Modest inflation in some emerging markets (e.g. India and Mexico) affords central banks scope to ease, while high inflation in others (e.g. Russia and Brazil) has been exacerbated by large currency devaluations

Other Key Themes

- **Energy:** Production cuts and reductions in capex have set the stage for tighter supply/demand balances; Prices will continue to experience substantial volatility as markets adjust and as geopolitical risks are recognized, but the intermediate-term outlook is constructive
- **China:** Growth is being supported by debt-fueled investment, which increases tail risks but does not change base case of a long-term adjustment process (rebalancing from investment to consumption)
- **Bond Yields:** Germany, Japan, and Switzerland have now all seen 10-year sovereign yields go negative, highlighting the serious challenges facing savers in the current low-rate environment
- **Brexit:** With the referendum resulting in a victory for "Leave", the UK is set to embark on a long and challenging adjustment process as it redefines its relationship with the European Union

Hedge Funds in an Institutional Portfolio

Typical Role of Hedge Funds

Attractive Risk-Adjusted Returns

- Seek pattern of performance between equities and bonds with volatility closer to bonds
- Benefit from a larger range of alpha-generating opportunities given fewer constraints than traditional strategies

Diversification and Additional Alpha Sources

- Provide access to additional sources of alpha beyond those offered by traditional strategies, thereby improving the diversification of the overall portfolio without adding proportional volatility
- Provide portfolio benefits via low correlations to long-only stock and bond allocations

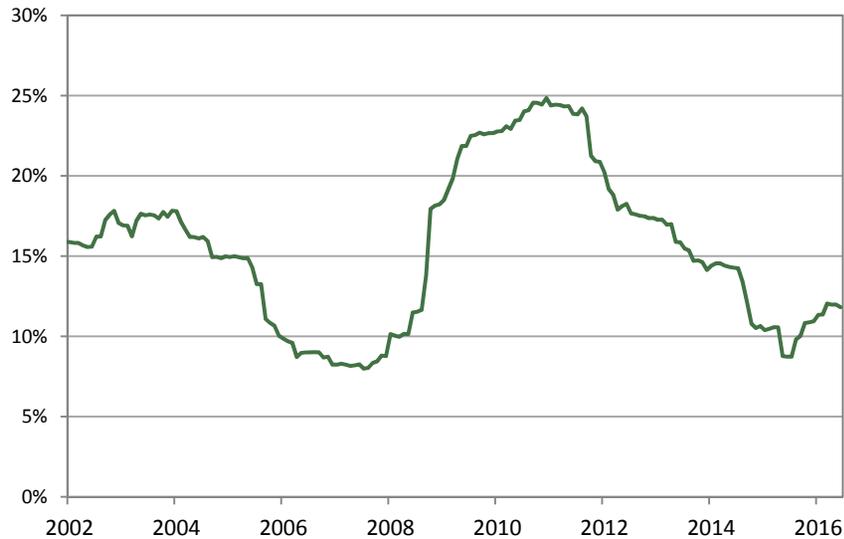
Current Environment and Outlook for Opportunity Set

- **Volatility**
- **Correlations**
- **Competition**
- **Supply**

Current Environment and Why Hedge Funds Now?

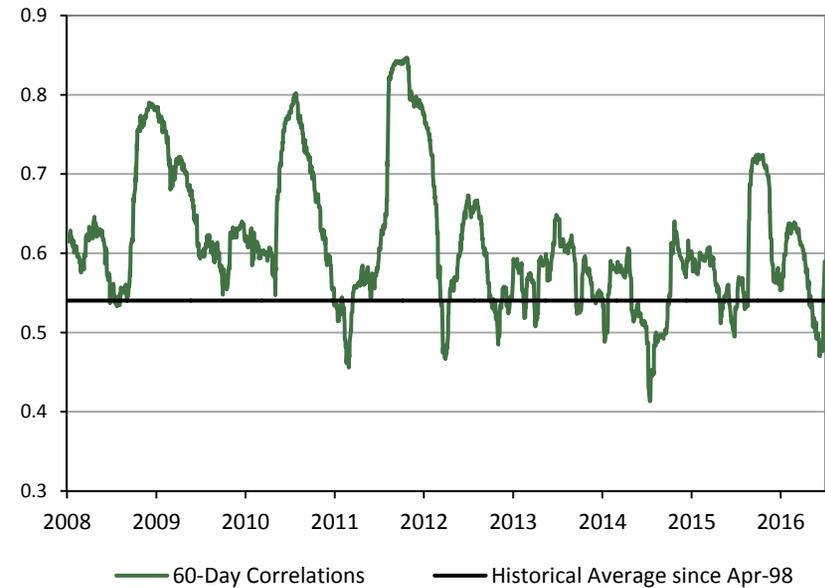
VOLATILITY

36-month Rolling Volatility of MSCI ACWI (Net) since January 1999¹



CORRELATIONS

60-Day Rolling Correlations²



- Current environment appears favorable for continued alpha generation in long/short equity strategies
- A pickup in volatility in the context of low stock correlations creates opportunities to find new investments and generate a high level of long-short spread

Source: Bloomberg.

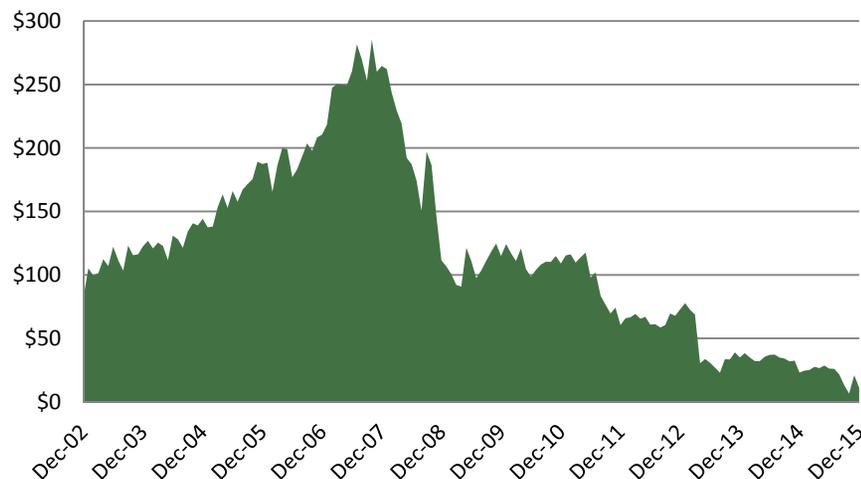
¹ Data as of June 30, 2016.

² Data as of June 30, 2016. Average correlations of S&P 500 members compared to the S&P 500 price index.

Current Environment and Why Hedge Funds Now?

COMPETITION

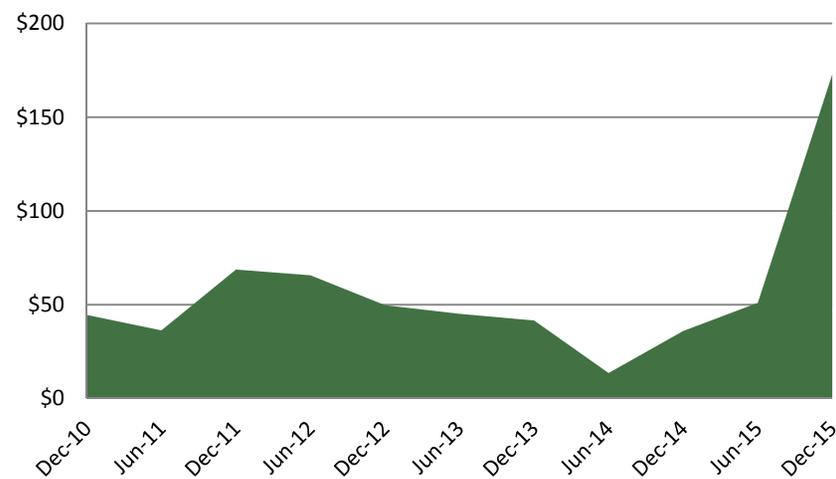
Liquidity-Providing Strategies: Dealer Inventory (\$Bn)¹



- Bank trading desks, which have traditionally been an important source of liquidity in the market, have been forced to significantly reduce their activities over the past few years.
- Recent spikes in market volatility, coupled with less competition from these trading desks, have created a greater range of opportunities for hedge fund managers that employ liquidity-providing strategies.
 - Fixed Income Arbitrage
 - Merger Arbitrage
 - Distressed Credit

SUPPLY

Distressed Credit: Supply (\$Bn)²



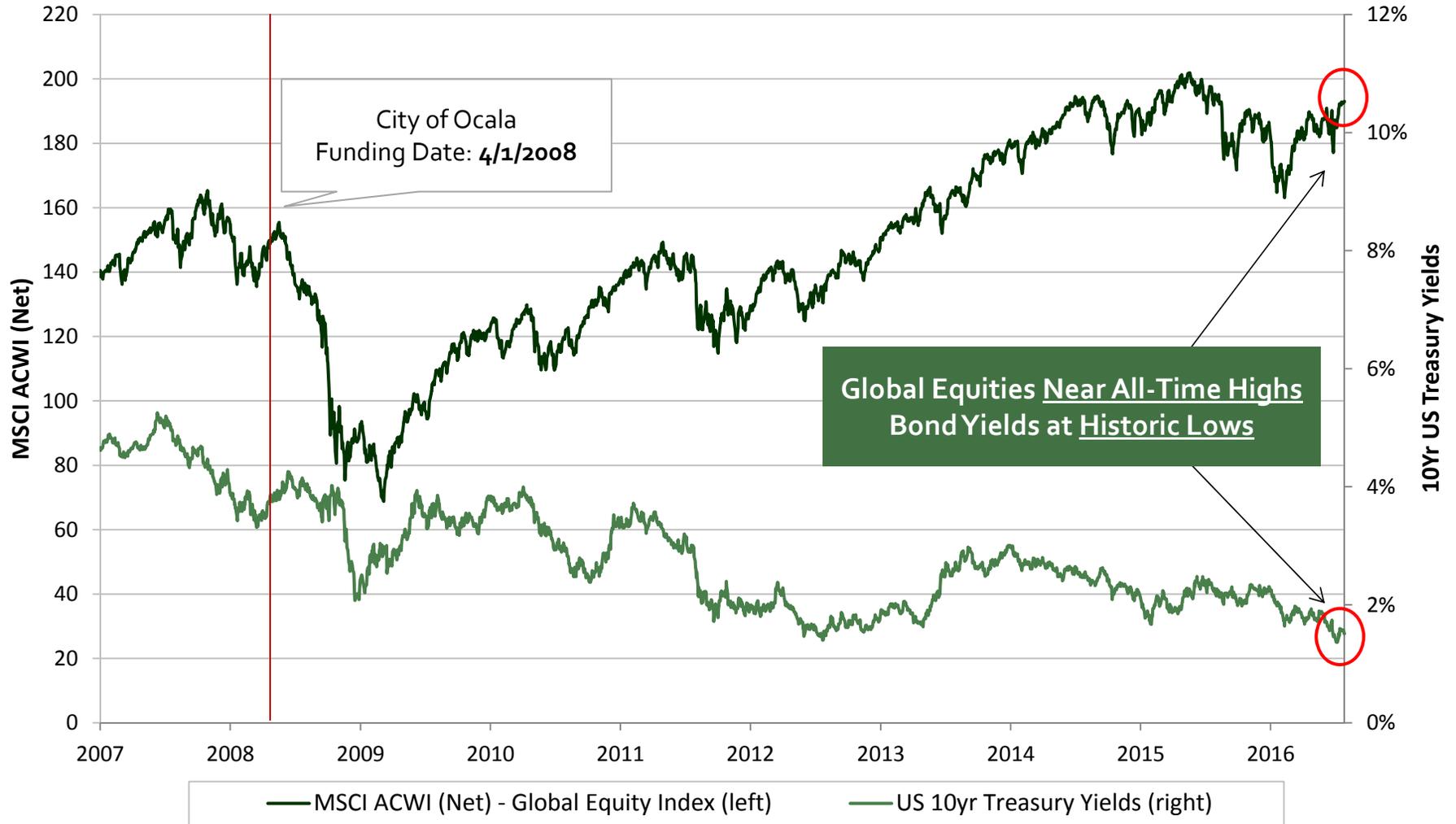
- The supply of distressed corporate credit has recently ballooned to a post-crisis high of approximately \$170 billion
- Concerns about slowing global growth and plummeting commodity prices have put significant pressure on over-levered corporate issuers.
- Many of these issuers will be forced to undertake some form of restructuring over the next 12 -18 months
- Distressed issuers are no longer just those in the energy or metals/mining sectors, but now include a broad-based set of companies such as retailers, broadcasters and telecoms.

¹ Source: Federal Reserve Bank of New York

² Source: JP Morgan; figures reflect par value of high yield bonds that are trading at or below 50% of par value and leveraged loans that are trading at or below 80% of par value.

Bullish Investment Environment Since the Financial Crisis

While stocks have hit record highs and bond yields have reached historic lows as a result of central banks' monetary policies, investors must evaluate the outlook for risk assets from here



Source: Bloomberg.

SECTION IV

Aetos Investment Philosophy and Process

Investment Philosophy and Process

Investment Philosophy

Objective

- We believe in partnering with our clients to provide **tailored solutions** across the spectrum of hedge fund strategies
- We are focused on the goal of **preserving capital** and **maximizing alpha**
- We build portfolios that possess a **diversified set of factor exposures** and seek to generate **consistent and uncorrelated returns** throughout market cycles

Approach

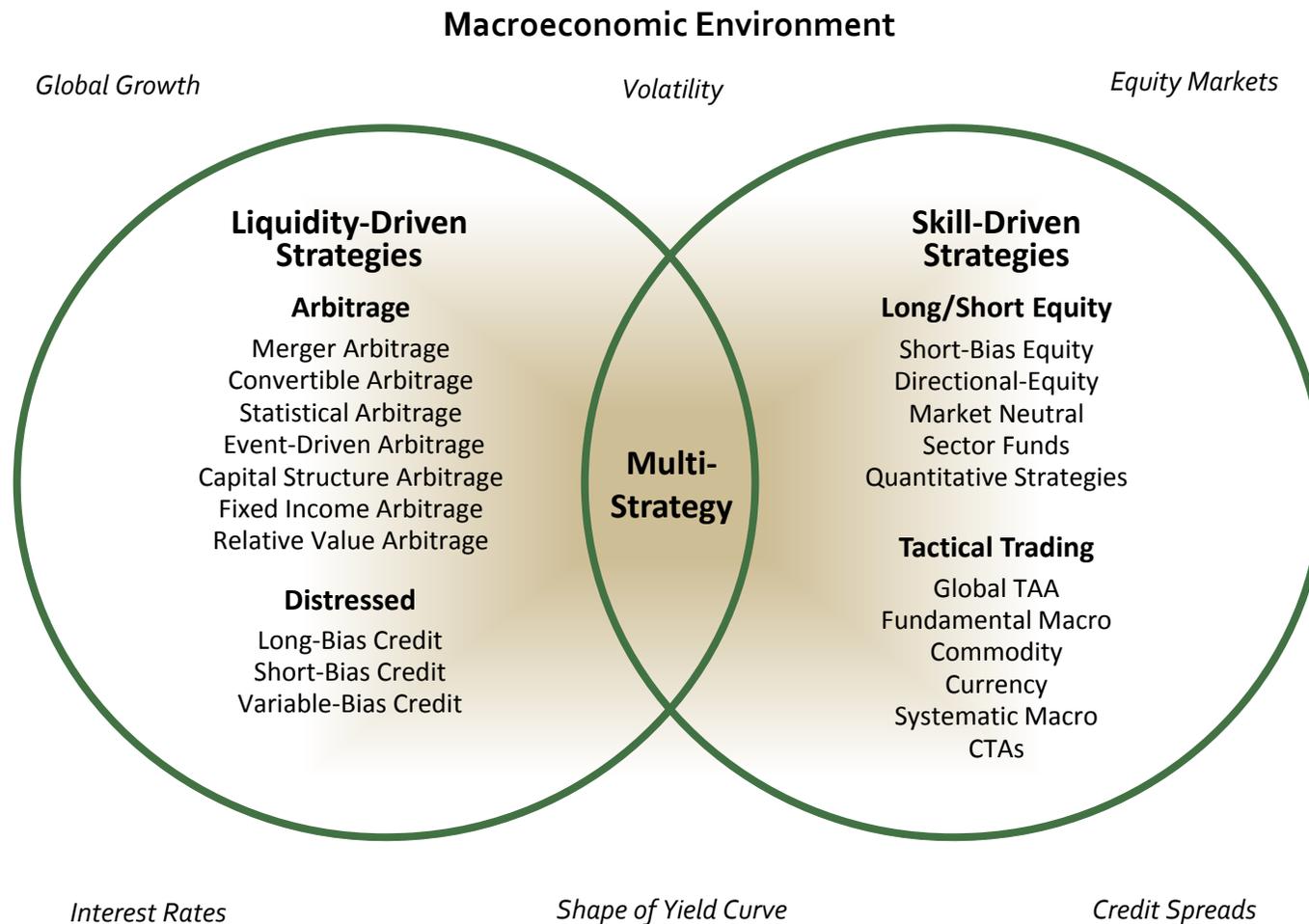
- We follow a disciplined and repeatable investment approach where **risk management** is integrated throughout
- We invest with **fundamentally-oriented** managers who provide **portfolio transparency** and **access to principals**
- We focus on a subset of institutional-quality managers with **demonstrated skill, deep infrastructures, internal risk management controls, sustainable performance, and consistent risk profiles**

Investment Process



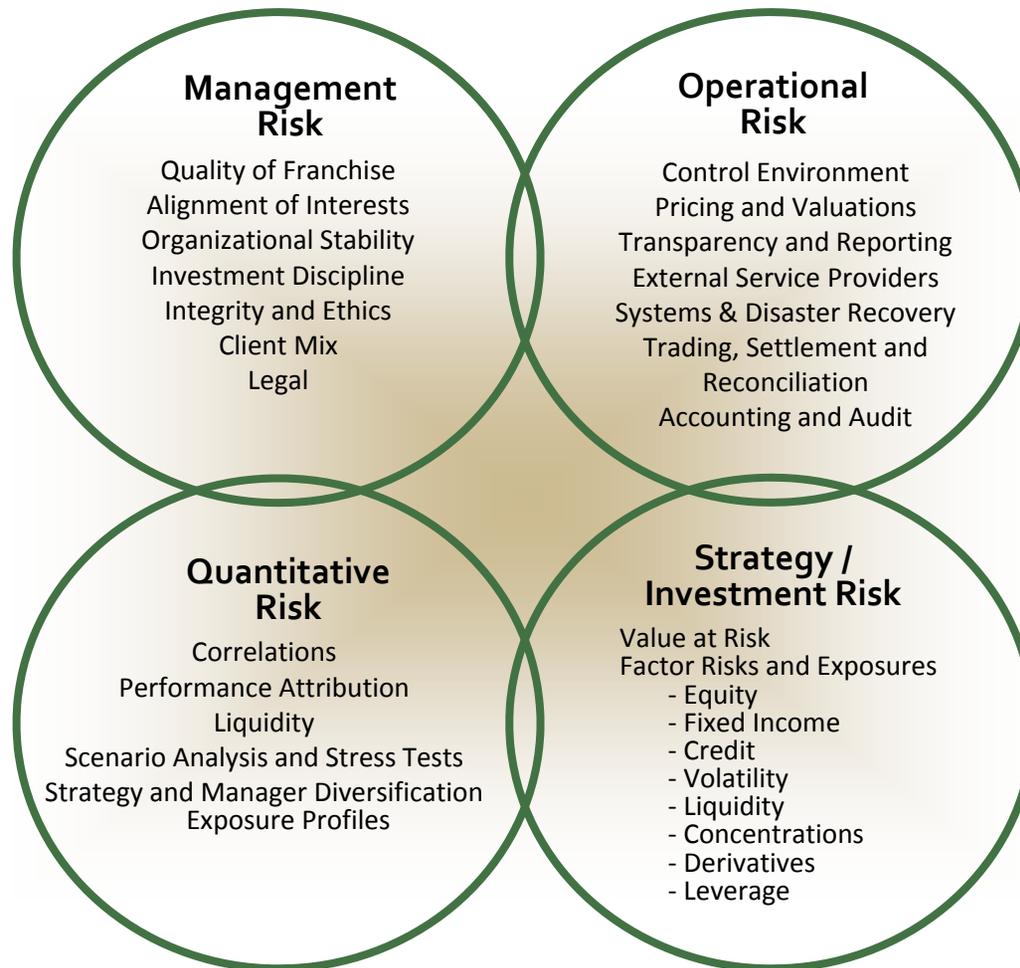
Investment Strategies

We classify investment strategies, determine the key drivers of performance, develop forward-looking views, set risk and return expectations



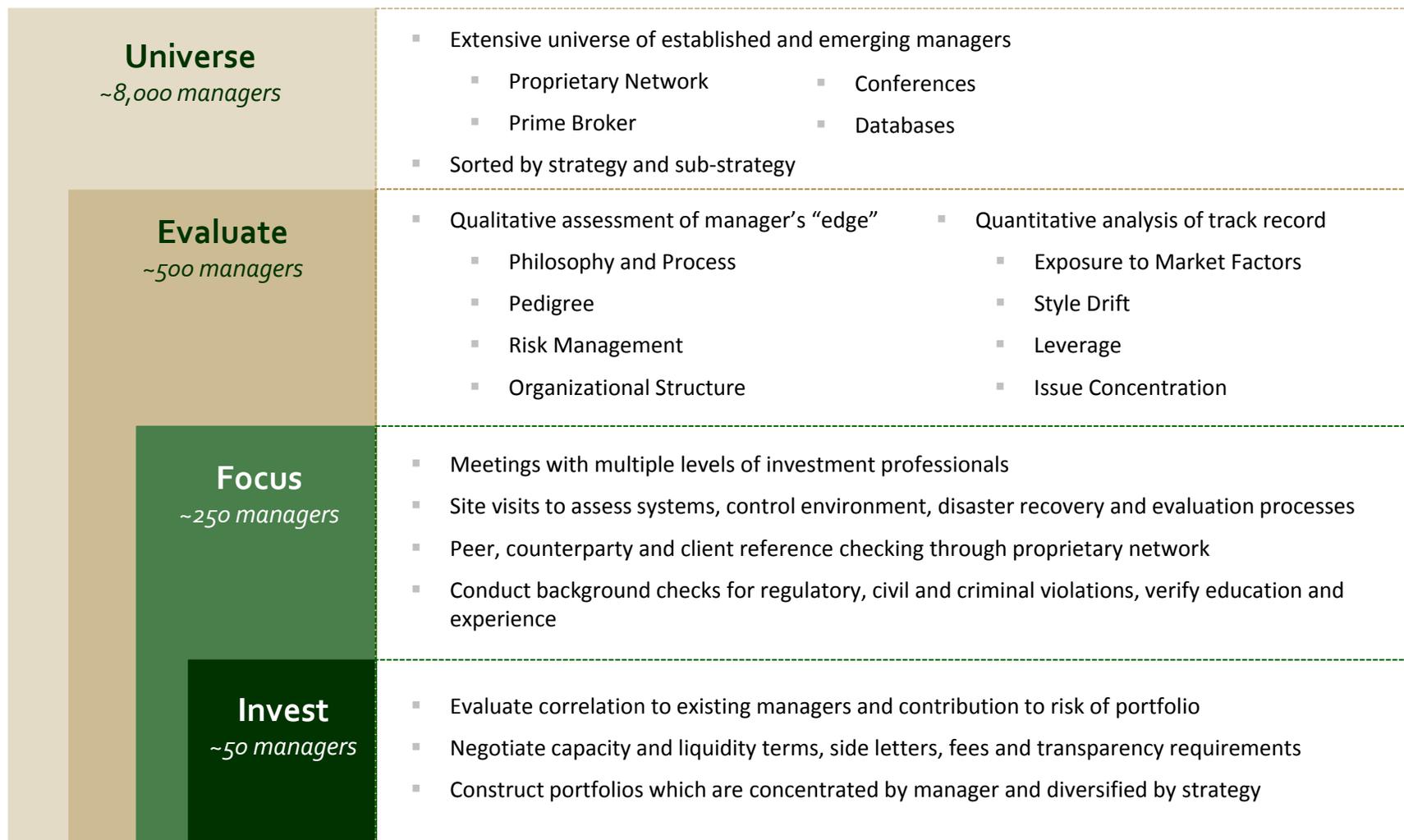
Integrated Risk Management

Risk management is integrated in every step of the investment process. We evaluate risk in each of its four constituent parts and focus on the key variables in each



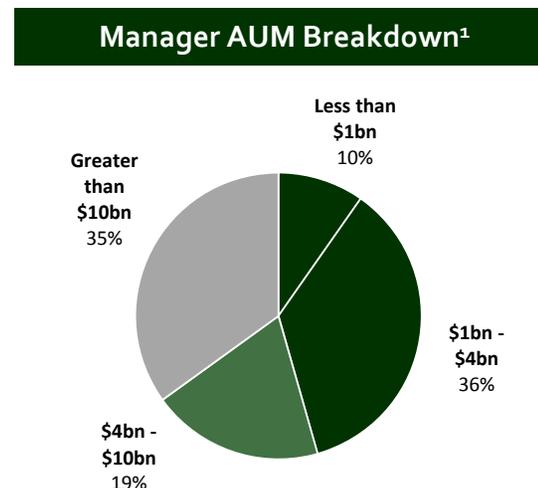
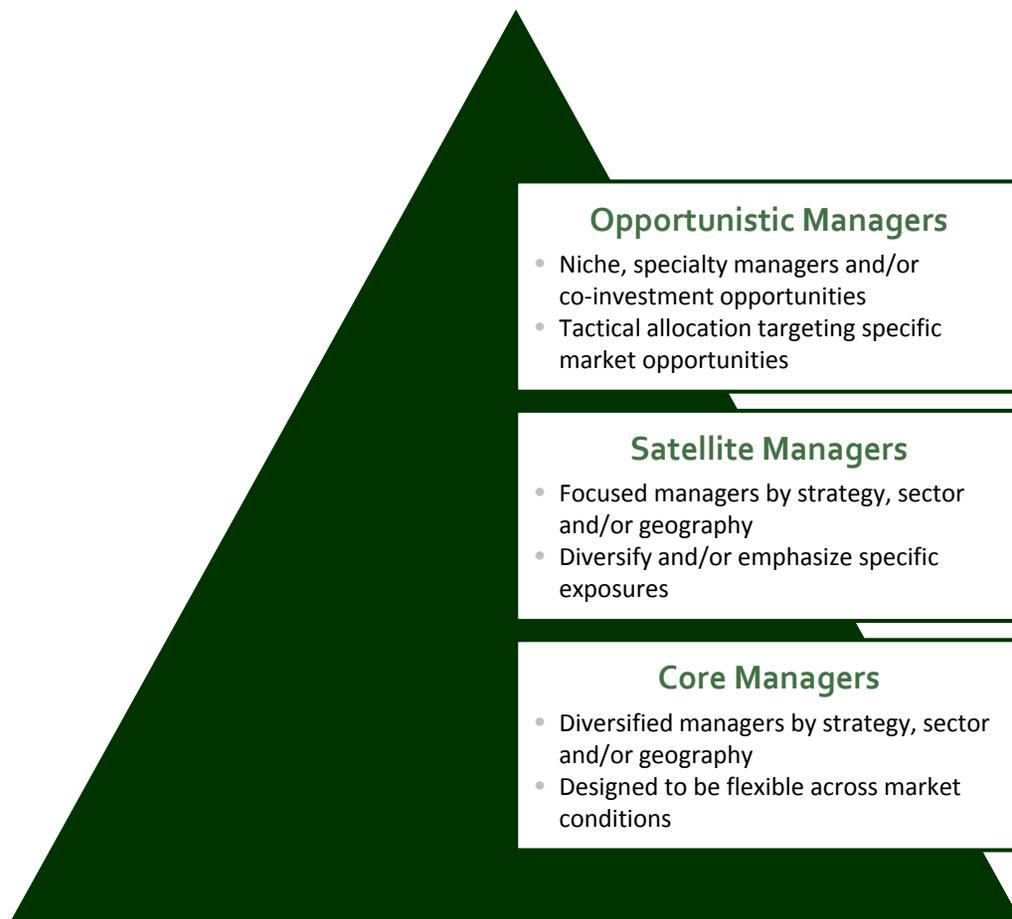
Manager Evaluation and Selection Process

Senior investment professionals average over 20 years hedge fund investing experience critical to discovering investment talent



Portfolio Construction

We work with each client to assess the objectives of their hedge fund program and construct customized portfolios from the bottom up by leveraging Aetos' research and manager relationships and investing with managers capable of generating attractive risk adjusted returns while seeking to limit market exposure

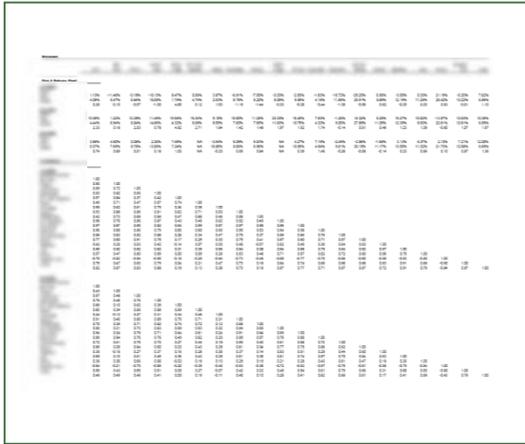


¹ Information as of June 30, 2016 for Aetos' flagship commingled portfolio, excluding managers under redemption.

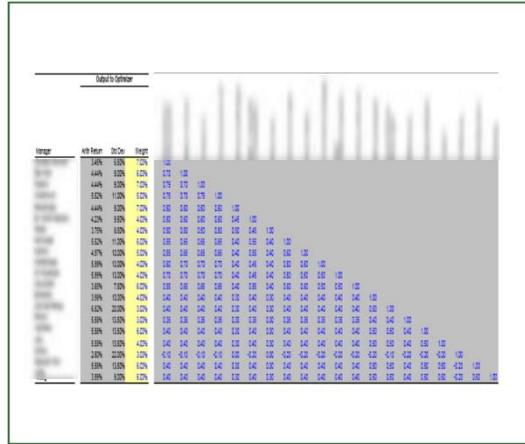
Portfolio Construction Tools

Investment Committee constructs portfolios that are diversified by manager, sub-strategy and strategy within a rigorous quantitative framework that incorporates forward looking assumptions

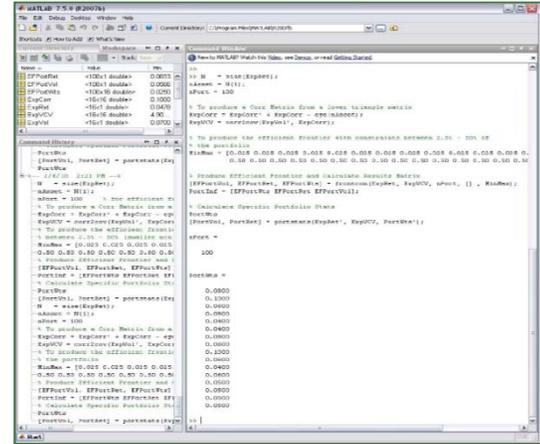
Risk, Return, Correlations and Co-Variance Matrices



Forward Looking Return and Correlation Assumptions



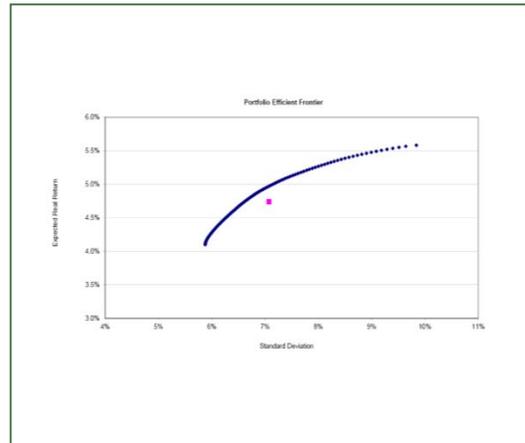
Optimizations



Investible Portfolio

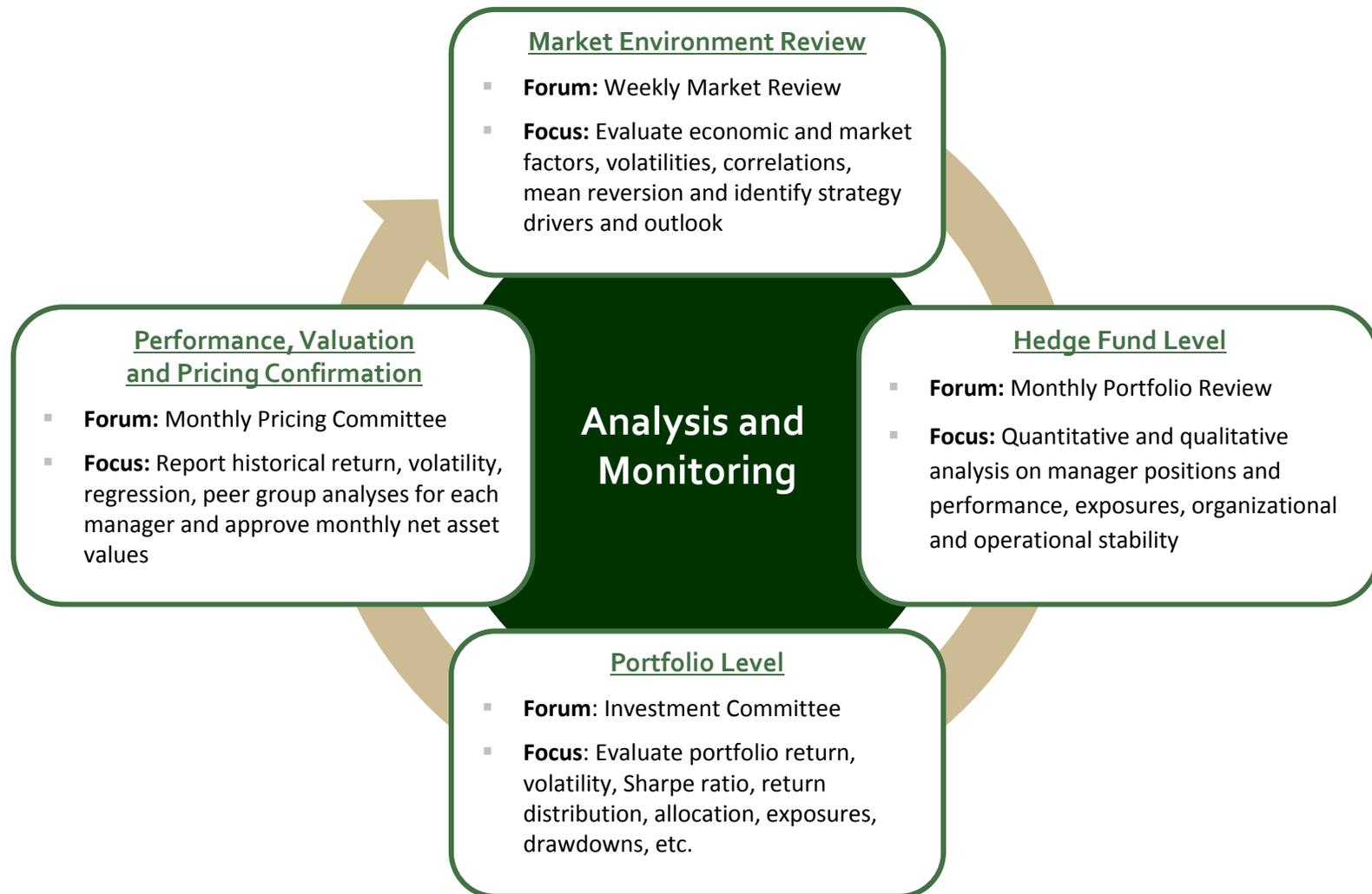
Port	Equ	Fix	Comp	Reas	Art	Car	Wine	Ant	Real	PE	PD	Infra	Art	Car	Wine	Ant	Real	PE	PD	Infra	Risk	Return
1	0.15	0.20	0.10	0.05	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.0800	0.1000
2	0.15	0.20	0.10	0.05	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.0800	0.1000
3	0.15	0.20	0.10	0.05	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.0800	0.1000
4	0.15	0.20	0.10	0.05	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.0800	0.1000
5	0.15	0.20	0.10	0.05	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.0800	0.1000
6	0.15	0.20	0.10	0.05	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.0800	0.1000
7	0.15	0.20	0.10	0.05	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.0800	0.1000
8	0.15	0.20	0.10	0.05	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.0800	0.1000
9	0.15	0.20	0.10	0.05	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.0800	0.1000
10	0.15	0.20	0.10	0.05	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.0800	0.1000
11	0.15	0.20	0.10	0.05	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.0800	0.1000
12	0.15	0.20	0.10	0.05	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.0800	0.1000
13	0.15	0.20	0.10	0.05	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.0800	0.1000
14	0.15	0.20	0.10	0.05	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.0800	0.1000
15	0.15	0.20	0.10	0.05	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.0800	0.1000
16	0.15	0.20	0.10	0.05	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.0800	0.1000
17	0.15	0.20	0.10	0.05	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.0800	0.1000
18	0.15	0.20	0.10	0.05	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.0800	0.1000
19	0.15	0.20	0.10	0.05	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.0800	0.1000
20	0.15	0.20	0.10	0.05	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.0800	0.1000
21	0.15	0.20	0.10	0.05	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.0800	0.1000
22	0.15	0.20	0.10	0.05	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.0800	0.1000
23	0.15	0.20	0.10	0.05	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.0800	0.1000
24	0.15	0.20	0.10	0.05	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.0800	0.1000
25	0.15	0.20	0.10	0.05	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.0800	0.1000
26	0.15	0.20	0.10	0.05	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.0800	0.1000
27	0.15	0.20	0.10	0.05	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.0800	0.1000
28	0.15	0.20	0.10	0.05	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.0800	0.1000
29	0.15	0.20	0.10	0.05	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.0800	0.1000
30	0.15	0.20	0.10	0.05	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.0800	0.1000
31	0.15	0.20	0.10	0.05	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.02	0.01	0.03	0.04	0.0800	0.1000

Efficient Frontiers



Analysis and Monitoring

Continually evaluate the market environment, opportunity set and risk profile of each strategy and perform ongoing due diligence on individual managers



APPENDIX A

Biographies

Biographies



Anne Casscells, Co-President and Chief Investment Officer

Ms. Casscells is a Managing Director, Co-President and the Chief Investment Officer of Aetos Capital. Prior to joining Aetos Capital in 2001, Ms. Casscells was Chief Investment Officer of the Stanford Management Company, where she was responsible for the investment of over \$10 billion in endowment funds and other assets on behalf of Stanford University. Prior to assuming her position as CIO in 1998, Ms. Casscells served as Managing Director of Investment Policy Research, where she was responsible for asset allocation and for the endowment's absolute return investments. Prior to joining the Stanford Management Company, Ms. Casscells was a Vice President in Goldman Sachs' Fixed Income Division and an analyst at Morgan Stanley & Company. Ms. Casscells earned a Masters of Business Administration from the Stanford Graduate School of Business, where she was an Arjay Miller Scholar, and a Bachelor of Arts in British Studies, cum laude, from Yale University. Ms. Casscells is an independent director of American Century Funds Mountain View Board, a member of the Board of Directors of Schwab Charitable, the head of the Investment Committee of KQED, Inc., and Trustee and Treasurer of Grace Cathedral. She is a lecturer at the Stanford Graduate School of Business and is the coauthor with Robert Arnott of "Demographics and Capital Markets Returns," Financial Analysts Journal, AIMR, Vol. 59, No. 2, March/April 2003. She also co-authored with Clifford S. Asness an unpublished monograph titled "Comparing Apples-to-Apples the Stock Market is Expensive," April 2004.



Michael Klein, Co-President and Chief Risk Officer

Mr. Klein is a Managing Director, Co-President and the Chief Risk Officer of Aetos Capital. Prior to joining Aetos Capital in 2000, Mr. Klein was a Managing Director of Morgan Stanley & Co. and was President and a Director of the Morgan Stanley Institutional Open and Closed-End Funds. Mr. Klein joined Morgan Stanley in 1995 and was involved in both the firm's institutional asset management and retail funds businesses. Prior to joining Morgan Stanley, he practiced law at the international law firm of Rogers & Wells in New York. Mr. Klein is a magna cum laude graduate of Colgate University, where he was elected to Phi Beta Kappa, and received a Juris Doctor from Boston College Law School, where he graduated cum laude. Mr. Klein currently serves as an independent trustee of the Morgan Stanley family of mutual funds.



James Gibbons, Managing Director, Senior Portfolio Manager

Mr. Gibbons is a Managing Director and Senior Portfolio Manager of Aetos Capital. Prior to joining Aetos Capital in 2002, Mr. Gibbons served as a Senior Vice President at Evaluation Associates Capital Markets, where he was responsible for research and due diligence on a large group of relative value and event driven hedge fund managers. Before joining Evaluation Associates, Mr. Gibbons spent ten years with AIG in New York, London and Tokyo. He served as chief investment officer for various AIG insurance entities and Managing Director for AIG Global Investment Corp. His responsibilities included asset allocation as well as the management of fixed income, equity and non-traditional investment teams. Earlier in his career, Mr. Gibbons worked for Unilever in their treasury units in the U.S. and London. Mr. Gibbons received a Bachelor of Science in Finance from Georgetown University.



Jonathan Bishop, Managing Director, Portfolio Manager/Research Analyst

Mr. Bishop is a Managing Director and Portfolio Manager/Research Analyst of Aetos Capital's investment team. Prior to joining Aetos Capital in 2004, Mr. Bishop worked at SG Barr Devlin, where he focused on mergers, acquisitions and restructuring advisory assignments in the energy and power sectors. Mr. Bishop's assignments included advising Pacific Gas & Electric Company on its restructuring under Chapter 11 of the U.S. Bankruptcy Code. Mr. Bishop graduated from the University of Virginia, where he received a Bachelor of Science in Commerce with a concentration in Finance from the McIntire School. Mr. Bishop is a CFA Charterholder.



Andrew Walling, Managing Director, Portfolio Manager/Research Analyst

Mr. Walling is a Managing Director and Portfolio Manager/Research Analyst of Aetos Capital's investment team. Prior to joining Aetos Capital in 2005, Mr. Walling worked in the Investment Banking Division of Lehman Brothers. As a member of the Global Technology Group, Mr. Walling was responsible for providing both corporate finance and M&A expertise as well as deal execution to firm clients in the enterprise software and semiconductor industries. Mr. Walling graduated from Princeton University magna cum laude with a Bachelor of Arts from the Woodrow Wilson School of Public and International Affairs, where he was elected to Phi Beta Kappa. He also earned a Masters of Business Administration from the Stanford Graduate School of Business. Mr. Walling is a CFA Charterholder.

Biographies



Nate Blair, Director, Research Analyst

Mr. Blair is a Director and Research Analyst of Aetos Capital's investment team. Prior to joining Aetos Capital in 2011, Mr. Blair was an Associate Director – Corporate Development at SVB Financial Group. Before joining SVB, Mr. Blair worked as a case writer for the Stanford Graduate School of Business. Mr. Blair previously spent seven years at the CapStreet Group, a private equity firm, where he executed and monitored equity investments across a diverse range of industries and stages of development. Mr. Blair also served as the interim CFO at one of CapStreet's portfolio companies for two years during this time. Earlier in his career, Mr. Blair was an analyst at PricewaterhouseCoopers Securities. Mr. Blair is a cum laude graduate of Rice University, with a Bachelor of Arts in Political Science and History. He also earned a Masters of Business Administration from the Stanford Graduate School of Business.



A.J. Chen, Vice President, Research Analyst

Mr. Chen is a Vice President and Research Analyst of Aetos Capital's investment team. Prior to joining Aetos Capital in 2006, Mr. Chen graduated from the University of California, Berkeley, where he received a Bachelor of Arts in Molecular Cell Biology and Chinese Language and Literature. Mr. Chen is a CFA Charterholder.



Reid Conway, Director, Chief Compliance Officer

Mr. Conway is a Director and the Chief Compliance Officer of Aetos Capital. Prior to joining Aetos Capital in 2004, Mr. Conway was an Assistant Vice President at Alliance Capital, where he was responsible for mutual fund sales literature compliance with NASD rules and regulations and assisted with issues relating to mutual fund regulation. Prior to joining Alliance Capital, Mr. Conway was an Associate at J.P. Morgan Investment Management, where he provided legal support in connection with new product development and general mutual fund matters. Prior to joining J.P. Morgan Investment Management, Mr. Conway worked at Seward & Kissel LLP as a mutual fund paralegal. Mr. Conway graduated from Stanford University, where he received a Bachelor of Arts in Developmental Psychology and earned a Masters in Business Administration from the New York University Stern School of Business.



James Conzelman III, Managing Director, Head of Client Relations and Business Development

Mr. Conzelman is a Managing Director of Aetos Capital and leads the firm's client relations and business development activities. Prior to joining Aetos Capital in 2015, Mr. Conzelman spent ten years with Solus Alternative Asset Management, a \$6 billion event driven credit manager in New York where he was a Managing Director. In that role, he was responsible for overseeing and growing the firm's relationships with institutional investors globally, including corporate and public plan sponsors, sovereign wealth funds, endowments and foundations and investment consultants. Prior to Solus, Mr. Conzelman was a Managing Director of JP Morgan Asset Management where he held a variety of roles beginning in 1988, including Head of the Consultant Relations Group, East Region Head of Institutional Sales, and Global Head of Sales and Marketing for Robert Fleming Inc.'s US asset management business. Mr. Conzelman began his career in London with the International Fixed Income Group of Schroder Investment Management Limited. Mr. Conzelman received a Bachelor of Arts in Government from Georgetown University.



Filbert Cua, Director, Research Analyst

Mr. Cua is a Director and Research Analyst of Aetos Capital's investment team. Prior to joining Aetos Capital in 2010, Mr. Cua worked as an analyst for Citigroup Global Markets in Hong Kong, and as an analyst for Perry Capital in both their Hong Kong and New York offices. Mr. Cua graduated from the University of Pennsylvania summa cum laude with a Bachelor of Science in Economics from the Wharton School (concentration in Finance) and a Bachelor of Applied Science in Computer Science from the School of Engineering and Applied Science. He also earned a Masters of Business Administration from the Stanford Graduate School of Business, where he was an Arjay Miller Scholar.

Biographies



Daniel Fagan, Vice President, Research Analyst

Mr. Fagan is a Vice President and Research Analyst of Aetos Capital's investment team. Prior to joining Aetos Capital in 2010, Mr. Fagan worked as a corporate finance analyst in the Private Placements group at RBC Capital Markets. Mr. Fagan graduated with Distinction from Stanford University, where he was elected to Phi Beta Kappa and received a Bachelor of Arts in Economics and Philosophy. Mr. Fagan is a CFA Charterholder.



Ryan Fuh, Research Associate

Mr. Fuh is a Research Associate of Aetos Capital's investment team. Prior to joining Aetos Capital in 2011, Mr. Fuh graduated from Princeton University, where he received a Bachelor of Arts in Economics. Mr. Fuh is a CFA Charterholder.



Juna Lee, Research Analyst

Ms. Lee is a Research Analyst of Aetos Capital's investment team. Prior to joining Aetos Capital in 2012, Ms. Lee graduated from Stanford University, where she received a Bachelor of Science in Mechanical Engineering.



Nicholas Lee, Research Analyst

Mr. Lee is a Research Analyst of Aetos Capital's investment team. Prior to joining Aetos Capital in 2015, Mr. Lee graduated from the University of California, Berkeley, where he received a Bachelor of Science in Business Administration.



Elizabeth Leung, Vice President, Head of Client Services

Ms. Leung is a Vice President and member of Aetos Capital's client relations and business development team. Prior to joining Aetos Capital in 2008, Ms. Leung was an Assistant Vice President at Credit Suisse Asset Management and at David J. Greene and Company, where she was responsible for product marketing and client servicing. Earlier in her career, Ms. Leung was an institutional marketing and sales associate at Lazard Asset Management and AllianceBernstein Institutional Investment Management. Ms. Leung is a cum laude graduate of Wellesley College and earned a Masters of Business Administration from the New York University Stern School of Business.

Biographies



Anna Li, Associate, Client Relations and Business Development

Ms. Li is an Associate and a member of Aetos Capital's client relations and business development team. Prior to joining Aetos Capital in 2012, Ms. Li graduated from the University of California, Berkeley, where she received a Bachelor of Arts in Economics and a Bachelor of Science in Business Administration.



Joseph McDonald, Managing Director, Manager of Operational Due Diligence

Mr. McDonald is a Managing Director and Manager of Operational Due Diligence of Aetos Capital. Prior to joining Aetos Capital in 2006, Mr. McDonald was Director of Risk Management in the Alternative Investment Group at Morgan Stanley. During this time he was responsible for the initial and ongoing operational due diligence of third party alternative investment managers sourced through the firm's Graystone Research advisory platform. He also served as the Risk Manager for the Alternative Investment Group, with oversight responsibilities for the Graystone Research and Morgan Stanley Managed Futures businesses. Prior to 2005, Mr. McDonald was a Vice President in the Credit Risk Management and Advisory Group at Goldman Sachs in New York. In this role he was responsible for assessing and monitoring the firm's counterparty risk to hedge funds and other alternative investment vehicles. Mr. McDonald received a Bachelor of Arts in History from Cornell University and a Masters of Business Administration from Columbia University.



Valerie Romeo, Associate, Legal and Compliance

Ms. Romeo is an Associate and a member of Aetos Capital's legal and compliance team. Prior to joining Aetos Capital in 2011, Ms. Romeo owned her own business, and was previously a Regional Retirement Representative at OppenheimerFunds, Inc. Prior to joining OppenheimerFunds, Inc., Ms. Romeo was a Senior Retirement Services Analyst at National Financial Services Corporation/Fidelity Investments. Earlier in her career, Ms. Romeo worked at PaineWebber, Inc., where she served in various operational, compliance and sales support roles. Ms. Romeo graduated from Rutgers University, where she received a Bachelor of Arts in Psychology.



Giselle Salcedo-Henriquez, Associate, Client Relations and Business Development

Ms. Salcedo-Henriquez is an Associate and a member of Aetos Capital's client relations and business development team. Prior to joining Aetos Capital in 2011, Ms. Salcedo-Henriquez worked at AllianceBernstein, where she served as a training program coordinator and performed client support functions. Earlier in her career, Ms. Salcedo-Henriquez worked as a Legal Assistant at Grant, Hermann, Schwartz and Klinger LLP. Ms. Salcedo-Henriquez graduated from Skidmore College, where she received a Bachelor of Arts in Business and Economics.



Scott Sawyer, Director, Chief Financial Officer

Mr. Sawyer is a Director and the Chief Financial Officer of Aetos Capital. Prior to joining Aetos Capital in 2004, Mr. Sawyer was a Client Portfolio Manager at General Electric Asset Management, where he was responsible for the daily investment and operational oversight of third party accounts investing in various U.S. and international equity strategies. Prior to 2002, Mr. Sawyer was Manager of Fund Operations at General Electric Asset Management, where he was responsible for the budgetary, control and reporting requirements for numerous families of mutual funds. Prior to joining General Electric Asset Management, Mr. Sawyer was an Audit Manager at PricewaterhouseCoopers, LLP. Mr. Sawyer graduated from Bucknell University, where he received a Bachelor of Science in Accounting.

Biographies



Harold Schaaff, Managing Director, General Counsel

Mr. Schaaff is a Managing Director and General Counsel of Aetos Capital. Prior to joining Aetos Capital in 2001, Mr. Schaaff was a Managing Director of Morgan Stanley and the President and a Director of the Morgan Stanley Institutional Open and Closed-End Funds. Prior to 2000, Mr. Schaaff was a Managing Director and General Counsel for Morgan Stanley Investment Management. Mr. Schaaff joined Morgan Stanley in 1989. Prior to 1989, Mr. Schaaff practiced securities law for Sullivan & Cromwell in New York. Mr. Schaaff received a Bachelor of Arts from Brown University and a Juris Doctor from the University of California at Los Angeles, where he was a member of the Order of the Coif and a John M. Olin Law and Economics Scholar.



Michael Sheehan, Associate, Operational Due Diligence

Mr. Sheehan is an Associate and a member of Aetos Capital's investment team. Prior to joining Aetos Capital in 2014, Mr. Sheehan was a Fund Accountant at 6800 Capital, LLC. Earlier in his career, Mr. Sheehan worked as a Hedge Fund Administration Analyst at U.S. Bancorp Fund Services. Mr. Sheehan graduated from Loyola University Maryland, where he received a Bachelor of Business Administration in Finance.



John Stimpson, Director, Client Relations and Business Development

Mr. Stimpson is a Director on Aetos Capital's client relations and business development team. Prior to joining Aetos Capital in 2015, Mr. Stimpson spent six years with KKR Prisma, the hedge fund solutions group of Kohlberg Kravis Roberts & Co., where he was responsible for marketing customized portfolios of hedge funds to primarily corporate and public pension plans in the Midwest and West Coast. He has held senior business development roles in the fund of hedge funds industry since 2004. Earlier in his career, he served as an associate in the public finance department of UBS/PaineWebber where he helped advise state and municipal governments on debt financing. Mr. Stimpson began his career in state government, initially as an analyst in the Massachusetts state legislature and then as a senior aide to former Massachusetts Governor William F. Weld. Mr. Stimpson is a cum laude graduate of Villanova University and earned an MBA from Columbia Business School.

Important Information and Disclosures

Aetos is a registered investment advisor with SEC-registered 1940 Act investment vehicles. Such registrations do not imply in any manner whatsoever that Aetos or the Aetos Funds have been sponsored, recommended, or approved, or that their abilities or qualifications have in any respect been passed upon by the United States or any agency or any office thereof. *You should consider the investment objectives, risks and charges and expenses of the Aetos Funds carefully before investing. The prospectus contains this and other information. Please call 212-201-2540 to request a prospectus and read it carefully before investing.*

Index returns are obtained through Bloomberg, except that the 90-Day Treasury Bills return is obtained from the Federal Reserve website. Indices are not actively managed, do not reflect any deduction for fees, expenses or taxes, and investors cannot invest directly in an unmanaged index. The volatility, investment holdings and other characteristics of the indices presented may be materially different from the Aetos Capital Growth Portfolio referenced. The indices shown have not been selected as appropriate benchmarks to compare to the performance of the fund; rather they are provided to allow for comparison of the Aetos Capital Growth Portfolio's performance to that of well-known and widely recognized indices.

- 90-Day Treasury Bills: 3-month Treasury bill secondary market rate provided by the Board of Governors of the Federal Reserve System.
- Barclays Capital Aggregate Index: Market capitalization weighted index that covers the USD-denominated, investment-grade (must be Baa3/BBB- or higher using the middle rating of Moody's Investor Service, Inc., Standard & Poor's, and Fitch Inc.), fixed-rate, and taxable areas of the bond market. This is the broadest measure of the taxable U.S. bond market, including most Treasury, agency, corporate, mortgage-backed, asset-backed, and international dollar-denominated issues, all with maturities of 1 year or more.
- HFRI FOF: Conservative Index: Includes fund of funds classified as "Conservative" that exhibit one or more of the following characteristics: seeks consistent returns by primarily investing in funds that generally engage in more 'conservative' strategies such as Equity Market Neutral, Fixed Income Arbitrage, and Convertible Arbitrage; exhibits a lower historical annual standard deviation than the HFRI Fund of Funds Composite Index.
- MSCI ACWI (Net): Free float-adjusted market capitalization index designed to measure developed and emerging market equity performance. The MSCI ACWI is maintained by Morgan Stanley Capital International and consists of 46 country indexes comprising 23 developed and 23 emerging market country indexes.