



INVESTMENT ADVISORY SERVICES

Los Angeles • New York

Alternative Investment Performance  
Merced County Employees' Retirement Association

June 24, 2021

# MCERA Private Equity Capital Budget & Implementation Plan

## 15% fund level target

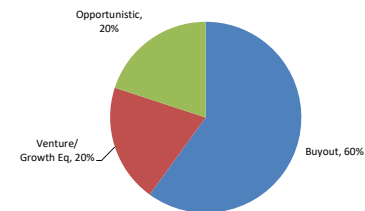
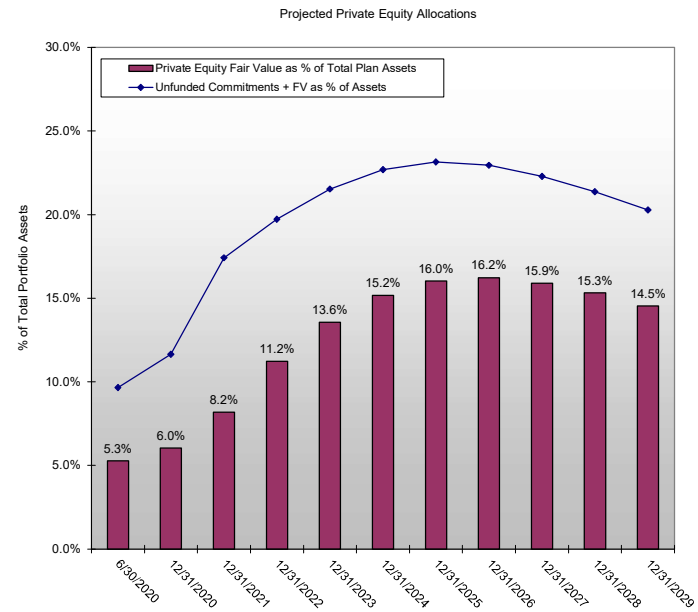
- Annual capital budget target of \$40 million, range of \$30-\$50 million
- Target 4-7 investments, range of \$5-\$15 million per inv; average size of \$8 million per

## 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

## MCERA CY 2021 commitments:

- Genstar X – buyout (VY 2021), \$8 mm



	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%.

# MCERA Private Equity Investment Structure & Portfolio Assessment

## Investment structure (15% fund target; 6.0% invested as of Mar 2021):

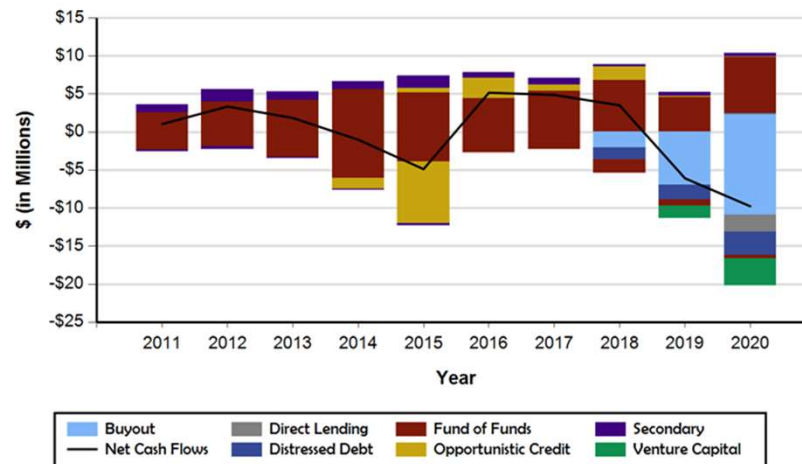
- Current portfolio is barbelled with half of commitments in 2007 & earlier FoFs and half in 2011 & later FoFs
  - Overall portfolio has not met performance expectations; 2011 & later portfolio is still in development with the funds in VY 2017-2020 in their investment period
  - Continued rebound in 4Q valuations offsetting the 1Q20 markdowns and there were annual gains of \$15 million; contributions exceed distributions by \$10 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 Commitments	(A) Contributions	(B) Distributions	(C) Fair Value	(B+C) Total Value	(B+C-A) Gain/ Loss	Net IRR	Benchmark
December 31, 2019	31	\$140,937	\$75,915	\$61,712	\$47,255	\$108,967	\$33,052	8.46%	11.45%
December 31, 2020	40	\$200,777	\$96,088	\$72,125	\$72,011	\$144,136	\$48,049	9.83%	12.60%
Annual Change	9	\$59,840	\$20,173	\$10,413	\$24,756	\$35,169	\$14,997		

### Annual Cash Flow



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

# MCERA Private Equity Performance – as of Dec 31, 2020

Partnership Name (\$'000)	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.		(C) Cumulat. Dist.	(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/ Loss	IRR Net IRR	IRR Bench.	TVPI
				% Drawn								
<b>Vintage Year 2004</b>												
Invesco Partnership Fund IV, L.P.	Fund of Funds	10,000	2,417	7,898	76%	16,230	5	16,235	8,337	11.75%	7.00%	2.06
<b>Vintage Year 2004 Total</b>		<b>10,000</b>	<b>2,417</b>	<b>7,898</b>	<b>76%</b>	<b>16,230</b>	<b>5</b>	<b>16,235</b>	<b>8,337</b>	<b>11.75%</b>	<b>7.66%</b>	<b>2.06</b>
<b>Vintage Year 2005</b>												
ASP 2005 Non-US Fund	Fund of Funds	1,500	74	1,426	95%	1,717	242	1,958	533	4.78%	4.10%	1.37
ASP 2005 US Fund	Fund of Funds	3,500	177	3,323	95%	4,697	657	5,354	2,030	7.21%	8.17%	1.61
Pantheon Ventures Euro Fund IV	Fund of Funds	1,227	52	1,283	96%	1,584	86	1,670	387	4.61%	4.10%	1.30
Pantheon Ventures USA Fund VI	Fund of Funds	3,750	206	3,544	95%	5,119	278	5,396	1,853	6.52%	8.17%	1.52
<b>Vintage Year 2005 Total</b>		<b>9,977</b>	<b>510</b>	<b>9,576</b>	<b>95%</b>	<b>13,117</b>	<b>1,262</b>	<b>14,379</b>	<b>4,803</b>	<b>6.30%</b>	<b>7.91%</b>	<b>1.50</b>
<b>Vintage Year 2006</b>												
Pantheon Global Secondary Fund III "B"	Secondary	10,000	540	9,460	95%	10,300	271	10,571	1,111	1.98%	N/A	1.12
<b>Vintage Year 2006 Total</b>		<b>10,000</b>	<b>540</b>	<b>9,460</b>	<b>95%</b>	<b>10,300</b>	<b>271</b>	<b>10,571</b>	<b>1,111</b>	<b>1.98%</b>	<b>7.00%</b>	<b>1.12</b>
<b>Vintage Year 2007</b>												
ASP 2007 Direct Fund	Fund of Funds	450	12	438	97%	880	242	1,122	684	12.51%	11.15%	2.56
ASP 2007 Non-US Fund	Fund of Funds	1,575	78	1,497	95%	1,795	689	2,484	987	8.30%	7.81%	1.66
ASP 2007 US Fund	Fund of Funds	2,475	115	2,360	95%	3,743	1,017	4,760	2,400	12.45%	11.15%	2.02
<b>Vintage Year 2007 Total</b>		<b>4,500</b>	<b>205</b>	<b>4,295</b>	<b>95%</b>	<b>6,417</b>	<b>1,949</b>	<b>8,367</b>	<b>4,071</b>	<b>10.72%</b>	<b>8.89%</b>	<b>1.95</b>
<b>Vintage Year 2011</b>												
ASP 2011 Direct Fund	Fund of Funds	500	37	463	93%	539	463	1,001	539	16.33%	18.27%	2.16
ASP 2011 Emerging Markets Fund	Fund of Funds	500	64	436	87%	272	837	1,108	673	17.49%	11.36%	2.54
ASP 2011 Non-US Developed Fund	Fund of Funds	1,500	239	1,261	84%	1,171	1,171	2,342	1,081	14.49%	11.36%	1.86
ASP 2011 US Fund	Fund of Funds	2,500	326	2,175	87%	2,105	2,543	4,647	2,473	16.79%	18.27%	2.14
Pantheon Asia Fund VI	Fund of Funds	1,000	95	906	91%	493	1,043	1,535	629	10.84%	11.36%	1.69
Pantheon Euro Fund VII	Fund of Funds	1,712	228	1,493	87%	1,279	1,430	2,709	1,217	12.40%	11.36%	1.82
Pantheon Ventures USA Fund IX	Fund of Funds	2,000	212	1,788	89%	1,692	2,047	3,738	1,950	15.54%	18.27%	2.09
<b>Vintage Year 2011 Total</b>		<b>9,712</b>	<b>1,202</b>	<b>8,521</b>	<b>88%</b>	<b>7,550</b>	<b>9,533</b>	<b>17,082</b>	<b>8,562</b>	<b>13.81%</b>	<b>14.30%</b>	<b>2.00</b>
<b>Vintage Year 2013</b>												
Invesco Partnership Fund VI, L.P.	Fund of Funds	5,000	1,548	3,958	69%	2,235	6,978	9,213	5,254	17.28%	19.55%	2.33
<b>Vintage Year 2013 Total</b>		<b>5,000</b>	<b>1,548</b>	<b>3,958</b>	<b>69%</b>	<b>2,235</b>	<b>6,978</b>	<b>9,213</b>	<b>5,254</b>	<b>17.28%</b>	<b>13.08%</b>	<b>2.33</b>
<b>Vintage Year 2014</b>												
Ocean Avenue Fund II	Fund of Funds	10,000	1,000	9,000	90%	7,547	10,214	17,761	8,761	17.83%	19.40%	1.97
Raven Asset-Based Opportunity Fund II	Opportunistic Credit	10,000	474	9,526	95%	6,159	2,610	8,769	-757	-2.50%	6.69%	0.92
<b>Vintage Year 2014 Total</b>		<b>20,000</b>	<b>1,474</b>	<b>18,526</b>	<b>93%</b>	<b>13,706</b>	<b>12,824</b>	<b>26,530</b>	<b>8,004</b>	<b>9.65%</b>	<b>17.93%</b>	<b>1.43</b>

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<sup>®</sup> median is used for the respective vintage year.

# MCERA Private Equity Performance – as of Dec 31, 2020

Partnership Name (\$000)	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat.		(C) Cumulat.		(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/ Loss	IRR Net IRR	IRR Bench.	TVPI
				Cont.	% Drawn	Dist.	Value						
<b>Vintage Year 2017</b>													
GTCR XII	Buyout	5,000	2,004	2,996	60%	680	3,423	4,103	1,107	25.82%	17.67%	1.37	
<b>Vintage Year 2017 Total</b>		<b>5,000</b>	<b>2,004</b>	<b>2,996</b>	<b>60%</b>	<b>680</b>	<b>3,423</b>	<b>4,103</b>	<b>1,107</b>	<b>25.82%</b>	<b>16.72%</b>	<b>1.37</b>	
<b>Vintage Year 2018</b>													
Carrick Capital Partners III, L.P.	Buyout	5,000	2,655	2,345	47%	0	3,050	3,050	704	20.72%	6.97%	1.30	
Cressey & Company Fund VI LP	Buyout	5,000	3,450	1,550	31%	0	2,126	2,126	576	N/M	N/M	1.37	
Davidson Kempner Long-Term Distressed Opportuni	Distressed Debt	5,000	785	4,300	84%	85	4,799	4,885	585	7.33%	N/A	1.14	
<b>Vintage Year 2018 Total</b>		<b>15,000</b>	<b>6,890</b>	<b>8,195</b>	<b>54%</b>	<b>85</b>	<b>9,975</b>	<b>10,061</b>	<b>1,865</b>	<b>13.56%</b>	<b>9.50%</b>	<b>1.23</b>	
<b>Vintage Year 2019</b>													
Accel-KKR Growth Capital Partners III	Buyout	5,000	3,441	1,559	31%	0	1,559	1,559	0	N/M	N/M	1.00	
Cortec Group Fund VII, L.P.	Buyout	10,000	7,335	4,206	27%	1,543	3,970	5,513	1,307	N/M	N/M	1.31	
Genstar Capital Partners IX, L.P.	Buyout	7,000	4,414	2,748	37%	163	3,461	3,624	876	N/M	N/M	1.32	
Summit Partners Growth Equity Fund X-A, L.P.	Buyout	8,000	4,318	3,682	46%	0	4,192	4,192	510	N/M	N/M	1.14	
TCV X, L.P.	Venture Capital	5,000	1,829	3,172	63%	0	5,285	5,285	2,114	N/M	N/M	1.67	
<b>Vintage Year 2019 Total</b>		<b>35,000</b>	<b>27,172</b>	<b>17,543</b>	<b>22%</b>	<b>1,805</b>	<b>20,804</b>	<b>22,609</b>	<b>5,066</b>	<b>N/M</b>	<b>N/M</b>	<b>1.29</b>	
<b>Vintage Year 2020</b>													
Accel-KKR Capital Partners VI, LP	Buyout	5,000	5,000	0	0%	0	-54	-54	-54	N/M	N/M	0.00	
Marlin Heritage Europe II, L.P.	Buyout	8,589	7,711	839	10%	0	799	799	-41	N/M	N/M	0.95	
Thoma Bravo Discover Fund III, L.P.	Buyout	8,000	8,000	0	0%	0	-13	-13	-13	N/M	N/M	0.00	
Silver Point Specialty Credit Fund II, L.P.	Direct Lending	8,000	5,836	2,177	27%	100	2,336	2,436	259	N/M	N/M	1.12	
Taconic Market Dislocation Fund III L.P.	Distressed Debt	8,000	5,760	2,240	28%	0	2,415	2,415	175	N/M	N/M	1.08	
Spark Capital Growth Fund III, L.P.	Venture Capital	6,000	4,530	1,470	25%	0	1,351	1,351	-119	N/M	N/M	0.92	
Spark Capital VI, L.P.	Venture Capital	3,000	2,430	570	19%	0	508	508	-62	N/M	N/M	0.89	
Summit Partners Venture Capital Fund V-A, L.P.	Venture Capital	6,000	6,000	0	0%	0	-18	-18	-18	N/M	N/M	0.00	
<b>Vintage Year 2020 Total</b>		<b>52,589</b>	<b>47,431</b>	<b>5,119</b>	<b>10%</b>	<b>0</b>	<b>4,983</b>	<b>4,983</b>	<b>-136</b>	<b>N/M</b>	<b>N/M</b>	<b>0.97</b>	
<b>Total Portfolio:</b>		<b>176,777</b>	<b>87,393</b>	<b>96,087</b>	<b>51%</b>	<b>72,126</b>	<b>72,009</b>	<b>144,134</b>	<b>48,047</b>	<b>9.83%</b>	<b>11.79%</b>	<b>1.50</b>	
<b>Portfolio Strategy Totals</b>													
Buyout		66,000	48,616	19,086	26%	2,386	21,709	24,095	5,009	29.11%			
Direct Lending		8,000	5,836	2,177	27%	100	2,336	2,436	259	23.04%			
Distressed Debt		13,000	6,545	6,540	50%	85	7,214	7,299	759	8.77%			
Fund of Funds		40,175	6,051	34,947	85%	44,785	24,443	69,228	34,281	11.99%			
Non-US		17,602	8,542	9,141	51%	8,311	6,296	14,607	5,466	8.63%			
Opportunistic Credit		10,000	474	9,526	95%	6,159	2,610	8,769	-757	-2.50%			
Secondary		10,000	540	9,460	95%	10,300	271	10,571	1,111	1.98%			
Venture Capital		36,000	30,789	5,212	14%	0	7,127	7,127	1,916	N/M			
<b>Total Portfolio:</b>		<b>200,777</b>	<b>107,393</b>	<b>96,087</b>	<b>47%</b>	<b>72,126</b>	<b>72,006</b>	<b>144,132</b>	<b>48,044</b>	<b>9.83%</b>	<b>11.79%</b>		

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<sup>®</sup> median is used for the respective vintage year.

# MCERA Real Estate Capital Budget & Implementation Plan

## 8% fund level target

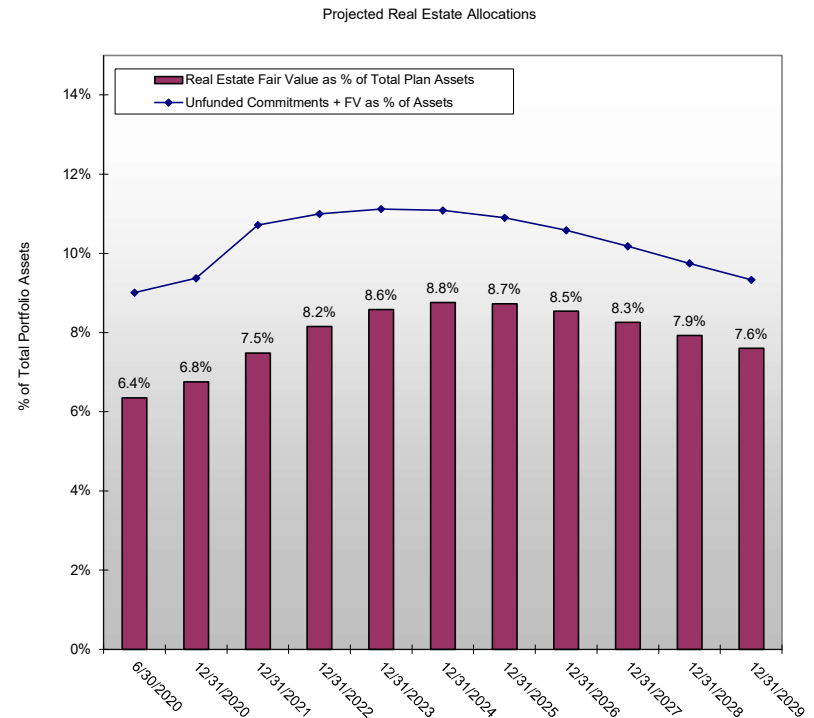
- Annual capital budget target of \$15 million, range of \$10-\$25 million
- Target 2-4 investments, range of \$5-\$10 million per inv
  - Average investment size of \$7 million
  - If an average of 2-4 GP partnership commitments per year, expect a total of 8-16 GP relationships over a 4 year fund raising cycle
- Retain core real estate exposure but lower it to 25% of the portfolio due to current valuations; use REITS as a substitute until funding private real estate investments is needed

## 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

## MCERA CY 2021 commitments:

- Caryle RE IX – opportunistic RE (VY 2021), \$8 mm
- Taconic CRE III – RE debt (VY 2021), \$8 mm



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%.

# MCERA Real Estate Investment Structure & Portfolio Assessment

## Real estate investment structure (8% target, 7.4% actual as of Mar 2021)

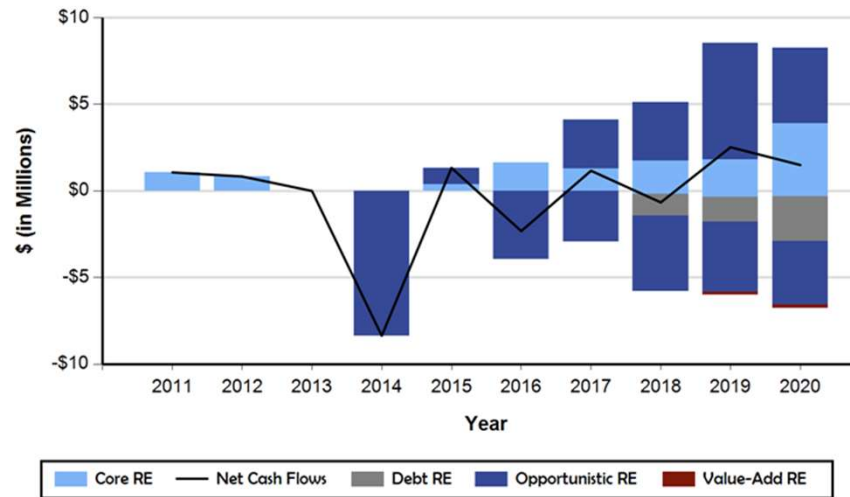
- MCERA invested in 1999 in a private core real estate fund; direct program began in 2014
- Distributions exceeded contributions by \$2 million over the past year; overall RE activity has declined and valuations remain muted

### Annual Summary

(in thousands)

	Total Partnerships	Total Commitments	(A) Contributions	(B) Distributions	(C) Fair Value	(B+C) Total Value	(B+C-A) Gain/ Loss	Net IRR	Benchmark
December 31, 2019	8	\$68,352	\$43,193	\$36,283	\$61,673	\$97,956	\$54,764	8.99%	8.85%
December 31, 2020	10	\$84,601	\$49,977	\$44,567	\$59,450	\$104,017	\$54,040	8.58%	8.56%
Annual Change	2	\$16,249	\$6,784	\$8,284	-\$2,223	\$6,061	-\$724		

Annual Cash Flow



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

## MCERA Real Estate Performance – as of Dec 31, 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 (\$000)	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.		(C) Cumulat. Dist.		(D) Fair Value	(C+D) Total Value	(C+D-B) Gain/ Loss	IRR Net IRR	IRR Bench.	TVPI
				% Drawn	% Drawn	% Drawn	% Drawn						
<b>Vintage Year 1999</b>													
UBS Trumbull Property Fund	Core RE	17,000	0	17,872	100%	27,152	35,309	62,461	44,589	8.39%	10.20%	3.49	
<b>Vintage Year 1999 Total</b>		<b>17,000</b>	<b>0</b>	<b>17,872</b>	<b>100%</b>	<b>27,152</b>	<b>35,309</b>	<b>62,461</b>	<b>44,589</b>	<b>8.39%</b>	<b>12.95%</b>	<b>3.49</b>	
<b>Vintage Year 2014</b>													
Greenfield Acquisition Partners VII, L.P.	Opportunistic RE	13,000	1,876	12,662	86%	13,668	6,545	20,213	7,551	12.78%	11.07%	1.60	
<b>Vintage Year 2014 Total</b>		<b>13,000</b>	<b>1,876</b>	<b>12,662</b>	<b>86%</b>	<b>13,668</b>	<b>6,545</b>	<b>20,213</b>	<b>7,551</b>	<b>12.78%</b>	<b>10.38%</b>	<b>1.60</b>	
<b>Vintage Year 2016</b>													
Patron Capital Fund V	Opportunistic RE	14,601	4,827	9,105	67%	3,424	6,626	10,050	945	5.12%	9.65%	1.10	
<b>Vintage Year 2016 Total</b>		<b>14,601</b>	<b>4,827</b>	<b>9,105</b>	<b>67%</b>	<b>3,424</b>	<b>6,626</b>	<b>10,050</b>	<b>945</b>	<b>5.12%</b>	<b>10.15%</b>	<b>1.10</b>	
<b>Vintage Year 2017</b>													
Carlyle Realty Partners VIII, L.P.	Opportunistic RE	5,000	3,272	2,042	35%	311	1,932	2,243	201	8.42%	6.35%	1.10	
<b>Vintage Year 2017 Total</b>		<b>5,000</b>	<b>3,272</b>	<b>2,042</b>	<b>35%</b>	<b>311</b>	<b>1,932</b>	<b>2,243</b>	<b>201</b>	<b>8.42%</b>	<b>7.98%</b>	<b>1.10</b>	
<b>Vintage Year 2018</b>													
Taconic CRE Dislocation Fund II	Debt RE	5,000	900	4,172	82%	0	4,692	4,692	520	N/M	N/M	1.12	
AG Realty Value Fund X, L.P.	Opportunistic RE	5,000	3,075	1,915	39%	13	2,089	2,102	186	N/M	N/M	1.10	
<b>Vintage Year 2018 Total</b>		<b>10,000</b>	<b>3,975</b>	<b>6,087</b>	<b>60%</b>	<b>13</b>	<b>6,781</b>	<b>6,794</b>	<b>707</b>	<b>N/M</b>	<b>N/M</b>	<b>1.12</b>	
<b>Vintage Year 2019</b>													
Rockpoint Real Estate Fund VI, L.P.	Opportunistic RE	5,000	4,235	764	15%	0	783	783	19	N/M	N/M	1.02	
Carmel Partners Investment Fund VII, L.P Value-Add RE		5,000	4,618	382	8%	0	221	221	-161	N/M	N/M	0.58	
<b>Vintage Year 2019 Total</b>		<b>10,000</b>	<b>8,853</b>	<b>1,146</b>	<b>11%</b>	<b>0</b>	<b>1,004</b>	<b>1,004</b>	<b>-142</b>	<b>N/M</b>	<b>N/M</b>	<b>0.88</b>	
<b>Vintage Year 2020</b>													
Cerberus Real Estate Debt Fund, L.P.	Debt RE	7,000	5,941	1,064	15%	0	1,262	1,262	199	N/M	N/M	1.19	
Starwood Distressed Opportunity Fund X Opportunistic RE		8,000	8,000	0	0%	0	-10	-10	-10	N/M	N/M	0.00	
<b>Vintage Year 2020 Total</b>		<b>15,000</b>	<b>13,941</b>	<b>1,064</b>	<b>7%</b>	<b>0</b>	<b>1,252</b>	<b>1,252</b>	<b>188</b>	<b>N/M</b>	<b>N/M</b>	<b>1.18</b>	
<b>Total Portfolio:</b>		<b>84,601</b>	<b>36,744</b>	<b>49,977</b>	<b>57%</b>	<b>44,567</b>	<b>59,450</b>	<b>104,017</b>	<b>54,039</b>	<b>8.58%</b>	<b>8.56%</b>	<b>2.08</b>	

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.



# MCERA Real Asset Capital Budget & Implementation Plan

## 5% fund level target

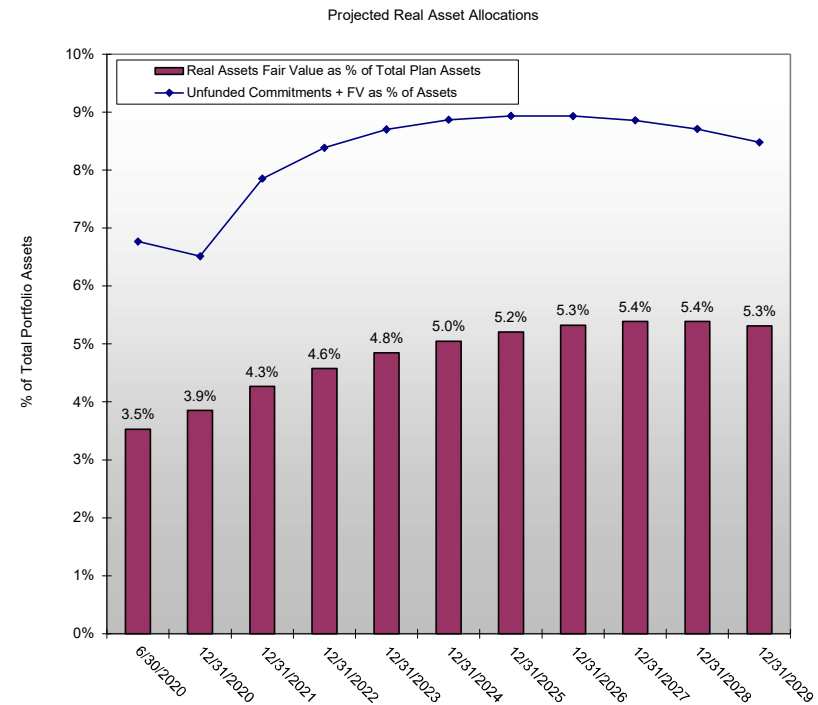
- Annual capital budget target of \$15 million, range of \$10-\$25 million
- Target 2-4 investments, range of \$5-\$10 million per inv
  - Average investment size of \$7 million
  - If an average of 2-4 GP partnership commitments per year, expect a total of 8-16 GP relationships over a 4 year fund raising 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

## MCERA CY 2021 commitments (\$8 mm):

- KKR GIP IV - global infrastructure (VY 2021)



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%.

# MCERA Real Assets Investment Structure & Portfolio Assessment

## Real assets investment structure (5% target, 5.9% actual as of Mar 2021)

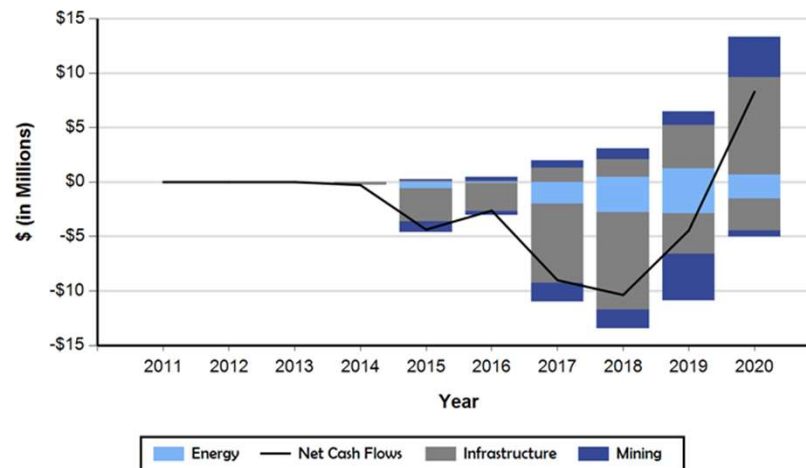
- Program is designed to be equally divided between private infrastructure and natural resource funds along with a public real asset component
- Private fund commitments began in 2014 to infrastructure and 2015 to natural resources
- The overall portfolio is immature with the funds in the early stage of development
  - Distributions exceed contributions by \$8 mm as the infrastructure funds continue to return capital

### Annual Summary

(in thousands)

	Total Partnerships	Total Commitments	(A) Contributions	(B) Distributions	(C) Fair Value	(B+C) Total Value	(B+C-A) Gain/ Loss	Net IRR	Benchmark
December 31, 2019	12	\$70,426	\$43,180	\$12,222	\$39,640	\$51,862	\$8,683	11.67%	1.78%
December 31, 2020	13	\$75,886	\$48,318	\$25,561	\$34,144	\$59,705	\$11,387	10.58%	-0.64%
Annual Change	1	\$5,460	\$5,138	\$13,339	-\$5,496	\$7,843	\$2,704		

### Annual Cash Flow



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

# MCERA Real Assets Performance – as of Dec 31, 2020

## 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 gains in infrastructure funds offset the losses in the energy funds; the VY 2017-19 funds are being built out

Partnership Name (\$000)	Strategy	(A) Commit. Amount	Unfund. Amount	(B) Cumulat. Cont.	% Drawn	(C)		(C+D) Total Value	(C+D-B) Gain/ Loss	Net IRR	IRR Bench.	TVPI
						Cumulat. Dist.	(D) Fair Value					
<b>Vintage Year 2014</b>												
KKR Global Infrastructure II	Infrastructure	10,000	528	10,855	95%	8,854	8,460	17,314	6,459	16.87%	5.85%	1.59
<b>Vintage Year 2014 Total</b>		<b>10,000</b>	<b>528</b>	<b>10,855</b>	<b>95%</b>	<b>8,854</b>	<b>8,460</b>	<b>17,314</b>	<b>6,459</b>	<b>16.87%</b>		<b>1.59</b>
<b>Vintage Year 2015</b>												
GSO Energy Select Opportunities Fund	Energy	7,500	3,486	4,470	54%	2,050	2,967	5,017	548	4.24%	1.80%	1.12
North Haven Infrastructure Partners II LP	Infrastructure	10,000	1,333	11,245	87%	6,547	7,292	13,839	2,594	9.32%	8.11%	1.23
Taurus Mining Finance Fund	Mining	5,000	648	5,229	87%	3,706	2,105	5,811	582	6.52%	N/A	1.11
<b>Vintage Year 2015 Total</b>		<b>22,500</b>	<b>5,467</b>	<b>20,943</b>	<b>76%</b>	<b>12,302</b>	<b>12,365</b>	<b>24,667</b>	<b>3,724</b>	<b>7.48%</b>		<b>1.18</b>
<b>Vintage Year 2016</b>												
Taurus Mining Finance Annex Fund	Mining	5,000	1,100	4,506	78%	3,369	2,302	5,671	1,165	19.61%	N/A	1.26
<b>Vintage Year 2016 Total</b>		<b>5,000</b>	<b>1,100</b>	<b>4,506</b>	<b>78%</b>	<b>3,369</b>	<b>2,302</b>	<b>5,671</b>	<b>1,165</b>	<b>19.61%</b>		<b>1.26</b>
<b>Vintage Year 2017</b>												
EnCap Energy Capital Fund XI, L.P.	Energy	5,000	3,266	1,734	35%	0	1,091	1,091	-643	-26.31%	-4.39%	0.63
ISQ Global Infrastructure Fund II	Infrastructure	5,000	2,097	3,422	58%	521	3,700	4,221	798	16.82%	N/A	1.23
<b>Vintage Year 2017 Total</b>		<b>10,000</b>	<b>5,363</b>	<b>5,156</b>	<b>46%</b>	<b>521</b>	<b>4,790</b>	<b>5,311</b>	<b>155</b>	<b>2.10%</b>		<b>1.03</b>
<b>Vintage Year 2018</b>												
EnCap Flatrock Midstream IV, L.P.	Energy	3,000	1,857	1,221	38%	78	1,297	1,375	154	6.60%	-0.01%	1.13
Ardian Infrastructure Fund V	Infrastructure	5,386	4,697	659	13%	20	645	666	7	N/M	N/M	N/A
KKR Global Infrastructure Investors III	Infrastructure	5,000	2,785	2,470	44%	163	2,278	2,440	-29	-1.16%	N/A	N/A
<b>Vintage Year 2018 Total</b>		<b>13,386</b>	<b>9,338</b>	<b>4,350</b>	<b>30%</b>	<b>261</b>	<b>4,220</b>	<b>4,481</b>	<b>131</b>	<b>2.38%</b>		<b>1.03</b>
<b>Vintage Year 2019</b>												
Global Energy & Power Infrastructure Fund III	Energy	5,000	3,561	1,571	29%	253	1,425	1,678	107	N/M	N/M	1.07
Tailwater Energy Fund IV, LP	Energy	5,000	4,063	936	19%	0	582	582	-353	N/M	N/M	0.62
<b>Vintage Year 2019 Total</b>		<b>10,000</b>	<b>7,624</b>	<b>2,507</b>	<b>24%</b>	<b>253</b>	<b>2,007</b>	<b>2,261</b>	<b>-246</b>	<b>N/M</b>		<b>0.90</b>
<b>Vintage Year 2021</b>												
ISQ Global Infrastructure Fund III (UST), L.P.	Infrastructure	5,000	5,000	0	0%	0	0	0	0	N/M	N/M	0.00
<b>Vintage Year 2021 Total</b>		<b>5,000</b>	<b>5,000</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/M</b>		<b>0.00</b>
<b>Total Portfolio:</b>		<b>75,886</b>	<b>34,420</b>	<b>48,318</b>	<b>55%</b>	<b>25,561</b>	<b>34,144</b>	<b>59,705</b>	<b>11,387</b>	<b>10.58%</b>	<b>-0.64%</b>	<b>1.24x</b>
<b>Portfolio Strategy Totals</b>												
Energy		20,500	12,671	8,361	38%	2,128	5,937	8,066	-295	-1.65%		0.96
Infrastructure		25,000	4,647	24,569	81%	15,563	18,030	33,593	9,024	13.20%		1.37
Non-US		30,386	17,103	15,388	44%	7,870	10,177	18,047	2,659	11.98%		1.17
<b>Total Portfolio:</b>		<b>75,886</b>	<b>34,420</b>	<b>48,318</b>	<b>55%</b>	<b>25,561</b>	<b>34,144</b>	<b>59,705</b>	<b>11,387</b>	<b>10.58%</b>	<b>-0.64%</b>	<b>1.24x</b>

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

# MCERA Hedge Fund Performance – as of May 31, 2021

Fund	Market Value	Actual %	May	QTD	YTD	Returns 1 Year	3 Year	5 Year	Incep	Std Dev	Sharpe Ratio	Incep Date
<b>Market Neutral</b>												
KLS Diversified Fund LP	3,984,003	3.7%	0.03%	-0.40%	3.06%	16.99%	-2.06%	-	-0.89%	10.77%	-0.17	Oct-17
Laurion Capital, Ltd.	15,376,477	14.2%	9.48%	10.78%	31.49%	45.01%	-	-	23.88%	12.59%	1.65	Jul-18
Market Neutral - HF Total	19,360,480	17.9%	6.44%	7.04%	20.26%	34.22%	10.24%	-	9.18%	8.04%	0.93	Oct-17
HFRI Relative Value (Total) Index			1.13%	2.23%	5.98%	16.82%	4.83%	-	4.72%	6.41%	0.51	Oct-17
<b>Credit/Distressed</b>												
Silver Point Capital Fund, L.P.	16,049,455	14.8%	2.35%	4.66%	14.04%	35.68%	8.73%	-	8.80%	8.32%	0.86	Dec-17
Credit/Distressed - HF Total	16,049,455	14.8%	2.35%	4.66%	14.04%	35.68%	8.73%	-	8.80%	8.32%	0.86	Dec-17
HFRI ED: Distressed/Restructuring Index			2.52%	4.41%	13.28%	36.04%	8.04%	-	7.76%	9.02%	0.69	Dec-17
<b>Event Driven</b>												
Taconic Opportunity Fund L.P.	13,705,579	12.6%	0.00%	1.17%	6.01%	17.02%	-	-	5.18%	6.86%	0.58	Dec-18
Event Driven - HF Total	13,705,579	12.6%	0.00%	1.17%	6.01%	17.02%	-	-	5.18%	6.86%	0.58	Dec-18
HFRI Event-Driven (Total) Index			1.63%	3.88%	11.77%	34.28%	-	-	10.45%	11.19%	0.83	Dec-18
<b>Equity Long/Short</b>												
Archipelago Partners, L.P.	13,840,889	12.8%	-0.24%	2.60%	3.62%	16.63%	6.08%	-	6.69%	8.74%	0.61	Sep-17
Marshall Wace Funds LP - MW Eureka (US) Fund	3,989,535	3.7%	-0.21%	2.18%	3.31%	19.26%	7.53%	-	8.49%	6.75%	1.00	Dec-17
Marshall Wace Funds LP - MW Global Opportunities (US)	9,609,193	8.9%	-0.72%	-0.11%	-7.48%	4.95%	-	-	5.77%	11.75%	0.51	Apr-20
Equity Long/Short - HF Total	27,439,617	25.3%	-0.40%	1.58%	-0.60%	12.60%	4.95%	-	5.98%	8.18%	0.56	Sep-17
HFRI Equity Hedge (Total) Index			1.48%	4.16%	11.26%	39.19%	10.74%	-	10.44%	11.03%	0.81	Sep-17
<b>Global Macro-Discretionary</b>												
Graham Absolute Return Trading Ltd.	8,280,019	7.6%	1.21%	1.65%	8.41%	21.65%	4.32%	-	4.63%	9.48%	0.36	Sep-17
Caxton Global Investments (USA) LLC	10,000,000	9.2%	0.00%	-	-	-	-	-	0.00%	-	-	May-21
Global Macro-Discretionary - HF Total	18,280,019	16.9%	1.01%	1.45%	8.20%	21.41%	4.25%	-	4.58%	9.48%	0.36	Sep-17
HFRI Macro (Total) Index			2.31%	4.78%	9.18%	15.71%	6.10%	-	4.82%	5.21%	0.62	Sep-17
<b>Global Macro-Systematic</b>												
HFRI Macro (Total) Index			2.31%	4.78%	9.18%	15.71%	6.10%	-	4.74%	5.22%	0.61	Nov-17
<b>Multi-Strategy</b>												
Sculptor Domestic Partners II, L.P.	13,594,520	12.5%	-1.77%	0.82%	4.60%	21.93%	11.16%	11.25%	8.46%	7.30%	0.99	Jul-14
Multi-Strategy - HF Total	13,594,520	12.5%	-1.77%	0.82%	4.60%	21.93%	11.16%	11.25%	8.46%	7.30%	0.99	Jul-14
HFRI Relative Value (Total) Index			1.13%	2.23%	5.98%	16.82%	4.83%	5.37%	4.02%	5.02%	0.58	Jul-14
MCERA Hedge Fund Portfolio	108,429,669	100.0%	1.43%	3.01%	8.15%	21.60%	6.23%	7.36%	5.26%	5.71%	0.73	Jul-14
<b>Benchmarks</b>												
HFRI Fund of Funds Composite Index			0.48%	2.69%	4.75%	20.39%	6.09%	5.99%	4.11%	5.38%	0.56	Jul-14
<b>Market Indices</b>												
Libor3Month			0.01%	0.03%	0.07%	0.22%	1.47%	1.42%	1.13%	0.25%	-	Jul-14
Bloomberg Barclays US Aggregate Bond Index			0.33%	1.12%	-2.29%	-0.40%	5.06%	3.25%	3.22%	3.14%	0.67	Jul-14
Bloomberg Barclays US High Yield Bond Index			0.30%	1.39%	2.25%	14.96%	7.11%	7.39%	5.34%	7.33%	0.59	Jul-14
S&P 500 TR			0.70%	6.07%	12.62%	40.32%	18.01%	17.17%	13.90%	14.26%	0.91	Jul-14
MSCI AC World Index Free - Net			1.56%	6.00%	10.84%	41.85%	13.86%	14.18%	9.66%	14.11%	0.65	Jul-14
MSCI EAFE - Net			3.26%	6.37%	10.07%	38.41%	8.23%	9.77%	5.19%	14.56%	0.34	Jul-14
MSCI EMF (Emerging Markets Free) - Net			2.32%	4.87%	7.26%	51.00%	9.65%	13.88%	6.41%	17.02%	0.38	Jul-14

## Cliffwater Disclosures

### Important Notice

This presentation was prepared exclusively for information and discussion purposes, and is not meant to be, nor shall it be construed as, an attempt to define all information that may be material to you. All information including opinions or facts expressed herein are current as of the date appearing in this presentation and is subject to change without notice. All information has been obtained from sources believed to be reliable. No representation, warranty, or undertaking, express or implied, is given as to the accuracy or completeness of the information or opinions contained in this presentation. Past performance does not guarantee future performance.

This presentation may include sample or pro forma performance. Such information is presented for illustrative purposes only and is based on various assumptions, not all of which are described herein. Such assumptions, data, or projections may have a material impact on the returns shown.

References to market or composite indices (such as the S&P 500), benchmarks or other measures of relative market performance over a specified period of time (each, an “index”) are provided for information only. Reference to an index does not imply that a portfolio will achieve returns, volatility or other results similar to the index. The composition of an index may not reflect the manner in which a portfolio is constructed in relation to expected or achieved returns, portfolio guidelines, restrictions, sectors, correlations, concentrations, volatility or tracking error targets, all of which are subject to change over time.

- Hedge Fund Research, Inc. (“HFR”) is the source and owner of the HFR data contained or reflected in this report and all trademarks related thereto.
- Frank Russell Company (“FRC”) is the source and owner of the Russell Index data contained or reflected in this material and all trademarks and copyrights related thereto. The Russell Index data may contain confidential information and unauthorized use, disclosure, copying, dissemination or redistribution is strictly prohibited.
- Thomson Financial Inc. is the owner and/or licensor of the Cambridge Associates data contained or reflected in this material.