



Los Angeles • New York

2019 Alternative Asset Fee and Expense Reporting  
MCERA Investment Retirement Board Meeting  
September 24, 2020

# Background

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California Assembly Bill 2833 was enacted in 2016 and became effective January 1, 2017 as California Government Code Section 7514.7 (the “Code”)

- The Code requires California public pension plans (“California Plans”) to obtain and publicly disclose certain fee and expense data and information on an annual basis in a public meeting

The law applies to any private fund that is an alternative investment vehicle whose contract with a California Plan was entered into on or after January 1, 2017, or for any existing contract as of December 31, 2016 for which an additional capital commitment is made on or after January 1, 2017

- California Plans are required to use “reasonable efforts” to obtain the required information for contracts entered into prior to January 1, 2017

The intent of the legislation is to increase transparency of the fees public investors are paying

## Code Section 7514.7 Disclosure Requirements

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1. The fees and expenses that the California Plan pays directly to the alternative investment vehicle, the fund manager, or related parties.
2. The California Plan's pro rata share of fees and expenses not included in paragraph (1) that are paid from the alternative investment vehicle to the fund manager or related parties.
3. The California Plan's pro rata share of carried interest distributed to the fund manager or related parties.
4. The California Plan's pro rata share of aggregate fees and expenses paid by all of the portfolio companies held within the alternative investment vehicle to the fund manager or related parties.
5. Any additional information described in subdivision (b) of Section 6254.26 of the Code.

The Code also requires that the California Plan's disclosure report include the since inception gross and net rate of return of each alternative investment vehicle.

## Code Section 6254.26 Disclosure Requirements

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1. The name, address, and vintage year of each alternative investment vehicle.
2. The dollar amount of the commitment made to each alternative investment vehicle by the California Plan since inception.
3. The dollar amount of cash contributions made by the California Plan to each alternative investment vehicle since inception.
4. The dollar amount, on a fiscal year end basis, of cash distributions received by the California Plan from each alternative investment vehicle.
5. The dollar amount, on a fiscal year end basis, of cash distributions received by the California Plan plus remaining value of partnership assets attributable to the California Plan's investment in each alternative investment vehicle.
6. The net internal rate of return of each alternative investment vehicle since inception.
7. The investment multiple of each alternative investment vehicle since inception
8. The dollar amount of the total management fees and costs paid on an annual fiscal year-end basis, by the California Plan to each alternative investment vehicle.
9. The dollar amount of cash profit received by the California Plan from each alternative investment vehicle on a fiscal year-end basis.

# Data Presentation

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Presentation of results broken out by asset class, shown separately for the Code (7514.7) and Section 6254.26

- Data provided for the Code shown for calendar year 2019
- Data provided for 6254.26 shown since inception

The reporting was provided to MCERA and Cliffwater from each fund manager

- Neither MCERA nor Cliffwater have conducted an independent verification or audit of the information

Reporting the data as of December 31, 2019 to meet the reporting requirements

- This follows the prior annual disclosure reporting as of December 31, 2018
- May consider converting the reporting period from calendar year end to fiscal year end



## Appendix – Fee and Expense Reporting Data

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# Private Equity Calendar Year 2019 (7514.7)

## Merced County Employees' Retirement Association - Calendar Year 2019 Data (7514.7) - Private Equity

Investment	Commitment	Ending Valuation	Realized Gain/Loss	Mgmt. Fee	Partnership Expenses	Offsets	Other Fees & Expenses Paid to GP <sup>1</sup>	Carried Interest Paid	Fees & Expenses Paid by Port. Companies
Accel-KKR Growth Capital Partners III	5,000,000	546,567	N/A	100,000	35,317	N/A	6,954	N/A	N/A
ASP 2005 Non-US Fund	1,500,000	286,743	(11,678)	3,000	220	0	0	61	0
ASP 2005 US Fund	3,500,000	733,378	136,486	7,000	822	0	(0)	827	0
ASP 2007 Direct Fund	450,000	291,533	46,491	2,690	126	102	0	3,605	102
ASP 2007 Non-US Fund	1,575,000	678,349	116,184	6,300	265	0	0	415	0
ASP 2007 US Fund	2,475,000	1,086,308	294,735	9,900	903	0	0	1,826	0
ASP 2011 Direct Fund	500,000	406,274	16,876	6,961	345	101	(87)	3,442	101
ASP 2011 Emerging Markets Fund	500,000	637,478	41,560	4,000	174	0	0	0	0
ASP 2011 Non-US Developed Fund	1,500,000	1,057,850	168,376	12,000	345	0	(0)	4,149	0
ASP 2011 US Fund	2,500,000	2,268,349	342,285	20,000	925	0	0	2,098	0
Carrick Capital Partners III, L.P.	5,000,000	1,345,568	0	112,281	5,725	0	(418)	0	0
Cortec Group Fund VII, L.P.	10,000,000	2,863,812	0	11,413	15,304	0	0	0	0
Cressey & Company Fund VI LP	5,000,000	1,191,155	0	100,000	18,812	16,896	11,308	0	0
Davidson Kempner Long-Term Distressed Opportunites	5,000,000	3,894,388	N/A	75,000	N/A	N/A	0	0	2
Genstar Capital Partners IX, L.P.	7,000,000	1,665,425	0	3,970	19,640	N/A	40,544	0	0
GTCR XII	5,000,000	1,638,118	0	77,796	53,656	9,105	0	0	0
Invesco Partnership Fund IV, L.P.	10,000,000	63,195	0	0	0	0	0	0	0
Invesco Partnership Fund VI, L.P.	5,000,000	6,642,347	0	42,500	8,949	0	0	0	0
Ocean Avenue Fund II	10,000,000	9,911,490	563,213	85,000	14,404	0	28,062	0	0
Pantheon Asia Fund VI	1,000,000	982,861	57,234	7,499	626	0	(2,296)	0	0
Pantheon Euro Fund VII	1,565,260	1,283,680	164,814	10,462	1,090	0	(6,408)	0	0
Pantheon Global Secondary Fund III "B"	10,000,000	721,051	373,878	46,560	4,981	0	(3,233)	0	0
Pantheon Ventures Euro Fund IV	1,122,050	83,639	(17,527)	3,922	4,232	0	(1,052)	0	0
Pantheon Ventures USA Fund IX	2,000,000	1,782,437	370,532	15,001	1,402	0	(7,167)	0	0
Pantheon Ventures USA Fund VI	3,750,000	537,642	236,081	14,393	800	0	(3,230)	0	0
Raven Asset-Based Opportunity Fund II	10,000,000	3,171,723	150,182	68,285	19,459	0	3,469	0	0
Summit Partners Growth Equity Fund X-A, L.P.	8,000,000	(23,338)	0	251	14,275	251	9,063	0	0
TCV X, L.P.	5,000,000	1,562,390	0	48,736	0	0	52,848	0	0

*This reporting relies upon the accuracy and completeness of information (which may or may not be audited by the fund manager) provided to MCERA and Cliffwater by each fund manager or its professional staff. Neither MCERA nor Cliffwater has conducted an independent verification of the information provided nor have we conducted an audit of such information.*

<sup>1</sup> Other fees and expenses paid to the GP are reported gross of income wherever possible.

\* N/A = not available or not applicable

# Private Equity Since Inception (6254.26)

## Merced County Employees' Retirement Association - Since Inception Data (6254.26) - Private Equity

Investment	Address	Vintage/ Inception	Commitment	Contributions	Distributions	Remaining Value	Total Value	S.I. Net IRR	S.I. Gross IRR	Net Inv. Multiple
Accel-KKR Growth Capital Partners III	Menlo Park, CA	2019	5,000,000	628,291	0	546,567	546,567	-18.0%	18.0%	0.87
ASP 2005 Non-US Fund	Chicago, IL	2005	1,500,000	1,425,750	1,670,037	286,743	1,956,780	4.9%	6.6%	1.37
ASP 2005 US Fund	Chicago, IL	2005	3,500,000	3,323,250	4,457,271	733,378	5,190,649	7.0%	8.8%	1.56
ASP 2007 Direct Fund	Chicago, IL	2007	450,000	438,300	770,758	291,533	1,062,291	12.3%	16.4%	2.42
ASP 2007 Non-US Fund	Chicago, IL	2007	1,575,000	1,497,040	1,663,365	678,349	2,341,714	7.8%	9.8%	1.56
ASP 2007 US Fund	Chicago, IL	2007	2,475,000	2,359,917	3,328,044	1,086,308	4,414,352	11.8%	14.1%	1.87
ASP 2011 Direct Fund	Chicago, IL	2011	500,000	457,039	492,499	406,274	898,773	15.8%	22.5%	1.97
ASP 2011 Emerging Markets Fund	Chicago, IL	2011	500,000	435,750	166,241	637,478	803,719	13.4%	15.6%	1.84
ASP 2011 Non-US Developed Fund	Chicago, IL	2011	1,500,000	1,178,250	928,711	1,057,850	1,986,561	13.2%	16.3%	1.69
ASP 2011 US Fund	Chicago, IL	2011	2,500,000	2,174,502	1,541,605	2,268,349	3,809,954	14.3%	16.5%	1.75
Carrick Capital Partners III, L.P.	San Francisco, CA	2018	5,000,000	1,227,345	0	1,345,568	1,345,568	7.9%	24.3%	1.10
Cortec Group Fund VII, L.P.	New York, NY	2019	10,000,000	2,890,529	0	2,863,812	2,863,812	-1.5%	0.0%	0.99
Cressey & Company Fund VI LP	Chicago, IL	2018	5,000,000	1,100,000	0	1,191,155	1,191,155	10.8%	26.9%	1.08
Davidson Kempner Long-Term Distressed Opportunit	New York, NY	2018	5,000,000	3,450,000	0	3,894,388	3,894,388	12.1%	18.3%	1.13
Genstar Capital Partners IX, L.P.	San Francisco, CA	2019	7,000,000	1,622,362	0	1,665,425	1,665,425	7.0%	16.2%	1.03
GTCR XII	Chicago, IL	2017	5,000,000	1,550,500	90,012	1,638,118	1,728,130	12.2%	21.8%	1.11
Invesco Partnership Fund IV, L.P.	New York, NY	2004	10,000,000	7,897,828	16,194,732	63,195	16,257,927	11.8%	N/A	2.06
Invesco Partnership Fund VI, L.P.	New York, NY	2011	5,000,000	3,958,355	1,181,548	6,642,347	7,823,895	16.5%	16.4%	1.98
Ocean Avenue Fund II	Santa Monica, CA	2014	10,000,000	8,700,000	4,146,651	9,911,490	14,058,141	14.8%	16.3%	1.62
Pantheon Asia Fund VI	London, United Kingdom	2011	1,000,000	872,318	391,801	982,861	1,374,662	10.5%	13.8%	1.58
Pantheon Euro Fund VII	London, United Kingdom	2011	1,565,260	1,477,708	1,010,679	1,283,680	2,294,359	10.4%	16.7%	1.55
Pantheon Global Secondary Fund III "B"	London, United Kingdom	2006	10,000,000	9,460,000	9,860,000	721,051	10,581,051	2.0%	4.4%	1.12
Pantheon Ventures Euro Fund IV	London, United Kingdom	2005	1,122,050	1,283,343	1,584,496	83,639	1,668,135	4.6%	8.6%	1.30
Pantheon Ventures USA Fund IX	London, United Kingdom	2011	2,000,000	1,788,000	1,349,819	1,782,437	3,132,256	13.5%	16.9%	1.75
Pantheon Ventures USA Fund VI	London, United Kingdom	2005	3,750,000	3,543,750	4,867,324	537,642	5,404,966	6.6%	8.6%	1.53
Raven Asset-Based Opportunity Fund II	New York, NY	2014	10,000,000	9,525,926	6,017,015	3,171,723	9,188,738	-1.2%	2.4%	0.96
Summit Partners Growth Equity Fund X-A, L.P.	Boston, MA	2019	8,000,000	0	0	(23,338)	(23,338)	0.0%	N/A	0.00
TCV X, L.P.	Menlo Park, CA	2019	5,000,000	1,649,000	0	1,562,390	1,562,390	-9.9%	N/A	0.95

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\* N/A = not available or not applicable



# Real Assets and Real Estate Calendar Year 2019 (7514.7)

## Merced County Employees' Retirement Association - Calendar Year 2019 Data (7514.7) - Real Assets

Investment	Commitment	Ending Valuation	Realized Gain/Loss	Mgmt. Fee	Partnership Expenses	Offsets	Other Fees & Expenses Paid to GP <sup>1</sup>	Carried Interest Paid	Fees & Expenses Paid by Port. Companies
Ardian Infrastructure Fund V	4,925,799	186,118	(2)	32,481	7,142	N/A	15	N/A	N/A
EnCap Energy Capital Fund XI, L.P.	5,000,000	1,176,003	0	75,000	344	0	(33)	0	0
EnCap Flatrock Midstream IV, L.P.	3,000,000	1,132,328	(7,440)	45,000	312	0	0	0	0
Global Energy & Power Infrastructure Fund III F, L.P.	5,000,000	875,253	0	60,282	11,279	14,826	20,537	0	0
GSO Energy Select Opportunities Fund	7,500,000	3,636,275	325,901	56,783	7,708	0	25,215	0	0
ISQ Global Infrastructure Fund II	5,000,000	2,285,699	(6,650)	69,745	14,172	0	28,912	0	12,886
KKR Global Infrastructure II	10,000,000	11,440,484	0	0	0	0	0	0	0
KKR Global Infrastructure Investors III	5,000,000	1,396,545	0	62,500	2,952	18,524	21,876	0	42,859
North Haven Infrastructure Partners II LP	10,000,000	9,106,093	838,858	114,593	21,060	0	15,896	0	0
Tailwater Energy Fund IV, LP	5,000,000	710,315	0	23,562	11,800	0	3,428	0	0
Taurus Mining Finance Annex Fund	5,000,000	3,703,896	(3,755)	47,994	11,022	0	(262,857)	0	0
Taurus Mining Finance Fund	5,000,000	3,991,271	(2,685)	50,973	7,859	0	(235,239)	0	0

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## Merced County Employees' Retirement Association - Calendar Year 2019 Data (7514.7) - Real Estate

Investment	Commitment	Ending Valuation	Realized Gain/Loss	Mgmt. Fee	Partnership Expenses	Offsets	Other Fees & Expenses Paid to GP <sup>1</sup>	Carried Interest Paid	Fees & Expenses Paid by Port. Companies
AG Realty Value Fund X, L.P.	5,000,000	991,563	726	87,500	7,160	244	444	0	0
Carlyle Realty Partners VIII, L.P.	5,000,000	930,185	30,488	75,000	6,554	0	39,732	0	0
Carmel Partners Investment Fund VII, L.P.	5,000,000	100,838	0	62,877	9,593	7,651	1,474	0	4,611
Greenfield Acquisition Partners VII, L.P.	13,000,000	9,441,686	1,638,656	186,359	42,159	0	(5,144)	0	0
Patron Capital Fund V	13,352,393	6,674,754	702,131	184,993	149,160	0	0	0	0
Rockpoint Real Estate Fund VI, L.P.	5,000,000	(22,246)	0	40,326	10,773	N/A	12,647	0	75
Taconic CRE Dislocation Fund II	5,000,000	2,953,759	5,138	31,786	9,781	0	12,942	0	0
UBS Trumbull Property Fund	17,000,000	40,602,827	(13,708)	353,415	23,257	N/A	(1,983,552)	0	0

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# Real Assets and Real Estate Since Inception (6254.26)

## Merced County Employees' Retirement Association - Since Inception Data (6254.26) - Real Assets

Investment	Address	Vintage/ Inception	Commitment	Contributions	Distributions	Remaining Value	Total Value	S.I. Net IRR	S.I. Gross IRR	Net Inv. Multiple
Ardian Infrastructure Fund V	Paris, France	2019	4,925,799	215,877	0	186,118	186,118	-43.6%	N/A	0.86
EnCap Energy Capital Fund XI, L.P.	Houston, TX	2017	5,000,000	1,477,501	0	1,176,003	1,176,003	-24.6%	-10.5%	0.80
EnCap Flatrock Midstream IV, L.P.	Houston, TX	2018	3,000,000	1,050,620	78,358	1,132,328	1,210,686	13.1%	24.6%	1.15
Global Energy & Power Infrastructure Fund III F, L.P.	New York, NY	2019	5,000,000	842,173	38,979	875,253	914,232	25.5%	N/A	1.09
GSO Energy Select Opportunities Fund	New York, NY	2015	7,500,000	4,167,768	1,591,587	3,636,275	5,227,862	10.3%	15.1%	1.25
ISQ Global Infrastructure Fund II	New York, NY	2017	5,000,000	2,387,288	370,953	2,285,699	2,656,652	15.8%	20.7%	1.11
KKR Global Infrastructure II	New York, NY	2014	10,000,000	10,684,928	2,181,536	11,440,484	13,622,020	11.0%	13.2%	1.27
KKR Global Infrastructure Investors III	New York, NY	2018	5,000,000	1,463,808	21,004	1,396,545	1,417,549	-6.2%	2.9%	0.97
North Haven Infrastructure Partners II LP	New York, NY	2014	10,000,000	10,969,156	4,595,947	9,106,093	13,702,040	12.6%	20.9%	1.25
Tailwater Energy Fund IV, LP	Dallas, TX	2019	5,000,000	846,614	0	710,315	710,315	-16.1%	2.6%	0.84
Taurus Mining Finance Annex Fund	Sydney, Australia	2016	5,000,000	4,197,454	1,317,700	3,703,896	5,021,596	23.6%	22.9%	1.20
Taurus Mining Finance Fund	Sydney, Australia	2015	5,000,000	4,974,425	2,026,136	3,991,271	6,017,407	14.7%	39.0%	1.21

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## Merced County Employees' Retirement Association - Since Inception Data (6254.26) - Real Estate

Investment	Address	Vintage/ Inception	Commitment	Contributions	Distributions	Remaining Value	Total Value	S.I. Net IRR	S.I. Gross IRR	Net Inv. Multiple
AG Realty Value Fund X, L.P.	New York, NY	2018	5,000,000	1,036,615	0	991,563	991,563	-8.6%	13.7%	0.96
Carlyle Realty Partners VIII, L.P.	Washington, DC	2017	5,000,000	977,550	13,521	930,185	943,706	-4.0%	40.1%	0.97
Carmel Partners Investment Fund VII, L.P.	San Francisco, CA	2019	5,000,000	179,602	0	100,838	100,838	-59.3%	N/A	0.56
Greenfield Acquisition Partners VII, L.P.	Westport, CT	2014	13,000,000	12,661,667	10,171,492	9,441,686	19,613,178	13.6%	18.5%	1.55
Patron Capital Fund V	London, United Kingdom	2016	13,352,393	8,116,324	2,829,301	6,674,754	9,504,054	10.6%	21.0%	1.17
Rockpoint Real Estate Fund VI, L.P.	Boston, MA	2019	5,000,000	0	0	(22,246)	(22,246)	0.0%	N/A	0.00
Taconic CRE Dislocation Fund II	New York, NY	2018	5,000,000	2,665,401	0	2,953,759	2,953,759	14.8%	20.3%	1.11
UBS Trumbull Property Fund	New York, NY	1999	17,000,000	17,547,198	23,268,796	40,602,827	63,871,623	8.8%	8.9%	3.64

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# Hedge Funds Calendar Year 2019 (7514.7)

## Merced County Employees' Retirement Association - Calendar Year 2019 Data (7514.7) - Hedge Funds

Investment	Commitment	Ending Valuation	Realized Gain/Loss	Mgmt. Fee	Partnership Expenses	Offsets	Other Fees & Expenses Paid to GP <sup>1</sup>	Carried Interest Paid	Fees & Expenses Paid by Port. Companies
Archipelago Partners, L.P.	N/A	12,469,305	N/A	109,993	N/A	N/A	N/A	N/A	N/A
Graham Absolute Return Trading Ltd. - Class A	N/A	7,611,589	611,589	149,066	N/A	N/A	13,623	107,524	N/A
KLS Diversified Fund LP	N/A	9,090,703	(184,713)	183,042	39,898	0	1,263,672	3,779	0
Laurion Capital, Ltd. Class A 18-07	N/A	5,342,360	331,615	105,174	N/A	N/A	N/A	56,610	N/A
MW Eureka Fund Class B2	N/A	3,395,147	0	64,781	N/A	N/A	N/A	14,327	N/A
OZ Domestic Partners II, LP	N/A	10,878,137	N/A	125,528	N/A	N/A	N/A	168,519	N/A
Silver Point Capital Fund, L.P.	N/A	12,343,629	0	180,135	57,062	2,055	0	80,239	0
Taconic Opportunity Fund L.P.	N/A	10,433,205	271,869	145,087	27,070	0	76,958	0	0
Winton Futures Fund Limited - Class B	N/A	6,233,755	N/A	56,104	N/A	N/A	5,610	623	N/A

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# Hedge Funds Since Inception (6254.26)

## Merced County Employees' Retirement Association - Since Inception Data (6254.26) - Hedge Funds

Investment	Address	Vintage/ Inception	Commitment	Contributions	Distributions	Remaining Value	Total Value	S.I. Net IRR	S.I. Gross IRR	Net Inv. Multiple
Archipelago Partners, L.P.	Boston, MA	2017	N/A	11,000,000	0	12,469,305	12,469,305	14.8%	18.7%	1.13
Graham Absolute Return Trading Ltd. - Class A	Rowayton, CT	2017	N/A	7,000,000	2,517	7,611,589	7,614,106	8.9%	15.6%	1.09
KLS Diversified Fund LP	New York, NY	2017	N/A	9,000,000	0	9,090,703	9,090,703	2.2%	0.8%	1.01
Laurion Capital, Ltd. Class A 18-07	New York, NY	2018	N/A	9,000,000	0	5,342,360	5,342,360	4.5%	4.5%	0.59
MW Eureka Fund Class B2	London, United Kingdom	2017	N/A	3,000,000	0	3,395,147	3,395,147	13.2%	23.0%	1.13
OZ Domestic Partners II, LP	New York, NY	2014	N/A	14,000,000	8,000,000	10,878,137	18,878,137	6.3%	9.4%	1.35
Silver Point Capital Fund, L.P.	Greenwich, CT	2017	N/A	12,000,000	0	12,343,629	12,343,629	3.3%	3.9%	1.03
Taconic Opportunity Fund L.P.	New York, NY	2018	N/A	12,000,000	0	10,433,205	10,433,205	4.0%	6.4%	0.87
Winton Futures Fund Limited - Class B	London, United Kingdom	2017	N/A	6,000,000	0	6,233,755	6,233,755	4.9%	-3.7%	1.04

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# General Disclosures

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