AGENDA

INVESTMENT COMMITTEE MEETING
MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (MCERA)

One McInnis Parkway, 1st Floor
Retirement Board Chambers
San Rafael, CA

December 15, 2021 – 9:00 a.m.

This meeting will be held via videoconference pursuant to MCERA Board of Retirement Resolution 2021/22-01, which invoked Government Code section 54953(e) for all MCERA Board and standing committee meetings through January 1, 2022.

Instructions for watching the meeting and/or providing public comment, as well as the links for access, are available on the Watch & Attend Meetings page of MCERA's website. Please visit https://www.mcera.org/retirementboard/agendas-minutes/watchmeetings for more information.

The Board of Retirement encourages a respectful presentation of public views to the Board. The Board, staff and public are expected to be polite and courteous, and refrain from questioning the character or motives of others. Please help create an atmosphere of respect during Board meetings.

CALL TO ORDER

ROLL CALL

A. OPEN TIME FOR PUBLIC EXPRESSION

Note: The public may also address the Committee regarding any agenda item when the Committee considers the item.

Open time for public expression, from three to five minutes per speaker, on items not on the Committee Agenda. While members of the public are welcome to address the Committee during this time on matters within the Committee's jurisdiction, except as otherwise permitted by the Ralph M. Brown Act (Government Code Sections 54950 et seq.), no deliberation or action may be taken by the Committee concerning a non-agenda item. Members of the Committee may (1) briefly respond to statements made or questions posed by persons addressing the Committee, (2) ask a question for clarification, or (3) provide a reference to staff for factual information.

B. MANAGER REPORTS

1. Manager Overview – Jim Callahan, Callan LLC

2. Carval Investors – Credit Value Fund V – Jody Gunderson, Matthew Hanson
   TIME CERTAIN: 9:05 a.m.

3. Fortress Investment Group LLC – Credit Opportunities Fund V Expansion – Joshua Pack, Danny Kayne, Matt Wittlin – TIME CERTAIN: 9:30 a.m.

4. Värde Partners – Värde Dislocation Fund – Brad Bauer, Tom Knechtel TIME CERTAIN: 9:55 a.m.

C. NEW BUSINESS

1. Investment Manager Personnel Updates
   a. Morgan Stanley Investment Management

   b. TimesSquare Capital Management

2. Watch Period Review – Callan LLC – Jim Callahan, Anne Heaphy
   a. Artisan International Growth Equity (**Action**)
   Consider and take possible action regarding Watchlist status

   b. Morgan Stanley International Equity (**Action**)
   Consider and take possible action regarding Watchlist status

   c. Colchester Global Bonds (**Action**)
   Consider and take possible action regarding Watchlist status

   d. Invesco Balanced-Risk Commodities Fund (**Action**)
   Consider and take possible action regarding Watchlist status

3. Investment Policy Statement Updates (**Action**)
   Consider and take possible action on recommended amendments to Investment Policy Statement re:
   a. General Investment Objectives and Guidelines, Fixed Income and Real Assets Portfolios: Remove "Barclays" from the applicable Bloomberg indices.

   b. Appendix B-6: Replace with Fidelity Institutional Asset Management (FIAM) Select Emerging Markets Equity, Statement of Objectives, Guidelines & Procedures.

   c. Appendix B-7, Wellington Management Company Core Plus Fixed Income, Statement of Objectives, Guidelines & Procedures: Remove "Barclays" from the Bloomberg U.S. Aggregate Index.

   d. Appendix B-8, Western Asset Management Intermediate Credit Fixed Income, Statement of Objectives, Guidelines & Procedures: Remove "Barclays" from the Bloomberg U.S. Intermediate Credit Index.

   e. Appendix B-10, BlackRock U.S. Treasury Inflation Protected Securities Fund, Statement of Objectives, Guidelines & Procedures: Remove "Barclays" from the Bloomberg U.S. TIPS Index.

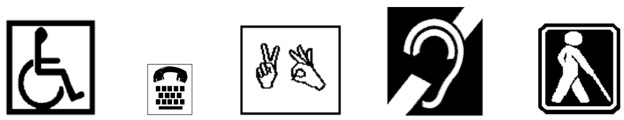
D. INVESTMENT CONSULTANT QUARTERLY REPORT

1. Summary Report as of September 30, 2021

2. Flash Performance Update as of November 30, 2021

Note on Process: Items designated for information are appropriate for Committee action if the Committee wishes to take action.

Note on Voting: As provided by statute, the Alternate Safety Member votes in the absence of the Elected General or Safety Member, and in the absence of both the Retired and Alternate Retired Members. The Alternate Retired Member votes in the absence of the Elected Retired Member. If both Elected General Members, or the Safety Member and an Elected General Member, are absent, then the Elected Alternate Retired Member may vote in place of one absent Elected General Member.



Agenda material is provided upon request. Requests may be submitted by email to MCERABoard@marincounty.org, or by phone at (415) 473-6147.

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The agenda is available on the Internet at http://www.mcera.org

B.1 Manager Overview

There is no backup for this agenda item.

B.2

CARVAL INVESTORS
MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

DECEMBER 2021

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PRESENTING TODAY

B.2

Jody Gunderson - Ms. Gunderson is a managing principal and member of the Investment Committee for CarVal Investors, responsible for leading the firm's investment strategy and management, as well as its global loan portfolios and clean energy businesses. In addition, Ms. Gunderson manages investments in asset-backed securities globally, including residential mortgage-backed securities, commercial mortgage-backed securities and collateralized loan obligations. Prior to joining CarVal in 1994, Ms. Gunderson was a manager in the financial services practice of PricewaterhouseCoopers where she served investment fund, commercial banking and thrift clients. Ms. Gunderson earned her B.S. degree in business from the University of Minnesota and is a Certified Public Accountant (inactive).

Matthew Hanson - Mr. Hanson is a managing director for CarVal Investors, responsible for global fundraising and investor relations. He is also responsible for drafting and negotiating the firm's offering and governance documents as well as managing outside counsel relationships. Mr. Hanson has also participated in acquisition and related due diligence for commercial real estate assets in North America. Prior to joining CarVal in 2003, Mr. Hanson was an associate with the Carlyle Group in Washington, D.C. and was a manager at Deloitte & Touche, working in the audit and attestation group. Mr. Hanson served in the South Dakota Army National Guard. Mr. Hanson has a B.S.B.A. with honors in accounting from the University of South Dakota. He is a Certified Public Accountant (inactive).

B.2

OUR PLAN FOR TODAY

BUSINESS AND PORTFOLIO UPDATE

An update on CarVal, the market fundamentals and the portfolio today

OPPORTUNITY SET FOCUS AREAS

- Clean energy
- European loan portfolios and structured credit
- U.S. commercial real estate lending
- Emerging markets
- Aviation

B.2

OUR SENIOR INVESTMENT TEAM REMAINS STRONG AND STABLE

CORPORATE LOANS, EMERGING MARKETS, HARD ASSETS, REAL ESTATE					U.S. AND EUROPE, CORPORATE SECURITIES		LOAN PORTFOLIOS, STRUCTURED CREDIT, CLEAN ENERGY		
LUCAS DETOR Managing Principal 25 years					**JAMES GANLEY** Managing Principal 31 years		**JODY GUNDERSON** Managing Principal 27 years		
AVIATION	**SHIPPING & WORKOUT**	**CORPORATE LOAN BUSINESS**	**EMERGING MARKETS CORPORATE SECURITIES**	**U.S. CRE CREDIT**	**U.S. CORPORATE SECURITIES**	**EUROPE CORPORATE SECURITIES**	**LOAN PORTFOLIOS**	**STRUCTURED CREDIT**	**CLEAN ENERGY**
Justin Bradburn Principal 25 years	**Greg Belonogoff** Principal 23 years	**Chris Mawn** Managing Director 21 years	**Gerardo Bernáldez** Principal 32 years	**Seth Cohen** Principal 22 years **Dave Pelka** Principal 18 years **Paul Mullaney** Managing Director 34 years	**Jerry Keefe** Principal 31 years **John Withrow** Principal 21 years	**Bryan Simpson** Managing Director 22 years	**Seth Cohen** Principal 22 years **Dave Pelka** Principal 18 years **James Sackett** Principal 27 years **Angie Fenske** Managing Director 22 years	**Neil Hepworth** Managing Director 19 years **Shane Huether** Executive Adviser 27 years	**Jerry Keefe** Principal 31 years **Angie Fenske** Managing Director 22 years

RISK

David Fry
Chief Risk Officer
30 years

The senior credit investment team averages 23 years investment experience and 12 years with CarVal

Note: Years denote industry experience. This slide does not represent an official CarVal organizational chart.

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CVF V PORTFOLIO UPDATE

MCERA: CARVAL INVESTMENT ACTIVITY

As of October 31, 2021 (estimate)
$ Millions

Fund	Committed Capital	% Called	Invested Capital	NAV	2021 YTD Net Return	Current Net IRR(1)
CVF V	$33.5	20%	$6.7	$7.3	14.1%	16.1%

(1) The Fund held its final close and issued the first reporting as of May 31, 2021. The IRR is an annualized result and may not be meaningful for periods less than a full year.

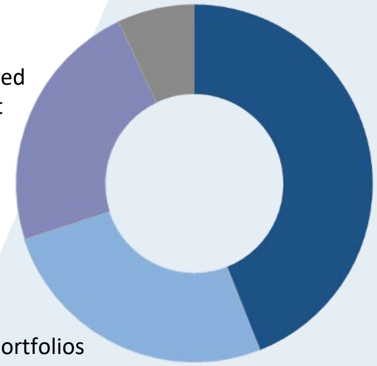
B.2

CVF V: PORTFOLIO COMPOSITION

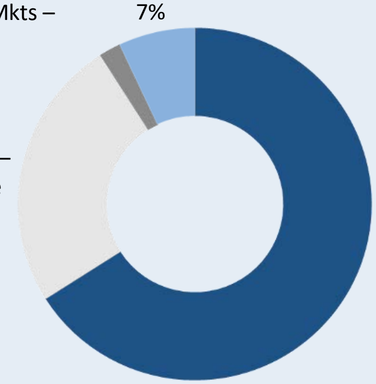
As of October 31, 2021 (estimate)
($ millions)

Investment Strategy	Portfolio Composition*	
	$	%
Structured Credit - RMBS	$169.0	17.0%
U.S. Corporate Credit - Communications	112.2	11.3%
U.S. Corporate Credit - Alternative Energy	110.3	11.1%
U.S. Loan Portfolios - Residential	88.8	8.9%
Commercial Real Estate Debt	75.8	7.6%
Hard Assets - Aircraft Leasing	70.3	7.1%
Emerging Markets Corporate Credit - Transportation (non-auto)	54.5	5.5%
European Corporate Credit - Retailing	44.8	4.5%
European Corporate Credit - Auto/Motor Carrier	34.4	3.5%
Structured Credit - Consumer ABS	32.1	3.2%
Top 10 Strategies	**$792.2**	**79.7%**
Other Strategies	201.8	20.3%
CVF V Grand Total	**$994.0**	**100.0%**

CVF V Portfolio by Asset Class*



CVF V Portfolio by Region*



**Figures based on Portfolio Composition which includes carrying value and recourse third-party debt.*

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B.2

THEMES & INVESTMENT EXAMPLES

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CURRENT INVESTMENT FOCUS

Aviation

- Historical industry distress
- $68 billion illiquid annual opportunity set[1]
- Newer, higher quality aircraft
- EETCs and ABS
- Bankruptcies and refinancings

COVID Recovery Sectors

- U.S. commercial real estate debt with focus on hospitality
- Secondary debt on REITs
- Cruise industry
- Car rental companies
- Retail

CarVal Investors

Post COVID Investment Focus Areas

Emerging Markets

- COVID lockdowns across emerging market economies
- Lack of access to capital markets
- Increased financial stress in China and renewed bank reform

Renewable Energy

- Rapidly growing, nascent industry
- Global opportunity
- Attractive private credit investment opportunities

[1]Ascend and CarVal Investors data as of December 2019

The opportunities described above are for illustrative purposes only. The pipeline reflects opportunities actively being reviewed and changes frequently. CarVal makes no representation that any CarVal-managed investment vehicle has or will participate in these investment opportunities.

WHEN WE DRILL DOWN, WE SEE RECOVERY AND UNEVENNESS

Asset Class	Light Touch from Banks	Stimulus and Policy	Low Rates	Access to Capital
Clean Energy	n/a	🟢	🟢	🟢
U.S. Consumer	🟢	🟢	🟢	🟢
U.S. Residential	🟢	🟢	🟢	🟢
European Residential	🟢	🟢	🟢	🟢
European Consumer	🟢	🟢	🟢	🟢
Developed Markets Corp	🟢	🟢	🟢	🟢
U.S. CRE	🟢	🔴	🟢	🟢🔴
European CRE	🟢	🔴	🟢	🟢🔴
Emerging Markets	🟢	🔴	🟢	🟢🔴
Airlines	🟢	🟢🔴	🟢🔴	🟢🔴
Aircraft Lessors	🟢🔴	🔴	🟢🔴	🟢

🟢🔴 *Denotes strong bifurcation phenomenon between "haves" and "have nots" or winners and losers*

Based on CarVal's view.

B.2

CLEAN ENERGY OPPORTUNITIES

Clean Energy and Efficiency Projects			
C&I Solar and Storage	**C-PACE / Efficiency**	**Private Debt**	**Residential Solar Loans Solar ABS**
			
Acquisition of mid-scale solar facilities with long term contractual cashflows, and investments in energy storage opportunities	Financing energy efficiency improvements, including Commercial Property Assessed Clean Energy loans	Loans backed by renewable energy development projects and equipment	Newly originated loans to homeowners installing residential solar

Private credit opportunities in clean energy offer compelling risk-adjusted returns

CASE STUDY: INTERSECT POWER

Intersect Power

- Intersect Power is one of North America's largest developers of utility-scale renewable energy power assets and has a proven track record of successfully building out utility-scale assets across the U.S.
- CarVal and an investment partner provided Intersect with a $482 million secured debt facility
  - Coupon/Yield: 13.5% with 2% OID and exit fees
  - Maturity: notes are split between 6-month (extendable by six months) and 3-year (extendable by one year) maturities
  - Security Package: First lien on all the assets of Intersect Power; additional liens on project SPVs during development
- Intersect is currently developing 2.4 GW of solar and storage projects across the Southwest United States with an expectation to start delivering power in 2022
- The company successfully raised new equity and the secured debt facility to enable the continued scaling of its core business of solar and energy storage, while expanding further into emerging classes of clean infrastructure
- The current group of projects may have the ability to produce enough renewable energy to power 460,000 households per year and may offset more than 2.5 million metric tons carbon dioxide emissions annually[1]

[1]Estimated impact derived by inputting modeled data (based off of the Portfolio) into the EPA Greenhouse Gas Equivalencies Calculator, www.epa.gov/energy/green-house-gas-equivalencies-calculator, as of January 21, 2021. Different methodology or assumptions will produce different results.
See disclaimers regarding Investment examples, Projections and Risk of Loss.

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CASE STUDY: PROJECT URI

$150 million first lien financing to three large wind farms facing capital needs from February 2021 Superstorm Uri

- **Key Transaction Terms:**
  - Collateral: 3x150 MW operating wind projects in Texas with 20+ years of remaining life and future repowering
    - Owned by tier one sponsors and capital partners
    - Each 1L facility is secured by a lien on all project assets and pledges of both Sponsor equity and tax equity
    - Cross guaranties across the three facilities remain effective until the repayment in full of all facilities
  - Loan structured to provide return of capital without relying on improvements in operations or stretching price assumptions; upside dependent on operating performance and power price
    - Fees: 12%-14% interest plus OID
    - Cash collection through maturity and remaining asset value at term provides 1.4x-1.8x asset coverage
    - CarVal receives 15% equity interest across the three projects, providing upside from operating improvements and market assumptions for power prices
  - Expected exit: new first lien refinancing or sale
- **Why CarVal won the deal:**
  - Helped sponsors avoid formal restructuring, which would have destroyed value to tax equity
  - Provided creativity in structuring around sponsors and tax equity requirements
  - Demonstrated ability to execute a complicated deal with many different counterparties

See disclaimers regarding Investment Examples, Projections and Risk of Loss.

EUROPEAN LOAN PORTFOLIOS FOCUS ACROSS FOUR BOXES

RPLs
(Stage 2 cash-flowing assets)

- Capital inefficient on bank balance sheet; Basel IV changes penal; structural shift
- Asset aggregation, credit repair and transformation to create attractive product for bond investors
- Robust and deep ABS market

Credit Vacuum
(RE credit and lending opportunities)

- Existing lenders retreating from "high touch" market segments
- Accelerates credit vacuum for underserved segments of market – tightening of credit policy
- Focus on high-quality assets and differentiating in tougher segments
- Strategic tie up with two large European banks to provide senior and mezzanine funding

Opportunistic

- Bespoke opportunities from our strategic partners across Europe
- Typically, bilateral and unique in nature
- Mix of single name and portfolio opportunities
- Target better quality borrowers and higher margin

NPL

- Less opportunity at the moment – we've transacted on a handful of smaller bi-lateral trades
- Larger trades priced very full and/or purchased by state-backed entities
- Expect growing opportunity from Q3 2022 after fiscal support schemes unwind

SPAIN: SUCCESSFUL DEAL EXECUTION…NEW OPPORTUNITIES

RPLs

2020

Miravet 2020-1

- This represented all of the remaining collateral (~€625 million) from Project Castillo
- **Largest ever publicly placed RPL RMBS transaction in Europe**

NOVEMBER 2020

DECEMBER 2020

2020

Project Eume

- ~€258 million portfolio of residential RPL mortgage loans sold by a Abanca
- **CarVal was contacted after a failed auction process**, given our proven track record
- Traded in tight timeline, hitting seller year-end deadline

H1 2022

2022

Miravet 2022-1

- Look to securitize Eume (and Ceos if successful)

New Opportunities

- All major Spanish banks looking for solutions for Stage 2 balances

The new opportunities presented above are for illustrative purposes only. The pipeline changes frequently. CarVal makes no representation that any CarVal-managed investment vehicle has or will participate in these investment opportunities. See disclaimer regarding Investment Objectives and Risk of Loss.

CREDIT VACUUM: CENTRAL LONDON STABILIZATION LOAN

Credit Vacuum

- Real estate financing opportunity for mixed-use estate in prime west-end London location
- Prominent site: current site was purchased plot by plot over more than 20 years. Refinance of existing development finance loan during the period of income stabilization.
- Property will be 80% let at closing
- Experienced sponsor with 25-year track record in central London; significant equity investment in the property
- Limited appetite from traditional banks given new development aspect, and timing of launch immediately post-COVID
- CarVal funds provide whole loan to sponsor, with loan-on-loan financing with investment bank
- Projected gross levered return in 15-17% range

Each return shown herein is the gross investment return and does not include a deduction for fund-level costs, expenses, or performance or management fees. See disclaimer regarding Investment Examples, Targeted Returns, and Risk of Loss.

U.S. CRE LENDING – OUR TARGETED INVESTMENTS

CarVal executes in these strategies, target returns 13+%

3 - 5% IRR	5% - 7% IRR	13% - 14% IRR	13% - 16% IRR
SENIOR LOANS • 65% LTV • Core assets • Class A building • Stabilized	**MEZZ LOANS** **Core Assets with Light Value Add** • 60-80% LTV **Non-Core Assets** • No value add • Stabilized • Last dollar at 75% LTV	**MEZZ LOANS** **Development Core Assets** • Multifamily 65-85% LTC • Office 50-65% LTC **Existing Assets** • Moderate COVID recoveries • Transitional multifamily • Non-Core markets • Weighted toward office and multifamily • Interest and cap expense reserves are common	**MEZZ LOANS** **Development Core Assets** • Office 50-75% LTC **Hotel 45-65% LTC** **Special Situations** • Structure • Geography • Asset type

Each return shown herein is the gross investment return and does not include a deduction for fund-level costs, expenses, or performance or management fees. These are targets based on CarVal's current understanding on the market. See disclaimer regarding Targeted Returns.

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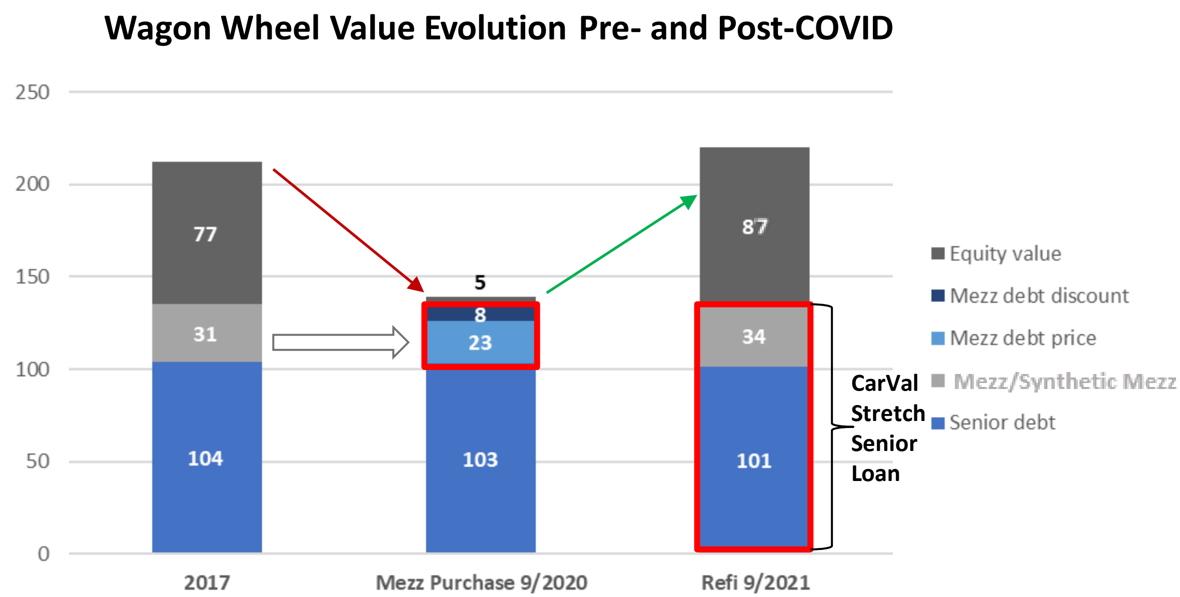
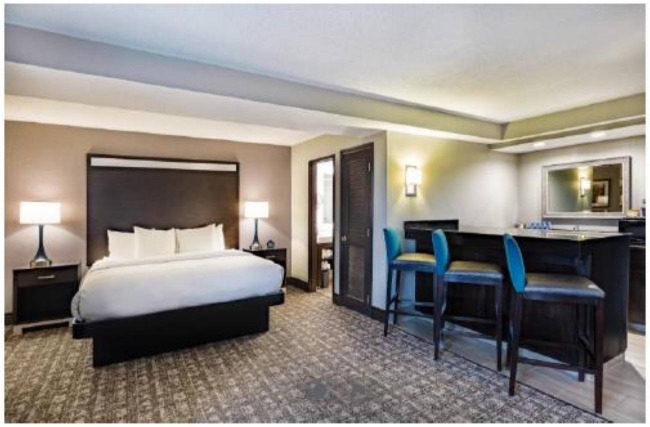
U.S. CRE LOAN: WAGON WHEEL PORTFOLIO VALUE EVOLUTION

- Distressed mezzanine loan purchased in September 2020 for $23 million ($31 million face)
- Loan backed by 11 hotels in Florida, Tennessee and Michigan
- Sponsor supported hotels post-COVID and value recovered ($222 million "as-is" appraised value August 2021)
- CarVal refinanced the senior and mezzanine loans into a $135 million senior loan in September 2021
- Wagon Wheel 1.0 mezzanine loan generated an IRR of 54.0% and $9.9 million P&L
- Wagon Wheel 2.0 senior stretch loan underwritten to generate 15.3% IRR and $14.5 million P&L





Each return shown herein is the gross investment return and does not include a deduction for fund-level costs, expenses, or performance or management fees. These are targets based on CarVal's current understanding on the market. See disclaimer regarding Targeted Returns, Investment Examples and Factors Affecting Performance.

B.2

EMERGING MARKETS: COMPELLING GLOBAL THEMES

COVID Recovery	Asset-Backed Financing		Capital Markets Closed	Limited Foreign Competition
• DPO to acquire senior claims on underlying five-star hotel in well developed micro market in India (<65% LTV)	• Finance genetics testing company that provides services to large protein producers in Brazil	• Senior-secured bridge loan to finance distributor of smartphones from Asia into Latin America	• Acquisition of payroll deductible loans of government pensioners and employees in Colombia	• China NPL portfolio in a developed coastal province with industrial collateral (purchase price ~30% of OPB)
• $30 million	• $85 million	• $65 million	• $125 million	• $130 million
• Projected 18% gross unlevered	• Projected 18% gross unlevered	• Projected 20% gross unlevered	• Projected 18% gross unlevered	• Projected 14% gross unlevered

We believe CarVal is positioned to be the capital solution provider where banks have scaled back

These investment opportunities represent potential investments under consideration for one or more eligible CarVal-managed funds. The investment opportunities are for illustrative purposes only. The pipeline changes frequently. CarVal makes no representation that any CarVal-managed investment vehicle has or will participate in these investment opportunities. Gross return used herein means the gross investment return and does not include a deduction for fund-level costs, expenses, or performance or management fees. See disclaimer regarding Target Returns.

BANK OF CHINA PORTFOLIO

BANK OF CHINA

10% interest in $2.3 billion (face) national NPL portfolio in China

- Domestic consortium investment with Wensheng (20%) and China Orient AMC (70%)
- First time for CarVal to participate in the primary NPL market, which is open only to China domestic asset management companies.
- Innovative structure utilizing the Qualified Foreign Limited Partner program, in which CarVal is the first foreign NPL investor
- Low purchase price - under 8% of OPB
- Wensheng will service the portfolio and has subordinated their return to that of CarVal's funds
  - Important capability expansion for Wensheng. CarVal supporting, but Wensheng investment mitigates risks.
- Nationwide portfolio, which reduced competition, but mostly coastal locations
  - 30% in Zhejiang, Jiangsu and Fujian
- Value concentrated in industrial collateral which is weathering COVID better than other real estate types
- High strategic value - diversify sourcing from the currently very competitive secondary market for single location portfolios
  - As bank reform deepens, the primary market has many new banks selling NPLs
  - Medium and smaller banks often sell nationwide portfolios, for which potential buyers are fewer
- Collections going well with over half the portfolio collected. Amounts are running above original underwriting.

See disclaimers regarding Risk of Loss, Investment Examples and Pipeline Investment Examples.

CARVAL AVIATION: OPPORTUNITIES IN FOCUS

STRATEGIES:

- **High-Quality Compression**
- **Start-Up Risk**
- **Fallen Angels**
- **Naked Aircraft**
- **Sweet and Sour**
- **Cargo**
- **Naked Engines**
- **Mid Life / Short Lease Risk**
- **Esoteric Distressed ABS**

SOURCES:

- **Sale lease backs directly with airlines:**
  Favor airlines we have existing relationship or niche opportunities with flag carriers or Tier 2 carriers for bespoke deals.
  Target: IAG, Singapore, Qatar, Latin America, Africa, SE Asia
- **Bilaterals with lessors:**
  3,200 Aircraft worth >$100 billion of aircraft have traded on secondary market since 2011.
  Target: GECAS, AerCap, Castlelake, BOC, BBAM and Orix
- **Naked aircraft:**
  Current generation aircraft values + lease rates will recover.
  Target: A320, 737NGs, ATR72 and highly distressed A330
- **Distressed banks:**
  Banks with exposure to distressed carriers who will capitulate.
  Target: BNP, NordLB, JOLs and Asian Banks

These investment opportunities represent potential investments under consideration for one or more eligible CarVal-managed funds. The investment opportunities are for illustrative purposes only. The pipeline changes frequently. CarVal makes no representation that any CarVal-managed investment vehicle has or will participate in these investment opportunities.

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3. **Date.** All time sensitive information in the Materials is provided as October 1, 2021 (estimate), unless stated otherwise. CarVal does not intend to update or otherwise revise the Materials to reflect circumstances existing or events occurring after this date.

4. **Complete disclosures.** More complete disclosures and the terms and conditions relating to investments in any CarVal-managed investment vehicle are contained in the governing agreements for such CarVal-managed investment vehicle.

5. **No offer to purchase or sell securities.** The information contained in the Materials is not, and should not be construed as, a solicitation to buy, an offer to sell, or advice or recommendation regarding the any CarVal-managed investment vehicle or any security or product. No offering of securities is made by or pursuant to the Materials. This summary is only being provided to "Qualified Purchasers" (within the meaning of the Investment Company Act of 1940, as amended) or similarly sophisticated potential investors in other jurisdictions.

6. **Third parties.** Certain information contained herein may have been provided by third-party sources, and, although believed to be reliable, has not been independently verified and cannot be guaranteed.

7. **Investment objectives.** No representation is made that any CarVal-managed investment vehicle, presented strategy, or any investment will or is likely to achieve its objectives, that any Investor will or is likely to achieve results comparable to the actual or derived (projected) performance shown, will make any profit at all or will be able to avoid incurring substantial losses.

8. **Past performance.** Past performance is not indicative of future results and should not be relied upon as the basis for making an investment decision.

9. **Risk of loss.** CarVal's investment strategies are highly speculative and there can be no assurance that any of the strategies' investment objectives will be achieved. Investors in any CarVal-managed investment vehicle must be prepared to bear the risk of a total loss of their investment.

10. **Projections.** "Projections" (including targeted returns, opinions, predictions or expectations about any future event) contained in the Materials are based on a variety of estimates and assumptions by CarVal including, but not limited to, estimates of future operating results, the value of assets and market conditions at the time of disposition and the timing and manner of disposition or other realization events. These estimates and assumptions are inherently uncertain and are subject to business, industry, market, regulatory, geo-political, competitive and financial risks which are outside of the control of CarVal. There can be no assurance that the assumptions made will prove accurate and actual results may differ materially, including the possibility that an investor may lose some or all of invested capital. The inclusion of the Projections herein should not be regarded as an indication that CarVal considers the Projections to be a reliable prediction of future events and the Projections should not be relied upon as such. CarVal has not made any representation to any person regarding the Projections and does not intend to update or otherwise revise the Projections to reflect circumstances existing after the date when made or to reflect the occurrence of future events, even in the event that any or all of the assumptions underlying the Projections are later shown to be in error.

11. **No tax, legal, accounting or investment advice.** The Materials are not intended to provide and should not be relied upon for tax, legal, accounting or investment advice. Any statements of federal tax consequences in the Materials were not intended to be used and cannot be used to avoid penalties under the Internal Revenue Code.

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DISCLAIMER

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Fortress Credit Opportunities Fund V Expansion Update Prepared for Marin County Employees Retirement Association

December 2021

FORTRESS

Table of Contents

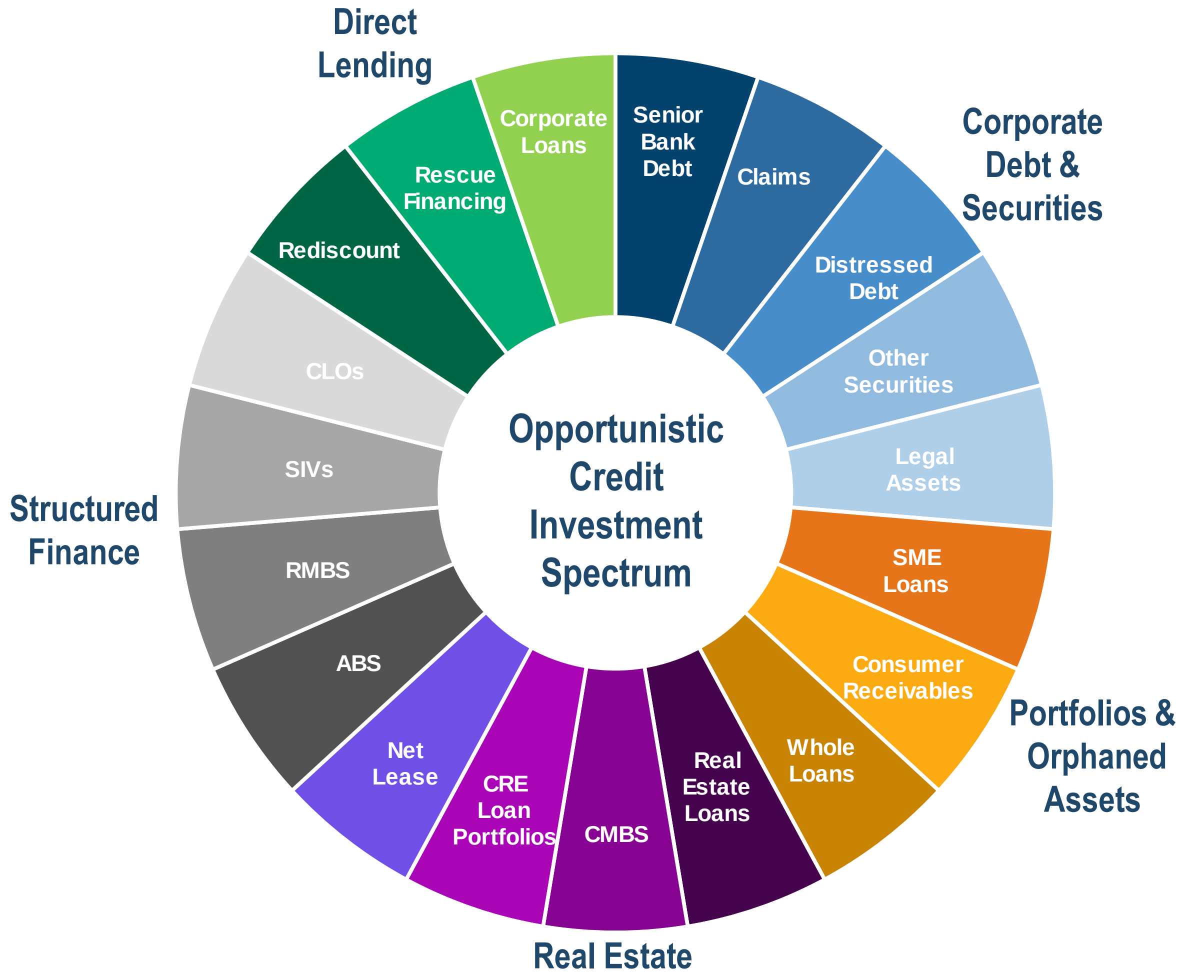
Fortress Investment Group Overview

- Fortress Investment Group LLC was **founded in 1998** and manages **$54.2 billion in AUM**[1] and offers a range of alternative investment strategies
- **Over 1,800** institutional and private investors around the world
- Headquartered in New York, Fortress has **841 employees** across **11 offices worldwide**[2]

[1] Fee-paying AUM plus uncalled and recallable capital as of September 30, 2021. Fee paying AUM is defined as: (i) capital commitments or invested capital (or NAV, if lower) for the private equity funds, credit PE funds and related managed accounts, which in connection with private equity funds raised after March 2006 includes the mark-to-market value on public securities held within the fund, (ii) contributed capital or book equity for our publicly traded permanent capital vehicles, (iii) the NAV for hedge funds and the NAV or fair value for related managed accounts, and (iv) AUM related to co-managed funds. As of September 30, 2021, AUM includes $0.3 billion of AUM related to co-managed funds and $0.9 billion related to Fortress special purpose acquisition company entities.
[2] As of June 30, 2021.

FCO V EXP | Broad Fund Mandate with the Flexibility to Pivot

- We view credit as a single broad asset class across five distinct investment strategies: Direct Lending, Corporate Debt & Securities, Portfolios & Orphaned Assets, Real Estate and Structured Finance
- We believe that the greatest potential return rests with the managers with the broadest mandates and with the experience, investment structure, and resources to move opportunistically across the entire credit spectrum



FCO V EXP Highlights

B.3

- Deployment pacing on track
- Robust pipeline
- Focus on proprietary sourcing network and idiosyncratic opportunities

Marin County Employees Retirement Association	As of November 1, 2021
Commitment	$33 million
Capital Called	$9 million
Capital Called and Committed[1]	$11 million

[1] Represents called and committed capital for investments through November 1, 2021 and does not include management fees, taxes and other costs incurred by FCO V EXP.

Disclaimers

In general. This disclaimer applies to this document and the verbal or written comments of any person presenting it. This document, taken together with any such verbal or written comments, is referred to herein as the "Presentation." Fortress Investment Group LLC, taken together with its subsidiary investment advisor affiliates, is referred to herein as "Fortress". Fortress Credit Opportunities Fund V EXP is referred to herein as "FCO V EXP" or the "Fund".

No offer to purchase or sell securities. This Presentation is being provided to Marin County Employees Retirement Association ("you" and "your") at your specific request and does not constitute an offer to sell, or a solicitation of an offer to buy, any security and may not be relied upon in connection with the purchase or sale of any security. Any such offer would only be made by means of formal offering documents, the terms of which shall govern in all respects. You are cautioned against using this information as the basis for making a decision to purchase any security or to otherwise engage in an investment advisory relationship with Fortress. By accepting and reviewing the Presentation, you acknowledge that Fortress is providing it to you, with the content prescribed by you, as an accommodation at your specific request, and the information contained herein have been produced specifically for inclusion in this Presentation and may not be complete or accurate and Fortress accepts no liability for any use or reliance on this Presentation. Neither Fortress nor any of its representatives has made or makes any representation to any person regarding the Presentation and none of them intends to update or otherwise revise the Presentation to reflect circumstances existing after the date when made or to reflect the occurrence of future events.

Gross vs. net performance figures. Unless otherwise indicated, performance figures are presented on a gross basis. Actual returns to investors will be lower due to the deduction of management fees, promote expenses, taxes and other fund expenses.

Past performance. In all cases where historical performance is presented, please note that past performance is not a reliable indicator of future results and should not be relied upon as the basis for making an investment decision.

Forward Looking Statements. Forward looking statements (including estimated returns, opinions or expectations about any future event) contained in the Presentation are based on a variety of estimates and assumptions by Fortress, including, among others, third party financings, individual property and loan performance assumptions, various discount rates, the value of assets and market conditions at the time of disposition, and the timing and manner of disposition or other realization events. These estimates and assumptions are inherently uncertain and are subject to numerous business, industry, market, regulatory, geo-political competitive and financial risks that are outside of Fortress's control. There can be no assurance that any such estimates and assumptions will prove accurate, and actual results may differ materially, including the possibility that an investor may lose some or all of any invested capital. The inclusion of any forward looking statements herein should not be regarded as an indication that Fortress considers such forward looking statement to be a reliable prediction of future events and no forward looking statement should be relied upon as such. Neither Fortress nor any of its representatives has made or makes any representation to any person regarding any forward looking statements and none of them intends to update or otherwise revise such statements to reflect circumstances existing after the date when made or to reflect the occurrence of future events, even in the event that any or all of the assumptions underlying such forward looking statements are later shown to be in error.

Risk of loss. An investment in the Fund is highly speculative, and there can be no assurance that the Funds' investment objectives will be achieved. Investors must be prepared to bear the risk of a total loss of their investment.

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B.4

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The Värde Dislocation Fund Update to Marin County Employees' Retirement Association

December 15, 2021

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Any past performance described herein is not indicative, or a guarantee, of future results. You should not assume that the performance of any specific investment or investment strategy will be profitable or equal to corresponding past performance levels. Any investment or investment strategy can be impacted by numerous factors, including market and economic conditions, and may result in a loss to investors. As with any investment, there can be no assurance that any investment objectives or strategies will be achieved or that an investor will not lose a portion or all of its investment. Any rates of returns described in this Presentation reflect particular moments in time and such returns may not be possible to replicate given the unique set of circumstances wherein investments were purchased or sold. Investors should draw their own conclusions regarding Värde's and the Funds' relative performance in the market. All financial information in this Presentation related to Värde or any Fund is unaudited. Any risk management or mitigation processes or actions discussed refer to efforts to monitor and manage risk but should not be confused with and do not imply no or low risk. You may contact Värde to ask any questions you may have with regard to this Presentation, including questions about the procedures and methodologies used to calculate the investment returns.

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Certain information contained herein constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "expect," "anticipate," "estimate," "forecast," "initiative," "objective," "plan," "goal," "project," "outlook," "priorities," "target," "intend," "evaluate," "pursue," "seek," "may," "would," "could," "should," "believe," "potential," "continue," or the negative of any of those words or similar expressions intended to identify forward-looking statements. Due to various risks and uncertainties, actual events or results or the actual performance of a Fund may differ materially from those reflected or contemplated in such forward-looking statements. Investors are cautioned not to place undue reliance on forward-looking statements.

Any target performance information stated herein or elsewhere is not intended to predict any Fund's performance; instead, such information is meant to help explain how Värde intends to construct such Fund's portfolio and what investments Värde intends to pursue in light of Värde and its affiliates' experience with similar transactions. Such target performance information is intended to indicate the returns that Värde has observed in the market generally and is based on a number of factors, including, for example, observed and historical market returns, projected cash flows, projected future valuations of fund investments, relevant market dynamics (including capital markets, interest rates and other factors), anticipated contingencies and regulatory issues all of which are unpredictable in nature.

This Presentation is based on information provided by Värde and its affiliates and other third party sources and data believed to be reliable; however, neither Värde nor any of its affiliates has independently verified or guarantees the accuracy or validity of such information. None of Värde, or any of its respective advisors, agents, affiliates or partners, members or employees assume responsibility for or make any representation or warranty, express or implied, with respect to the accuracy, adequacy, validity, or completeness of the information contained in this Presentation.

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B.4

VÄRDE

The Värde Dislocation Fund (“VDF”) Portfolio Update

VDF Metrics and Performance

B.4

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Fund and Portfolio Metrics (as of September 30, 2021)

Fund Metrics		Portfolio Metrics	
Fund Committed / Drawn Capital	$1.6 billion / $802 million	[redacted]	[redacted]
Drawn Capital %[1]	50%	[redacted]	[redacted]
Fund AUM	$955.6 million	[redacted]	[redacted]
Net Fund Multiple[2]	1.16x	[redacted]	[redacted]
Investment Period End Date[3]	6/12/2022	[redacted]	[redacted]

Monthly Net Performance (%, as of September 30, 2021)[4]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	-0.02	3.26	1.23	1.60	0.84	1.42	-1.95	0.88	0.52			
2020							7.80	5.24	-3.01	1.23	18.62	5.64

1. The drawn capital percentage is not inclusive of a 7.5% capital call due October 6, 2021, after the as of date of this information. 2. Net Fund Multiple is calculated as (i) the sum of (a) the current net asset value attributed to the limited partners, (b) all non-recallable capital distributed to the limited partners during the investment period, and (c) all capital distributed to the limited partners following the end of the investment period, divided by (ii) capital contributed by the limited partners, net of recallable distributions made during the investment period. All return figures exclude general partner capital and are net of management fees, carried interest and permissible Fund-level expenses. The return figures also include reinvestment of all dividends, capital gains and other earnings. Any past performance described herein is not indicative of future results. You should not assume that the performance of any specific investment or investment strategy will be profitable or equal to corresponding past performance levels. Any investment or investment strategy can be impacted by numerous factors, including market and economic conditions, and may result in a loss to investors. Any rates of returns described in this report reflect particular moments in time and such returns may not be possible to replicate given the unique set of circumstances wherein investments were purchased or sold. 3. The investment period includes a six month extension at the General Partner's discretion. 4. The net return is calculated as total profit and loss (net of management fees, permissible fund-level expenses and applicable incentive allocations) allocated to limited partners for the month divided by the beginning of the month aggregate capital balance attributable to the limited partners (net of management fees, permissible fund-level expenses and applicable incentive allocations). The calculation of the Fund's net returns also applies in instances where the Fund utilized borrowings under a subscription-based credit facility in advance of receiving capital contributions from investors to repay any such borrowings and related interest expense. As a result, use of a subscription-based credit facility will (in a positive return scenario and to the extent not offset by expenses associated with the use of such facility) result in a higher reported internal rate of return than if financing had not been utilized and instead the investors' capital had been contributed at the inception of an investment and/or distributions returned upon receipt of investment proceeds.

[redacted]

VÄRDE

[redacted]

[redacted]	[redacted]	[redacted]	[redacted]	
			[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
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	[redacted]		[redacted]	[redacted]

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[redacted]

[redacted]

[redacted]

[redacted]4

VÄRDE

[redacted]

[redacted]

VÄRDE

[redacted]

Private Credit Investment Opportunity Sets in Focus

B.4

VÄRDE

We believe the current market offers scalable lending opportunities in select financial and real assets sectors

Commercial Credit

- Small business lending
- Capital asset and equipment finance
- Receivables financing
- Trade finance

Consumer Credit

- Financing or acquiring pools of consumer financial assets
- Such as: personal loans, credit cards, student loans, auto or other secured

Real Assets

- U.S. homebuilding
- Commercial real estate
- Global transportation and infrastructure

Asset-Intensive Corporate Lending

- Financing corporates backed by exposure to valuable assets
- Credit support and security from tangible asset collateral

For illustrative purposes only. You should not assume that the performance of any specific investment or investment strategy will be profitable or equal to corresponding past performance levels. Any investment or investment strategy can be impacted by numerous factors, including market and economic conditions, and may result in a loss to investors. There can be no assurance that any future event will occur or that any projections will be achieved.

 B.4 VÄRDE

Classic distressed drivers and prevalent credit availability gaps create opportunities

1 Structurally Attractive Market

- **Strong underlying demand for credit, with constrained supply**

- Nascent capital markets
- Retrenchment of traditional lenders
- Limited presence of alternative credit providers

2 Systemic & Cyclical Stress

- Pandemic created **shocks to demand & liquidity**
- **Existing systemic distress** exacerbated
- **Opportunity set continues to grow** – deepening where stress pre-existed, broadening across sectors and geographies

3 Improved Opportunities

- **Lower risk & better reward** expected vs. pre-pandemic

- Lower LTV, better collateral, diversified sectors
- We observe average available target returns are wider by 100-400 bps

Compelling Opportunities in Liquid Credit Today

B.4

VÄRDE

Seek to identify dislocated or undervalued capital structures offering strong relative value

- We continue to find opportunities across the credit spectrum, with the greatest concentration in stressed credits across a wide variety of sectors
- In our view, the broader travel & leisure space, which was most heavily disrupted by the pandemic, continues to present an attractive, large scale and diversified opportunity in the market today. We believe this space is poised to benefit from continued economic recovery
- Among the more interesting larger and individual themes in credit where we are investing are:
  - ✓ Air Travel (airlines, airports and other related businesses)
  - ✓ Cruise Lines
  - ✓ Other Travel & Leisure (rental cars, pubs, travel operators, gaming, etc.)
  - ✓ Consumer & Retail
  - ✓ European Financials
  - ✓ Asia Tech
  - ✓ Structured Products (with a current focus on CMBS)
  - ✓ First-time issuers

You should not assume that the performance of any specific investment or investment strategy will be profitable, in line with targeted returns or consistent with estimates. Any investment or investment strategy can be impacted by numerous factors, including market and economic conditions, and may result in a loss to investors. Due to various risks and uncertainties, actual events or results may differ materially from the views and forward-looking statements included in this Presentation. There can be no assurance that any future event will occur or any projections will be achieved, and investors are cautioned not to place undue reliance on the views and forward-looking statements contained herein.

B.4

Focus on Scalable Themes Where Capabilities and Opportunities Converge

VÄRDE

Originate Credit	Trade Credit & Provide Liquidity	Restructure Distressed Credit

Värde's Three Approaches to Credit

Current Investing Themes

Hotel Collateral	Asia Special Situations	India Real Estate	Global Financials (European Bank Credit)
U.K. Commercial	U.S. + U.K. Consumer	Asia High Yield	Asia Venture Lending
U.S. Homebuilding	Dislocated Recovery Credit	India Distressed	Covid Distress Single Name

Current Drivers of Opportunity

Capital Availability Gaps	Cyclical Stress & Distress	Systemic Stress & Distress

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Appendix

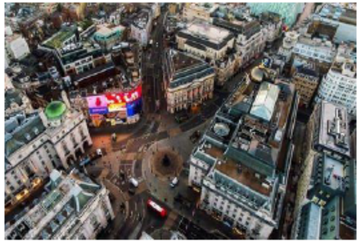
The Värde Global Platform

VÄRDE

Värde is a global alternative investment firm focused on credit and asset investing with approximately $14 billion in AUM

Deep Expertise	Global Reach	Differentiated Platform
• **More than 28 years' experience** investing in credit and assets • **Over $85 billion invested** across 75 countries • Capabilities **across the liquidity spectrum**, from traded credit to private markets • Deep **sourcing & origination** capabilities • **Well-resourced** institutional operations	• **Senior leadership in the U.S., Europe and Asia** • **Large, global investing team**, with more than 50% outside North America • Local **joint venture partners** in key geographies, including India and Indonesia	• **Independently owned** by 16 partners • **Nimble platform** built to handle complexity and allocate capital and resources through a global relative value lens • **Strong culture and values** • Deep commitment to **ESG, Diversity, Equity & Inclusion and philanthropy**

Minneapolis – founded in 1993



London (2004)

Singapore (2008)

New York (2015)

Notes: Firm assets under management are as of September 30, 2021 and do not include committed but uncalled capital. Personnel headcounts are as of November 2021.

Värde Leadership and Organization

B.4

VÄRDE

George Hicks* (Co-Founder & Co-CEO) **Ilfryn Carstairs*** (Co-CEO & Co-CIO)
Marcia Page* (Co-Founder & Executive Chair)

Ilfryn Carstairs* (Co-CEO & Co-CIO) **Brad Bauer*** (Co-CIO) **Giuseppe Naglieri*** (Co-CIO)

Jon Fox* (President) **Andy Lenk*** (Deputy CEO)

Corporate & Traded Credit

Scott Hartman*
(Co-Head of Corporate & Traded Credit & Head of North America)

Haseeb Malik*
(Head of Asia)

Carlos Sanz Esteve
(SMD, Head of Europe)

Real Estate & Real Assets

Tim Mooney*
(Global Head of Real Estate)

Francisco Milone*
(Head of Special Situations)

Brian Schmidt*
(Head of North America Real Estate & Global Head of Mortgages)

Jim Dunbar
(SMD, Mortgages)

Tony Iannazzo
(SMD, Real Estate & Asset Management)

Financial Services & Specialty Finance

Rick Noel*
(Global Co-Head)

Aneek Mamik
(SMD, Global Co-Head)

Craig Rydqvist
(SMD, Head of Europe & Asia Pacific)

Monty Cook
(SMD, Head of North America)

Insurance Solutions

Elena Lieskovska*
(Head of Insurance)

Business Development & Investor Relations

Shannon Gallagher (MD, Global Co-Head)
Mona Girotra (MD, Global Co-Head)
Robyn Churchill (SMD)
Molly Mammen (MD, Investor Services and Fund Formation)

Finance, Technology & Operations

Brendan Albee* (COO)
Ryan Atkinson (SMD, Global Head of Valuations, Middle Office & Operations)
Mike Reimler (SMD, Global Head of Finance)
Steve Stryker (MD, CTO)

Human Resources

Marie Suesse (MD, Global Head)

Legal, Compliance, Audit & Tax

Dave Marple* (General Counsel)
Andrew Malone (SMD, Chief Counsel – Tax and Global Funds)
Carrie Seele (SMD, Chief Counsel, Global Investments)
Mark Schein (MD, CCO)

Communications & Public Affairs

Andrea Raphael (MD, Global Head)

+ over 55 additional investment professionals

Capital Markets: Missy Dolski (MD, Global Head)

Portfolio Operations: Krzysztof Drozd (SMD, Global Head)

Fund Analytics & Risk Management: Mary Jo Sanderson (SMD, Global Head)

ESG, Diversity, Equity & Inclusion, Philanthropy

Kirsten Voss (SMD, Diversity, Equity & Inclusion)

Amy Hertel Buckley (MD, Global Head of Philanthropy)

ESG Council with cross-functional representation and senior sponsorship

Information as of November 2021. Note that * indicates a Partner of the Firm.

B.4

Brad Bauer

Partner and Co-Chief Investment Officer

Brad Bauer is a Partner and Co-Chief Investment Officer. He is a member of the firm's Investment Committee. Based in London, he joined the firm in Minneapolis in 2007, was named Partner in 2013, and has led the firm's London office since 2019.

Brad has held numerous leadership positions throughout his time at Värde, including oversight of all non-investing functions. Prior to that, he was involved in managing the firm's Corporate and Traded Credit team. Brad's experience spans an array of industries and spectrum of credit markets.

Prior to joining Värde, Brad held senior investing and portfolio management roles focused on distressed debt and credit trading at both Deephaven Capital Management and Ameriprise Financial, Inc. Prior to Ameriprise, he worked for U.S. Bancorp Piper Jaffray in the Middle-Market Mergers and Acquisitions group.

Brad received a B.S. in Finance from Iowa State University, where he also competed on the varsity golf team. He earned his Chartered Financial Analyst (CFA) designation.

Tom Knechtel

Director, Business Development and Investor Relations

Tom Knechtel is a Director on the Business Development and Investor Relations department. Based in New York, he joined the firm in 2020.

Prior to joining Värde, Tom was a Managing Director at Pinnacle Trust Partners focused on the distribution of alternative investment funds to institutional investors in the United States. Previously, Tom was a Managing Director at Verition Fund Management where he led the marketing and investor relations effort. Prior to that, Tom held senior marketing roles at firms including Eaton Partners and Prosiris Capital Management.

Tom received a B.A. from Middlebury College, where he was a member of the varsity football and lacrosse teams.

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Memorandum

To: MCERA Board of Trustees

From: Jim Callahan, CFA

Anne Heaphy

Date: December 15, 2021

Subject: Morgan Stanley Investment Management Personnel Update

Morgan Stanley Investment Management (MSIM) has announced a new hire to the International Equity Team, Marte Borhaug, as Portfolio Manager and Executive Director, Head of Sustainable Outcomes. Borhaug joins from Aviva Investors where she was Global Head of Sustainable Outcomes and has 11 years of sustainability experience. At MSIM, she is part of the investment team and will opine on ESG relevance for all stock discussions, increase engagement with companies and external resources, and incorporate sustainability best practices into the process. Vlad Demine, the Head of ESG Research, will report to Borhaug and continue with his broad, top down, thematic ESG research as part of the investment process. The team now consists of 13 members.

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Memorandum

To: MCERA Board of Trustees

From: Jim Callahan, CFA

Anne Heaphy

Date: December 15, 2021

Subject: TimesSquare Capital Management Personnel Update

TimesSquare has announced that Daniel De Jesus, an international equity research analyst covering Latin America, has departed the firm. He will be taking on a portfolio management role with a hedge fund. De Jesus had been at the firm for about two years, and the names he covered represented about 3% of the portfolio.

We do not believe any action is required by MCERA given De Jesus' limited exposure to the International Small Cap strategy. Nevertheless, we will monitor the firm and any impact these changes might have on the team and strategy.

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Memorandum

To: MCERA Board of Trustees

From: Jim Callahan, CFA
Anne Heaphy

Date: December 15, 2021

Subject: MCERA Watchlist Qualification
Manager: Artisan – International Equity Portfolio
On Watchlist due to: Peer group performance
Placed on Watchlist: Fourth Quarter 2017
Date notified: November 29, 2017

MCERA's Criteria for Investment Manager Termination and Watchlist in the Investment Policy Statement states:

MCERA understands the cyclical nature of investment performance and the potential for its investment managers not to meet objectives over short-term periods. While it is not the Board's intention to terminate a manager for short-term underperformance relative to objectives, the Board has implemented the following process as a means of monitoring and evaluating managers that have experienced performance difficulties in the short-term to assess the impact on longer-term performance.

If a manager trails its relevant benchmark by more than 100 basis points (net of fees) and ranks in the bottom quartile of its peer universe (gross of fees ranking) for the trailing three years, or if a manager trails its relevant benchmark (net of fees) or ranks below median of its peer universe (gross of fees ranking) for the trailing five years, then the manager may be placed on the Watchlist.

If the underperformance of a manager on the Watchlist persists over a reasonable period in the future (as defined by the Staff, Board and Consultant based on the unique circumstances surrounding the manager and current market conditions), the Board may and will consider termination.

The Watchlist provisions have also established a one-year watch period to assess whether a manager should be removed from the Watchlist, have the watch period extended, or be terminated.

Procedures Following the Initiation of Watch Status

The watch period will be established for a one-year total duration. If at the end of the watch period, performance has improved to above-benchmark and/or above the manager median over a market cycle, the manager will be removed from the Watchlist.

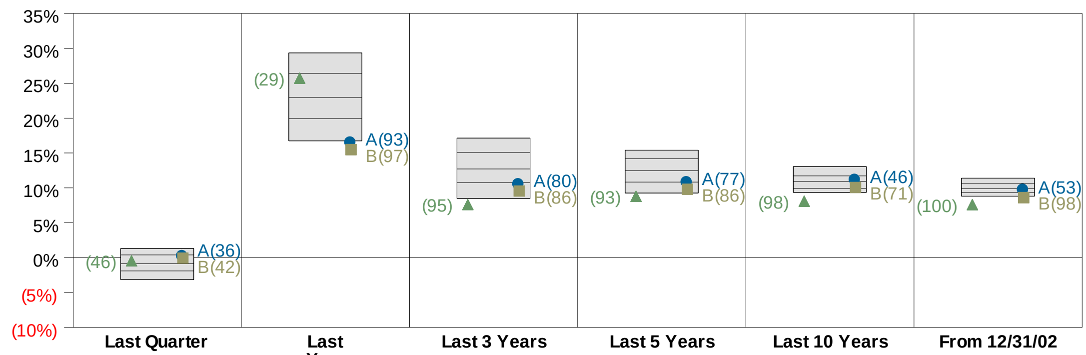
If at the end of the watch period, the manager is underperforming the manager may be terminated or remain on the Watchlist for a period defined by the Investment Committee.

Artisan was notified of its Watchlist status in November 2017. Artisan still qualifies for the Watchlist based on the quantitative criteria. Artisan's five year net of fee returns easily exceeds the benchmark; however the five year gross of fee peer group ranking is below median (77th percentile).

Callan is comfortable with Artisan's International Equity portfolio. Relative performance over longer-term periods has been very strong. Artisan employs a bottom-up stock selection process focused on identifying long-term growth opportunities. The team seeks to invest in attractively valued companies that are industry leaders and have meaningful exposure to, and will benefit from, long-term secular growth trends. The team identifies global or regional investment themes and corresponding companies that are likely to benefit from their exposure to above trend growth rates. Current themes include: changing demographics, developing technology, energy efficiency and renewables, and industrial automation.

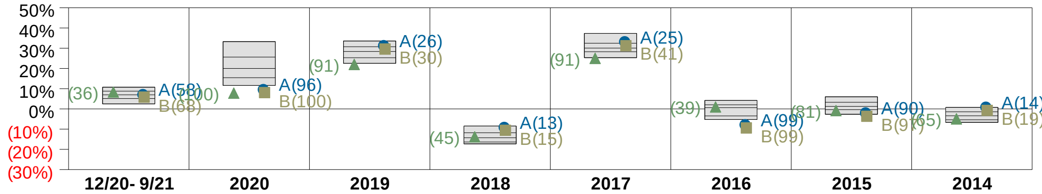
The root of Artisan's underperformance that caused the manager to initially qualify for the watchlist can be traced to 2016 when growth stocks were out of favor and energy and materials stocks were the largest contributors. Artisan was not properly positioned for the commodities bounce back after a challenging 2015. Additionally, a number of Artisan's stocks suffered from Brexit and US presidential election-related concerns. Performance for the last one year period through September 30, 2021 has also trailed on a relative basis. This is primarily due to a sharp market rotation from growth to value during the fourth quarter of 2020 and the first quarter of 2021 in which cheap cyclical stocks outperformed. Since 2016, Artisan has outperformed the benchmark in 17 of the last 23 quarters.

Periods Ending September 30, 2021
Performance vs Callan Non-US Broad Growth Equity (Gross)



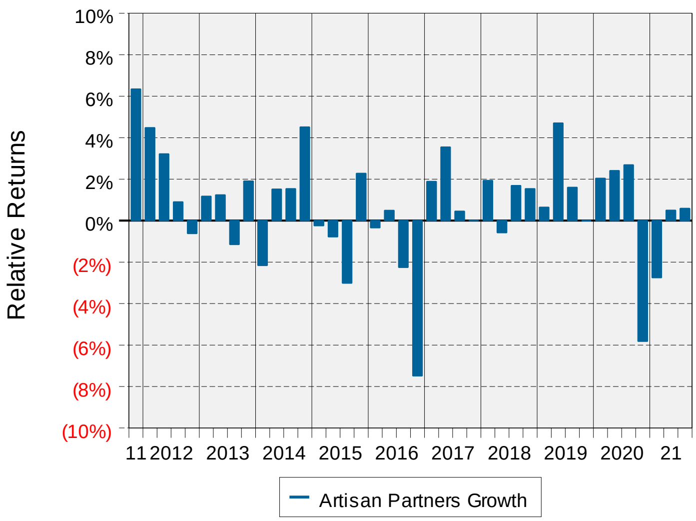
		Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	From 12/31/02
10th Percentile		1.31	29.36	17.13	15.41	13.06	11.40
25th Percentile		0.39	26.40	15.08	14.18	11.73	10.67
Median		(0.87)	22.95	12.71	12.48	10.92	9.88
75th Percentile		(1.89)	19.94	10.77	10.83	9.92	9.33
90th Percentile		(3.15)	16.75	8.46	9.27	9.35	8.82
Artisan Partners Growth	● A	0.14	16.41	10.43	10.73	11.07	9.64
Artisan Partners Growth - NOF	■ B	(0.06)	15.49	9.55	9.80	10.06	8.60
MSCI EAFE Index	▲	(0.45)	25.73	7.62	8.81	8.10	7.61

Performance vs Callan Non-US Broad Growth Equity (Gross)



		12/20- 9/21	2020	2019	2018	2017	2016	2015	2014
10th Percentile		10.77	33.31	33.58	(8.45)	37.36	4.18	6.00	0.78
25th Percentile		8.75	25.62	30.73	(11.76)	32.50	2.05	3.27	(1.42)
Median		6.99	19.98	28.39	(14.23)	30.08	0.62	1.26	(3.38)
75th Percentile		5.11	15.45	25.32	(16.36)	28.27	(3.48)	(0.38)	(5.33)
90th Percentile		2.51	11.63	22.54	(17.27)	25.33	(5.23)	(2.64)	(6.66)
Artisan Partners Growth	A	6.52	8.96	30.65	(9.79)	32.52	(8.53)	(2.61)	0.24
Artisan Partners Growth - NOF	B	5.88	8.09	29.62	(10.53)	31.24	(9.41)	(3.63)	(0.74)
MSCI EAFE Index		8.35	7.82	22.01	(13.79)	25.03	1.00	(0.81)	(4.90)

Relative Return vs MSCI EAFE Index



Recommendation

Based on the quantitative criteria, Callan recommends that the Investment Committee keep Artisan on the watchlist. Artisan will be re-evaluated in one year unless the Investment Committee determines a different course of action is required before then.

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Memorandum

To:	MCERA Board of Trustees
From:	Jim Callahan, CFA
	Anne Heaphy
Date:	December 15, 2021
Subject:	MCERA Watchlist Qualification
	Manager: Morgan Stanley – International Equity Portfolio
	On Watchlist due to: Personnel changes and performance
	Placed on Watchlist: Fourth Quarter 2017
	Date notified: November 29, 2017

MCERA's Criteria for Investment Manager Termination and Watchlist in the Investment Policy Statement states:

MCERA understands the cyclical nature of investment performance and the potential for its investment managers not to meet objectives over short-term periods. While it is not the Board's intention to terminate a manager for short-term underperformance relative to objectives, the Board has implemented the following process as a means of monitoring and evaluating managers that have experienced performance difficulties in the short-term to assess the impact on longer-term performance.

If a manager trails its relevant benchmark by more than 100 basis points (net of fees) and ranks in the bottom quartile of its peer universe (gross of fees ranking) for the trailing three years, or if a manager trails its relevant benchmark (net of fees) or ranks below median of its peer universe (gross of fees ranking) for the trailing five years, then the manager may be placed on the Watchlist.

If the underperformance of a manager on the Watchlist persists over a reasonable period in the future (as defined by the Staff, Board and Consultant based on the unique circumstances surrounding the manager and current market conditions), the Board may and will consider termination.

The Watchlist provisions have also established a one-year watch period to assess whether a manager should be removed from the Watchlist, have the watch period extended, or be terminated.

Procedures Following the Initiation of Watch Status

The watch period will be established for a one-year total duration. If at the end of the watch period, performance has improved to above-benchmark and/or above the manager median over a market cycle, the manager will be removed from the Watchlist.

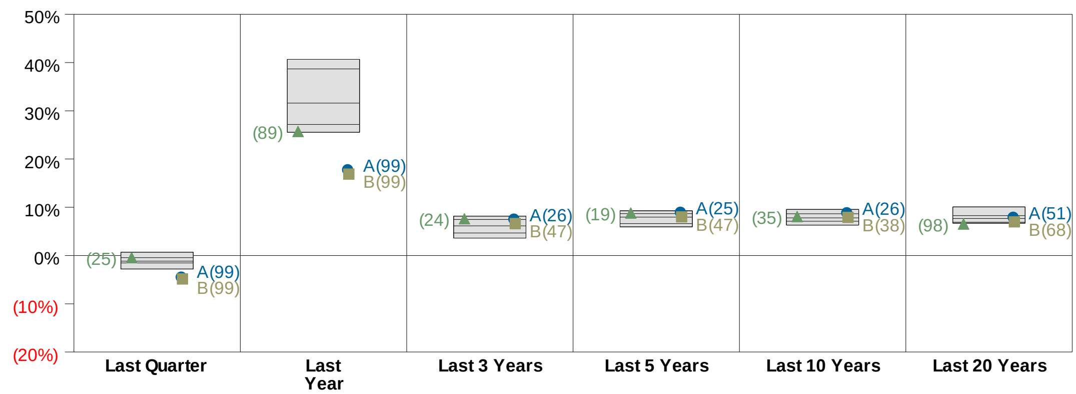
If at the end of the watch period, the manager is underperforming the manager may be terminated or remain on the Watchlist for a period defined by the Investment Committee.

Morgan Stanley was notified of its Watchlist status in November 2017. Since that time, Morgan Stanley Investment Management's (MSIM) International equity portfolio has intermittently qualified for the Watchlist based on the quantitative criteria. Personnel changes on the team also warranted Watchlist status over this period. Personnel changes have stabilized recently with positive additions to the team and no departures over the last year. However, relative performance over the five year period ending September 30, 2021 now qualifies for Watchlist criteria.

Callan is comfortable with MSIM's International Equity portfolio. The MSIM International Equity portfolio is fundamentally based and focused on absolute return through buying superior franchises at the right price. The team is focused on understanding the franchise (dominant market share with effective barriers to entry), financial strength (improving returns on operating capital employed), and management (allocation of capital and compensation). Recent performance has trailed on a relative basis given the portfolio's quality bias and defensive positioning. It has underperformed during the recent low quality, cyclical, risk-on rallies in the market (4Q20, 1Q21, and 3Q21). The portfolio's relative underperformance is understandable given the market dynamics and portfolio positioning.

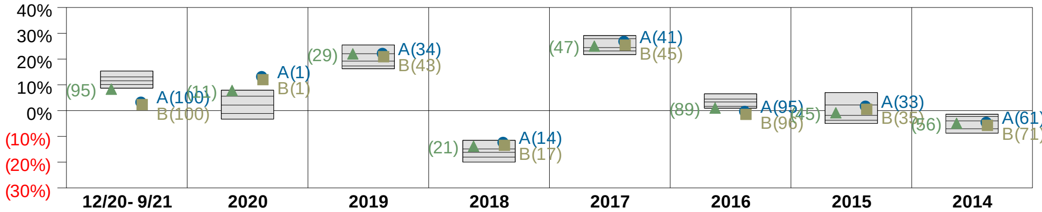
Periods Ending September 30, 2021

Performance vs Callan Non-US Developed Value Equity (Gross)



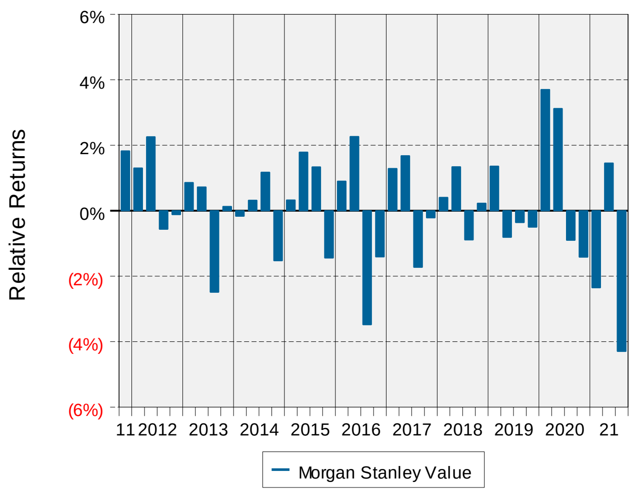
	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 20 Years
10th Percentile	0.69	40.67	8.17	9.28	9.56	10.09
25th Percentile	(0.45)	38.69	7.46	8.68	8.66	8.28
Median	(1.17)	31.60	6.16	7.96	7.80	7.69
75th Percentile	(1.52)	27.17	4.68	6.62	7.10	6.89
90th Percentile	(2.79)	25.56	3.62	5.94	6.31	6.69
Morgan Stanley Value ● A	(4.72)	17.53	7.26	8.68	8.60	7.68
Morgan Stanley Value - NOF ■ B	(4.85)	16.88	6.63	8.01	7.91	6.98
MSCI EAFE Index ▲	(0.45)	25.73	7.62	8.81	8.10	6.55

Performance vs Callan Non-US Developed Value Equity (Gross)



	12/20- 9/21	2020	2019	2018	2017	2016	2015	2014
10th Percentile	15.35	7.94	25.50	(11.52)	29.10	6.52	6.99	(1.42)
25th Percentile	13.08	5.62	22.08	(14.88)	27.89	4.47	2.20	(2.28)
Median	11.55	2.13	19.18	(16.16)	24.44	3.34	(1.86)	(3.97)
75th Percentile	10.09	(1.11)	17.29	(18.04)	23.14	1.64	(3.75)	(7.06)
90th Percentile	8.73	(3.32)	16.23	(19.96)	21.73	0.94	(5.00)	(8.75)
Morgan Stanley Value ● A	2.73	12.65	21.63	(12.86)	26.28	(0.82)	1.17	(5.10)
Morgan Stanley Value - NOF ■ B	2.31	12.00	20.93	(13.46)	25.42	(1.45)	0.52	(5.70)
MSCI EAFE Index ▲	8.35	7.82	22.01	(13.79)	25.03	1.00	(0.81)	(4.90)

Relative Return vs MSCI EAFE Index



Recommendation

Callan recommends that the Investment Committee keep MSIM on the Watchlist given performance and personnel changes. MSIM will be re-evaluated in one year unless the Investment Committee determines a different course of action is required before then.

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Memorandum

To: MCERA Board of Trustees

From: Jim Callahan, CFA
Anne Heaphy

Date: December 15, 2021

Subject: MCERA Watchlist Qualification
Manager: Colchester – Global Fixed Income Portfolio
On Watchlist due to: Peer group performance

MCERA's Criteria for Investment Manager Termination and Watchlist in the Investment Policy Statement states:

MCERA understands the cyclical nature of investment performance and the potential for its investment managers not to meet objectives over short-term periods. While it is not the Board's intention to terminate a manager for short-term underperformance relative to objectives, the Board has implemented the following process as a means of monitoring and evaluating managers that have experienced performance difficulties in the short-term to assess the impact on longer-term performance.

If a manager trails its relevant benchmark by more than 100 basis points (net of fees) and ranks in the bottom quartile of its peer universe (gross of fees ranking) for the trailing three years, or if a manager trails its relevant benchmark (net of fees) or ranks below median of its peer universe (gross of fees ranking) for the trailing five years, then the manager may be placed on the Watchlist.

If the underperformance of a manager on the Watchlist persists over a reasonable period in the future (as defined by the Staff, Board and Consultant based on the unique circumstances surrounding the manager and current market conditions), the Board may and will consider termination.

The Watchlist provisions have also established a one-year watch period to assess whether a manager should be removed from the Watchlist, have the watch period extended, or be terminated.

Procedures Following the Initiation of Watch Status

The watch period will be established for a one-year total duration. If at the end of the watch period, performance has improved to above-benchmark and/or above the manager median over a market cycle, the manager will be removed from the Watchlist.

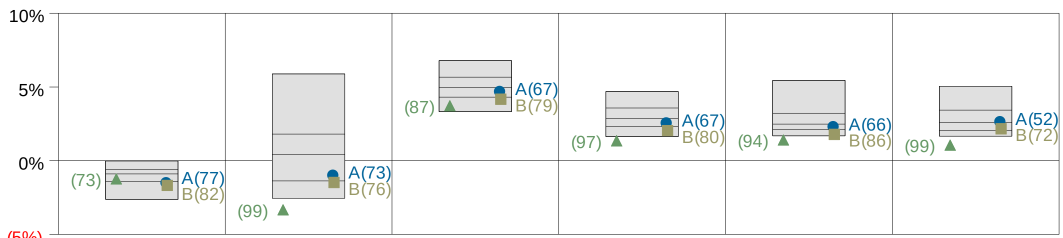
If at the end of the watch period, the manager is underperforming the manager may be terminated or remain on the Watchlist for a period defined by the Investment Committee.

Colchester qualified in 2019 for the Watchlist based on the quantitative criteria and was subsequently removed last year due to an improvement in performance. Colchester now qualifies again for the Watchlist. Its five year net of fee returns exceeds the benchmark; however the five year gross of fee peer group ranking is below median (67th percentile).

Callan is comfortable with Colchester's global fixed income portfolio. Colchester applies a value driven framework in their evaluation of sovereign bonds and currencies. They invest mainly in high quality sovereign bonds that offer attractive real yields. Similarly on the currency side, Colchester believes currencies are mean reverting and invest in currencies that are most undervalued according to their real exchange rate. About two-thirds of the portfolio's relative return is derived from bond selection and one third from currency management. Versus the peer group, Colchester maintains a higher quality portfolio and does not hold any spread sectors. The peer group has a fair amount of corporate credit exposure and overall lower quality exposure. Spread sectors and lower quality bonds have been strong contributors to fixed income performance as investors seek additional sources of yield.

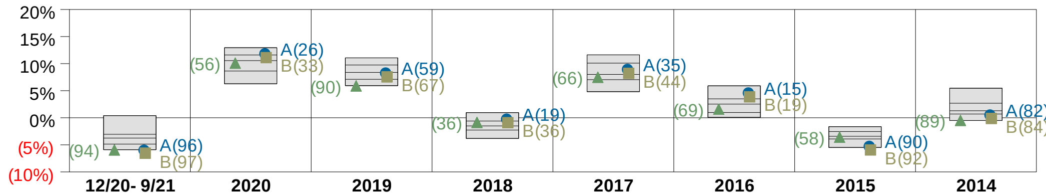
Periods Ending September 30, 2021

Performance vs Callan Global Fixed Income (Unhedged) (Gross)



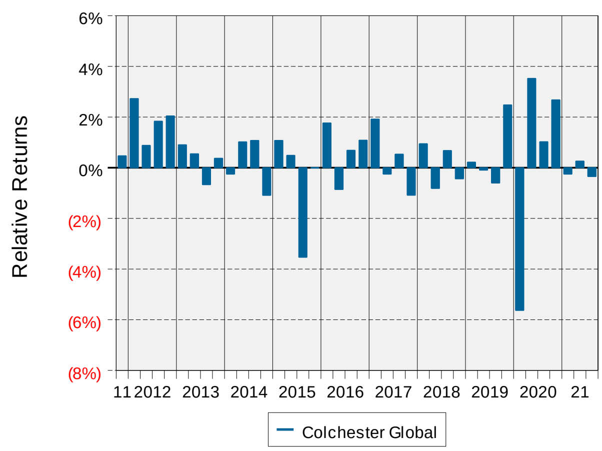
		Last Quarter	Last Year	Last 3 Years	Last 5 Years	Since Inception	Last 10 Years
10th Percentile		(0.02)	5.88	6.80	4.69	5.44	5.05
25th Percentile		(0.59)	1.80	5.67	3.57	3.22	3.43
Median		(0.90)	0.41	4.97	2.86	2.48	2.60
75th Percentile		(1.41)	(1.37)	4.31	2.30	2.10	2.06
90th Percentile		(2.63)	(2.55)	3.33	1.63	1.69	1.66
Colchester Global	● A	(1.57)	(1.07)	4.61	2.48	2.23	2.57
Colchester Global - NOF	■ B	(1.68)	(1.48)	4.17	2.04	1.78	2.16
FTSE World Govt Bond Index	▲	(1.24)	(3.33)	3.73	1.35	1.40	1.06

Performance vs Callan Global Fixed Income (Unhedged) (Gross)

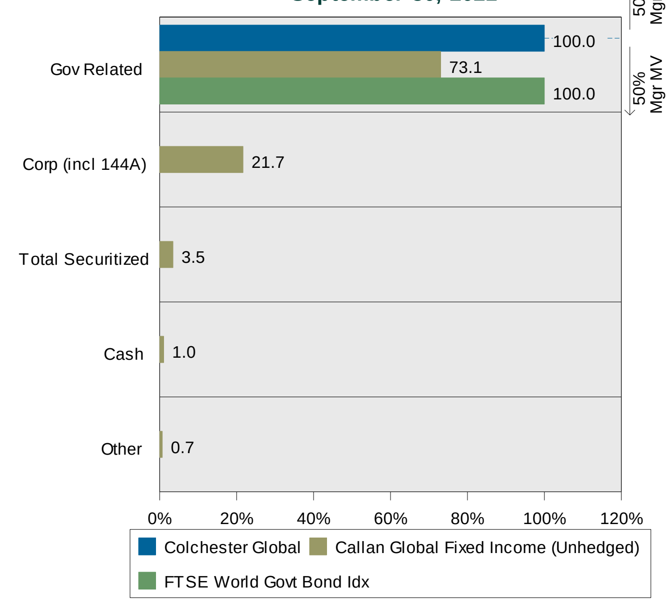


		12/20- 9/21	2020	2019	2018	2017	2016	2015	2014
10th Percentile		0.40	12.95	11.07	0.96	11.62	5.90	(1.65)	5.47
25th Percentile		(3.05)	11.60	9.75	(0.59)	10.11	3.50	(2.55)	2.69
Median		(3.74)	10.56	8.39	(1.50)	8.00	2.53	(3.43)	1.29
75th Percentile		(4.86)	8.63	7.11	(2.28)	7.05	0.98	(3.90)	0.69
90th Percentile		(5.89)	6.28	5.94	(3.82)	4.82	0.07	(5.49)	(0.49)
Colchester Global	● A	(6.24)	11.58	8.02	(0.47)	8.68	4.33	(5.52)	0.27
Colchester Global - NOF	■ B	(6.53)	11.12	7.55	(0.90)	8.20	3.87	(5.95)	(0.14)
FTSE World Govt Bond Index	▲	(5.93)	10.11	5.90	(0.84)	7.49	1.60	(3.57)	(0.48)

Relative Returns vs FTSE World Govt Bond Index



Sector Allocation September 30, 2021



<u>Recommendation</u>

Based on the quantitative criteria, Callan recommends that the Investment Committee add Colchester to the Watchlist. Colchester will be re-evaluated in one year unless the Investment Committee determines a different course of action is required before then.

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Memorandum

To: MCERA Board of Trustees

From: Jim Callahan, CFA
Anne Heaphy

Date: December 15, 2021

Subject: MCERA Watchlist Qualification
Manager: Invesco – Balanced-Risk Commodities Portfolio
On Watchlist due to: Relative and peer group performance

MCERA's Criteria for Investment Manager Termination and Watchlist in the Investment Policy Statement states:

MCERA understands the cyclical nature of investment performance and the potential for its investment managers not to meet objectives over short-term periods. While it is not the Board's intention to terminate a manager for short-term underperformance relative to objectives, the Board has implemented the following process as a means of monitoring and evaluating managers that have experienced performance difficulties in the short-term to assess the impact on longer-term performance.

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If the underperformance of a manager on the Watchlist persists over a reasonable period in the future (as defined by the Staff, Board and Consultant based on the unique circumstances surrounding the manager and current market conditions), the Board may and will consider termination.

The Watchlist provisions have also established a one-year watch period to assess whether a manager should be removed from the Watchlist, have the watch period extended, or be terminated.

Procedures Following the Initiation of Watch Status

The watch period will be established for a one-year total duration. If at the end of the watch period, performance has improved to above-benchmark and/or above the manager median over a market cycle, the manager will be removed from the Watchlist.

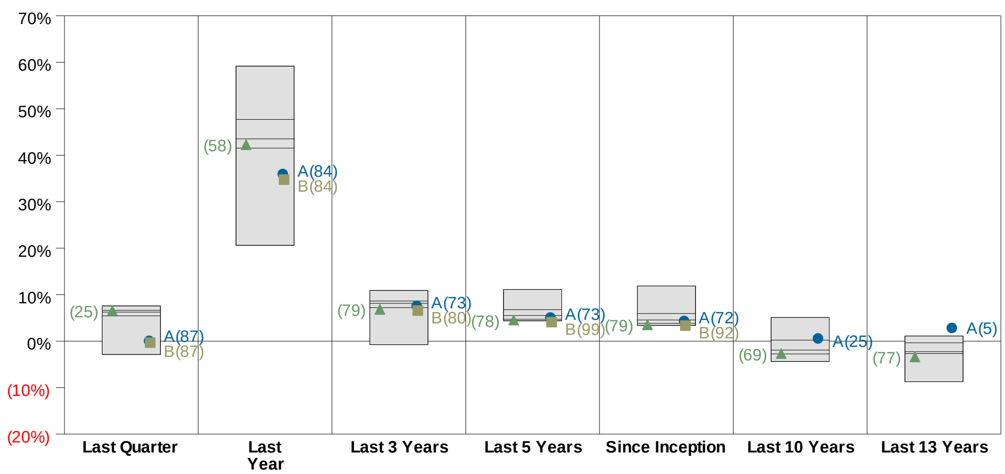
If at the end of the watch period, the manager is underperforming the manager may be terminated or remain on the Watchlist for a period defined by the Investment Committee.

Invesco now has a full five year track record with MCERA and recently qualified for the Watchlist based on the quantitative criteria. Over the trailing five year period, their net of fee return is below the benchmark and their peer group ranking is below median.

Callan is comfortable with Invesco's Balanced-Risk Commodity portfolio. Approximately 50% of the risk in the benchmark comes from energy related commodities. Invesco seeks to correct for this concentration by gaining risk balanced exposures to the different commodity complexes. Invesco's investment strategy focuses on four key drivers of commodity returns: storage difficulty, equal risk exposure, optimal roll yield, and tactical allocation. The portfolio construction process begins by selecting representative assets for each commodity exposure based on attractive correlations, projected long-term excess returns, and liquidity. The portfolio is then examined to determine how each commodity complex contributes to overall portfolio risk and is optimized to balance the risk contributions. Tactical allocations are then made based on optimal roll and absolute and relative attractiveness of various factors such as: supply and demand, economic environment, and price trends.

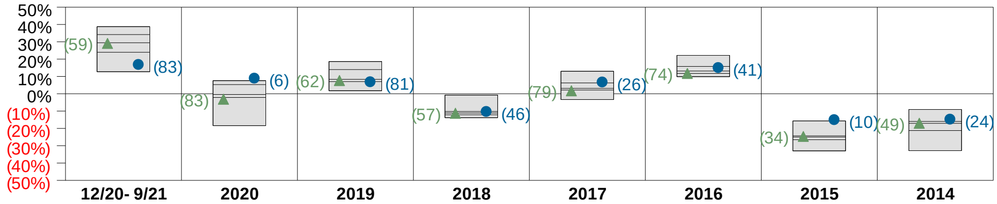
Invesco's main periods of relative underperformance have been the second and third quarters of 2021. This is primarily due to their strategic underweight to energy, including natural gas and oil whose prices have soared during this time frame. These two quarters have pulled down their longer-term performance. Commodities by their very nature are a volatile asset class, and it is likely this portfolio may be on and off the Watchlist frequently.

Periods Ending September 30, 2021
Performance vs Callan Commodities (Gross)



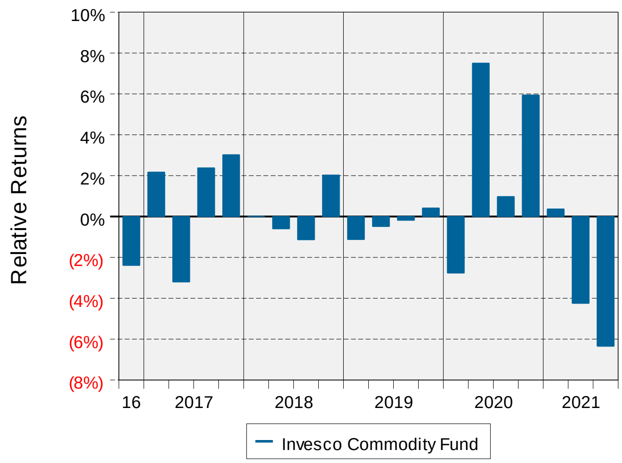
	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Since Inception	Last 10 Years	Last 13 Years
10th Percentile	7.58	59.17	10.90	11.10	11.86	5.08	1.12
25th Percentile	6.63	47.69	8.64	6.78	5.93	0.23	(0.36)
Median	6.24	43.51	8.14	5.51	4.56	(1.92)	(2.27)
75th Percentile	5.43	41.52	7.20	4.70	3.83	(2.75)	(2.66)
90th Percentile	(2.87)	20.60	(0.76)	4.37	3.37	(4.38)	(8.72)
Invesco Commodity Fund ● A	(0.16)	35.70	7.33	4.83	4.08	0.32	2.59
Invesco Commodity Fund - NOF ■ B	(0.34)	34.76	6.58	4.10	3.35	-	-
Bloomberg Commodity Index ▲	6.59	42.29	6.86	4.54	3.54	(2.66)	(3.36)

Performance vs Callan Commodities (Gross)



	12/20- 9/21	2020	2019	2018	2017	2016	2015	2014
10th Percentile	38.77	7.61	18.66	(0.77)	13.00	22.17	(15.67)	(9.06)
25th Percentile	34.15	5.28	13.95	(10.19)	6.28	15.77	(24.28)	(15.93)
Median	29.44	(0.38)	8.32	(11.07)	3.17	13.17	(25.01)	(17.06)
75th Percentile	23.96	(2.16)	7.06	(12.14)	2.15	11.75	(26.50)	(21.23)
90th Percentile	12.70	(18.42)	1.74	(13.79)	(3.35)	9.84	(32.96)	(32.81)
Invesco Commodity Fund ●	16.24	8.33	6.23	(10.99)	6.09	14.37	(15.61)	(15.39)
Bloomberg Commodity Index ▲	29.13	(3.12)	7.69	(11.25)	1.70	11.77	(24.66)	(17.01)

Relative Returns vs Bloomberg Commodity Index



<u>Recommendation</u>

Based on the quantitative criteria, Callan recommends that the Investment Committee add Invesco to the Watchlist. Invesco will be re-evaluated in one year unless the Investment Committee determines a different course of action is required before then.

Investment Policy Statement
For

Marin County Employees' Retirement Association

~~FINAL~~
~~July 2021~~
DRAFT
December 2021

MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

INVESTMENT POLICY STATEMENT

Table of Contents

INTRODUCTION

The Marin County Employees' Retirement Association ("MCERA") was established to provide retirement benefits to county employees and other local public agencies. The Board of Retirement (the "Board" and/or the "Board of Retirement") is comprised of the County Director of Finance, four members appointed by the County Board of Supervisors, four members elected by the membership, plus one alternate retiree and one alternate safety member. The Director of Finance may also designate a deputy, who is employed under the Director of Finance's authority, to act in his or her place and stead on the Board or any of its committees.

MCERA was organized in accordance with the provisions of California's 1937 County Employees Retirement Law ("1937 Act"). The powers and duties of the Board of Retirement are set forth in the 1937 Act and in Article XVI, section 17, of the State Constitution. This document provides a framework for the investment of the assets of MCERA. The Board of Retirement has established a standing Investment Committee, which is composed of all members of the Board of Retirement ("Investment Committee" or "Committee"). As set forth in the Investment Committee's Charter, the Committee has been delegated all investment authority of MCERA as set forth therein. The purpose of the Investment Policy is to assist the Board, through the Investment Committee, in effectively supervising and monitoring the assets of MCERA (the "Plan" or the "Fund"). Specifically, it will address the following issues:

- The general goals of the investment program;
- The policies and procedures for the management of the investments;
- Specific asset allocations, rebalancing procedures and investment guidelines;
- Performance objectives; and
- Responsible parties.

The Investment Committee establishes this investment policy in accordance with applicable local, State, and Federal laws. The Board and Committee members exercise authority and control over the Plan, by setting policy which the Staff executes either internally or through the use of external prudent experts. The Board and Committee oversee and guide the Plan subject to the following basic fiduciary responsibilities:

- Solely in the interest of, and for the exclusive purpose of, providing benefits to participants and their beneficiaries, minimizing contributions thereto, and defraying reasonable expenses of administering the Plan.

- Invest and manage Fund assets as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the Fund. In satisfying this standard of care, the trustees shall exercise reasonable care, skill, and caution.

- Diversify the investments of the Plan so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly prudent not to do so. Diversification is applicable to the deployment of the assets as a whole.

This policy statement is designed to allow for sufficient flexibility in the management oversight process to capture investment opportunities as they may occur, while setting forth reasonable parameters to ensure prudence and care in the execution of the investment program.

POLICIES AND PROCEDURES

The policies and procedures of MCERA's investment program are designed to maximize the probability that the investment goals will be fulfilled. Investment policies will evolve as Fund conditions change and as investment conditions warrant.

Asset Allocation Policy

MCERA adopts and implements an asset allocation policy that is predicated on a number of factors, including:

- A projection of actuarial assets, liabilities and benefit payments and the cost of contributions;
- Historical and expected long-term capital market risk and return behavior;
- An assessment of future economic conditions, including inflation and interest rate levels; and
- The current and projected funding status of the Plan.

This policy provides for diversification of assets in an effort to maximize the investment return of the Plan consistent with market conditions. Asset allocation modeling identifies asset classes the Plan will utilize and the percentage that each class represents of the total Fund. Due to the fluctuation of market values, positioning within a specified range is acceptable and constitutes compliance with the policy. It is anticipated that an extended period of time may be required to fully implement the asset allocation policy, and that periodic revisions will occur. MCERA's Staff and external consultants will monitor and assess the actual asset allocation versus policy and will evaluate any variation deemed significant.

The Board and Committee will implement the asset allocation policy (i) through the use of investment managers to invest the assets of MCERA in accordance with the investment guidelines incorporated into the investment management agreements executed with MCERA and/or (ii) through its investment in limited liability partnerships, limited liability corporations, commingled funds, group trusts or other commonly used investment vehicles, which invest allocated assets in accordance with the governing documents for the investment vehicle. When appropriate, passive management strategies may also be utilized.

INVESTMENT GOAL STATEMENT

The Plan's general investment goals are broad in nature. The objective shall be to efficiently allocate and manage the assets dedicated to the payment of Plan benefits and administrative expenses. The following goals, consistent with the above described purpose, are adopted:

- The overall goal of MCERA's investments is to provide Plan participants with retirement, disability, and death and survivor benefits as provided for under the County Employees Retirement Law of 1937. This will be accomplished through a carefully planned and executed long-term investment program.

- MCERA's assets will be managed on a total return basis. While MCERA recognizes the importance of the preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns.

- The total portfolio over the long term will be expected to:

  1. Meet or exceed a long-term total portfolio real (above inflation) return commensurate with the target asset allocation contained in Appendix A to this document (annualized, net of fees, over a full market cycle, normally defined as 5-7 years);

  2. Meet or exceed the assumed actuarial rate of return over long-term periods; and

  3. Meet or exceed a weighted index of the total Plan's asset allocation policy and component benchmarks over rolling five-year periods by an appropriate amount (annualized, net of fees, over a full market cycle).

- MCERA's Investment Policy has been designed to produce a total portfolio, long-term real return. Consequently, prudent risk-taking is warranted within the context of overall portfolio diversification to meet this goal. The investment activities are designed and executed in a manner that serves the best interests of the members and beneficiaries of the Association.

- All transactions undertaken will be for the sole benefit of MCERA's members and beneficiaries and for the exclusive purpose of providing benefits to them, minimizing contributions to the Plan and defraying reasonable associated administrative expenses.

- MCERA has a long-term investment horizon, and utilizes an asset allocation plan that encompasses a strategic, long-run perspective of capital markets. It is recognized that a strategic long-run asset allocation plan implemented in a consistent and disciplined manner will be the major determinant of the Plan's investment performance.

Investment recommendations and subsequent actions are expected to comply with "prudent expert" standards. Board and Committee members are expected to comply with "prudent investor" standards.

Manager Utilization and Selection

The selection of investment managers is accomplished in accordance with all applicable local, State and Federal laws and regulations. Each investment manager and consultant functions under a formal contract which delineates responsibilities and appropriate performance expectations. A formal set of investment guidelines and investment administrative requirements for each investment manager has been established and is provided as an addendum to this document. With regard to investment in limited liability partnerships, limited liability corporations, commingled funds, group trusts or other commonly used investment vehicles, the management of the relevant investment vehicle and the investment guidelines will be as set forth in the fund's legal documentation.

Manager Authority

The Plan's investment managers, unless otherwise noted in their contract, shall have designated discretion to direct and manage the investment and reinvestment of assets allocated to their accounts in accordance with this document; applicable local, State and Federal statutes and regulations; and individual management investment plans and executed contracts. Commingled investments, including but not limited to investments in mutual funds, trusts, limited liability partnerships, limited liability corporations, group trusts or other commonly used investment vehicles, are expected to comply with the guidelines established in the governing documents or fund prospectus.

The Board, Committee, and Staff will consider the comments and recommendations of consultants in conjunction with other available information in making informed, prudent decisions.

Proxy Voting

MCERA acknowledges that the ownership of equities requires proxies to be voted. MCERA commits to managing its proxy voting rights with the same care, skill, diligence and prudence as is exercised in managing its other assets. As responsible fiduciaries, the Board of Retirement will exercise its proxy voting rights in the sole interest of the Plan's members and beneficiaries in accordance with all applicable statutes and MCERA's Proxy Voting and Corporate Governance Policy.

Securities Lending

The Board and/or Committee may authorize the execution of a "Securities Lending Program" which will be performed by the Plan custodian or qualified third-party securities lending agent(s). The program will be established by a written agreement authorized by the Board and/or Committee and monitored and reviewed by the Staff.

The following are the general guidelines for the securities lending program:

1. The lending program may be implemented through the use of agent lenders or principal lenders;

2. The lenders may lend financial securities including, but not limited to, U.S. and non-U.S. equities, corporate bonds, and U.S. and non-U.S. government securities;
3. If an agent program is implemented, the agent shall have full discretion over the selection of borrowers and shall continually review the creditworthiness of potential borrowers through extensive analysis of relevant information;
4. All loans shall be fully collateralized with cash, government securities or irrevocable bank letters of credit;
5. Cash collateral received from securities borrowers will be deposited upon receipt in a pre-approved short-term investment vehicle or vehicles;
6. Loans of U.S. securities are initially collateralized at 102% of the market value of the borrowed securities if the borrowed securities and the collateral are denominated in the same currency and at 105% if the borrowed securities and the collateral are denominated in different currencies. As the market value of the collateral falls below 102% (105%) of the market value of the borrowed securities, the borrower is marked to market each business day using yesterday's closing prices, subject to the lending agent's de minimis rules of change;
7. Securities on loan should be marked-to-market on a daily basis to assess adequacy of collateralization;
8. The lender shall provide periodic performance reports to MCERA;
9. The securities lending program should in no way inhibit the portfolio management activities of the other investment managers of the system;
10. Staff shall be responsible for making an annual report to the Board and/or Committee on securities lending activity; and
11. All other operational aspects of MCERA's securities lending program are hereby delegated to Staff.

Derivatives and Leverage

MCERA's investment managers may be permitted under the terms of individual investment guidelines to use derivative instruments to implement market decisions and security positions and to control portfolio risk. Derivatives are contracts or securities whose returns are derived from the returns of other securities, indices or instruments including, but not limited to, futures, forwards, options, swaps and options on futures. Examples of appropriate applications of derivative strategies include hedging interest rate and currency risk, rebalancing portfolio exposures, securitizing Fund level and manager cash, maintaining exposure to a desired asset class while effecting asset allocation changes and adjusting portfolio duration for fixed income. Portfolio liabilities associated with investments (i.e. mortgage forward bond purchases, futures, in-the-money short puts, reverse repurchase agreements, etc.) shall be backed by cash equivalents or deliverable securities.

MCERA's investment managers are not allowed to utilize derivatives for speculative purposes. All derivatives must be backed by collateral in the form of deliverable securities equal to or greater than the value of the total derivative exposure. In no circumstances can individual managers borrow funds to purchase derivatives. No derivatives positions can be established that create portfolio characteristics outside of portfolio guidelines. Managers must ascertain and carefully monitor the creditworthiness of any third parties involved in derivative transactions.

Rebalancing

Staff shall, on an ongoing basis in accordance with market fluctuations, rebalance the Fund's portfolio so as to remain within the range of targeted allocations and distributions among investment managers and asset allocations. MCERA has a long-term investment horizon and utilizes an asset allocation plan that encompasses a strategic, long-run perspective of capital markets. It is recognized that a strategic long-run asset allocation plan implemented in a consistent and disciplined manner will be the major determinant of the Plan's investment performance.

MCERA will not attempt to time rises or falls in equity or bond markets by moving away from long-term targets.

Systematic rebalancing, implemented when the asset classes move outside their target ranges or when significant cash flows occur, will be used to maintain or to move asset allocations within these appropriate ranges.

GENERAL INVESTMENT OBJECTIVES AND GUIDELINES

Equity Portfolios

Each equity investment manager retained by MCERA will follow a specific investment style and will be evaluated against a specific market index that represents their investment style. In addition, in the case of active managers, investment results may also be compared to returns of a peer group of managers with similar styles. Benchmarks for the various equity portfolios may include the following indices as well as those proposed by the managers reviewed by the Staff and approved by the Investment Committee or Board:

Domestic Equity Portfolio – Russell 3000 Index
Large Cap Stocks – Russell 1000 Index
Small Cap Stocks – Russell 2000 Index

International Equity Portfolio – MSCI ACWI ex-US IMI Index
International Large Cap Stocks – MSCI EAFE Index
International Small Cap Stocks – MSCI EAFE Small Cap Index
International Emerging Markets Stocks – MSCI Emerging Markets Free Index

General equity guidelines for active managers include the following:

- American Depository Receipts (ADRs) and foreign securities listed on a major US stock exchange or on the NASDAQ are permitted if specified in the manager's guidelines.
- Convertible securities may be held in equity portfolios and shall be considered equity holdings.
- Securities must be traded on a regulated stock exchange, or listed on the NASDAQ or a comparable foreign market operation.
- Forward or futures contracts for foreign currencies may be entered into for hedging purposes or pending the selection and purchase of suitable investments in, or the settlement of, any such securities transactions only in international equity portfolios.
- The following transactions are not permitted unless specifically authorized in the investment manager agreement or in the specific manager guidelines in the appendix:
  - The use of borrowed funds
  - Short sales or margin sales
  - Private placements (except 144As)
  - Futures, options, currency forwards and futures, and other derivative securities.

Fixed Income Portfolios

The fixed income portfolios will be managed on a total return basis, following specific investment styles and evaluated against specific market indices that represent a specific investment style or market segment. In addition, investment results may also be compared to returns of a peer group of managers investing with a similar style. The benchmarks for the various fixed income portfolios may include the following indices:

> **Fixed Income Portfolio – Blended Benchmark (50% Bloomberg ~~Barclays~~ U.S. Aggregate, 25% Bloomberg ~~Barclays~~ Intermediate Credit, 25% FTSE World Government Bond Index USD Unhedged)**
> *U.S. Core Plus Fixed Income – Bloomberg ~~Barclays~~ U.S. Aggregate Bond Index*
> *U.S. Intermediate Credit Fixed Income – Bloomberg ~~Barclays~~ U.S. Intermediate Credit Index*
> *Global Fixed Income – FTSE World Government Bond Index (USD Unhedged)*

General fixed income guidelines include the following:

- Unless specified in the manager's guidelines, the minimum average quality rating of the securities in any portfolio will maintain an average weighted credit quality of not more than 2 rating notches below the benchmark's average weighted credit quality, at all times. For the avoidance of doubt, if the benchmark is rated AA-, then 2 notches below would be A.

- Ratings method: The ratings method used to test both the benchmark's average credit rating and the portfolio's average credit rating will be "split to the highest rating" of the three major rating agencies.

- Derivatives, including forward or futures contracts for foreign currencies, may be used to hedge the portfolio, or to effect portfolio management decisions in a timely, cost-effective manner. Borrowed funds shall not be used.

- An individual investment manager's portfolio shall have an effective duration between 75% - 125% of the effective duration of the appropriate index, unless a broader range is permitted with the specific manager guidelines in the Appendix.

- The following transactions are prohibited unless specifically authorized by the Investment Committee or Board or by the specific manager guidelines in the Appendix:

  – Private placements (except 144As);

  – Interest Only CMOs, Principal Only CMOs, inverse floaters and any tranche that has a leveraged component embedded in the structure.

Real Estate Portfolios

The Real Estate portfolios will be managed on a total return basis, through a combination of income and appreciation, following specific investment styles and evaluated against a specific market index. In addition, investment results may also be compared to returns of a peer group of managers investing with a similar style. The benchmark for the various Real Estate portfolios may include the following index:

Real Estate Portfolio – NFI-ODCE Equal Weighted Index (Net)
Core Real Estate – NFI-ODCE Equal Weighted Index (Net)

- All investments in real estate shall be managed by external advisors.

- MCERA may invest in real estate through diversified institutional commingled vehicles. The vehicles can be limited liability partnerships, limited liability corporations, group trusts or other commonly used investment vehicles.

- The vehicle's manager(s) will have discretion with respect to the management of the fund's investment program, operating within the parameters delineated in the fund's legal documentation.

Real Assets Portfolio

The real assets portfolio will be managed on a total return basis, following specific investment styles and evaluated against specific market indices that represent a specific investment style or market segment. In addition, investment results may also be compared to returns of a peer group of managers investing with a similar style. The benchmarks for the various real assets portfolios may include the following indices:

Real Assets Portfolio – Blended Benchmark (25% Bloomberg ~~Barclays~~ US TIPS Index, 25% Bloomberg Commodities Index, 25% S&P Global Natural Resources Index, 25% Dow Jones US Select Real Estate Securities Index)
Treasury Inflation Protected Securities – Bloomberg ~~Barclays~~ US TIPS Index
Commodities – Bloomberg Commodities Index
Global Natural Resources Equity – S&P Global Natural Resources Index
Real Estate Investment Trusts – Dow Jones US Select Real Estate Securities Index

- MCERA may invest in real assets through separate accounts or diversified institutional commingled vehicles.

- The vehicle's manager(s) will have discretion with respect to the management of the fund's investment program, operating within the parameters delineated in the fund's legal documentation.

- The investment objective of the real asset program is to create a portfolio of high-quality real asset investments that will enhance long-term investment performance, meet inflation objectives, and diversify the asset base for the entire MCERA investment portfolio.

Private Equity Portfolios

MCERA will invest in private equity through institutional closed-end, finite-life commingled private equity fund-of-funds vehicles. The fund-of-funds vehicles will be limited liability partnerships, limited liability corporations, group trusts or other commonly used investment vehicles.

- Private equity investments will consist primarily of limited partnership investments in diversified private equity portfolios (e.g., venture capital, acquisition, special situation, subordinated debt, restructuring funds, and others).

- The vehicle's manager(s) will have discretion with respect to the management of the fund-of-funds investment program, operating within the parameters delineated in the investment vehicle's legal documents.

- The investment objective of the private equity allocation is to achieve consistent positive real returns and to maximize long-term total return net of fees within prudent levels of risk through capital appreciation and diversification.

- While the investment guidelines of each investment vehicle will be determined by the fund-of-funds legal documentation, the fund's manager, in managing the portfolio, should take prudent care.

Opportunistic Portfolio

MCERA may invest in opportunistic investments that will vary by assignment. Performance objectives or guidelines will be defined by MCERA in its retention of managers or selection of suitable investments and will be evaluated to test progress toward attainment of longer-term goals.

- MCERA may invest in opportunistic investments through separate accounts and diversified institutional commingled vehicles which may include limited liability partnerships, limited liability corporations, group trusts or other commonly used investment vehicles.

- The manager(s) will have discretion with respect to the management of the separate account or fund's investment program, operating within the parameters delineated in the separate account or fund's legal documentation.

- The investment objective of the opportunistic allocation is to achieve consistent positive real returns and to maximize long-term total return net of fees within prudent levels of risk through capital appreciation and diversification.

Short Term Investment/Cash Equivalents

MCERA is restricted from investing short term funds and cash equivalents in investment vehicles other than the Treasurer's Pool, the State Pool and the STIF funds maintained at the custodian bank. Retirement funds shall be invested in investments with an average maturity of one year or less.

Any exemption from these general guidelines requires prior written approval from the Board or Investment Committee.

Policy Implementation Overlay

The Board or Investment Committee may retain a "policy overlay manager" to rebalance portfolio exposures, bridge exposure gaps during transitions, 'securitize' Fund level cash, and securitize residual cash positions held by each manager. The policy overlay manager may use futures or swaps, when appropriate, to gain market exposure on existing cash positions. The manager will not use futures or other derivative instruments for speculative purposes.

INVESTMENT MANAGEMENT POLICY

MCERA will utilize externally managed portfolios based on specific styles and methodologies. The manager will acknowledge in writing, as more particularly set forth in Appendix B, that they are fiduciaries to MCERA with respect to the assets they manage and/or invest on MCERA's behalf, and will have discretion and authority to determine investment strategy, security selection and timing within their asset class and subject to the Policy guidelines and any other guidelines specific to their portfolio. Performance of the portfolio will be monitored and evaluated on a regular basis relative to each portfolio component's benchmark return and relative to peer groups of managers with similar investment styles where applicable.

Investment managers, as prudent experts, will be expected to know MCERA's investment policies (as outlined in this document) and any specific guidelines for their portfolios, and to comply with those policies and guidelines. It is each manager's responsibility to identify policies that may have an adverse impact on performance, and to initiate discussion with Staff toward possible amendment to said policies through Board or Investment Committee action.

The Investment Committee and Staff will also review each investment manager's adherence to its investment policy, and any material changes in the manager's organization (e.g., personnel changes, new business developments, etc.). The investment managers retained by MCERA will be responsible for informing the Investment Committee and Staff of all such material changes on a timely basis.

Investment managers under contract with MCERA shall have discretion to establish and execute transactions with established regional and national securities broker/dealers as needed. Unless otherwise authorized by the Board or Investment Committee, these investment managers must obtain the best available prices and most favorable executions with respect to all of the portfolio transactions as market conditions permit.

Unless specifically authorized by the Board or Investment Committee, the following transactions will be prohibited: short sales; selling on margin; "prohibited transactions" as defined under the Employee Retirement Income Security Act of 1974 (ERISA); transactions that involve a broker acting as a "principal", where such broker is also the investment manager who is making the transaction, and any or all investment activities forbidden by the SEC or other applicable governing bodies.

Selection Criteria for Investment Managers

Criteria will be established for each manager search undertaken by MCERA, and will be tailored to MCERA's needs in such a search. In general, eligible managers will possess attributes including, but not limited to, the following:

- The firm must be experienced in managing money for institutional clients in the asset class/product category/investment style specified by MCERA.

- The firm must display a record of stability in retaining and attracting qualified investment professionals, as well as a record of managing asset growth effectively, both in gaining and retaining clients.

- The firm must have an asset base sufficient to accommodate MCERA's portfolio. In general, managers should have at least $100 million of discretionary institutional assets under management, and MCERA's portfolio should make up no more than 20% of the firm's total asset base. Exceptions shall be made on a case-by-case basis.

- The firm must demonstrate adherence to the investment style sought by MCERA, and adherence to the firm's stated investment discipline.

- The firm's fees should be competitive with industry standards for the product category.

- The firm must comply with the "Duties of the investment managers" outlined herein and conform to the CFA Institute standards for performance reporting.

Criteria for Investment Manager Termination and Watchlist

MCERA reserves the unilateral right to terminate a manager at any time for any reason. The occurrence of certain events will result in specific actions being taken. This section describes these events, the course of action that will be taken and the responsible parties. It also establishes a "Watchlist" as a means of monitoring and evaluating managers who meet any of the items identified under the Criteria For Investment Manager Termination. If a manager is on the Watchlist no additional assets will be allocated to the manager until the manager has been removed from the Watchlist, provided however that if the Investment Committee determines, after review and discussion with staff and its Investment Consultant, that it is appropriate and in alignment with the other goals established under this policy to make additional funds to a manager on the Watchlist then the Committee can vote to direct the staff to take this action. The Investment Committee will determine where to invest any additional assets that would otherwise have been allocated to the manager. Each manager on the Watchlist will be monitored closely by Staff and the Consultant and may be required to make special presentations to the Investment Committee and Staff if requested. MCERA may place a manager on the Watchlist at any time and when it is deemed warranted due to improved conditions, a manager may be removed from the Watchlist.

Illegal or Unethical Practice. The manager will report this event in writing to the Retirement Administrator not later than the close of the business day following discovery of the illegal or unethical practice. The Retirement Administrator will inform the Investment Committee in writing of this practice as soon as administratively possible. If the illegal or unethical practice has a material adverse effect upon the MCERA portfolio, or any attempt was made by the manager to hide this practice, the manager will normally be terminated upon review and action by the Investment Committee. If the practice is procedural and has been properly referred to the appropriate regulatory authorities, the Retirement Administrator will recommend to the Investment Committee whether or not to terminate the manager.

Guideline Violation. The manager will report any guideline violation in writing to the Retirement Administrator not later than the close of the second business day following discovery along with the manager's proposed remedy. If the violation results in a loss to MCERA, the manager will compensate MCERA for this loss. If the manager refuses to correct this violation, or if other violations occur, the Retirement Administrator may recommend termination of the manager to the Investment Committee. Guideline violations that have been corrected will be reported to the Investment Committee at their next regular meeting. Violations that have not been corrected, or violations that persist, will be reported to the Investment Committee as soon as administratively possible.

Deviation from Investment Process. If the Retirement Administrator determines that the manager has deviated materially from its stated investment process or philosophy, the Retirement Administrator will report to the Chair of the Investment Committee as soon as possible. The Retirement Administrator may also recommend termination of the manager, as soon as administratively possible, to the Investment Committee.

Loss of Key Personnel or Change in Ownership. The manager will inform the Retirement Administrator in writing within 24 hours following the loss of key personnel or a change in ownership. Loss of key personnel may result in termination of the manager. A material change in the ownership of the manager may result in the termination of the manager. The Retirement Administrator will make a recommendation regarding termination to the Investment Committee as soon as administratively possible.

Lack of Cooperation with Reasonable Requests. The manager is required to provide information, attend meetings and comply with other reasonable requests. Failure to do so may result in a recommendation to terminate the manager.

Underperformance. MCERA understands the cyclical nature of investment performance and the potential for its investment managers not to meet objectives over short-term periods. While it is not the Investment Committee's intention to terminate a manager for short-term underperformance relative to objectives, the Investment Committee has implemented the following process as a means of monitoring and evaluating managers that have experienced performance difficulties in the short-term to assess the impact on longer-term performance.

If a manager trails its relevant benchmark by more than 100 basis points (net of fees) and ranks in the bottom quartile of its peer universe (gross of fees ranking) for the trailing three years, or if a manager trails its relevant benchmark (net of fees) or ranks below median of its peer universe (gross of fees ranking) for the trailing five years, then the manager may be placed on the Watchlist.

If the underperformance of a manager on the Watchlist persists over a reasonable period in the future (as defined by the Staff, Investment Committee and Consultant based on the unique circumstances surrounding the manager and current market conditions), the Investment Committee may and will consider termination.

Procedures Following the Initiation of Watch Status.

The watch period will be established for a one-year total duration.

If at the end of the watch period, performance has improved to above-benchmark and/or above the manager median over a market cycle, the manager will be removed from the Watchlist.

If at the end of the watch period, the manager is underperforming the manager may be terminated or remain on the Watchlist for a period defined by the Investment Committee.

Unlike open-end funds and separate accounts for public market securities which are more easily liquidated, exiting open-end or closed-end commingled funds for private markets may have liquidity constraints. For these reasons, the Watchlist and terminating procedures used for traditional public market vehicles are not applicable for private market vehicles. Staff with the assistance of the Investment Consultant will make appropriate recommendations for exiting such positions.

PRIVATE EQUITY POLICY

MCERA's private equity investments allocation will consist primarily of limited partnership investments in diversified private equity portfolios (e.g., venture capital, acquisition, special situation, subordinated debt, and restructuring funds and others). MCERA will invest in private equity through institutional closed-end, finite-life commingled private equity fund-of-funds vehicles. The fund-of-funds vehicles will be limited liability partnerships, limited liability corporations, group trusts or other commonly used investment vehicles. Investments directly in stand-alone corporate finance limited partnerships and direct investments in companies are not currently considered appropriate. The vehicle's manager(s) will have discretion with respect to the management of the fund-of-funds investment program, operating within the parameters delineated in the fund's legal documentation. The investment manager of the fund–of-funds will acknowledge in writing by side letter or otherwise that they are Plan fiduciaries and will acknowledge having read and understood the guidelines set forth in this section of the Investment Policy Statement and any other guidelines specific to their portfolio as more particularly set forth in Appendix C.

To maintain an appropriate funded status on a net asset value basis, MCERA may be required to make periodic commitments to additional fund-of-funds vehicles managed by either the same or different fund-of-funds managers. MCERA's staff will work with the investment consultant and the managers to determine appropriate commitment timing and amounts and present a recommended plan to the Investment Committee annually.

To ensure adequate access and diversification, MCERA may utilize multiple fund-of-funds providers. There is no specific limit on the number of vendors to be utilized. However, to avoid unnecessary administrative burdens, MCERA will limit the number of vendors employed to the extent practical. Only those firms committed to providing ongoing access to the private equity arena through fund-of-funds offerings, who have a demonstrated record of investing client funds in top tier private equity partnerships and who limit assets accepted for management to sums that can in fact be committed in top tier funds will be considered.

MCERA recognizes that many well-qualified fund-of-funds providers make direct private equity investments within the fund-of-funds vehicle (e.g. secondary or co-investments). Such investments are permissible provided that they constitute a comparatively small portion of the total fund-of-funds' asset base (typically less than 35%).

Investment Objectives

The investment objective of the private equity allocation is to achieve consistent positive real returns and to maximize long-term total return within prudent levels of risk through capital appreciation and diversification. MCERA's holdings will be professionally managed on a cash-to-cash basis and will have broad exposure to key private corporate finance strategies (e.g., venture capital, acquisition, special situation, etc.), with allocations to the various strategies diversified in a manner consistent with institutional private equity programs generally.

Selection Criteria for Private Equity

Partnership Selection

As requested by MCERA, the investment consultant shall develop a proposed "Manager Candidate Profile" that will serve as the basis for evaluation of potential fund-of-funds providers consistent with MCERA's investment policy. This document will specify the minimum selection criteria for potential vendors and also detail preferred characteristics. The consultant will then evaluate prospective candidates and submit a listing of those firms that appear to best meet the requirements and preferences. Staff and consultant will discuss these candidates and identify those that should be advanced for Board and/or Investment Committee consideration. Ultimately, the Investment Committee will determine which firms shall be retained.

The targeted private equity investments will be fund-of-funds vehicles that are commingled, closed-end, and finite-life limited liability entities.

Due to the inevitability of short-term market fluctuations that may cause variations in the investment performance, it is intended that the performance objectives outlined below will be achieved by the fund-of-funds over the life of the vehicle(s), generally 15 years. The Investment Committee will evaluate the Funds' interim performance to test progress toward attainment of these longer-term goals. However, it is understood that there are likely to be short-term periods during which performance will deviate from expectations. Minimum expectations are as follows:

- For policy benchmarking purposes, over the long-term (rolling 10-year periods) the private equity portfolio is expected to generate returns in excess of the combined benchmark, consisting of 60% Russell 3000 and 40% MSCI ACWI ex-US IMI, employing a time-weighted return calculation.

- The private equity portfolio and manager returns will also be measured employing a dollar-weighted, internal rate of return (IRR) calculation and benchmarked against relevant peer group information from a recognized private equity database provider. The portfolio will also be benchmarked employing standard private equity performance ratio measures: Total Value to Paid-In Capital (TVPI) and Distributed Value to Paid-In Capital (DPI). IRR and ratio performance should be above median relative to recognized private equity industry peer database returns. Measures should be focused on returns net of all partnership fees and expenses.

Attainment of these objectives does not guarantee future investment by the Investment Committee in a specific manager's fund-of-funds vehicles, nor does failure to achieve these guidelines ensure a lack of future investment support for follow-on vehicles. Providers are selected at the discretion of the Investment Committee.

In addition, the following stipulation(s) apply:

- The investment manager of the fund-of-funds vehicle shall be a Bank or a registered investment advisor under the Investment Advisors Act of 1940 (1940 Act).
- If the fund-of-funds vehicle provides distributions in cash or securities, the Fund will opt to receive cash.

Reporting Requirements

Reporting requirements will be governed by the fund-of-funds legal documentation, which at a minimum will provide for quarterly unaudited financial statement and other relevant investment holdings related exhibits, and annual audited financial statements and relevant investment holdings-related exhibits.

It is expected that the fund-of-funds investment managers will meet with the Board or Investment Committee as reasonably requested and at least annually.

Coordination with Total Fund Performance Reporting

MCERA relies on its custodian to generate short-term time-weighted performance statistics. This information is utilized by the Fund's investment consultant to evaluate ongoing investment performance. An integral part of the performance evaluation is a comparison of the total Fund's return in relation to a policy benchmark index comprised of market indices weighted in the same manner as the Fund's strategic asset allocation policy.

Given the private market nature of private equity investments and the long lead-time associated with such investments, a public market equity index shall be used in lieu of the private equity database return set forth in Appendix B for the private equity component of the total portfolio. The index used shall be a composite of the equity component of MCERA's total policy benchmark: 60% Russell 3000 and 40% MSCI ACWI ex-US IMI.

DUTIES OF RESPONSIBLE PARTIES

Duties of the MCERA Board of Retirement and Investment Committee

The Board of Retirement has the responsibility for administration of MCERA for the benefit of plan participants. The County Employees Retirement Law of 1937, Government Code Chapter 3, Part 3, Division 4, Title 3, Article 5, permits the Board of Retirement at its discretion to invest the assets of the Plan through the purchase, holding or sale of any form or type of investment, financial instrument or financial transaction when prudent in the informed opinion of the Board. In the interest of efficient and prudent administration of MCERA and investment of its assets, the Board of Retirement has delegated its responsibilities with respect to the investments to the Investment Committee, which consists of all members of the Board of Retirement. Although it is not the intent of the Investment Committee to become involved in the day-to-day investment decisions, the Investment Committee or its designee(s) will adhere to the following procedures in the management of MCERA's assets:

- The Investment Committee develops and approves guidelines for the execution of MCERA's investment program. Only the Board, through the Investment Committee, in its sole discretion can delegate its decision-making authority regarding the investment program. Staff is responsible for the timely implementation and administration of these decisions.

- A formal review of MCERA's investment structure, asset allocation and financial performance will be conducted annually or more frequently as the need arises. The review will include recommended adjustments to the long-term strategic asset allocation to reflect any changes in applicable regulations, long-term capital market assumptions, actuarial assumptions or MCERA's financial condition.

- The Investment Committee shall review MCERA's investments quarterly, or as needed, to ensure that policy guidelines continue to be met. The Investment Committee shall monitor investment returns on both an absolute basis and relative to appropriate benchmarks and peer group comparisons. The source of information for these reviews shall come from Staff, outside consultants, the custodian and MCERA's investment managers.

- The Investment Committee is comprised of all Board members.

- The Investment Committee may retain investment consultants to provide services such as conducting performance reviews, asset allocation, manager reviews and investment research. The comments and recommendations of the consultants will be considered in conjunction with other available information to aid the Investment Committee in making informed, prudent decisions.

- Trustees shall direct questions from managers regarding MCERA's Investment Policy or other matters relating to the Plan to the Retirement Administrator and/or investment consultant.

- The Investment Committee shall be responsible for taking appropriate action if investment objectives are not being met or if policies and guidelines are not being followed. Reviews for separate portfolios managed by external managers will focus on:

    1. Material changes in the managers' organizations, such as investment philosophy, personnel changes, acquisitions or losses of major accounts, etc. The managers will be responsible for keeping MCERA advised of any material changes in personnel, investment strategy, or other pertinent information potentially affecting performance.

    2. Investment performance relative to each manager's stated performance benchmark(s) as set forth in the manager's investment guidelines.

- The Investment Committee shall expect Staff to administer MCERA's investments in a cost-effective manner subject to Committee approval. These costs include, but are not limited to, management, consulting and custodial fees, transaction costs and other administrative costs chargeable to MCERA.

- The Board shall be responsible for selecting a qualified custodian with advice from Staff.

- The Investment Committee shall perform due diligence on each new manager prior to funding, and on each existing manager in accordance with the Due Diligence policy found at: https://www.mcera.org/retirementboard/governance-policies

- To maintain and strengthen the investment management of MCERA's Plan, Staff and Board/Investment Committee members shall be expected to participate in educational conferences/seminars related to their direct responsibility for the investment activities of MCERA in accordance with the Education Policy found at:
- https://www.mcera.org/retirementboard/governance-policies

<u>Duties of the Staff</u>

The Retirement Staff, as designated by the Board and/or Investment Committee, plays a significant role in the management and oversight of the Plan. Staff duties include:

- Authority to invest the Fund's cash without requiring Board or Investment Committee permission, and as set forth elsewhere in MCERA's Investment Policy.

- Monitoring investment managers for adherence to appropriate policies and guidelines.

- Evaluating and managing the relationships with the consultants to the Fund to ensure that they are providing all the necessary assistance to Staff, Investment Committee, and the Board as set forth in their service contracts.

- Conducting manager searches, as set forth in this document, with necessary assistance from consultants as directed by the Board or Investment Committee.

- Restructuring portfolios following manager terminations with the assistance of consultants and managers, as needed.

- Organizing and/or participating in any special research required to manage the Plan more effectively or in response to any questions raised by Board/Investment Committee members.

- Supporting the Board or Investment Committee in the development and approval of the Investment Plan, implementing and monitoring the Plan, and reporting at least monthly on investment activity and matters of significance.

- Assisting with the negotiation of investment manager fees when needed.

- Ensuring that investment managers conform to the terms of their contracts and that their performance monitoring systems are sufficient to provide the Board or Investment Committee with timely, accurate and useful information.

Duties of the Public Markets Investment Managers

The following duties apply to managers investing in public market securities:

- Provide the Plan with a written agreement to invest within the guidelines established in the Investment Policy.

- Provide the Plan with proof of liability and fiduciary insurance coverage. Updated policy information will be provided to MCERA upon renewal and/or changes to the policy.

- Be an SEC-Registered Investment Advisor under the 1940 Act, and be recognized as providing demonstrated expertise over a number of years in the management of institutional, tax-exempt assets within a defined investment specialty.

- Adhere to the investment management style concepts and principles for which they were retained, including, but not limited to, developing portfolio strategy, performing research, developing buy, hold and sell lists, and purchasing and selling securities.

- Execute all transactions for the benefit of the Plan with brokers and dealers qualified to execute institutional orders on an ongoing basis at the best net cost to the Plan.

- Reconcile monthly accounting, transaction and asset summary data with custodian valuations, and communicate and resolve any significant discrepancies with the custodian.

- Submit written acknowledgement to the Retirement Administrator of these investment guidelines at the time of hire or upon any contract renewal or amendment.

- Maintain frequent and open communication with Staff and the Board or Investment Committee on all significant matters pertaining to the Investment Policy, including, but not limited to, the following:

- – Major changes in the investment manager's investment outlook, investment strategy and portfolio structure;

- – Significant changes in ownership, organizational structure, financial condition or senior personnel;

- – Any changes in the portfolio manager or client servicing personnel assigned to the Plan;

- – All pertinent issues which the investment manager deems to be of significant interest or material importance.

- Meet with the Board, Investment Committee or their designee(s) on an as-needed basis.

<u>Duties of the Private Markets Investment Managers</u>

The following duties apply to managers investing in private markets:

- Be a SEC-Registered Investment Advisor under the 1940 Act.

- Adhere to the investment management style concepts and principles set forth in the legal documentation of the relevant investment vehicle.

- Provide reporting as specified by the legal documentation of the relevant investment vehicle.

- Meet with the Board, Investment Committee or their designee(s) on an as-needed basis.

<u>Duties of the Master Custodian</u>

The master custodian shall be responsible for the following:

- Provide complete global custody and depository services for the designated accounts.

- Manage, if directed by the Board or Investment Committee, a Short Term Investment Fund (STIF) for investment of any cash not invested by managers, and ensure that all available cash is invested. If the cash reserves are managed externally, full cooperation must be provided.

- Provide in a timely and effective manner a monthly report of the investment activities implemented by the investment managers. If certain portfolios are custodied elsewhere, full cooperation must be provided.

- Collect all income and principal realizable and properly report it on the periodic statements.

- Provide monthly and fiscal year-end accounting statements for the portfolio, including all transactions; these should be based on accurate security values for both cost and market. These reports should be provided within acceptable time frames.

- Report to MCERA situations where accurate security pricing, valuation and accrued income is either not possible or subject to considerable uncertainty.

- Provide assistance to the Plan to complete such activities as the annual audit, transaction verification or other issues as required by the Board or Investment Committee.

- Manage a securities lending program to enhance income if directed by the Board or Investment Committee. If the securities lending program is managed externally, full cooperation must be provided.

- Securities transactions shall be settled under the contractual method.

- The use of due bills or substitute securities is expressly forbidden.

Duties of the General Investment Consultant

The investment consultant will act as a fiduciary for all services provided to MCERA. The Investment Consultant shall be responsible for the following:

- Make recommendations to the Board or Investment Committee regarding investment policy and strategic asset allocation.

- Assist MCERA in the selection of qualified investment managers and sponsors of limited liability partnerships, limited liability corporations, group trusts or other commonly used investment vehicles and assist in the oversight of existing managers and said sponsors, including monitoring changes in personnel, ownership and their investment process.

- Assist in the selection of a qualified custodian (including a securities lending agent and/or a cash manager) if necessary.

- Prepare a quarterly performance report including performance attribution on MCERA's managers and total assets and adherence to investment style and discipline.

- Provide topical research and education on investment subjects that are relevant to MCERA.

- Assist with the negotiation of investment management and custodian assignment and fees.

POLICY REVIEW

The Investment Committee will review this Policy at least every year to ensure that it remains relevant and appropriate. The Policy may be amended at any time by majority vote.

APPENDIX A
MCERA'S LONG-TERM STRATEGIC ASSET ALLOCATION TARGETS AND RANGES

The strategic asset allocation targets have been developed as a function of the returns and risks of various asset classes and a rigorous analysis of MCERA's liabilities, taking into account the Board and Investment Committee's risk tolerance and long-term objectives. As asset class values change over time, deviations from the asset allocation targets may occur. Rebalancing the portfolio may be necessary to return the asset class allocations to targeted weights so as to ensure that the Board's intended strategy is consistently maintained over time. Rebalancing actions are the responsibility of the Staff and shall be reported to the Board or Investment Committee on a periodic basis.

Staff is authorized and directed (in the normal course of events) to act in accordance with this policy. Where particular circumstances arise and Staff determines rebalancing is not prudent, because doing so may generate unnecessary costs or otherwise not be in the best interests of MCERA, a full report of the actions taken or not taken shall be made to the Board or Investment Committee at the earliest opportunity.

MCERA's actual asset allocation shall be reviewed at the end of each quarter at a minimum and shall be based on current asset valuations. Estimated values may be used when current asset valuations are not available.

By using statistical models and employing a diversified portfolio strategy, MCERA seeks to create an efficient frontier, which is an optimal portfolio profile that accomplishes the lowest possible level of risk for a certain level of return. While asset allocation targets are an essential part of MCERA's investment policy, the inputs used to develop these benchmarks are not known with certainty. Indeed, the targets were derived using estimates of future returns and estimates of the risk of loss for each asset class. Because future results are only estimates based on historical returns and volatility for each asset class, a range of different allocations other than the target percentage may be statistically identical in risk-return terms to the targeted benchmark even though the actual allocations may be outside of the targeted percent. Thus, the efficient frontier is really a range of targeted allocations, rather than a strict target percent of asset allocations in a portfolio. In other words, the portfolio is on the efficient frontier if the allocations to each asset class are within a range around the target allocations.

The strategic policy asset allocation and rebalancing triggers are set out in the table below:

Asset Class	Target Percent	Allowable Range
US Equity	***32.0%***	***28.0% - 36.0%***
Large Cap Core	24.0%	21.0% - 27.0%
Small Cap Core	8.0%	6.0% - 10.0%
Non-US Equities	***22.0%***	***19.0% - 25.0%***
International Large Cap Value	6.6%	5.6% - 7.6%
International Large Cap Growth	6.6%	5.6% - 7.6%
International Small Cap Core	4.4%	3.9% - 4.9%
International Emerging Markets	4.4%	3.9% - 4.9%
Fixed Income	***23.0%***	***20.0% - 26.0%***
US Core Plus Fixed Income	11.5%	8.5% - 14.5%
US Intermediate Credit Fixed Income	5.75%	4.75% - 6.75%
Global Fixed Income	5.75%	4.75% - 6.75%
Real Assets	***7.0%***	***4.0% - 10.0%***
Treasury Inflation Protected Securities	1.75%	1.5% - 2.0%
Commodities	1.75%	1.5% - 2.0%
Global Natural Resources Equity	1.75%	1.5% - 2.0%
Real Estate Investment Trusts	1.75%	1.5% - 2.0%
Real Estate	***8.0%***	***4.0% - 12.0%***
Private Equity	***8.0%***	***0.0% - 12.0%****
Opportunistic	***0.0%***	***0.0% - 5.0%***

** MCERA acknowledges that because of the nature of private equity investment, it may take several years to fund the private equity allocations and during the initial funding period, its allocation to private equity in market value terms may fall below the 8% target. During the initial funding period, as a proxy for private equity, MCERA intends to keep the assets committed to private equity partnerships invested in domestic and international equity. The result will be overweights in both of these asset classes relative to the long-term targets described above.*

The following principles apply when asset allocations are outside the allowable ranges noted above:

1. Cash held by MCERA and cash awaiting investment in private equity investments or other alternative investments may be securitized with exchange-traded futures to a Fund policy mix by MCERA's overlay manager. The use of derivative instruments is

permitted as long as it does not create economic leverage in the portfolio and the instruments comply with the Derivatives section of this investment policy.

2. In order to rebalance as efficiently as possible and save transactions costs, allocations may be brought back within the allowable range rather than exactly to the target percentage.

3. Private market portfolios, such as Real Estate, Private Equity, and certain Opportunistic allocations, because of their illiquid nature, are very costly to rebalance. MCERA's Staff will make reasonable attempts to keep these asset classes within the allowable ranges defined above. Given their illiquidity, the risk of these asset classes moving outside of the allowable ranges for an extended period is heightened. In these cases, MCERA's Staff will document a plan to rebalance the allocations within the allowable ranges in the most timely and cost-efficient manner possible given market and other conditions. It is noteworthy that the risk of these asset classes drifting outside of the efficient frontier is mitigated by the relatively small exposure to these classes as a percentage of the entire portfolio.

4. When physical securities are traded, assets will be moved between investment managers in accordance with the following principles:

    a) Assets will be taken from investment managers in the overweight asset class(es) with consideration given to asset class structure, investment manager target weights, and confidence in the investment managers themselves. With respect to private market allocations, the illiquid nature of these classes will be taken into account and trading will normally be avoided where possible.

    b) Primary emphasis should be on significantly different asset classes (e.g. equity vs. fixed income).

    c) Assets will be directed to investment managers in the underweight asset class(es) with consideration given to the same factors listed above.

Appendix B - 1
State Street Global Advisors (SSGA)
Russell 1000 Index Strategy (Large Cap Core)
Statement of Objectives, Guidelines & Procedures

Investment Approach

The objective of the Russell 1000 Index strategy is to provide returns consistent with the US equity market as measured by the Russell 1000 Index.

MCERA Performance Objectives

- Match the return, gross of management fees, of the Russell 1000 Index over a complete market cycle.

- Minimize tracking error relative to the Russell 1000 Index.

Investment Guidelines

- All investments shall be managed in a diversified and prudent manner, subject to compliance with the Investment Policies, Objectives and Guidelines for the Marin County Employees' Retirement Association as set forth in this Appendix B-1 and the Statement of Investment Policies, Objectives and Guidelines set forth in the Investment Management Agreement between MCERA and SSGA, dated January 11, 2019, as amended from time to time (the "SSGA Agreement").

- Sector and security selection, portfolio structure and timing of purchase and sales are delegated to SSGA subject to the SSGA Agreement.

- The following transactions are prohibited: short sales, selling on margin, writing options other than covered options, and "prohibited transactions" as defined under the Employee Retirement Income Security Act (ERISA), unless in reliance on an applicable Prohibited Transaction Exemption.

Any material violation of these Investment Manager Guidelines is to be corrected immediately upon discovery. A realized loss to the Fund resulting from a material violation of these Investment Manager Guidelines will require reimbursement of the amount of the loss by the manager.

Reporting Requirements

- Monthly – Transaction statement, asset (portfolio) statement, and performance for the portfolio and benchmark for the month will be sent to the MCERA Retirement Administrator and MCERA's Investment Consultant.

- Quarterly – Same as monthly plus performance of the portfolio and benchmark for the quarter, year-to-date, one year, three years, five years and since inception. These will be sent to MCERA's Retirement Administrator and MCERA's Investment Consultant.

- Review every month transaction data with custodian reports, and communicate and seek to resolve any significant discrepancies with the custodian.

- State Street Global Advisors will meet with the MCERA Board and/or Investment Committee as often as deemed necessary by MCERA. A representative will be available to meet with MCERA annually, or more often if deemed necessary by MCERA, to review the portfolio and its performance.

- State Street Global Advisors will keep MCERA apprised of relevant information regarding its organization and personnel. To the extent legally possible, SSGA will use its best efforts to promptly notify MCERA of any change in the lead personnel assigned to manage the account.

<u>APPENDIX B - 2</u>
DIMENSIONAL FUND ADVISORS (DFA)
DOMESTIC SMALL CAP EQUITY
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

<u>Investment Approach</u>

The strategy will be invested in a broadly diversified portfolio of companies that are generally in the lowest 10% of total market capitalization or companies whose market capitalizations are smaller than the 1,000th largest U.S. company, whichever results in the higher market capitalization break, in each case as reasonably determined by Manager at the time of purchase. In general, with respect to companies eligible for purchase the higher the relative market capitalization of the U.S. small cap company, the greater its representation in the Managed Assets. Manager may also adjust the representation within the Managed Assets of an eligible company, or exclude a company, after considering such factors as market capitalization, free float, momentum, trading strategies, liquidity, profitability, and other factors that Manager determines to be appropriate, given market conditions.

<u>MCERA Performance Objectives</u>

- Exceed the return, net of management fees, of the Russell 2000 Index (the “Benchmark”) over a complete market cycle.

- Perform in the top half of a peer universe of small cap core equity managers over a complete market cycle.

<u>Investment Guidelines</u>

- All investments shall be managed in a diversified and prudent manner, subject to compliance with the Investment Policies, Objectives and Guidelines for the Marin County Employees’ Retirement Association.

- Sector and security selection, portfolio structure and timing of purchase and sales are delegated to the manager subject to the investment management contract.

- The following transactions are prohibited: short sales, selling on margin, writing options other than covered options, and “prohibited transactions” as defined under the Employee Retirement Income Security Act (ERISA).

- Transactions shall be executed on the basis of seeking “best price and execution” and pursuant to Investment Manager’s best execution and trading policies for the sole benefit of the Marin County Employees’ Retirement Association.

- The use of foreign equity instruments which trade on U.S.-based exchanges or on NASDAQ, including American Depository Receipts (ADRs), are acceptable as domestic equity investments but shall not constitute more than 15% of the portfolio (at market). Companies headquartered in the US will be considered domestic even if they are incorporated in a foreign jurisdiction.

- Securities in the Benchmark are permitted.

- Any security purchased or received in a corporate action is permitted.

- If not otherwise permitted herein, the use of other non-U.S. equity securities is prohibited. Notwithstanding the foregoing, securities of companies listed on exchanges or markets in the United States are permitted.

- The portfolio is expected to remain fully invested in that cash holdings should not exceed 10% of the market value in the portfolio; provided that such limit may be exceeded in situations where substantial withdrawals or inflows occur.

- DFA shall not purchase stock (or securities convertible into stock) of any single issuer if the purchase would cause this portfolio to include more than 5% of the outstanding voting stock, or more than 5% in (market) value of all outstanding securities of single issuer (assuming all shares are converted).

- Other than in connection with a corporate action, DFA shall not purchase private placements unless authorized in writing by the Board or Investment Committee.

Any material violation of these Investment Manager Guidelines shall be corrected promptly upon discovery and provided that a reasonable market exists.

Any material violation of these Investment Manager Guidelines shall be corrected promptly upon discovery, provided that in the event that the correction requires the buying and/or selling of securities, the Manager shall execute such purchase or sell trades of the applicable securities in an orderly fashion based upon prevailing market conditions.

Reporting Requirements

- Monthly – Transaction statement, asset (portfolio) statement, and performance for the portfolio and benchmark for the month will be sent to the MCERA Retirement Administrator and MCERA’s Investment Consultant.

- Quarterly – Same as monthly plus performance of the portfolio and benchmark for the quarter, year-to-date, one year, three years, five years and since inception, and review of transactions costs. These will be sent to MCERA’s Retirement Administrator and MCERA’s Investment Consultant.

- Review every month transaction data with custodian reports, and communicate and seek to resolve any significant discrepancies with the custodian.

- DFA will meet with the MCERA Board and/or Investment Committee as often as deemed necessary by MCERA. One of the lead portfolio managers will be available to meet with MCERA annually, or more often if deemed necessary by MCERA, to review the portfolio and its performance.

- DFA will keep MCERA apprised of relevant information regarding its organization and personnel. DFA will notify MCERA within 24 hours of any change in the lead personnel assigned to manage the account.

APPENDIX B - 3
MORGAN STANLEY INVESTMENT MANAGEMENT
NON U.S. VALUE EQUITY
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

Morgan Stanley uses a bottom-up approach to build a diversified portfolio of primarily non US companies to generate long-term outperformance with an emphasis on reducing downside participation. The portfolio consists of a combination of high-quality companies characterized by their high returns on operating capital employed and strong free cash flow generation, and more cyclical companies with improving or mis-priced fundamentals, the mix of which varies over time based on valuations and company prospects.

MCERA Performance Objectives

- Exceed the return, net of management fees, of the MSCI EAFE Index over a complete market cycle.

- Perform in the top half of a peer universe of Non-U.S. value equity managers over a complete market cycle.

Investment Guidelines

- The Morgan Stanley International Equity Trust is subject to provisions of the Employee Retirement Income Security Act, as amended ("ERISA"). The Agreement governs all aspects of investment with respect to the Trust, including an ERISA-mandated standard of care.

- MCERA is responsible for determining that its investment in the Trust is in compliance with its Investment Guidelines (other than this document) for the Marin County Employees' Retirement Association. The Manager shall invest within the scope of its style as stated in the Agreement.

Any material violation of these Investment Manager Guidelines shall be corrected immediately upon discovery. A realized loss to the Fund resulting from a material violation of these Investment Manager Guidelines will require reimbursement of the amount of the loss by the manager.

<u>Reporting Requirements</u>

- Monthly – Asset (portfolio) statement and performance for the portfolio and benchmark for the month will be sent to the MCERA Retirement Administrator and MCERA's Investment Consultant.

- Quarterly – Same as monthly plus performance of the portfolio and benchmark for the quarter, year-to-date, one year, three years, five years and since inception, and review of transactions costs (to be provided annually). These will be sent to MCERA's Retirement Administrator and MCERA's Investment Consultant.

- Morgan Stanley will meet with the MCERA Board and/or Investment Committee as often as deemed necessary by MCERA. A representative of Morgan Stanley will be available to meet with MCERA annually, or more often if deemed necessary by MCERA, to review the portfolio and its performance.

- Morgan Stanley will keep MCERA apprised of relevant information regarding its organization and personnel. Morgan Stanley will notify MCERA promptly of any change in the lead personnel assigned to manage the account.

APPENDIX B - 4
ARTISAN PARTNERS
NON U.S. GROWTH EQUITY
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

Artisan uses a fundamental bottom-up investment process to construct a diversified portfolio of international growth companies regardless of market capitalization, concentrating on industries or themes that the investment team believes present long-term growth opportunities and companies that are well positioned to capitalize on that growth. The portfolio has a primary emphasis on developed markets but also invests in emerging markets and is constructed without regard to index weightings.

MCERA Performance Objectives

- Exceed the return, net of management fees, of the MSCI EAFE Index over a complete market cycle.

- Perform in the top half of a peer universe of Non-U.S. growth equity managers over a complete market cycle.

Reporting Requirements

- Monthly – Asset (portfolio) statement and performance for the portfolio and benchmark for the month will be sent to the MCERA Retirement Administrator and MCERA's Investment Consultant.

- Quarterly – Same as monthly plus performance of the portfolio and benchmark for the quarter, year-to-date, one year, three years, five years and since inception. These will be sent to MCERA's Retirement Administrator and MCERA's Investment Consultant.

- Artisan will meet with the MCERA Board and/or Investment Committee as often as deemed necessary by MCERA. A representative will be available to meet with MCERA annually, or more often if deemed necessary by MCERA, to review the fund and its performance.

- Artisan will keep MCERA apprised of relevant information regarding its organization and personnel. Artisan will notify MCERA promptly of any change in the lead personnel assigned to manage the account.

APPENDIX B - 5
TIMESSQUARE CAPITAL MANAGEMENT COLLECTIVE INVESTMENT TRUST
TIMESSQUARE INTERNATIONAL SMALL CAP FUND
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

TimesSquare Capital Management believes fundamental equity growth research with a particular emphasis on the assessment of management quality, an in-depth understanding of superior business models, and valuation discrepancies enables them to create a diversified international small cap fund that will generate quality risk-adjusted returns.

MCERA Performance Objectives

- Exceed the return, net of management fees, of the MSCI EAFE Small Cap Index over a complete market cycle.
- Perform in the top half of a peer universe of International Small Cap equity managers over a complete market cycle.

Investment Guidelines

- MCERA is responsible for determining that its investment in the TimesSquare International Small Cap Fund is in compliance with its Investment Guidelines (other than this document) for the Marin County Employees' Retirement Association. TimesSquare shall invest within the scope of its style as stated in the governing documents for the fund.

Any material violation of these Investment Manager Guidelines shall be corrected immediately upon discovery. A realized loss to the fund resulting from a material violation of these Investment Manager Guidelines will require reimbursement of the amount of the loss by the manager.

Reporting Requirements

- Monthly – Asset (portfolio) statement and performance for the portfolio and benchmark for the month will be sent to the MCERA Retirement Administrator and MCERA's Investment Consultant.
- Quarterly – Same as monthly plus performance of the portfolio and benchmark for the quarter, year-to-date, one year, three years, five years and since inception. These will be sent to MCERA's Retirement Administrator and MCERA's Investment Consultant.
- A representative of TimesSquare will meet with the MCERA Board and/or Investment Committee as often as deemed necessary by MCERA. A representative will be available to meet with MCERA annually, or more often if deemed necessary by MCERA, to review the fund and its performance.

- TimesSquare will keep MCERA apprised of relevant information regarding its organization and personnel. The fund or its representative will notify MCERA promptly of any change in the lead personnel assigned to manage the account.

~~APPENDIX B - 6~~
~~PARAMETRIC~~
~~EMERGING MARKETS EQUITY~~
~~STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES~~

~~Investment Approach~~

~~Parametric Portfolio Advisors subadvises the Eaton Vance Trust Company/Parametric Emerging Markets Equity Fund (collective investment trust) for Eaton Vance. Parametric believes that a disciplined, long-term, structured approach can efficiently participate in the systematic growth of emerging markets on a consistent and repeatable basis with lower return risk. The structured approach is based upon quantitative research at the strategic level and observation of emerging market behavior. The factors dictating the investment approach include liquidity, volatility, correlation, reversion to the mean and the importance of country size in expected returns.~~

~~MCERA Performance Objectives~~

- ~~Exceed the return, net of management fees, of MSCI Emerging Markets Free Index over a complete market cycle.~~

- ~~Perform in the top half of a peer universe of emerging markets equity managers over a complete market cycle.~~

~~Investment Guidelines~~

- ~~MCERA is responsible for determining that its investments in Parametric's Emerging Markets Equity collective investment trust is in compliance with its Investment Guidelines (other than this document) for the Marin County Employees' Retirement Association. Parametric shall invest within the scope of its style as stated in the governing documents for the fund.~~

~~Any material violation of these Investment Manager Guidelines shall be corrected immediately upon discovery. A realized loss to the fund resulting from a material violation of these Investment Manager Guidelines will require reimbursement of the amount of the loss by the manager.~~

~~Reporting Requirements~~

- ~~Monthly – Asset (portfolio) statement and performance for the portfolio and benchmark for the month will be sent to the MCERA Retirement Administrator and MCERA's Investment Consultant.~~

- ~~Quarterly – Same as monthly plus performance of the portfolio and benchmark for the quarter, year-to-date, one year, three years, five years and since inception. These will be sent to MCERA's Retirement Administrator and MCERA's Investment Consultant.~~

- ~~A representative of Parametric will meet with the MCERA Board and/or Investment Committee as often as deemed necessary by MCERA. A representative will be available to meet with MCERA annually, or more often if deemed necessary by MCERA, to review the fund and its performance.~~

- ~~Parametric will keep MCERA apprised of relevant information regarding its organization and personnel. Parametric will notify MCERA promptly of any change in the lead personnel assigned to manage the account.~~

APPENDIX B - 6
FIDELITY INSTITUTIONAL ASSET MANAGEMENT (FIAM)
SELECT EMERGING MARKETS EQUITY
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

Fidelity Institutional Asset Management's (FIAM) investment philosophy is based on the premise that international and emerging markets are semi-efficient and pricing anomalies exist. The strategy seeks to exploit these inefficiencies through bottom-up stock selection based on fundamental company research, implemented within a framework of quantitative risk control.

MCERA Performance Objectives

- Exceed the return, net of management fees, of MSCI Emerging Markets Index (net) over a complete market cycle.
- Perform in the top half of a peer universe of emerging markets equity managers over a complete market cycle.

Investment Guidelines

- MCERA is responsible for determining that its investment in FIAM's Select Emerging Markets Equity commingled pool is in compliance with its Investment Guidelines (other than this document) for the Marin County Employees' Retirement Association. FIAM shall invest within the scope of its style as stated in the governing documents for the fund.

Any material violation of these Investment Manager Guidelines shall be corrected immediately upon discovery. A realized loss to the fund resulting from a material violation of these Investment Manager Guidelines will require reimbursement of the amount of the loss by the manager.

Reporting Requirements

- Monthly – Asset (portfolio) statement and performance for the portfolio and benchmark for the month will be sent to the MCERA Retirement Administrator and MCERA's Investment Consultant.
- Quarterly – Same as monthly plus performance of the portfolio and benchmark for the quarter, year-to-date, one year, three years, five years and since inception. These will be sent to MCERA's Retirement Administrator and MCERA's Investment Consultant.
- A representative of FIAM will meet with the MCERA Board and/or Investment Committee as often as deemed necessary by MCERA. A representative will be available to meet with MCERA annually, or more often if deemed necessary by MCERA, to review the fund and its performance.

- FIAM will keep MCERA apprised of relevant information regarding its organization and personnel. FIAM will notify MCERA promptly of any change in the lead personnel assigned to manage the account.

Appendix B - 7
Wellington Management Company
Core Plus Fixed Income
Statement of Objectives, Guidelines & Procedures

Investment Approach

Wellington will invest in a diversified portfolio of investment grade and below investment grade fixed income securities. Wellington will add value primarily from sector and issue selection decisions. Interest rate anticipation and duration management will play a limited role in the portfolio.

MCERA Performance Objectives

- Exceed the return, net of management fees, of the Bloomberg ~~Barclays~~ U.S. Aggregate Index over a complete market cycle.
- Perform in the top half of a peer universe of core plus fixed income managers over a complete market cycle.

Investment Guidelines

- All investments are subject to compliance with the Investment Policies, Objectives and Guidelines for the Marin County Employees' Retirement Association, with applicable State and Federal statutes, and shall be managed in a diversified and prudent manner. The manager shall invest within the scope of their stated style.
- Sector and security selection, portfolio structure and timing of purchase and sales are delegated to the manager subject to the investment management contract.
- The following transactions are prohibited: short sales where securities are borrowed solely for the purpose of shorting, selling on margin, and "prohibited transactions" as defined under the Employee Retirement Income Security Act (ERISA).
- Transactions shall be executed on the basis of "best price and execution" for the sole benefit of the Marin County Employees' Retirement Association's beneficiaries.
- The duration on the portfolio shall range between 75% - 125% of the duration on the Bloomberg ~~Barclays~~ U.S. Aggregate Index.
- MCERA expects its domestic fixed income investment managers to maintain diversified portfolios by sector and by issuer. No more than 5% of the portfolio shall be invested with a single investment grade issuer other than obligations of the US Government and its agencies. No more than 2% of the portfolio shall be invested with a single below investment grade issuer.

- Futures, options, swaps, forwards and other derivative securities are permitted investments. Any use of these instruments by Wellington will be in a non-leveraged manner, defined as follows:

  - The use of financial leverage is prohibited. The Account will not be considered leveraged as a result of authorized derivative positions provided the Account maintains cash and securities at least equal to the value of the obligations created by its net derivative positions in order to cover the obligations created by such positions.

- Wellington may invest up to 20% of the portfolio in securities rated below investment grade by all three of the major credit rating agencies. In the case of split ratings in which the three agencies have different ratings, the highest rating will be used in determining the credit rating of the security. If an issue is unrated, then an equivalent credit rating, as deemed by Wellington Management, may be used.

- Wellington may invest up to 20% of the portfolio in non-dollar denominated securities and currencies. The Portfolio may take currency positions unrelated to underlying portfolio holdings.

  - Non-dollar securities may be held on a currency hedged or un-hedged basis. The portfolio may invest in currency exchange transactions on a spot or forward basis. Both long and short currency exposures are permissible.

  - With respect to the 20% non-dollar investment limitation listed above, the Investment Manager may take effective foreign currency exposure up to 20% of the total portfolio (e.g. the entire non-dollar portfolio may be unhedged). Foreign currency exposure will be based on the absolute value of all positions (long and short) versus the dollar, except in the case of same country and currency exposures where these can be netted. Both long and short foreign currency positions may be held without owning securities denominated in such currencies.

- Wellington may invest up to 20% of the portfolio in private placements, including those issued pursuant to Rule 144A and/or Reg S and other restricted securities, the liquidity of which Wellington Management deems consistent with the Portfolio's investment objective.

- Wellington may invest up to 5% of the portfolio in U.S. and non-U.S. preferred and perpetual securities.

- Wellington will maintain an average weighted credit quality of not more than 2 rating notches below the benchmark's average weighted credit quality, at all times. For the avoidance of doubt, if the benchmark is rated AA-, then 2 notches below would be A.

  - Ratings method: The ratings method used to test both the benchmark's average credit rating and the portfolio's average credit rating will be "split to the highest rating" of the three major rating agencies.

- Investment in mortgage interest only (IO), principal only (PO), inverse floaters or other CMO derivatives that have highly uncertain or volatile duration or price movements are limited to 5% of the market value of the portfolio.

- Bank loans are permitted investments.
- All percentage limits refer to "at time of purchase."

Any material violation of these Investment Manager Guidelines shall be corrected immediately upon discovery. A realized loss to the fund resulting from a material violation of these Investment Manager Guidelines will require reimbursement of the amount of the loss by the manager.

Reporting Requirements

- Monthly – Transaction statement, asset (portfolio) statement, and performance for the portfolio and benchmark for the month will be sent to the MCERA Retirement Administrator and MCERA's Investment Consultant.
- Quarterly – Same as monthly plus performance of the portfolio and benchmark for the quarter, year-to-date, one year, three years, five years and since inception, and review of transactions costs. These will be sent to MCERA's Retirement Administrator and MCERA's Investment Consultant.
- Review every month transaction data with custodian reports, and communicate and resolve any significant discrepancies with the custodian.
- Wellington will meet with the MCERA Board and/or Investment Committee as often as deemed necessary by MCERA. One of the lead portfolio managers will be available to meet with MCERA annually, or more often if deemed necessary by MCERA, to review the portfolio and its performance.
- Wellington will keep MCERA apprised of relevant information regarding its organization and personnel. Wellington will notify MCERA within 24 hours of any change in the lead personnel assigned to manage the account.

APPENDIX B - 8
WESTERN ASSET MANAGEMENT
INTERMEDIATE CREDIT FIXED INCOME
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

Western will invest primarily in a portfolio of cash-based U.S. dollar (USD) denominated credit issues with an intermediate overall duration.

MCERA Performance Objectives

- Exceed the return, net of management fees, of the Bloomberg ~~Barclays~~ U.S. Intermediate Credit Index over a complete market cycle.

- Perform in the top half of a peer universe of intermediate style fixed income managers over a complete market cycle.

Investment Guidelines

- All investments are subject to compliance with the Investment Policies, Objectives and Guidelines for the Marin County Employees' Retirement Association, with applicable State and Federal statutes; accordingly, as of the date of this amendment these guidelines conform to all applicable rules and regulations and the Client will notify Western if any change thereof materially impact these guidelines. Moreover, the portfolio shall be managed in a diversified and prudent manner. The manager shall invest within the scope of their stated style.

- Sector and security selection, portfolio structure and timing of purchase and sales are delegated to the manager subject to the investment management contract.

- The following transactions are prohibited: short sales where securities are borrowed solely for the purpose of shorting, selling on margin, and "prohibited transactions" as defined under the Employee Retirement Income Security Act (ERISA).

- Transactions shall be executed on the basis of "best price and execution" for the sole benefit of the Marin County Employees' Retirement Association's beneficiaries.

- The average weighted duration of portfolio security holdings including derivatives positions is expected to range within ± 20% of the benchmark.

- MCERA expects its domestic intermediate credit fixed income investment managers to maintain diversified portfolios by issuer. Obligations of issuers are subject to a 5% per issuer limit excluding investments in commingled vehicles and US Treasuries and US Agencies. Any of the following fixed income securities, denominated in USD or non-USD, and their futures or options derivatives, individually or in commingled vehicles, subject to credit, diversification and marketability, may be held outright and under resale agreement (REPO):

  - Western may invest up to 100% in corporate securities.
  - Western may invest up to 10% of the portfolio in debentures issued or guaranteed by the U.S. Federal Government, U.S. Federal agencies or U.S. government-sponsored corporations and agencies;
  - Western may invest up to 10% in contingent convertibles (“CoCos”) and preferred stocks.
  - Western may invest up to 5% of the portfolio in U.S. and non-U.S. convertible securities (excluding CoCos which have their own bucket), bank loans, commercial paper, certificates of deposit and bankers’ acceptances issued by industrial, utility, finance, commercial banking or bank holding company organizations;
  - Western may invest up to 10% of the portfolio in securities of emerging market issuers, international agencies, supranational entities, and foreign governments (or their subdivisions or agencies);
  - Western may invest up to 5% of the portfolio in taxable and tax-exempt obligations issued or guaranteed by U.S. local, city and state governments, instrumentalities and agencies.
  - Western may invest up to 10% of the portfolio in non-USD denominated securities. Up to 5% of the portfolio may be invested in non-USD exposure via unhedged non-US denominated securities and foreign currency transactions. The portfolio may invest in non-USD securities on a currency hedged or unhedged basis. Moreover, the portfolio may invest in currency exchange transactions on a spot or forward basis. Both long and short currency exposures are permissible. Western will net within currencies and the resulting value will contribute to the max percentage permitted.

- Swaps are permitted investments up to a maximum of 5%. Any use of these instruments by Western will be in a non-leveraged manner.
- At least 70% of the portfolio will be rated "investment grade.” Security ratings will be determined as follows. If a security is rated by Moody’s, S&P, and Fitch, then the middle rating of the three agencies will apply. In the event that the security is rated by two of the agencies, and the third is non-rated, then the lower rating of the two agencies will apply. If only one agency assigns a rating, then that rating will apply.

Standard & Poor's	BBB-, or A-2, or
Moody's	Baa3, or Prime-2, or
Fitch	BBB-, or F-2

  - Securities not covered by these standards will normally be, in the judgment of Western, at least equal in credit quality to the criteria implied in those standards. No more than 5% of the portfolio shall be invested in other unrated securities.

  - In the event downgraded securities cause a breach of the Investment Guidelines, Western may continue to hold the positions but will not make any further purchases to increase the position while the breach remains.

- Western may invest up to 20% of the portfolio in Securities defined under Rule 144A and Commercial Paper defined under Section 4(2) of the Securities Act of 1933;

- For securities with legal final maturities of 270 days or less, Western may use the underlying credit's short-term ratings as proxy for establishing the minimum credit requirement.

Any material violation of these Investment Manager Guidelines shall be corrected immediately upon discovery. A realized loss to the fund resulting from a material violation of these Investment Manager Guidelines will require reimbursement of the amount of the loss by the manager.

Reporting Requirements

- Monthly – Transaction statement, asset (portfolio) statement, and performance for the portfolio and benchmark for the month will be sent to the MCERA Retirement Administrator and MCERA's Investment Consultant.

- Quarterly – Same as monthly plus performance of the portfolio and benchmark for the quarter, year-to-date, one year, three years, five years and since inception, and review of transactions costs. These will be sent to MCERA's Retirement Administrator and MCERA's Investment Consultant.

- Review every month transaction data with custodian reports, and communicate and resolve any significant discrepancies with the custodian.

- Western will meet with the MCERA Board and/or Investment Committee as often as deemed necessary by MCERA. One of the lead portfolio managers will be available to meet with MCERA annually, or more often if deemed necessary by MCERA, to review the portfolio and its performance.

- Western will keep MCERA apprised of relevant information regarding its organization and personnel. Western will notify MCERA within 24 hours of any change in the lead personnel assigned to manage the account.

APPENDIX B - 9
COLCHESTER GLOBAL INVESTORS
GLOBAL FIXED INCOME
STATEMENT OF OBJECTIVES, GUIDELINES, AND PROCEDURES

Investment Approach

Colchester is a value-oriented global fixed income manager. Colchester will invest primarily in high quality sovereign bond markets that offer attractive yields and sound finances.

MCERA Performance Objectives

- Exceed the return, net of management fees, of the FTSE World Government Bond Index (USD Unhedged) over a complete market cycle.

- Perform in the top half of a peer universe of global fixed income managers over a complete market cycle.

Investment Guidelines

- MCERA is responsible for determining that its investment in Colchester's Global Bond Fund is in compliance with its Investment Guidelines (other than this document) for the Marin County Employees' Retirement Association. Colchester shall invest within the scope of its style as stated in the governing documents for the Global Bond Fund.

Any material violation of these Investment Manager Guidelines shall be corrected immediately upon discovery. A realized loss to the fund resulting from a material violation of these Investment Manager Guidelines will require reimbursement of the amount of the loss by the manager.

Reporting Requirements

- Monthly – Asset (portfolio) statement and performance for the portfolio and benchmark for the month will be sent to the MCERA Retirement Administrator and MCERA's Investment Consultant.

- Quarterly – Same as monthly plus performance of the portfolio and benchmark for the quarter, year-to-date, one year, three years, five years and since inception, and review of transactions costs (to be provided annually). These will be sent to MCERA's Retirement Administrator and MCERA's Investment Consultant.

- Colchester will meet with the MCERA Board and/or Investment Committee as often as deemed necessary by MCERA. A representative of Colchester will be available to meet with MCERA annually, or more often if deemed necessary by MCERA, to review the portfolio and its performance.

- Colchester will keep MCERA apprised of relevant information regarding its organization and personnel. Colchester will notify MCERA within 24 hours of any change in the lead personnel assigned to manage the account.

Appendix B - 10
BlackRock
US Treasury Inflation Protected Securities Fund
Statement of Objectives, Guidelines & Procedures

Investment Approach

The objectives of the US Treasury Inflation Protected Securities Fund are to provide returns consistent with the US TIPS market as measured by the Bloomberg ~~Barclays~~ US TIPS Index.

MCERA Performance Objectives

- Match the return as closely as practicable, gross of management fees, of the Bloomberg ~~Barclays~~ US TIPS Index over a complete market cycle.
- Minimize tracking error relative to the Bloomberg ~~Barclays~~ US TIPS Index.

Investment Guidelines

- MCERA is responsible for determining that its investment in the US Treasury Inflation Protected Securities Fund is in compliance with its Investment Guidelines (other than this document) for the Marin County Employees' Retirement Association. BlackRock shall invest within the scope of its style as stated in the governing documents for the fund.

Any material violation of these Investment Manager Guidelines is to be corrected immediately upon discovery. A realized loss to the fund resulting from a material violation of these Investment Manager Guidelines will require reimbursement of the amount of the loss by the manager.

Reporting Requirements

- Monthly – Transaction statement, asset (portfolio) statement, and performance for the portfolio and benchmark for the month will be sent to the MCERA Retirement Administrator and MCERA's Investment Consultant.
- Quarterly – Same as monthly plus, performance of the portfolio and benchmark for the quarter, year-to-date, one year, three years, five years and since inception, and review of transactions costs. These will be sent to MCERA's Retirement Administrator and MCERA's Investment Consultant.
- BlackRock will meet with the MCERA Board and/or Investment Committee as often as deemed necessary by MCERA. A representative of BlackRock will be available to meet with MCERA annually, or more often if deemed necessary by MCERA, to review the portfolio and its performance.

- BlackRock will keep MCERA apprised of relevant information regarding its organization and personnel. BlackRock will notify MCERA within 24 hours of any change in the lead personnel assigned to manage the account.

Appendix B - 11
Invesco
Balanced-Risk Commodity
Statement of Objectives, Guidelines & Procedures

Investment Approach

The Invesco Balanced-Risk Commodity strategy uses an active approach to commodity investing due to some of the unique return sources available in the commodity markets. The investment strategy focuses on four key drivers of commodity returns: term structure weighting, equal risk contribution, optimal roll, and tactical allocation.

MCERA Performance Objectives

- Exceed the return, net of management fees, of the Bloomberg Commodities Index over a complete market cycle.

- Perform in the top half of a peer universe of commodity managers over a complete market cycle.

Investment Guidelines

- MCERA is responsible for determining that its investment in Invesco's Balanced-Risk Commodity Fund is in compliance with its Investment Guidelines (other than this document) for the Marin County Employees' Retirement Association. Invesco shall invest within the scope of its style as stated in the governing documents for the fund.

Any material violation of these Investment Manager Guidelines is to be corrected immediately upon discovery. A realized loss to the Fund resulting from a material violation of these Investment Manager Guidelines will require reimbursement of the amount of the loss by the manager.

Reporting Requirements

- Monthly – Transaction statement, asset (portfolio) statement, and performance for the portfolio and benchmark for the month will be sent to the MCERA Retirement Administrator and MCERA's Investment Consultant.

- Quarterly – Same as monthly plus performance of the portfolio and benchmark for the quarter, year-to-date, one year, three years, five years and since inception, and review of transactions costs. These will be sent to MCERA's Retirement Administrator and MCERA's Investment Consultant.

- Invesco will meet with the MCERA Board and/or Investment Committee as often as deemed necessary by MCERA. A representative of Invesco will be available to meet with MCERA annually, or more often if deemed necessary by MCERA, to review the portfolio and its performance.

- Invesco will keep MCERA apprised of relevant information regarding its organization and personnel. Invesco will notify MCERA within 24 hours of any change in the lead personnel assigned to manage the account.

APPENDIX B - 12
KBI GLOBAL INVESTORS
GLOBAL RESOURCE SOLUTIONS
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

KBI Global Investors' (KBIGI) Global Resource Solutions strategy invests in companies providing solutions to the greatest global resource challenges. There are compelling investment opportunities in companies providing solutions to resource scarcity across water, food and energy.

MCERA Performance Objectives

- Exceed the return, net of management fees, of the S&P Global Natural Resources Index over a complete market cycle.

Investment Guidelines

- MCERA is responsible for determining that its investment in the KBIGI Global Resource Solutions Fund is in compliance with its Investment Guidelines (other than this document) for the Marin County Employees' Retirement Association. KBIGI shall invest within the scope of its style as stated in the governing documents for the fund.

Any material violation of these Investment Manager Guidelines is to be corrected immediately upon discovery. A realized loss to the fund resulting from a material violation of these Investment Manager Guidelines will require reimbursement of the amount of the loss by the manager.

Reporting Requirements

- Monthly – Transaction statement, asset (portfolio) statement, and performance for the portfolio and benchmark for the month will be sent to the MCERA Retirement Administrator and MCERA's Investment Consultant.

- Quarterly – Same as monthly plus performance of the portfolio and benchmark for the quarter, year-to-date, one year, three years, five years and since inception, and review of transactions costs. These will be sent to MCERA's Retirement Administrator and MCERA's Investment Consultant.

- KBIGI will meet with the MCERA Board and/or Investment Committee as often as deemed necessary by MCERA. A representative of KBIGI will be available to meet with MCERA annually, or more often if deemed necessary by MCERA, to review the portfolio and its performance.

- KBIGI will keep MCERA apprised of relevant information regarding its organization and personnel. KBIGI will notify MCERA within 24 hours of any change in the lead personnel assigned to manage the account.

APPENDIX B - 13
BLACKROCK
REIT INDEX FUND
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

The objectives of the REIT Index Fund are to provide returns consistent with the US REIT market as measured by the Dow Jones US Select Real Estate Securities Index.

MCERA Performance Objectives

- Match the return as closely as practicable, gross of management fees, of the Dow Jones US Select Real Estate Securities Index over a complete market cycle.

- Minimize tracking error relative to the Dow Jones US Select Real Estate Securities Index.

Investment Guidelines

- MCERA is responsible for determining that its investment in the REIT Index Fund is in compliance with its Investment Guidelines (other than this document) for the Marin County Employees' Retirement Association. BlackRock shall invest within the scope of its style as stated in the governing documents for the fund.

Any material violation of these Investment Manager Guidelines is to be corrected immediately upon discovery. A realized loss to the fund resulting from a material violation of these Investment Manager Guidelines will require reimbursement of the amount of the loss by the manager.

Reporting Requirements

- Monthly – Transaction statement, asset (portfolio) statement, and performance for the portfolio and benchmark for the month will be sent to the MCERA Retirement Administrator and MCERA's Investment Consultant.

- Quarterly – Same as monthly plus performance of the portfolio and benchmark for the quarter, year-to-date, one year, three years, five years and since inception, and review of transactions costs. These will be sent to MCERA's Retirement Administrator and MCERA's Investment Consultant.

- BlackRock will meet with the MCERA Board and/or Investment Committee as often as deemed necessary by MCERA. A representative of BlackRock will be available to meet with MCERA annually, or more often if deemed necessary by MCERA, to review the portfolio and its performance.

- BlackRock will keep MCERA apprised of relevant information regarding its organization and personnel. BlackRock will notify MCERA within 24 hours of any change in the lead personnel assigned to manage the account.

APPENDIX B - 14
UBS
CORE REAL ESTATE
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

UBS Trumbull Property Fund is an open-ended core real estate commingled fund. UBS strives to invest predominantly in income producing properties diversified by both geographical region and by property type.

MCERA Performance Objectives

- Exceed the return, net of management fees, of the NCREIF Open-Ended Core Diversified Equity (ODCE) Index over a complete market cycle.
- Perform in the top half of a peer universe of Open-Ended Core Real Estate managers over a complete market cycle.

Investment Guidelines

- MCERA is responsible for determining that its investment in the UBS Trumbull Property Fund is in compliance with its Investment Guidelines (other than this document) for the Marin County Employees' Retirement Association. UBS shall invest within the scope of its style as stated in the governing documents for the UBS Trumbull Property Fund.

Any material violation of these Investment Manager Guidelines shall be corrected immediately upon discovery. A realized loss to the fund resulting from a material violation of these Investment Manager Guidelines will require reimbursement of the amount of the loss by the manager.

Reporting Requirements

- Quarterly – Performance of the portfolio and benchmark for the quarter, one year, three years, five years and since inception. These will be sent to MCERA's Retirement Administrator and MCERA's Investment Consultant.
- UBS will meet with the MCERA Board and/or Investment Committee as often as deemed necessary by MCERA. Members of the investment team will be available to meet with MCERA annually, or more often if deemed necessary by MCERA, to review the portfolio and its performance.
- UBS will keep MCERA apprised of relevant information regarding its organization and personnel. UBS will notify MCERA within 24 hours of any change in the lead personnel assigned to manage the account.

APPENDIX B - 15
AEW CAPITAL MANAGEMENT
CORE REAL ESTATE
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

AEW Core Property Trust is an open-ended core real estate commingled fund. AEW strives to invest predominantly in income producing properties diversified by both geographical region and by property type.

MCERA Performance Objectives

- Exceed the return, net of management fees, of the NCREIF Open-Ended Core Diversified Equity (ODCE) Index over a complete market cycle.

- Perform in the top half of a peer universe of Open-Ended Core Real Estate managers over a complete market cycle.

Investment Guidelines

- MCERA is responsible for determining that its investment in the AEW Core Property Trust is in compliance with its Investment Guidelines (other than this document) for the Marin County Employees' Retirement Association. AEW shall invest within the scope of its style as stated in the governing documents for the AEW Core Property Trust.

Any material violation of these Investment Manager Guidelines shall be corrected immediately upon discovery. A realized loss to the fund resulting from a material violation of these Investment Manager Guidelines will require reimbursement of the amount of the loss by the manager.

Reporting Requirements

- Quarterly – Performance of the portfolio and benchmark for the quarter, one year, three years, five years and since inception. These will be sent to MCERA's Retirement Administrator and MCERA's Investment Consultant.

- AEW will meet with the MCERA Board and/or Investment Committee as often as deemed necessary by MCERA. Members of the investment team will be available to meet with MCERA annually, or more often if deemed necessary by MCERA, to review the portfolio and its performance.

- AEW will keep MCERA apprised of relevant information regarding its organization and personnel. AEW will notify MCERA within 24 hours of any change in the lead personnel assigned to manage the account.

<u>APPENDIX B-16</u>
CARVAL INVESTORS
CREDIT VALUE FUND V LP
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

<u>Investment Approach</u>

CarVal Investors Credit Value Fund V LP is a closed-end fund that will make investments in distressed and credit-intensive assets within loan portfolios, corporate securities, structured credit, hard assets, and special opportunities.

<u>MCERA Performance Objectives</u>

- Exceed the return, net of management fees, of the S&P/LSTA Leveraged Loan Index + 250 basis points over a complete market cycle.

<u>Investment Guidelines</u>

- All investments are subject to compliance with the investment management style concepts and principles set forth in the legal documentation of the Partnership.

<u>Reporting Requirements</u>

- Reporting requirements will be governed by the Partnership's legal documentation.

- A representative of CarVal will generally be available to meet or have discussions with MCERA, the Board of Retirement and/or Investment Committee, or their designee(s) as reasonably necessary to review the portfolio and its performance.

Any and all legal obligations related to MCERA's investment in the Partnership would be governed by the Partnership's legal documentation, notwithstanding anything in this Investment Policy Statement and any related appendices to the contrary.

APPENDIX B-17
FORTRESS INVESTMENT GROUP
FORTRESS CREDIT OPPORTUNITIES FUNDS V EXPANSION
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

Fortress Credit Opportunities Funds V Expansion is a closed-end fund that will make investments in a range of distressed and undervalued credit investments.

MCERA Performance Objectives

- Exceed the return, net of management fees, of the S&P/LSTA Leveraged Loan Index + 250 basis points over a complete market cycle.

Investment Guidelines

- All investments are subject to compliance with the investment management style concepts and principles set forth in the legal documentation of the Partnership.

Reporting Requirements

- Reporting requirements will be governed by the Partnership's legal documentation.
- A representative of Fortress will generally be available to meet or have discussions with MCERA, the Board of Retirement and/or Investment Committee, or their designee(s) as reasonably necessary to review the portfolio and its performance.

Any and all legal obligations related to MCERA's investment in the Partnership would be governed by the Partnership's legal documentation, notwithstanding anything in this Investment Policy Statement and any related appendices to the contrary.

APPENDIX B-18
VÄRDE MANAGEMENT, L.P
THE VÄRDE DISLOCATION FUND
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

The Värde Dislocation Fund is a closed-end fund that will make investments in a broad universe of mispriced, stressed, and distressed credit opportunities.

MCERA Performance Objectives

- Exceed the return, net of management fees, of the S&P/LSTA Leveraged Loan Index + 250 basis points over a complete market cycle.

Investment Guidelines

- All investments are subject to compliance with the investment management style concepts and principles set forth in the legal documentation of the Partnership.

Reporting Requirements

- Reporting requirements will be governed by the Partnership's legal documentation.
- A representative of Värde will generally be available to meet or have discussions with MCERA, the Board of Retirement and/or Investment Committee, or their designee(s) as reasonably necessary to review the portfolio and its performance.

Any and all legal obligations related to MCERA's investment in the Partnership would be governed by the Partnership's legal documentation, notwithstanding anything in this Investment Policy Statement and any related appendices to the contrary.

APPENDIX B - 19
PARAMETRIC PORTFOLIO ASSOCIATES
POLICY IMPLEMENTATION OVERLAY SERVICE
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

Parametric Portfolio Associates will use futures contracts to "securitize" cash investments in the portfolio, bridge exposure gaps during transitions, and to rebalance portfolio exposures.

MCERA Performance Objectives

- Produce returns approximately equal to the Fund's guideline-based overlay portfolio benchmark.

Investment Guidelines

- All investments are subject to compliance with the Investment Policies, Objectives and Guidelines for the Marin County Employees' Retirement Association, with applicable State and Federal statutes, and shall be managed in a diversified and prudent manner. The manager shall invest within the scope of their stated style.

- Security selection and timing of purchase and sales are delegated to the manager subject to the investment management contract.

- The following transactions are prohibited: writing options other than covered options, and "prohibited transactions" as defined under the Employee Retirement Income Security Act (ERISA).

- Transactions shall be executed on the basis of "best price and execution" for the sole benefit of the Marin County Employees' Retirement Association's beneficiaries.

- Futures contracts, including short positions, are permitted in order to "securitize" existing cash positions, bridge exposure gaps during transitions, and to rebalance portfolio exposures. Futures are not to be used for speculative purposes.

Any material violation of these Investment Manager Guidelines shall be corrected immediately upon discovery. A realized loss to the Fund resulting from a material violation of these Investment Manager Guidelines will require reimbursement of the amount of the loss by the manager.

Reporting Requirements

- Monthly – Transaction statement, asset (portfolio) statement, and performance for the portfolio will be sent to the MCERA Retirement Administrator and MCERA's Investment Consultant.

- Quarterly – Same as monthly plus performance of the portfolio for the quarter, year-to-date and since inception, and review of transactions costs. These will be sent to MCERA's Retirement Administrator and MCERA's Investment Consultant.

- Review every month transaction data with custodian reports, and communicate and resolve any significant discrepancies with the custodian.

- Parametric Portfolio Associates will meet with the MCERA Board and/or the Investment Committee as often as deemed necessary by MCERA. One of the lead portfolio managers will be available to meet with MCERA annually, or more often if deemed necessary by MCERA, to review the portfolio and its performance.

- Parametric Portfolio Associates will keep MCERA apprised of relevant information regarding its organization and personnel. Parametric Portfolio Associates will notify MCERA within 24 hours of any change in the lead personnel assigned to manage the account.

APPENDIX C-1
PATHWAY CAPITAL MANAGEMENT
PATHWAY PRIVATE EQUITY FUND 2008 (PPEF 2008)
PATHWAY PRIVATE EQUITY FUND INVESTORS 7 (PPEF I-7)
PATHWAY PRIVATE EQUITY FUND INVESTORS 8 (PPEF I-8)
PATHWAY PRIVATE EQUITY FUND INVESTORS 9 (PPEF I-9)
PATHWAY PRIVATE EQUITY FUND INVESTORS 10 (PPEF I-10)
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

The Partnership's investment strategy is to create a diversified portfolio of private equity funds that pursue a variety of investment strategies, including but not limited to, buyouts, venture capital, and special situations.

MCERA Performance Objectives

- Produce returns approximately equal to or in excess of the Refinitiv/Cambridge (All Regions) All Private Equity Index as provided and set forth in the legal documentation of the Partnership.

Investment and other Guidelines

- All investments are subject to compliance with the investment management style concepts and principles set forth in the legal documentation of the Partnership.
- The investment manager shall at all times be a SEC-Registered Investment Advisor under the Investment Advisors Action of 1940, as amended.

Reporting Requirements

- Reporting requirements will be governed by the Partnership's legal documentation.
- The investment manager shall meet or shall cause the General Partner of the Partnership to meet with the Board and/or the Investment Committee or their designee(s) annually, or more often if deemed necessary by MCERA, to review the portfolio and its performance.

APPENDIX C-2
ABBOTT CAPITAL MANAGEMENT
ABBOTT PRIVATE EQUITY FUND VI, LP (ACE VI)
ABBOTT PRIVATE EQUITY FUND VII, LP (ACE VII)
ABBOTT ANNUAL PROGRAM 2016, LP (AP 2016)
ABBOTT ANNUAL PROGRAM 2017, LP (AP 2017)
ABBOTT ANNUAL PROGRAM 2021, LP (AP 2021)
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

The Partnership's investment strategy is to create a diversified portfolio of private equity funds that pursue a variety of investment strategies, including but not limited to growth equity buyouts, venture capital, and special situations.

MCERA Performance Objectives

- Produce returns approximately equal to or in excess of the Refinitiv/Cambridge (All Regions) All Private Equity Index as provided and set forth in the legal documentation of the Partnership.

Investment and other Guidelines

- All investments are subject to compliance with the investment management style concepts and principles set forth in the legal documentation of the Partnership.

- The investment manager shall at all times be a SEC-Registered Investment Advisor under the Investment Advisors Action of 1940, as amended.

Any material violation of these Investment Manager Guidelines shall be corrected immediately upon discovery.

Reporting Requirements

- Reporting requirements will be governed by the Partnership' legal documentation.

- The investment manager shall meet or shall cause the General Partner of the Partnership to meet with the Board, and/or the Investment Committee, or their designee(s) annually, or more often if deemed necessary by MCERA, to review the portfolio and its performance.

<u>APPENDIX D</u>
RESOLUTION 2010/11-03
MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (MCERA) PLACEMENT AGENT PAYMENT DISCLOSURE RESOLUTION AND POLICY

Adopted: December 9, 2009
Amended: February 9, 2011
Amended: November 2, 2011
Reviewed: May 6, 2015
Reviewed: May 9, 2018
Amended: May 5, 2021

WHEREAS, California Government Code section 7513.85, chaptered on October 11, 2009 to be effective immediately ("Section 7513.85"), requires all California public retirement systems to develop and implement, on or before June 30, 2010, a policy requiring the disclosure of payments to placement agents made in connection with system investments in or through external managers ("Placement Agent Payment Disclosure Policy" or "Policy").

WHEREAS, placement agent as described in this Policy includes all those identified in California Government Code section 7513.8, as amended.

WHEREAS, the Board of Retirement ("Board") of the Marin County Employees' Retirement Association ("MCERA") has determined, upon the recommendation of the MCERA Governance Committee, that adoption of a Placement Agent Payment Disclosure Policy is consistent with the Board's fiduciary responsibilities.

WHEREAS, Section 7513.85 requires the Placement Agent Payment Disclosure Policy to include, but not be limited to, six of the requirements enumerated in the Policy, and new California Government Code section 7513.9 requires additional disclosures that also are enumerated in this Policy.

WHEREAS, the MCERA Governance Committee has recommended, and the Board has determined, that the Placement Agent Payment Disclosure Policy or similar acknowledgement must be agreed to in writing, and a report shall be filed annually, by all of MCERA's current and future external investment managers.

WHEREAS, in compliance with Section 7513.85, any external investment manager or Placement Agent that violates this Policy shall not solicit new investments from MCERA for five years after the violation is committed, unless the Board decides, in open session by majority vote, to waive the five year prohibition upon a showing of good cause.

WHEREAS, the Board reserves the right to impose an additional penalty of a fine on a external investment manager who violates this Policy, and does not establish good cause therefore to the reasonable satisfaction of the Board; provided, however, that said fine may not exceed the fees due from MCERA to the manager from the date of the violation to the date of the fee's imposition.

NOW, THEREFORE, BE IT RESOLVED, THAT:

Prior to MCERA investing with any external investment manager, and contemporaneous with required annual filings of Statements of Economic Interests (Form 700) or similar disclosures with respect to all MCERA existing external investment managers, MCERA shall be provided with a written representation from the investment manager, in a form acceptable to MCERA's legal counsel, stating that (1) the external investment manager agrees with the disclosure and penalty provisions set forth in this Policy and (2) it has not used a Placement Agent in connection with MCERA's investment, or if the manager has used a Placement Agent, it will disclose the following:

1. The name of the Placement Agent(s) and the relationship between the external investment manager and Placement Agent(s).

2. A resume for each officer, partner, or principal of the Placement Agent detailing the person's education, professional designations, regulatory licenses, and investment and work experience.

3. A description of any and all compensation of any kind provided, or agreed to be provided, to the Placement Agent.

4. A representation that the compensation provided is the sole obligation of the external investment manager and not of MCERA or the limited partnership.

5. A description of the services performed, and to be performed, by the Placement Agent.

6. A statement whether the Placement Agent, or any of its affiliates, are registered with the Securities and Exchange Commission or the Financial Industry Regulatory Association, or any similar regulatory agent in a county other than the United States, and the details of that registration or explanation as to why no registration is required.

7. A statement whether the Placement Agent, or any of its affiliates, is registered as a lobbyist with any state or national government.

8. All campaign contributions made by the Placement Agent to any elected member of the Board, and to any member of the Marin County Board of Supervisors, during the prior 24-month period, which disclosure shall be amended if any campaign contributions are made during the time the Placement Agent is receiving compensation in connection with a system investment.

9. All gifts, as defined in Government Code section 82028, given by the Placement Agent to any member of the Board, or to the Board's investment consultant, during the time the Placement Agent is receiving compensation in connection with a system investment.

10. All current or former MCERA Board members, employees, or consultants or

11. A member of the immediate family of any such person who are either employed or receiving compensation from the Placement Agent.

12. The names of any current or former MCERA Board members, employees, or consultants who suggested the retention of the Placement Agent.

Policy Review

The Board shall review this Placement Agent Payment Disclosure Policy at least every three years to assure its efficacy and relevance. This Policy may be amended from time to time by majority vote of the Board.

Retirement Administrator's Certificate

I, Jeff Wickman, the duly appointed Retirement Administrator of the Marin County Employees' Retirement Association, hereby certify the amendment of this Policy.

Dated: May 5, 2021

Retirement Administrator

D.1

Callan

December 15, 2021

Third Quarter 2021 Summary Investment Presentation

Jim Callahan, CFA
President

Anne Heaphy
Senior Vice President

Economic and Capital Markets Review

A Pause in Global Equity Markets in 3Q21

Flat-to-down returns across all market segments

Global equity hit the pause button in 3Q

- One-year returns from September 2020 are still eye-popping:
  - *S&P 500: +30%*
  - *MSCI World ex-USA: +27%*
  - *Emerging Markets: +18%*
  - *U.S. Small Cap: +48%*
- Economic data began to show signs of softening; consumer and business spending hit by the concern over the 3Q surge in the Delta variant of COVID-19.
- 3Q GDP growth dropped sharply to 2% from a robust 6.7% in 2Q, but the economic recovery is still solid. Supply chain issues and sentiment surrounding the end of fiscal stimulus, the Delta variant, and return to a Fed taper slowed economic activity in 3Q.

Returns for Periods ended 9/30/21

	1 Quarter	1 Year	5 Years	10 Years	25 Years
U.S. Equity					
Russell 3000	-0.10	31.88	16.85	16.60	9.74
S&P 500	0.58	30.00	16.90	16.63	9.65
Russell 2000	-4.36	47.68	13.45	14.63	9.12
Global ex-U.S. Equity					
MSCI World ex USA	-0.66	26.50	8.88	7.88	5.34
MSCI Emerging Markets	-8.09	18.20	9.23	6.09	--
MSCI ACWI ex USA Small Cap	0.00	33.06	10.28	9.44	6.77
Fixed Income					
Bloomberg Aggregate	0.05	-0.90	2.94	3.01	5.06
90-day T-Bill	0.01	0.07	1.16	0.63	2.11
Bloomberg Long Gov/Credit	0.07	-2.97	5.21	5.76	7.41
Bloomberg Global Agg ex-US	-1.59	-1.15	1.10	0.90	3.58
Real Estate					
NCREIF Property	5.23	12.15	6.84	8.99	9.23
FTSE Nareit Equity	0.98	37.39	6.83	11.27	9.99
Alternatives					
CS Hedge Fund	1.19	14.07	5.51	4.88	7.07
Cambridge Private Equity*	11.52	56.87	20.97	15.81	15.62
Bloomberg Commodity	6.59	42.29	4.54	-2.66	1.41
Gold Spot Price	-0.82	-7.31	5.93	0.80	6.31
Inflation - CPI-U	0.96	5.39	2.59	1.92	2.23

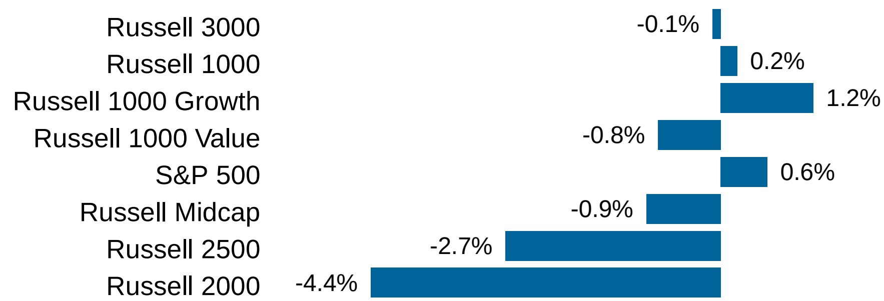
*Cambridge PE data through 06/30/21
Sources: Bloomberg, Callan, Cambridge, Credit Suisse, FTSE Russell, MSCI, NCREIF, S&P Dow Jones Indices

U.S. Equity Performance: 3Q21

Returns compress over mounting concerns

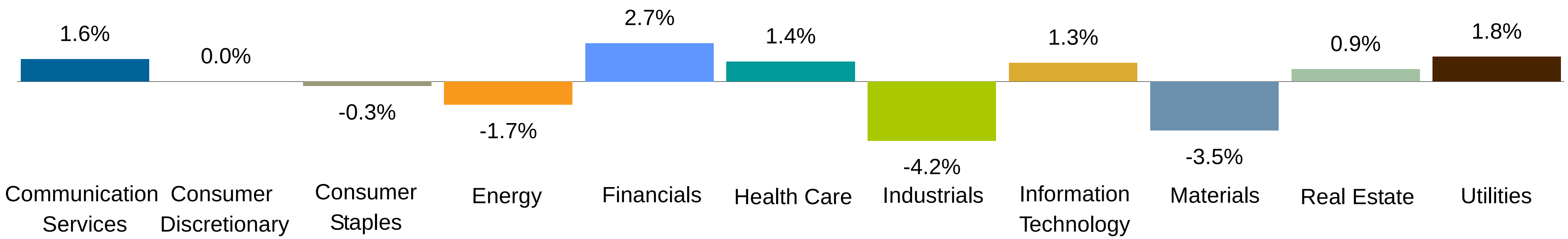
- S&P 500 rose a modest 0.6% in 3Q21, and smaller cap growth indices posted their first negative quarter since the March 2020 low.
- Slowing economic growth, supply chain disruptions, and inflationary pressure, as well as uncertainty around monetary policy, decreased investors’ risk appetite.
- In general, high quality topped lower quality in large cap.
- Economically sensitive sectors such as Industrials (-4.2%) and Materials (-3.5%) lagged; Financials (+2.7%) benefited.
- Growth outperformed value in large cap, and value outperformed growth in small cap.
- YTD, small value outperformed small growth by a whopping 2,000 bps (RUS2V 22.9% vs. RUS2G 2.8%), a stark reversal from the prior year and a pattern seen during periods of robust economic growth.

U.S. Equity: Quarterly Returns



U.S. Equity: One-Year Returns

Industry Sector Quarterly Performance (S&P 500)



Sources: FTSE Russell, S&P Dow Jones Indices

Global ex-U.S. Equity Performance: 3Q21

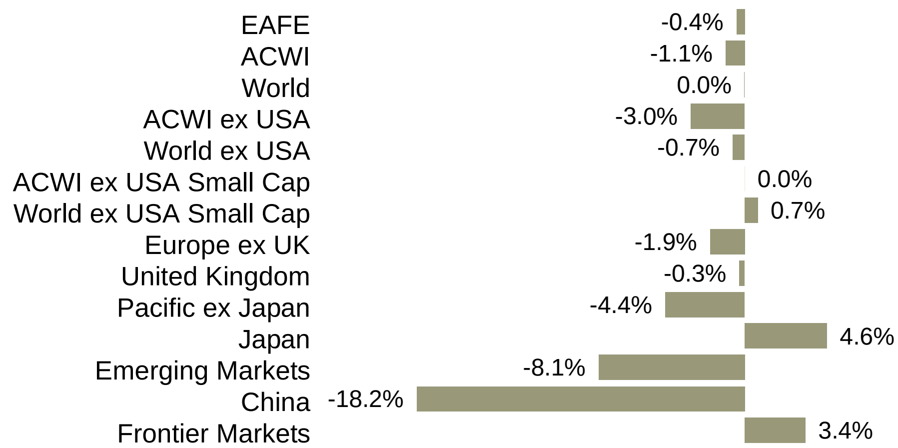
Fears of stagflation stoke market volatility
- Delta variant flare-ups and slowdown in China weighed on the global recovery.
- COVID-driven supply chain disruption continues to push inflation higher.
- Small cap outpaced large as global recovery concerns disproportionately punished large cap companies.
- Emerging markets struggled relative to developed markets as growth prospects were under pressure for China and Brazil.

Market pivots to cyclicals
- Energy crunch fueled the sector to the highest return in the quarter as demand outstripped supply.
- Financials outperformed; Real Estate and Utilities generally underperformed with higher interest rate expectations.
- Sentiment and momentum signals added value in developed markets but not in emerging markets.

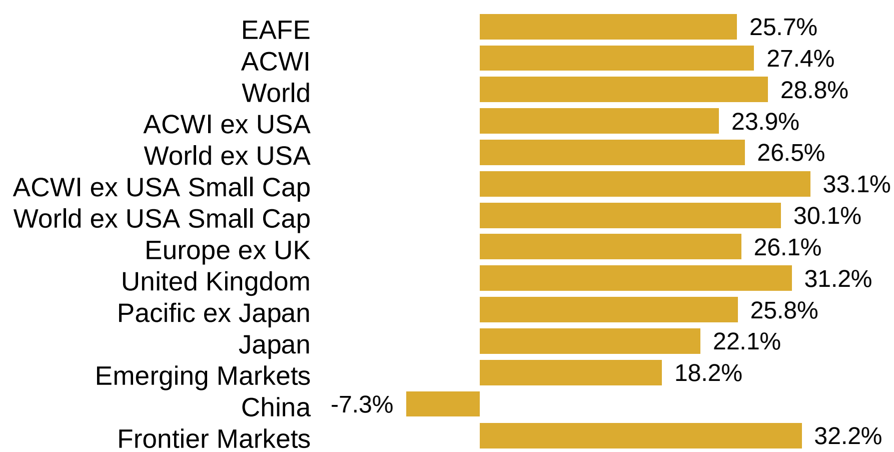
U.S. dollar vs. other currencies
- The U.S. dollar rose against other major currencies as the Fed signaled tapering is imminent, which notably detracted from global ex-U.S. results.

Growth vs. value
- Value outpaced growth in emerging markets due to the Energy rally, while both were relatively flat in developed markets.

Global Equity: Quarterly Returns



Global Equity: One-Year Returns



Source: MSCI

U.S. Fixed Income Performance: 3Q21

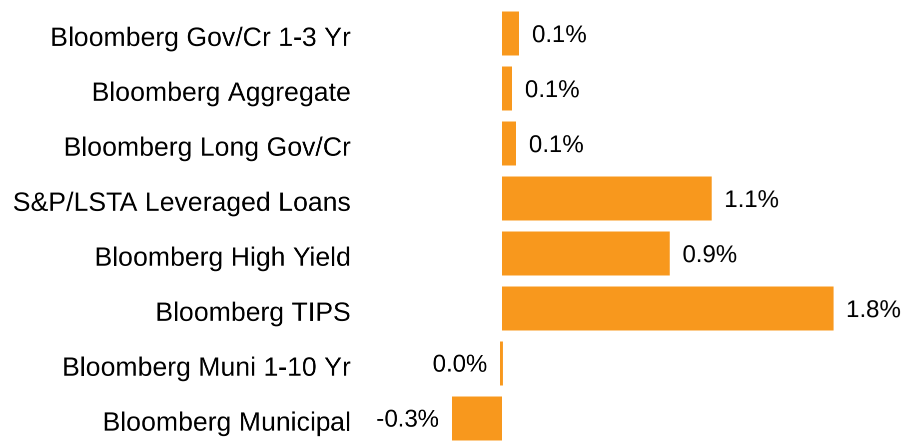
Treasury yields largely unchanged from 2Q21
- Yields ended a volatile quarter only slightly higher after the Fed signaled it may soon begin tapering its bond buying program.
- 2-year and 10-year Treasury yields rose 3 and 7 bps, respectively.
- TIPS outperformed nominal Treasuries, and 10-year breakeven spreads widened 5 bps to 2.37%.

Bloomberg Aggregate flat as spreads widen
- Minor gains in Treasuries and agency MBS were offset by declines in government-related, CMBS, and corporates.
- IG corporates trailed Treasuries by 15 bps (duration-adjusted) as spreads widened within long bonds.

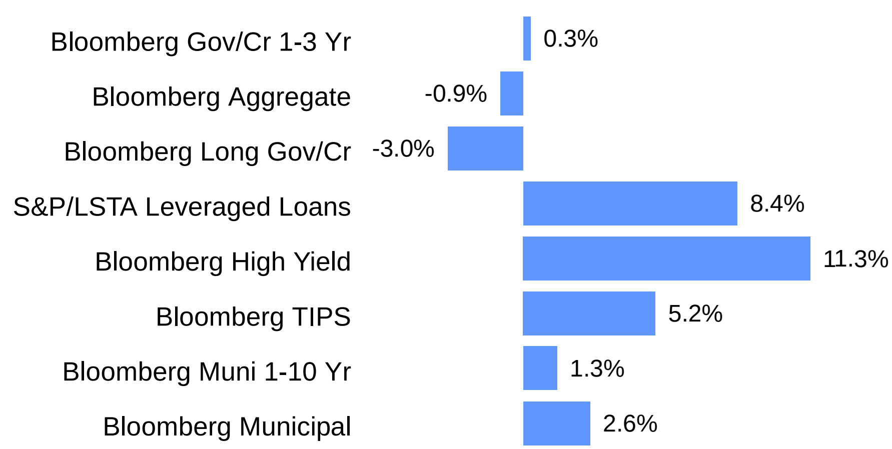
High yield and leveraged loans continue rally
- Leveraged loans (+1.1%) outperformed high yield, driven by favorable supply/demand dynamics.
- High yield issuers' default rate declined to 0.9% in September, the lowest since March 2014.

Munis underperform Treasuries
- Supply was modest and demand was fueled by expectations for higher tax rates and strong credit fundamentals.
- Lower-quality bonds continued their trend of outperformance as investors sought yield.

U.S. Fixed Income: Quarterly Returns



U.S. Fixed Income: One-Year Returns



Source: Bloomberg

Global Fixed Income Performance: 3Q21

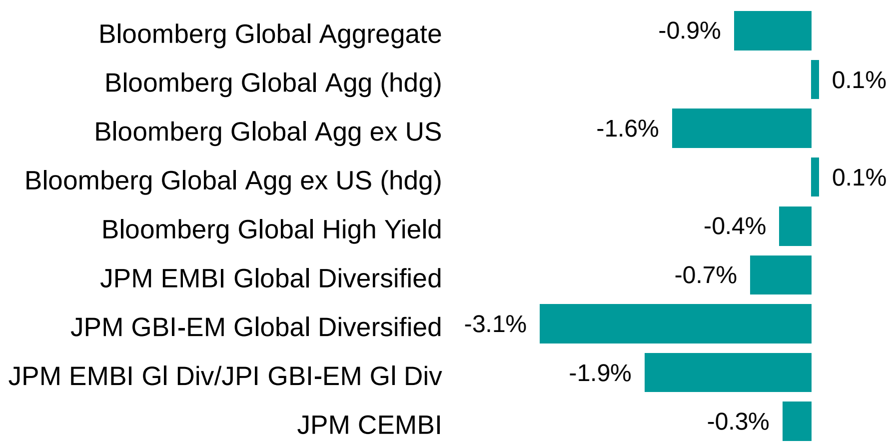
Global fixed income flat on a hedged basis

- Returns were muted for hedged U.S. investors.
- U.S. dollar strength hindered performance for unhedged U.S. investors.
- The dollar gained roughly 2% vs. a basket of developed market currencies.

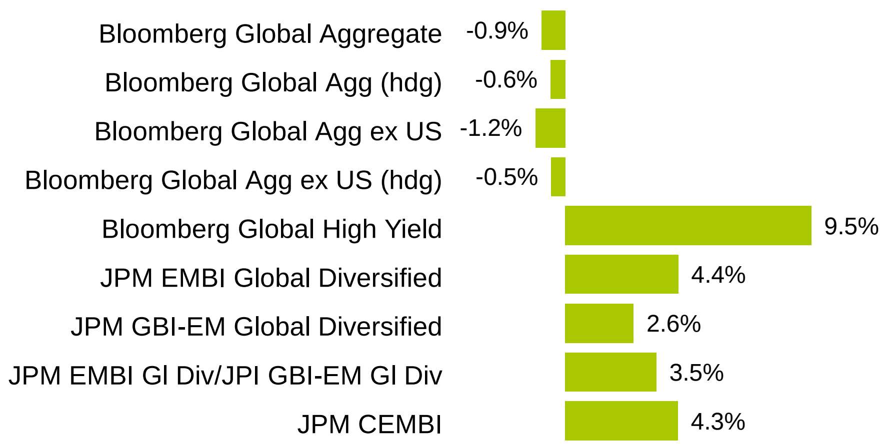
Emerging market debt falls

- The U.S. dollar-denominated index (EMBI Global Diversified) fell as the Delta variant in some countries raised concerns, and the local index (JPM GBI-EM Global Diversified) lost ground due to currency depreciation.
- Most emerging market currencies depreciated versus the dollar. Notables included the Brazil real (-7.9%) and the South Africa rand (-5.1%).
- EM corporates fared better amid improving corporate fundamentals and the global economic recovery.

Global Fixed Income: Quarterly Returns



Global Fixed Income: One-Year Returns



Sources: Bloomberg, JPMorgan Chase

U.S. Private Real Estate Market Trends

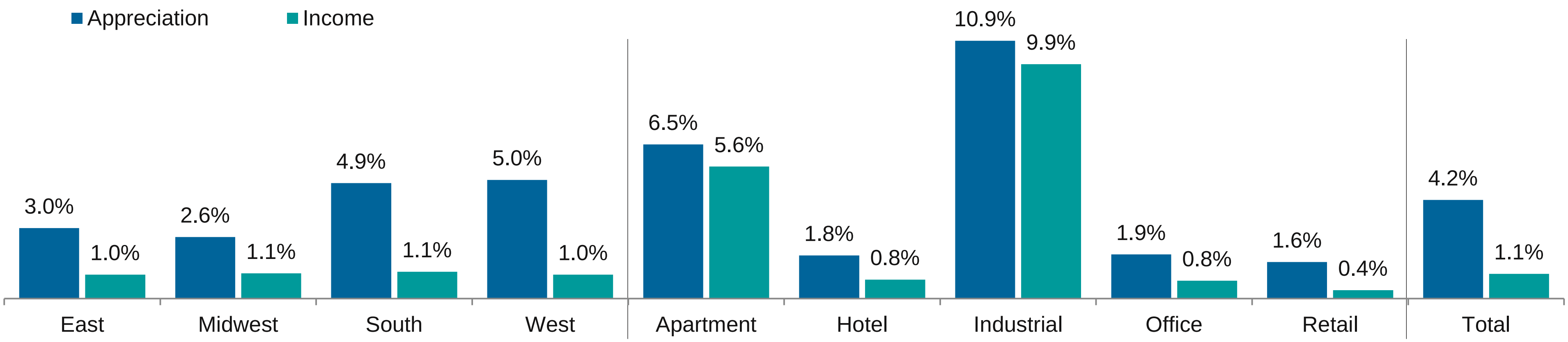
Continued strong performance across the asset class

Strongest gains for ODCE in history

- ODCE posted best return ever in 3Q21; Industrial the best performer.
- Income returns were positive except in Hotel and Retail sectors.
- Appraisers are pricing in a recovery due to strong fundamentals in Industrial and Multifamily.
- Return dispersion by manager within the ODCE Index was due to the composition of underlying portfolios.
- Niche sectors self-storage and life sciences continued to be accretive.

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
NCREIF ODCE	6.4%	13.6%	6.1%	6.6%	8.9%
Income	0.8%	3.1%	3.1%	3.2%	3.6%
Appreciation	5.6%	10.4%	2.9%	3.3%	5.2%
NCREIF Property Index	5.2%	12.2%	6.7%	6.8%	9.0%
Income	1.1%	4.2%	4.4%	4.5%	4.9%
Appreciation	4.2%	7.7%	2.3%	2.3%	3.9%

NCREIF Property Index Trailing One-Year Returns by Region and Property Type



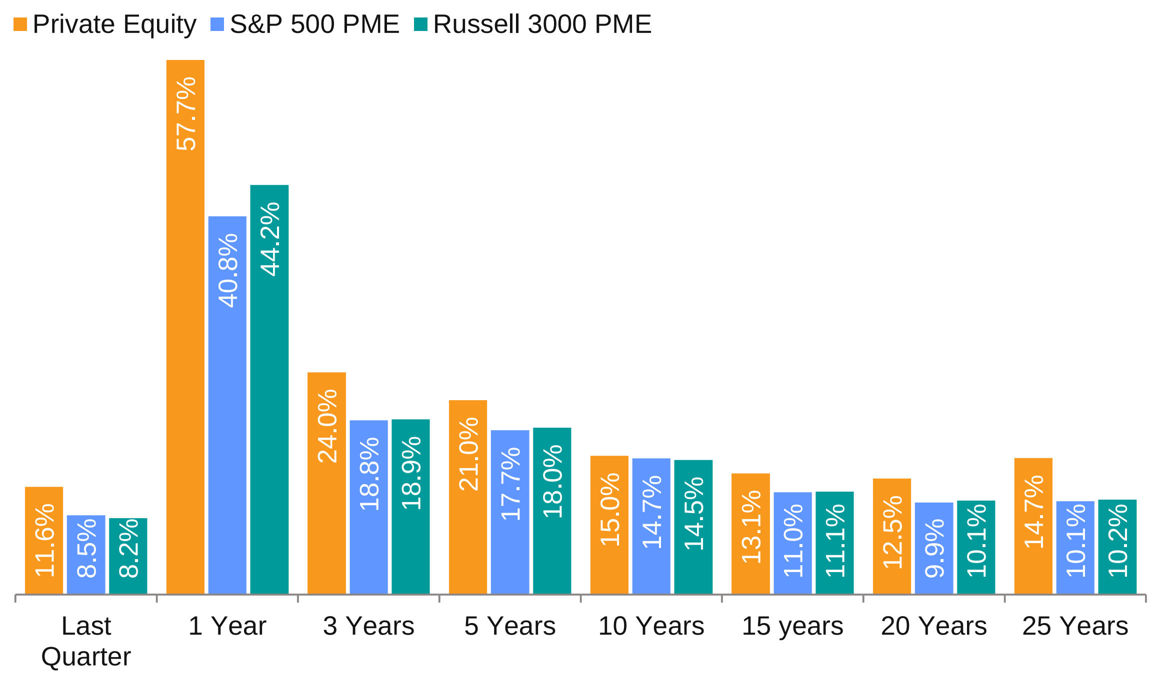
Source: NCREIF, ODCE return is net

Private Equity Performance

Big gains over the last year, outpacing public equity

– One-year private equity return exceeds public equity by 14 to 17 percentage points.
– Private equity 2Q21 gains ahead of those of public equity by 3 percentage points.
– Private equity consistently ahead of public equity by ~2 to 3 percentage points across all longer-term time horizons, although only marginally over the last 10 years

Net IRRs as of 06/30/21



Source: Refinitiv/Cambridge

Recent Trends in Private Equity

Crossover funds

- Wave of first-time late-stage and growth equity funds sponsored by established private equity firms, public equity firms, and hedge funds
- Over 300 growth equity funds in the market, according to PitchBook; significant uptick compared to 193 funds closed in 2020 and 229 funds in 2019

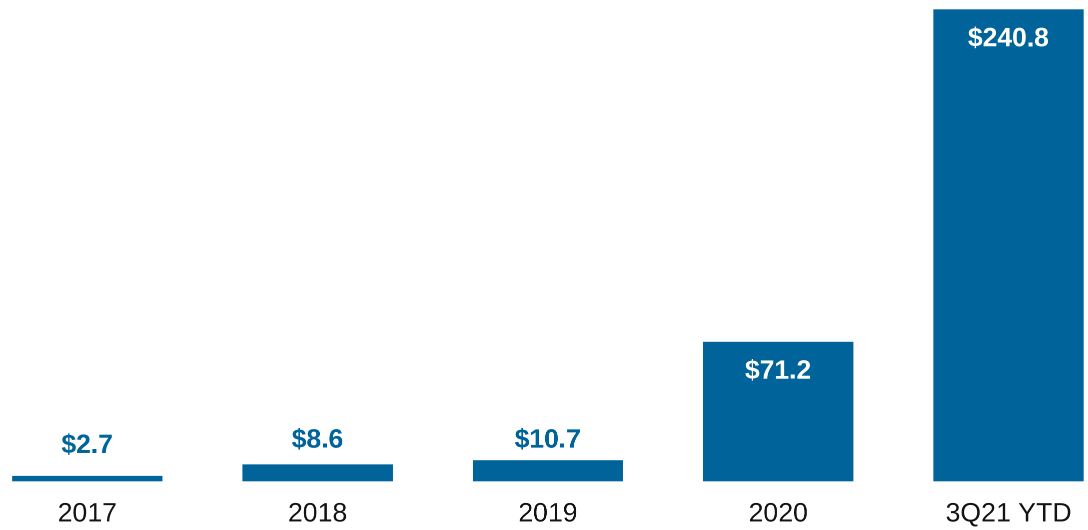
GP continuation funds

- Increase in GP continuation funds, vehicles designed to purchase assets of an existing fund nearing the end of its term
- Enable GPs to hold on to assets longer while also providing liquidity to investors

Increasing private equity allocations

- New and growing private equity allocations mean more capital flowing into the asset class. As a result, access to funds is expected to become more constrained and competition for deals is expected to increase.

Growth Equity & Late-Stage Venture Capital Universe Cumulative Capital Raised ($billions)



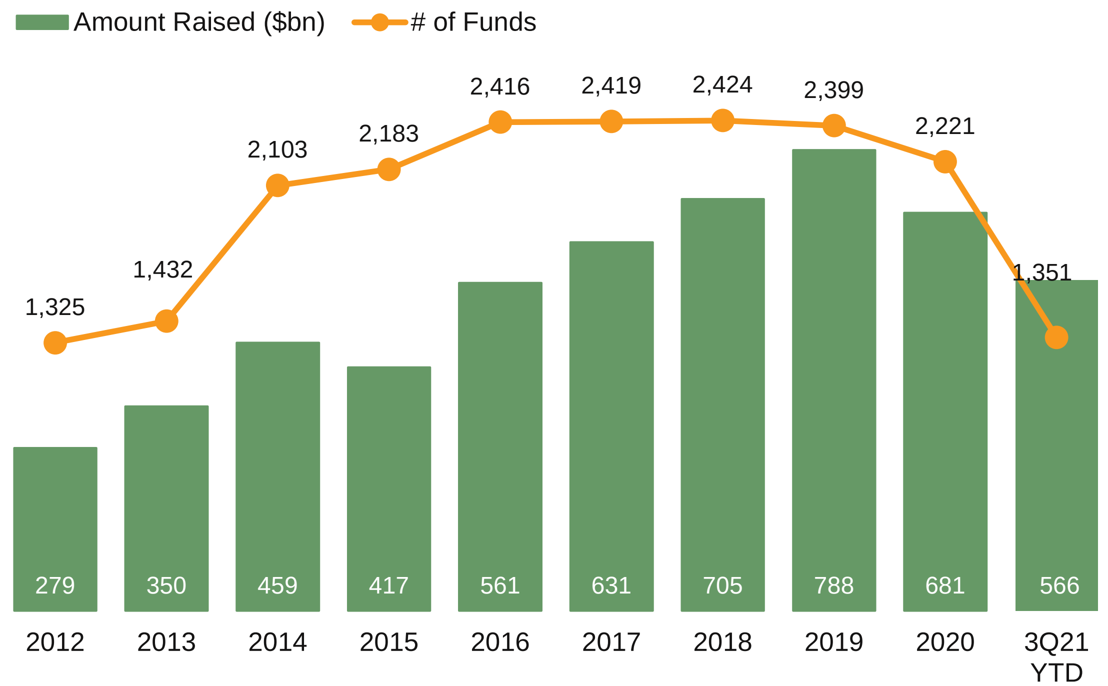
Source: PitchBook

Private Equity Global Fundraising

Surge in 2021

– Fundraising reached a new high YTD through 3Q21, exceeding the same time periods in both 2020 and 2019 by ~30%.
– The accelerated pace of capital deployment in the first half of the year resulted in many funds coming back to market more quickly than expected.
– Fundraising is expected to jump in 1Q22 given many final closes were pushed out to accommodate LP capital budgeting issues as yearend approaches.

Annual Fundraising



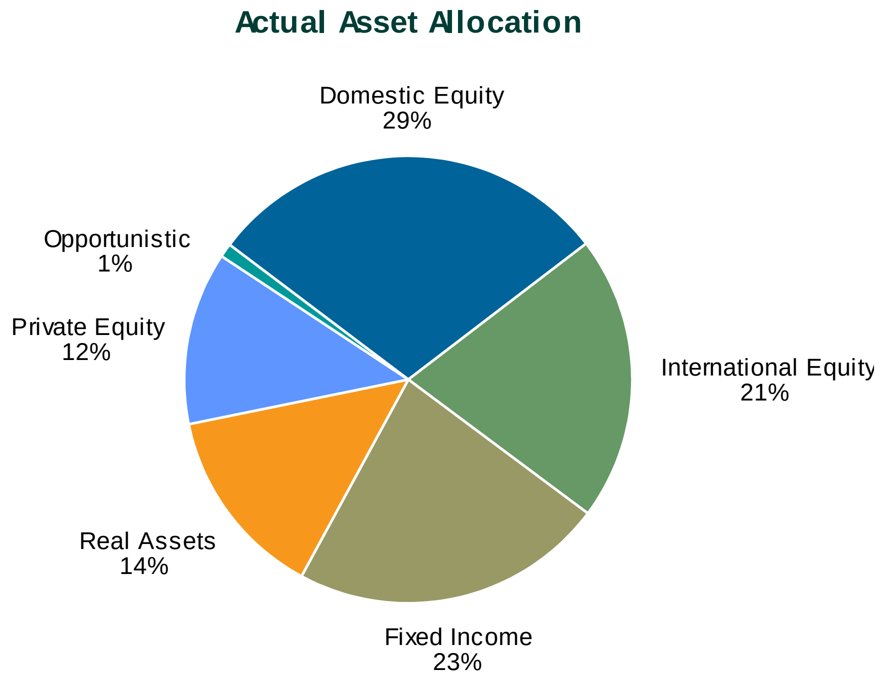
Source: PitchBook, data through 9/30/21; includes private equity and private credit

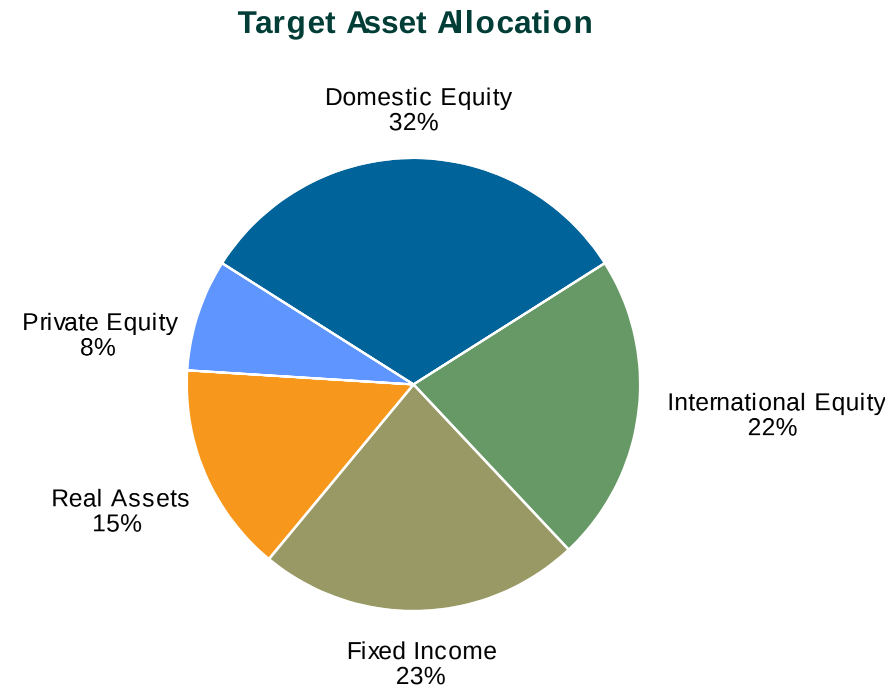
Callan

MCERA Total Fund Review

Total Fund Asset Allocation

As of September 30, 2021





Asset Class	$000s Actual	Weight Actual	Min Target	Target	Max Target	Percent Difference	$000s Difference
Domestic Equity	984,677	29.3%	28.0%	32.0%	36.0%	(2.7%)	(89,332)
International Equity	692,741	20.6%	19.0%	22.0%	25.0%	(1.4%)	(45,640)
Fixed Income	761,582	22.7%	20.0%	23.0%	26.0%	(0.3%)	(10,362)
Real Assets	466,934	13.9%	12.0%	15.0%	18.0%	(1.1%)	(36,507)
Private Equity	418,083	12.5%	0.0%	8.0%	12.0%	4.5%	149,581
Opportunistic	32,260	1.0%	0.0%	0.0%	5.0%	1.0%	32,260
Total	3,356,278	100.0%		100.0%			

Total Fund Asset Distribution

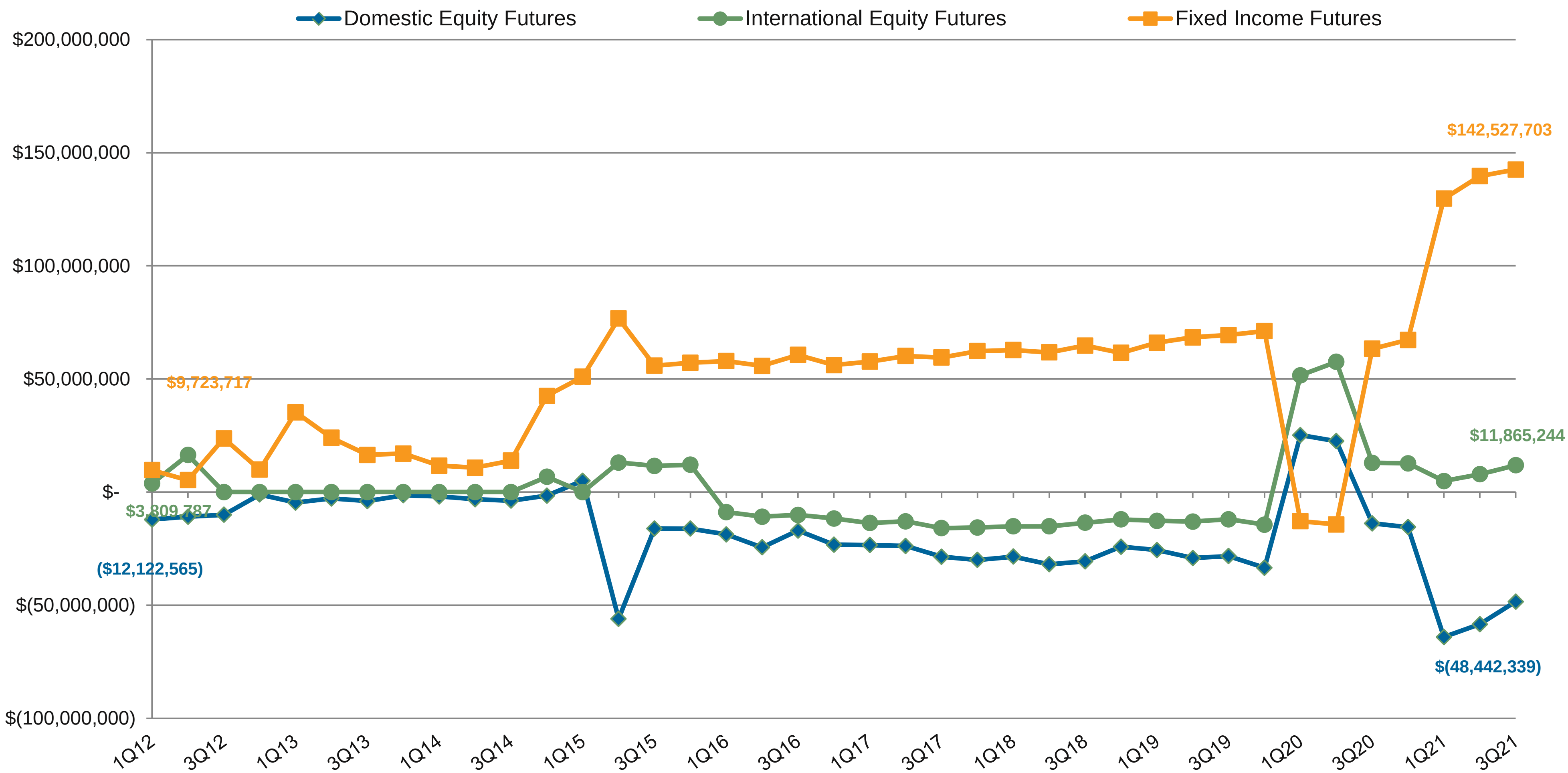
	September 30, 2021				June 30, 2021	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Domestic Equity	**$984,676,719**	**29.34%**	**$(55,335,880)**	**$(261,569)**	**$1,040,274,169**	**30.73%**
SSGA S&P 500 Index Fund	0	0.00%	(770,817,053)	17,764,063	753,052,990	22.25%
SSGA Russell 1000 Index	754,242,653	22.47%	768,224,763	(13,982,110)	-	-
DFA Small Cap Core	278,876,405	8.31%	(61,043,875)	(5,716,162)	345,636,442	10.21%
Parametric Domestic Equity Futures	-48,442,339	(1.44%)	8,300,285	1,672,640	-58,415,264	(1.73%)
International Equity	**$692,741,202**	**20.64%**	**$3,947,697**	**$(16,677,217)**	**$705,470,722**	**20.84%**
Morgan Stanley Value	204,730,004	6.10%	0	(10,145,783)	214,875,787	6.35%
Artisan Partners Growth	214,045,653	6.38%	0	(135,087)	214,180,740	6.33%
TimesSquare Intl Small Cap	134,476,912	4.01%	(292,819)	(1,051,168)	135,820,899	4.01%
Parametric Emerging Markets	22,620,521	0.67%	(107,000,000)	(3,067,649)	132,688,170	3.92%
FIAM Select Emerging Equity	105,002,867	3.13%	107,000,000	(1,997,133)	-	-
Parametric International Equity Futures	11,865,244	0.35%	4,240,516	(280,397)	7,905,125	0.23%
Fixed Income	**$761,582,219**	**22.69%**	**$60,244,489**	**$(1,712,622)**	**$703,050,352**	**20.77%**
Wellington Core Plus	295,694,704	8.81%	28,418,064	654,817	266,621,823	7.88%
Western Intermediate Credit	179,059,039	5.34%	28,917,977	161,823	149,979,239	4.43%
Colchester Global	144,300,773	4.30%	(155,080)	(2,306,351)	146,762,204	4.34%
Parametric Fixed Income Futures	142,527,703	4.25%	3,063,528	(222,911)	139,687,086	4.13%
Real Estate	**$243,226,251**	**7.25%**	**$(8,796,893)**	**$11,989,460**	**$240,033,684**	**7.09%**
Woodmont	19,253,772	0.57%	1,053,778	2	18,199,993	0.54%
UBS Trumbull Property Fund	110,036,130	3.28%	(8,643,540)	6,440,684	112,238,986	3.32%
AEW Core Property Trust	113,936,349	3.39%	(1,207,131)	5,548,775	109,594,706	3.24%
Public Real Assets	**$223,708,075**	**6.67%**	**$(99,994)**	**$1,532,622**	**$222,275,447**	**6.57%**
INVESCO Commodities Fund	56,889,694	1.70%	(99,994)	(92,763)	57,082,450	1.69%
BlackRock TIPS Index Fund	55,499,757	1.65%	7,000,000	822,492	47,677,265	1.41%
KBI Global Resources Fund	56,540,023	1.68%	0	(194,774)	56,734,796	1.68%
Blackrock REIT Index Fund	54,778,602	1.63%	(7,000,000)	997,667	60,780,935	1.80%
Private Equity*	**$418,083,054**	**12.46%**	**$(25,646,895)**	**$0**	**$443,729,949**	**13.11%**
Abbott ACE VI*	54,395,599	1.62%	(10,173,550)	0	64,569,149	1.91%
Abbott ACE VII*	55,005,457	1.64%	(3,500,000)	0	58,505,457	1.73%
Abbott 2016*	64,747,715	1.93%	(2,433,750)	0	67,181,465	1.98%
Abbott 2017*	17,132,875	0.51%	378,750	0	16,754,125	0.49%
Abbott 2021*	3,476,739	0.10%	16,203	0	3,460,536	0.10%
Pathway PPEF 2008*	79,615,310	2.37%	(6,513,474)	0	86,128,783	2.54%
Pathway PE I-7*	48,240,075	1.44%	(2,836,130)	0	51,076,205	1.51%
Pathway PE I-8*	72,537,017	2.16%	(2,221,660)	(0)	74,758,677	2.21%
Pathway PE I-9*	14,815,318	0.44%	186,361	(0)	14,628,957	0.43%
Pathway PE I-10*	8,116,949	0.24%	1,450,354	(0)	6,666,595	0.20%
Opportunistic**	**$32,260,409**	**0.96%**	**$1,551,300**	**$460,173**	**$30,248,936**	**0.89%**
CarVal Credit Value V**	7,370,453	0.22%	1,649,874	190,479	5,530,100	0.16%
Fortress Credit Opps Fund V**	5,601,505	0.17%	(18,563)	313,018	5,307,050	0.16%
Varde Dislocation Fund**	19,288,451	0.57%	(80,011)	(43,324)	19,411,786	0.57%
Total Fund	**$3,356,277,928**	**100.0%**	**$(24,136,177)**	**$(4,669,152)**	**$3,385,083,258**	**100.0%**

SSGA converted from S&P 500 to Russell 1000 in July.

Reduced small cap allocation – rebalanced into fixed income in 3Q and finished in 4Q.

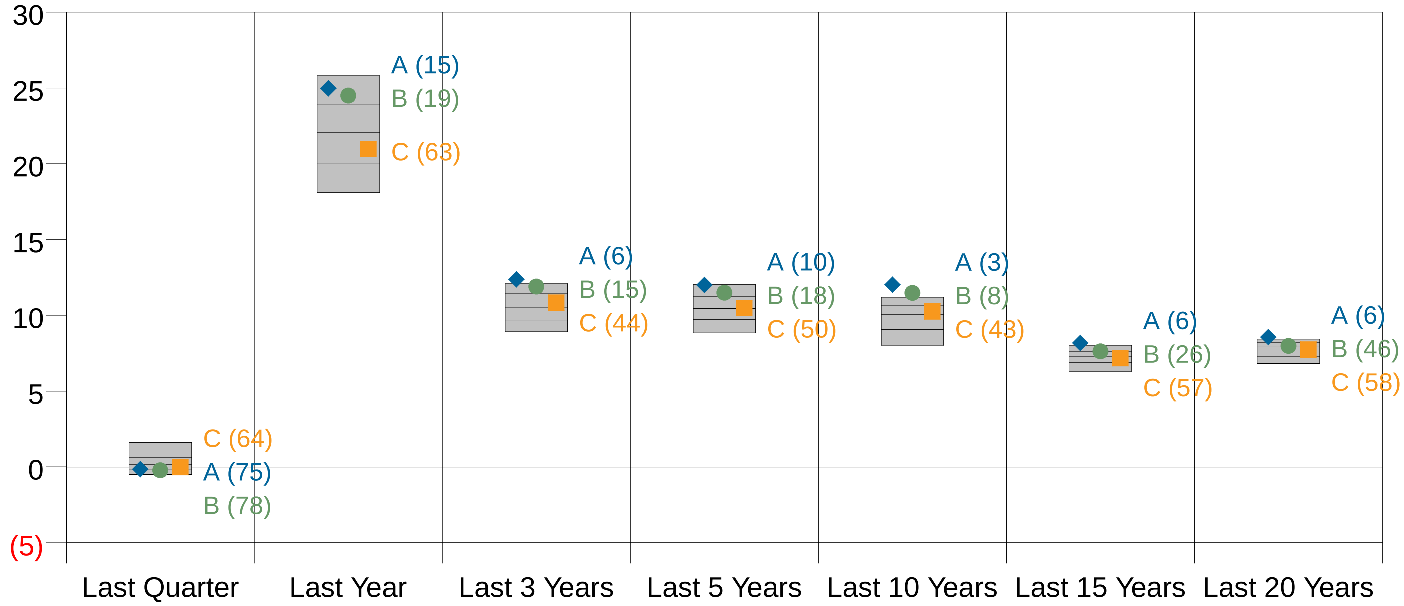
Began process of transitioning Emerging Markets portfolio from Parametric to Fidelity. Completed in October.

Parametric Overlay Positions – Changes Over Time



Total Fund Performance - Annualized

Returns for Periods Ended September 30, 2021
Group: Callan Public Fund Sponsor - Large (>1B)

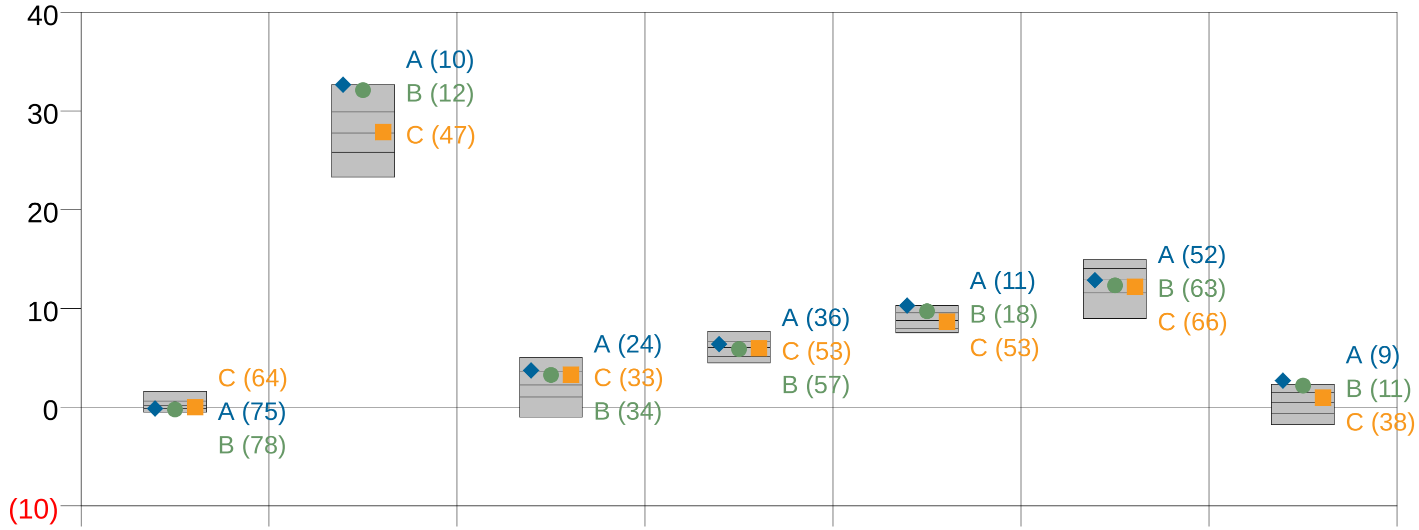


		Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years	Last 20 Years
10th Percentile		1.62	25.82	12.09	12.03	11.21	8.04	8.44
25th Percentile		0.64	23.94	11.43	11.23	10.65	7.64	8.20
Median		0.18	22.06	10.50	10.47	10.07	7.27	7.92
75th Percentile		(0.14)	20.00	9.70	9.72	9.07	6.88	7.31
90th Percentile		(0.50)	18.10	8.92	8.85	8.04	6.32	6.83
MCERA Total Fund - Gross	◆ A	(0.13)	24.98	12.39	12.02	12.03	8.19	8.57
MCERA Total Fund - Net	● B	(0.21)	24.51	11.91	11.50	11.49	7.64	8.00
MCERA Total Fund Target	■ C	0.00	20.99	10.85	10.49	10.26	7.19	7.76

Current Quarter Target = 32.0% Russell 3000 Index, 22.0% MSCI ACWI ex US IMI Index, 11.5% Bloomberg Aggregate Index, 5.8% Bloomberg Intermediate Credit Index, 5.8% FTSE World Government Bond Index, 8.0% NCREIF NFI-ODCE Equal Weight Net, 1.8% Bloomberg Commodity Price Index, 1.8% S&P Global Natural Resources Index, 1.8% S&P DJ US Select REIT Index, 1.8% Bloomberg US TIPS Index, 4.8% Russell 3000 Index (Lagged)and 3.2% MSCI ACWI ex US IMI Index (Lagged).

Total Fund Performance – Fiscal Year

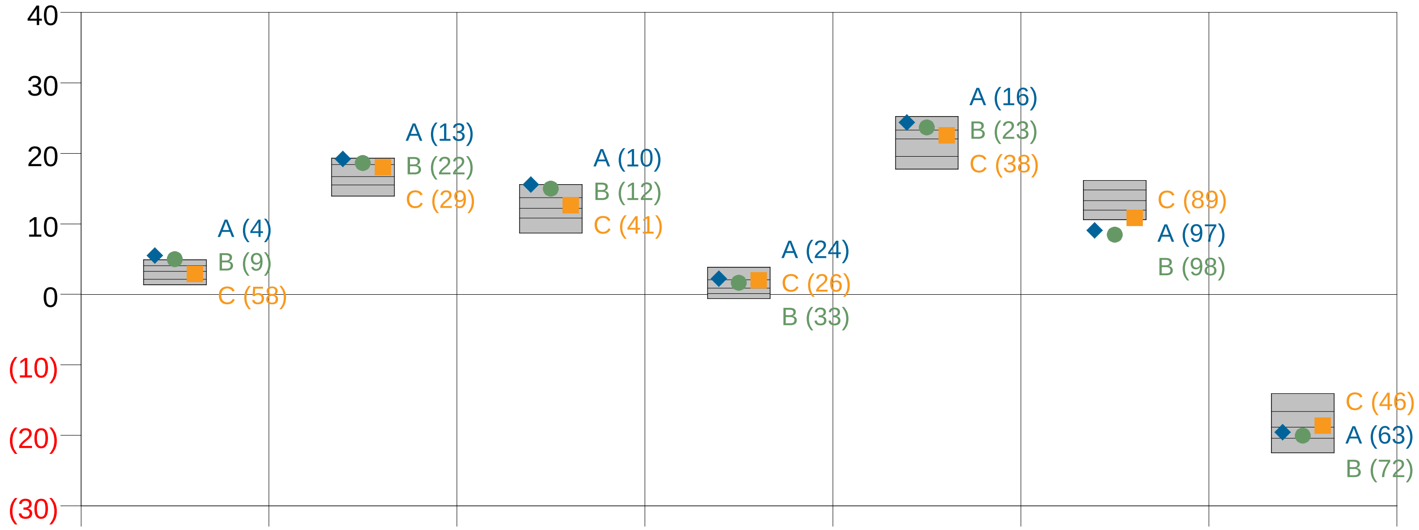
Fiscal Year Returns
Group: Callan Public Fund Sponsor - Large (>1B)



	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016
10th Percentile	1.62	32.67	5.07	7.70	10.33	14.95	2.34
25th Percentile	0.64	29.92	3.66	6.68	9.57	14.08	1.50
Median	0.18	27.80	2.26	6.06	8.78	12.99	0.50
75th Percentile	(0.14)	25.83	1.04	5.14	8.01	11.58	(0.62)
90th Percentile	(0.50)	23.33	(1.00)	4.49	7.55	8.99	(1.75)
MCERA Total Fund - Gross ◆ A	(0.13)	32.68	3.74	6.39	10.29	12.88	2.68
MCERA Total Fund - Net ● B	(0.21)	32.14	3.26	5.88	9.74	12.34	2.19
MCERA Total Fund Target ■ C	0.00	27.89	3.29	5.99	8.67	12.20	0.98

Total Fund Performance – Fiscal Year

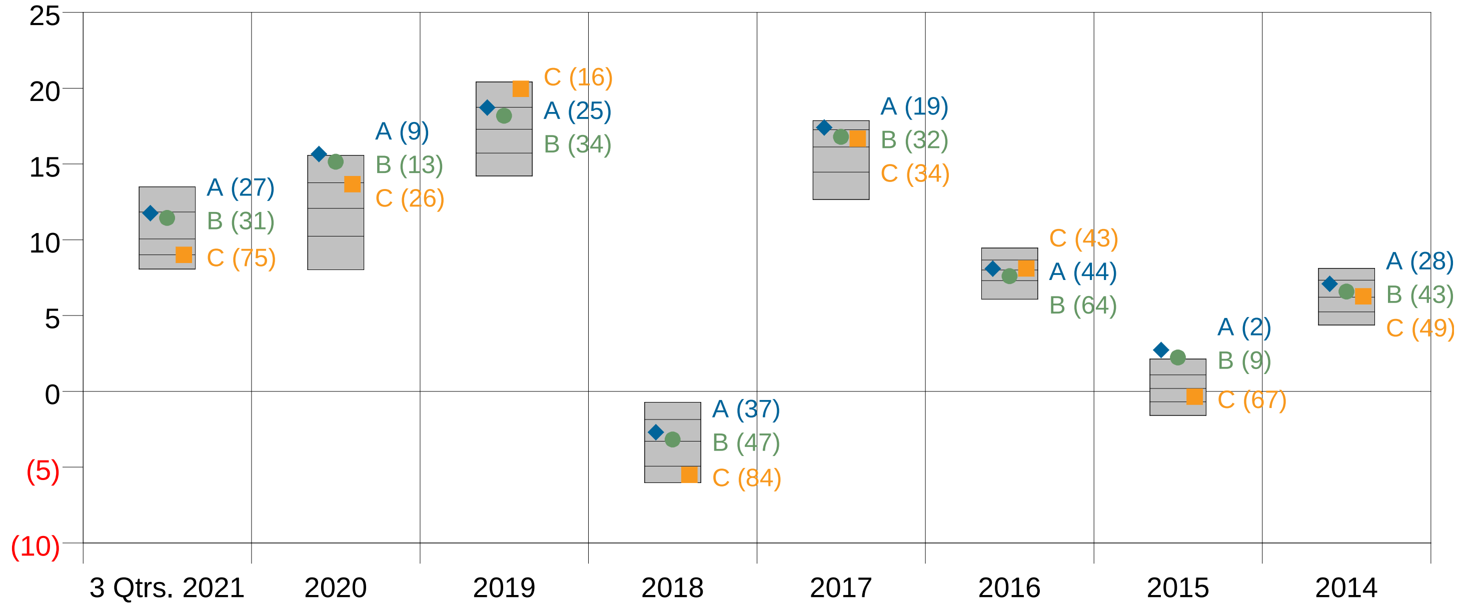
Fiscal Year Returns
Group: Callan Public Fund Sponsor - Large (>1B)



		Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009
10th Percentile		4.93	19.33	15.59	3.87	25.26	16.18	(14.06)
25th Percentile		4.08	18.43	13.72	2.09	23.33	14.82	(16.60)
Median		3.29	16.73	12.22	0.90	22.07	13.33	(18.82)
75th Percentile		2.15	15.53	10.84	0.11	19.59	11.95	(20.39)
90th Percentile		1.39	13.95	8.71	(0.57)	17.78	10.62	(22.46)
MCERA Total Fund - Gross	◆ A	5.52	19.22	15.60	2.26	24.42	9.11	(19.54)
MCERA Total Fund - Net	● B	5.02	18.65	15.01	1.67	23.71	8.49	(20.02)
MCERA Total Fund Target	■ C	2.91	18.09	12.68	2.02	22.58	10.87	(18.58)

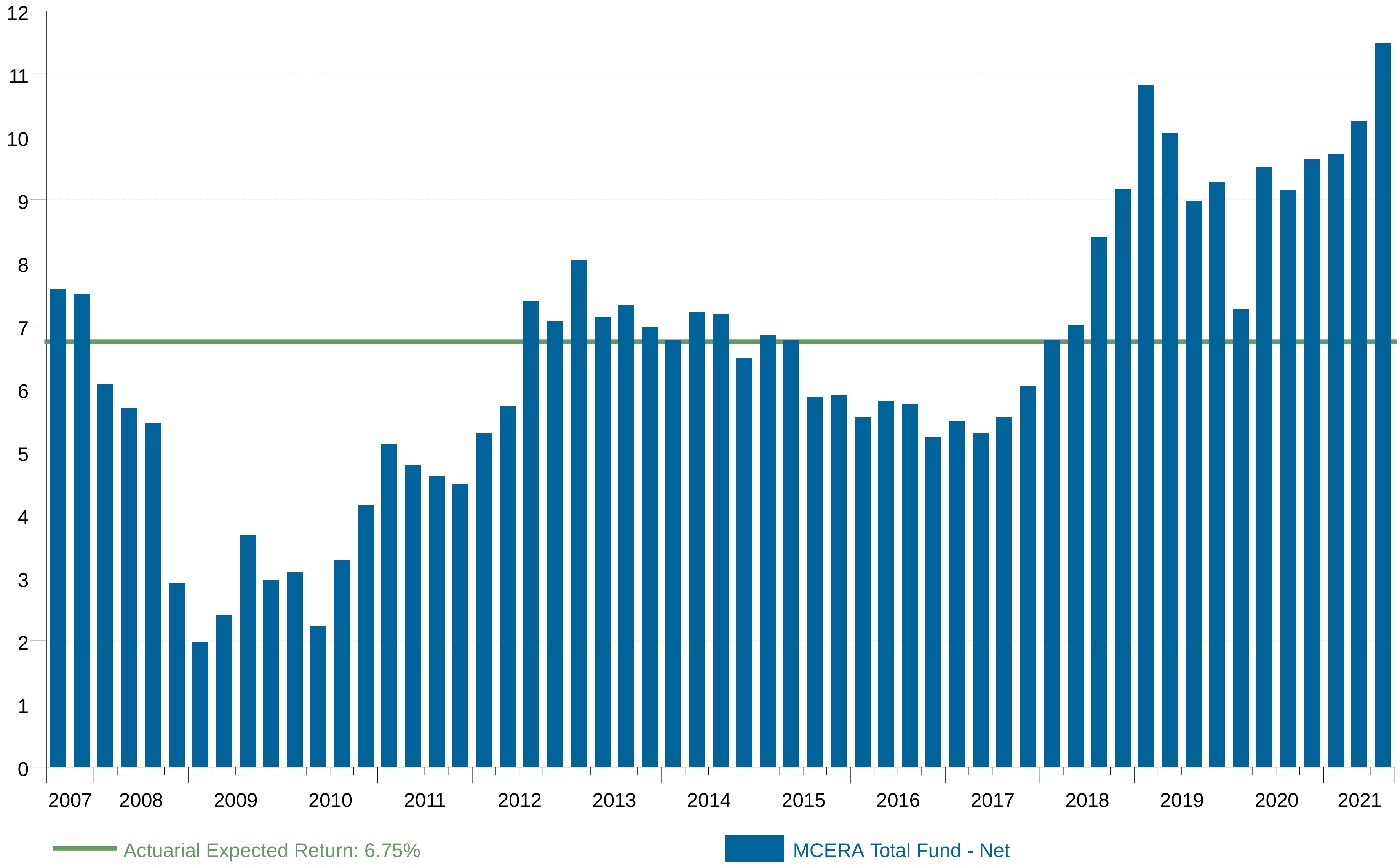
Total Fund Performance – Calendar Years

Returns for Periods Ended September 30, 2021
Group: Callan Public Fund Sponsor - Large (>1B)



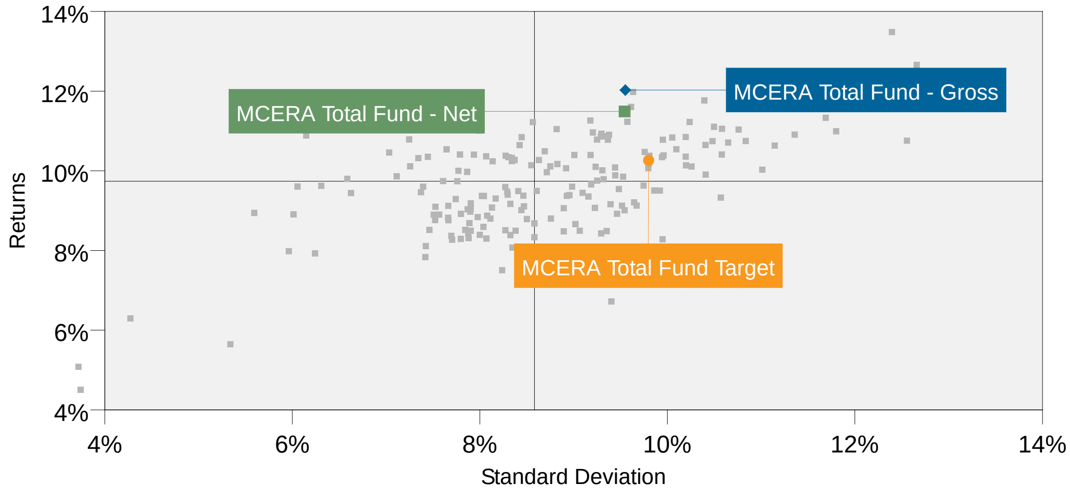
		3 Qtrs. 2021	2020	2019	2018	2017	2016	2015	2014
10th Percentile		13.50	15.58	20.43	(0.71)	17.86	9.47	2.15	8.11
25th Percentile		11.85	13.77	18.74	(1.84)	17.27	8.67	1.10	7.34
Median		10.07	12.08	17.30	(3.28)	16.13	8.01	0.20	6.22
75th Percentile		9.02	10.25	15.73	(4.93)	14.47	7.31	(0.67)	5.25
90th Percentile		8.08	8.03	14.21	(6.02)	12.66	6.08	(1.58)	4.38
Total Fund - Gross	◆ A	11.77	15.66	18.73	(2.68)	17.41	8.10	2.73	7.10
MCERA Total Fund - Net	● B	11.45	15.16	18.19	(3.16)	16.81	7.61	2.24	6.59
Total Fund Target	■ C	9.02	13.68	19.97	(5.49)	16.68	8.13	(0.34)	6.28

Annualized 10 Year Total Fund Net Returns (Quarterly Roll)

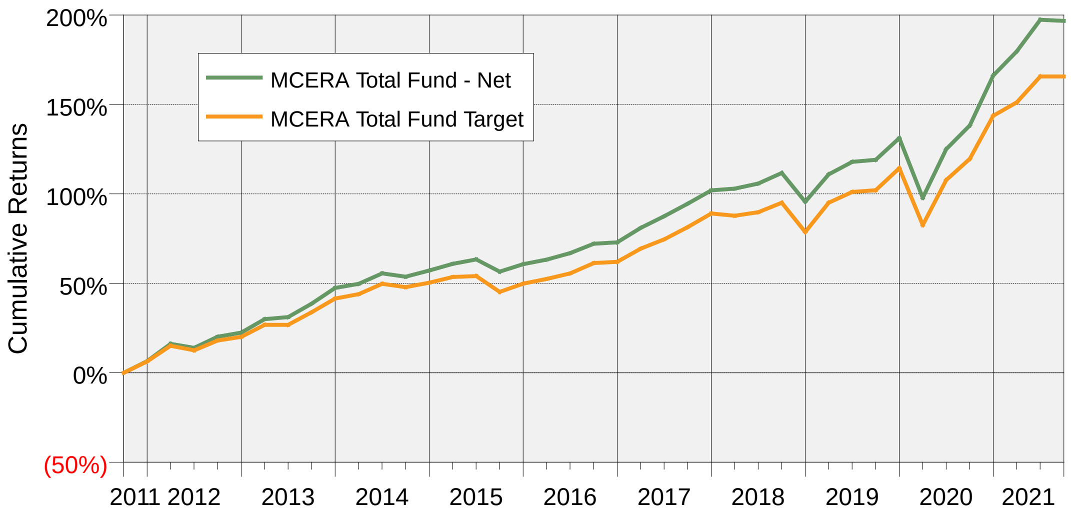


Total Fund – Cumulative Returns Relative to Target

Ten Year Annualized Risk vs. Return
As of September 30, 2021



Total Fund Cumulative Returns vs. Target
10 Years Ended September 30, 2021



Watchlist

Investment Manager Monitoring Summary Report
Active Managers as of September 30, 2021

Investment Manager	Organization/ Team	3 Year Performance vs Benchmark	3 Year Performance vs Peers	5 Year Performance vs Benchmark	5 Year Performance vs Peers	Qualify for Watchlist?	Date Added
DFA Small Cap Core Equity *Russell 2000 Index*		N/A	N/A	N/A	N/A		
Morgan Stanley International Value Equity *MSCI EAFE Index*						Yes	4Q17
Artisan International Growth Equity *MSCI EAFE Index*						Yes	4Q17
TimesSquare International Small Cap Equity *MSCI EAFE Small Cap Index*		N/A	N/A	N/A	N/A		
Fidelity Emerging Markets Equity *MSCI Emerging Markets Index*		N/A	N/A	N/A	N/A		
Wellington Core Plus Fixed Income *Bloomberg Barclays Aggregate Index*						No	
Western Asset Intermediate Credit Fixed Income *Bloomberg Barclays Intermediate Credit Index*						No	
Colchester Global Fixed Income *FTSE World Government Bond Index*						Yes	
Invesco Balanced Risk Commodity Fund *Bloomberg Commodity Index*						Yes	
KBI Global Natural Resources Fund *S&P Global Natural Resource Index*			N/A		N/A	No	
UBS Trumbull Property Fund* *NFI-ODCE Index*		N/A	N/A	N/A	N/A	Under Review	4Q19

*UBS Trumbull Property Fund placed on watch for organizational concerns. Quantitative criteria for private market portfolios under review by Governance Committee.

Quantitative Criteria

If a manager trails its relevant benchmark by more than 100 basis points (net of fees) and ranks in the bottom quartile of its peer universe (gross of fees ranking) for the trailing three years, or if a manager trails its relevant benchmark (net of fees) or ranks below median of its peer universe (gross of fees ranking) for the trailing five years, then the manager may be placed on the Watchlist.

Color Code

- meets watch list criteria, no concerns, no actions recommended
- concerns exist, no actions recommended
- violates watch list criteria, concerns exist, action to be determined

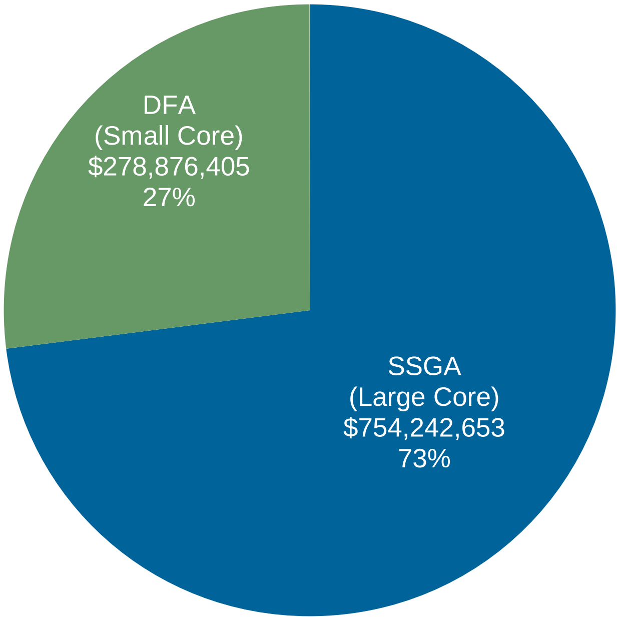
Watchlist

Investment Manager	3 Year Net Return Trails Benchmark by more than 100 bps (relative return shown in bps)	AND	3 Year Gross Return Ranks 75th - 100th%	OR	5 Year Net Return Trails Benchmark (relative return shown in bps)	OR	5 Year Gross Return Ranks 50th - 100th%	Qualify for Watchlist (Quantitative)
DFA Small Cap Core Equity *Russell 2000 Index*	N/A		N/A		N/A		N/A	No
Morgan Stanley International Value Equity *MSCI EAFE Index*	-99		26th		-80		25th	Yes
Artisan International Growth Equity *MSCI EAFE Index*	193		80th		99		77th	Yes
TimesSquare International Small Cap Equity *MSCI EAFE Small Cap Index*	N/A		N/A		N/A		N/A	No
Fidelity Emerging Markets Equity *MSCI Emerging Markets Index*	N/A		N/A		N/A		N/A	No
Wellington Core Plus Fixed Income *Bloomberg Barclays Aggregate Index*	109		35th		116		37th	No
Western Asset Intermediate Credit Fixed Income *Bloomberg Barclays Intermediate Credit Index*	117		1st		87		1st	No
Colchester Global Fixed Income *FTSE World Government Bond Index*	44		67th		69		67th	Yes
Invesco Balanced Risk Commodity Fund *Bloomberg Commodity Index*	-28		73rd		-44		73rd	Yes
KBI Global Natural Resources Fund *S&P Global Natural Resource Index*	1430		N/A		554		N/A	No
UBS Trumbull Property Fund *NCREIF NFI-ODCE Index*	Quantitative criteria for private markets portfolios under review by Governance Committee. On watch due to organizational changes.							Under Review

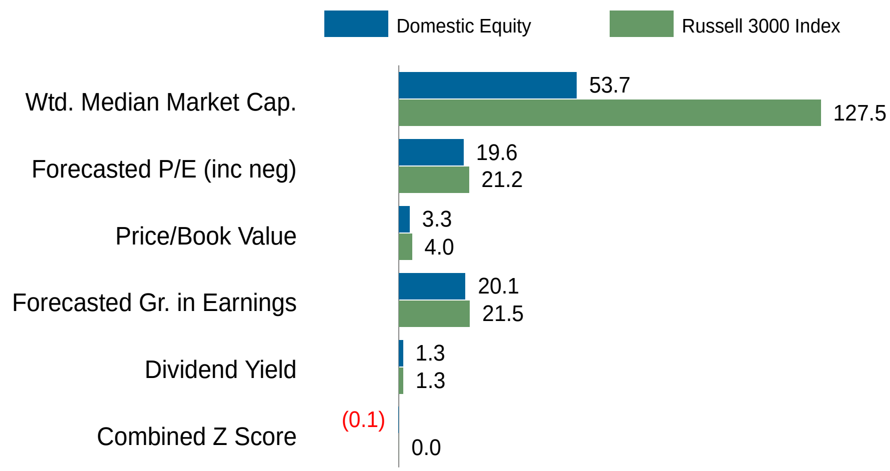
Callan

MCERA Asset Class Review

Domestic Equity Composite



Portfolio Characteristics as of September 30, 2021

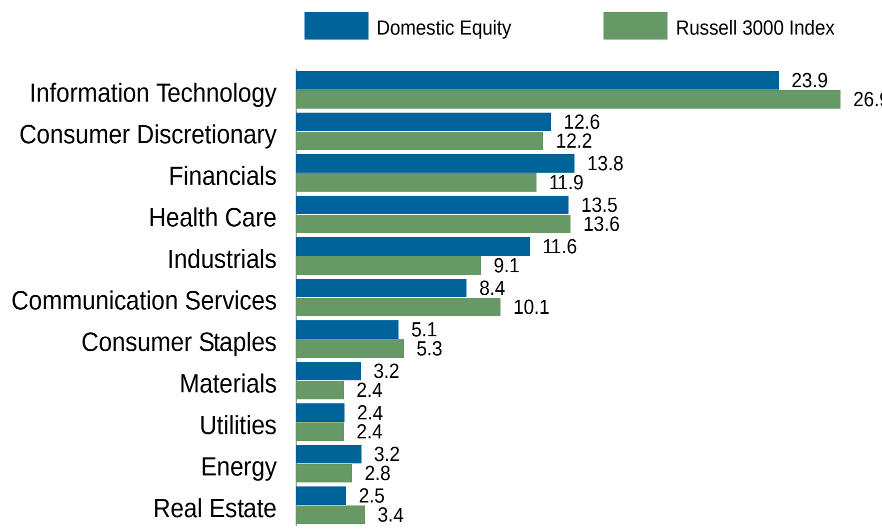


Style Exposure Matrix
Holdings as of September 30, 2021

-- Domestic Equity
-- Russell 3000 Index

	Value	Core	Growth	Total
Large	18.0% (101) 21.2% (100)	14.5% (89) 18.1% (97)	28.9% (77) 36.9% (100)	61.4% (267) 76.1% (297)
Mid	3.6% (121) 4.8% (160)	3.8% (124) 5.7% (219)	3.5% (86) 5.8% (215)	10.9% (331) 16.3% (594)
Small	5.6% (215) 1.7% (293)	9.0% (341) 2.5% (492)	8.3% (284) 2.4% (403)	22.9% (840) 6.7% (1188)
Micro	2.3% (435) 0.3% (332)	1.6% (269) 0.4% (395)	0.9% (131) 0.2% (164)	4.8% (835) 0.9% (891)
Total	29.5% (872) 28.1% (885)	28.9% (823) 26.6% (1203)	41.6% (578) 45.3% (882)	100.0% (2273) 100.0% (2970)

Sector Allocation as of September 30, 2021



Domestic Equity Composite

Returns and Rankings for Periods Ended September 30, 2021

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Domestic Equity - Net	**(0.23)**	**39.90**	**15.16**	**16.78**	**16.25**
Domestic Equity Target	(0.10)	31.88	16.00	16.85	16.60
Large Cap Equity - Net	**0.52**	**30.01**	**16.08**	**16.94**	**16.68**
SSGA - Net	**0.49**	**29.90**	**15.92**	**16.85**	**16.61**
Large Cap Blended Benchmark	0.50	29.90	15.96	16.88	16.62
Ranking vs. Large Cap Equity	36	55	53	53	53
Small Cap Equity - Net	**(1.53)**	**64.97**	**11.48**	**15.51**	**14.70**
DFA Small Core - Net	(1.73)	58.48	--	--	--
Russell 2000 Index	(4.36)	47.68	10.54	13.45	14.63
Ranking vs. Small Cap Equity	47	15	--	--	--

Returns and Rankings for Calendar Years

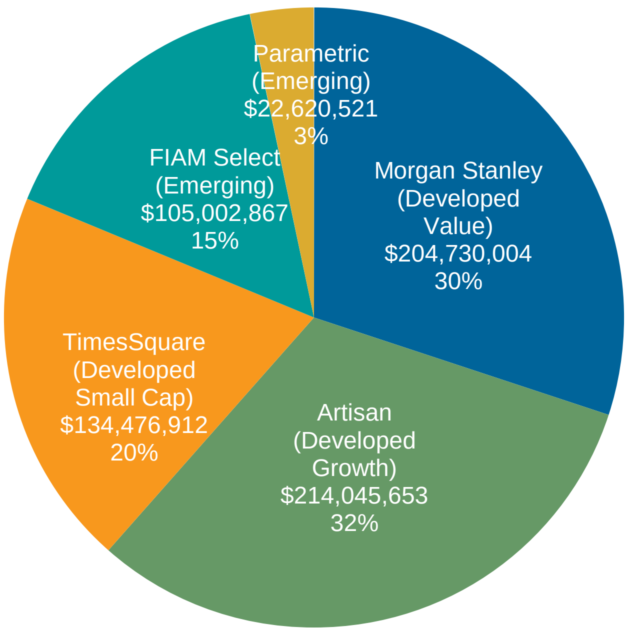
	3 Qtrs. 2021	2020	2019	2018	2017	2016
Domestic Equity - Net	**18.98**	**17.85**	**28.76**	**(5.34)**	**20.61**	**13.26**
Domestic Equity Target	14.99	20.89	31.02	(5.24)	21.13	12.74
Large Cap Equity - Net	**15.91**	**18.65**	**31.63**	**(4.59)**	**21.86**	**12.01**
SSGA - Net	**15.82**	**18.33**	**31.43**	**(4.39)**	**21.82**	**12.00**
Large Cap Blended Benchmark	15.83	18.40	31.49	(4.38)	21.83	11.96
Ranking vs. Large Cap Equity	52	53	44	46	51	35
Small Cap Equity - Net	**26.48**	**14.26**	**21.86**	**(8.79)**	**17.50**	**15.99**
DFA Small Core - Net	21.85	11.74	21.80	--	--	--
Russell 2000 Index	12.41	19.96	25.52	(11.01)	14.65	21.31
Ranking vs. Small Cap Equity	15	54	71	--	--	--

- The domestic equity composite underperformed the index in the third quarter due to the overweight allocation to small cap. Large cap stocks outperformed small cap during the quarter; however, over the one year period the small cap overweight was very beneficial.
- During the quarter the small cap allocation was in the process of being trimmed from 30% to 25% of the domestic equity allocation.

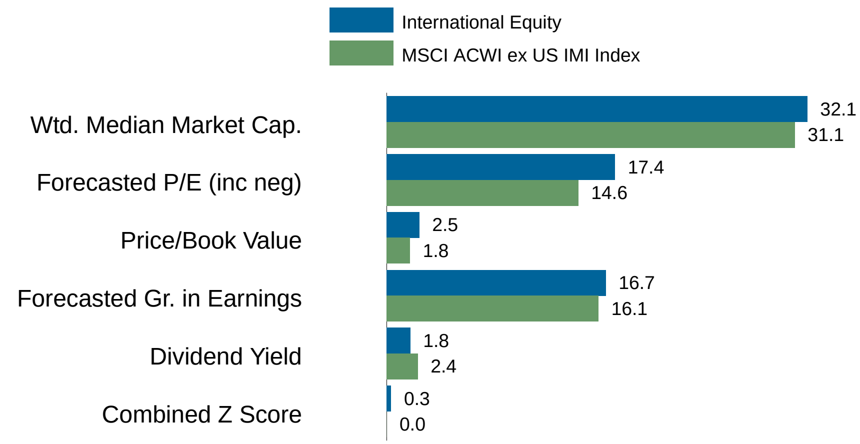
The Domestic Equity Target is comprised of 51.1% S&P/BARRA Value, 22.2% S&P 500, 15.6% Russell 2000 and 11.1% S&P/BARRA Growth through 12/31/1999, 80% S&P 500 and 20% Russell 2000 from 12/31/1999 to 06/30/2010, and 100% Russell 3000 from 06/30/2010 to present.

The Large Cap Blended Benchmark consists of the S&P 500 Index to 7/31/2021 and the Russell 1000 Index thereafter.

International Equity Composite



Portfolio Characteristics as of September 30, 2021

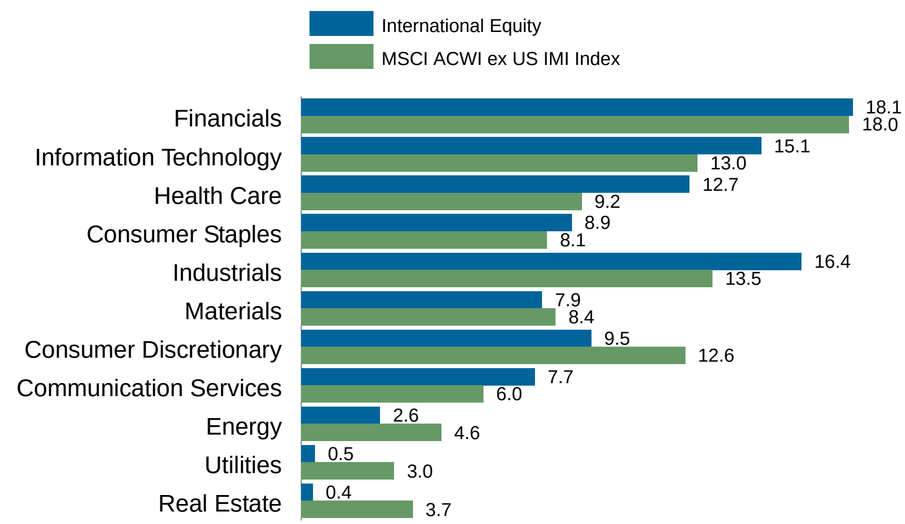


Region & Style Exposure Matrix
Holdings as of September 30, 2021

-- International Equity
-- MSCI ACWI ex US IMI Index

	Value	Core	Growth	Total
Europe	12.1% (26) / 12.5%	20.5% (42) / 14.4%	22.6% (49) / 15.0%	55.2% (117) / 41.9%
N. America	0.0% (1) / 1.1%	0.9% (2) / 1.7%	4.1% (7) / 1.4%	5.0% (10) / 4.2%
Pacific	0.7% (4) / 7.7%	3.5% (13) / 7.3%	9.6% (28) / 8.7%	13.7% (45) / 23.6%
Emerging	7.1% (650) / 7.0%	8.9% (493) / 9.8%	10.0% (272) / 13.4%	26.1% (1415) / 30.2%
Total	19.9% (681) / 28.3%	33.9% (550) / 33.2%	46.2% (356) / 38.5%	100.0% (1587) / 100.0%

Sector Allocation as of September 30, 2021



International Equity Composite

Returns and Rankings for Periods Ended September 30, 2021

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
International Equity - Net	**(2.41)**	**19.28**	**7.97**	**8.78**	**8.96**
International Equity Target	(2.56)	25.16	8.34	9.13	7.74
Morgan Stanley - Net	**(4.85)**	**16.88**	**6.63**	**8.01**	**7.91**
MSCI EAFE Index	(0.45)	25.73	7.62	8.81	8.10
Ranking vs. Non-US Developed Value Equity	99	99	26	25	26
Artisan - Net	**(0.06)**	**15.48**	**9.55**	**9.80**	**10.06**
MSCI EAFE Index	(0.45)	25.73	7.62	8.81	8.10
Ranking vs. Non-US Developed Growth Equity	36	93	80	77	46
TimesSquare - Net	**(0.78)**	**23.75**	**--**	**--**	**--**
MSCI EAFE Small Cap	0.90	29.02	9.05	10.38	10.73
TimesSquare - Gross (unlinked)	69	87	--	--	--
Parametric EM - Net	**(2.30)**	**27.69**	**5.49**	**6.12**	**4.67**
MSCI Emerging Markets Index	(8.09)	18.20	8.59	9.23	6.09
Ranking vs. Emerging Markets Equity	19	30	89	90	93

Returns and Rankings for Periods Ended September 30, 2021

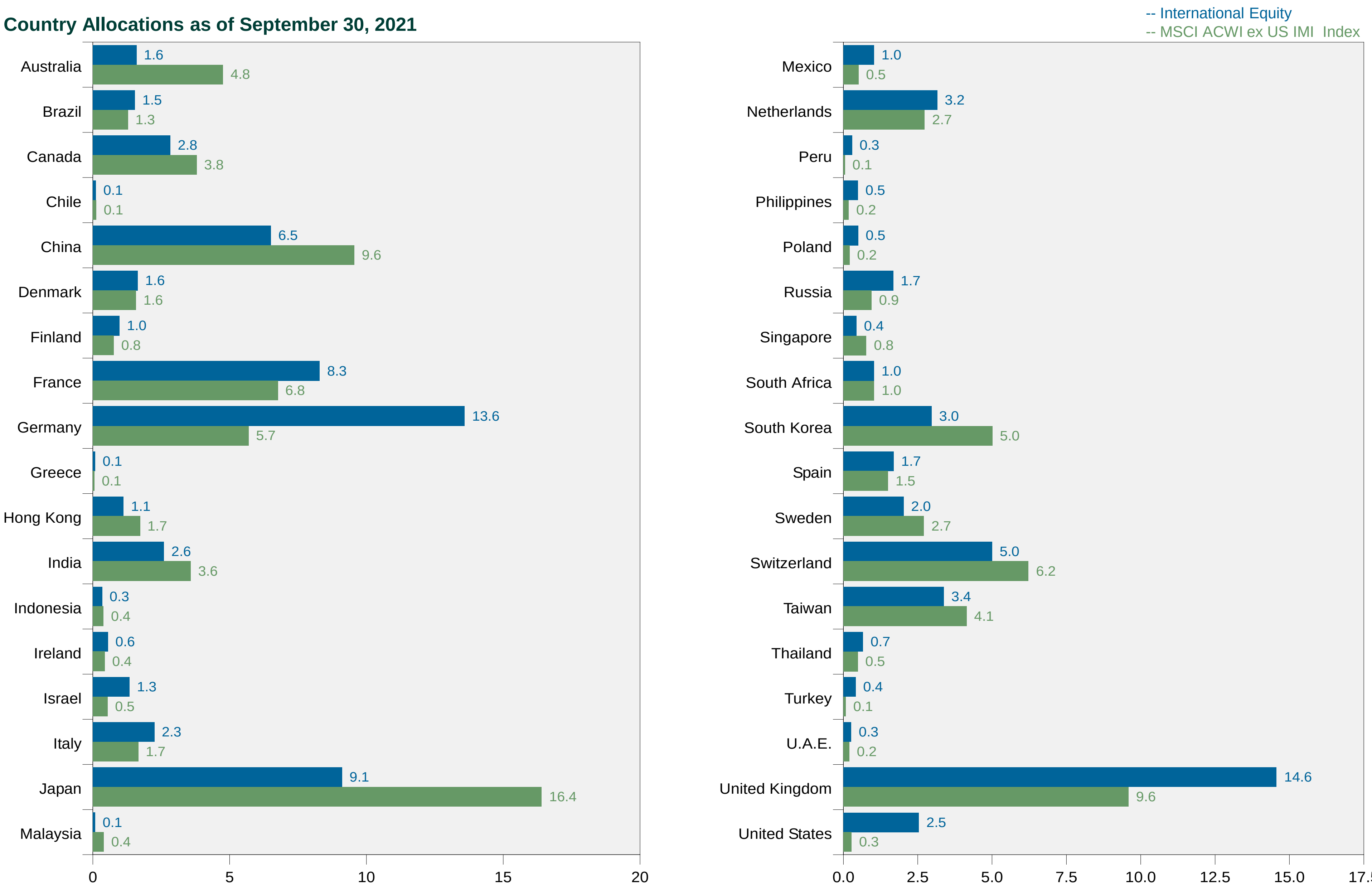
	3 Qtrs. 2021	2020	2019	2018	2017
International Equity - Net	**4.29**	**10.79**	**23.52**	**(13.51)**	**28.92**
International Equity Target	6.78	11.12	21.63	(14.76)	27.81
Morgan Stanley - Net	**2.31**	**11.99**	**20.92**	**(13.46)**	**25.42**
MSCI EAFE Index	8.35	7.82	22.01	(13.79)	25.03
Ranking vs. Non-US Developed Value Equity	100	1	34	14	41
Artisan - Net	**5.88**	**8.08**	**29.61**	**(10.56)**	**31.24**
MSCI EAFE Index	8.35	7.82	22.01	(13.79)	25.03
Ranking vs. Non-US Developed Growth Equity	58	96	26	13	25
TimesSquare - Net	**4.26**	**13.87**	**--**	**--**	**--**
MSCI EAFE Small Cap	10.02	12.34	24.96	(17.89)	33.01
TimesSquare - Gross (unlinked)	94	39	--	--	--
Parametric EM - Net	**6.19**	**4.02**	**12.61**	**(13.57)**	**27.62**
MSCI Emerging Markets Index	(1.25)	18.31	18.44	(14.57)	37.28
Ranking vs. Emerging Markets Equity	31	88	83	25	83

- The International Equity composite outperformed on a relative basis for the third quarter.
  - Morgan Stanley: stock selection was the main detractor for the period; most of the underperformance came from consumer staples, health care, and information technology.
  - Artisan: stock selection in health care and communication services were additive for the fund.
  - TimesSquare: stock selection in Canada and emerging markets were large detractors.
  - Parametric: an underweight to China was a key contributor to outperformance.

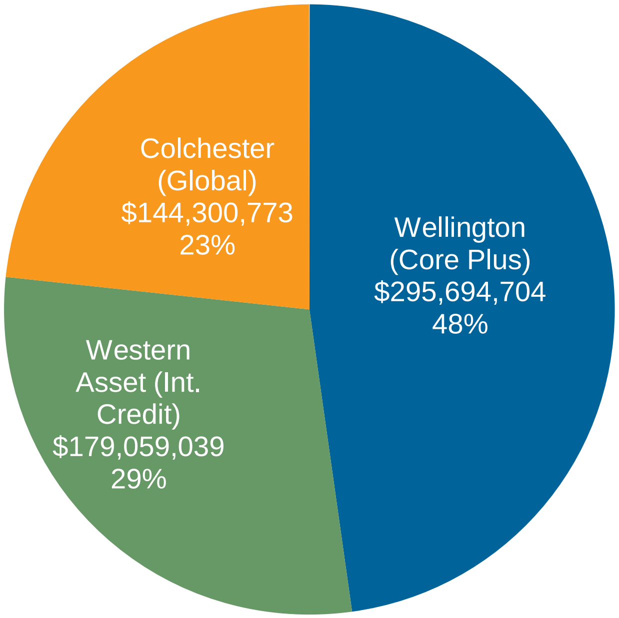
The International Equity Target is comprised of 100% MSCI EAFE Index through 06/30/2010, and 100% MSCI ACWI ex-US IMI Index thereafter.

International Equity Composite

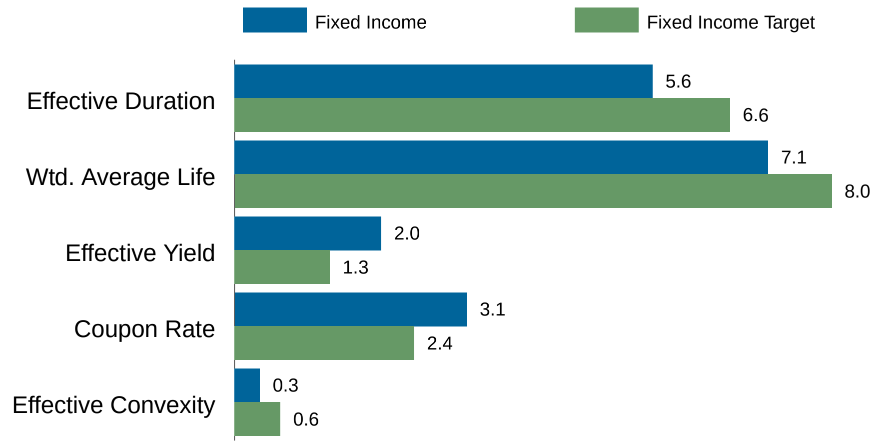
Country Allocations as of September 30, 2021



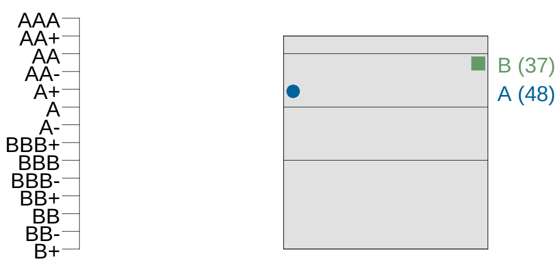
Fixed Income Composite



Portfolio Characteristics as of September 30, 2021

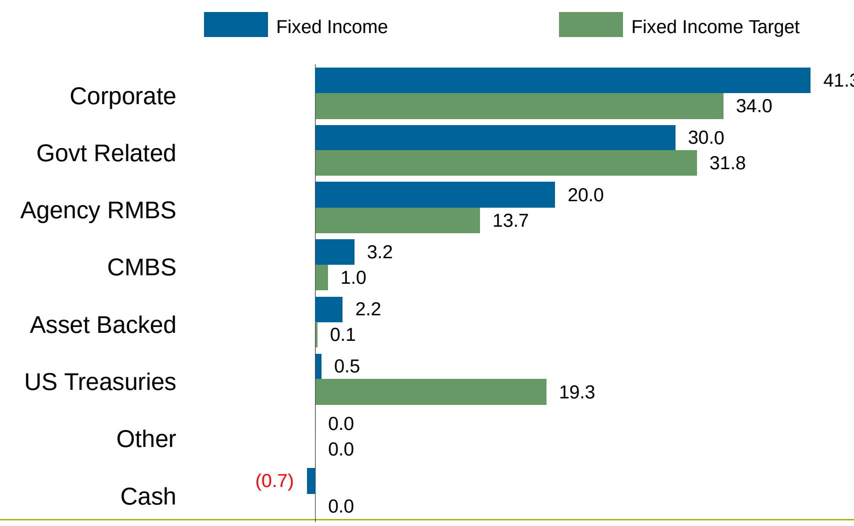


Quality Rating as of September 30, 2021
Total Domestic Fixed Income Database



10th Percentile		AA+
25th Percentile		AA
Median		A
75th Percentile		BBB
90th Percentile		B+
Fixed Income	A	A+
Fixed Income Target	B	AA-

Sector Allocation as of September 30, 2021



Fixed Income Composite

Returns and Rankings for Periods Ended September 30, 2021

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Fixed Income - Net	**(0.23)**	**0.40**	**6.19**	**3.68**	**3.74**
Fixed Income Target	(0.27)	(1.01)	5.02	2.71	2.70
Wellington - Net	**0.21**	**0.74**	**6.45**	**4.11**	**4.14**
Bloomberg Aggregate Index	0.05	(0.90)	5.36	2.94	3.01
Ranking vs. Core Plus Fixed Income	41	74	35	37	59
Western Asset - Net	**0.08**	**3.17**	**6.71**	**4.36**	**4.30**
Bloomberg Intermediate Credit Index	0.07	1.06	5.55	3.49	3.71
Ranking vs. Intermediate Fixed Income	7	1	1	1	1
Colchester - Net	**(1.68)**	**(1.48)**	**4.17**	**2.04**	**--**
FTSE World Government Bond Index	(1.24)	(3.33)	3.73	1.35	1.06
Ranking vs. Global Fixed Income (Uhedged)	77	73	67	67	--

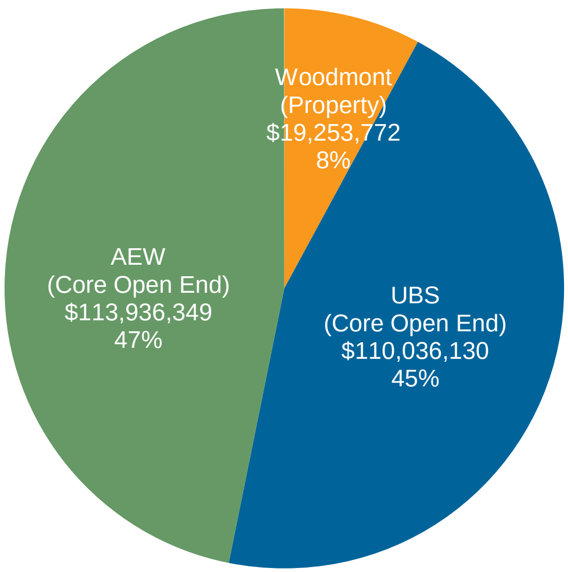
Returns and Rankings for Calendar Years

	3 Qtrs. 2021	2020	2019	2018	2017	2016
Fixed Income - Net	**(2.08)**	**11.47**	**8.65**	**(0.35)**	**5.14**	**4.26**
Fixed Income Target	(2.39)	8.10	8.21	(0.17)	4.55	2.70
Wellington - Net	**(0.85)**	**9.91**	**9.94**	**(0.37)**	**4.90**	**4.72**
Bloomberg Aggregate Index	(1.55)	7.51	8.72	0.01	3.54	2.65
Ranking vs. Core Plus Fixed Income	72	26	44	42	41	43
Western Asset - Net	**0.26**	**9.96**	**9.78**	**(0.37)**	**4.12**	**4.89**
Bloomberg Intermediate Credit Index	(0.48)	7.08	9.52	0.01	3.67	3.68
Ranking vs. Intermediate Fixed Income	1	2	1	99	2	1
Colchester - Net	**(6.54)**	**11.12**	**7.56**	**(0.90)**	**8.20**	**3.87**
FTSE World Government Bond Index	(5.93)	10.11	5.90	(0.84)	7.49	1.60
Ranking vs. Global Fixed Income (Uhedged)	96	26	59	19	35	15

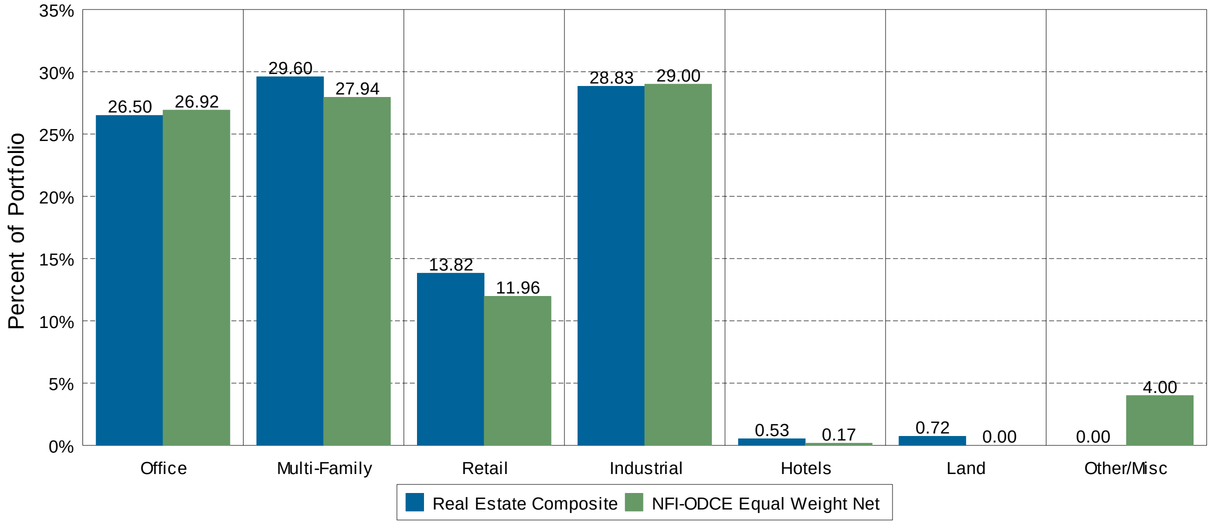
- The Fixed Income composite slightly outperformed its target in the third quarter.
  - Wellington: allocations to high yield and non-agency RMBS all contributed to relative performance.
  - Western Asset: roughly in line with the index, the portfolio’s overweight to energy was positive while an underweight to REITs was negative.
  - Colchester: currency positioning was the largest detractor for the quarter with overweight positions to the Korean Won and Swedish Krona being the most substantial.

Fixed Income Target is comprised of 100% Bloomberg Aggregate Index until 03/31/2014 and 50% Bloomberg Aggregate Index, 25% Bloomberg Intermediate Credit Index, and 25% FTSE World Government Bond Index thereafter.

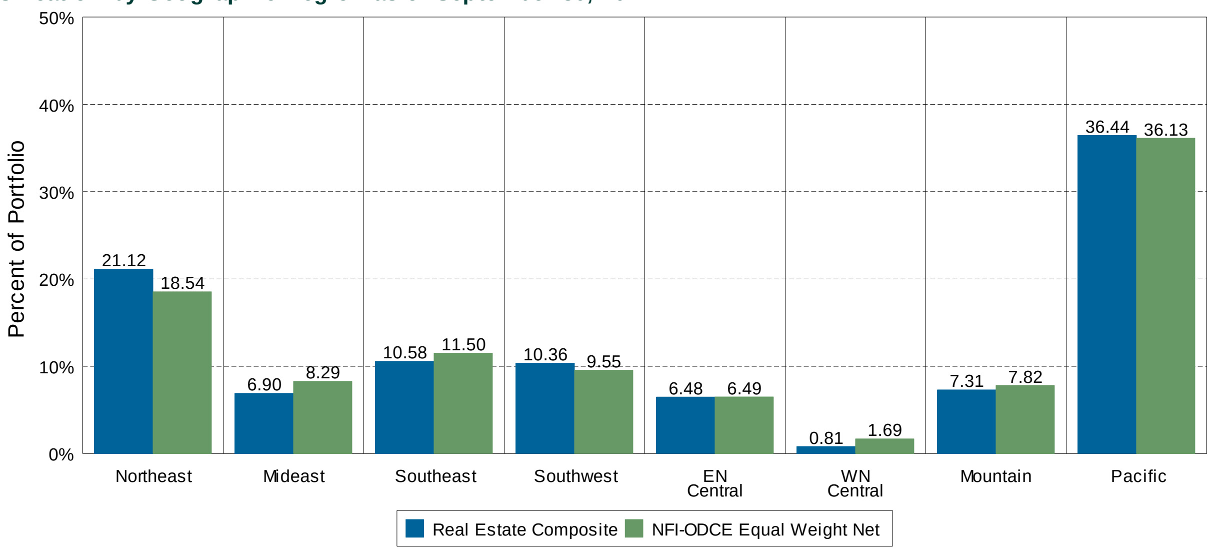
Real Estate Composite



Diversification by Property Type as of September 30, 2021



Diversification by Geographic Region as of September 30, 2021



Real Estate Composite

Returns and Rankings for Periods Ended September 30, 2021

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Real Estate - Net	**4.96**	**8.72**	**3.16**	**4.33**	**9.67**
Real Estate Target	6.75	14.83	6.84	7.07	9.21
AEW Core Property Trust - Net	**4.83**	**13.04**	**6.19**	**6.49**	**--**
NFI-ODCE Equal Wt Net Index	6.75	14.83	6.84	7.07	9.22
Ranking vs. Core Open End Funds	22	38	51	67	--
UBS Trumbull Property Fund - Net	**6.01**	**7.79**	**1.14**	**2.88**	**--**
NFI-ODCE Equal Wt Net Index	6.75	14.83	6.84	7.07	9.22
Ranking vs. Core Open End Funds	13	99	100	99	--

Returns and Rankings for Calendar Years

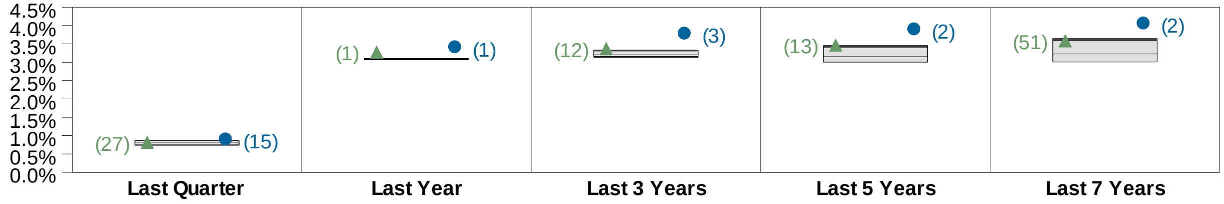
	3 Qtrs. 2021	2020	2019	2018	2017	2016
Real Estate - Net	**9.72**	**(2.29)**	**0.64**	**6.46**	**5.66**	**7.14**
Real Estate Target	13.51	0.75	5.18	7.30	6.92	8.36
AEW Core Property Trust - Net	**11.22**	**0.57**	**5.29**	**6.77**	**6.99**	**7.51**
NFI-ODCE Equal Wt Net Index	13.51	0.75	5.18	7.30	6.92	8.36
Ranking vs. Core Open End Funds	33	66	71	76	43	67
UBS Trumbull Property Fund - Net	**10.05**	**(4.68)**	**(2.88)**	**6.12**	**5.32**	**6.16**
NFI-ODCE Equal Wt Net Index	13.51	0.75	5.18	7.30	6.92	8.36
Ranking vs. Core Open End Funds	59	95	97	80	88	90

- The AEW Core Property Trust’s current leverage is 24.6% (NFI-ODCE leverage: 22.6%) and has an occupancy rate of 96%.
  - The industrial sector continues to lead performance for AEW. Multi-family, office, and retail were also positive contributors.
- The UBS Trumbull Property Fund’s current leverage is 17.5% and has an occupancy rate of 93%.
  - All sectors contributed positively to performance this quarter with the industrial sector leading the way.

The Real Estate Target is comprised of the NCREIF Classic Index through 12/31/2004, NCREIF Total Property Index through 12/31/2014, and the NFI-ODCE Equal Weight Net thereafter.

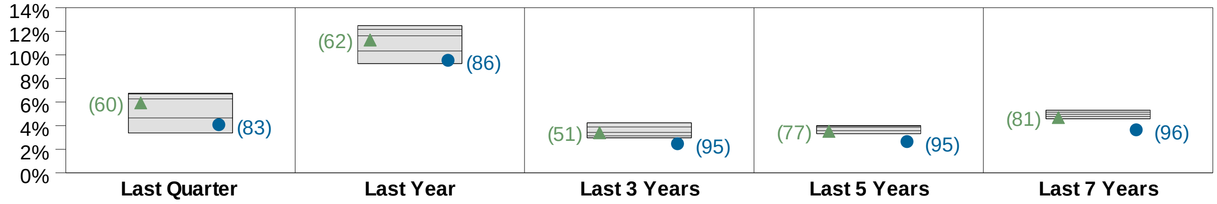
AEW Income and Appreciation Returns

Income Rankings vs Callan Real Estate ODCE
Periods ended September 30, 2021



	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
10th Percentile	0.86	3.10	3.33	3.46	3.64
25th Percentile	0.82	3.10	3.28	3.43	3.63
Median	0.75	3.10	3.20	3.40	3.60
75th Percentile	0.74	3.08	3.16	3.15	3.23
90th Percentile	0.74	3.07	3.14	3.00	3.01
AEW Core Property Trust ●	0.87	3.38	3.76	3.87	4.03
NFI-ODCE Equal Weight Net ▲	0.82	3.28	3.37	3.46	3.59

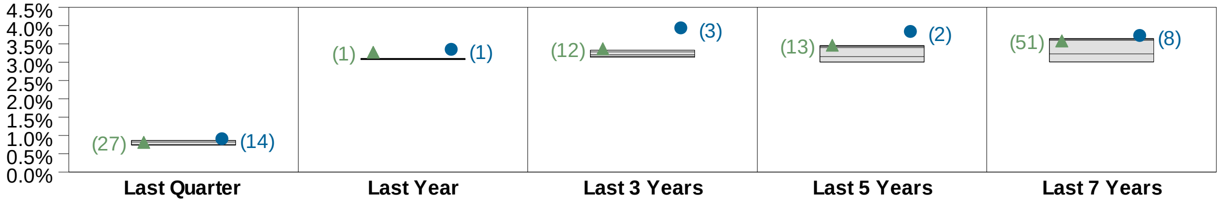
Appreciation Rankings vs Callan Real Estate ODCE
Periods ended September 30, 2021



	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
10th Percentile	6.75	12.49	4.25	4.02	5.31
25th Percentile	6.68	12.16	3.89	3.97	5.14
Median	6.27	11.62	3.43	3.87	4.96
75th Percentile	4.66	10.33	3.14	3.57	4.77
90th Percentile	3.38	9.26	2.96	3.32	4.58
AEW Core Property Trust ●	3.96	9.42	2.36	2.53	3.53
NFI-ODCE Equal Weight Net ▲	5.93	11.27	3.41	3.53	4.69

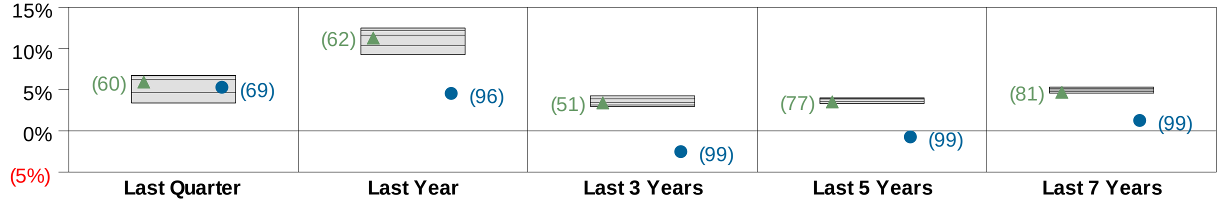
UBS Income and Appreciation Returns

Income Rankings vs Callan Real Estate ODCE
Periods ended September 30, 2021



	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
10th Percentile	0.86	3.10	3.33	3.46	3.64
25th Percentile	0.82	3.10	3.28	3.43	3.63
Median	0.75	3.10	3.20	3.40	3.60
75th Percentile	0.74	3.08	3.16	3.15	3.23
90th Percentile	0.74	3.07	3.14	3.00	3.01
UBS Trumbull Property Fund ●	0.87	3.32	3.90	3.81	3.69
NFI-ODCE Equal Weight Net ▲	0.82	3.28	3.37	3.46	3.59

Appreciation Rankings vs Callan Real Estate ODCE
Periods ended September 30, 2021

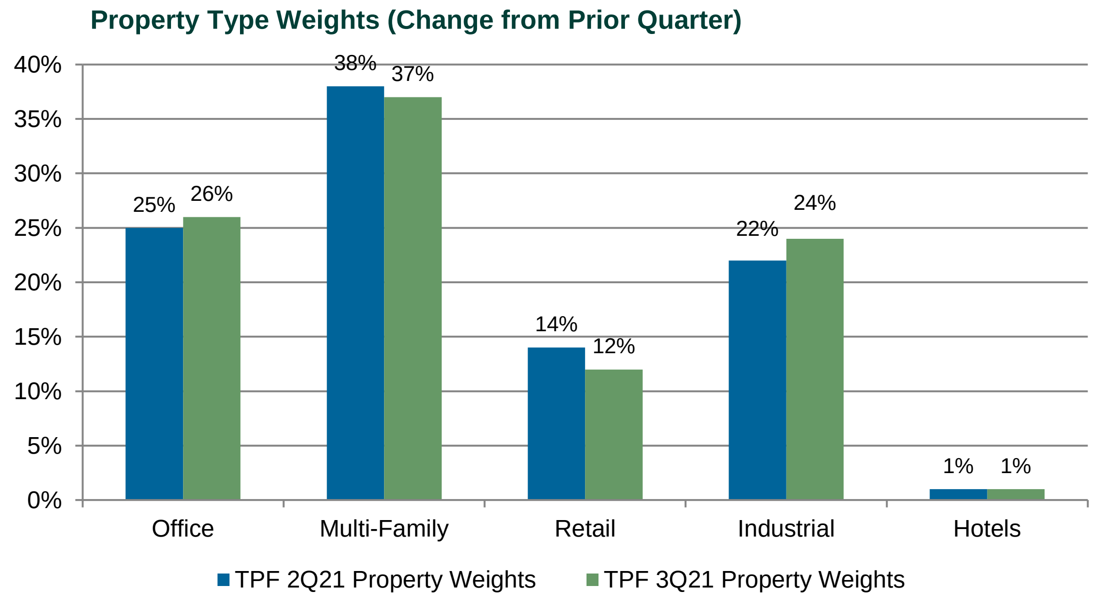


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
10th Percentile	6.75	12.49	4.25	4.02	5.31
25th Percentile	6.68	12.16	3.89	3.97	5.14
Median	6.27	11.62	3.43	3.87	4.96
75th Percentile	4.66	10.33	3.14	3.57	4.77
90th Percentile	3.38	9.26	2.96	3.32	4.58
UBS Trumbull Property Fund ●	5.13	4.37	(2.69)	(0.91)	1.10
NFI-ODCE Equal Weight Net ▲	5.93	11.27	3.41	3.53	4.69

UBS Trumbull Property Fund Snapshot

As of September 30, 2021

As of 3Q 2021	
Gross Asset Value	$17.9 B
Net Asset Value	$14.6 B
Leverage	17.2%
Number of Investments	167
Number of Investors	445
Redemption Queue	$7.4 billion
3Q21 Redemption Queue Payout	$375 million
Contribution Queue	$0 million



- The Fund has a current redemption pool of $7.4 billion. The Fund made a 3Q 2021 redemption payment of $375 million, following a $675 million payment in 2Q 2021 and a $250 million payment in 1Q 2021. At the end of the third quarter, he Fund had 12 properties in process for sale by year end. The Fund is targeting dispositions of approximately 50% of the Non-Strategic pool by year-end and over 80% sold by year-end 2022, with the final dispositions occurring in 2023.
  - MCERA submitted a partial redemption request for $20 million in January 2020 and has received about $12.8 million thus far.
- In September 2019, the fund announced investors would have a choice between two fee incentives: loyalty incentive (discounted fees of 15% over 3 years or 25% over 4 years) and top-up incentive ($0 base fee on additional dollars deposited).
  - The amount of client assets in the Loyalty Fee Program is $4.9 billion.
  - MCERA elected for the 4 year/25% discount loyalty incentive on approximately $100 million NAV.

NFI-ODCE Funds - Net of Fee Returns

As of September 30, 2021

Fund	Last Quarter	Last Year	Last 3 Years	Last 5 Years
AEW	**4.85%**	**13.11%**	**6.26%**	**6.56%**
ARA	5.36%	12.40%	6.15%	6.46%
ASB	4.98%	10.75%	5.20%	5.09%
Bailard	6.05%	17.08%	10.90%	11.15%
Barings	5.56%	11.28%	6.11%	6.49%
BGO	6.68%	14.75%	6.79%	6.72%
Blackrock	4.46%	11.43%	6.56%	7.28%
CBRE	11.41%	22.73%	11.03%	10.58%
CIM Group	10.43%	17.67%	7.95%	8.86%
Clarion	5.88%	15.88%	7.74%	7.90%
DWS	5.91%	12.85%	6.68%	7.10%
Everwest	7.76%	16.00%	6.90%	6.97%
GSAM	11.14%	24.69%	9.71%	9.13%
Heitman	6.72%	15.65%	4.73%	5.78%
Intercontinental	5.68%	13.22%	7.72%	8.66%
Invesco	7.36%	15.40%	6.23%	6.95%
JP Morgan	6.46%	12.94%	5.40%	5.93%
LaSalle	5.68%	4.80%	14.69%	6.68%
MetLife	7.35%	18.64%	8.66%	8.59%
MSIM	5.82%	12.45%	6.69%	7.44%
NYLIM	5.73%	12.78%	7.29%	7.46%
PGIM	7.52%	15.18%	7.39%	7.45%
Principal	5.00%	13.40%	6.43%	7.36%
Stockbridge	7.43%	19.47%	9.47%	8.92%
TA Realty	10.96%	23.71%	11.83%	--
UBS	**6.03%**	**7.78%**	**1.12%**	**2.90%**

NFI-ODCE Funds - Gross of Fee All Sector Returns

As of September 30, 2021

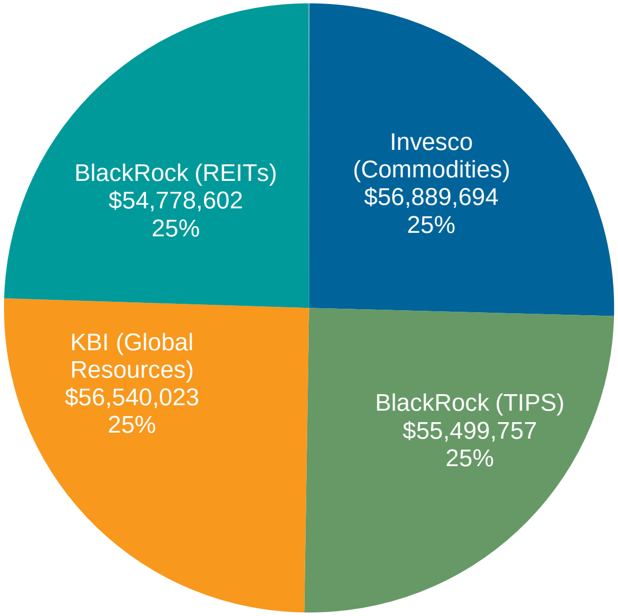
Fund	Retail 3Q 2021	Apartment 3Q 2021	Industrial 3Q 2021	Office 3Q 2021
AEW	**2.17%**	**4.04%**	**9.42%**	**1.46%**
ARA	2.01%	5.00%	10.75%	1.11%
ASB	1.35%	5.19%	9.22%	1.23%
Bailard	3.51%	5.57%	11.28%	1.18%
Barings	1.59%	6.38%	10.17%	1.28%
BGO	3.14%	5.87%	9.38%	1.53%
Blackrock	1.55%	2.48%	9.99%	-0.17%
CBRE	1.69%	10.00%	12.19%	2.42%
CIM Group	5.38%	10.95%	10.23%	3.79%
Clarion	-0.91%	6.91%	8.55%	1.19%
DWS	0.23%	8.21%	9.91%	2.45%
Everwest	1.66%	7.31%	13.11%	0.10%
GSAM	2.42%	17.15%	16.35%	4.54%
Heitman	0.91%	6.22%	10.63%	2.00%
Intercontinental	3.25%	7.78%	11.27%	0.42%
Invesco	2.28%	4.67%	15.21%	1.45%
JP Morgan	3.30%	5.34%	15.79%	1.68%
LaSalle	1.46%	4.49%	8.38%	0.71%
MetLife	2.75%	8.52%	7.58%	1.87%
MSIM	0.83%	5.91%	4.58%	1.47%
NYLIM	3.28%	3.63%	9.49%	1.53%
PGIM	2.04%	6.71%	12.66%	0.90%
Principal	1.71%	7.09%	7.70%	1.28%
Stockbridge	3.02%	8.15%	8.76%	1.02%
TA Realty	4.97%	10.64%	12.62%	-0.36%
UBS	**2.44%**	**6.73%**	**10.23%**	**2.06%**

NFI-ODCE Funds - Gross of Fee Retail Returns (trailing 4 quarters)

As of September 30, 2021

Fund	Fund Allocation Weight	Retail 3Q 2021	Retail 2Q 2021	Retail 1Q 2021	Retail 4Q 2020
AEW	**15.69%**	**2.17%**	**2.01%**	**-0.39%**	**-3.22%**
ARA	15.91%	2.01%	1.23%	0.87%	0.16%
ASB	12.99%	1.35%	0.27%	-0.44%	-0.89%
Bailard	8.89%	3.51%	1.75%	2.37%	-
Barings	14.65%	1.59%	1.32%	1.58%	-0.09%
BGO	9.15%	3.14%	1.99%	-0.29%	1.42%
Blackrock	14.58%	1.55%	1.06%	1.06%	0.70%
CBRE	10.53%	1.69%	1.35%	1.42%	0.36%
CIM Group	9.46%	5.38%	-2.93%	1.06%	2.06%
Clarion	9.37%	-0.91%	0.90%	-0.15%	-0.22%
DWS	13.63%	0.23%	1.20%	-0.10%	-1.71%
Everwest	17.38%	1.66%	1.38%	1.09%	-0.04%
GSAM	9.90%	2.42%	1.29%	0.79%	1.23%
Heitman	15.32%	0.91%	0.35%	0.78%	0.88%
Intercontinental	1.74%	3.25%	3.04%	0.05%	0.05%
Invesco	12.30%	2.28%	1.07%	0.50%	0.42%
JP Morgan	23.03%	3.30%	1.08%	0.69%	-0.21%
LaSalle	13.67%	1.46%	2.12%	0.99%	-0.23%
MetLife	10.75%	2.75%	1.65%	0.47%	1.02%
MSIM	10.40%	0.83%	0.21%	0.05%	-3.96%
NYLIM	3.14%	3.28%	1.06%	2.00%	-1.04%
PGIM	11.72%	2.04%	1.44%	0.83%	-0.40%
Principal	12.19%	1.71%	1.12%	0.45%	0.67%
Stockbridge	15.79%	3.02%	1.48%	-3.25%	0.80%
TA Realty	7.00%	4.97%	0.24%	2.20%	1.52%
UBS	**12.00%**	**2.44%**	**0.16%**	**-3.31%**	**-7.78%**

Real Assets Composite



- The BlackRock TIPS and REITs Funds are passive.
- The Invesco Balanced Risk Commodities Fund underperformed primarily due to its underweight in energy, specifically natural gas.
- Two of the three strategies within the KBI Global Resources Solutions Fund (energy solutions and water) produced positive absolute returns. Agribusiness trailed in the quarter as agri commodity prices slumped, in line with the broader market trends.

Returns and Rankings for Periods Ended September 30, 2021

	Last Quarter	Last Year	Last 3 Years	Last 4 Years
Real Assets - Net	**0.58**	**31.80**	**11.42**	**9.16**
Real Assets Target	1.67	31.89	7.51	6.96
BlackRock TIPS Index Fund - Net	**1.75**	**5.22**	**7.53**	**5.74**
Bloomberg US TIPS Index	1.75	5.19	7.45	5.64
Ranking vs. Real Returns Database	47	47	41	41
BlackRock REIT Index Fund - Net	**1.23**	**40.41**	**8.29**	**7.34**
S&P Dow Jones US Select REIT	1.25	40.56	8.32	7.37
MSCI US REIT Index	0.98	37.16	10.10	8.47
Ranking vs. Real Estate Mutual Funds	42	13	93	83
Invesco Commodity Fund - Net	**(0.34)**	**34.76**	**6.58**	**5.71**
Bloomberg Commodity Index	6.59	42.29	6.86	5.78
Ranking vs. Commodities Funds	87	84	73	67
KBI Global Resources Fund - Net	**(0.56)**	**43.59**	**18.21**	**13.99**
S&P Global Natural Resources Index	(2.90)	41.30	3.92	6.23
KBI Custom Benchmark	(2.82)	33.59	20.51	15.21

Returns and Rankings Calendar Years

	3 Qtrs. 2021	2020	2019	2018
Real Assets - Net	**15.35**	**11.08**	**15.51**	**(7.97)**
Real Assets Target	18.16	0.57	14.08	(7.27)
BlackRock TIPS Index Fund - Net	**3.52**	**11.17**	**8.49**	**(1.15)**
Bloomberg US TIPS Index	3.51	10.99	8.43	(1.26)
Ranking vs. Real Returns Database	53	24	37	43
BlackRock REIT Index Fund - Net	**24.40**	**(11.21)**	**23.07**	**(4.22)**
S&P Dow Jones US Select REIT Index	24.48	(11.20)	23.10	(4.22)
MSCI US REIT Index	23.00	(7.57)	25.84	(4.57)
Ranking vs. Real Estate Mutual Funds	24	96	89	23
Invesco Commodity Fund - Net	**15.64**	**7.57**	**5.49**	**(11.61)**
Bloomberg Commodity Index	29.13	(3.12)	7.69	(11.25)
Ranking vs. Commodities Funds	83	6	81	46
KBI Global Resources Fund - Net	**15.84**	**29.16**	**24.81**	**(14.60)**
S&P Global Natural Resources Index	16.07	(0.05)	16.41	(13.08)
KBI Custom Benchmark	2.81	46.83	28.74	(13.77)

The Real Assets Target is comprised of 25% Bloomberg US TIPS Index, 25% Bloomberg Commodity Index, 25% S&P Dow Jones US Select REIT Index, and 25% S&P Global Natural Resources Index.
The KBI Custom Benchmark consists of 1/3 each: S-Network Global Water Index, Wilderhill New Energy Global Innovation Index, and Dax Global Agribusiness Index.

Private Equity Portfolio

- 85% Paid-In through 6/30/21.
- When ranked against the Thomson-Cambridge Private Equity Database, MCERA is ranked in the second quartile for Total Value to Paid-In (TVPI) basis.
- The total portfolio is well diversified by vintage year and investment type.

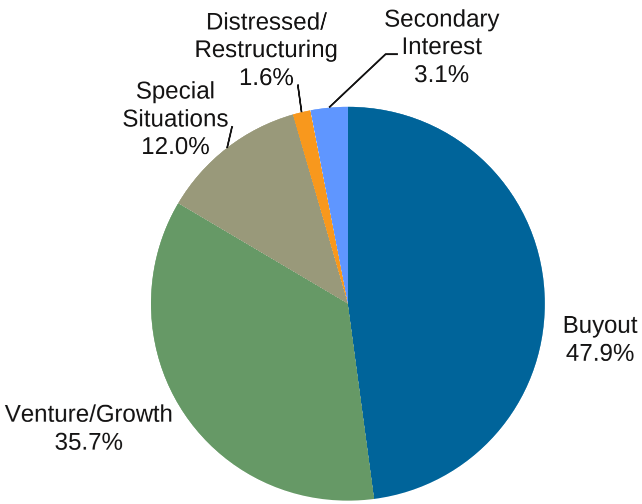
	June 30, 2021	Quarter Change	March 31, 2021
Summary			
Vintage Years	14 in 2008-2021		14 in 2008-2021
# Total Partnerships	401	11	390
# Active Partnerships	394	10	384
# Liquidated Partnerships	7	1	6
Changes in Value			
Capital Commitments	$450,000,000	-	$450,000,000
Paid-In Capital	$380,831,271	$12,581,962	$368,249,309
Uncalled Capital	$82,401,027	$(12,317,063)	$94,718,090
% Paid-In	84.63%	2.80%	81.83%
Distributed Capital	$350,763,089	$44,712,721	$306,050,368
Net Asset Value	$443,729,949	$21,228,341	$422,501,608
Total Realized and Unrealized Value	**$794,493,038**	**$65,941,062**	**$728,551,976**
Ratios and Performance			
Distributions to Paid-In Capital (DPI)	0.92x	0.09x	0.83x
Residual Value to Paid-In Capital (RVPI)	1.17x	0.02x	1.15x
Total Value to Paid-In Capital (TVPI)	2.09x	0.11x	1.98x
Quartile Ranking	2nd		2nd
Net IRR	17.62%	0.90%	16.73%
Additional Performance Metrics			
Distribution Rate, as % of Beginning NAV		10.58%	
Unrealized Gain/(Loss), Dollars		$53,359,100	
Unrealized Gain/(Loss), %		12.63%	

Quartile Rankings against the All Private Equity, All Regions Refinitiv/Cambridge Database.

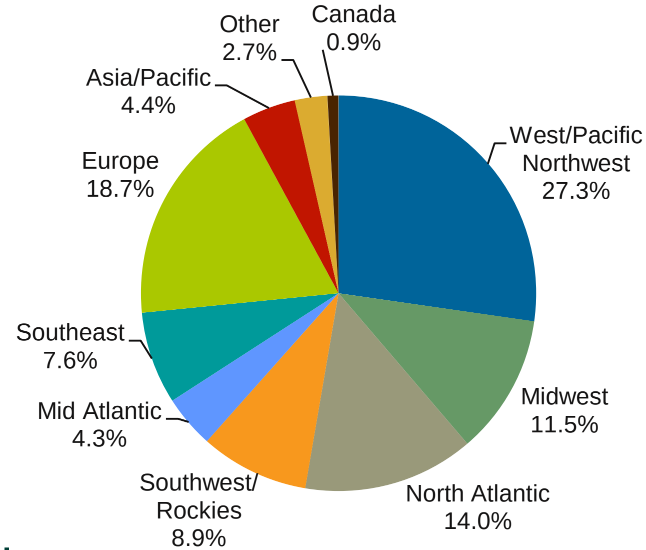
Uncalled capital above does not reflect currency fluctuations for Pathway's investments in foreign partnerships.

Private Equity Portfolio Exposure

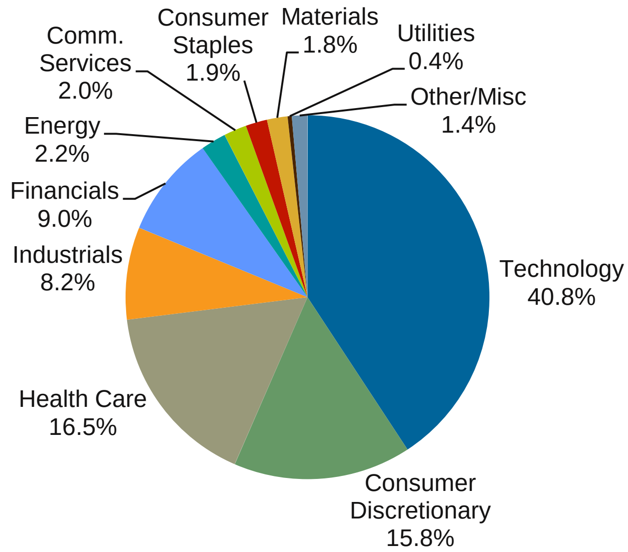
Strategy Mix by Net Asset Value



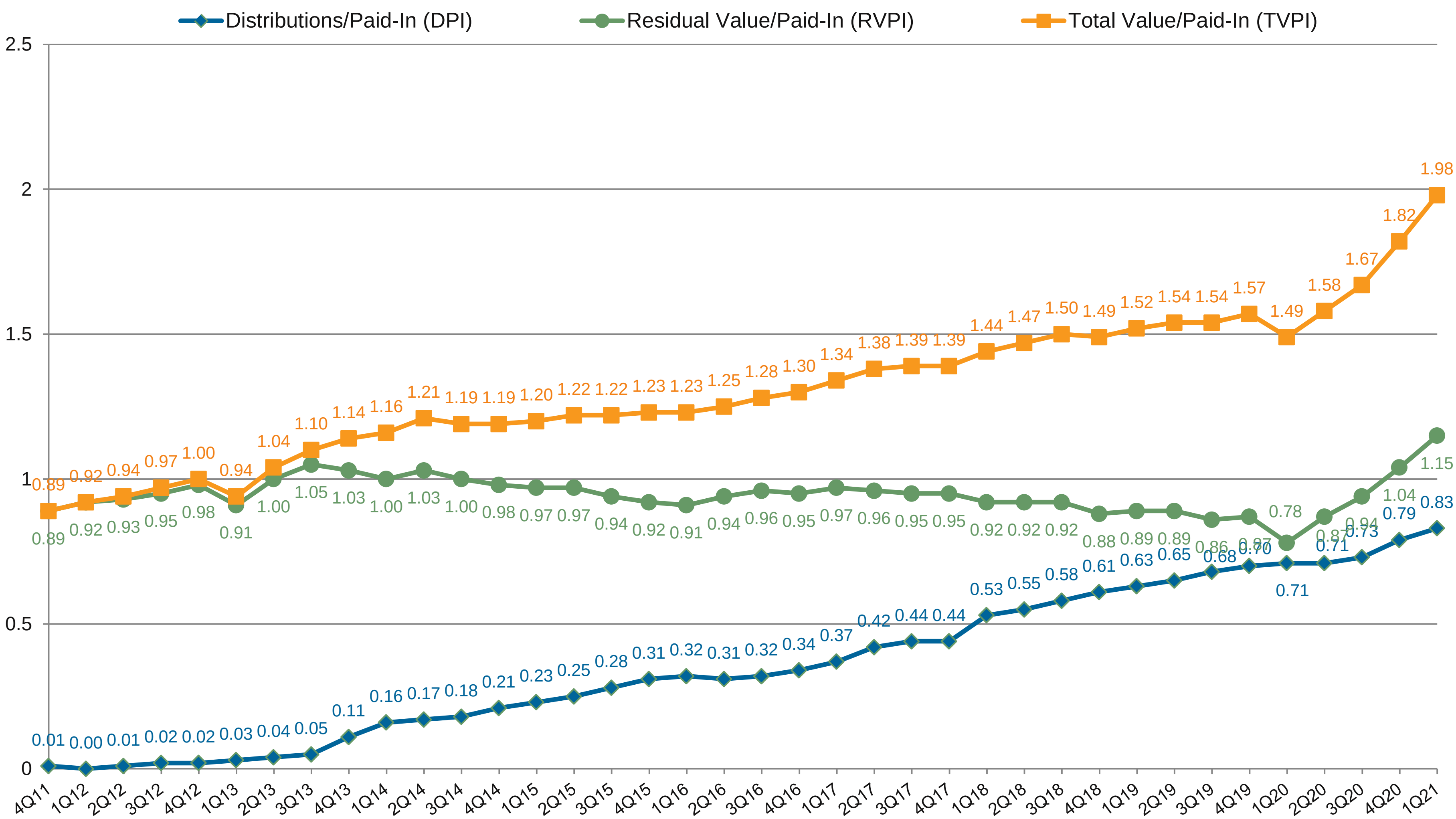
Geographic Mix by Net Asset Value



Industry Mix by Net Asset Value



Private Equity Ratios – Changes Over Time



Opportunistic Portfolio

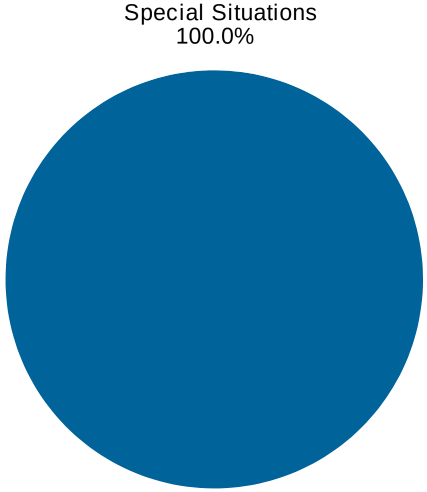
- 28.5% Paid-In through 9/30/21.
- The total portfolio is well diversified by industry type and geographic location.

	September 30, 2021	Quarter Change	June 30, 2021
Summary			
Vintage Year	2020		2020
# Total Partnerships	183	11	172
# Active Partnerships	183	11	172
# Liquidated Partnerships	0	-	0
Changes in Value			
Capital Commitments	$100,000,000	-	$100,000,000
Paid-In Capital	$28,472,955	$1,675,000	$26,797,955
Uncalled Capital	$71,600,000	$(1,675,000)	$73,275,000
% Paid-In	28.47%	1.67%	26.80%
Distributed Capital	$0	-	$0
Net Asset Value	$32,260,409	$2,011,473	$30,248,936
Total Realized and Unrealized Value	**$32,260,409**	**$2,011,473**	**$30,248,936**
Ratios and Performance			
Distributions to Paid-In Capital (DPI)	0.00x	-	0.00x
Residual Value to Paid-In Capital (RVPI)	1.13x	0.00x	1.13x
Total Value to Paid-In Capital (TVPI)	1.13x	0.00x	1.13x
Quartile Ranking	2nd		2nd
Net IRR	21.80%	(2.53%)	24.33%
Additional Performance Metrics			
Distribution Rate, as % of Beginning NAV		0.00%	
Unrealized Gain/(Loss), Dollars		$336,473	
Unrealized Gain/(Loss), %		1.11%	

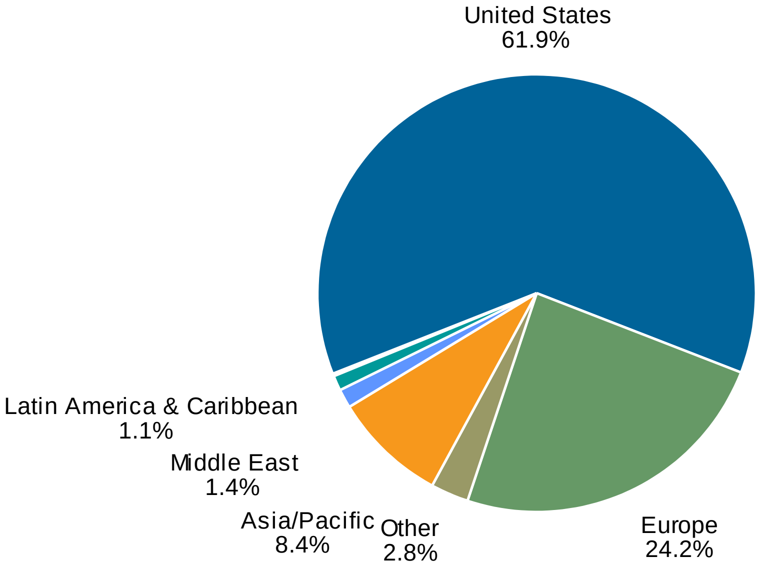
Quartile rankings against the 2020 vintage Control Oriented Distressed and Credit Opportunities Refinitiv/Cambridge Database.

Opportunistic Portfolio Exposure

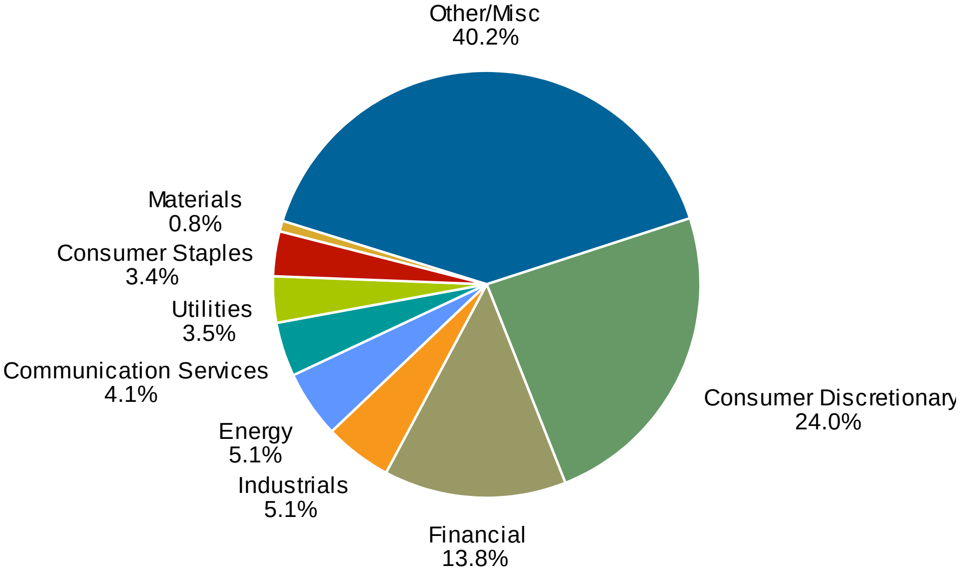
Strategy Mix by Net Asset Value



Geographic Mix by Net Asset Value



Industry Mix by Net Asset Value



Callan

Preliminary Performance Summary (Net of Fees)

Marin County Employees' Retirement Association
Defined Benefit Plan

Managers	November 2021 Market Value	Fiscal Year To Date 7/1/21 - 11/30/21	Year to Date Through 11/30/21
Domestic Equity	**$969,109,876**	**3.9%**	**22.4%**
Russell 3000 Index		*5.0%*	*20.9%*
Large Cap Equity	**$754,078,259**	**6.1%**	**22.2%**
SSGA S&P 500/Russell 1000 Index	**$779,637,684**	**6.1%**	**22.2%**
SSGA Blended Benchmark		*6.0%*	*22.2%*
Parametric Large Cap Futures	**-$25,559,425**		
Small Cap Equity	**$215,031,617**	**-0.9%**	**22.9%**
Dimensional Fund Advisors	**$248,455,019**	**-0.9%**	**22.9%**
Russell 2000 Index		*-4.5%*	*12.3%*
Parametric Small Cap Futures	**-$33,423,402**		
International Equity	**$667,146,301**	**-5.3%**	**1.1%**
MSCI ACWI ex-US IMI Index		*-4.9%*	*4.2%*
Morgan Stanley	**$199,853,128**	**-7.2%**	**-0.2%**
Artisan Partners	**$207,291,294**	**-3.2%**	**2.7%**
MSCI EAFE Index		*-2.7%*	*5.8%*
TimesSquare	**$127,589,799**	**-5.7%**	**-0.9%**
MSCI EAFE Small Cap Index		*-3.2%*	*5.5%*
FIAM/Parametric Emerging Markets*	**$124,642,357**	**-5.1%**	**2.6%**
MSCI Emerging Markets Index		*-11.0%*	*-4.3%*
Parametric International Futures	**$7,769,724**		
Fixed Income	**$826,081,330**	**-1.1%**	**-2.8%**
Blended Benchmark		*-0.4%*	*-2.5%*
Wellington	**$334,743,504**	**0.2%**	**-0.8%**
Bloomberg US Aggregate Index		*0.3%*	*-1.3%*
Western Asset	**$176,006,903**	**-1.1%**	**-0.9%**
Bloomberg US Intermediate Credit Index		*-0.6%*	*-1.1%*
Colchester	**$171,453,464**	**-3.4%**	**-8.1%**
FTSE World Government Bond Index		*-1.7%*	*-6.4%*
Parametric Fixed Income Futures	**$143,877,459**		

*FIAM was funded in multiple tranches beginning in mid-August and completed in mid-October.
All market values and returns shown are preliminary and subject to revision.

Callan

Preliminary Performance Summary (Net of Fees)

Marin County Employees' Retirement Association
Defined Benefit Plan

Managers	November 2021 Market Value	Fiscal Year To Date 7/1/21 - 11/30/21	Year to Date Through 11/30/21
Public Real Assets	**$229,581,511**	**3.3%**	**18.0%**
Blended Benchmark		*2.8%*	*19.6%*
BlackRock TIPS Index Fund	**$56,627,512**	**3.8%**	**5.7%**
Bloomberg US TIPS Index		*3.8%*	*5.6%*
BlackRock REIT Index Fund	**$58,897,752**	**8.9%**	**33.8%**
DJ S&P US Select REIT Index		*8.9%*	*33.9%*
Invesco Balanced Risk Commodities Fund	**$55,707,611**	**-2.4%**	**13.2%**
Bloomberg Commodities Index		*1.4%*	*22.8%*
KBI Global Resources Fund	**$58,348,636**	**2.6%**	**20.3%**
S&P Global Natural Resources Index		*-2.9%*	*16.1%*
Real Estate(1)	**$243,226,251**	**8.5%**	**13.4%**
NFI-ODCE Equal Weight Net(1)		*11.6%*	*18.7%*
Woodmont	$19,253,772	-	-
UBS Trumbull Property Fund	$110,036,130	-	-
AEW Core Property Trust	$113,936,349	-	-
Private Equity(2)	**$418,083,054**	**0.0%**	**32.1%**
Abbott ACE VI	$54,395,599	-	-
Abbott ACE VII	$55,005,457	-	-
Abbott AP 2016	$64,747,715	-	-
Abbott AP 2017	$17,132,875	-	-
Abbott AP 2021	$3,476,739		
Pathway PPEF 2008	$79,615,310	-	-
Pathway PPEF I-7	$48,240,075	-	-
Pathway PPEF I-8	$72,537,017	-	-
Pathway PPEF I-9	$14,815,318	-	-
Pathway PPEF I-10	$8,116,949		
Opportunistic(3)	**$32,260,409**	**2.5%**	**13.2%**
CarVal Credit Value Fund V	$7,370,453	-	-
Fortress Credit Opportunities Fund V Expansion	$5,601,505	-	-
Varde Dislocation Fund	$19,288,451	-	-
Total Fund	**$3,385,488,732**	**0.7%**	**12.6%**

(1)Market values as of September 30, 2021. FYTD and YTD returns use MCERA's and ODCE's pro-rata performance of prior quarter.
(2)Market values as of September 30, 2021. FYTD and YTD returns use MCERA's pro-rata performance of prior quarter.
(3)Market values as of September 30, 2021. FYTD and YTD returns use MCERA's pro-rata performance of prior quarter.
All market values and returns shown are preliminary and subject to revision.