



**MINUTES
INVESTMENT COMMITTEE
July 11, 2011
BOARD ROOM
348 WEST HOSPITALITY LANE, FIRST FLOOR
SAN BERNARDINO, CA**

Trustees Present:

BRET HENRY, Committee Member

NEAL WANER, Committee Member

Others Present:

DONALD PIERCE, Chief Investment Officer

ANDREW KJELDGAARD, Counsel

JAMES PERRY, Sr. Investment Officer

Not Present:

LARRY WALKER, Committee Member

DAWN STAFFORD, Chairman

Call meeting to order.

Weisser served as Chair in the absence of Stafford. Weisser called the meeting to order at 9:03 a.m. Weisser appointed Waner to the Committee in the absence of Walker. Wa

Approve minutes of Investment Committee of May 9, 2011.

moved, Henry seconded, to Approve

Motion Passed.

Presentation by NEPC and staff on the mandate and fee structure change to BeachPoint.

Allan Martin, NEPC, and James Perry presented.

Presentation by Beachpoint on the mandate and fee structure.

Scott Klein and John Quintanas, BeachPoint, presented.

Approve mandate and fee structure change regarding BeachPoint investment.

Henry moved, Waner seconded, to Approve

Motion Passed.

PUBLIC COMMENT

No Public Comment was provided.

ADJOURN

The meeting adjourned at 10:43 a.m.

Respectfully submitted,

LARRY WALKER, Chairman

NORMAN L. RUGGLES, Secretary

DATED _____



**MINUTES
INVESTMENT COMMITTEE
May 9, 2011
BOARD ROOM
348 WEST HOSPITALITY LANE, FIRST FLOOR
SAN BERNARDINO, CA**

Trustees Present:

DAWN STAFFORD, Chairman
LARRY WALKER, Committee Member
ELLEN WEISSER, Committee Member
LOUIS FIORINO, Acting Committee Member

Others Present:

DONALD PIERCE, Interim Chief Investment Officer
ANDREW KJELDGAARD, Counsel
JAMES PERRY, Senior Investment Officer
BRIAN LONG, Senior Investment Officer
DIANA JAY, Recorder

Not Present:

BRET HENRY, Committee Member

1. Call meeting to order.

Committee Chairman Stafford called meeting to order at 9:09 am. Stafford appointed Fiorino as Acting Committee Member in the absence of Henry.

2. Approve minutes of Investment Committee of April 11, 2011.

Fiorino moved, Walker seconded, to Approve the minutes of April 11, 2011.
Absent: Henry
Motion Passed.

3. Presentation by staff on Roubini Global Economics.

Don Pierce presented. During the presentation Pierce was questioned why no RFP was issued. He indicated that research of this type was a relatively narrow field; as a result no RFP was issued. Furthermore, SBCERA was able to negotiate a 20% fee reduction for the service. Concerns with Roubini Global Economics' customer service were expressed.

4. Presentation by Roubini Global Economics.

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Investment Committee Minutes

May 9, 2011

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Gina Sanchez presented.

Walker left the meeting at 9:56 am. Stafford appointed Neely as Acting Committee Member in the absence of Walker.

5. Approve the proposal by Roubini Global Economics.

Weisser moved, Fiorino seconded, to Approve the proposal by Roubini Global Economics for one year.

Absent: Henry, Walker

Motion Passed.

6. Presentation by NEPC and staff on the guideline change for GoldenTree Asset Management.

Allan Martin and James Perry presented.

7. Presentation by GoldenTree Asset Management.

Frank Jordan and Tom Shandell presented.

8. Approve the guideline change for GoldenTree Asset Management.

Weisser moved, Neely seconded, to Approve the guideline change for GoldenTree Asset Management.

Absent: Henry, Walker

Motion Passed.

9. Presentation by NEPC and staff on the termination of Gottex.

Allan Martin and Don Pierce presented.

10. Approve the termination of Gottex.

Weisser moved, Fiorino seconded, to Approve the termination of Gottex.

Absent: Henry, Walker

Motion Passed.

11. Presentation by NEPC and staff on the termination of Mesirow.

Allan Martin and Don Pierce presented.

12. Approve the termination of Mesirow.

Weisser moved, Fiorino seconded, to Approve the termination of Mesirow.

Absent: Henry, Walker

Motion Passed.

13. Presentation by staff regarding fee structure change and new share class for Mariner-Tricadia.

James Perry presented.

14. Approve the fee structure change and new share class for Mariner-Tricadia.

Stafford moved, Weisser seconded, to Approve the fee structure change and new share class for Mariner Tricadia

Absent: Henry, Walker

Motion Passed.

15. Review the 3rd Quarter 2010 Private Alternative Investment report.

Brian Long presented.

16. Review the 1st Quarter 2011 Public Markets Portfolio.

James Perry presented.

17. Update by staff on Declaration/Metacapital separate account.

Don Pierce presented.

PUBLIC COMMENT

No public comment was provided.

ADJOURN

Meeting adjourned at 11:40 am.

Respectfully submitted,

DAWN STAFFORD, Chairman

NORMAN L. RUGGLES, Secretary

DATED _____

**REPORT/RECOMMENDATION TO THE INVESTMENT COMMITTEE
OF SAN BERNARDINO COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION**

July 11, 2011

FROM: James Perry, CFA, CAIA
Senior Investment Officer

SUBJECT: Beach Point Fund & Fee Change Recommendation

RECOMMENDATION: Investment staff recommends converting our current shares in the Beach Point Total Return Fund into shares in the Beach Point Select Fund.

BACKGROUND: The Board approved an investment into the Post Total Return Offshore Fund II on October 14, 2008. The account was funded on April 1, 2009 with \$30 million. On July 16, 2010 the name of the fund was changed to Beach Point Total Return Offshore Fund II. As of May 31, 2011 the account had grown to over \$43 million, delivering a net IRR of 16.95% over 26 months. SBCERA currently pays a management fee with regard to the account of 1.5% and an incentive fee of 20% with a soft hurdle of 4%. The initial lock-up on SBCERA's shares expired at the end of March 2010, and staff has been actively seeking to reduce the fee structure of our holdings with this well regarded manager over the past year.

Staff and Beach Point principals recently reached agreement on a proposed solution that would meet SBCERA's fee objectives, overcome the most favored nation contract issues that Beach Point faced with other clients and create an opportunity for a more flexible mandate and possibly higher long term returns. Under the proposal, SBCERA would exchange its current Beach Point Total Return Fund shares for shares in the new Beach Point Focus Fund. The firm's principals had been considering launching a new fund that would have the ability to be more opportunistic and take more concentrated exposure in attractive special situations. This new fund creates an excellent investment and cost saving opportunity for SBCERA. Beach Point partners are excited about the prospect of launching this strategy with SBCERA and plan to invest several million dollars of their personal capital alongside SBCERA. As a seed investor in the fund, SBCERA will be able to lock-in a special discounted management fee of 1% with a 20% incentive fee and a hard hurdle of 5%. This cost structure is expected to save SBCERA 1.5% annually or approximately \$645,000 per year based on our current investment level. At a higher investment level of \$75 million, the cost saving would be over \$1.1 million per year.

Beach Point is a Focused Placement List (FPL) manager for NEPC and the firm and its portfolio managers are highly regarded in the credit space. This strategy will be led by Carl Goldsmith and Scott Klein who have 38 years of combined experience in the credit and restructuring space. The new fund may invest up and down the capital structure either long or short in event-driven securities, value-oriented and post-reorganization equities, special situation and distressed securities, and other opportunistic

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investments. Extensive fundamental credit and indenture contract analysis will be used in managing the fund and active participation in restructurings and special situations are anticipated.

Beach Point Select Fund LP (the “Fund”)

Executive Summary – May 2011

The Fund is being formed by Beach Point Capital Management LP (“Beach Point” or the “Firm”) to make investments in event-driven, value-oriented and post-reorganization equities, special situation and distressed securities, and other opportunistic investments (both long and short) which offer attractive upside potential. The flexible strategy will combine extensive fundamental credit and equity analysis with active participation in restructurings and special situations, as appropriate. The Fund expects to build larger position sizes and therefore seeks to generate significant alpha.

Specific investments may include, but are not limited to: undervalued equities issued primarily by companies in the high-yield space, stressed and distressed securities (focusing on reorganizations, liquidations, and out-of-court restructurings), special situation investments (debt and equity investments in companies facing litigation, regulatory changes, business disruptions, spinoffs, and other significant corporate events), high yield and convertible bonds (emphasizing event-driven and value-oriented), corporate loans (performing, debtor-in-possession, rescue financings, and others), preferred securities, mezzanine investments, real estate-related investments, capital structure arbitrage, and short positions in debt and equity securities (both hedged and alpha-oriented positions).

Beach Point is an investment firm focused on high yield bonds, corporate loans, distressed debt and special situations, event-driven equities, and other opportunistic investments. The Firm has approximately \$6.5 billion in assets under management and 50 employees, with offices in Los Angeles, New York, and London. The Firm was founded by Carl Goldsmith and Scott Klein who have been investing as a team since 1997 and have 38 years of combined experience. Beach Point has a highly skilled investment team of 20 professionals who have 12 years of experience on average and over 5 years with the team. The team’s significant legal expertise enhances our understanding of complex capital structures, legal covenants, and restructurings and is invaluable for identifying upside catalysts and augmenting downside protection.

Summary of Proposed Fund Terms

Legal Structure:	Delaware limited partnership (as feeder to Cayman master fund)
Management Fee:	1.5%; paid quarterly in advance
Incentive Allocation:	20% of net profits (realized and unrealized); subject to high water mark
SBCERA Fees:	1.0% management fee; incentive allocation subject to a 5% hard hurdle
Lock-up:	12 months
Withdrawals:	Quarterly; written notice required at least one quarter in advance
Investment by Firm Principals:	Yes; amount and terms of investment to be discussed



To: SBCERA Board

From: Allan Martin, Don Stracke, CFA, and Anthony Ferrara

Date: July 11, 2011

Subject: Beach Point Select Fund Mandate

Recommendation

NEPC recommends that SBCERA restructure the existing Total Return Fund mandate with Beach Point into the newly established Beach Point Select Fund.

Rationale

Finding managers with proven ability to add value over benchmarks is difficult. Even more difficult is developing an understanding of the people and process which led to the outperformance, at a level which fosters a belief that such outperformance will continue into the future. NEPC believes in providing managers who meet these criteria with the necessary flexibility in order to add value and provide alpha. The transition to the Select Fund (See Attachment A) will provide the Fund the opportunity to participate in a broader set of market opportunities with the expectation of further improvement to the Fund's return with no appreciable change in the riskiness of the Fund.

Beach Point currently manages a credit mandate for SBCERA, the Total Return Fund, which was funded in April of 2009. As of March 31, 2011 the fund had a market value of \$42.8 MM. The Total Return Fund has outperformed both the Barclays High Yield Index and S&P Index since inception in 1996. See the table below for additional risk return metrics.

	Since Inception (July 1, 1996 - 5/31/2011)			
	Sharpe Ratio	Standard Deviation	Avg. Monthly Net Return	Positive/Negative Months
Beach Point Total Return Fund	0.98	8.6	0.95	139/40
BC High Yield Index	0.44	9.9	0.65	127/52
CS Leveraged Loan Index	0.32	6.19	0.44	150/29
S&P 500	0.21	16.43	0.65	111/68

Beach Point's investment philosophy was designed with the goal of outperforming a client's expectations while maintaining below average volatility, and has been consistently followed since the firm's inception. Beach Point believes that superior performance is achieved through the consistent identification of three specific attributes: (1) Value identification; (2) Downside protection; and (3) Portfolio diversification. Beach Point's competitive advantage

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comes from the stability and experience of its investment professionals, the depth of credit-expert resources with 19 investment professionals, and the deep legal expertise to analyze complex capital structures. The portfolio managers each have 19 years of experience and have been managing money together since the 1990s. Investment professionals have over 10 year experience on average and over 5 years with team.

Beach Point's proprietary scoring model is the foundation of pinpointing what they identify as the "best" investment opportunities. The model evaluates key qualitative and quantitative factors which they believe have an important bearing on credit quality. Once opportunities have been identified, an intense due diligence process takes place to determine potential downside risks. Generally, an investment will have attractive value in a "most-likely" environment and an acceptable value in a "worst-case" scenario. Downside protection is at the root of Beach Point's due diligence process. They add value not only through their ability to predict future price appreciation, but also by examining specific details relative to the firm's capital structure to help predict the worst case scenario.

In order to best meet SBCERA's risk/reward profile, Beach Point's Select Fund will target event-driven, value-oriented and post-reorganization equities; special situation and distressed securities; and other opportunistic investments (both long and short). Regardless of security type, Select will emphasize "off-the-run" securities such as ignored issues, complex situations, unique securities within larger capital structures, and a legal approach to "on-the-run" situations. Given this mandate, Select seeks to generate significant alpha and net outperformance of Total Return and the relevant indices. These issues are generally complex and require intense scrutiny, not only from an investment standpoint, but also from a legal perspective. Beach Point's recognized expertise not only qualifies them to conduct appropriate diligence, but also allows access to these types of investments in preference to others. As a result, there are a smaller number of positions. As noted earlier, the Fund's risk management will focus on managing tail risks. This is done through shorts via cash bonds and CDS (Credit Default Swaps) and supplemented with portfolio-level hedges.

Historically, Beach Point's Total Return portfolio has consistently outperformed the markets as a whole, as well as most of the major credit indices against which they are measured. However, it is Beach Point's ability to perform well in down markets that attracted SBCERA to the firm originally. The Select Fund allows the investment team to be more opportunistic and tactical while applying the same risk management philosophy and tools used to create the Total Return Fund's outperformance. We believe the Beach Point Select Fund provides the investment team with greater flexibility to reallocate capital and focuses on the firm's best ideas in order to create alpha. As an ancillary benefit, the proposed fees for the fund are highly favorable, given the expectation that other capital will participate in the long run.

Therefore, NEPC and SBCERA Staff are recommending SBCERA move the current investment in the Beach Point Total Return Fund to the Select Fund as it will allow Beach Point to achieve the expected risk-return profile NEPC has modeled and take advantage of Beach Point's best ideas at a reduced fee.



Attachment A

Beach Point Select Fund – Investment Approach

Mandate

- Event-driven, value-oriented and post-reorganization equities, special situation and distressed securities, and other opportunistic investments (both long and short)
- Emphasis on “off-the-run” securities – ignored issues, complex situations, unique securities within large cap structures, legal approach to “on-the-run” situations
- Smaller number of positions and more portfolio alpha

Focus

- Event-Driven Equity and Credit
- European Opportunistic Situations
- Middle Market Distressed

Manage Tail Risks

- Shorts via cash bonds and CDS
- Supplement with portfolio-level hedges



Benefits of Beach Point Select Fund

- Greater flexibility to reallocate capital
- Focused, best ideas approach
- Discounted fee structure
- Higher alpha potential
- Better expected net performance
- Take advantage of liquidity discounts
- Alignment of interest: co-investment



Total Return Fund vs. Select Fund

	Total Return	Select Fund
Mandate	All Weather Strategy	Higher Alpha Focus
Focus	Targeted Investments Allocations	Unconstrained Flexibility
Positions	Highly Diversified 100+ positions	Focused 50+ positions
Structure	Standard Fee Terms	Discounted Fee Structure



Summary of Proposed Fund Terms

- **Legal Structure:** Delaware limited partnership
- **Management Fee:** 1.5%; paid quarterly in advance
- **Incentive Allocation:** 20% of net profits (realized and unrealized); subject to high water mark
- **SBCERA Fees:** 1.0% management fee; incentive allocation subject to a 5% hard hurdle
- **Withdrawals:** Quarterly; written notice required at least one quarter in advance
- **Investment by Firm:** Principals plan to invest alongside SBCERA



San Bernardino County Employees' Retirement Association

July 11, 2011

Beach Point Capital Overview

Leading investment firm focusing on credit markets

- \$6.7 billion in assets under management as of May 31, 2011
- Flexible, value-oriented and risk-controlled approach to investing in distressed debt, high yield and convertible bonds, and floating rate loans
- 51 employees with offices in Los Angeles, New York, and London
- Beach Point's flagship fund, the Total Return Fund, has outperformed both the Barclays High Yield Index and S&P Index on an annualized basis since inception in 1996

Principals investing as a team since 1997

- Portfolio managers each have 19 years of experience
- Experienced and stable investment team (exceptionally low turnover)
- 30% of team is legally trained for superior capital structure and covenant analysis and restructuring expertise

Strong and Stable Institutional Client Base

- Over 80% of AUM from large public/corporate pensions and institutions
- Proven expertise in customized managed accounts

Competitive Edge

Veteran Team & Low Turnover

Beach Point Capital's competitive advantage comes from the stability and experience of its investment professionals. The portfolio managers each have 19 years of experience and have been managing money together since the 1990s. Investment professionals have over 10 years experience on average and over 5 years with team.

Legal Expertise

30% of the investment team is legally trained, including both portfolio managers. This skill set is highly relevant to analyzing and understanding complex capital structures, bond covenants and credit agreements. This helps Beach Point Capital locate positive investment catalysts while maintaining margin of safety.

Credit Specialists

Beach Point Capital specializes in credit-market investing. The senior team is comprised of industry experts with years of experience following the full spectrum of high yield securities since the time of issuance, giving us an information advantage. The team also has exceptional distressed debt expertise with over 50 ad hoc and formal creditors' committees, including some of the country's largest and most complex restructurings over the past decade.

Total Return Fund

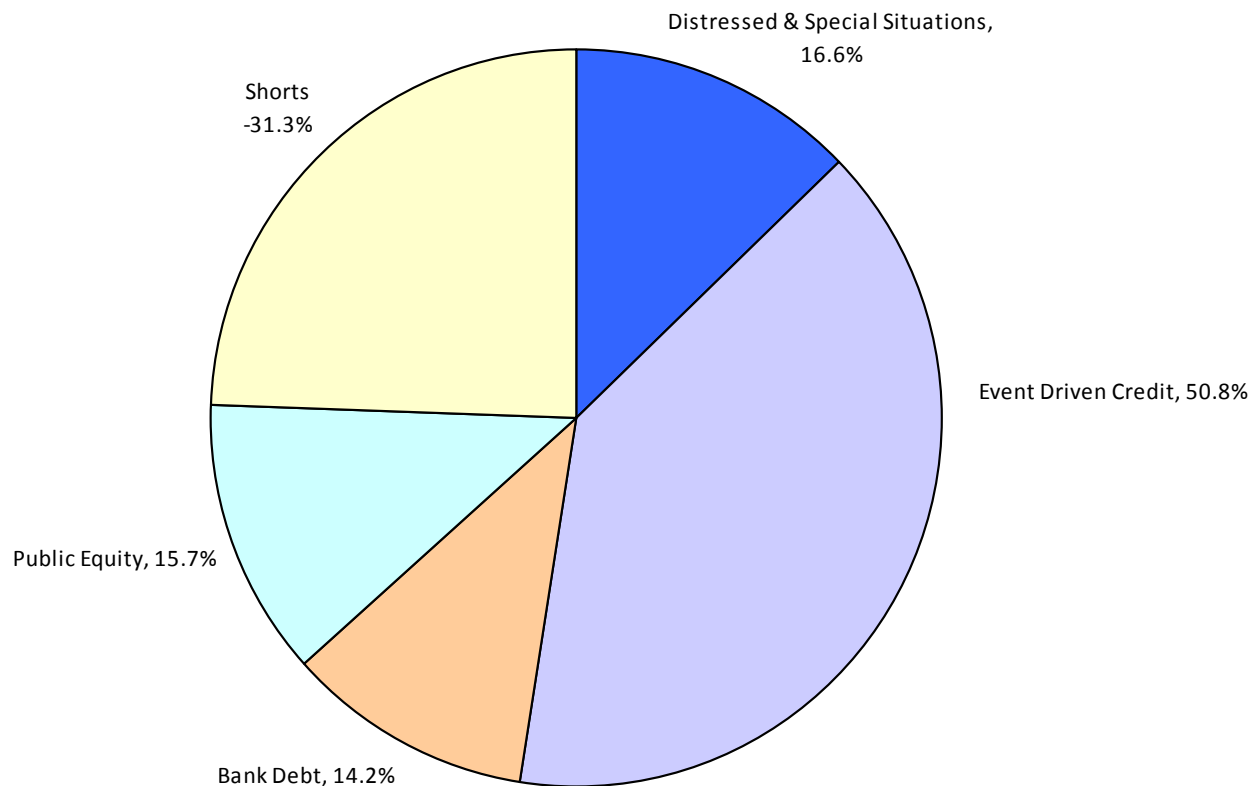
Total Return Fund Overview

- **Flexible mandate** Flexible, multi-strategy fund that selectively invests in opportunities up and down the capital structure: high yield bonds, corporate loans, and distressed debt, as well as busted converts, special situations, undervalued equities and capital structure arbitrage
- **Full Universe** The Fund is designed to capitalize on changing credit markets by evaluating the universe of credit opportunities and actively positioning the portfolio for better relative value
- **Primary Mission** We seek superior performance through rigorous bottom up research from our veteran investment team; this team has spent many years together specializing in high yield and alternative assets and offers proven legal/investing expertise
- **Capital Protection** We aim to prevent losses by imposing risk controls, hedging and diversifying with 80+ names and guideline parameters of 5% position size (at cost) and 15% industry exposure (at cost)*
- **Performance** Total Return Fund has outperformed both the Barclays High Yield Index and the S&P 500 Index on an annualized basis since inception in 1996

*Number of positions, percentage limitations and hedging may vary depending on market conditions.

Total Return Fund Allocation

The fund has the flexibility to capitalize on changing credit markets and can move up and down the capital structure for new opportunities



Exposures	
Gross Long Exposure	97.3%
Gross Short Exposure	31.3%
Net Long Exposure	66.0%

Past strategy allocations are not necessarily indicative of future allocations.
 Beach Point Total Return Master Fund, L.P. as of 5/31/2011. Source: Beach Point Capital internal research. Percentages are estimated and subject to change.
 The above breakdown does not include short exposure related to treasury hedges (7% of NAV as of 5/31/2011) and other foreign currency hedges.

Total Return Performance Summary

Net Returns Through 5/31/2011	MTD	2011 YTD	Annualized Since Inception 7/1/1996	Cumulative Since Inception 7/1/1996
Beach Point Total Return Fund LP	0.36%	5.24%	11.66%	418.21%
S&P 500 Index	-1.13%	7.82%	6.65%	161.43%
Barclays High Yield Index	0.49%	6.01%	7.54%	195.89%
Credit Suisse Leveraged Loan Index	0.06%	3.33%	5.22%	113.69%
Since Inception Measurements (7/1/1996 - 5/31/2011)	Sharpe Ratio	Standard Deviation	Average Monthly Net Return	Positive/Negative Months
Beach Point Total Return Fund LP	0.98	8.60	0.95	139/40
S&P 500 Index	0.21	16.43	0.65	111/68
Barclays High Yield Index	0.44	9.90	0.65	127/52
Credit Suisse Leveraged Loan Index	0.32	6.19	0.44	150/29

Sources: Beach Point Capital internal research, Barclays Capital, Credit Suisse & Wilshire Compass Insite; S&P 500 Index shown as a market indicator. See performance disclosures attached.

Total Return Fund Net Performance

Beach Point Total Return Fund LP - Net Fund Performance

	1996*	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Annualized Since Inception
Jan	xx	2.71%	2.31%	1.43%	3.39%	5.74%	4.80%	3.73%	2.15%	1.09%	1.63%	1.71%	-2.31%	4.41%	1.99%	2.15%	
Feb	xx	1.93%	3.68%	-2.83%	5.21%	2.86%	0.41%	0.90%	0.38%	1.27%	1.12%	0.80%	0.35%	1.45%	0.69%	1.44%	
March	xx	-0.87%	4.24%	1.81%	0.45%	-1.87%	3.22%	3.10%	0.76%	-1.17%	1.09%	1.08%	-1.70%	-0.27%	1.29%	-0.14%	
April	xx	-0.63%	1.87%	2.92%	-3.32%	3.29%	2.03%	4.55%	0.27%	-1.79%	1.04%	2.69%	1.28%	4.11%	1.12%	1.33%	
May	xx	2.37%	0.02%	0.63%	-2.20%	5.93%	0.32%	2.58%	0.07%	1.60%	-0.02%	1.90%	2.05%	5.48%	-1.01%	0.36%	
June	xx	2.70%	0.96%	0.63%	2.66%	1.54%	-4.19%	1.86%	0.82%	1.80%	0.07%	0.59%	-1.39%	2.54%	-0.29%		
July	0.43%	3.50%	0.12%	0.52%	-0.97%	0.24%	-5.37%	0.85%	0.52%	2.25%	-0.45%	-0.40%	-0.76%	2.35%	1.53%		
Aug	0.70%	1.35%	-12.08%	-1.25%	0.06%	0.07%	2.78%	1.57%	0.87%	1.63%	1.16%	-0.84%	0.59%	1.25%	-0.20%		
Sept	2.27%	4.37%	-0.31%	1.36%	-2.66%	-5.14%	-0.35%	2.68%	1.14%	0.88%	0.82%	0.97%	-4.94%	2.69%	1.64%		
Oct	2.13%	0.11%	-0.84%	1.73%	-2.75%	2.27%	-0.03%	2.31%	1.72%	0.11%	1.72%	1.37%	-10.46%	3.08%	2.07%		
Nov	1.95%	2.27%	6.98%	0.63%	-6.91%	4.61%	5.63%	2.24%	2.65%	1.01%	1.81%	-1.07%	-3.91%	0.59%	0.68%		
Dec	1.63%	2.44%	1.62%	2.31%	-0.27%	2.59%	2.97%	0.92%	1.99%	2.19%	2.74%	0.05%	-4.30%	1.79%	2.34%		
Beach Point	9.44%	24.48%	7.57%	10.19%	-7.63%	23.84%	12.25%	30.89%	14.14%	11.34%	13.46%	9.14%	-23.27%	33.60%	12.45%	5.24%	11.66%
S&P 500	11.68%	33.36%	28.58%	21.04%	-9.10%	-11.89%	-22.10%	28.69%	10.88%	4.91%	15.80%	5.50%	-37.00%	26.47%	15.06%	7.82%	6.65%
BC High Yield	7.63%	12.76%	1.87%	2.39%	-5.86%	5.28%	-1.41%	28.97%	11.13%	2.74%	11.85%	1.87%	-26.16%	58.21%	15.12%	6.01%	7.54%
CS Loan Index	3.40%	8.30%	5.31%	4.69%	4.94%	2.65%	1.12%	11.01%	5.60%	5.69%	7.33%	1.88%	-28.75%	44.87%	9.97%	3.33%	5.22%

*Returns shown for the period July 1, 1996 through December 31, 1996 are not annualized.

Sources: Beach Point Capital internal research, Barclays Capital and Credit Suisse; S&P 500 Index shown as a market indicator. See performance disclosures attached.

Beach Point Select Fund

Beach Point Select Fund – Investment Approach

Mandate

- Event-driven, value-oriented and post-reorganization equities, special situation and distressed securities, and other opportunistic investments (both long and short)
- Emphasis on “off-the-run” securities – ignored issues, complex situations, unique securities within large cap structures, legal approach to “on-the-run” situations
- Smaller number of positions and more portfolio alpha

Focus

- Event-Driven Equity and Credit
- European Opportunistic Situations
- Middle Market Distressed

Manage Tail Risks

- Shorts via cash bonds and CDS
- Supplement with portfolio-level hedges

Benefits of Beach Point Select Fund

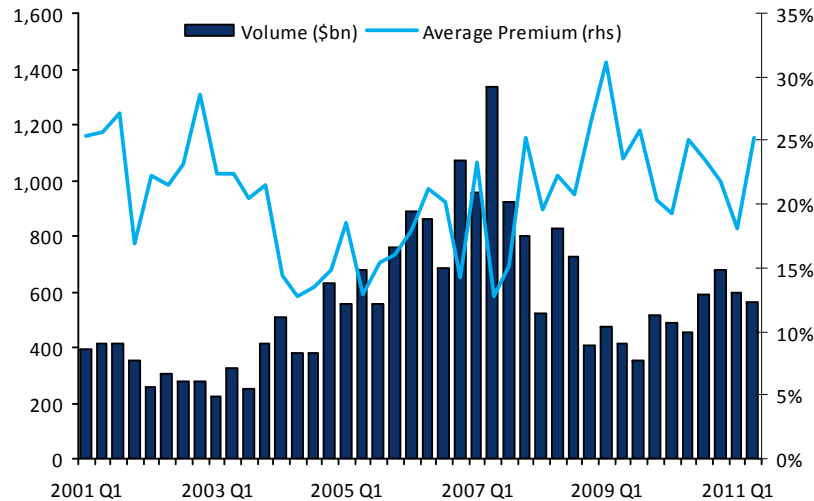
- Greater flexibility to reallocate capital
- Focused, best ideas approach
- Discounted fee structure
- Higher alpha potential
- Better expected net performance
- Take advantage of liquidity discounts
- Alignment of interest: co-investment

Total Return Fund vs. Select Fund

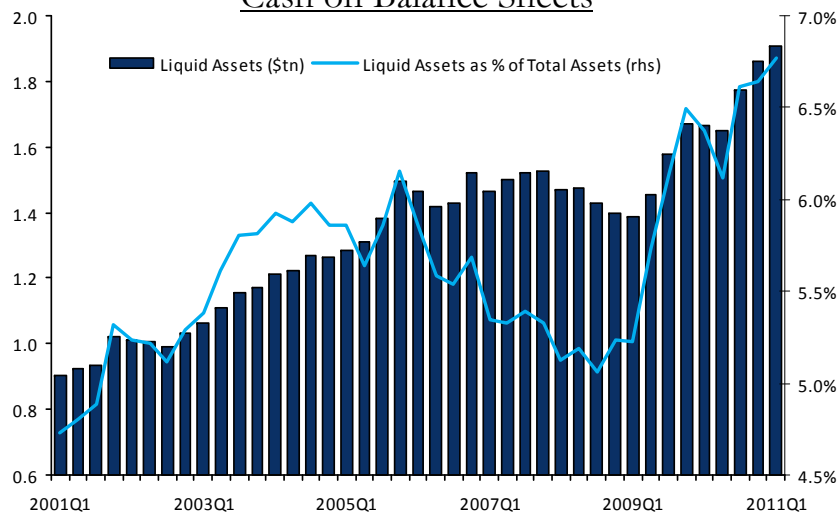
	Total Return	Select Fund
Mandate	All Weather Strategy	Higher Alpha Focus
Focus	Targeted Investments Allocations	Unconstrained Flexibility
Positions	Highly Diversified 100+ positions	Focused 50+ positions
Structure	Standard Fee Terms	Discounted Fee Structure

2011 Opportunities – Event-Driven

Rising M&A Premiums and Deal Volumes



Cash on Balance Sheets



Event-Driven Situations

- Emphasis on event-driven situations and post-reorganization equities
- Credit-related equities – companies we have followed for years where their equities are now cheap relative to their debt securities
- Value creation from corporate activity – special situations such as spin-offs, asset sales and divestitures
- Defensive, moderate to high coupon investments with upside catalysts such as M&A or LBOs
- Companies may seek growth via acquisition given their ability to raise capital at historically low rates
- Legal/covenant analysis is key in understanding which issues will benefit in an M&A scenario

Sources: Board of Governors of the Federal Reserve System, Barclays Capital and Beach Point internal research.. Data as of March 31, 2011.

2011 Opportunities – European Situations

European Distressed

Estimated European Assets Marked for Exit or Wind-Down			
Bank	Assets Marked for Sale (€bn)	Total Assets (€bn)	% of Balance Sheet
Hypo	210	374	56.1%
RBS	201	1,928	10.4%
Dexia	154	593	26.0%
West LB	78	259	30.1%
NAMA	77	-	-
Lloyd's	69	1,220	5.7%
Bank of Ireland	37	184	20.1%
Allied Irish	34	180	18.9%
LBBW	31	448	6.9%
KBC	31	334	9.3%
Commerzbank	26	892	2.9%
HSB Nordbank	23	186	12.4%
ING	22	1,188	1.9%
Bayern LB	21	395	5.3%
Unicredit	11	958	1.1%
Total	1,025	9,139	11.2%

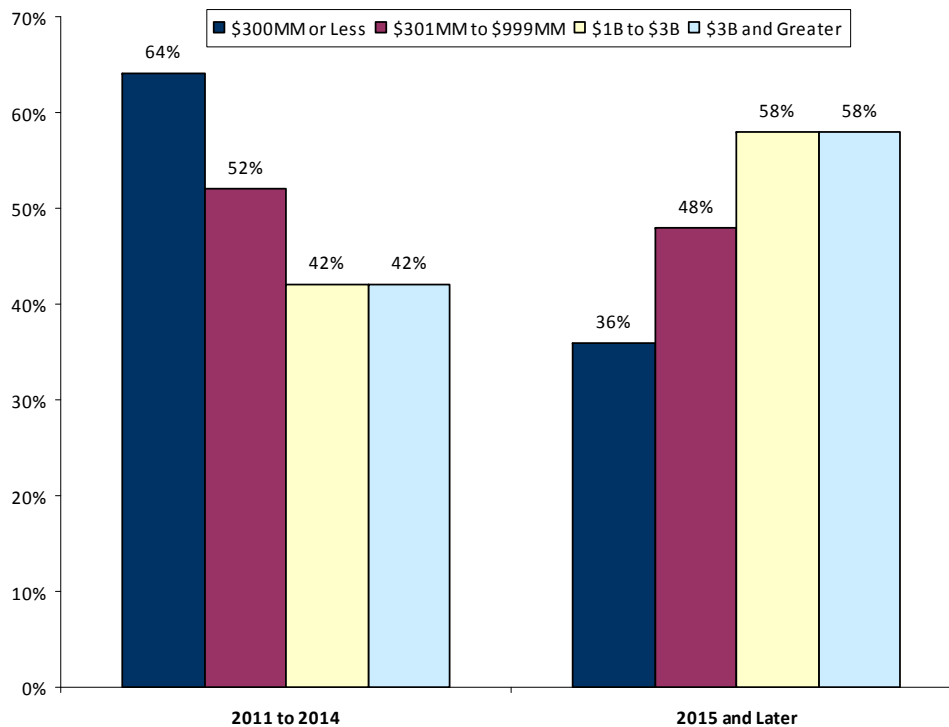
- European bank deleveraging and heavy corporate financing needs could trigger supply of distressed opportunities
- Significant opportunities due to reduced central bank lending and increasing capital requirements / regulatory pressure to reduce balance sheets
- Smaller universe of investors to refinance due to bankruptcies of financial institutions
- Over €1 trillion of assets marked for exit or wind-down
- Focus on complex credit and legal analysis and litigation driven situations
- Emphasis on corporate securities

Sources: Credit Suisse, Moody's, Bloomberg, Goldman Sachs, Barclays Capital, Financial Times. All data was obtained from publicly available information, internally developed data and other third party sources believed to be reliable. Data as of December 31, 2010.

2011 Opportunities – Middle Market Distressed

Percent of Total Outstanding Debt Maturing

(by year of maturity and size of capital structure)



Significant near-term middle market maturities

Middle Market Distressed

- Mid market companies are having trouble tapping the capital markets to address debt issues
- Trouble growing into their capital structures given low GDP growth projections
- Focus on process and event-driven stressed and distressed opportunities
- Shorter duration situations where we can control an opportunity and drive the process to create value
- \$250 million to \$1.5 billion capital structures is uniquely attractive
- Recapitalizations, reorganizations, litigation plays

Sources: J.P. Morgan Credit Strategy. Data as of September 17, 2010.

Summary of Proposed Fund Terms

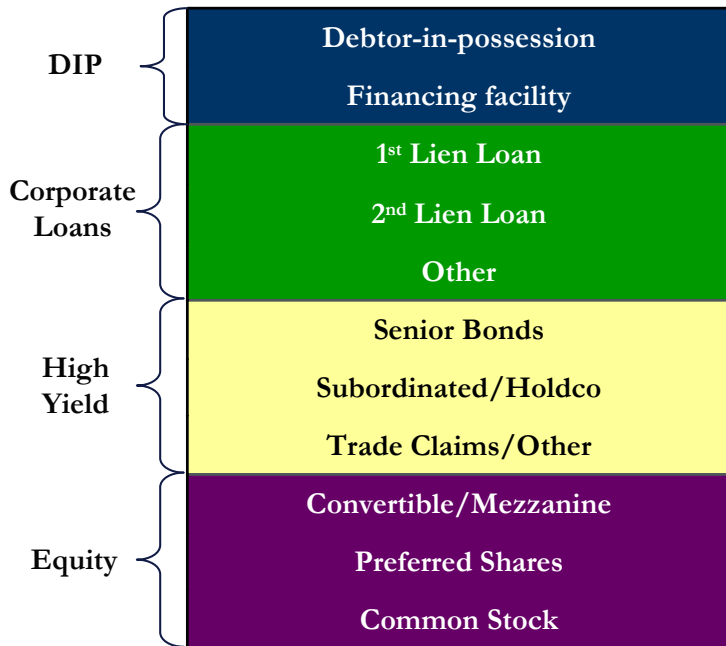
- **Legal Structure:** Delaware limited partnership
- **Management Fee:** 1.5%; paid quarterly in advance
- **Incentive Allocation:** 20% of net profits (realized and unrealized); subject to high water mark
- **SBCERA Fees:** 1.0% management fee; incentive allocation subject to a 5% hard hurdle
- **Withdrawals:** Quarterly; written notice required at least one quarter in advance
- **Investment by Firm:** Principals plan to invest alongside SBCERA

Appendix

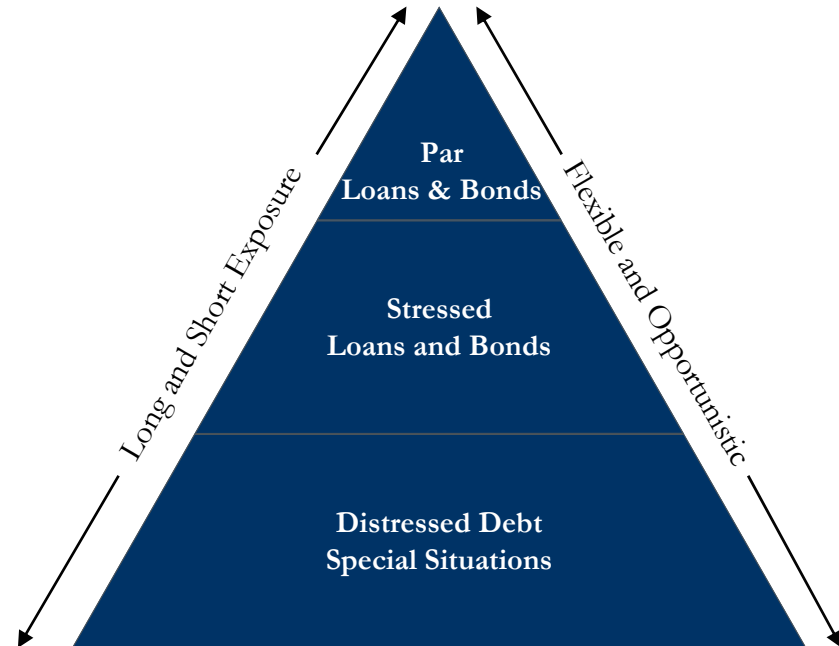
Specialized Focus in Credit-Market Investing

Beach Point Capital’s senior team has over 16 years experience navigating the arcane and complicated legal processes that are common in credit investing

Investing Up and Down
the Entire Capital Structure



with Specialized Focus
in Areas of Expertise



Investment Philosophy

Focus on Downside Protection

- Never forget our primary mission: not simply maximum returns, but rather superior performance with less risk
- Prevent losses by emphasizing investments with margin of safety

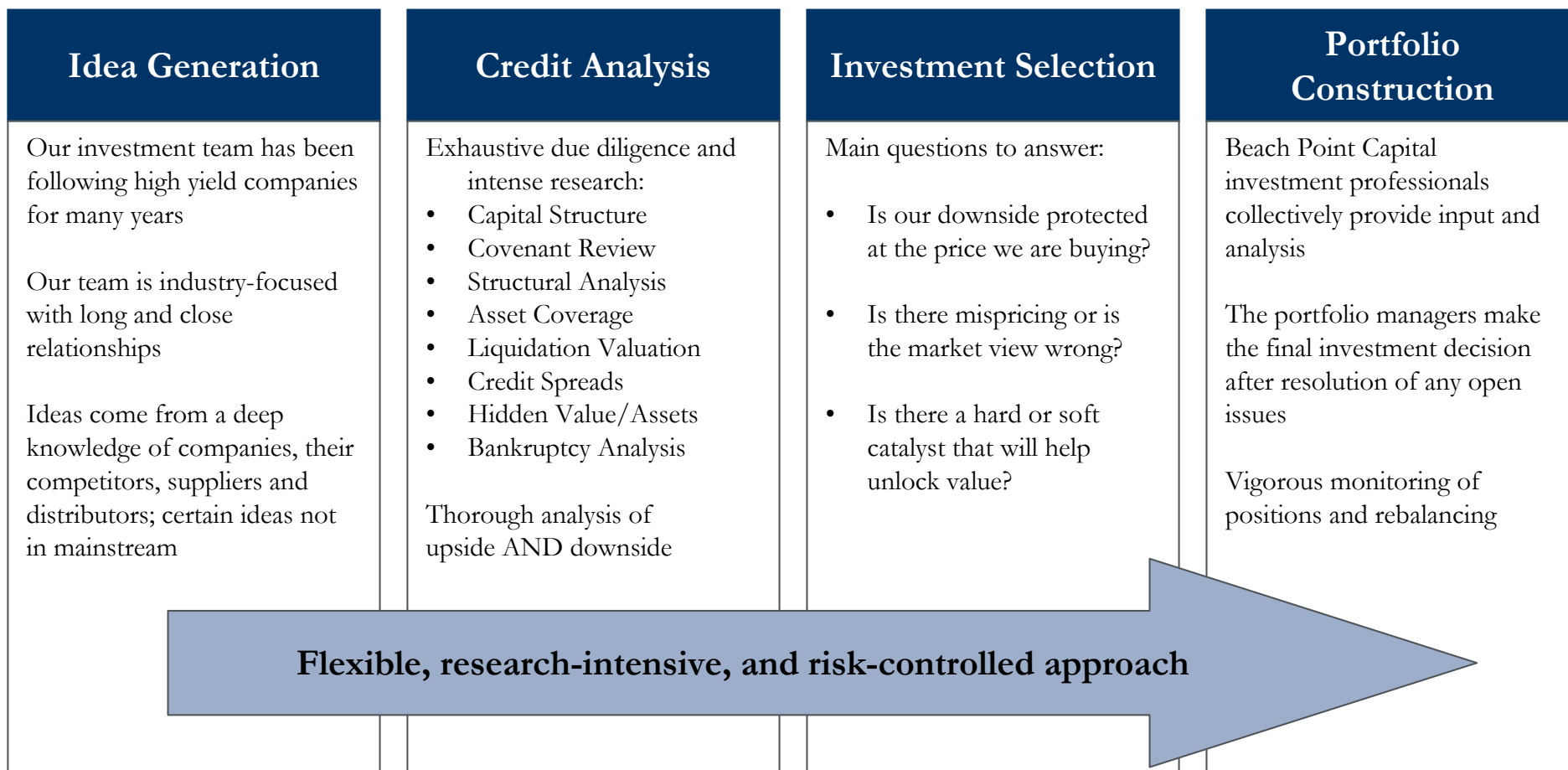
Perform intensive due diligence - one company at a time

- Create value from our deep legal expertise
- Pursue the more complex or less followed names where the market is less efficient
- Drive research through our proprietary scoring model

Insist on Strict Risk Control

- Implement fundamental and operational measures to minimize risk
- Retain best-in-class service providers – PwC, State Street and BNY

Disciplined Investment Process



Proprietary Value Scoring Model

- A 100-point valuation system for identifying promising investment opportunities
- System used to screen securities across different companies and multiple industries
- Evaluates the key quantitative and qualitative factors which we believe have an important bearing on credit quality and yields

Industry Position
Stability
Growth
Market share
Products
Barriers to entry
Competition
Pricing power

Company Position
Profitability
Cash flow trends
Credit statistics
Sponsorship
Ownership
Management
Event Risks

Security Position
Asset protection
Seniority in capital structure
Covenant protection
Corporate structure

Company X

Company Description

Company X develops and manufactures propulsion systems for defense and space applications, armament systems for precision tactical weapons systems and munition applications. The company is the second largest provider of propulsion systems in the U.S. to both the solid and liquid propellant markets. The company products are provided to the U.S. government, the Department of Defense and NASA. The company also owns approximately 12,200 acres of land east of Sacramento, approximately 6,000 of which are in various stages of zoning. Steel Partners controls the board of directors.

Capitalization and Liquidity

	8/31/2009	Leverage	% of TEV	Price	Yield	Market Leverage
\$80M Revolving Credit Facility due 2012 (L+225)	\$0					
Term Loan due 2013 (L+225)	69			91.00	7.26%	
Other	1					
Total 1st Lien Secured Debt	70	0.7x	12.4%			0.6x
9.5% Senior Subordinated Notes due 2013	98			102.00	8.13%	
Total Senior Subordinated Debt	167	1.7x	29.8%			1.6x
4% Convertible Sub Notes due 2024 (Jan 2010 put)	125			100.00	4.00%	
2.25% Convertible Sub Notes due 2024 (Nov 2011 put)	146			91.00	7.51%	
Total Debt	292	2.9x	52.1%			2.8x
Market Capitalization	427					
Less: Cash and Cash Equivalents	(158)					
TEV	\$561	5.6x	100.0%			
Cash and Cash Equivalents	\$158					
Facility Availability	60					
Total Liquidity	\$218					

Debt Maturities*	
2009	2
2010	126
2011	148
2012	1
2013	164
Thereafter	0
* Estimated	

Financial Results and Estimates

	FYE 11/30					
	2006	2007	2008	2009E	2010E	LTM
Revenue	\$621	\$745	\$742	\$759	\$770	\$754
EBITDA	\$71	\$95	\$103	\$93	\$92	\$101
Less: Cash Interest	(27)	(29)	(28)	(24)	(15)	(28)
Less: Cash Taxes	(1)	(0)	(2)	(2)	(4)	(2)
Less: Other	(56)	(42)	(46)	65	(3)	46
Operating Cash Flow	(13)	24	28	132	70	119
Less: Capex	(19)	(22)	(21)	(15)	(20)	(16)
FCF	(\$32)	\$2	\$7	\$117	\$50	\$103
Total Debt	\$462	\$446	\$441	\$439	\$314	\$439
Cash	81	92	93	205	127	158
Net Debt	\$381	\$354	\$348	\$233	\$187	\$280
Net Debt / EBITDA	5.4x	3.7x	3.4x	2.5x	2.0x	2.8x
Total Debt / EBITDA	6.5x	4.7x	4.3x	4.7x	3.4x	4.3x
EBITDA / Interest	2.6x	3.3x	3.7x	3.8x	6.2x	3.8x
EBITDA - Capex / Interest	1.9x	2.6x	2.9x	3.2x	4.8x	3.2x

Score	Range
1. Asset Coverage (Par) (Debt / EV)	14 0-15
2. Asset Coverage (Market) (Debt / EV)	14 0-15
3. Leverage	12 0-12
4. Interest Coverage	3 0-5
5. Net Debt / Adj FCF	8 0-8
6. Liquidity	3 0-5
7. Seniority in Capital Structure	10 0-10
8. Covenants, Collateral, Guarantees	8 0-8
9. Industry / Attractiveness / Stability	5 0-7
10. Company Size / Competitive Position	3 0-5
11. Earnings Visibility and Outlook	2 (4)-4
12. Management / Sponsor Quality	1 0-3
13. Accounting / Pro Forma / Legal	0 (6)-0
14. Misc. (Catalysts, Risks, etc)	1 0-3
Total Score	84 (10)-100

Based on 2009E EBITDA
Investment Security: 1st Lien Secured

Our Rating: Investment Grade
Agency Rating(s): Ba3 / B

Investment Thesis

With only \$70 million of drawn bank debt (plus the \$125M LC facility), there is no reasonable scenario that results in the loans being impaired. The company has been generating over \$90 million of EBITDA for the last 3 years, leaving the secured debt < 1x levered. Additionally, the company has had over \$90 million of cash on hand since 2007, enough to fully repay the term loan. We bought the loans at prices between 65 and 80 over the last several months representing 11-16% yields to maturity. The market viewed the upcoming maturities of the two convertible bonds as major risk factors for the credit. We viewed those maturities as catalysts since the company would require the banks approval to refinance those junior securities with more new debt that was more senior in the capital structure. Our position in the loans would give us a seat at the table during those negotiations to get our loans either repriced or refinanced entirely.

Investment Considerations

Positives / Strengths:

- Leading provider of solid and liquid propulsion systems to DoD and NASA.
- Conservative balance sheet with ample cash and liquidity.
- Consistent revenue growth.
- Bank debt covenants restrict company's ability to refinance junior debt.

Negatives / Risks:

- Small company competing against much larger competitors.
- Onerous debt maturity schedule.
- Significant environmental liabilities (90% government reimbursed).

Source: Beach Point Capital internal research

Infrastructure

Importance of Risk Control and Compliance

SEC: Registered Since Inception

Auditor: PricewaterhouseCoopers

Administration: BNY Mellon

- BNY serves as an independent third party administrator for Beach Point's Funds
- BNY provides monthly statements including NAV and confirms positions and pricing with third parties

Portfolio Management System: State Street

- Multi-Currency Horizon – a proprietary system from State Street which provides detailed data on portfolio transactions and performance at the client, portfolio and individual security levels

Compliance: Charles River

- Compliance integrated with the Charles River Trading System
- Performs pre-settlement compliance

Risk Management Resources

Beach Point Dedicates Substantial Resources to Ensure Strict and Consistent Risk Management

Risk Reports which include:

- Exposure Reports
- Geographic and Industry Concentrations
- Portfolio Concentration
- Position Sizing and Strategy Weighting

Portfolio Analysis

- Daily Position Matrix and Purchase and Sale Reports

Counterparty Risk Reports

- Bank Loan Counterparty Exposure Report
- Credit Default Counterparty Exposure Report

Compliance Overview

Compliance Program

Systems:

Charles River Trading and Compliance System

SunGard Personal Trading Assistant System (“PTA”)

Core Policies & Procedures:

Code of Ethics
Pricing

Trade Allocation

Best Execution

Insider Trading

Business Continuity Plan

Electronic Communications

Privacy

Testing:

Review alerts triggered in Charles River

Review alerts triggered in PTA

Review trade allocations with Portfolio Managers

Review employees’ emails

Attend analyst research meetings

Review marketing materials

Review trade executions

Monitor employees’ personal trading activity

Review Intralinks usage reports

Test compliance policies and procedures annually

Members of Compliance Committee:

Lawrence Goldman

Chief Administrative Officer and General Counsel

David Rosenblum

Chief Compliance Officer

Thomas Boyack

Chief Financial Officer

Darshan Desai

Senior Operations Manager and Chief Risk Officer

Compliance Philosophy

Compliance is pervasive throughout the firm

All staff “buy into” compliance culture

- All new staff receive training with Chief Compliance Officer
- Annual compliance manual review and certification by all staff

Priority of compliance framework

- Preventative controls
 - Charles River Compliance
 - SunGard PTA Personal Trading Automated System
- Forensic testing
 - Allocation review
 - ERISA checks
 - Performance dispersion review
 - Best execution review

Business Continuity Plan

Summary of Beach Point Capital's business continuity plan:

- All mission critical systems are backed up to our data center located in Chicago, Illinois. Critical systems are backed up in 15 minute increments over a secure encrypted VPN connection.
- All critical systems can be operated remotely so in the event of a business disruption, critical employees can access systems via the internet.
- There is an electronic broadcast system to notify employees in the event there is a business disruption.
- The short term plans would be to gather locally and work via the internet. Beach Point Capital may relocate critical employees to its New York office for longer term disruptions in business.

Organizational Chart

<p>CARL GOLDSMITH ^{1,2} <i>Managing Partner</i> <i>Senior Portfolio Manager</i></p>	<p>SCOTT KLEIN ^{1,2} <i>Managing Partner</i> <i>Senior Portfolio Manager</i></p>
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Research & Trading			Legal, Technology & Support	Finance, Accounting & Operations		Investor Relations
ALLAN SCHWEITZER ¹ <i>Executive Managing Director</i>	KATHY CHOI <i>Senior Managing Director</i>	CATHERINE BAE <i>Managing Director</i>	LAWRENCE GOLDMAN ^{1,2} <i>Chief Admin Officer</i> <i>General Counsel</i>	THOMAS BOYACK ^{1,2} <i>Chief Financial Officer</i>	DOUG ROERIG <i>Director of Operations</i>	JOHN QUINTANAR <i>Managing Director</i> <i>Investor Relations</i>
ROBERT BERZINS ² <i>Managing Director</i> <i>London</i>	MICHAEL HAYNES <i>Managing Director</i> <i>New York</i>	GARY HOBART ² <i>Managing Director</i>	DAVID ROSENBLUM ² <i>Chief Compliance Officer</i> <i>Associate General Counsel</i>	JAIME ARCHIBEQUE <i>Corporate Controller</i>	DARSHAN DESAI <i>Senior Operations Manager</i> <i>Chief Risk Officer</i>	PAUL LABIB <i>Managing Director</i> <i>Investor Relations (NY)</i>
WILLIAM KOZICKI <i>Managing Director</i>	JACOB ROTHMAN <i>Managing Director</i>	KEN WOLFE <i>Managing Director</i>	JEAN KIM <i>Compliance Officer</i>	CHRISTIE LUDVIGSON <i>Fund Controller</i>	MARK PORRAZZO <i>Operations Manager</i>	MIKE CARTER <i>Senior Director</i> <i>Investor Relations</i>
ANDREW HENDEL <i>Senior Analyst</i>	BRIAN HIMOT ² <i>Senior Analyst</i> <i>New York</i>	ERIC HSIAO <i>Senior Analyst</i>	GREGORY ZECK ² <i>Corporate Counsel</i>		JULIANNE CAMERINO <i>Operations Analyst</i>	ZACH AXELROD ² <i>Director</i> <i>Business Development</i>
ALAN LEAVITT ² <i>Senior Analyst</i>	PAUL LEE <i>Senior Analyst</i>	JAMIE PARK <i>Senior Analyst</i>	KRITSANA KEOPUNNA <i>Director - Technology</i>		AARON TREMALIO <i>Operations Analyst</i>	JOEL KARSCH <i>Senior Director</i> <i>Investor Relations (NY)</i>
BILL BROOKS <i>Senior Portfolio Analyst</i>	WILLIAM LYNCH <i>Senior Trader</i> <i>Managing Director</i>	DAVID SEAY <i>Senior Trader</i> <i>Managing Director</i>	CHRISTOPHER CHAFE <i>IT Administrator</i>		BONNIE YUEN <i>Operations Analyst</i>	LUCY PHAM <i>Director</i> <i>Investor Relations</i>
CHRIS RILEY <i>Trading Assistant</i>			JESSICA FILIPOVICH <i>Payroll and Benefits</i> <i>Administrator</i>		SEAN SEDRULEY <i>Senior Data Manager</i>	
			<i>Senior Support Staff</i> <i>Full Time Employees</i> (7)			

Notes: 1. Management Committee; 2. Lawyer/Legally Trained

Managing Partners and Portfolio Managers



Carl Goldsmith

Managing Partner and Senior Portfolio Manager

Carl Goldsmith is Managing Partner and Senior Portfolio Manager for Beach Point Capital Management. Mr. Goldsmith has 19 years of experience managing high yield bonds, bank loans and distressed debt portfolios and working on corporate restructurings. Prior to founding Beach Point Capital, Mr. Goldsmith was the Senior Investment Officer at Post Advisory Group. During his 15 years at Post Advisory, the firm grew from under \$100 million in assets to over \$10 billion. Mr. Goldsmith was responsible for co-running the alternative business of Post Advisory and co-managing the Total Return, Distressed Debt, and Corporate Loan strategies. In the early 1990s, Mr. Goldsmith worked in the Bankruptcy Support and Valuation departments at Price Waterhouse, where he advised debtors and creditors in bankruptcy restructurings.

Mr. Goldsmith received a bachelor's degree in economics from the University of Pennsylvania's Wharton School of Business and a J.D. from the University of California, Los Angeles School of Law.



Scott Klein

Managing Partner and Senior Portfolio Manager

Scott Klein is Managing Partner and Senior Portfolio Manager for Beach Point Capital Management. Mr. Klein has 19 years of experience in managing high yield bonds, bank loans and distressed debt portfolios and restructuring companies in financial distress. Before founding Beach Point Capital, Mr. Klein was Senior Managing Director at Post Advisory Group, where he spent over 12 years helping grow the company from under \$200 million in assets to over \$10 billion. Mr. Klein was responsible for co-running the alternative business of Post Advisory and co-managing the Total Return, Distressed Debt, and Corporate Loan strategies. In the early 1990s, Mr. Klein spent four years as a bankruptcy attorney at the law firm of Murphy, Weir and Butler advising bondholders and creditors' committees in corporate restructurings and Chapter 11 cases. He subsequently served as a vice president analyzing distressed investments at Dabney Resnick Imperial. He currently serves on the Board of Governors of Cedars Sinai Medical Center.

Mr. Klein received a bachelor's degree in economics from the University of Pennsylvania's Wharton School of Business, where he graduated magna cum laude, and a J.D. from the University of California, Los Angeles School of Law, where he served on the Law Review.

Biographies – Investment Team

Allan Schweitzer

Executive Managing Director

Allan Schweitzer is an Executive Managing Director at Beach Point Capital Management. Mr. Schweitzer has been in the industry for 18 years most recently as Chief Investment Officer and Senior Portfolio Manager at Post Advisory Group where he specialized in High Yield securities. Prior to Post, Mr. Schweitzer was a senior high yield analyst at Trust Company of the West where he specialized in healthcare, media, and the telecommunications industries. Prior to TCW, he was an emerging market corporate credit analyst at Putnam Investments. While at Putnam, he also designed global fixed income risk models. Mr. Schweitzer received a bachelor's degree in business administration from Washington University at St. Louis and his MBA from the University of Chicago with a concentration in analytical finance and international economics. He currently serves on the Board of Directors for Bet Tzedek and FasterCures.

Kathy Choi

Senior Managing Director

Kathy Choi is a Senior Managing Director at Beach Point Capital Management. Ms. Choi has been in the industry for over 15 years, most recently as a Managing Director - Investment Management at Post Advisory Group where she spent 8 years focusing on a variety of high yield and distressed investments. Prior to Post, Ms. Choi was a Senior Research Analyst for three years at DDJ Capital Management where she analyzed high yield and distressed investments. Ms. Choi has also worked at Salomon Brothers as an Associate in the High Yield Capital Markets group and as a Financial Analyst in the Mergers and Acquisitions group. Ms. Choi received a bachelor's degree in economics from the University of Pennsylvania's Wharton School of Business and an MBA from Harvard University.

Catherine Bae

Managing Director

Catherine Bae is a Managing Director for Beach Point Capital Management. Ms. Bae has been in the industry for 12 years, most recently as a Senior Investment Analyst at Post Advisory Group focusing on high yield and distressed investments. Prior to Post, she was an associate in the investment banking division of Credit Suisse First Boston. She also worked for Salomon Brothers and Deutsche Bank as a Financial Analyst in the global energy and mergers and acquisitions groups. Ms. Bae received a bachelor's degree from the Massachusetts Institute of Technology and an MBA from the MIT Sloan School of Management.

Biographies – Investment Team

Robert Berzins

Managing Director

Robert Berzins is a Managing Director at Beach Point Capital Management. Mr. Berzins has 26 years investment experience, most recently as Managing Director – Investment Management at Post Advisory Group focusing on investments in the media, entertainment and telecommunications industries. Previously, Mr. Berzins served as Managing Director and Portfolio Manager at Lehman Brothers where he was responsible for a several billion dollar portfolio of loans and bridge commitments. Prior to that position, Mr. Berzins was a High Yield Research Analyst at both Lehman and Kidder Peabody covering media, entertainment and telecommunications companies. Before beginning his Wall Street career, Mr. Berzins worked at Group W Cable and Broadcasting, a leading cable television and broadcasting company. Mr. Berzins received a bachelor's degree in operations research from MIT and an MBA with Honors and a J.D. from Boston University.

Michael Haynes

Managing Director

Michael Haynes is a Managing Director at Beach Point Capital Management. Mr. Haynes has 15 years of finance experience, most recently as Director – Investment Management at Post Advisory Group. Before Post, he was at Babcock & Brown where he was responsible for principal investing and advisory assignments involving debt and equity across a range of industries and asset types. Prior to Babcock & Brown, he was the Vice President & Treasurer of Sirius Satellite Radio, where he was responsible for raising capital, strategic planning, and investor relations. Mr. Haynes has also served as an Investment Banker at Merrill Lynch and Oppenheimer. Mr. Haynes received a bachelor's degree from Tufts University.

Gary Hobart

Managing Director

Gary Hobart is a Managing Director at Beach Point Capital Management. Mr. Hobart has been working on high yield and restructurings for 18 years, most recently as Director – Investment Management at Post Advisory Group where he specialized in private and direct investments, distressed situations, and creditors' committee work. Mr. Hobart was previously an Investment Officer in the leveraged finance group of Trust Company of the West (TCW), where he focused on high yield bonds and alternative investments including private debt and other special situation investments. Mr. Hobart also served as an Investment Banking Officer with Wasserstein Perella, where he focused on high yield debt underwriting and mergers and acquisition advisory and as a corporate finance and bankruptcy attorney with Milbank, Tweed, Hadley & McCloy. Mr. Hobart received a bachelor's degree from the University of California, Los Angeles and a J.D. from the Georgetown University Law Center.

Biographies – Investment Team

William Kozicki
Managing Director

William Kozicki is a Managing Director for Beach Point Capital Management. Mr. Kozicki has been focused on the high yield and senior bank loan market for 15 years and prior to Beach Point Capital was a Senior Investment Analyst at Post Advisory Group responsible for various aspects of its bank loan platform. Before Post, Mr. Kozicki was Vice President of Leveraged Loan Investments at AIG for five years, where he was responsible for managing bank loan investments across a wide range of industries. Mr. Kozicki previously served in various financial and investment analysis roles at Merrill Lynch High Yield Investment Banking, Bank of America Mezzanine Investments Group and Warner Brothers Strategic Planning. Mr. Kozicki received a bachelor's degree with a dual concentration in finance and entrepreneurial management from the University of Pennsylvania's Wharton School of Business.

Jacob Rothman
Managing Director

Jacob Rothman is a Managing Director for Beach Point Capital Management. Mr. Rothman has been in the industry for 13 years, most recently as a Principal at Watershed Asset Management focusing on distressed investments. Prior to Watershed, he was a Portfolio Manager at Canvas Capital, an affiliate of S.A.C. Capital. Mr. Rothman also worked at Kohlberg Kravis Roberts & Co. on private equity transactions and Morgan Stanley in the corporate finance and mergers and acquisitions groups. Mr. Rothman received a bachelor's degree from the University of California, Los Angeles.

Ken Wolfe
Managing Director

Ken Wolfe is a Managing Director at Beach Point Capital Management. Mr. Wolfe has been investing in high yield bonds and distressed credits for 13 years, most recently as a Senior Investment Analyst at Post Advisory Group. Prior to Post, he was a Research Analyst at Ares Management, where he was responsible for managing bank loans, and high yield and distressed investments, primarily in the automotive and industrial/manufacturing portfolios. Prior to Ares, he was an Analyst in the investment banking group at Jefferies & Company, where he worked on a variety of corporate finance transactions. Mr. Wolfe received a bachelor's degree in economics with dual concentration in finance and accounting from the University of Pennsylvania's Wharton School of Business.

Biographies – Investment Team

Andrew Hendel

Senior Analyst

Andrew Hendel is a Senior Analyst for Beach Point Capital Management. Prior to Beach Point, Mr. Hendel was at Oak Hill Capital Partners where he focused on Media & Telecom private equity investments. Before Oak Hill, he was at Morgan Stanley in its investment banking division. Mr. Hendel earned a B.S. degree, with distinction, and a M.S. degree in Management Science and Engineering from Stanford University, where he was elected to Phi Beta Kappa and Tau Beta Pi.

Brian Himot

Senior Analyst

Brian Himot is a Senior Analyst with Beach Point Capital Management. Mr. Himot was previously a Vice President at Banc of America Securities in the New Product Development Group and prior to that was an associate at the law firm of O'Melveny & Myers focusing on corporate tax in Los Angeles and New York. Mr. Himot graduated magna cum laude from the University of Southern California with a bachelor's degree in political science, cum laude from Harvard Law School with a JD and with honors from the Wharton School with a MBA concentrating in finance.

Eric Hsiao

Senior Analyst

Eric Hsiao is a Senior Analyst with Beach Point Capital Management. Mr. Hsiao has over 3 years experience, most recently as an analyst for Silver Lake Financial, where he focused on distressed credit and equity investments. Mr. Hsiao received a bachelor's degree from University of California, Berkeley with a concentration in Business Administration and Economics.

Alan Leavitt

Senior Analyst

Alan Leavitt is a Senior Analyst with Beach Point Capital Management. Mr. Leavitt has been specializing in bankruptcies and workouts for over 9 years, most recently as an Analyst at Post Advisory Group. Prior to Post he was an associate at the law firm Latham & Watkins LLP where he worked in the Finance Department in New York and Los Angeles, focusing on bankruptcies and restructurings. Mr. Leavitt received a bachelor's degree from Tufts University and a J.D. from Columbia University School of Law, where he was a Harlan Fiske Stone scholar.

Biographies – Investment Team

Paul Lee

Senior Analyst

Paul Lee is a Senior Analyst with Beach Point Capital Management and was previously an Analyst with Post Advisory Group and a Financial Analyst at Houlihan Lokey in Los Angeles in the Financial Restructuring Group. Mr. Lee graduated magna cum laude from the University of Pennsylvania with a bachelor's degree from the Wharton School with a concentration in finance and a bachelor's degree from the School of Engineering and Applied Science in biomedical science.

Jamie Park

Senior Analyst

Jamie Park is a Senior Analyst with Beach Point Capital Management. Ms. Park has been analyzing senior bank loans and high yield securities for over 5 years, most recently as an Analyst at Post Advisory Group and before that as a Credit Research Analyst at AIG Global Investment Group. Her primary responsibilities at AIGGIG included analyzing and monitoring credits in the global telecommunications, cable/satellite, and broadcasting industries. Prior to joining AIGGIG, she worked at Comerica Bank as a credit analyst and with AIG SunAmerica as a Financial Analyst. Ms. Park received a bachelor's degree from UCLA and has passed all four parts of the CPA exam

William Brooks

Senior Portfolio Analyst

William Brooks is a Senior Portfolio Analyst for Beach Point Capital Management. Mr. Brooks has been in the industry for 15 years and prior to Beach Point Capital was an Analyst at Post Advisory Group. Before Post, he was at Allegiance Capital Management in Huntington Beach where he was a Performance and Attribution Analyst and previously a Corporate Actions Manager at Putnam Investments. Mr. Brooks received his bachelor's degree and MBA in finance from Pepperdine University's Graziadio School of Business and Management.

Biographies – Investment Team

William Lynch

Senior Trader and Managing Director

William Lynch is a Senior Trader and Managing Director with Beach Point Capital Management. Mr. Lynch manages trading relationships and negotiates market transactions for Beach Point Capital's funds and client portfolios. Mr. Lynch has over 10 years of industry experience, most recently as a Trader at Post Advisory Group. Prior to Post, Mr. Lynch worked at JPMorgan Chase where he supported several fixed income trading desks in a revenue control function. Mr. Lynch received a bachelor's degree from the University of Delaware.

David Seay

Senior Trader and Managing Director

David Seay is a Senior Trader and Managing Director at Beach Point Capital Management. Mr. Seay has been trading fixed income securities for 13 years, most recently as a Director of U.S. High Yield Corporate Bond Trading at UBS Securities LLC where he has held various Director of Corporate Bond Trading positions since 2004. Prior to UBS, he was an Associate Vice President of Corporate Bond Trading at PPM America, Inc. Mr. Seay received a bachelor's degree from Principia College with dual concentrations in international relations and economics. He also minored in Asian Studies and graduated with honors.

Chris Riley

Trading Assistant

Chris Riley is a trading assistant for Beach Point Capital Management. Prior to Beach Point Capital, he was a senior financial analyst at Oaktree Capital Management where he supported the trade desk and the fund accounting team. Prior to Oaktree, Mr. Riley worked at UBS Investment Bank as a controller for the proprietary trading desk. Mr. Riley received a bachelor's degree from Georgetown University's McDonough School of Business with majors in Finance and Accounting. Mr. Riley is also a CFA charterholder.

Biographies - Infrastructure

Lawrence M. Goldman

Chief Administrative Officer and General Counsel

Larry Goldman is Chief Administrative Officer and General Counsel for Beach Point Capital Management. Mr. Goldman has been in the industry for over 22 years, most recently as Chief Administrative Officer and Chief Legal Officer at Post Advisory Group. Prior to Post he was at AIG SunAmerica, first as Senior Vice President and General Counsel of Imperial Premium Finance, a specialty finance company, and then as Vice President of AIG SunAmerica and General Counsel of SunAmerica Life Insurance Company. At AIG SunAmerica, he was responsible for regulatory and financial affairs and legal oversight for the investments (including alternative investments) and institutional funding areas. Prior to that, he worked for eight years at the law firm of O'Melveny & Myers, specializing in banking, finance, and corporate law. Mr. Goldman received a bachelor's degree in economics from the University of California, San Diego and a J.D. from Boalt Hall School of Law at the University of California, Berkeley.

Thomas Boyack

Chief Financial Officer

Thomas Boyack is the Chief Financial Officer at Beach Point Capital Management. Prior to Beach Point Capital, he was Chief Financial Officer for Post Advisory Group and before that he was Chief Operating Officer and Chief Financial Officer for Akanthos Capital Management, a credit based alternative asset manager, where he was responsible for all financial, operational and regulatory matters for the firm and its investment products. Prior to Akanthos, Mr. Boyack worked in a similar capacity at Psetta Capital Management, a convertible arbitrage fund manager. Previously, Mr. Boyack spent several years as a senior manager in Ernst & Young's Financial Services Group serving investment advisors, hedge funds and mutual funds. Mr. Boyack is a graduate of Brigham Young University (B.S. Accounting, magna cum laude, & Juris Doctor degrees) and Golden Gate University (LL.M. in Business Taxation, with honors), and is a member of the State Bar of California.

Doug Roerig

Director of Operations

Doug Roerig is Director of Operations for Beach Point Capital Management and was previously the Director of Operations for Post Advisory Group for the past 3 years. Before Post, he was a Senior Financial and Accounting Leader at Principal Financial Group where his responsibilities included the management of fund accounting teams that were responsible for the daily valuation of over 300 different investment funds. In this role he specialized in public and private corporate bonds, asset backed securities, common and preferred stock and various derivative instruments. Mr. Roerig received a bachelor's degree from Simpson College with a major in Accounting and a minor in Business Management and earned his CPA designation in 2001.

Biographies - Infrastructure

David Rosenblum

Chief Compliance Officer and Associate General Counsel

David Rosenblum is Chief Compliance Officer and Associate General Counsel for Beach Point Capital Management and was previously the Chief Compliance Officer and Assistant General Counsel for Post Advisory Group. Before joining Post, he was with AIG SunAmerica where he provided legal oversight in several areas, including alternative investments, institutional funding, regulatory compliance and financial affairs. Prior to AIG SunAmerica, he spent five years working at law firms, including Paul Hastings and Perkins Coie, where he specialized in corporate finance. Mr. Rosenblum received a bachelor's degree from Emory University and a J.D. from the Ohio State College of Law, where he graduated summa cum laude.

Darshan Desai

Senior Operations Manager and Chief Risk Officer

Darshan Desai is the Senior Operations Manager and Chief Risk Officer at Beach Point Capital Management. Mr. Desai has 12 years of finance experience. Prior to Beach Point Capital, he was an Analyst at BATS Exchange where he designed and constructed their equity indexes. Before BATS, he was Vice President and Director of Operations at York Capital Management where he worked for over 9 years and was most recently responsible for overseeing day-to-day global operations. Mr. Desai received a bachelor's degree from Pace University with a major in Finance.

Jean Kim

Compliance Officer

Jean Kim is a Compliance Officer for Beach Point Capital Management and has over 11 years of experience. Prior to Beach Point Capital, Ms. Kim was a Compliance Manager at Causeway Capital Management and was a mutual funds compliance manager at Pacific Life Insurance Company. Ms. Kim started her career as an auditor at PricewaterhouseCoopers. Ms. Kim received a bachelor's degree from Cornell University and earned her CPA designation in 1998.

Gregory Zeck

Corporate Counsel

Gregory Zeck is a Corporate Counsel for Beach Point Capital Management. Prior to joining Beach Point Capital, he spent two years working in the investment management practice group at Paul Hastings. Mr. Zeck received a bachelor's degree from Yale University, where he graduated summa cum laude, and a J.D. from Yale Law School.

Biographies - Infrastructure

John Quintanar

Managing Director

John Quintanar is Managing Director – Investor Relations for Beach Point Capital Management. Mr. Quintanar has been in the industry for over 11 years, most recently as Director – Relationship Management at Post Advisory Group. Prior to Post Mr. Quintanar was at Affinity Investment Advisors where he was responsible for all marketing and retention of public and corporate pension funds. Prior to joining Affinity, Mr. Quintanar was Director of Business Development and Government Relations at the Milken Institute. Prior to that, Mr. Quintanar served as Staff Director for United States House of Representatives member Grace F. Napolitano where he was responsible for the organization and management of legislative and constituent staff. Mr. Quintanar received a bachelor's degree from Whittier College and attended Harvard University.

Paul Labib

Managing Director

Paul Labib is Managing Director - Investor Relations for Beach Point Capital Management. Mr. Labib has been in the industry for over 16 years, most recently as Director of Marketing at Post Advisory Group. Prior to Post he was Managing Director of Marketing and Investor Relations at Harbert Management Corp. Before that he held similar roles at Amerindo Investment Advisors, Fred Alger Management and Lynch & Mayer, Inc. Mr. Labib received his bachelor's degree in Accounting from Hofstra University and earned his CPA designation in 1990.

Zach Axelrod

Director of Business Development

Zach Axelrod is Director of Business Development for Beach Point Capital Management. Prior to Beach Point, he was a Vice President at EnTrust Capital, a hedge fund of funds, focusing on distressed and special situations investments. Before EnTrust, Mr. Axelrod was an attorney in the Creditors' Rights and Bankruptcy department at Kasowitz Benson Torres & Friedman LLP where he advised corporations and creditors' committees in restructurings and bankruptcies. Prior to Kasowitz, Mr. Axelrod was an attorney at Proskauer Rose LLP where he focused primarily on corporate litigation matters. Mr. Axelrod received a bachelor's degree from Emory University and a J.D. from the University of California, Hastings College of the Law.

Biographies - Infrastructure

Mike Carter

Senior Director of Investor Relations

Mike Carter is Senior Director of Investor Relations for Beach Point Capital Management. Prior to Beach Point, Mr. Carter was a Captain with the Los Angeles City Fire Department and, for the past 13 years, was the Fire Department's elected representative to the Board of Fire and Police Pension Commissioners. During Mr. Carter's time on the Fire and Police Pension Board he served as President and Vice President, and chaired the real estate and investment committees. Mr. Carter received his bachelor's degree in Public Administration from California State University, Los Angeles and also attended Wharton.

Joel Karsch

Senior Director of Investor Relations

Joel Karsch is Senior Director of Investor Relations for Beach Point Capital Management. Mr. Karsch has been in the industry for over 18 years, most recently as a Senior Client Portfolio Manager at Aberdeen Asset Management. Prior to Aberdeen, Mr. Karsch was a Portfolio Manager at Deutsche Asset Management and Morgan Grenfell focusing on investments in residential, commercial and asset-backed securities. Mr. Karsch received a bachelor's degree from the University of Pennsylvania and an MBA from Temple University.

Lucy Pham

Director of Investor Relations

Lucy Pham is Director of Investor Relations for Beach Point Capital Management. Prior to Beach Point Capital she was a Client Analyst at Post Advisory Group. Before Post, she was a corporate trust relationship manager on a portfolio of municipal bond issues at The Bank of New York Trust Company, N.A. Prior to that she worked at Deutsche Bank and State Street Bank on multi-billion dollar institutional public funds that involved client service, accounting and reporting, cash management, and trade processing. Ms. Pham received a bachelor's degree in both Business Administration and Psychology from the University of Redlands and spent a year abroad at the University of Leeds in England.

Kritsana Keopunna

Director of Technology

Kritsana Keopunna is Director of Technology for Beach Point Capital Management. Mr. Keopunna has been in the industry for over 11 years, focusing primarily on IT expansion projects. Prior to Beach Point Capital, Mr. Keopunna was responsible for supporting and managing IT services delivered to the Corporate and Mortgage offices of KB Home. Mr. Keopunna received a bachelor's degree from Albion College, and attended Boston University and the University of Michigan.

Important Disclosures

This material is for informational purposes only, is current as of the date noted and should not be relied upon for making an investment decision. It reflects the views of Beach Point Capital Management LP (“Beach Point”) at the time of this writing, and does not purport to address the financial objectives, situation or specific needs of any individual investor. The views expressed herein may have changed in response to changing circumstances and market conditions. This material does not constitute an offer to sell or the solicitation of an offer to buy any interest in any investment product or fund. Such offer or solicitation may only be made by means of delivery of a confidential private offering memorandum or other appropriate document which contains a description of the material terms (including risk factors, conflicts of interest, fees and charges) relating to such investment product or fund.

The fund performance set forth herein is for the Beach Point Total Return Fund LP. That fund has the longest track record of the Total Return funds managed by Beach Point. Performance is net of all expenses and the management fees and incentive allocations of all fee-paying investors in the fund. Fees have changed over time and existing investors may pay fees and allocations that differ from each other and those currently available to new investors. As a result, the performance shown herein reflects a different fee structure than that of the share class or partnership interest in which a new investor may invest. Performance includes the reinvestment of dividends and other earnings. Certain factors, such as the treatment of loss carry forwards and subscription and redemption dates, may cause performance to vary from investor to investor. Past performance is no guarantee or predictor of future results and there is no assurance that these or comparable returns will be achieved by any fund or that a fund’s investment objective will be achieved. Any investment in one of the Beach Point Total Return funds involves significant risk, including the risk of loss of your investment.

The management of the Total Return funds was assigned by the prior investment adviser, Post Advisory Group, LLC (“Post”), to Beach Point on January 1, 2009. Performance for the Total Return funds prior to January 1, 2009 was achieved by the portfolio managers while managing the Total Return funds at Post. Performance for the other Total Return funds will be provided upon request. Results for 2011 are preliminary estimates and unaudited. Performance attribution, other attribution figures, asset figures, leverage figures and exposure figures set forth herein are for the Beach Point Total Return Master Fund, L.P., are calculated on a gross basis, are estimates based on Beach Point’s internal research, subjective determinations and categorization of investments and should not be relied upon. The S&P 500 Index, Barclays Capital High Yield Index and the Credit Suisse Leveraged Loan Index are unmanaged indices. Comparisons made between these unmanaged indices and the Beach Point Total Return funds are of limited value and no representation is made that a Beach Point Total Return fund will hold comparable securities or will have a risk profile similar to any index. Indices are included to show general market trends for the periods indicated and are not, nor should they be interpreted to be, absolute benchmarks to compare to an investor’s performance. References to the Barclays Capital High Yield index refer to the Barclays Capital U.S. Corp High Yield Index. This confidential document may not be published or distributed without the express written consent of Beach Point.