

March 10,
2022

Alternative Investment Performance

Merced County Employees' Retirement Association



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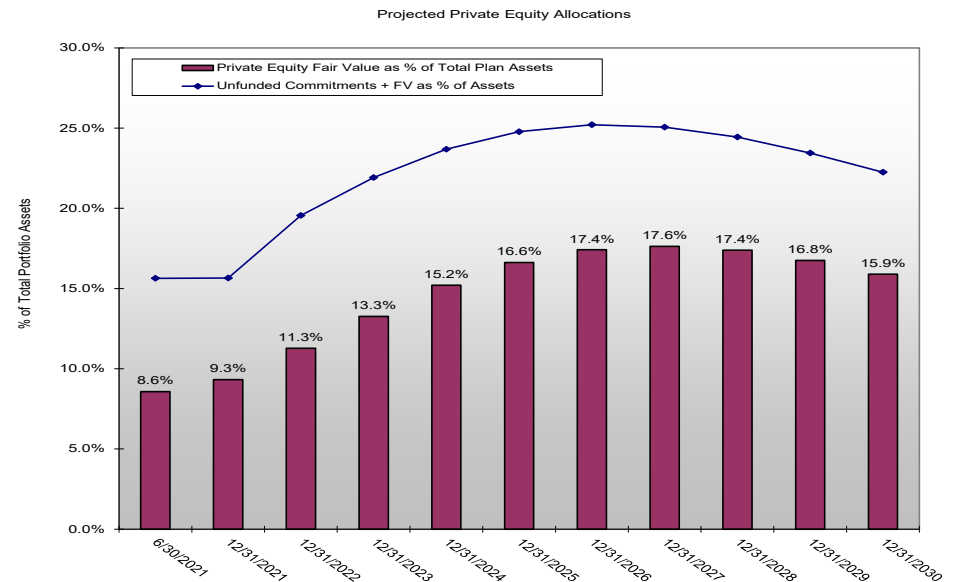
MercedCERA Private Equity Capital Budget & Implementation Plan

15% fund level target; an increase from 9% in 2018

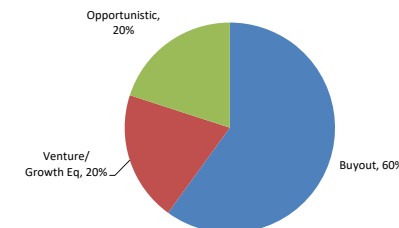
- Increase annual capital budget target to \$55 mm from \$40 mm
 - Range of \$40-\$70 million
- Target 5-10 investments, range of \$5-\$15 million per inv; average size of \$8 million per
- Forecasted to reach the targeted level in 3 years
- Targets for strategy exposures remain the same
- Update capital budgets on an annual basis

Performance comparisons:

- Long term investment objective: Earn a return premium over public equity (Russell 3000 + 3%)
- Recommended primary asset class benchmark: Cambridge Associates Global Private Equity & VC Index
- Recommended fund benchmarks: Each fund will be compared to the Cambridge Associates strategy universe for the respective vintage years and each vintage year will be compared to Cambridge Associates Global Private Equity & VC Index



Target Strategy Diversification



	Target	Ranges
Buyout	60%	40-80%
Venture/Growth Eq	20%	10-30%
Opportunistic	20%	10-30%
	100%	

Note: MCERA's existing private equity portfolio was modeled using vintage year drawdown/return of capital assumptions patterned after historical category averages. Total fund growth of 5.5%.

MercedCERA Private Equity Investment Structure & Portfolio Assessment

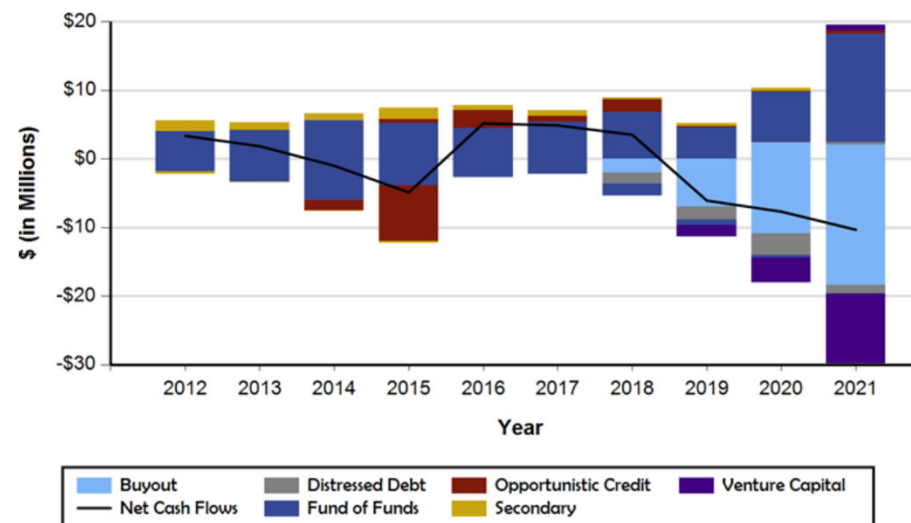
Investment structure (15% fund target; 9.5% invested as of Dec 2021):

- Current portfolio is barbelled with half of commitments in 2007 & earlier FoFs and half in 2011 & later FoFs
 - Overall portfolio has not met performance expectations; 2011 & later portfolio is still in development with the funds in VY 2017-2021 in their investment period
 - Continued rebound in 3Q valuations offsetting the covid markdowns and there were annual gains of \$39 million; contributions exceed distributions by \$12 million as the newer portfolios are being built
 - Portfolio is diversified by strategy but overall it is in a negative cash flow situation

Annual Summary

(in thousands)	Total Partnerships	Total Commitment	(A) Contributions	(B) Distributions	(C) Fair Value	(B+C) Total Value	(B+C-A) Gain Loss	Net IRR	Benchmark
September 30, 2020	36	\$ 179,269	\$ 87,792	\$ 67,499	\$ 60,629	\$ 128,128	\$ 40,336	9.05%	11.79%
September 30, 2021	44	\$ 216,137	\$ 123,749	\$ 91,543	\$ 111,759	\$ 203,302	\$ 79,553	12.18%	13.90%
Annual Change	8	\$ 36,868	\$ 35,957	\$ 24,044	\$ 51,130	\$ 75,174	\$ 39,217		

Annual Cash Flow



Note: Net cash flow is the for the respective calendar year.

MercedCERA Private Equity Performance – as of Sep 30, 2021



Partnership Name	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 2004												
Invesco Partnership Fund IV, L.P.	Fund of Funds	10,000	2,417	7,898	76%	16,233	0	16,233	8,336	11.75%	8.11%	2.06x
Vintage Year 2004 Total		10,000	2,417	7,898	76%	16,233	0	16,233	8,336	11.75%	8.21%	2.06x
Vintage Year 2005												
ASP 2005 Non-US Fund	Fund of Funds	1,500	74	1,426	95%	1,763	172	1,935	509	4.59%	0.95%	1.36x
ASP 2005 US Fund	Fund of Funds	3,500	177	3,323	95%	4,842	533	5,375	2,052	7.19%	7.56%	1.62x
Pantheon Ventures Euro Fund IV	Fund of Funds	1,159	49	1,284	96%	1,590	84	1,674	391	4.62%	0.95%	1.30x
Pantheon Ventures USA Fund VI	Fund of Funds	3,750	206	3,544	95%	5,284	92	5,376	1,832	6.47%	7.56%	1.52x
Vintage Year 2005 Total		9,909	507	9,576	95%	13,479	881	14,360	4,784	6.25%	7.49%	1.50x
Vintage Year 2006												
Pantheon Global Secondary Fund III "B"	Secondary	10,000	540	9,460	95%	10,300	217	10,517	1,057	1.90%	N/A	1.11x
Vintage Year 2006 Total		10,000	540	9,460	95%	10,300	217	10,517	1,057	1.90%	7.38%	1.11x
Vintage Year 2007												
ASP 2007 Direct Fund	Fund of Funds	450	12	438	97%	880	300	1,179	741	12.76%	11.96%	2.69x
ASP 2007 Non-US Fund	Fund of Funds	1,575	78	1,497	95%	1,925	651	2,576	1,079	8.55%	-0.72%	1.72x
ASP 2007 US Fund	Fund of Funds	2,475	115	2,360	95%	4,108	936	5,043	2,683	12.88%	11.96%	2.14x
Vintage Year 2007 Total		4,500	205	4,295	95%	6,912	1,886	8,799	4,504	11.51%	9.20%	2.05x
Vintage Year 2011												
ASP 2011 Direct Fund	Fund of Funds	500	37	463	93%	601	436	1,037	575	16.12%	22.94%	2.24x
ASP 2011 Emerging Markets Fund	Fund of Funds	500	64	436	87%	392	757	1,149	714	16.65%	5.64%	2.64x
ASP 2011 Non-US Developed Fund	Fund of Funds	1,500	239	1,261	84%	1,386	1,335	2,721	1,461	16.27%	5.64%	2.16x
ASP 2011 US Fund	Fund of Funds	2,500	326	2,175	87%	2,961	2,675	5,637	3,462	19.08%	22.94%	2.59x
Pantheon Asia Fund VI	Fund of Funds	1,000	90	911	91%	713	956	1,668	757	11.39%	5.64%	1.83x
Pantheon Euro Fund VII	Fund of Funds	1,617	207	1,501	87%	1,590	1,558	3,149	1,648	14.15%	5.64%	2.10x
Pantheon Ventures USA Fund IX	Fund of Funds	2,000	202	1,798	90%	2,410	2,169	4,579	2,781	17.98%	22.94%	2.55x
Vintage Year 2011 Total		9,617	1,166	8,544	88%	10,054	9,886	19,940	11,397	16.54%	13.70%	2.33x
Vintage Year 2013												
Invesco Partnership Fund VI, L.P.	Fund of Funds	5,000	1,548	3,958	69%	10,791	4,114	14,906	10,948	24.75%	21.81%	3.77x
Vintage Year 2013 Total		5,000	1,548	3,958	69%	10,791	4,114	14,906	10,948	24.75%	14.60%	3.77x
Vintage Year 2014												
Ocean Avenue Fund II	Fund of Funds	10,000	1,000	9,000	90%	11,447	9,676	21,123	12,123	20.42%	25.95%	2.35x
Raven Asset-Based Opportunity Fund II	Opp Credit	10,000	474	9,526	95%	6,633	2,314	8,948	-578	-1.76%	8.02%	0.94x
Vintage Year 2014 Total		20,000	1,474	18,526	93%	18,080	11,990	30,070	11,544	11.88%	19.83%	1.62x

Note: The benchmark represents the Cambridge Associates LLC median for the respective strategy and vintage year. At the vintage year level, the Cambridge Associates LLC Global Private Equity & VC[®] median is used for the respective vintage year.

MercedCERA Private Equity Performance – as of Sep 30, 2021



Partnership Name	Strategy	(A)		(B)		(C)	(D) Fair Value	(C+D)	(C+D-B) Gain/Loss	Net IRR	IRR	
		Commit. Amount	Unfund. Amount	Cumulat. Cont.	% Drawn	Cumulat. Dist.		Total Value			Bench.	TVPI
Vintage Year 2017												
GTCR XII	Buyout	5,000	1,157	3,843	77%	709	6,260	6,969	3,126	40.45%	27.02%	1.81x
Vintage Year 2017 Total		5,000	1,157	3,843	77%	709	6,260	6,969	3,126	40.45%	25.66%	1.81x
Vintage Year 2018												
Carrick Capital Partners III, L.P.	Buyout	5,000	1,112	3,888	78%	0	5,047	5,047	1,159	18.79%	26.44%	1.30x
Cressey & Company Fund VI LP	Buyout	5,000	1,575	3,425	69%	0	5,870	5,870	2,445	48.34%	26.44%	1.71x
Davidson Kempner Distr Opps Fund IV	Distressed Debt	5,000	343	4,743	93%	240	5,787	6,027	1,285	10.63%	N/A	1.27x
Vintage Year 2018 Total		15,000	3,030	12,055	80%	240	16,704	16,944	4,888	20.60%	28.63%	1.41x
Vintage Year 2019												
Accel-KKR Growth Capital Partners III	Buyout	5,000	1,191	3,809	76%	306	4,393	4,698	889	28.70%	28.39%	1.23x
Cortec Group Fund VII, L.P.	Buyout	10,000	7,169	4,371	28%	1,543	5,131	6,673	2,303	N/M	N/M	1.53x
Genstar Capital Partners IX, L.P.	Buyout	7,000	1,028	6,292	85%	807	8,268	9,075	2,783	49.74%	28.39%	1.44x
Summit Growth Equity Fund X-A, L.P.	Buyout	8,000	4,360	4,702	46%	1,062	5,340	6,401	1,699	N/M	N/M	1.36x
TCV X, L.P.	Venture Capital	5,000	1,476	3,524	70%	0	9,515	9,515	5,990	80.65%	39.97%	2.70x
Vintage Year 2019 Total		35,000	15,225	22,697	57%	3,717	32,645	36,362	13,665	55.25%	34.36%	1.60x
Vintage Year 2020												
Accel-KKR Capital Partners VI, LP	Buyout	5,000	4,300	700	14%	0	604	604	-96	N/M	N/M	0.86x
GTCR Fund XIII/A & B LP	Buyout	8,000	7,435	565	7%	0	851	851	286	N/M	N/M	1.51x
Marlin Heritage Europe II, L.P.	Buyout	8,112	4,417	2,846	46%	0	3,880	3,880	1,034	N/M	N/M	1.36x
Thoma Bravo Discover Fund III, L.P.	Buyout	8,000	4,128	3,872	48%	0	3,810	3,810	-62	N/M	N/M	0.98x
Taconic Market Dislocation Fund III L.P.	Distressed Debt	8,000	5,150	3,027	36%	237	3,970	4,207	1,179	N/M	N/M	1.39x
Spark Capital Growth Fund III, L.P.	Venture Capital	6,000	840	5,160	86%	791	7,490	8,281	3,121	N/M	N/M	1.60x
Spark Capital VI, L.P.	Venture Capital	3,000	1,365	1,635	55%	0	1,587	1,587	-48	N/M	N/M	0.97x
Summit Venture Capital Fund V-A, L.P.	Venture Capital	6,000	4,803	1,197	20%	0	1,185	1,185	-12	N/M	N/M	0.99x
Vintage Year 2020 Total		52,112	32,439	19,002	38%	1,028	23,376	24,403	5,402	N/M	N/M	1.28x

Note: The benchmark represents the Cambridge Associates LLC median for the respective strategy and vintage year. At the vintage year level, the Cambridge Associates LLC Global Private Equity & VC[®] median is used for the respective vintage year.

MercedCERA Private Equity Performance – as of Sep 30, 2021



Partnership Name	Strategy	(A)	(B)	(C)	(D)	(C+D)	(C+D-B)	IRR				
		Commit. Amount	Unfund. Amount	Cumulat. Cont.		% Drawn		Cumulat. Dist.	Fair Value	Total Value	Gain/Loss	Net IRR
Vintage Year 2021												
Genstar Capital Partners X, L.P.	Buyout	8,000	8,000	0	0%	0	0	0	0	N/M	N/M	N/A
Nautic Partners X, L.P.	Buyout	8,000	8,000	36	0%	0	4	4	-33	N/M	N/M	0.10x
Khosla Ventures Seed E, L.P.	Venture Capital	2,000	1,760	240	12%	0	285	285	45	N/M	N/M	1.19x
Khosla Ventures VII, L.P.	Venture Capital	6,000	4,794	1,206	20%	0	1,196	1,196	-10	N/M	N/M	0.99x
TCV Velocity Fund I, L.P.	Venture Capital	8,000	8,000	0	0%	0	0	0	0	N/M	N/M	N/A
TCV XI, L.P.	Venture Capital	8,000	5,587	2,413	30%	0	2,313	2,313	-100	N/M	N/M	0.96x
Vintage Year 2021 Total		40,000	36,141	3,895	10%	0	3,798	3,798	-97	N/M	N/M	0.97x
Portfolio Total :		216,137	95,850	123,749	56%	91,543	111,759	203,302	79,553	12.18%	13.90%	1.64x
Portfolio Strategy Totals												
Buyout		90,112	53,874	38,347	40%	4,425	49,456	53,881	15,534	39.60%		1.41x
Distressed Debt		13,000	5,493	7,770	58%	476	9,757	10,234	2,464	16.42%		1.32x
Fund of Funds		49,025	6,843	43,271	86%	68,917	26,444	95,361	52,090	12.67%		2.20x
Growth Equity		0	0	0	0%	0	0	0	0	N/M		N/A
Opportunistic Credit		10,000	474	9,526	95%	6,633	2,314	8,948	-578	-1.76%		0.94x
Secondary		10,000	540	9,460	95%	10,300	217	10,517	1,057	1.90%		1.11x
Venture Capital		44,000	28,625	15,375	35%	791	23,570	24,361	8,986	73.80%		1.58x
Portfolio Total :		216,137	95,850	123,749	56%	91,543	111,759	203,302	79,553	12.18%	13.90%	1.64x

Note: The benchmark represents the Cambridge Associates LLC median for the respective strategy and vintage year. At the vintage year level, the Cambridge Associates LLC Global Private Equity & VC[®] median is used for the respective vintage year.

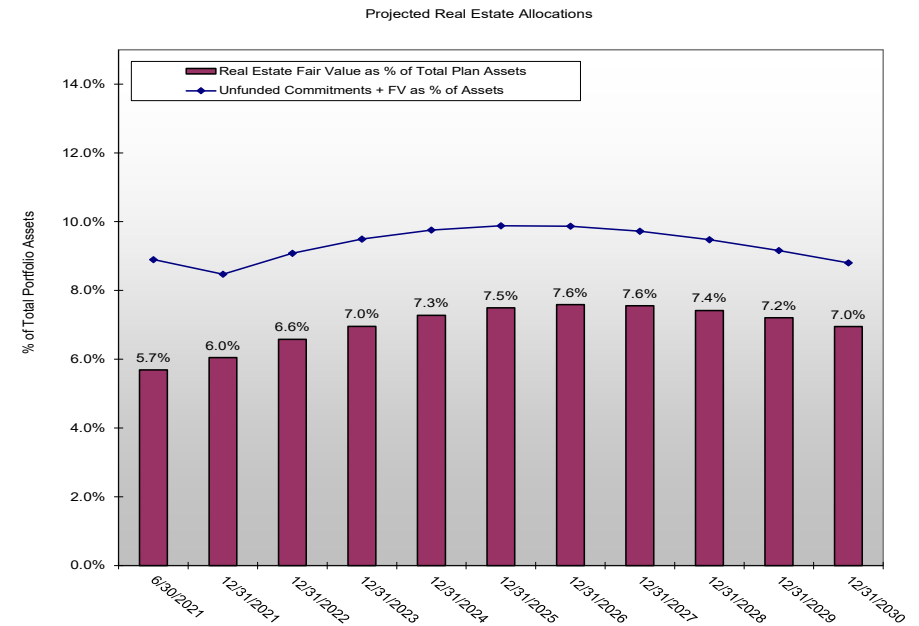
MercedCERA Real Estate Capital Budget & Implementation Plan

8% fund level target; same as prior target

- Increase annual capital budget to \$20 mm from \$15 mm
 - Range of \$10-\$30 million
- Target 2-4 investments, range of \$5-\$10 million per inv
 - Average investment size of \$8 million
 - If an average of 2-4 GP partnership commitments per year, expect a total of 8-16 GP relationships over a 4 year fund raising cycle
- Continue using REITS as a substitute until funding private real estate investments is needed; core RE target is 25% of RE portfolio

Performance comparisons:

- Long term investment objective: Earn a return premium over inflation (CPI-U + 5%)
- Recommended primary asset class benchmark: NCREIF NFI-ODCE; revisit over time as the structure of the portfolio changes
- Recommended fund benchmarks: Cambridge Associates strategy universe for the respective vintage years and each vintage year will be compared to Cambridge Associates Global Real Estate Index



Note: MCERA's existing real estate portfolio was modeled using vintage year drawdown/return of capital assumptions patterned after historical averages. Total fund growth rate of 5.5%.

MercedCERA Real Estate Investment Structure & Portfolio Assessment

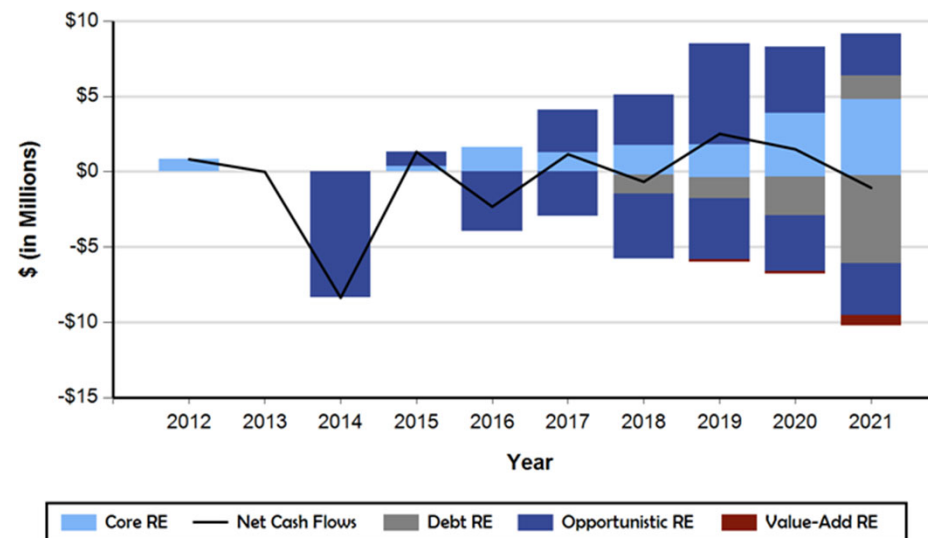
Real estate investment structure (8% target, 8% actual as of Dec 2021)

- MCERA invested in 1999 in a private core real estate fund; direct program began in 2014
- Contributions and distributions were similar over the past year; RE activity has increased and the valuation improved by \$8 million over the past year

Annual Summary

(in thousands)	Total Partnerships	Total Commitment	(A) Contributions	(B) Distributions	(C) Fair Value	(B+C) Total Value	(B+C-A) Gain Loss	Net IRR	Benchmark
September 30, 2020	10	\$ 83,957	\$ 47,676	\$ 40,625	\$ 60,544	\$ 101,169	\$ 53,493	8.63%	8.56%
September 30, 2021	12	\$ 99,790	\$ 60,212	\$ 53,739	\$ 68,046	\$ 121,785	\$ 61,573	8.81%	8.71%
Annual Change	2	\$ 15,833	\$ 12,536	\$ 13,114	\$ 7,502	\$ 20,616	\$ 8,080		

Annual Cash Flow



Note: Net cash flow is the for the respective calendar year.

MercedCERA Real Estate Performance – as of Sep 30, 2020

Real Estate Portfolio

- MCERA began investing in the UBS Trumbull core real estate fund in 1999 and this represents the bulk of the real estate portfolio
 - Opportunistic funds began being added in 2014 and they are in the early stages of development with the VY 2016 fund now out of its “j-curve”
- Overall performance has met objectives, driven by the core RE fund; opportunistic fund performance is not meaningful

Partnership Name	Strategy	(A)		(B)		(C)		(C+D)	(C+D-B)		IRR		TVPI
		Commit. Amount	Unfund. Amount	Cumulat. Cont.	% Drawn	Cumulat. Dist.	(D) Fair Value	Total Value	Gain/Loss	Net IRR	Bench.		
Vintage Year 1999													
UBS Trumbull Property Fund	Core RE	17,000	0	18,095	100%	31,979	33,866	65,845	47,750	8.47%	10.20%	3.64x	
Vintage Year 1999 Total		17,000	0	18,095	100%	31,979	33,866	65,845	47,750	8.47%	12.95%	3.64x	
Vintage Year 2014													
Greenfield Acquisition Partners VII, L.P.	Opportunistic RE	13,000	1,876	12,662	86%	14,721	6,319	21,040	8,378	13.05%	10.01%	1.66x	
Vintage Year 2014 Total		13,000	1,876	12,662	86%	14,721	6,319	21,040	8,378	13.05%	10.01%	1.66x	
Vintage Year 2016													
Patron Capital Fund V	Opportunistic RE	13,790	3,354	10,344	76%	3,424	9,421	12,845	2,501	9.66%	13.24%	1.24x	
Vintage Year 2016 Total		13,790	3,354	10,344	76%	3,424	9,421	12,845	2,501	9.66%	12.17%	1.24x	
Vintage Year 2017													
Carlyle Realty Partners VIII, L.P.	Opportunistic RE	5,000	3,439	3,018	31%	1,688	2,287	3,974	956	23.17%	12.70%	1.32x	
Vintage Year 2017 Total		5,000	3,439	3,018	31%	1,688	2,287	3,974	956	23.17%	13.15%	1.32x	
Vintage Year 2018													
Taconic CRE Dislocation Fund II	Debt RE	5,000	550	4,597	89%	1,538	3,892	5,431	834	10.09%	16.22%	1.18x	
AG Realty Value Fund X, L.P.	Opportunistic RE	5,000	2,527	2,625	49%	388	2,798	3,186	562	15.91%	20.47%	1.21x	
Vintage Year 2018 Total		10,000	3,077	7,221	69%	1,927	6,691	8,617	1,396	11.79%	15.68%	1.19x	
Vintage Year 2019													
Rockpoint Real Estate Fund VI, L.P.	Opportunistic RE	5,000	3,721	1,278	26%	0	1,671	1,671	393	N/M	N/M	1.31x	
Carmel Partners Investment Fund VII, L.P.	Value-Add RE	5,000	3,899	1,101	22%	0	891	891	-210	-25.38%	1.46%	0.81x	
Vintage Year 2019 Total		10,000	7,621	2,379	24%	0	2,562	2,562	183	8.82%	10.37%	1.08x	
Vintage Year 2020													
Cerberus Real Estate Debt Fund, L.P.	Debt RE	7,000	4,501	2,494	36%	0	2,761	2,761	267	N/M	N/M	1.11x	
Starwood Distressed Opportunity Fund XII Global L.P.	Opportunistic RE	8,000	8,000	0	0%	0	36	36	36	N/M	N/M	N/A	
Vintage Year 2020 Total		15,000	12,501	2,494	17%	0	2,798	2,798	304	N/M	N/M	1.12x	
Vintage Year 2021													
Taconic CRE Dislocation Fund III L.P.	Debt RE	8,000	4,000	4,000	50%	0	4,118	4,118	118	N/M	N/M	1.03x	
Carlyle Realty Partners IX, L.P.	Opportunistic RE	8,000	8,000	0	0%	0	-13	-13	-13	N/M	N/M	N/A	
Vintage Year 2021 Total		16,000	12,000	4,000	25%	0	4,105	4,105	105	N/M	N/M	1.03x	
Portfolio Total :		99,790	43,868	60,212	56%	53,739	68,046	121,785	61,573	8.81%	8.71%	2.02x	

Note: The benchmark at the total portfolio level is NCREIF NFI-ODCE . Private real estate benchmark at the fund level is the Cambridge Value Add or Opportunistic RE Indices while the Cambridge Global Real Estate Index at the vintage year level.

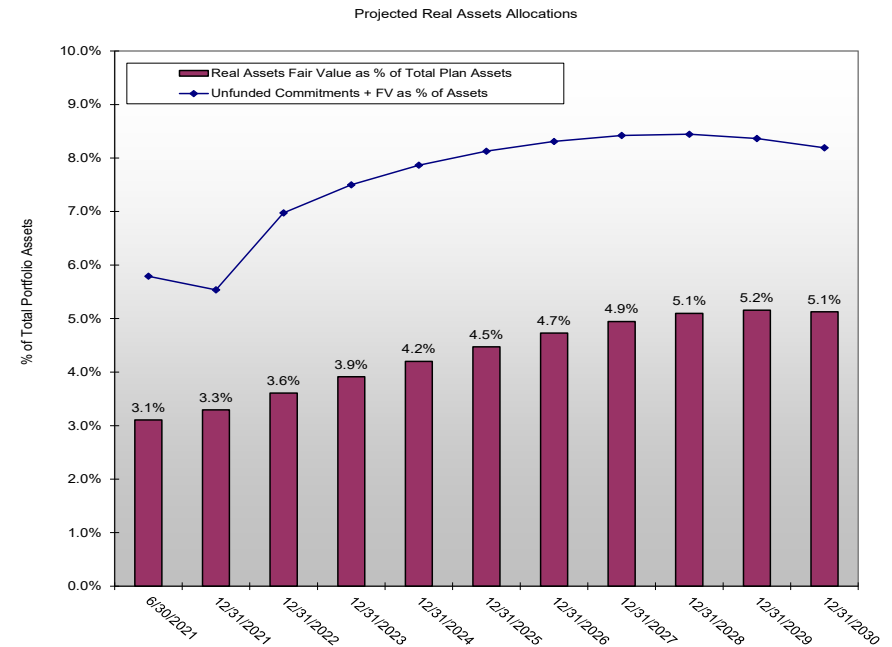
MercedCERA Real Asset Capital Budget & Implementation Plan

5% fund level target; a decrease from the prior 6% target in 2018

- Increase annual capital budget target from \$15 to \$18 million
 - Range of \$10-\$25 million
- Target 2-4 investments, range of \$5-\$10 million per inv
 - Average investment size of \$8 million
 - If an average of 2-4 GP partnership commitments per year, expect a total of 8-16 GP relationships over a 4 year fund raising cycle
- Portfolio targeted to be equally split between infrastructure and energy/natural resource funds

Performance comparisons:

- Long term investment objective: Earn a return premium over inflation (CPI-U + 5%)
- Recommended primary asset class benchmark: 50/50 Cambridge Global Infrastructure/Cambridge Energy Upstream & Royalties and Private Energy Index
- Recommended fund benchmarks: Each fund will be compared to the Cambridge Associates strategy universe for the respective vintage years and each vintage year will be compared to the 50/50 index



Note: MCERA's existing real asset portfolio was modeled using vintage year drawdown/return of capital assumptions patterned after historical category averages. Total fund growth rate of 5.5%.

MercedCERA Real Assets Investment Structure & Portfolio Assessment

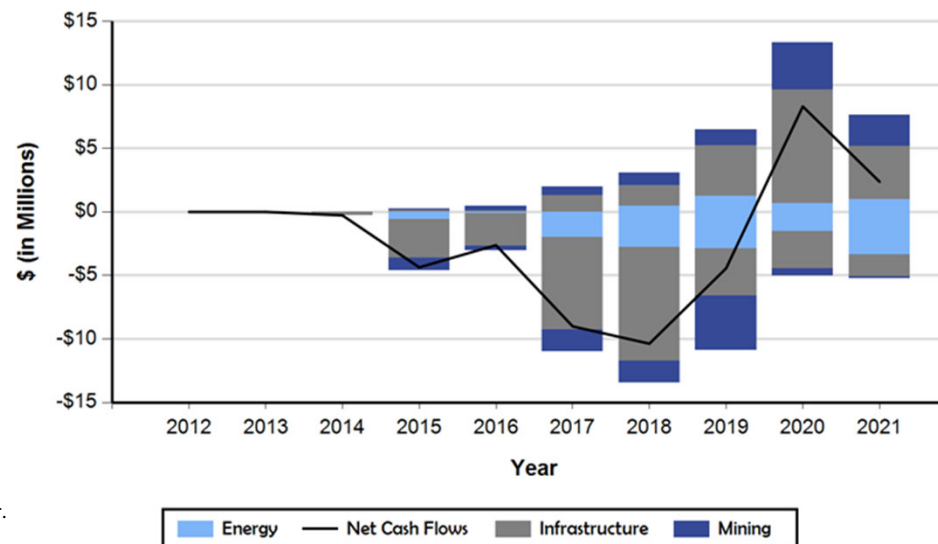
Real assets investment structure (5% target, 4.9% actual as of Dec 2021)

- Program is designed to be equally divided between private infrastructure and natural resource funds along with a public real asset component
- Private fund commitments began in 2014 to infrastructure and 2015 to natural resources
- The overall portfolio is immature with the funds in the early stage of development
 - Distributions exceed contributions by \$3 mm as the infrastructure funds continue to return capital

Annual Summary

(in thousands)	Total Partnerships	Total Commitment	(A) Contributions	(B) Distributions	(C) Fair Value	(B+C) Total Value	(B+C-A) Gain Loss	Net IRR	Benchmark
September 30, 2020	12	\$ 70,649	\$ 47,202	\$ 24,005	\$ 33,057	\$ 57,062	\$ 9,860	9.99%	-3.30%
September 30, 2021	14	\$ 83,587	\$ 53,542	\$ 33,163	\$ 36,523	\$ 69,686	\$ 16,144	11.92%	1.88%
Annual Change	2	\$ 12,938	\$ 6,340	\$ 9,158	\$ 3,466	\$ 12,624	\$ 6,284		

Annual Cash Flow



Note: Net cash flow is the for the respective calendar year.

MercedCERA Real Assets Performance – as of Sep 30, 2021

Real Asset Portfolio

- MCERA began allocating to real assets in 2014 via direct fund commitments
- Portfolio is in its early stages of development so performance is not meaningful; the energy funds have improved in value as energy prices have risen; the VY 2017-21 funds are being built out

Partnership Name	Strategy	(A)		(B)		(C)		(C+D)	(C+D-B)	IRR		TVPI
		Commit. Amount	Unfund. Amount	Cumulat. Cont.	% Drawn	Cumulat. Dist.	(D) Fair Value	Total Value	Gain/Loss	Net IRR	Bench.	
Vintage Year 2014												
KKR Global Infrastructure II	Infrastructure	10,000	404	11,053	96%	10,849	8,282	19,131	8,078	17.99%	8.88%	1.73x
Vintage Year 2014 Total		10,000	404	11,053	96%	10,849	8,282	19,131	8,078	17.99%		1.73x
Vintage Year 2015												
GSO Energy Select Opportunities Fund	Energy	7,500	3,454	4,501	54%	2,838	2,975	5,813	1,312	8.15%	8.45%	1.29x
North Haven Infrastructure Partners II LP	Infrastructure	10,000	1,318	11,360	87%	8,516	5,723	14,239	2,879	8.85%	9.05%	1.25x
Taurus Mining Finance Fund	Mining	5,000	585	5,292	88%	4,793	1,093	5,886	594	6.01%	N/A	1.11x
Vintage Year 2015 Total		22,500	5,357	21,153	76%	16,147	9,791	25,938	4,785	8.18%		1.23x
Vintage Year 2016												
Taurus Mining Finance Annex Fund	Mining	5,000	1,037	4,569	79%	4,730	1,025	5,755	1,186	17.44%	N/A	1.26x
Vintage Year 2016 Total		5,000	1,037	4,569	79%	4,730	1,025	5,755	1,186	17.44%		1.26x
Vintage Year 2017												
EnCap Energy Capital Fund XI, L.P.	Energy	5,000	2,678	2,334	46%	13	2,252	2,265	-69	-1.60%	6.33%	0.97x
ISQ Global Infrastructure Fund II	Infrastructure	5,000	1,606	4,025	68%	632	4,602	5,234	1,209	16.01%	8.79%	1.30x
Vintage Year 2017 Total		10,000	4,284	6,359	57%	645	6,854	7,498	1,139	9.53%		1.18x
Vintage Year 2018												
EnCap Flatrock Midstream IV, L.P.	Energy	3,000	1,812	1,266	40%	94	1,404	1,497	231	6.98%	7.40%	1.18x
Ardian Infrastructure Fund V	Infrastructure	5,087	4,146	949	19%	52	995	1,047	98	7.99%	10.17%	1.10x
KKR Global Infrastructure Investors III	Infrastructure	5,000	2,326	2,995	53%	249	2,997	3,245	251	5.66%	10.17%	1.08x
Vintage Year 2018 Total		13,087	8,284	5,209	37%	395	5,395	5,790	581	6.47%		1.11x
Vintage Year 2019												
Global Energy & Power Infrastructure III	Energy	5,000	2,761	2,431	45%	398	2,270	2,669	238	9.32%	18.38%	1.10x
Tailwater Energy Fund IV, LP	Energy	5,000	2,230	2,768	55%	0	3,026	3,026	258	N/M	N/M	1.09x
Vintage Year 2019 Total		10,000	4,992	5,199	50%	398	5,297	5,695	496	9.27%		1.10x
Vintage Year 2021												
ISQ Global Infrastructure Fund III, L.P.	Infrastructure	5,000	5,000	0	0%	0	-88	-88	-88	N/M	N/M	N/A
KKR Global Infrastructure Investors IV	Infrastructure	8,000	8,000	0	0%	0	-33	-33	-33	N/M	N/M	N/A
Vintage Year 2021 Total		13,000	13,000	0	0%	0	-121	-121	-121	N/M		N/A
Portfolio Total :		83,587	37,357	53,542	55%	33,163	36,523	69,686	16,144	11.92%	1.88%	1.30x

Note: Benchmark is 50% S&P Natural Resources and 50% S&P Infrastructure. Benchmarks for individual funds are the respective Cambridge strategy benchmark.

MercedCERA Direct Lending Capital Budget & Implementation Plan

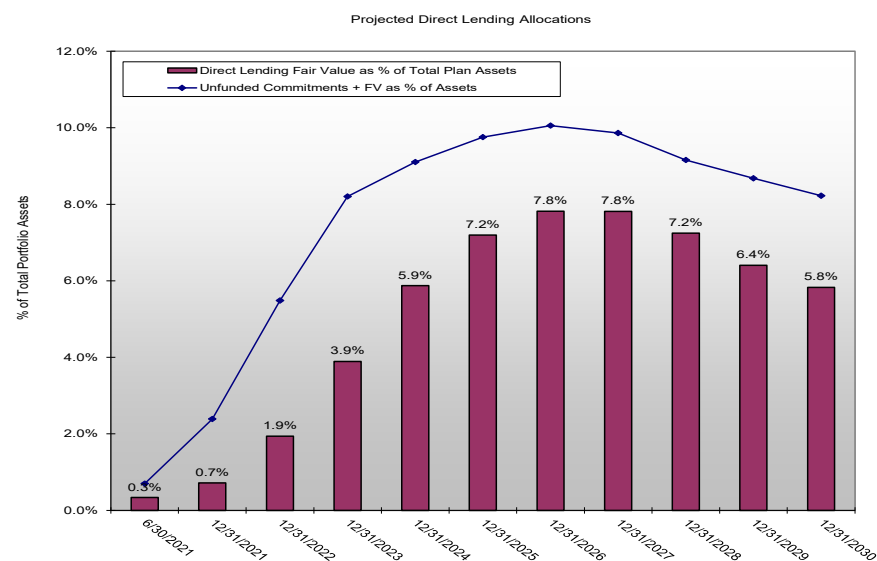
5% fund level target approved in Oct 2021

- Target a \$40 million capital budget for 2022
 - Range of \$30-\$50 million
- Target 2-4 investments, range of \$10-\$25 million per inv
 - Average investment size of \$20 million

Moved Silver Point Specialty Credit II (VY 2019) from PE to DL

Performance comparisons:

- Recommended primary asset class benchmark: S&P LSTA + 2%



Note: MCERA's existing portfolio was modeled using vintage year drawdown/return of capital assumptions patterned after historical category averages. Total fund growth rate of 5.5%.

MercedCERA Direct Lending Investment Structure & Portfolio Assessment

Direct Lending investment structure (5% target, 1.2% actual as of Dec 2021)

- Program was approved with the asset allocation in Oct 2021
- Silver Point was moved over from the PE portfolio and new commitments began at year end
- The overall portfolio is immature with the funds in the early stage of development
 - Contributions exceed distributions by \$0.2 mm as the program is being built out

Quarterly Summary

(in thousands)	Total Partnerships	Total Commitment	(A) Contributions	(B) Distributions	(C) Fair Value	(B+C) Total Value	(B+C-A) Gain	Net IRR	Benchmark
June 30, 2021	1	\$ 8,000	\$ 3,676	\$ 189	\$ 3,879	\$ 4,068	\$ 392	N/M	N/M
September 30, 2021	1	\$ 8,000	\$ 3,945	\$ 251	\$ 4,167	\$ 4,418	\$ 473	N/M	N/M
Quarterly Change	0	\$ -	\$ 269	\$ 62	\$ 288	\$ 350	\$ 81		

MercedCERA Direct Lending Performance – as of Sep 30, 2021

Direct Lending Portfolio

- Silver Point was moved over from PE to DL
- Portfolio is in its early stages of development so performance is not meaningful

Partnership Name	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/Loss	Net IRR	IRR Bench.	TVPI
Vintage Year 2019												
Silver Point Specialty Credit Fund II, L.P.	Direct Lending	8,000	3,860	3,945	52%	251	4,167	4,418	473	N/M	N/M	1.12x
Vintage Year 2019 Total		8,000	3,860	3,945	52%	251	4,167	4,418	473	N/M	N/M	1.12x
Portfolio Total :		8,000	3,860	3,945	52%	251	4,167	4,418	473	N/M	N/M	1.12x

Note: Benchmark is S&P LSTA.

MercedCERA Hedge Fund Performance – as of Jan 31, 2022



Fund	Market Value	Actual %	Returns							Std Dev	Sharpe Ratio	Incep Date
			Jan	QTD	YTD	1 Year	3 Year	5 Year	Incep			
Market Neutral												
KLS Diversified Fund LP	35,936	0.0%	-0.04%	-0.04%	-0.04%	-7.28%	-4.79%	-	-2.58%	10.21%	-0.33	Oct-17
Laurion Capital, Ltd.	14,577,124	13.7%	4.47%	4.47%	4.47%	27.26%	20.38%	-	17.28%	13.23%	1.18	Jul-18
Market Neutral - HF Total	14,613,060	13.7%	4.46%	4.46%	4.46%	15.25%	7.77%	-	6.63%	8.99%	0.61	Oct-17
HFRI Relative Value (Total) Index			0.13%	0.13%	0.13%	6.34%	5.33%	-	4.38%	5.91%	0.52	Oct-17
Credit/Distressed												
Silver Point Capital Fund, L.P.	17,349,269	16.3%	0.00%	0.00%	0.00%	19.47%	13.27%	-	9.37%	7.83%	1.00	Dec-17
Credit/Distressed - HF Total	17,349,269	16.3%	0.00%	0.00%	0.00%	19.47%	13.27%	-	9.37%	7.83%	1.00	Dec-17
HFRI EDDistressed/Restructuring Index			-1.22%	-1.22%	-1.22%	9.98%	8.48%	-	6.69%	8.37%	0.65	Dec-17
Event Driven												
Taconic Opportunity Fund L.P.	14,070,125	13.2%	0.24%	0.24%	0.24%	7.23%	5.20%	-	4.94%	6.13%	0.64	Dec-18
Event Driven - HF Total	14,070,125	13.2%	0.24%	0.24%	0.24%	7.23%	5.20%	-	4.94%	6.13%	0.64	Dec-18
HFRI Event-Driven (Total) Index			-2.30%	-2.30%	-2.30%	7.50%	7.74%	-	7.57%	10.20%	0.66	Dec-18
Equity Long/Short												
Archipelago Partners, L.P.	14,443,472	13.6%	-0.54%	-0.54%	-0.54%	12.73%	8.69%	-	6.68%	8.20%	0.66	Sep-17
Marshall Wace Funds LP - MW Eureka (US) Fund	4,192,780	3.9%	-1.48%	-1.48%	-1.48%	10.17%	11.03%	-	8.37%	6.48%	1.06	Dec-17
Marshall Wace Funds LP - MW Global Opportunities (US) Fund	9,709,482	9.1%	0.04%	0.04%	0.04%	0.48%	-	-	4.23%	10.37%	0.43	Apr-20
Equity Long/Short - HF Total	28,345,734	26.6%	-0.48%	-0.48%	-0.48%	7.86%	7.25%	-	5.83%	7.74%	0.60	Sep-17
HFRI Equity Hedge (Total) Index			-3.43%	-3.43%	-3.43%	6.40%	11.20%	-	8.04%	10.57%	0.66	Sep-17
Global Macro-Discretionary												
Graham Absolute Return Trading Ltd.	8,290,410	7.8%	3.66%	3.66%	3.66%	8.78%	4.64%	-	3.95%	9.50%	0.31	Sep-17
Caxton Global Investments (USA) LLC	10,441,020	9.8%	3.99%	3.99%	3.99%	-	-	-	4.41%	7.51%	-	May-21
Global Macro-Discretionary - HF Total	18,731,430	17.6%	3.84%	3.84%	3.84%	11.10%	5.38%	-	4.45%	9.28%	0.37	Sep-17
HFRI Macro (Total) Index			0.85%	0.85%	0.85%	8.52%	6.67%	-	3.96%	5.01%	0.53	Sep-17
Multi-Strategy												
Sculptor Domestic Partners II, L.P.	13,371,240	12.6%	-2.64%	-2.64%	-2.64%	3.44%	11.39%	9.25%	7.45%	7.26%	0.88	Jul-14
Multi-Strategy - HF Total	13,371,240	12.6%	-2.64%	-2.64%	-2.64%	3.44%	11.39%	9.25%	7.45%	7.26%	0.88	Jul-14
HFRI Relative Value (Total) Index			0.13%	0.13%	0.13%	6.34%	5.33%	4.34%	3.88%	4.81%	0.60	Jul-14
MCERA Hedge Fund Portfolio	106,480,859	100.0%	0.81%	0.81%	0.81%	11.11%	7.61%	6.77%	5.04%	5.58%	0.72	Jul-14
Benchmarks												
HFRI Fund of Funds Composite Index			-1.27%	-1.27%	-1.27%	5.38%	7.05%	5.20%	3.73%	5.26%	0.52	Jul-14
Market Indices												
Libor3Month			0.03%	0.03%	0.03%	0.17%	0.95%	1.32%	1.04%	0.25%	-	Jul-14
Bloomberg US Aggregate Bond Index			-2.15%	-2.15%	-2.15%	-2.97%	3.67%	3.08%	2.74%	3.18%	0.55	Jul-14
Bloomberg US High Yield Bond Index			-2.73%	-2.73%	-2.73%	2.06%	6.25%	5.40%	4.88%	7.14%	0.56	Jul-14
S&P 500 TR			-5.17%	-5.17%	-5.17%	23.29%	20.71%	16.78%	13.80%	14.23%	0.91	Jul-14
MSCI AC World Index Free - Net			-4.91%	-4.91%	-4.91%	13.23%	15.42%	12.64%	9.02%	13.95%	0.61	Jul-14
MSCI EAFE - Net			-4.83%	-4.83%	-4.83%	7.03%	9.34%	7.85%	4.19%	14.35%	0.28	Jul-14
MSCI EMF (Emerging Markets Free) - Net			-1.89%	-1.89%	-1.89%	-7.23%	7.19%	8.30%	4.24%	16.68%	0.27	Jul-14

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