

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

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

January 18, 2023 – 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 February 10, 2023.

Instructions for watching the meeting and/or providing public comment, as well as the links for access, are available on the [Watch & Attend Meetings](https://www.mcera.org/retirementboard/agendas-minutes/watchmeetings) 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. AB CarVal – 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, Jill Chanes
TIME CERTAIN: 9:35 a.m.
4. Värde Partners – Värde Dislocation Fund – Brad Bauer, Tom Knechtel
TIME CERTAIN: 10:05 a.m.

C. NEW BUSINESS

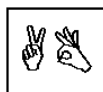
1. Investment Manager Reporting Schedule (ACTION)
2. International Equity Structure Review – Jim Callahan, Callan LLC
3. Future Meetings

D. INVESTMENT CONSULTANT PERFORMANCE UPDATE

1. Flash Performance Update as of December 31, 2022

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.

MCERA is committed to assuring that its public meetings are accessible to persons with disabilities. If you are a person with a disability and require an accommodation to participate in a County program, service, or activity, requests may be made by calling (415) 473-4381 (Voice), Dial 711 for CA Relay, or by email at least five business days in advance of the event. We will

do our best to fulfill requests received with less than five business days' notice. Copies of documents are available in alternative formats upon request.

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

B.1 Manager Overview

This is a discussion with no backup.



Marin County Employees' Retirement Association

January 2023

These materials are being provided solely for the benefit of MCERA

Presenters



Jody Gunderson

Ms. Gunderson is a managing principal and member of the Investment Committee for AB CarVal, 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 AB 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 AB CarVal, 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 AB 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).

Agenda

Business And Portfolio Update

- An update on AB CarVal, the market outlook and the portfolio today

Opportunity Set Focus Areas

- Specialty Finance
- Structured Credit
- Clean Energy
- Dislocations



"We are pleased to complete this acquisition of global manager CarVal Investors, which expands AB's private markets platform to \$50 billion in AUM, underscoring our commitment to accelerating the growth of our Private Alternatives business, with our partner Equitable. From CarVal's unwavering commitment to clients to their collaborative culture and dynamic leadership, this acquisition strongly aligns with our firm's strategic priorities. We look forward to all that we will accomplish together as one team."

Seth Bernstein, AB President and CEO

Deep-sector Expertise Across Core Investment Strategies

Cross-desk collaboration generates a differentiated portfolio

Corporate Loans, Emerging Markets, Hard Assets, Real Estate					US and Europe Corporate Securities	Loan Portfolios, Structured Credit, Clean Energy		
Lucas Detor Managing Principal 26 years					James Ganley Managing Principal 32 years	Jody Gunderson Managing Principal 28 years		
Aviation	Shipping & Workout	Corporate Loan Business	Emerging Markets Corporate Securities	US CRE Credit	US and Europe Corporate Securities	Loan Portfolios	Structured Credit	Clean Energy
Justin Bradburn Principal 26 years	Greg Belonogoff Principal 24 years	Chris Mawn Principal 22 years	Gerardo Bernáldez Principal 33 years	Seth Cohen Principal 23 years Dave Pelka Principal 19 years Paul Mullaney Managing Director 35 years Scott Greenfield Managing Director 18 years	Bryan Simpson Principal 23 years John Withrow Principal 22 years	Seth Cohen Principal 23 years Dave Pelka Principal 19 years James Sackett Principal 28 years Angie Fenske Principal 23 years	Neil Hepworth Principal 20 years Shane Huether Executive Adviser 28 years	Jerry Keefe Principal 32 years Angie Fenske Principal 23 years Jonathan Hunt Managing Director 21 years
The senior credit investment team averages 24 years investment experience and 11 years with AB CarVal					Risk and Portfolio Management David Fry Chief Risk Officer 31 years			

Note: Years denote industry experience. This slide does not represent an official AB CarVal organizational chart.
As of September 30, 2022

CVF V Portfolio Update

MCERA: AB CarVal Investment Activity^{B.2}

Year to Date Returns* as of December 31, 2022 (estimate)

Fund	Capital Commitment (USD Millions)	Called %	Invested Capital (USD Millions)	NAV (USD Millions)	2022 Net Return	Net IRR (Percent)
CVF V	\$33.5	65%	\$21.8	\$22.4	−2.1%	3.2%

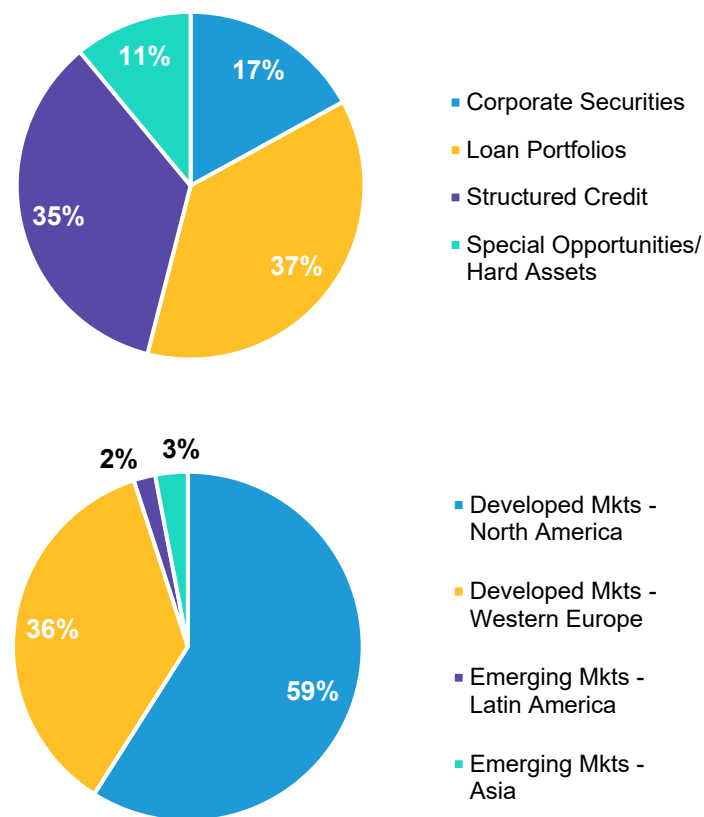
*Calendar Year Returns: represent net time-weighted returns for the stated time periods, inclusive of realized and unrealized results.

CVF V: Portfolio Composition

Portfolio Composition

Investment Strategy	Portfolio Composition*	
	USD Millions	Percent
U.S. Loan Portfolios - Residential	\$433.9	13.3%
Structured Credit - RMBS	344.5	10.6
Commercial Real Estate Debt	329.6	10.1
Structured Credit - CMBS	316.5	9.7
Hard Assets - Aircraft Leasing	271.1	8.3
Structured Credit - CLO	235.6	7.2
Portfolio Hedge	175.4	5.4
US Loan Portfolios - Consumer	128.6	3.9
European Loan Portfolios - Commercial	128.5	3.9
Structured Credit - Consumer ABS	123.5	3.8
Top 10 Strategies	\$2,487.4	76.3%
Other Strategies	770.6	23.7
CVF Grand Total	\$3,258.0	100.0%

CVF V by Asset Class and Region

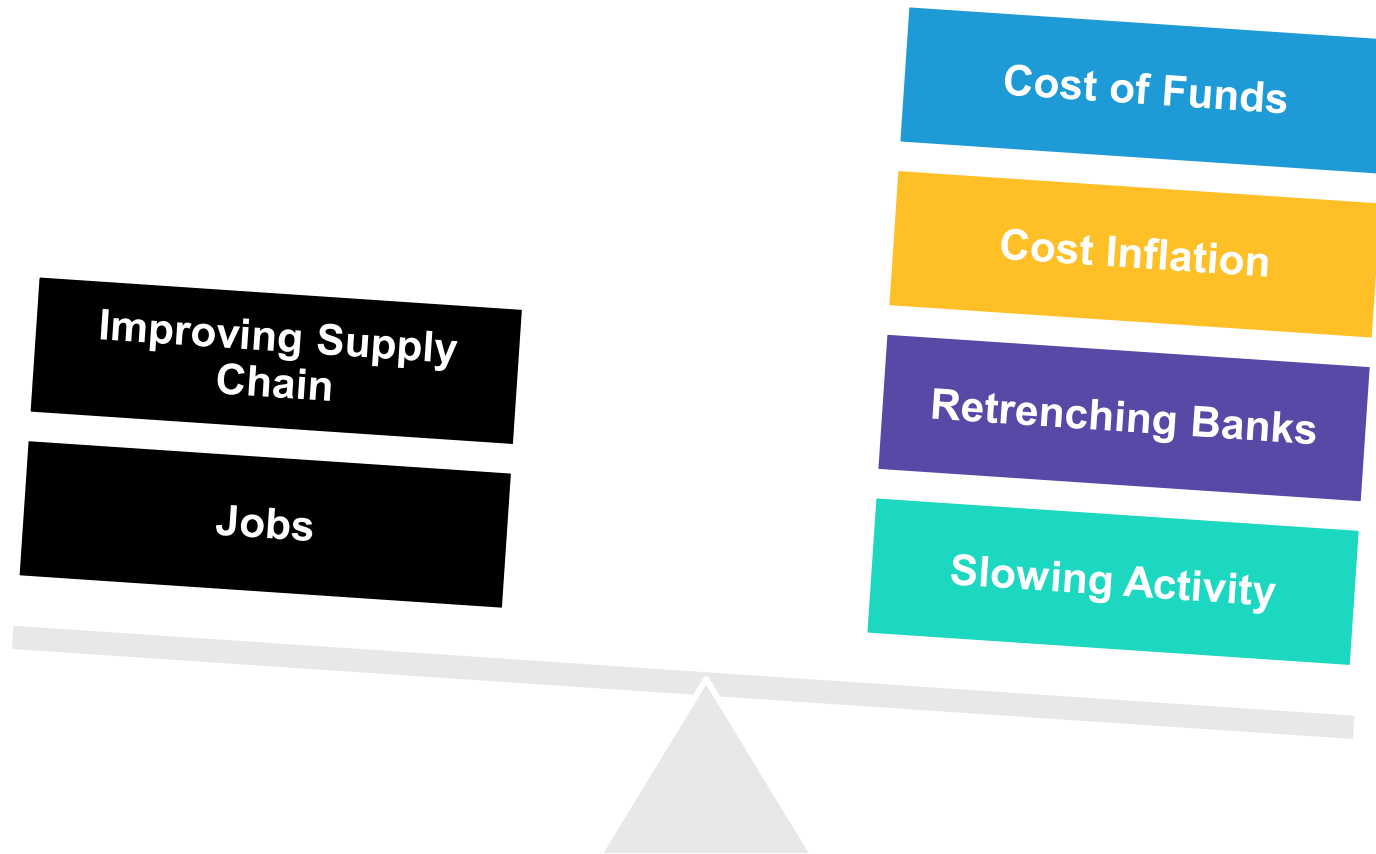


As of December 31, 2022 (estimate)

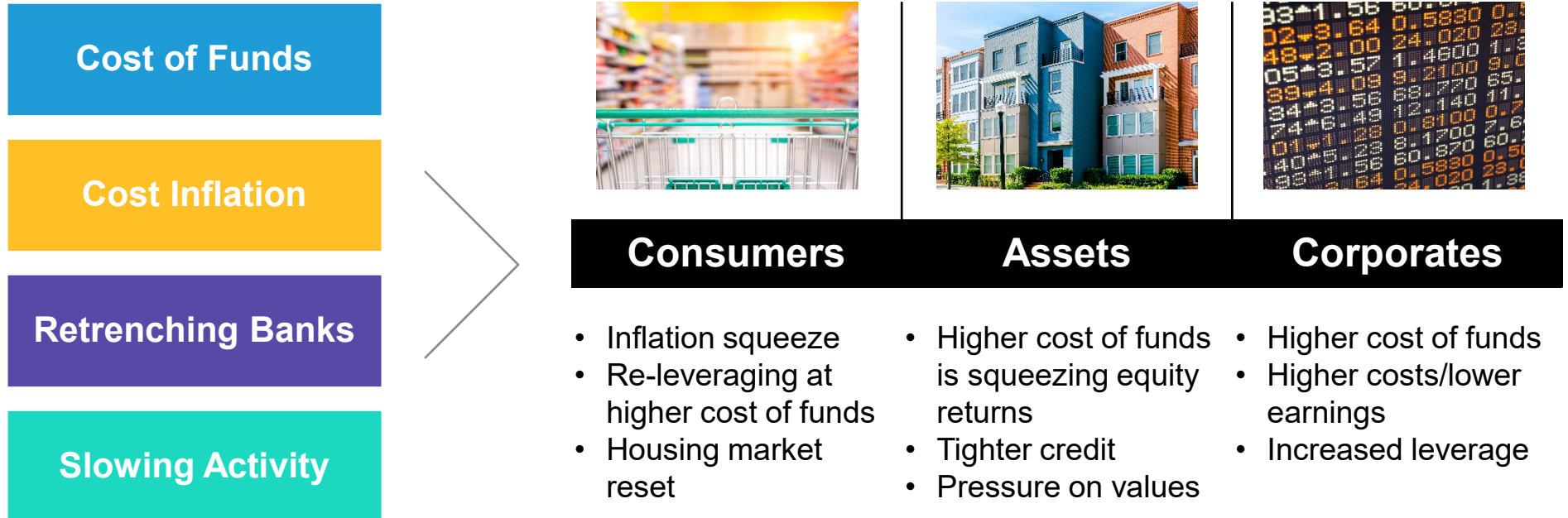
*Figures based on Portfolio Composition which includes carrying value and recourse third-party debt

Market Outlook




Negative Market Themes Weigh Heavily



Negative Themes are Pervasive and We Believe They Will Be Impactful



Mind the Wide Range of Potential Outcomes

Asset Class		Softer Landing	Reset	Harder Landing
	Consumer Credit	Normalize to 2019	Up to 50% of GFC Deterioration	Worse Deterioration
	Housing CRE US CRE EUR	Down <7.5% Down <15% Down <25%	Down 7.5-10% Down 15-20% Down 25%	Down 10%+ Down 20%+ Down 25%+
	Corporate Credit	Defaults <5%	Defaults 5-8%	Defaults 8-12%

Based on AB CarVal's view of the market.

Opportunities

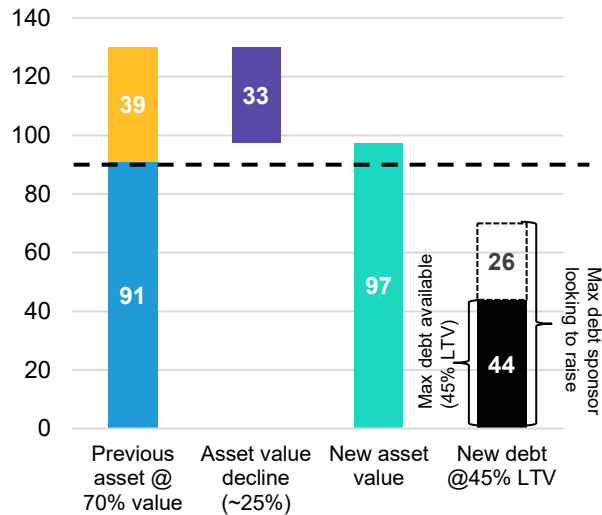
- The Lender's (AB CarVal) perspective

The Borrower's Challenges are Our Opportunities

	Borrowers	Lenders (AB CarVal)
Cost of Funds	Higher Borrowing Cost	Higher Return
Cost Inflation	Higher Costs	Stress/Distress Catalyst
Retrenching Banks	Tightening Credit	Capital Vacuum Opportunity
Slowing Activity	Macro Headwinds	Higher Risk and Spreads
	Challenged by the negative themes	Good for our opportunity set

Specialty Finance Trifecta: Reset Values, Higher Yield, Bank Retrenching

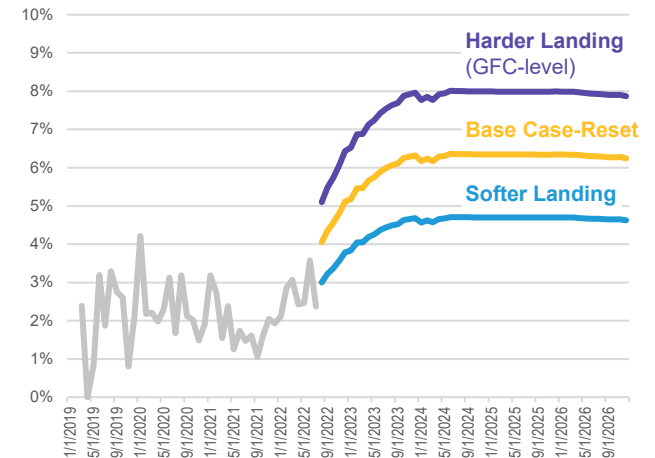
CRE: Debt Funding Gap



Residential Loans

- We see unlevered yields on whole loans in the 6.5%-10% range, with levered yields in the 12-20% range
- Buying loans provides unique optionality

Consumer Loans



- Refinancing will be “cash in”

- Tougher for banks to hold consumer loans
- Regulations require loss provisions for the lifetime of a loan

Source (left to right): AB CarVal Data; AB CarVal Data

Structured Products: Credit-Remote Dislocation Opportunity

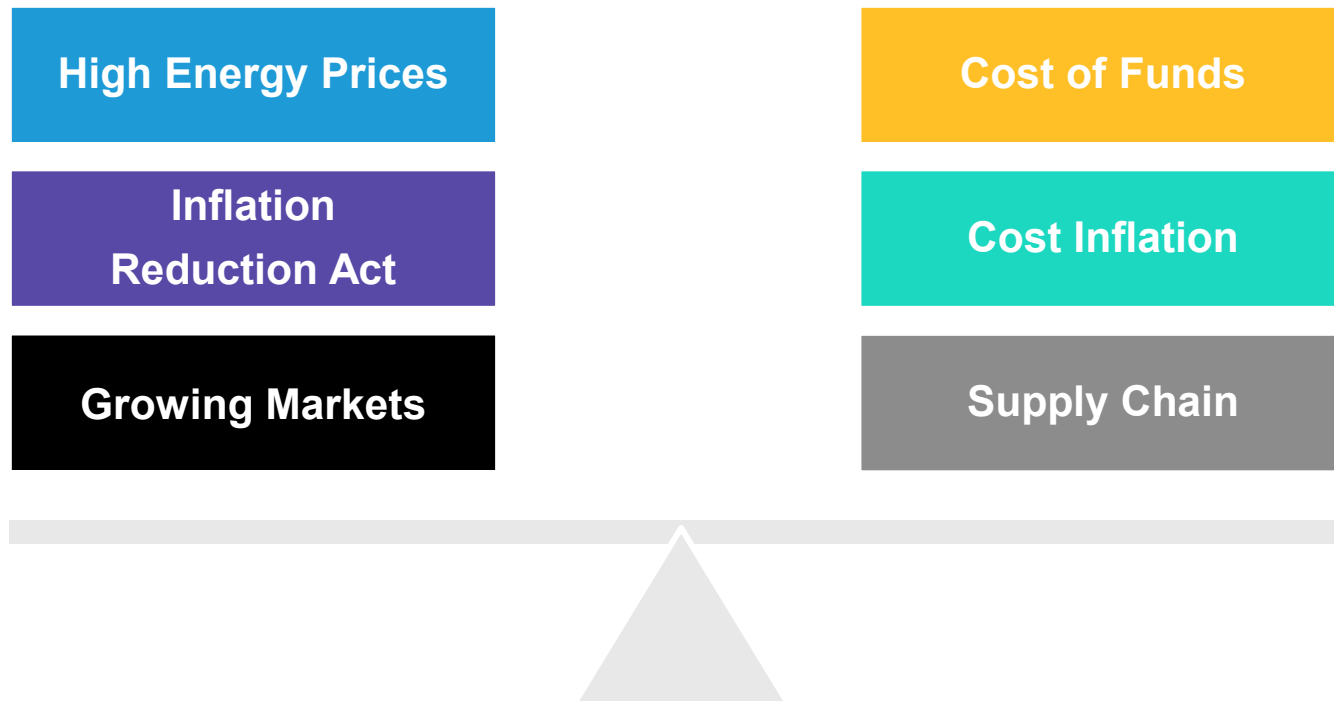
Recent Market Transactions (AAAs shown for context only)

Market	Asset Class	Rating	Yield (Percent)	WA Life
US	Consumer ABS	BBB-	9.85%	2.3
US	RMBS	A	7.35	2.0
US	RMBS	AAA	5.50	2.0
US	CMBS	BBB	8.90	2.2
US	CMBS	AAA	5.50	2.3
Ireland	RMBS	BB+/BBB-/BB+	7.27	2.4
Spain	Consumer ABS	A	7.05	3.2

- Higher yields on short-duration bonds
- Credit remoteness improves as structure deleverages over time
- Changes in the yield context drive changes in market dynamics and investor behavior

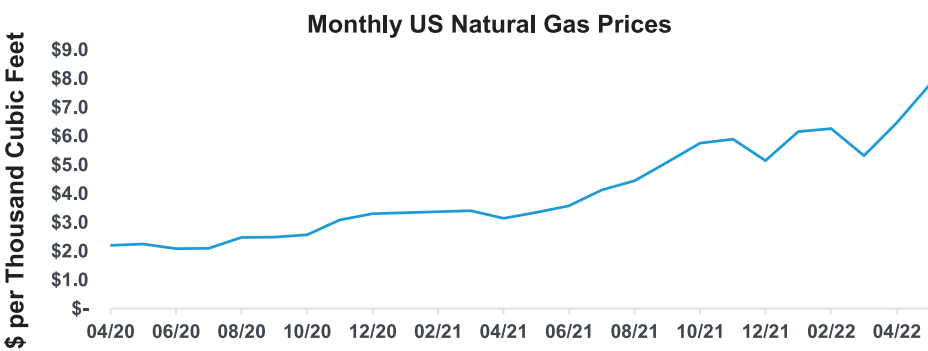
Source: AB CarVal Data
See disclaimer regarding Investment Examples and Risk of Loss.

Clean Energy: An Ever-Growing Opportunity (and More Balanced)



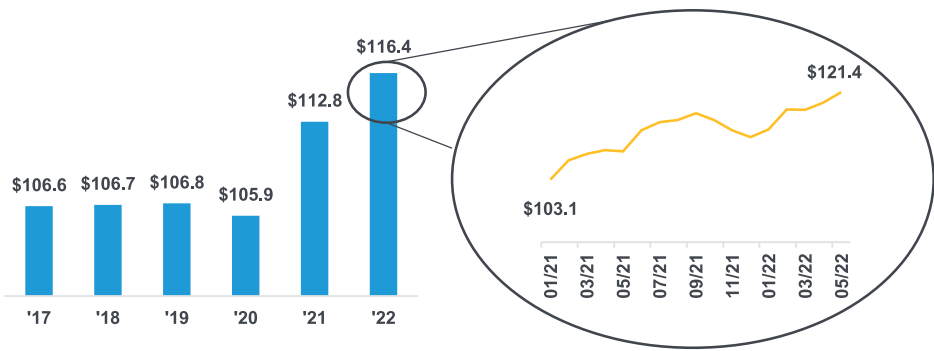
Rising Energy Prices are a Catalyst for Shift to Renewables

Rising Commodity Prices Translating into Higher Energy Costs...



...and Rapidly Increasing Retail Electricity Rates

Average US Commercial Retail Prices of Electricity (\$/MWh)



Notable recent electricity price increases around the US, across US markets

99%

YoY increase in NYISO
(\$29/MWh to \$57/MWh)

83%

YoY increase in ISO-NE
(\$75/MWh to \$137/MWh)

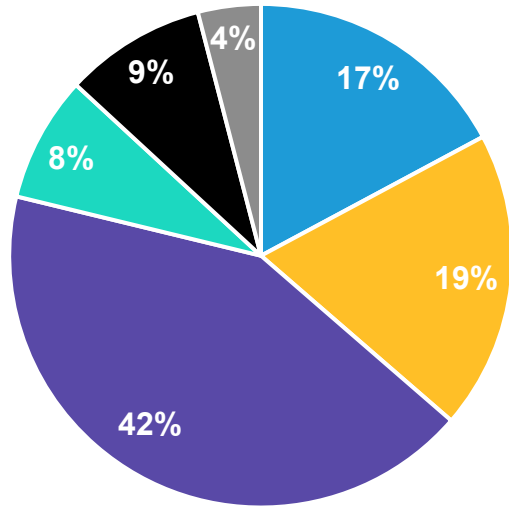
51%

YoY increase in PJM
(\$53/MWh to \$80/MWh)

Source: BloombergNEF, U.S. EEIA, and KeyBanc Capital Markets

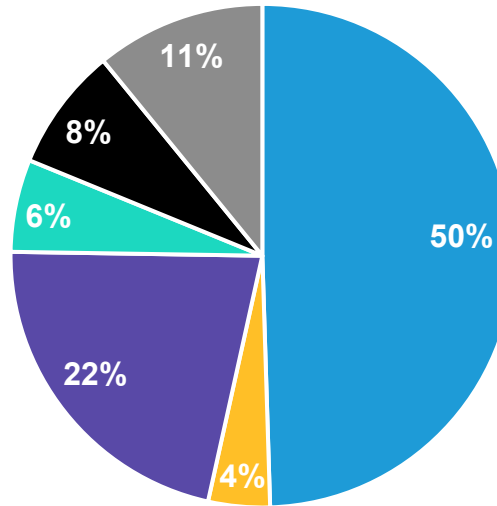
US Power Capacity Mix 2022-2035

2020 Capacity Mix



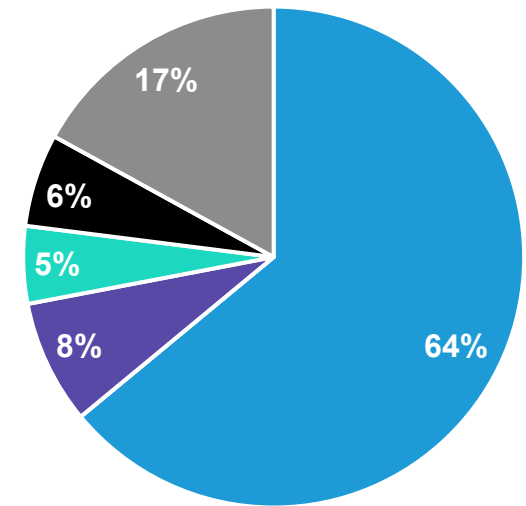
■ Renewables ■ Coal ■ Gas ■ Nuclear ■ Hydro ■ Other

2030 Capacity Mix



■ Renewables ■ Coal ■ Gas ■ Nuclear ■ Hydro ■ Other

2035 Capacity Mix



■ Renewables ■ Coal ■ Gas ■ Nuclear ■ Hydro ■ Other

Source: EIA, S&P Capital IQ, BNEF, Morgan Stanley Research estimates

Clean Energy Opportunities

Clean energy and efficiency projects

C&I Solar and Storage



- Acquisition of mid-scale solar facilities with long-term contractual cashflows, and investments in energy storage opportunities

C-PACE / Efficiency



- Financing energy efficiency improvements, including Commercial Property Assessed Clean Energy loans

Private Debt



- Loans backed by renewable energy development projects and equipment

Residential Solar Loans/ Solar ABS



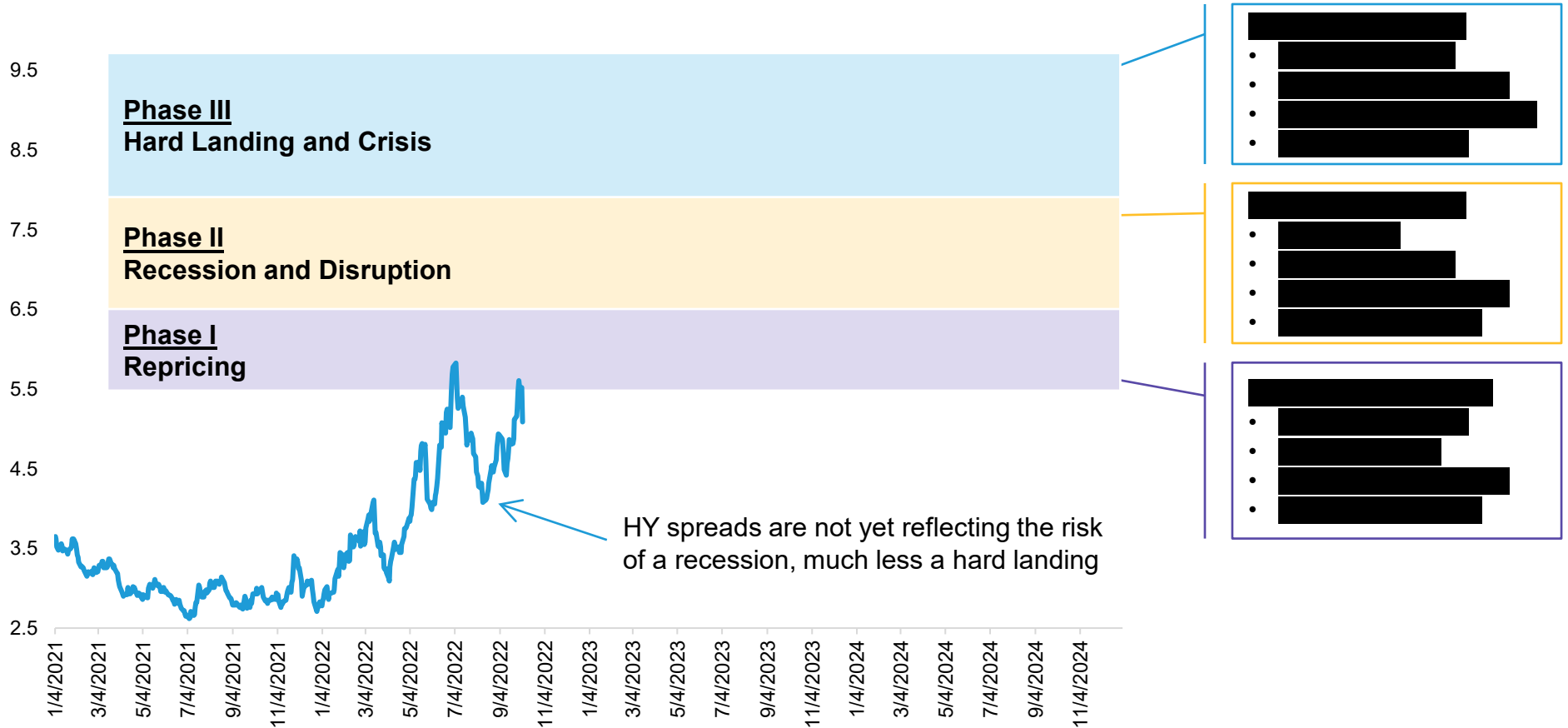
- Newly originated loans to homeowners installing residential solar

Private Credit Opportunities in Clean Energy May Offer Compelling Risk-adjusted Returns

AB CarVal's investment strategies are highly speculative and there can be no assurance that any of the strategies' investment objectives will be achieved. See disclaimer regarding Risk of Loss.

Stage One Dislocations

Top-down deployment plans targeting disruption phase



Source: Bloomberg

Phased Deployment into Dislocation

Structured Credit markets in disarray following sharp and rapid interest rate move

Location	Strategy	Examples	Phase 1	Phase 2	Phase 3
US	CRE SASB	[REDACTED]	X		
US	Consumer Solar	[REDACTED]	X		
EUR	EUR Consumer	[REDACTED]	X		
EUR	EUR CLO	[REDACTED]	X	X	
US	US CLO	[REDACTED]	X	X	
EUR	Corporate	[REDACTED]	X		
US	Corporate	[REDACTED]			
US/EUR	Aviation	[REDACTED]			

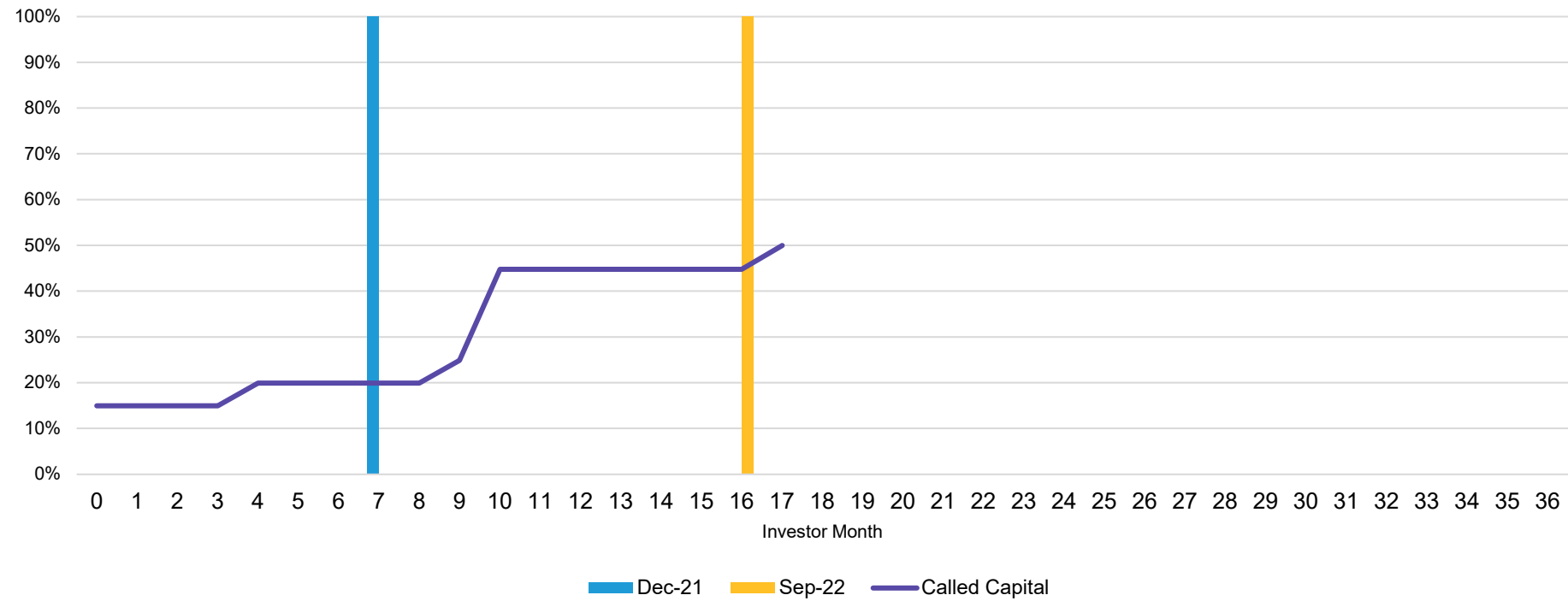
Capital markets dislocations are happening globally but have not impacted all markets equally

Source: AB CarVal
See disclaimer regarding Investment Examples, Projections and Risk of Loss.

CVF V: Patient Deployment into Dislocation

CVF V early in deployment life, attractive portfolio with dry powder

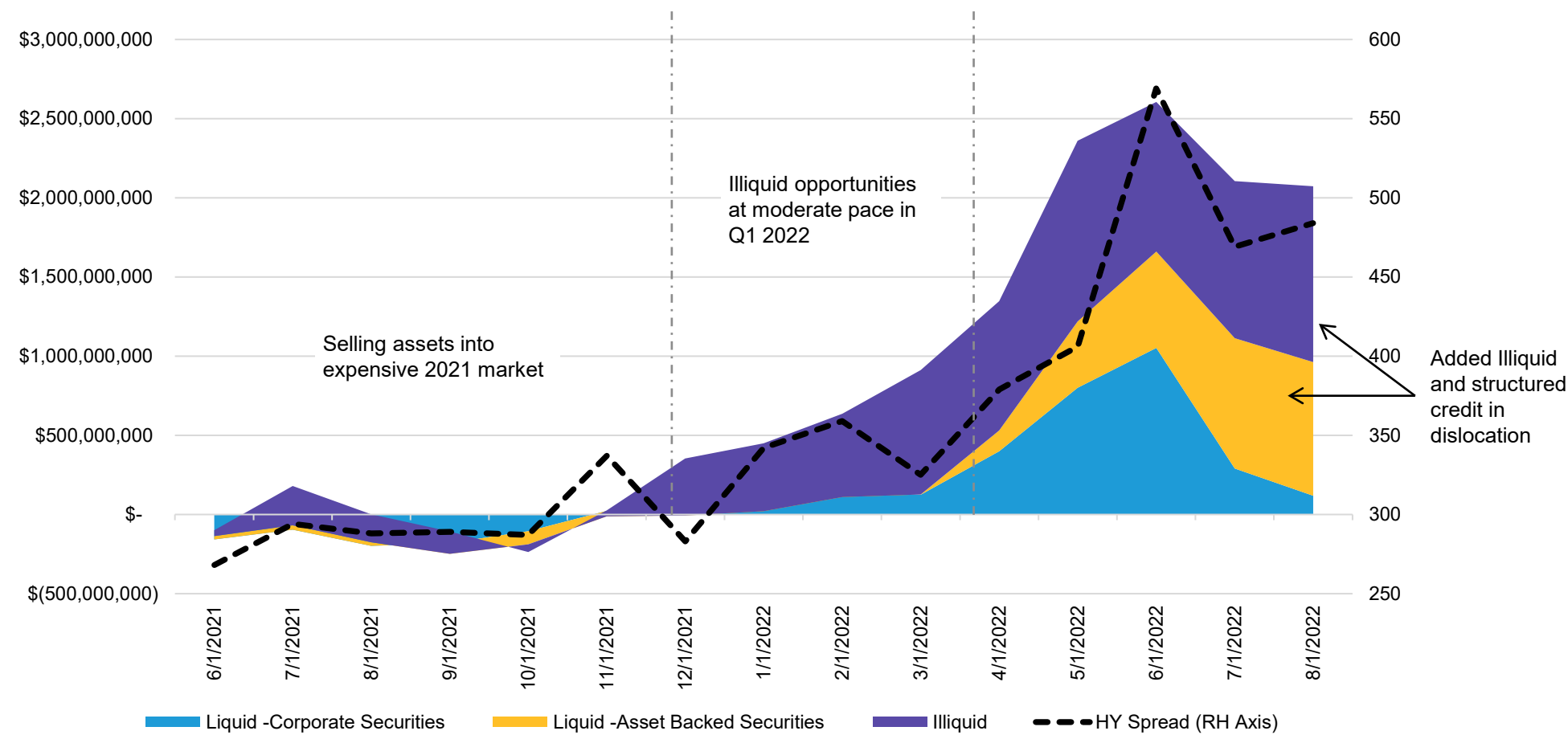
Called Capital as Percent of Committed Capital



B.2

Deployment: Dislocations and Illiquid Assets

Called capital post Russia-Ukraine, then deployed into dislocation across structured credit

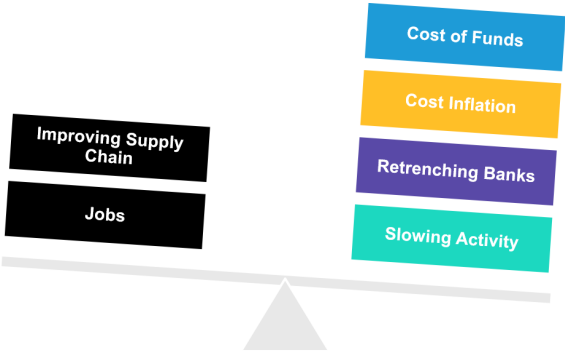


The data above represents the trade exposure in all AB-CarVal's active multi-strategy funds.

AB CarVal Outlook

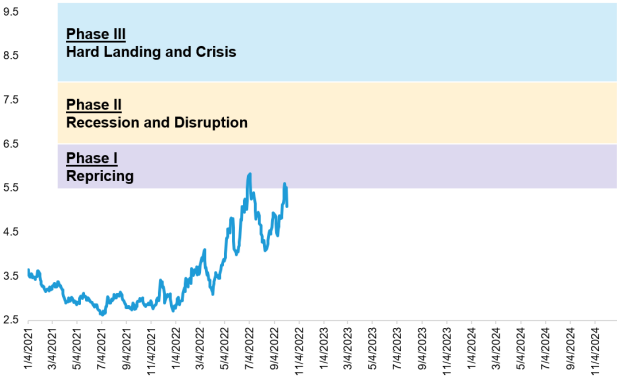
End of QE regime playing to AB CarVal strengths

Negative Market Themes Weigh Heavily



Stage One Dislocations

Top-down deployment plans targeting disruption phase



Phased Deployment on Dislocation

Location	Strategy	Examples	Phase 1	Phase 2	Phase 3
US	CRE SASB	[REDACTED]	X		
US	Consumer Solar	[REDACTED]	X		
EUR	EUR Consumer	[REDACTED]	X		
EUR	EUR CLO	[REDACTED]	X	X	
US	US CLO	[REDACTED]	X	X	
EUR	Corporate	[REDACTED]	X		
US	Corporate	[REDACTED]			
US/EUR	Aviation	[REDACTED]			

Disclaimer

Confidentiality and distribution. The information set forth in these materials (the "Materials") is strictly confidential and intended solely for the benefit of the recipient, and may not be reproduced, re-transmitted, shared and/or disseminated.

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 AB 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.

Reliability of information. AB CarVal Investors, L.P. ("AB CarVal") believes the information which forms the basis of the statements and calculations contained herein to be reliable but makes no representation or warranty as to such information or the Materials.

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.

Investment objectives. No representation is made that any AB 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.

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

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

Date. All time sensitive representations and warranties in this summary are made as of November 30, 2022 (estimate), unless stated otherwise.

Investment examples. AB CarVal makes no representation that the performance information contained in the Materials is representative of how any AB CarVal-managed investment vehicle will perform. The opportunities represented in the Materials are for illustrative purposes only. AB CarVal makes no representation that any AB CarVal-managed investment vehicle has or will participate in the represented opportunities.

Risk of loss. AB 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 AB CarVal-managed investment vehicle must be prepared to bear the risk of a total loss of their investment.

Factors affecting performance. Certain performance figures described herein may be based on, among other things, certain market or economic conditions in existence at the time the investments were made and/or held, the availability of particular financing arrangements, and the ability of AB CarVal to reinvest fund earnings, all of which may not apply or be available to future periods of investment or future AB CarVal-managed investment vehicles. The lack of similar market or economic conditions and/or the inability of any such AB CarVal-managed investment vehicles to achieve similar financing or reinvestment arrangements could have a material effect on their performance. Moreover, AB CarVal funds commonly use a revolving subscription line facility to provide funds in anticipation of calling capital from limited partners. Net IRR differs from what it would have been had such subscription line facility not been used for such purpose. The relevant contribution date for purposes of computing Net IRR is the date of the capital contribution by limited partners.

No reliance, no update and use of information. You may not rely on the Materials as the basis upon which to make an investment decision. To the extent that you rely on the Materials in connection with any investment decision, you do so at your own risk. The Materials do not purport to be complete on any topic addressed. The information in the Materials is provided to you as of the dates indicated and AB CarVal does not intend to update the information after its distribution, even in the event that the information becomes materially inaccurate. Certain information contained in the Materials includes calculations or figures which have been prepared internally and have not been audited or verified by a third party. Use of different methods for preparing, calculating or presenting information may lead to different results and such differences may be material.

Disclaimer

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 AB 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 AB 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 AB CarVal considers the Projections to be a reliable prediction of future events and the Projections should not be relied upon as such. AB 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.

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.

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

January 2023

Agenda

SECTION

PAGE

FORTRESS OVERVIEW

4

FCO V EXP MANDATE

7

MARKET UPDATE & OPPORTUNITY SET

9

FCO V EXP UPDATE

15

INVESTMENT EXAMPLES

JOSHUA PACK

Mr. Pack is a Managing Partner of the Fortress Credit Funds Business. Mr. Pack heads the illiquid strategies and serves on the investment committee for the Credit Funds and is a member of the Management Committee of Fortress. Mr. Pack is also the Co-CIO of the Drawbridge Special Opportunities Fund, the Fortress Lending Funds, the Fortress Credit Opportunities Funds and the Fortress Net Lease Income Fund. Mr. Pack has over 25 years of credit investment and workout experience through multiple credit cycles. Since joining the Credit Funds Business at its inception in 2002, Mr. Pack has analyzed, structured and negotiated hundreds of lending, structured equity and real estate transactions. Prior to joining Fortress, Mr. Pack was a Vice President with Wells Fargo & Co. in the capital markets group. Before that, Mr. Pack was a Vice President with American Commercial Capital, an independent specialty finance company focused on corporate and real estate lending to middle market businesses that was subsequently acquired by Wells Fargo & Co. in 2001. Mr. Pack serves as a Director on multiple corporate and philanthropic Boards. Mr. Pack attended the United States Air Force Academy and received a B.A. in Economics from California State University, San Marcos.

JILL CHANES

EMAIL: JCHANES@FORTRESS.COM

Ms. Chanes is a Managing Director in the Capital Formation Group. Ms. Chanes joined Fortress in September 2005 and has more than 20 years of capital markets and alternative investment related experience. Prior to assuming her current position in 2019, Ms. Chanes was the Chief Financial Officer of the Fortress Intellectual Property Opportunities Funds, the Fortress Global Opportunity Yen Funds and the Fortress European NPL Funds. Prior to joining Fortress Ms. Chanes was an analyst in leveraged finance at CIBC and an audit senior at PwC in their alternative investments group. Ms. Chanes holds a BS in Accounting and International Business (with Honors) from the Pennsylvania State University and a CPA designation in New York state.

DANNY KAYNE

EMAIL: DKAYNE@FORTRESS.COM

Mr. Kayne is a Managing Director in the Capital Formation Group at Fortress Investment Group LLC. Mr. Kayne joined Fortress in 2018 and has more than 14 years of capital markets and investment related experience. At Fortress he serves as the Global Head of Consultant Coverage and focuses on investment consultants and their underlying clients. In this capacity, he is focused on capital raising and investor relations for these groups that focus on the firm's Credit and Real Estate business. Prior to joining Fortress, Mr. Kayne was a Partner at Albourne Partners where he co-ran credit research. Mr. Kayne previously allocated capital as part of UBS' Alternative Investment Solutions group, a U.S. based FoFs. He received his B.A. in Economics from Colorado College.



Fortress Overview

Fortress Investment Group Overview

B.3 Revised Presentation Presented at Meeting

- Fortress Investment Group LLC (together with its subsidiary investment advisory affiliates, “Fortress” or the “Firm”) was **founded in 1998**, manages **\$45.7 billion in AUM¹** and offers a range of alternative investment strategies
- Over 1,900** institutional and private investors around the world
- Headquartered in New York, Fortress has approximately **900 employees** across **11 offices worldwide²**



¹ Fee-paying AUM plus uncalled and callable capital as of September 30, 2022. 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, 2022, AUM includes \$0.2 billion of AUM related to co-managed funds and \$0.9 billion related to Fortress special purpose acquisition company entities.

² As of September 30, 2022.



Co-Chief Investment Officers of FCO V EXP

Peter Briger, Managing Partner		Dean Dakolias, Managing Partner		Drew McKnight, Managing Partner		Joshua Pack, Managing Partner		
Lending	Private Equity	Corporate Securities	Asset Based	Real Estate	Origination & Sourcing	Senior Advisor	Asset Management	Global Offices
Corporate	General	United States	Securities	Thomas Pulley	Steve Stuart	Tim Sloan	DeWayne Chin Bobby Jarrett David Moson Andy Osborne Will Turner	Asia
Joshua Pack Ken Sands Aaron Blanchette Brian Stewart	Joshua Pack Greg Shoemaker Morgan McClure Ahsan Aijaz	Drew McKnight Leslee Cowen	Mario Rivera	+7 MDs +1 DIR +4 VPs +12 Professionals	+9 MDs +1 DIR			Thomas Pulley
+2 MDs, +1 DIR +4 VPs +2 Professionals	Structured Equity	+8 MDs +4 VPs +5 Professionals	+1 MD +3 VPs					+7 MDs +2 DIRs +1 VP +3 Professionals
Energy & Transportation		Europe	Residential Assets				+23 MDs +30 DIRs +65 VPs +40 Professionals	Australia
Kenneth Blackman Dan Shea	Net Lease	Rahul Ahuja	Mike Fallacara					David Kelleher
+1 MD +1 VP +1 Professional	Joshua Pack Ahsan Aijaz	+3 MDs +1 VP +2 Professionals	+1 MDs +1 DIR +1 Professional					+3 MDs +1 DIR
Real Estate	Private Equity Solutions							Europe
Steve Stuart Spencer Garfield Noah Shore Ivan Yee	Troy Duncan Gregory Getschow							Rahul Ahuja Francesco Colasanti Cyril Courbage Chris Linkas
+3 MDs +4 VPs +5 Professionals	+4 MDs +1 DIR							+4 MDs +2 DIRs +3 VPs +4 Professionals
Specialty Finance	Real Estate Special Situations							
Jack Neumark Dominick Ruggiero	Noah Shore							
+6 MDs +6 DIRs +7 VPs +3 Professionals								
IP								
Eran Zur								
+4 MDs +3 DIRs +1 Professional								
<div>Marc Furstein, President</div> <div>Management, Finance & Support</div> <div>David Brooks General Counsel</div> <div>William Covino CFO of FCO V EXP</div> <div>Jason Meyer COO</div> <div>David Goldman Tax</div> <div>+35 MDs +16 DIRs +75 VPs +95 Professionals</div>								

Marc Furstein, President

Management, Finance & Support

David Brooks General Counsel	William Covino CFO of FCO V EXP	Jason Meyer COO	David Goldman Tax
---------------------------------	------------------------------------	--------------------	----------------------

+35 MDs
+16 DIRs
+75 VPs
+95 Professionals

¹ As of September 30, 2022. Not all professionals in the headcount above are dedicated solely to investments of Fortress Credit Opportunities Fund V Expansion ("FCO V EXP" or the "Fund").



FCO V EXP Mandate

Broad FCO V EXP Mandate with the Flexibility to Pivot

B 3 Revised Presentation Presented at Meeting

- 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





Market Update & Opportunity Set

VIGILANCE AND DISCIPLINE REMAIN OUR FOCUS THROUGH SIGNIFICANT HEADWINDS OF INFLATION, GEO-POLITICAL CONFLICTS AND CONTINUED MARKET VOLATILITY

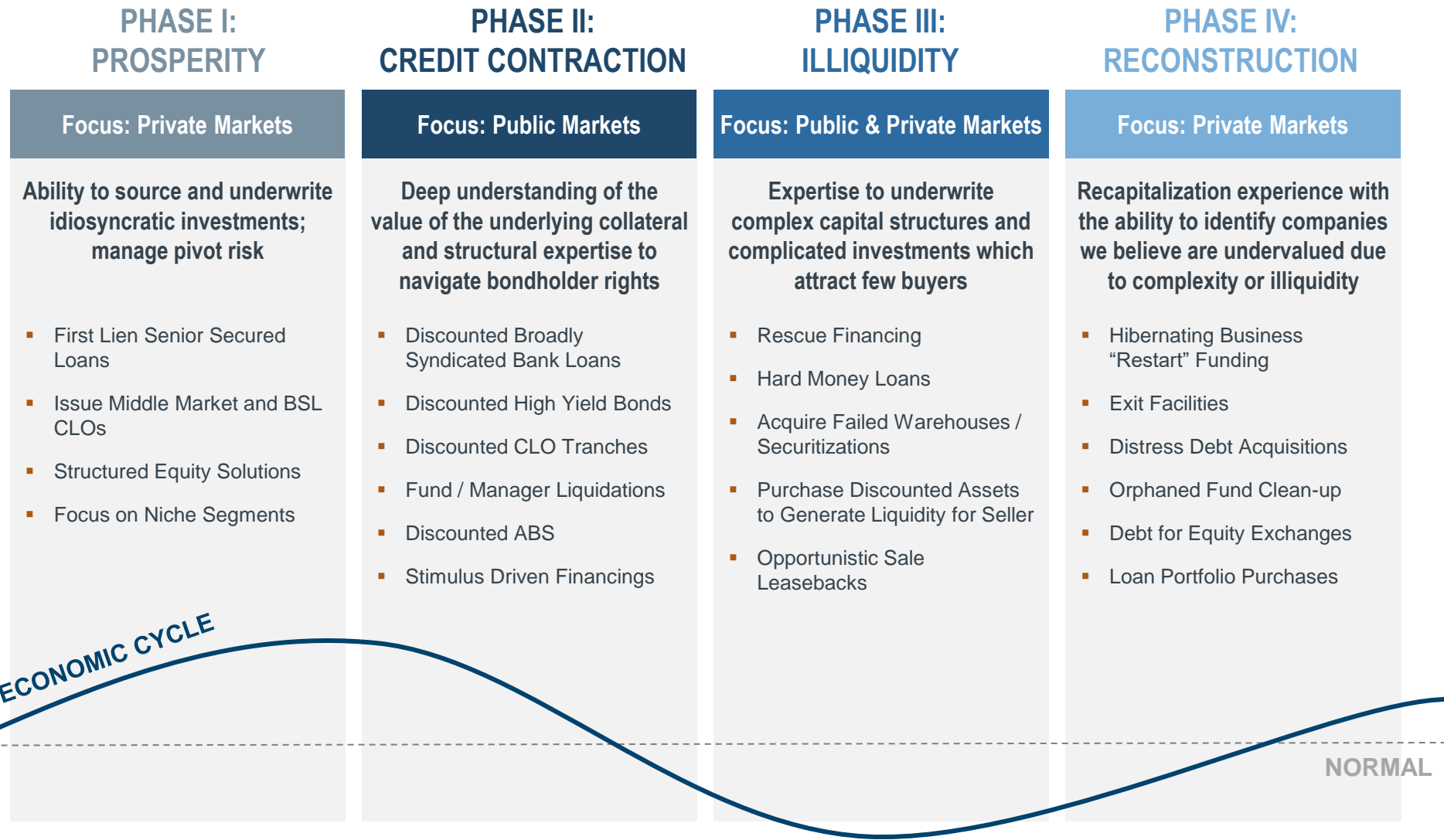
- We believe the current investment environment, though challenging, provides **opportunity for quality investments with potential for strong risk-adjusted returns**
- We have been an active investor, with FCO V EXP having **invested and committed approximately \$3.0 billion** across 42 investments, which is **approximately 50% of fund commitments**
 - From inception, FCO V EXP has **distributed approximately \$0.4 billion**, which is **approximately 19% of capital called**
 - Our current expectation is for FCO V EXP to generate an **estimated gross IRR of 25.3%¹** and a **gross multiple of invested capital equal to 1.9x^{1,2}**
- We believe we are **well positioned in this challenging environment** and continue to see **less-liquid opportunities which play into our strengths**, while remaining focused on opportunities for **returning capital to investors**



The Fortress Playbook | Fortress is an All Seasons Credit Investor

B.3 Revised Presentation Presented at Meeting

Fortress is an “all seasons” investor that we believe has the range / expertise to capitalize on the below phases and a senior team that’s been investing together since the last crisis in 2008



The Fortress Playbook | Opportunity Set

B.3 Revised Presentation Presented at Meeting



LEGAL ASSETS



- Number and amount of litigation claims likely to increase in a recessionary environment
- Companies more likely to monetize claim or finance cases given limited access to capital markets and rising interest rates
- Reallocation of private credit funds to distressed opportunity set will likely reduce competition for legal assets



ENERGY



- Focus on production, with capital protected through hedge period
- Increase exposure to quality assets if indiscriminate selling materializes
- Midstream and power, valued through conservative assumptions
- Focus on senior positions in the cap stack with equity upside



EUROPE



- European bank selling quality assets
- Middle market deals where alternative financiers stepped in (over the last decade) are under pressure as they come up for refinancing
- Both of the above will create a distressed secondary market opportunity as well as opportunistic financing situations
- Energy crisis and inconsistent and erratic populist policy responses likely lead to unintentional and disruptive consequences



NON-PERFORMING LOANS



- European non-performing loans (“NPLs”) increasing with economic headwinds and wind-down of pandemic-related moratoria
- Engage liquidity-driven sellers such as banks, servicers, securitizations, and secondary owners that are behind on collections



REAL ESTATE



- Senior secured bridge financing on economically resilient asset types / markets
- Rescue capital for liquidity constrained institutions and individuals
- Purchasing distressed debt at a discount
- Increase in special situations opportunities due to turmoil in the capital markets



NET LEASE



- Direct sale-leaseback with corporations as CFOs and Treasurers seek alternative sources of liquidity
- Sale-leasebacks to facilitate merger and acquisition transactions
- Purchasing assets from stressed sellers



REDISCOUNT



- Partner with longstanding servicing partners to purchase orphaned / distressed portfolios
- Lenders over their skis that lack experience and asset management infrastructure
- Providing capital solutions to originating platforms that need liquidity



CORPORATES



- Good companies with bad balance sheets
- Predictable cash flows which reduce basis
- Complicated restructurings in which risk is misunderstood
- Replacement capital provider



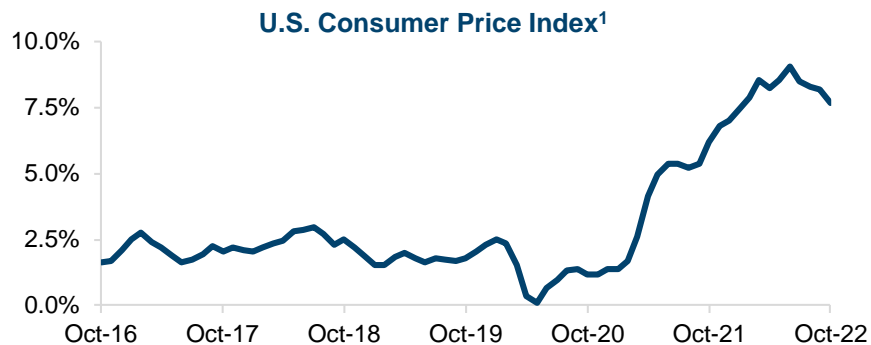
TRANSPORTATION



- Offer liquidity to known quality operators
- Existing partnerships create a proprietary sourcing network
- Opportunistically acquire assets at attractive levels

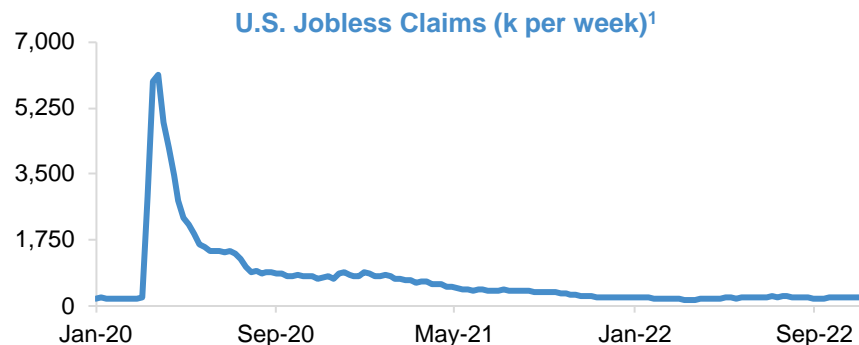


INFLATION & MONETARY POLICY



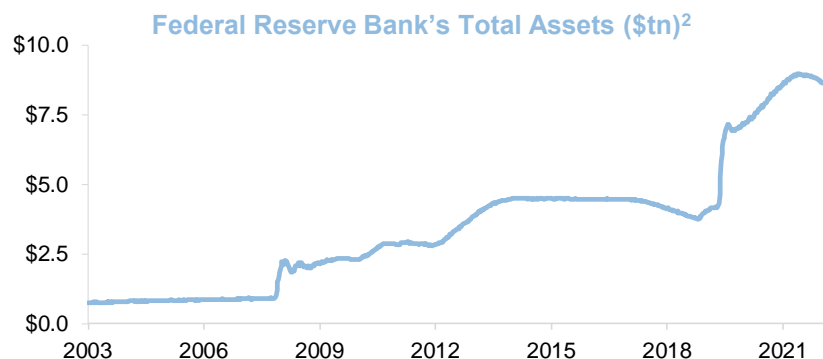
FORTRESS OPPORTUNITY: We believe tighter money supply / decreased liquidity gives our lender and capital solutions businesses a **distinct competitive advantage to originate new debt investments at attractive terms**

U.S. LABOR MARKET



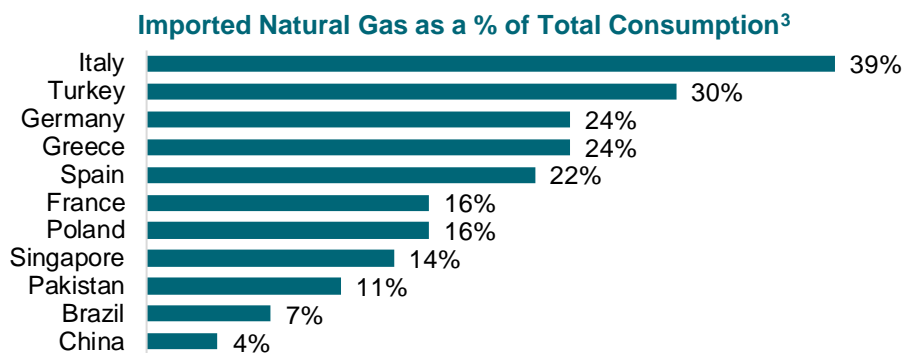
FORTRESS OPPORTUNITY: Existing levered capital structures under stress due to rising wage costs, **opportunities for liquidity solutions and/or debt restructuring**

FED BALANCE SHEET HAS BALLOONED



FORTRESS OPPORTUNITY: **Opportunistic buyer of assets** as Federal Reserve Bank's balance sheet declines

RUSSIA / UKRAINE DESTABILIZATION

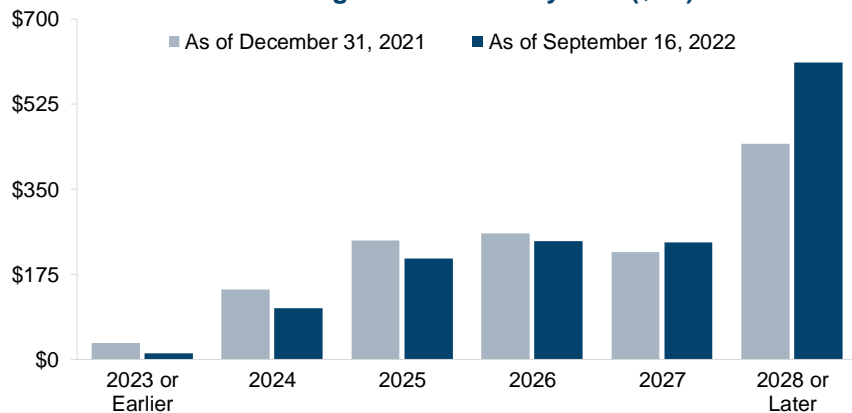


FORTRESS OPPORTUNITY: Opportunistic debt and equity investments arising from **political sanctions, European stress and broader energy complex**



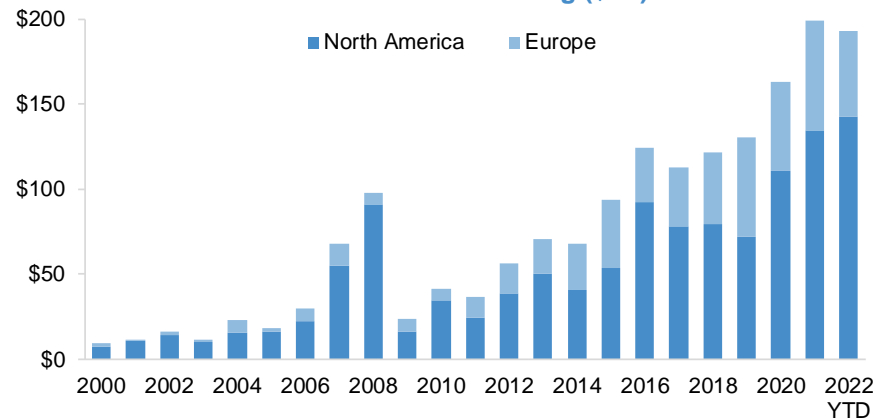
MATURITY WALL

U.S. Leveraged Loan Maturity Wall (\$bn)¹



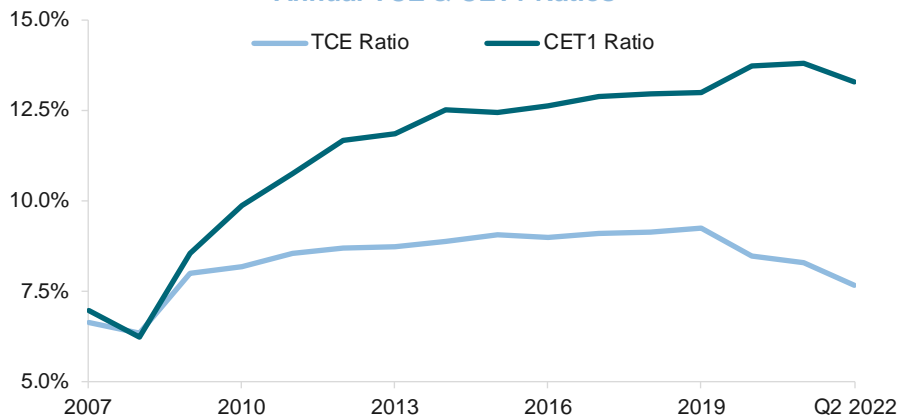
DRY POWDER

Private Credit Fundraising (\$bn)²

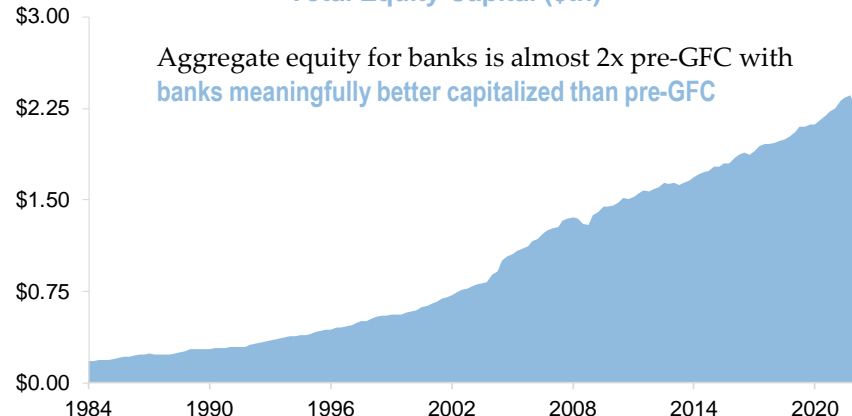


U.S. BANKS ARE IN A BETTER PLACE

Annual TCE & CET1 Ratios^{3,4}



Total Equity Capital (\$tn)^{3,5}



Aggregate equity for banks is almost 2x pre-GFC with banks meaningfully better capitalized than pre-GFC

¹ Sources: Morningstar LSTA U.S. Leveraged Loan Index and LCD. ² Private credit includes direct lending, mezzanine, special situations, distressed debt, fund of funds and venture debt. As of November 28, 2022. Source: Preqin. ³ For Federal Deposit Insurance Corporation (FDIC)-Insured Commercial Banks only. ⁴ TCE Ratio represents Tangible Common Equity Ratio and CET1 Ratio represents Common Equity Tier 1 Ratio. Sources: FDIC, Federal Reserve Bank of New York and Barclays Research. ⁵ As of April 2022. Source: FRED.



B.3 Revised Presentation Presented at Meeting



FCO V EXP Update

The figures included in the following section are preliminary, unaudited and are subject to change.

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, 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.

Estimated Returns. Estimated returns (including estimated IRRs, multiples and cash flows) presented are through the life of the applicable Fund and have been calculated based on aggregate estimated cash flows of underlying investments, which are based on a variety of estimates and assumptions by Fortress. There can be no assurance that any such estimates and assumptions will prove accurate, and actual results may differ materially. Estimated returns are presented on a gross basis and do not factor in the actual timing and amount of capital calls from and distributions to investors. Gross returns are gross of expenses, promote, and management fees. Net returns are net of estimated expenses, promote and management fees.

FCO V EXP Highlights

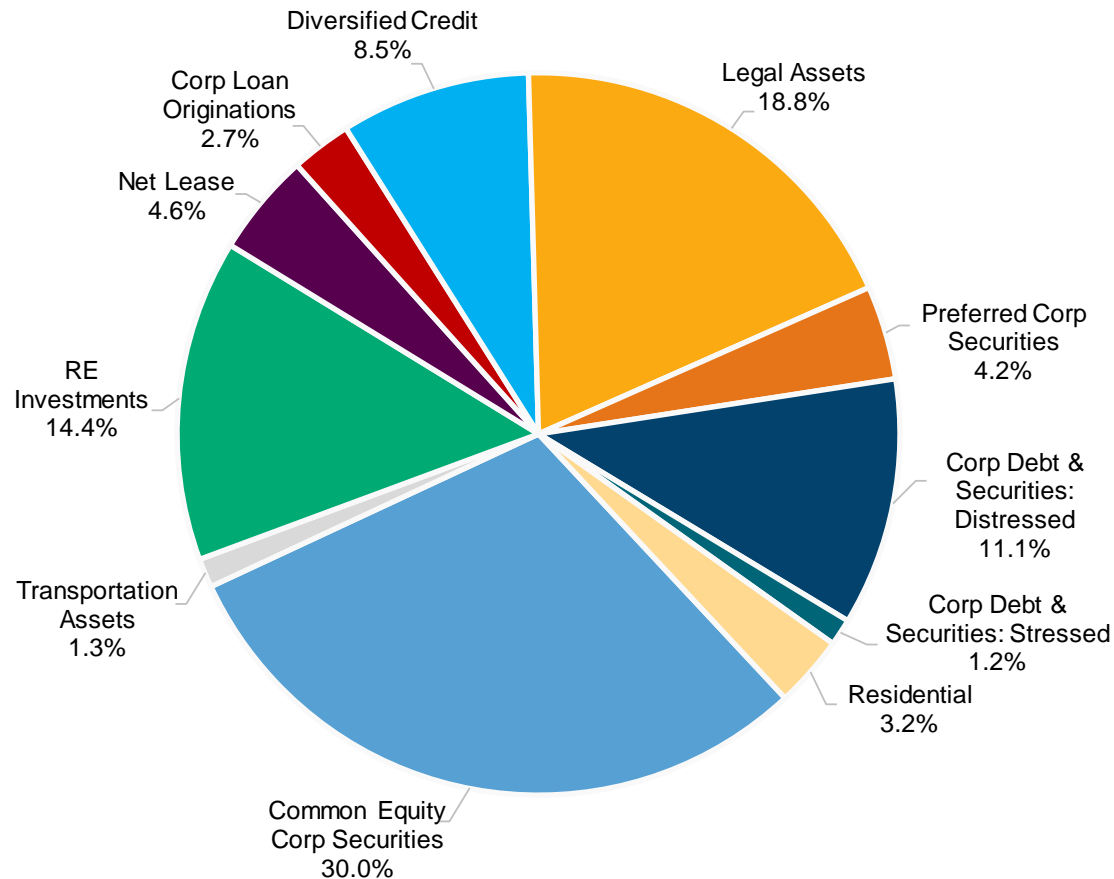
B.3 Revised Presentation Presented at Meeting

Marin County Employees Retirement Association	As of November 30, 2022
Commitment	\$33 million
Capital Called	\$14 million
Capital Called and Committed ¹	\$17 million

FCO V EXP	As of June 30, 2022
Fund Commitments	\$5.9 billion
Capital Called	\$2.0 billion
Invested and Committed Capital ² (As of September)	\$3.0 billion
Capital Distributed	\$0.4 billion
Net Equity Invested	\$1.7 billion
Net Asset Value ³	\$2.0 billion
Total Gain ⁴	\$0.3 billion
Gross Estimated IRR and Multiple ⁵	25.3% / 1.9x
Net Estimated IRR and Multiple ⁶	19.6% / 1.6x
Leverage % (Debt / Gross Market Value) ⁷	37.3%
Remaining Investments	42

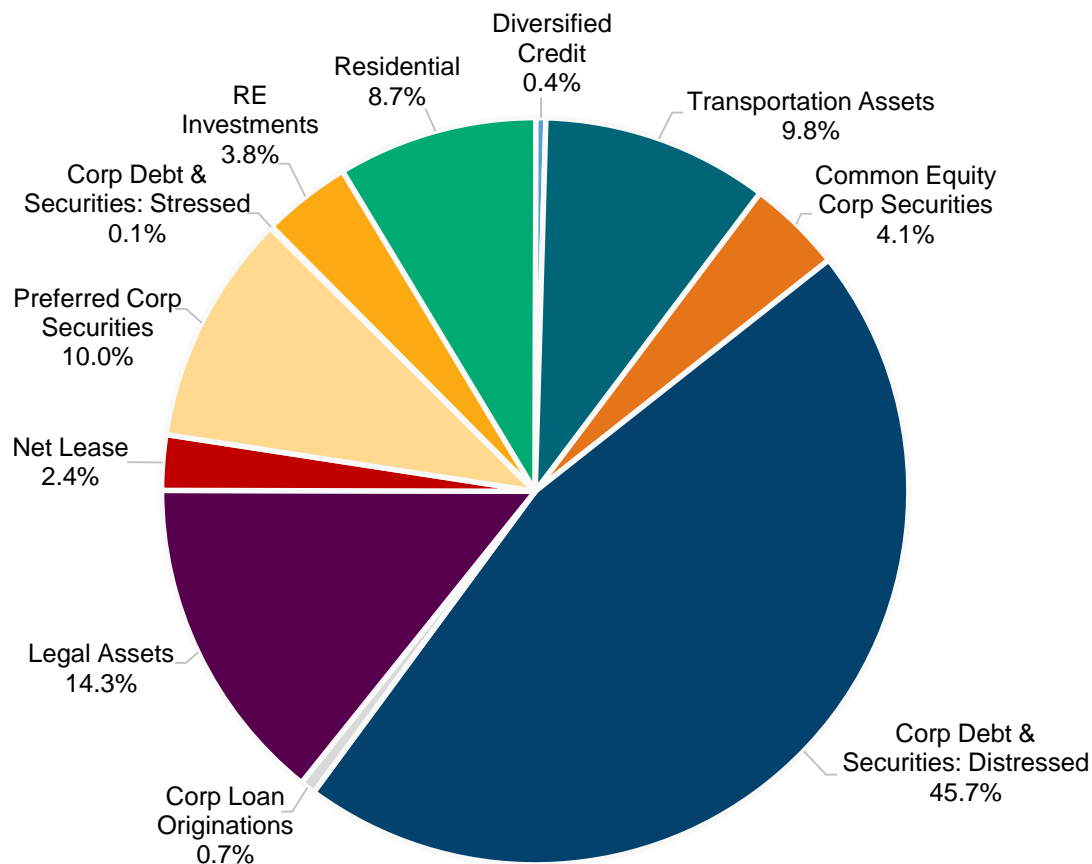
FCO V EXP has invested and committed approximately \$3.0 billion across 42 investments through 11 different asset classes

Total Invested and Committed Capital by Asset Class



Generated approximately \$400 million of realized proceeds since June 30, 2021

Total Realized Proceeds by Asset Class



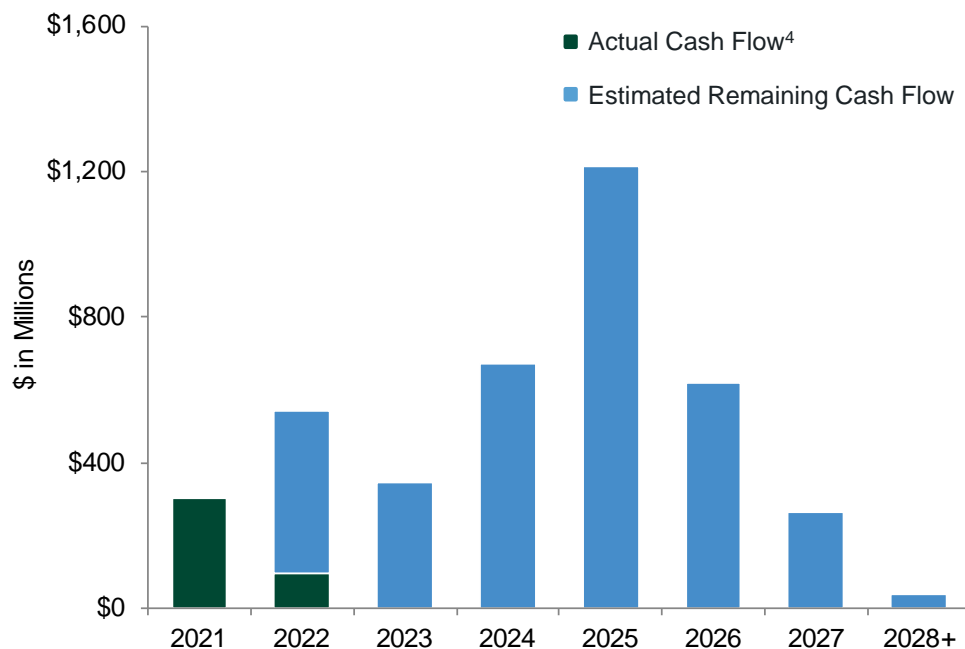
FCO V EXP Remaining Cash Flow Estimates by Year

B.3 Revised Presentation Presented at Meeting

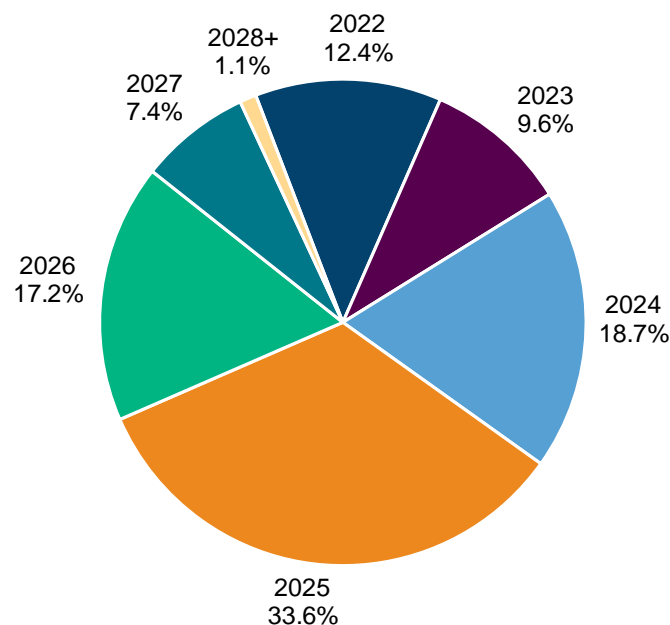
We are currently estimating gross proceeds on the June 30, 2022 portfolio, including estimated funding commitments, to be over \$3.6 billion² in the future, generating a total gross profit, since inception, of approximately \$1.9 billion

- Over the next 3 years, we estimate to return in excess of FCO V EXP's current invested and committed capital

**Remaining Cash Flow
Estimates to Equity by Year³**



**% of Remaining Cash Flow
Estimates to Equity by Year³**





Appendix: Important Footnotes

Executive Summary

¹ Estimated returns (including estimated IRRs, multiples and cash flows) presented are through the life of the applicable Fund (including identified estimated funding commitments, where applicable) and have been calculated based on aggregate estimated cash flows of underlying investments allocable to Fortress Credit Opportunities Funds V Expansion (A) LP (“FCO V EXP A”) investors, respectively, which are based on a variety of estimates and assumptions by Fortress. There can be no assurance that any such estimates and assumptions will prove accurate, and actual results may differ materially. Estimated returns are presented on a gross basis and do not factor in the actual timing and amount of capital calls from and distributions to FCO V EXP A investors. Actual returns to investors will be lower due to the deduction of expenses, promote, and management fees.

² Based on invested capital.

FCO V EXP Highlights

¹ Represents called and committed capital for investments through November 30, 2022 and does not include management fees, taxes and other costs incurred by FCO V EXP.

² Represents invested and committed capital for investments through September 2022 and does not include management fees, taxes and other costs incurred by FCO V EXP. Includes investments committed to, but not yet closed.

³ Gross of promote.

⁴ Total gain is gross of promote, net of management fees, expenses and includes unrealized and realized gains. Actual returns to investors will be lower.

⁵ Estimated Gross IRR and multiple are through the life of the Fund (including identified estimated funding commitments and related proceeds), and are gross of expenses, promote and management fees. Actual returns to investors will be lower. Gross multiple is calculated over invested capital.

⁶ Estimated Net IRR and multiple are through the life of the Fund (including identified estimated funding commitments and related proceeds), and are net of estimated expenses, promote and management fees. Net multiple is calculated over invested capital.

⁷ Non-recourse asset specific financing.

FCO V EXP Invested and Committed Capital by Asset Class

¹ Represents invested and committed capital for investments through September 2022 and does not include management fees, taxes and other costs incurred by FCO V EXP. May include investments committed to, but not yet closed.

² Preferred Corporate Securities and Common Equity Corporate Securities comprise the Preferred & Common Equity Corporate Securities Portfolio.

³ Net Lease and RE Investments comprise the Commercial Real Estate Debt & Equity Securities Portfolio.

FCO V EXP Realized Proceeds

¹ Includes cash available for distribution as of June 30, 2022.

² Preferred Corporate Securities and Common Equity Corporate Securities comprise the Preferred & Common Equity Corporate Securities Portfolio.

³ Net Lease and RE investments comprise the Commercial Real Estate Debt & Equity Securities Portfolio.

FCO V EXP Remaining Cash Flow Estimates by Year

¹ Please refer to the important Estimated Returns and Forward Looking Statements disclaimers at the end of the Presentation.

² Estimated based on June 30, 2022 portfolio and includes identified estimated funding commitments of approximately \$0.3 billion.

³ Estimated cash flows of total portfolio are as of June 30, 2022 (includes estimated proceeds relating to identified estimated funding commitments, where applicable) and do not include management fees, promote, taxes and other costs incurred by FCO V EXP. Does not include invested or committed capital post June 30, 2022.

⁴ Includes cash available for distribution as of June 30, 2022.

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”. This Presentation is produced solely for the specified recipient and may not be transmitted, reproduced or made available to any other person.

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.

Provided at your request. This Presentation has been provided at your specific request and may contain information, calculations, formulas, classifications, estimates and/or data that has been compiled or prepared specifically for you based solely upon your request. Such information, calculations, formulas, classifications, estimates and/or data may differ from Fortress’s standard methodology for presenting and reporting such information. In addition, the Information may be excerpted from other materials at your request and does not purport to be complete.

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.

Estimated Returns. Estimated returns (including estimated IRRs, multiples and cash flows) presented are through the life of the applicable Fund and are based on a variety of estimates and assumptions by Fortress. 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.

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.

Internal rates of return and yields. To Fortress’s knowledge, there are no established standards for the calculation of internal rates of return or yields (“Returns”) for investment portfolios of the sort owned by the Fund. The use of another methodology than the one used may result in different and possibly lower Returns. In addition, the current unrealized or estimated values that form the basis for estimated Returns may not be realized in the future, which would materially and adversely affect actual Returns for the applicable investments and potentially the overall portfolio of which it is a part.

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.

No reliance, no update and use of information. You may not rely on the Presentation as the basis upon which to make an investment decision. To the extent that you rely on the Presentation in connection with any investment decision, you do so at your own risk. The Presentation does not purport to be complete on any topic addressed. The information in the Presentation is provided to you as of the dates indicated and Fortress does not intend to update the information after its distribution, even in the event that the information becomes materially inaccurate. Certain information contained in the Presentation includes calculations or figures which have been prepared internally and have not been audited or verified by a third party. Use of different methods for preparing, calculating or presenting information may lead to different results and such differences may be material. In addition, for certain investments information may be limited due to legal and/or regulatory considerations. The Presentation is being provided for due diligence purposes only and does not modify, amend or otherwise constitute any contract related to an investment in the Fund.

Availability of financing. Certain estimated or actual performance figures described in the Presentation are based on, among other things, the availability of particular financing arrangements, which may not be available to the Funds in the future. The inability of the Funds to obtain similar financing arrangements could have a material impact on the Funds' performance.

Knowledge and experience. You acknowledge that you are knowledgeable and experienced with respect to the financial and business aspects of the Presentation and that you will conduct your own independent investigations with respect to the accuracy, completeness and suitability of the Presentation should you choose to use or rely on the Presentation, at your own risk, for any purpose.

No tax, legal, accounting or investment advice. The Presentation is not intended to provide, and should not be relied upon for, tax, legal, accounting or investment advice. Any statements of federal tax consequences contained in the Presentation were not intended to be used and cannot be used to avoid penalties under the Internal Revenue Code or to promote, market or recommend to another party any tax related matters addressed herein.

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

January 2023

Agenda

TOPIC

CONTACT INFORMATION

FORTRESS OVERVIEW

JILL CHANES

JCHANES@FORTRESS.COM

FCO V EXP MANDATE

DANNY KAYNE

DKAYNE@FORTRESS.COM

MARKET UPDATE & OPPORTUNITY SET

FCO V EXP UPDATE

INVESTMENT EXAMPLES

Fortress Investment Group Overview

B.3 Original Presentation Included in Board Packet

- Fortress Investment Group LLC (together with its subsidiary investment advisory affiliates, “Fortress” or the “Firm”) was **founded in 1998**, manages **\$45.7 billion in AUM¹** and offers a range of alternative investment strategies
- Over 1,900** institutional and private investors around the world
- Headquartered in New York, Fortress has approximately **900 employees** across **11 offices worldwide²**



¹ Fee-paying AUM plus uncalled and callable capital as of September 30, 2022. 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, 2022, AUM includes \$0.2 billion of AUM related to co-managed funds and \$0.9 billion related to Fortress special purpose acquisition company entities.

² As of September 30, 2022.



Broad FCO V EXP Mandate with the Flexibility to Pivot

B-3 Original Presentation Included in Board Packet

- 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



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

Marin County Employees Retirement Association	As of November 30, 2022
Commitment	\$33 million
Capital Called	\$14 million
Capital Called and Committed ¹	\$17 million

¹ Represents called and committed capital for investments through November 30, 2022 and does not include management fees, taxes and other costs incurred by FCO V EXP.

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”. This Presentation is produced solely for the specified recipient and may not be transmitted, reproduced or made available to any other person.

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.

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.

Provided at your request. This Presentation has been provided at your specific request and may contain information, calculations, formulas, classifications, estimates and/or data that has been compiled or prepared specifically for you based solely upon your request. Such information, calculations, formulas, classifications, estimates and/or data may differ from Fortress’s standard methodology for presenting and reporting such information. In addition, the Information may be excerpted from other materials at your request and does not purport to be complete.

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.

No reliance, no update and use of information. You may not rely on the Presentation as the basis upon which to make an investment decision. To the extent that you rely on the Presentation in connection with any investment decision, you do so at your own risk. The Presentation does not purport to be complete on any topic addressed. The information in the Presentation is provided to you as of the dates indicated and Fortress does not intend to update the information after its distribution, even in the event that the information becomes materially inaccurate. Certain information contained in the Presentation includes calculations or figures which have been prepared internally and have not been audited or verified by a third party. Use of different methods for preparing, calculating or presenting information may lead to different results and such differences may be material. In addition, for certain investments information may be limited due to legal and/or regulatory considerations. The Presentation is being provided for due diligence purposes only and does not modify, amend or otherwise constitute any contract related to an investment in the Fund.

Knowledge and experience. You acknowledge that you are knowledgeable and experienced with respect to the financial and business aspects of the Presentation and that you will conduct your own independent investigations with respect to the accuracy, completeness and suitability of the Presentation should you choose to use or rely on the Presentation, at your own risk, for any purpose.

No tax, legal, accounting or investment advice. The Presentation is not intended to provide, and should not be relied upon for, tax, legal, accounting or investment advice. Any statements of federal tax consequences contained in the Presentation were not intended to be used and cannot be used to avoid penalties under the Internal Revenue Code or to promote, market or recommend to another party any tax related matters addressed herein.



The Värde Dislocation Fund Update
to Marin County Employee's
Retirement Association

January 18, 2022

Important Disclaimers

B.4 Revised Presentation Presented at Meeting



The information contained in this document (this "Presentation") is qualified in its entirety by the following Important disclaimers, all of which must be read in connection with this Presentation. This Presentation is intended for sophisticated investors for informational purposes only and is not intended to constitute investment advice or recommendations or financial, legal or tax advice by Vårde Partners, Inc. or any of its affiliates (collectively, "Vårde" or the "Firm") or any other party. A recipient of this presentation should consult with its own legal, business and tax advisors with respect to financial, legal and tax advice. Unless otherwise indicated, information, data, strategies and opinions included in this Presentation are provided as of the date hereof, and are subject to change without notice based on market and other developments. Therefore, neither the delivery of this Presentation at any time, nor any sale of interests in any Fund (as defined below), shall under any circumstances create an implication that the information contained herein is correct as of any time after such date. Neither the Securities and Exchange Commission nor any state securities administrator has approved or disapproved, passed on or endorsed the merits of this Presentation or the securities referenced herein.

This Presentation is not intended as and does not constitute an offer to sell any securities or a solicitation of an offer to purchase any investment product or any interest in any fund (each a "Fund") managed by Vårde in any jurisdiction to any person or entity. Such an offer or solicitation may be made only by the Confidential Private Offering Memorandum of a Fund (the "Memorandum") and the governing documents of such Fund. This Presentation does not purport to be complete and is qualified in its entirety by, and any offer or solicitation will be made only through, a Memorandum and will be subject to the terms and conditions contained therein and in the governing documents of the applicable Fund. If you are considering whether to invest in a Fund, you should not rely on this Presentation, but should rely solely on the information in the Memorandum and in the governing documents of the applicable Fund. The Memorandum describes certain risks and conflicts of interest relating to an investment in a Fund and should be reviewed in its entirety to determine whether investing in a Fund is suitable for you in light of, among other things, your financial situation, need for liquidity, tax situation, and other investments. If the descriptions or terms in this Presentation are inconsistent with or contrary to the are subject to a variety of risks described in the Memoranda and Vårde's Form ADV Part 2. Investments in the Funds are suitable only for qualified investors that fully understand the risks of such investments. The information contained herein does not take into account the particular investment description in or terms of a Memorandum, partnership agreement, memorandum and articles of association (as applicable) or other documents, the Memorandum, partnership agreement, memorandum and articles of association (as applicable) or such other documents shall control. Investments in the Funds objectives, financial situation, need for liquidity, or tax situation of any specific person or entity who may receive it. Furthermore, Vårde undertakes no obligation and assumes no liability or responsibility (whether express or implied) to any person or entity receiving this Presentation. Vårde is not acting as an investment adviser with respect to any investor's decision to invest in any Fund. Attachments to this Presentation or other materials made available in connection with any Fund may have additional important disclaimers, which you should read. Vårde Partners Europe Limited ("VPE"), an affiliate of the Firm, is authorized and regulated by the Financial Conduct Authority and only acts for its affiliates to whom it provides regulated investment advisory and transaction arrangement services. VPE does not act for potential investors in connection with the raising of, or subscription to, a Fund and will not be responsible to potential investors for providing them with protections afforded to clients of VPE or be advising them on their subscription. No representative of the Firm has authority to represent otherwise.

This Presentation is not intended for distribution to, or use by, any person or entity in any location where such distribution or use would be contrary to law or regulation, or which would subject Vårde or a Fund to any authorization, registration or licensing requirement within such jurisdiction. This Presentation is confidential and contains commercial and financial information, trade secrets and/or intellectual property of Vårde. This Presentation is intended only for the person or entity to whom it has been furnished and under no circumstances may a copy be shown, copied, transmitted, or otherwise given to any person or entity other than the authorized recipient. Any reproduction or disclosure of the contents of this Presentation, in whole or in part, and any re-use of this Presentation by non-intended or non-authorized recipients, in each case, without the prior written consent of Vårde is prohibited. If you are not an intended recipient of this Presentation, please notify Vårde and delete any copies or printouts of this Presentation and do not read, act upon, print, disclose, copy, retain or redistribute any portion of this Presentation. If you or any of your clients (as applicable) receives a request under any applicable public disclosure law to provide, copy or allow inspection of this Presentation or other information regarding or otherwise relating to any Fund, you agree (at your own cost and expense) to (i) provide prompt written notice of such request to Vårde, (ii) assert all applicable exemptions from disclosure available under law and (iii) cooperate with Vårde and its affiliates to seek to prevent or limit such disclosure or to obtain a protective order or other assurance that the information regarding or otherwise relating to any Fund will be accorded confidential treatment.

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 Vårde's and the Funds' relative performance in the market. All financial information in this Presentation related to Vårde 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 Vårde 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.

There is no assurance that any of the investments discussed herein will remain in a Fund at the time you receive this Presentation or that investments sold have not been repurchased. It should not be assumed and there is no guarantee that any of the transactions or holdings discussed were or will prove to be profitable, or that the investment recommendations or decisions Vårde makes in the future will be profitable or will equal any investment performance discussed herein. The investments discussed in this Presentation were made by Vårde and its affiliates through, and on behalf of, one or more Funds. None of the investments were made by Vårde directly. Any investments discussed in this Presentation do not represent any Fund's entire portfolio and in the aggregate may represent only a small percentage of such Fund's portfolio holdings. In addition, any future investments by any Fund may differ from previous investments made by Vårde or its affiliates in a number of respects. This Presentation does not include information regarding each investment or investment strategy pursued by Vårde. However, additional information regarding any investment related to any Fund may be requested by the recipient of this Presentation.

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," "initiate," "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 Vårde intends to construct such Fund's portfolio and what investments Vårde intends to pursue in light of Vårde and its affiliates' experience with similar transactions. Such target performance information is intended to indicate the returns that Vårde 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 Vårde and its affiliates and other third-party sources and data believed to be reliable; however, neither Vårde nor any of its affiliates has independently verified or guarantees the accuracy or validity of such information. None of Vårde, 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.

Any estimates included in this Presentation are based upon assumptions that Vårde considers reasonable as of the date hereof and were not prepared with a view towards public disclosure or compliance with any published guidelines. Actual results may vary significantly from the estimates. The assumptions on which estimates are based may require modification as additional information becomes available and as economic and market developments warrant. Any such modification could be either favourable or adverse. The information contained herein may change at any time without notice and there is no duty to update the person or entity to whom this information is provided.

Estimated as of December 31, 2022

Fund Overview (in millions)

Total Commitments	\$1,604 (80% called)
Current AUM	\$1.4 billion
Investment Period	June 2020 – June 2022 (inclusive of a six month extension at the discretion of the general partner)
Harvest Period	June 2022 – June 2025
Term Extension Period	Two potential one-year extensions

Performance to Date (in millions)

2020 Net P&L	\$ 89
2021 Net P&L	69
2022 Net P&L	(56)
LTD Net P&L as of 12/31/22	\$102
Net Multiple	1.08x
Net IRR	4.92%

Projected Distributions

2023	40-60% of current AUM
2024	50-70% of current AUM
2025+	10-30% of current AUM

Strong performance from real estate and some dislocated high-quality corporates positions, with losses in China Evergrande and travel-related positions

Top 10 Performers	Segment	Geography	Status	LTD Gross P&L (\$m)	Gross Multiple
VMC - CRE Lending	Mortgages	United States	Active	26	1.1x
Steinhoff	Corporate and Traded Credit	Europe	Active	8	1.1x
Monarch	Real Estate	United States	Active	8	1.2x
Enquest	Corporate and Traded Credit	United Kingdom	Active	8	1.2x
Rivet	Corporate and Traded Credit	Asia (excluding Japan)	Active	8	1.2x
Delta Airlines	Corporate and Traded Credit	United States	Exited	7	1.1x
Monarch - Boston	Real Estate	United States	Active	7	1.4x
Dream Land Banking	Real Estate	United States	Active	7	1.2x
Boeing	Corporate and Traded Credit	United States	Active	7	1.1x
General Electric	Corporate and Traded Credit	United States	Exited	6	1.1x
Subtotal				92	1.1x
Hedging Gains				65	2.7x
Other Positive Performers				141	1.1x
Total				298	1.1x

Bottom 10 Performers	Segment	Geography	Status	LTD Gross P&L (\$m)	Gross Multiple
China Evergrande	Corporate and Traded Credit	Asia (excluding Japan)	Active	(21)	0.3x
Carnival Corp	Corporate and Traded Credit	United States	Active	(19)	0.9x
Norwegian Cruise Line	Corporate and Traded Credit	United States	Active	(16)	0.8x
Latam Airlines	Corporate and Traded Credit	Middle East, Africa & South America	Active	(11)	0.7x
Sri Lanka	Corporate and Traded Credit	Asia (excluding Japan)	Active	(8)	0.6x
Loan Depot	Corporate and Traded Credit	United States	Active	(8)	0.7x
Dish Network	Corporate and Traded Credit	United States	Active	(7)	0.9x
Warner Bros. Discovery	Corporate and Traded Credit	United States	Active	(7)	0.7x
CMBX	Corporate and Traded Credit	United States	Active	(6)	0.4x
TKC Holdings	Corporate and Traded Credit	United States	Active	(6)	0.9x
Subtotal				(109)	0.8x
Hedging Losses				(9)	0.6x
Other Negative Performers				(67)	0.9x
Total				(185)	0.9x

Please see important performance disclaimers and definitions in Appendix A.

As of September 30, 2022

Top positions today

	Holding	Segment	Geography	Exposure (in millions)	Net Exposure (% of Total)
1	VMC - CRE Lending	Mortgages	North America	\$140	8%
2	Travelport	Corporate and Traded Credit	North America	92	5%
3	CMBX	Corporate and Traded Credit	North America	81	4%
4	Carnival Corp	Corporate and Traded Credit	North America	68	4%
5	Project Burgundy	Corporate and Traded Credit	Asia Pacific	68	4%
6	ITRAXX SNRFIN/SUBFIN	Corporate and Traded Credit	Europe	61	3%
7	Norwegian Cruise Line	Corporate and Traded Credit	North America	60	3%
8	TKC Holdings	Corporate and Traded Credit	North America	55	3%
9	Project Sparta	Corporate and Traded Credit	Asia Pacific	52	3%
10	KSK Mahanadi SBI	Corporate and Traded Credit	Asia Pacific	52	3%
	Other			1,121	60%
	Total			\$1,850	100%

VÄRDE

Appendix A

Appendix A - Performance Disclaimers and Definitions

B.4 Revised Presentation Presented at Meeting



Any past performance described herein is historical, is not indicative, or a guarantee, of future results. All gross return figures do not reflect any management fees, permissible fund expenses, applicable incentive allocations or reinvestment of dividends and other earnings. All net return figures are net of management fees, permissible fund expenses, and applicable incentive allocations. The net return figures also include reinvestment of all dividends, capital gains and other earnings. Given the broad and varying portfolio of assets managed by Värde, we are not aware of any publicly available benchmarks that would provide a meaningful comparison to the performance of a Fund. Investors should draw their own conclusions regarding a Fund's relative performance in the market. It should not be assumed and there is no guarantee that any of the transactions or holdings discussed were or will prove to be profitable or equal to corresponding past performance levels, or that the investment recommendations or decisions Värde makes in the future will be profitable or will equal any investment performance discussed herein. Performance information set forth herein has been prepared by Värde and has not been audited.

The projections provided herein are hypothetical in nature and are shown for illustrative, informational purposes only and do not constitute a forecast. Projections are based on a number of assumptions that may not prove accurate. There can be no assurance that any future event will occur or that any projections will be achieved. Target performance is not necessarily indicative of future results. The actual return experience of any particular investor will vary based on a number of factors, including the timing of such investors. Actual returns for each investment may vary significantly from the projected returns set forth herein. The projections are based on estimates and assumptions about performance believed to be reasonable under the circumstances, but actual realized returns on any investment will depend on, among other factors, the ability to consummate investments on attractive terms, future operating results, the value of the assets and market conditions, any related transaction costs and the timing and manner of sale (if applicable), all of which may differ from the assumptions on which the projections are based. All estimates and assumptions are subject to change without notice. Changes in the assumptions may have a material impact on the targets presented and ultimate returns realized will depend on numerous factors, which are subject to uncertainty. All investments are subject to the risk of loss, including the total loss of the amount invested. This Presentation does not include information regarding each investment or investment strategy pursued by Värde. Investors may request additional information regarding specific investments related to any Fund. Please see "Important Disclaimers" at the beginning of this Presentation for additional important disclosures.

"Attribution" represents the gross profit or loss (i.e., before any allocation of management fees, permissible Fund-level expenses and applicable incentive allocations) related to the strategy (e.g., Corporate and Traded Credit) or Holding divided by the aggregate capital account balance of the partners (including the general partner) of a Fund. To calculate monthly attribution, the beginning of the month capital account balance is used, and to calculate quarterly and annual attribution, the arithmetic mean of the beginning of the month capital account balance for each month in the period is used.

"Exposures" are as of the end of the period calculated as follows: (i) liquid instruments (other than notional instruments) and illiquid investments are calculated in accordance with Accounting Standards Codification Topic 820 and (ii) notional instruments are reflected on a bond-equivalent basis. Where noted, Exposure are expressed as a percentage of a Fund's assets under management or as a percentage of total Exposure aggregated across all Holdings.

"Geography" refers to the jurisdiction in which (a) the issuer is located or (b) the investment derives or is anticipated to derive at least a majority of its returns from activities within that country or region.

"Gross Multiple" represented the sum of cash inflows for the Holding allocated to the relevant Fund plus a "Terminal Value" (for positions not yet exited) allocated to the relevant Fund divided by the sum of total cash outflows for the Holding allocated to the relevant Fund. The "Terminal Value" of an investment is valued in accordance with Accounting Standards Codification Topic 820; the Terminal Value also includes the current mark-to-market profit/(loss) on open foreign exchange trades associated with the investment. The carried interest allocated to the general partner of any fund is not made on an investment-by-investment basis, but on an aggregate fund-by-fund basis only. Therefore, comparable net investment-level multiples are not available.

"Holding" generally refers to an investment or series of investments that share a common exposure or risk. For example, a Holding includes investments that share a common issuer/obligor, but may, from time to time, include investments that were (a) purchased as a discrete portfolio from a specific counterparty or (b) executed together in order to achieve a common return (e.g., a series of short sales on companies in a specific industry). Holdings are also referred to as "Performers". The "Top 10 Performers" and "Bottom 10 Performers" are determined based on the Holdings with the largest profits or losses.

The "Net Multiple" is calculated as (i) the sum of (a) total profit and loss (net of management fees, permissible fund-level expenses and applicable incentive allocations) allocated to limited partners since the inception of a Fund and (b) total capital contributed by the limited partners divided by (ii) total capital contributed by the limited partners. The metric is as of September 30, 2021.

The "Net IRR" represents the actual timing of cash contributions from and distributions to the limited partners and the net asset value of the limited partners' capital accounts (which is treated as a deemed distribution of the capital account as of the date of calculation) as of the reporting date (net of management fees, permissible fund-level expenses and applicable incentive allocations). The metric is as of September 30, 2021.

Investment "P&L" represents gross profit or loss (i.e., before any allocation of management fees, permissible fund-level expenses and applicable incentive allocations), aggregated across all Holdings where applicable.

The "Segments" are based on Värde's internal classification system whereby investments are classified in the following five segments: Corporate and Traded Credit, Financial Services, Mortgages, Real Estate, and Real Assets and Infrastructure. Värde's segments may not align with the categories and definitions applied by other market participants.

"Investment Activity" refers to the total gross buys made by the Fund.

VÄRDE

Appendix B

Värde is a global alternative investment firm focused on credit and asset investing with over \$13 billion in AUM

Deep Expertise

- **More than 29 years' experience** investing in credit and assets
- **Over \$95 billion invested** in over 75 countries
- Capabilities **across the liquidity spectrum**, including public and private markets
- Deep **sourcing & origination** capabilities
- **Well-resourced** institutional operations

Global Reach

- **Senior leadership in the U.S., Europe and Asia**
- **Large, global investing team**, with ~50% outside North America
- Local **joint venture partners** in key geographies, including India and Indonesia

Differentiated Platform

- **100% partner owned**
- **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)



New York



London



Singapore

Co-Founders and Co-Executive Chairs:

George Hicks* and Marcia Page*

Ilfryn Carstairs* (CEO & Co-CIO)

Brad Bauer* (Co-CIO)

Giuseppe Naglieri* (Co-CIO)

Jon Fox* (President)

Andy Lenk* (Deputy CEO)

Corporate & Traded Credit

Haseeb Malik*
(Head of Asia)
Francisco Milone*
(Head of North America)
Carlos Sanz Esteve*
(Head of Europe)
Scott Hartman*
(North America)
Sandeep Chandak
(SMD, Asia)
Hanli Mangun
(SMD, Asia)

Real Estate Credit & Assets

Tim Mooney*
(Global Head)
Jim Dunbar*
(Head of Real Estate Lending)
Brendan Bosman
(SMD, North America)
Tony Iannazzo
(SMD, Head of Europe, REAM¹)

Financial Services

Aneek Mamik*
(Global Head)
Monty Cook
(SMD, Head of North America)
Krzysztof Drozd
(SMD, Europe)

Business Development & Investor Relations

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

Finance, Technology & Operations

Mike Reimler (SMD, Global Head of Finance)
Steve Stryker (SMD, CTO)
Lemuel Cheong (MD, Global Head of Operations)

Human Capital

Marie Suesse (SMD, Global Head)

Legal, Compliance, Audit & Tax

Dave Marple* (Global Head)
Andrew Malone (SMD, General Counsel)
Mark Schein (MD, CCO)

Diversity, Equity, Inclusion & Communications

Andrea Raphael (MD, Global Head)

+ over 50 additional investment professionals

Capital Markets: Missy Dolski (SMD, Global Head)

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

Transaction Structuring: Carrie Seele (SMD, Global Head)

ESG & Philanthropy

ESG Council with cross-functional representation and senior sponsorship

Amy Hertel Buckley (MD, Global Head of Philanthropy)

Information as of October 2022. Note that * indicates a Partner of the Firm.

1. REAM is defined as Real Estate Asset Management.



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

Managing 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.

VÄRDE



The Värde Dislocation Fund Update
to Marin County Employee's
Retirement Association

January 18, 2022

B.4 Original Presentation Included in Board Packet

Important Disclaimers



The information contained in this document (this "Presentation") is qualified in its entirety by the following Important disclaimers, all of which must be read in connection with this Presentation. This Presentation is intended for sophisticated investors for informational purposes only and is not intended to constitute investment advice or recommendations or financial, legal or tax advice by Vårde Partners, Inc. or any of its affiliates (collectively, "Vårde" or the "Firm") or any other party. A recipient of this presentation should consult with its own legal, business and tax advisors with respect to financial, legal and tax advice. Unless otherwise indicated, information, data, strategies and opinions included in this Presentation are provided as of the date hereof, and are subject to change without notice based on market and other developments. Therefore, neither the delivery of this Presentation at any time, nor any sale of interests in any Fund (as defined below), shall under any circumstances create an implication that the information contained herein is correct as of any time after such date. Neither the Securities and Exchange Commission nor any state securities administrator has approved or disapproved, passed on or endorsed the merits of this Presentation or the securities referenced herein.

This Presentation is not intended as and does not constitute an offer to sell any securities or a solicitation of an offer to purchase any investment product or any interest in any fund (each a "Fund") managed by Vårde in any jurisdiction to any person or entity. Such an offer or solicitation may be made only by the Confidential Private Offering Memorandum of a Fund (the "Memorandum") and the governing documents of such Fund. This Presentation does not purport to be complete and is qualified in its entirety by, and any offer or solicitation will be made only through, a Memorandum and will be subject to the terms and conditions contained therein and in the governing documents of the applicable Fund. If you are considering whether to invest in a Fund, you should not rely on this Presentation, but should rely solely on the information in the Memorandum and in the governing documents of the applicable Fund. The Memorandum describes certain risks and conflicts of interest relating to an investment in a Fund and should be reviewed in its entirety to determine whether investing in a Fund is suitable for you in light of, among other things, your financial situation, need for liquidity, tax situation, and other investments. If the descriptions or terms in this Presentation are inconsistent with or contrary to the are subject to a variety of risks described in the Memoranda and Vårde's Form ADV Part 2. Investments in the Funds are suitable only for qualified investors that fully understand the risks of such investments. The information contained herein does not take into account the particular investment description in or terms of a Memorandum, partnership agreement, memorandum and articles of association (as applicable) or other documents, the Memorandum, partnership agreement, memorandum and articles of association (as applicable) or such other documents shall control. Investments in the Funds objectives, financial situation, need for liquidity, or tax situation of any specific person or entity who may receive it. Furthermore, Vårde undertakes no obligation and assumes no liability or responsibility (whether express or implied) to any person or entity receiving this Presentation. Vårde is not acting as an investment adviser with respect to any investor's decision to invest in any Fund. Attachments to this Presentation or other materials made available in connection with any Fund may have additional important disclaimers, which you should read. Vårde Partners Europe Limited ("VPE"), an affiliate of the Firm, is authorized and regulated by the Financial Conduct Authority and only acts for its affiliates to whom it provides regulated investment advisory and transaction arrangement services. VPE does not act for potential investors in connection with the raising of, or subscription to, a Fund and will not be responsible to potential investors for providing them with protections afforded to clients of VPE or be advising them on their subscription. No representative of the Firm has authority to represent otherwise.

This Presentation is not intended for distribution to, or use by, any person or entity in any location where such distribution or use would be contrary to law or regulation, or which would subject Vårde or a Fund to any authorization, registration or licensing requirement within such jurisdiction. This Presentation is confidential and contains commercial and financial information, trade secrets and/or intellectual property of Vårde. This Presentation is intended only for the person or entity to whom it has been furnished and under no circumstances may a copy be shown, copied, transmitted, or otherwise given to any person or entity other than the authorized recipient. Any reproduction or disclosure of the contents of this Presentation, in whole or in part, and any re-use of this Presentation by non-intended or non-authorized recipients, in each case, without the prior written consent of Vårde is prohibited. If you are not an intended recipient of this Presentation, please notify Vårde and delete any copies or printouts of this Presentation and do not read, act upon, print, disclose, copy, retain or redistribute any portion of this Presentation. If you or any of your clients (as applicable) receives a request under any applicable public disclosure law to provide, copy or allow inspection of this Presentation or other information regarding or otherwise relating to any Fund, you agree (at your own cost and expense) to (i) provide prompt written notice of such request to Vårde, (ii) assert all applicable exemptions from disclosure available under law and (iii) cooperate with Vårde and its affiliates to seek to prevent or limit such disclosure or to obtain a protective order or other assurance that the information regarding or otherwise relating to any Fund will be accorded confidential treatment.

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 Vårde's and the Funds' relative performance in the market. All financial information in this Presentation related to Vårde 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 Vårde 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.

There is no assurance that any of the investments discussed herein will remain in a Fund at the time you receive this Presentation or that investments sold have not been repurchased. It should not be assumed and there is no guarantee that any of the transactions or holdings discussed were or will prove to be profitable, or that the investment recommendations or decisions Vårde makes in the future will be profitable or will equal any investment performance discussed herein. The investments discussed in this Presentation were made by Vårde and its affiliates through, and on behalf of, one or more Funds. None of the investments were made by Vårde directly. Any investments discussed in this Presentation do not represent any Fund's entire portfolio and in the aggregate may represent only a small percentage of such Fund's portfolio holdings. In addition, any future investments by any Fund may differ from previous investments made by Vårde or its affiliates in a number of respects. This Presentation does not include information regarding each investment or investment strategy pursued by Vårde. However, additional information regarding any investment related to any Fund may be requested by the recipient of this Presentation.

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," "initiate," "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 Vårde intends to construct such Fund's portfolio and what investments Vårde intends to pursue in light of Vårde and its affiliates' experience with similar transactions. Such target performance information is intended to indicate the returns that Vårde 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 Vårde and its affiliates and other third-party sources and data believed to be reliable; however, neither Vårde nor any of its affiliates has independently verified or guarantees the accuracy or validity of such information. None of Vårde, 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.

Any estimates included in this Presentation are based upon assumptions that Vårde considers reasonable as of the date hereof and were not prepared with a view towards public disclosure or compliance with any published guidelines. Actual results may vary significantly from the estimates. The assumptions on which estimates are based may require modification as additional information becomes available and as economic and market developments warrant. Any such modification could be either favourable or adverse. The information contained herein may change at any time without notice and there is no duty to update the person or entity to whom this information is provided.

Estimated as of December 31, 2022

Fund Overview (in millions)

Total Commitments	\$1,604 (80% called)
Current AUM	\$1.4 billion
Investment Period	June 2020 – June 2022 (inclusive of a six month extension at the discretion of the general partner)
Harvest Period	June 2022 – June 2025
Term Extension Period	Two potential one-year extensions

Performance to Date (in millions)

2020 Net P&L	\$ 89
2021 Net P&L	69
2022 Net P&L	(56)
LTD Net P&L as of 12/31/22	\$102
Net Multiple	1.08x
Net IRR	4.92%

Please see important performance disclaimers and definitions in Appendix A.

VÄRDE

Appendix A

B.4 Original Presentation Included in Board Packet

Appendix A - Performance Disclaimers and Definitions



Any past performance described herein is historical, is not indicative, or a guarantee, of future results. All gross return figures do not reflect any management fees, permissible fund expenses, applicable incentive allocations or reinvestment of dividends and other earnings. All net return figures are net of management fees, permissible fund expenses, and applicable incentive allocations. The net return figures also include reinvestment of all dividends, capital gains and other earnings. Given the broad and varying portfolio of assets managed by Värde, we are not aware of any publicly available benchmarks that would provide a meaningful comparison to the performance of a Fund. Investors should draw their own conclusions regarding a Fund's relative performance in the market. It should not be assumed and there is no guarantee that any of the transactions or holdings discussed were or will prove to be profitable or equal to corresponding past performance levels, or that the investment recommendations or decisions Värde makes in the future will be profitable or will equal any investment performance discussed herein. Performance information set forth herein has been prepared by Värde and has not been audited.

The projections provided herein are hypothetical in nature and are shown for illustrative, informational purposes only and do not constitute a forecast. Projections are based on a number of assumptions that may not prove accurate. There can be no assurance that any future event will occur or that any projections will be achieved. Target performance is not necessarily indicative of future results. The actual return experience of any particular investor will vary based on a number of factors, including the timing of such investors. Actual returns for each investment may vary significantly from the projected returns set forth herein. The projections are based on estimates and assumptions about performance believed to be reasonable under the circumstances, but actual realized returns on any investment will depend on, among other factors, the ability to consummate investments on attractive terms, future operating results, the value of the assets and market conditions, any related transaction costs and the timing and manner of sale (if applicable), all of which may differ from the assumptions on which the projections are based. All estimates and assumptions are subject to change without notice. Changes in the assumptions may have a material impact on the targets presented and ultimate returns realized will depend on numerous factors, which are subject to uncertainty. All investments are subject to the risk of loss, including the total loss of the amount invested. This Presentation does not include information regarding each investment or investment strategy pursued by Värde. Investors may request additional information regarding specific investments related to any Fund. Please see "Important Disclaimers" at the beginning of this Presentation for additional important disclosures.

The "Net Multiple" is calculated as (i) the sum of (a) total profit and loss (net of management fees, permissible fund-level expenses and applicable incentive allocations) allocated to limited partners since the inception of a Fund and (b) total capital contributed by the limited partners divided by (ii) total capital contributed by the limited partners. The metric is as of September 30, 2021.

The "Net IRR" represents the actual timing of cash contributions from and distributions to the limited partners and the net asset value of the limited partners' capital accounts (which is treated as a deemed distribution of the capital account as of the date of calculation) as of the reporting date (net of management fees, permissible fund-level expenses and applicable incentive allocations). The metric is as of September 30, 2021.

Investment "P&L" represents gross profit or loss (i.e., before any allocation of management fees, permissible fund-level expenses and applicable incentive allocations), aggregated across all Holdings where applicable.

The "Segments" are based on Värde's internal classification system whereby investments are classified in the following five segments: Corporate and Traded Credit, Financial Services, Mortgages, Real Estate, and Real Assets and Infrastructure. Värde's segments may not align with the categories and definitions applied by other market participants.

"Investment Activity" refers to the total gross buys made by the Fund.

VÄRDE

Appendix B

Värde is a global alternative investment firm focused on credit and asset investing with over \$13 billion in AUM

Deep Expertise

- **More than 29 years' experience** investing in credit and assets
- **Over \$95 billion invested** in over 75 countries
- Capabilities **across the liquidity spectrum**, including public and private markets
- Deep **sourcing & origination** capabilities
- **Well-resourced** institutional operations

Global Reach

- **Senior leadership in the U.S., Europe and Asia**
- **Large, global investing team**, with ~50% outside North America
- Local **joint venture partners** in key geographies, including India and Indonesia

Differentiated Platform

- **100% partner owned**
- **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)



New York



London



Singapore

Notes: Firm assets under management are as of August 31, 2022 and do not include committed but uncalled capital. Personnel headcounts are as of October 2022.

B.4 Original Presentation Included in Board Packet

Värde Leadership and Organization

VÄRDE

Co-Founders and Co-Executive Chairs:

George Hicks* and Marcia Page*

Ilfryn Carstairs* (CEO & Co-CIO)

Brad Bauer* (Co-CIO)

Giuseppe Naglieri* (Co-CIO)

Jon Fox* (President)

Andy Lenk* (Deputy CEO)

Corporate & Traded Credit

Haseeb Malik*
(Head of Asia)
Francisco Milone*
(Head of North America)
Carlos Sanz Esteve*
(Head of Europe)
Scott Hartman*
(North America)
Sandeep Chandak
(SMD, Asia)
Hanli Mangun
(SMD, Asia)

Real Estate Credit & Assets

Tim Mooney*
(Global Head)
Jim Dunbar*
(Head of Real Estate Lending)
Brendan Bosman
(SMD, North America)
Tony Iannazzo
(SMD, Head of Europe, REAM¹)

Financial Services

Aneek Mamik*
(Global Head)
Monty Cook
(SMD, Head of North America)
Krzysztof Drozd
(SMD, Europe)

Business Development & Investor Relations

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

Finance, Technology & Operations

Mike Reimler (SMD, Global Head of Finance)
Steve Stryker (SMD, CTO)
Lemuel Cheong (MD, Global Head of Operations)

Human Capital

Marie Suesse (SMD, Global Head)

Legal, Compliance, Audit & Tax

Dave Marple* (Global Head)
Andrew Malone (SMD, General Counsel)
Mark Schein (MD, CCO)

Diversity, Equity, Inclusion & Communications

Andrea Raphael (MD, Global Head)

+ over 50 additional investment professionals

Capital Markets: Missy Dolski (SMD, Global Head)

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

Transaction Structuring: Carrie Seele (SMD, Global Head)

ESG & Philanthropy

ESG Council with cross-functional representation and senior sponsorship

Amy Hertel Buckley (MD, Global Head of Philanthropy)

Information as of October 2022. Note that * indicates a Partner of the Firm.

1. REAM is defined as Real Estate Asset Management.



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

Managing 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.

B.4 Original Presentation Included in Board Packet

VÄRDE

C.1

MCERA Investment Manager Reporting Schedule 2022 – 2023 - 2024 December 27, 2022

2022

January	Wellington, Parametric Futures Overlay
March	Morgan Stanley, State Street Global Advisors Securities Lending
June	Dimensional Fund Advisors, Fidelity
September	Abbott + Pathway (plus private equity pacing and ILPA fee review)
December	UBS

2023

January	CarVal, Fortress, Varde
March	Artisan, Invesco
June	Western
September	Abbott, Pathway (plus private equity pacing and ILPA fee review)
December	AEW

2024

January	CarVal, Fortress, Varde
March	TimesSquare
June	KBI
September	Abbott, Pathway (plus private equity pacing and ILPA fee review)
December	UBS

Callan

January 18, 2023



Marin County Employees' Retirement Association

Non-US Equity Structure

Jim Callahan, CFA
Fund Sponsor Consulting

Anne Heaphy
Fund Sponsor Consulting

Overview

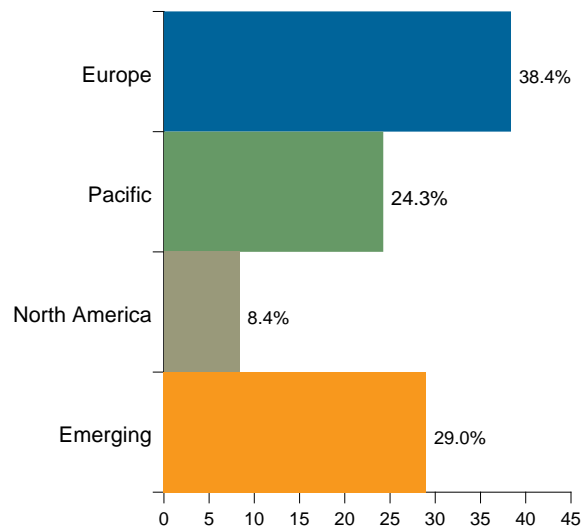
- MCERA has an overall 22% target allocation to Non-US equity.
- Within Non-US equity, the target allocations are:
 - 30% Non-US Developed Value
 - 30% Non-US Developed Growth
 - 20% Non-US Small Cap
 - 20% Emerging Markets
- MCERA's Non-US equity allocations were implemented in 2010; however, the current manager structure has been in place since 2021.
 - Non-US Developed Value – Morgan Stanley Investment Management, hired 2001
 - Non-US Developed Growth – Artisan Partners, hired 2003
 - Non-US Small Cap – TimesSquare Capital Management, hired 2019
 - Emerging Markets – Fidelity Institutional Asset Management (FIAM), hired 2021
- MCERA's Non-US equity structure is currently 100% actively managed.
- The benchmark for the Non-US equity allocation is the MSCI ACWI ex-US Investible Markets Index (IMI).

MSCI ACWI ex-US IMI Index

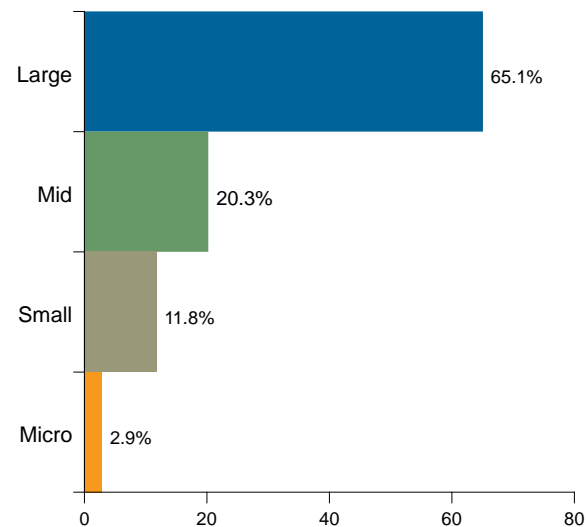
Allocations as of September 30, 2022

- The MSCI ACWI ex-US Investible Markets Index (IMI) captures large, mid, and small cap representation across 22 of the 23 developed markets countries (excluding the United States) and 27 emerging markets countries.
- With 6,654 constituents, the index covers approximately 99% of the global opportunity set outside of the U.S.

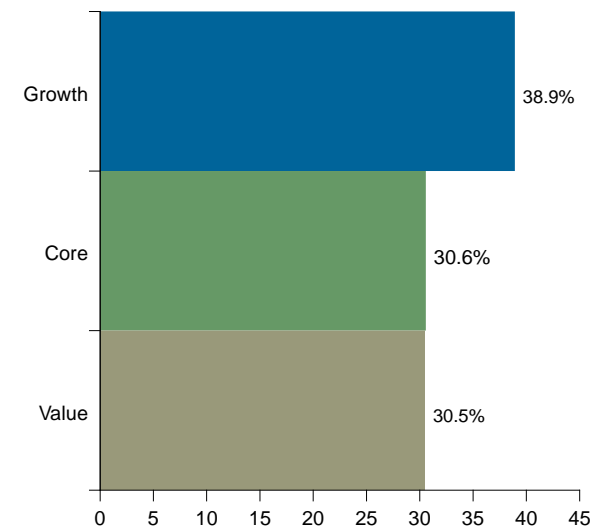
All Regions: MSCI:ACWI xUS IMI



All Caps: MSCI:ACWI xUS IMI



All Styles: MSCI:ACWI xUS IMI



Non-US Equity Structure

Key Decision Variables

The role of Non-US equity in the asset allocation is capital growth.

Primary determinants of equity risk and return:

- Size exposures as measured by market capitalization
- Styles exposures - value, core, and growth
- Regional exposures
- The amount of active/passive management

A diversified structure should generally reflect the characteristics of the market.

- The default structure is style and capitalization neutral.
- Active management has historically added value in Non-US investing.

MCERA's Non-US Equity Structure - two primary determinants of risk vs. benchmark (Tracking Error):

- Active/Passive exposures
 - MCERA's Non-US equity allocation is 100% actively managed, so there will be tracking error vs. benchmark.
 - “Misfit” Risk – different exposures than benchmark (i.e. growth overweight to benchmark)
 - MCERA's Non-US equity allocation currently has a growth bias. This misfit will result in higher tracking risk vs. benchmark and can lead to periods of both outperformance and underperformance.
- Discussion items: should these determinants be adjusted within MCERA's Non-US equity structure?

Equity Structure Considerations

Seek to maximize plan alpha at a palatable level of active risk relative to the plan benchmark

- Think of manager structure in an overall portfolio context
- Incorporate active managers only if they are expected to contribute sufficient alpha to compensate for the possibility of underperforming the benchmark
- This is a net-of-fees exercise

Spend plan's active risk budget efficiently

- Spend active risk in sectors and regions where active management has high probability of succeeding
- Otherwise, rely heavily on indexes in order to control both expenses and risk
- Keep magnitude of systematic bets vs. the plan benchmark (misfit risk) under control

Incorporate diversification

- Seek broad diversification across global equity markets
- The risk an individual active manager contributes to the overall portfolio depends on both its size and its tracking error
- Avoid excessive risk contribution from any one manager
- However, avoid over diversification or “closet indexing”

Simplify where appropriate

- Structure should meet investment objective with the minimum level of complexity
- Benefit is lower monitoring costs as well as explicit costs
- Active manager mandate sizes must be large enough to be meaningful to the fund but not overwhelming to the manager

Sources of Active Risk in the Equity Structure

Selection Risk

Risk stemming from active managers' bets relative to their benchmarks

- Risk which is expected to be rewarded with alpha if manager is skillful
- The risk you are paying your active managers to take
- This risk at the plan level is reduced as the number of active managers increases due to diversification

Misfit Risk

Risk which results when the overall style exposures of the plan's manager benchmarks differ from the plan's benchmark

- When unintentional, misfit confers additional active risk without any expected return
- Misfit can be controlled by ensuring overall manager style exposures (large vs. small; value vs. growth, U.S. vs. international) are generally consistent with the plan's benchmark
- When intentional, some misfit can be justified if reflects a high conviction bet on styles, capitalizations, or regions
- However, the bar for skill is high and tactical bets should be scaled as to not be a disproportionate driver of active risk

Active vs. Passive Management

Non-US Equity Historical Results

Active management should be considered when the investor believes there will be compensation on a net-of-fee basis. Historical data can help indicate attractive market segments.

Equity Style	Benchmark	Avg. Gross Excess Return over Benchmark
Global ex-US Broad Equity	MSCI ACWI ex-US	1.23%
Global ex-US Growth Equity	MSCI ACWI ex-US Growth	1.10%
Global ex-US Value Equity	MSCI ACWI ex-US Value	0.67%
Developed ex-US Broad Equity	MSCI EAFE	1.06%
Developed ex-US Growth Equity	MSCI EAFE Growth	1.37%
Developed ex-US Value Equity	MSCI EAFE Value	1.42%
Developed ex-US Small Cap Equity	MSCI EAFE Small Cap	0.95%
Global ex-US Small Cap Equity	MSCI ACWI ex-US Small Cap	1.07%
Emerging Markets Broad Equity	MSCI Emerging Markets	0.98%

ACWI indices: Based on 18 ¾ years of rolling 3 year average annualized returns ending 3Q 2022.
EAFE indices: Based on 20 years of rolling 3 year average annualized returns ending 3Q 2022.

Source: Callan Active vs. Passive Data.

Callan

Current Structure

MCERA Non-US Equity Structure

Manager	Allocation	Benchmark	Target Allocation (%)	Current Allocation (%)	Current Value (\$)
Morgan Stanley	Non-US Developed Value	MSCI EAFE	30%	32%	\$154,027,300
Artisan	Non-US Developed Growth	MSCI EAFE	30%	32%	\$152,986,243
TimesSquare	Non-US Small Cap	MSCI EAFE Small Cap	20%	18%	\$84,231,167
FIAM	Emerging Markets	MSCI Emerging Markets Equity	20%	18%	\$86,929,384

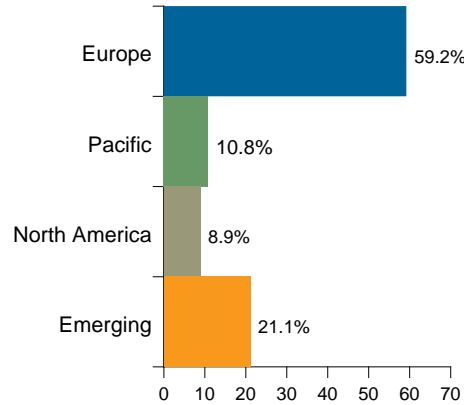
Risk (tracking) relative to MSCI ACWI ex-US IMI comes from:

- 100% active management
- Misfit Risk – primarily from significant overweight in growth stocks versus the benchmark (56% vs. 39%) and regional differences (overweight Europe, underweight Emerging Markets)
 - Growth tilt is a function of manager selection and targeted allocations
 - Regional differences are a function of active management decisions

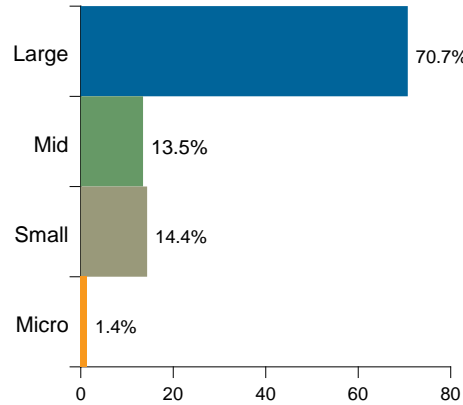
MCERA Non-US Equity vs. MSCI ACWI-ex US IMI

Allocations as of September 30, 2022

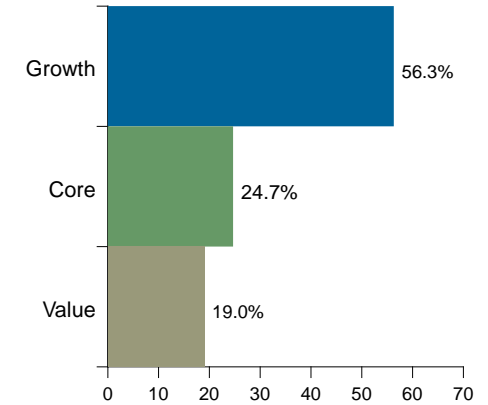
All Regions: MCERA



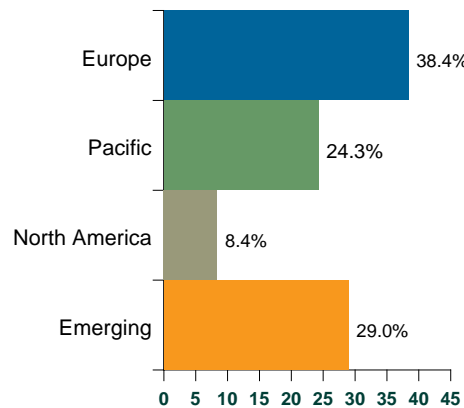
All Caps: MCERA



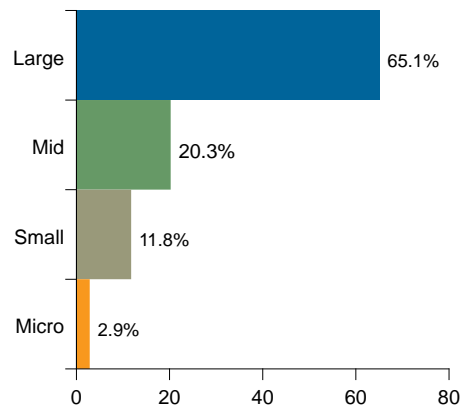
All Styles: MCERA



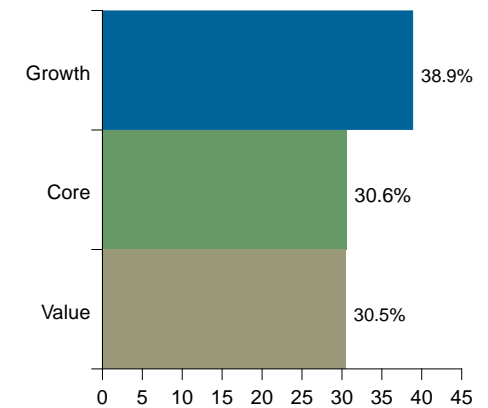
All Regions: MSCI ACWI ex-US IMI



All Caps: MSCI ACWI ex-US IMI

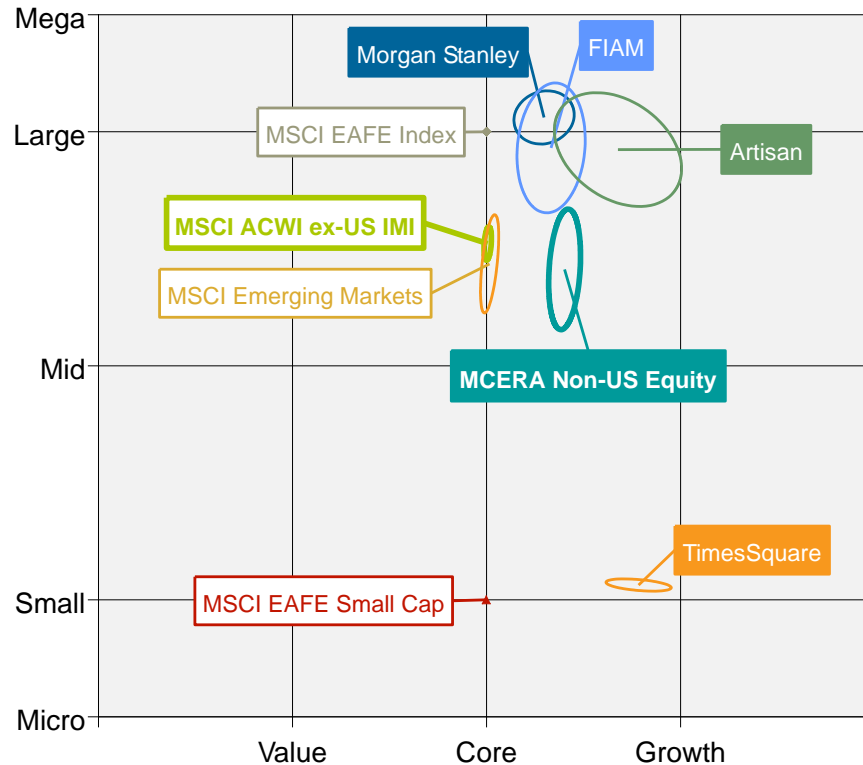


All Styles: MSCI ACWI ex-US IMI



MCERA Non-US Equity Structure

**Non-US Equity Style Map
for 5 Years Ended September 30, 2022**



**Style Exposure Matrix
5 Years as of September 30, 2022**

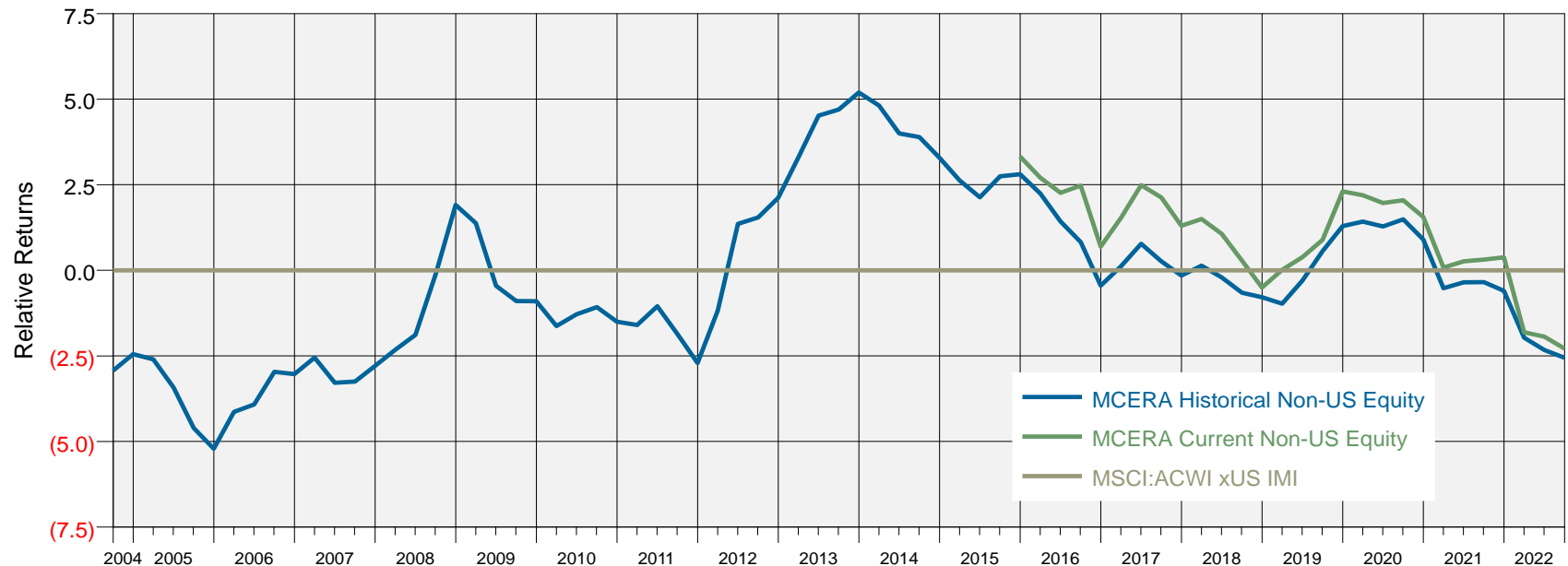
	Value	Core	Growth	Total
Large	11.8% (60) 18.8% (206)	17.6% (65) 19.4% (190)	33.9% (84) 26.5% (245)	63.3% (209) 64.7% (641)
Mid	2.6% (110) 6.2% (373)	5.1% (111) 6.6% (419)	9.9% (105) 8.3% (491)	17.5% (325) 21.1% (1282)
Small	3.5% (192) 3.8% (813)	5.8% (174) 4.2% (926)	7.2% (116) 3.6% (825)	16.5% (481) 11.6% (2565)
Micro	0.8% (165) 0.9% (705)	1.2% (132) 0.9% (687)	0.7% (43) 0.9% (532)	2.6% (341) 2.6% (1923)
Total	18.7% (527) 29.6% (2096)	29.6% (482) 31.1% (2221)	51.6% (348) 39.3% (2093)	100.0% (1357) 100.0% (6410)

-- MCERA Non-US Equity
-- MSCI ACWI ex-US IMI Index

MCERA Non-US Equity

Rolling Three Year Relative Returns

Rolling 3 Year Relative Returns vs. MSCI:ACWI xUS IMI
for 18 Years Ended September 30, 2022



MCERA Historical Non-US Equity = MCERA's actual Non-US equity performance (including terminated managers)

MCERA Current Non-US Equity = MCERA's current managers at target allocations (rebalanced annually). The manager returns use the following:

-Morgan Stanley = MCERA's portfolio returns

-Artisan = MCERA's portfolio returns

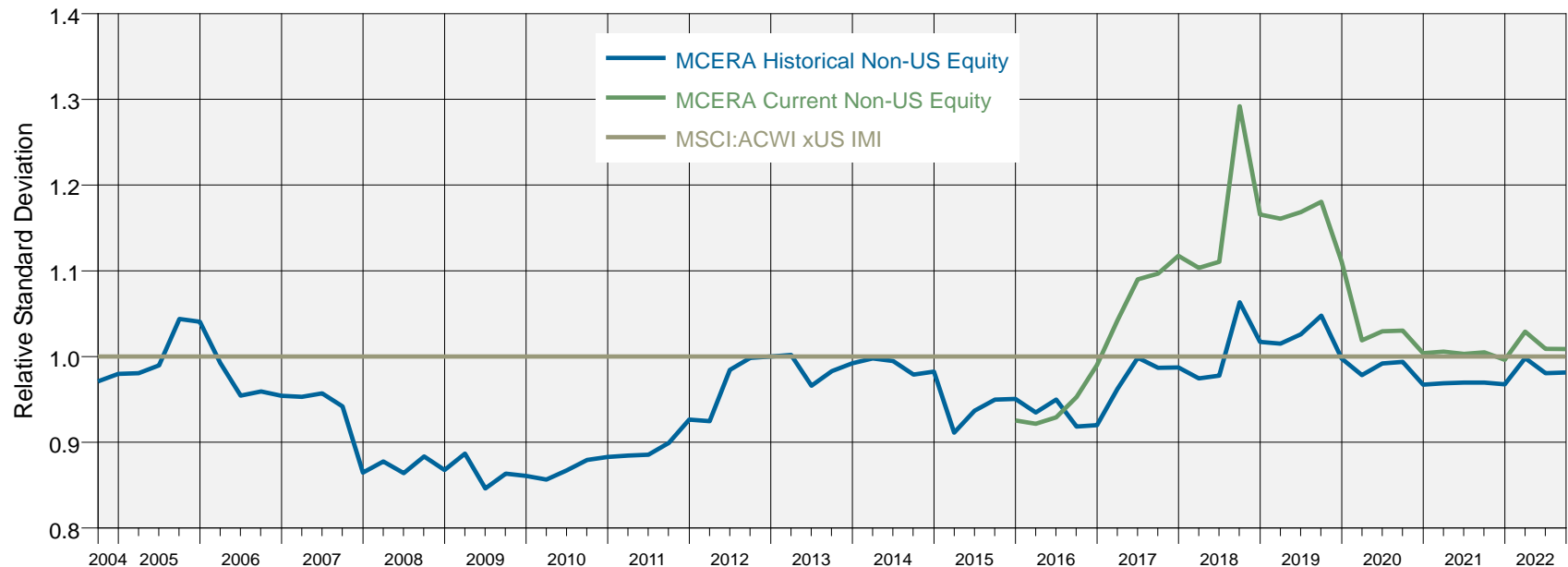
-TimesSquare = TimesSquare composite returns from 1Q2012 to 2Q2019. MCERA's portfolio returns thereafter. Fee used to calculate net of fee returns: 0.85%.

-FIAM = FIAM composite returns from 3Q2008 to 3Q2021. MCERA's portfolio returns thereafter. Fee used to calculate net of fee returns: 0.58%.

MCERA Non-US Equity

Rolling Three Year Standard Deviation

**Rolling 3 Year Relative Standard Deviation vs. MSCI:ACWI xUS IMI
for 18 Years Ended September 30, 2022**



MCERA Historical Non-US Equity = MCERA's actual Non-US equity performance (including terminated managers)

MCERA Current Non-US Equity = MCERA's current managers at target allocations (rebalanced annually). The manager returns use the following:

-Morgan Stanley = MCERA's portfolio returns

-Artisan = MCERA's portfolio returns

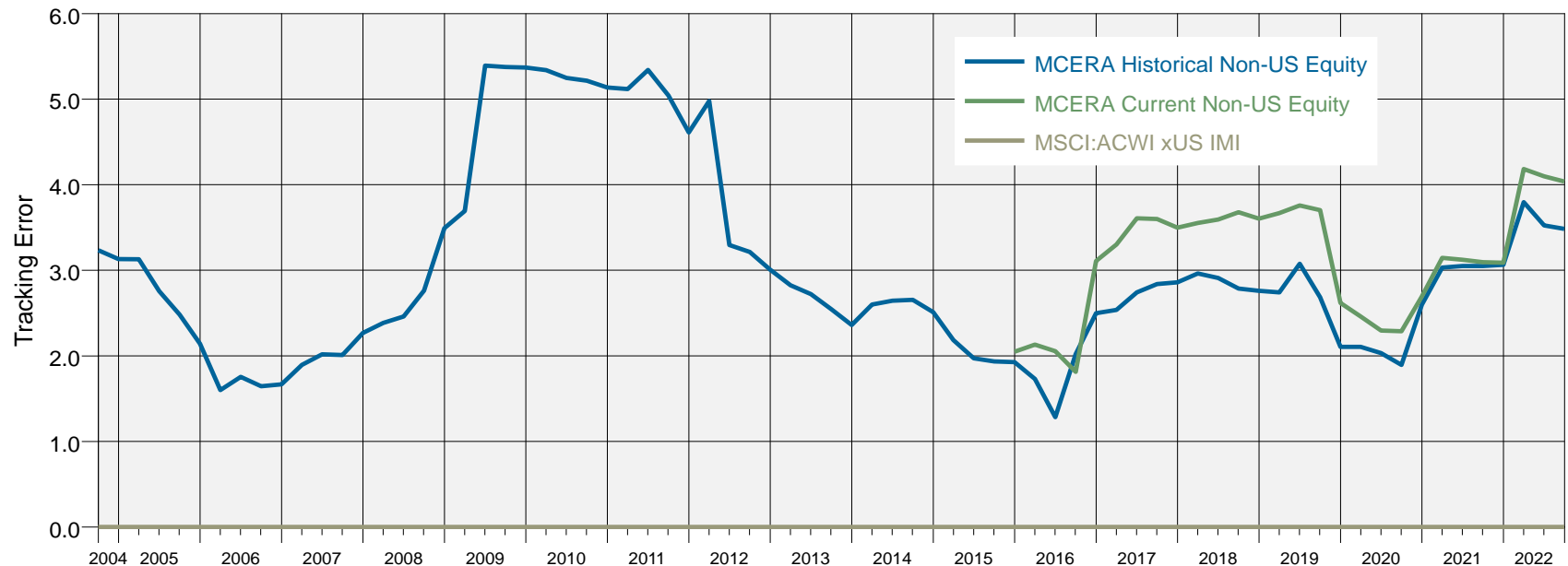
-TimesSquare = TimesSquare composite returns from 1Q2012 to 2Q2019. MCERA's portfolio returns thereafter. Fee used to calculate net of fee returns: 0.85%.

-FIAM = FIAM composite returns from 3Q2008 to 3Q2021. MCERA's portfolio returns thereafter. Fee used to calculate net of fee returns: 0.58%.

MCERA Non-US Equity

Rolling Three Year Tracking Error

Rolling 3 Year Tracking Error vs. MSCI:ACWI xUS IMI
for 18 Years Ended September 30, 2022



MCERA Historical Non-US Equity = MCERA's actual Non-US equity performance (including terminated managers)

MCERA Current Non-US Equity = MCERA's current managers at target allocations (rebalanced annually). The manager returns use the following:

-Morgan Stanley = MCERA's portfolio returns

-Artisan = MCERA's portfolio returns

-TimesSquare = TimesSquare composite returns from 1Q2012 to 2Q2019. MCERA's portfolio returns thereafter. Fee used to calculate net of fee returns: 0.85%.

-FIAM = FIAM composite returns from 3Q2008 to 3Q2021. MCERA's portfolio returns thereafter. Fee used to calculate net of fee returns: 0.58%.

MCERA Non-US Equity Net Performance

Annualized Returns for Periods Ended September 30, 2022

	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years	Last 20 Years
MCERA Non-US Equity - Net	(29.03)	(3.79)	(1.75)	3.25	1.25	5.97
MSCI ACWI ex-US IMI	(25.72)	(1.27)	(0.78)	3.19	0.79	6.66
Morgan Stanley - Net	(25.19)	(2.70)	(1.41)	3.06	1.28	5.69
MSCI EAFE Index	(25.13)	(1.83)	(0.84)	3.67	0.61	5.91
Artisan - Net	(28.53)	(4.06)	(0.27)	3.64	1.69	--
MSCI EAFE Index	(25.13)	(1.83)	(0.84)	3.67	0.61	5.91
TimesSquare - Net	(36.80)	(5.60)	(4.93)	5.20	--	--
MSCI EAFE Small Cap	(32.06)	(2.16)	(1.79)	5.28	2.45	8.22
FIAM - Net	(31.41)	(2.41)	(2.22)	2.38	--	--
MSCI Emerging Markets Index	(28.11)	(2.07)	(1.80)	1.05	0.27	8.73

TimesSquare returns = TimesSquare composite returns from 1Q2012 to 2Q2019. MCERA's portfolio returns thereafter. Fee used to calculate net of fee returns: 0.85%.

FIAM returns = FIAM composite returns from 3Q2008 to 3Q2021. MCERA's portfolio returns thereafter. Fee used to calculate net of fee returns: 0.58%.

MCERA Non-US Equity Net Performance

Calendar Year Returns

	3 Qtrs. 2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
MCERA Non-US Equity - Net	(29.70)	5.28	10.79	23.52	(13.50)	28.92	(0.40)	(1.32)	(3.92)	21.74
MSCI ACWI ex-US IMI	(26.92)	8.53	11.12	21.63	(14.76)	27.81	4.41	(4.60)	(3.89)	15.82
Morgan Stanley - Net	(26.90)	4.70	12.00	20.93	(13.46)	25.42	(1.45)	0.52	(5.70)	21.03
MSCI EAFE Index	(27.09)	11.26	7.82	22.01	(13.79)	25.03	1.00	(0.81)	(4.90)	22.78
Artisan - Net	(30.31)	8.59	8.09	29.62	(10.53)	31.24	(9.41)	(3.63)	(0.74)	25.46
MSCI EAFE Index	(27.09)	11.26	7.82	22.01	(13.79)	25.03	1.00	(0.81)	(4.90)	22.78
TimesSquare - Net	(35.52)	2.18	13.87	30.25	(24.41)	40.06	0.81	14.12	1.95	26.71
MSCI EAFE Small Cap	(32.11)	10.10	12.34	24.96	(17.89)	33.01	2.18	9.59	(4.95)	29.30
FIAM - Net	(30.71)	(4.52)	25.94	22.62	(18.52)	44.97	11.95	(12.04)	2.53	(1.55)
MSCI Emerging Markets Index	(27.16)	(2.54)	18.31	18.44	(14.57)	37.28	11.19	(14.92)	(2.19)	(2.60)

TimesSquare returns = TimesSquare composite returns from 1Q2012 to 2Q2019. MCERA's portfolio returns thereafter. Fee used to calculate net of fee returns: 0.85%.

FIAM returns = FIAM composite returns from 3Q2008 to 3Q2021. MCERA's portfolio returns thereafter. Fee used to calculate net of fee returns: 0.58%.

MCERA Non-US Equity Net Performance

Rolling 3 Year Returns

	3 Yrs. Ending 9/30/22	3 Yrs. Ending 9/30/21	3 Yrs. Ending 9/30/20	3 Yrs. Ending 9/30/19	3 Yrs. Ending 9/30/18	3 Yrs. Ending 9/30/17	3 Yrs. Ending 9/30/16	3 Yrs. Ending 9/30/15	3 Yrs. Ending 9/30/14	3 Yrs. Ending 9/30/13
MCERA Non-US Equity - Net	(3.79)	7.97	2.64	6.70	9.42	5.43	1.44	5.56	16.22	11.08
MSCI ACWI ex-US IMI	(1.27)	8.34	1.13	6.10	10.14	5.16	0.62	2.75	11.88	6.11
Morgan Stanley - Net	(2.70)	6.63	2.13	6.07	7.99	4.29	0.34	5.77	14.89	10.59
MSCI EAFE Index	(1.83)	7.62	0.62	6.48	9.23	5.04	0.48	5.63	13.65	8.47
Artisan - Net	(4.06)	9.55	6.12	8.91	8.65	3.47	0.54	5.87	19.49	13.21
MSCI EAFE Index	(1.83)	7.62	0.62	6.48	9.23	5.04	0.48	5.63	13.65	8.47
TimesSquare - Net	(5.60)	7.39	(0.23)	4.86	12.57	15.37	9.97	14.14	--	--
MSCI EAFE Small Cap	(2.16)	9.05	1.40	5.94	12.39	11.13	5.08	10.17	14.49	11.25
FIAM - Net	(2.41)	11.26	3.40	7.16	13.77	9.12	3.35	(3.10)	7.56	(2.71)
MSCI Emerging Markets Index	(2.07)	8.59	2.42	5.98	12.36	4.90	(0.56)	(5.27)	7.19	(0.33)

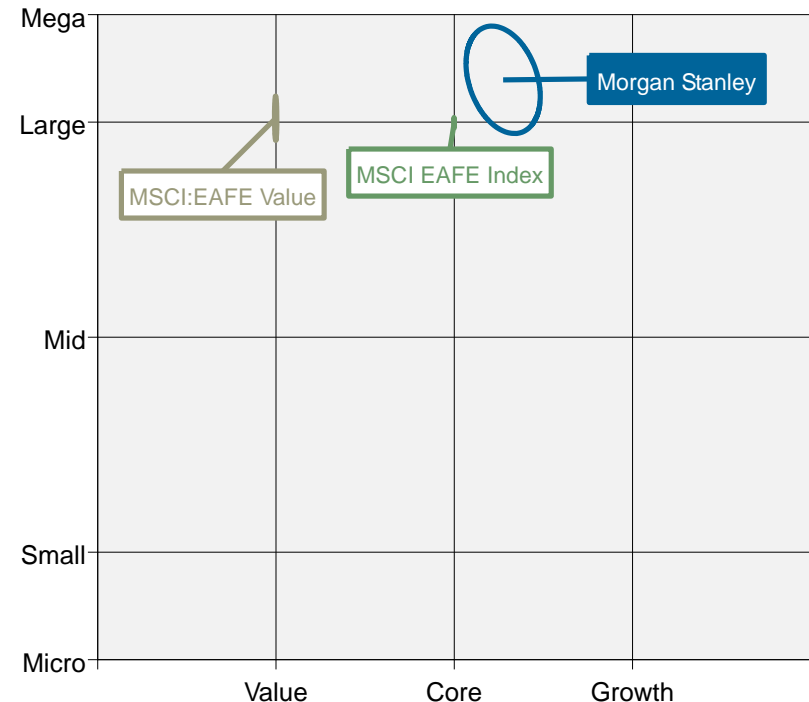
TimesSquare returns = TimesSquare composite returns from 1Q2012 to 2Q2019. MCERA's portfolio returns thereafter. Fee used to calculate net of fee returns: 0.85%.

FIAM returns = FIAM composite returns from 3Q2008 to 3Q2021. MCERA's portfolio returns thereafter. Fee used to calculate net of fee returns: 0.58%.

Morgan Stanley Investment Management

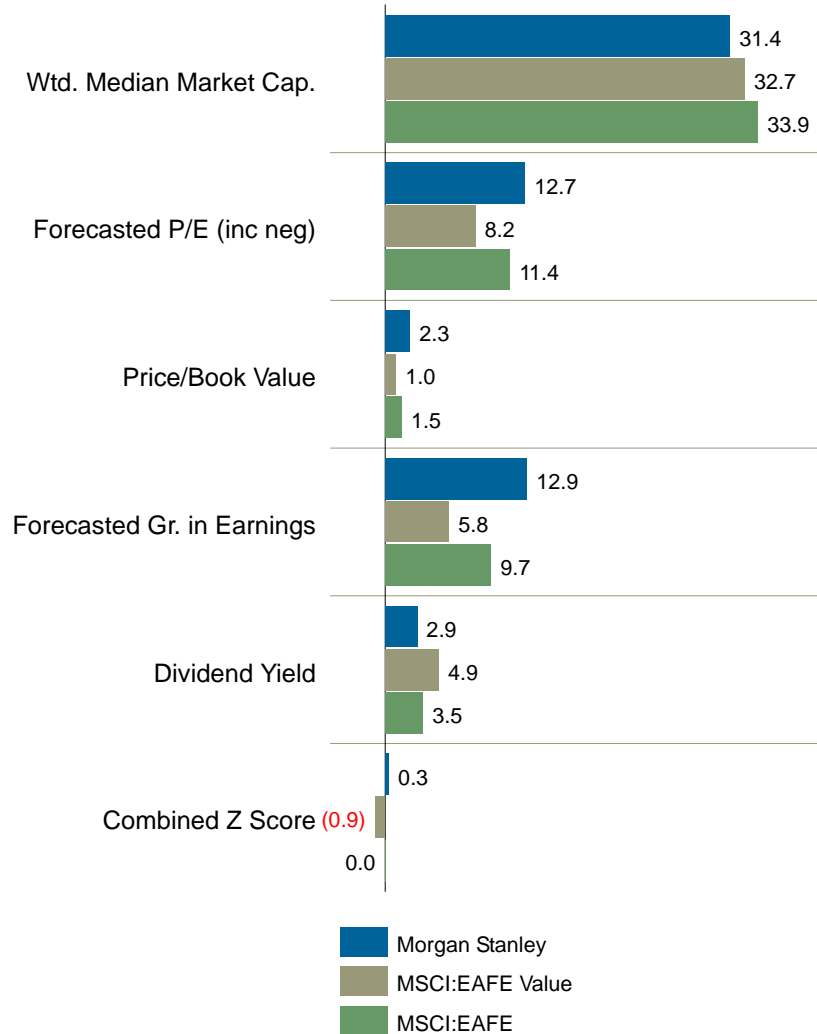
- Hired by MCERA in 2001
- 30% of Non-US equity structure (Non-US Developed Value)
- Actively managed portfolio
- The Morgan Stanley Non-US Equity portfolio is fundamentally based and focused on absolute return through buying superior franchises at the right price.
- The team is focused on understanding 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).
- They seek to generate excess returns by investing in two types of companies: high quality compounders and value opportunities.
- Approximate Annual Fee: 0.59% (based on 9/30/22 assets)
- Fee Schedule:
 - 0.75% on the first \$25 million
 - 0.65% on the next \$50 million
 - 0.60% on the next \$25 million
 - 0.45% on the balance over \$100 million

**Non-US Equity Style Map
for 10 Years Ended September 30, 2022**

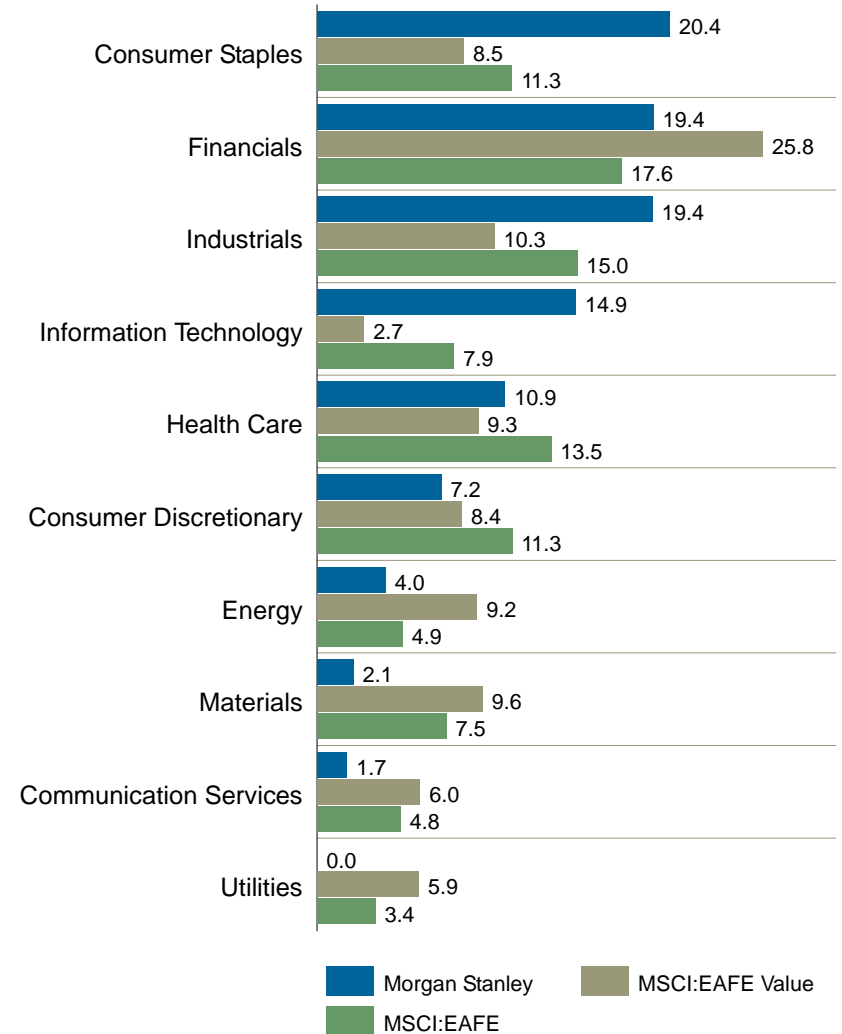


Morgan Stanley

Portfolio Characteristics as of September 30, 2022

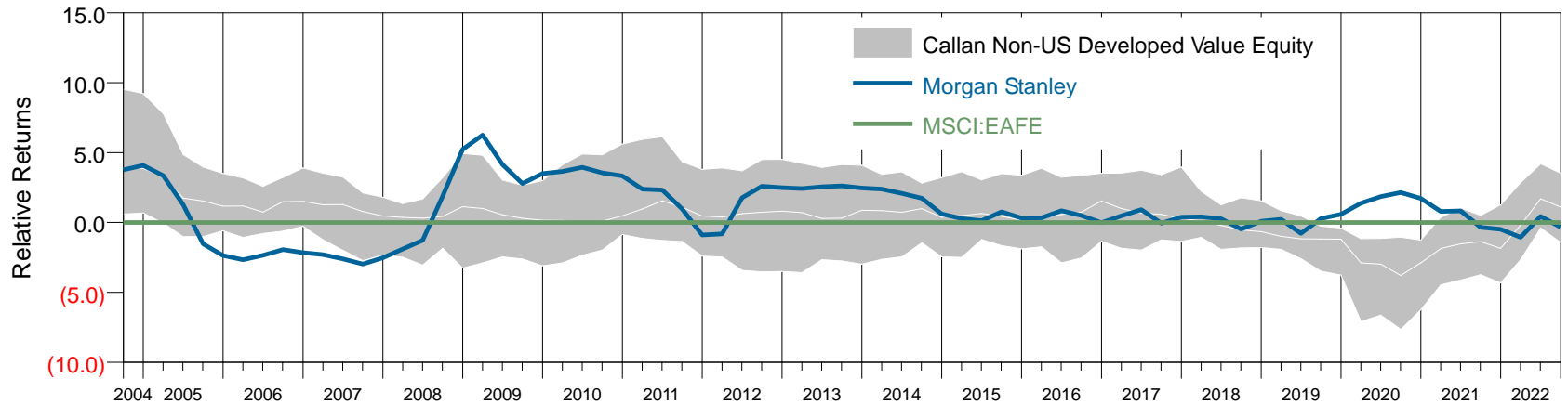


Sector Allocation as of September 30, 2022

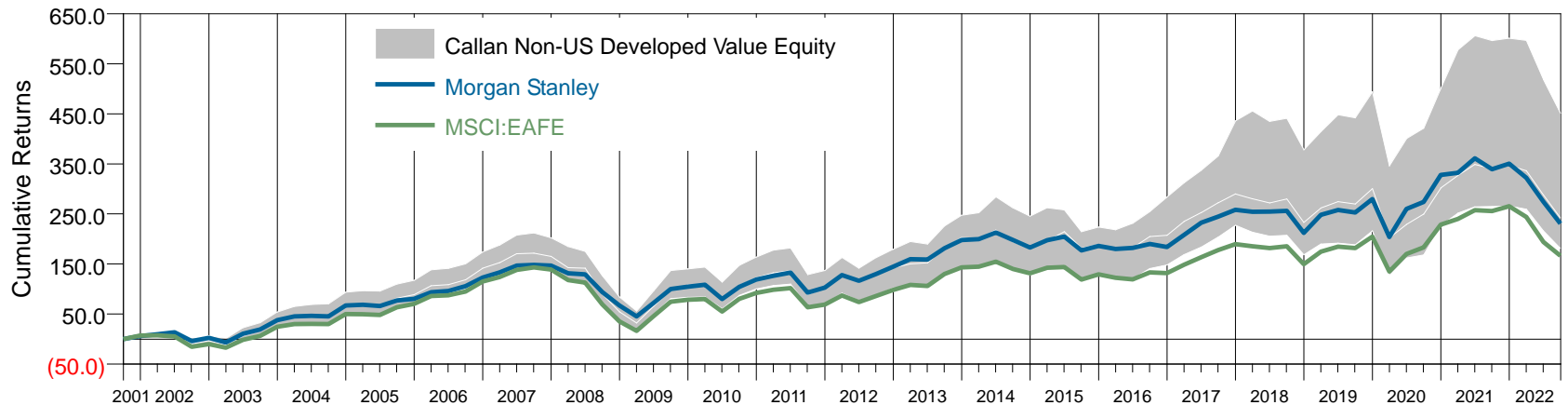


Morgan Stanley

Rolling 3 Year Relative Returns vs. MSCI:EAFE
for 18 Years Ended September 30, 2022

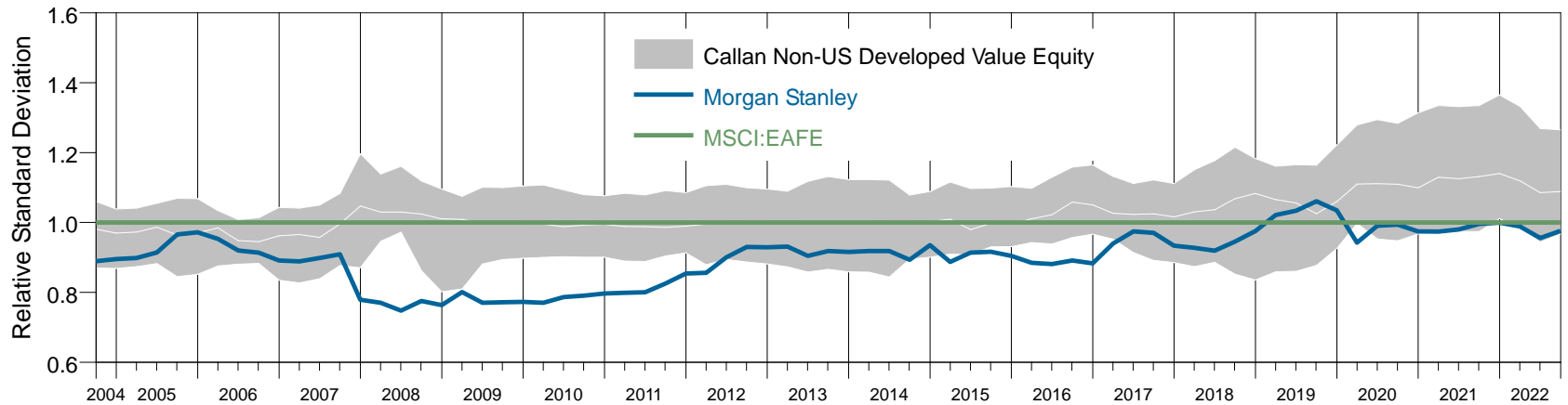


Cumulative Returns vs. MSCI:EAFE
for 21 Years Ended September 30, 2022

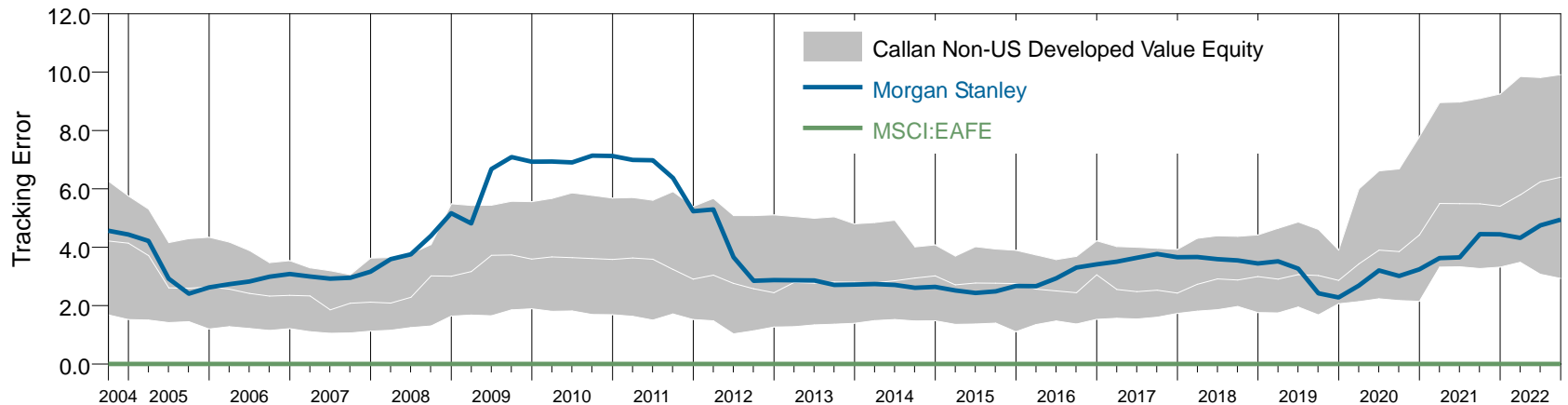


Morgan Stanley

Rolling 3 Year Relative Standard Deviation vs. MSCI:EAFE
for 18 Years Ended September 30, 2022



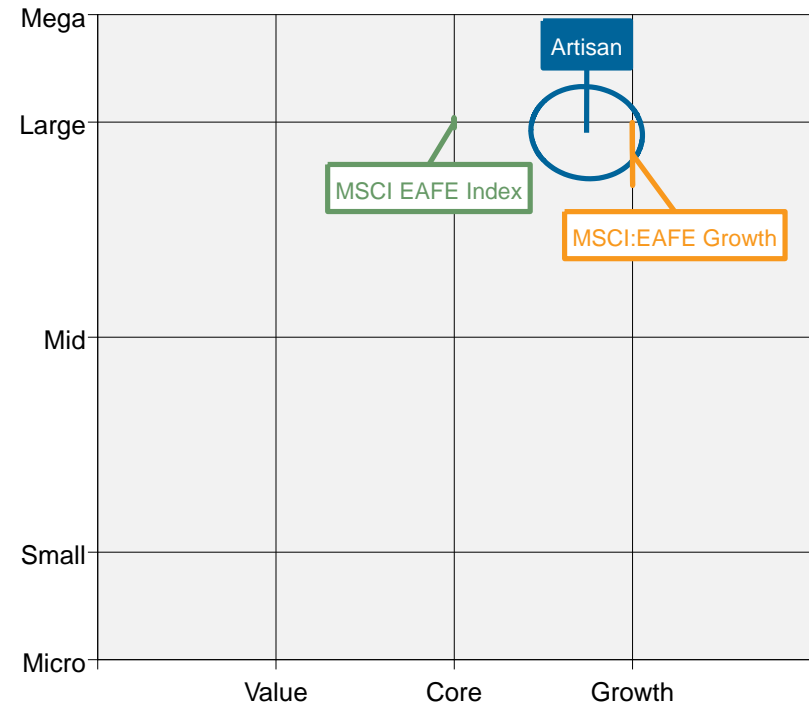
Rolling 3 Year Tracking Error vs. MSCI:EAFE
for 18 Years Ended September 30, 2022



Artisan Partners

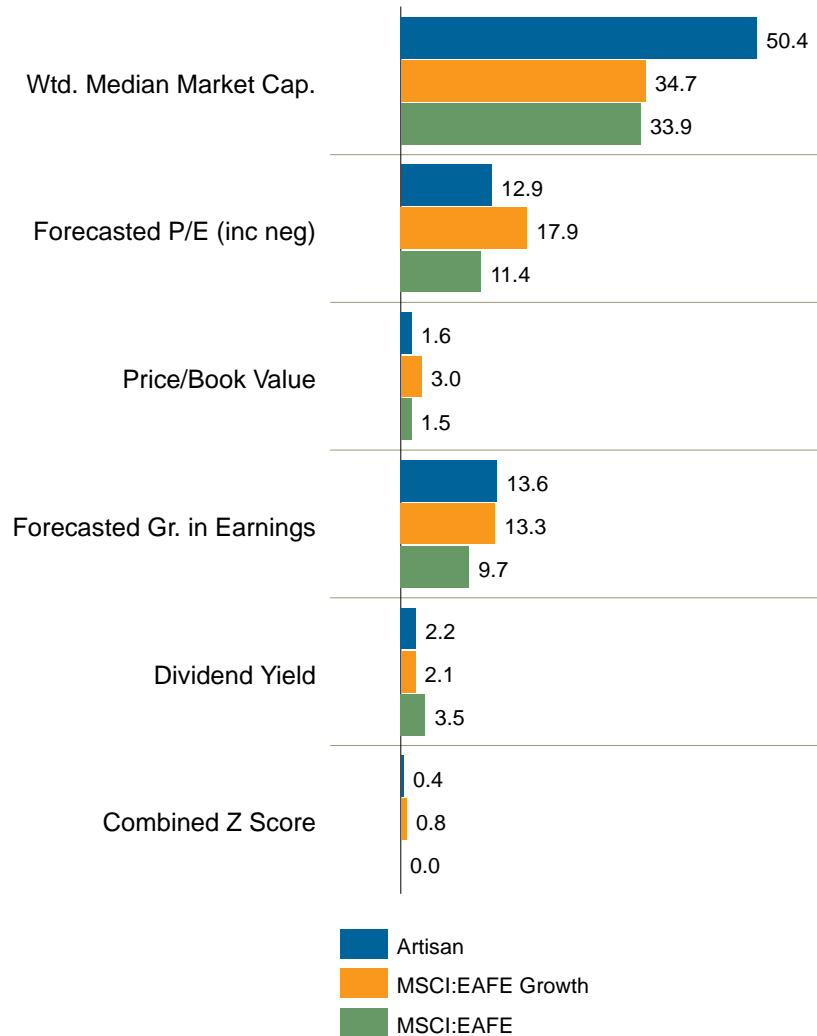
- Hired by MCERA in 2003
- 30% of Non-US equity structure (Non-US Developed Growth)
- Actively managed portfolio
- Artisan employs a bottom-up stock selection process focused on identifying long-term growth opportunities. The team seeks to invest in attractively valued companies that are industry leaders 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, environment, financial services, outsourcing, and infrastructure.
- Annual Fee: 0.80%
- Fee Schedule:
 - 0.80% on all assets

**Non-US Equity Style Map
for 10 Years Ended September 30, 2022**

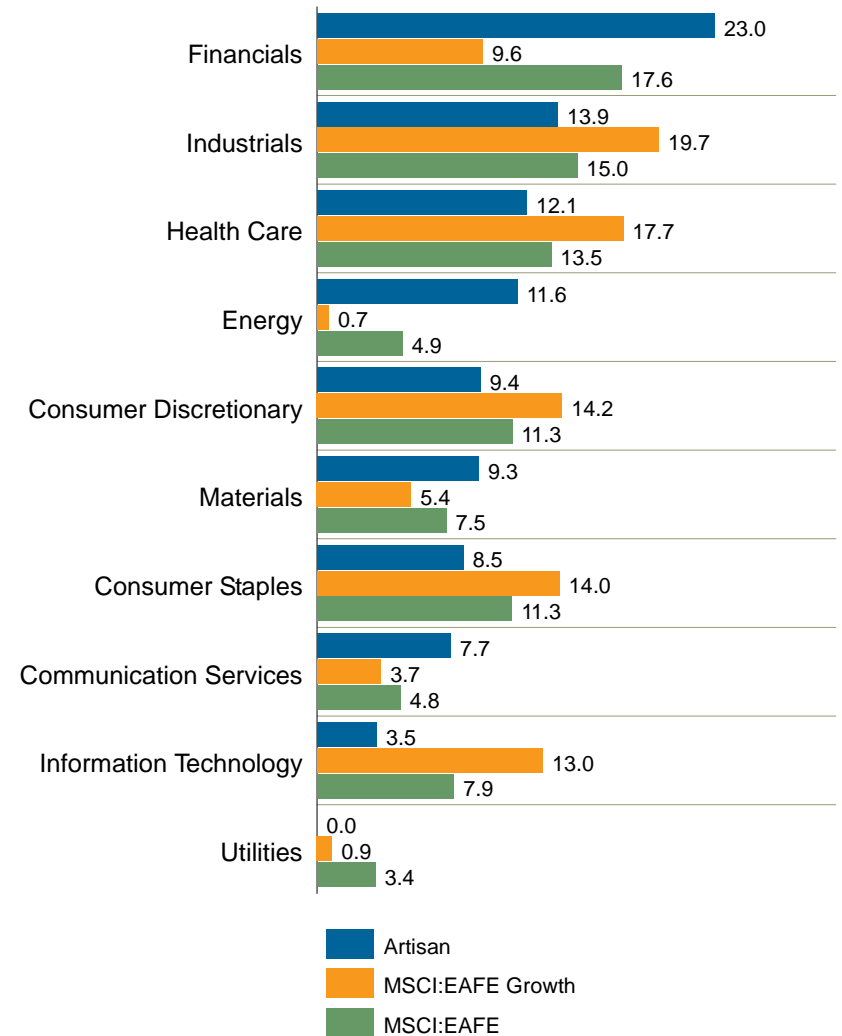


Artisan

Portfolio Characteristics as of September 30, 2022

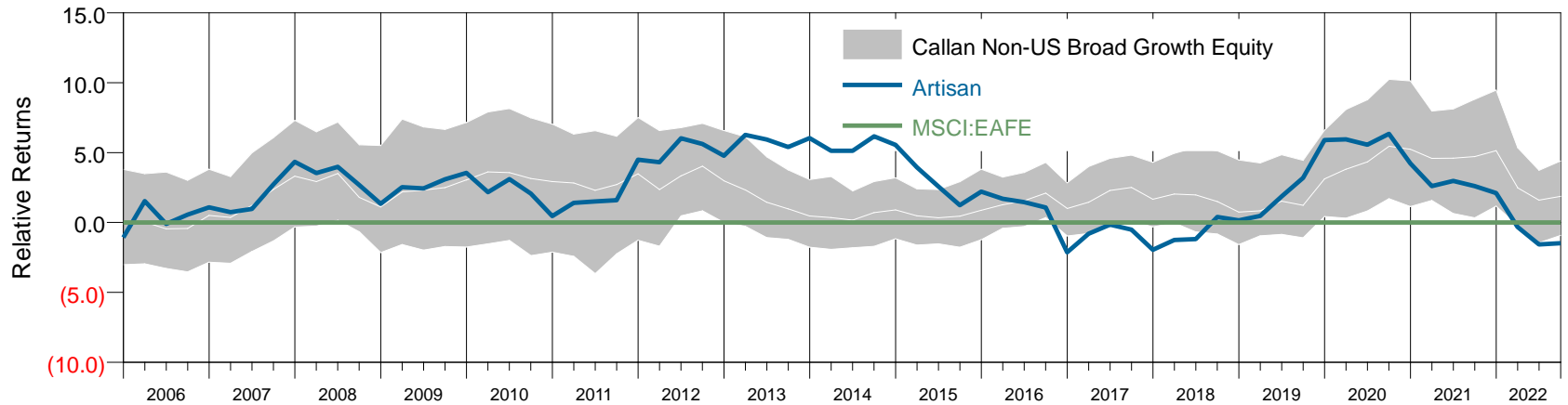


Sector Allocation as of September 30, 2022

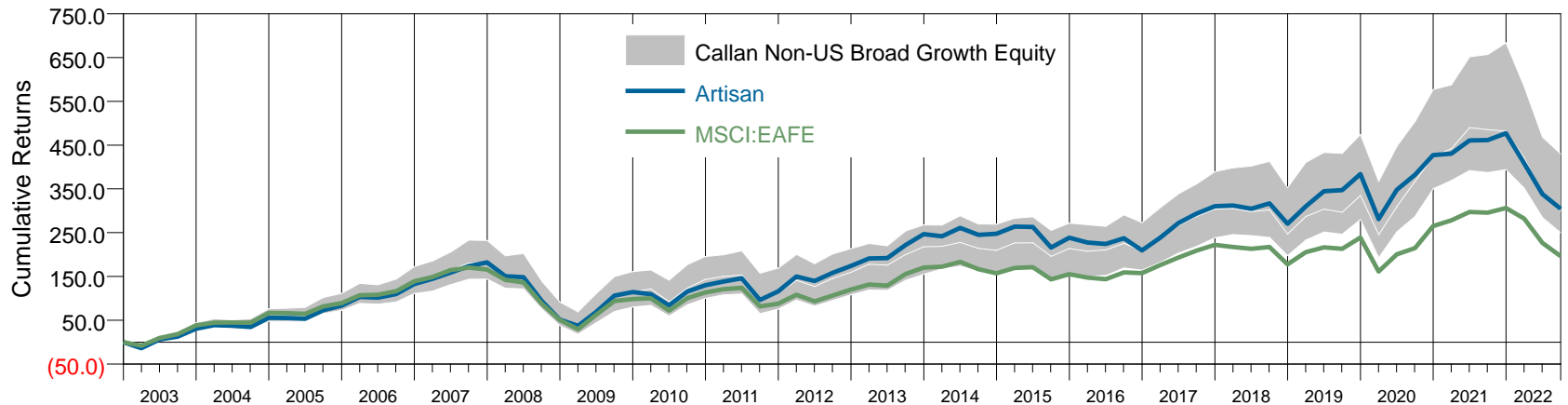


Artisan

Rolling 3 Year Relative Returns vs. MSCI:EAFE
for 16 3/4 Years Ended September 30, 2022

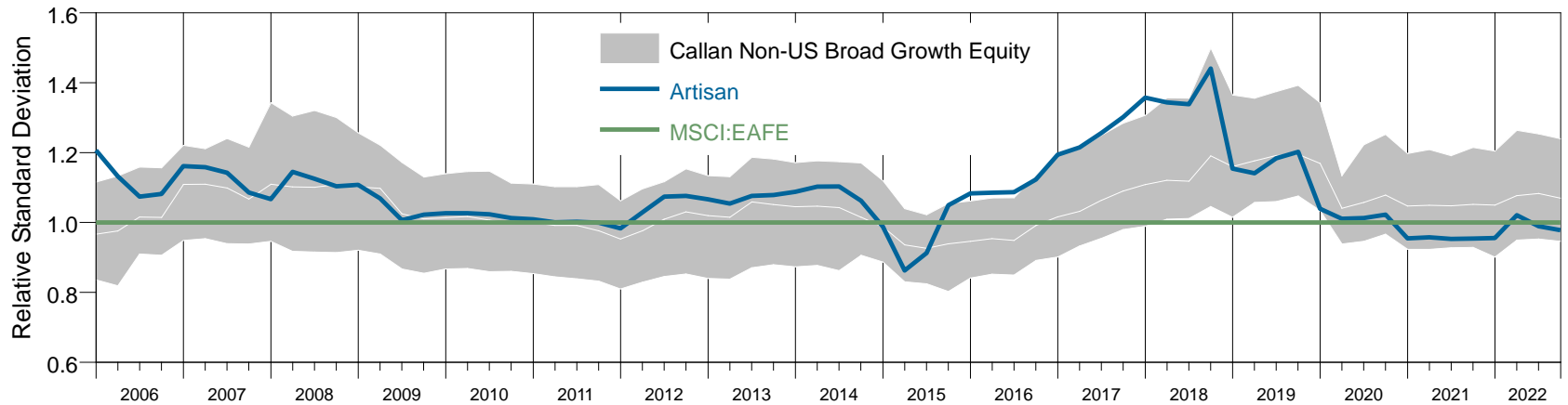


Cumulative Returns vs. MSCI:EAFE
for 19 3/4 Years Ended September 30, 2022

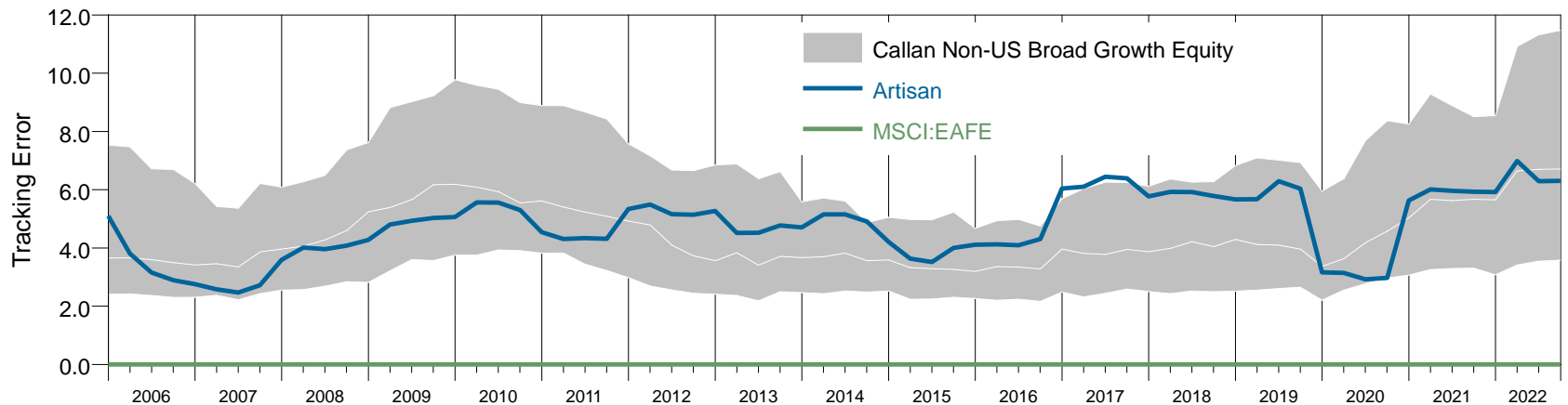


Artisan

Rolling 3 Year Relative Standard Deviation vs. MSCI:EAFE
for 16 3/4 Years Ended September 30, 2022



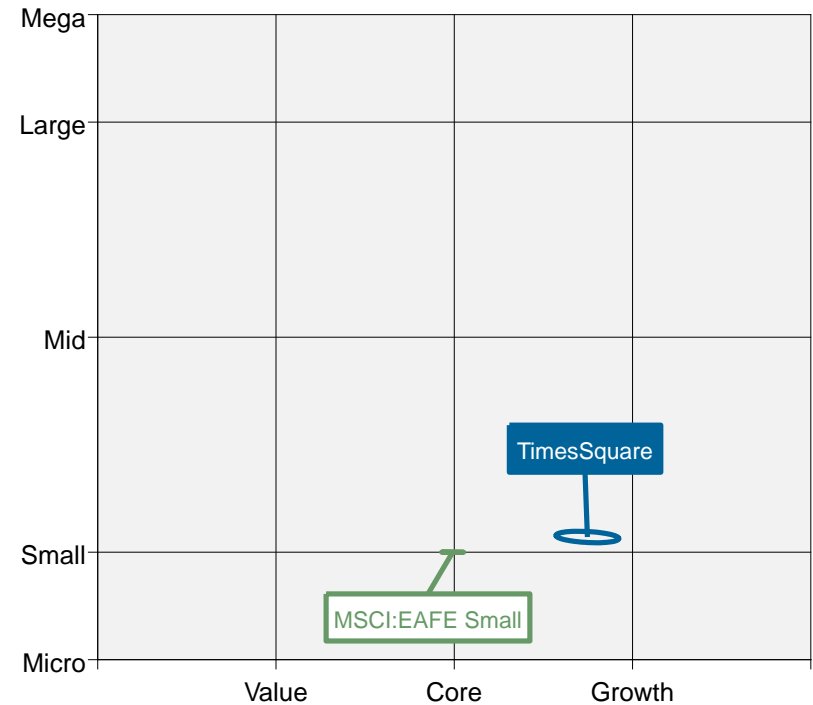
Rolling 3 Year Tracking Error vs. MSCI:EAFE
for 16 3/4 Years Ended September 30, 2022



TimesSquare Capital Management

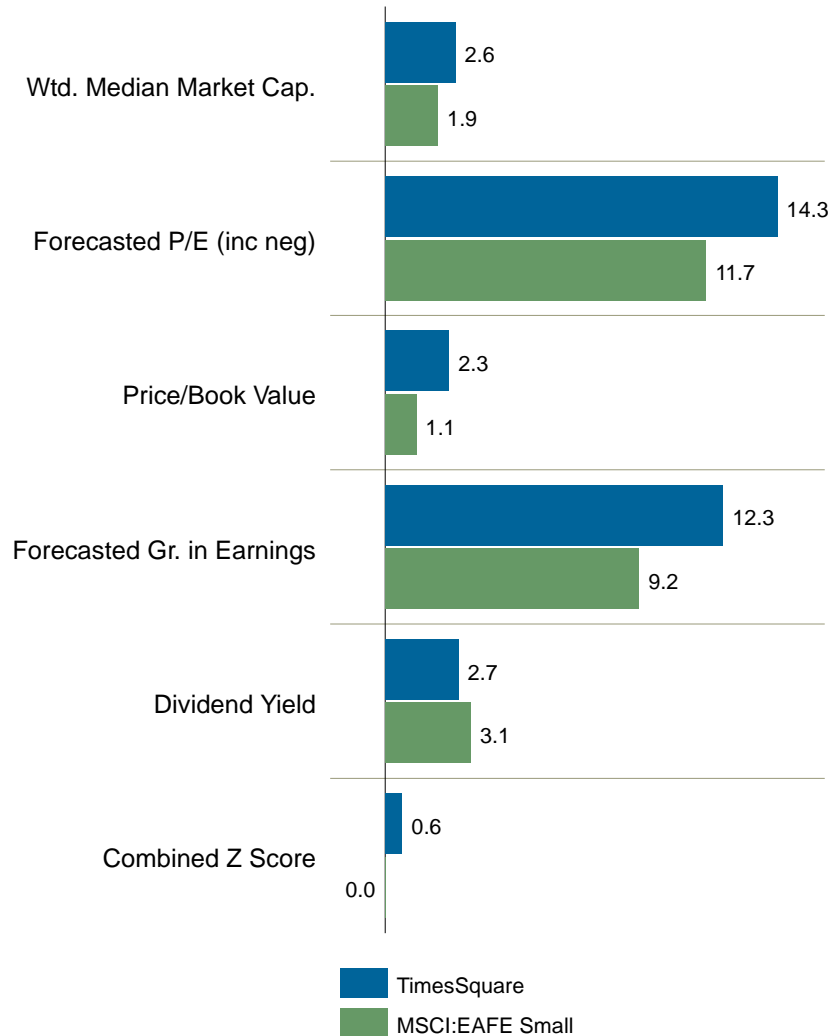
- Hired by MCERA in 2019
- 20% of Non-US equity structure (Non-US Small Cap)
- Actively managed portfolio
- TimesSquare uses a bottom-up, fundamental approach to select stocks with high quality management teams and superior business models.
- Their initial universe consists of companies with market capitalizations less than \$5 billion at the time of purchase and exhibits qualities such as revenue growth, profitability hurdles, and return on capital.
- Annual Fee: 0.85%
- Fee Schedule:
 - 0.85% on all assets

**Non-US Equity Style Map
for 10 Years Ended September 30, 2022**

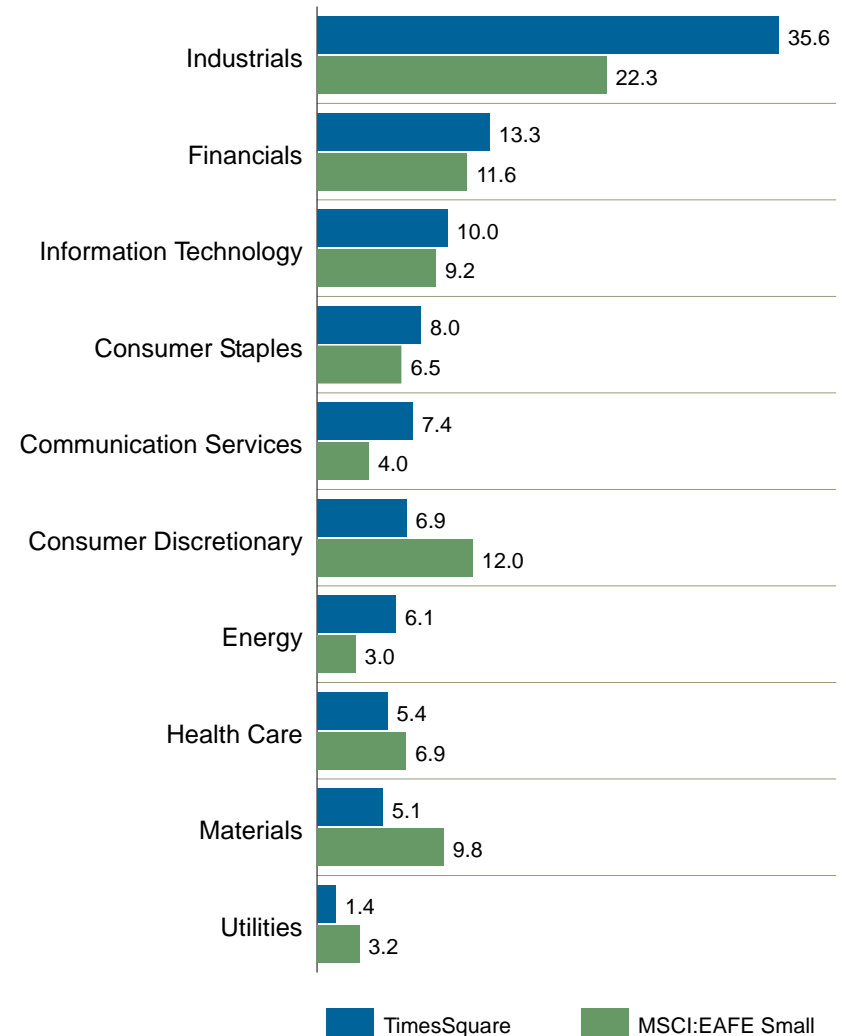


TimesSquare

Portfolio Characteristics as of September 30, 2022

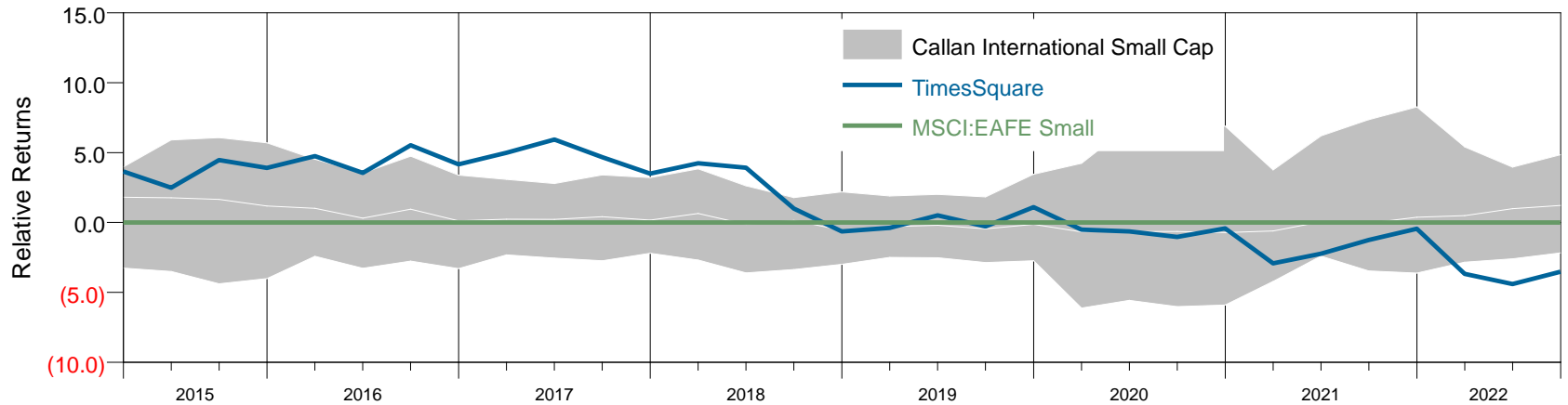


Sector Allocation as of September 30, 2022

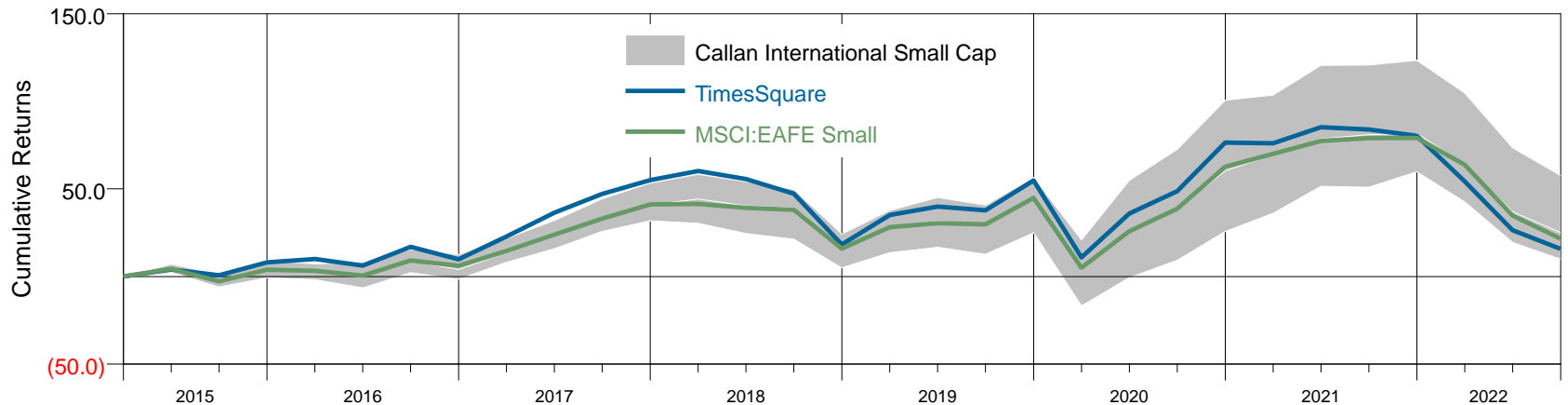


TimesSquare

Rolling 3 Year Relative Returns vs. MSCI:EAFE Small
for 7 1/2 Years Ended September 30, 2022

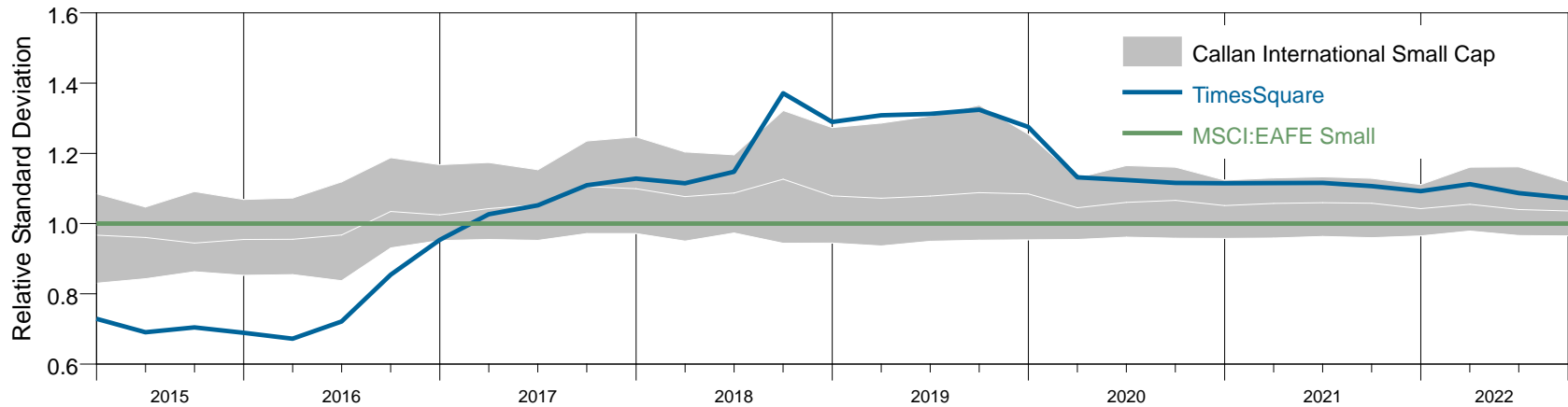


Cumulative Returns vs. MSCI:EAFE
for 7 1/2 Years Ended September 30, 2022

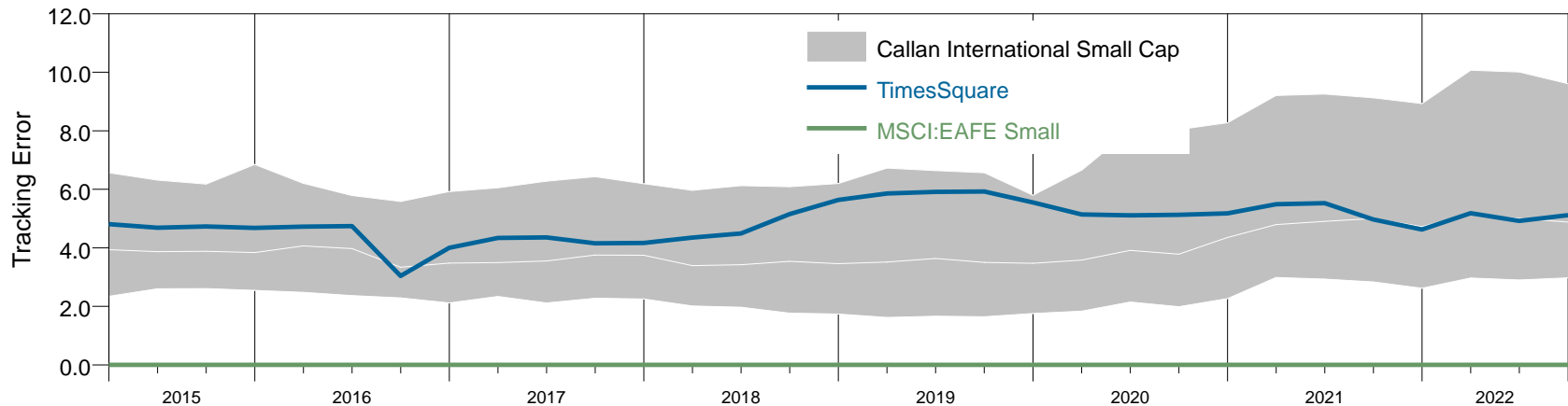


TimesSquare

Rolling 3 Year Relative Standard Deviation vs. MSCI:EAFE Small
for 7 1/2 Years Ended September 30, 2022



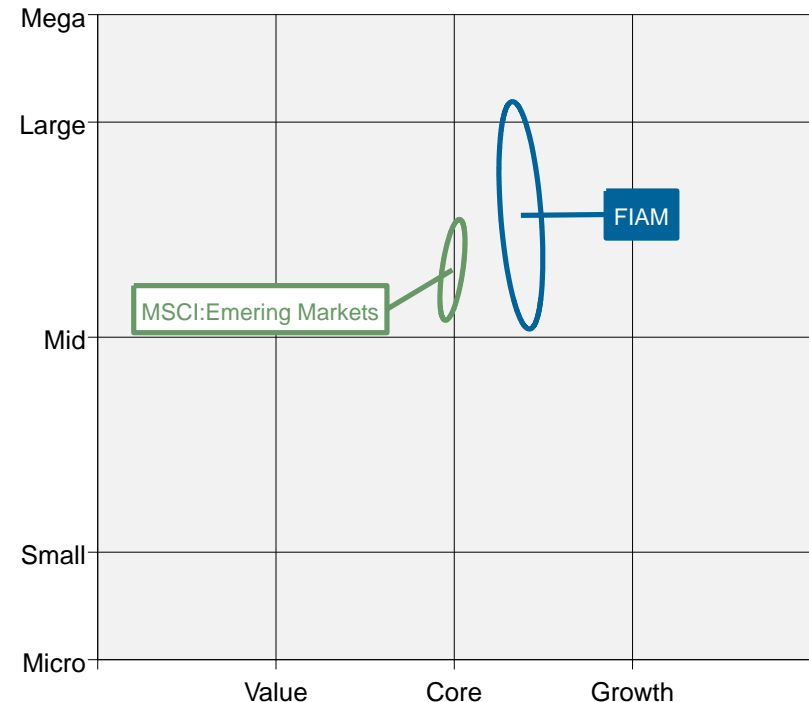
Rolling 3 Year Tracking Error vs. MSCI:EAFE Small
for 7 1/2 Years Ended September 30, 2022



Fidelity Institutional Asset Management (FIAM)

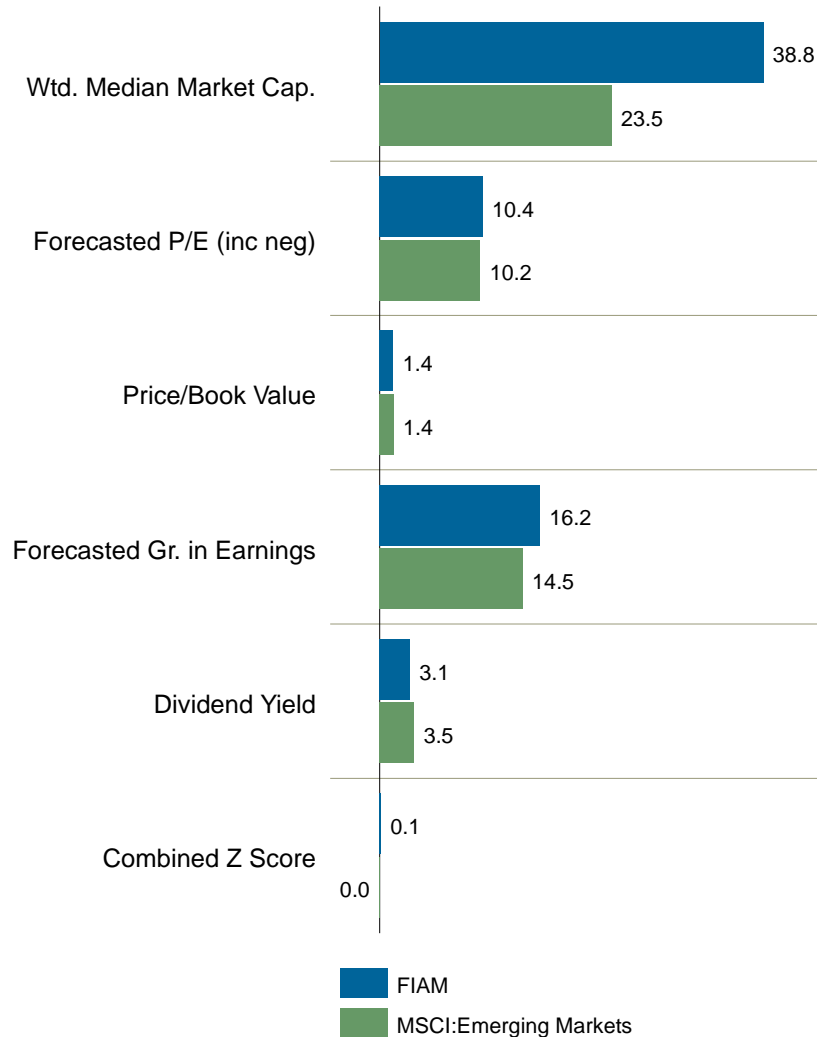
- Hired by MCERA in 2021
- 20% of Non-US equity structure (Emerging Markets)
- Actively managed portfolio
- FIAM employs a systematic process to construct a risk-controlled portfolio.
- The team leverages the research platform by optimizing the strategy with highly rated securities held in analyst-run portfolios.
- Country and sector exposures are +/-5% relative to the benchmark. Excess return is generated primarily through active stock selection versus sector or regional bets.
- Approximate Annual Fee: 0.58% (based on 9/30/22 assets)
- Fee Schedule:
 - 0.60% on the first \$50 million
 - 0.55% on the next \$150 million
 - 0.45% on the balance over \$200 million

**Non-US Equity Style Map
for 10 Years Ended September 30, 2022**

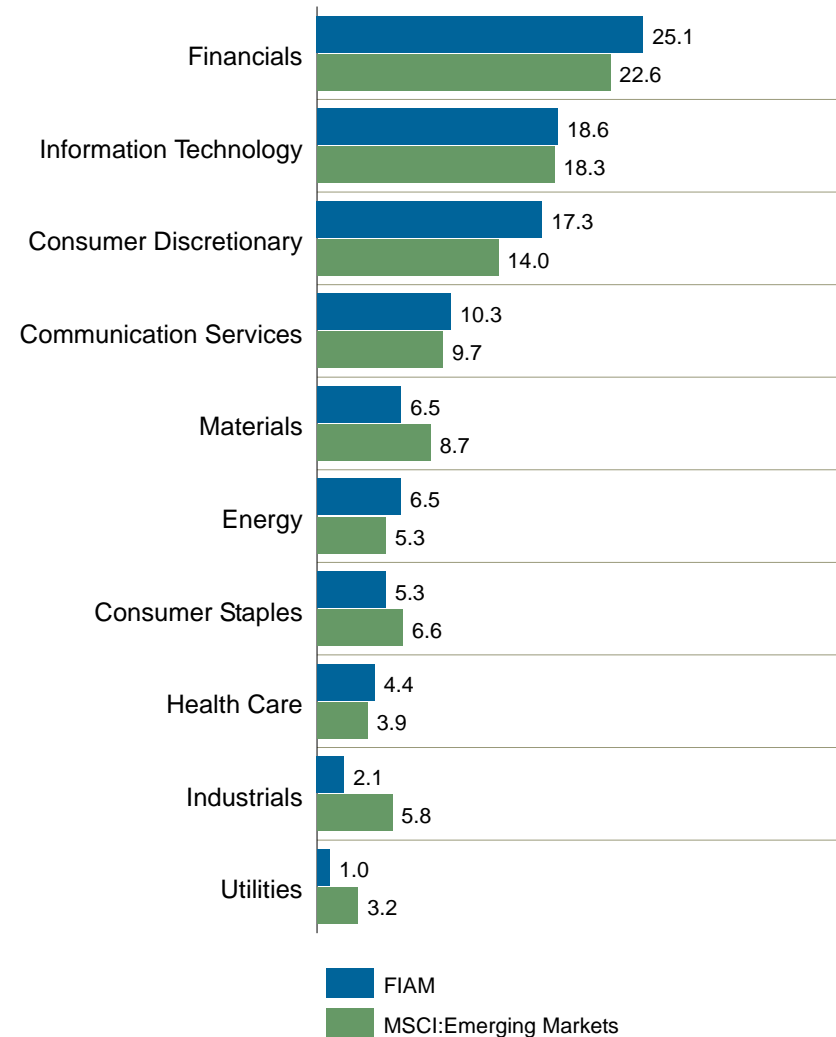


FIAM

Portfolio Characteristics as of September 30, 2022

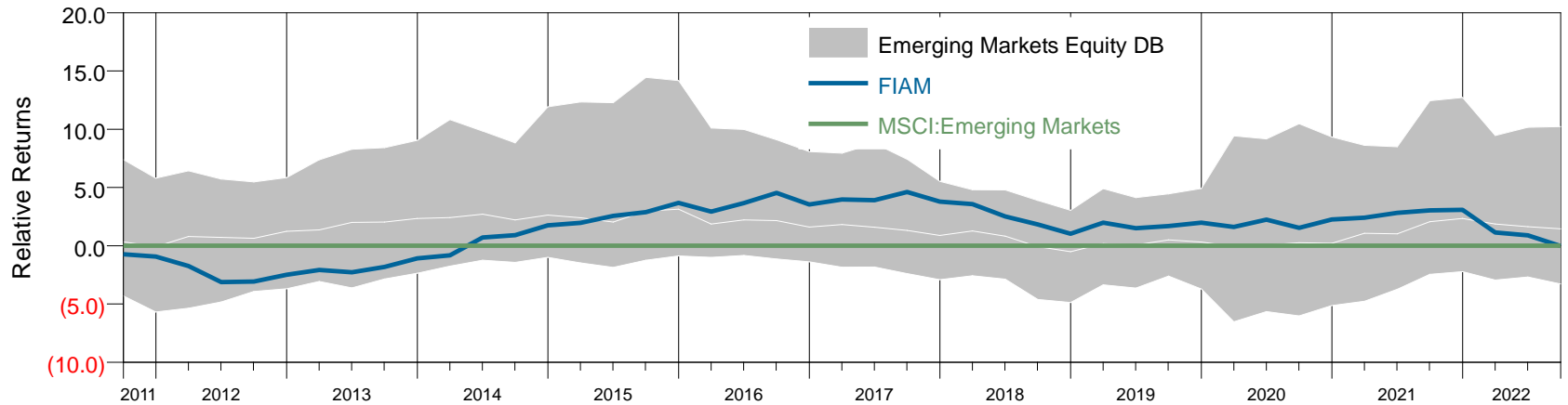


Sector Allocation as of September 30, 2022

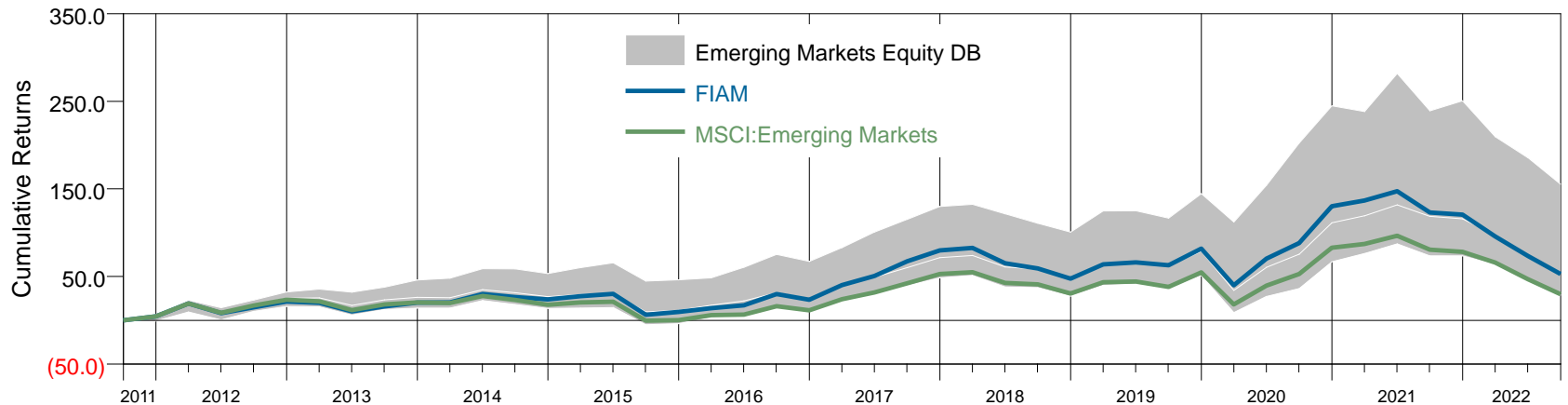


FIAM

Rolling 3 Year Relative Returns vs. MSCI:EM
for 11 Years Ended September 30, 2022

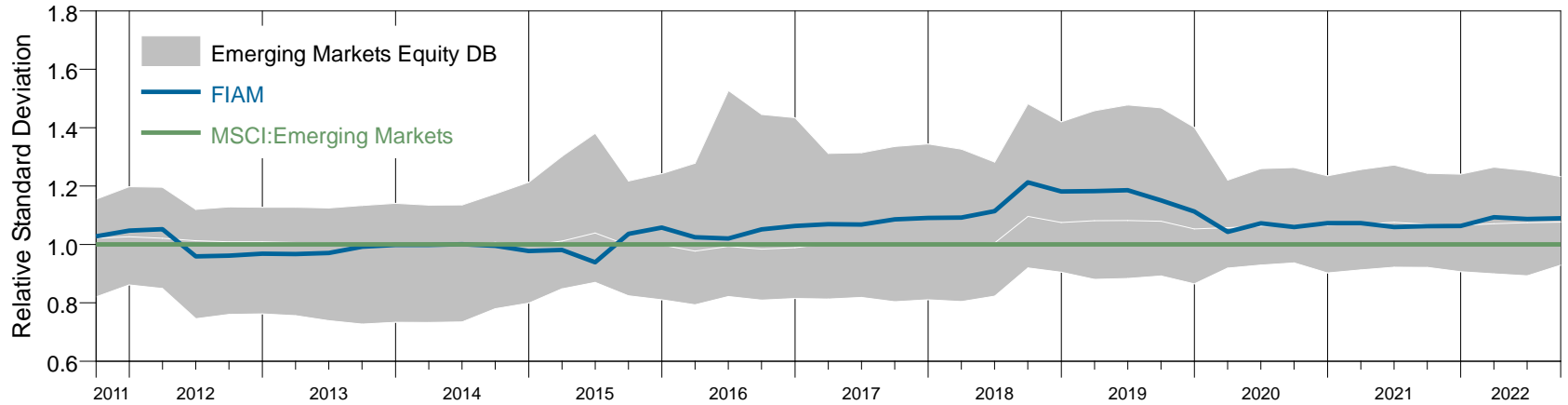


Cumulative Returns vs. MSCI:EAFE
for 11 Years Ended September 30, 2022

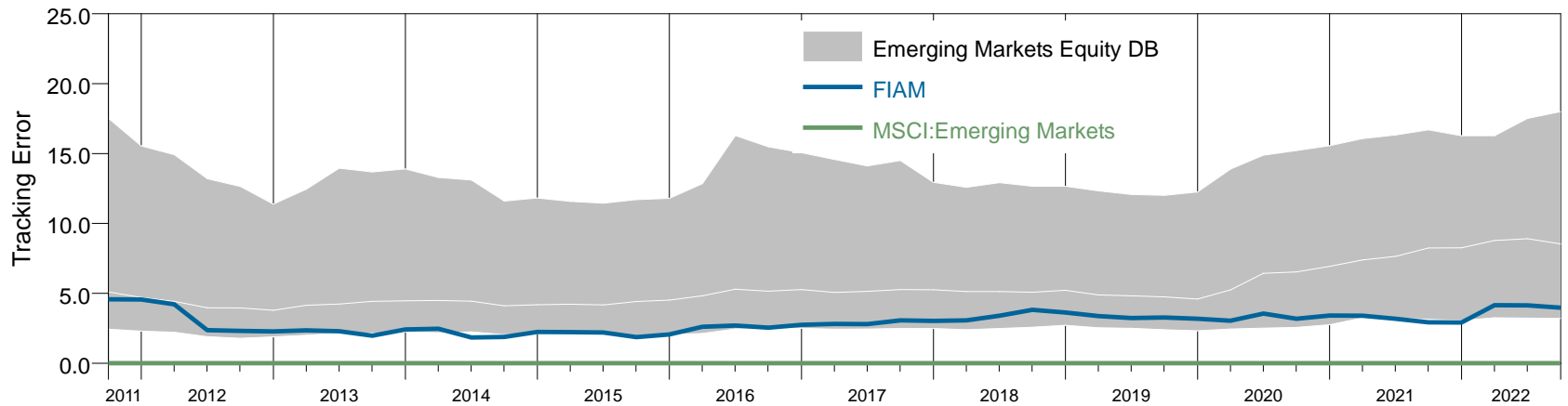


FIAM

Rolling 3 Year Relative Standard Deviation vs. MSCI:EM
for 11 Years Ended September 30, 2022



Rolling 3 Year Tracking Error vs. MSCI:EM
for 11 Years Ended September 30, 2022



Conclusion

- Callan is comfortable with the target allocations within the Non-US equity:
 - 30% Non-US Developed Value
 - 30% Non-US Developed Growth
 - 20% Non-US Small Cap
 - 20% Emerging Markets
- However, there currently is a pronounced growth bias within the Non-US equity allocation given managers' styles and processes that will increase the tracking error and potentially display more pronounced periods of over- or underperformance when growth is in or out of favor.
- MCERA could consider alternative portfolio structures to reduce risk vs. benchmark or to reduce fees.

Alternative Portfolio Structures

1. Do nothing

- Leaving the structure unchanged is a viable option if the Board is comfortable with the managers and growth bias.

2. Keep current structure, but add some passive exposure

- Passive exposure can help moderate the overall style bias and add lower cost market exposure.

3. Replace Morgan Stanley with a more traditional non-US developed value manager

- Morgan Stanley's focus on high quality, more defensive stocks does cause it to look and act differently from traditional value managers who are generally looking to buy stocks trading at a discount.
- Morgan Stanley's differentiation from traditional value is the largest factor is the portfolio's overall growth bias.

4. Replace Artisan

- If concerned with recent underperformance, MCERA could conduct a replacement search.

Callan

Appendix

Global ex-U.S. Equity Broad Style vs. MSCI ACWI ex USA

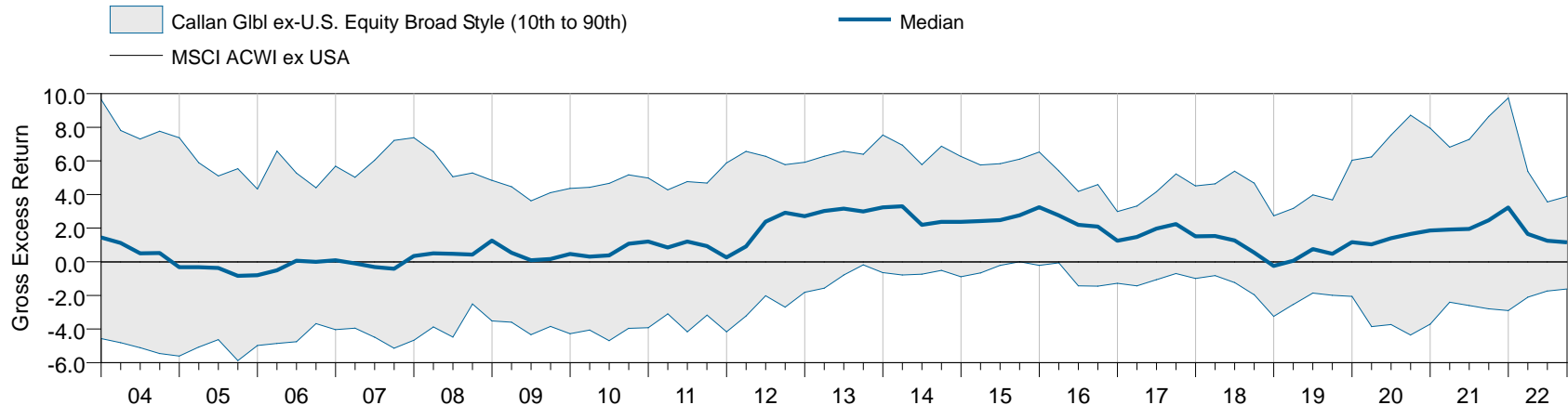
How often Manager Beat Benchmark by more than Fee Hurdle in Rolling 3-Year Periods

Fee Hurdle	0.45%	0.50%	0.55%	0.60%	0.65%	0.70%	0.75%	0.80%	0.85%	0.90%
Median	72%	68%	61%	61%	61%	61%	61%	60%	59%	59%
45th Percentile	83%	81%	80%	80%	80%	79%	75%	73%	71%	67%
40th Percentile	95%	93%	92%	91%	89%	85%	85%	84%	84%	83%
35th Percentile	99%	97%	97%	97%	97%	97%	97%	96%	95%	93%
30th Percentile	100%	100%	100%	100%	100%	100%	100%	99%	99%	99%
25th Percentile	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Average Annualized 3-Year Excess Return (gross) – Median Manager:

1.23%

Rolling 3-Year Gross Excess Return relative to MSCI ACWI ex USA for 18 3/4 Years ended September 30, 2022



Global ex-U.S. Equity Growth Style vs. MSCI ACWI ex USA Growth

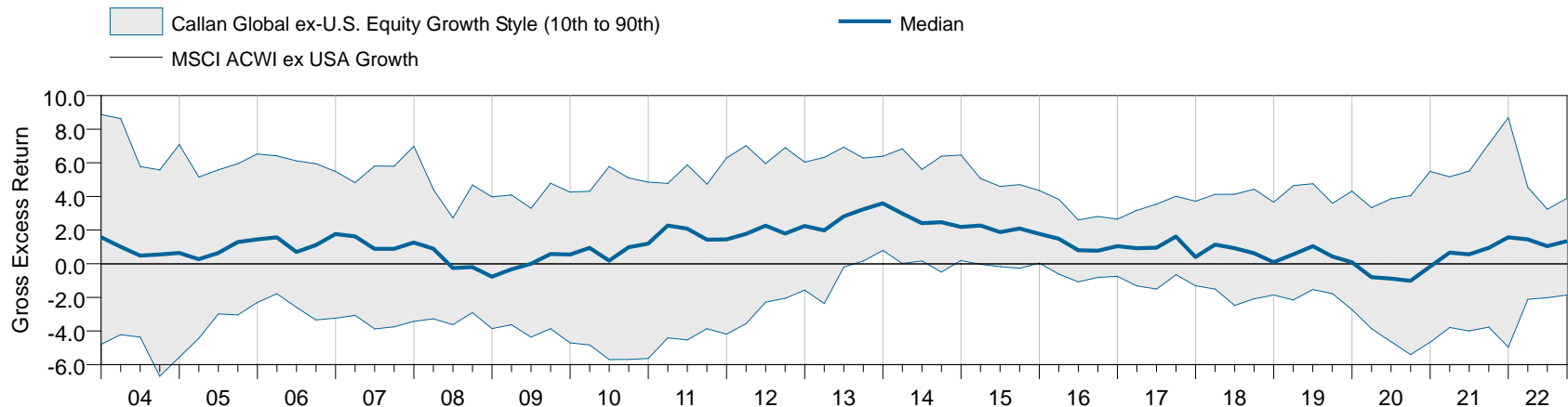
How often Manager Beat Benchmark by more than Fee Hurdle in Rolling 3-Year Periods

Fee Hurdle	0.45%	0.50%	0.55%	0.60%	0.65%	0.70%	0.75%	0.80%	0.85%	0.90%
Median	80%	79%	77%	72%	68%	65%	65%	64%	63%	59%
45th Percentile	88%	87%	87%	85%	83%	79%	79%	77%	73%	71%
40th Percentile	93%	93%	93%	93%	93%	92%	91%	89%	89%	88%
35th Percentile	99%	99%	99%	99%	97%	97%	96%	93%	93%	93%
30th Percentile	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
25th Percentile	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Average Annualized 3-Year Excess Return (gross) – Median Manager:

1.10%

Rolling 3-Year Gross Excess Return relative to MSCI ACWI ex USA Growth for 18 3/4 Years ended September 30, 2022



Global ex-U.S. Equity Value Style vs. MSCI ACWI ex USA Value

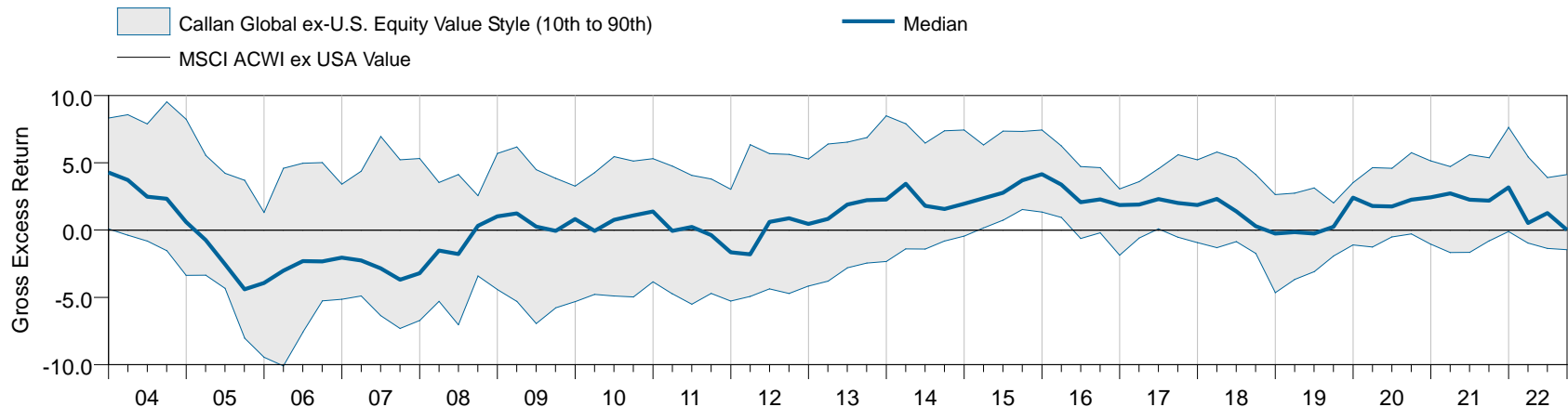
How often Manager Beat Benchmark by more than Fee Hurdle in Rolling 3-Year Periods

Fee Hurdle	0.45%	0.50%	0.55%	0.60%	0.65%	0.70%	0.75%	0.80%	0.85%	0.90%
Median	61%	60%	59%	59%	56%	56%	56%	55%	52%	51%
45th Percentile	68%	67%	67%	65%	64%	64%	63%	63%	61%	56%
40th Percentile	72%	71%	71%	71%	71%	69%	69%	68%	68%	68%
35th Percentile	77%	77%	77%	77%	77%	76%	75%	75%	75%	73%
30th Percentile	83%	83%	81%	81%	80%	80%	80%	80%	79%	79%
25th Percentile	91%	91%	91%	89%	89%	89%	88%	88%	88%	87%

Average Annualized 3-Year Excess Return (gross) – Median Manager:

0.67%

Rolling 3-Year Gross Excess Return relative to MSCI ACWI ex USA Value for 18 3/4 Years ended September 30, 2022



Developed ex-U.S. Broad Equity Style vs. MSCI EAFE

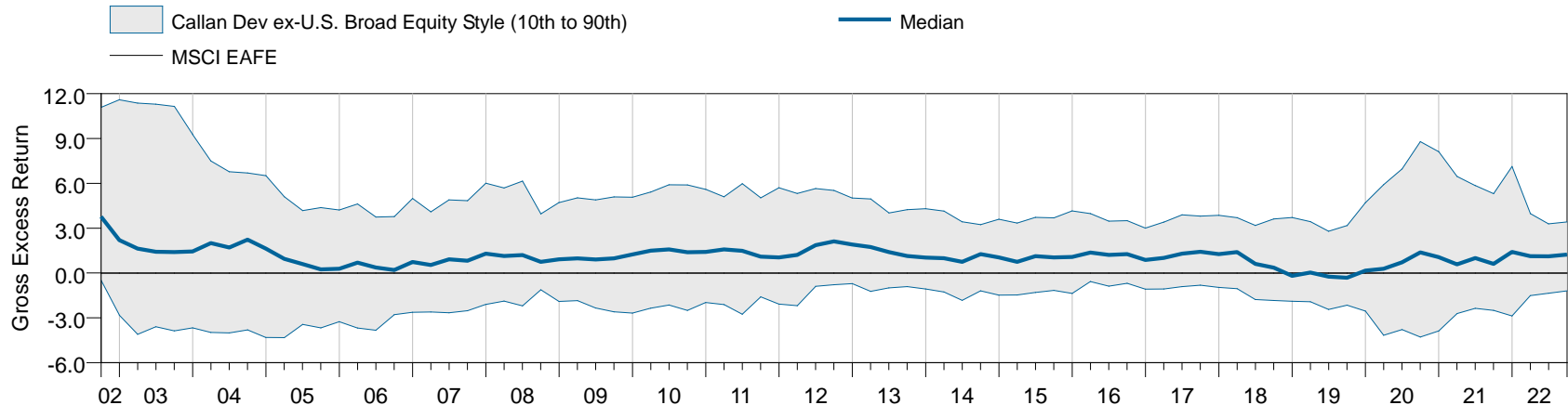
How often Manager Beat Benchmark by more than Fee Hurdle in Rolling 3-Year Periods over last 20 Years

Fee Hurdle	0.45%	0.50%	0.55%	0.60%	0.65%	0.70%	0.75%	0.80%	0.85%	0.90%
Median	86%	86%	85%	83%	80%	79%	74%	73%	71%	70%
45th Percentile	95%	95%	93%	90%	88%	88%	88%	85%	85%	81%
40th Percentile	98%	96%	96%	95%	95%	95%	95%	94%	94%	93%
35th Percentile	100%	99%	99%	99%	98%	95%	95%	95%	95%	95%
30th Percentile	100%	100%	100%	100%	100%	100%	99%	99%	98%	98%
25th Percentile	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Average Annualized 3-Year Excess Return (gross) – Median Manager:

1.06%

Rolling 3-Year Gross Excess Return relative to MSCI EAFE
for 20 Years ended September 30, 2022



Developed ex-U.S. Growth Equity Style vs. MSCI EAFE Growth

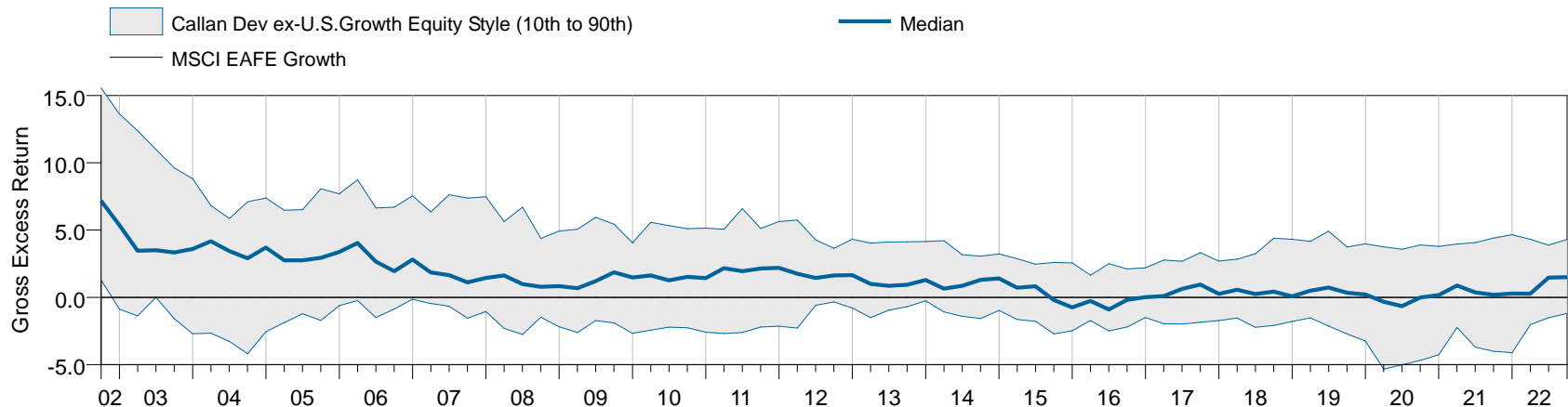
How often Manager Beat Benchmark by more than Fee Hurdle in Rolling 3-Year Periods over last 20 Years

Fee Hurdle	0.45%	0.50%	0.55%	0.60%	0.65%	0.70%	0.75%	0.80%	0.85%	0.90%
Median	74%	73%	73%	71%	69%	68%	65%	64%	61%	58%
45th Percentile	85%	85%	84%	80%	80%	79%	78%	75%	75%	70%
40th Percentile	89%	89%	89%	89%	89%	86%	85%	84%	83%	81%
35th Percentile	93%	91%	91%	90%	90%	90%	90%	90%	89%	88%
30th Percentile	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
25th Percentile	96%	96%	95%	95%	95%	95%	95%	95%	95%	95%

Average Annualized 3-Year Excess Return (gross) – Median Manager:

1.37%

Rolling 3-Year Gross Excess Return relative to MSCI EAFE Growth
for 20 Years ended September 30, 2022



Developed ex-U.S. Value Equity Style vs. MSCI EAFE Value

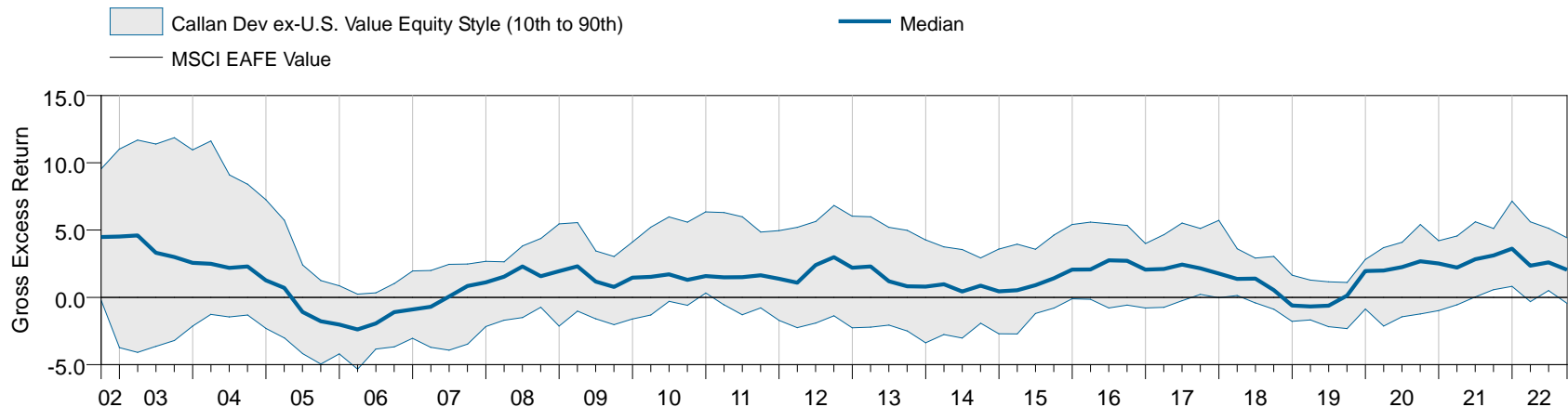
How often Manager Beat Benchmark by more than Fee Hurdle in Rolling 3-Year Periods over last 20 Years

Fee Hurdle	0.45%	0.50%	0.55%	0.60%	0.65%	0.70%	0.75%	0.80%	0.85%	0.90%
Median	81%	81%	79%	79%	79%	79%	78%	76%	74%	71%
45th Percentile	84%	84%	84%	83%	83%	83%	80%	80%	79%	76%
40th Percentile	84%	84%	84%	84%	83%	83%	83%	83%	81%	80%
35th Percentile	86%	85%	85%	84%	84%	84%	84%	84%	83%	81%
30th Percentile	89%	89%	88%	88%	86%	86%	85%	85%	85%	85%
25th Percentile	91%	91%	91%	90%	89%	89%	88%	88%	88%	88%

Average Annualized 3-Year Excess Return (gross) – Median Manager:

1.42%

Rolling 3-Year Gross Excess Return relative to MSCI EAFE Value
for 20 Years ended September 30, 2022



Global ex-U.S. Equity Small Cap Style vs. MSCI EAFE Small Cap

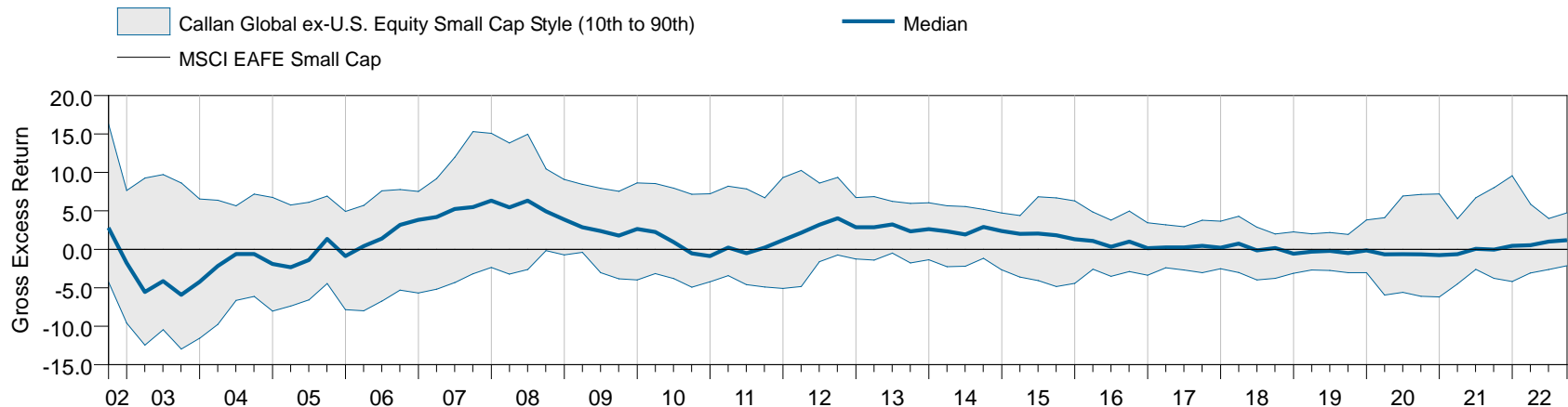
How often Manager Beat Benchmark by more than Fee Hurdle in Rolling 3-Year Periods over last 20 Years

Fee Hurdle	0.75%	0.80%	0.85%	0.90%	0.95%	1.00%	1.05%	1.10%	1.15%	1.20%
Median	49%	49%	49%	49%	48%	48%	45%	44%	44%	41%
45th Percentile	59%	58%	54%	51%	51%	51%	50%	50%	50%	50%
40th Percentile	71%	68%	68%	64%	61%	58%	58%	58%	56%	53%
35th Percentile	88%	85%	81%	81%	80%	78%	78%	76%	73%	69%
30th Percentile	94%	94%	94%	94%	93%	91%	91%	90%	90%	89%
25th Percentile	99%	99%	98%	96%	96%	96%	96%	96%	95%	95%

Average Annualized 3-Year Excess Return (gross) – Median Manager:

0.95%

Rolling 3-Year Gross Excess Return relative to MSCI EAFE Small Cap
for 20 Years ended September 30, 2022



Global ex-U.S. Equity Small Cap Style vs. MSCI ACWI ex USA Small Cap

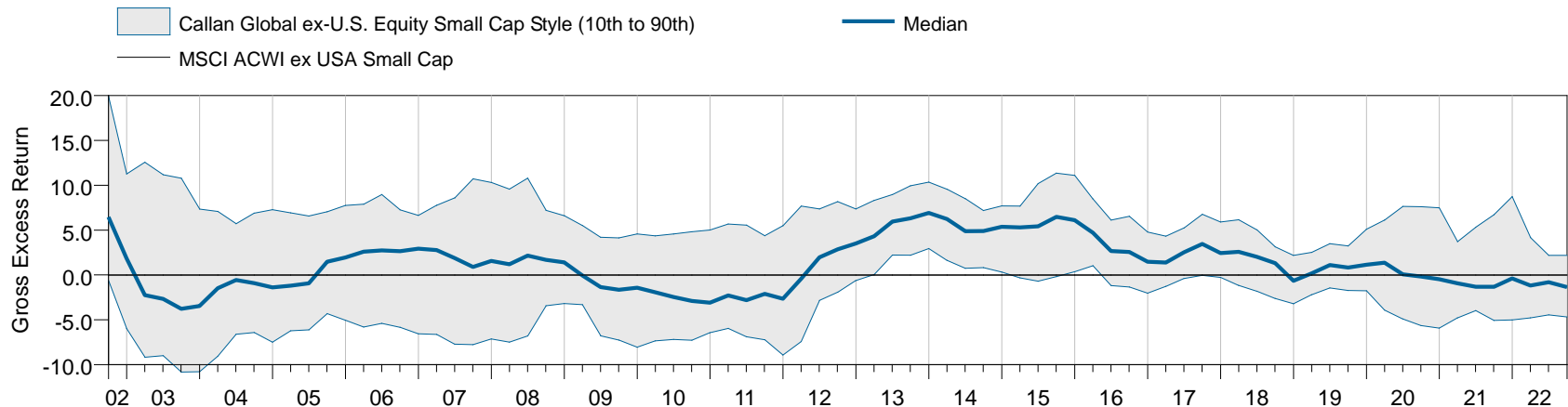
How often Manager Beat Benchmark by more than Fee Hurdle in Rolling 3-Year Periods over last 20 Years

Fee Hurdle	0.75%	0.80%	0.85%	0.90%	0.95%	1.00%	1.05%	1.10%	1.15%	1.20%
Median	56%	56%	55%	54%	54%	54%	54%	53%	51%	50%
45th Percentile	56%	56%	56%	56%	56%	56%	55%	55%	55%	55%
40th Percentile	63%	63%	61%	60%	60%	60%	59%	59%	59%	59%
35th Percentile	75%	75%	75%	74%	74%	74%	73%	73%	73%	71%
30th Percentile	83%	83%	83%	83%	83%	81%	81%	79%	78%	76%
25th Percentile	88%	88%	86%	85%	85%	85%	83%	83%	83%	83%

Average Annualized 3-Year Excess Return (gross) – Median Manager:

1.07%

Rolling 3-Year Gross Excess Return relative to MSCI ACWI ex USA Small Cap
for 20 Years ended September 30, 2022



Emerging Market Broad Equity Style vs. MSCI Emerging Markets

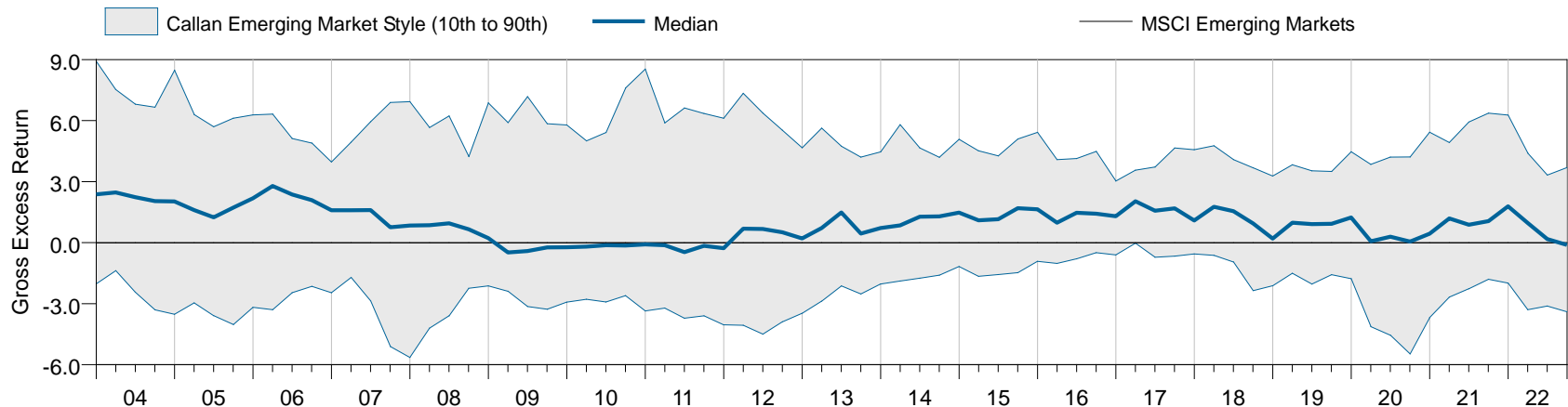
How often Manager Beat Benchmark by more than Fee Hurdle in Rolling 3-Year Periods

Fee Hurdle	0.70%	0.75%	0.80%	0.85%	0.90%	0.95%	1.00%	1.05%	1.10%	1.15%
Median	67%	64%	63%	60%	58%	52%	48%	48%	44%	42%
45th Percentile	77%	75%	75%	73%	71%	71%	70%	64%	63%	62%
40th Percentile	86%	84%	81%	81%	79%	79%	79%	78%	75%	74%
35th Percentile	93%	93%	93%	93%	93%	92%	90%	90%	89%	88%
30th Percentile	100%	100%	100%	99%	99%	99%	97%	97%	95%	95%
25th Percentile	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Average Annualized 3-Year Excess Return (gross) – Median Manager:

0.98%

Rolling 3-Year Gross Excess Return relative to MSCI Emerging Markets for 18 3/4 Years ended September 30, 2022



C.3 Future Meetings

This is a discussion with no backup.

**Marin County Employees' Retirement Association
Defined Benefit Plan**

Managers	December 2022 Market Value	Fiscal Year To Date 7/1/22 - 12/31/22	Calendar Year 2022
Domestic Equity	\$925,924,718	3.4%	-17.5%
<i>Russell 3000 Index</i>		2.4%	-19.2%
SSGA Russell 1000 Index	\$645,325,060	2.3%	-19.1%
<i>Russell 1000 Index</i>		2.3%	-19.1%
Dimensional Fund Advisors	\$223,090,886	6.6%	-12.9%
<i>Russell 2000 Index</i>		3.9%	-20.6%
Parametric Domestic Equity Overlay	\$57,508,772		
International Equity	\$656,888,868	3.4%	-18.3%
<i>MSCI ACWI ex-US IMI Index</i>		3.1%	-16.6%
Morgan Stanley	\$182,278,462	4.0%	-13.7%
Artisan Partners	\$177,639,655	7.0%	-19.1%
<i>MSCI EAFE Index</i>		6.4%	-14.5%
TimesSquare	\$95,396,278	4.0%	-26.8%
<i>MSCI EAFE Small Cap Index</i>		4.4%	-21.4%
FIAM Emerging Markets	\$95,491,601	-3.3%	-23.9%
<i>MSCI Emerging Markets Index</i>		-3.0%	-20.1%
Parametric International Equity Overlay	\$106,082,872		
Fixed Income*	\$674,179,089	-4.7%	-15.5%
<i>Fixed Income Benchmark</i>		-2.8%	-13.5%
Wellington	\$280,088,738	-2.0%	-13.7%
<i>Bloomberg US Aggregate Index</i>		-3.0%	-13.0%
Western Asset	\$295,829,628	-2.5%	-11.7%
<i>Blended Benchmark**</i>		-0.2%	-8.7%
Parametric Fixed Income Overlay	\$98,260,723		

All market values and returns shown are preliminary and subject to revision.

*Colchester was terminated in mid-October. Western Asset received the assets and transitioned their portfolio to core plus fixed income in November. Performance for the fixed income composite will be updated and revised.

**Blended Benchmark = Bloomberg US Intermediate Credit Index to November, Bloomberg US Aggregate Index thereafter.

**Marin County Employees' Retirement Association
Defined Benefit Plan**

Managers	December 2022 Market Value	Fiscal Year To Date 7/1/22 - 12/31/22	Calendar Year 2022
Public Real Assets	\$203,074,438	-1.3%	-9.3%
<i>Blended Benchmark</i>		0.1%	-3.1%
BlackRock TIPS Index Fund	\$55,750,067	-3.4%	-11.9%
<i>Bloomberg US TIPS Index</i>		-3.2%	-11.9%
BlackRock REIT Index Fund	\$51,319,124	-6.2%	-26.0%
<i>DJ S&P US Select REIT Index</i>		-6.1%	-26.0%
Invesco Balanced Risk Commodities Fund	\$54,968,803	-2.5%	9.0%
<i>Bloomberg Commodities Index</i>		-2.0%	16.1%
KBI Global Resources Fund	\$56,400,899	7.5%	-7.1%
<i>S&P Global Natural Resources Index</i>		11.5%	9.6%
Parametric Real Assets Overlay	-\$15,364,454		
Real Estate(1)	\$250,432,365	1.5%	12.2%
<i>NFI-ODCE Equal Weight Net(1)</i>		1.3%	13.9%
Woodmont	\$18,099,990	-	-
UBS Trumbull Property Fund	\$117,824,282	-	-
AEW Core Property Trust	\$135,273,503	-	-
Parametric Real Estate Overlay	-\$20,765,410		
Private Equity(2)	\$234,592,922	0.0%	-9.3%
Abbott ACE VI	\$42,256,064	-	-
Abbott ACE VII	\$49,972,513	-	-
Abbott AP 2016	\$71,681,065	-	-
Abbott AP 2017	\$20,286,319	-	-
Abbott AP 2021	\$5,920,950	-	-
Pathway PPEF 2008	\$54,392,695	-	-
Pathway PPEF I-7	\$38,738,156	-	-
Pathway PPEF I-8	\$67,553,333	-	-
Pathway PPEF I-9	\$16,665,335	-	-
Pathway PPEF I-10	\$14,276,510	-	-
Parametric Private Equity Overlay	-\$147,150,018		
Opportunistic(3)	\$52,423,308	4.2%	-1.7%
CarVal Credit Value Fund V	\$15,138,327	-	-
Fortress Credit Opportunities Fund V Expansion	\$10,721,890	-	-
Varde Dislocation Fund	\$26,563,091	-	-
Total Fund	\$2,997,515,707	0.7%	-12.9%

(1)Market values as of September 30, 2022. FYTD and YTD returns use MCERA's and ODCE's pro-rata performance of prior quarter.

(2)Market values as of September 30, 2022. FYTD and YTD returns use MCERA's pro-rata performance of prior quarter.

(3)Market values as of September 30, 2022. 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.