*****AMENDED*****

RETIREMENT BOARD MEETING
SPECIAL BOARD MEETING
9:00 a.m.
October 30, 2013

Retirement Board Conference Room
The Willows Office Park
1355 Willow Way, Suite 221
Concord, California

THE RETIREMENT BOARD MAY DISCUSS AND TAKE ACTION ON THE FOLLOWING:

1. Pledge of Allegiance.

2. Accept comments from the public.

3. Update from investment consultant regarding the finalists for the Small/Mid Private Equity Search

4. Manager presentations:

9:15 – 10:00 am	Bay Hills
10:05 – 10:50 am	Siguler Guff
10:50 – 11:00 am	Break
11:00 – 11:45 am	JP Morgan
11:50 – 12:35 pm	Horsley Bridge

5. Consider and take possible action on Small/Mid Private Equity Manager.

6. Consider and take possible action on updated Investment Policies and Guidelines

7. Consider and take possible action to reschedule the December 11, 2013 Board meeting.

8. Miscellaneous
   a. Staff Report
   b. Outside Professionals' Report
   c. Trustees' comments

The Retirement Board will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact the Retirement Office at least 24 hours before a meeting.

Small/Mid-Cap Private Equity Manager Search
Finalist Report

For

Contra Costa County
Employees' Retirement Association

October 30, 2013

Milliman
650 California Street, 17th Floor
San Francisco, CA 94108-2702
(415) 403-1333

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Search Overview

In December 2012, the CCCERA Board approved a roadmap to prudently increase the allocation to private equity investments. Part of that roadmap was to search for a fund of funds program focused on small to mid-sized private companies to act as a compliment to CCCERA's current private equity managers, Adams Street and Pathway. The objective of this search is to identify candidate firms to build a high-quality portfolio of private equity funds that primarily have exposure to small and mid-sized companies.

Manager Search Process

Candidates were selected from firms that manage portfolios of small/mid-capitalization private equity investments, as well as firms who contacted Milliman after they learned about the search. We distributed questionnaires to an initial group of 33 firms on May 17, 2013. Responses were due and received by June 10, 2013. Six additional candidates that met the criteria of the search were later identified and also completed questionnaires.

After reviewing the questionnaire responses, Milliman narrowed the candidate pool to sixteen candidates which were determined to fit best with CCCERA's private equity needs. These sixteen candidates were:

Select Small/Mid Cap Private Equity Manager Search Candidates

1	Bay Hills
2	Fairview
3	FLAG
4	Fort Washington
5	GoldPoint Partners
6	Hamilton Lane
7	HarbourVest
8	Horsley Bridge
9	JP Morgan
10	Morgan Creek
11	Morgan Stanley
12	Ocean Avenue
13	Siguler Guff
14	SL Capital
15	StepStone Group
16	Wilshire

We conducted further due diligence on these firms and made reference checks on all of the sixteen candidates. We then were able to narrow the candidate pool to seven semi-finalists for consideration by the CCCERA Board.

The ten funds which were not chosen are listed below, along with the reason for being eliminated as candidates:

Excluded Candidates

	Firm	Reasons for Exclusion
1	Fairview	Emphasis on emerging managers, which is not the focus of this search.
2	FLAG	Fees on high end of spectrum. (0.60% plus 5% Carry.)
3	HarbourVest	Large investment overlap with Adams Street & Pathway's holdings.
4	Invesco	CCCERA already has a great deal of exposure to Invesco. Invesco proposed a custom account, not the preferred solution, and Invesco's PE assets have been declining.
5	Morgan Creek	Real estate is a substantial focus - 31% of last fund.
6	Morgan Stanley	Staff turnover at senior level in firm.
7	Ocean Avenue	Firm too small for this search's objectives. Impressed by firm. Plan to revisit separately.
8	SL Capital	Primarily European focused. First US fund was launched in 2006.
9	StepStone Group	Proposed a custom separate account, not the preferred solution. StepStone has a great deal of advised assets, but far less managed assets.
10	Wilshire	Substantial team turnover over the years.

The seven semi-finalist candidates for the small/mid-cap fund of private equity funds search are listed below:

Semi-Finalist Candidates

	Firm	Fund Name
1	Bay Hills	Bay Hills Capital Partners III, L.P.
2	Fort Washington	Fort Washington Private Equity Investors Fund VIII, L.P.
3	GoldPoint	NYLCAP Select Manager Fund II, L.P.
4	Hamilton Lane	Hamilton Lane Private Equity Fund VIII
5	Horsley Bridge	Horsley Bridge X Growth Buyout, L.P.
6	J.P. Morgan	Blend of U.S. Corporate Finance Fund V and European Corporate Finance Fund V
7	Siguler Guff	Small Buyout Opportunities Fund II, LP

Small/Mid-Capitalization Private Equity Manager Search Semi-Finalist Candidates

The semi-finalist report was presented at the September 11, 2013 meeting. During that meeting, the Board selected four firms as finalists. The four firms and products are:

Finalist Candidates

	Firm	Fund Name
1	Bay Hills	Bay Hills Capital Partners III, L.P.
2	Horsley Bridge	Horsley Bridge X Growth Buyout, L.P.
3	J.P. Morgan	Blend of U.S. Corporate Finance Fund V and European Corporate Finance Fund V
4	Siguler Guff	Small Buyout Opportunities Fund II, LP

The following pages outline the pros and cons, product characteristics, historical performance, fee schedule and an analysis of the expected overlap with CCCERA's current private equity funds for each of the semi-finalist managers. (All performance data presented is stated on a net of all fees basis.) Finally, we include summaries of each firm's questionnaire responses.

Pros and Cons
Small/Mid-Capitalization Private Equity Manager Search Finalist Candidates

Firm	Pros/Description	Cons
Bay Hills	• No litigation or judgments against the firm • Focus on primary funds, will have some secondary exposure • Expected to invest in 8-10 underlying funds • 12% hurdle rate. Target net IRR of 20% and multiple of 2.5X • Uses proprietary database of over 1,000 funds • The Fund will invest in three distinct types of Small Buyout managers: generalists, sector focused and special situation firms • Focus on North America (including some in Canada) • Firm was founded in 2006, so no complete fund performance is available. Best performing funds have IRRs of 16.1% and 41.7%, and are 65% and 24% invested, respectively.	• Very low errors and omissions insurance coverage: $1 million in aggregate coverage • Small total firm asset base, $285 million, with an additional $324 from a new commitment in Q1 2013 (total of $610 inclusive of commitment) • No succession plan, all current partners are expected to remain. Hired replacement financial controller in June 2013 to assist with fund accounting, monitoring, and reporting. • Relatively short track record. Fund I was launched in 2007.
Horsley Bridge	• Long (25 year) track record • Excellent track record – 8% median outperformance relative to the Cambridge upper quartile • Managers have made a large personal investment ($5.2 million) in this fund • Very impressive results from reference calls	• Founders recently retired (as planned well in advance) • In last 3 years lost 13 team members. Most were planned retirements and associates who left to attend graduate school.
JP Morgan	• All eligible PEG investment professionals invest their personal after-tax dollars side-by-side in each and every investment equivalent to 1.25% of the commitment amount. • Very large private equity asset base; appears to be an area of expertise within the firm • Very large asset base in the small/mid PE area (over $4 billion)	• Blend of two funds may be cumbersome for a long term relationship where the client wishes to invest in a series of funds • Largest clients in series of the funds have been between $150 and $600 million, CCCERA would be closer to the median client size in the two funds • Separate account clients have a

	• Offering a customized separate account, or a blend of US Corp Finance Fund V and European Corp Finance Fund V • Broadly diversified, US fund would have roughly 15 investments, and euro fund would have roughly 12 • Mandates are managed by a team with an executive oversight committee, CCCERA would have a dedicated contact • Very large and experienced team • Low turnover • Allow for significant co-investments • Return target is public markets +500bps • corporate finance focus has been on high-growth oriented investments, typically generated through acquisition, fundamental business change, or top line growth • Review 500 investments per year • Major player in PE, reputation may be valuable in getting into the "best" funds • Investment team actively seeks advisory boards and corporate boards of directors, which they feel is the best way to monitor investments held in the funds • Shoot for 2X multiple (highest historical is 1.7X, lowest 1.1X)	median size of $196 million, and the largest client is $750 million: CCCERA would be a small separate account client if they choose to go this way • Fund sizes have typically been large, Euro $400+, US $1b+
Siguler Guff	• Has $20 million professional and management liability policy and $5 million financial institution bond. Also has ERISA bond for each ERISA account up to $500,000. • $10.3 billion in total firm assets and $907 in small/mid-cap private equity assets. • No employees lost on small/mid team since inception in 2008. • Expects to invest approximately 30% of the fund in co-investments. The prior partnership invested $112 million out of $565 in co-investments. • Will invest in approximately 25 private equity partnerships which	• Small/mid investment team is small (4 investment professionals). • Relatively short track record. The small/mid private equity effort began in 2006 and this will be the second such fund at the firm.

	will contain a total of approximately 200 – 300 companies. • Primarily targets US companies. In the prior fund, 2.5% was invested outside the U.S.		

Product Comparison

Table I below shows each firm's assets managed and investment team size for the firm overall and for the small/mid-cap private equity effort. Also shown is the target size of the current investment fund.

Larger firms will have less risk should a key individual be lost, greater international investment resources and more defined investment processes. Smaller firms are likely to be more nimble and motivated.

Table I

Management Firm Comparison

		Assets Managed (Million)		Investment Team		Current Target Fund Size
		Total	**Small/Mid PE**	**Total**	**Small/Mid PE**	**(Million)**
1	Bay Hills	$610	$610	8	8	$125
2	Horsley Bridge	12,460	1,062	51	17	400
3	JP Morgan	1,144,394	5,359	18,697	47	500
4	Siguler Guff	10,364	907	98	4	600

Table II below shows the length of the investment track record and the historical performance for the semi-finalist candidates. Note that returns for firms with short track records have less data points. Bay Hills and Siguler Guff have results for two funds.

Firms with longer track records will have more established processes and procedures. Also, more funds will have matured and have fully distributed the profits to investors. Until distributed, actual investment results are uncertain.

Firms with shorter track records have fewer funds with reported investments results to evaluate the firm's potential to generate returns for CCCERA.

Table II

Investment Performance of Semi-Finalist Managers

		Years since beginning of		Net IRR for Previous Small/Mid Buyout Funds[1]		Net Outperforamnce Versus Top Quartile[2]	
		Firm	Small/Mid Strategy	Median	Range	Median	Range
1	Bay Hills	7	7	26.3%	10.8% – 41.7%	18.0%	1.5% – 34.4%
2	Horsley Bridge	30	25	12.8%	3.9% – 25.5%	8.0%	-10.3% – 25.5%
3	JP Morgan	214	16	15.1%	-1.6% – 41.5%	-1.1%	-15.8% – 25.3%
4	Siguler Guff	22	7	19.9%	11.4% – 28.3%	11.9%	4.6% – 19.3%

1. Returns shown are after all fees charged by underlying funds and fund of fund's fees.
2. Outperformance shown is the fund's performance less performance of the Cambridge Upper Quartile for each year.

Fee Comparison

Table III below shows the fee structure for the finalist candidates. The Management Fee is paid annually to the fund of funds manager based on the assets committed to be invested. Carry Fees are fees that vary based on investment performance. Note that Carry Fees may be different for Direct Fund Investments (investments into private equity funds), Co-Investments (investments made directly into companies, not through another investment fund) and Secondaries (purchases of Direct Fund Investments from another investor).

Table III

		Average Management	Carried Interest Fee Schedule					
			Direct Fund Investments		Co-Investments		Secondaries	
	Firm	**Fee**	**Hurdle**	**Carry**	**Hurdle**	**Carry**	**Hurdle**	**Carry**
1	Bay Hills	0.68%	12.00%	5.00%	N/A[2]	N/A[2]	12.00%	5.00%
2	Horsley Bridge	0.42%	8.00%	5.00%	8.00%	5.00%	8.00%	5.00%
3	JP Morgan 1 [1]	0.77%	8.00%	5.00%	8.00%	10.00%	8.00%	15.00%
4	JP Morgan 2 [1]	0.47%	8.00%	5.00%	8.00%	10.00%	8.00%	15.00%
5	Siguler Guff	0.27%	8.00%	5.00%	8.00%	15.00%	8.00%	15.00%

1. JP Morgan provides two fee options as shown above.
2. Bay Hills does not place Co-Investments in their Partnership vehicle.

Average Management Fee is the average annual fee based on assets committed to be managed.

Hurdle is also referred to as the "preferred return." No Carry Fee is paid until CCCERA earns more than the Hurdle rate of return.

Carry, also referred to as Carried Interest, is the percentage paid to the fund of funds if the investment return exceeds the Hurdle rate.

All candidate firms have a "Catch-up" fee. If returns are high enough, the Catch-up fee gives the firm the Carried Interest percentage on all profits. Without a Catch-up fee, the firm only receives the Carried Interest fee on the amount earned over the Hurdle rate of return.

Fees will vary depending on investment performance. Table IV below shows the effective impact of fees, depending on the return of the fund's investments.

We caution that fees are only part of the fund selection process and fund selection should not be made with fees as a sole consideration. Investment returns before fees will be the primary driver of results, not fees.

Table IV

Fund of Funds Fee Expense for various levels of gross returns

		Gross Return from Underlying Funds			
		5%	**10%**	**15%**	**20%**
1	Bay Hills	1.7%	1.9%	1.9%	2.0%
2	Horsley Bridge	1.1%	1.3%	1.4%	1.4%
3	JP Morgan 1	1.8%	1.7%	1.7%	1.7%
4	JP Morgan 2	1.1%	1.4%	1.5%	1.6%
5	Siguler Guff	0.8%	1.1%	1.2%	1.3%

How to read this table:
Gross return is the investment return from underlying private equity funds. This is the return to the Fund of Funds and is after the payment of fees to the underlying funds, but before the fee paid other fund of funds.

For example, if Horsley Bridge earned a 10% return from its investments in underlying funds, it would receive a fee of 1.3% and CCCERA's investment return would be 8.7% (10% - 1.3%).

If investment returns in the underlying private equity funds were identical, Siguler Guff, with the lowest fees in the table above, would usually provide the highest investment return to CCCERA.

Overlap Analysis

Different funds have different levels of overlap with CCCERA's current private equity managers, Adams Street and Pathway, as shown in Table V below. For example, for recent funds Bay Hills had 14% of its investments in common with Adams Street and 3% of its investments in common with Pathway, a 17% total overlap. ("In common" means an investment in the same investment partnership.) If the next fund has a similar overlap, we should expect a $100 investment placed with Bay Hills would have approximately $17 invested into funds already invested in by Adams Street or Pathway.

High overlap with CCCERA's current private equity mangers is an undesirable attribute for a candidate as the diversification benefit is reduced as overlap increases.

Table V

Fund Overlap Analysis

		Investments in Common	
		Adams Street	Pathway
1	Bay Hills	14%	3%
2	Horsley Bridge	0%	6%
3	JP Morgan	0%	13%
4	Siguler Guff	3%	0%

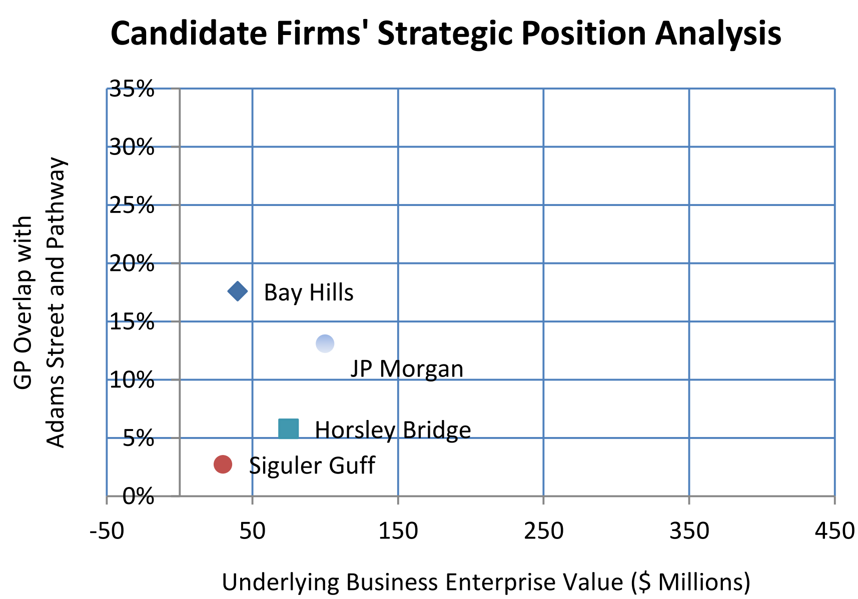
Note: The number shown is the total amount invested in the same partnerships as Adams Street or Pathway divided by the total amount invested by the candidate firm's fund.

CCCERA's existing managers, Adams Street and Pathway, are large funds with an emphasis on large businesses. As a result, there is some correlation between a candidate firm's investment overlap with Adams Street and Pathway's investments and the size of the businesses in which they invest.

Chart I, below, plots the size of companies in which investments are made versus the overlap with CCCERA's existing managers, Adams Street and Pathway. The horizontal axis is Enterprise Value, the total value of the business in which the investment is made, and the vertical axis shows overlap from Table V. The chart shows that Siguler Guff's and Horsley Bridge's investments have the lowest overlap with Adams Street and Pathway's investments and they invest in the smallest companies.

The most desirable candidates have a small overlap with CCCERA's current private equity managers and focus on investing in small companies.

Chart I



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Bay Hills

1. Firm name, address, and telephone number:

   Bay Hills Capital Management, LLC
   One Embarcadero Center, Suite 2830
   San Francisco, CA 94111
   Main: 415-391-4240

2. Firm founded: Registered with the Securities & Exchange Commission:

   Bay Hills Capital was founded in 2006 and registered as an Investment Advisor with the SEC in January 2012.

3. Name, position, telephone and fax number, and e-mail address of the firm's new business contact and database/questionnaire contact:

New business:			Database contact:		
Name:		Philip Godfrey	Name:		William Tran
Title:		Partner	Title:		Senior Associate
Phone:		415-391-4240	Phone:		415-391-4240
Email:		pgodfrey@bayhillscapital.com	Email:		wtran@bayhillscapital.com

4. Firm's ownership structure, and any ownership changes over the past five years:

   Bay Hills Capital Management is structured as a Delaware limited liability company, and is owned and operated by its four partners. The Firm has not experienced any changes in ownership over the past five years.

5. Carriers and the limits of errors and omissions and fiduciary liability insurance:

   $1 million aggregate Advisor Errors and Omissions and Fiduciary Liability insurance policy through CV Starr (A.M. Best Rating A XV)

6. Litigation:

   Bay Hills Capital has not been involved with any litigation regarding the Firm's investment activities since its inception. There is no current or anticipated involvement in any litigation.

7. Judgments:

   No judgments from governmental or regulatory agencies have been made against Bay Hills Capital throughout the Firm's history. There are no current or anticipated investigations.

8. Firm's financial statement auditor.
   Novogradac & Company
   246 First Street, 5th Floor
   San Francisco, CA 94105

9. Total assets under management for firm for the past five year-end periods and as of March 31, 2013.

Total Firm Assets					
	Assets Under Management (Millions)	**Accounts Gained**	**Assets Gained (Millions)**	**Accounts Lost**	**Assets Lost (Millions)**
Dec 31, 2008	$128M	16	$13M	0	0
Dec 31, 2009	$193M	2	$65M	0	0
Dec 31, 2010	$243M	1	$50M	0	0
Dec 31, 2011	$262M	7	$19M	0	0
Dec 31, 2012	$285M	9	$23M	0	0
Mar 31, 2013*	$610M	5	$324M	0	0

10. Firm's total small/mid cap private equity fund(s) (or small/mid cap private equity fund of funds, if applicable), please state the market value of assets under management for the past five year-end periods and as of March 31, 2013.

Small/Mid Cap Private Equity Assets - Fund or Fund of Funds						
	Assets Under Managment[1] (Millions)	**Accounts Gained**	**Assets Gained (Millions)**	**Accounts Lost**	**Assets Lost (Millions)**	**Assets Committed/ Invested[2]**
Dec 31, 2008	$128M	16	$13M	0	0	$123M
Dec 31, 2009	$193M	2	$65M	0	0	$179M
Dec 31, 2010	$243M	1	$50M	0	0	$189M
Dec 31, 2011	$262M	7	$19M	0	0	$242M
Dec 31, 2012	$285M	9	$23M	0	0	$289M
Mar 31, 2013*	$610M	5	$324M	0	0	$296M

11. Name of the product(s) described in the remainder of this response:

    Bay Hills Capital Partners III, L.P. ("BHCP III" or the "Fund")

12. Firm's succession plan for senior management of the private equity fund or fund of funds activity:

    The Partners of Bay Hills Capital are in the prime of their careers, and no retirements are imminent.

13. Names and titles of key investment and management personnel:

Name	Title	Yrs. W/ Firm	Yrs. W/ Small/Mid Team	Yrs. PE Inv. Exp.
Lance Mansbridge	Managing Partner	7	7	14
Philip Godfrey	Partner	2	2	15
Albert Chiang	Partner	5	5	13
David Smith	Partner	5	5	13
William Tran	Senior Associate	2	2	5
Beth Bruni	Analyst	<1	<1	<1
Nicole Havlicek	Controller	<1	<1	<1

14. Firm staff and the private equity staff turnover:

	Firm-wide Employees		
Year	Firm-wide Employees	Firm-wide Employees Added	Firm-wide Employees Lost
Dec 31, 2008	5	4	2
Dec 31, 2009	7	2	0
Dec 31, 2010	6	0	1
Dec 31, 2011	8	3	1
Dec 31, 2012	8	1	1
Mar 31, 2013	8	1	1

	Small/Mid Cap Private Equity Investment Employees		
Year	Total Employees	Employees Added	Employees Lost
Dec 31, 2008	5	4	2
Dec 31, 2009	7	2	0
Dec 31, 2010	6	0	1
Dec 31, 2011	8	3	1
Dec 31, 2012	8	1	1
Mar 31, 2013	8	1	1

15. As of December 31, 2012, the number of accounts, assets under management, median account size, and number of portfolio managers in the Small/Mid Cap private equity product.

Small/Mid Cap Private Equity Capital Under Mgt	**Number of Investors**	**Median Client Size**	**Largest Client Size**	**Number of Portfolio Mgrs***	**Number of Inv Analysts**
$610M	33	$500K	$495M	4	2

16. As of December 31, 2012, the small/mid cap private equity fund or fund of funds group, the fund name, size of the fund in millions of dollars, the number of clients, and client assets committed and invested.

Small/Mid Cap Private Equity Fund Name	Fund Size in mil. $	Nbr. Investors	Commitments in mil. $	Investments - mil $
BHCP I	$53M	20	$58M	$38M
BHCP II	$61M	21	$63M	$24M
BHEP I	$75M	1	$75M	$49M
BHEP II	$100M	1	$100M	$28M
BHEP III*	$320M	1	$12M	NA

17. Firm’s funds or fund-of-funds product(s) currently open for investment or soon to be open for investment.

    Bay Hills Capital Partners III, L.P. will launch in the third quarter of 2013 and will seek total capital commitments of $125 million to pursue the same successful strategy of its predecessor funds: investing exclusively in top performing Small Buyout funds in North America.

    They expect a final close for BHCP III in 2014.

18. What percentage will the largest single investor represent in the new fund? Name and expected commitment for this investor.

    To be determined.

19. Does the firm allow coinvestment opportunities?

    The Bay Hills Capital Partners funds (BHCP I, II, & III) only invest in primary and secondary fund interests, and do not have co-investments as a permissible strategy. However, the Firm regularly reviews direct co-investment opportunities, and may offer participation in these opportunities to qualified investors through separately managed account vehicles.

20. How the firm defines small/mid cap private equity:

    The Firm defines small buyout funds as private equity funds below $1 billion in fund size, targeting investments in lower middle market companies between $20 million to $250 million in enterprise value (“Small Buyout”). Small Buyout funds typically make majority control or influential minority equity investments in established, private lower middle market companies.

21. Investment philosophy/strategy, style and distinguishing characteristics of this product:

    Similar to the strategy pursued by its predecessor funds, Bay Hills Capital Partners III, L.P. will invest exclusively in a select group of top-performing North America-based Small Buyout funds and will seek to diversify its investments by vintage year, industry focus, fund size, investment strategy and geography. In addition to primary investments in Small Buyout funds, the Fund may opportunistically invest a portion of its committed capital to acquire limited partnership interests in established Small Buyout funds on a secondary basis.

    Historically, the Small Buyout segment of the private equity market has significantly outperformed buyout managers with funds in excess of $1 billion (“Large Buyout”). The Small Buyout market has fundamental market attributes that Bay Hills Capital believes will enable high quality Small Buyout managers to continue to generate superior investment returns. Compared to the Large Buyout sector, these characteristics include: (1) a larger and more inefficient deal market; (2) lower purchase price multiples; (3) less dependency on debt financing; (4) greater ability to effect operational improvements and create equity value; (5) more attractive exit opportunities, and (6) better alignment of general partner and limited partner interests.

    Differentiating between top-tier, average, and below average fund managers is a central tenet to successful private equity investing. This is especially true in the Small Buyout sector where the top-performing managers significantly outperform their peers. This large performance differential between top-quartile, median, and bottom-quartile Small Buyout managers highlights the importance of manager selection and gaining access to those managers who are best positioned to generate superior risk-adjusted returns.

    The Fund will construct a concentrated portfolio of 8 – 10 historically top-performing, North American

Small Buyout funds. BHC believes that this targeted number of investments in the portfolio provides sufficient diversification while preserving the potential impact to the overall portfolio from each underlying fund manager. BHC believes that larger, over-diversified portfolios dilute the relevance of outperforming funds and result in industry average returns.

Bay Hills Capital believes that the dedicated focus of the Firm and the backgrounds of the Partners provide unique advantages in identifying and evaluating Small Buyout fund managers and in obtaining access to top-performing funds. All of the Firm's resources are exclusively committed to investing in the Small Buyout sector. Finally, the Firm believes that providing its investors with a 12% preferred return before profit participation ensures a strong alignment of interests between the Firm and investors in the Fund.

22. Bias toward any market segments:

    The portfolio will be invested with top tier private equity managers that invest across a variety of industry sectors and geographic regions. While they are mindful of portfolio diversification by vintage year, fund size, investment strategy and geography, they do not set specific allocation ranges for industry sector or strategy sub categories. They will seek to limit any potential strategy overlap amongst the fund investments, and will not invest in funds that the Partners believe are directly competitive with each other.

23. Expected period of investment for the proposed fund(s).

    The Fund will plan to make investment commitments across vintage years 2013-2015. Portfolios invested over multiple vintage years allows for adequate time diversification, and combined with the underlying manager's three to five year investment periods, enables them to capture a full market investment cycle.

24. General Partner's commitment in the fund:

    The General Partner, in its capacity as the general partner of the Fund, will contribute to the Fund, either in cash or in the form of a full recourse, demand promissory note, an amount equal to 1% of the amount contributed by the Limited Partners.

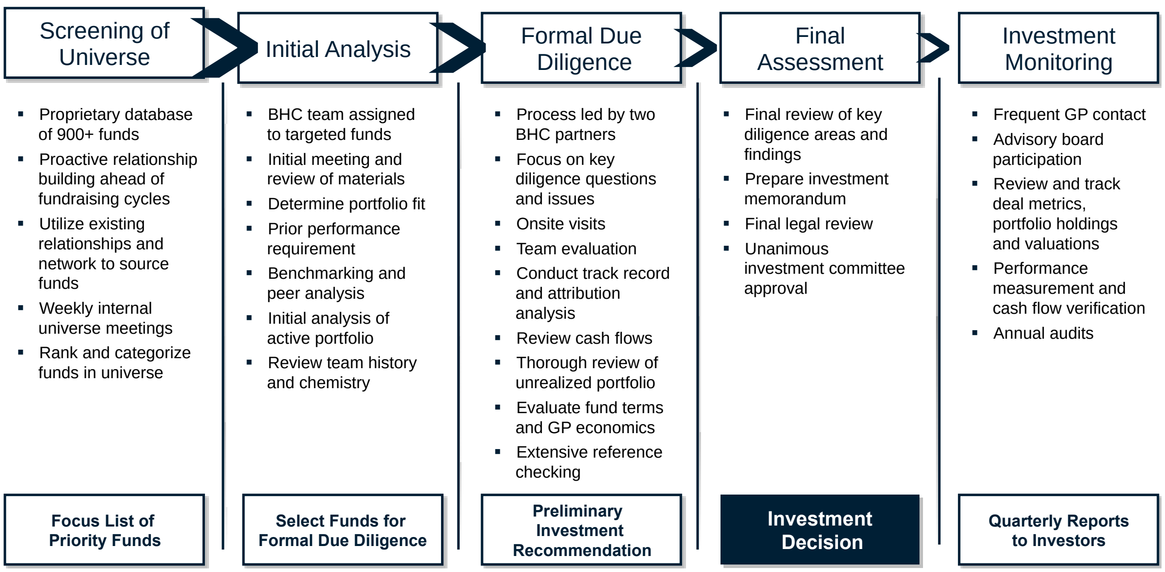
25. What is the firm's investment universe? How many investment opportunities are evaluated each year?

    Bay Hills Capital currently tracks approximately 1,000 Small Buyout funds in its proprietary database. The Firm will typically review approximately 300 funds over a two to three year investment period for its fund-of-funds, performing extensive due diligence on approximately 20-25 of those funds each year. The majority of BHC's deal flow and investment origination is the result of its senior investment team's 50+ years of collective experience in the private equity market, and their long-standing relationships with general partner groups. BHC is also proactive in developing new investment opportunities with established and emerging general partner groups. They conduct substantial research and development of new relationships through constant networking with existing managers, intermediaries and involvement in industry gatherings. BHC maintains a list of active investment funds that their Partners target in advance of fundraising cycles, and this systematic process has been very successful in developing and retaining new relationships with high quality fund managers. Since inception, all of their new fund investments have come through this proactive targeting program. To date, they have not sourced any partnership investments through placement agents.

26. How are investments evaluated?

The Firm's investment process leverages the unique skills and experience of the Partners and involves comprehensive qualitative and quantitative evaluation of prospective fund investments.

Investment funds that are selected for formal due diligence will need to meet the following fundamental requirements: experienced management team with strong historical performance, exceptional deal sourcing, structuring and operational expertise, and an investment strategy and approach that is complimentary to the proposed portfolio. Each potential investment is subject to a detailed evaluation process that becomes progressively more rigorous as it moves closer to final investment approval. The Firm's Investment Committee is comprised of all four Partners who assume active roles in sourcing, evaluating and monitoring the Firm's investments. The Partners meet regularly to review the fund investment pipeline, existing fund investments, portfolio composition and ongoing performance. Every new investment is subject to unanimous approval by the Investment Committee.
A list of investment screening steps is provided in the table below.



27. Process of monitoring the investments held in current funds:

Bay Hills Capital's funds are monitored by the BHC Investment Team and overseen by the Firm's Partners.

The Firm tracks the performance of its managers at both the partnership and portfolio company level. Specific deal metrics such as purchase and leverage multiples are recorded and provide the Partners with insights into market and pricing trends. Additionally, all available portfolio company operating metrics—such as sales, earnings and net debt—are monitored and reviewed by Bay Hills Capital to gain further insight into the overall financial prospects of portfolio holdings. The Partners believe this level of information is critical to accurately assess the performance of the fund managers and will enable informative comparisons across partnerships as well as specific industries.

BHC's ongoing monitoring process includes (1) the assessment of performance for each investment partnership through a review of the fund's financial statements and portfolio investments, (2) the assessment of each underlying manager's compliance with governing documents and initial investment plans, and (3) the ongoing communication and interaction with existing managers through consistent participation in annual meetings, advisory boards, and conference calls.

28. Firm's investment database of potential investments:

Bay Hills Capital utilizes a third party database application as its proprietary repository for tracking and monitoring Small Buyout funds. Currently the Firm tracks approximately 1,000 North American buyout firms in its targeted segment of private equity. Each manager is placed into one of several different categories based on level of historical interaction, attractiveness of team and strategy, and fit within the mandate of BHC. The investment team utilizes the database to track performance and other characteristics such as fund size, vintage year, relevant terms, geographic focus, stage focus, industry focus, investment staff turnover, location and prospective timing of future fundraises. In addition, the investment team documents all relevant interactions with fund managers as well as any other useful information regarding a specific manager.

29. Describe the fund or fund of fund portfolio construction process.

BHCP III will seek to construct a concentrated portfolio of approximately 8 - 10 historically top performing Small Buyout fund managers which will be diversified by vintage year, industry focus, fund size, investment strategy and geography. Each underlying fund manager will generally invest in 12 - 20 companies, providing the Fund with broad diversification across 100 - 200 underlying portfolio company investments.

The Fund will invest in three distinct types of Small Buyout managers: generalists, sector focused and special situation firms. Generalist buyout firms typically invest across a range of industries and transactions including leveraged and/or management buyouts, growth equity financings, and recapitalizations. Sector-focused funds are specialists who leverage their expertise to invest in a particular industry. Special situations are commonly distressed and/or turnaround investment specialists that have expertise in bankruptcy, restructurings and operational complexity. The Fund will target the best managers from these varying strategies within the Small Buyout market.

The Fund will plan to diversify across vintage years 2013 - 2015. In addition, each underlying buyout manager will typically have a three to five year investment period providing further vintage year diversification. The Fund will also be diversified by the size of the underlying buyout funds and geography. On an opportunistic basis, the Fund will also invest in secondary transactions where BHC is an existing investor or is interested in the manager for potential primary investment. These prospective investments by the fund will be subject to the same comprehensive due diligence process as primary fund investments. The Fund will not make secondary investments solely on the basis of pricing discounts.

All investment and portfolio construction decisions require unanimous approval by the Investment Committee. The Investment Committee is supported in these activities by the Firm's junior investment professionals.

30. Target a level of return or risk:

The Fund will target a net IRR to limited partners of 20% and a net return multiple of 2.5x invested capital.

31. Private equity investment types (i.e. venture capital, growth equity, buyouts, distressed, etc.) are included in a typical portfolio:

Bay Hills Capital invests exclusively in top performing Small Buyout funds in North America. The Firm defines small buyout funds as private equity funds typically below $1 billion in fund size, targeting investments in companies between $20 million to $250 million in enterprise value ("Small Buyout").

Generally, Small Buyout funds execute one of three broad sub-strategies: generalist, sector focused and special situations strategy. Generalist buyout firms typically invest across a range of industries and transactions including leveraged and/or management buyouts, growth equity financings, and recapitalizations. Sector-focused funds are specialists who leverage their expertise to invest in a particular industry. Special situations are commonly distressed and/or turnaround investment specialists that have expertise in bankruptcy, restructurings and operational complexity. While the Fund expects to have exposure to all three types of managers, it does not have discrete allocations for them at the partnership level; the Fund will target the highest quality managers from these varying strategies within the Small Buyout market.

32. Preferred benchmarks:

    Bay Hills Capital compares its fund performance against a variety of commonly used public and private equity benchmarks. Broad indices such as the Russell 2000 and the S&P 500 provide a general contrast between quoted and private equity performance and they often gauge relative performance through the use of public market equivalent (PME) calculations. Additionally, Bay Hills Capital has benchmarked its fund performance against industry data from Cambridge Associates and Thomson Reuters. Although private equity industry data has limitations due to the timing and reporting of performance information, they believe these widely used third-party databases are among the most comprehensive in the industry and most relevant to their investment activities.

33. Typical number of partnerships held in the firm's fund of funds:

    Bay Hills Capital will typically invest in 6-10 partnerships within each fund-of-funds vehicle, and commit $10-15 million to each underlying partnership. The mean fund size of Bay Hills Capital's 26 underlying partnerships is $407 million, while the median fund size is $317 million (as of 3/31/13).

    For BHCP III, they anticipate 8-10 partnership investments. The maximum potential investment amount to any one partnership is 25% of the Fund's committed capital.

34. Expected range for geographic location (region in US, US vs. international), industry and sector exposure and stage of investment for the firm's currently available fund:

    Bay Hills Capital focuses on investments in Small Buyout strategies in North America. 11% of their prior partnership investments are with Canadian general partners, the remainder are with groups based in the U.S. Prior Bay Hills Capital Partners funds include underlying company investments represented across a broad range of industry sectors including Healthcare, Consumer/Retail, Business Services, Niche Distribution and Manufacturing, Technology, Media/Telecom, Financial Services, Industrial/Transportation and Energy. Though some of their underlying managers may acquire companies with a portion of their revenues and growth prospects coming from markets outside North America, the mandate of the Bay Hills Capital Partners funds is to invest with Small Buyout fund managers that deploy the majority of their capital in U.S. and Canadian buyout and special situation investments.

35. To what extent does the firm make "follow-on" investments? (Make multiple fund commitments to the same private equity fund manager)

    Bay Hills Capital will conduct a formal due diligence process for each successor fund raised by an existing underlying fund manager. Successor funds will undergo the same rigorous investment process as other Small Buyout funds reviewed by the Firm. Bay Hills Capital will only make a follow-on investment in a manager if the manager continues to meet the Firm's investment criteria and the strategy of the new fund remains consistent with Bay Hills Capital's Small Buyout strategy.

36. Expected exit strategy:

    As a fund-of-funds, the Fund's distributions will be determined by the portfolio company exit strategies pursued by its underlying partnerships. These strategies include: sales to corporate strategic buyers, up market sales to other financial sponsors, dividend recapitalizations, and while less common, initial public offerings. Small Buyout funds typically have an expected holding period of three to five years for its underlying portfolio companies.

A realization event may result in a distribution from an underlying partnership to the Fund. These distributions will then be passed on by the Fund to its limited partners, or recycled to satisfy capital call obligations. Capital calls and distributions will be netted and managed by BHC to serve in the best interest of the Fund's investors. All distributions will be made in cash.

The Fund is expected to have a 12-year term, with extensions at the discretion of the General Partner until each of the underlying funds have been fully realized and terminated.

37. Performance review:

Fund Name	Vintage Year	Fund Capitalization ($M)	% of Fund Invested	No. of underlying funds	Distribution/ Paid-in	Residual/ Paid-in	Net IRR
BHCP I	2007	$53M	72%	6	0.05x	1.35x	10.8%
BHEP I	2007	$75M	65%	8	0.38x	1.14x	16.1%
BHEP II	2009	$100M	24%	9	0.30x	1.39x	41.7%
BHCP II	2009	$61M	37%	6	0.00x	0.80x	-15.7%

38. Fee schedule for the fund:

BHCP III will charge an annual management fee equal to 1% of committed capital for years 1-6, 0.5% of committed capital for years 7-10, and after which the annual management fee will be reduced by 10 basis points per year for each year until the dissolution of the Fund, and will be based on net asset value. Management Fees will commence at the Fund's inception and be payable to the Firm in advance on a semi-annual basis.

39. Carried interest associated with the fund:

The Fund will charge a carried interest of 5%, subject to a preferred return of 12% to all Limited Partners.

40. Any other costs or fees associated with the fund:

The Fund will pay for all expenses relating to the organization and formation of the Fund and the placement of Limited Partner Interests in the Fund in an amount up to $500,000.

1. Firm name, address, and telephone number:

    Horsley Bridge Partners LLC
    505 Montgomery Street, Floor 21
    San Francisco, California 94111
    Tel: 415-986-7733

2. Firm founded: Registered with the Securities & Exchange Commission:

Horsley Bridge Partners was founded in 1983 and has been registered with the Securities & Exchange Commission ("SEC") since inception.

3. Name, position, telephone and fax number, and e-mail address of the firm's new business contact and database/questionnaire contact:

New business:			Database contact:		
Name:		Mark A. Moore	Name:		Mark A. Moore
Title:		Principal	Title:		Principal
Phone:		415-986-7733	Phone:		415-986-7733
Email:		mark@horsleybridge.com	Email:		mark@horsleybridge.com

4. Firm's ownership structure, and any ownership changes over the past five years:

    Horsley Bridge Partners LLC ("HBP") is a Delaware limited liability company and a Registered Investment Adviser with the SEC. HBP is the Managing General Partner of the private equity funds-of-funds that they sponsor.

    HBP has the following wholly-owned subsidiaries: (1) Horsley Bridge International Ltd., a UK corporation formed when they opened their London office, (2) Horsley Bridge (Beijing) Business Consulting Co., Ltd., a PRC corporation formed when they opened their Beijing office, and (3) Horsley Bridge International LLC, a Delaware limited liability company formed for tax purposes in connection with the establishment of their Beijing entity.

    HBP is wholly owned by their Managing Directors and has no affiliations with outside entities of any kind. In general, their philosophy is that the investment Managing Directors have an equal ownership of the management company, with newer Managing Directors growing into an equal ownership over time. As dictated by their partnership agreement (described more fully in question 13), reduction in work hours to less than full-time or retirement triggers retirement of a partner's ownership interest. Over the past five years, HBP has had the following ownership changes:

    2007: Phil Horsley and Gary Bridge transitioned to part-time and their ownership interest in the firm was retried.

    2008: Dan Reeve transitioned to part-time, and his ownership interest in the firm was retired.

    2010: Duane Phillips retired, triggering retirement of his ownership interest.

    2012: Du Chai and Yi Sun became owners, and Fred Berkowitz reduced his schedule, triggering the retirement of his ownership interest.

5. Carriers and the limits of errors and omissions and fiduciary liability insurance:

    Our Fund Management Liability insurance covers Directors & Officers, Errors & Omissions and Outside Directorship Liability. This coverage is placed with Chubb (AA S&P rating) through their broker, Willis

Insurance Services. The limit of liability is $5M in aggregate and the retention amount is $150K per claim.

6. Litigation:

   There have not been and are no pending or anticipated lawsuits against HBP.

7. Judgments:

   There have been no judgments against their firm.

8. Firm's financial statement auditor.

   Our financial statements are audited by PricewaterhouseCoopers ("PwC"). PwC (or its predecessor firm) has been their auditor since inception.

9. Total assets under management for firm for the past five year-end periods and as of March 31, 2013.

	Total Firm Assets					
	Market Value (Millions) (1)	**Total Clients (2)**	**Accounts Gained (3)**	**Assets Gained ($M) (4)**	**Clients Lost (5)**	**Assets Lost ($M) (6)**
Dec 31, 2008	$11,452	59	10	-	-	-
Dec 31, 2009	$11,452	59	-	-	-	-
Dec 31, 2010	$11,752	59	-	$300	-	-
Dec 31, 2011	$11,752	58	-	-	1	-
Dec 31, 2012	$12,276	64	5	$724	-	$200
Mar 31, 2013	$12,460	65	1	$184	-	-

10. Firm's total small/mid cap private equity fund(s) (or small/mid cap private equity fund of funds, if applicable), please state the market value of assets under management for the past five year-end periods and as of March 31, 2013.

    Historically, their U.S. focused fund-of-funds has been co-mingled by strategy, with a mix of early stage venture capital partnerships and buyout partnerships. However, with Horsley Bridge X, they decided to split the fund into two separate offerings: Horsley Bridge X Venture and Horsley Bridge X Growth Buyout. This was in response to their limited partners, who wanted more choice in how they allocated their capital.

    The table below represents data from the buyout partnerships of their U.S. Funds.

Small/Mid Cap Private Equity Assets - Fund or Fund of Funds							
Buyout Partnerships Only (1)	**Current Market Value ($M) (2)**	**Total Market Value ($M) (3)**	**Accounts Gained**	**Assets Gained (Millions)**	**Accounts Lost**	**Assets Lost (Millions)**	**Assets Committed (4)**
Dec 31, 2005	$308.9	$922.2	n/a	n/a	n/a	n/a	$720
Dec 31, 2006	$442.6	$1,150.5	n/a	n/a	n/a	n/a	$855
Dec 31, 2007	$541.3	$1,393.7	n/a	n/a	n/a	n/a	$1,120
Dec 31, 2008	$457.8	$1,367.1	n/a	n/a	n/a	n/a	$1,415
Dec 31, 2009	$629.2	$1,602.0	n/a	n/a	n/a	n/a	$1,482
Dec 31, 2010	$879.5	$1,994.0	n/a	n/a	n/a	n/a	$1,571
Dec 31, 2011	$958.0	$2,300.0	n/a	n/a	n/a	n/a	$1,711
Dec 31, 2012	$1,066.6	$2,658.7	n/a	n/a	n/a	n/a	$1,800
Mar 31, 2013	$1,062.4	$2,697.2	n/a	n/a	n/a	n/a	$1,855

(1) *Includes Buyout Partnerships held by all U.S. Funds and HBG VIII; excludes HB Strategic due to its mix of U.S. and International. The above chart is based on Partnership reported value, net of Partnership fees and expenses, but gross of HB Fund fee and expenses. HBP Fund fees and expenses will reduce performance (see" Gross IRR"in Performance Disclosures).*
(2) *Current Market Value represents reported values by the underlying Partnerships.*
(3) *Total Market Value represents Current Market Value + Distributions.*
(4) *Assets Committed represents Total Commitments to Buyout Partnerships.*

11. Name of the product(s) described in the remainder of this response:

    Horsley Bridge X Growth Buyout, L.P. ("HB X GBO", or the "Fund")

12. Firm's succession plan for senior management of the private equity fund or fund of funds activity:

    Once a partner is ready to transition out of HBP, the mechanics of that departure are dictated by their partnership agreement. Our partnership agreement contains a formula for calculating compensation to any departing partner. It is based on a partner's vested ownership interest in the firm, and the payment is made over a five-year time period. This formula has been part of their partnership agreement since 1997.

    Key to the success of HBP's Managing Director transition process is a culture of openness in which all partners are forthcoming as a group about their future plans. They regularly revisit the plans of each partner as a team. Transition of responsibilities generally takes place over a long period of time, which is facilitated by their team-based approach to managing general partner and client relationships, as well as firm administration.

    They don't expect any of their eight investing Managing Directors to fully retire over the next five years. However, as mentioned above, Fred Berkowitz's role changed beginning in 2012, when he expressed a desire for more time with his family and for more focus in his investment activities. This triggered the retirement of Fred's ownership interest in the firm.

    Dan Reeve, their Managing Director responsible for distribution management, is scheduled to retire in the Fall of 2013. They plan to hire externally for the position, and Dan has offered to continue on as necessary to ensure a smooth transition.

    In the next twelve months, they expect the usual turnover amongst their Associates, who are hired on a two to four year rotational program, after which they generally attend business school.

13. Names and titles of key investment and management personnel:

Name	Title	Yrs. W/ Firm	Yrs. W/ Small/Mid Team	Yrs. Inv. Exp.
Fred Berkowitz	Managing Director	25	25	30
Du Chai	Managing Director	2	2	12
Lance Cottrill	Managing Director	13	13	13
Josh Freeman	Managing Director	18	18	19
Fred Giuffrida	Managing Director	18	18	31
Kathryn Mayne	Managing Director	10	10	21
Elizabeth Obershaw	Managing Director	6	6	30
Yi Sun	Managing Director	5	5	10
Kate Murphy	Managing Director, COO	10	10	19

14. Firm staff and the private equity staff turnover:

	Firm-wide Employees		
Year	Firm-wide Employees	Firm-wide Employees Added	Firm-wide Employees Lost (1)
Dec 31, 2008	46	10	8
Dec 31, 2009	54	10	2
Dec 31, 2010	52	9	11
Dec 31, 2011	55	6	3
Dec 31, 2012	50	1	6
Mar 31, 2013	51	1	0

	Small/Mid Cap Private Equity Investment Employees (2)		
Year	Total Employees	Employees Added	Employees Lost (1)
Dec 31, 2008	16	3	1
Dec 31, 2009	20	4	0
Dec 31, 2010	16	2	6
Dec 31, 2011	19	5	2
Dec 31, 2012	15	1	5
Mar 31, 2013	17	2	0

(1) Includes departure of Investment Associates who are hired on a two to four year program, after which they generally attend business school.

(2) Represents all Investment Professionals

15. As of December 31, 2012, the number of accounts, assets under management, median account size, and number of portfolio managers in the Small/Mid Cap private equity product.

    As mentioned above, we've always had a buyout strategy in their U.S. Funds but it has been co-mingled with venture. HB X GBO is their first dedicated small/mid cap private equity fund of funds. In March 2013, they held a first close. HB Growth VIII is an overflow fund to HB VIII. This was formed at a time when, due to market dislocation, HBP was able to secure larger commitments to certain groups when they considered prudent for the main fund, HB VIII, which was being committed at the time.

16. As of December 31, 2012, the small/mid cap private equity fund or fund of funds group, the fund name, size of the fund in millions of dollars, the number of clients, and client assets committed and invested.

Small/Mid Cap Private Equity Fund Name (1)	**Fund Size**	**# Investors**	**Total Commitments to Partnerships**	**Commitments to Venture Partnerships**	**Commitments to Buyout Partnerships**	**Investments (2)**
Horsley Bridge Fund I, L.P.	$200	11	$195.5	$152.3	$43.3	$194.0
Horsley Bridge Fund II, L.P.	228	5	219.3	196.5	22.8	218.3
Horsley Bridge Fund III, L.P.	225	5	208.5	168.5	40.0	203.5
Horsley Bridge Fund IV, L.P.	300	7	294.2	249.2	45.0	291.8
Horsley Bridge Fund V, L.P.	500	9	499.9	401.4	98.5	493.5
Horsley Bridge Fund VI, L.P.	1,056	13	1,053.4	917.8	135.6	1,021.5
Horsley Bridge VII, L.P.	1,573	34	1,533.4	1,248.7	284.7	1,455.6
Horsley Bridge VIII, L.P.	1,006	27	1,020.2	720.2	300.0	896.9
Horsley Bridge Growth VIII, L.P.	257	11	262.0	20.0	242.0	232.2
Horsley Bridge IX, L.P.	1,759	34	1,813.5	1,238.2	575.3	947.0
Horsley Bridge X Venture, L.P. (3)	724	19	78.4	78.4	-	-

(1) Represents all of the HB U.S. Funds. They added the venture/buyout commitment breakout for these Funds.
(2) Investments represents Paid-In Capital to Partnerships.
(3) HB X Venture held a final close on $751M in March 2013.

17. Firm's funds or fund-of-funds product(s) currently open for investment or soon to be open for investment.

Small/Mid Cap Private Equity Fund Name	Fund Size Current (1)	Expected Fund Size at Final Close	Current Number Investors	Expected Number of Investors	Expected Final Closing Date
Horsley Bridge X Growth Buyout, L.P.	$172	$300 - $500	13	20 - 25	January 8, 2014

(1) As of June 1, 2013

18. What percentage will the largest single investor represent in the new fund? Name and expected commitment for this investor.

Currently, the Fund's largest investor is a corporate pension plan who has made a $55M commitment. Depending on the final size of the fund, this investor might represent anywhere from 10% to 30% of the Fund.

19. Does the firm allow coinvestment opportunities?

Horsley Bridge Partners does not provide its LPs co-investment opportunities into portfolio companies. On occasion, when there is excess allocation in a partnership in which one of their funds is investing, they are able to discuss with interested LPs the opportunity for them to make a direct investment in the partnership.

20. How the firm defines small/mid cap private equity:

They define small/mid cap private equity based on the amount of capital raised by buyout partnerships. Generally, any fund less than $500M they would consider "small buyout".

Smaller funds generally target smaller companies. In their active portfolio of eleven buyout groups, 61% of the deals have been to companies with enterprise value of less than $100M, and 86% of the deals have been into companies with an enterprise value of less than $250M.

21. Investment philosophy/strategy, style and distinguishing characteristics of this product:

    HB X GBO will be a concentrated portfolio of smaller market growth and buyout funds located in the United States.

    The strategy in building this portfolio is based on their conviction, informed by many years of experience and data, that managers systematically underestimate risk in their portfolios. In order to make up for the inherent losses in a private equity portfolio, managers must have a few significant winners to produce superior fund-level returns. They seek managers that understand this dynamic and that have the ability, mindset and courage to aim for these outsized returns.

    Within the buyout universe, they believe that the only reliable form of value creation is through general partners transforming the companies that they buy. Buying cheaply and financial engineering, while helpful, are not sustainable strategies. They back groups capable of significant operational improvements and who understand the dynamics that a few deals drive overall performance. These firms will likely be in the smaller end of the market where their efforts can have the most impact. They tend to source deals proactively, take control positions (or act as control investors) and assist management with policy decisions.

    They expect the Fund's portfolio to consist of around 10 – 12 partnerships, and that each partnership will invest in around 10 – 15 companies. In aggregate, LPs of the Fund will have exposure to roughly 120 - 130 underlying investments. They believe this portfolio is appropriately concentrated such that outsized winners can "move the needle", while providing adequate diversification to mitigate risk.

22. Bias toward any market segments:

    They expect the portfolio will have diverse exposure to a number of different market segments. However, they also believe that growth stories are most prevalent in the emerging spaces where large incumbents have not yet formed, particularly in technology, and this is where many of their managers focus. In fact, in the portfolios of their active growth buyout managers, 44% of the investments are in technology companies, while a number of the others are in tech-enabled companies.

23. Expected period of investment for the proposed fund(s).

    They aim to commit the Fund to private equity partnerships over approximately three years. They time this commitment period to coincide with the fund cycles of their underlying managers, expecting to have one offering from each of their core managers.

    The underlying partnerships typically have investment periods of two to four years, so they expect the Fund to be significantly invested after about six or seven years. The pace of commitments and investments will provide their LPs with broad vintage year diversity.

24. General Partner's commitment in the fund:

The general partners will have a 2% aggregate commitment to the Fund (see Exhibit 4 - HB X GBO Fund Structure). The ownership of the general partner entities is shared among the Managing Directors and other key employees, with Managing Directors generally having equal ownership. Ownership vests over ten years and represents a meaningful component of compensation for their investment professionals. Fifteen percent of this commitment is paid in cash and the remainder is re-contributed from future distributions. The general partner entities do not receive cash distributions until the full amount of the general partners' commitment has been contributed. If future distributions are not sufficient to meet the members' capital commitments, the members are required to pay the difference into the Fund, which means that they are fully aligned and they have the same ultimate downside risk as all limited partners.

In addition, their Managing Directors have committed $5.2 million to HB X GBO as limited partners, under the same terms as all limited partners.

25. What is the firm's investment universe? How many investment opportunities are evaluated each year?

They are focused and invest in just a few areas of the private equity universe. They invest primarily in early stage venture capital and small buyout partnerships, because they believe these are the parts of the market where outsized deal returns occur. The primary sources of their deal flow in these areas include:

- Our existing relationships, who contact them each time they raise a new partnership. This is the foundation of each of their funds, and the basis on which they size them;
- Our strong brand name, which draws numerous new opportunities to their offices, often before formal fundraising begins;
- Our missionary efforts, in which they proactively search out attractive investment candidates that they have not invested with in the past; and
- Our extensive network, which has been established over time through day-to-day interactions with those involved in the industry.

They will typically build relationships with groups over time. It is not unusual for them to turn down a group and then invest in a later fund. When they turn down a group that they believe has potential, they provide specific feedback, emphasize their desire to stay in touch, and continue to collect intelligence on the group over the coming years, often including regular update meetings, as if they were active investors. This is one of the ways that they build and maintain a strong network and pipeline of future opportunities.

In 2012, over 220 partnerships passed their initial screening and were logged into their system. Approximately 50 went through preliminary due diligence, of which approximately 20 went to full due diligence. They closed 12 fund commitments globally in 2012.

26. How are investments evaluated?

Our due diligence process is well defined, and includes three distinct stages: (1) the screening of investment opportunities, (2) the due diligence of those opportunities, and (3) the decision-making process.

Our screening process is focused on a number of key criteria including: the operating and investing experience of the general partners, the investment strategy, high return aspirations, a fund size appropriate for the market opportunity, a proactive approach to originating deal flow, a disciplined process for evaluating opportunities and making investment decisions, an ability to add value through active ownership, and the historical and prospective investment performance.

This initial screening process is generally led by one or two Managing Directors and an Associate. If this team determines the offering is worth a deeper look, the opportunity is flagged for preliminary due diligence and it is discussed at their weekly Investment Group Meeting ("IGM"). A rating is assigned to the opportunity to facilitate balancing diligence priorities.

Preliminary due diligence often consists of one or more additional meetings and may include targeted reference calls. If the opportunity warrants full diligence, a preliminary discussion memo is prepared and circulated to the Investment Committee, and the opportunity is discussed more fully at the IGM.

If the Investment Committee decides to devote more time and resources to the opportunity, it moves into full due diligence. At this point a deal team is formed. The deal team is generally made up of four Managing Directors supported by an Associate. The deal team will have additional meetings, conduct reference calls, and engage in deep analysis of the track record, strategy, and team. This part of the process typically involves multiple in-person meetings with the general partners and often takes several weeks or more. The deal team meets regularly and provides updates at the IGM along the way. An extensive due diligence package, including both quantitative and qualitative analysis, is developed over the course of this diligence phase.

Please note that, for existing groups, their due diligence is ongoing. They actively track each group's execution against their stated strategy, and this provides important input into their due diligence on the group's next offering. That said, whether they are already invested in a group or the group is new to them, they adhere to the same principles of diligence.

Final investment decisions are made by the eight investing Managing Directors as part of a well-defined process. This group of Managing Directors constitutes the Investment Committee and typically meets once a week at the IGM. The current members of the Investment Committee are: Fred Berkowitz, Du Chai, Lance Cottrill, Josh Freeman, Fred Giuffrida, Kathryn Mayne, Elizabeth Obershaw, and Yi Sun.

At the end of diligence, the deal team will hold a vote, which is designed to reflect the confidence of the deal team in recommending the opportunity to the Investment Committee, and determines whether a deal will be reviewed in detail by the investment committee or be subject to a more streamlined ratification process. Each member of the deal team will cast a vote from 1 to 10 representing their opinion of the opportunity. Votes of 5 are not permitted. If the average vote is lower than 5, the investment is rejected.

If the average vote is above 5, the opportunity is submitted to the Investment Committee for a vote. If the average is above 7 and the deal team unanimously supports the opportunity, a more streamlined discussion will occur at the Investment Committee.

Note that the Investment Committee or deal team may decide during the initial discussion phase that an opportunity will be submitted to the Investment Committee for a full review regardless of the deal team vote. This may be the case for an offering in a new market or geography, or where the issues highlighted during the preliminary discussion warrant review by the full committee.

In addition to the above, the operational competence of the potential group is evaluated by their operations team, and the legal structure and terms are reviewed by their legal counsel.

27. Process of monitoring the investments held in current funds:

    Active and frequent monitoring of partnerships is an essential component of their strategy. Our efforts extend over the life of the partnership, and include frequent face-to-face updates with each group, attendance at Advisory Board and annual meetings, and thorough quantitative analysis of quarterly reports. They generally meet with groups in-person at least semi-annually, in addition to attending their annual meeting. They also have frequent informal interactions with their managers as they exchange ideas and information. Monitoring the progress of a partnership enables them to determine if a team is adhering to its stated focus and strategy. In order to manage the monitoring of their partnerships, for each partnership they assign two designated Managing Directors who lead the relationship.

    All quarterly reports received from partnerships are input into their enterprise information system. They track information at the company level, including cost, value, ownership, stage, sector, location, corporate actions, realizations and many other attributes. Our information system also houses all partnership capital calls, cash distributions, stock distributions, and stock sales transactions. During the due diligence/legal process, they work with the group to understand what information they provide. If they do not generally provide information that is sufficient for their database needs, they make arrangements with the group for specialized reporting.

    They have developed an extensive set of standard reports for the investment team. This data provides an important component of ongoing portfolio monitoring and is also a key component of the due diligence process for new partnerships.

    They generally require every partnership that they invest in to have an annual audit, usually by a firm of recognized standing. All partnerships must also account for investments in accordance with U.S. GAAP or its international equivalent.

    They continually provide advice and ideas to their partnerships on issues ranging from how they should build their team to how they might size their next fund. On the rare occasion when a partnership goes really wrong, they will work with them and other limited partners to find a solution.

28. Firm’s investment database of potential investments:

    HBP has developed a proprietary, purpose-built enterprise information system known as Cosmos. They built Cosmos over a 3-year period in the early 2000s. They recently completed an extensive update of the system and released a new version of Cosmos in May 2013.

    Virtually all HBP employees use the system on a daily basis to record, view and analyze investments. It is both an analytical and a transaction tool, helping them evaluate and monitor investments as well as track cash flows, manage stock transactions, and record changes to value. Over 160 standard reports have been created in Cosmos, and spreadsheet extracts provide additional flexibility.

    The system has data going back to the 1980s and contains information on over 4,500 partnerships and over 10,600 companies. At the partnership level, they track such information as vintage year, fund size, GP carry, percent invested, IRR, TVPI, stage, location, domicile, ownership, and value. At the company level, they track cost, value, ownership, stage, sector, location, corporate actions, realizations and many other attributes.

Cosmos helps them in all aspects of their sourcing and monitoring of investment opportunities, for both potential and existing relationships. All fund opportunities are entered into the system and assigned a status. Opportunities are first assigned a "screening" status during which their investment team evaluates whether the partnership is a good fit for their funds. If they decide to evaluate the opportunity in greater depth, it is assigned the status of "preliminary due diligence". Once an opportunity enters the "due diligence" phase, they assign a deal team. Cosmos is a powerful tool at this stage of their consideration as it assists the deal team with quantitative diligence of an opportunity. The data in Cosmos provides information on that firm's prior investment as well as historical industry data for comparison and determination of the factors that have contributed to investment performance.

After they have completed their diligence process, the opportunity is assigned a "decision" status, at which point the investment committee is ready to determine whether they will commit to the partnership. All opportunities in active consideration are listed on their Proposal Log, which is automatically generated from Cosmos, and which is reviewed at their weekly Investment Group Meeting. Once an opportunity is "rejected", it no longer appears on this Proposal Log.

Cosmos works hand-in-hand with their electronic filing system. Fund documents, memos, emails, and diligence documents are stored on their central server, which is called Galaxy. They have developed a well-defined process for naming documents, structuring folders, and filing all correspondence so they are easy to reference. They have information on thousands of partnerships and companies dating back to the 1980s which supplements the data stored in Cosmos.

29. Describe the fund or fund of fund portfolio construction process.

    Generally, when they create a fund portfolio, they carefully balance its construction so that it is diverse enough to mitigate risk, but concentrated enough so that deals with significant outsized returns can have a meaningful impact on overall fund returns. They also ensure that the fund has vintage year diversity.

    With HB X GBO, they expect a portfolio of around 10 – 12 partnerships. A majority of the groups they expect to back in the Fund are known to them and are part of their active portfolio of 11 growth equity and buyout groups.

    The sourcing and selection of this portfolio will be conducted by their eight investing Managing Directors, leveraging over 150 years of cumulative private equity investing experience.

30. Target a level of return or risk:

    They invest in partnerships that target at least 3.0x return per deal, with upside. In doing so, they hope to achieve returns to the Fund in excess of 2.5x. This results in a net total value to paid-in capital to their limited partners of between 2.25x and 2.40x. They aim for long-term IRRs of 18 - 20% net to their limited partners, although they hope and expect to outperform this goal during some cycles.

    They mitigate risk by creating a diverse portfolio across managers and vintage years. They believe that a well-balanced buyout portfolio will be concentrated enough so that deals with significant outsized returns can have a meaningful impact on overall fund returns, yet diverse enough so that the inherent underperforming deals in the portfolio won't significantly temper the overall returns. They also aim for vintage year diversity to further mitigate risk.

31. Private equity investment types (i.e. venture capital, growth equity, buyouts, distressed, etc.) are included in a typical portfolio:

    HB X GBO will be a concentrated portfolio of 10 – 12 growth and buyout funds. Many of these will be below $500M in capital commitments. There will be no venture, distressed or any other type of PE partnership in the Fund.

32. Preferred benchmarks:

    They regularly compare their performance against a number of industry benchmarks, including Venture Economics, Cambridge Associates, and Preqin. They also benchmark against public market indices. Some examples of the performance that they benchmark includes their horizon performance (one year, three year, five year, etc.), their funds' performance, and their partnerships' vintage year performance. They typically begin benchmarking a fund after it is fully committed.

    They believe the most relevant benchmark is one that has been created for them in partnership with Venture Economics. This "custom" benchmark includes data from partnerships formed during the commitment period of each HBP fund. For example, Horsley Bridge VIII, L.P. ("HB VIII") made commitments from October 2005 to April 2008. Venture Economics has provided a sample of funds formed in that time period, and aggregated their performance as a benchmark for HB VIII. This benchmark represents a true comparison of their performance picking managers given the funds in the market during the same time period as their commitment period.

33. Typical number of partnerships held in the firm's fund of funds:

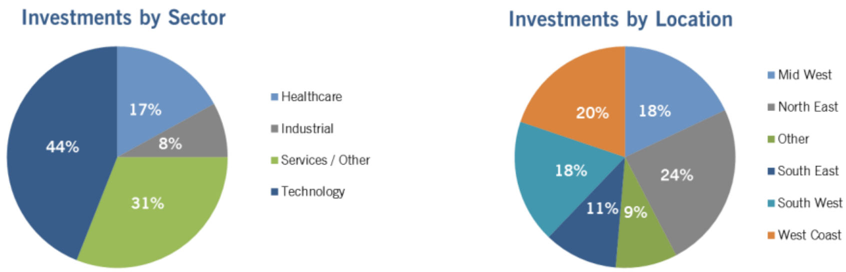
    HB X GBO will be a concentrated portfolio of approximately 10 – 12 partnerships. Our commitment size to any single buyout partnership in their prior U.S. fund-of-funds, Horsley Bridge IX, L.P., ranges from $20 million to over $60 million. When they find a manager with whom they want to partner, they like to be lead investors.

    While the Fund's initial investments will likely be sized based on the Fund's expected total committed capital as of the initial closings, no investment may exceed 15% of the size of the Fund at the time of investment.

    The average fund size of the eleven partnerships in their active portfolio is $410M. Nine of the eleven partnerships are below $500M in size. Eight of the eleven partnerships are below $400M in size.

34. Expected range for geographic location (region in US, US vs. international), industry and sector exposure and stage of investment for the firm's currently available fund:

They expect the sector and geographic diversity of the Fund's underlying investments to be similar to their portfolio of investments from their active U.S. buyout groups. Shown below is the exposure for investments from their active U.S. buyout partnerships:



As of December 31, 2012. Active portfolio only. If HBP has not made a commitment to the group's most recent Partnership, the group is excluded. Data is as of the most recent date reported by the Partnerships to HBP, and includes investments by Buyout Partnerships in HB VIII and HB IX where investments going-in and operating data were available.

35. To what extent does the firm make "follow-on" investments? (Make multiple fund commitments to the same private equity fund manager)

They size their fund-of-funds to attempt to capture each one of their core managers once during their fund cycle. However, managers sometimes come back to market more quickly than expected, or, due to market conditions, their funds' commitment pace takes longer than planned. In these cases, they could have more than one commitment to the same private equity fund group.

36. Expected exit strategy:

Generally, a fund will return its first distribution in the fourth to sixth year after the first close. They will typically distribute to their clients shortly after they have received significant distributions from the underlying managers. However, the timing and amount of distributions are made at their discretion as they take into account recycling for the over-commitment and management fees.

They distribute only cash to limited partners; they do not make non-cash distributions.

The Fund enters into dissolution upon the thirteenth anniversary from inception date. Fund operations start winding down until all partnership investments are liquidated.

37. Performance review:

Fund Name	Vintage Year	Fund Size	% of Fund Invested (1)	No. of underlying	Distribution/ Paid-in	Total Value/ Paid-in	Net IRR	Gross Venture IRR	Gross Buyout IRR
HB I	1985	$200	100%	28	2.84x	2.84x	15.3%	18.2%	19.0%
HB II	1988	228	100%	25	3.94x	3.94x	29.6%	36.1%	27.0%
HB III	1992	225	101%	24	9.29x	9.31x	68.5%	94.7%	26.5%
HB IV	1995	300	101%	31	4.50x	4.54x	80.5%	111.2%	14.0%
HB V	1997	500	103%	37	2.71x	2.80x	80.6%	134.5%	5.4%
HB VI	1999	1,056	100%	38	0.72x	0.91x	(1.4%)	(2.2%)	22.4%
HB VII	2000	1,573	102%	54	0.57x	1.10x	1.5%	1.8%	12.9%
HB VIII	2005	1,006	101%	35	0.28x	1.32x	8.1%	9.6%	12.6%
HBG VIII	2006	257	102%	10	0.47x	1.43x	11.9%	4.0%	14.3%
HB IX	2008	1,759	103%	60	0.13x	1.20x	10.8%	16.3%	20.1%
HB X VC	2012	724	11%	3	--	0.61x	--	--	--

$ Millions. As of December 31, 2012. See Performance Disclosures.
(1) Percent Committed to Underlying Partnerships

38. Fee schedule for the fund:
The annual management fee for HB X GBO is based on each limited partner's committed capital and calculated as follows:
- 0.5% on the initial $25 million or less;
- 0.4% on the amount exceeding $25 million up to $50 million; and
- 0.3% on the amount exceeding $50 million

Management fees are charged from inception through the end of the term. The initial term of the Fund will be ten years from the date of inception. The Managing General Partner will have the right to extend the term for up to three additional one-year periods.

Management fees are calculated according to the LPA terms. The fees are deducted directly from the fund and paid to the management company on a quarterly basis, in advance. Management fees are then allocated to each limited partner's account based on the fee schedule as defined in the LPA.

39. Carried interest associated with the fund:

For Horsley Bridge X Growth Buyout, LP, carried interest is equal to 5% of the fund's net profits. The GP is only entitled to the carry once the limited partners have received distributions equal to their committed capital plus an 8% preferred return compounded annually.

40. Any other costs or fees associated with the fund:

Only direct fund expenses are charged to the funds. These expenses include professional fees (audit, tax preparation, etc.) for the Fund and generally total less than $100,000 per year.

Legal fees, diligence expenses, monitoring expenses, travel, and their annual meeting costs are paid for out of management fees by the management company.

J.P. Morgan

1. Firm name, address, and telephone number:

Firm Name:	J.P. Morgan Investment Management Inc. ("JPMIM") Private Equity Group
Address:	270 Park Avenue New York, NY 10017-2014
Contact:	Katherine Rosa Managing Director, Portfolio Manager 212-648-2298

2. Firm founded: Registered with the Securities & Exchange Commission:

   The Private Equity Group ("PEG" or "Group") was established at on November 1, 1997 when members of AT&T's private equity team joined J.P. Morgan Asset Management ("JPMAM") to continue management of AT&T pensions' private equity assets and to begin management of commingled and separate account portfolios on behalf of additional third party clients.

   JPMorgan Chase & Co. ("JPMC" or "Firm"), the parent entity, is one of the oldest financial institutions, whose legacy reaches back more than 200 years with the founding of its earliest predecessor in 1799. The firm has been offering asset management services for over a century.

   JPMorgan Investment Management Inc. is registered with the United States Securities and Exchange Commission ("SEC") under the Investment Advisor Act of 1940. The firm registered with the SEC on February 7, 1984 as a registered investment advisor

3. Name, position, telephone and fax number, and e-mail address of the firm's new business contact and database/questionnaire contact:

New business:			Database contact:		
Name:		Katherine Rosa	Name:		Courtney Mee
Title:		Managing Director, Portfolio Manager	Title:		Vice President, Portfolio Manager
Phone:		212-648-2298	Phone:		212-648-1530
Email:		katherine.q.rosa@ jpmorgan.com	Email:		courtney.a.mee@jpmorgan.com
Name:		Joel Damon			
Title:		Managing Director, Client Advisor			
Phone:		415-315-5246			
Email:		joel.v.damon@jpmorgan.com			

4. Firm's ownership structure, and any ownership changes over the past five years:

   The Private Equity Group members are owners of their business through their Group's co-investment program and compensation structure. All eligible PEG investment professionals invest their personal after-tax dollars side-by-side in each and every investment equivalent to 1.25%* of the commitment amount. Additionally, the Group members receive 60% of any incentive fees earned. These earnings are distributed broadly among the team, including junior and administrative staff. The carried interest earnings vest over a four year period in a straight line fashion.

   J.P. Morgan Investment Management Inc. is an indirect wholly owned subsidiary of JPMorgan Chase & Co., a publicly traded corporation that is listed on the New York Stock Exchange (Ticker: JPM), with a market capitalization of $167.3 billion as of December 31, 2012.

5. Carriers and the limits of errors and omissions and fiduciary liability insurance:

   The following insurance coverage is maintained for JPMorgan Chase & Co. and all majority-owned subsidiaries.

   *Bankers Professional Liability**

   Risks Covered: Loss arising for claims of alleged wrongful acts committed in the performance of professional services.

   Carriers: Park Assurance Company
   Levels/Limits: $100,000,000
   Deductibles: $25,000,000
   Policy Period: January 15, 2013 – January 15, 2014
   ** Note: Bankers Professional Liability includes Errors & Omission insurance.*

   Employers Liability
   Risks covered: Indemnifies at law for damages and claimants' costs and expenses in respect of Accidental injury to any persons, and any accidental damage to property.
   Risks covered: Covers the firm against potential claims following an employee injury at work
   Carriers : Chartis Insurance
   Levels/Limits: £10,000,000 (*Excess of up to further $295 million is provided by a US/Global cover)
   Policy Period: January 1, 2013 – December 31, 2013

   Financial Institution Bond & Computer Crime (Bankers Blanket Bond Form 24 [Amended])
   Risks Covered: Loss of money/securities plus other properties resulting from employee dishonesty, robbery, burglary, or mysterious disappearance; loss of accepting forged or counterfeit checks and securities; a third-party interloper who accesses a computer or telex communication line and modifies or creates a message that results in a loss where JPMorgan Chase is held liable.

   Carriers: Park Assurance Company
   Levels/Limits: $300,000,000
   Deductibles: $25,000,000
   Policy Period: July 1, 2012 – July 1, 2013

6. Litigation:

   The Private Equity Group and its members have not been subject to any litigation.

7. Judgments:

J.P. Morgan Investment Management Inc. is reviewed on a regular basis by various regulatory agencies such as the SEC, DOL, and the NFA. In connection with such examinations, to date, there have been no findings or violations that would have a material adverse effect on the firm. The firm reasonably believes it is currently in compliance with applicable laws and regulations.

On January 10, 2013, they received a letter from the SEC notifying them that they are conducting an exam of several affiliated registered investment advisers focused primarily on the use, review, and validation of "Models." The onsite portion of the exam began in March 2013.

The Securities Exchange Commission conducted a routine examination of J.P. Morgan Investment Management Inc. and the J.P. Morgan Mutual Fund Complex in 2010-2011. A post exam letter was received from the SEC dated April 28, 2011; they reviewed the letter and provided a response to the SEC on June 3, 2011. They do not believe that the findings or the firm's actions in response to the suggestions in the letter will have a material impact on their ability to conduct their investment management business. For additional information, please refer to the Form ADV.

To the best of their knowledge, there is no anticipated investigation.

8. Firm's financial statement auditor.

J.P. Morgan Asset Management uses PricewaterhouseCoopers ("PWC") as the external, independent auditor to report on internal control and procedures. PWC has been the firm's independent auditor for over five years. The Firm evaluates potential auditors on an annual basis.

PWC has been the auditor since inception on behalf of their Private Equity Group. The lead partner on the engagement rotates every 10 years. Since inception, PWC has issued unqualified US GAAP financial statements on behalf of their investor funds and accounts on an annual basis. Our Group evaluates potential auditing firms on an annual basis.

9. Total assets under management for firm for the past five year-end periods and as of March 31, 2013.

J.P. Morgan Investment Management - Total Firm Assets					
	Market Value (Millions)	**Accounts Gained**	**Assets Gained (Millions)**	**Accounts Lost**	**Assets Lost (Millions)**
Dec 31, 2008	$875,231	131	$14,287	81	$14,806
Dec 31, 2009	$978,681	111	$6,489	52	$6,001
Dec 31, 2010	$1,013,712	155	$11,033	119	$3,516
Dec 31, 2011	$1,045,556	358	$18,581	241	$10,363
Dec 31, 2012	$1,108,261	272	$24,189	211	$7,081
Mar 31, 2013	$1,144,394	40	$3,313	42	$2,121

**Based on the AUM for the Asset Management division of JP Morgan Chase & Co*

Private Equity Group
Data as of December 31, 2012
($million)

	2008	**2009**	**2010**	**2011**	**2012**
Total PEG AUM (All products, asset classes)	18,737	19,947	22,409	22,015	24,561

PE FoF AUM by vehicle type (USD, millions)	**2008**	**2009**	**2010**	**2011**	**2012**
Separate Accounts	4,468	4,414	4,183	3,253	4,990
Managed Separate Accounts*	2,534	3,104	3,491	3,377	3,069

Primary Fund of Funds	11,735	12,429	14,735	13,380	14,349
Direct Investment Funds	-	-	-	2,006	2,153

*Includes legacy assets made by clients or another third party manager, which were taken over by the PEG for monitoring and management of the assets. PEG does not make forward commitments on behalf of such accounts.

10. Firm's total small/mid cap private equity fund(s) (or small/mid cap private equity fund of funds, if applicable), please state the market value of assets under management for the past five year-end periods and as of March 31, 2013.

All Corporate Finance

Small/Mid Cap Private Equity Assets - Fund or Fund of Funds								
	U.S. Market Value (Millions)	**Europe Market Value (Millions)**	**Accounts Gained***	**Assets Gained (Millions)**	**Accounts Lost**	**Assets Lost (Millions)**	**U.S. Assets Committed/ Invested****	**Europe Assets Committed/ Invested****
Dec 31, 2005	$2,423	$706	25	1,605	-	-	$627	$126
Dec 31, 2006	$2,414	$958	24	795	-	-	$583	$201
Dec 31, 2007***	$2,692	$947	0	475	-	-	$681	$416
Dec 31, 2008	$2,422	$674	24	2,086	-	-	$438	$236
Dec 31, 2009	$3,015	$923	6	422	-	-	$357	$94
Dec 31, 2010	$3,688	$1,016	12	578	-	-	$609	$100
Dec 31, 2011	$4,157	$1,071	1	310	-	-	$792	$343
Dec 31, 2012	$4,219	$1,234	5	1,890	-	-	$531	$211
Mar 31, 2013	$4,142	$1,217	1	590	-	-	$43	-

*Represents commingled fund commitments and unique separate accounts that are being actively invested. Separate accounts included generally have a focus on small/mid market corporate finance but may also include investments in other strategies

** Represents investments committed in the listed calendar year

** *No unique accounts gained. Assets gained represents re-ups from existing separate accounts

11. Name of the product(s) described in the remainder of this response:

Based on their previous conversations with Contra Costa County Employees' Retirement Association and the specific focus on small to mid-market private equity investment opportunities, they are pleased to offer the following investment programs for consideration:

- Fund of Funds:
    - U.S. Corporate Finance Fund V
    - European Corporate Finance Fund V

- Customized Separate Account

These investment programs will provide CCCERA with a return-enhancing private equity portfolio focused on high quality small and mid-market investment opportunities that will be complementary to its existing program.

U.S. Corporate Finance V and European Corporate Finance V ("Funds V")

U.S. Corporate Finance V ("USCFV") and European Corporate Finance V ("ECFV") each focus on investments in existing private companies expanding through growth strategies or fundamental business change, with a strong emphasis on small and mid-sized firms. USCFV has a geographic focus in the U.S., and ECFV includes predominately European investments. Each fund provides a diversified portfolio that selectively identifies private equity investments across all types (partnership, secondary and direct investments), stages and industry sectors. Funds V target a three year commitment period to remain opportunistic while providing appropriate diversification across economic cycles.

Our Corporate Finance strategies have a strong focus on small to mid-market investment opportunities. Specifically, from 2002-2012, 80% of primary partnership investments that they made in Corporate Finance were to fund sizes of less than $1B; 60% were to fund sizes of less than $500MM. Our European

Corporate Finance strategy evolution has been towards regional and country-specific funds with smaller more niche franchises focusing on smaller and mid-sized businesses. The cornerstone of their portfolio strategy is to be opportunistic in selecting attractive investments. They seek to have broad diversification and allocations to sectors that may shift over time depending on the market opportunity set. Please see the charts below for representative portfolio allocations, target size, and investment objectives for Funds V.

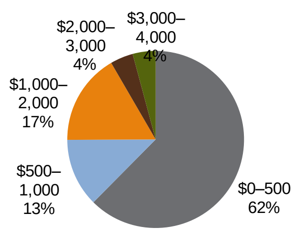
Representative portfolio: U.S. Corporate Finance V

Overview of characteristics

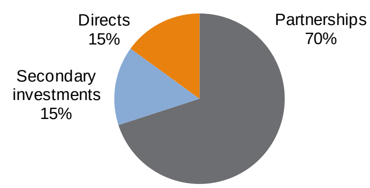
Portfolio Construction: U.S. Corporate Finance V

- Stage of business development: predominately existing companies in buyout, growth capital, and build-up strategies well as special situations with opportunistic mezzanine, distressed equity
- Geography: U.S.
- Investment type: 65%+ to primary partnerships; up to 35% in secondary and direct investments
- General Partners: appropriately diversified to approximately 15 partnerships
- Industry: broad industry exposure
- Vintage years: targeting 3 year commitment period
- Target fund size: $750mm
- Return objective: 500 basis points in excess of a diversified public equity portfolio

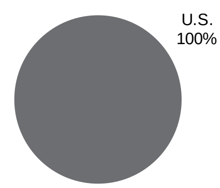
Investment Size



Investment Type



Investment Geography



The manager seeks to achieve the stated objectives. There can be no guarantee those objectives will be met.

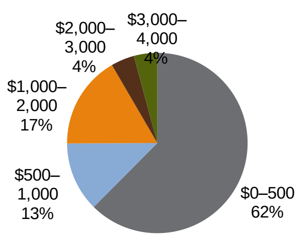
Representative portfolio: European Corporate Finance V

Overview of characteristics

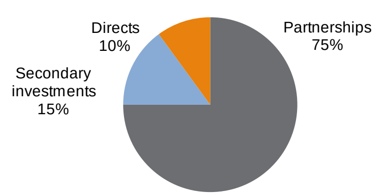
Portfolio Construction: European Corporate Finance V

- Stage of business development: predominately existing companies in buyout, growth capital, and build-up strategies well as special situations with opportunistic mezzanine, distressed equity
- Geography: Developed Europe
- Investment type: 65%+ to primary partnerships; up to 35% in secondary and direct investments
- General Partners: appropriately diversified to approximately 12 partnerships
- Industry: broad industry exposure
- Vintage years: targeting 3 year commitment period
- Target fund size: $500mm
- Return objective: 500 basis points in excess of a diversified public equity portfolio

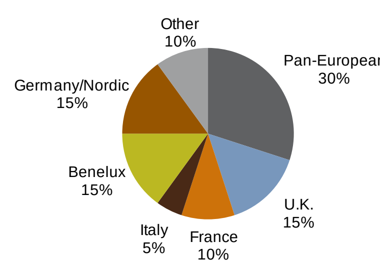
Investment Size



Investment Type



Geographic Location



The manager seeks to achieve the stated objectives. There can be no guarantee those objectives will be met.

Importantly, these allocations are based on their current views of the market environment and where they see the market in the next 2-3 years. They aim to employ a bottom-up and opportunistic approach utilizing flexible allocations based on the quality of investments available in the marketplace.

12. Firm's succession plan for senior management of the private equity fund or fund of funds activity:

The team-oriented nature of their investment approach is conducive to maintaining stability. Every investment relationship at JPMorgan involves a team of professionals, all of whom are important in managing an account, therefore no one individual is solely responsible. They nominate alternates to provide back up for primary portfolio managers and client contacts and they ensure that alternate contacts meet the clients on a periodic basis.

They are also realistic with regards to the possibility of or need for changes within the Group. As such, a small number of senior professionals within their Group regularly meet to review new business direction, assess staffing and development of members of the team, review budgets and forward planning, and other needs of the business, including succession and personnel plans. Team members central to these strategic planning discussions include Larry Unrein, Eric Chan, Rob Cousin, Tom McComb, Kathy Rosa, Tony Roscigno and Julian Shles. Additionally, an annual offsite discussion provides a venue specifically for review of business needs and staffing for the Private Equity Group.

13. Names and titles of key investment and management personnel:

Name	Title	Primary Responsibility	Industry Experience	Firm Experience**	% of time dedicated to investment activities
*Lawrence Unrein**	*Managing Director/ Head of the PEG*	*Portfolio Management*	*33*	*33*	*80%*
Thomas Judge	Senior Advisor	Portfolio Management	58	33	30%
*Eduard Beit**	*Managing Director*	*Portfolio Management*	*30*	*25*	*100%*
Gavin Berelowitz	*Managing Director*	*Portfolio Management, Information Management*	*19*	*10*	*80%*
Boris Bong	Managing Director	Portfolio Management	19	<1	100%
*Brendan Cameron**	*Managing Director*	*Portfolio Management*	*30*	*17*	*100%*
Eric Chan	Managing Director	Portfolio Management	23	6	100%
*Laureen Costa**	*Managing Director*	*Portfolio Management*	*23*	*19*	*100%*
*Robert Cousin**	*Managing Director*	*Portfolio Management*	*22*	*20*	*100%*
Jarrod Fong*	Managing Director	Portfolio Management	22	17	100%
Dana Haimoff	*Managing Director*	*Portfolio Management*	*20*	*11*	*100%*
Robert Kiss	*Managing Director*	*Portfolio Management*	*34*	*13*	*100%*
Michael MacDonald	*Managing Director*	*Portfolio Management*	*26*	*12*	*100%*
*Thomas McComb**	*Managing Director*	*Portfolio Management*	*28*	*23*	*100%*

Ashmi Mehrotra	Managing Director	Portfolio Management	14	10	100%
Katherine Rosa	Managing Director	Portfolio Management, Investor Relations	21	21	80%
Anthony Roscigno*	Managing Director	Portfolio Management	25	20	100%
Julian Shles	Managing Director	Portfolio Management, Information Technology	29	15	80%
Naoko Akasaka	Executive Director	Portfolio Management, Investor Relations	19	5	80%
Stephen Catherwood	Executive Director	Portfolio Management	12	10	100%
Carina Chai	Executive Director	Portfolio Management	20	<1	100%
Bertram Cooke Jr.	Executive Director	Portfolio Management, Information Technology	14	14	80%
Evrard Fraise	Executive Director	Portfolio Management, PEDM	14	7	100%
Mindy Gabler	Executive Director	Portfolio Management, Information Management	20	14	80%
Meena Gandhi	Executive Director	Portfolio Management, Investor Relations	12	7	80%
Tyler Jayroe	Executive Director	Portfolio Management	14	8	100%
Cindy Kendrot	Executive Director	Portfolio Management, Information Management	20	14	80%
Dimiter Mace	Executive Director	Portfolio Management, Information Management	16	13	80%
Brian McCann	Executive Director	Portfolio Management, Information Management	14	8	80%
Robertus Prajogi	Executive Director	Portfolio Management, PEDM	15	12	100%
John Sweeney	Executive Director	Portfolio Management, Information Management	16	3	80%
David Taplitz	Executive Director 17	Portfolio Management 12	17	12	100%
Amanda Wilson	Executive Director	Portfolio Management	15	14	100%
Sandra Zablocki*	Executive Director	Portfolio Management, Information Management	33	33	80%
Fredric Arvinius	Vice President	Portfolio Management	7	6	100%
Julian Bostic	Vice President	Portfolio Management, Investor Relations	18	<1	80%
Carol Chen	Vice President	Portfolio Management	8	3	100%
Irene Koh	Vice President	Portfolio Management	13	5	100%
Courtney Mee	Vice President	Portfolio Management, Investor Relations	7	4	80%
Zachary Rocklin	Vice President	Portfolio Management, Information Management	14	7	80%
Mingzhu Tang	Vice President	Portfolio Management, Investor Relations	5	3	80%
Charles Willis Jr.	Vice President 14	13 Portfolio Management	14	13	100%

Jinghan Hao	Associate	Portfolio Management	2	<1	100%
Kashif Sweet	*Associate*	*Portfolio Management*	*5*	*<1*	*100%*
Jaclyn Pizzo	*Associate*	*Portfolio Management*	*4*	*<1*	*100%*
Stephanie Evans	*Analyst*	*Portfolio Management, Investor Relations*	*2*	*<1*	*80%*
Avneet Kochar	Regional Advisor	Portfolio Manager	17	<1	30%

*Members of the group with AT&T heritage
**Includes tenure with at AT&T and PEG

14. Firm staff and the private equity staff turnover:

	Firm-wide Employees		
Year	Firm-wide Employees	Firm-wide Employees Added	Firm-wide Employees Lost
Dec 31, 2008	15,137	71	172
Dec 31, 2009	14,756	38	137
Dec 31, 2010	16,891	93	111
Dec 31, 2011	18,343	90	102
Dec 31, 2012	18,523	64	115
Mar 31, 2013	18,697	14	21

As mentioned in Question 14, their Group is a cohesive team of investment professionals. Since the establishment of the PEG at JPMIM in 1997, they have continually expanded their Group by adding qualified investment professionals, and experienced no unexpected departures and do not anticipate any going forward.

	Private Equity Investment Professionals		
Year	Total Employees	Employees Added	Employees Lost
Dec 31, 2008	36	2	2
Dec 31, 2009	37	1	0
Dec 31, 2010	40	3	0
Dec 31, 2011	40	0	0
Dec 31, 2012	45	6	1
Mar 31, 2013	47	2	0

15. As of December 31, 2012, the number of accounts, assets under management, median account size, and number of portfolio managers in the Small/Mid Cap private equity product.

Small/Mid Cap Private Equity Capital Under Mgt	**Number of Investors**	**Median Client Size (USD million)**	**Largest Client Size**	**Number of Portfolio Mgrs***	**Number of Inv Analysts***
Corporate Finance I (75% US; 25% Non-US)	21	$14.6	$600.0	45	45
U.S. Corporate Finance II	21	$18.7	$350.0	45	45

U.S. Corporate Finance III	41	$10.0	$375.0	45	45
U.S. Corporate Finance IV	31	$12.5	$240.0	45	45
European Corporate Finance II	17	$6.3	$150.0	45	45
European Corporate Finance III	35	$5.0	$125.0	45	45
European Corporate Finance IV	19	$8.4	$200.0	45	45
Separate Accounts**	20	$196.0	$750.0	45	45

16. As of December 31, 2012, the small/mid cap private equity fund or fund of funds group, the fund name, size of the fund in millions of dollars, the number of clients, and client assets committed and invested.

Fund Name	Vintage Year	Size of Fund	# of Clients*	Commitments	Invested to Date
Corporate Finance I (75% US; 25% Non-US)	1998	$1,718	21	$1,856	$1,779
U.S. Corporate Finance II	2002	$979	21	$1,060	$1,043
U.S. Corporate Finance III	2005	$1,522	41	$1,560	$1,526
U.S. Corporate Finance IV	2009	$1,192	31	$934	$556
European Corporate Finance II	2002	$400	17	$428	$441
European Corporate Finance III	2006	$512	35	$538	$452
European Corporate Finance IV	2008	$678	19	$435	$193
Separate Accounts**	1998	$5,066	20	$2,684	$1,813

17. Firm's funds or fund-of-funds product(s) currently open for investment or soon to be open for investment.

PE Fund Name	Expected Fund Size at Final Close (USD MM)	Expected Number of Investors	Expected Final Closing Date	Minimum Investment Size (USD MM)
Global Private Equity	$500MM	15-20	2H 2014	$10MM, subject to waiver
U.S. Corporate Finance V	$750MM	- 15-20	2H 2014	$10MM, subject to waiver
European Corporate Finance V	$500MM	15-20	2H 2014	$10MM, subject to waiver
Venture Capital V	$600MM	15-20	2H 2014	$10MM, subject to waiver

18. What percentage will the largest single investor represent in the new fund? Name and expected commitment for this investor.

Historically, the largest investor in their previous funds has represented approximately 25% of the total commitment. With respect to Funds V, they would not anticipate a single investor to represent more 20% of the total commitment amount.

19. Does the firm allow coinvestment opportunities?

    Members of their Group Members of their Group have been making direct investments since 1988. Our strategy for making direct investments is to leverage relationships with fund sponsors in order to identify attractive investment opportunities at reasonable valuations. In addition to providing a return benefit, making direct investments provide an avenue for their team to work side-by-side with their private equity partners, furthering their relationship and offering a first hand view of how their partners add value to portfolio companies. They have deployed more than $2.8 billion to direct investments since 1988, adding value to the Funds and their clients' portfolios.
    As mentioned in Question 12, the U.S. and European Corporate Finance V Funds allow up to a 35% allocation to direct co-investments and secondary investments. The majority of investments are made to primary partnerships, managed by external private equity sponsors. Historically, these partnership investments have represented at approximately 75% of the corporate finance programs. They would propose to implement direct investments in a separate account structure as well.

20. How the firm defines small/mid cap private equity:

    Generally, they define the small to mid-cap private equity market as fund sizes of less than $2B and targeting companies with revenues of less than $300MM. Between 2002 and 2012, 80% of the buyout funds they invested in had fund sizes under $1 billion. They feel that the small to mid-market is a vast opportunity set and offers greater potential for multiple expansion and outperformance than do the large and mega private equity markets.

21. Investment philosophy/strategy, style and distinguishing characteristics of this product:

    They fundamentally believe that private equity investments should provide return enhancement to an overall public equity portfolio. Our stated return objective is 500 basis points over that broad public equity portfolio, and they target to achieve top quartile performance. Given such philosophy, their objective is simply to invest with the best general partners that have meaningful and specific relationships and expertise enabling them to access/develop the best companies with the best entrepreneurs and management teams. They are a bottom-up, opportunistic investor with limited constraints or pre-set allocations in all private equity investment types, styles, stages of business development, industry sectors, geographical locations, and all market environments. They seek to have broad diversification and allocations to sectors that may shift over time depending on the market opportunity. This investment philosophy and strategy has remained consistent since inception.

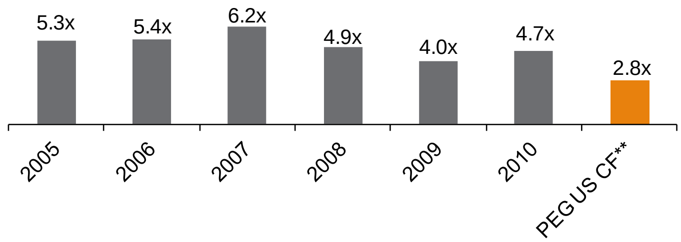
    Our corporate finance focus has been on high-growth oriented investments, typically generated through acquisition, fundamental business change, or top line growth. The underlying portfolio company investments may encompass equity capital for acquisition transactions and management buy-outs or buy-ins; industry consolidations and build-ups; refinancing and recapitalizations; and growth equity investments in companies.

    While their portfolios cross industry sectors and stages of business development, the majority of their focus has been in the small to medium-sized end of the global buyout market. Such preference stems from their desire to provide investors with consistent, long-term outperformance through company growth, and to work with General Partners that have a strong alignment of interest with their investors. This sector of the marketplace is also characterized by a very large opportunity set, and the generally less risky balance sheets of those companies as purchase price multiples are lower and leverage is not as prevalent as that in larger companies. Please refer to the chart below for their U.S. corporate finance partnerships investments over the past decade.

U.S. corporate finance primary partnership investments made in 2002-2012 period

Fund Size	Partnerships #	Partnerships %
< $500mm	51	60%
$500mm – $1.0bn	17	20%
$1.0 – $1.5bn	4	5%
$1.5bn – $3.0bn	7	8%
$3.0bn – $5.0bn	6	7%
> $5.0bn	0	0%

U.S. LBO loans* vs. PEG U.S. Corporate Finance investments in vintage years 2005 – 2010, as of 9/30/2012**



*Source: S&P Leverage Buyout Review, average debt multiples of large LBO loans, defined as issuers with EBITDA of more than $50mm excluding media and telecom loans, as of 9/30/2012.
**Based on weighted average leverage multiples across J.P. Morgan's U.S. Corporate Finance III (vintage years 2005-2010) as of 9/30/2012; represents 77% of underlying holdings. Past performance is no guarantee of future results.

Furthermore, in 2006, 2007, and 2008, when investing in the large/mega buyout space seemed commonplace and deals were highly priced and aggressively levered, they slowed down their commitment pace, maintained a focus on experienced general partners working locally and regionally, investing in high quality businesses purchased at reasonable prices and utilizing modest level. As an example, their portfolio companies in U.S. Corporate Finance during vintage year 2005 to 2010 have a net debt/EBITDA multiple of 2.8x compared to 5.1x average of LBO loans during that time period.

With regard to European Corporate Finance, their strategy evolution has continued to be relatively smaller allocations to pan-European firms and greater allocation to regional and country-specific funds. Such investment shift has been made as many of the pan-European funds were migrating to the very large transaction size, while the smaller more niche geographic-specific firms were building their franchise and entering into transactions that they viewed as having better risk/return characteristics. These more regional firms have also benefited from the broader acceptance of
private equity in general as it has attracted many smaller and mid-sized businesses to private equity that in

Corporate finance performance as of December 31, 2012

Performance relative to peer universe[1] over the past 10 years:

	1st Quartile	2nd Quartile	3rd Quartile	4th Quartile
Number of Vintage Years	8	2	0	0

Vintage year performance relative to public indices[2] over the past 10 years:

- Average spread of 1,259 basis points relative to the S&P 500
- Average spread of 1,369 basis points relative to the MSCI Europe

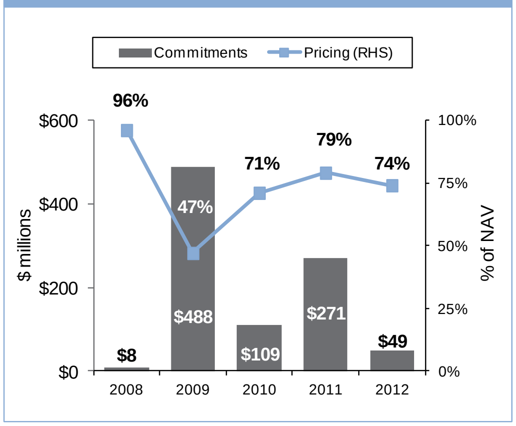
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
JPM PEG IRR	34.6%	23.8%	13.6%	11.2%	9.1%	5.6%	29.2%	34.5%	35.6%	17.5%	30.1%
S&P 500 IRR	27.7%	7.9%	3.2%	3.3%	4.4%	4.9%	9.7%	15.3%	12.6%	10.6%	6.5%
Spread (bps)	688	1,589	1,037	787	470	65	1,949	1,918	2,304	685	2,353
MSCI Europe	30.5%	15.0%	2.9%	1.4%	0.2%	0.2%	3.0%	9.6%	5.8%	7.7%	17.9%
Spread (bps)	408	886	1070	974	887	543	2,621	2,488	2,979	981	1,219

[1] Venture Economics, Corporate Finance (buyout, mezzanine, distressed, other private equity), All Regions as of 12/31/2012 .
[2] Public benchmark returns calculated with actual timing and dollar amounts of PEG portfolio cash flows in and out of the respective index. Includes corporate finance investments in partnership, secondary and direct investments for commingled funds, separate accounts, and employee vehicle. Net of underlying investment fees and expenses; gross of Advisor fees; if Advisor fees were included, returns would be lower.
Past performance is no guarantee of future results.

Secondaries and Direct investments
The Private Equity Group actively pursues secondary and direct investments, alongside their private equity partners. Such investments are viewed opportunistically and are expected to be return enhancing to the overall portfolio. Our approach is to proactively source opportunities from their networks of GPs, LPs and intermediaries, but only select those investments they have high conviction of being return enhancing to their total portfolio.

As an example, in 2007 and 2008, at the ‘peak of the market’, they made almost no secondary investments; many transactions during that period were priced at premiums to NAV. In late 2008 and early 2009, when the secondary price fell drastically, they proactively purchased secondary interests at attractive pricing, normally at significant discount to NAV. Since the economy stabilized in 2010, they completed fewer deals as the bid prices increased and relative quality of secondary opportunities declined.

PEG secondary project commitments and pricing[1]



Overview of secondary projects evaluated by PEG[2]

	2009	2010	2011	2012
Secondary projects reviewed	109	95	85	97
Secondary commitments made	16	4	8	3
Underlying partnership investments[3]	96	14	14	6
Average funded at time of purchase	*70%*	*67%*	*74%*	*91%*
Average purchase price as % of NAV[1]	*47%*	*71%*	*79%*	*74%*
IRR[4]	33.8%	31.5%	33.5%	97.6%

[1]Relates to secondary projects committed to by PEG portfolios in each calendar year. Certain underlying partnerships of a given secondary project may have closed in the following calendar year. 2011 commitment and pricing does not include Project G, which has a deferred payment component. There can be no assurance that the same market or investment conditions that will exist at the time PEG makes secondary investments.
[2]This information is included solely to illustrate the investment process and strategies which have been utilized by PEG.
[3]Represents total number of underlying partnership or direct company investments committed to by PEG portfolio in each calendar year. Certain underlying partnerships may have closed in the following calendar year.
*Net of underlying fees and expenses, gross of Advisor fees; if Advisor fees were included, returns would be lower. Past performance is no guarantee of future results

Our strategy for making direct investments is to leverage relationships with fund sponsors in order to identify attractive investment opportunities at reasonable valuations. In addition to providing a return benefit, making direct investments provide an avenue for their team to work side-by-side with their private equity partners, furthering their relationship and offering a first hand view of how their partners add value to portfolio companies. Our network and relationships provides significant deal flow. Since 2008 to the end of 2012, they have reviewed 495 direct investment opportunities, performing due diligence on 331, and closing on 30 investments.

Global investment coverage
Since 1980, they have continually reviewed the global private equity markets, identified and built relationships with the most capable private equity investors in these markets, and as a result, have been able to provide return enhancing investments to their clients. Our Group began investing in the U.S. in 1980, Europe in 1983 and Asia in 1985.

Our investment opportunity set is global in nature and they continually visit geographic areas, assess capital market and legal/tax/regulatory conditions. While reviewing potential investments they take into consideration factors such as the economic structure of the country or region, the political structure of the country in which portfolio companies will operate, any cultural or social issues, a country’s legal and regulatory system, a country/region’s tax structure, as well as the development and depth of the country/region’s money, debt and equity markets. Facilitating their review of all geographical locations, J.P. Morgan Asset Management has investment management offices in 40 offices around the world.

Region	Year of first investment
North America	1980
Western Europe	1983
Japan	1985
Eastern Europe	1992
Asia ex Japan	1994
Israel	1997
South America	1997

Investment Process

Our approach is to proactively source and review all available opportunities. They dedicate their resources at every level to actively source deals and ensure that they identify every group possessing unique skills or differentiated strategies relevant to their clients. They also proactively track when managers are anticipated to be considering fundraising. In fact, they review, on average, 500 investment opportunities each year from numerous sources including, directly from private equity firms, their network, and intermediaries. They employ a sophisticated database to track the source and outcome of each offer. Our success in this area is a result of their long-standing dedication to the asset class and capacity to review every relevant opportunity. This sourcing effort is a fluid process. If deal flow generation is not working in one aspect, they employ other avenues of access until they are successful.

Once they identify a potential investment opportunity, the offering is logged into the new proposal log and reviewed during the team's global weekly meeting. The portfolio manager with the most relevant experience is assigned to review the offering and make a determinant as to whether or not the proposal warrants further review.

If the Group decides not to proceed, a response is made to the respective party, and log is updated. Factors leading to the rejection of a proposal at this stage include the lack of differentiated investment strategy, inconsistencies between projected strategy and past experience, insufficient or poor track record, and limited experience of the principals.

If the proposal warrants further review, a deal team consisting of 3-5 portfolio managers lead further due diligence. This includes visiting companies, meeting with the partnership group and investment teams, extensive background checks of the investment professionals, and thorough analysis of the investment process, past transactions, and the overall industry segment. Through this process, the Group acquires an understanding of the investment philosophy of the fund sponsor, the discipline with which the philosophy is implemented, and the dynamics of the sponsor's organization in order to evaluate the sponsor's ability to generate sustainable deal flow and attractive risk-adjusted returns. Given their belief that every investment decision they make should benefit from the collective knowledge of their entire Group, globally, it is often the case that a deal has "touched" 10-12 portfolio managers before they make their final decision. These touches include extensive "off sheet" reference calls.

Leveraging internal and external resources to develop a comprehensive understanding of all aspects of the potential partnership investment, the deal team writes a report identifying the pros and cons of the investment. This report is the basis for discussing the investment with the Group. Specific factors reviewed and documented include background of individuals, status of general partner, deal flow, performance track record, and Investment strategy. Additionally, they also examine factors which have the potential to affect the private equity investments, such as economic environment, political environment, cultural/social issues, legal/regulatory system, taxes, and financial markets etc.

Upon approval of an investment, the assigned professionals from the Group will work with the general partner and legal counsel on the official documents. Once terms have been agreed to and the commitment has been made, the due diligence does not end. The members of their Group sit on over 200 Advisory Boards and continuously monitor their investments.

Distinguishing Characteristics

Our private equity program is one of the largest and most successful programs in the industry, and is led by an experienced, cohesive team of dedicated private equity investment professionals. They strongly believe that their team has the experience, knowledge, investment reputation, resources and dedication to provide the most comprehensive, flexible program and consistently superior performance in the private equity fund of funds marketplace. Distinguishing characteristics of their team that differentiate them from their competitors are listed below.

Superior Performance

The global private equity investments of their Group have delivered top quartile performance for 19 years of the past 25 years and second quartile for the remaining 6 years. Since 2002, their Group has outperformed the S&P 500 and MSCI World index by an average of 823 basis points and 980 basis points, respectively, each per year.

Access to top-tier funds

Given their team's long history of active investment in the private equity marketplace, they have access to top tier funds, many of which do not have allocations available for new investors. They have consistently partnered with top quartile groups who continue to outperform the private equity market. They also have established ourselves as preferred partners with the requisite financial and human resources to be lead investors. Our reputation and continued dedication to this asset class are second to none and have enabled them to obtain sizeable allocations to over-subscribed partnerships, participate in direct and secondary investment opportunities, and negotiate favorable terms, fees, and carry on behalf of their investors. Corporate Finance firms included in this list* are groups (many with whom they invested in their first time fund) such as:

Representative PEG European corporate finance investments

Name	Geographic focus	Sub-strategy	Industry focus	Recent fund size	Notable portfolio company investments	PEG relationship established
Bowmark	UK	Lower mid-market buyouts	Business services, healthcare, leisure, IT services	£265m	Kisimul, education, data explorers	2004
Chequers	France and Germany	Mid-market buyouts	Broad with focus on business services and distribution	€850m	Accelya, Tractel, ALMA	2002
Ciclad	France	Small buyouts and growth capital	Broad with focus on B2B	€150m	Num R.s, matest, H&A	2011
ECI	UK	Lower mid-market growth buyouts	Outsourcing, business services, leisure and IT services	£436m	Racal Acoustics, ClarityBlue, Premier Care	1987
Elbrus	Russia and CIS	Buy and build and growth buyouts	Business services, consumer, healthcare and education	US$300m	UTH, mail.ru group, Blesk InCare	2011
Inflexion	UK	Lower mid-market buyouts	Niche, sector leading business in various industries	£375m	Viking Moorings, acis, Independent	2010
Litorina	Sweden	Lower mid-market buyouts	Consumer, industrial and services	SEK2.5bn (<€250m)	QMATIC, LGT, BTJ	2010
Waterland	Benelux and Germany	Mid market buy and build	Aging population, outsourcing, sustainability	€1.1bn	globalcollect, AML, intertrust	2002

Representative PEG U.S. corporate finance investments

Name	Sub-strategy	Industry focus	Recent fund size	Notable portfolio company investments	PEG relationship established	PEG directs & secondaries
Brynwood	Small buyout	Consumer products, light manufacturing, services, specialty retail	\$300-\$500mm	High Ridge Brands, VO5, White Rain, Coast	2000	3
Genstar	Middle-market buyout	Life sciences, health services, software, industrial technology	\$500mm-\$1bn	PRA, Seguros Confie, MW Industries	2004	2
Goode	Lower middle-market growth equity, buyout	Consumer brands and services	\$200-300mm	Chuy's, Rosa Mexicano, Intermix, Skullcandy	1994 SKM 2007 Goode inception	4
GTCR	Industry consolidation	Healthcare, information technology, financial services, growth business services	\$2-\$3bn	Zayo Group, cellnet, Fundtech	1980	8
KarpReilly	Middle-market growth equity, buyouts	Specialty retailers, restaurants, apparel and branded products	\$150-\$250mm	Sprinkles Cupcakes, The Habit Burger Grill, Cafe Zupas	1989 SKM 2007 KarpReilly inception	3
Kinderhook	Middle-market buyout	Business services, light manufacturing, retail, healthcare	\$200-\$300mm	EQ, TonneauCovers World.com, specialists marketing	2003	4
Trumpet	Mid-market growth	Consumer products, business services, specialty retail	\$150-\$200mm	Crowe Paradis Services Corporation, Crossmedia, SOI	2005	1
Thoma Bravo	Industry consolidation and growth	Business services, software and consumer products	\$750mm-\$1.5bn	SonicWall, Flexera, Deltek, Datatel, Blue Coat	1980 GTCR 2008 Thoma Bravo inception	6

These examples are included solely to illustrate strategies which have been utilized by PEG; they do not represent investments in the Fund.
The manager seeks to achieve the stated objectives. There can be no guarantee those objectives will be met.

Cohesive team with significant private equity experience and insight

Our Group is built on continuity and experience. Our investment track record goes back more than 30 years and the investment professionals to which those returns are largely attributed continue to be meaningful and active team members today. They have been thoughtful in their approach to selectively add to their team which is reflected by the 24 year average tenure of their senior portfolio managers. Our deep insights and strong relationships across the private equity market has led to successfully accessing top quartile and oversubscribed funds, securing exclusive direct and secondary investment opportunities, and negotiating favorable terms on behalf of their investors.

Willingness to over-or under-weight sectors and strategies

While their portfolios have appropriate diversification, given their philosophy to invest in opportunities offering the most compelling risk/returns, they have consciously and tactically moved in and out of sectors and strategies. This approach has been a positive contributor to their investors' portfolios. Examples include capitalizing on the dislocation in the secondary market in late 2008 to early 2009 when secondary price fell drastically, their opportunistic allocation to distressed equity or turn-around investments or investments with an imbedded asset for downside protection during periods of distress, slowing their investment pace and staying away from highly priced, leveraged transactions during 2006-2008, and their conscious decision to overweight China relative to India in the early 2000s.

Investor-centered program

They have made a strong commitment to developing and building relationships with their investors. They have worked closely with a number of their investors assisting them in their understanding of the private equity marketplace, asset allocation to private equity within the context of their overall portfolio, and management for cash flow and liquidity impact of an allocation to private equity. Our program is flexible enough to provide their investors the ability to set their preferred asset allocation to sectors of the private equity marketplace and geographic locations of investment.

They believe their solid relationship with their investors starts with providing comprehensive reporting. All reports are delivered in both electronic format and hard copy, and are accessible via a dedicated investor-only website. They provide monthly transaction reports, quarterly investment reports that provide detailed performance and all underlying portfolio companies, quarterly web-cast investor forums, and an annual investor meeting.

22. Bias toward any market segments:

As mentioned earlier, the core of their portfolio strategy is to be opportunistic in selecting attractive investments. As such they do not set pre-determined allocations to specific sub strategies. Our U.S. and European Corporate Finance V portfolios will stay focused on small to mid-market investment opportunities in the U.S. and developed Europe respectively. Additionally, the portfolios will have broad diversification and allocations to sectors that may shift over time depending on the market opportunity set. As example, U.S. Corporate Finance program starting in early 2002 had an 11% allocation to distressed equity or General Partners that focus on turn-around investments or investments with an imbedded asset for downside protection. These opportunities were very attractive at the outset of this fund's life in 2002 and have, to date, performed well on behalf of the fund. General Partners that are in included in this category are KPS Special Situations and H.I.G. Bayside.

23. Expected period of investment for the proposed fund(s).

Our Funds V will target a 3 year commitment period, with a maximum of 5 years. An extension of the investment period would be due to a relative lack of high quality investment opportunities for some period of time. Such a circumstance may be do to broad market factors or the pace by which quality private equity firms seek to raise capital. Vintage year diversification has the benefit of constructing a portfolio in various phases of the economic cycle, thereby adding a degree of protection against unfavorable economic conditions. It is their practice to be proactive in communicating with investors with respect to investment pace and opportunities, as well as details of investments made and their progress.

24. General Partner's commitment in the fund:

As members of the Private Equity Group, they are owners of their business through alignment with their investors via their employee co-investment program and compensation structure. A set annual percentage (1.25%*) of each investment made by the Group is allocated to this employee fund vehicle, and it represents a significant portion of the Group professionals' after-tax income. Additionally, their Group members receive 60% of any incentive fees earned. These earnings are distributed broadly among the team, including junior and administrative staff. The carried interest earnings vest over a four year period in a straight line fashion.

**Allocation percentage is reviewed each calendar year; it is currently 1.25%. It has been at or above 1% for the past 6 years and is expected to remain at or above that level.*

25. What is the firm's investment universe? How many investment opportunities are evaluated each year?

Given their team's long history of active investment in the private equity marketplace, they have access to top tier funds, many of which do not have allocations available for new investors. They have consistently partnered with top groups who have the ability to outperform the private equity market. They have also established ourselves as preferred partners with the requisite financial and human resources to be lead investors. Our reputation and continued dedication to this asset class are second to none and have enabled them to obtain sizeable allocations to over-subscribed partnerships, participate in direct and secondary investment opportunities, and negotiate favorable terms, fees, and carry on behalf of their investors. Included in this list are groups (many with whom they invested in their "first time fund") such as:

Investment opportunities are received by the PEG from numerous sources including, directly from private equity groups raising money, the PEG network, and other intermediaries. The Group's team reviews, on average, more than 400 potential investment opportunities each year that cover the entire spectrum of private equity investments. The deal log as below is also indication of their deal sourcing capability. Our objective is to actively pursue opportunities to ensure that the Group's professionals see all the available opportunities in the marketplace. No portion of the due diligence process is outsourced or subcontracted. As necessary to assess the investment opportunity, the team will ask questions of external parties with knowledge relevant to the investment decision (e.g., relationship with the General Partners, expertise in a particular industry, etc.) and will consult with outside legal counsel in reviewing the investment documents.

Each year their Group reviews on average, more than 500 investment opportunities. These opportunities are received from numerous sources including from private equity groups raising money, the PEG network, or other intermediaries. Our GP network and relationships going back over 30 years provides significant deal flow. Please refer to the chart below which shows recent deal flow by strategy.

Representative deal log from January 1, 2008 – December 31, 2012

U.S. Corporate Finance	European Corporate Finance	Venture Capital	Asia	Emerging Managers	Secondaries*	Direct Investments
567 offerings reviewed	225 offerings reviewed	708 offerings reviewed	438 offerings reviewed	771 offerings reviewed	447 offerings reviewed	495 offerings reviewed
301 due diligence	123 due diligence	397 due diligence	253 due diligence	389 due diligence		331 due diligence
33 investments	15 investments	50 investments	25 investments	74 investments	33 investments	30 investments

*Represents Projects, not underlying partnerships
Includes investments pending legal close

Our Group systematically captures and tracks their investment offerings. All relevant details of the offering are entered into the system and a weekly report of these details is produced. This report is reviewed during their Group's weekly team meeting, and the Portfolio Manager with the most appropriate experience or knowledge of a particular offering is assigned to lead a review of that opportunity. Our sourcing results are made available to their investors and reviewed as part of their annual meeting each spring and discussed yearly at their fall offsite.

Our Group thus dedicates resources at every level to actively source deals. Our success in this area is a result of their long-standing dedication to the asset class and desire and capacity to review every relevant opportunity. They devote their sourcing efforts to capturing opportunities. This is a fluid process. If deal flow generation is not working in one aspect, they employ other avenues of access until they are successful.

Our team actively cold calls firms within specific target sectors. For example, while researching the Nordic market, they identified Segulah as a potential investment target and began a dialogue. When Segulah later began fund raising, their Group was already positioned as a knowledgeable and interested investor. They were "invited" to conduct due diligence and secured a sizable allocation in a top firm that was heavily oversubscribed. Without that early identification and relationship building, even the ability to conduct official due diligence would not have been granted. Our relationship building skills were instrumental in securing a sizable allocation to their heavily oversubscribed fund.

Additionally, their Group has developed an efficient back office process by utilizing a key tool in the investment processing areas of Investment Opportunities and Documentation, and Investment and Portfolio Company Tracking, called the Private i system provided by the Burgiss Group. Each investment opportunity obtained by their Group is logged in their private equity processing and tracking system, Private i. All relevant details of the offering are entered into the system and a weekly report of these details is produced. This report is reviewed during their Group's weekly team meeting, and the Portfolio Manager with the most appropriate experience or knowledge of a particular offering is assigned to lead a review of that opportunity. Our sourcing results are made available to their investors and reviewed as part of their annual meeting each spring and discussed yearly at their fall offsite.

Our Group thus dedicates resources at every level to actively source deals. Our success in this area is a result of their long-standing dedication to the asset class and desire and capacity to review every relevant opportunity. They devote their sourcing efforts to capturing opportunities. This is a fluid process. If deal flow generation is not working in one aspect, they employ other avenues of access until they are successful.

26. How are investments evaluated?

Once they identify a potential investment opportunity through the receipt of offering materials, proactive sourcing and tracking of when managers are anticipated to be considering a fundraise, a designated member of the Group records the offering into the new proposal log. The newly logged offerings are reviewed during the team's global weekly meeting. At that time, a portfolio manager is assigned to review the offering and make a determinant as to whether or not the proposal warrants further review.

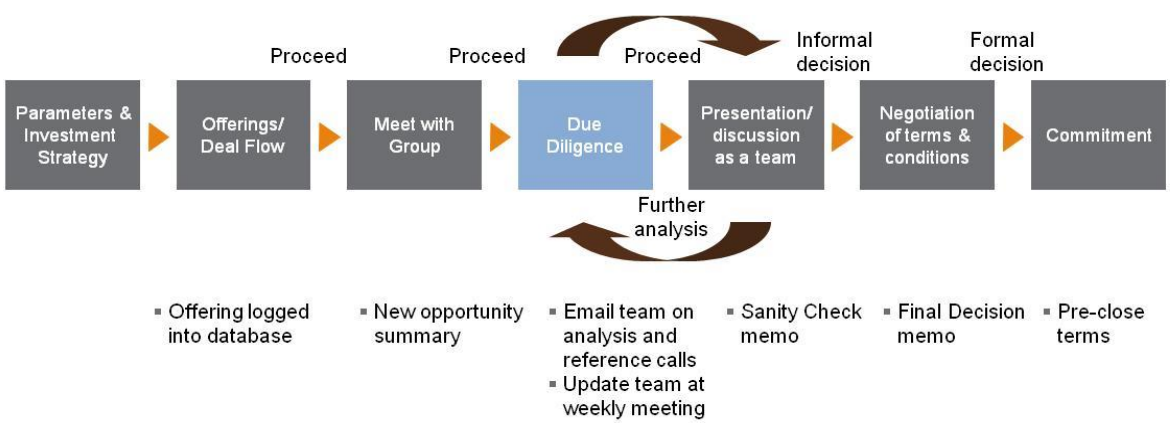
If the Group decides not to proceed, a letter is sent or a call is made to the respective party, and the offering is filed and logged as a pass in the new proposal log. Factors leading to the rejection of a proposal at this stage include the lack of differentiated investment strategy, inconsistencies between projected strategy and past experience, insufficient or poor track record, and limited experience of the principals.

If the proposal warrants further review, a meeting will be scheduled and further due diligence is conducted. Further due diligence on prospective investments includes visiting companies, meeting with the partnership group and investment teams, extensive background checks of the investment professionals, and thorough analysis of the investment process, past transactions, and the overall industry segment. Through this due diligence process, the Group acquires an understanding of the investment philosophy of the fund sponsor, the discipline with which the philosophy is implemented, and the dynamics of the sponsor's organization in order to evaluate the sponsor's ability to generate sustainable deal flow and attractive risk-adjusted returns.

The Group's professionals with the most relevant experience are assigned responsibility for conducting this due diligence on an offering. Leveraging internal and external resources to develop a comprehensive understanding of all aspects of the potential partnership investment, these professionals write a recommendation identifying the pros and cons of the investment. This recommendation is the basis for discussing the investment with the entire Group at its weekly staff meeting.

The Group's investment committee includes their global team of investment professionals. The Private Equity Group has a consensus-driven decision making process. The team's decision making process is designed and organized to maximize the benefits of both individual initiative and group interaction, avoiding "management by committee," while assuring consistent investment policy and strategy. Investments are made by super majority (80%+), whereby there is no material dissent from team members. Investment decisions are made at their weekly team meetings and each investment professionals in the Group is encouraged to voice his/her opinion at the meeting. No person outside the Private Equity Group has any vote or influence on these meetings or the decisions taken at these meetings. Full participation is given at these meetings as their Group personally invests alongside their clients in every investment.

The diagram below gives a high level summary of their investment process:



27. Process of monitoring the investments held in current funds:

The Private Equity Group professionals are active investors who seek to add value to partnerships in a variety of ways during their monitoring process, including acting as a lead investor, serving on advisory boards, and maintaining a dialogue with fund sponsors regarding their strategies and investment decisions. Through these activities, the Group has established a reputation as a group of thorough investors.

Serving on Advisory Boards
Serving on a partnership's Advisory Board is the most effective method to monitor an investment and to develop closer relationships with the general partners. The Group attends Advisory Board meetings and provides advice on several issues pertaining to clients' limited partnership interests including:

- Valuation methodologies
- Future fund-raising plans
- Distribution policies
- Changes to investment strategy
- Cash management
- Potential conflicts of interest
- Private equity trends

Members of the team currently serve on over 200 Advisory Boards.

The following example illustrates an instance in which the Group's participation on an advisory board added value to investors. This example relates to a venture capital firm that has a niche strategy of investing within its state. During an advisory board meeting, the general partner put forth a proposal that the group expand its investment activity not only out of state, but to include investments in Mexico. As a result of the Group's arguments to the contrary, the general partner decided not to pursue this expanded strategy and to instead remain focused in their niche. Today, this firm is one of the most profitable niche venture capital funds.

Serving on Corporate Boards of Directors
In each direct investment, the Group will seek to obtain management rights, including either a seat or observer rights on a company's Board of Directors. A Group professional constantly evaluates the status of the company, reviews financial statements, and stays in close contact with the general partner or sponsor of the transaction. This enables the Group investment professionals to identify any potential problems at an early stage so that timely corrective action can be taken and prepares the Group to make future investment decisions (e.g. whether to make an additional investment or convert securities).

Attendance at annual and quarterly meetings
A member of the Group attends annual and quarterly meetings for each partnership in which clients have an investment, and provides a summary meeting report to the rest of the team. Annual meetings typically provide important information including the status of portfolio companies, upcoming liquidity events, and changes in the partnership's strategy or personnel. This information is critical to monitoring client private equity commitments and provides a basis with which to compare other partnerships and identify key trends in the industry.

The Group also adds value through the negotiation process. The Group negotiated the partnership of a newly formed venture capital fund, which was seeking a lead investor who would attract other investors into the fund. In return for the Group's assistance and commitment to the fund, the venture capital fund offered favourable economics to the Group, as well as accepting significant comments on the partnership agreement.

The Group professionals also maintain a constant dialogue with the management team and general partners of investments in order to keep abreast of the progress of portfolio companies and the pace of investment.

Further, they require each General Partner to provide, at a minimum, full and comprehensive quarterly report which includes a review of the investment portfolio, a detailed update on each underlying investment including industry sector, cost and current value, as well as detailed financial statements. Audited financial statements are provided on an annual basis. Additionally, they solicit verbal reports from each Partner generally on a monthly basis. These updates and reports are utilized to populate their systems and then to provide detailed reporting to their investors including performance information represented by the IRR and MOIC (multiple on invested capital).

The Portfolio Manager(s) assigned to each investment are responsible for monitoring that investment throughout its term. This includes sitting on the partnership's advisory board.

28. Firm's investment database of potential investments:

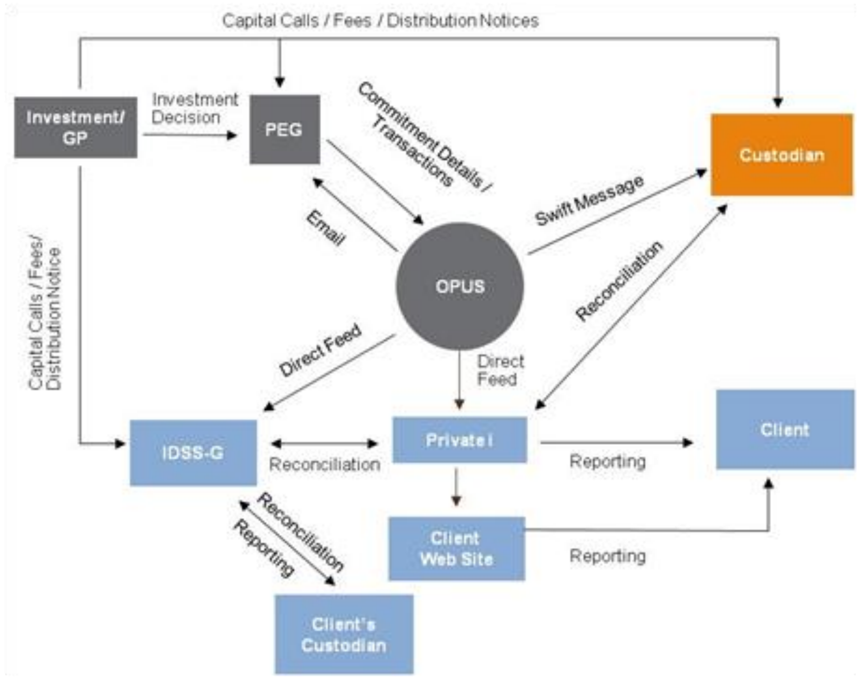
Investment Opportunities
Each investment opportunity obtained by their Group is logged in their private equity processing and tracking system, Private i. All relevant details of the offering are entered into the system and a weekly report of these details is produced. This report is reviewed during their Group's weekly team meeting, and the Portfolio Manager with the most appropriate experience or knowledge of a particular offering is assigned to lead a review of that opportunity. Private i is then updated with that Portfolio Manager's name and a letter is sent to advise the General Partner or Placement Agent of the assignment.

The Portfolio Manager leading the analysis of the offering will take an initial review of the opportunity and report back to the Group as to whether the opportunity merits further review and due diligence. At each stage in the due diligence and review process, Private i is updated with the lead Portfolio Manager's notes.

Investment and Portfolio Company Tracking
Following the closing of an investment, that investment is tracked on the Private i system. The original reports are placed in the investment's central file. One copy of each report is provided to the Private i staff who input and update the underlying details of each investment into the system. These data are reconciled with the information maintained by their custodian, who also receives copies of the investment reports for both investment tracking and financial statement review purposes.
Each capital call, distribution and fee notice received from an investment is also logged into Private i and, through instructions to their custodian, logged onto their system. These cash movements are reconciled against their cash account and with the investment financial statements. Performance can then be calculated both at the level of each investment and across the aggregate portfolio through both Private i and the custodian's system providing an additional check and balance. Our external auditors audit these cash movements, accounts and performance calculations on an annual basis.
They also maintain a robust and efficient document retention system, Docushare, also created and maintained by the Burgiss Group. This system allows them to track and easily access quarterly reports, audited financials and other GP/management correspondence for all of their underlying investments. All documents received from their GP's are scanned and saved into the system.

J.P. Morgan Asset Management maintains portfolios on their in-house proprietary reporting and accounting system. This system stores basic client profile information, accepts input for transactions executed and accounts for holdings on a trade-date, fully accrued basis. This multi-currency system stores basic client profile information, accepts input for transactions executed and accounts for holdings on a trade-date, fully-accrued basis. Built around these fundamental capabilities is an extensive range of information distribution tools (e.g., screens and reports), regulatory reporting modules, specialized functions to support and optimize operational flows, portfolio analytic tools, and a comprehensive investment performance measurement module. Underlying these functions are information bases containing, among other things, descriptive data in historical time series, fundamental company information, proprietary research information, and historical transaction information.

The diagram below gives a pictorial view of their procedures and capabilities for processing, tracking, reconciling and reporting cash movements and commitment information. This is a longstanding, proven process that the Group has followed consistently to ensure control and accuracy in the management of key transactional information.



29. Describe the fund or fund of fund portfolio construction process.

They take a consultative approach in working with clients to help them maintain a forward-looking, return-enhancing philosophy to the private equity portfolio. That goal will be accomplished with on-going reviews that are both qualitative and quantitative diagnostics of the existing portfolio, including commitment and cash flow modeling as well as diversification analysis by sector, stage, industry and geography. Forward looking market views each diversification parameter will support the near- and longer-term objectives for target diversification.

Portfolio construction is a combination of numerous factors including current exposure, capacity, market opportunity, strategy and vintage year diversification, access, risk tolerance, and return expectations. Nevertheless, the single most important factor for private equity continues to be investing with the best managers, and any portfolio review would necessarily start with an assessment of the existing general partners.

Generally, they believe the best results are achieved without rigid pre-determined allocations to sub-strategies within private equity. Yet, they are sensitive to a client's desire to access specific markets. They are well versed in these opportunistic strategies, including analyzing direct and secondary investments, as well as emerging markets, managers and other niche strategies that can reduce the j-curve, limit blind-pool risk and take advantage cyclical and/or structural changes in various sectors, while diversifying away unnecessary risk.

They have the ability to customize allocations to suit each investor's preference. Our Group understands that every client is different and with that comes unique needs which may evolve over time. As an example, their relationship with Client A started off as a monitoring relationship, when they took over their existing private equity portfolio as a fiduciary for oversight and administration. They began the relationship with extensive modeling and stress testing of their existing portfolio to determine the current value and projected future value. Additionally, Portfolio Managers with expertise in certain areas of their portfolio due diligence specific funds and categorized both the qualitative and quantitative risks in their existing portfolio. Based on their collective findings, they analyzed the secondary market at the time and ultimately recommended and worked with Client A to opportunistically sell and de-risk their portfolio. They indentified potential buyers and gave advice, as a fiduciary, to Client A regarding these buyers as well as ways to structure the transaction. Furthermore, when Client A decided to make new private equity commitments, they created asset allocation models to determine commitment requirements to meet their target allocation. The relationship continues today with Client A.

They leverage their internal and external resources to develop a comprehensive understanding of all aspects of the potential partnership investment. The Private Equity professionals leading the diligence prepares the due diligence package identifying the pros and cons of the investment. This recommendation is the basis for discussing the investment with the entire Group at its weekly meeting. The consensus approval of the members of the Group is required before a commitment is made. Through this due diligence process, the Group acquires an understanding of the investment philosophy of the fund sponsor, the discipline with which the philosophy is implemented, and the dynamics of the sponsor's organization in order to evaluate the sponsor's ability to generate sustainable deal flow and attractive risk-adjusted returns.

30. Target a level of return or risk:

They base their expected return along three lines: against a broad public equity market benchmark comparable to that which the investor utilizes for their public equity portfolio; as a multiple of capital returned; and in comparison to a broad set of other private equity investments such as the returns compiled and reported by the private equity peer universe (e.g. Venture Economics, Cambridge, etc). Our corresponding targets for each of these methods are as follows:

- Public Equities: 500 basis points over the applicable benchmark (i.e. S&P 500 for U.S. Corporate Finance; MSCI Europe for European Corporate Finance; NASDAQ for Venture Capital), net of all fees, expenses and carried interest
- Multiples of capital: 2.0x invested capital
- Private Equity peer universe (e.g. Cambridge, Venture Economics): top quartile

31. Private equity investment types (i.e. venture capital, growth equity, buyouts, distressed, etc.) are included in a typical portfolio:

U.S. Corporate Finance V and European Corporate Finance V are expected to focus on investments in existing private companies expanding through growth strategies or fundamental business change, with a strong emphasis on small and mid-sized firms with teams that are local or regionally focused. Venture Capital V will be a global fund with a primary focus on early stage investments, emphasizing companies at their seed or start-up phase

Our goal is to ensure they provide their investors with a diversified portfolio strategy that seeks to selectively identify and target private equity investments across all types (partnership, direct, and secondary investments), stages of business development, industry sectors, and geographical locations.

Within each fund, the majority of investments are made to limited partnerships, managed by external private equity sponsors. Historically, these partnership investments have represented at least 75% of the corporate finance programs and 80% of the venture capital program. The remaining capital is opportunistically invested in direct co-investments and/or secondary partnership investments. No single partnership investment will exceed 15% of the overall fund size.

32. Preferred benchmarks:

As it relates to performance benchmarking, there are two general choices for a benchmark: a Public Index or a Private Equity Specific benchmark. A brief discussion of the pros/cons involved with each follows:

Public Index

The Public Index benchmark directly measures the benefit of including PE versus other investment alternative. Specifically, it measures what the private equity cash flows would have earned if invested in the alternative to private equity (i.e., public securities) by calculating an IRR and multiple of capital equivalent for that alternative using the same cash flows on the same dates to buy/sell the alternative. For investors with mature, ongoing portfolios, whereby older investments are being harvested and new commitment are made, it could also be appropriate to measure the time weighted returns of the private equity investments relative to the public equity portfolio or alternative benchmark. However, the evaluation period should be long, such as 10 years or more, due to the cycles within private equity and between private equity and public markets.

Pros:

- Best used to measure the strategic/policy decision

Cons:

- Could reward adverse decisions (e.g., ceasing new commitments)
- Is very sensitive to cycles and differences between public and private markets over short periods of time
- For a large, mature program, recent activities of the investment manager would have little or no impact on benchmark relative performance
- The public index may have characteristics that are different than the private equity portfolio

Private Equity Specific Benchmark

The Private Equity Specific Benchmark can be used to assess how you have done, and there is a readily available measure of this. However, due to the volatile nature of IRRs for new investments, vintage year comparisons are only useful for seasoned vintage years (e.g., 5 years or longer). Therefore, they would recommend evaluating performance relative to Venture Economics, Cambridge Associates and various other time weighted measures, over a 3-5 year period.

Pros:

- Best used to measure a manager's implementation/selection relative to other managers
- Takes into account the cycles of the overall private equity environment

Cons:

- Private Equity benchmarks are "peer universes" measured by third parties. Therefore, they are susceptible to survivorship bias, inconsistent reporting, and frequent modifications
- There may be significant factor/style differences between the manager's portfolio and the reported peer universe
- Given the long-term nature of private equity, return measures are typically not useful for evaluating new investments over short time frames

As stated previously in Question 34, They base their expected return along three lines: against a broad public equity market benchmark comparable to that which the investor utilizes for their public equity portfolio; as a multiple of capital returned; and in comparison to a broad set of other private equity investments such as the returns compiled and reported by the private equity peer universe (e.g. Venture Economics, Cambridge, etc).

33. Typical number of partnerships held in the firm's fund of funds:

Expected attributes of each program a described as follows:

	U.S. Corporate Finance V	European Corporate Finance V
Stage	Small to mid-market focus; Buyouts, growth capital, build-ups & special situations	Small to mid-market focus; Buyouts, growth capital, build-ups & special situations

Geography	U.S.	Developed Europe, opportunistically other regions
Composition	Approximately 15 GPs, yielding approximately 400 portfolio companies; opportunistic secondaries and direct co-investments	Approximately 12 GPs, yielding approximately 250 portfolio companies; opportunistic secondaries and direct co-investments

The percentage of an individual partnership is determined based on the level of their conviction, and the appropriate diversification provided by the partnership in the context of their overall fund diversification. The Corporate Finance Funds will have the ability to invest up to 35% in opportunistic investments (which is defined as secondary and direct co-investments), with the remainder investing in partnership investments. Our average allocation to an underlying partnership is 10% of the underlying partnership's total fund size. No single partnership investment will exceed 15% of the overall fund size.

34. Expected range for geographic location (region in US, US vs. international), industry and sector exposure and stage of investment for the firm's currently available fund:

    U.S. Corporate Finance V will target U.S.-oriented corporate finance opportunities, whereas the European Corporate Finance V will target principally Europe-oriented corporate finance investments in Developed Europe.

35. To what extent does the firm make "follow-on" investments? (Make multiple fund commitments to the same private equity fund manager)

    They anticipate committing to a majority of the funds they currently are invested with or which members of the team have past investing relationships. They do not anticipate being unable to invest in any of their existing groups due to capacity constraints, however, they do not pre-commit to funds and may very well not choose to commit to the subsequent fund being raised by any given partnership.

36. Expected exit strategy:

    As it relates to the partnership investments, upon notification of a pending distribution they first contact the general partner to gain further details regarding the timing expectations and any restrictions on any securities to be distributed. They also liaise with their firms' analysts and trading areas, as well as any relevant market maker to review the market/economic implications for liquidating the position. From there, their Group has the ability to distribute either cash or securities to investors. Should the client prefer to receive cash only, they will actively manage the liquidation of the security.

    Distributions are returned to investors as promptly as possible, within 90 days at a maximum, or are utilized to offset a capital call during that period. They provide investors with a detailed notification letter for each distribution as it occurs.

    As it relates to the direct co-investments, their Group's liquidation strategy generally will be to exit the investment at the same time as the general partner. The two most common liquidation strategies are (i) a trade sale, which typically will result in immediate cash or a more liquid public security for the entire investment, or (ii) an initial public offering after which a public market for a portfolio company's stock is expected to develop, although the direct investment typically will not experience liquidity for its investment until the end of a "lock up" period.

    In an effort to maximize the value of distributed public securities, their Group has a team, named the Private Equity Distribution Management ("PEDM"), exclusively dedicated to the management of private equity distributions. Members of the Group first recognized the value and importance of managing distributions back to 1989 while at AT&T. At that time, the Group developed an active distribution policy that has been developed and modified to this day.

Our PEDM program is a “sell only” product, with a process built to maximize the cash-to-cash returns on private equity investments. The management of private equity distributions – typically, shares of companies held by private equity funds which are distributed to limited partners after those companies go public or are acquired by public companies – can have a substantial impact on returns realized from private equity investments.

37. Performance review:

U.S. Corporate Finance
As of 12/31/2013
$ millions

Vintage Year	Capital Committed	Capital Invested	% of Fund Invested*	Capital Distributed	NAV	Gross TVPI**	Gross IRR**
1980	14.0	14.0	100%	118.4	-	8.5x	27.0%
1983	38.0	38.0	100%	94.9	-	2.5x	13.4%
1984	74.3	72.6	98%	143.6	-	2.0x	12.3%
1985	9.0	9.3	104%	25.8	0.0	2.8x	22.4%
1986	236.2	234.2	99%	820.5	-	3.5x	17.7%
1987	213.6	250.2	117%	658.8	1.7	2.5x	18.1%
1988	634.9	598.6	94%	1,391.6	-	2.3x	17.1%
1989	474.6	457.7	96%	1,181.3	-	2.5x	21.3%
1990	92.2	49.1	53%	138.5	0.3	2.8x	13.7%
1991	530.6	468.9	88%	1,824.7	0.4	3.8x	29.7%
1992	83.9	82.3	98%	217.7	-	2.7x	43.0%
1993	182.0	179.1	98%	380.2	0.4	2.1x	16.2%
1994	651.3	602.0	92%	2,186.6	15.5	3.6x	41.8%
1995	573.6	570.3	99%	1,006.4	13.2	1.7x	15.9%
1996	460.8	431.4	94%	544.1	59.4	1.4x	5.4%
1997	510.9	491.8	96%	476.3	25.4	1.0x	-0.1%
1998	692.5	689.5	100%	774.5	38.3	1.2x	3.0%
1999	466.1	446.2	96%	532.1	80.0	1.3x	4.7%
2000	632.9	611.4	97%	911.3	114.6	1.7x	12.1%
2001	224.7	205.2	91%	293.5	33.5	1.6x	13.4%
2002	155.8	148.4	95%	326.8	48.8	2.5x	34.0%
2003	226.6	206.8	91%	320.2	89.6	2.0x	22.3%
2004	355.4	359.8	101%	404.7	228.6	1.8x	17.5%
2005	658.3	657.5	100%	493.3	499.2	1.5x	10.5%
2006	678.0	676.5	100%	377.5	541.3	1.4x	8.8%
2007	728.2	710.1	98%	314.8	595.2	1.3x	7.7%
2008	296.7	325.3	110%	295.0	339.8	2.0x	34.4%
2009	421.8	319.2	76%	218.6	320.2	1.7x	32.1%
2010	548.4	440.5	80%	259.4	433.5	1.6x	36.6%
2011	934.1	484.0	52%	98.7	474.9	1.2x	17.2%
2012	392.3	230.5	59%	5.4	264.6	1.2x	40.4%
Total	**12,191.4**	**11,060.7**	**91%**	**16,835.0**	**4,218.6**	**1.9x**	**19.2%**

*Calculated as a percentage of capital committed

**Net of underlying fees and expenses, gross of Advisor Fees. Net performance is only available at the fund and separate account level

Includes all US partnership, secondary and direct investments for commingled funds, separate accounts, and employee vehicle

Past performance is no guarantee of future results

Historical Performance These performance results for the period 1985 through 1997 were achieved by the Private Equity Group while employed at AT&T Investment Management Corporation (ATTIMCO). Investments were made on behalf of plan participants in defined benefit pension plans managed by ATTIMCO. No representation is being made that past performance results are attributable to J.P. Morgan or that the Private Equity Group at J.P. Morgan will obtain similar returns in the future. In particular, going forward a management fee and incentive fee will be payable to J.P. Morgan that will reduce performance. Performance shown is for the entire portion of the pension plans managed by ATTIMCO and is net of all fees and expenses at the underlying investment level. No portfolio management fee was directly charged to the ATTIMCO private equity portfolio. From 1988 through 1995, Mr. Lawrence Unrein was a member of ATTIMCO's investment committee, responsible for investment objective and strategy. In 1995, Mr. Unrein became the head of the Private Equity Group and was solely responsible for strategy and supervision of investments. In November 1997, Mr. Unrein and substantially all the Private Equity Group joined J.P. Morgan. The Private Equity Group continues to manage, under J.P. Morgan's employ, much of ATTIMCO's private equity portion of the pension plans.

European Corporate Finance
As of 12/31/2013
$ millions

Vintage Year	Capital Committed	Capital Invested	% of Fund Invested*	Distributions	NAV	Gross TVPI**	Gross IRR**
1985	1.1	1.1	100%	3.0	-	2.8x	12.6%
1987	4.1	4.1	100%	7.3	-	1.8x	7.5%
1988	14.6	14.6	100%	18.8	-	1.3x	6.1%
1989	21.7	21.7	100%	18.5	-	0.9x	-1.8%
1990	35.7	35.7	100%	95.9	-	2.7x	26.6%
1992	16.9	16.9	100%	11.6	-	0.7x	-4.9%
1993	85.7	85.4	100%	174.0	-	2.0x	19.8%
1994	50.0	47.9	96%	59.0	-	1.2x	2.4%
1995	49.9	49.9	100%	167.5	-	3.4x	52.7%
1996	127.9	107.9	84%	268.7	-	2.5x	17.6%
1997	186.7	193.3	104%	293.1	9.5	1.5x	10.1%
1998	72.8	66.6	92%	101.4	1.8	1.6x	9.3%
1999	155.7	154.9	100%	224.8	11.8	1.5x	10.0%
2000	34.9	35.2	101%	73.4	2.6	2.2x	17.2%
2001	168.5	171.8	102%	320.2	21.3	2.0x	33.5%
2002	145.5	143.9	99%	311.8	12.7	2.2x	35.3%
2003	101.9	101.8	100%	135.8	55.0	1.9x	28.9%
2004	180.1	187.4	104%	152.4	90.1	1.3x	6.6%
2005	125.4	130.3	104%	145.5	55.3	1.5x	16.1%
2006	254.2	265.9	105%	168.9	184.3	1.3x	9.5%
2007	319.9	280.8	88%	46.5	235.5	1.0x	0.1%
2008	236.2	137.0	58%	0.1	177.6	1.3x	12.8%
2009	101.3	73.6	73%	57.0	102.8	2.2x	43.9%
2010	96.8	54.0	56%	16.6	55.4	1.3x	29.1%
2011	342.7	154.9	45%	26.5	161.5	1.2x	23.8%
2012	211.0	57.1	27%	0.0	56.6	1.0x	-0.7%
Total	**3,141.2**	**2,593.7**	**83%**	**2,898.4**	**1,233.7**	**1.6x**	**15.1%**

*Calculated as a percentage of capital committed

**Net of underlying fees and expenses, gross of Advisor Fees. Net performance is only available at the fund and separate account leve

Includes all European partnership, secondary and direct investments for commingled funds, separate accounts, and employee vehicle.

Past performance is no guarantee of future results

Historical Performance These performance results for the period 1985 through 1997 were achieved by the Private Equity Group while employed at AT&T Investment Management Corporation (ATTIMCO). Investments were made on behalf of plan participants in defined benefit pension plans managed by ATTIMCO. No representation is being made that past performance results are attributable to J.P. Morgan or that the Private Equity Group at J.P. Morgan will obtain similar returns in the future. In particular, going forward a management fee and incentive fee will be payable to J.P. Morgan that will reduce performance. Performance shown is for the entire portion of the pension plans managed by ATTIMCO and is net of all fees and expenses at the underlying investment level. No portfolio management fee was directly charged to the ATTIMCO private equity portfolio. From 1988 through 1995, Mr. Lawrence Unrein was a member of ATTIMCO's investment committee, responsible for investment objective and strategy. In 1995, Mr. Unrein became the head of the Private Equity Group and was solely responsible for strategy and supervision of investments. In November 1997, Mr. Unrein and substantially all the Private Equity Group joined J.P. Morgan. The Private Equity Group continues to manage, under J.P. Morgan's employ, much of ATTIMCO's private equity portion of the pension plans.

38. Fee schedule for the fund:

Please see the below fee options for the U.S. Corporate Finance V and European Corporate Finance V funds:

	Option 1	Option 2
Management fee (average annual)*: Based on committed capital and effective at the time the underlying commitment is consummated. Assumes a 15 year life to the investment.	0.72%	0.44%
The management fee for each year would be as follows:		
Year 1 – 5 (fees begin from consummation of investment by Fund)	0.90%	0.55%
Thereafter	reduced by 5% per year	reduced by 5% per year
Preferred return/hurdle:	8%	8%
Carry or Incentive fee:		
Primary Partnerships:	0%	5%
Secondary Partnerships:	10%	10%
Direct Investments:	15%	15%

The management fee would be applied as and when an investment is made by the fund during its investment period. In this way, the management is commensurate with investment activity. The management fee is based on the noted fee rate above on the commitment amount of each underlying investment of the fund.

Should CCCERA prefer to implement the program through a separate account, they propose a similar fee structure, but have the ability to further customize the arrangement based on CCCERA's preferences for fixed and variable fee components.

39. Carried interest associated with the fund:

Depending on the preferred fee option, CCCERA may elect to have no carried interest with respect to partnership investments (Option 1) or to pay a reduced management fee with a 5% carried interest on partnership investments (Option 2). Secondary and direct investments have carried interest of 10% and 15%, respectively. Note there is an 8% hurdle rate prior to any carried interest and all such calculates for the hurdle and the waterfall take into consideration both realized and unrealized losses

40. Any other costs or fees associated with the fund:

With respect to Funds V, organizational fees are shared pro-rata by investors based on commitment amount and are capped at $750,000. On-going third party expenses, such as audit and custody, are also shared pro-rata across all investing entities. There are no charges on commitments or draw downs. All expenses of the Manager, including but not limited to travel, diligence, reporting, are borne by the Manager. Note that any fees earned by the portfolio, including director, advisory board, monitoring, break up and other similar fees payable with respect to investments, will be applied to off-set the management fee paid by CCCERA.

Should CCCERA prefer to implement through a separate account, incremental structuring and on-going fees may be applicable. The separate account can be structured in two ways: (1) without fund vehicle and (2) within fund vehicle (or "fund of one") and can include any combination of strategies, sectors, geographies and investment types (e.g. primary, secondary, direct investments). They have specific experience with both structures. Please refer to the two charts below which highlights the key differences between the two and typical fees associated with opening such an account. They would be happy to discuss all aspects and relative costs/benefits of the each with CCCERA.

Siguler Guff

1. Firm name, address, and telephone number:

   Siguler Guff & Company, LP
   825 Third Avenue, 10th Floor
   New York, NY 10022
   Tel: 212-332-5100

2. Firm founded: Registered with the Securities & Exchange Commission:

   Founded in 1991 and has been a federally registered investment adviser since 1995.

3. Name, position, telephone and fax number, and e-mail address of the firm's new business contact and database/questionnaire contact:

	New Business Contact:	**Database/Questionnaire Contact:**
Name:	Michael P. Keough	Sloane Schuster
Title:	Western U.S. Public Funds BNY Mellon Investment Management	Principal – Investor Relations Siguler Guff & Company, LP
Phone:	(415) 399-4411	(212) 332-5112
Email:	Michael.Keough@bnymellon.com	IR@sigulerguff.com

4. Firm's ownership structure, and any ownership changes over the past five years:

   Siguler Guff is an independent, privately-held partnership. One hundred percent of the voting interests of the Firm are held by George Siguler, Drew Guff, Donald Spencer, Ken Burns and their family-related partnerships. Jay Koh joined Siguler Guff in 2012 and was granted a firm-wide equity participation. The Bank of New York Mellon Corporation ("BNY Mellon") owns a 20%, non-voting, equity interest in the Firm, which it acquired in November 2009. There are no anticipated changes to the ownership structure at this time.

5. Carriers and the limits of errors and omissions and fiduciary liability insurance:

   At the Firm level, Siguler Guff has a combined $20 million professional and management liability policy through Continental Casualty and Great American, and a $5 million financial institution bond through Federal Insurance Company. In addition, the Firm has an ERISA bond through Federal Insurance Company and Continental Casualty covering each, eligible, ERISA account up to $500,000 (the maximum permitted amount).

6. Litigation:

   During the fourth quarter of 2010, the Firm filed a complaint against a former employee regarding the use of Firm proprietary information; that lawsuit was settled in the first quarter of 2011 to the parties' mutual satisfaction.

   Otherwise, since inception, the Firm, the Firm's principals, subsidiaries and affiliated bodies have not been involved in any proceedings by a regulatory or self-regulatory agency, or any litigation (other than incident to lawsuits involving underlying portfolio companies of Russia Partners). In particular, the Firm has never been the subject of any legal proceeding or claim by any client, and there is no current or anticipated litigation to note.

7. Judgments:

   There have not been any judgments against the Firm or its employees over the past five years, nor is the Firm currently party to or anticipating any investigations.

8. Firm's financial statement auditor.

   PricewaterhouseCoopers ("PwC"), a nationally recognized "big four" accounting firm, serves as the auditor for all of the Firm's multi-manager funds. The relationship has been in place since 2002 and, therefore, PwC has been the auditor for all of Siguler Guff's multi-manager funds since their inception.

9. Total assets under management for firm for the past five year-end periods and as of March 31, 2013.

Total Firm Assets*					
	Market Value (Millions)	**Accounts Gained**	**Assets Gained (Millions)**	**Accounts Lost**	**Assets Lost (Millions)**
Dec 31, 2008	$7,371.4	286	$2,538.9	N/A	N/A
Dec 31, 2009	$8,076.6	29	$705.2	N/A	N/A
Dec 31, 2010	$9,092.3	60	$1,015.7	N/A	N/A
Dec 31, 2011	$10,155.5	63	$1,063.2	N/A	N/A
Dec 31, 2012**	$10,360.6	8	$205.1	N/A	N/A
Mar 31, 2013**	$10,364.4	24	$3.8	N/A	N/A

10. Firm's total small/mid cap private equity fund(s) (or small/mid cap private equity fund of funds, if applicable), please state the market value of assets under management for the past five year-end periods and as of March 31, 2013.

Small/Mid Cap Private Equity Assets - Fund or Fund of Funds*						
	Market Value (Millions)	**Accounts Gained**	**Assets Gained (Millions)**	**Accounts Lost**	**Assets Lost (Millions)**	**Assets Committed/Invested**
Dec 31, 2008	$505.5	0	$0.0	N/A	N/A	$351.4 / $184.8
Dec 31, 2009	$505.0	0	$0.0	N/A	N/A	$378.3 / $227.6
Dec 31, 2010	$505.0	0	$0.0	N/A	N/A	$538.3 / $326.2
Dec 31, 2011	$566.3	0	$61.3	N/A	N/A	$611.5 / $407.4
Dec 31, 2012**	$744.1	5	$177.8	N/A	N/A	$742.7 / $527.2
Mar 31, 2013**	$907.6	10	$163.5	N/A	N/A	$785.6 / $569.2

11. Name of the product(s) described in the remainder of this response:

    Siguler Guff Small Buyout Opportunities Fund II, LP ("SBOF II" or the "Partnership").

12. Firm's succession plan for senior management of the private equity fund or fund of funds activity:

    Current partners and senior investment staff participate on various fund Investment Committees, which provides them with a broad, yet in-depth, understanding of the Firm's investment strategies. In the unforeseeable event that any senior member of Siguler Guff's management team should leave the Firm, that professional's responsibilities would be absorbed by an employee already familiar with that investment strategy and, if deemed necessary by the Firm's senior management, supplemented by additional professionals recruited from within or outside the Firm.

None of the Firm's partners or senior professionals on the small buyout investment team have plans to retire in the foreseeable future. Siguler Guff has expanded its senior management and investment staff concomitant with the growth of the Firm as a whole. While Siguler Guff favors an internal promotion process, senior executives are hired from outside of the Firm as well. The Firm is mindful of succession and will continue to develop its senior staff and hire additional executives, as necessary.

13. Names and titles of key investment and management personnel:

Name	**Title**	**Yrs. W/ Firm**	**Yrs. W/ Small/Mid Team**	**Yrs. Inv. Exp.**
Kevin Kester	Managing Director, Portfolio Manager	9	9	18
Jonathan Wilson	Principal	8	8	12
Jason Mundt	Principal	6	6	13
Sara Bowdoin	Vice President	4	4	7
Langdon Mitchell	Investment Associate	<1	<1	4
George Siguler	Managing Director	18	9	40
Drew Guff	Managing Director	18	9	30
Jay Koh	Managing Director	<1	<1	15
Solomon Owayda	Managing Director	3	3	33
Avinash Amin	Managing Director	4	3	9

14. Firm staff and the private equity staff turnover:

	Firm-wide Employees*		
Year	Firm-wide Employees	Firm-wide Employees Added	Firm-wide Employees Lost
Dec 31, 2008	51	8	4
Dec 31, 2009	69	26	8
Dec 31, 2010	78	18	9
Dec 31, 2011	89	17	6
Dec 31, 2012	99	23	13
Mar 31, 2013	98	1	2

* Does not include employees of Russia Partners, an affiliate of Siguler Guff

	Small/Mid Cap Private Equity Investment Employees*		
Year	Total Employees	Employees Added	Employees Lost
Dec 31, 2008	3	0	0
Dec 31, 2009	4	1	0
Dec 31, 2010	4	0	0
Dec 31, 2011	4	0	0
Dec 31, 2012	4	0	0
Mar 31, 2013	4	0	0

* Includes dedicated members of the Firm's small buyout investment team with the exception of Langdon Mitchell, who joined in May 2013.

15. As of December 31, 2012, the number of accounts, assets under management, median account size, and number of portfolio managers in the Small/Mid Cap private equity product.

The figures in the chart below include information for SBOF I and SBOF II.

Small/Mid Cap Private Equity Capital Under Mgt (Millions)*	**Number of Investors****	**Median Client Size (Millions)****	**Largest Client Size (Millions)****	**Number of Portfolio Mgrs**	**Number of Inv Analysts*****
$744.1	109	$1.5	$50.0	1	3

* Estimated as of December 31, 2012; calculated based on commitments for those investments in the investment period and on net asset value thereafter.
** Calculated by Limited Partner (LP); if certain related LPs were aggregated, the total number of investors would decrease and the median client size would increase.
*** Does not include Langdon Mitchell, who joined the Firm in May 2013.

16. As of December 31, 2012, the small/mid cap private equity fund or fund of funds group, the fund name, size of the fund in millions of dollars, the number of clients, and client assets committed and invested.

Small/Mid Cap Private Equity Fund Name	**Fund Size in mil. $**	**Nbr. Investors**	**Commitments in mil. $**	**Investments - mil $**
SBOF I	$505.0	84	$565.7	$450.3
SBOF II	$224.8	25	$177.0	$76.9

17. Firm's funds or fund-of-funds product(s) currently open for investment or soon to be open for investment.

SBOF II will seek to assemble a diversified portfolio of "best in class" private equity funds investing in the securities of small and lower middle market companies. Siguler Guff believes that the small and lower middle market offers a variety of appealing characteristics, including substantial deal flow, less competitive transactions, lower purchase price multiples and significant value creation potential. The portfolio will consist of approximately 25 funds that produce, in aggregate, 200 to 300 underlying portfolio company investments.

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The funds will represent a diverse mix of strategies, sectors, styles, geographic markets and vintage years, managed in each case by firms that Siguler Guff believes are clear market leaders and have distinct competitive advantages in the small and lower middle market. The Partnership will seek to further enhance returns by allocating up to 30% of its capital commitments to select direct investments, generally as co-investments alongside small buyout fund managers, although direct investments also may be originated from other sources. Although the Partnership will typically acquire fund investments directly from the underlying funds themselves, the Partnership, on an opportunistic basis, may also purchase fund investments in secondary transactions. The Partnership will focus on fund managers investing in the North American markets, with primary emphasis on the United States, because of the substantial number of small companies and high-quality managers operating in the U.S. However, the Partnership may also invest up to 20% outside of North America, primarily to access managers investing in small and lower middle market businesses in Europe.

Small/Mid Cap Private Equity Fund Name	Fund Size Currently in mil. $	Expected Fund Size at Final Close	Current Number Investor	Expected Number of Investor	Expected Final Closing Date
SBOF II	$542.3	$600.0 (target)	74	85	August 30, 2013

Note: All information provided in table above is as of the May 22, 2013 closing.

The minimum subscription amount is $5 million, although the Partnership can accept smaller subscriptions at the discretion of Siguler Guff. Please see Appendix D for the SBOF II PPM.

As previously mentioned, Siguler Guff can construct a separate account with the same investment strategy and the same or similar terms to SBOF II, if so desired by the client

18. What percentage will the largest single investor represent in the new fund? Name and expected commitment for this investor.

    To date, the largest single investor in SBOF II is an Australian superannuation fund that represents 28% of the Partnership's total commitments. The Firm does not anticipate any incoming investors to commit more than the current largest investor. Assuming a $600 million fund size, Siguler Guff expects that the largest single investor will represent approximately 25% of SBOF II after the final closing is held.

19. Does the firm allow coinvestment opportunities?

    The investment guidelines for SBOF II state that the Partnership may invest up to 30% of its total commitments in co-investments. Siguler Guff believes in aligning its interests with those of its investors, which the Firm believes is best achieved by keeping the co-investments within the Partnership, alongside the fund investments, rather than putting them in a separate fund with a potentially different investor base. Therefore, investor commitments to the Partnership will be allocated pro rata, and appropriately distributed across fund investments and co-investments, thus making all investors in SBOF II co-investors. The General Partner may establish an overage fund if the Partnership has either exhausted the capital available for portfolio investments as a result of applicable investment restrictions or has acquired as large a position in such portfolio investments as the General Partner determines is desirable or prudent. Allocations to an overage fund would be made in accordance with the Firm's allocation policy.

    SBOF I is permitted to allocate up to 25% of its total capital commitments to co-investments. To date, SBOF I has committed $112.4 million to 27 co-investments, and SBOF II has committed $45.3 million across 16 co-investments. Please see the charts below for co-investments made by SBOF I and SBOF II to date.

SBOF I Co-investment Detail		
Company	**Entry Date**	**Capital Committed**
ADS Logistics	Jul-11	$4.0
Arnold Engineering	Dec-09	4.0
Behavior Centers of America	May-08	7.0
Bolttech Mannings	Nov-09	5.0
Bradshaw	Oct-08	5.0
Cimarron Energy	Aug-07	1.4
CJ Foods	May-10	3.7
Coastal QSR Investment Corp	Jul-09	2.0
Distribution International	Nov-10	4.2
Fieldbrook Foods	Sep-10	4.5
Florida Bells	Mar-10	7.0
GHX Holdings	Aug-10	2.1
Gold Standard Baking	Jun-08	5.7
Herndon Products	Jan-10	6.1
JZ Capital Partners Limited	Jun-09	3.9
Marianas CableVision	Dec-08	3.0
MEGTEC	Sep-08	4.1
Mid-South Bells	Dec-10	4.5
Nature's Best	Nov-07	3.0
Pancon	Dec-11	2.0
POM Corporation	Dec-07	5.0
Reliant Rehabilitation	Jun-11	5.2
Royal Camp	Nov-11	4.8
Selmet	Nov-11	5.0
Terra Drive Systems	Mar-12	4.0
Thorpe Specialty Services	Nov-10	0.6
Traffic Control and Safety Corporation	Aug-08	5.6
TOTAL		**112.4**

SBOF II Co-investment Detail		
Company	**Entry Date**	**Capital Committed**
Covenant Surgical Investors	Feb-13	3.3
Creative Co-Op Holdings	Dec-12	5.0
Dayton Parts	Mar-13	5.0
The Eads Company	May-12	0.8
Grammer Transport Holdings	Oct-12	5.0
Laura Gellar Make-up	Dec-12	3.0
Medsurant	Dec-12	3.0
Prodagio Software	Feb-13	1.5
Rotary Drilling Tools USA	Feb-13	1.8
SBP Holding	Jul-12	5.3
Sequential Brands Group	Jan-13	3.0
T.F. Hudgins Holdings	Jan-13	2.5
Vendor Credentialing Services	May-12	0.5
Vision Oil Tools	Jun-12	1.6
W-Technology	Apr-12	1.0
West Academic Publishing	Feb-13	3.0
TOTAL		**45.3**

20. How the firm defines small/mid cap private equity:

    Small buyout funds are typically defined as funds capitalized at less than $250 million, although the small buyout investment team will generally review opportunities between $50 and $400 million. Ultimately, the small buyout investment team targets funds in the $100 million to $300 million range. Siguler Guff defines small buyout transactions, normally best thought of as a segment on the deal size continuum, as control-oriented investments in companies that typically have less than $100 million of revenue, less than $15 million of EBITDA or trade for less than $100 million of enterprise value.

21. Investment philosophy/strategy, style and distinguishing characteristics of this product:

    Siguler Guff's investment philosophy is focused on identifying market inefficiencies that are capable of generating high absolute rates of return and creating efficient solutions to capture them. The Firm's opportunistic approach is derived from its view that private equity presents discrete opportunities over time and that it must allocate its clients' capital in a way that takes advantage of those discrete opportunities. Siguler Guff is a value-focused investor, and its small buyout strategy is first and foremost focused on value.

    As previously mentioned, SBOF II will seek to assemble a diversified portfolio of "best in class" private equity funds investing in the securities of small and lower middle market companies. Specifically, Siguler Guff believes that superior performance in the small buyout market is a direct result of a managers ability to: i) source abundant, high quality and less competitive deal flow; ii) identify high margin niche market leading companies; iii) avoid bidding wars and "win" deals with attributes other than paying the highest price; iv) seek strong alignment of interests with the seller and management team through mechanisms such as seller rollover equity, seller notes, earn outs and management investment; v) "buy right" and employ conservative leverage; and vi) invest in companies where the manager is well suited and positioned to add demonstrable value. Managers with these capabilities are best positioned to generate high returns while simultaneously mitigating risk.

    The small buyout strategy is attractive as the small and lower middle market is a dynamic and less efficient segment of the overall buyout market that offers compelling investment opportunities. Historically, small buyout funds have shown superior performance with lower volatility and there is substantial deal flow with limited competition. Siguler Guff defines small buyout transactions, normally best thought of as a segment on the deal size continuum, as control-oriented investments in companies that typically have less than $100 million of revenue, less than $15 million of EBITDA or trade for less than $100 million of enterprise value. This part of the market exhibits the greatest transaction inefficiency as the supply of potential acquisition targets is large, while the demand from sophisticated private equity investors is limited.

This strategy offers attractive purchase prices with conservative leverage. Siguler Guff's experience in the marketplace suggests that value-oriented small buyout funds frequently acquire businesses for 5 times to 6 times trailing 12 months EBITDA, and often are able to pay less than 5 times trailing 12 months EBITDA. One factor that can contribute to the disparity in purchase price multiples is that most small and lower middle market companies are closely-held or family controlled, with key decision makers often remaining with the business post-acquisition.

Additionally, the private equity manager is often the first institutional investor in the company, as evidenced by SBOF I's portfolio, where approximately 90% of portfolio investments had this characteristic. Often, developing a relationship with the seller is more important for successfully completing a transaction than the actual transaction valuation, as the chemistry and fit with an owner-operator is critical to the process and discourages competition. The intense personal dynamic involved in these situations creates an environment where price is not always the decisive factor for a seller in a small buyout transaction.

Furthermore, there is a strong alignment of interests found in the small buyout market. Alignment of interests between investors and fund managers is a governing principle of private equity investing. One way to align interests is by requiring managers to invest a meaningful amount of their personal net worth alongside the limited partners, which is available and equally applicable to funds of all sizes. Another important approach to properly aligning interests is to skew manager compensation heavily towards performance incentives.

Most private equity funds have two-tier compensation structures. First, the manager receives an annual management fee, typically 2.0% of committed capital for smaller funds and a lower percentage for larger funds. Second, the manager receives a share of profits, or carried interest, generally equal to 20% of profits subordinated to a preferred return of 8%. Ideally, management fees should be just high enough to cover manager expenses, so that wealth creation is possible only through carried interest. In practice, managers of large and middle market buyout funds receive management fees that significantly exceed their expenses, generating a stable annual profit stream that dilutes the incentive value of carried interest. Furthermore, large fund managers can use the profits from management fees to finance personal investments in their funds, potentially reducing the incentive value of the principals' personal investments.

Because small buyout funds are typically capitalized at less than $250 million and have substantial human resources relative to their size, managers primarily cover their overhead with fixed fee income. With little, if any, profit from fee revenue and significantly more of their own personal capital at risk on a relative basis, small buyout fund managers can be expected to exhibit a greater focus and reliance on investment returns and carried interest to generate wealth.

SBOF II's hybrid investment strategy – with up to 30% of capital allocated to co-investments – is expected to significantly enhance the overall returns of the Partnership. These co-investments generally do not involve any fees or carried interest paid to the sponsor and, as a whole, tend to outperform fund investments. SBOF I's co-investments are representative of Siguler Guff's ability to execute this part of its strategy effectively. All 27 co-investments in SBOF I do not pay fees or carried interest to the sponsor and are currently outperforming the Partnership's fund investments by a substantial margin. Moreover, co-investments are executed within the Partnership, alongside fund investments, rather than putting them in a separate fund that could potentially have a different investor base.

Siguler Guff's experience and knowledge of the small and lower middle market, relationships with leading managers, and excellent track record across funds within the same strategy, set it apart from other managers seeking to invest in the sector. In addition, Siguler Guff's experience as a direct investor distinguishes it from many competitors that act only as consultants or intermediaries. Siguler Guff believes that since forming its small buyout investment platform and investing over $500 million in this space, it has positioned itself as one of the most sophisticated and knowledgeable investors in the small and lower middle market.

Siguler Guff believes that the factors highlighted above, amongst others, make the small buyout strategy unique and have greatly contributed to the sector's outperformance relative to the broader buyout market.

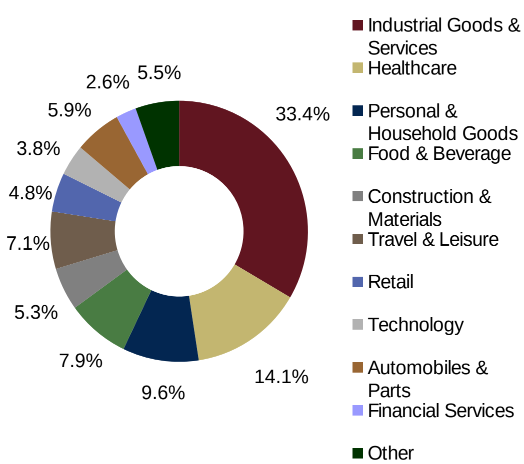
22. Bias toward any market segments:

SBOF II does not have any bias toward particular market segments, and the investment team selects funds and co-investments on an opportunistic basis. Sector focus will vary among managers, but the portfolio is likely to include companies in industrial goods and services, business services, healthcare, personal and household goods, food and beverage, retail, technology, financial services, energy services, restaurants, among other industries. The Partnership will invest in funds with a range of investment theses, such as sector specialization, margin expansion, industry consolidation, improved corporate governance, financial restructuring, and enhanced sales, marketing and management techniques.

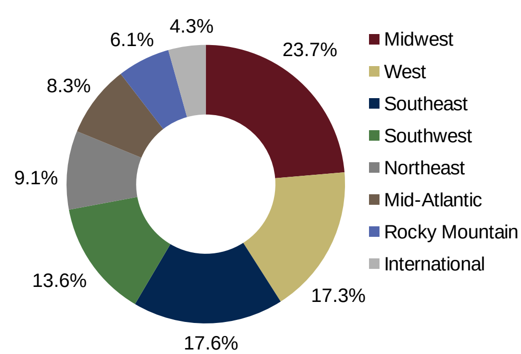
As previously mentioned, the Partnership will focus on fund managers investing in the North American markets, with primary emphasis on the United States, but may also invest up to 20% outside of North America, primarily to access managers investing in small and lower middle market businesses in Europe.

Please see below for the industry and geography breakdowns for SBOF I and II, estimated as of December 31, 2012.

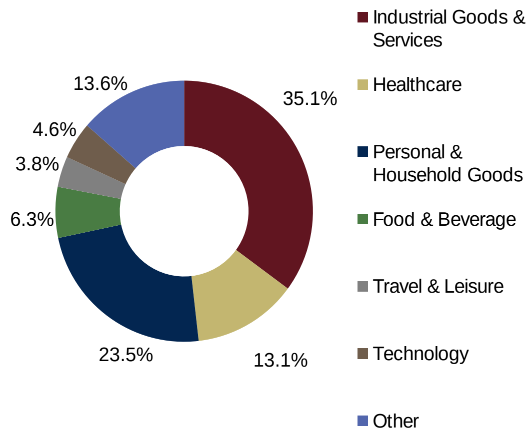
SBOF I Invested Capital: Industry



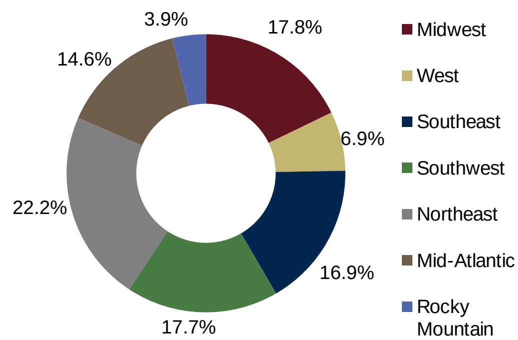
SBOF I Invested Capital: Geography



SBOF II Invested Capital: Industry



SBOF II Invested Capital: Geography



Expected period of investment for the proposed fund(s).

The Partnership can make commitments to funds until August 30, 2015 (the “Fund Commitment Period”), and can make direct investments until August 30, 2017 (the “Direct Investment Commitment Period”). Because the funds will be entitled to call commitments from the Partnership throughout their investment periods (which will likely extend beyond the Direct Investment Commitment Period for some funds), the Partnership is not expected to call 100% of its committed capital until well after the end of the Commitment Periods.

Following the end of the Commitment Periods, the Partnership can make follow-on investments, not in excess of 30% of capital commitments, which may be funded by drawing uncalled capital commitments or by reinvesting the proceeds of the portfolio. Any follow-on investments to funds made later than two years following the end of the Fund Commitment Period, or follow-on investments to direct investments made later than two years following the end of the Direct Investment Commitment Period, will require the approval of the advisory board.

The basis for the length of the Fund Commitment Period is that it enables the portfolio to achieve vintage year diversification and allows the Partnership to target the best managers that are in the market over a three year period after its final closing. Similarly, the Direct Investment Commitment Period spans five years after the final closing in order to provide Siguler Guff the opportunity to develop relationships with underlying fund managers that produce co-investments.

23. General Partner’s commitment in the fund:

The Firm and its affiliates (acting as the General Partner) will invest no less than $3 million in the Partnership, and the total General Partner commitment is currently expected to be significantly higher. The General Partner has committed approximately $10 million to each of the past four multi-manager funds the Firm has raised, and Siguler Guff expects a similar level of General Partner support for SBOF II. In addition, Siguler Guff’s employees have historically shown a strong level of participation in prior offerings. Kevin Kester, Jason Mundt, and Jonathan Wilson, amongst other professionals at the Firm, will likely make commitments to the Partnership.

The General Partner is considered to be a limited partner to the extent of its capital commitment, and the General Partner’s commitment will be allocated pro rata as any other limited partner’s capital commitment would be. However, the investment manager is able to waive the management fee with respect to the General Partner and parties affiliated with Siguler Guff, including Siguler Guff professionals.

24. What is the firm's investment universe? How many investment opportunities are evaluated each year?

Siguler Guff's small buyout strategy's investment universe consists of $50 million to $400 million funds that make control-oriented investments, typically in companies with less than $100 million of revenue, less than $15 million of EBITDA, or trade for less than $100 million of enterprise value. This part of the market exhibits the greatest transaction inefficiency as the supply of potential acquisition targets is large, while the demand from sophisticated private equity investors is limited.

Given its longstanding presence in the private equity community, Siguler Guff has extensive relationships with many private equity managers, dating back to George Siguler's days at Harvard Management in the 1970s, and his work as a founding trustee of Commonfund Capital, the private equity arm of the Common Fund. Siguler Guff's advantage over its competitors is its tenure in the private equity space and, more specifically, within each strategy in which it invests. A significant portion of the small buyout investment team's deal flow results from direct relationships with managers and fellow limited partners in the industry. In addition, the Firm has established relationships with most significant placement agents in the business, as well as with contacts at industry publications and investor conferences which may present the Firm with additional investment opportunities.

The Firm has met with virtually every institutional grade manager within the small buyout space, has aggregated manager data, and incorporated this information into its proprietary databases. The depth of these databases enables the Firm to make more informed investment decisions pertaining to fund investments and co-investments. By way of example, Siguler Guff has a proprietary database covering over 600 small buyout funds that is expected to generate substantial, high-quality deal flow for the Partnership.

Key to finding good investment opportunities is having quality, abundant and less competitive deal flow. Generating a high number of attractive investment opportunities significantly increases an investor's ability to exercise sound judgment and selectivity. If investors are confident in their ability to consistently replenish their deal flow pipeline, they are less likely to feel pressure to settle on subpar investments. Over the investment period of the Partnership, Siguler Guff expects to review over 500 funds and 200 co-investments. These numbers are supported by Siguler Guff's experience, where over 170 funds and 75 co-investments were reviewed in 2011, and over 160 funds and 82 co-investments were reviewed in 2012.

The vast majority of the investment team's ideas and, ultimately, completed investments, are sourced from managers with whom Siguler Guff has an established relationship. These relationships have been fostered and developed over many years. To date, 8 of the 11 fund commitments in SBOF II have been to managers with whom Siguler Guff has had a previous relationship.

25. How are investments evaluated?

To be eligible for consideration by the Partnership, a small buyout manager must meet the following fundamental requirements and screening criteria:

- The Firm's principals have a demonstrable commitment to the small and lower middle market;
- The Firm has the reliability and integrity to manage institutional capital;
- The fund's capital is "right-sized" relative to the strategy and market – generally funds sized between $50 - $400 million;
- The management team, either as a whole or individually, has compiled a verifiable record of active and successful investments in small and lower middle market companies; and
- Due diligence information is available and verifiable, and the firm and the manager are willing to meet their standards of transparency both in due diligence and ongoing monitoring.

The due diligence process typically takes anywhere from several weeks to a few months (depending on the team's prior familiarity with the activities of a particular manager and/or timing of their fundraising process in the case of a fund investment) and involves numerous members of the Siguler Guff team beyond the small buyout investment team. It is Siguler Guff's strong conviction that it is in their investors' best interest to have the due diligence process standardized and under their control. Therefore, 100% of investment, operational, and tax due diligence is performed internally by Siguler Guff's professionals. They have sufficient staff to accomplish this. Investment due diligence is performance by Kevin Kester (Managing Director), Jason Mundt (Principal), Jonathan Wilson (Principal), Sara Bowdoin (Vice President), and Langdon Mitchell (Associate). Stephen Faughnan (Vice President of Operations) leads the operational due diligence process and Jarrad Krulick (Vice President - Tax Manager) performs tax due diligence. The majority of legal due diligence is conducted in-house as well. Donald Spencer (Managing Director and Senior Counsel), Terri Liftin (Managing Director, Managing Counsel, and Chief Compliance Officer), and Sandip Kakar (Principal), all attorneys by training, lead the legal due diligence process, working alongside at least one member of the small buyout investment team. While the professionals listed above have the primary responsibilities for due diligence, the rest of the Firm's investment and back-office professionals are available for additional support.

Funds that meet the initial screening criteria are subjected to a disciplined and rigorous due diligence process:

Preliminary Due Diligence — review of written materials and early meetings — 500+ funds over SBOF II investment period

- Identify/articulate investment strategy, performance drivers, management qualifications
- Consider fit in the Partnership's portfolio
- Siguler Guff will accept meetings with virtually all managers. Meetings with managers unlikely to be selected can nonetheless yield valuable insights.

Comprehensive Due Diligence — continued meetings and extensive research — 150 to 200 funds

- Continued meetings with professionals at all levels, including one-on-one meetings
- Detailed and verified track record analysis, including attribution analysis and "outlier" analysis
- "Data mining," including legal docket reviews, to identify discrepancies from underlying fund manager's statements, additional references, "character" issues
- Reference checks — both supplied references and those discovered through data mining and other sources, as well as integrity checks performed by outside agencies
- Checklists — underlying fund manager's standard due diligence "package" compared against Siguler Guff's proprietary business, legal, and financial controls checklists

Final Due Diligence — resolve open issues, evaluate investment process and risk controls — 25 to 30 funds

- Final meetings — update performance and deal pipeline; challenge and probe assumptions; candidly address litigation issues and other negatives
- Process review — verification through file review that underlying fund manager's investment process works as described Legal review — Detailed questionnaire to ascertain whether the firm or its personnel have been subject to litigation, investigations or other "red flag" occurrences; background checks on key principals, terms, side letters, and LPA amendments are negotiated. Legal review is independent of investment due diligence process.
- Tax review — Review of documents, and negotiation of side letter provisions, to assess and improve level of protection against undesirable tax consequences for various categories of clients (e.g. U.S. tax-exempt or non-U.S.). Tax review is independent of investment review process.
- Operational Due Diligence — detailed questionnaire covering, for example, risk monitoring, cash management and disbursement control, and trade reconciliation practices; evaluation of

quality of in-house personnel and critical third parties such as clearing brokers, administrators and independent auditors; site visit or phone interview (depending on “risk matrix” analysis) that is independent of the investment due diligence process

- Environmental, Social and Governance (ESG) Review — Review for ESG issues and completion of questionnaires covering assessment of an underlying fund manager’s or company’s existing ESG policies, reporting and management system and engagement with portfolio companies, and processes to address identified ESG shortcomings
- Terms and conditions — areas of focus go beyond standard terms to address “risk control” issues such as enhanced transparency and indemnification provisions

On the macro level, Siguler Guff emphasizes comparing the candidate firm's stated investment philosophy with the investments that the firm has made in the past, to gauge the extent in which the philosophy has been successfully implemented by the team. Intangible and qualitative attributes such as management intelligence and judgment are evaluated through extensive and detailed discussions of their investment philosophy, their market views and their past investments. Siguler Guff also evaluates performance attribution, that is, the extent to which the current investment team was responsible for the historic track record. Drawing on the Firm’s experience as a direct investor, Siguler Guff engages the candidate firm's principals as peers and challenges their assertions and viewpoints to bring out weaknesses or contradictions. More than any other aspect of the Firm’s approach, it is the evaluation of their “prospective” view of the market and opportunities that defines Siguler Guff’s skill as advisors and managers of multi-manager fund portfolios.

Management integrity is paramount to successful private equity investing. The small buyout team searches news archives and litigation databases and, in the later stages of the due diligence process, asks probing questions on topics such as litigation, employee turnover and limited partner turnover. The team conducts extensive reference checks. They often discover an individual <u>not</u> listed as a reference – such as a former senior employee or an investor that chose not to “re-up” – who provides the critical insight on the inner workings of a management team. They also contact executives of failed investments, as these individuals are the most likely to harbor negative perspectives, justified or unjustified, about the management team in question.

On the process level, the small buyout team conducts a detailed review of each fund’s investment performance and requests sample investment files and individual investment(s) due diligence reports. They also review each firm’s risk control strategies and policies to make sure they are consistent with the team’s understanding of their investment strategy. The team attempts to understand the relationship between senior and junior investment staff members in both past and future deals and meets with junior staff at the general partner’s corporate offices. They identify any pertinent succession issues that might arise over the life of the partnership and review and negotiate company documentation and terms. The small buyout team’s strong relationships with other leading private equity investors create opportunities to informally compare notes and share market intelligence. Because small buyout investors comprise a close-knit fraternity, evaluations of fund management groups by their competitors and peers are accessible and relatively reliable.

Environment, social, and corporate governance (“ESG”) is an important component of the Firm’s due diligence process on all prospective investments. Siguler Guff is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and has formally established a Responsible Investment Policy, which includes a questionnaire to be used by its investment teams in connection with ESG-related due diligence of a general partner. In developing the Firm’s ESG policy, Siguler Guff has given consideration to a range of codes and standards, including the UNPRI.

Operational, legal and tax due diligence (including background and integrity checks) are conducted independently of investment due diligence to ensure that appropriate expertise and independent oversight are brought to bear. Prospective managers are required to complete a Legal and Regulatory Questionnaire, which asks for information on the general partner’s regulatory status and litigation history, and requests personal data to assist in a background check. Siguler Guff's legal and compliance team of seven professionals, as well as the Firm’s two tax professionals, are responsible for the Legal and Regulatory Questionnaire and background searches on prospective managers. Once the checklist is returned, the

Firm's Managing Counsel and CCO commissions a background search on the principals of the general partner. Siguler Guff engages Kroll and The Risk Advisory Group to perform thorough background checks on prospective underlying funds and their principals.

Furthermore, Siguler Guff's in-house counsel conducts a comprehensive review of the attendant legal documentation and, together with the portfolio manager, negotiates material terms of the partnership agreement. This review addresses a range of matters, including whether the terms are consistent with industry standards, whether the fund's management will provide adequate transparency to permit Siguler Guff to effectively monitor and manage the investment, and whether a range of tax and regulatory issues important to Siguler Guff's investors are adequately addressed.

Prospective managers are required to complete a Back Office Questionnaire, which scrutinizes the manager's accounting, operations and reporting processes. For a direct investment, the Firm's operations staff creates one-off customized questionnaires depending on the deal and the company's sector, to assess potential risks. Siguler Guff's accounting and operations teams also have comprehensive sets of criteria that they present to each manager in a separate due diligence process, which focuses on an underlying general partner's internal controls, accounting staff, infrastructure, quality of outside audit firm, and counterparty risk. Once the review is complete, the team then performs a risk rating of the investment based on the due diligence findings as well as in the context of the investment's strategy and structure. The risk rating will determine next steps, which include site visits to the fund or company, and direct contact with the general partner's CFO and accounting staff. In addition, Siguler Guff's operations team will provide a concluding memo to the investment team describing their findings during this process and detailing any areas of concern or control weaknesses.

Once the investment, operational, legal and tax due diligence processes are complete, a Due Diligence Completion Checklist is submitted to the Investment Committee with the investment recommendation. Siguler Guff has two Due Diligence Completion Checklists, one for fund investments and one for direct investments/co-investments. The Firm's Managing Counsel and CCO and the Firm's Tax Manager must sign off on the legal, compliance and tax items and the Vice President of Operations must sign off on the operational items in the Due Diligence Checklist. The checklist serves as an important control and quality assurance mechanism, as the approvers will check at this stage to be sure that all appropriate constituencies have completed their reviews and are aware of their responsibilities in respect to the investment.

After an investment opportunity has been properly screened, researched and documented and is ready for internal sponsorship, a formal recommendation is written and submitted to the Partnership's Investment Committee for review and approval. As there is frequent communication among committee members (by email, telephone calls and meetings) during the due diligence process, the committee approval process is more a matter of "fit" for the overall portfolio objectives. Investment decisions are made through consensus by a committee of the following professionals:

- George Siguler, Managing Director and Founding Partner
- Drew Guff, Managing Director and Founding Partner
- Jay Koh, Partner and Managing Director
- Kevin Kester, Managing Director and Small Buyout Portfolio Manager
- Solomon Owayda, Managing Director
- Avinash Amin, Managing Director

The Partnership's Investment Committee is supported by Donald Spencer and Terri Liftin, who are responsible for legal aspects and overall quality control, as well as a dedicated research staff of four investment professionals, and an accounting and operations team overseen by Ken Burns, Managing Director.

26. Process of monitoring the investments held in current funds:

Siguler Guff will closely and continuously monitor the Partnership's investments, both through formal briefings, such as periodic reports and annual meetings, and through less formal contacts, such as telephone calls and one-on-one visits to each company or underlying manager at least annually (and generally more often). Siguler Guff will also perform company-level analysis of the key investments in each of the underlying fund portfolios. The small buyout investment team will work with fund managers to ensure that Siguler Guff receives standardized, timely, accurate and transparent financial reports.

Siguler Guff believes it has developed the most powerful knowledge base within the small buyout universe. The small buyout investment team, as part of its monitoring activities and ongoing analysis, maintains a detailed database of its existing managers' portfolio companies and co-investments that currently includes over 275 company investments. This company-level database is completely proprietary and, on a quarterly basis, tracks all pertinent transaction, financial and performance data, both quantitative and qualitative, which provide valuable real time insights into the small and lower middle market. The database, as well as other analytical tools utilized by the small buyouts team, enables effective analysis, evaluation and monitoring of investments on a quarterly basis. Examples of common analyses are as follows:

- Growth and debt metrics since acquisition, year-over-year and quarter-over-quarter
- Changes and trends in valuation, covenant compliance, headcount, etc.
- Returns analyses
- Manager analyses
- Vintage year analyses
- Industry exposure
- Future value projections

Additionally, the small buyout investment team will seek to be a member of the advisory board of nearly every fund in which the Partnership makes a commitment, and typically negotiates to receive confidential, detailed briefings of portfolio activity and prospects to enhance its ability to exploit opportunities and forestall problems. Siguler Guff has historically been an active limited partner and, when warranted, is a fierce advocate of its investors' interests.

27. Firm's investment database of potential investments:

In addition to its database of existing managers' portfolio companies and co-investments, the small buyout investment team has a proprietary database covering over 600 small buyout fund managers, which provides the team with substantial, high-quality deal flow for the Partnership. This database of prospective managers tracks the entire universe of small buyout funds, which includes funds that are currently raising capital and funds that are expected to be in the market in the future. The Firm's small buyout investment team uses this proprietary database, which is maintained within Salesforce.com, to track data such as underlying holdings, fund terms and investment focus. The team also enters notes from meetings, advisory board meetings, and phone calls into Salesforce.com to document fund activity and due diligence items. Additionally, the small buyout team uses this database to record periodic updates from managers and to detail their analysis and perspectives on managers and their funds. All of this information is aggregated and used throughout the decision making process. This database has been in existence since the Firm started to formally pursue the small buyout strategy in 2004. As Siguler Guff's experience in the small buyout space grows, the database continues to expand and enables more effective analysis, evaluation and monitoring of potential investments.

28. Describe the fund or fund of fund portfolio construction process.

SBOF II's objective is to create a portfolio of approximately 25 "best in class" funds that produce, in aggregate, 200 to 300 underlying portfolio company investments. The funds will represent a diverse mix of strategies, sectors, styles, geographic markets and vintage years, managed in each case by firms that Siguler Guff believes are clear market leaders and have distinct competitive advantages in the small and lower middle market. The Partnership will seek to further enhance returns by allocating up to 30% of its capital commitments to select direct investments, generally as co-investments alongside small buyout fund managers, although direct investments also may be originated from other sources.

Manager selection is perhaps the single most important determinant of success in a private equity program and is becoming increasingly complex as new funds and spin-offs are continually formed. Industry performance data and academic research show spreads between top quartile and median performers in the hundreds and sometimes thousands of basis points, making manager selection in private equity more important than for traditional asset classes, such as public equities and fixed income. Furthermore, given the large number of private equity firms targeting this space and the daunting breadth of their experience, strategies, sophistication and institutionalization, selecting the strongest manager groups would be difficult for an investor without dedicated personnel immersed in the sector.

Siguler Guff's dedicated small buyout investment professionals work as a team throughout the entire portfolio construction and investment process. As the portfolio manager, Kevin Kester oversees all aspects of the Partnership's activities, is responsible for developing the investment strategy, and sits on the Investment Committees for SBOF I and SBOF II. Mr. Kester, together with Jason Mundt, Principal, and Jonathan Wilson, Principal, are responsible for constructing the portfolio, selecting managers, identifying and evaluating direct investment opportunities, performing due diligence, and negotiating terms and conditions for investments. Mr. Mundt and Mr. Wilson are also responsible for monitoring all small buyout investments. Sara Bowdoin, Vice President, and Langdon Mitchell, Associate, are involved in performing due diligence and monitoring investments as well, but also focus their time on manager and direct investment evaluation and analysis, and portfolio analytics. The small buyout team plans to hire a Vice President to join the team later in 2013.

The SBOF II Investment Committee bears the ultimate responsibility for ensuring that the portfolio is well constructed, achieves a high level of diversification, and meets all investment guidelines and regulations.

29. Target a level of return or risk:

SBOF II is targeting a net IRR in excess of 20% and a 2.3x net multiple of cost. Naturally, there can be no assurance that these returns will be achieved.

As there are some risks inherent in investing in smaller funds and smaller companies, Siguler Guff believes that the multi-manager model is an appropriate vehicle to execute on a small buyout strategy. Some of the risks associated with investing in smaller funds and smaller companies include higher geographic and industry concentration, dependence on a small number of individuals on the management team within the companies, competition from larger, more established players, and less liquid financing markets.

Siguler Guff believes that the small and lower middle market is a dynamic and less efficient segment of the overall buyout market that offers compelling investment opportunities to discerning investors. Siguler Guff believes that by reducing the financial risk associated with leverage and implicitly benefiting from portfolio diversification, small buyout funds have the potential to generate substantially higher returns with less volatility when compared to large buyout funds.

30. Private equity investment types (i.e. venture capital, growth equity, buyouts, distressed, etc.) are included in a typical portfolio:

SBOF II will invest solely with small buyout managers. The Partnership is targeting 100% small buyouts, which may opportunistically include growth buyouts and/or turnaround-focused buyouts. While the Partnership does not have target allocations for these sub-strategies, as a point of reference, SBOF I and SBOF II had the following allocations as a percentage of committed capital, as of September 30, 2012:

<u>SBOF I</u>
Buyouts: 74.5%
Growth: 14.2%
Distressed: 10.6%
PIPE: 0.7%

<u>SBOF II</u>
Buyouts: 74.7%
Growth: 11.0%
Distressed: 14.3%

31. Preferred benchmarks:

    As all benchmarks for Siguler Guff's multi-manager funds are imperfect, the Firm views its funds as absolute return strategies. However, the Firm does use certain public and private market benchmarks to measure the performance of its partnerships. Given that there is no small buyout private equity-specific index available, it is difficult to identify any one benchmark as the "best". For the funds in Siguler Guff's small buyout strategy, the Firm believes it is important to consider Cambridge Associates buyout data from the private equity perspective and the Russell 3000 Index from a company size perspective. Additionally, the Firm uses the Russell Microcap Index, the Russell 2000 Index, and the S&P 500 Total Return Index as benchmarks for the funds in its small buyout strategy.

32. Typical number of partnerships held in the firm's fund of funds:

    Siguler Guff expects that SBOF II will invest in approximately 25 funds, diversified by stage, sector, investment thesis and vintage year. To further enhance returns, the Partnership expects to make 25-30 direct investments (up to 30% of its committed capital).

    SBOF II will not allocate more than 15% of its aggregate capital commitments to any individual fund and will not invest more than 5% of aggregate capital commitments in any single direct investment. The 15% limit, which was negotiated down from 25% by a limited partner, is subject to approval by the limited partners in SBOF II. If approved, this term will be reflected in the final limited partnership agreement.

33. Expected range for geographic location (region in US, US vs. international), industry and sector exposure and stage of investment for the firm's currently available fund:

    As previously mentioned, the funds will represent a diverse mix of strategies, sectors, styles, geographic markets and vintage years, managed in each case by firms that Siguler Guff believes are clear market leaders and have distinct competitive advantages in the small and lower middle market.

    The Partnership will focus on fund managers investing in the North American markets, with primary emphasis on the United States, because of the substantial number of small companies and high-quality managers operating in the U.S. However, the Partnership may also invest up to 20% outside of North America, primarily to access managers investing in small and lower middle market businesses in Europe. While the Partnership invests on an opportunistic basis, the small buyout investment team expects geographic allocations, as a percentage of invested capital, similar to the following:

    U.S. Midwest: 20%
    U.S. West: 20%
    U.S. Southeast: 20%
    U.S. Southwest: 12.5%
    U.S. Northeast: 10%
    U.S. Mid-Atlantic: 10%
    U.S. Rocky Mountain: 5%
    International: 2.5%

    Sector focus will vary among managers, but the portfolio is likely to include companies in industrial goods and services, business services, healthcare, personal and household goods, food and beverage, retail, technology, financial services, energy services, and restaurants, among other industries. The Partnership will invest in funds with a range of investment theses, such as sector specialization, margin expansion, industry consolidation, improved corporate governance, financial restructuring, and enhanced sales, marketing and management techniques.

34. To what extent does the firm make "follow-on" investments? (Make multiple fund commitments to the same private equity fund manager)

    SBOF II has the ability to make multiple commitments to the same fund manager. However, given the typical length of underlying fund investment periods, this will likely only occur in a few instances. SBOF I made multiple commitments to three of its 23 fund managers, and the small buyout investment team expects a similar number of follow-on investments in SBOF II. SBOF II is permitted to make follow-on investments even after its Commitment Periods, subject to certain restrictions.

    With respect to re-ups, the small buyout investment team currently expects that SBOF II will commit to approximately 50% of the fund managers in SBOF I. To date, SBOF II has committed to eight SBOF I managers.

    It is important to note that every investment opportunity must stand on its own merits. For example, a fund's past performance, while potentially indicative of future outcomes, is only one element considered in the investment decision-making process. Changes in a fund's management, size, investment style and strategy, as well as changes in the prevailing market conditions and future expectations, among other data points, are all considered when evaluating a re-up or follow-on investment. Therefore, the percentage of funds in SBOF II that will come from existing relationships is subject to change.

35. Expected exit strategy:

    SBOF II will invest in approximately 25 managers offering funds focused on investing in the small and lower middle market. While the typical five year investment period is appropriate to allow managers to be patient during unanticipated fluctuations in markets, Siguler Guff prefers to see managers invest a fund's capital at a more rapid pace. The Firm anticipates that many funds will be fully invested within three to four years.

    While some funds pay out interest and income earned during the life of the fund, Siguler Guff anticipates that that most of the Partnership's returns will be generated through the sale of portfolio companies. The Partnership's exit strategy includes various exit channels such as sales to larger financial sponsors and strategic investors, IPOs, and management buybacks. Given the value-enhancing transformation that most of these companies will go through, Siguler Guff expects that they will make highly-attractive acquisition targets for strategic investors and financial buyers. The Firm expects that the holding period of each underlying investment will range typically from three to seven years before they are sold.

    Siguler Guff believes that given the substantial amount of capital raised by middle and large market funds, as well as the desire for strategic buyers to grow through M&A, the exit market for small and lower middle market buyout deals will likely remain robust in the foreseeable future.

    While the overhang of capital in U.S. private equity funds has dropped from its peak, an estimated $348 billion still remains available to invest. The decrease in available capital is largely due to low fundraising levels following the Global Financial Crisis, which have since improved. Over $242 billion sits in funds with less than $5 billion in commitments, which are potential acquirers of the small and lower middle market companies that are expected to comprise SBOF II. Moreover, 75% and 85% of capital committed to funds in 2011 and 2012, respectively, was allocated to funds with less than $5 billion in commitments[1]. This large supply of capital has made selling up the "food chain" one of the exits of choice for small buyout fund managers.

    This dynamic is visible in SBOF I, where successful exits have been sales to other private equity funds, including funds as large as $2.0 billion. Currently, U.S. non-financial corporations have exceptionally strong balance sheets, with more than $1.8 trillion of cash. Many of the corporations are very eager to grow through M&A activity. Small and lower middle market companies should be well positioned for interest from strategic buyers.

[1] Pitchbook 1H 2013 PE Fundraising and Capital Overhang Report, Federal Reserve

SBOF I has seen its portfolio companies acquired by strategic buyers such as Sara Lee (NYSE: SLE) ($8.6B), Spectrum Brands (NYSE: SPB) ($3.2B), Curtiss-Wright Corporation (NYSE: CW) ($1.6B), Masonite International ($1.5B) and Acadia Healthcare Company (NASDAQ: ACHC) ($1.1B), among others. In addition, the Firm anticipates that less than 5% of the portfolio will be exited through IPOs or management buyouts.

SBOF II's term will continue until the earlier to occur of (i) the twelfth anniversary of its initial closing, or (ii) the date on which all the Partnership's assets (other than temporary investments) have been distributed and the Partnership's obligations (including contingent obligations) have terminated, unless the term is extended (for up to three additional one-year periods) with the consent of the advisory board.

The Partnership will periodically distribute realized income and capital gains, typically in cash, when received. Proceeds representing returns of capital can be reinvested at the discretion of the General Partner, who will make that determination based on market conditions.

In-kind distributions from the underlying funds to the Partnership, and realized direct investments, may be sold by the Partnership or distributed in kind to the Partnership's investors. Prior to the dissolution of the Partnership, only marketable securities may be distributed in kind. Assets distributed in kind will generally be treated as cash distributions and distributed in accordance with the distribution provisions below.

The General Partner will give prior notice to investors if an in-kind distribution is contemplated and, at an investor's request, will act as such investor's agent to liquidate the in-kind asset on behalf of such investor and distribute the net cash proceeds of such liquidation to such investor. Investors will be responsible for all commissions and expenses in connection with any such sale and any such assets sold on behalf of an investor will be treated as having been distributed in kind to such investor at a value determined by the General Partner and sold by such investor for its own account.

Proceeds from investments in funds will be distributed as follows:

- Return of Capital. First, 100% to all investors, pro rata in proportion to capital commitments, until investors have received in the aggregate distributions equal to the investors' aggregate contributions to the Partnership in respect of all fund investments (including allocated expenses);
- Preferred Return. Second, 100% to all investors, pro rata in proportion to capital commitments, until they have received a preferred return of 8%, compounded annually, on the capital contributions returned under the preceding paragraph;
- GP Catch-Up. Third, 100% to the General Partner until the General Partner has received distributions equal to 5% of all distributions to investors in excess of the investors' aggregate contributions to the Partnership in respect of all fund investments; and
- 95/5 Split. Fourth, 95% to all investors, pro rata in proportion to capital commitments, and 5% to the General Partner.

Proceeds from the disposition of direct investments will be distributed as follows:

- Return of Capital. First, 100% to all investors, pro rata in proportion to capital commitments, until investors have received distributions equal to their total capital contributions in respect of all realized direct investments (including allocated expenses);
- Preferred Return. Second, 100% to all investors, pro rata in proportion to capital commitments, until they have received a preferred return of 8%, compounded annually, on the capital contributions returned under the preceding paragraph;
- GP Catch-Up. Third, 100% to the General Partner until the General Partner has received distributions equal to 15% of all distributions to investors in excess of total capital contributions in respect of realized direct investments; and
- 85/15 Split. Fourth, 85% to all investors, pro rata in proportion to capital commitments, and 15% to the General Partner.

36. Performance review:

The chart below includes the performance and quartile ranking for Siguler Guff's small buyout multi-manager funds estimated as of March 31, 2013*. Please note the performance includes both fund investments and direct investments.

Fund Name	Vintage Year	Fund Capitalization ($M)[1]	% of Fund Invested[2]	No. of underlying funds[3]	Distribution / Paid-in[4]	Residual / Paid-in[5]	IRR (%)	Cambridge FOF Quartile Ranking[6]
SBOF I	2006	$505.0	80.7%	26	0.4x	1.1x	11.4%	1st
SBOF II	2011	$542.3	51.4%	11	-	1.1x	28.3%	N/A

* Past performance does not guarantee future results.
(1) Total capital committed from LPs to date; estimated as of March 31, 2013, SBOF I had committed $564.1 and SBOF II had committed $221.5 million to underlying investments.
(2) Represents cash invested as a percentage of total commitments to underlying investments estimated as of March 31, 2013.
(3) Does not include the 27 direct investments and 11 direct investments in the SBOF I and SBOF II portfolios, respectively.
(4) Represents net distributions paid to LPs.
(5) Represents LP-only NAV.
(6) Cambridge Associates, September 2012. Fund of Funds only, vintage year 2006. Cambridge Associates data is not yet available as of December 2012.

37. Fee schedule for the fund:

Management fees will be charged to each investor's capital account based on the investor's capital commitment, in accordance with the following schedule:

First $10 million 1.00%
Next $40 million 0.85%
Over $50 million 0.50%

The management fee rate above will be applied to committed capital during the Direct Investment Commitment Period (ending August 30, 2017 for SBOF II), and for each succeeding year thereafter shall be an amount equal to 80% of the management fee for the preceding year. For example, if an investor's management fee is 1.00% of committed capital during the Direct Investment Commitment Period, that investor's management fee will be 0.80% for the first year following the Direct Investment Commitment Period and 0.64% for the second year following the Direct Investment Commitment Period. The management fee will be paid quarterly in arrears and is included in the capital commitment.

38. Carried interest associated with the fund:

The General Partner will be entitled to a 5% carried interest after an 8% preferred return on fund investments, and a 15% carried interest after an 8% preferred return on direct investments. Carried interest is allocated on a portfolio-basis for fund investments and on a deal-by-deal basis for direct investments.

39. Any other costs or fees associated with the fund:

The Partnership will bear the expenses of its organization and of the distribution of its interests, including legal fees, printing and travel expenses, not to exceed the greater of (x) 0.15% of the Partnership's committed capital or (y) $1 million.

The General Partner and investment manager will bear the expenses of their personnel and overhead required to perform their duties to the Partnership, and shall bear any organizational and distribution expenses in excess of the limits set forth above. The Partnership will bear all other expenses of its operation, including legal fees, custodian fees, interest, taxes, travel expenses, other due diligence expenses and other out-of-pocket costs associated with the acquisition and monitoring of portfolio investments, costs associated with hedging transactions, commissions, audit fees and tax preparation costs, and extraordinary expenses such as litigation and indemnification expenses.

Definitions

Excess Returns - Returns in excess of the risk-free rate, a benchmark or in excess of another manager. A positive excess return indicates that the manager outperformed the benchmark for that period.

Given two return series (typically a manger and a benchmark), $x_1, \ldots, x_n$ and $y_1, \ldots, y_n$, the excess return series is defined as $er_1, \ldots, er_n = x_1 - y_1, \ldots, x_n - y_n$

Annualized Excess Return = Annualized Manager Return - Annualized Index Return

Standard Deviation - A measure of the average deviations of a return series from its mean; often used as a risk measure. A large standard deviation implies that there have been large swings or volatility in the manager's return series.

$$StDev_{(SD)} = \frac{[\Sigma (x_i - X)^2]^{1/2}}{n} \quad \text{or Square Root of the Variance} = \sqrt{(Var)}$$

$$Ann\ StDev = SD * \sqrt{(N_y)}$$

x_i = the *ith* observation
X = mean return for series
n = the number of observations
N_y = the number of periods in a year (4 if quarterly data, 12 if monthly data)

Tracking Error - A measure of the amount of active risk that is being taken by a manager. This statistic is computed by subtracting the return of a specified benchmark or index from the manager's return for each period and then calculating the standard deviation of those differences. A higher tracking error indicates a higher level of risk – not necessarily a higher level of return - being taken relative to the specified benchmark. Tracking error only accounts for deviations away from the benchmark, but does not signal in which directions these deviations occur (positive or negative).

TE = Standard Deviation of Excess Return

Information Ratio - This statistic is computed by subtracting the return of the market from the return of the manager to determine the excess return. The excess return is then divided by the standard deviation of the excess returns (or Tracking Error) to produce the information ratio. This ratio is a measure of the value added per unit of active risk by a manager over an index. Managers taking on higher levels of risk are expected to then generate higher levels of return, so a positive IR would indicate "efficient" use of risk by a manager. This is similar to the Sharpe Ratio, except this calculation is based on excess rates of return versus a benchmark instead of a risk-free rate.

$$IR = \frac{\text{Excess Return}}{\text{Tracking Error}}$$

Sharpe Ratio - This statistic is computed by subtracting the return of the risk-free index (typically 91-day T-bill or some other cash benchmark) from the return of the manager to determine the risk-adjusted excess return. This excess return is then divided by the standard deviation of the manager. A manager taking on risk, as opposed to investing in cash, is expected to generate higher returns and Sharpe measures how well the manager generated returns with that risk. In other words, it is a measurement of efficiency utilizing the relationship between annualized risk-free return and standard deviation. The higher the Sharpe Ratio, the greater efficiency produced by this manager. For example, a Sharpe Ratio of 1 is better than a ratio of 0.5.

$$Sharpe = \frac{Ann\ Rtn(x) - Ann\ Rtn(R_f)}{\text{Standard Deviation of } x}$$

R_f = Risk-free rate

Alpha - The incremental return of a manager when the market is stationary. In other words, it is the extra return due to non-market factors. This risk-adjusted factor takes into account both the performance of the market as a whole and the volatility of the manager. A positive alpha indicates that a manager has produced returns above the expected level at that risk level, and vice versa for a negative alpha. Alpha is the Y intercept of the regression line.

$$Alpha_{(\alpha)} = X - [Beta * Y]$$

X = the mean return for the manager
Y = the mean return for the index

Beta - This is a measure of a portfolio's volatility. Statistically, beta is the covariance of the portfolio in relation to the market. A beta of 1.00 implies perfect historical correlation of movement with the market. A higher beta manager will rise and fall more rapidly than the market, whereas a lower beta manager will rise and fall slower. For example, a 1.10 beta portfolio has historically been 10% more volatile than the market.

$$\text{Beta}_{(\beta)} = \frac{[(n)*\Sigma(x_i*y_i)] - (\Sigma\, x_i)(\Sigma\, y_i)}{[(n)*\Sigma(y_i^2)] - (\Sigma\, y_i)^2}$$

n = the number of observations

xi = the return of the first data series (*ith* observation)

yi = the return of the second data series (*ith* observation)

Generally, xi = the manager's return series and yi will be a specified index (benchmark)

R-Squared - Otherwise known as the *Coefficient of Determination*, this statistic, like beta, is a measure of a manager's movement in relation to the market. Generally, the R-Squared of a manager versus a benchmark is a measure of how closely related the variance of the manager returns and the variance of the benchmark returns are. In other words, the R-Squared measures the percent of a manager's return patterns that are "explained" by the market and ranges from 0 to 1. For example, an r-squared of 0.90 means that 90% of a portfolio's return can be explained by movement in the broad market (benchmark).

$$\text{R-Squared} = (r)^2$$

r = correlation coefficient

Disclaimers:

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BAY HILLS CAPITAL
SMALL BUYOUT FOCUSED INVESTMENT FUNDS

BAY HILLS CAPITAL MANAGEMENT, LLC

Contra Costa County Employees' Retirement Association | October 30, 2013

Agenda

- Overview of Bay Hills Capital
- Small Buyout Market Advantage
- Investment Philosophy and Approach
  - Investment Case Studies
- Appendix
  - Bay Hills Capital Partners III, L.P.
  - Staff Biographies

Overview of Bay Hills Capital

BAY HILLS CAPITAL

Exclusive Focus On North American Small Buyout Sector

- Founded in 2006, we are independent and employee owned
- SEC-Registered, discretionary investment management firm
- Investments in PE funds <$1B targeting deals with enterprise values <$250M

Our Competitive Advantage

- Extensive team experience investing and managing private equity portfolios
- Demonstrable access to top-performing established and newer general partner groups
- Superior Performance: BHC Composite 300 bps over All U.S. Buyouts benchmark (2007-2013)

Specialized Fund Strategies

- Managing over $600 million in capital commitments from investors
- Core Small Buyout strategy in commingled fund formats
  - 4Q 2013 – Launch of Bay Hills Capital Partners III, L.P.
- Customized Small Buyout portfolios in segregated fund structures

Note: Performance as of March 31, 2013. See appendix and endnotes regarding Bay Hills Capital Composite performance.

Bay Hills Capital Team and External Resources

Team Member	Prior Affiliations	Education	Private Equity Experience
Lance Mansbridge *Managing Partner*	Strategic Investment Solutions; Deloitte & Touche; PWC	San Francisco State, BS	14 years
Albert Chiang *Partner*	FTVentures; Catterton Partners; Montgomery Securities	Harvard University, MBA U.C. Berkeley, BS	13 years
Philip Godfrey *Partner*	Pathway Capital Management; The Blackstone Group	Duke University, MBA University of Hawaii, BA	15 years
William Tran *Senior Associate*	Pathway Capital Management	U.C. Irvine, BA	5 years
Beth Bruni *Analyst*	Franklin Templeton Investments	Loyola Marymount University, BS	1 year
Nicole Havlicek *Controller*	Citi Private Equity Services; PWC; Morgan Stanley	U.C. Berkeley, BA	5 years
Domini Kelly *Accounting Manager*	Arthur Andersen; David Powell, Inc.	Cal Poly, San Luis Obispo, BA	16 years

External Accounting

- **Novogradac & Co, LLP:** Audit and accounting services
- **WTAS:** Prepares tax documents for limited partnership investments

Legal and Compliance

- **Pillsbury, LLP:** Advises on partnership agreements, subscription documents, and review of private placement memorandums
- **Nixon Peabody, LLP:** HR and SEC regulatory matters
- **Gordian Compliance Solutions:** SEC compliance consulting

Banking

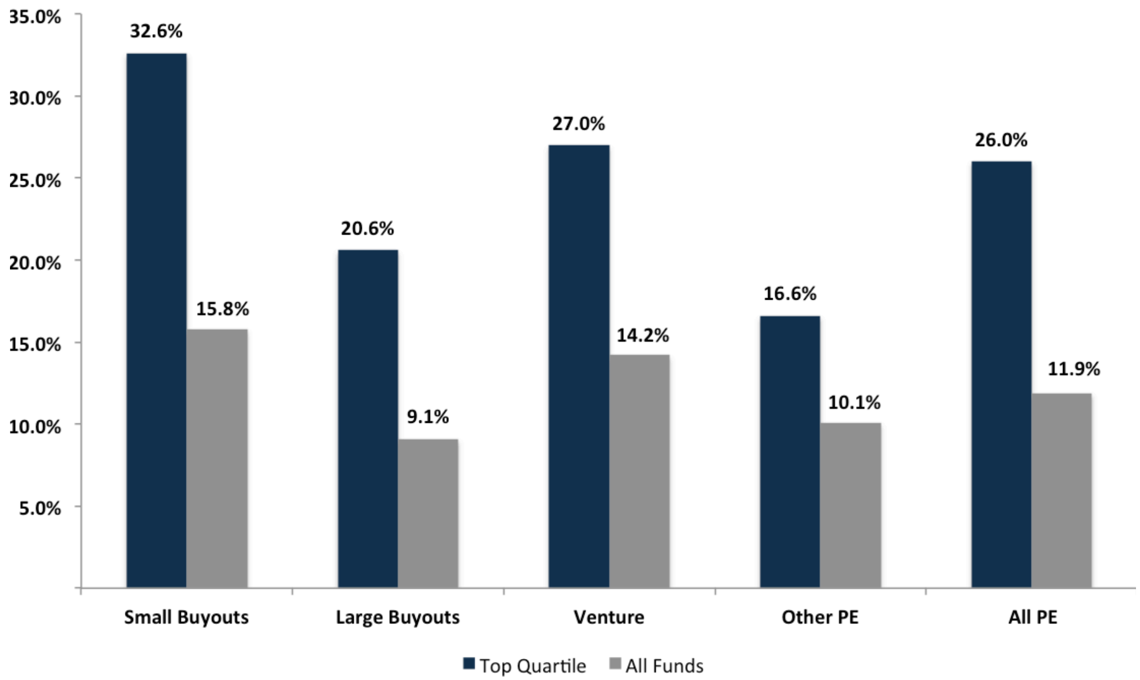
- **Silicon Valley Bank:** Banking services for BHC funds
- **Wells Fargo Bank:** General corporate banking services

The Advantages of the Small Buyout Sector

BAY HILLS CAPITAL

The small buyout sector is opportunity rich with superior return characteristics

Superior Long Term Performance



Strategic Advantages

- Large opportunity set
- Exploitable inefficiencies
- Significant opportunities for earnings improvement and value creation
- Greater alignment of interests
- Multiple channels for exit optimization

Note: ThomsonOne since-inception pooled net IRR for U.S. private equity funds by strategy. Sample includes the entire ThompsonOne universe of funds available for each strategy: "Small" (buyout funds < $1B in fund size, vintage years 1983-2012), "Large" (buyout funds > $1B in fund size, vintage years 1980-2012), "Venture" (all stages, vintage years 1969-2012), "Other PE" (mezzanine, energy, distressed debt, and other special situation funds, vintage years 1983-2012), "All PE" (buyout, venture and all other private equity strategies, vintage years 1969-2012).

Investing in this dynamic sector requires dedication and strong relationships

Small Buyout Market:
Opportunity and Complexity

- Large and growing universe of funds
  - *- Requires a dedicated sourcing effort*
- GPs often migrate upstream in size and strategy over time
  - *- Reinvestment decisions are difficult*
- Significant performance differential between top tier, average and below average managers
  - *- Manager selection is critical*
- Challenging to access the premier small buyout funds
  - *- Requires the right GP relationships*

Bay Hills Capital
Value Add

- Intimate knowledge of established and emerging funds; over 1000 firms tracked
- Credibility with GPs as a Small Buyout specialist
- **Demonstrated access to top-tier funds**
- Thorough manager due diligence and informed fund selection
- Focused and thoughtful portfolio construction

Creating Focused Portfolios of Best in Class Funds

Top Fund Investment Criteria	Bay Hills Capital's Strong Preferences
▪ Consistent superior performance ▪ Skilled and stable GP team ▪ Disciplined and repeatable strategy ▪ Proven ability to create equity value ▪ Fit with portfolio	▪ Deal originators vs. auction players ▪ Value discipline vs. trend investing ▪ Company builders vs. financial engineers ▪ Aligned incentives vs. fee orientation ▪ Strategy integrity – "staying small"

Leads to Investments With Top-Performing Small Buyout Firms

ACCEL KKR	H.I.G. CAPITAL	GENCAP AMERICA	MADISON CAPITAL PARTNERS
3 Prior Funds *35% Net IRR*	*4 Prior Funds* *33% Net IRR*	*5 Prior Funds* *29% Net IRR*	*Historical Record* *91% Net IRR*

Note: Select listing of current Bay Hills Capital GP relationships in existing fund portfolios. Returns represent pooled net IRRs for each firm at the time of BHC diligence, and includes all prior small buyout funds raised by each respective firm since its inception.

Process to Identify, Evaluate and Invest in Top Funds

BAY HILLS CAPITAL

Screening of Universe

Proprietary database of over 1000 funds

- Proactive relationship building ahead of fundraising cycles
- Utilize existing relationships and network to source funds
- Weekly internal universe meetings
- Rank and categorize funds in universe

Focus List of Priority Funds

Initial Analysis

Review 200+ Funds Each Year

- BHC team assigned to targeted funds
- Initial meeting and review of materials
- Determine portfolio fit
- Prior performance requirement
- Benchmarking and peer analysis
- Initial analysis of active portfolio
- Review team history and chemistry

Select Funds for Formal Due Diligence

Formal Due Diligence

Formal Diligence on 20+ Funds Each Year

- Process led by two BHC partners
- Focus on key diligence questions and issues
- Onsite visits
- Team evaluation
- Conduct track record and attribution analysis
- Review cash flows
- Thorough review of unrealized portfolio
- Evaluate fund terms and GP economics
- Extensive reference checking

Preliminary Investment Recommendation

Final Assessment

- Final review of key diligence areas and findings
- Prepare investment memorandum
- Final legal review
- Unanimous investment committee approval

Invest in 8-9 Funds (Over 2-3 years)

Investment Decision

Investment Monitoring

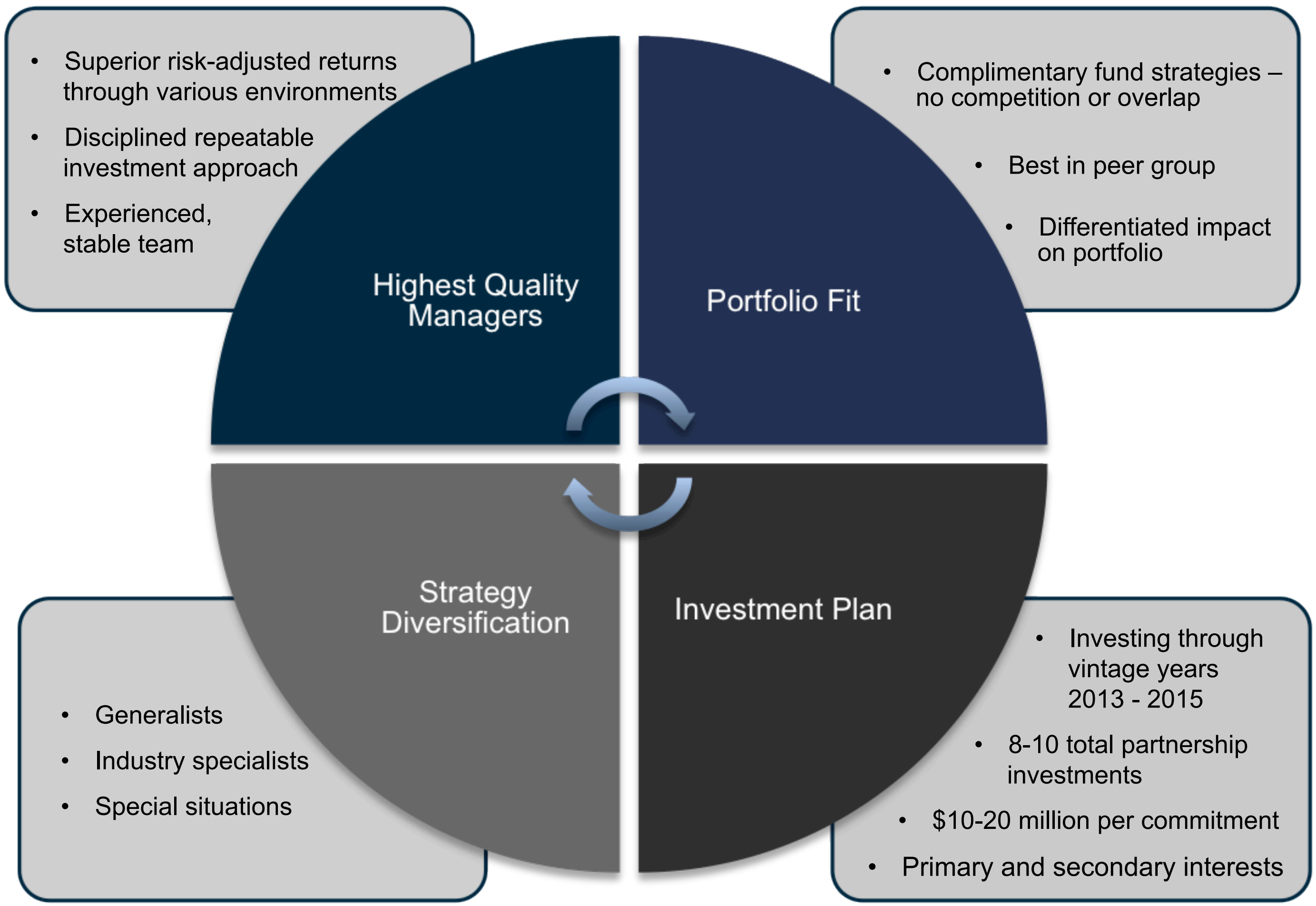
- Frequent GP contact
- Advisory board / valuation committee participation
- Review and track deal metrics, portfolio holdings and valuations
- Performance measurement and cash flow verification
- Annual audits
- Portfolio and company level valuation

Quarterly Reports to Investors

Bay Hills Capital Portfolio Construction

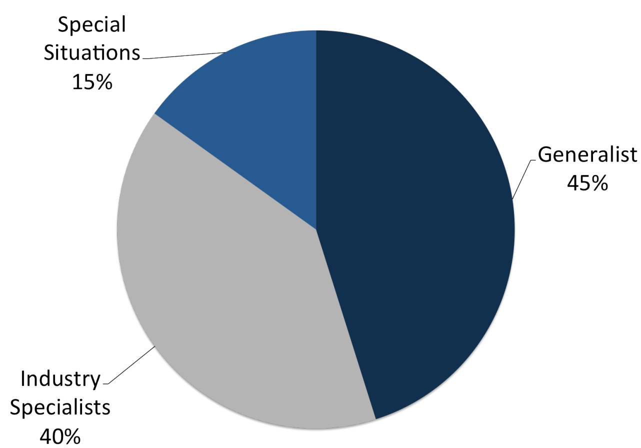
BAY HILLS CAPITAL

Focused on best-in-class small buyout managers



Diversification Characteristics

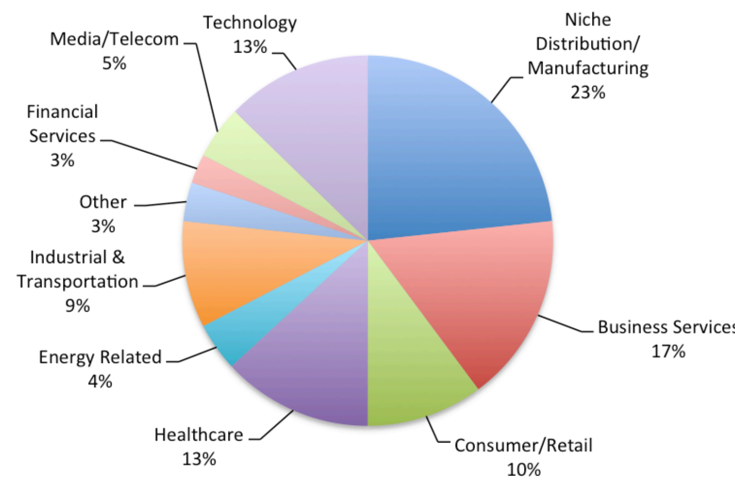
BHC Partnership Commitments By Strategy[1]:
As of June 30, 2013



Composite Characteristics:

- 27 fund investment commitments
- $300 million median fund size

Industry Diversification[2]:
As of June 30, 2013



Company Investment Characteristics:

- 227 underlying portfolio company investments
- Average enterprise value: $66 million
- Average purchase price multiple: 5.4x EBITDA
- Average holding period: 2.6 years

Notes:
[1]Bay Hills Capital composite strategy diversification based on total dollars committed to each partnership strategy. Bay Hills Capital composite is comprised of Bay Hills Capital's fund-of-funds vehicles, including Bay Hills Capital Partners I and II, and Bay Hills Emerging Partners I, II, II-B and III. These vehicles have collectively invested in a total of 27 underlying partnerships as of June 30, 2013.
[2]Bay Hills Capital composite industry diversification on a cost weighted basis.

Investment Case Study – Madison Capital Partners

BAY HILLS CAPITAL

Chicago-based small buyout firm specializing in industrial manufacturing and services businesses

Distinguishing Characteristics:

- **Team experience and reputation as smart operators**
- **Exceptional track record**
- **BHC is the only fund-of-funds investor in MCP**

***Background*:**

Madison Capital Partners was formed in 1994 to capitalize on the experience and success of its group of seasoned operating executives. For years Madison executed investments using a "fundless sponsor" model in which it solicited capital on a deal-by-deal basis, primarily from its network of CEOs and operating executives. Prior to the launch of MCP's first closed-end fund, a member of the BHC network introduced us to Madison. BHC conducted due diligence on the Firm and subsequently became the only institutional fund manager with the opportunity to invest in MCP Opportunity II in 2009, and subsequent fund MCP Opportunity III in 2012.

Investment Team:

The Madison team is comprised of seven senior investment executives and an eight member external Advisory Board, led by President and CEO Larry Gies. Together the principals and the Advisory Board members have owned and operated over 70 manufacturing businesses during their career. Each of the senior team members at Madison has extensive strategic, operational and financial experience as a CEO or CFO of prominent manufacturing and services organizations.

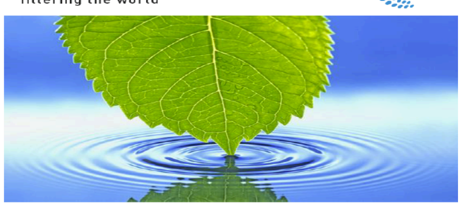
Investment Strategy:

Madison seeks to provide capital and strategic resources to under-managed companies in the industrial manufacturing and services sectors. The Firm has unique deal sourcing capabilities given its longstanding history and track record in the manufacturing industry. The Madison team draws on their extensive operational experience and works closely with management teams on a hands-on capacity to help portfolio companies accelerate value creation initiatives.

Historical Performance:

Prior to the Firm's first closed-end structure, Madison completed nine fully realized platform investments that have generated 6.5x MOIC and a 91% net IRR for its investors after fees, incentives and carried interest. MCP II (vintage-2009) has made 18 total acquisitions including four platform investments. As of June 30, 2013 the fund has generated a net IRR of 71.5%, and has returned 130% of investor capital.

Filtration Group
filtering the world



Investment Example:

Chicago, IL based Filtration Group produces specialized filtration products dedicated to generating clean air, liquids and fluids. Through the execution of a build and grow strategy, MCP has made 13 accretive acquisitions since 2009, and has assembled one of the largest conglomerates in the filtration industry with over $100 million in annual cash flow.

YTD EBITDA (46%) and cash flow (332%) are above last year due to the impact of acquisitions, organic growth, as well as targeted profit and cash flow improvements projects. The two cornerstone companies, Filtran and Global Filter, have returned 6.5x and 2.0x capital to date respectively.

Investment Case Study – H.I.G. Capital

Small cap buyouts across a wide range of industries in North America

Distinguishing Characteristics:

- **History of investing at attractive prices**
- **Ability to profit from complex situations**
- **Deep in-house operational and financial expertise**
- **Outstanding performance across multiple funds and time periods**
- **Difficult for new investors to access**

***Background*:**

Miami-based H.I.G. Capital has 20 years of experience investing successfully in the lower middle market. The Firm has over $10 billion under management, and over 200 professionals with broad investment capabilities across sectors, capital structures and investment styles. Though the Firm and its resources have grown substantially, H.I.G. has continued to excel in its core small cap buyout strategy, generating several top quartile funds over varying market environments. H.I.G.'s funds are notoriously difficult for new investors to access. Our principals have maintained a relationship with the Firm for over a decade and BHC has invested in three prior H.I.G. Capital funds.

Investment Team:

H.I.G.'s team is remarkably stable and skilled, with significant operating and investment experience. The founders and 12 other senior partners that manage the small buyout strategy have proven their ability to make meaningful enhancements to portfolio companies and generate outsized returns.

Investment Strategy:

H.I.G. makes controlling equity investments in lower middle market companies, across a wide variety of industries. Target companies are typically privately-held family owned businesses or non-core subsidiaries of larger entities, with high quality products or leading market positions. H.I.G. provides the professional management, strategic focus, capital resources and operating skills that these target companies need for their next stage of growth. The Firm's position and reputation in the lower middle market drives deal flow, attractive terms in negotiations, and provide access to valuable resources.

Historical Performance:

Since 1993 H.I.G. has invested over $1 billion in over 120 small buyout transactions across four prior funds. These investments have generated over $2.7 billion in realized proceeds and $3.8 billion in total value.

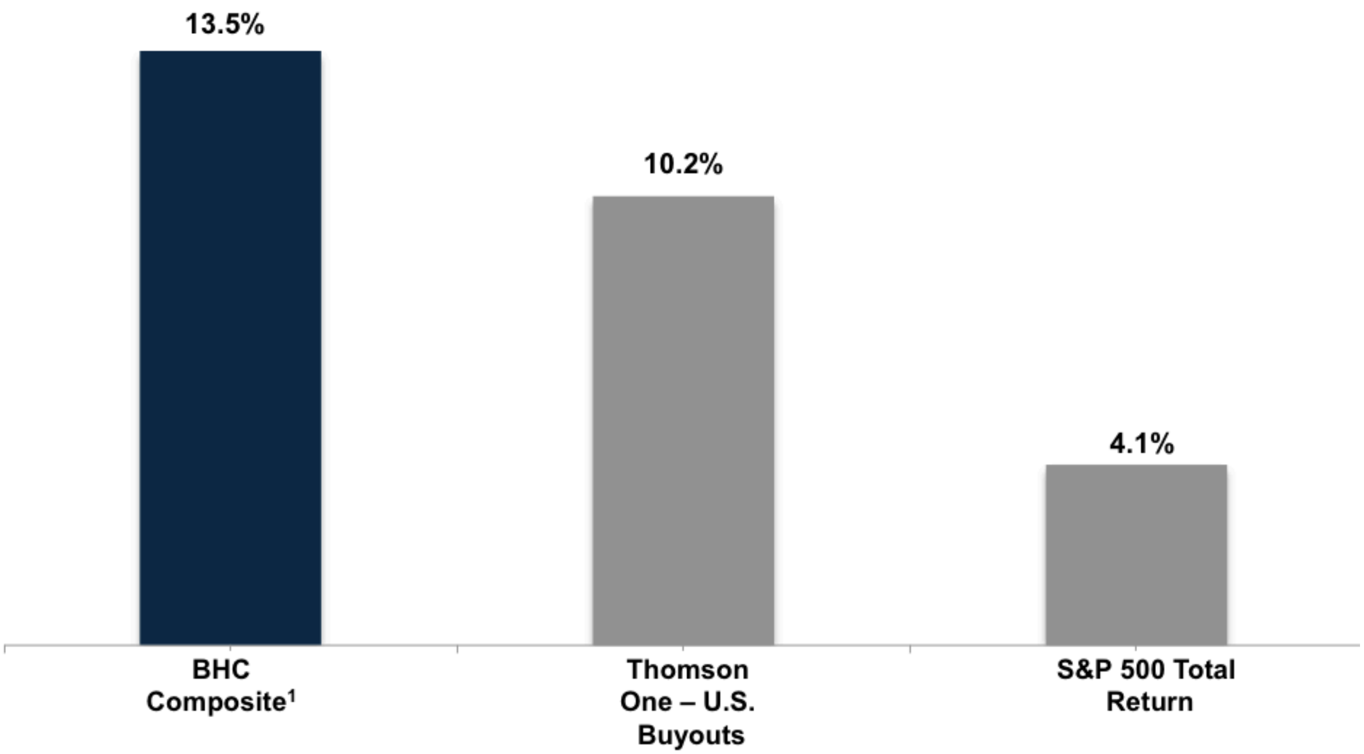
Investment Example:

Tampa, FL based PMSI is one of the country's largest providers of specialty services to the workers compensation industry. H.I.G. acquired PMSI for $34 million in October 2008. H.I.G. developed a strategic business plan that centered on hiring a best-in-class management team, upgrading PMSI's client services and sales capabilities, and making significant investments in its IT / operating platform.

Results: Excellent financial performance due to new products and programs, as well as strong customer wins. EBITDA has grown from $4 million in 2008, to an estimated $40 million in 2013. In September H.I.G. sold PMSI to Kelso & Company and related affiliates for $408 million, 10x 2013E EBITDA, generating a gross multiple of invested capital of over 50x.

Premium performance through superior manager selection

As of March 31, 2013



Notes:

[1] Bay Hills Capital composite is comprised of Bay Hills Capital's fund-of-funds vehicles, including Bay Hills Capital Partners I and II, and Bay Hills Emerging Partners I, II and II-B. These vehicles have collectively invested in a total of 26 underlying partnerships as of March 31, 2013.

Please see "Endnotes Regarding Bay Hills Capital Composite Performance" for a description of the limitations and risks associated with the return comparisons and benchmark indices provided above.

Summary of Key Strengths

Bay Hills Capital

Investment Focus and Experience

- Exclusive focus on the North American Small Buyout Sector
- Pure domain expertise with no strategy diversions
- Extensive team experience investing and managing small cap PE portfolios
- Independent and employee owned

Access To Top Managers

- Demonstrable access to top-performing established and newer funds
- Long-standing general partner relationships
- Active and informed presence in the marketplace

APPENDIX

Investing Exclusively with Leading Small Buyout Funds in North America

- BHCP III is seeking $125 million in commitments
- Investment Strategy: The Fund will be targeting superior investment returns through investments with a select group of top-performing Small Buyout fund managers that have been historically difficult for new investors to access
- Investment period: The Fund will be invested through vintage years 2013-2015
- Portfolio Construction: 8-10 primary and secondary partnership commitments. The Fund's commitments will be diversified by vintage year, fund size, investment strategy, industry sector, and geographic region

BHCP III will continue the strategy and focus of its predecessor funds

Bay Hills Capital Partners I, L.P.

- Vintage year 2007; $58 million in commitments
- 6 underlying funds
- 86 portfolio company investments
- Average purchase price multiple: 5.3x EBITDA
- Average enterprise value: $90 million
- Status: Largely invested, maturing portfolio
- Performance: Since inception net IRR 10.2% (*ranks in top quartile of fund-of-funds vintage year 2007, Cambridge Associates as of 3/31/13*)

Bay Hills Capital Partners II, L.P.

- Vintage year 2013; $63 million in commitments
- 6 underlying funds
- 28 portfolio company investments
- Average purchase price multiple: 6.0x EBITDA
- Average enterprise value: $38 million
- Status: Early stages of development
- Performance: Not yet meaningful

Key Terms

General Partner:	BHCP GP III, LLC (the "General Partner") is the general partner of the Fund and will manage and control the business and affairs of the Fund.
Adviser:	Bay Hills Capital Management, LLC (the "Adviser") will serve as the investment adviser to the Fund.
Term:	Twelve (12) years, with extensions at the discretion of the General Partner until such time as each of the underlying funds have been fully liquidated.
Preferred Return:	Limited Partners shall receive a 12% preferred return on capital contributions prior to carried interest distributions to the General Partner, subject to a catch-up provision thereafter.
Management Fee:	An annual management fee will be payable to the Adviser equal to 1% of aggregate Capital Commitments for years 1-6, 0.5% of aggregate Capital Commitment for years 7-10, and thereafter 0.4% of the net asset value of the Fund's investments, to be reduced by 0.1% per year until dissolution of the Fund. The management fee will be payable in advance on a semi-annual basis.
Carried Interest:	A carried interest of 5% will be paid to the General Partner, subject to the prior return of capital and a preferred return of 12% to the Fund's Limited Partners.
Minimum Commitment:	$1 million, subject to reduction at the General Partner's discretion.
GP Commitment:	A minimum of 1% of the aggregate Capital Commitments.
Capital Drawdowns:	The Fund will draw capital from its Partners on an as-needed basis. The amount of each capital call will vary depending upon the capital requirements of the underlying fund investments.
Reporting:	Investment reports and unaudited financial statements will be provided quarterly with audited financial statements and tax reporting documents provided annually.
Legal Counsel:	Pillsbury Winthrop Shaw Pittman LLP
Auditor:	Novogradac & Company

Bay Hills Capital Team

BAY HILLS CAPITAL

Lance Mansbridge
Managing Partner

Mr. Mansbridge is the founding Partner of Bay Hills Capital and a member of the firm's investment committee. Lance serves on the Advisory Committee of several private equity funds. Lance has over 14 years of private equity experience including fund investing, limited partner advisory services and secondary acquisitions. Prior to founding Bay Hills Capital, Lance was a Vice President and Senior Private Equity Consultant with Strategic Investment Solutions, Inc. where he had lead private equity responsibility for numerous clients including corporate and public pension plans, university endowments, trusts and high net worth families. Previously, Lance was a Senior Accountant with PricewaterhouseCoopers and Deloitte and Touche.

Lance currently serves on the Investment Committee for the Guide Dogs for the Blind, a non-profit based in San Rafael, CA., as well as the Audit Committee for Marin Academy High School in San Rafael.

Lance received a Bachelor of Science degree from San Francisco State University.

Albert Chiang
Partner

Mr. Chiang is a Partner of Bay Hills Capital and a member of the firm's Investment Committee. Albert serves on the Advisory Committee of several private equity funds. Albert has over 13 years of experience in private equity including principal investing and fund investments. Prior to joining Bay Hills Capital, Albert was a Principal at FTVentures where he executed and managed expansion stage equity investments. Prior to FTVentures, Albert was a Vice President at Catterton Partners where he focused on growth equity and buyout transactions. Albert has led investments in the software, technology-enabled services, financial technology, and consumer sectors. Previously, Albert was an Associate in the investment banking group of Montgomery Securities where he advised emerging growth companies on public equity financings, debt financings, mergers and acquisitions.

Albert received a Masters in Business Administration from Harvard Business School and a Bachelor of Science degree from the University of California, Berkeley.

Philip Godfrey
Partner

Mr. Godfrey is a Partner of Bay Hills Capital and a member of the firm's Investment Committee. Philip serves on the Advisory Committee of several private equity funds. Philip has over three decades of investment management experience including over 15 years of activity in private equity fund investing. Prior to joining Bay Hills Capital, Philip was Principal and Director of Pathway Capital Management where he advised institutions on the development of their private equity investment programs and structured over $12 billion in capital commitments across a broad range of private equity strategies. Philip formerly held portfolio management and business development roles at The Blackstone Group and Delaware Investment Advisors.

Philip received a Masters in Business Administration from Duke University and a Bachelor of Arts degree from the University of Hawaii.

William Tran
Senior Associate

William Tran is a Senior Associate of Bay Hills Capital, responsible for investment analysis and due diligence, investment monitoring and reporting, and client servicing. Will has over four years of private equity investment experience. Prior to joining Bay Hills Capital, Will was an Investment Analyst with Pathway Capital Management, where he performed due diligence and analysis on fund managers and investment opportunities across a broad range of private equity strategies. In addition to evaluating investments, Will also held portfolio monitoring and client servicing responsibilities for several large institutional clients.

Will received a Bachelor of Arts degree from the University of California, Irvine, where he graduated summa cum laude.

Beth Bruni
Analyst

Ms. Bruni is an Analyst of Bay Hills Capital, responsible for the management and development of internal databases used to track fund managers, underlying investments, and industry trends. In addition, she assists with investment reporting, fund accounting and due diligence activities. Prior to joining Bay Hills Capital, Beth was a Research Analyst with Franklin Templeton Investments, where she performed investment analysis and market research for the portfolio management and marketing teams. She also assisted with the development of the firm's internal fund performance and risk databases.

Beth received a Bachelors of Science degree from Loyola Marymount University, Los Angeles.

Nicole Havlicek
Controller

Nicole Havlicek is the Controller of Bay Hills Capital, responsible for firm and fund accounting. In addition, she assists with fund monitoring and reporting. Prior to joining Bay Hills Capital, Nicole was a Senior Accountant at Citi Private Equity Services where she held various fund accounting and reporting responsibilities for multiple clients and private equity funds. Prior to Citi, Nicole was an Assurance Associate with PricewaterhouseCoopers.

Nicole received a Bachelor of Arts degree from the University of California, Berkeley.

Domini Kelly
Accounting Manager

Ms. Kelly serves as the Accounting Manager for Bay Hills Capital.

Domini previously worked for Arthur Andersen where she completed her qualifications as a CPA. At David Powell, Inc. and as an independent consultant, Domini has provided accounting services and finance support to various venture capital and private equity firms as well as venture-backed start-ups.

Domini received a Bachelor of Science degree from Cal Poly – San Luis Obispo.

Endnotes Regarding Bay Hills Capital Composite Performance

BAY HILLS CAPITAL

- *Bay Hills Capital composite net IRR is based on the actual daily net cash flows for all of Bay Hills Capital's fund-of-funds vehicles, including Bay Hills Capital Partners I and II, and Bay Hills Emerging Partners I, II and II-B, from September 1, 2006 to March 31, 2013. Return is net of all Bay Hills Capital and underlying partnership fees and expenses. These vehicles have collectively invested in a total of 26 underlying partnerships as of March 31, 2013.*
- *Thomson One benchmark represents pooled average net IRR as of March 31, 2013 for 134 U.S. buyout funds with vintage years between 2007-2012 that report to Thomson One.*
- *S&P 500 time-weighted total return from September 30, 2006 to March 31, 2013. Total return includes the reinvestment of dividends.*
- *Direct comparisons between the Bay Hills Capital fund performance and benchmarks or equity market indices are not without limitations. The Bay Hills Capital funds contain different securities and may not be as diversified as the comparative benchmarks or market indices. The indices may be unmanaged, may be market weighted, and unlike the Bay Hills Capital funds, public equity indices do not incur fees and expenses. Due to the differences among the funds' portfolios and the performance of benchmarks and equity market indices, no such benchmark or index is directly comparable to the investment strategy of the Bay Hills Capital funds and all such comparisons are for informational purposes only.*
- *In considering any performance information contained herein, prospective investors should bear in mind that past or projected performance is not indicative of future results, and there can be no assurance that any Bay Hills Capital funds will achieve comparable results or that target returns, if any, will be met.*
- *As the S&P 500 index is comprised solely of public equities while the funds managed by Bay Hills Capital invest primarily in private equity funds, investors should consider the impact of such differences when considering the historical performance of the funds managed by Bay Hills Capital as compared to the S&P 500 index.*

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CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

PLACEMENT AGENT DISCLOSURE POLICY

(Adopted 6/9/2010)
(Amended 12/8/2010)

This policy is effective immediately upon adoption. This policy is intended to supplement any applicable provisions of state or federal law, which shall govern in the event of any inconsistency.

I. PURPOSE

This Policy was adopted in accordance with California Government Code section 7513.85, which requires all California public retirement systems to develop and implement, on or before June 30, 2010, a policy requiring the disclosure of payments to placement agents made in connection with system investments. This Policy sets forth the circumstances under which the Contra Costa County Employees' Retirement System ("CCCERA") shall require the disclosure of payments to Placement Agents in connection with CCCERA's investments in or through External Managers. This Policy is intended to apply broadly to all of the types of investment partners with whom CCCERA does business, including the general partners, managers, investment managers and sponsors of hedge funds, private equity funds, real estate funds and infrastructure funds, as well as investment managers retained pursuant to a contract. CCCERA adopts this Policy to require broad, timely, and updated disclosure of all Placement Agent relationships, compensation and fees. The goal of this Policy is to help ensure that CCCERA's investment decisions are made solely on the merits of the investment opportunity by individuals who owe a fiduciary duty to CCCERA.

II. APPLICATION

This Policy applies to all agreements with External Managers that are entered into after the date this Policy is adopted. This Policy also applies to existing agreements with External Managers if, after the date this Policy is adopted, the agreement is amended to continue, terminate, or extend the term of the agreement or the investment period, increase the commitment of funds by CCCERA or increase or accelerate the fees or compensation payable to the External Manager (referred to hereafter as "Amendment"). In the case of an Amendment, the disclosure provisions of Section IV.A. of this Policy shall apply to the Amendment and not to the original agreement.

III. DEFINITIONS

A. Consultant: Person(s) or firm(s), including key personnel of such firm(s), who are contractually retained by CCCERA to provide advice to CCCERA on investments, External Manager selection and monitoring, and other services, but who do not exercise investment discretion.

B. External Manager: An asset management firm, partnership, general partner, limited liability company or other investment vehicle that is seeking to be, or has been, retained by CCCERA to manage a portfolio of assets or interests (including securities) for a fee. The external manager usually has full discretion to manage CCCERA's assets, consistent with investment management guidelines provided by CCCERA and fiduciary responsibility.

C. Placement Agent: Persons or entities hired, engaged or retained by or acting on behalf of an External Manager or on behalf of another Placement Agent as a finder, solicitor, marketer, consultant, broker or other intermediary to raise money or investments from or to obtain access to CCCERA, directly or indirectly. An individual who is an employee, officer, director, equityholder, partner, member, or trustee of an external manager and who spends one-third or more of his or her time, during a calendar year, managing the securities or assets owned, controlled, invested, or held by the external manager is not a placement agent. (Govt. Code Sec. 7513.8.)

IV. RESPONSIBILITIES

A. Each External Manager is responsible for:

1. Providing the following information (collectively, the "Placement Agent Information Disclosure") to CCCERA Staff within thirty (30) days after being provided with this Policy:

    a. A statement whether the External Manager, or any of its principals, employees, agents or affiliates has compensated or agreed to compensate, directly or indirectly, any person or entity to act as a Placement Agent in connection with any investment by CCCERA.

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

    c. A description of any and all compensation of any kind provided or agreed to be provided to a Placement Agent, including the nature, timing and value thereof.

    d. A description of the services to be performed by the Placement Agent.

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

f. A statement whether the placement agent, or any of its affiliates, is registered as a lobbyist with any state or national government.

2. Providing an update of any changes to any of the information included in the Placement Agent Information Disclosure within fourteen (14) business days of the occurrence of the change in information.

3. Representing and warranting the accuracy of the information included in the Placement Agent Information Disclosure in any final written agreement with a continuing obligation to update any such information within fourteen (14) business days of any change in the information.

4. Causing its engaged Placement Agent, prior to acting as a Placement Agent with regard to CCCERA, to disclose to Staff any campaign contribution, gift or other item of value made or given to any member of the CCCERA Board or Staff, or Consultant, during the prior twenty-four month period.

5. Causing its engaged Placement Agent, during the time it is receiving compensation in connection with a CCCERA's investment, to disclose to Staff any campaign contribution, gift or other item of value made or given to any member of the CCCERA Board or Staff, or Consultant, during such period.

B. CCCERA's Consultant and Investment Staff ("Staff") are responsible for all of the following:

1. Providing External Managers with a copy of this Policy at the time that due diligence in connection with a prospective investment or engagement begins.

2. Confirming that the Placement Agent Disclosure has been received by CCCERA before any recommendation to proceed with the engagement of the External Manager or the decision to make any investment.

3. For new contracts and amendments to contracts existing as of the date of the Policy, confirming that the final written agreement between CCCERA and the External Manager provides that the External Manager agrees to comply with the Placement Agent Disclosure Policy.

4. Prohibiting, pursuant to Government Code section 7513.85, any External Manager or Placement Agent from soliciting new investments from CCCERA for five years after they have committed a material violation of this Policy; *provided, however,* that CCCERA's Board, by majority vote at a noticed, public meeting, may reduce this prohibition upon a showing of good cause.

5. Providing copies of the Placement Agent Information Disclosure and the Placement Agent disclosures referred to in Sections IV A. 4 and 5, above, to the Chief Executive Officer and the Chief Investment Officer. Copies of the

Disclosures shall be included in materials distributed to the Board in connection with the Board's consideration of the investment or amendment to an investment. Copies of Disclosures received after the investment or amendment is undertaken by the Board shall be timely provided to the Board. All Placement Agent Information Disclosures and the Placement Agent disclosures referred to in Sections IV A. 4 and 5, above, shall be a public record subject to disclosure under the California Public Records Act.

6. Reporting any material violations of this Policy to the Board.

C. External Managers shall comply with this Policy and cooperate with the Consultant and Staff in meeting their obligations under this Policy.

CONTRA COSTA COUNTYEMPLOYEES' RETIREMENT ASSOCIATION

DISCLOSURE STATEMENT RE: USE OF PLACEMENT AGENTS

The undersigned is a current or proposed "External Manager" for the Contra Costa County Employees' Retirement Association ("CCCERA"), as defined under CCCERA's Placement Agent Disclosure Policy, adopted on June 9, 2010 ("Policy.") We have received a copy of the Policy from CCCERA. We hereby disclose to CCCERA the following information, which we represent and warrant to be true and correct as of the date hereof:

1. Neither we nor any of our principals, employees, agents or affiliates has compensated or agreed to compensate, directly or indirectly, any person or entity to act as a Placement Agent (as defined in the Policy) in connection with any investment by CCCERA, **except as disclosed on Attachment 1 to this Disclosure Statement**.

[IF THERE IS NOTHING TO DISCLOSE IN ATTACHMENT 1, ITEMS 2-6 ARE INAPPLICABLE.]

2. To the extent of any disclosure set forth on Attachment 1, we attach as Attachment 2 to this Disclosure Statement a resume for each officer, partner or principal of the Placement Agent (and any employee providing similar services) detailing the person's education, professional designations, regulatory licenses and investment and work experience, and whether any such person is a current or former CCCERA Board member, employee or Consultant or a member of the immediate family of any such person.

3. To the extent of any disclosure set forth on Attachment 1, we attach as Attachment 3 to this Disclosure Statement a description of any and all compensation of any kind we have provided or have agreed to provide to a Placement Agent, including the nature, timing and value thereof.

4. To the extent of any disclosure set forth on Attachment 1, we attach as Attachment 4 to this Disclosure Statement a description of the services to be performed by the Placement Agent.

5. To the extent of any disclosure set forth on Attachment 1, we attach as Attachment 5 to this Disclosure Statement a statement whether the Placement Agent or any of its affiliates are registered with the Securities and Exchange Commission or the Financial Industry Regulatory Association or any similar regulatory agent in a country other than the United States and the details of such registration or explanation of why no registration is required.

6. To the extent of any disclosure set forth on Attachment 1, we attached as Attachment 6 to this Disclosure Statement a statement whether the Placement Agent or any of its affiliates are registered as a lobbyist with any state or national government.

We further represent and warrant as follows:

A. We shall provide an update of any changes to any of the information included in this Disclosure Statement within fourteen (14) business days of the occurrence of the change in information.

B. We shall cause our engaged Placement Agent, if any, prior to acting as a Placement Agent with regard to CCCERA, to disclose to CCCERA in writing any campaign contribution, gift (as defined in Government Code section 82028) or other item of value made or given to any member of the CCCERA Board or Staff, or Consultant (as defined in the Policy), during the prior twenty-four month period.

C. We shall cause our engaged Placement Agent, during the time it is receiving compensation in connection with a CCCERA investment, to disclose to CCCERA any campaign contribution, gift or other item of value made or given to any member of the CCCERA Board or Staff, or Consultant, during such period.

Dated: 9-18-13

EXTERNAL MANAGER

Bay Hills Capital Management
Name of Entity

By: [signature]
Authorized Signatory

Print Name Lance Mansbridge

Its Managing Partner

Small Buyout Opportunities

Contra Costa County Employees' Retirement Association

October 2013

Ver. 10.18.13

Firm Overview

- A multi-strategy private equity investment firm which, together with its affiliates, has over $10.0 billion of assets under management[1]
- Firm includes an independent registered investment advisor founded in 1995 as the successor to the Private Equity Group of PaineWebber
- Dedicated exclusively to private equity investing
- Value-oriented opportunistic focus
- Extensive expertise across a range of private equity and illiquid investing strategies
  - Direct private equity investment funds
  - Specialized multi-manager private equity funds with substantial direct investments/co-investments
  - Customized separate accounts
- Serving over 450 institutional clients including corporate and public employee benefit plans, endowments, foundations, government agencies, sovereign wealth funds and financial institutions
- Global footprint with offices in New York (headquarters), Boston, Chicago, Shanghai, Mumbai (local affiliate), São Paulo and Moscow
- 140 employees worldwide, including in-house operations, legal and compliance, accounting, and tax professionals
- Active, best practice investment policies, including environmental, social and corporate governance
- Strategic, passive investment by The Bank of New York Mellon Corporation

[1] Estimated as of September 30, 2013. Siguler Guff's assets under management are calculated based on commitments for those funds in the investment period and on net asset value thereafter.

Funds by Commitment

Siguler Guff & Company Representative Funds

Advisory Activities

- Separate Accounts
- Siguler Guff Capital Partners (High Net Worth Individual investors)
- WMAM Funds (appointed 2009)

Multi-Manager Funds

- Distressed Opportunities Fund $595 million; 2002
- Distressed Opportunities Fund II $988 million; 2005
- Distressed Opportunities Fund III $2.4 billion; 2007
- Distressed Opportunities Fund IV $1.3 billion; 2010

- **Small Buyout Opportunities Fund $505 million; 2006 (“SBOF I”)**
- **Small Buyout Opportunities Fund II $940 million; 2011 (“SBOF II”)**

- Distressed Real Estate Opportunities Fund $630 million; 2010
- Distressed Real Estate Opportunities Fund II *Targeting $750 million*; 2013

- BRIC Opportunities Fund $610 million; 2005
- BRIC Opportunities Fund II $893 million; 2008

Direct Investment Funds

- Business Mortgage investors $54 million; 1993
- Russia Partners $155 million; 1995
- Russia Partners II $335 million; 2006
- Russia Partners III $626 million; 2009
- Russia Partners Technology Fund $93 million; 2011
- Other Russian & CIS Funds $150 million; 1999

- Venture Lending & Leasing $47 million; 1994
- Venture Lending & Leasing II $110 million; 1997
- Venture Lending & Leasing III $217 million; 2000

All fund sizes represent aggregate committed capital.

Firm Performance – Inception through June 30, 2013

+ The Firm has exhibited strong performance across historical fund offerings

Siguler Guff Managed and Co-Managed ex-Emerging Markets Funds(1)

Inception Date	Siguler Guff Net IRR(2)	Benchmark: MSCI World Index(3)	Siguler Guff Outperformance (bps)
Jan-93	15.3%	4.8%	1050

Past performance does not guarantee future results.

(1) Includes performance of direct and multi-manager funds and funds co-managed by the Firm since inception, excluding the following: a) funds that are less than one year from their final closing, b) the Siguler Guff BRIC Opportunities Funds, c) the Russia Partners funds, and d) a group of funds that were fully invested when Siguler Guff assumed investment management responsibilities in 2009. Including these funds could reduce the net IRR. Funds included have an emphasis on various investment strategies including distressed, buyouts, energy, venture lending & leasing and mortgage-related securities.

(2) The performance of the individual funds included in this IRR varies; information on individual fund performance is available upon request. The historical performance of the funds is not indicative of their future performance, which can vary considerably.

(3) Inception date January 1993; index performance is calculated based on the actual monthly cash flows of the Siguler Guff managed and co-managed funds.

The Small Buyout Investment Opportunity

October 2013

Siguler Guff

Siguler Guff Small Buyout Investment Team

George Siguler*	Drew Guff*	Jay Koh*	Solomon Owayda*	Avinash Amin*
Managing Director	Managing Director	Managing Director	Managing Director	Managing Director

Small Buyout Team

Kevin Kester*	Jonathan Wilson	Jason Mundt	Sara Bowdoin	Langdon Mitchell
Managing Director 18 yrs of experience Joined Siguler Guff in 2004	Principal 12 yrs of experience Joined Siguler Guff in 2005	Principal 13 yrs of experience Joined Siguler Guff in 2007	Vice President 7 yrs of experience Joined Siguler Guff in 2009	Associate 4 yrs of experience Joined Siguler Guff in 2013

Shared Resources

Accounting & Operations	Legal & Compliance	Tax	Investor Relations & Marketing
Ken Burns Managing Director, Chief Operating Officer, Chief Financial Officer	Donald Spencer Managing Director, Senior Counsel	Jarrad Krulick Vice President, Tax Manager	Team of 7 marketing professionals
Accounting team of 17 professionals	Terri Liftin Managing Director, Managing Counsel	Team of 2 professionals	Team of 9 investor relations professionals
Operations team of 8 professionals	Team of 8 professionals		

* Small Buyout Investment Committee member

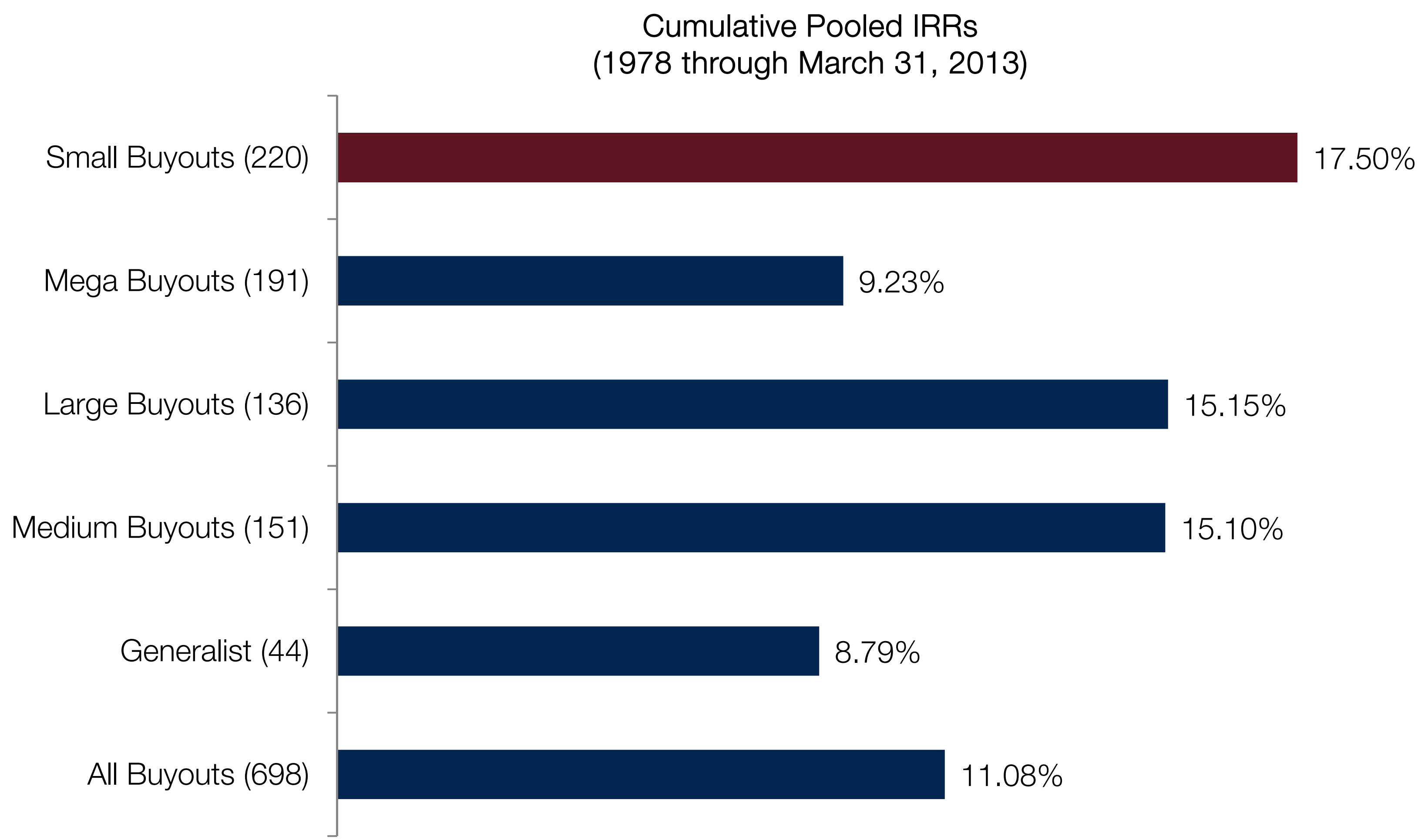
Small Business Leadership

- Siguler Guff has invested or committed to invest **$1.1 billion** into small businesses through its small buyout investment strategy as of September 30, 2013
  - Committed $875 million to 43 small buyout funds(1)
  - Committed $221 million to 52 small buyout co-investments
  - One of the largest investors in 84% of the funds
- Siguler Guff has significant experience and success identifying, evaluating, underwriting and negotiating with newer fund managers
  - 22 of 43 funds(1) considered first "institutional" fund
- Together with our investment partners/fund managers we have invested or committed to invest over **$9.1 billion** in small businesses since 2005
- Over the past eight years, SBOF I and II have invested in **270 businesses**, most of which were family-owned or owner-operated
- There have been 45 successful realizations in SBOF I, generating an average 3.6x gross return(2)
- Strong U.S. presence
  - SBOF I and II have invested in companies located in **37 U.S. states** and one U.S. territory
- Underlying companies in SBOF I and II employ approximately **122,000 individuals** as of June 30, 2013
  - An estimated 69% of these companies have experienced employee growth since acquisition
  - SBOF I companies added approximately 22,000 employees (24.1%) since acquisition

(1) Includes one pending fund investment by SBOF II.
(2) The estimated cost basis of the exited investments represents 14.0% of invested capital. As of September 30, 2013, the SBOF I portfolio has had 3 unsuccessful realized exits and 14 fully realized write-offs with an aggregate cost basis of $31.5 million. Gross MOIs do not include earnouts. There can be no assurance that future realizations will be profitable or as profitable. Gross performance information does not deduct management fees, expenses and carried interest at the portfolio investment (i.e. underlying portfolio fund or co-investment) level, or at the Siguler Guff Fund level. The effect of these deductions could be significant.

Best Performing Segment of Buyouts

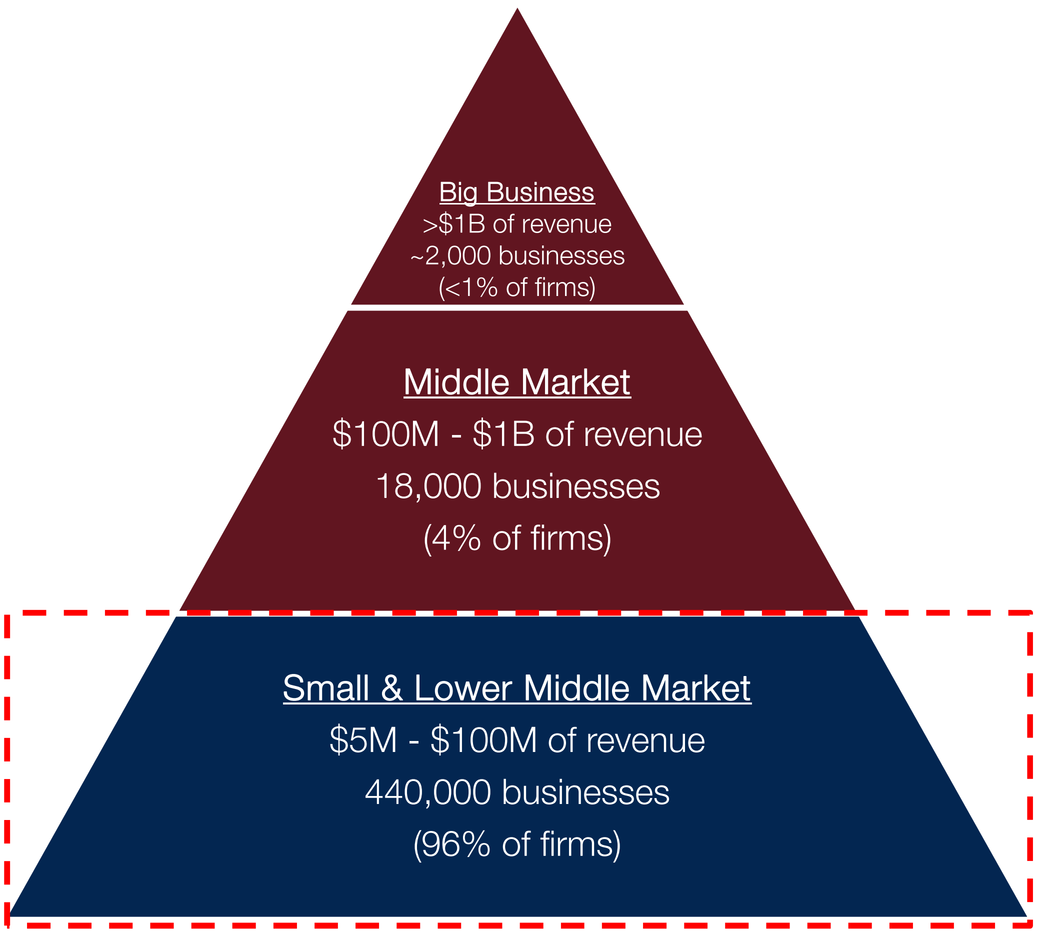
- Small buyouts outperform all buyout segments over the history of institutionalized buyout funds (1978 – 2013)
  - 698 bps better than all buyouts
  - 235 bps - 240 bps better than large and medium buyouts



Source: Thomson Reuters; sample sizes are in brackets. The pooled IRR rates are cumulative since 1978 and are through March 31, 2013. Generalist is defined as funds that invest in both venture capital and buyouts. Small Buyouts have fund sizes of <$250 million. Medium Buyouts have fund sizes of $250 million – $500 million. Large buyouts have fund sizes of $500 million – $1 billion. Mega buyouts have fund sizes of at least $1 billion.

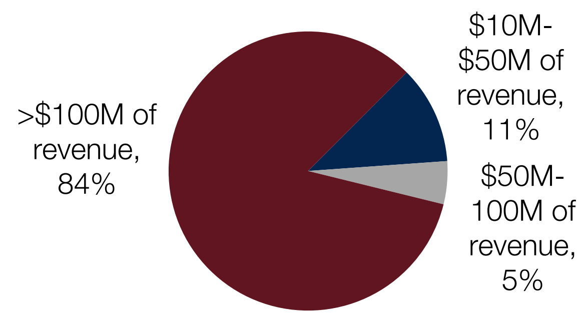
Most Inefficient Segment of Buyouts

+ Massive universe - highly inefficient and difficult to access
+ Most managers raise too much capital to effectively invest in small buyouts

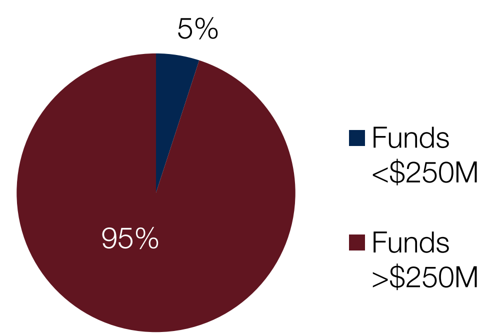


Siguler Guff's Focus

Despite the Lower Middle Market Representing 16% of Private Sector GDP…



…Only 5% of PE Capital Raised in Last 5 Years Targets Small Buyouts



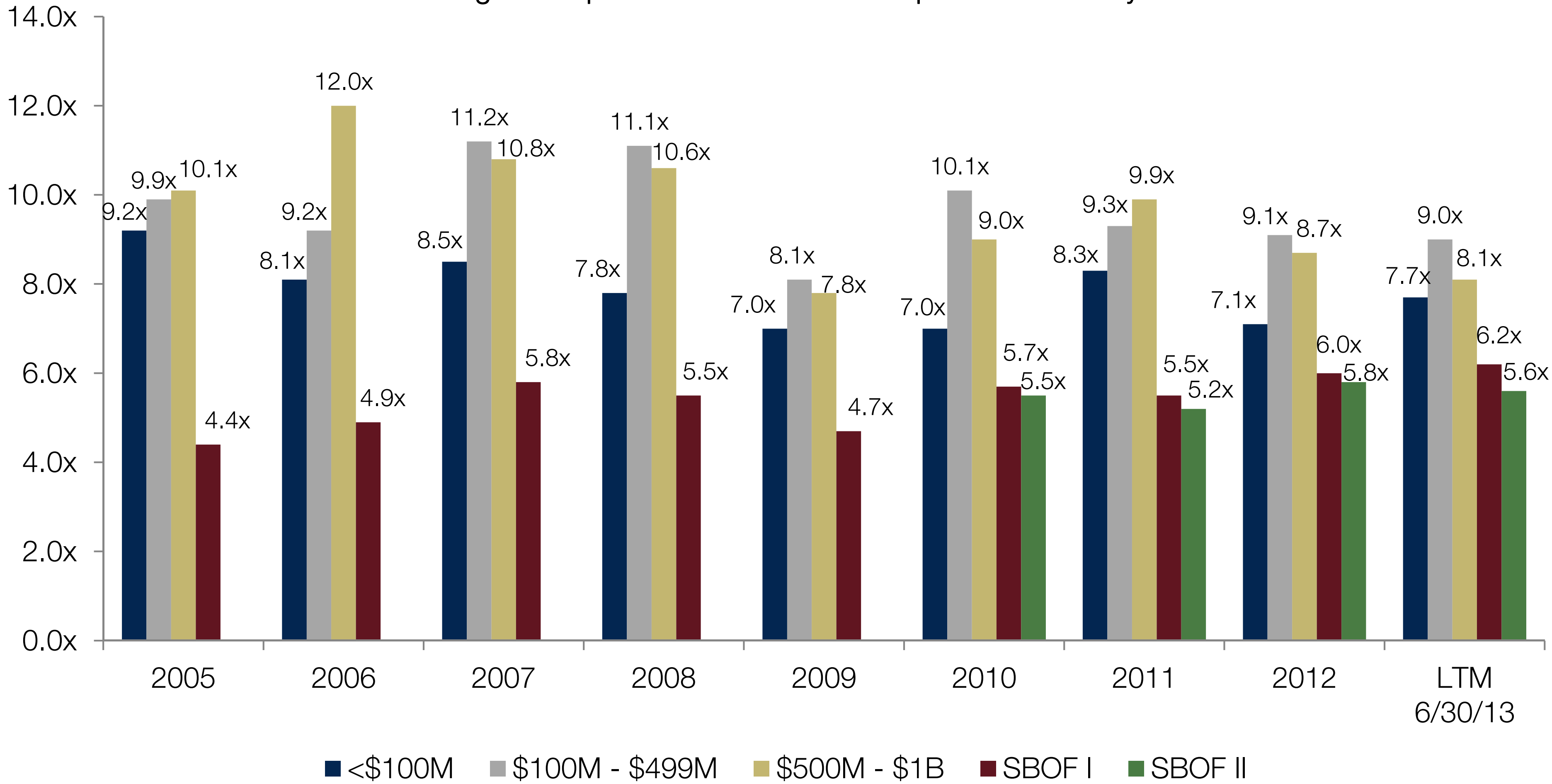
Source: GE Capital 2011 National Middle Market Summit, "Leading from the Middle", 2011; Dun & Bradstreet

Source: PitchBook Fundraising Report 2H 2012

Purchase Price Multiples

- Structural inefficiencies and the perception of greater risk have led to a perpetual discount for smaller deals
- SBOF I and II have invested in companies, on average, with purchase price multiples that are approximately 30% - 50% below middle market purchase price multiples and significantly below our end of the market

Average Enterprise Value/EBITDA Multiples for U.S. Buyouts

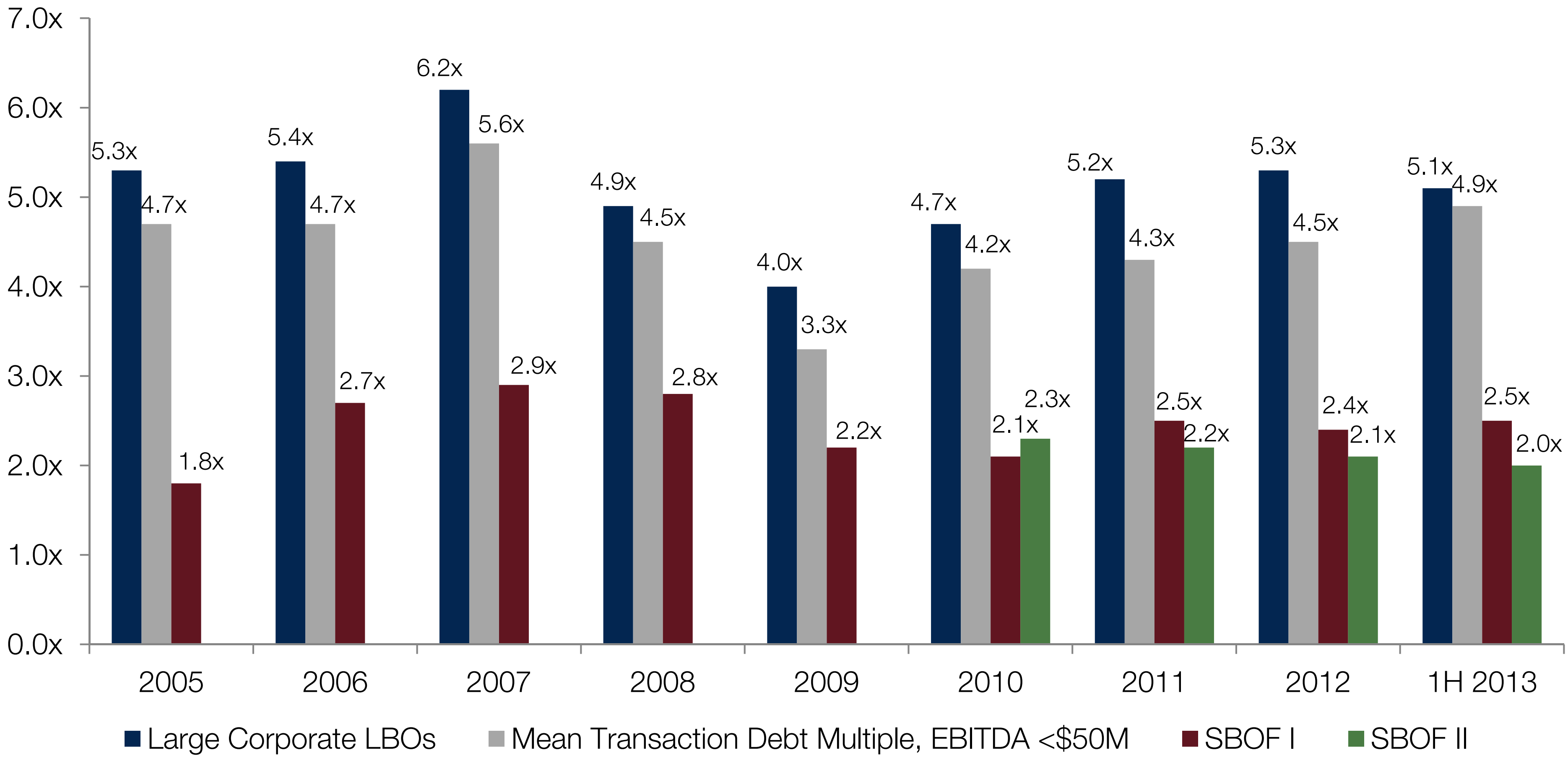


Sources: Robert W. Baird & Co.; Standard & Poor's LBO Quarterly Data; Siguler Guff

Leverage Multiples

+ The average SBOF I and II portfolio company uses 50% - 60% less leverage than the average LBO

U.S. Private Equity-Backed M&A Leverage Multiples

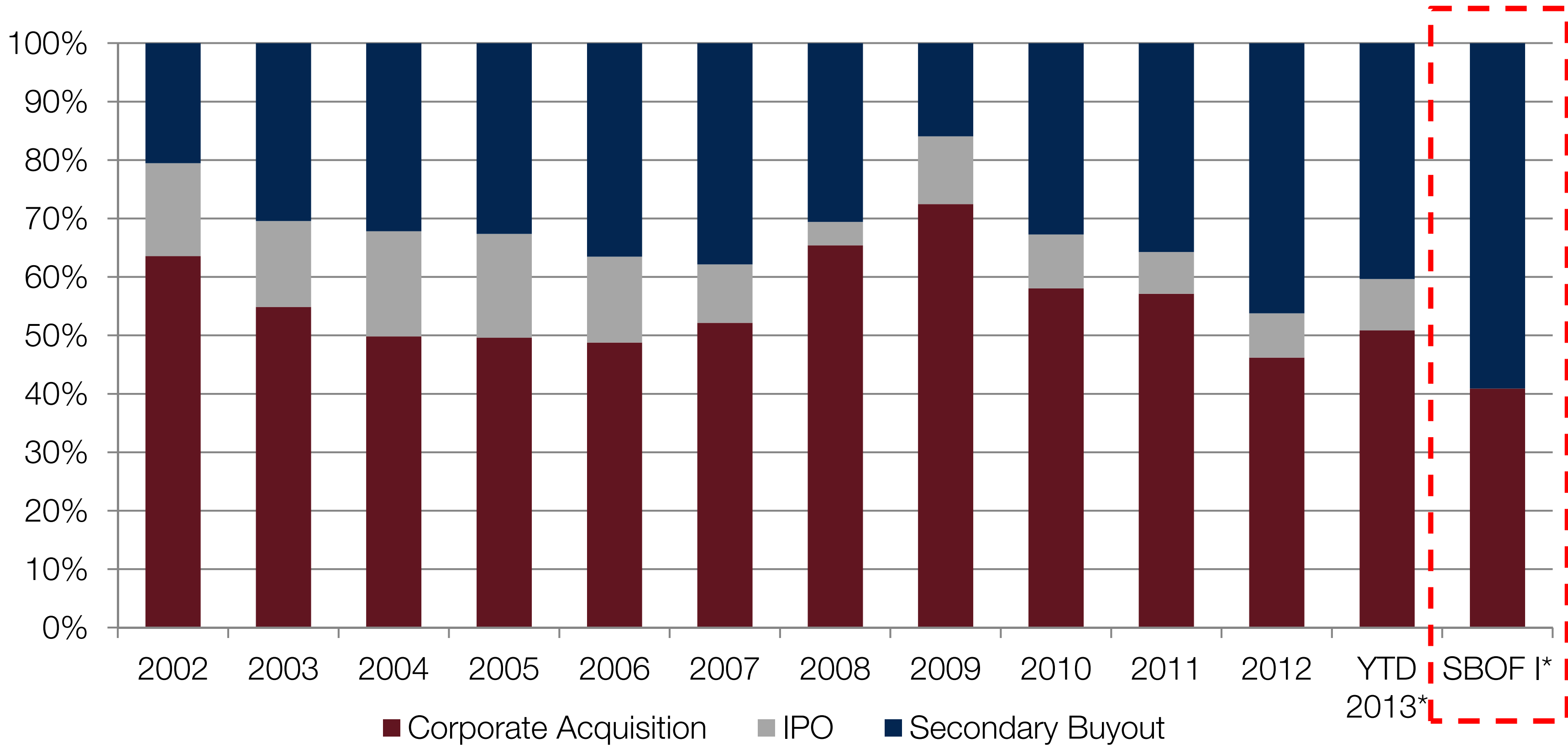


Sources: Standard & Poor's LBO Quarterly data; Siguler Guff

Exit Environment

+ Exit environment less reliant on capital markets
    + Strategic and financial acquirers accounted for over 90% of private equity-backed exits since 2010
    + Non-financial corporates have $1.24 trillion in cash on their balance sheets
    + U.S. private equity capital overhang of $385 billion

Breakdown of Private Equity-Backed Exits



Source: Pitchbook.
*YTD and SBOF I as of September 30, 2013.
SBOF I data based on the 45 successful exits in the fund as of October 16, 2013.

Investment Process & Management

Investment Process

+ Proprietary database tracking 600+ funds focused on the small and lower middle market

Siguler Guff Small Buyout Deal Flow

Funds

2012		YTD 2013[1]
165	Funds Screened	143
105	Initial Meetings	77
44	Multiple Meetings	39
16	On-sites	16
6	Commitments	6

We see nearly every fund in the market

Face-to-face meetings are vital and time-intensive

Managers are best evaluated over time in multiple meetings and in multiple settings

Co-investments

2012		YTD 2013[1]
82	Deals Screened	70
24	Further Diligence	34
14	Commitments	16

Generate high volume of pre-qualified deals

Rigorous analysis and due diligence results in highest quality investments

(1) YTD as of October 16, 2013.

Rigorous Due Diligence Process

Preliminary Due Diligence

Ascertain whether manager fits our criteria

Initial Screens

+ Demonstrable commitment to the small and lower middle market
+ Reliability and integrity to manage institutional capital
+ "Right sized" – generally $50 - $400 million
+ Management team with a verifiable track record
+ Transparency during due diligence and in ongoing monitoring

Early Meetings

+ Identify / articulate investment strategy
+ Consider fit in the small buyout portfolio
+ Understand key performance drivers
+ Identify / articulate GP's forward view of market
+ Get "vital statistics" – pedigree of management, existing investors, etc.

Rigorous Due Diligence Process

Comprehensive Due Diligence

Develop encyclopedic understanding of people, philosophy, track record and processes; identify issues for further review

Continued Meetings
- Review past deals
- Review deal pipeline
- Probe and challenge assumptions
- One-on-one meetings with individual professionals
- Several meetings, mostly on-site at GP

Track Record Review
- Obtain raw data
- Check calculation methods
- Nuanced analysis:
  - "Attribution" analysis
  - "Outlier" analysis

Data Mining
- News, litigation and regulatory databases
- Identify discrepancies from GP statements and undisclosed problems
- Identify "character and integrity" issues
- Discover references who know principals but were not on GP's reference list

Reference Checks
- Selective use of supplied reference list
- Contact "off-list" references discovered through data mining and contacts
- Peer reviews
- Other limited partners, especially those that do not "re-up"

Checklists
- Obtain GP's due diligence package
- Manager checklist
- Legal checklist
- Back office / financial controls checklist

Legal Review
- Review foundation documents for compliance with industry norms, adequate risk controls, etc.
- Complete internal legal checklist
- Review side letters to other investors
- Confirm ERISA, UBTI, etc. compliance
- Independent from investment due diligence process

Tax Review
- Review documents from a tax perspective
- Negotiate side letter provisions to ensure terms are advantageous
- Independent from investment due diligence process

Operational Review
- Detailed questionnaire covering risk monitoring, cash management, disbursement control, trade reconciliation process, etc.
- Evaluate quality of in-house personnel and third parties
- Independent from investment due diligence process

ESG Review
- Evaluate potential ESG issues
- Review completed ESG questionnaires which assess existing policies, reporting and management systems with portfolio companies, and processes to address ESG shortcomings

Rigorous Due Diligence Process

Final Due Diligence

Continue rigorous review of investment philosophy and implementation; resolve open issues; evaluate investment process and risk controls

Final Meetings

+ Investment Committee member(s) meet with principals
+ Update performance and deal pipeline
+ Continue to probe and challenge assumptions

Character and Integrity

+ Private meeting with senior professionals
+ Candidly discuss open issues such as litigation and other negatives
+ Follow up with references and research to verify explanations
+ Conduct background checks through a leading, global risk management firm

Process Review

+ On-site review of due diligence files, financial models and monitoring files
+ Confirm GP description of due diligence process
+ Assess whether process is disciplined and well documented

Financial and Risk Controls

+ Siguler Guff's Finance and Operations teams assess the adequacy of staff and risk controls
+ Follow up "red flags" (e.g., turnover, change of accountants)

Terms and Conditions

+ Negotiate partnership documents
+ Negotiate side letter, including "most favored nation"
+ Obtain advisory board seat where appropriate
+ Negotiate "risk control" provisions, such as enhanced transparency

Portfolio Management

- Siguler Guff is typically the largest or one of the largest investors in its small buyout portfolio funds, providing the Firm with significant access to general partners and their portfolio company information

- Continued contact with managers
  - Advisory board meetings, annual meetings, board of directors meetings, quarterly calls

- Company-level database
  - Proprietary company-level database designed as a monitoring and decision-making tool

  - Managers complete customized templates for each investment in the fund
    - Templates are uploaded and aggregated in our small buyout database each quarter

  - Tracks over 70 data points for each underlying investment on a quarterly basis
    - Company information – description, location, industry, founding date, employees, etc.
    - Financial information – revenue, gross profit, EBITDA, net debt, etc.
    - Valuation data – enterprise value, multiple, investment value, distributions, etc.
    - Capital structure – lenders, principal, interest pricing, term, ownership, etc.

  - Analyses derived from the data in our database include (but not limited to):
    - Growth and debt metrics since acquisition, YoY and QoQ
    - Changes and trends in valuation, covenant compliance, headcount, etc.
    - Returns analyses
    - Manager analyses
    - Vintage year analyses
    - Industry exposure
    - Future value projections

SBOF I Review

SIGULER GUFF

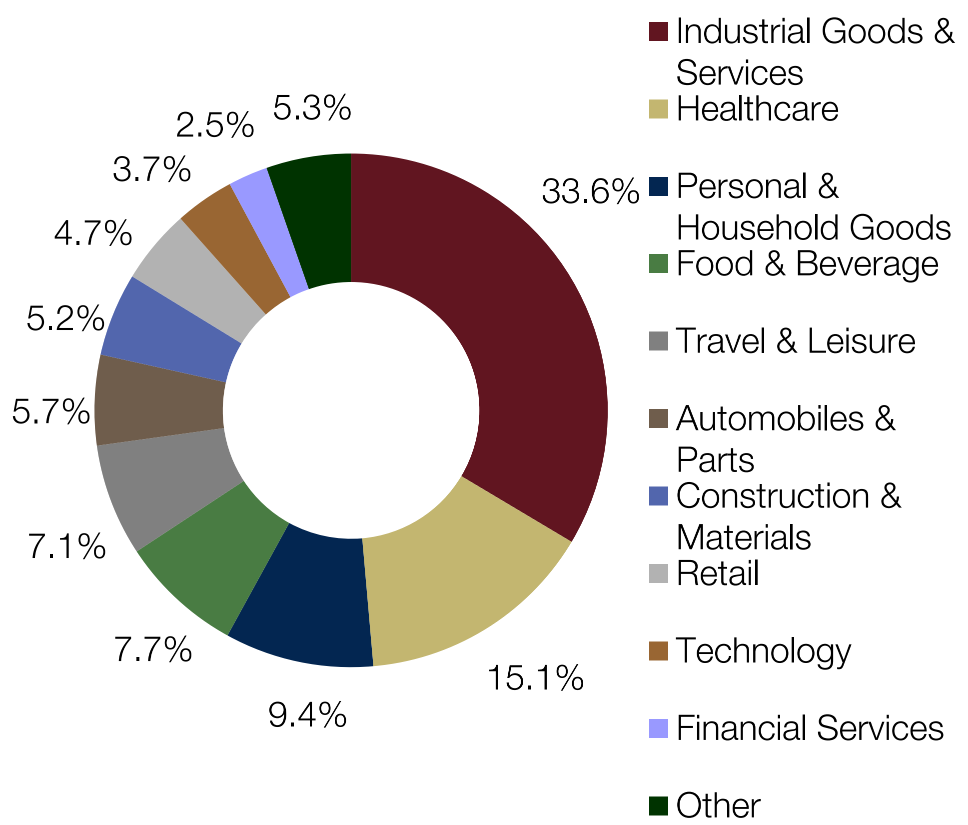
SBOF I Portfolio Characteristics

Siguler Guff Strategy	SBOF I Portfolio
Portfolio of managers that buy family-owned businesses	• 23 managers across 26 funds • 238 company investments • 1st institutional capital 90 - 95% of the time
Specialized funds, concentrated portfolios and strong alignment of interests	• 22 of 26 funds are either sector or geographically focused • Typical fund invests in 8 - 10 portfolio companies • GP commitments average 5% vs. industry average of 1 - 2%
Smaller funds focused on smaller deals	• Average fund size of $222 million, median of $196 million • Average company revenue and EBITDA of $66 million and $10 million, median of $41 million and $6 million, respectively
Investments in well-established, market-leading companies	• Average company is 35 years old • Average EBITDA margin of 18% at acquisition
Low entry and leverage multiples and significant seller rollover	• 5.5x EBITDA mean entry price • 2.6x EBITDA mean entry debt multiple • 90% of sellers reinvest proceeds for average of 35% ownership
Leverage scale and influence	• Largest investor in half of funds; top 5 in 22 of 26 funds • AB seats in 25 of 26 funds; improved T&C in all funds • "Free optionality": underwrote existing deals in 19 of 26 funds
Optimize co-investments to enhance returns and reduce fees	• 27 co-investments with 18 different managers • 28.1% portfolio-level IRR as of June 30, 2013[(1)] • All co-investments have no fees or carry paid to sponsor

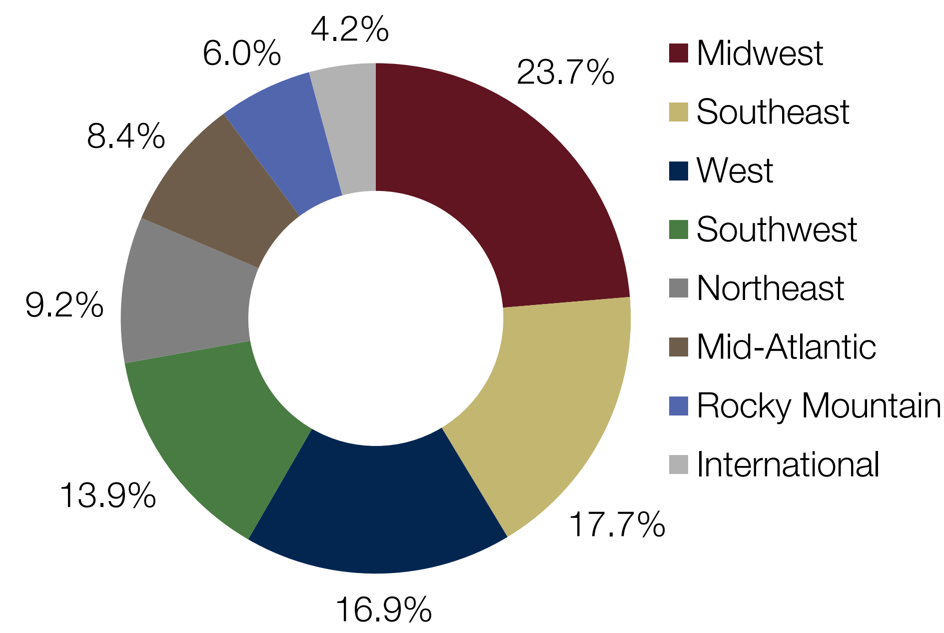
As of October 16, 2013.
(1) Net returns unavailable; however, net IRR for SBOF I is 11.6% as of June 30, 2013. Past performance does not ensure future results. There can be no assurance that the fund will achieve the goals described above. Co-investment IRR does not deduct for management fees or carried interest at the Siguler Guff fund level; such deductions would significantly reduce returns.

SBOF I Portfolio Diversification

Industry by Invested Capital



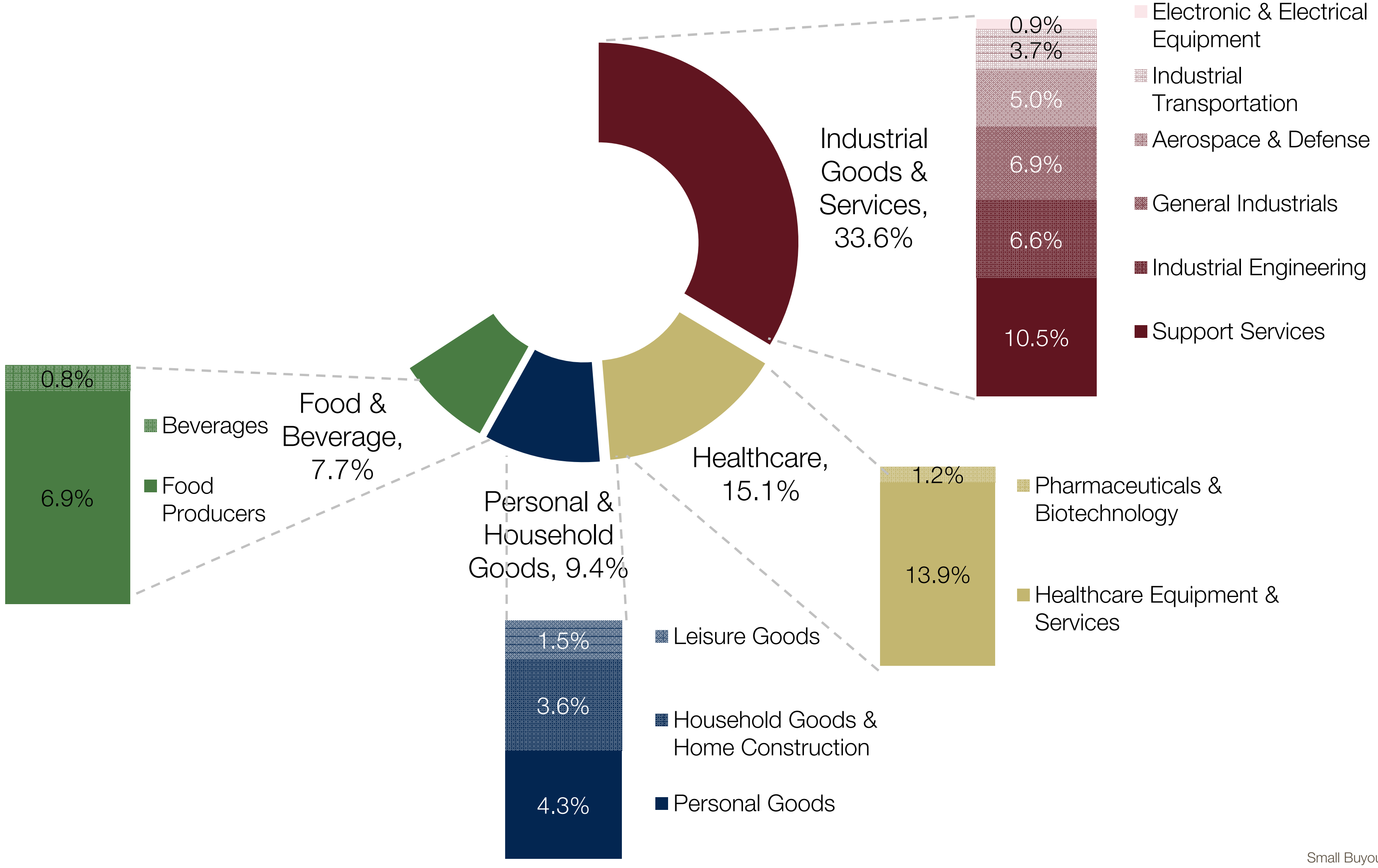
Geography by Invested Capital



As of June 30, 2013.

SBOF I Portfolio Diversification

Sub-Industry by Invested Capital



As of June 30, 2013.

SBOF I Summary

Summary (as of October 16, 2013)

- Fund size: $505 million
- Vintage: 2006
- NAV[1]: $473 million
- Called[2]: 89%
- Distributed[3]: 53%

	#	% Committed[4]	% Invested[4]
+ Funds:	26	80%	68%
+ Co-invest:	27	20%	32%

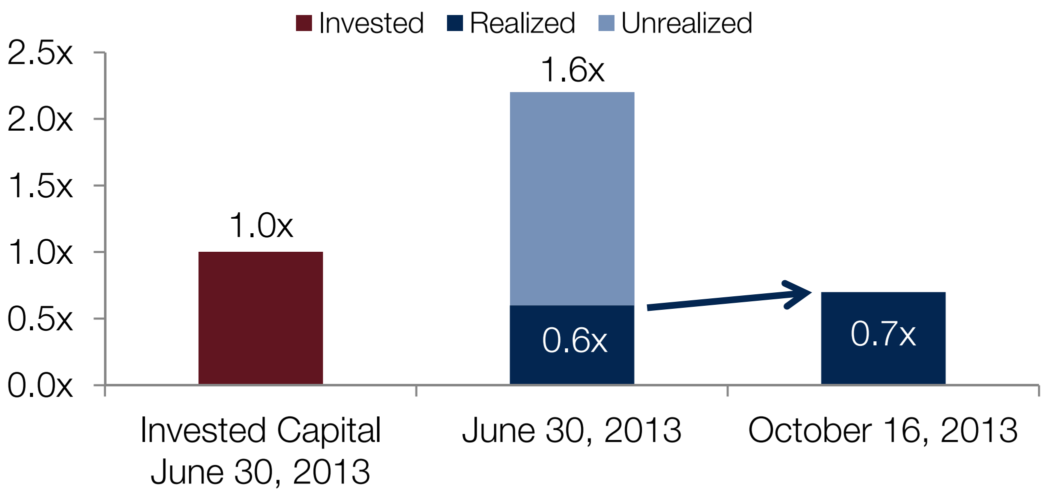
(1) As of June 30, 2013.
(2) Based on SBOF I commitments of $505 million.
(3) Based on invested capital and includes a pending distribution to limited partners.
(4) % Committed: Based on aggregate fund and co-investment commitments.
% Invested: Based on aggregate fund and co-investment paid in capital.

Performance (as of June 30, 2013)

	IRR	MOIC
Funds	11.5%	1.4x
Co-investments	28.1%	2.3x
SBOF I (Gross)	16.1%	1.6x
SBOF I (Net)	11.6%	1.5x

Past performance does not ensure future results. Net performance takes account of management fees, expenses and carried interest at the portfolio level and Siguler Guff fund level. IRR reflects investment level returns since inception. IRR is based to a significant degree on the valuation of unrealized positions in portfolio companies, and there can be no assurance that investors will ultimately realize the current estimated value of those positions. The gross multiple is based on realized and unrealized investments and is not net of fees, expenses and carried interest, all of which would reduce the multiple.

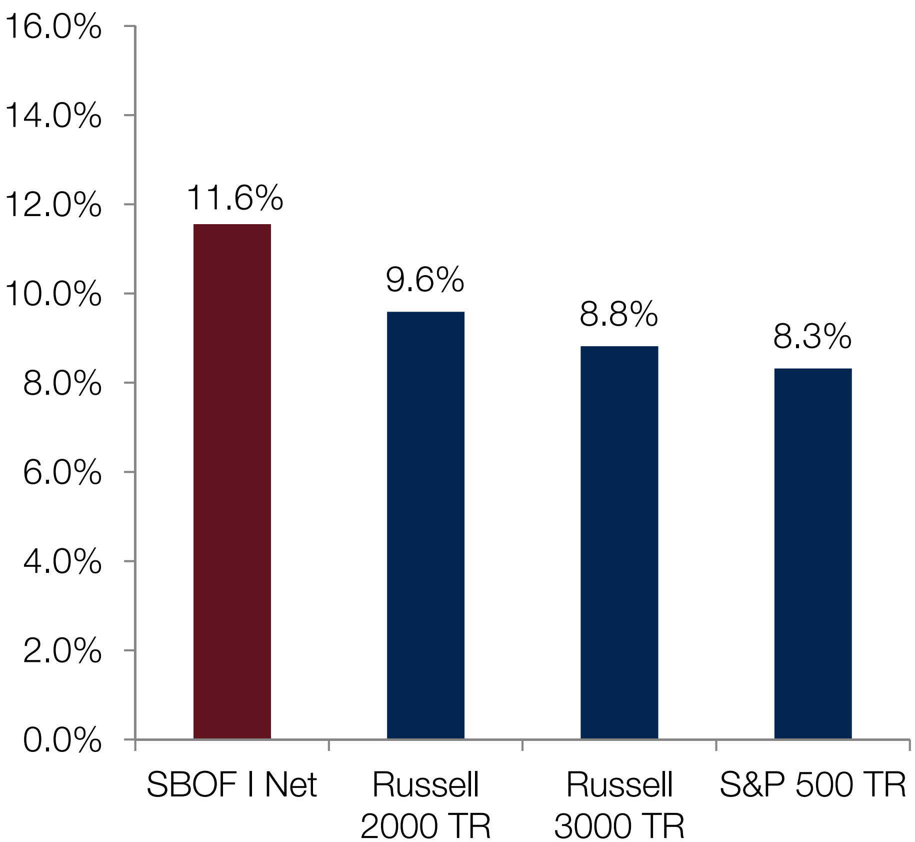
Gross Multiple of Capital Called



- Gross multiples are calculated at the portfolio level without deduction for fees, carried interest or expenses which would reduce the multiple. There can be no assurance the future realizations will be as profitable as past realizations. Past performance does not ensure future results.
- Invested capital is as of June 30, 2013.

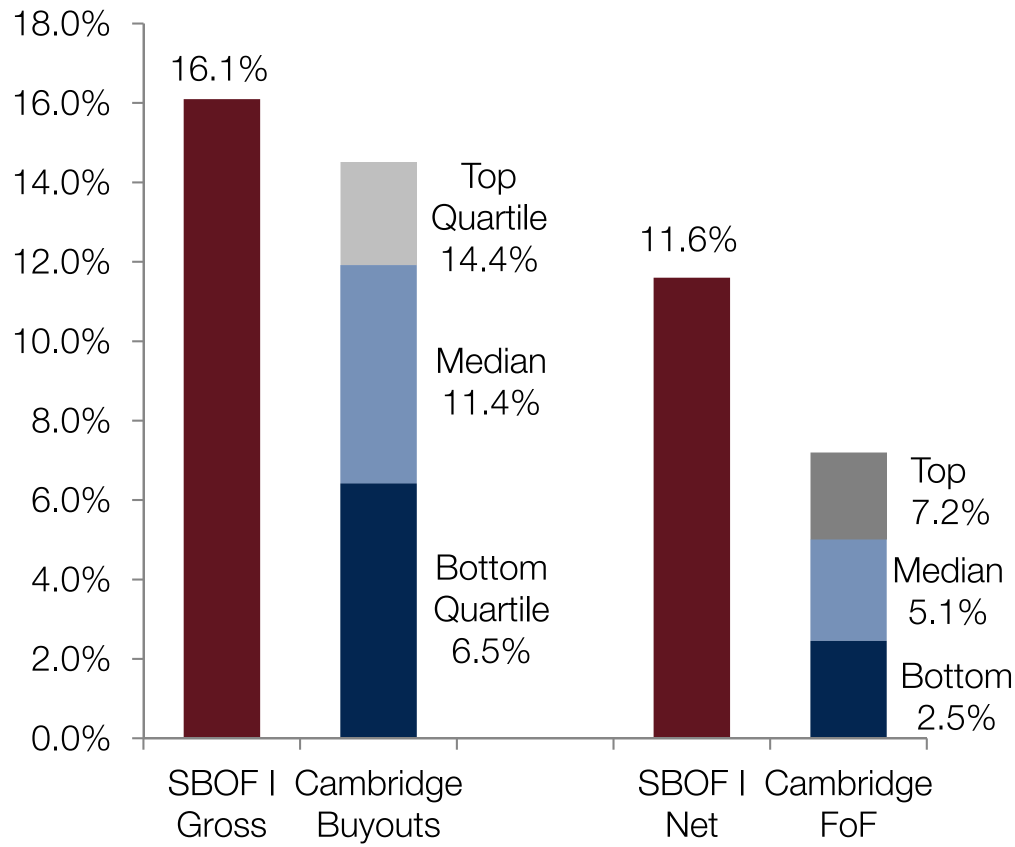
SBOF I Return Comparison

SBOF I vs. Public Market Indices



- Past performance does not ensure future results. IRR reflects investment level return since inception and is net of carried interest, management fees and fund level expenses. IRR is based to a significant degree on the valuation of unrealized positions in the underlying funds or direct investments.
- Carried interest is calculated as though SBOF I realized all investments at carrying value on the last day of the period.
- The returns for the indices were calculated assuming the same drawdown schedule as was employed by SBOF I. Returns are for the period October 31, 2006 through June 30, 2013.
- SBOF I Net is as of June 30, 2013.

SBOF I vs. Cambridge Associates Data

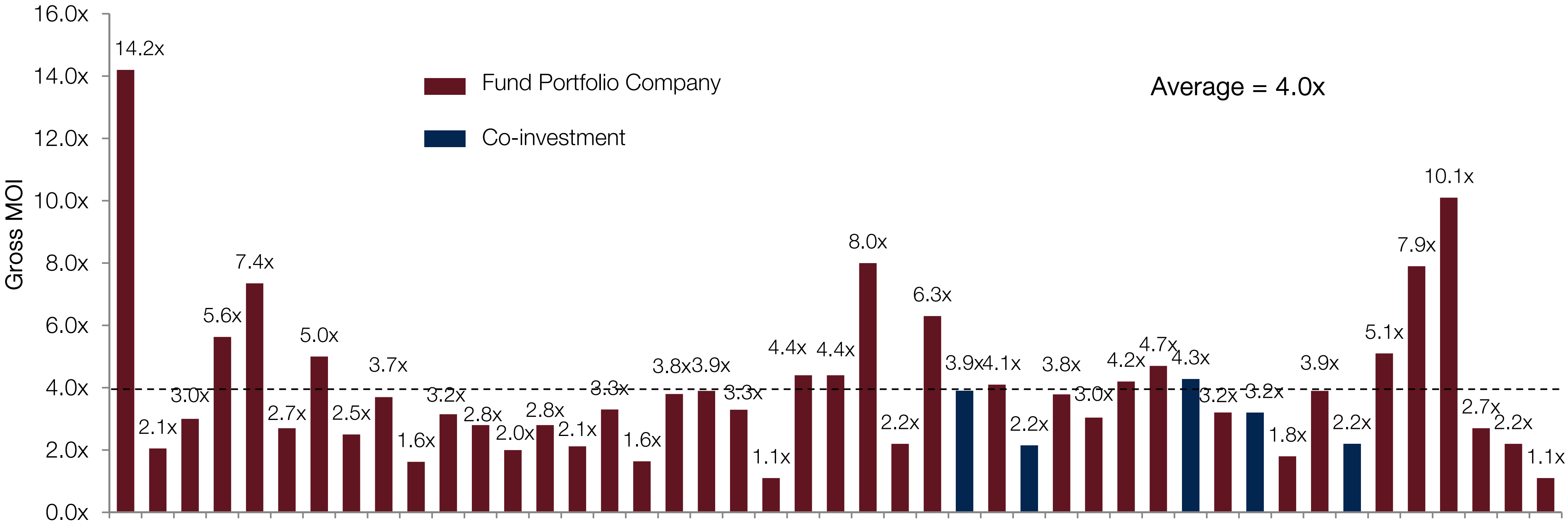


- Gross IRRs are calculated at the portfolio level without deduction for Siguler Guff fees, carried interest or expenses which would reduce the IRR. There can be no assurance the future realizations will be as profitable as past realizations. Past performance does not ensure future results.
- Cambridge Associates, June 30, 2013. U.S. Buyouts only, vintage year 2006.
- Cambridge Associates, March 31, 2013. Fund of Funds only, vintage year 2006.
- SBOF I Gross and Net are as of June 30, 2013.

SBOF I Realizations Summary

- Full and partial realizations generated a 2.6x gross return on an aggregate cost basis of $178.6 million (37.4% of invested capital)(1)
  - Fully-realized profitable investments generated a 3.6x gross return on an aggregate cost basis of $67.1 million (14.0% of invested capital)
  - Partial realizations generated a 2.5x gross return, of which 1.9x is unrealized, on an aggregate cost basis of $80.0 million (16.7% of invested capital)
  - Fully-realized unsuccessful investments generated a 0.4x gross return on an aggregate cost basis of $4.1 million (0.9% of invested capital)
  - Fully-realized write-offs had an aggregate cost basis of $27.4 million (5.7% of invested capital)

- The chart below highlights the fully-realized successful underlying portfolio investments and co-investments



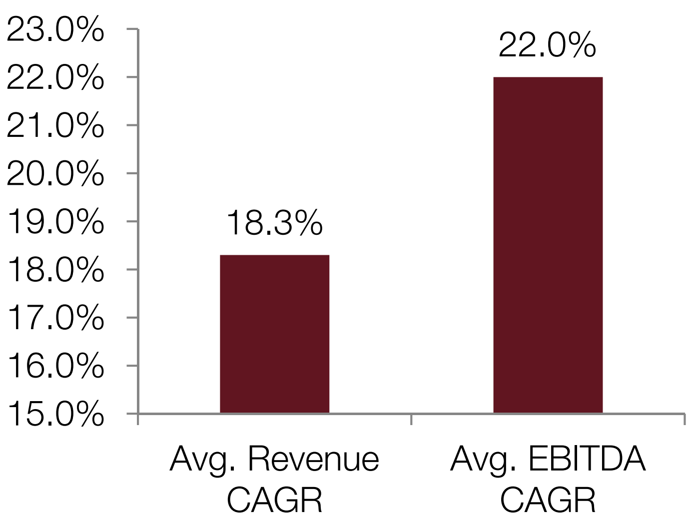
As of October 16, 2013.

(1) Gross multiples do not include earnouts. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the investments above. Gross performance information does not deduct management fees, expenses and carried interest at the portfolio investment (i.e. underlying portfolio fund or co-investment) level, or at the Siguler Guff fund level. The effect of these deductions could be significant. The net IRR for SBOF I is 11.6% as of June 30, 2013.

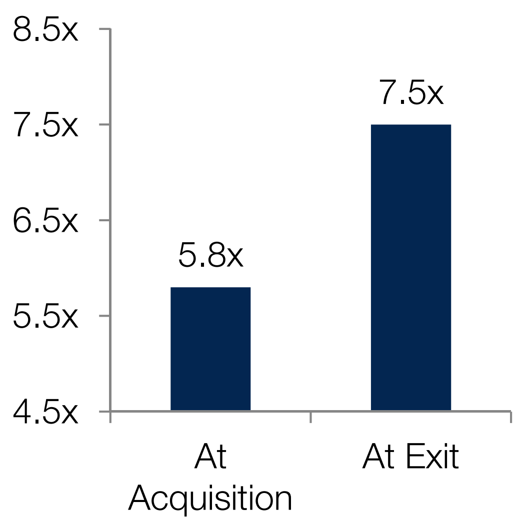
SBOF I Exit Analytics

- 45 fully-realized profitable investments generating an average 3.6x gross return on an aggregate cost basis of $67.1 million
  - Average hold period = 4.2 years
  - 26 of 45 exits generated a 3.0x or greater gross cash-on-cash return
  - Financial buyers
    - GS Capital Partners ($20.3 billion), Warburg Pincus ($11.2 billion), Platinum Equity ($2.8 billion), KRG Capital ($2.0 billion), Diamond Castle ($1.9 billion), Odyssey Investment Partners ($1.5 billion), Levine Leichtman ($1.1 billion), Lincolnshire ($835 million) and ONCAP ($800 million)
  - Strategic buyers
    - Sara Lee ($8.6 billion), Spectrum Brands (NYSE: SPB) ($3.3 billion), United Natural Foods (NASDAQ: UNFI) ($3.2 billion), Curtiss-Wright Corporation (NYSE: CW) ($1.6 billion), Masonite International ($1.5 billion) and Acadia Healthcare Company (NASDAQ: ACHC) ($1.1 billion)
  - Average exit premium over carrying value = 23%

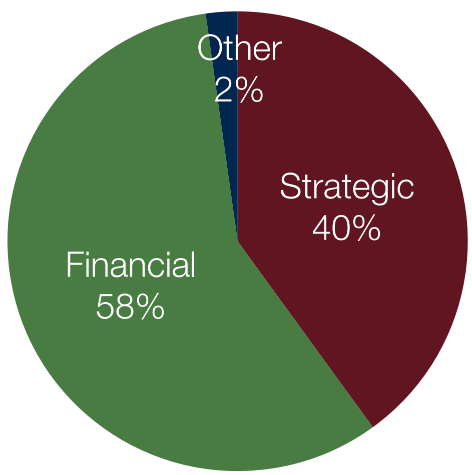
Growth from Acquisition to Exit



EV / EBITDA Multiples



Buyers



The estimated cost basis of the exited investments represents 14.0% of invested capital. As of October 16, 2013, the SBOF I portfolio has had 3 unsuccessful realized exits and 14 fully-realized write-offs with an aggregate cost basis of $31.5 million. There can be no assurance that future realizations will be profitable or as profitable. Gross performance information does not deduct management fees, expenses and carried interest at the portfolio investment (i.e. underlying portfolio fund or co-investment) level, or at the Siguler Guff fund level. The effect of these deductions could be significant. The net IRR for SBOF I is 11.6% as of June 30, 2013.

SBOF I Maximizing Manager Relationships

+ We have strategically used our ability to co-invest alongside fund managers to enhance returns

	Gross IRR		
Funds	Fund	Co-invest	Blended
Fund A	16.5%	41.9%	32.3%
Fund B	34.4%	59.2%	44.4%
Fund C	(0.4%)	38.7%	6.2%
Fund D	12.3%	16.5%	13.3%
Fund E	(3.1%)	7.4%	2.2%
Fund F	5.9%	18.1%	13.0%
Fund G	30.5%	24.5%	27.9%
Fund H	13.8%	57.7%	24.8%
Fund I	21.6%	31.9%	25.6%
Fund J	9.9%	27.0%	17.2%
Fund K	(5.0%)	(100.0%)	(9.6%)
Fund L	6.0%	(4.5%)	5.6%
Fund M	14.2%	27.0%	19.9%
Fund N	NA	34.6%	34.6%
Fund O	NA	22.8%	22.8%
Fund P	NA	25.1%	25.1%
Fund Q	NA	19.7%	19.7%
Fund R	NA	18.7%	18.7%

As of June 30, 2013. Past performance does not ensure future results. Portfolio-level performance information takes account of management fees, expenses and carried interest at the portfolio investment underlying portfolio fund or direct investment) level, but does not deduct management fees, expenses and carried interest at the Siguler Guff fund level. The effect of these deductions could be significant. Investors should consider gross performance information together with the corresponding net performance. The net IRR for SBOF I is 11.6% as of June 30, 2013.

Co-investment Summary

- Siguler Guff's investment model is structured to take advantage of the inherent return and cost benefits that well executed co-investments can generate
  - Co-investment deal flow is owned by our investors and stays in the fund
- Siguler Guff is the leading co-investor in the small buyout market
  - 52 co-investments completed with 27 different managers to date in SBOF I and SBOF II
- No fees or carried interest paid on co-investments

($M)		SBOF I Co-investment Portfolio Averages at Acquisition						As of June 30, 2013				
SBOF I Co-investments	Capital Committed	Revenue	EBITDA	EBITDA Margin	Year Founded	Entry Multiple	SBOF Commitment	Hold Period	Since Acq. Rev. Growth(1)	Since Acq. EBITDA Growth(1)	MOI(2)	Portfolio Level IRR(2)
27 Companies	$113.6	$76.6	$11.1	17.2%	1978	5.7x	$4.2	41 mos	55.1%	60.0%	2.3x	28.1%

(1) Excludes co-investment that was a realized write-off
(2) Net returns unavailable; however, the net IRR for SBOF I is 11.6% as of June 30, 2013. Past performance does not ensure future results. There can be no assurance that the Fund will achieve the goals described above. Co-investment portfolio-level IRR does not deduct for management fees or carried interest at the Siguler Guff level; such deductions would significantly reduce returns.

SBOF I Co-investment Detail

($M) Company	Investment Date	Year Established	Entry Multiple	Capital Committed	June 30, 2013 MOI	June 30, 2013 IRR	
Company A	Jul-11	1978	4.8x	$4.0	1.3x	12.4%	
Company B	Dec-09	1971	4.7x	$4.0	2.1x	24.1%	
Company C	May-08	2002	6.8x	$5.9	3.3x	31.9%	Realized
Company D	Nov-09	1979	6.5x	$5.0	1.3x	7.4%	
Company E	Oct-08	1969	6.1x	$5.0	4.3x	52.1%	Realized
Company F	Aug-07	1976	5.1x	$1.4	3.8x	33.4%	Realized
Company G	May-10	1985	6.1x	$3.7	1.6x	18.7%	
Company H	Jul-09	1988	5.4x	$2.0	3.7x	32.0%	Realized (post-6/30)
Company I	Nov-10	1954	5.4x	$4.2	2.1x	34.1%	
Company J	Sep-10	1914	5.7x	$4.5	2.2x	35.9%	
Company K	Mar-10	1985	5.3x	$7.0	3.0x	21.8%	Realized (post-6/30)
Company L	Aug-10	1938	6.3x	$2.1	3.9x	89.8%	Realized
Company M	Jun-08	1987	5.9x	$5.7	4.2x	36.3%	
Company N	Jan-10	2003	5.6x	$7.9	1.7x	30.4%	
Company O	Jun-09	1986	N/A	$3.9	2.4x	25.1%	
Company P	Dec-08	1993	5.7x	$3.0	2.2x	19.7%	Realized
Company Q	Sep-08	1997	5.1x	$4.1	2.2x	18.1%	
Company R	Dec-10	1996	6.1x	$4.5	2.6x	34.9%	Realized (post-6/30)
Company S	Nov-07	1984	6.2x	$3.0	2.3x	16.5%	
Company T	Dec-11	1955	4.0x	$2.8	1.0x	(4.5%)	
Company U	Dec-07	1969	5.6x	$4.5	2.7x	22.8%	
Company V	Jun-11	2004	5.5x	$5.2	1.9x	38.7%	
Company W	Nov-11	1991	5.5x	$4.8	4.4x	154.7%	
Company X	Nov-11	1983	6.5x	$5.0	1.6x	34.6%	
Company Y	Aug-08	1971	5.5x	$5.6	0.0x	(100.0%)	Realized
Company Z	Mar-12	1999	6.4x	$4.2	0.9x	(7.9%)	
Company AA	Nov-10	1954	5.4x	$0.6	2.8x	49.9%	
Total				$111.0	2.3x	28.1%	

As of June 30, 2013. Past performance does not guarantee future results. A variety of methods are used to value securities that are not publicly traded, with the methodologies and underlying assumptions selected by the relevant investment manager (which might create a bias toward a higher valuation). Furthermore, business or economic developments after a valuation date could significantly change the value for any particular investment. Accordingly, an investment might ultimately be sold for less than its unrealized valuation. Siguler Guff derives information about the investments of underling portfolio funds, including investment valuations, from the underlying portfolio fund manager, without independent verification. The managers of the underlying portfolio funds have not reviewed or approved this Presentation. Gross performance information does not deduct management fees or carried interest at the Siguler Guff fund level; such deductions would significantly reduce returns. Gross multiples do not include earnouts. Highlighted companies are realized investments and show gross returns from inception through June 30, 2013. The net IRR for SBOF I is 11.6% as of June 30, 2013.

SBOF II Review

SIGULER GUFF

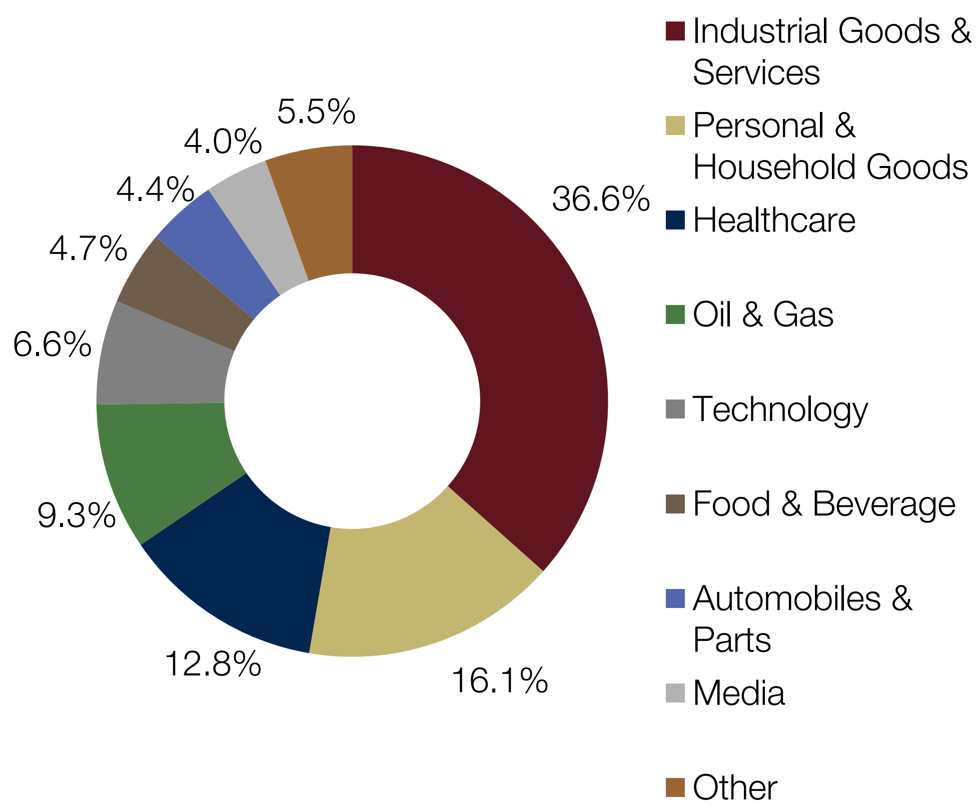
SBOF II Portfolio Characteristics

Siguler Guff Strategy	SBOF II Portfolio
Portfolio of managers that buy family-owned businesses	• 15 managers across 17 funds • 73 company investments • 1st institutional capital 85-90% of the time
Specialized funds, concentrated portfolios and strong alignment of interests	• 12 of 17 funds are either sector or geographically focused • Typical fund invests in 8 -10 portfolio companies • GP commitments average 3.5% vs. industry average of 1-2%
Smaller funds focused on smaller deals	• Average fund size of $202 million, median of $173 million • Average company revenue and EBITDA of $53 million and $10 million, median of $40 million and $9 million, respectively
Investments in well-established, market-leading companies	• Average company is 31 years old • Average EBITDA margin of 24% at acquisition
Low entry and leverage multiples and significant seller rollover	• 5.4x EBITDA mean entry price • 2.2x EBITDA mean debt multiple • Fund managers own on average 65% of the underlying cos.
Leverage scale and influence	• Top investor in 14 of 17 funds, a leading investor in all funds • Advisory Board seat and improved T&C in all funds • "Free optionality": underwrote existing deals in 13 of 17 funds
Optimize co-investments to enhance returns and reduce fees	• 25 co-investments with 14 different managers • All co-investments have no fees or carry paid to sponsor

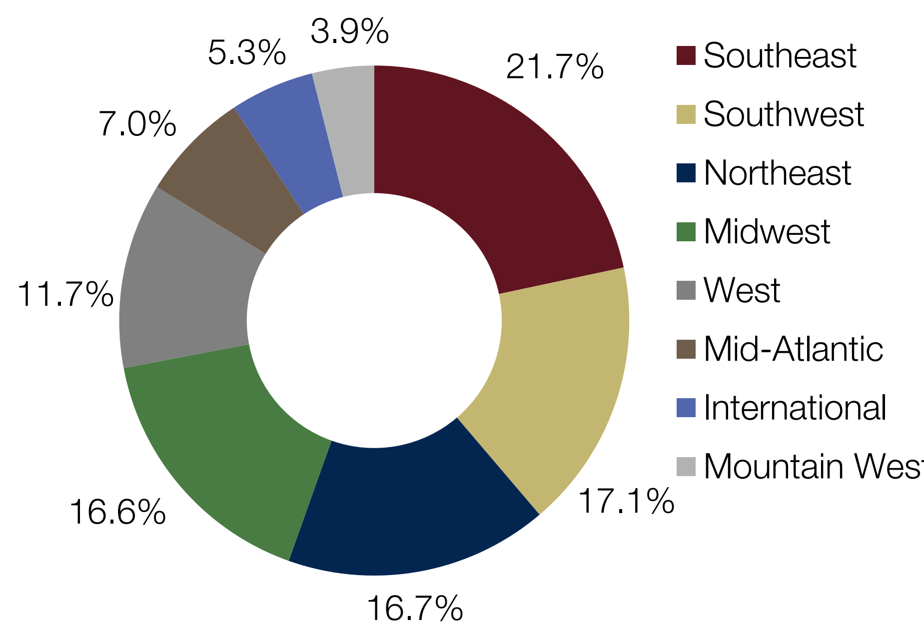
As of October 16, 2013
Includes a pending fund investment. There can be no assurance that SBOF II will achieve the goals described above.

SBOF II Portfolio Diversification

Industry by Invested Capital



Geography by Invested Capital



As of June 30, 2013.

SBOF II Summary

Summary (as of October 16, 2013)

+ Fund size: $940 million
+ Vintage: 2011
+ NAV(1): $143 million
+ Called(2): 21%
+ Distributed: 0%

	#	% Committed(4)
+ Funds(3):	17	80%
+ Co-invest:	25	20%

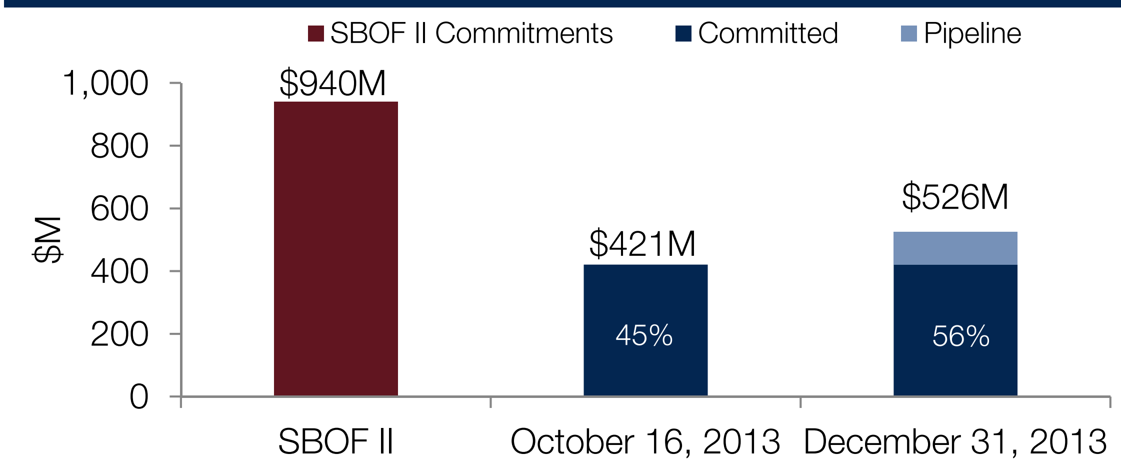
(1) As of June 30, 2013.
(2) Based on SBOF II commitments of $940 million.
(3) Includes a pending fund investment.
(4) Based on aggregate fund and co-investment commitments and includes a pending fund investment.

Performance (as of June 30, 2013)

	IRR	MOIC
Funds	31.6%	1.2x
Co-investments	32.6%	1.1x
SBOF II (Gross)	31.9%	1.2x
SBOF II (Net)	15.4%	1.1x

Past performance does not ensure future results. Net performance takes account of management fees, expenses and carried interest at the portfolio level and Siguler Guff fund level. RR reflects investment level returns since inception. IRR is based to a significant degree on the valuation of unrealized positions in portfolio companies, and there can be no assurance that investors will ultimately realize the current estimated value of those positions. The gross multiple is based on realized and unrealized investments and is not net of fees, expenses and carried interest, all of which would reduce the multiple.

Committed Capital (as of October 16, 2013)



+ Committed capital includes SBOF II commitments to funds and co-investments. Committed capital at October 16, 2013 includes a pending fund investment.
+ Pipeline includes those transaction that have a high probability of closing, though there can be no assurance that these transactions will occur.

Case Study – Fund Investment

- SBOF II has preferred economics and co-investment rights in the fund
- To date, SBOF II has co-invested $12 million in two companies alongside the fund

Fund Overview & Terms

Fund Size:	$175 million
Management Fee:	2.0%
Carried Interest:	20%
Vintage Year:	2012

SBOF II Negotiated Terms

Commitment:	$25 million
Management Fee:	1.6%
Carried Interest:	15%
Co-investments:	$5 million ROFR on each investment
Negotiated for all LPs:	Fund cap with veto right, For cause GP removal and improved no cause removal

Economic Improvement as of October 16, 2013

	Committed Capital	Management Fee(1)	Carried Interest(1)
Fund	$25.0M	1.6%	15.0%
Invested	$6.3M		
Co-investments	$12.0M	0.0%	0.0%
Co-invest #1	$3.0M		
Co-invest #2	$9.0M		
Future Co-invests	-		
Aggregate	$37.0M	1.1%	10.1%

Potential Economic Improvement in 2017

	Committed Capital	Management Fee(1)	Carried Interest(1)
Fund	$25.0M	1.6%	15.0%
Invested	$25.0M		
Co-investments(2)	$25.0M	0.0%	0.0%
Co-invest #1	$3.0M		
Co-invest #2	$9.0M		
Future Co-invests(2)	$13.0M		
Aggregate	$50.0M	0.8%	7.5%

(1) Aggregate management fee and carried interest is based on a weighted average of commitments to funds and co-investments.
(2) Co-investment amounts are projections based on current co-investment rights and there can be no assurance these amounts will be invested. Any co-investment amount decrease will increase the management fee

Pipeline and Proposal

Small Buyout Investment Pipeline – Representative List

Managers

Fund	Location	Fund Target Size
Sector specialist	Houston, TX	$275M
Regionally focused fund	Cleveland, OH	$400M
Deep value opportunistic	Indianapolis, IN	$300M
Canadian value investor	Toronto, Canada	$125M
Focus on recurring revenue	Denver, CO	$125M
Southeast regional focus	Atlanta, GA	$125M
Technology buyout specialist	Laguna Hills, CA	$125M

Co-investments

Investment	Location	Sponsor
Waste recycling	Newell, NC	SBOF I Manager
Oil & Gas safety services	Houston, TX	SBOF I & II Manager
Dewatering services	Houston, TX	SBOF I Manager
Distributor to online retailers	Lorain, OH	Potential SBOF II Manager

As of October 16, 2013.

CCCERA Small Buyout Investment Program

Investment Objective:	Opportunistic returns from a diversified small buyout portfolio; at least 70% in funds; up to 30% in co-investments
Portfolio Construction:	10 - 15 fund investments; 12 - 16 co-investments
Size:	$50.0 million
Commitment Periods:	Fund investments: 3 years Co-investments: 4 years
Management Fee:	0.88% on committed capital during the co-investment commitment period; thereafter, decreasing to 80% of the preceding year's fee (0.54% per annum average over life of program)
Carried Interest:	Fund investments: 5% (8% preferred return) Co-investments: 15% (8% preferred return) Aggregate distribution waterfall
Deployment Schedule:	

	2014		2015		2016		2017		
	#	$M	#	$M	#	$M	#	$M	Aggregate
Funds	3 - 5	$ 11.7M	3 - 5	$ 11.7M	3 - 5	$ 11.7M			10 - 15
Co-investments	3 - 4	$ 3.8M	3 - 4	$ 3.8M	3 - 4	$ 3.8M	3 - 4	$ 3.5M	12 - 16
Aggregate		$ 15.5M		$ 15.5M		$ 15.5M		$ 3.5M	$ 50.0M

Note: the proposed deployment schedule is dependent on market conditions and available opportunities.

Appendix

Biographies

- Dedicated Small Buyout Investment Team
- Investment Committee Members
- Other Key Professionals

Dedicated Small Buyout Investment Team

- Kevin Kester
  - Managing Director at Siguler Guff, Small Buyout Opportunities Funds portfolio manager
  - 18 years of alternative investment experience
  - Director of Alternative Investments, Colorado PERA
  - Managed $4.5 billion global portfolio of private equity
  - Created Targeted Opportunities Program to invest in small market
  - B.A., Hamilton College; M.B.A., University of Colorado
- Jonathan Wilson
  - Principal at Siguler Guff
  - 12 years of private equity and investment experience
  - Equity Research Associate, Columbia Management Group
  - Senior Analyst, Legg Mason Investment Banking
  - B.S. with Special Attainments in Commerce, Washington and Lee University
- Jason Mundt
  - Principal at Siguler Guff
  - 13 years of private equity experience; ten years of small market experience
  - Vice President, Linden Capital Partners
  - Associate, RCP Advisors
  - B.A., University of Illinois, M.B.A., University of Chicago
- Sara Bowdoin
  - Vice President at Siguler Guff
  - Investment Banking Analyst, Lazard Middle Market
  - B.A., Wake Forest
- Langdon Mitchell
  - Associate at Siguler Guff
  - Senior Analyst, Paul Capital
  - B.S.B.A., Georgetown University, M.B.A. Wharton School of the University of Pennsylvania

Investment Committee Members

- George Siguler
  - Managing Director and Founding Partner of Siguler Guff
  - 40 years of private equity investment experience
  - Associate Treasurer, Harvard University
  - Founding Partner of the Harvard Management Company
  - Chief of Staff, U.S. Department of Health and Human Services under President Reagan
  - Head of Paine Webber's Private Equity Group
  - Director, MSCI Corporation (RiskMetrics and Institutional Shareholder Services)
  - A.B., Amherst College; M.B.A., Harvard Business School

- Drew Guff
  - Managing Director and Founding Partner of Siguler Guff
  - 30 years of private equity investment experience
  - Assistant to the President of Paine Webber for four years
  - First Vice President in Paine Webber's Merchant Banking Group
  - Member of the Council on Foreign Relations
  - B.A., Harvard University

- Jay Koh
  - Managing Director and Partner of Siguler Guff
  - 15 years of private equity experience
  - Head of Investment Funds, Chief Investment Strategist, Chief Financial Officer, Overseas Private Investment Corporation
  - Partner, R3 Capital Partners
  - Managing Director, Lehman Brothers
  - Principal, The Carlyle Group
  - Law Clerk to Justice David H. Souter, United States Supreme Court
  - Law Clerk to Judge Michael Boudin, United States Court of Appeals for the First Circuit
  - A.B., Harvard College; Masters in Management, Oxford University; J.D., Yale Law School

- Solomon Owayda
  - Managing Director at Siguler Guff
  - 25 years of private equity experience
  - Managing Director, Chief Investment Officer and founder of the advisory business at SVG Advisers Inc.
  - Director of Private Equity, California State Teachers Retirement System
  - Former Chairman of the Institutional Limited Partners Association
  - B.S., Marquette University; M.B.A., Sheldon B. Lubar School of Business at the University of Wisconsin-Milwaukee

- Avinash Amin
  - Managing Director at Siguler Guff
  - Senior Vice President and Head of Private Equity, Summit Strategies Group
  - Chief Clinical Officer, Novactyl, Inc.
  - Co-founder, TSVI, a global BPO company focused on the health care industry
  - B.A. and M.D., Washington University

Other Key Professionals

- Ken Burns
  - Managing Director and Partner of Siguler Guff
  - Chief Financial Officer of Odyssey Investment Partners
  - Controller of Odyssey Partners’ private equity portfolio
  - Controller of Buffalo Partners, a New York hedge fund
  - B.S., State University of NY at Oneonta, M.B.A., St. Johns University
  - Certified Public Accountant

- Donald Spencer
  - Managing Director, Senior Counsel and Founding Partner of Siguler Guff
  - First Vice President and Associate General Counsel of Mitchell Hutchins
  - General Counsel of Atalanta/Sosnoff Capital Corporation
  - Major law firm experience at Sullivan & Cromwell and Shereff Friedman, Hoffman & Goodman
  - B.A., Wesleyan University; J.D., New York University

- Terri Liftin
  - Managing Counsel and Chief Compliance Officer at Siguler Guff
  - U.S. Legal Counsel and Chief Compliance Officer, WestLB Mellon Asset Management
  - Director, Legal Department, WestLB AG
  - Senior Associate, K&L Gates
  - Associate, Rogers & Wells
  - A.B., Barnard College, M.A. in Economics, New York University, J.D., Brooklyn Law School

- Michael Keough
  - Senior Relationship Manager at BNY Mellon Investment Management
  - Managing Director, Siguler Guff
  - Vice President and Relationship Manager, Goldman Sachs Asset Management
  - Partner, Invesco
  - Marketing Associate, Capital Guardian Trust Company
  - B.S., Lehigh University

Disclosures

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Potential investors are urged to consult a professional adviser regarding any economic, tax, legal or other consequences of entering into any transactions or investments described herein. Alternative investment strategies, such as private equity, inherently involve risk and may not be suitable for all investors.

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This Presentation may contain Fund performance information. Past performance does not guarantee future results, and no representation or warranty, express or implied, is made regarding future performance. The General Partners of the underlying funds have not reviewed or approved of this Presentation. This Presentation contains certain statements, estimates and projections that are "forward-looking statements." All statements other than statements of historical fact in this Presentation are forward-looking statements and include statements and assumptions relating to the following: plans and objectives of management for future operations or economic performance; conclusions and projections about current and future economic and political trends and conditions; and projected financial results and results of operations. These statements can generally be identified by the use of forward-looking terminology, including "may," "believe," "will," "expect," "anticipate," "estimate," "continue", "rankings" or other similar words. Siguler Guff does not make any representations or warranties (express or implied) about the accuracy of such forward-looking statements. Readers are cautioned that actual results of an investment in a Fund could differ materially from forward-looking statements or the prior or projected results of the Funds. Readers of this Presentation are cautioned not to place undue reliance on forward-looking statements.

This Presentation may include footnotes or endnotes which, if included, are an integral part of this Presentation and should be read in their entirety. Any sale of securities in Canada will be effected through an affiliated broker dealer.

CONTRA COSTA COUNTYEMPLOYEES' RETIREMENT ASSOCIATION
DISCLOSURE STATEMENT RE: USE OF PLACEMENT AGENTS

The undersigned is a current or proposed "External Manager" for the Contra Costa County Employees' Retirement Association ("CCCERA"), as defined under CCCERA's Placement Agent Disclosure Policy, adopted on June 9, 2010 ("Policy.") We have received a copy of the Policy from CCCERA. We hereby disclose to CCCERA the following information, which we represent and warrant to be true and correct as of the date hereof:

1. Neither we nor any of our principals, employees, agents or affiliates has compensated or agreed to compensate, directly or indirectly, any person or entity to act as a Placement Agent (as defined in the Policy) in connection with any investment by CCCERA, **except as disclosed on Attachment 1 to this Disclosure Statement**.

[IF THERE IS NOTHING TO DISCLOSE IN ATTACHMENT 1, ITEMS 2-6 ARE INAPPLICABLE.]

2. To the extent of any disclosure set forth on Attachment 1, we attach as Attachment 2 to this Disclosure Statement a resume for each officer, partner or principal of the Placement Agent (and any employee providing similar services) detailing the person's education, professional designations, regulatory licenses and investment and work experience, and whether any such person is a current or former CCCERA Board member, employee or Consultant or a member of the immediate family of any such person.

3. To the extent of any disclosure set forth on Attachment 1, we attach as Attachment 3 to this Disclosure Statement a description of any and all compensation of any kind we have provided or have agreed to provide to a Placement Agent, including the nature, timing and value thereof.

4. To the extent of any disclosure set forth on Attachment 1, we attach as Attachment 4 to this Disclosure Statement a description of the services to be performed by the Placement Agent.

5. To the extent of any disclosure set forth on Attachment 1, we attach as Attachment 5 to this Disclosure Statement a statement whether the Placement Agent or any of its affiliates are registered with the Securities and Exchange Commission or the Financial Industry Regulatory Association or any similar regulatory agent in a country other than the United States and the details of such registration or explanation of why no registration is required.

6. To the extent of any disclosure set forth on Attachment 1, we attached as Attachment 6 to this Disclosure Statement a statement whether the Placement Agent or any of its affiliates are registered as a lobbyist with any state or national government.

We further represent and warrant as follows:

A. We shall provide an update of any changes to any of the information included in this Disclosure Statement within fourteen (14) business days of the occurrence of the change in information.

B. We shall cause our engaged Placement Agent, if any, prior to acting as a Placement Agent with regard to CCCERA, to disclose to CCCERA in writing any campaign contribution, gift (as defined in Government Code section 82028) or other item of value made or given to any member of the CCCERA Board or Staff, or Consultant (as defined in the Policy), during the prior twenty-four month period.

C. We shall cause our engaged Placement Agent, during the time it is receiving compensation in connection with a CCCERA investment, to disclose to CCCERA any campaign contribution, gift or other item of value made or given to any member of the CCCERA Board or Staff, or Consultant, during such period.

Dated: October 15, 2013

EXTERNAL MANAGER

Siguler Guff Advisers, LLC
Name of Entity

By: [signature]
Authorized Signatory

Print Name Terri Liftin

Its Managing Director

SIGULER GUFF

Attachment 1

Please see the attached Amended and Restated Placement Agent Agreement by and among Siguler Guff & Company, LLC, Siguler Guff Advisers, LLC and Siguler Guff Global, LLC, and MBSC Securities Corporation ("MBSC") and BNY Mellon Asset Management International Limited ("BNYM"), dated December 7, 2009 (the "Placement Agent Agreement").

Execution Copy

AMENDED AND RESTATED

PLACEMENT AGENT AGREEMENT

BY AND AMONG

SIGULER GUFF & COMPANY, LP, SIGULER GUFF ADVISERS, LLC, AND SIGULER GUFF GLOBAL, LP

AND

MBSC SECURITIES CORPORATION
AND
BNY MELLON ASSET MANAGEMENT INTERNATIONAL LIMITED

PLACEMENT AGENT AGREEMENT

This AMENDED AND RESTATED PLACEMENT AGENT AGREEMENT, dated as of December 7, 2009 (this "Agreement"), is by and among Siguler Guff & Company, LP, a Delaware limited liability company, Siguler Guff Advisers, LLC, a Delaware limited liability company, and Siguler Guff Global, LP, a Delaware limited liability company (collectively, the "Companies"), MBSC Securities Corporation, a New York corporation, and BNY Mellon Asset Management International Limited, a company incorporated and registered in England and Wales and authorized and regulated by the Financial Services Authority in the United Kingdom (together with MBSC Securities Corporation, the "Placement Agents" and each a "Placement Agent").

RECITALS

The Companies propose to offer for sale interests in the Covered Funds (as defined below) and Separately Managed Accounts (as defined below) (the "Interests"), which, in the case of Interests in the Covered Funds, shall be issued on the terms and conditions set forth in the confidential private placement memorandum for the applicable Covered Fund, as may be amended or supplemented from time to time (the "Private Placement Memorandum");

The Companies desire to appoint each Placement Agent to act as a non-exclusive placement agent with respect to prospective investors in the Covered Funds and Separately Managed Accounts (the "Prospective Investors"); and

Each Placement Agent is willing to act as a non-exclusive placement agent with respect to Prospective Investors in the Covered Funds and Separately Managed Accounts upon the terms and conditions set forth in this Agreement.

AGREEMENT

The Companies and the Placement Agents agree as follows:

1. Defined Terms. For purposes of this Agreement, the following terms shall have the following meanings:

"1940 Act" has the meaning set forth in Section 3(a) hereto.

"Advisers Act" has the meaning set forth in Section 6(j) hereto.

"Affiliate" means with respect to any specified Person, any Person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such other Person (for the purposes of this definition, "control," including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with," as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise).

"Agreement" has the meaning set forth in the Preamble hereto.

"AML Rules" has the meaning set forth in Section 6(g) hereto.

"BNYM Indemnified Persons" has the meaning set forth in Section 8(a) hereto.

"BNYM Sourced Client" has the meaning set forth in Section 7 hereto.

"Companies" has the meaning set forth in the Preamble hereto.

"Company Indemnified Persons" has the meaning set forth in Section 8(b) hereto.

"Confidential Information" has the meaning set forth in Section 12(g) hereto.

"Covered Fund Document" has the meaning set forth in Section 3(c) hereto.

"Covered Fund" means any pooled investment fund (or similar pooled investment vehicle) for which any of the Companies or any of their Subsidiaries acts as a sponsor, promoter, manager or organizer or which is created by the Companies or any of their Subsidiaries whether in existence on the date of this Agreement or formed after the date of this Agreement, and which has been approved for offer by the Placement Agents.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Existing Investor" means an Institutional Sourced Client that is, prior to first becoming a BNYM Sourced Client, an investor in a Covered Fund or Separately Managed Account.

"Fee Notice" has the meaning set forth in Section 7 hereto.

"Initial Fund or Account" has the meaning set forth in Section 7(a) hereto.

"Institutional Sourced Client" means a BNYM Sourced Client that is an institutional investor who in the aggregate owns and invests on a discretionary basis, not less than $25 million in investments.

"Interests" has the meaning set forth in the Recitals hereto.

"Investor" has the meaning set forth in Section 10(b)(iii) hereto.

"Licensed Names" has the meaning set forth in Section 12(l) hereto.

"Losses" has the meaning set forth in Section 8(a) hereto.

"Non-Institutional Sourced Client" means a BNYM Sourced Client that is not an Institutional Sourced Client.

"Offering Materials" means the applicable Private Placement Memorandum, Subscription Agreement, Covered Fund Document and any other documents mutually agreed upon between either Placement Agent and any of the Companies, their Subsidiaries or the Covered Funds relating to the offering and/or acquisition of Interests.

"Person" means an individual, partnership, joint venture, association, corporation, trust, estate, limited liability company, limited liability partnership, unincorporated entity of any kind, governmental entity, or any other legal entity.

"Placement Agent Fee" has the meaning set forth in Section 7 hereto.

"Placement Agents" and "Placement Agent" have the meanings set forth in the Preamble hereto.

"Private Placement Memorandum" has the meaning set forth in the Recitals hereto.

"Prospective Investors" has the meaning set forth in the Recitals hereto.

"Securities Act" has the meaning set forth in Section 3(a) hereto.

"Separately Managed Account" means a separately managed account (as that term is commonly understood in the managed funds industry) for a single investor, whether or not through an investment fund or other investment vehicle, for which the Companies or any of their Subsidiaries acts as sponsor, promoter, manager or organizer or which is created by the Companies or any of their Subsidiaries.

"Subscription Agreement" has the meaning set forth in Section 3(c) hereto.

"Subsidiaries" means any and all Persons, and "Subsidiary" means individually each Person, (whether or not incorporated) that any of the Companies directly or indirectly, owns, or in respect of which any of the Companies, directly or indirectly, has, (a) the power to vote or control over fifty percent (50%) or more of any class or series of capital shares or other equity interests of such Person or (b) a general partnership interest, managing member interest or similar interest entitling any of the Companies, directly or indirectly, to govern the affairs of such Person.

"Successor Fund" means any Covered Fund that is a "successor fund" to a Covered Fund; provided that the investment objective guidelines of such successor fund are substantially similar to the investment objective guidelines of the Covered Fund.

2. Appointment of Placement Agent.

(a) The Companies hereby appoint, and agree to cause each of their Subsidiaries, each of the Covered Funds and each Separately Managed Account to appoint, each Placement Agent as a non-exclusive placement agent with respect to Prospective Investors upon the terms herein set forth. Each Placement Agent hereby accepts such appointment and agrees to act on a "best efforts" basis, acting as the Companies', their Subsidiaries', the Covered Funds' and the Separately Managed Accounts' agent in connection with the offer and sale of Interests and not as principal. This Agreement shall not give rise to any expressed or implied commitment by either Placement Agent to purchase or place any of the Interests.

(b) Notwithstanding anything to the contrary contained in this Agreement or the Offering Materials, each Placement Agent has absolute discretion (subject to Section 6(b) hereof) to offer Interests to any Prospective Investors and the Placement Agents shall receive the Placement Agent Fee as set out in Section 7 hereof in connection with the sale of Interests to any such Prospective Investors.

3. Offer and Sale of Interests.

(a) The Companies will cause the Covered Funds to issue all Interests in a transaction that is intended to be exempt from the registration requirements under the Securities Act of 1933, as amended (the "Securities Act"), and the Investment Company Act of 1940, as amended (the "1940 Act"), and otherwise in compliance with the applicable laws and regulations of any jurisdictions in which Interests are offered for sale.

(b) Offers of Interests to each Prospective Investor shall be made by either Placement Agent and any Person acting on its behalf, including any Affiliate or sales or marketing agent, or any other Person acting as a placement agent or in a similar capacity, on behalf of the Companies, their Subsidiaries or the Covered Funds, through the applicable Offering Materials.

(c) Interests in the Covered Funds will be offered subject to the minimum commitment per subscriber, as set forth in the applicable Private Placement Memorandum. The capital commitment of any Prospective Investor whose subscription is accepted by the applicable Covered Fund shall be made in accordance with such Covered Fund's subscription agreement (the "Subscription Agreement") and operative document (the "Covered Fund Document"). Each Prospective Investor will be required to deliver a completed Subscription Agreement to the applicable Covered Fund at the address specified therein. No Prospective Investor shall have the right to purchase any Interests until the Subscription Agreement has been accepted by the applicable Covered Fund. Interests in Separately Managed Accounts will be offered to a Prospective Investor only pursuant to the terms and conditions agreed (if any) between any of the Companies or any of their Subsidiaries, on the one hand, and such Prospective Investor, on the other hand.

(d) The Companies shall be entitled in their absolute discretion to refuse to accept any application for the purchase of Interests, in whole or in part, without liability or obligation to the Placement Agents.

(e) Unless the Interests have been registered for public sale under the laws of a relevant jurisdiction, the Placement Agents will not, and the Companies will not and will cause their Subsidiaries, the Covered Funds and each other Person acting on their behalf not to, offer to sell, offer for sale or sell the Interests by means of any (i) form of general solicitation or general advertising as defined in Regulation D promulgated under the Securities Act, (ii) advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio or (iii) seminar or meeting whose attendees have been invited by any general solicitation or general advertising.

(f) The Companies will not, and will cause their Subsidiaries, the Covered Funds and each other Person acting on their behalf not to, directly or indirectly, offer or sell any securities of the same or similar class as the Interests, or take any other action, so as to cause the offer and sale of any Interests to fail to be entitled to the exemption afforded by Regulation D promulgated under the Securities Act.

(g) Each Placement Agent and any Person acting on its behalf, including any Affiliate or sales or marketing agent, will comply in all material respects with all applicable laws and regulations concerning the offering of Interests without registration in each jurisdiction in which it offers for sale Interests. Each Placement Agent is authorized to give any information or make any representations in relation to the Interests contained in the Offering Materials and such additional information, if any, as any of the Companies, any of their Subsidiaries or any of the Covered Funds shall provide to and authorize each Placement Agent to use and distribute to Prospective Investors. In addition, each Placement Agent may respond orally to questions of Prospective Investors without prior approval of any of the Companies or any other Person so long as any such response is not inconsistent with the information contained in the Offering Materials.

(h) The Placement Agents acknowledge that the Covered Funds are not and will not be registered under the 1940 Act or under the laws of any jurisdiction, and the Interests have not been registered under the Securities Act, the Exchange Act or the securities laws of any other jurisdiction. Each Placement Agent agrees that it will not undertake any actions which may require the Covered Funds or any offering of interests thereof to become so registered or otherwise make any filings, obtain any consents or become registered under the laws of any jurisdiction. The Companies will, and will cause their Subsidiaries and the Covered Funds to, file in a timely manner with the Securities and Exchange Commission and/or each state regulatory authority any notices or other filings with respect to Interests required under Regulation D promulgated under the Securities Act and/or applicable state laws or regulations and, upon receipt of a written request, will furnish to the Placement Agents a signed copy of each such notice or filing.

(i) The Companies will ensure that at the time of each sale of Interests that each Prospective Investor has provided evidence satisfactory to the Companies as to its qualification to acquire the Interests, including to the effect that such Prospective Investor is (i) an "accredited investor," as that term is defined in Rule 501 of Regulation D promulgated under the Securities Act (or is otherwise able to acquire the Interests pursuant to another exemption from registration under the Securities Act), and a "qualified purchaser," as defined in Section 2(a)(51) of the 1940 Act or (ii) outside of the United States and not a "U.S. Person", as that term is defined in Rule 902 of Regulation S promulgated under the Securities Act. The Companies and the Covered Funds shall have the right to reject any Prospective Investor. The Subscription Agreement will also contain representations of each Prospective Investor that such Prospective Investor has carefully reviewed all Offering Materials and has been furnished with all other materials that it considers relevant to an investment in the Interests, has had a full opportunity to ask questions of and receive answers from the applicable Covered Fund or any Person or Persons acting on behalf of the applicable Covered Fund concerning the terms and conditions of an investment in the Interests and no statement of printed material which is contrary to the disclosure documents has been made or given to the Prospective Investor by or on behalf of the applicable Covered Fund; and that the Prospective Investor is not relying upon, and has not relied upon, any statement, representation or warranty made by any Person, including, without limitation, each Placement Agent, except for the statements, representations and warranties contained in the Offering Materials. The Subscription Agreement shall include disclosure to the Prospective Investors that the Placement Agents are being compensated by the Companies; provided, that such disclosure may also disclose that the fees and expenses paid by the Prospective Investors are not affected by the fact that the Placement Agents are being compensated by the Companies. Subject to Section 8, the Companies will be solely responsible for monitoring compliance by the Companies, their Subsidiaries and the Covered Funds with applicable securities laws and regulations, including the applicable requirements of Section 4(2) of the Securities Act and Regulation D promulgated thereunder, and of Section 3(c)(7) of the 1940 Act.

(j) Each Placement Agent shall review all marketing and promotional materials provided to it by the Companies or the Covered Funds that are to be used in the offer and sale of Interests for compliance with laws and regulations applicable to such Placement Agent. If either Placement Agent, in its reasonable discretion, determines that any marketing and promotional materials are not in compliance with laws and regulations applicable to such Placement Agent, then such Placement Agent reserves the right not to use such materials in connection with its activities hereunder unless and until such marketing and promotional materials are modified in accordance with such Placement Agent's reasonable instructions.

(k) If either a Company or a Placement Agent becomes aware of any law or regulation that restricts the use by a Company of a Placement Agent in connection with an offer or sale of Interests to a Prospective Investor that is being solicited by, or actively considered for solicitation by, a Placement Agent (including a Prospective Investor that is a unit of, or a pension plan for the benefit of the employees of, any national, state or local government) (a "Restrictive Law"), then such party shall promptly notify the other of the existence of the Restrictive Law. To the extent that a Restrictive Law would prohibit or restrict the participation of a Placement Agent in the offer or sale of Interests to a Prospective Investor that is being solicited by, or actively considered for solicitation by, a Placement Agent, the parties will in good faith endeavor to determine whether the parties can accomplish the purposes of this Agreement without violation of such Restrictive Law; provided, however, that no Company shall make any payment to a Placement Agent in violation of any Restrictive Law. To the extent that a Restrictive Law permits the participation of a Placement Agent in an offer or sale of Interests to a Prospective Investor, but imposes reporting or disclosure requirements, or some other requirement, in connection with that participation, the parties shall cooperate to meet such requirements.

(l) No Placement Agent shall, without the consent of the relevant Company, which consent shall not unreasonably be withheld, enter into any fee-sharing agreement or similar arrangement with any Person that is not an Affiliate of such Placement Agent, or pay any compensation to any Person that is not an Affiliate of such Placement Agent, in connection with the offer or sale of an Interest to any Prospective Investor, other than bona fide arrangements for compensation for services rendered to the Placement Agent in the ordinary course of such Placement Agent's business.

4. Reliance. The Companies acknowledge that each Placement Agent, in arranging for the placement of Interests, will do so in reliance on the representations, warranties, covenants and agreements of the applicable Covered Fund contained in the Offering Materials. Each Placement Agent acknowledges that the Companies, in their engagement of each Placement Agent in connection with the placement of Interests, do so in reliance on the representations, warranties, covenants and agreements of each Placement Agent contained in this Agreement.

The Companies recognize that each Placement Agent, in providing its services under this Agreement, will rely upon and assume the accuracy and completeness of the financial, accounting, tax and other information discussed with or reviewed by it for such purpose, and it does not assume responsibility for the accuracy and completeness thereof. Neither Placement Agent will have any obligation to conduct any independent evaluation or appraisal of the assets or the liabilities of any of the Covered Funds, Separately Managed Accounts or any other Person or to advise or opine on related solvency issues.

5. Representations and Warranties of the Companies. The Companies jointly and severally represent, warrant, and covenant to each Placement Agent, for its benefit that:

(a) each of the Companies is duly formed and validly existing under the laws of the jurisdiction of its organization and has the requisite power and authority to conduct its business. Each Covered Fund is and will at all times be duly formed and validly existing under the laws of the jurisdiction of its organization and has and at all times will have the requisite power and authority to conduct such Covered Fund's business as contemplated by the Offering Materials and the Covered Fund Document;

(b) the execution, delivery and performance of this Agreement have been duly authorized by all necessary action of each of the Companies, and upon execution and delivery hereof, this Agreement will be a valid, binding and enforceable obligation of each of the Companies;

(c) the Interests to be issued and sold by the Covered Funds have been (or in the case of any Covered Fund formed after the date of this Agreement will be) duly and validly authorized and, when issued and delivered against payment thereof, as provided in the applicable Subscription Agreement, will be duly and validly issued and fully paid and non assessable and will conform to the description of the Interests contained in the applicable Covered Fund's Offering Materials and Covered Fund Document, such descriptions being accurate, complete and fair;

(d) it is not necessary in connection with the sale of any Interests to register the Interests under the Securities Act;

(e) none of the Covered Funds, the Companies, their Subsidiaries or the Separately Managed Accounts is and, after giving effect to the offering and sale of Interests and the application of proceeds thereof, none of them will be an "investment company", as such term is defined in the 1940 Act;

(f) all action required to be taken by the Companies, their Subsidiaries, the Covered Funds or the Separately Managed Accounts as a condition to the sale of Interests has been, or prior to each closing of a sale of Interests will have been, taken;

(g) true and correct copies of the Private Placement Memorandum (including exhibits thereto), the Covered Fund Document, the Subscription Agreement and all other documents comprising the Offering Materials distributed by or on behalf of each Covered Fund have been provided to (or will be provided to, prior to each sale of Interests to Prospective Investors) the Placement Agents, and any other information distributed by (or made available by) any of the Companies, any of their Subsidiaries or any of the Covered Funds to any Prospective Investor or BNYM Sourced Client will have been provided to, or will promptly after being delivered or made available to the Prospective Investor or BNYM Sourced Client, be provided to, the Placement Agents;

(h) the Offering Materials do not, and in the future will not, as of the date of the applicable Offering Materials, contain any untrue statement of a material fact, or omit to state any material fact necessary in order to make the statements contained therein, in light of the circumstances under which they are made, not misleading (except to the extent such facts were included in the Offering Materials strictly in conformity with written information furnished to the Companies by the Placement Agents solely for inclusion therein). Each Placement Agent is entitled to rely without investigation on all information supplied to it by any Covered Fund or the Companies, and such Placement Agent shall not in any respect be responsible for the accuracy or completeness of, or have any obligation to verify, the same;

(i) except as may be required under the applicable securities laws or blue sky filings, no permit, consent, approval or authorization of, or declaration to, or filing with, any governmental or regulatory authority is required in connection with the (i) execution, delivery and performance by any of the Companies of this Agreement or (ii) consummation of any of the transactions contemplated herein by the Companies, their Subsidiaries or the Covered Funds;

(j) there are no legal or governmental proceedings pending to which any of the Companies, their Subsidiaries, the Covered Funds or the Separately Managed Accounts is a party or of which any property of any of the Companies, their Subsidiaries, the Covered Funds or the Separately Managed Accounts is the subject which, if determined adversely to any such Person, would reasonably be expected to, individually or in the aggregate, have a material adverse effect on the financial position or results of operations of any of the Companies, their Subsidiaries, the Covered Funds or the Separately Managed Accounts; and, to the best of the Companies' knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by any other Person, and the Companies will notify each Placement Agent in writing if during the term of this Agreement any of the Companies becomes aware of any such proceedings;

(k) the Companies will, or will cause their Subsidiaries and the Covered Funds to, so long as any of the Interests remain outstanding, furnish to each Placement Agent copies of any annual report or interim report of any of the Covered Funds or Separately Managed Accounts that are sent (or made available) to Prospective Investors at the same time or promptly after they are sent or made available to any Prospective Investor. Provided that the relevant Prospective Investor so authorizes the Companies, the Companies will supply the Placement Agents, on a quarterly basis, with capital account statements for each Prospective Investor investing in a Covered Fund;

(l) the Companies will provide to each Placement Agent all legal opinions and all opinions and letters of accountants and certificates of the Companies, their Subsidiaries or the Covered Funds delivered to any BNYM Sourced Client;

(m) none of the Companies, their Subsidiaries, the Covered Funds, the Separately Managed Accounts or any of their respective Affiliates or any Person acting on their behalf, shall conduct an offering or issuance of Interests in any jurisdiction, except in compliance with the applicable laws and regulations in any such jurisdiction;

(n) the Companies will make available to all Prospective Investors such information concerning the offering of the Interests and other relevant matters as shall be reasonably requested by a Prospective Investor or either Placement Agent and as required by Rule 502 of Regulation D promulgated under the Securities Act;

(o) if any event shall occur or condition exist as a result of which it is necessary or advisable, in the reasonable opinion of the Companies or the Placement Agents, to amend or supplement any Offering Materials in order that such Offering Materials do not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, the Companies will promptly (i) notify each Placement Agent of such event or condition (in the event it is the Companies who believe the amendment or supplement is necessary or advisable) and (ii) prepare and furnish to each Placement Agent such number of copies as such Placement Agent may reasonably request of such an amendment or supplement to such Offering Materials;

(p) the Companies will, and will cause their Subsidiaries and the Covered Funds to, provide assistance to each Placement Agent in its marketing efforts as may be reasonably requested by such Placement Agent, including providing updated performance information and meeting and participating in calls with Prospective Investors at reasonable times and upon reasonable notice;

(q) the Companies undertake to notify each Placement Agent immediately of any and all information of which it is or becomes aware at any time which would, or might, indicate that any of the representations, warranties or covenants in this Agreement are not, or have ceased to be, or would not be if then repeated with reference to the facts and circumstances then prevailing, true and accurate in all material respects, and to take such steps as may be reasonably requested by either Placement Agent to remedy and/or publicize the same;

(r) the Companies agree to provide, or cause to be provided (including, without limitation, by the administrator of any Covered Fund or Separately Managed Account), to the Placement Agents on a timely basis (i) sufficient copies of the Offering Materials, including, without limitation, all updates and supplements thereto and completed Subscription Agreements and (ii) such other documents or materials as either Placement Agent may reasonably request (including, without limitation, relating to or in connection with the Placement Agents' obligations under this Agreement and to confirm any Prospective Investor's eligibility to invest in the applicable Covered Fund or Separately Managed Account);

(s) the Companies will notify and promptly forward to the Placement Agents any Prospective Investor complaint made to the Companies, any Covered Fund or any Separately Managed Account related to the offer of Interests by either Placement Agent, or pertaining to a representative or employee of either Placement Agent; and

(t) Schedule 5(t) sets forth a true and complete list of the Existing Investors as of the date hereof. The Companies will use their reasonable best efforts to update and deliver this Schedule to the Placement Agents promptly after each such time a new investor in any Covered Fund or Separately Managed Account becomes an Existing Investor.

6. Representations, Warranties and Covenants of each Placement Agent. Each Placement Agent severally and not jointly represents, warrants and covenants to the Companies, for their benefit that:

(a) such Placement Agent will solicit offers to acquire Interests only in compliance with the procedures described in the applicable Offering Materials and this Agreement and in accordance with applicable laws;

(b) such Placement Agent will only offer Interests to Prospective Investors that have a substantial pre-existing relationship with such Placement Agent and such

Placement Agent reasonably believes are (i) "accredited investors" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act and "qualified purchasers" as defined in section 2(a)(51) of the 1940 Act or (ii) outside of the United States and not "U.S. Persons", as that term is defined in Rule 902 of Regulation S promulgated under the Securities Act;

(c) such Placement Agent undertakes to notify the Companies immediately of any and all information of which it is or becomes aware at any time which would, or might, indicate that any of the representations, warranties or covenants in this Agreement are not, or have ceased to be, or would not be if then repeated with reference to the facts and circumstances then prevailing, true and accurate in all material respects and to take such steps as may be reasonably requested by the Companies to remedy and/or publicize the same;

(d) such Placement Agent is duly formed and validly existing under the laws of the jurisdiction of its organization and has the requisite power and authority to conduct its business and perform its duties hereunder;

(e) the execution, delivery and performance of this Agreement have been duly authorized by all necessary action of such Placement Agent, and upon execution and delivery hereof, this Agreement will be a valid, binding and enforceable obligation of such Placement Agent;

(f) each Placement Agent and its Affiliates will exercise commercially reasonable efforts to advise the Companies promptly, in no case later than 15 days after, making the first offer to a potential investor in any given jurisdiction. The Placement Agents and their Affiliates need not give the Companies the aforementioned notice with respect to any jurisdiction in the European Economic Area, People's Republic of China (including Hong Kong), Singapore, Taiwan, Indonesia, Israel, Kingdom of Saudi Arabia, Switzerland, United Arab Emirates, Japan, Australia, South Korea, India, Canada or the United States;

(g) each Placement Agent agrees that, to the extent applicable, it and its Affiliates will comply with applicable "know your customer" requirements of the applicable securities self-regulatory organizations, and all other applicable anti-money laundering, embargo and trade sanctions, or similar laws, statutes and regulations, requirements or regulatory policies (collectively, the "AML Rules"). For the avoidance of doubt, the Companies shall remain responsible for all AML Rules as may be applicable to them;

(h) no Placement Agent will (i) use the Covered Fund Documents or Offering Materials, or other documents received from the Companies or their Affiliates, in any way which is unlawful, prohibited by any offering rule or regulation or which is contrary to the reasonable instructions or directions of the Companies, (ii) furnish to any Person a part of the Private Placement Memorandum (instead of the complete document), or (iii) modify, alter, amend or change any materials provided to it by or on behalf of any Covered Fund;

(i) each Placement Agent agrees that, following notice from the Companies that any Covered Fund Document or Offering Material has been withdrawn or supplemented, such Placement Agent will no longer circulate the superseded version of such Covered Fund Document or Offering Material, except, where applicable, with the appropriate supplement; and

potential

(j) each Placement Agent, at the time of any solicitation activities for which compensation is paid or to be paid by the Companies, will provide investors in Separately Managed Accounts with a current copy of the Companies' written disclosure statement required by Rule 204-3 under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and a separate written disclosure document described in Rule 206(4)-3b under the Advisers Act.

7. Compensation of Placement Agent. In consideration for the services performed hereunder, the Companies agree to pay each Placement Agent, or cause their Subsidiaries and the Covered Funds to pay each Placement Agent, a fee with respect to each investor in a Covered Fund or Separately Managed Account sourced by such Placement Agent (a "BNYM Sourced Client") as set forth below; provided that the amount of the fee will be subject to adjustment as reasonably agreed by such Placement Agent and the Companies in the case of the Covered Funds or a Separately Managed Account that have non-standard fee arrangements that are inconsistent with past practice (*e.g.*, lower management fee or higher carry arrangements) (the "Placement Agent Fee"):

(a) New Client Investments. Such Placement Agent shall receive the following fee with respect to each investment made from time to time by each Institutional Sourced Client (other than Existing Investors) in the Covered Fund(s) and/or Separately Managed Account(s) in which such Institutional Sourced Client has agreed (or committed) to invest upon becoming a BNYM Sourced Client (each an "Initial Fund or Account"):

i. 25% of the management fees received by the Companies and/or their Subsidiaries with respect to the first 4 years of such investment; and

ii. 2.5% of the management fees received by the Companies and/or their Subsidiaries for the remaining life of such investment;

(b) Subsequent Client Investments in a Fund (other than a Successor Fund) or Account. Such Placement Agent shall receive the following fee with respect to each investment made from time to time by each Institutional Sourced Client (other than Existing Investors) in any Covered Fund or Separately Managed Account that is not an Initial Fund or Account of such Institutional Sourced Client and, with respect to a Covered Fund, is not a Successor Fund to any Covered Fund in which such Institutional Sourced Client has previously invested:

i. 25% of the management fees received by the Companies and/or their Subsidiaries with respect to the first 3 years of such investment; and

ii. 2.5% of the management fees received by the Companies and/or their Subsidiaries for the remaining life of such investment; and

(c) Subsequent Client Investments in a Successor Fund. Such Placement Agent shall receive the following fee with respect to each investment made from time to time by each Institutional Sourced Client (other than Existing Investors) in any Covered Fund that is a Successor Fund to any Covered Fund in which such Institutional Sourced Client has previously invested:

i. 25% of the management fees received by the Companies and/or their Subsidiaries with respect to the first 2 years of such investment; and

ii. 2.5% of the management fees received by the Companies and/or their Subsidiaries for the remaining life of such investment.

Such Placement Agent Fees shall be payable promptly following receipt by any of the Companies or any of their Subsidiaries of each installment of the management fee with respect to each such BNYM Sourced Client's Interests as soon as practicable after the Companies and/or their Subsidiaries receive the related management fees.

The Companies shall provide the Placement Agents, promptly upon request, with information regarding the specific dollar amounts of assets under management with respect to, and corresponding investment management fees paid by, BNYM Sourced Clients in order to permit the Placement Agents to accurately track and verify all compensation paid by the Companies, their Subsidiaries, the Covered Funds and the Separately Managed Accounts hereunder.

The Placement Agents shall provide written notice (each a "Fee Notice") to the Companies setting forth whether the Placement Agent Fees payable with respect to each investment by each BNYM Sourced Client is payable pursuant to Section 7(a), 7(b) or 7(c). If the Companies do not give written notice to the Placement Agents of a dispute with respect to a Fee Notice within 10 days of the Companies receiving such Fee Notice, the Placement Agent Fees set forth in such Fee Notice, with respect to each of the investments and investors set forth in the Fee Notice, are deemed to be the Placement Agent Fees payable pursuant to this Agreement with respect to such investments of such investors, and such investors are deemed to be Institutional Sourced Clients. If the Companies give written notice of a dispute to the Placement Agents within such 10 day period, the Placement Agents and the Companies agree to negotiate in good faith to resolve such dispute.

The parties hereto agree to negotiate in good faith after the date hereof to reasonably agree on the Placement Agent Fee payable with respect to Non-Institutional Sourced Clients.

8. Indemnification.

(a) The Companies will jointly and severally indemnify and hold harmless each Placement Agent, its Affiliates and any Person acting on its or their behalf (the "BNYM Indemnified Persons") against all losses, claims, damages, costs, expenses and liabilities, joint or several (collectively, "Losses"), to which any BNYM Indemnified Person may become subject, insofar as such Losses (or actions in respect thereof) arise out of or relate to (i) a material breach by the Companies, their Subsidiaries, the Covered Funds or the Separately Managed Accounts of applicable law, (ii) a breach by the Companies, any of their Subsidiaries, any of the Covered Funds or any of the Separately Managed Accounts of the representations, warranties, covenants or other terms and provisions of the Offering Materials or this Agreement, (iii) as a result of any action or claims brought by Prospective Investors or BNYM Sourced Clients arising out of or relating to the Companies, their Subsidiaries, the Covered Funds or the Separately Managed Accounts, other than to the extent either Placement Agent is required to indemnify the Companies pursuant to Section 8(b) hereto or (iv) an untrue statement or alleged untrue statement of a material fact contained in the Offering Materials as of the date of the Offering Materials or the omission or alleged omission to state therein a material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading as of the date of the Offering Materials, other than to the extent either Placement Agent is required to indemnify the Companies pursuant to Section 8(b)(iii) hereto, and will reimburse the BNYM Indemnified Persons for all legal or other expenses reasonably incurred by such BNYM Indemnified Person in connection with investigating or defending any such action or claim as such expenses are incurred.

(b) Each Placement Agent will severally and not jointly indemnify and hold harmless the Companies, their Subsidiaries, the Covered Funds and the Separately Managed Accounts (the "<u>Company Indemnified Persons</u>") against all Losses to which any Company Indemnified Person may become subject, insofar as such Losses (or actions in respect thereof) arise out of or relate to (i) a material breach by such Placement Agent of applicable law, (ii) a breach by such Placement Agent of the representations, warranties, covenants or other terms and provisions of this Agreement; and will reimburse the Company Indemnified Persons for all legal or other expenses reasonably incurred by the such Company Indemnified Person in connection with investigating or defending any such action or claim as such expenses are incurred or (iii) an untrue statement of a material fact contained in the Offering Materials as of the date of the Offering Materials, to the extent such facts were included in the Offering Materials strictly in conformity with written information furnished to the Companies by the Placement Agent solely for inclusion therein.

(c) The obligations of the Companies under this Section 8 shall be in addition to any liability which the Companies, their Subsidiaries or the Covered Funds may otherwise have and shall extend, upon the same terms and conditions, to each Person, if any, who controls a Placement Agent within the meaning of the Securities Act, to Affiliates of such Placement Agent and to any Person acting on behalf of any such Persons; and the obligations of such Placement Agent under this Section 8 shall be in addition to any liability which such Placement Agent may otherwise have and shall extend, upon the same terms and conditions, to each Person, if any, who controls the Companies within the meaning of the Securities Act.

9. <u>Survival of Representations, Warranties and Agreements</u>. All representations, warranties, covenants and agreements in this Agreement and any documents delivered by or on behalf of any of the Companies, their Subsidiaries, the Covered Funds or the Separately Managed Accounts in connection with this Agreement shall survive, with respect to the offer or sale of Interests, the offer and sale by either Placement Agent of such Interests.

10. Investment in Future Funds; Most Favored Nation.

(a) Investment in Future Funds. The Placement Agents and their Affiliates and clients, shall have the right, but not the obligation, to invest up to an aggregate dollar amount or percentage of the total capital commitments in each Covered Fund formed after the date of this Agreement as the parties hereto shall agree after the date hereof. The parties hereto shall negotiate in good faith to agree to such dollar amount or percentage.

(b) Most Favored Nation.

(i) The Placement Agents and their Affiliates investing in any Covered Fund for their own account shall receive most favored investor treatment, with standard industry carve-outs relating to tax, regulatory, compliance and other matters applicable to specific types of investors, consistent with the Companies' past practice and set forth on Schedule 10(b) hereto, on investments in each Covered Fund after the date of this Agreement with respect to any rights received by any other investor (excluding the Companies, their Subsidiaries and any employee of any of the Companies or their Subsidiaries) in such Covered Fund.

(ii) Clients of the Placement Agents and their Affiliates that invest in any Covered Fund shall receive most favored investor treatment, with standard industry carve-outs relating to tax, regulatory, compliance and other matters applicable to specific types of investors, consistent with the Companies' past practice and set forth on Schedule 10(b) hereto, on investments in each Covered Fund after the date of this Agreement with respect to any rights received by any other investor (excluding the Companies, their Subsidiaries, any employee of any of the Companies or their Subsidiaries, the Placement Agents and the Placement Agents' Affiliates) in such Covered Fund whose aggregate investment in such Covered Fund is equal to or less than that made, in aggregate, by such clients, the Placement Agents and the Placement Agents' Affiliates.

(iii) Clients of a Placement Agent and its Affiliates (each an "Investor") that invest in any Separately Managed Account shall receive most favored investor treatment, with standard industry carve-outs relating to tax, regulatory, compliance and other matters applicable to specific types of investors, consistent with the Companies' past practice and set forth on Schedule 10(b) hereto, on the management fees and carry arrangements on investments in such Separately Managed Account after the date of this Agreement with respect to the management fees and carry arrangements for any other investors (excluding the Companies, their Subsidiaries and any employee of any of the Companies or their Subsidiaries) in any other Separately Managed Account with an amount invested that is equal to or less than that made by such Investor in its Separately Managed Account; provided that such Investors will not receive such most favored investor treatment to the extent that the Companies reasonably determine that it would not be practical to do so taking into account the different investment objectives, different levels of required service or other differences between such other Separately Managed Accounts and the Separately Managed Accounts of such Investors.

11. Cooperation.

(a) The Companies will, and will cause their Subsidiaries, the Covered Funds and the Separately Managed Accounts to, provide reasonable cooperation to the Placement Agents to satisfy any regulatory requirements applicable to either Placement Agent, including making available any books and records relating to any services performed by either Placement Agent under this Agreement for inspection and photocopying by the Placement Agents for purposes of satisfying such regulatory requirements.

(b) Upon notice from either Placement Agent that it, or any of its Affiliates, has received a request for information or documentary material from any governmental or self-regulatory entity with respect to matters relating to this Agreement or the performance of any services under this Agreement, the Companies will, and will cause their Subsidiaries, the Covered Funds and the Separately Managed Accounts to, provide reasonable cooperation to the Placement Agents, at the Placement Agents' expense, in good faith, and as soon as practicable, in making an appropriate response to such request.

12. Miscellaneous.

(a) Termination. This Agreement may be terminated by the Companies or the Placement Agents upon ninety (90) days written notice to the other parties hereto. In addition, any party hereto may terminate this Agreement immediately if required by applicable laws (including pursuant to a regulator's request or direction) or if the solicitation activities or payments under this Agreement are interpreted to be in violation of applicable laws. This Agreement may be terminated as to one or more Covered Funds and/or Separately Managed Accounts without terminating as to any other Covered Funds or Separately Managed Account and as to one or more Placement Agents without terminating as to any other Placement Agent. Upon termination of this Agreement for any reason the Placement Agents shall cease to promote, market, advertise or solicit Prospective Investors for the Interests. The termination of this Agreement shall in no way alter or effect the obligation to continue payment of the Placement Agent Fees due hereunder as set forth in Section 7 as to Interests sold on or prior to the date of such termination. The provisions of Sections 1 (as applicable), 8, 9, 10 (with respect to Interests sold on or prior to the date of such termination) and 12 of this Agreement shall survive the termination of this Agreement. For the avoidance of doubt, the termination of this Agreement shall in no way alter or effect the obligation of the Companies or the Placement Agents to continue to indemnify the BNYM Indemnified Persons or the Company Indemnified Persons, as applicable, against all Losses, whether arising prior to or after the termination of this Agreement, pursuant to Section 8 hereto. Nothing herein shall relieve any party hereto from liability or damages to any other party hereto resulting from any breach of this Agreement prior to any termination of this Agreement

(b) Successors and Assigns. No party hereto may assign any of its rights or delegate any of its duties hereunder without prior written consent of each other party hereto; provided that each Placement Agent may assign all or any portion of its rights and delegate all or any portion of its duties hereunder, without the consent of any of the Companies, to an Affiliate of such Placement Agent; provided further that no such assignment shall relieve such Placement Agent of its obligations under this Agreement. This Agreement shall be binding upon and inure to the benefit of each party's respective successors and permitted assigns. Other than as specifically set forth in this Agreement (including, without limitation, in Sections 8 and 10 hereto), nothing in this Agreement, express or implied, is intended to confer upon any Person other than the parties hereto and their respective successors and permitted assigns, any rights or remedies under or by reason of this Agreement nor shall any such rights or remedies hereunder be enforceable by any other Person.

(c) Communications. All communications as they relate to this Agreement shall be made by facsimile, email or letter delivered by overnight or express mail or courier. Each communication shall be made to the relevant party hereto at the facsimile number, email address or physical address and marked for the attention of the Person set forth below unless specified otherwise in a written notice by that party to the other parties hereto for such purpose.

If to either of the Placement Agents:

c/o The Bank of New York Mellon Corporation
One Wall Street
New York, New York 10286
Attention: General Counsel
Marc Frimet, Esq., Managing Director and
Senior Managing Counsel
Facsimile: (212) 635-1070
(212) 922-6494
Email: marc.frimet@bnymellon.com

with a copy to (which shall not constitute notice):

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, NY 10004
Attention: Lawrence N. Barshay, Esq.
Murray Goldfarb, Esq.
Facsimile: (212) 859-4000
Email: Lawrence.Barshay@friedfrank.com
Murray.Goldfarb@friedfrank.com

If to any of the Companies:

c/o Siguler Guff & Company, LP
825 Third Avenue, 10th Floor
New York, NY 10022
Attention: Kenneth Burns
Facsimile: (212) 332-5120
Email: kburns@sigulerguff.com

with a copy to (which shall not constitute notice):

Ropes & Gray LLP
One International Place
Boston, MA 02110-2624
Attention : Paul F. Van Houten, Esq.
Facsimile : (617) 951-7050
Email: Paul.VanHouten@ropesgray.com

(d) Independent Contractor; Disclaimer. It is understood and agreed that each Placement Agent will act under this Agreement as an independent contractor with duties solely to the Companies and nothing in this Agreement or the nature of such Placement Agent's services shall be deemed to create a fiduciary or agency relationship between such Placement Agent and (i) any of the Companies; (ii) any Subsidiary of any of the Companies; (iii) any Covered Fund; (iv) any Separately Managed Account; or (v) any Affiliate of any of the Companies, any of their Subsidiaries, any of the Covered Funds or any of the Separately Managed Accounts.

Each Placement Agent does not provide accounting, tax or legal advice. Notwithstanding anything herein to the contrary, any party hereto is authorized to disclose to any Person the U.S. federal and state income tax treatment and tax structure of the potential transaction and all materials of any kind (including tax opinions and other tax analyses) in connection with this Agreement to the other parties hereto relating to that treatment and structure, without imposing any limitation of any kind. However, any information relating to the tax treatment and tax structure shall remain confidential (and the foregoing sentence shall not apply) to the extent necessary to enable any Person to comply with securities laws. For this purpose, "tax structure" is limited to any facts that may be relevant to that treatment.

(e) Governing Law; Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to the conflict of laws provisions thereof. EACH OF THE COMPANIES AND EACH PLACEMENT AGENT HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. Each of the Companies and each Placement Agent agree that, in connection with any legal suit or proceeding arising with respect to this Agreement it shall submit to the jurisdiction of the United States District Court for the Southern District of New York and of any state court located in the city of New York and hereby agrees to venue in such courts.

(f) Entire Agreement; Amendment. This Agreement constitutes the entire agreement among the parties hereto with respect to its subject matter and supersedes any and all prior agreements and understandings, whether written or oral, among them regarding such subject matter. This Agreement may be amended, supplemented or waived only by a writing signed by each of the parties hereto. No waiver by any party hereto shall be deemed to extend to any prior or subsequent default or breach or affect in any way any rights arising by virtue of any prior or subsequent occurrence.

(g) Confidentiality. This Agreement, the terms hereof and all matters associated or disclosed to any other party in connection herewith (including, without limitation, with respect to the Companies, their Subsidiaries, the Covered Funds, the Separately Managed Accounts and the identity of the Prospective Investors other than any information relating solely to a BNYM Sourced Client after such BNYM Sourced Client has invested in a Covered Fund or Separately Managed Account) (collectively, the "Confidential Information") shall be treated as confidential by each of the parties hereto and shall not be used or disclosed to third parties except (i) as permitted under this Agreement (including, without limitation, to Prospective Investors), (ii) to Affiliates, officers and directors of the parties hereto, (iii) as required by law or through a judicial, administrative, governmental or self-regulatory organization, or in connection with any process, investigation, inquiry or proceeding thereby, (iv) which is disclosed with the prior written consent of the other party, (v) which shall after the date of this Agreement become published or otherwise generally available to the public, except in consequence of a breach of this paragraph, (vi) which the recipient party can prove was already known to it before its receipt from the disclosing party or (vii) to the extent made available to the recipient party by a third party who is entitled to divulge such information. Each Placement Agent agrees and acknowledges that any information that it receives regarding the Covered Funds or the Companies (including the Offering Materials) is subject to the confidentiality provisions of the applicable Covered Fund Document. The Companies will cause their Subsidiaries and Affiliates, the Covered Funds and the Separately Managed Accounts to comply with the provisions of this Section 12(g). The Companies agree to, and agree to cause each of their Subsidiaries, Affiliates and representatives, each Covered Fund and each Separately Managed Account to, share the Confidential Information with their accountants, attorneys, and other service providers in the normal course of business, provided that such service providers are made aware of the confidential nature of the Confidential Information.

Each party agrees that the other parties would be subject to potentially irreparable injury as a result of any breach of the covenants and agreements set forth in this Section 12(g), and that monetary damages would not be sufficient to compensate or make whole the injured party for any such breach. Accordingly, each party agrees that each other party shall be entitled to equitable and injunctive relief, on an emergency, temporary, preliminary, and/or permanent basis, to prevent any such breach or the continuation thereof. The terms of this Section 12(g) shall survive the termination of this Agreement.

(h) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

(i) Headings. The titles of the Sections of this Agreement are for convenience of reference only and are not to be considered in construing the terms and provisions of this Agreement.

(j) Terms and Provisions. The failure of any party hereto to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement. If any provision of this Agreement is invalid or unenforceable, the balance of this Agreement shall remain in effect, so long as the Agreement, as so modified, continues to express, without material change, the original intent of the parties hereto and deletion of such provision will not substantially impair the respective rights and obligations of the parties hereto, and if any provision is inapplicable to any Person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances.

(k) Expenses. Each Placement Agent shall pay for all of its own expenses incurred in connection with the negotiation of this Agreement and the performance of its obligations and duties under this Agreement. The Companies shall pay for their expenses incurred in connection with the negotiation of this Agreement and the performance of their obligations and duties under this Agreement (including, without limitation, the expenses of the Companies, the Subsidiaries, the Separately Managed Accounts and the Covered Funds in connection with the organization of the Separately Managed Accounts and the Covered Funds, the sale, and the offer for sale, of the Interests, and setting up or administering any Separately Managed Account or Covered Fund).

(l) Intellectual Property. Without the prior written approval of the Placement Agents, except to the extent required by law, none of the Companies, their Subsidiaries, the Covered Funds or the Separately Managed Accounts shall (i) use the name of The Bank of New York Mellon Corporation or any of its Affiliates, the name of any employee of The Bank of New York Mellon Corporation or any of its Affiliates, or any trade name, trademark, trade device, service mark, symbol or similar intellectual property of The Bank of New York Mellon Corporation or any of its Affiliates (or any abbreviation or derivation thereof) or (ii) represent, directly or indirectly, that any product or service provided by any of the Companies, their Subsidiaries, the Covered Funds, the Separately Managed Accounts or their respective Affiliates has been approved or endorsed by The Bank of New York Mellon Corporation or any of its Affiliates. For so long as this Agreement remains effective, the Placement Agents and their Affiliates shall have a royalty-free, non-assignable, limited license to use the name Siguler Guff and the names of the Covered Funds and related management companies, including any service mark relating thereto (the "Licensed Names") solely for the purpose of marketing the Interests to Prospective Investors. The Placement Agents and their respective Affiliates shall cease to use the Licensed Names promptly upon termination of this Agreement.

(m) Tax Treatment. For federal income tax purposes, all payments from the Companies to the Placement Agents pursuant to Article 7 shall be treated as an expense of the Companies. For the avoidance of doubt, if one or more of the Placement Agents becomes or is deemed to become a partner of Siguler Guff & Company, LP, the transactions contemplated by this Agreement shall be considered as occurring between Siguler Guff & Company, LP and one who is not a partner under Section 707(a) of the Internal Revenue Code of 1986, as amended.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Companies and the Placement Agents have caused their duly authorized representatives to execute this Agreement as of the date first written above.

SIGULER GUFF & COMPANY, LP

By: ______________________________
Name: Donald P. Spencer
Title: Managing Director of General Partner

SIGULER GUFF ADVISERS, LLC

By: ______________________________
Name:
Title: DONALD P. SPENCER
MANAGING DIRECTOR

SIGULER GUFF GLOBAL, LP

By: ______________________________
Name:
Title:
Donald P. Spencer
Managing Director of General Partner

MBSC SECURITIES CORPORATION

By: ______________________________
Name: Kenneth Bradle
Title: President

BNY MELLON ASSET MANAGEMENT INTERNATIONAL LIMITED

By: ______________________________
Name: ALAN MEARNS
Title: DIRECTOR

[Signature Page to Placement Agent Agreement]

Attachment 2

Please see the attached resume of Michael P. Keough, Director, Public Fund Sales at BNY Mellon Investment Management.

Michael P. Keough
Director
Public Fund Sales
BNY Mellon Investment Management

As part of the Public Funds Group for BNY Mellon Investment Management, Mr. Keough works closely with U.S. public funds to achieve a deep understanding of their broader investment challenges and specific asset class investment objectives. The experienced team is dedicated to developing long-standing, trusted relationships with public funds by providing asset management industry and public fund segment knowledge through creative insight, client-focused proprietary research and value-added solutions in collaboration with plan sponsors. Mr. Keough works closely with public funds' staff, Boards, Trustees and Associations, providing the full breadth and depth of BNY Mellon Investment Management's global investment expertise and resources.

Mr. Keough has 22 years of experience in the asset management industry and over 16 years of experience working with Public Funds. He joined BNY Mellon in 2013. Prior to that, Mr. Keough worked for four years at Siguler Guff and was actively involved in client relationship management and representing the Firm's capabilities to institutions. Prior to joining Siguler Guff, Mr. Keough was a Vice President and Relationship Manager at Goldman Sachs Asset Management. While at Goldman Sachs, he worked with some of the firm's largest institutional clients, primarily in the Western United States. Prior to working at Goldman Sachs, Mr. Keough was a Partner at Invesco and a Marketing Associate at Capital Guardian Trust Company.

Mr. Keough holds a Bachelor of Science from Lehigh University, as well as his Series 7 and Series 63 licenses.

SIGULER GUFF

Attachment 3

Please see Section 7 of the Placement Agent Agreement attached as Attachment 1.

As of the date of the signed Placement Agent Agreement through September 30, 2013, Siguler Guff has paid $1,865,622 to MBSC, in the aggregate, for its placement agent services.

SIGULER GUFF

Attachment 4

Please see Sections 2 and 3 of the Placement Agent Agreement attached as Attachment 1.

Attachment 5

MBSC is a broker-dealer registered with the U.S. Securities and Exchange Commission ("SEC"), a member of FINRA, and a registered investment adviser with the SEC.

SIGULER GUFF

Attachment 6

MBSC is a subsidiary of The Bank of New York Mellon Corporation ("BNYM Corp."). BNYM Corp. has many subsidiaries and affiliates which are registered with state, local and national government entities as may be necessary and required to conduct business. To the best of BNYM Corp.'s knowledge, no such registration will impact or hinder MBSC from acting as a placement agent to Contra Costa County Employees' Retirement Association.

Contra Costa County Employees' Retirement Association

J.P. Morgan Private Equity

October 30, 2013

Larry Unrein, Head of Private Equity Group
Portfolio Manager
212.648.2225
lawrence.m.unrein@jpmorgan.com

Kathy Rosa, Portfolio Manager
212.648.2298
katherine.q.rosa@jpmorgan.com

Joel Damon, Client Advisor
415.315.5246
joel.v.damon@jpmorgan.com

J.P.Morgan
Asset Management

Today's presenters

Lawrence M. Unrein, Head of the Private Equity Group, is Global Head of the Private Equity Group and serves as Chairman of the Asset Management Investment Committee. Prior to joining J.P. Morgan Investment Management in 1997, Larry spent 18 years with AT&T Investment Management Corp., an investment management subsidiary of AT&T. He was responsible for managing the public and private equity and fixed income portion of $80 billion in corporate employee benefit funds. A graduate of State University of New York, Plattsburgh, Larry earned his MBA from the Wharton School, University of Pennsylvania. He is a CFA charterholder, a member of the CFA Institute, and a Certified Public Accountant. Currently, Larry serves on the advisory boards of Accel Partners, Accel-IDG China, Accel India, Accel London, Alsop Louie Partners, Apax Partners US, Cinven, Clayton, Dubilier & Rice, Fenway Partners, Greycroft Partners, Meritech Capital Partners, Mithril Limited, New Enterprise Associates, New Mountain Partners, North Bridge Growth Equity, North Bridge Venture Partners, Orchid Asia, Redpoint Omega, Redpoint Venture Partners, and TA Associates. He is a director of Beijing Equity Investment Development Management Co., Ltd. and serves on the investment committee for the funds that it manages. Larry is also on the advisory board of Wharton Private Equity Partners and is a director of the Plattsburgh College Foundation.

Katherine Quick Rosa, Managing Director, has portfolio management, business development and investor relations responsibilities within the Private Equity Group, which she joined in February 2000. She spent the previous two years as a Chief Operating Officer for the sales and client service teams of J.P. Morgan Investment Management. Prior to joining the firm, Kathy was a relationship manager at Morgan Stanley Dean Witter. Her clients included regional banks, insurance companies, pension funds, and mutual funds. She started her career as a product specialist in J.P. Morgan's securities services business. Kathy earned a BA from Franklin & Marshall College, and has completed her Series 7, 24 and 63 certifications. She serves on the advisory board of Rizvi Opportunistic Equity Fund, is a board observer for Icon Holdings, LLC, a global company head-quartered in the Los Angeles area, and is the chairperson of the Supervisory Board of Beijing Equity Investment Development Management Co., Ltd. Kathy resides in New Jersey with her husband and four children.

Joel V. Damon, Managing Director*,* is a client advisor in J.P. Morgan Asset Management's Institutional Americas Group. An employee since 2002, Joel serves the investment needs of U.S. institutional investors, including corporate and public retirement plans, as well as endowments and foundations. As a client advisor, his role is to marshal the firm's extensive resources in the delivery of tailored solutions across a spectrum of alternative (real assets/infrastructure, private equity, hedge funds), and traditional (equities, fixed income) asset classes aiming to exceed the strategic and tactical investment objectives of his clients. Prior to joining the firm, he directed institutional client relationship management for Montgomery Asset Management. Previously, Joel managed the investments for the Bank of America employees' pension and savings plans. Joel has a B.A. in mathematics and psychology from Sterling College and an M.B.A. in finance from the University of California, Berkeley. He holds Series 7, 63 and 65 licenses and his NFA Series 3 license.

J.P.Morgan
Asset Management

Our understanding of your objectives

- Partner with a top-tier, private equity manager who:
  - Demonstrates a strong legacy and focus in small to mid-market private equity
  - Complements existing managers in the portfolio
  - Provides fees and terms that reflect a strong desire to be a long term partner with Contra Costa County

Why our Private Equity Group:

- Tenure, experience, continuity and exceptional performance track record
- Experts in the small to mid market which has been our focus for over 25 years
- Differentiated sourcing, due diligence and investment selection
- Customized solution and product offering that allows us to complement your existing investments
- Our very strong desire to partner with you

Our Private Equity Group is one of the most experienced teams dedicated to building high quality private equity portfolios on behalf of our clients

Proven strategy and process developed and refined over the past 33 years

Experienced, cohesive team of investment professionals	Significant private equity knowledge and insight	Proven results and alignment with our investors
▪ PEG average tenure[1] – 24 years: 10 founding members – 17 years: 17 senior portfolio managers – 11 years: portfolio management team ▪ Combined private equity experience of over 800 years ▪ Located in New York, London, Hong Kong, Beijing[2], and New Delhi ▪ Supported by dedicated resources and leveraging the extensive expertise of the broader firm	▪ Approximately $24 billion in assets under management[3] ▪ Investing in the US private equity markets since 1980 and globally since 1983 ▪ More than 6,000 private equity offerings in our database and active data capture of 880+ partnerships ▪ Meaningful and long-standing investor with top tier private equity firms	▪ Opportunistic approach seeking the highest conviction investments ▪ Consistent out-performance over multiple cycles ▪ Dedicated distribution management team to ensure efficient cash returns to investors ▪ Transparent reporting and comprehensive servicing platform ▪ Team professionals personally invest 1.25% alongside all investments[4]

[1]Includes tenure at both PEG and AT&T Investment Management Corporation ("ATTIMCO").
[2]Beijing Equity Investment Development Management Co., Ltd., a joint venture in China through the PEG's affiliate JPMorgan Asset Management Private Equity (China) LLC, is located in Beijing.
[3]As of 12/31/2012, includes private equity commingled vehicles, managed accounts and trusts within J.P. Morgan Asset Management ("JPMAM") and unfunded commitments awarded subsequently.
[4]Allocation percentage is reviewed each calendar year; it has been at or above 1% for the past 6 years is expected to remain at or above that level.

Our global team is built on experience and continuity

Back row: Michael MacDonald, Eric Chan, Julian Bostic, Anthony Roscigno, Robert Kiss

Fourth row: Evrard Fraise, Brendan Cameron, Eduard Beit, John Sweeney, Tyler Jayroe, Roger Baumann

Third row: Zachary Rocklin, Robert Cousin, Thomas Judge, Kashif Sweet, Julian Shles, Lawrence Unrein, Kimberley Clark, Franco Muto, Stephen Catherwood, Gavin Berelowitz, Boris Bong, Brian McCann, Katherine Rosa, Fredric Arvinius

Second row: Charles Willis, David Taplitz, Louvenia Southerland, Mingzhu Tang, Sandra Zablocki, Laureen Costa, Courtney Mee, Mindy Gabler, Naoko Akasaka, Amanda Wilson, Dana Haimoff, Jinghan Hao, Stephanie Evans, Jaclyn Pizzo, Avneet Kochar, Thomas McComb, Carol Chen

Front row: Bertram Cooke, Mayra Chami, Carina Chai, Dimiter Mace, Cindy Kendrot, Ashmi Mehrotra, Beverly Dewar, Jarrod Fong, Meena Gandhi, Robertus Prajogi, Irene Koh

Not pictured: Nazma Ali, Angela Coelho, Evelyn Flores, Laura Riccardelli, Laura Rodgers, Larissa Soo

There can be no assurance that the professionals currently employed will continue to be employed by JPMAM or that the past performance or success of any such professional serves as an indicator of such professional's future performance

J.P.Morgan Asset Management

We are a cohesive team of experienced professionals, aligned with and dedicated to our clients' private equity investments and portfolios

Name	Years of related experience	Years with PEG *	Education (undergraduate/graduate)/Professional
Lawrence Unrein*, Head of Private Equity Group	33	33	SUNY Plattsburgh/Wharton, MBA/CFA, CPA
Thomas Judge*, Senior Advisor	58	33	Penn St. Univ./Seton Hall, MBA
Naoko Akasaka	19	5	Keio Univ.
Fredric Arvinius	7	6	Lund Univ./Lund Univ., MS
Eduard Beit*	30	25	Yale Univ./Univ. of Chicago, MBA/CFA
Gavin Berelowitz	19	10	Univ. of Cape Town/CA
Boris Bong	19	1	Univ. of Waterloo/London Bus. School, MS/CPA, CA
Julian Bostic	18	1	Howard Univ./Duke Univ., MBA/Series 7 & 63
Brendan Cameron*	30	17	Dartmouth College/Columbia Univ., MBA/CFA
Stephen Catherwood	12	10	Bucknell Univ./CFA
Carina Chai	20	1	Univ. of New South Wales/CFA, CPA
Eric Chan	23	6	Griffin College/Washington/Seattle Univ., MBA
Carol Chen	8	3	Shanghai Institute/Univ. of Manchester, MS/CFA
Bertram Cooke Jr.	14	14	Univ. of Virginia/Georgetown Univ., JD
Laureen Costa*	23	19	Bucknell Univ./Dartmouth College, MBA/CFA
Robert Cousin*	22	20	Tulane/Univ. of Florida, MBA/CFA
Stephanie Evans	2	<1	Princeton Univ.
Jarrod Fong*	22	17	UCLA/Univ. of Chicago, MBA
Evrard Fraise	14	7	Georgetown Univ./Columbia Univ., MBA
Mindy Gabler	20	14	Penn St. Univ.
Meena Gandhi	12	7	Univ. of Texas/Columbia Univ., MBA/Series 7 & 63
Dana Haimoff	20	11	Skidmore College/Columbia Univ., MBA
Jinghan Hao	2	<1	Central Univ. Finance and Econ,/Columbia, MA/ Series 7 & 63
Tyler Jayroe	14	8	Vanderbilt Univ./Univ. of Virginia, MBA
Cindy Kendrot	20	14	College of the Holy Cross/CPA
Avneet Kochar**	17	<1	Delhi Univ./The College of William and Mary, MBA
Robert Kiss	34	13	Lehigh Univ./CFA
Irene Koh	13	5	Natl. Univ. of Singapore/Natl. Univ. of Singapore, MS
Michael MacDonald	26	12	Bentley College/Penn St., MBA
Dimiter Mace	16	13	NYU/CFA, Series 7 & 63
Brian McCann	14	8	Lehigh Univ./Columbia Univ., MBA/CFA, CPA
Thomas McComb*	28	23	VA Tech/Purdue Univ., MS/Univ. of Chicago, MBA/CFA
Courtney Mee	7	4	Princeton Univ./CAIA, Series 7 & 63
Ashmi Mehrotra	14	10	Tufts Univ./Series 7 & 63
Jaclyn Pizzo	4	<1	Siena College/ Series 7 & 63
Robertus Prajogi	15	12	Cornell Univ./Cornell Univ., MS/CFA
Zachary Rocklin	14	7	Syracuse Univ./Brooklyn Law, JD
Katherine Rosa	21	13	Franklin & Marshall College/Series 7, 24 & 63
Anthony Roscigno*	25	20	Fairleigh Dickinson Univ./Fairleigh Dickinson Univ., MBA
Julian Shles	29	15	Univ. of Cape Town/CA, CPA, FCMA
John Sweeney	16	3	Siena College/CFA
Kashif Sweet	6	1	Columbia Univ.
Mingzhu Tang	5	3	Beijing Normal Univ./Michigan, MS
David Taplitz	17	12	Univ. of Virginia/NYU, JD
Charles Willis Jr.	14	13	Syracuse Univ./NYU, MS/Columbia Univ., MBA
Amanda Wilson	15	14	Claremont McKenna College/Columbia Univ., MBA
Sandra Zablocki*	33	33	Caldwell College

Team highlights:

- Dedicated to the management of the group's private equity funds and separate accounts
- Combined experience of over 800 years
- Investment relationships with more than 350 private equity managers

Team philosophy:

- Built on continuity and experience
- Flat organizational structure
- Interactive consensus-building investment decision making
- Transparent communication and information sharing
- Accountable for investment process, client service and overall business management

*Includes tenure at both PEG and ATTIMCO
**Regional Advisor located in New Delhi, India

There can be no assurance that the professionals currently employed will continue to be employed by JPMAM or that the past success of any such professional serves as an indicator of such professional's future performance

We have a long history of identifying and investing in high quality private equity opportunities across all sectors, types and geographies

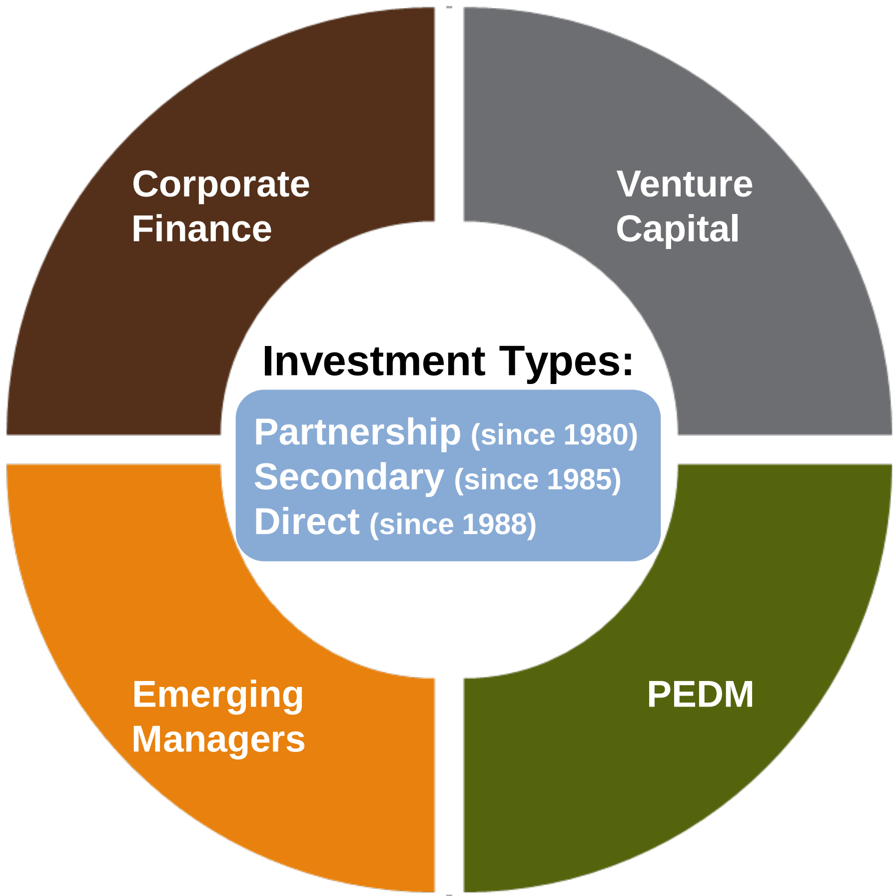
Investment Sectors:

Corporate Finance

- Investing since 1980
- Includes buyouts, growth capital, build-ups & special situations
- Small to mid-market focus, larger market opportunistically
- Focus on proven teams with sector/strategy focus for execution advantage

Venture Capital

- Investing since 1980
- Early stage/start-up focus in areas of innovation including internet, IT, software, media, life sciences and clean technology
- Focus on GPs with domain expertise and strong entrepreneurial networks



Emerging Managers

- Investing since 1980
- Successfully identify and develop the next "top tier" private equity firms and professionals
- Active sourcing through relationships and sponsorship/ participation in the market

Private Equity Distribution Management (PEDM)

- Management and sale of public securities distributed to limited partners from private equity funds
- Aim to maximize gains & minimize losses on the sale of distributed stock
- Focus on returning capital as quickly as possible to maximize reinvestment opportunities

Investment Geographies:

Actively source, review and invest in opportunities globally

Time frames include tenure at both PEG and ATTIMCO. The manager seeks to achieve the stated objectives. There can be no guarantee those objectives will be met.

Broad range of high quality investors

Representative client list

Public organizations

British Coal Staff Superannuation Scheme
City of Miami Fire Fighters' and Police Officers' Retirement Trust
City of Omaha Employees' Retirement System
Civilian Employees' Retirement System of the Police Dept. of Kansas City
Commonwealth of Pennsylvania State Employees Retirement
Denver Public Employees' Retirement System
Fairfax County Uniformed Retirement System
Los Angeles County Employees Retirement Association
New Jersey Division of Investment
New York City Employees' Retirement System
New York City Fire Department Pension Fund, Subchapter 2
New York City Police Pension Fund, Subchapter 2
New York State Common Retirement Fund
New York State Teachers' Retirement System
Police Retirement System of Kansas City
School Employees Retirement System of Ohio
State of Connecticut Retirement Plans & Trust Fund
Teacher Retirement System of Texas
Teachers' Retirement System of the City of New York

Socially responsible/Affiliated organizations

Boy Scouts of America
Catholic Healthcare West
Concordia Plan Services
Roman Catholic Diocese of Rockville Centre
St Francis Hospital Foundation
The United Methodist Church
World Wildlife Foundation

Insurance organizations

AEGON USA, Inc.
Alfa Life Insurance Company
American Family Mutual Insurance Company
Auto Owners Insurance
Forethought
Lincoln Financial Group
Mitsui Sumitomo Insurance
Shelter Insurance Employees Retirement Plan
Unum

Endowments/Foundations/Charitable organizations

Abilene Christian University
Alcoa Foundation
Appalachian Mountain Fund
Canadian Medical Protective Association
Candore Corporation
Dalhousie University
Dillard University
Ewing Marion Kauffman Foundation*
Geisinger Health System
Georgetown University
Harry F. Guggenheim Foundation
Heinz Endowments
Kresge Foundation*
Indian Community School of Milwaukee
New York Law School
North Carolina State University
Northwestern Memorial Hospital*
Rensselaer Polytechnic Institute*
Shands Teaching Hospital and Clinics
St John's University
Teacher's College, Columbia University
Thomas Jefferson University Endowment
Thomas Jefferson University Foundation
Toshiba America Foundation
University of Arizona
University of Chicago*
University of Dayton
University of Florida Foundation
University of Pennsylvania
University of Wisconsin
Unnamed Family Foundation*
US-Japan Foundation
Washington University
The Westminster Schools
The World Bank

Corporate organizations

Ameren Master Retirement Trust*
American Electric Power Services Corp
American Express
AT&T Corporation
BAE Systems (British Aerospace)
BASF
BP Pension (UK Pension Scheme)
Bridgestone Corporation
Cable & Wireless
Chrysler LLC
Constellation Energy Group
Cummins Engine Inc.
Dominion Resources
Ecolab
Equifax, Inc.
Exelon Corporation
FedEx
Freeport-McMoRan Copper & Gold Inc.
Future Value
Goodyear Tire & Rubber Company
Graco, Inc.
Hormel
Hydro One Inc.
ITT Exelis
Lincoln Electric
Lockheed Martin Corporation
Macy's Inc.
Mosaic Company
National Grid UK Pension Scheme
Pfizer
Pillsbury
Retirement Plan of J.P. Morgan Chase Bank
Rockwell Automation
Royal Bank of Scotland Group
Schneider Electric
Sears
Shiseido
SEI
Sony
Terasen Gas
Timken Company
Toshiba America
Xcel Energy Inc.

*Distribution Management client
The Private Equity Group's client base also includes several Family Offices. The list above is shown for illustrative purposes only. The clients on the above list have been chosen as a representation of the type of clients that invest with the manager. Their inclusion on the list is in no way an endorsement of the advisory services offered by the manager.

J.P.Morgan
Asset Management

Our service model is that of a collaborative and strategic partnership

Dedicated team for Contra Costa County:

- Larry Unrein: senior oversight
- Kathy Rosa: senior portfolio manager for CCCERA, responsible for strategy, portfolio construction and implementation
- Julian Bostic: overall private equity relationship support
- Cindy Kendrot: valuation, reporting and capital notice support
- Joel Damon: client advisor

Strategic initiatives

- Strategic plan / allocation / diagnostics
- Simulation analysis
- Tailored training program
- Environment and market insights
- Educational seminars, including:
  - benchmarking
  - valuation guidelines
  - cash flow
- Tailored conferences (e.g. emerging managers)

Servicing

- Quarterly or as required investor calls / board meetings
- Annual meeting
- Specialized support services (e.g. valuations, audit)
- Modeling and flow projections
- Advisory Committee
- Consultant, advisor and service provider relationships

Reporting

- Comprehensive, consolidated statements and quarterly reporting
  - capital account statements
  - transaction statements
  - customized and ad hoc reports
  - monthly pipelines
- Performance measurement to customized benchmarks
- Investor valuation package

Systems/Automation

- Dedicated, password-protected website
- Web-based document library
- Strategic relationship – Private i (est. 1986)
- Three-point reconciliation
- Automated transmittal to custodian/trustee

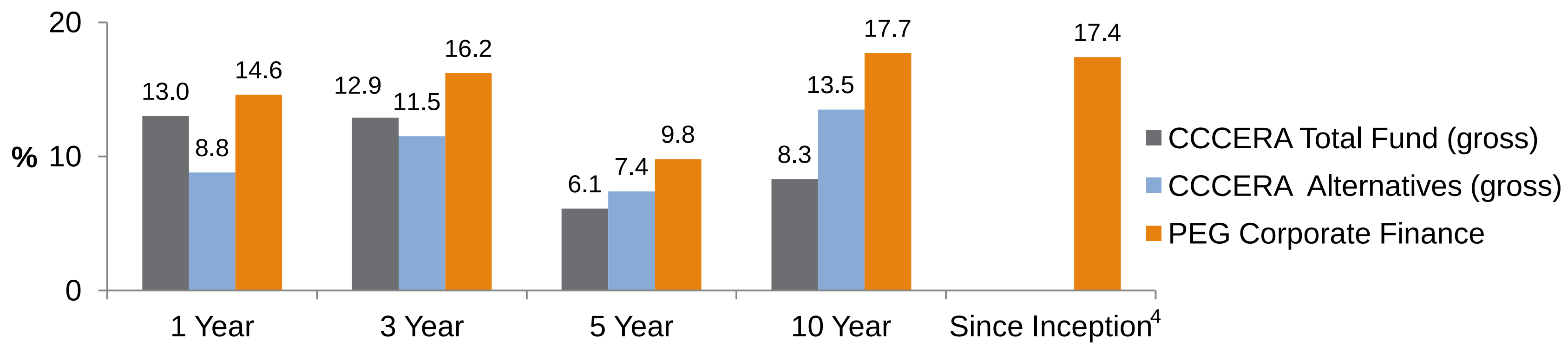
Our Group has provided meaningful results to our investors over many different economic cycles

PEG's small and mid-market corporate finance results

Our vintage year results relative to CCCERA's performance objective[1]

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total (2002-2012)
JPM PEG ALL CF IRR	**34.5%**	**23.3%**	**13.4%**	**11.1%**	**9.9%**	**6.0%**	**27.4%**	**32.1%**	**32.1%**	**14.8%**	**24.7%**	**16.2%**
S&P 500 + 400bps	NA*	8.4%	7.5%	8.1%	9.9%	11.0%	15.6%	20.8%	19.2%	19.9%	22.6%	11.7%
Spread: PEG vs. S&P 500+400bps	NA*	1,490	590	300	–	(500)	1,180	1,130	1,290	(510)	210	450
Performance Quartile[2]	1st	1st	2nd	1st	1st	2nd	1st	1st	1st	1st	1st	–

Our period rates of return relative to CCCERA Total Fund and CCCERA Alternatives[3]



As of June 30, 2013
*NA: This number is incalculable due to PEG outperformance resulting from the level of distributions
PEG performance includes partnership, secondary and direct investments for commingled funds, separate accounts, and employee vehicle. Performance is net of underlying investment fees and expenses; gross of Advisor fees.
[1]Public benchmark returns calculated with actual timing and dollar amounts of PEG portfolio cash flows in and out of the respective index. [2]Cambridge Associates, Global Private Equity, All Regions as of 3/31/13 (most recent available).
[3]Source: CCCERA Quarterly Review & Performance Measurement Report 6/30/13. [4]Since inception includes tenure at ATTIMCO.
Past performance is no guarantee of future results.

J.P.Morgan Asset Management

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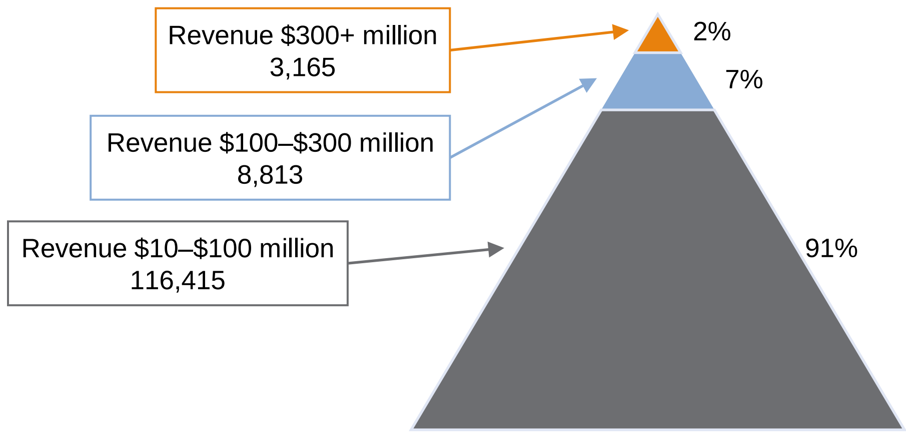
Sourcing, due diligence and investment selection

Why we focus on small to mid-market companies

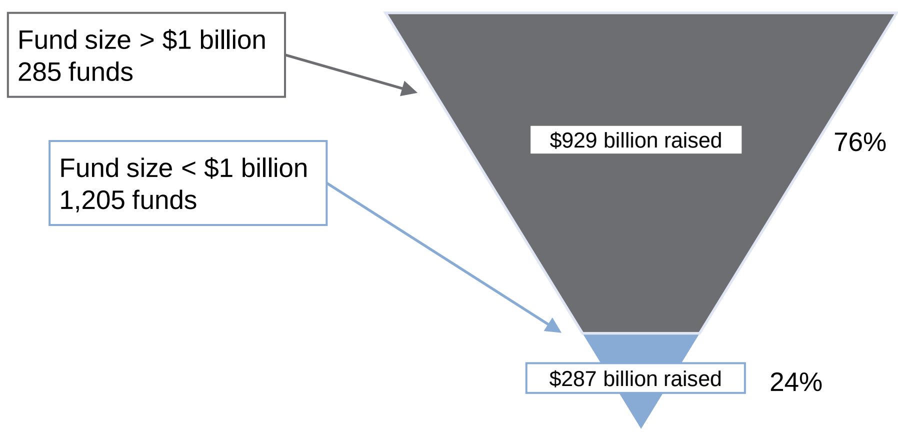
- Vast opportunity set, relative to the larger end of the market
- Entry prices tend to be on average lower
  - compensate for risk
  - deal sourcing advantages
- Less reliance on the use of leverage
- Increased scale can lead to greater exit multiple
- Stronger alignment of interest
  - large and mega buyout funds generate substantial income from management fees considering their fund sizes
  - small to mid-market funds must generate higher return to make comparable fee income and are therefore better incented to perform
- Greater potential to effectuate change and generate equity value

Number of private companies in the U.S.



Source: Factset 1/31/2013

U.S. corporate finance funds raised 2005- 1/31/13



Source: Thomson ONE (Venture Economics) – as of 1/31/13

J.P.Morgan Asset Management

Our strategy implementation in the small to mid-market

- Disciplined focus on generating returns through the growth and improvement of small & mid-sized businesses
- Invest with high quality, experienced private equity partners
- Be aware of market cycles and willing to over- or under-weight sectors or strategies

Our portfolio companies are characterized by lower leverage:

– Average leverage ratio of our portfolio companies is 2.8x*

Our focus is identifying and investing with small to mid-sized companies and firms:

U.S. corporate finance primary partnership investments made in 2002-2012 period

	Partnerships	
Fund Size	**#**	**%**
< US$500mm	**51**	**60%**
US$500mm – $1.0bn	**17**	**20%**
US$1.0 – $1.5bn	4	5%
US$1.5bn – $3.0bn	7	8%
US$3.0bn – $5.0bn	6	7%
> US$5.0bn	0	0%

European corporate finance primary partnership investments made in 2002-2012 period

	Partnerships	
Fund Size	**#**	**%**
≤ €500mm	**19**	**40%**
€500mm – €1bn	**13**	**27%**
€1bn – €1.5bn	4	8%
€1.5bn – €3.0bn	3	6%
€3.0bn – €5.0bn	8	17%
> €5.0bn	1	2%

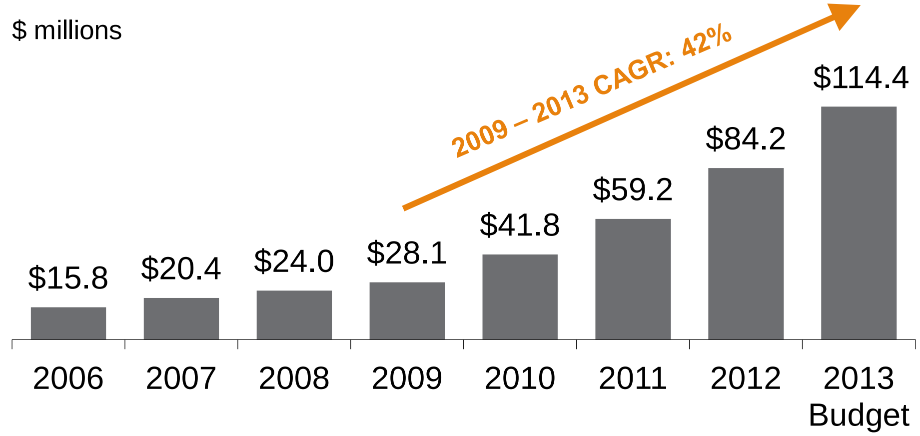
*Based on weighted average net debt / EBITDA multiples across J.P. Morgan's U.S. and European Corporate Finance III (vintage years 2005-2010) as of 9/30/2012; represents 77% of underlying holdings
Past performance is no guarantee of future results.

Small market investment example: The Habit Burger Grill

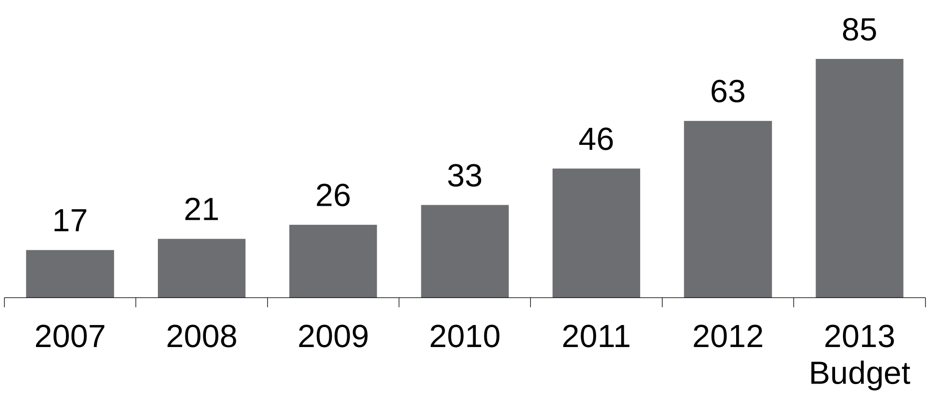
Company and investment overview

- Operator of "fast casual" dining establishments
- Varied menu that specializes in charburgers, shakes, sandwiches and salads
- Company founded in 1969 in Goleta, CA
- PEG invested in July 2007 with KarpReilly
- Company has no leverage

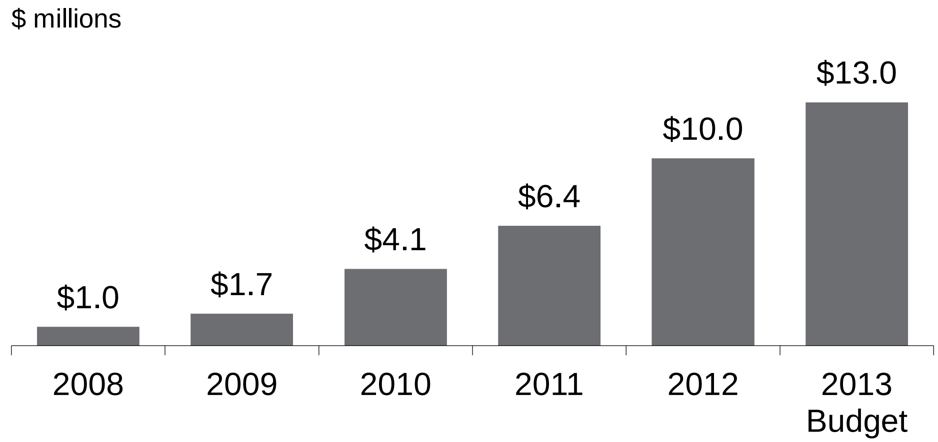
Sales growth



Number of restaurants



EBITDA growth



*As of 6/30/2013. Past performance is no guarantee of future results. Portfolio company performance is net of underlying investment fees and expenses and gross of Advisor fees. Not all investments have had or will have similar results. For illustrative purposes only.

J.P.Morgan Asset Management

We see every opportunity but remain extremely selective

- Each year we review, on average, more than 500 investment opportunities
- We have been very selective, investing in only 7% of opportunities reviewed on average
- We proactively source opportunities from PEG's relationship of private equity managers, intermediaries and top down research led initiatives

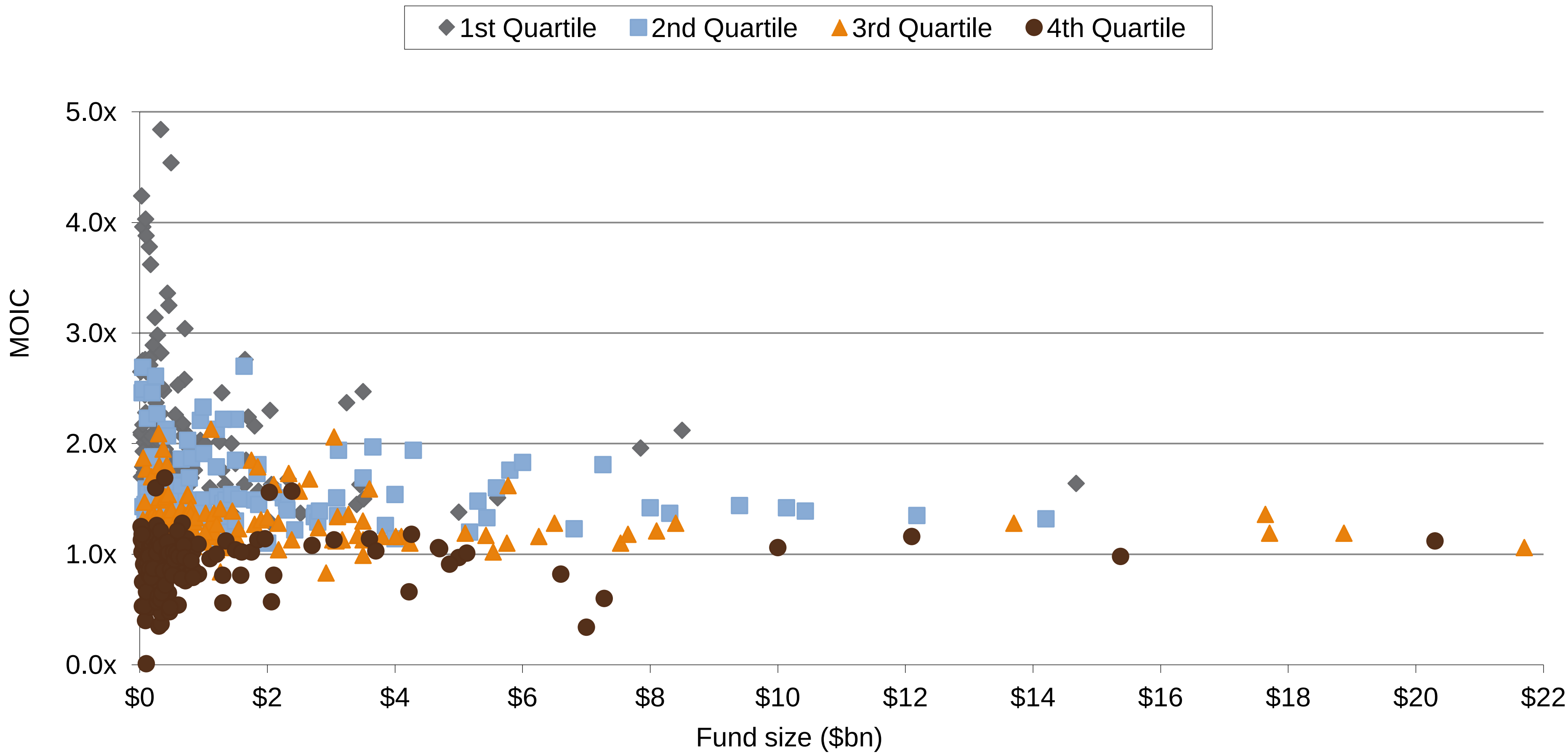
Representative deal log from January 1, 2008 – June 30, 2013

U.S. Corporate Finance	European Corporate Finance	Venture Capital	Asia	Emerging Managers	Secondaries*	Direct Investments
645 offerings reviewed	268 offerings reviewed	753 offerings reviewed	509 offerings reviewed	792 offerings reviewed	498 offerings reviewed	554 offerings reviewed
342 due diligence	146 due diligence	423 due diligence	294 due diligence	434 due diligence		370 due diligence
44 investments	19 investments	55 investments	28 investments	84 investments	39 investments	34 investments

*Represents Projects, not underlying partnerships
Includes investments pending legal close

The small to mid-market has more potential to provide outsized returns compared to the larger end of the market

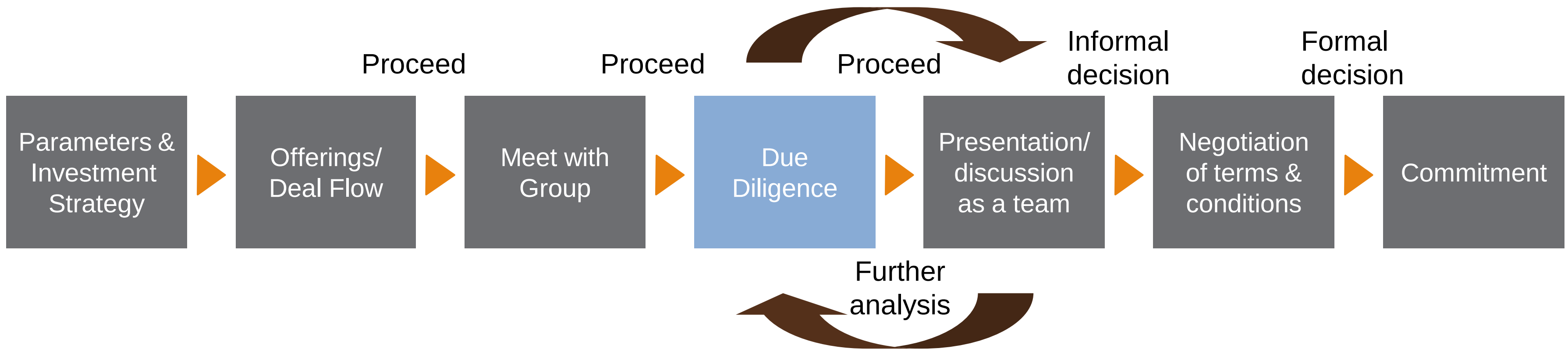
U.S. and European Corporate Finance - Vintage years 2002-2010 by quartile



Source: Preqin, as of 7/25/2013. Fund performance is as of 3/31/2013 or latest available date.

Each opportunity is vetted using a thorough and well documented due diligence process

No “formula” for conducting due diligence as each investment is unique and may require a differentiated focus



- Offering logged into database

- New opportunity summary

- Email team on analysis and reference calls
- Update team at weekly meeting

- Sanity Check memo

- Final Decision memo

- Pre-close terms

- Weekly team meeting with continual information discussion
- Deal teams include at least 2 senior team members and average involvement from 5+ team members throughout the process
- Detailed and comprehensive diligence materials

- Interactive consensus-building investment decision making
- Supermajority required to consummate an investment
- Continuous due diligence and active monitoring through Advisory and Valuation board seats

Active investors with fiduciary responsibility for investment oversight

Due diligence is continuous: we develop and maintain strong dialogue with each investment partner

- Advisory and Valuation Board seats
  - active on over 200 board and committees
  - sounding board for GPs to discuss team changes, strategy changes, reserves/annex funds
- Attendance at all meetings
  - annual meetings, board calls, investment strategy reviews, etc.
- Proactive initiation of quarterly reviews
- Active underlying portfolio company tracking on a quarterly basis
  - portfolio company trends: change in valuations; “above cost, at cost, below cost”
  - geography, industry and stage analysis
  - pro-rata cost and value information at partnership level
  - efficient and timely data gathering
- Thorough review of all investment materials
  - systematic review of underlying investment details
  - legal cross-check for all amendments and notifications
- Active dialogue with CFOs, administrators, and investor relations contacts, in addition to the investment partners

Proposal for Contra Costa County

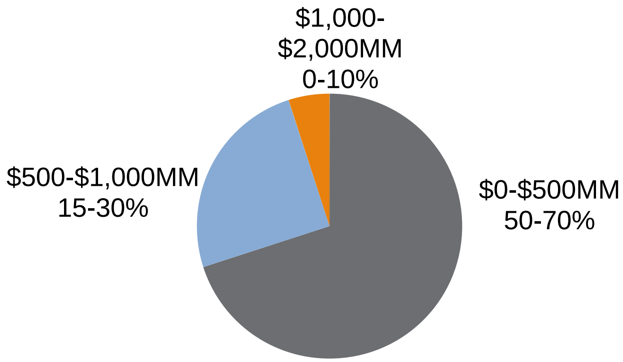
J.P.Morgan
Asset Management

Our proposal for Contra Costa County

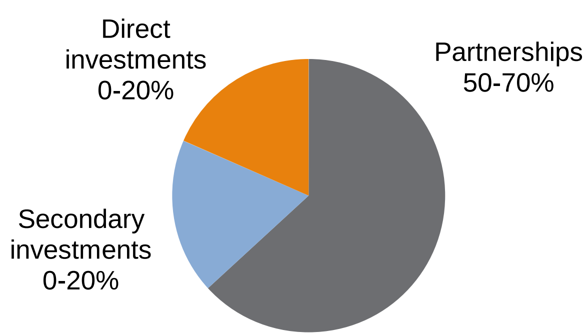
Our objective is to deliver a high quality, high conviction Private Equity portfolio, focused on the small to mid-market that is both diversifying and return enhancing to your existing allocation:

- **Option 1**: Focused commingled vehicles: U.S. and European Corporate Finance V
  - Small to mid-market focus in U.S. and developed Europe
  - Well diversified across sector, stage, and type of investment
- **Option 2**: Customized Separate Account
  - Small to mid-market focus in U.S. and all global regions
  - Well diversified across sector, stage, and type of investment
  - Allows for greater customization and flexibility
- **In either option, CCCERA receives the same high conviction investments, service level, and dedicated team**

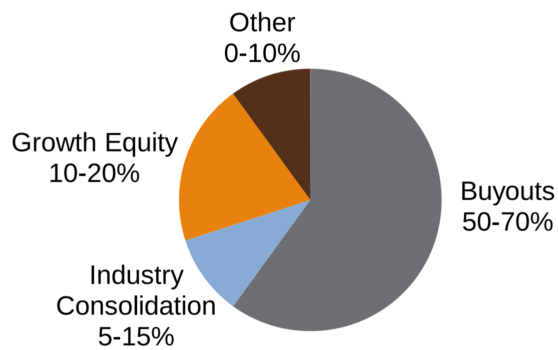
Target Size



Investment Type



Investment Sector



The manager seeks to achieve the stated objectives. There can be no guarantee those objectives will be met.
*Allocation percentage is reviewed each calendar year; it has been at or above 1% for the past 6 years and subject to legal and regulatory considerations, is expected to remain at or above that level.

J.P.Morgan
Asset Management

Representative small to mid-market investments

Name	Industry focus	Recent fund size	Notable portfolio company investments	PEG relationship established	PEG directs & secondaries
Brynwood	Consumer products, light manufacturing, services, specialty retail	$400mm	High Ridge Brands, Zest, VO5, Rave, White Rain, Coast	2000	3
Genstar	Life sciences, health services, software, industrial technology	$1bn	PRA, Seguros Confie, MW Industries Inc.	2004	2
Goode	Consumer brands and services	$200mm	Chuy's Mexican Food, Rosa Mexicano Restaurants, Intermix, Skullcandy	1994 SKM 2007 Goode inception	4
KarpReilly	Specialty retailers, restaurants, apparel and branded products	$200mm	Sprinkles Cupcakes, The Habit Burger Grill, Café Zupas	1989 SKM 2007 KarpReilly inception	3
Kinderhook	Business services, light manufacturing, retail, healthcare	$300mm	EQ, TonneauCovers World.com, Specialists Marketing Services, Inc.	2003	4
Bowmark	Business services, healthcare, leisure, IT services	£265mm	Leaders, drake&morgan, Law Business Research	2004	0
Litorina	Consumer, industrial and services	SEK2.5bn (<€250mm)	Eton, Skandinavisk Kommunalteknik AB, Sveba Dahlén	2010	0
Orchid Asia	Consumer, healthcare, outsourced manufacturing and services	$650mm	The Basic House, Capvision, 汽车之家 autohome.com.cn	2011	2

These examples are included solely to illustrate strategies which have been utilized by PEG; they do not represent investments in the Fund.
The manager seeks to achieve the stated objectives. There can be no guarantee those objectives will be met.

Example: we are Brynwood's preferred partner

Firm overview and highlights	■ Based in Greenwich, CT, Brynwood invests in consumer products and specialty retail sectors with a focus on complex spinouts of orphaned brands from large conglomerates ■ Team comprises 6 senior investment professionals: Henk Hartong III, Ian MacTaggart, Dario Margve, Nick DiCarlo, Kevin Hartnett and Peter Wilson ■ PEG is the largest investor and an Advisory Board member
Fund IV 2000	■ Valued at 1.4x cost and distributed 67% of committed capital – two active companies: G&T Conveyer and Best Friends Pet Care
Fund V 2004	■ Valued at 1.9x cost and distributed 126% of committed capital; Secondary valued at 2.0x and 46% IRR – three remaining portfolio company drivers – DeMet's Candy Company returned $119mm from two recapitalizations (company currently valued at 4.2x); potential sale in 2013 – Richelieu Foods sold in 2011 for 6.2x cost
Fund VI 2010	■ Valued at 1.9x cost and 29.6% IRR. Has distributed 58% of committed capital ■ Completed five platform investments in consumer related businesses investing 90% of the fund's committed capital (much of which has been returned as recallable capital) – Balance Bar and High Ridge Brands (HRB) completed refinancings, returning $77mm of committed capital – Balance Bar sold to NBTY in November 2012, realizing 46% IRR and 2.4x – HRB (PEG direct investment) has completed four add-on acquisitions: VO5 and Rave hair care from Unilever, Coast soap from Henkel, and White Rain from Sun Products Corporation – Sun Country Foods sold in 4Q 2012 after one year of ownership, realizing 96% IRR and 2x
Fund VII 2013	■ Oversubscribed at $400mm cap ■ PEG is the lead investor with a $133.3mm commitment

As of 6/30/2013.
Past performance is no guarantee of future results. Partnership performance is net of underlying investment fees and expenses, gross of Advisor fees; if Advisor fees were included, returns would be lower. Portfolio company performance is gross of underlying investment fees and expenses and gross of Advisor fees. Not all partnerships have had or will have similar results.

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Brynwood direct investment example: High Ridge Brands

PEG invested alongside Brynwood in December 2010

- Leading provider of personal care products
- 50+ year old brands with high customer recognition
- Company based in Stamford, CT

Acquisition history

- 4Q10: Zest Soap brand from Procter & Gamble
- 3Q11: VO5 and Rave brands from Alberto Culver/Unilever
- 2Q12: Coast brand from Henkel
- 3Q12: White Rain from Sun Products Corporation

Investment thesis

- Strong brands that were undermanaged by prior owners
  - lack of investment in marketing and product support
  - brands maintained customer loyalty and high awareness
- Attractive entry prices
  - paid < 3x EBITDA for the Zest platform and all add-on acquisitions
- High free cash flow conversion
- Modest growth required to achieve target returns
- Opportunity to build a larger company with a portfolio of brands
- Brynwood Partners has extensive experience with branded consumer product companies

Update

- 4Q11 refinancing returned $14 million and 3Q13 refinancing returned $10.4mm (112% of invested capital)
- Management executed on the acquisitions and transitions and the company's operations are strong
- Sales have exceeded plan since our ownership and management continues to improve margins

Past performance is no guarantee of future results. Not all investments have had or will have similar results.

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Potential overlap with existing CCCERA private equity managers

Name	Sub-strategy	Industry focus	Recent fund size	Notable portfolio company investments	PEG relationship established	PEG directs & secondaries
GTCR	Industry consolidation	Healthcare, information technology, financial services, growth business services	$3.5bn	zayo GROUP, cellnet, FUNDtech	1980	8
TA Associates	Growth	Technology, financial services and healthcare	$4bn	TEMPUR-PEDIC, asurion, ice	1983	2
Thoma Bravo	Industry consolidation and growth	Business services, software and consumer products	$1.3bn	SONICWALL, FLEXERA SOFTWARE, Deltek, DATATEL, BlueCoat	1980	6
Waterland	Mid market buy and build	Aging population, outsourcing, sustainability	€1.1bn	globalcollect, AML, Intertrust	2002	1

Rational for retaining exposure in your portfolio

- High quality General Partners with proven investment teams and excellent performance
- Deep sector expertise and a proven ability to add value to underlying portfolio companies
- Pipeline of attractive investment opportunities in upcoming funds

Thoma Bravo

Firm overview and highlights	■ Led by Carl Thoma and Orlando Bravo; team includes Lee Mitchell, Scott Crabill, Seth Boro & Holden Spaht ■ Consolidation and growth capital investments in business services, software and consumer products ■ Spun out of GTCR in 1997 ■ PEG has invested with Carl Thoma since 1980 and Orlando Bravo has built the firm's software franchise ■ PEG is a lead investor and Advisory Board member
Fund VII 2000 (CF I)	■ $554mm fund: Strong performance to date (23.1% IRR and 2.0x)* and significant realizations – Datatel (PEG direct investment) sold to Hellman & Friedman for 3.9x cost – Attachmate acquired Novell in April 2011; held at 8.3x cost (6.9x distributed)
Fund VIII 2005 (USCF II)	■ $765mm fund: Portfolio performing on plan (15.7% IRR, 2.1x cost)* – Vision Solutions valued at 4.9x cost; returned 2.5x cost through two dividend recaps – U.S. Renal Care sold for 3.8x cost in July 2012 – Hyland Software valued at 4.9x cost; returned 2.1x cost to date through three dividend recaps
Fund IX 2008 (USCF III)	■ $823mm fund: Off to a strong start (38.0% IRR, 2.0x cost)* ■ Over 100% of committed capital distributed back to LPs – Flexera (PEG direct) sold to Ontario Teacher's Pension Plan in September 2011 for 4.5x cost – SonicWALL (PEG direct) purchased by Dell in May 2012 for 3.6x cost – Entrust returned 2.1x to date through two dividend recaps
Fund X 2012 (USCF IV)	■ $1.27bn; final closing in February 2012 : Early performance strong (15.9% IRR, 1.2x cost)* ■ Invested in 8 companies , 3 overlap with earlier funds (~54% of fund invested to date) ■ PEG invested directly in Blue Coat Systems (February 2012) and Deltek (October 2012) – Also in Fund IX
Special Opportunities Fund I 2013	■ Size of $400 million; over subscribed by existing LP's

*As of 6/30/2013
Past performance is no guarantee of future results. Partnership performance is net of underlying investment fees and expenses, gross of Advisor fees; if Advisor fees were included, returns would be lower. Portfolio company performance is gross of underlying investment fees and expenses and gross of Advisor fees. Not all partnerships have had or will have similar results.

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PEG direct investments sponsored by Thoma Bravo

Representative list

Datatel Enterprise software and services for higher education

- Purchased in April 2005; doubled EBITDA during ownership and improved margins from 27% to 40%
- Sold 4Q 2009; overall PEG return of 3.9x

Embarcadero Database administrator management software

- Purchased in June 2007; completed add-on acquisition, doubled revenue and diversified business
- Recapitalization completed December 2012, returned 73% of cost
- Net leverage of 3.77x EBITDA

Flexera Software licensing, entitlement and installation solutions

- Purchased in April 2008; completed several acquisitions in the downturn
- Attractive financial characteristics: strong, recurring revenue base and high gross margins (86%)
- Sold in 3Q 2011; overall PEG return of 4.7x MOIC

SonicWALL Network security appliances to small and medium-sized businesses

- Purchased in July 2010
- Purchased by Dell in May 2012; overall PEG return of 3.6x

Blue Coat Systems Leading provider of Secure Web Gateway and WAN optimization solutions

- Purchased in February 2012; strong cash flow generation, high recurring revenue base
- Three acquisitions to date and others under consideration
- Recapitalization reduced interest costs and returned ~60% of cost

Deltek Leading provider of enterprise software solutions for government contractors and project-focused companies

- Purchased in October 2012; more than 15,000 customers and 2 million users in over 80 countries
- Recapitalization maintained weighted average cost of debt and returned ~50% of cost

As of 3/31/2013.

Past performance is no guarantee of future results. Portfolio company performance is net of underlying investment fees and expenses and gross of Advisor fees. Not all investments have had or will have similar results.

Investment access and allocation

We will not pursue or accept a mandate if we are not fully confident that we can deliver with respect to the overall mandate and investment access

Planning and capital raising

- PEG actively projects prudent capital raising targets across commingled funds and separate accounts
  - identification of upcoming investment opportunities
  - estimation allocations that PEG can secure from GPs
  - calculation of uncommitted capital for existing portfolios
  - determination of investment opportunity capacity
- Planning is done on an ongoing basis at PEG's weekly meeting, with extensive review on an annual basis

Investment access

- PEG is a meaningful and long-standing investor with top tier private equity firms
  - investing in the US private equity markets since 1980 and globally since 1983
  - more than 6,000 private equity offerings in our database and active data capture of 880+ partnerships
- We also aim to identify new opportunities including targeted and first time partnerships
- As a result, we have been successful in securing desired allocations for our clients

Investment allocation

- Allocations across commingled and separate account portfolios are governed by an allocation policy and committee
- PEG provides clients with full transparency with respect to allocation decisions
- In all cases, portfolio specific guidelines are considered
  - allocation and commitment size
  - diversification thresholds across vintage years, strategies/sectors and geographies
  - prior allocations and current portfolio composition

The manager seeks to achieve the stated objectives. There can be no guarantee those objectives will be met.

Compensation aligned with and driven by our business results

- Our compensation is structured to:
  - align interests with our investors
  - retain our experienced team and attract qualified investment professionals
  - compensate Group professionals based on investment results
- Each employee receives a base salary and incentive compensation annually, based on PEG performance
- Team professionals personally invest 1.25% along side all investments[1]
- 60% of carried interest and incentive fees are allocated to the PEG

[1]Allocation percentage is reviewed each calendar year; it has been at or above 1% for the past 6 years is expected to remain at or above that level.

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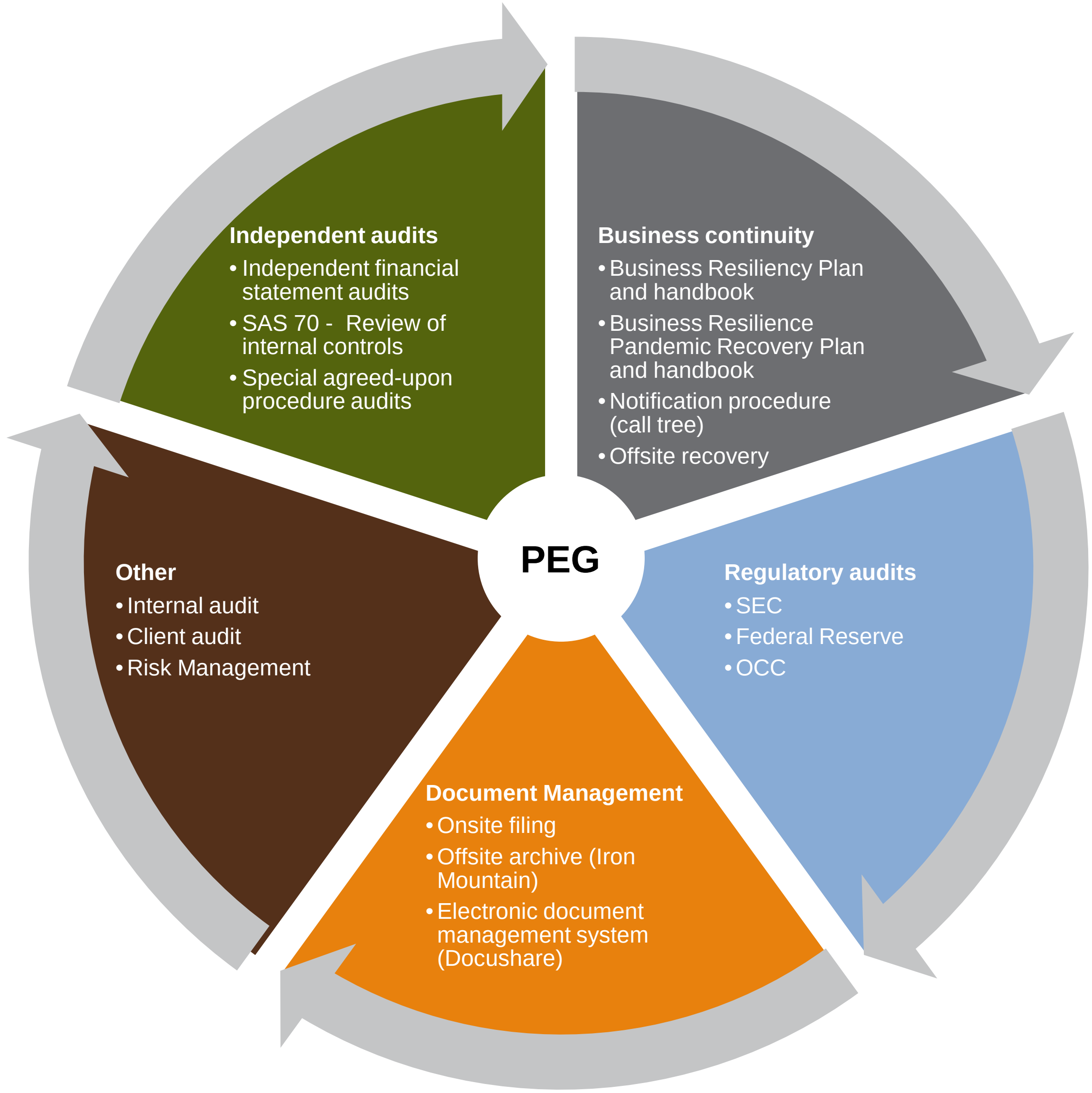
Dedicated resources and services supporting the Private Equity Group and our clients

- Technology
  - 15 member team (6 located in New York, 9 located in India)
  - Facilitates innovation of cutting edge technology and software
- Compliance
  - Train and advise personnel on regulatory requirements, prospective regulations, the Code of Conduct, AML (anti-money laundering)
  - Monitor client and employee personal trading activity
  - Monitor potential conflicts of interest
- Internal Audit
  - Perform periodic and independent review of investment process and procedures
  - Perform internal control assessment
  - Work with JPM external auditors and regulators
- Client Administration
  - Ensure proper tax and regulatory compliance
  - Coordinate consolidated firm-wide reporting across product groups specific to client
- Equity Research
  - Access to proprietary research reports and industry experts
  - Ability to leverage in-depth sector and market analysis
  - 56 analysts in U.S., 48 in Europe, 20 in Asia
- Trade Support
  - 44 trading professionals in four major trading regions (New York, London, Tokyo, Hong Kong) allows us to trade anywhere in the world
  - Monitor all cost elements of trading
    - Low institutional commissions
    - Market impact
- Funds Administration (Operations)
  - Provide back-office support
  - Perform reconciliations with client custodians; prepare financial statements for client
- Risk Management
  - Develop internal risk and control policies
  - Tailor industry and corporate requirements to establish best practices for JPM
  - Co-ordinate self-assessments by business units to define the quality of the control environment
  - Work with JPM's external auditors on SAS70 (testing of control environment)
- Legal
  - In-house legal department dedicated to supporting PEG
  - Assist in review of legal documents
  - Structuring of customized investment vehicles

Risk management, compliance and business resilience are central to our business and portfolio management



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J.P. Morgan Private Equity's edge

- Dedicated team of global private equity professionals with depth of experience in private equity investments, including 24 years average tenure from 10 founders
- Track record of consistent style and approach with a small to mid-market focus
- Ability to construct opportunistically diversified private equity portfolios with a tested investment due diligence and decision making process
- Select access to oversubscribed and less available private equity opportunities through our network of over 880 partnerships and our database which includes over 6,000 partnerships
- Alignment of interest through 1.25% investment[1] by PEG professionals
- Strategic partner to provide broader investment support, portfolio construction and modeling, education, consolidated reporting, administrative and risk management expertise

[1]Allocation percentage is reviewed each calendar year; it has been at or above 1% for the past 6 years and is expected to remain at that level or above

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Appendix

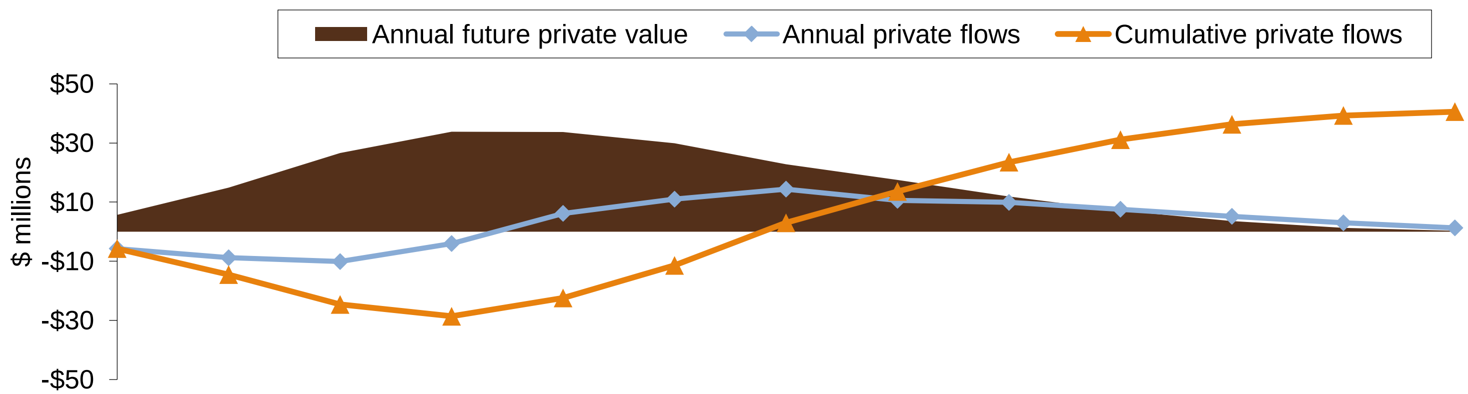
Fee proposal

Hypothetical cash flow model

For illustrative purposes only

- Annual allocations: 70% partnerships, 15% secondaries and 15% directs

Private equity value and cash flows



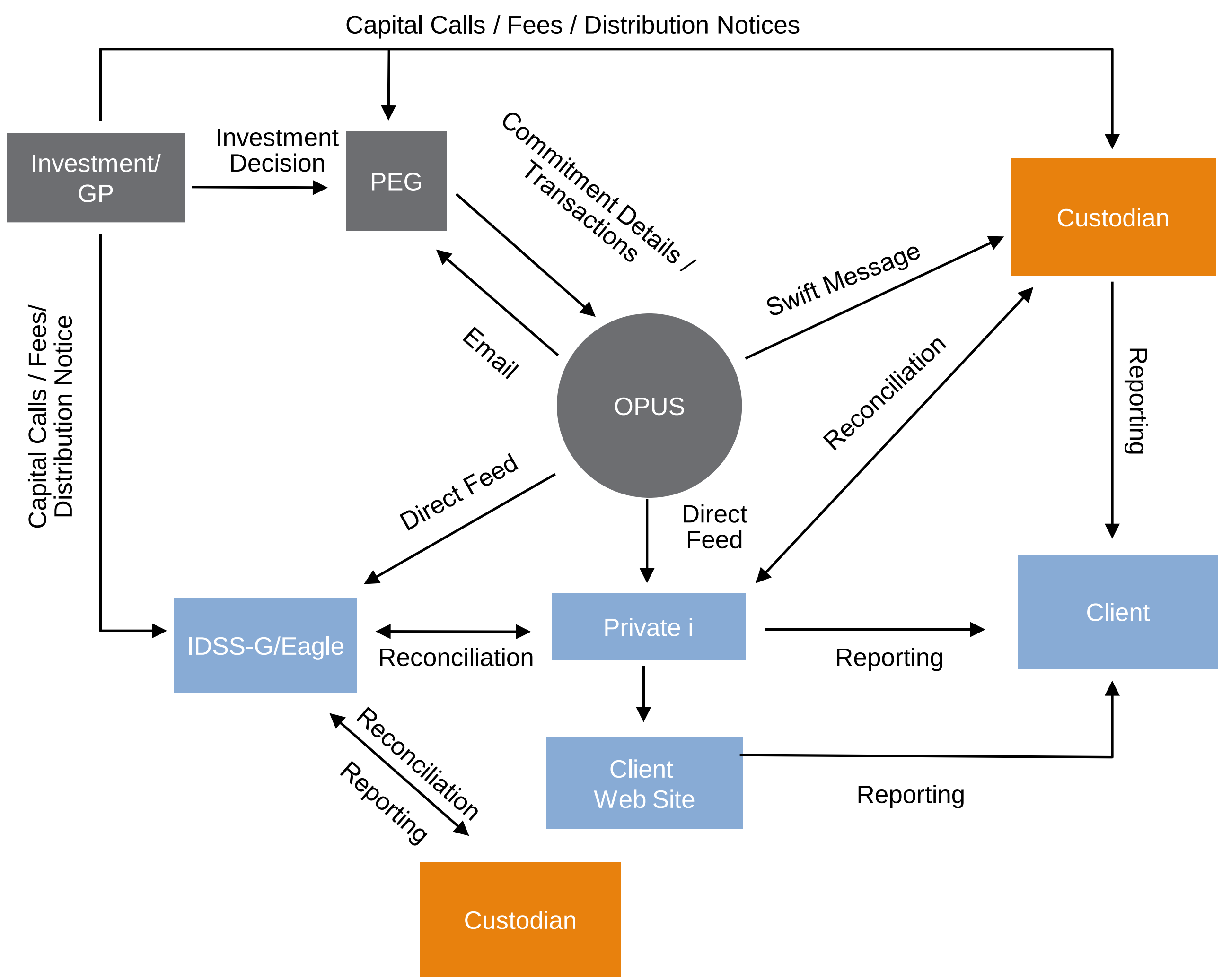
$ millions	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Total
Total commitment	**$50**														**$50**
Commitments to investments	**$16.7**	**$16.7**	**$16.7**	-	-	-	-	-	-	-	-	-	-	-	**$50**
Capital calls	(6.0)	(10.0)	(13.1)	(9.1)	(6.2)	(3.6)	(1.6)	(0.6)	-	-	-	-	-	-	(50)
Distributions	0.3	1.2	3.0	5.1	12.4	14.6	16.0	11.2	9.9	7.6	5.2	3.0	1.3	0.4	91.0
Annual net cash flows	(5.7)	(8.8)	(10.1)	(4.0)	6.2	11.0	14.4	10.6	9.9	7.6	5.2	3.0	1.3	0.4	
Cumulative cash flows	(5.7)	(14.5)	(24.6)	(28.6)	(22.4)	(11.4)	3.0	13.6	23.5	31.1	36.3	39.3	40.6	41.0	
Private equity value	5.7	14.9	26.6	33.8	33.7	29.9	22.8	17.5	11.9	7.1	3.6	1.3	0.3	-	

Projection based on PEG estimates
Hypothetical for illustrative purposes only. Net of underlying investment fees and expenses; gross of Advisor fees; if Advisor fees were included, returns would be lower.
Past performance is no guarantee of future results. The manager seeks to achieve the stated objectives. There can be no guarantee those objectives will be met.

Technology systems and maintenance

Flow of transactions

- Strategic relationship with Private i (established 1986)
- Three-point reconciliation
- Automated transmittal to custodian/trustee
- Full compliance monitoring



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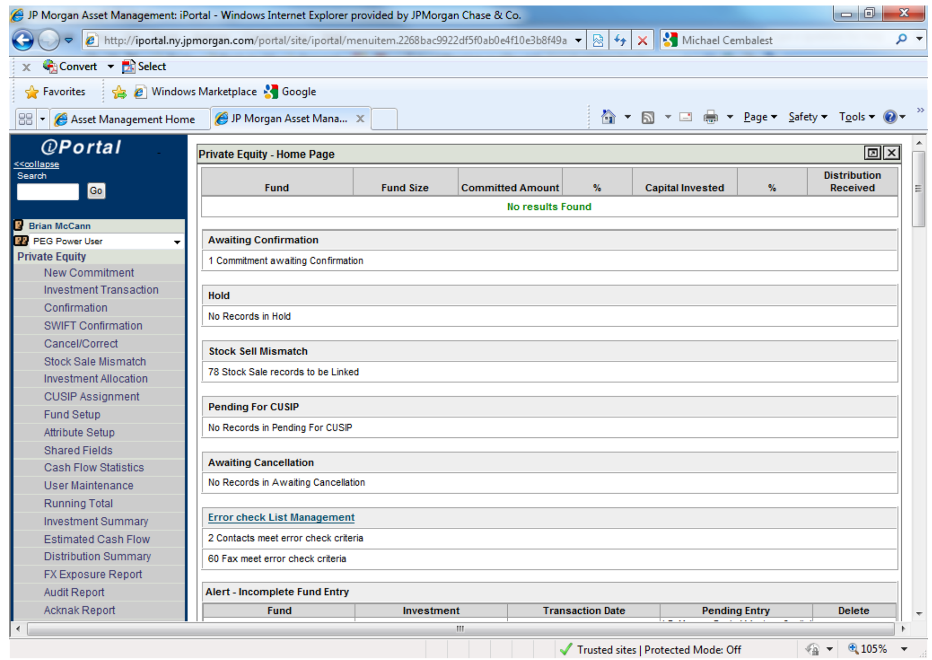
OPUS

- In-house proprietary data entry system within the PEG
- Developed in conjunction with the technology team over a 5 year period using existing corporate technology platforms and infrastructure
- Specifically tailored to meet the PEG's needs
- Strong built-in system controls
  - password protected
  - segregation of duties achieved through separate input, review and approval levels
  - capital calls over certain threshold levels require additional levels of approval
- Automated transmittal to subsidiary systems (including custodian and Private i) through the following messaging technologies:
  - SWIFT authorizes the custodian to move cash
  - email contains the necessary transaction level detail to ensure proper recording and accounting
- System generated letters of direction and transaction summary reports
- Separate module to maintain client notification list
  - used for distribution of client notices



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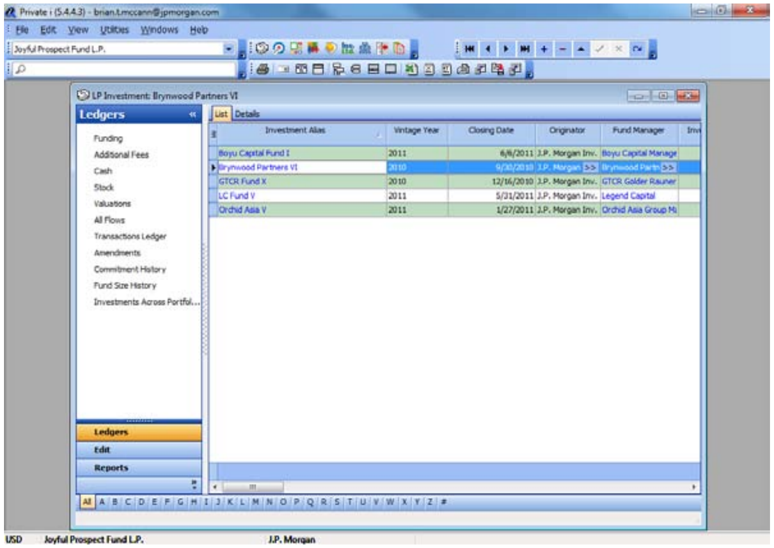
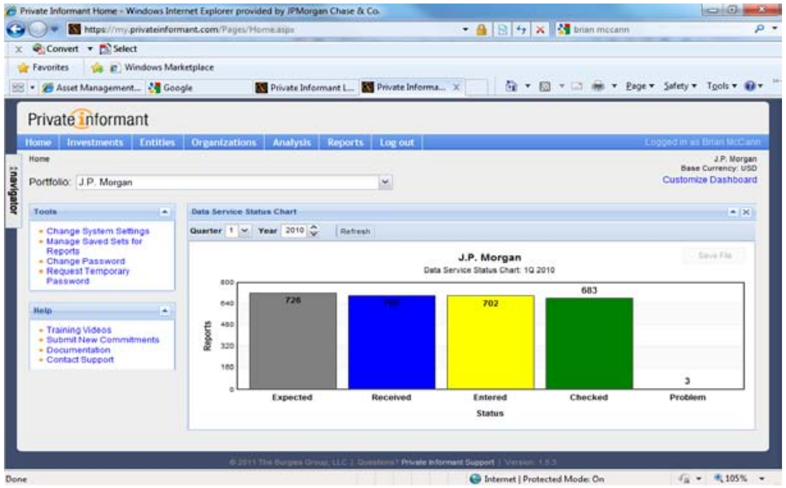
Private i

- Established relationship with the software developer in 1988
- Partnered with developer to create various applications for the PEG
- Covers the complete lifecycle of private equity investments and facilitates current and historical reporting
  - tracking investment commitments, cash flows, valuations
  - calculating performance and performance benchmarking
  - tracking characteristics of underlying portfolio companies
  - managing on-line electronic document library
  - maintaining offerings database
  - developing tailored reporting
  - tracking investor data, performance, allocations
  - full multi-currency support
- Private Informant
  - provides both qualitative and quantitative information
    - pro rata cost and fair market value
    - geographic diversification
  - industry/sector classification
  - valuable tool for exposure analysis
  - compliance/legal applications

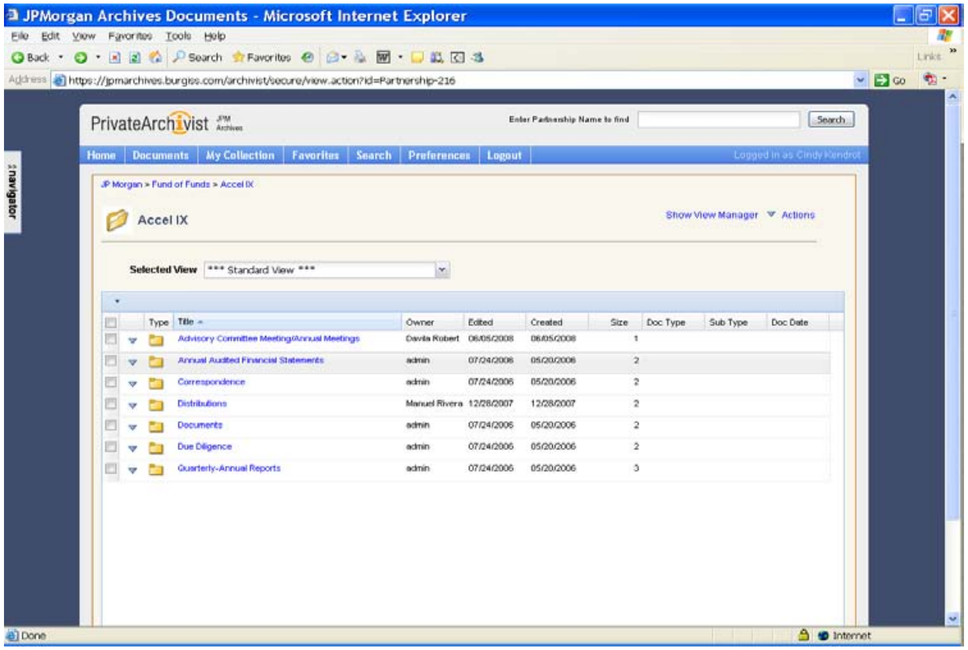




Docushare

Electronic document management system

- Web-based document management system
- Currently stores approximately 215,000 documents for the PEG (For the year 2009, 267,000 pages added)
- Store and manage electronic files in a variety of formats (PDF, Microsoft Word, PowerPoint, Excel)
- Safe and secure server; password protected
- Documents are fully indexed, powerful search capabilities
- Sophisticated version controls
- Fail-safe disaster recovery measures
- Individual client access available via password protected website



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Please keep in mind

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The deduction of a management and other fees reduce an investor's return. Actual performance will vary depending on the size of commitment and applicable fee schedule. Past performance is not a guarantee of future results.

The following is an example of the effect of compounded advisory fees over a period of time on the value of a client's portfolio: A portfolio with a beginning value of $100 million, gaining an annual return of 10%, would grow to $259 million after 10 years, assuming no fees have been paid out. Conversely, a portfolio with a beginning value of $100 million, gaining an annual return of 10%, but paying a fee of 1% per year, would only grow to $235 million after 10 years. The annualized returns over the 10-year time period are 10% (gross of fees) and 8.91% (net of fees). If the fee in the above example was 0.25% per year, the portfolio would grow to $253 million after 10 years and return 9.73% net of fees. The fees were calculated on a monthly basis, which shows the maximum effect of compounding.

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CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

PLACEMENT AGENT DISCLOSURE POLICY

(Adopted 6/9/2010)
(Amended 12/8/2010)

This policy is effective immediately upon adoption. This policy is intended to supplement any applicable provisions of state or federal law, which shall govern in the event of any inconsistency.

I. PURPOSE

This Policy was adopted in accordance with California Government Code section 7513.85, which requires all California public retirement systems to develop and implement, on or before June 30, 2010, a policy requiring the disclosure of payments to placement agents made in connection with system investments. This Policy sets forth the circumstances under which the Contra Costa County Employees' Retirement System ("CCCERA") shall require the disclosure of payments to Placement Agents in connection with CCCERA's investments in or through External Managers. This Policy is intended to apply broadly to all of the types of investment partners with whom CCCERA does business, including the general partners, managers, investment managers and sponsors of hedge funds, private equity funds, real estate funds and infrastructure funds, as well as investment managers retained pursuant to a contract. CCCERA adopts this Policy to require broad, timely, and updated disclosure of all Placement Agent relationships, compensation and fees. The goal of this Policy is to help ensure that CCCERA's investment decisions are made solely on the merits of the investment opportunity by individuals who owe a fiduciary duty to CCCERA.

II. APPLICATION

This Policy applies to all agreements with External Managers that are entered into after the date this Policy is adopted. This Policy also applies to existing agreements with External Managers if, after the date this Policy is adopted, the agreement is amended to continue, terminate, or extend the term of the agreement or the investment period, increase the commitment of funds by CCCERA or increase or accelerate the fees or compensation payable to the External Manager (referred to hereafter as "Amendment"). In the case of an Amendment, the disclosure provisions of Section IV.A. of this Policy shall apply to the Amendment and not to the original agreement.

III. DEFINITIONS

A. Consultant: Person(s) or firm(s), including key personnel of such firm(s), who are contractually retained by CCCERA to provide advice to CCCERA on investments, External Manager selection and monitoring, and other services, but who do not exercise investment discretion.

B. External Manager: An asset management firm, partnership, general partner, limited liability company or other investment vehicle that is seeking to be, or has been, retained by CCCERA to manage a portfolio of assets or interests (including securities) for a fee. The external manager usually has full discretion to manage CCCERA's assets, consistent with investment management guidelines provided by CCCERA and fiduciary responsibility.

C. Placement Agent: Persons or entities hired, engaged or retained by or acting on behalf of an External Manager or on behalf of another Placement Agent as a finder, solicitor, marketer, consultant, broker or other intermediary to raise money or investments from or to obtain access to CCCERA, directly or indirectly. An individual who is an employee, officer, director, equityholder, partner, member, or trustee of an external manager and who spends one-third or more of his or her time, during a calendar year, managing the securities or assets owned, controlled, invested, or held by the external manager is not a placement agent. (Govt. Code Sec. 7513.8.)

IV. RESPONSIBILITIES

A. Each External Manager is responsible for:

1. Providing the following information (collectively, the "Placement Agent Information Disclosure") to CCCERA Staff within thirty (30) days after being provided with this Policy:

   a. A statement whether the External Manager, or any of its principals, employees, agents or affiliates has compensated or agreed to compensate, directly or indirectly, any person or entity to act as a Placement Agent in connection with any investment by CCCERA.

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

   c. A description of any and all compensation of any kind provided or agreed to be provided to a Placement Agent, including the nature, timing and value thereof.

   d. A description of the services to be performed by the Placement Agent.

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

f. A statement whether the placement agent, or any of its affiliates, is registered as a lobbyist with any state or national government.

2. Providing an update of any changes to any of the information included in the Placement Agent Information Disclosure within fourteen (14) business days of the occurrence of the change in information.

3. Representing and warranting the accuracy of the information included in the Placement Agent Information Disclosure in any final written agreement with a continuing obligation to update any such information within fourteen (14) business days of any change in the information.

4. Causing its engaged Placement Agent, prior to acting as a Placement Agent with regard to CCCERA, to disclose to Staff any campaign contribution, gift or other item of value made or given to any member of the CCCERA Board or Staff, or Consultant, during the prior twenty-four month period.

5. Causing its engaged Placement Agent, during the time it is receiving compensation in connection with a CCCERA's investment, to disclose to Staff any campaign contribution, gift or other item of value made or given to any member of the CCCERA Board or Staff, or Consultant, during such period.

B. CCCERA's Consultant and Investment Staff ("Staff") are responsible for all of the following:

1. Providing External Managers with a copy of this Policy at the time that due diligence in connection with a prospective investment or engagement begins.

2. Confirming that the Placement Agent Disclosure has been received by CCCERA before any recommendation to proceed with the engagement of the External Manager or the decision to make any investment.

3. For new contracts and amendments to contracts existing as of the date of the Policy, confirming that the final written agreement between CCCERA and the External Manager provides that the External Manager agrees to comply with the Placement Agent Disclosure Policy.

4. Prohibiting, pursuant to Government Code section 7513.85, any External Manager or Placement Agent from soliciting new investments from CCCERA for five years after they have committed a material violation of this Policy; *provided, however,* that CCCERA's Board, by majority vote at a noticed, public meeting, may reduce this prohibition upon a showing of good cause.

5. Providing copies of the Placement Agent Information Disclosure and the Placement Agent disclosures referred to in Sections IV A. 4 and 5, above, to the Chief Executive Officer and the Chief Investment Officer. Copies of the

Disclosures shall be included in materials distributed to the Board in connection with the Board's consideration of the investment or amendment to an investment. Copies of Disclosures received after the investment or amendment is undertaken by the Board shall be timely provided to the Board. All Placement Agent Information Disclosures and the Placement Agent disclosures referred to in Sections IV A. 4 and 5, above, shall be a public record subject to disclosure under the California Public Records Act.

6. Reporting any material violations of this Policy to the Board.

C. External Managers shall comply with this Policy and cooperate with the Consultant and Staff in meeting their obligations under this Policy.

CONTRA COSTA COUNTYEMPLOYEES' RETIREMENT ASSOCIATION
DISCLOSURE STATEMENT RE: USE OF PLACEMENT AGENTS

The undersigned is a current or proposed "External Manager" for the Contra Costa County Employees' Retirement Association ("CCCERA"), as defined under CCCERA's Placement Agent Disclosure Policy, adopted on June 9, 2010 ("Policy.") We have received a copy of the Policy from CCCERA. We hereby disclose to CCCERA the following information, which we represent and warrant to be true and correct as of the date hereof:

1. Neither we nor any of our principals, employees, agents or affiliates has compensated or agreed to compensate, directly or indirectly, any person or entity to act as a Placement Agent (as defined in the Policy) in connection with any investment by CCCERA, **except as disclosed on Attachment 1 to this Disclosure Statement**.

[IF THERE IS NOTHING TO DISCLOSE IN ATTACHMENT 1, ITEMS 2-6 ARE INAPPLICABLE.]

2. To the extent of any disclosure set forth on Attachment 1, we attach as Attachment 2 to this Disclosure Statement a resume for each officer, partner or principal of the Placement Agent (and any employee providing similar services) detailing the person's education, professional designations, regulatory licenses and investment and work experience, and whether any such person is a current or former CCCERA Board member, employee or Consultant or a member of the immediate family of any such person.

3. To the extent of any disclosure set forth on Attachment 1, we attach as Attachment 3 to this Disclosure Statement a description of any and all compensation of any kind we have provided or have agreed to provide to a Placement Agent, including the nature, timing and value thereof.

4. To the extent of any disclosure set forth on Attachment 1, we attach as Attachment 4 to this Disclosure Statement a description of the services to be performed by the Placement Agent.

5. To the extent of any disclosure set forth on Attachment 1, we attach as Attachment 5 to this Disclosure Statement a statement whether the Placement Agent or any of its affiliates are registered with the Securities and Exchange Commission or the Financial Industry Regulatory Association or any similar regulatory agent in a country other than the United States and the details of such registration or explanation of why no registration is required.

6. To the extent of any disclosure set forth on Attachment 1, we attached as Attachment 6 to this Disclosure Statement a statement whether the Placement Agent or any of its affiliates are registered as a lobbyist with any state or national government.

We further represent and warrant as follows:

A. We shall provide an update of any changes to any of the information included in this Disclosure Statement within fourteen (14) business days of the occurrence of the change in information.

B. We shall cause our engaged Placement Agent, if any, prior to acting as a Placement Agent with regard to CCCERA, to disclose to CCCERA in writing any campaign contribution, gift (as defined in Government Code section 82028) or other item of value made or given to any member of the CCCERA Board or Staff, or Consultant (as defined in the Policy), during the prior twenty-four month period.

C. We shall cause our engaged Placement Agent, during the time it is receiving compensation in connection with a CCCERA investment, to disclose to CCCERA any campaign contribution, gift or other item of value made or given to any member of the CCCERA Board or Staff, or Consultant, during such period.

Dated: Sep 20, 2013 EXTERNAL MANAGER

J.P. Morgan Asset Management
Name of Entity

By: ____________________
Authorized Signatory

Print Name Joel V. Damon

Its Managing Director

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
DISCLOSURE STATEMENT RE: USE OF PLACEMENT AGENTS

Attachment 1

Joel Damon, employee of J.P. Morgan Investment Management Inc.

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
DISCLOSURE STATEMENT RE: USE OF PLACEMENT AGENTS

Attachment 2

Joel Damon, Managing Director, is a client advisor in J.P. Morgan Asset Management's Institutional Americas Group. An employee since 2002, Joel serves the investment needs of U.S. institutional investors, including corporate and public retirement plans, as well as endowments and foundations. As a client advisor, his role is to marshal the firm's extensive resources in the delivery of tailored solutions across a spectrum of alternative (real assets/infrastructure, private equity, hedge funds), and traditional (equities, fixed income) asset classes aiming to exceed the strategic and tactical investment objectives of his clients. Prior to joining the firm, he directed institutional client relationship management for Montgomery Asset Management. Previously, Joel managed the investments for the Bank of America employees' pension and savings plans.

Joel has a B.A. in mathematics and psychology from Sterling College and an M.B.A. in finance from the University of California, Berkeley. He holds FINRA Series 7, 63 and 65 licenses and his NFA Series 3 license.

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
DISCLOSURE STATEMENT RE: USE OF PLACEMENT AGENTS

Attachment 3

J.P. Morgan Investment Management Inc. (JPMIM) provides a salary, discretionary incentive award and benefits to its employees who are considered placement agents. Salaries are paid on a semi-monthly basis, while the discretionary incentive award is distributed annually in the form of cash and JPMorgan Chase & Co. (JPMC) Restricted Stock Units. Discretionary incentive awards are determined by management based upon factors that include individual, JPMIM and over-all JPMC performance. All compensation and benefits are believed to be commensurate with what is provided by competitor organizations.

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
DISCLOSURE STATEMENT RE: USE OF PLACEMENT AGENTS

Attachment 4

The agreed upon services performed by the individuals considered to be Placement Agents are related to marketing and client services for the Contra Costa County Employees' Retirement Association. This includes providing regular updates on investment strategy, portfolio reviews and investment related information on an ongoing basis.

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
DISCLOSURE STATEMENT RE: USE OF PLACEMENT AGENTS

Attachment 5

Joel Damon holds FINRA Series 7, 63 and 65 licenses and his NFA Series license.

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
DISCLOSURE STATEMENT RE: USE OF PLACEMENT AGENTS

Attachment 6

Joel Damon is a registered lobbyist with the State of California.

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
DISCLOSURE STATEMENT RE: USE OF PLACEMENT AGENTS

Campaign Contribution, Gifts, and Entertainment Disclosure

1. May 7, 2012 - Lunch during NCPERS conference
    a. Attended by Richard Cabral at $10.56 per person
2. May 11, 2012 – Dinner during SACRS conference
    a. Attended by John Phillips and Jerry Telles at $25.53 per person
3. August 15, 2012 – Lunch
    a. Attended by Marilyn Leedom, Chih-Chi Chu and Timothy Price at $25.86 per person
4. January 9, 2013 – Breakfast
    a. Attended by Chih-Chi Chu and Marty Dirks (Milliman) at $23.31 per person
5. May 16, 2013 – Dinner event during SACRS conference
    a. Attended by Jerry Telles at $54 per person
6. May 19, 2013 – Dinner event during NCPERS conference
    a. Attended by Terry Buck (and guest), Richard Cabral and Gabe Rodrigues at $44 per person.
7. September 4, 2013 – Breakfast
    a. Attended by Chih-Chi Chu at $21.67 per person

Horsley Bridge Partners

Contra Costa County Employees' Retirement Association

October 30, 2013

The information contained in this presentation is provided to Contra Costa County Employees' Retirement Association in order to evaluate a potential investment in Horsley Bridge X Growth Buyout, L.P.

This information is not complete and does not constitute an offer or an interest in Horsley Bridge X Growth Buyout, L.P. This material should be considered in conjunction with the Confidential Offering Memorandum of Horsley Bridge X Growth Buyout, L.P. dated September 2012.

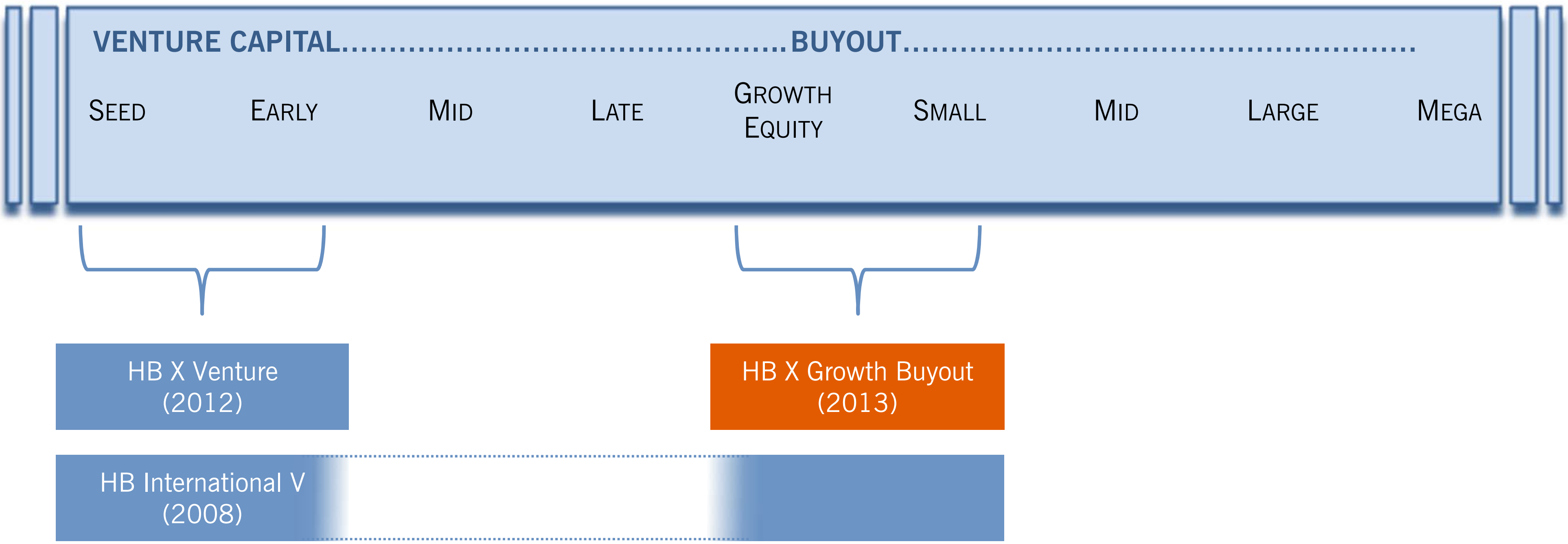
Prospective investors should review HBP's Form ADV Part 1, Part 2A, and Part 2B, which are available from HBP by request. HBP's Form ADV is also available on the SEC's website at www.adviserinfo.sec.gov.

Horsley Bridge Partners

- **Founded in 1983** as one of the earliest private equity fund-of-funds
  - San Francisco-based with offices in London and Beijing
  - Experienced team with deep networks and seasoned pattern recognition
- **Prominent position** in the private equity industry
  - Leading brand, sought-after anchor investor
  - $12B of Assets Under Management, 30+ years of client service and partnership
- **Focused strategy** emphasizing early stage venture capital and smaller growth buyout funds
  - Differentiated approach seeking investment opportunities with outsized return potential
  - Sole business is partnership investing through our funds-of-funds
- **Proven performance** across multiple investment cycles
  - Annualized 27%[1] net IRR to investors dating back to Horsley Bridge I (1985)
  - Strong momentum across active portfolio

[1] See Investment Performance Disclosures.

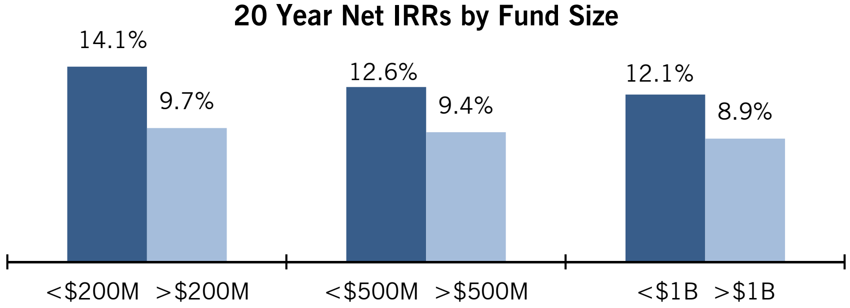
The Private Equity Market: HBP Focus



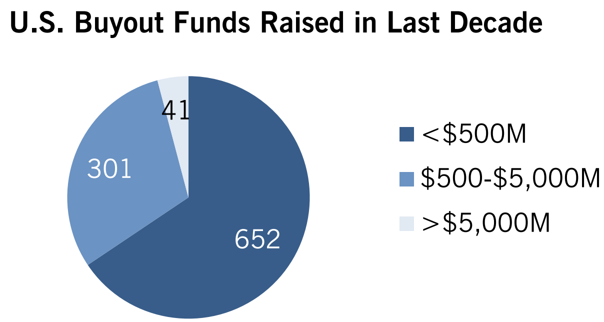
Our portfolio is concentrated in the earliest stages of venture capital and the smaller end of the growth buyout market, the areas with highest potential for generating outsized winners.

Why Small Buyouts?

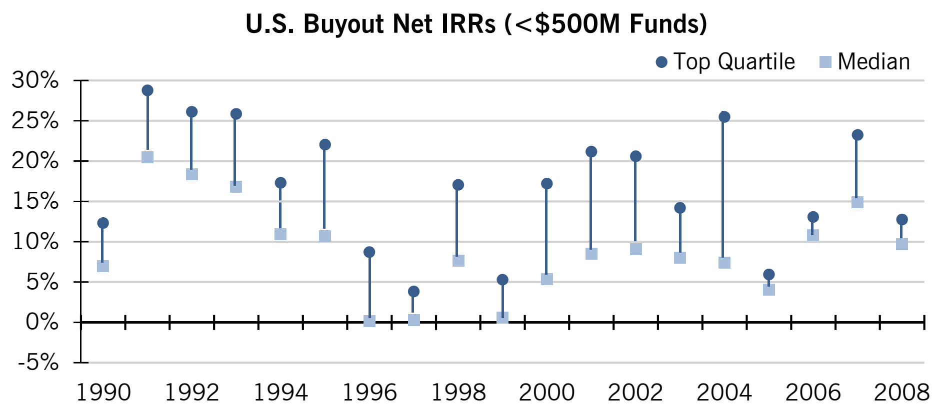
- Smaller U.S. buyout funds have outperformed larger funds over the long term



- The smaller end of the market is highly fragmented with varying skill levels; top performers typically scale their fund sizes



- Manager selection is critical – a significant gap exists between top quartile and median performance (average difference = 800 bps)



Source: Thomson Reuters as of December 31, 2012.

Investment Committee: Managing Directors

Du Chai
3 years at HBP
12 years in PE

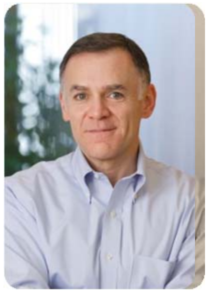
Previous
Northwestern
JP Morgan & Co.

Education
Northwestern (MBA, BA)

Elizabeth Obershaw
7 years at HBP
31 years in PE

Previous
Hewlett-Packard

Education
Stanford (MBA)
UCLA (BA)



Fred Berkowitz
26 years at HBP
26 years in PE

Previous
Shaffer and Shaffer
Meliora Associates

Education
Rochester (MS, MBA)
Ohio State (MA)
U. Mass (BA)

Fred Giuffrida
18 years at HBP
31 years in PE

Previous
Nixon, Hargrave, Devans & Doyle
Empire Airlines

Education
Harvard (JD)
Notre Dame (BA)

Josh Freeman
18 years at HBP
18 years in PE

Previous
PaineWebber

Education
Michigan (MBA)
Stanford (BA)

Kathryn Mayne
11 years at HBP
22 years in PE

Previous
Claridge Inc.
Jarislowsky Fraser & Co.

Education
Western Ontario (MBA)
Calgary (BA)

Lance Cottrill
14 years at HBP
14 years in PE

Previous
McKinsey & Co.

Education
Harvard (MBA)
Stanford (BA)

Yi Sun
6 years at HBP
10 years in PE

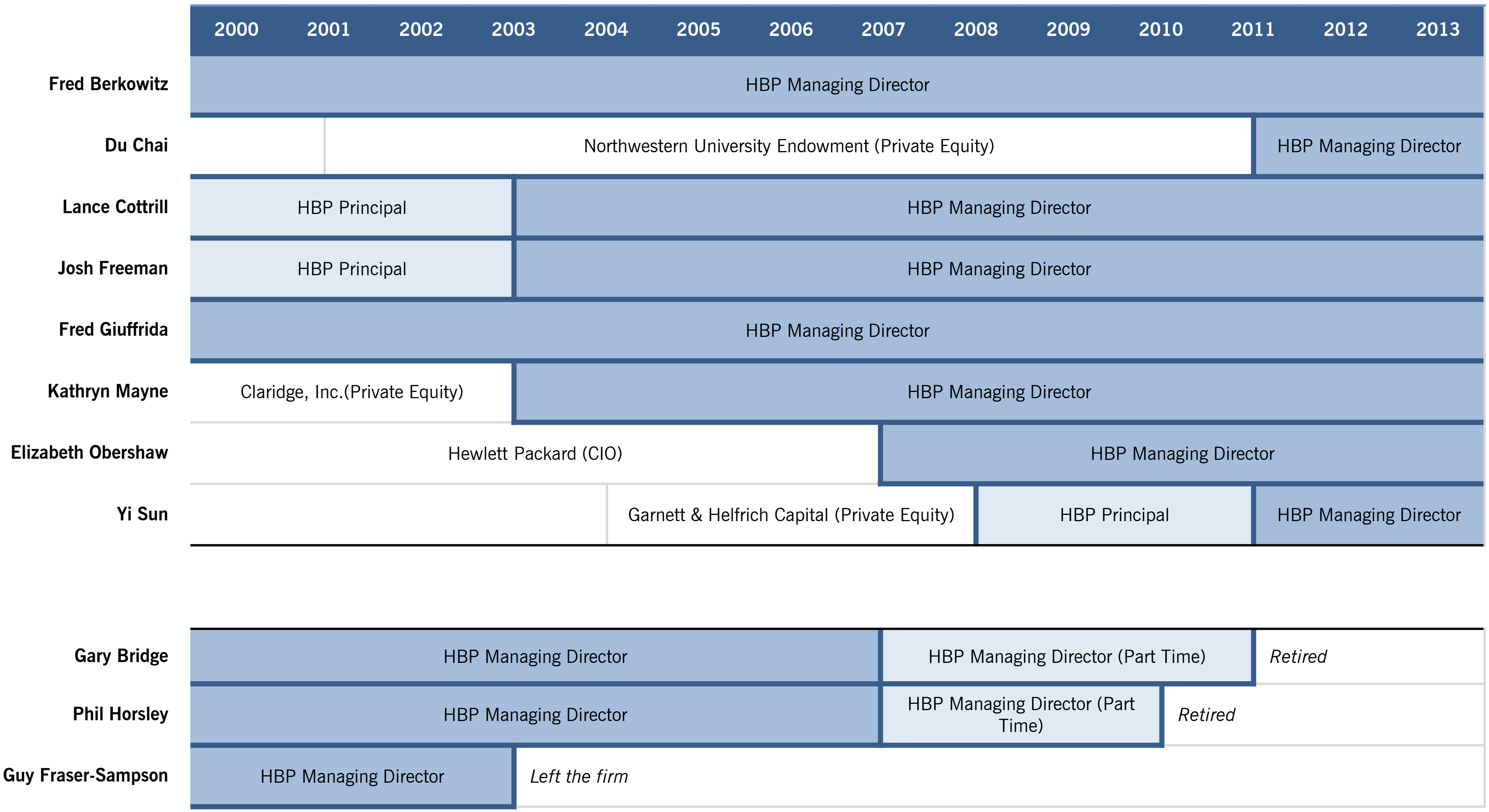
Previous
Garnett & Helfrich Capital
Davis Polk & Wardwell

Education
Harvard (JD, MBA)
Stanford (MS)
Lafayette College (BS)

- **Experience**: over 150 years of cumulative private equity experience
- **Continuity**: average of over 13 years at HBP
- **Decision-making**: decisions involve the entire team, promoting joint ownership and ensuring a consistently high hurdle
- **Ownership:** equal ownership of the management company, with newer MDs growing their ownership over time

As of September 30, 2013. Note: Years rounded up.

Investment Committee: Continuity & Transition



Investment Team

Julian Rowe
Principal
5 years at HBP
9 years in industry

Previous
Citigroup
PricewaterhouseCoopers

Education
Oxford (MA)

Abhi Acharya
Director, Research
3 years at HBP
13 years in industry

Previous
Quinstreet
Oppenheimer Capital

Education
U. Pennsylvania (MBA)
U. California, Berkeley (BS)

Julie Morgan
Director, Investments
21 years at HBP
28 years in industry

Previous
RCM Capital Management
Montgomery Securities

Education
Golden Gate University (MBA)
Brown (BA)

John Brennan
Associate
1 years at HBP
1 years in industry

Previous
Accenture

Education
Trinity College (BS)

Daniel Burrows
Associate
1 years at HBP
2 years in industry

Previous
Oliver Wyman

Education
Imperial College (MSCI)

Jenny Kim
Associate
1 years at HBP
7 years in industry

Previous
Sequoia Capital
The Lion Fund

Education
U. California, Berkeley (BA)

Beverly Sum
Associate
3 years at HBP
6 years in industry

Previous
Pace Harmon
Leachman and Associates

Education
U. California, Berkeley (BS)

Derrick Tang
Associate
2 years at HBP
6 years in industry

Previous
Nexant

Education
Cornell (BS)

Steve Zeng
Associate
4 years at HBP
8 years in industry

Previous
The Silverfern Group
Wachovia Securities

Education
U. North Carolina-Chapel Hill (BS, BA)

Associate Program:

- Rotational program, typically 2-4 years
- Primary responsibilities include: supporting due diligence, monitoring investments, screening opportunities and researching industry topics
- Currently six Associates in the rotational pool across the San Francisco (4), London (1), and Beijing (1) offices
- Over the past five years, 11 Associates have transitioned through the program, with most pursuing MBAs (e.g., UC Berkeley, Northwestern) or joining technology companies (e.g., Google, LinkedIn)

As of September 30, 2013. Note: Years rounded up.

Operations Team

Kate Murphy
Managing Director, COO
10 years at HBP
20 years in industry

Previous
mPower Advisors
Montgomery Asset Mgmt.
Price Waterhouse

Education
U. Conn. (BS)

Mark Moore
Principal
4 years at HBP
14 years in industry

Previous
Spectrum Equity Investors
Hewlett-Packard

Education
Northwestern (MBA)
Stanford (MCTE)
Georgetown (BA)

Clara Vu
Chief Financial Officer
10 years at HBP
17 years in industry

Previous
3i
Ernst & Young

Education
Université Paris IX Dauphine (BS)

Jessica White
Legal Counsel
2 years at HBP
7 years in industry

Previous
Nixon Peabody LLP

Education
Hastings (JD)
Georgetown (BA)

Vivian Eng
Controller
11 years at HBP
27 years in industry

Previous
mPower Advisors
Scientific Learning Corp.
Ernst & Young

Education
U. California, Berkeley (BS)

Tina Jabeen
Director, Tax
6 years at HBP
19 years in industry

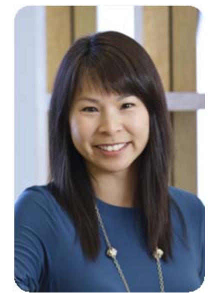
Previous
PricewaterhouseCoopers
KPMG

Education
U. California, Berkeley (BS)

Cara Hubbard
Director, Performance
3 years at HBP
12 years in industry

Previous
Highland Capital Partners
Brooke PE Advisors
Bain & Company

Education
Babson College (MBA)
Boston College (BS)



Betty Szeto
Director, HR
14 years at HBP
23 years in industry

Previous
Kemper Insurance Co.

Education
SF State U. (BS)

Jon Roller
Director, Info Systems
15 years at HBP
16 years in industry

Previous
Harbor Capital Advisors

Education
Miami U. (BS)

Vikram Prashar
Director, IT
5 years at HBP
19 years in industry

Previous
Marcus & Millichap
Selectica, Inc.
Worldtalk Corp.

Education
SF State U. (MBA)
U. California, Davis (BS)

- **Experience**: across key functional areas, average 17 years experience
- **Controls**: rigorous internal controls around cash, reporting, and systems
- **Deep Resources**: supported by 20+ additional operations professionals
- **Technology**: substantial investment in proprietary information systems
- **Regulatory**: Registered Investment Adviser since 1987, comprehensive compliance program

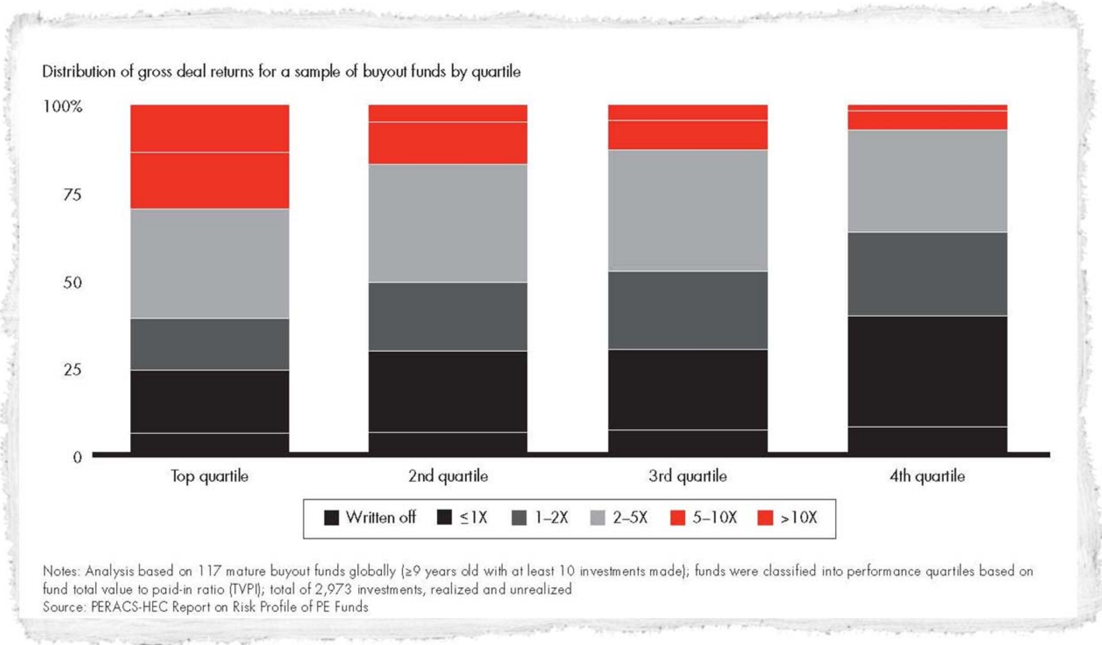
As of September 30, 2013. Note: Years rounded up.

Buyout Strategy: A Data-Driven Perspective

HBP Buyout Research[1]

Investments that Return (gross returns)		% of Deals	% of Total Value
<1 x	→	27%	1%
1x – 2x	→	17%	11%
2x – 3x	→	18%	21%
3x – 5x	→	20%	33%
≥5x	→	**18%**	**34%**

Bain & Company Buyout Research[2]



✓ **High performing investments are critical to superior fund-level returns**

[1] Based on internal research of fully realized investments from 1979 to 2012. Information is from partnerships, in which HBP may or may not have invested, that fit HBP's strategy criteria. [2] Bain & Company, Inc., "Global Private Equity Report 2013". See Investment Performance Disclosures.

Buyout Strategy: Focused Approach

Emphasize the areas where outsized returns are most common

- Smaller companies where managers' efforts have the most impact
- Smaller funds where incentives are well-aligned

Pursue strategies capable of strong upside potential

- High-growth markets, particularly technology
- Fragmented industries ripe for consolidation
- Under-managed businesses in need of turnaround expertise

Screen for teams best positioned for success

- High hurdle rates at both investment and fund level
- Capability to drive growth
- Courage to hold on to potential winners

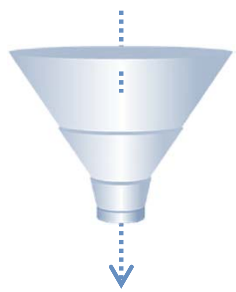
✓ **Pay careful attention to risk and downside protection…**

✓ **…but ensure every investment has a chance, if executed properly, to deliver outsized returns**

Buyout Strategy: Finding the Best Managers

Focus on key areas to determine if a fund offering merits further work

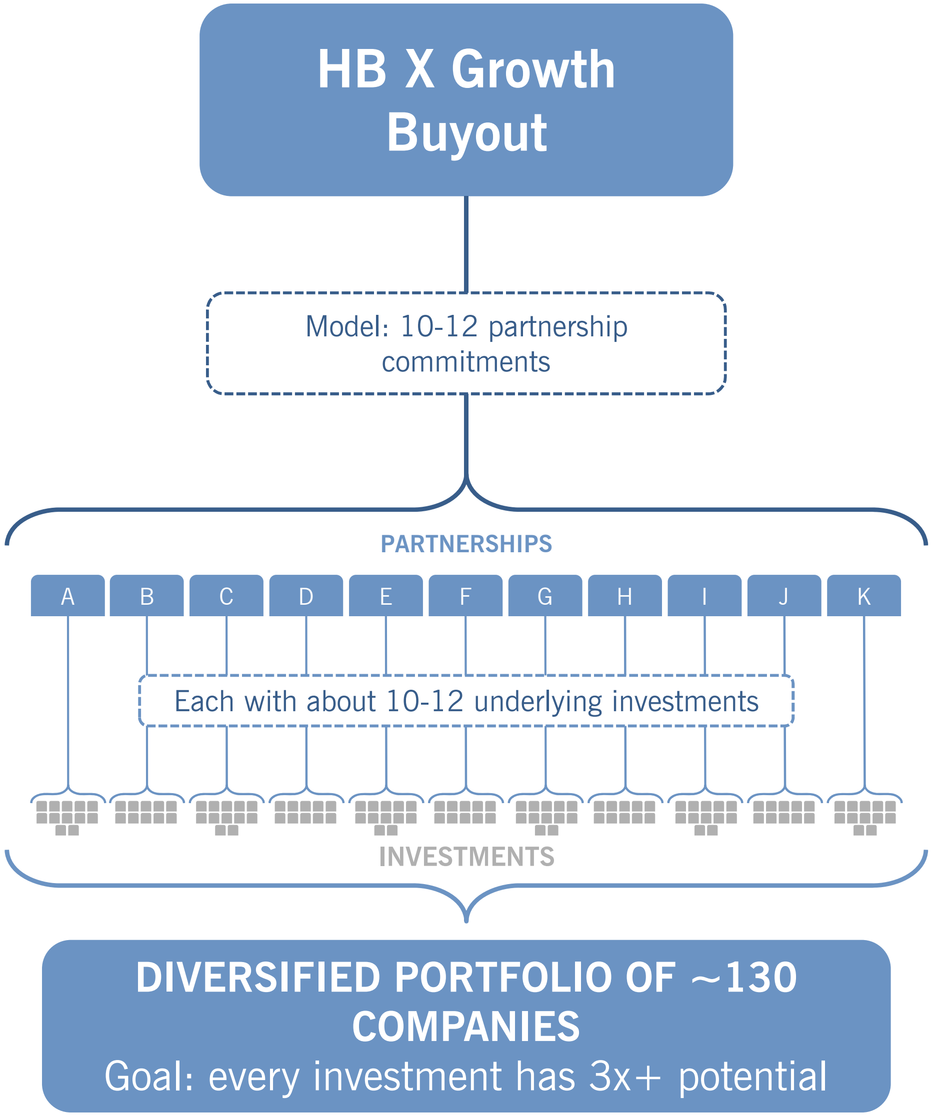
- OPERATING & INVESTMENT EXPERIENCE
- RETURN ASPIRATIONS
- TRACK RECORD
- DEAL SOURCING
- INVESTMENT PROCESS
- FUND MODEL
- VALUE-ADD CAPABILITIES



Our mantra is to "see everything," but most opportunities are sourced proactively or through our network

Horsley Bridge X Growth Buyout

- **Focused Strategy:** areas richest with upside opportunities
  - Smaller companies, typically sub-$100M in enterprise value
  - Smaller funds, typically sub-$500M
  - Emphasis on EBITDA growth, technology
- **Concentrated Approach:** every investment can move the needle
- **Play to Our Strength:** active portfolio of high performing managers



Active Growth Buyout Portfolio

	Fund	Fund Size	Primary Location(s)
Atlantic Street Capital	II	$71	Connecticut
Carrick Capital	I	$180	San Francisco
Prophet Equity	I	$271	Dallas
Sverica	III	$273	Boston/San Francisco
★ Blue Wolf Capital[1]	III	$300	New York
Stripes Group	II	$305	New York
★ Serent Capital	II	$350	San Francisco
Cressey & Co	IV	$385	Chicago
Excellere Partners	II	$465	Denver
Riverside Partners	V	$561	Boston
★ Vista Foundation Fund	II	$750[2]	Austin
Thoma Bravo	X	$1,250	San Francisco

★ = HB X Growth Buyout

BLUEWOLF

Serent CAPITAL

Vista Equity Partners

$ Millions; As of June 30, 2013. Active portfolio represents, for all U.S. Funds, all current active groups where HBP has made a commitment to the most recent Partnership sponsored by that group. If HBP has not made a commitment to the group's most recent Partnership the group is excluded. [1] Closed in July 2013. [2] Target Fund Size

Active Growth Buyout Portfolio: Company Metrics

Enterprise Value	% of Investments	Median EBITDA Multiple	Revenue CAGR	EBITDA CAGR
<$100M	61%	6.8x	16%	23%
$100 – 250M	25%	9.6x	13%	28%
>$250M	14%	9.6x	9%	25%
Median $75.4M		8.6x	13%	25%
Smaller companies		Reasonable prices	Significant growth and value creation	

As of December 31, 2012. Active portfolio represents, for all U.S. Funds, all current active groups where HBP has made a commitment to the most recent Partnership sponsored by that group. If HBP has not made a commitment to the group's most recent Partnership, the group is excluded. Data is as of the most recent date reported by the Partnerships to HBP, and includes investments by Buyout Partnerships in HB VIII and HB IX where such data is available. Revenue and EBITDA CAGR data excludes investments that are less than six months old. Not all investments have the same performance characteristics.

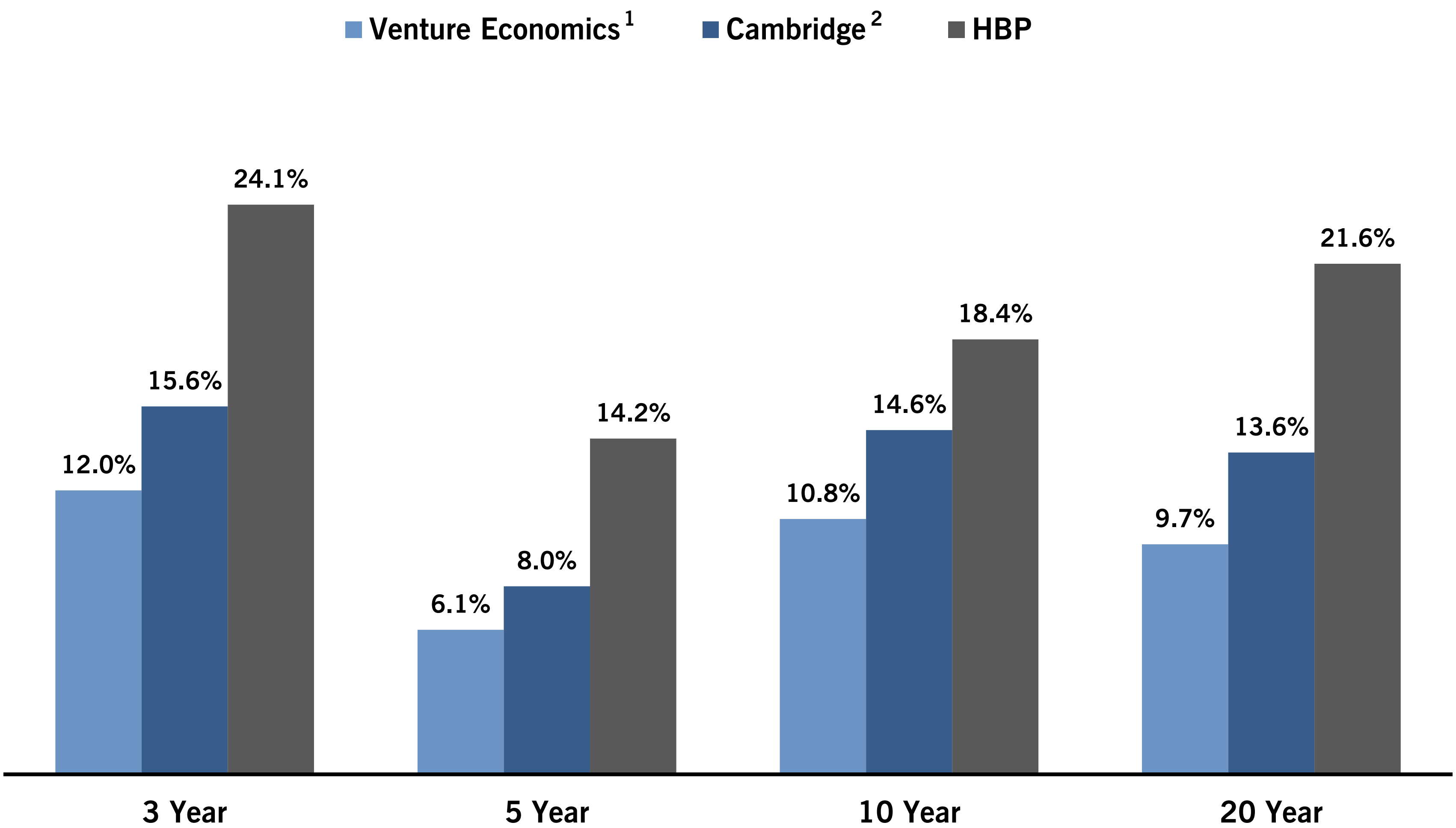
Active Growth Buyout Portfolio: Investments Since 2007

	2007	2008	2009	2010	2011	2012
Total Investments	6	11	14	26	18	37
Cost	$39	$63	$35	$101	$71	$141
Value	$145	$180	$80	$217	$95	$164
Gross V/C	3.7x	2.9x	2.3x	2.1x	1.3x	1.2x

	2007	2008	2009	2010	2011	2012
Realized Investments	2	5	1	3	1	1
Cost	$16	$11	$1	$15	$0	$3
Value	$76	$24	$2	$48	$1	$4
Gross V/C	4.6x	2.1x	2.9x	3.3x	3.0x	1.4x

As of March 31, 2013; See Investment Performance Disclosures. Active portfolio represents, for all U.S. Funds, all current active groups where HBP has made a commitment to the most recent Partnership sponsored by that group. If HBP has not made a commitment to the group's most recent Partnership, the group is excluded. This does not represent all HBP buyout investments. HBP has buyout investments from prior years, and performance for the prior period may be different. Liquidated and mature Funds (HB I – HB V) are excluded. Investments in the same company held by more than one HB Fund are only counted once. Excludes investments by Partnerships acquired as secondaries. V/C is the calculation of value/cost at the Company level and does not include the effect of fees and expenses of the HB Fund or underlying Partnership (see "Gross V/C" note in the Investment Performance Disclosures). Performance shown is not a guarantee of future results.

U.S. Buyout Funds: Horizon Comparisons



$ Millions; As of March 31, 2013. See Investment Performance Disclosures. Based on Partnership reported values. **HBP Fund Gross IRR is net of Partnership fees and expenses, but gross of Fund fees and expenses.** HBP Fund fees and expenses will reduce Gross IRR (see "Gross IRR" note in Performance Disclosures). Values do not reflect the performance of assets after being distributed to the Funds. Includes Buyout Partnerships held by all U.S. Funds and HB GVIII; excludes HB SF due to its mix of U.S. and International.

Benchmarks are pooled horizon returns. [1] Venture Economics data for U.S. Buyout funds for vintage years 1985-2012 as of March 31, 2013. [2] Cambridge Associates data for U.S. Buyout funds for vintage years 1986-2012 as of March 31, 2013.

Summary Economic Terms

- 10 year initial term, management fees scale down based on commitment size[1]
  - ≤ $25M 50 bps
  - Next $25M 40 bps
  - Amounts exceeding $50M 30 bps
- 5% carried interest after Limited Partners receive 100% of committed capital and 8% preferred return
- 2% General Partner interest; HBP Managing Directors have made significant commitments as Limited Partners
- Up to 105% of committed capital invested in partnerships

[1] For purposes of determining commitment levels in HB X Growth Buyout an investor will receive credit for its commitment to HB X Venture.
Before making any decision to invest, prospective investors should review the Limited Partnership Agreement for a complete description of the terms and restrictions of investment.

Why Horsley Bridge Partners?

- **Partnership:** one of the deepest and most experienced teams in the industry
- **Focus:** investing in venture and growth buyout partnerships is all that we do
- **Access:** high caliber active portfolio, promising new opportunities in hard-to-find places
- **Upside:** proven performance and a differentiated strategy seeking outsized return potential
- **Alignment:** reasonable terms and substantial HBP investment
- **Stability:** 30+ years as a leading brand in our focus areas

We measure ourselves not only by the returns earned, but by the integrity of our process and the longstanding relationships built with our clients, investment partners, and peers.

Thank You

Appendix

U.S. Funds Summary

	HB I	HB II	HB III	HB IV	HB V	HB VI	HB VII	HB VIII	HBG VIII	HB IX	HB X VC
Vintage	1985	1988	1992	1995	1997	1999	2000	2005	2006	2008	2012
Fund Size	$200	$228	$225	$300	$500	$1,056	$1,573	$1,006	$257	$1,759	$751
Strategy	Venture/ Buyout	Venture/ Buyout	Venture/ Buyout	Venture/ Buyout	Venture/ Buyout	Venture/ Buyout	Venture/ Buyout	Venture/ Buyout	Buyout	Venture/ Buyout	Venture
Status	Liquidated	Liquidated	Liquidating	Liquidating	Liquidating	Harvesting	Harvesting	Investing	Investing	Investing	Committing
Unrealized Investments	0	0	3	15	54	202	607	839	178	1,425	19
Paid-In	$201	$228	$225	$300	$500	$1,037	$1,524	$926	$237	$1,099	$30
Total Value	$569	$895	$2,094	$1,365	$1,402	$963	$1,692	$1,266	$349	$1,355	$24
Net TVPI	2.8x	3.9x	9.3x	4.5x	2.8x	0.9x	1.1x	1.4x	1.5x	1.2x	0.8x
Net IRR	15.3%[1]	29.6%[2]	68.5%	80.5%	80.6%	(1.1%)	1.8%	8.4%	12.0%	10.7%	--

$ Millions; As of June 30, 2013; Reported on an aggregate basis reflecting a combined strategy of venture and buyout investment; Excludes four U.S. funds that were formed for special purposes; See Investment Performance Disclosures. Each of the Funds listed above is no longer offered for investment. [1] Final IRR. Fund was terminated December 2003. [2] Final IRR. Fund was terminated December 2012.

HBP U.S. Investments from Buyout Partnerships

		Realized				Unrealized				All			
Fund	**Vintage Year**	**#**	**Cost**	**Value**	**V/C**	**#**	**Cost**	**Value**	**V/C**	**#**	**Cost**	**Value**	**V/C**
HB I	1985	112	$47	$197	4.2x	-	-	-	-	112	$47	$197	4.2x
HB II	1988	31	23	68	2.9x	-	-	-	-	31	23	68	2.9x
HB III	1992	46	47	146	3.1x	-	-	-	-	46	47	146	3.1x
HB IV	1995	44	54	114	2.1x	-	-	-	-	44	54	114	2.1x
HB V	1997	80	100	124	1.2x	5	8	39	4.9x	85	108	164	1.5x
HB VI	1999	70	101	257	2.5x	15	27	77	2.9x	85	128	333	2.6x
HB VII	2000	98	114	282	2.5x	75	148	257	1.7x	173	262	539	2.1x
HB VIII	2005	47	39	96	2.5x	160	206	348	1.7x	207	246	445	1.8x
HBG VIII	2006	41	33	84	2.6x	140	171	270	1.6x	181	204	354	1.7x
HB IX	2008	11	12	48	4.1x	84	241	367	1.5x	95	253	415	1.6x
TOTAL		**580**	**$569**	**$1,416**	**2.5x**	**479**	**$802**	**$1,358**	**1.7x**	**1,059**	**$1,371**	**$2,774**	**2.0x**

$ Millions; As of March 31, 2013. See Investment Performance Disclosures. Source: based on internal research of all investments, held by U.S. buyout partnerships, excluding secondary investments, in which the Fund invested. **V/C is the calculation of value/cost at the Company level and does not include the effect of fees and expenses of the HBP Fund or underlying Partnership.** (See "Value/Cost" note in Investment Performance Disclosures).

Investment Performance Disclosures

Dates – As of June 30, 2013, unless otherwise noted. Due to the timing of Partnership reporting, underlying Partnerships and Investment (company) data shown is as of the prior quarter end.

Forward-Looking Statements – Certain information contained herein may constitute “forward-looking statements,” which can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” estimate,” “intend,” “continue,” “hope,” or “believe” or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, including those set forth in the confidential offering memoranda of the Funds, actual events or results of the actual performance of the partnership may differ materially from those reflected or contemplated in such forward-looking statements.

Fund – Refers to the applicable Horsley Bridge Fund. Horsley Bridge Partners LLC (“HBP”) is the Managing General Partner for the following Funds:

Funds	Vintage	LP Size	GP Size	Strategy	Status
U.S. Funds					
HB I	1985	$200	$2	U.S.	Liquidated
HB II	1988	$228	$2	U.S.	Liquidated
HB III	1992	$225	$2	U.S.	Liquidating
HB IV	1995	$300	$3	U.S.	Liquidating
HB V	1997	$500	$5	U.S.	Liquidating
HB VI	1999	$1,056	$11	U.S.	Harvesting
HB VII	2000	$1,573	$16	U.S.	Harvesting
HB VIII	2005	$1,006	$10	U.S.	Investing
HB IX	2008	$1,759	$36	U.S.	Investing
HB X VC	2012	$751	$15	U.S.	Committing
HB X GBO	2013	TBD	TBD	U.S.	Fundraising
Int'l Funds					
HBI I	1998	$228	$2	Int'l	Harvesting
HBI II	2000	$521	$5	Int'l	Harvesting
HBI III	2004	$578	$6	Int'l	Investing
HBI IV	2006	$1,007	$10	Int'l	Investing
HBI V	2009	$1,540	$31	Int'l	Committing
Overflow Funds					
HBG VIII	2006	$257	$3	U.S.	Investing
HB SF	2009	$300	$6	U.S. + Int'l	Committing
PGGM Funds					
HB PGGM I	1994	$50	$1	U.S.	Liquidating
HB PGGM II	1997	$100	$1	U.S.	Liquidating
HB PGGM III	1999	$150	$1	U.S.	Harvesting
HB Netherlands VII	2000	$375	$4	U.S.	Harvesting

$ Millions

As of June 30, 2013, HBP LLC is the Managing General Partner of twenty active Funds. Nine of the Funds (Horsley Bridge III, L.P. – Horsley Bridge X VC, L.P.) invest in Partnerships formed primarily to invest in the U.S. Five of the Funds (Horsley Bridge International I, L.P. - Horsley Bridge International V, L.P.) invest in Partnerships formed to invest primarily outside of the U.S. The six remaining Funds were formed for special purposes to invest alongside the main Funds and invest exclusively in Partnerships that are held by the main Funds, but in different commitment amounts.

Of the six funds formed for special purposes, two are overflow funds formed at times when, due to market dislocation, HBP was able to secure larger commitments to certain groups than we considered prudent for the main fund that was being committed at that time. Horsley Bridge Growth VIII (HBG VIII) is an overflow fund to Horsley Bridge VIII. Horsley Bridge Strategic Fund (HB SF) is an overflow fund to both Horsley Bridge IX and Horsley Bridge International V. The remaining four Funds (HB PGGM I – III, HB Netherlands VII) were formed from 1994-2000 for a Dutch pension plan that had special tax concerns; these funds invested alongside HBF IV, V, VI and VII.

Investment Performance Disclosures

Benchmarks – Benchmarks used for performance comparisons are Venture Economics' U.S. Venture, U.S. Buyout or U.S. Private Equity benchmark as applicable.

Company/Investment – Investment in a company made by a Partnership. Investments in the same company held by more than one Partnership are counted more than once for purposes of unrealized/realized/total counts. Realized excludes partially realized investments. Unrealized includes partially realized investments. IPO and M&A counts include only unique companies.

Fund Size – Total limited partner commitments to Fund.

Going-In – The year in which an investment in a company was made by a Partnership.

Group – A firm that manages one or more Partnerships to which the Fund has made a primary commitment.

Gross IRR – The gross internal rates of return for Partnership vintage year and stage (venture and buyout) are presented net of the management and performance fees and expenses of the underlying Partnerships, but gross of the Horsley Bridge Fund management fees and other Fund expenses, due to the fact that Horsley Bridge management fees and other Fund expenses are calculated at the Fund level and cannot be allocated by vintage year or stage. These gross IRR figures also do not reflect the performance of assets after being distributed to the Funds by the underlying Partnerships. Horsley Bridge Fund net IRRs will be lower. For example, Horsley Bridge Funds I-IX have generated a gross annualized internal rate of return (Gross IRR) of 33.1% from inception through March 31, 2013. This compares to a return of 27.5% for the same period, net of all Fund fees and expenses and inclusive of the performance of assets after being distributed to the Funds. For a full description of the management fees charged by Horsley Bridge, please see HBP's Form ADV Part 2, available on request.

Net IRR – The net annualized internal rates of return shown are calculated based on an effective compounded rate of return aggregating Limited Partner monthly cash flows and quarterly capital values, presented net of all management and performance fees and other Fund expenses. Fund IRRs are calculated from the first capital call in that Fund through the date shown. Limited Partner IRRs may vary based on the size of the Limited Partner commitment and their entry date into a Fund and reduced by Fund management fees and other Fund expenses. Performance results do not include the reinvestment of dividends or other earnings. The net since inception IRR of 26.9% as of June 30, 2013 includes data from all HBP funds since March 1985.

Partnership – Underlying Partnership to which the Fund has committed capital. Partnerships acquired as secondaries are included unless otherwise noted. Secondary commitments are combined with an existing primary in the same Fund.

Percent Invested – Total dollars invested into companies by a Partnership, calculated on a look-thru basis for the Fund, divided by the Fund's commitment. When shown as a total for a Fund, percent invested is expressed as a percentage of the Fund's LP Size.

Risks – Prior performance is not a guarantee of future results, as market conditions and other economic factors may impact results. Partnership investments shown for a Fund may not represent a current recommendation for investment and there can be no assurances that future investments will be made to these same Partnerships. It should not be assumed that investments made in the future will be profitable or will equal the prior performance of the investments shown. Investment in private equity fund-of-funds involves many risks such as limited liquidity and loss of principal.

Strategies and Investment Models – The strategies and investment models shown are not contractual investment limitations. Investing strategies and models may shift over time.

Total Value/Paid-In (TVPI) – For a Fund, TVPI represents Limited Partners' distributions plus capital value, divided by paid-in capital. Fund TVPI is net of all fees and expenses. For a Partnership, TVPI represents total distributions from the Partnership plus the Fund's capital value in that Partnership, divided by paid-in capital. Partnership TVPI is net of Partnership fees and expenses, but gross of Fund fees and expenses.

Value – Fund values as of June 30, 2013 are based on reported Partnership values as of March 31, 2013, adjusted to reflect known public market value changes, capital calls, distributions, and currency fluctuations as of June 30, 2013. Partnership Reported Value and related performance information is based on capital values reported by the Partnerships. Current Value and related performance information have been calculated by Horsley Bridge and have not been verified or reviewed by the respective Partnership.\

Value/Cost (V/C) or Multiple – is the calculation of the investments' value/cost at the Company level gross of the management and performance fees and expenses of the underlying Partnerships and gross of the Horsley Bridge Fund management fees and other fund expenses. As a hypothetical example, a Company with a 3.0X gross V/C would result in 2.5X net to the Fund and 2.4X net to the Fund's limited partners, assuming the following facts: Fund annual management fees are 40 bps for 13 years plus 5% carried interest, Partnership management fees are 12% over the life of the Partnership plus 20% carried interest, and the Partnership and the Fund each invest 100% of committed capital.

Vintage – Vintage year is year of initial capital call. For secondaries, vintage year is the year the secondary purchase was closed. Vintage years may be combined to adhere to confidentiality provisions of underlying Partnerships.

CONTRA COSTA COUNTYEMPLOYEES' RETIREMENT ASSOCIATION

DISCLOSURE STATEMENT RE: USE OF PLACEMENT AGENTS

The undersigned is a current or proposed "External Manager" for the Contra Costa County Employees' Retirement Association ("CCCERA"), as defined under CCCERA's Placement Agent Disclosure Policy, adopted on June 9, 2010 ("Policy.") We have received a copy of the Policy from CCCERA. We hereby disclose to CCCERA the following information, which we represent and warrant to be true and correct as of the date hereof:

1. Neither we nor any of our principals, employees, agents or affiliates has compensated or agreed to compensate, directly or indirectly, any person or entity to act as a Placement Agent (as defined in the Policy) in connection with any investment by CCCERA, **except as disclosed on <u>Attachment 1</u> to this Disclosure Statement**.

[IF THERE IS NOTHING TO DISCLOSE IN ATTACHMENT 1, ITEMS 2-6 ARE INAPPLICABLE.]

2. To the extent of any disclosure set forth on Attachment 1, we attach as <u>Attachment 2</u> to this Disclosure Statement a resume for each officer, partner or principal of the Placement Agent (and any employee providing similar services) detailing the person's education, professional designations, regulatory licenses and investment and work experience, and whether any such person is a current or former CCCERA Board member, employee or Consultant or a member of the immediate family of any such person.

3. To the extent of any disclosure set forth on Attachment 1, we attach as <u>Attachment 3</u> to this Disclosure Statement a description of any and all compensation of any kind we have provided or have agreed to provide to a Placement Agent, including the nature, timing and value thereof.

4. To the extent of any disclosure set forth on Attachment 1, we attach as <u>Attachment 4</u> to this Disclosure Statement a description of the services to be performed by the Placement Agent.

5. To the extent of any disclosure set forth on Attachment 1, we attach as <u>Attachment 5</u> to this Disclosure Statement a statement whether the Placement Agent or any of its affiliates are registered with the Securities and Exchange Commission or the Financial Industry Regulatory Association or any similar regulatory agent in a country other than the United States and the details of such registration or explanation of why no registration is required.

6. To the extent of any disclosure set forth on Attachment 1, we attached as Attachment 6 to this Disclosure Statement a statement whether the Placement Agent or any of its affiliates are registered as a lobbyist with any state or national government.

We further represent and warrant as follows:

A. We shall provide an update of any changes to any of the information included in this Disclosure Statement within fourteen (14) business days of the occurrence of the change in information.

B. We shall cause our engaged Placement Agent, if any, prior to acting as a Placement Agent with regard to CCCERA, to disclose to CCCERA in writing any campaign contribution, gift (as defined in Government Code section 82028) or other item of value made or given to any member of the CCCERA Board or Staff, or Consultant (as defined in the Policy), during the prior twenty-four month period.

C. We shall cause our engaged Placement Agent, during the time it is receiving compensation in connection with a CCCERA investment, to disclose to CCCERA any campaign contribution, gift or other item of value made or given to any member of the CCCERA Board or Staff, or Consultant, during such period.

Dated: 10/22/13

EXTERNAL MANAGER

Horsley Bridge Partners LLC
Name of Entity

By: Kate M
Authorized Signatory

Print Name Kate Murphy

Its Managing Director

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

DISCLOSURE STATEMENT RE: USE OF PLACEMENT AGENTS

Attachment 1: Mark Moore, an employee of Horsley Bridge Partners LLC ("HBP"), is a Placement Agent (as defined in the Policy). His compensation, however, is not connected with CCCERA's decision to invest.

Attachment 2: Please see attached. Mr. Moore is not a current or former CCCERA Board member, employee or Consultant, or a member of the immediate family of any such person.

Attachment 3: Mr. Moore receives a salary and annual bonus (based on a percentage of salary) as an employee of HBP. He does not receive transaction-based compensation contingent on the value or success of fundraising.

Attachment 4: Mr. Moore's responsibilities include identifying and marketing to potential investors, facilitating Request for Proposal submissions, and ongoing investor relations.

Attachment 5: HBP is a Registered Investment Advisor with the U.S. Securities and Exchange Commission ("SEC") (CRD #110877), and has been since 1987. Mr. Moore is not registered with the SEC, and is not required to be registered because any investment advisory activities performed by Mr. Moore are within the scope of his employment with HBP. Mr. Moore is not registered with FINRA. HBP conducts its offerings in accordance with Regulation D. Mr. Moore and the entity are exempt from broker-dealer registration requirements because they fit within the issuer exemption.

Attachment 6: Mr. Moore is a registered lobbyist in California and HBP is a registered lobbyist employer in California.

MARK ALEXANDER MOORE

2723 Easton Drive
Burlingame, CA 94010
(415) 613-1345
mark@noadmin.com

EDUCATION:

2001 – 2003 **KELLOGG SCHOOL OF MANAGEMENT** Evanston, IL
NORTHWESTERN UNIVERSITY
Master of Business Administration, June 2003
- Majors in finance, marketing, and non-profit management
- Vice President, Graduate Management Association. Column writer for *Merger* newspaper
- Summer finance internship at E*Trade Financial, in their stock-plan administration group

1994 – 1995 **STANFORD UNIVERSITY** Palo Alto, CA
Master of Arts, Teaching (History), June 1995
- Teaching Assistant, Presented paper to joint Stanford and Berkeley Center for African Studies

1986 – 1990 **GEORGETOWN UNIVERSITY** Washington, D.C.
Bachelor of Arts in History, May 1990
- Dean's List. Year Abroad at Cambridge University, England

EXPERIENCE:

2010 – Present **HORSLEY BRIDGE PARTNERS** San Francisco, CA
Principal
- Lead all marketing and fundraising efforts for $11B private equity fund-of-funds

2005 – 2010 **SPECTRUM EQUITY INVESTORS** Menlo Park, CA
Vice President, Director of Investor Relations
- Lead all investor communications, marketing and fundraising efforts for $4B private equity firm
- Established strategy for recent Fund VI fundraising effort. Coordinate all interactions and diligence
- Initiated hundreds of new relationships with institutional investors around the world

Portfolio Manager
- Directed all reporting and analysis from 30+ portfolio companies (total investment over $2.5 billion)

2003 – 2005 **HEWLETT-PACKARD COMPANY** Vancouver, WA
Senior Financial Analyst in Image & Printing Supplies
- Led short-term financial planning process for $13B Business.
- Created model for creating business level balance sheet, asset-based metrics, and competitive benchmarking

2000 – 2001 **EUREKA GGN** Santa Monica, CA
Business Manager for growing internet and application service provider
- Oversaw all financial transactions, cash flow, purchases, reporting, and payroll for $5 million operation.
- Cut expenses by 46%, improved billing, sales, and collection procedures. Managed finance team of four.

1999 – 2000 **AURORA HIGH SCHOOL** Redwood City, CA
Director for start-up charter school
- Orchestrated efforts of four main constituencies (parents, teachers, board of directors, and students) in opening new school. Became highest scoring public high school in district.
- Managed $800,000 budget, supervised faculty and staff of 18, public relations, strategic planning, student discipline, and all operations. Initiated dozens of school programs. Built community relationships.

1997 – 1999 **SAN FRANCISCO URBAN SERVICE PROJECT** San Francisco, CA
Chief Operating Officer for non-profit youth service organization
- Directed $1.2 million budget, fundraising, and supervision of 51 staff and volunteers.
- Lifted organization out of operating deficit and $120,000 debt. Raised a total of $1.8 million.
- Initiated new partnerships with city of San Francisco, dozens of foundations, corporations and individuals.

1991 – 1997 **HARVARD – WESTLAKE SCHOOL, ASPEN COUNTRY DAY SCHOOL and SOPHIE B. WRIGHT MIDDLE SCHOOL** Los Angeles, CA; Aspen, CO; New Orleans, LA
9th Grade Dean; History, Mathematics and Language Arts Teacher, Baseball coach
- Studied classics, history, and art for six weeks at American Academy of Rome.
- Member of corps for Teach for America in inner-city New Orleans

COMMUNITY:		
2010 – Present	**THE CAREY SCHOOL** *Board Member, Vice President*	San Mateo, CA
2006 – 2012	**CALIFORNIA HISTORICAL SOCIETY** *Board Member, Treasurer (2009 – 2011)*	San Francisco, CA
2006 – Present	**ST. PAUL'S EPISCOPAL CHURCH** *Head of Stewardship Committee (2008 – Present)*	Burlingame, CA

OTHER DATA: Dual Citizen of USA and UK. Performed in amateur musical productions. Visited over 50 countries. Captain and Quarterback of first Cambridge/Oxford football game. Ran marathon, enjoy baseball, skiing and golf.

10/13

Meeting Date
10/30/13
Agenda Item
#6

CONTRA COSTA COUNTY
Employees' Retirement Association
BOARD OF RETIREMENT

Statement of General
INVESTMENT POLICIES
And GUIDELINES

Adopted 7/9/85

Last revised ~~4/08/09~~10/30/13

Statement of General INVESTMENT POLICIES ~~and GUIDELINES~~and GUIDELINES

TABLE OF CONTENTS

STATEMENT OF GENERAL INVESTMENT POLICIES AND GUIDELINES FOR THE RETIREMENT PLAN TRUST OF THE CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

ADOPTED 7/9/85

AMENDED: 1/14/86, 2/27/86, 10/13/87, 8/9/88, 6/13/89, 8/8/89, 1/8/91, 10/13/92, 2/9/93, 5/2/94, 10/14/97, 5/4/99, 1/9/01, 2/12/02, 06/11/02, 11/06/02, 1/28/04, 5/26/04, 7/28/04, 12/14/05, 10/24/07, 4/08/09, 10/30/13

I. INTRODUCTION

The Board of Retirement (the "Board") of the Contra Costa County Employees' Retirement Association ("CCCERA") has established the following Statement of General Investment Policies and Guidelines (the "Statement") for the investment of the trust fund (the "Trust") of the CCCERA Retirement Plan (the "Plan"). The Board reserves the right at any time and from time to time to amend, supplement or rescind this Statement.

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II. AUTHORITY

The investment of the assets of the Trust shall be in accord with applicable law, including but not limited to the following:

A. Investments shall be solely in the interest of, and for the exclusive purposes of providing benefits to the participants in the Plan and their beneficiaries, minimizing the contributions of employers thereto, and defraying the reasonable expenses of administering the Trust (Cal. Gov. Code Sec. 31595 (a)).

B. Investments shall be made with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims (Cal. Gov. Code Sec 31595 (b)).

C. Investments shall be diversified so as to minimize the risk of loss and to maximize the rate of return unless under the circumstances it is clearly prudent not to do so (Cal. Gov. Code Sec. 31595 (c)).

D. In considering potential investment managers, it is the policy of the Board not to exclude managers from consideration based on ethnic background or gender, and not to arbitrarily exclude an emerging firm if, in the opinion of the Board, that firm has equal or superior capabilities to other candidates.

E. It shall be the policy of the Board that an Economically Targeted Investment (ETI) can be considered if and only if it has return and risk characteristics attractive in comparison to other alternatives.

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III. ASSET CATEGORIES

For the purpose of setting objectives and guidelines for the investment of the assets of the Trust, the assets shall be considered as divided into ~~five~~ seven portions described as the **Global Equity Portion,** the **Global Fixed Income Portion,** the **Real Estate Portion,** the **Real Assets Portion**, the **Alternative Investments Portion**, the **Opportunistic Portion** and the **Incidental Cash Portion**. The Domestic and International Equity Programs are considered part of the Global Equity Portion. The Domestic Fixed Income Program, the High Yield Fixed Income Program and the Non-Traditional Fixed Income Program are considered parts of the Global Fixed Income Portion.

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The Global Equity Portion, the Global Fixed Income Portion, the Real Estate Portion, the Real Assets Portion, ~~and~~ the Alternative Investments Portion and the Opportunistic Portion shall be under the supervision of qualified Investment Managers and shall collectively and individually be called Managed Accounts. The term 'Investment Manager' shall include traditional investment managers that exercise discretionary authority in selecting investments, as well as general partners of limited partnerships in which CCCERA invests and similarly situated management of other entities in which CCCERA invests (collectively, 'Partnerships'). The term "Investment Manager" shall also include investment advisors retained by any such Partnerships, to the extent such investment advisors exercise discretionary authority in selecting investments for any such Partnerships.

A: The **Global Equity Portion** shall consist of investments in common stock and other securities which are convertible into common stock and cash equivalents and securities which are being used as substitutes for common stock. The Global Equity Portion cash and cash equivalents of separate accounts shall be held and invested by the Custodian Bank described in Section V below. The Global Equity Portion may be further divided into domestic, international and global; large, mid- and small capitalization; and growth, value, and core.

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B: The **Global Fixed Income Portion** shall consist of investments in fixed income securities including cash equivalents. Global Fixed Income may be divided into domestic, international and global core and ~~C~~core-plus, High Yield (publicly traded) and Non-Traditional Fixed Income.

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C~~.~~: The **Real Estate Portion** shall consist of investments in real estate through the use of commingled and direct investments, and publicly traded real estate investment trusts (REITs), including cash equivalents.

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D: The **Real Assets Portion** shall consist of investments in real assets, in both public security and private partnership forms. The public security allocations shall be the temporary holder of capital to be called for the real asset private partnerships. Real Assets shall include, but not be limited to, investments in energy production, energy transmission, timber, agriculture, inflation protected securities, commodities and infrastructure.

~~D~~E: The **Alternative Investments Portion** shall consist of other investments of recognized institutional merit not included in III A, B, C, D or ~~E~~F, through the use of commingled and direct investments.

F: The **Opportunistic Portion** shall consist of investments of recognized institutional merit. This allocation is intended to exploit temporary market or asset dislocations.

~~E~~G: The **Incidental Cash Portion** shall include short-term monies not allocated to the Managed Accounts, including but not limited to unallocated or prepaid contributions and funds formerly allocated to Investment Manager(s) awaiting reallocation to other Investment Manager(s). The Incidental Cash Portion shall be invested in short-term fixed income instruments.

IV. INVESTMENT OBJECTIVES

A. Total Fund Benchmarks

The general investment objective of **the Trust** is the preservation of capital plus a return from capital appreciation plus current income that meets Trust needs without taking undue risk. The relative return objective is a total return on a market value basis which exceeds that of a custom index composed of appropriate asset class indexes weighted proportionally by corresponding asset class targets. ~~The minimum rate of return objective shall be the actuarial interest assumption, as determined from year to year.~~ The minimum average annualized rate of return objective over a market cycle is 400 basis points in excess of the National Consumer Price Index for all Urban consumers over that market cycle.

B. Global Equity Portion

1. For the combined **Global Equity Portion, the objective is an after fee rate of return in excess of a custom benchmark composed of 60% Russell 3000 and 40% MSCI World ex US**

2. For overall **Domestic Equities**, the objective is an after fee rate of return in excess of the Russell® 3000 and a rate of return within the upper half of ~~the Wilshire COOP~~ a database of domestic equity portfolios.

3. For the **Domestic Large Capitalization** sub-set, a rate of return, after fees, on a risk-adjusted basis, which is in excess of the Standard & Poor~~'s Index of~~ 500 ~~Common Stocks~~ and a return within the upper half of the large capitalization database; and

4. For the **Domestic Small Capitalization** sub-set, a rate of return which, after fees, exceeds that of the Russell® 2000 Index and is within the upper half of the small capitalization database.

5. The objective of overall **International Equities** is a rate of return, after fees, ~~which is~~ in excess of the Morgan Stanley Capital International Europe, Australia and the Far East (MSCI EAFE) Index (gross); and which is within the upper half of the appropriate database of international equity investment managers.

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C. Global Fixed Income

1. The objective of the overall **Global Fixed Income Portion** is a custom index composed of 80% Barclays Capital US Aggregate, 10% Barclays Capital Global Aggregate and 10% Merrill Lynch High Yield II.

2. The objective of overall **Domestic Fixed Income** (including non-traditional fixed income) is a rate of return which, after fees, is in excess of the Barclays Capital Universal Bond Index and which is within the upper half of ~~the Wilshire COOP~~ a database of domestic fixed income portfolios.

3. The objective of the publicly traded **Domestic High Yield Fixed Income** sub-set is to exceed, after fees, the Merrill Lynch High Yield II index and to achieve a rate of return within the upper half of its peer group.

4. The objective of the **Global Fixed Income portfolio(s)** is to exceed, after fees, the rate of return of the Barclays Capital Global Aggregate Bond Index~~, in U.S. dollar terms un-hedged.~~.

D. Real Estate

1. The objective of the overall **Real Estate Portion** is a rate of return which, after fees, is in excess of a custom index weighted ~~73 1/3~~64% in the NCREIF Index and ~~26 2/3~~36% in the Dow Jones Wilshire REIT Index, and which is within the upper half of ~~the Wilshire COOP~~ a database of real estate portfolios.

2. The objective for the investments in illiquid real estate (direct and commingled) is the NCREIF Index, plus an appropriate premium based upon the fund's risk profile, as detailed in Schedule II.

E. Real Assets

1. The objective of the overall **Real Assets Portion** is a rate of return, after fees, in excess of that of the CPI-U Index + 400 basis points

2. The objective for the investments in illiquid real assets (direct and commingled) is the CPI-U Index + 600 basis points.

~~E~~F. Alternative Investments

The objectives of the **Alternative Investments Portion** are:

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1. A rate of return after all fees which is in excess of that of the Standard & Poor's 500 stock index plus 4% per year.

2. A rate of return in excess of that of other comparable investments.

G. Opportunistic Investments

The objective of the **Opportunistic Portion** is:

1. A rate of return after all fees which is in excess of the Total Fund return target.

H~~F~~. Incidental Cash

The objective of the **Incidental Cash Portion** is to achieve a return after fees in excess of that of Treasury Bills of a comparable average maturity.

~~G~~I. **Individual Manager Objectives** are presented in Schedule III.

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V. **CUSTODIAN BANK and COUNTY TREASURER**

A. The custodian bank selected by the Board to act as the principal custodian of assets of the Trust (the "Custodian Bank") may be directed to invest in temporary short-term fixed income investments both for the Managed Account Investment Managers and as a part of the Incidental Cash Portion. Such investments are not to exceed 15 months in maturity. Cash managed for Managed Account Investment Managers shall be considered to be sub-portions of the asset Portions managed by the directing Investment Managers.

B. The Custodian Bank shall be authorized to conduct a securities lending program within liquidity and risk constraints as established by the Board.

C. The County Treasurer will manage any assets of the Incidental Cash Portion not managed by the Custodian Bank in accordance with Government Code Section 53601 et al.

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VI. **ASSET ALLOCATION**

A. Targets

The asset allocation targets and their associated ranges, which are a function of the returns and risks from various asset classes and the nature of the Plan's liabilities, are set forth on Schedule I of this Statement. The Board may make tactical adjustments to these targets and ranges, and may change the targets and ranges as appropriate.

B. Rebalancing

To facilitate rebalancing the portfolio and transfer of excess cash with minimal transaction cost or disruption of individual managers' investment strategies:

1. All Investment Managers of separate accounts will remit interest, dividends and rents unless otherwise directed by the Board.

2. At a Board meeting in August and February, and at any other time deemed appropriate, the Board may consider rebalancing that has been, or is to be, implemented by staff as follows:

   a. The under-funded class(es) may be rebalanced with funds from the class(es) that are over-funded according to the asset allocation targets.
   b. Within each class, the under-funded Investment Manager(s) may be rebalanced with funds from the Investment Manager(s) who are over-funded according to the asset allocation targets.
   c. Because of illiquidity and/or structure constraints, real estate, ~~and~~ alternative investments and other privately traded investments will not have funds withdrawn if they are temporarily over-funded, with the exception of REIT investments.

C. Cash Allocation

1. Cash flow "in" that is expected to be needed to meet capital calls or other cash flow requirements will be temporarily placed in the most under-target asset class of either Domestic Equities, Domestic Fixed Income, or REITs according to Schedule II.

2. Cash flow "in" in excess of Item 1 will be allocated to the most under-target asset class which is able to accept new funds, and to the most under-target Investment Manager in the class, until that Investment Manager is brought to target, with the exception that if the Board has decided that an

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Investment Manager will be precluded from new funding (Section VIII C.3), the next most under-target Investment Manager will be funded.

3. Cash flow "out" will be planned for and will generally come from available cash or from a designated portfolio as in Schedule II.

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VII. INVESTMENT MANAGER SELECTION

A. Process for Identifying Investment Managers for Consideration

An investment manager candidate may be considered by the Board either as the result of a manager search the Board has authorized or because the candidate has been presented as an idea at a Board meeting by a Board member, by the Chief Investment Officer or by the ~~investment~~ Investment ~~consultant~~Consultant.

In the ordinary course of business, managers are to be identified and presented to the Board for consideration following the Standard Search Process, below. However, ~~in addition,~~ any Board member, the Chief Investment Officer or the investment consultant who thinks an investment idea or product merits consideration, may raise the matter at a Board meeting. ~~whereupon, i~~If the Board agrees that the idea has merit, the Board's Investment Consultant may be asked to review and comment on the ~~subject idea or product~~investment. If, after the Consultant's review the Board concurs that the idea or product merits consideration, the applicable Investment Manager may be invited to appear at a future Board meeting, subject to further due diligence. Alternatively, the Board member may request the matter be placed on an agenda to discuss whether a presentation should be scheduled. In this case, the Board Chair may request that the Board's Investment Consultant be prepared to offer comment during the meeting, with the intent that the Board could make a decision at the meeting regarding a presentation.

In connection with the Board's consideration of any presentation by an Investment Manager as outlined above, Board members and senior Investment Staff shall publicly disclose at the board meeting any prior communications they have had with the subject Investment Manager, and any actual or potential personal financial interests they may have that could be impacted by the Board's consideration of the Investment Manager.

Once a prospective Investment Manager has been invited to present to the Board, the manager and Board shall abide by the "quiet period" restrictions set forth in Sec. B. 2, below.

In all instances when CCCERA is considering a new investment, the prospective firm must complete the CCCERA Placement Agent questionnaire prior to presenting to the Board.

B. Standard Search Process

1. Ordinarily, the Board will identify a particular mandate for which one or more Investment Managers are to be engaged. The Board will direct the

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Investment Consultant and Staff to develop a detailed "Manager Profile," specifying the criteria sought for a manager or managers to fulfill the mandate.

2. Once the Board has directed the Investment Consultant and Staff to develop a Manager Profile, a "quiet period" will ensue, during which time no Board member may knowingly have any communication with any actual or potential candidate for the mandate, *unless* authorized by the Board in connection with the due diligence process in selecting managers. The quiet period shall cease upon the Board's entering into a contract for the Investment Manager(s) selected for the mandate. The Investment Consultant is responsible for alerting the candidates to the quiet period and its restrictions. A violation of the quiet period rule may result in disqualification of the candidate or other appropriate Board action.

3. An Investment Manager search may follow the Board's identification of a mandate. The Investment Consultant will conduct the search in accordance with the Manager Profile. The search criteria will include the scope of the mandate, the investment style, benchmark, fee structure and minimum qualifications for candidates. The minimum qualifications will include successful performance track record relative to benchmark, disciplined investment processes, effective risk management procedures, size of assets under management, experience and capability of staff, organizational stability and applicable regulatory certification and compliance.

4. The Investment Consultant initially will examine its database to identify possible candidates who fit the Manager Profile. Any member of the Board and Staff may also suggest ~~to~~ that the Investment Consultant to examine the specific merits of a particular candidate.

5. The Investment Consultant will send out requests for information to qualified candidates meeting the requirements of the Candidate Profile.

6. The Investment Consultant will evaluate candidates and return to the Board with a semi-finalist list, and recommendations for narrowing the list to a finalist list for interview by the Board. Investment Consultant and Staff ~~will~~ may perform on-site due diligence on finalist managers ~~on the finalist list~~, as directed by the Board.

7. Any investment managers that present to the Board as finalists will have satisfied the Investment Consultant and Staff that they are appropriate candidates.

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8. All Investment Manager contracts will be subject to final due diligence (including an on-site visit) and satisfactory documentation following Board approval.

C. Non-Standard Search Process

1. Some investments by their nature present unique opportunities and are not suited for a standard search. For example, time constraints may limit the ability to conduct a full search given the inherent features of closed end funds. Further, there may not be suitable competitors for a unique investment opportunity.

2. When such an investment is brought up at a Board meeting, the Board may request Staff and the Investment Consultant perform due diligence to evaluate the merits of the investment and its suitability, and identify competitive managers.

3. Following the requested due diligence report and an interview with the Investment Manager candidate, the Board may vote to move forward with the investment, subject to further due diligence and documentation following the Board vote.

D. Follow-on Funds

A follow-on fund is an investment which has essentially the same strategy as an illiquid closed end fund from the same Investment Manager in which CCCERA has already invested. When a follow-on fund investment becomes available in an asset class that is under its allocation target, the Board may determine to invest in such a fund without conducting a standard search. Such investment will follow the Non-Standard Search Process outlined in C, above.

E. Alternative Investments - Use of Fund-of-Funds

With investments in private equity, including without limitation, leveraged buyouts and venture capital, the Board has determined that it prefers to use fund-of-funds. This does not preclude the use of individual funds or partnerships, should the characteristics of a particular investment prove compelling and have merit for consideration.

F. Multiple Products with one Investment Manager

The Board will examine the use of one manager for more than one mandate on a case-by-case basis. It is the policy of the Board to restrict assets entrusted to any one investment management organization to no more than one-quarter of the total Trust assets.

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VIII. **INVESTMENT MANAGER MONITORING**

A. Quarterly Review

1. All Investment Managers will report quarterly investment performance and compliance using a standard reporting format specified by the Board. In addition, Investment Managers are encouraged to provide their performance information in their own format as supplemental to the required report.

2. The agenda for each Quarterly Performance Review meeting is mailed to all Investment Managers in advance of the meeting. Quarterly reports are to be received in the Retirement Office in accordance with the instructions as set forth on the agenda.

3. Investment and compliance performance will be reviewed and evaluated quarterly. The Board's Investment Consultant, working with the Custodian Bank, will provide performance reports to the Board on each Investment Manager, on each asset class, and on the Trust assets in total.

4. The Board will review the income generated by its securities lending program on a quarterly basis as part of the Board's performance review process.

B. Custodial Reconciliation

1. All Investment Managers with Managed Accounts held at the Custodian Bank will provide monthly custodial market value reconciliation reports to the Retirement Accounting Manager with copies to the Investment Consultant. The reconciliation reports are to be received in the Retirement Office by the 25th day following the end of each month. This report must include a reconciliation of all cash, holdings and market values.

C. Under Review Policy

1. The Board will decide if an Investment Manager should be under review. Reasons for an Investment Manager to be under review include:

   a. Poor performance,
   b. Failure to meet Board requirements,
   c. Deviation from mandate,
   d. Change in personnel,
   e. Adverse publicity,
   f. Change in ownership,
   g. Regulatory compliance issues,
   h. Risk management issues,

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i. Lack of appropriate communication, or
j. Any other reason the Board deems appropriate.

2. If an Investment Manager is placed under review, staff will notify the manager in writing that it has been placed under review.

3. If an Investment Manager is placed under review, the Board will at the same time decide if the manager should be precluded from new funding.

4. At least each quarter, and whenever the Board deems appropriate, the Board will evaluate all Investment Managers under review, and for each such manager take one of three actions:

   a. Decide the manager is no longer under review,
   b. Terminate the manager, or
   c. Keep the manager under review.

5. If the Board determines that an Investment Manager is no longer to be under review, staff will notify the manager in writing of this determination.

6. If the Investment Manager is kept under review, the Board may revisit the question of whether the manager should be precluded from new funding.

D. Investment Manager On-Site Due Diligence

1. The Board may authorize certain of its members to conduct visits to either the home office or a satellite office of a current or prospective Investment Manager or to a real estate property in the portfolio of a real estate Investment Manager.

2. Visits to investment management firms may include but are not limited to:

   a. Review of back office procedures and record keeping
   b. Review of trading operations and resources
   c. Review of research capabilities and operations
   d. Observing investment committee meetings
   e. Review of decision-making processes
   f. Review of risk management procedures
   g. Review of compliance procedures
   h. Review of disaster recovery plan

3. Visits to real estate properties may include but are not limited to:

   a. Site inspection

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b. Tour of the surrounding area
c. Visits to competing properties in the area
d. Meetings with building management and leasing agent
e. Meetings with tenants
f. Observing construction or renovation activities

4. The Board members, accompanied by the ~~Board's~~ Investment Consultant and senior investment staff, will normally visit with a prospective Investment Manager in its offices prior to hiring, as approved by the Board.

5. Visits to investment management firms may be conducted when an Investment Manager is placed under review or when there has been a change in firm ownership.

6. Generally, not more than three Board members and no more than four will be authorized to conduct an Investment Manager visit.

7. A written report on each Investment Manager visit shall be provided to the Board.

8. Informal visits to an Investment Manager (existing or prospective) or to a real estate property by Board or staff members are encouraged when a Board member or staff member is in the area.

E. Participation on Advisory Committees or Advisory Boards

1. The Board shall not appoint a representative to any advisory committee or board established in connection with any of the limited partnerships (or other entities) in which CCCERA invests, and a Board or staff member shall not accept such a position, unless:

a. The general partner (or other manager of the entity) has agreed, under the partnership agreement, or other agreements specifically incorporated therein, that such representative shall have no authority or discretion to vote to approve or disapprove, or consent to, the activities of the general partner or other manager;

b. The general partner and other manager or advisor have disclaimed any rights against such representative as a member of the advisory committee or board, including subrogation rights; and

c. The general partner and other manager or advisor has agreed that such representative, CCCERA and the partnership (or other entity) shall be indemnified by the partnership, the general partner and other manager or advisor for any actions taken against any of them as to which the representative acted in good faith.

d. The general and limited partners, and other manager or advisor, have expressly agreed in writing that the representative and CCCERA do not owe a fiduciary duty to any of them by reason of its participation on such advisory committee or board.

2. The Board may appoint a representative to such a position on a case-by-case basis consistent with the foregoing provisions.

F. Emergencies

1. An "emergency" will be deemed to exist whenever:

a. A Managed Account suffers the resignation or other loss of its Investment Manager and no appropriate replacement is available; or

b. An Investment Manager dissolves, ceases to exist, or is otherwise incapable of carrying out its activities in the ordinary course of its business; or

c. An Investment Manager is "shut down" by a regulatory agency of a state or the Federal government or is accused of theft or fraud by a regulatory agency or other government body; and

2. Action to transfer management of the affected Managed Account shall be taken as soon as possible after CCCERA learns of the emergency.

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~~2~~3. In the case of an emergency, the Chief Executive Officer, or in the Chief Executive Officer's absence, the Deputy Chief Executive Officer or the Chief Investment Officer will:

a. Attempt to notify the Chair and Vice Chair immediately.

b. Notify the Custodian Bank that the Investment Manager's Managed Account is to be frozen and, except for those trades which are pending, no further trading is authorized.

c. Call an emergency meeting of the Board to take action of a more long-term nature.

IX. AUTHORITY OF INVESTMENT MANAGERS

Subject to the terms and conditions of this Statement, Investment Managers shall have full discretionary power to direct the investment, exchange, liquidation and reinvestment of the assets of the Managed Accounts. The Board expects that the Investment Managers will recommend changes to this Statement at any time when the Manager views any part of this Statement to be at variance with overall market and economic conditions.

The Managers shall place orders to buy and sell securities and, by notice to the Custodian Bank, shall cause said custodian to deliver and receive securities on behalf of the Trust.

The Board shall either vote or, through a third party administrator, direct the voting of its proxies for all stocks held in its separate account equity portfolios.

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X. **INVESTMENT GUIDELINES**

The following guidelines apply to all Investment Managers. Any further constraints, limitations or authorities to an individual manager, which are specific to that manager and have been agreed to by the manager and CCCERA, also apply.

A. In General

1. All investments shall comply with all applicable laws of the State of California governing the investment of the pension funds of counties.

2. All securities transactions shall be executed by reputable broker/dealers or banks, including any bank acting as custodian, and shall be at a best execution including, without limitation, best price basis. Those Domestic Equity Investment Managers so directed by the Board are expected to direct up to 25% of their transactions to brokers participating in the Board's commission recapture program. All Investment Managers shall provide periodic transaction information so that the Board may monitor the placement of commissions.

3. Investments shall possess value and quality corroborated by accepted techniques and standards of fundamental economic, financial and security analysis.

4. Except for the ~~Real Estate and Alternative Investment Portions~~private partnerships, fees paid to Investment Managers shall be based on the Custodian Bank's valuation of the manager's portfolio on a market and trade date basis.

5. All Domestic Equity and Domestic Fixed Income portfolios, unless exempted by the Board, shall not hold securities in any corporation that derives 15% or more if its revenue from tobacco products. All other Investment Managers are encouraged to avoid investments in companies that derive 15% or more of their revenues from tobacco products.

B. Global Equity Portion

The Global Equity Investment Managers may invest solely in equity securities as defined in III A above, subject to the following:

1. The maximum percentage of the value of a Managed Account which may be invested in the securities of a single corporation shall be 10% of the value of the Managed Account at market, unless a different maximum percentage is specified in the Investment Manager's agreement with CCCERA.

2. A Managed Account shall not hold more than 5% of the equity securities of an issuer, unless a different percentage is specified in the Investment Manager's agreement with CCCERA.

3. Derivatives shall only be used to obtain exposure to the equity markets, to reduce unwanted exposure to foreign currencies, or as a substitute for an underlying common stock. The Investment Manager shall explain any use of a derivative as a substitute for a common stock.

4. Other securities as detailed in accordance with the Investment Manager's agreement with CCCERA.

C. Global Fixed-Income Portion

1. Core plus fixed income account securities will be restricted to the following:

a. Obligations of the U.S. Treasury

b. Obligations guaranteed by an agency of the United States

c. Government, agency, quasi-government and supranational bonds.

d. Certificates of deposit and banker's acceptance of credit-worthy banks

e. Corporate, asset backed and mortgage backed securities and structured notes and other evidences of debt~~, rated Baa or better by Moody's Investor Services or rated BBB or better by Standard & Poor's~~.

f. Eligible instruments issued pursuant to SEC Rule 144(a) or Regulation S.

g. Commercial paper (including variable rate notes) of issuers rated not less than P-~~1~~2 by Moody's Investor Services and A-~~1~~2 by Standard & Poor's.

h. Lower risk planned amortization class (PAC) collateralized mortgage obligations ("CMO") and Sequential CMOs. CMOs other than PACs and Sequentials are limited to a maximum of 10% of the fixed income portfolio at cost.

~~i. Portfolio holdings in CMOs greater than 15 years or less than negative 15 years in duration (based on a 100 basis point move in rates) are limited to no more than a total of 2% of the fixed income portfolio at cost.~~

~~j~~i. Currency Forwards and Non-Deliverable Forwards (NDF's). Such currency forwards shall only be with counterparty banks with A or better credit ratings by Standard & Poor's or Moody's.

~~k. Fixed income futures, on an unleveraged basis, such that the market notional value of all long contracts shall be covered by cash, cash receivables, or cash equivalents with one year or less in duration.~~

j. Derivatives may be used to obtain exposure to the fixed income markets, to adjust portfolio risk, and to reduce unwanted exposure to foreign currencies.

k. Other use of derivatives than e. and h. above, including credit default swaps, interest rate swaps (except for centrally cleared,) IO's, PO's, inverse floaters and CMO support bonds, shall not in the aggregate exceed 15% of the portfolio measured at the time of investment.

l. Other securities as detailed in accordance with the Investment Manager's agreement with CCCERA.

2. High yield account(s)

a. Any security permitted for the Core Plus fixed income managers in X.D.1(a)-(e) above.

b. High yield securities as specified in accordance with the Investment Manager's agreement with CCCERA.

D. Incidental Cash Portion

The Incidental Cash Portion shall be invested in the same readily marketable and diversified assets as are enumerated in the Fixed Income Portion Guidelines. The maturity of such assets shall not exceed 15 months. The investments by the County Treasurer shall comply with the laws of the State of California.

The Board may invest in non-negotiable certificates of deposit if the following criteria are satisfied.

1. The CDs are registered in the name of CCCERA.

2. FDIC insurance coverage covers the entire invested amount, and,

3. FDIC insurance is not waived by CCCERA.

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XI. SEPARATELY HELD REAL ESTATE

Market appraisals shall be conducted by an independent appraiser every three years on all properties which are separately held.

In accordance with the standards as set forth in the Government Accounting Standards Board (GASB) statement #25, all properties will be reflected in-CCCERA's financial statements at fair value.

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XII. SECURITIES LITIGATION

CCCERA's custodian is responsible for the filing and reporting of all proofs of claim in U.S. securities litigation class action lawsuits for which CCCERA is eligible. CCCERA will retain one or more law firms or securities monitoring services to monitor CCCERA's securities litigation class action lawsuits. For international class action lawsuits, staff may work with legal counsel to determine the proper course of action.

Further details are contained in the CCCERA Securities Litigation policy.

ADOPTION AND ACCEPTANCE

The Board of Retirement of the Contra Costa County Employees' Retirement Association hereby adopts this Statement of Investment Policies and Guidelines and Schedules thereto.

By: ______________________________

Date: ______________________________

The undersigned Investment Manager acknowledges receipt of this Statement and:

1. Warrants that it is currently, and will maintain registration as:
   - An investment advisor under the Investment Advisers Act of 1940,
   - A bank (as defined in that act),
   - An insurance company qualified to perform investment management services under state law in more than one state,
   - A trust operating as an investment company under the Investment Company Act of 1940, or
   - A state-chartered trust company authorized to carry on a trust banking business.
2. By signing this acceptance, acknowledges that it is a fiduciary with respect to assets of the Trust under its management or control (including assets of any Partnership attributable to the Trust).
3. Agrees to include within its periodic report to the Board of Retirement assurance that it believes its investment decisions are in accord with the provisions of this Statement.
4. Agrees to recommend to the Board changes to this Statement at any time when the Investment Manager views any part of this Statement to be at variance with overall market and economic conditions.
5. States that it is unable to provide an unqualified acknowledgment and acceptance of item(s) ____ above but has agreed to explain same and to provide a modified acknowledgment and acceptance as to such item(s), which may be found in ________________.

ACCEPTED

~~(Investment Manager)~~

By: ______________________________
Signature

Date: ______________________________

Name ______________________________

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Company Name ______________________________

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INVESTMENT POLICY

SCHEDULE I

ASSET CLASS TARGETS

	Target	Range
Global Equity	~~49~~ 42.6 %	~~44~~ 40- ~~54~~ 55%
Global Fixed Income	~~29~~ 24.4 %	~~24 - 34~~ 20 - 30 %
High Yield Fixed Income	~~3~~ 5%	~~1~~ 2 - ~~5~~ 9 %
Real Estate	~~11~~ 12.5 %	~~8~~ 10 - ~~14~~ 16 %
Real Assets	5%	0 - 10 %
Alternative Investments	~~7~~ 10 %	5 - ~~9~~ 12 %
Opportunistic	0%	0 - 5 %
Cash	0.5 %	0 - 1 %

~~17~~25

INVESTMENT POLICY

SCHEDULE II

ALLOCATION OF CASH RECEIVED

IF THE MOST UNDER-TARGET ASSET CLASS IS:	TEMPORARILY PLACE CASH IN:
Equities	PIMCO Stocks Plus portfolio
Fixed Income	Core Plus Fixed Income (ie. PIMCO and/or Lord Abbett and/or Goldman Sachs (core plus account))
Real Estate	Adelante Capital Management
Real Assets	Wellington Total Return

ALLOCATION OF CASH DISPERSED

IF THE MOST OVER-TARGET ASSET CLASS IS:	TEMPORARILY DISPERSE FROM:
~~U.S.~~ Equities	PIMCO Stocks Plus portfolio
~~U.S.~~ Fixed Income	Core Plus Fixed Income (ie. PIMCO and/or Lord Abbett and/or Goldman Sachs (core plus account)
~~U.S.~~ Real Estate	Adelante Capital Management
Real Assets	Wellington Total Return

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INVESTMENT POLICY
SCHEDULE III
INVESTMENT MANAGER BENCHMARKS

Manager	Index	Database
Ceredex	Russell 2000® Value	US Eq Small Value
~~Boston Partners~~	~~Russell 1000® Value~~	~~US Eq Large Value~~
Delaware	Russell 1000® Growth	US Eq Large Growth
Emerald	Russell 2000® Growth	US Eq Small Growth
Intech ~~Enh+,~~ Large~~.~~ Cap Core	S&P 500	US Eq Large Core
PIMCO Stocks Plus~~*~~	S&P 500	US Eq Large Core
Robeco Boston Partners	Russell 1000® Value	US Eq Large Value
~~Progress~~	~~Russell 2000®~~	~~US Eq Small Core~~
~~Rothschild~~	~~Russell 2500™ Value~~	~~US Eq Small Value~~
~~Wentworth~~	~~S&P 500~~	~~US Eq Large Core~~
~~GMO~~TBD	MSCI EAFE Value	Intl Equity
~~McKinley~~William Blair	MSCI ACWI ~~X~~ex-US Growth	Intl Equity
Artisan Partners	MSCI ACWI	Global Equity
First Eagle	MSCI ACWI	Global Equity
INTECH	MSCI ACWI	Global Equity
JP Morgan	MSCI ACWI	Global Equity
AFL-CIO Housing	Barclays Capital US Aggregate	US Fixed Income
Goldman Sachs	Barclays Capital US Aggregate	US Fixed Income
Lord Abbett	Barclays Capital US Aggregate	US Fixed Income
PIMCO	Barclays Capital US Aggregate	US Fixed Income
~~ING Clarion~~ Torchlight I, II, III, IV		Merrill Lynch Hi Yield
Master II~~Merrill Lynch Hi Yld II~~		US High Yield
~~Nicholas-Applegate~~	~~Merrill Lynch Hi Yld II~~	~~US High Yield~~
~~PIMCO fixed income~~	~~Barclays Capital US Aggregate~~	~~US Fixed Income~~
~~Lord Abbett~~	~~Barclays Capital US Aggregate~~	~~US Fixed Income~~
~~Goldman Sachs AM~~	~~Barclays Capital US Aggregate~~	~~US Fixed Income~~
Allianz Global	Merrill Lynch Hi Yield Master II	US High Yield
Lazard Asset	Barclays Capital Global Aggregate ~~(in USD terms unhedged)~~	Global Fixed Income
Adelante	~~DJ~~ Wilshire REIT	US REIT
Invesco (Int'l REIT)	FTSE EPRA/NAREIT Global ex-US	Int'l REIT

PIMCO All Asset	CPI + 400 bps	N/A
Wellington Total Return	CPI + 400 bps	N/A
Commonfund IX	CPI + 600 bps	N/A
~~Blackrock Realty~~	~~NCREIF Apartment +300 bps~~	~~US Real Estate~~
Angelo Gordon VIII	NCREIF + 500 bps	US Real Estate
DLJ ~~1,2,3,4~~RECP II, III, IV, V	NCREIF + 500 bps	US Real Estate
Hearthstone I, II	NCREIF + 500 bps	US Real Estate
Invesco I, II, III	NCREIF + 300 bps	US Real Estate
LaSalle	NCREIF + 300 bps	US Real Estate
Long Wharf II, III, IV	NCREIF + 300 bps	US Real Estate
Oaktree REOF V, VI	NCREIF + 500 bps	US Real Estate
Siguler Guff DREOF I, II	NCREIF + 300 bps	US Real Estate
~~FFCA~~	~~NCREIF~~	~~US Real Estate~~
~~Fidelity II, III~~	~~NCREIF + 500 bps~~	~~US Real Estate~~
~~Hearthstone 1, 2~~	~~NCREIF + 500 bps~~	~~US Real Estate~~
~~Invesco 1, 2~~	~~NCREIF + 300 bps~~	~~US Real Estate~~
~~Prudential SPF II~~	~~NCREIF + 300 bps~~	~~US Real Estate~~
Adams Street	S&P 500 + 400 bps	
Bay Area Equity 1,2	S&P 500 + 400 bps	
Carpenter	S&P 500 + 400 bps	
Energy Inv. USPF 1, 2, 3, 4	S&P 500 + 400 bps	
Nogales	S&P 500 + 400 bps	
Paladin	S&P 500 + 400 bps	
Pathway	S&P 500 + 400 bps	
~~PT Timber III~~	~~S&P 500 + 400 bps~~	
Oaktree PIF 2009	CPI + 400 bps	

CONTRA COSTA COUNTY
Employees' Retirement Association
BOARD OF RETIREMENT

Statement of General INVESTMENT POLICIES And GUIDELINES

Adopted 7/9/85
Last revised 10/30/13

Statement of General INVESTMENT POLICIES and GUIDELINES

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STATEMENT OF GENERAL INVESTMENT POLICIES AND GUIDELINES FOR THE RETIREMENT PLAN TRUST OF THE CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

ADOPTED 7/9/85

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I. INTRODUCTION

The Board of Retirement (the "Board") of the Contra Costa County Employees' Retirement Association ("CCCERA") has established the following Statement of General Investment Policies and Guidelines (the "Statement") for the investment of the trust fund (the "Trust") of the CCCERA Retirement Plan (the "Plan"). The Board reserves the right at any time and from time to time to amend, supplement or rescind this Statement.

II. AUTHORITY

The investment of the assets of the Trust shall be in accord with applicable law, including but not limited to the following:

A. Investments shall be solely in the interest of, and for the exclusive purposes of providing benefits to the participants in the Plan and their beneficiaries, minimizing the contributions of employers thereto, and defraying the reasonable expenses of administering the Trust (Cal. Gov. Code Sec. 31595 (a)).

B. Investments shall be made with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims (Cal. Gov. Code Sec 31595 (b)).

C. Investments shall be diversified so as to minimize the risk of loss and to maximize the rate of return unless under the circumstances it is clearly prudent not to do so (Cal. Gov. Code Sec. 31595 (c)).

D. In considering potential investment managers, it is the policy of the Board not to exclude managers from consideration based on ethnic background or gender, and not to arbitrarily exclude an emerging firm if, in the opinion of the Board, that firm has equal or superior capabilities to other candidates.

E. It shall be the policy of the Board that an Economically Targeted Investment (ETI) can be considered if and only if it has return and risk characteristics attractive in comparison to other alternatives.

III. ASSET CATEGORIES

For the purpose of setting objectives and guidelines for the investment of the assets of the Trust, the assets shall be considered as divided into seven portions described as the **Global Equity Portion,** the **Global Fixed Income Portion,** the **Real Estate Portion**, the **Real Assets Portion**, the **Alternative Investments Portion, the Opportunistic Portion** and the **Incidental Cash Portion**. The Domestic and International Equity Programs are considered part of the Global Equity Portion. The Domestic Fixed Income Program, the High Yield Fixed Income Program and the Non-Traditional Fixed Income Program are considered parts of the Global Fixed Income Portion.

The Global Equity Portion, the Global Fixed Income Portion, the Real Estate Portion, the Real Assets Portion, the Alternative Investments Portion and the Opportunistic Portion shall be under the supervision of qualified Investment Managers and shall collectively and individually be called Managed Accounts. The term 'Investment Manager' shall include traditional investment managers that exercise discretionary authority in selecting investments, as well as general partners of limited partnerships in which CCCERA invests and similarly situated management of other entities in which CCCERA invests (collectively, 'Partnerships'). The term "Investment Manager" shall also include investment advisors retained by any such Partnerships, to the extent such investment advisors exercise discretionary authority in selecting investments for any such Partnerships.

A: The **Global Equity Portion** shall consist of investments in common stock and other securities which are convertible into common stock and cash equivalents and securities which are being used as substitutes for common stock. The Global Equity Portion cash and cash equivalents of separate accounts shall be held and invested by the Custodian Bank described in Section V below. The Global Equity Portion may be further divided into domestic, international and global; large, mid and small capitalization; and growth, value, and core.

B: The **Global Fixed Income Portion** shall consist of investments in fixed income securities including cash equivalents. Global Fixed Income may be divided into domestic, international and global core and core-plus, High Yield (publicly traded) and Non-Traditional Fixed Income.

C: The **Real Estate Portion** shall consist of investments in real estate through the use of commingled and direct investments, and publicly traded real estate investment trusts (REITs), including cash equivalents.

D: The **Real Assets Portion** shall consist of investments in real assets, in both public security and private partnership forms. The public security allocations shall be the temporary holder of capital to be called for the real asset private partnerships. Real Assets shall include, but not be limited to, investments in energy production, energy transmission, timber, agriculture, inflation protected securities, commodities and infrastructure.

E: The **Alternative Investments Portion** shall consist of other investments of recognized institutional merit not included in III A, B, C, D or F, through the use of commingled and direct investments.

F: The **Opportunistic Portion** shall consist of investments of recognized institutional merit. This allocation is intended to exploit temporary market or asset dislocations.

G: The **Incidental Cash Portion** shall include short-term monies not allocated to the Managed Accounts, including but not limited to unallocated or prepaid contributions and funds formerly allocated to Investment Manager(s) awaiting reallocation to other Investment Manager(s). The Incidental Cash Portion shall be invested in short-term fixed income instruments.

IV. INVESTMENT OBJECTIVES

A. Total Fund Benchmarks

The general investment objective of **the Trust** is the preservation of capital plus a return from capital appreciation plus current income that meets Trust needs without taking undue risk. The relative return objective is a total return on a market value basis which exceeds that of a custom index composed of appropriate asset class indexes weighted proportionally by corresponding asset class targets. The minimum average annualized rate of return objective over a market cycle is 400 basis points in excess of the National Consumer Price Index for all Urban consumers over that market cycle.

B. Global Equity Portion

1. For the combined **Global Equity Portion, the objective is an after fee rate of return in excess of a custom benchmark composed of 60% Russell 3000 and 40% MSCI World ex US**

2. For overall **Domestic Equities**, the objective is an after fee rate of return in excess of the Russell® 3000 and a rate of return within the upper half of a database of domestic equity portfolios.

3. For the **Domestic Large Capitalization** sub-set, a rate of return, after fees, on a risk-adjusted basis, which is in excess of the Standard & Poor 500 and a return within the upper half of the large capitalization database; and

4. For the **Domestic Small Capitalization** sub-set, a rate of return which, after fees, exceeds that of the Russell® 2000 Index and is within the upper half of the small capitalization database.

5. The objective of overall **International Equities** is a rate of return, after fees, in excess of the Morgan Stanley Capital International Europe, Australia and the Far East (MSCI EAFE) Index (gross); and which is within the upper half of the appropriate database of international equity investment managers.

C. Global Fixed Income

1. The objective of the overall **Global Fixed Income Portion** is a custom index composed of 80% Barclays Capital US Aggregate, 10% Barclays Capital Global Aggregate and 10% Merrill Lynch High Yield II.

2. The objective of overall **Domestic Fixed Income** (including non-traditional fixed income) is a rate of return which, after fees, is in excess of the Barclays

Capital Universal Bond Index and which is within the upper half of a database of domestic fixed income portfolios.

3. The objective of the publicly traded **Domestic High Yield Fixed Income** sub-set is to exceed, after fees, the Merrill Lynch High Yield II index and to achieve a rate of return within the upper half of its peer group.

4. The objective of the **Global Fixed Income portfolio(s)** is to exceed, after fees, the rate of return of the Barclays Capital Global Aggregate Bond Index.

D. Real Estate

1. The objective of the overall **Real Estate Portion** is a rate of return which, after fees, is in excess of a custom index weighted 64% in the NCREIF Index and 36% in the Dow Jones Wilshire REIT Index, and which is within the upper half of a database of real estate portfolios.

2. The objective for the investments in illiquid real estate (direct and commingled) is the NCREIF Index, plus an appropriate premium based upon the fund's risk profile, as detailed in Schedule II.

E. Real Assets

1. The objective of the overall **Real Assets Portion** is a rate of return, after fees, in excess of that of the CPI-U Index + 400 basis points

2. The objective for the investments in illiquid real assets (direct and commingled) is the CPI-U Index + 600 basis points.

F. Alternative Investments

The objectives of the **Alternative Investments Portion** are:

1. A rate of return after all fees which is in excess of that of the Standard & Poor's 500 stock index plus 4% per year.

2. A rate of return in excess of that of other comparable investments.

G. Opportunistic Investments

The objective of the **Opportunistic Portion** is:

1. A rate of return after all fees which is in excess of the Total Fund return target.

H. Incidental Cash

The objective of the **Incidental Cash Portion** is to achieve a return after fees in excess of that of Treasury Bills of a comparable average maturity.

I. **Individual Manager Objectives** are presented in Schedule III.

V. CUSTODIAN BANK and COUNTY TREASURER

A. The custodian bank selected by the Board to act as the principal custodian of assets of the Trust (the "Custodian Bank") may be directed to invest in temporary short-term fixed income investments both for the Managed Account Investment Managers and as a part of the Incidental Cash Portion. Such investments are not to exceed 15 months in maturity. Cash managed for Managed Account Investment Managers shall be considered to be sub-portions of the asset Portions managed by the directing Investment Managers.

B. The Custodian Bank shall be authorized to conduct a securities lending program within liquidity and risk constraints as established by the Board.

C. The County Treasurer will manage any assets of the Incidental Cash Portion not managed by the Custodian Bank in accordance with Government Code Section 53601 et al.

VI. ASSET ALLOCATION

A. Targets

The asset allocation targets and their associated ranges, which are a function of the returns and risks from various asset classes and the nature of the Plan's liabilities, are set forth on Schedule I of this Statement. The Board may make tactical adjustments to these targets and ranges, and may change the targets and ranges as appropriate.

B. Rebalancing

To facilitate rebalancing the portfolio and transfer of excess cash with minimal transaction cost or disruption of individual managers' investment strategies:

1. All Investment Managers of separate accounts will remit interest, dividends and rents unless otherwise directed by the Board.

2. At a Board meeting in August and February, and at any other time deemed appropriate, the Board may consider rebalancing that has been, or is to be, implemented by staff as follows:

   a. The under-funded class(es) may be rebalanced with funds from the class(es) that are over-funded according to the asset allocation targets.
   b. Within each class, the under-funded Investment Manager(s) may be rebalanced with funds from the Investment Manager(s) who are over-funded according to the asset allocation targets.
   c. Because of illiquidity and/or structure constraints, real estate, alternative investments and other privately traded investments will not have funds withdrawn if they are temporarily over-funded, with the exception of REIT investments.

C. Cash Allocation

1. Cash flow "in" that is expected to be needed to meet capital calls or other cash flow requirements will be temporarily placed in the most under-target asset class of either Domestic Equities, Domestic Fixed Income, or REITs according to Schedule II.

2. Cash flow "in" in excess of Item 1 will be allocated to the most under-target asset class which is able to accept new funds, and to the most under-target Investment Manager in the class, until that Investment Manager is brought to target, with the exception that if the Board has decided that an

Investment Manager will be precluded from new funding (Section VIII C.3), the next most under-target Investment Manager will be funded.

3. Cash flow "out" will be planned for and will generally come from available cash or from a designated portfolio as in Schedule II.

VII. **INVESTMENT MANAGER SELECTION**

A. Process for Identifying Investment Managers for Consideration

An investment manager candidate may be considered by the Board either as the result of a manager search the Board has authorized or because the candidate has been presented as an idea at a Board meeting by a Board member, by the Chief Investment Officer or by the Investment Consultant.

In the ordinary course of business, managers are to be identified and presented to the Board for consideration following the Standard Search Process, below. However, any Board member, the Chief Investment Officer or the investment consultant who thinks an investment idea or product merits consideration, may raise the matter at a Board meeting. If the Board agrees that the idea has merit, the Board's Investment Consultant may be asked to review and comment on the investment. If, after the Consultant's review the Board concurs that the idea or product merits consideration, the applicable Investment Manager may be invited to appear at a future Board meeting, subject to further due diligence. Alternatively, the Board member may request the matter be placed on an agenda to discuss whether a presentation should be scheduled. In this case, the Board Chair may request that the Board's Investment Consultant be prepared to offer comment during the meeting, with the intent that the Board could make a decision at the meeting regarding a presentation.

In connection with the Board's consideration of any presentation by an Investment Manager as outlined above, Board members and senior Investment Staff shall publicly disclose at the board meeting any prior communications they have had with the subject Investment Manager, and any actual or potential personal financial interests they may have that could be impacted by the Board's consideration of the Investment Manager.

Once a prospective Investment Manager has been invited to present to the Board, the manager and Board shall abide by the "quiet period" restrictions set forth in Sec. B. 2, below.

In all instances when CCCERA is considering a new investment, the prospective firm must complete the CCCERA Placement Agent questionnaire prior to presenting to the Board.

B. Standard Search Process

1. Ordinarily, the Board will identify a particular mandate for which one or more Investment Managers are to be engaged. The Board will direct the Investment Consultant and Staff to develop a detailed "Manager Profile,"

specifying the criteria sought for a manager or managers to fulfill the mandate.

2. Once the Board has directed the Investment Consultant and Staff to develop a Manager Profile, a "quiet period" will ensue, during which time no Board member may knowingly have any communication with any actual or potential candidate for the mandate, *unless* authorized by the Board in connection with the due diligence process in selecting managers. The quiet period shall cease upon the Board's entering into a contract for the Investment Manager(s) selected for the mandate. The Investment Consultant is responsible for alerting the candidates to the quiet period and its restrictions. A violation of the quiet period rule may result in disqualification of the candidate or other appropriate Board action.

3. An Investment Manager search may follow the Board's identification of a mandate. The Investment Consultant will conduct the search in accordance with the Manager Profile. The search criteria will include the scope of the mandate, the investment style, benchmark, fee structure and minimum qualifications for candidates. The minimum qualifications will include successful performance track record relative to benchmark, disciplined investment processes, effective risk management procedures, size of assets under management, experience and capability of staff, organizational stability and applicable regulatory certification and compliance.

4. The Investment Consultant initially will examine its database to identify possible candidates who fit the Manager Profile. Any member of the Board and Staff may also suggest that the Investment Consultant to examine the specific merits of a particular candidate.

5. The Investment Consultant will send out requests for information to qualified candidates meeting the requirements of the Candidate Profile.

6. The Investment Consultant will evaluate candidates and return to the Board with a semi-finalist list, and recommendations for narrowing the list to a finalist list for interview by the Board. Investment Consultant and Staff may perform on-site due diligence on finalist managers, as directed by the Board.

7. Any investment managers that present to the Board as finalists will have satisfied the Investment Consultant and Staff that they are appropriate candidates.

8. All Investment Manager contracts will be subject to final due diligence (including an on-site visit) and satisfactory documentation following Board approval.

C. Non-Standard Search Process

1. Some investments by their nature present unique opportunities and are not suited for a standard search. For example, time constraints may limit the ability to conduct a full search given the inherent features of closed end funds. Further, there may not be suitable competitors for a unique investment opportunity.

2. When such an investment is brought up at a Board meeting, the Board may request Staff and the Investment Consultant perform due diligence to evaluate the merits of the investment and its suitability, and identify competitive managers.

3. Following the requested due diligence report and an interview with the Investment Manager candidate, the Board may vote to move forward with the investment, subject to further due diligence and documentation following the Board vote.

D. Follow-on Funds

A follow-on fund is an investment which has essentially the same strategy as an illiquid closed end fund from the same Investment Manager in which CCCERA has already invested. When a follow-on fund investment becomes available in an asset class that is under its allocation target, the Board may determine to invest in such a fund without conducting a standard search. Such investment will follow the Non-Standard Search Process outlined in C, above.

E. Alternative Investments - Use of Fund-of-Funds

With investments in private equity, including without limitation, leveraged buyouts and venture capital, the Board has determined that it prefers to use fund-of-funds. This does not preclude the use of individual funds or partnerships, should the characteristics of a particular investment prove compelling and have merit for consideration.

F. Multiple Products with one Investment Manager

The Board will examine the use of one manager for more than one mandate on a case-by-case basis. It is the policy of the Board to restrict assets entrusted to any one investment management organization to no more than one-quarter of the total Trust assets.

VIII. INVESTMENT MANAGER MONITORING

A. Quarterly Review

1. All Investment Managers will report quarterly investment performance and compliance using a standard reporting format specified by the Board. In addition, Investment Managers are encouraged to provide their performance information in their own format as supplemental to the required report.

2. The agenda for each Quarterly Performance Review meeting is mailed to all Investment Managers in advance of the meeting. Quarterly reports are to be received in the Retirement Office in accordance with the instructions as set forth on the agenda.

3. Investment and compliance performance will be reviewed and evaluated quarterly. The Board's Investment Consultant, working with the Custodian Bank, will provide performance reports to the Board on each Investment Manager, on each asset class, and on the Trust assets in total.

4. The Board will review the income generated by its securities lending program on a quarterly basis as part of the Board's performance review process.

B. Custodial Reconciliation

1. All Investment Managers with Managed Accounts held at the Custodian Bank will provide monthly custodial market value reconciliation reports to the Retirement Accounting Manager with copies to the Investment Consultant. The reconciliation reports are to be received in the Retirement Office by the 25th day following the end of each month. This report must include a reconciliation of all cash, holdings and market values.

C. Under Review Policy

1. The Board will decide if an Investment Manager should be under review. Reasons for an Investment Manager to be under review include:

   a. Poor performance,
   b. Failure to meet Board requirements,
   c. Deviation from mandate,
   d. Change in personnel,
   e. Adverse publicity,
   f. Change in ownership,
   g. Regulatory compliance issues,
   h. Risk management issues,

i. Lack of appropriate communication, or
j. Any other reason the Board deems appropriate.

2. If an Investment Manager is placed under review, staff will notify the manager in writing that it has been placed under review.

3. If an Investment Manager is placed under review, the Board will at the same time decide if the manager should be precluded from new funding.

4. At least each quarter, and whenever the Board deems appropriate, the Board will evaluate all Investment Managers under review, and for each such manager take one of three actions:

   a. Decide the manager is no longer under review,
   b. Terminate the manager, or
   c. Keep the manager under review.

5. If the Board determines that an Investment Manager is no longer to be under review, staff will notify the manager in writing of this determination.

6. If the Investment Manager is kept under review, the Board may revisit the question of whether the manager should be precluded from new funding.

D. Investment Manager On-Site Due Diligence

1. The Board may authorize certain of its members to conduct visits to either the home office or a satellite office of a current or prospective Investment Manager or to a real estate property in the portfolio of a real estate Investment Manager.

2. Visits to investment management firms may include but are not limited to:

   a. Review of back office procedures and record keeping
   b. Review of trading operations and resources
   c. Review of research capabilities and operations
   d. Observing investment committee meetings
   e. Review of decision-making processes
   f. Review of risk management procedures
   g. Review of compliance procedures
   h. Review of disaster recovery plan

3. Visits to real estate properties may include but are not limited to:

   a. Site inspection

b. Tour of the surrounding area
c. Visits to competing properties in the area
d. Meetings with building management and leasing agent
e. Meetings with tenants
f. Observing construction or renovation activities

4. The Board members, accompanied by the Investment Consultant and senior investment staff, will normally visit with a prospective Investment Manager in its offices prior to hiring, as approved by the Board.

5. Visits to investment management firms may be conducted when an Investment Manager is placed under review or when there has been a change in firm ownership.

6. Generally, not more than three Board members and no more than four will be authorized to conduct an Investment Manager visit.

7. A written report on each Investment Manager visit shall be provided to the Board.

8. Informal visits to an Investment Manager (existing or prospective) or to a real estate property by Board or staff members are encouraged when a Board member or staff member is in the area.

E. Participation on Advisory Committees or Advisory Boards

1. The Board shall not appoint a representative to any advisory committee or board established in connection with any of the limited partnerships (or other entities) in which CCCERA invests, and a Board or staff member shall not accept such a position, unless:

   a. The general partner (or other manager of the entity) has agreed, under the partnership agreement, or other agreements specifically incorporated therein, that such representative shall have no authority or discretion to vote to approve or disapprove, or consent to, the activities of the general partner or other manager;

   b. The general partner and other manager or advisor have disclaimed any rights against such representative as a member of the advisory committee or board, including subrogation rights; and

   c. The general partner and other manager or advisor has agreed that such representative, CCCERA and the partnership (or other entity) shall be indemnified by the partnership, the general partner and other manager or advisor for any actions taken against any of them as to which the representative acted in good faith.

d. The general and limited partners, and other manager or advisor, have expressly agreed in writing that the representative and CCCERA do not owe a fiduciary duty to any of them by reason of its participation on such advisory committee or board.

2. The Board may appoint a representative to such a position on a case-by-case basis consistent with the foregoing provisions.

F. Emergencies

1. An "emergency" will be deemed to exist whenever:

a. A Managed Account suffers the resignation or other loss of its Investment Manager and no appropriate replacement is available; or

b. An Investment Manager dissolves, ceases to exist, or is otherwise incapable of carrying out its activities in the ordinary course of its business; or

c. An Investment Manager is "shut down" by a regulatory agency of a state or the Federal government or is accused of theft or fraud by a regulatory agency or other government body; and

2. Action to transfer management of the affected Managed Account shall be taken as soon as possible after CCCERA learns of the emergency.

3. In the case of an emergency, the Chief Executive Officer, or in the Chief Executive Officer's absence, the Deputy Chief Executive Officer or the Chief Investment Officer will:

a. Attempt to notify the Chair and Vice Chair immediately.

b. Notify the Custodian Bank that the Investment Manager's Managed Account is to be frozen and, except for those trades which are pending, no further trading is authorized.

c. Call an emergency meeting of the Board to take action of a more long-term nature.

IX. **AUTHORITY OF INVESTMENT MANAGERS**

Subject to the terms and conditions of this Statement, Investment Managers shall have full discretionary power to direct the investment, exchange, liquidation and reinvestment of the assets of the Managed Accounts. The Board expects that the Investment Managers will recommend changes to this Statement at any time when the Manager views any part of this Statement to be at variance with overall market and economic conditions.

The Managers shall place orders to buy and sell securities and, by notice to the Custodian Bank, shall cause said custodian to deliver and receive securities on behalf of the Trust.

The Board shall either vote or, through a third party administrator, direct the voting of its proxies for all stocks held in its separate account equity portfolios.

X. INVESTMENT GUIDELINES

The following guidelines apply to all Investment Managers. Any further constraints, limitations or authorities to an individual manager, which are specific to that manager and have been agreed to by the manager and CCCERA, also apply.

A. In General

1. All investments shall comply with all applicable laws of the State of California governing the investment of the pension funds of counties.

2. All securities transactions shall be executed by reputable broker/dealers or banks, including any bank acting as custodian, and shall be at a best execution including, without limitation, best price basis. Those Domestic Equity Investment Managers so directed by the Board are expected to direct up to 25% of their transactions to brokers participating in the Board's commission recapture program. All Investment Managers shall provide periodic transaction information so that the Board may monitor the placement of commissions.

3. Investments shall possess value and quality corroborated by accepted techniques and standards of fundamental economic, financial and security analysis.

4. Except for the private partnerships, fees paid to Investment Managers shall be based on the Custodian Bank's valuation of the manager's portfolio on a market and trade date basis.

5. All Domestic Equity and Domestic Fixed Income portfolios, unless exempted by the Board, shall not hold securities in any corporation that derives 15% or more if its revenue from tobacco products. All other Investment Managers are encouraged to avoid investments in companies that derive 15% or more of their revenues from tobacco products.

B. Global Equity Portion

The Global Equity Investment Managers may invest solely in equity securities as defined in III A above, subject to the following:

1. The maximum percentage of the value of a Managed Account which may be invested in the securities of a single corporation shall be 10% of the value of the Managed Account at market, unless a different maximum percentage is specified in the Investment Manager's agreement with CCCERA.

2. A Managed Account shall not hold more than 5% of the equity securities of an issuer, unless a different percentage is specified in the Investment Manager's agreement with CCCERA.

3. Derivatives shall only be used to obtain exposure to the equity markets, to reduce unwanted exposure to foreign currencies, or as a substitute for an underlying common stock. The Investment Manager shall explain any use of a derivative as a substitute for a common stock.

4. Other securities as detailed in accordance with the Investment Manager's agreement with CCCERA.

C. Global Fixed-Income Portion

1. Core plus fixed income account securities will be restricted to the following:

    a. Obligations of the U.S. Treasury

    b. Obligations guaranteed by an agency of the United States

    c. Government, agency, quasi-government and supranational bonds.

    d. Certificates of deposit and banker's acceptance of credit-worthy banks

    e. Corporate, asset backed and mortgage backed securities and structured notes and other evidences of debt.

    f. Eligible instruments issued pursuant to SEC Rule 144(a) or Regulation S.

    g. Commercial paper (including variable rate notes) of issuers rated not less than P-2 by Moody's Investor Services and A-2 by Standard & Poor's.

    h. Lower risk planned amortization class (PAC) collateralized mortgage obligations ("CMO") and Sequential CMOs. CMOs other than PACs and Sequentials are limited to a maximum of 10% of the fixed income portfolio at cost.

    i. Currency Forwards and Non-Deliverable Forwards (NDF's). Such currency forwards shall only be with counterparty banks with A or better credit ratings by Standard & Poor's or Moody's.

    j. Derivatives may be used to obtain exposure to the fixed income markets, to adjust portfolio risk, and to reduce unwanted exposure to foreign currencies.

k. Other use of derivatives than e. and h. above, including credit default swaps, interest rate swaps (except for centrally cleared,) IO's, PO's, inverse floaters and CMO support bonds, shall not in the aggregate exceed 15% of the portfolio measured at the time of investment.

l. Other securities as detailed in accordance with the Investment Manager's agreement with CCCERA.

2. High yield account(s)

a. Any security permitted for the Core Plus fixed income managers in X.D.1(a)-(e) above.

b. High yield securities as specified in accordance with the Investment Manager's agreement with CCCERA.

D. Incidental Cash Portion

The Incidental Cash Portion shall be invested in the same readily marketable and diversified assets as are enumerated in the Fixed Income Portion Guidelines. The maturity of such assets shall not exceed 15 months. The investments by the County Treasurer shall comply with the laws of the State of California.

The Board may invest in non-negotiable certificates of deposit if the following criteria are satisfied.

1. The CDs are registered in the name of CCCERA.

2. FDIC insurance coverage covers the entire invested amount, and,

3. FDIC insurance is not waived by CCCERA.

XI. **SEPARATELY HELD REAL ESTATE**

Market appraisals shall be conducted by an independent appraiser every three years on all properties which are separately held.

In accordance with the standards as set forth in the Government Accounting Standards Board (GASB) statement #25, all properties will be reflected in-CCCERA's financial statements at fair value.

XII. **SECURITIES LITIGATION**

CCCERA's custodian is responsible for the filing and reporting of all proofs of claim in U.S. securities litigation class action lawsuits for which CCCERA is eligible. CCCERA will retain one or more law firms or securities monitoring services to monitor CCCERA's securities litigation class action lawsuits. For international class action lawsuits, staff may work with legal counsel to determine the proper course of action.

Further details are contained in the CCCERA Securities Litigation policy.

ADOPTION AND ACCEPTANCE

The Board of Retirement of the Contra Costa County Employees' Retirement Association hereby adopts this Statement of Investment Policies and Guidelines and Schedules thereto.

By: ________________________________

Date: ________________________________

The undersigned Investment Manager acknowledges receipt of this Statement and:

1. Warrants that it is currently, and will maintain registration as:
   - An investment advisor under the Investment Advisers Act of 1940,
   - A bank (as defined in that act),
   - An insurance company qualified to perform investment management services under state law in more than one state,
   - A trust operating as an investment company under the Investment Company Act of 1940, or
   - A state-chartered trust company authorized to carry on a trust banking business.
2. By signing this acceptance, acknowledges that it is a fiduciary with respect to assets of the Trust under its management or control (including assets of any Partnership attributable to the Trust).
3. Agrees to include within its periodic report to the Board of Retirement assurance that it believes its investment decisions are in accord with the provisions of this Statement.
4. Agrees to recommend to the Board changes to this Statement at any time when the Investment Manager views any part of this Statement to be at variance with overall market and economic conditions.
5. States that it is unable to provide an unqualified acknowledgment and acceptance of item(s) ____ above but has agreed to explain same and to provide a modified acknowledgment and acceptance as to such item(s), which may be found in ________________.

ACCEPTED

By: ________________________________
Signature

Date: ________________________________

Name ________________________________
Print

Company Name ________________________________
Print

INVESTMENT POLICY

SCHEDULE I

ASSET CLASS TARGETS

	Target	Range
Global Equity	42.6 %	40- 55%
Global Fixed Income	24.4 %	20 - 30 %
High Yield Fixed Income	5%	2 - 9 %
Real Estate	12.5 %	10 - 16 %
Real Assets	5%	0 - 10 %
Alternative Investments	10 %	5 - 12 %
Opportunistic	0%	0 - 5 %
Cash	0.5 %	0 - 1 %

INVESTMENT POLICY

SCHEDULE II

ALLOCATION OF CASH RECEIVED

IF THE MOST UNDER-TARGET ASSET CLASS IS:	TEMPORARILY PLACE CASH IN:
Equities	PIMCO Stocks Plus portfolio
Fixed Income	Core Plus Fixed Income (ie. PIMCO and/or Lord Abbett and/or Goldman Sachs (core plus account))
Real Estate	Adelante Capital Management
Real Assets	Wellington Total Return

ALLOCATION OF CASH DISPERSED

IF THE MOST OVER-TARGET ASSET CLASS IS:	TEMPORARILY DISPERSE FROM:
Equities	PIMCO Stocks Plus portfolio
Fixed Income	Core Plus Fixed Income (ie. PIMCO and/or Lord Abbett and/or Goldman Sachs (core plus account)
Real Estate	Adelante Capital Management
Real Assets	Wellington Total Return

INVESTMENT POLICY
SCHEDULE III
INVESTMENT MANAGER BENCHMARKS

Manager	Index	Database
Ceredex	Russell 2000® Value	US Eq Small Value
Delaware	Russell 1000® Growth	US Eq Large Growth
Emerald	Russell 2000® Growth	US Eq Small Growth
Intech Large Cap Core	S&P 500	US Eq Large Core
PIMCO Stocks Plus	S&P 500	US Eq Large Core
Robeco Boston Partners	Russell 1000® Value	US Eq Large Value
TBD	MSCI EAFE Value	Intl Equity
William Blair	MSCI ACWI ex-US Growth	Intl Equity
Artisan Partners	MSCI ACWI	Global Equity
First Eagle	MSCI ACWI	Global Equity
INTECH	MSCI ACWI	Global Equity
JP Morgan	MSCI ACWI	Global Equity
AFL-CIO Housing	Barclays Capital US Aggregate	US Fixed Income
Goldman Sachs	Barclays Capital US Aggregate	US Fixed Income
Lord Abbett	Barclays Capital US Aggregate	US Fixed Income
PIMCO	Barclays Capital US Aggregate	US Fixed Income
Torchlight I, II, III, IV	Merrill Lynch Hi Yield Master II	US High Yield
Allianz Global	Merrill Lynch Hi Yield Master II	US High Yield
Lazard Asset	Barclays Capital Global Aggregate	Global Fixed Income
Adelante	Wilshire REIT	US REIT
Invesco (Int'l REIT)	FTSE EPRA/NAREIT Global ex-US	Int'l REIT
PIMCO All Asset	CPI + 400 bps	N/A
Wellington Total Return	CPI + 400 bps	N/A
Commonfund IX	CPI + 600 bps	N/A
Angelo Gordon VIII	NCREIF + 500 bps	US Real Estate
DLJ RECP II, III, IV, V	NCREIF + 500 bps	US Real Estate
Hearthstone I, II	NCREIF + 500 bps	US Real Estate
Invesco I, II, III	NCREIF + 300 bps	US Real Estate
LaSalle	NCREIF + 300 bps	US Real Estate

Long Wharf II, III, IV	NCREIF + 300 bps	US Real Estate
Oaktree REOF V, VI	NCREIF + 500 bps	US Real Estate
Siguler Guff DREOF I, II	NCREIF + 300 bps	US Real Estate
Adams Street	S&P 500 + 400 bps	
Bay Area Equity 1,2	S&P 500 + 400 bps	
Carpenter	S&P 500 + 400 bps	
Energy Inv. USPF 1, 2, 3, 4	S&P 500 + 400 bps	
Nogales	S&P 500 + 400 bps	
Paladin	S&P 500 + 400 bps	
Pathway	S&P 500 + 400 bps	
Oaktree PIF 2009	CPI + 400 bps	

CCCERA Meetings 2013

9/19/2013

January

S	M	T	W	T	F	S
		1 H	2	3	4	5
6	7	8	B 9	10	11	12
13	14	15	16	17	18	19
20	21 H	22	B 23	24	25	26
27	28	29	30	31		

H=New Year's Day *H=Martin Luther King, Jr. Day*

February

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	B 13	14	15	16
17	18 H	19	20	21	22	23
24	25	26	Q 27	28		

H=President's Day

March

S	M	T	W	T	F	S
					1	2
3 C	4 C	5 C	6	7	8	9
10	11	12	13	14 B	15	16
17	18	19	20	SB 21	22	23
24 / 31	25	26 SL	B 27 SL	28 SL	29 SL	30

April

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	B 10	11	12	13
14	15	16	17 CII	18 CII	19 CII	20
21	22	23	B 24	25	26	27
28	29	30				

May

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	B 8	9	10	11
12	13	14 SS	15 SS	16 SS	17 SS	18 N
19 N	20	21	Q 22	23	24	25
26	27 H	28	29	30	31	

H=Memorial Day

June

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	B 12	13	14	15
16	17	18	19	20	21	22
23 / 30	24	25	B 26	27	28	29

July

S	M	T	W	T	F	S
	1	2	3	4 H	5	6
7	8	9	B 10	11	12	13
14	15	16	17	18	19	20
21	22	23	SB 24	25	26	27
28	29	30	31			

H=Independence Day

August

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	B 14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

September

S	M	T	W	T	F	S
1	2 H	3	B 4	5	6	7
8	9	10	Q 11	12	13	14
15	16	17	18	19	20	21
22	23	24	25 CII	26 CII	27 CII	28
29	30					

H=Labor Day

October

S	M	T	W	T	F	S
		1	B 2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	SB 17	18	19
20 I	21 I	22 I	B 23 I	24	25	26
27	28	29	SB 30	31		

November

S	M	T	W	T	F	S
					1	2
3	4	5	B 6	7	8	9
10	11 H	12 SF	13 SF	14 SF	15 SF	16
17	18	19	20	21	22	23
24	25	Q 26	27	28 H	29 H	30

H=Veterans Day *H=Thanksgiving Day*

December

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	B 11	12	13	14
15	16	17	18	19	20	21
22	23	24	25 H	26	27	28
29	30	31				

H=Christmas

B Board Meeting	Q Quarterly Meeting	SB Special Board Meeting	SACRS Spring/Fall	CII Spring/Fall	CALAPRS	NCPERS	IFEBP	Principles of Pension Mgmt Stanford Law	SACRS Public Pension Invest. Mgmt	Wharton