AGENDA

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

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

February 3, 2026 – 9:00 a.m.

This meeting will be held at the address listed above and, absent technological disruption, will be accessible via videoconference and conducted in accordance with Government Code section 54953 and 54954.2 through January 1, 2030.

Instructions for watching the meeting and/or providing public comment, as well as the links for access, are available at the Watch and Attend Meetings page of MCERA's website.

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

CALL TO ORDER

ROLL CALL

CONSIDER ANY BOARD MEMBER REQUESTS TO TELECONFERENCE FOR "JUST CAUSE," AS SET FORTH ON THIS AGENDA BELOW

A. OPEN TIME FOR PUBLIC EXPRESSION

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

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

B. MANAGER REPORTS

1. Manager Overview – Callan LLC – Jim Callahan

2. AB CarVal Investors – Credit Value Fund V – Jody Gunderson, Matt Hanson
   TIME CERTAIN: 9:05 a.m.

3. Fortress Investment Group LLC – Credit Opportunities Fund V Expansion – Max Saffian, Shaun Peterson
   TIME CERTAIN: 9:35 a.m.

4. Värde Partners – Dislocation Fund – Jim Dunbar, Hannah Turro
   TIME CERTAIN: 10:05 a.m.

C. OLD BUSINESS

1. Private Equity Commitments (ACTION) – Callan LLC
   Consider, discuss and take possible action regarding private equity commitments

D. NEW BUSINESS

1. Future Meetings

E. INVESTMENT CONSULTANT QUARTERLY REPORT

1. Flash Performance Update as of December 31, 2025

Note on Process: Items designated for information are appropriate for Committee action if the Committee wishes to take action. Any agenda item set for a time certain may be considered by the Committee before, or after, such time; provided, however, that the timing of any agenda item regarding a named MCERA investment manager or other company will not be considered earlier than the agendized time certain without prior agreement of such company (which agreement will be requested of a company representative who is presenting to the Committee).

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

Note on Board Member requests to participate by teleconference under Government Code section 54953, subdiv. (f): At least a quorum of the Committee must be present together physically at the meeting to invoke this provision. The provision is limited to "just cause" and "emergency" circumstances, as follows:

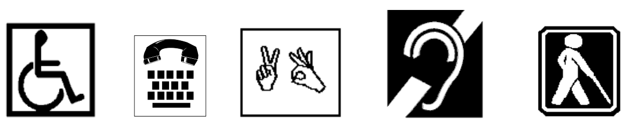
> "Just cause" is only: (1) a childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse or domestic partner that requires them to participate remotely; (2) a contagious illness that prevents a member from attending in person; (3) a need related to a physical or mental disability, as defined; or (4) travel while on official business of MCERA or another state or local agency. A Board member invoking "just

cause" must provide a general description of the circumstances relating to their need to appear remotely at a given meeting, and it may not be invoked by a Board member for more than two meetings in a calendar year.

"Emergency circumstances" is only: "a physical or family medical emergency that prevents a member from attending in person." The Board member invoking this provision must provide a general description of the basis for the request, which shall not require the member to disclose personal medical information. Unlike with "just cause," the Board must by majority vote affirm that an "emergency circumstance" situation exists.

As to both of the above circumstances, the Board member "shall publicly disclose at the meeting before any action is taken whether any other individuals 18 years of age or older are present in the room at the remote location with the member and the general nature of the member's relationship with any such individuals." Also, the Board member "shall participate through both audio and visual technology," and thus be both audible and visible to those attending. Finally, no Board member may invoke these teleconference rules for more than three consecutive months or 20 percent of the regular meetings of the Board.

Note on teleconference disruption that interrupts the live stream: In the event of a technological or similar disruption, and provided no Board/committee members are attending by teleconference, the meeting will continue in person.



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

MCERA is committed to assuring that its public meetings are accessible to persons with disabilities. If you are a person with a disability and require an accommodation to participate in a County program, service, or activity, requests may be made by calling (415) 473-4381 (Voice), Dial 711 for CA Relay, or by email at least five business days in advance of the event. We will do our best to fulfill requests received with less than five business days' notice. Copies of documents are available in alternative formats upon request.

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

B.1 Manager Overview

This is a discussion with no backup.

CarVal

Marin County Employees' Retirement Association

February 2026

These materials are prepared at the request of Marin County Employees' Retirement Association ("MCERA") for informational purposes only. The content is for the sole benefit of MCERA as an institutional investor and should not be relied upon by any other individual or entity.

Presenters

Jody Gunderson

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

Matthew Hanson

Mr. Hanson is a principal and senior vice president, leading capital formation in North America for Private Alternatives at AllianceBernstein, including private credit, asset-based finance, opportunistic credit, and commercial real estate debt. He was previously responsible for global fundraising and investor relations for AB CarVal. Based in Minneapolis, he has over 25 years of experience in alternative investments across private credit, commercial real estate, real assets and infrastructure strategies. Prior to joining AB CarVal in 2003, Mr. Hanson was an associate with the Carlyle Group in Washington, D.C. and was a manager at Deloitte & Touche, working in the audit and attestation group. Mr. Hanson served in the South Dakota Army National Guard. Mr. Hanson has a B.S.B.A. with honors in accounting from the University of South Dakota. He is a Certified Public Accountant (inactive).

Agenda

Business And Portfolio Update

- An update on AB CarVal and the CVI Credit Value Fund V portfolio today

Opportunity Set Focus

- Asset-Based Finance
- Energy Transition
- Aviation Leasing

B.2

Deep-sector Expertise Across Core Investment Strategies

Cross-desk collaboration generates a differentiated portfolio

Aviation, European Asset-Based Finance, US CRE Credit, CLO, Global Corporate Securities	US Asset-Based Finance, Structured Credit, Energy Transition
Lucas Detor Managing Principal 30 years	**Jody Gunderson** Managing Principal 32 years

	US Asset-Based Finance	European Asset-Based Finance	Aviation	US CRE Credit	Energy Transition	CLO	Corporate Securities
Total Team	**16**	**14**	**4***	**4**	**12**	**8**	**10**
	Angie Fenske Principal 26 years **P.J. Collins** Managing Director 22 years **Jess Dvorak** Managing Director 19 years	**James Sackett** Principal 31 years **Rob Sinclair** Managing Director 16 years **Neil Hepworth** Principal 23 years	**Greg Belonogoff** Principal 28 years *Backed by 70-person team at Aergo	**Scott Greenfield** Managing Director 22 years	**Jonathan Hunt** Principal 24 years **Alex Flamm** Managing Director 18 years **Xiaoyu Gu** Managing Director 17 years	**Chris Mawn** Principal 25 years	**Bryan Simpson** Principal 26 years **John Withrow** Principal 25 years

	Risk and Portfolio Management	
Total Team	**13**	
	David Fry Chief Risk Officer 35 years	**Matt Remfert** Head of Risk and Portfolio Management 18 years

The senior credit investment team averages 24 years investment experience and 12 years with AB CarVal

Note: Years denote industry experience as of December 31, 2025. This slide does not represent an official AB CarVal organizational chart.

CVI Credit Value Fund V Portfolio Update

MCERA: AB CarVal Investment Activity

Year to Date Returns* as of December 31, 2025 (estimate)

Fund	Capital Commitment (USD Millions)	Called %	Invested Capital (USD Millions)	NAV† (USD Millions)	ITD Distributions (USD Millions)	2025 Net Return (Percent)	Net IRR (Percent)
CVF V	33.5	95	31.8	25.5	14.5	9.8	8.4

- The Fund is in the second year of its Harvest Period, which will end on June 1, 2027
- $3.6 billion in commitments; 95% called to date
- $1.6 billion distributed to date and 0.46x DPI
- 97 investments representing 384 underlying instruments

*Calendar Year Returns: represent net time-weighted returns for the stated time periods, inclusive of realized and unrealized results. Returns are net of management and performance fees.
†NAV includes accrual for performance fees.

B.2

CVF V: Monthly Fund Performance

Monthly Fund Performance

[redacted]

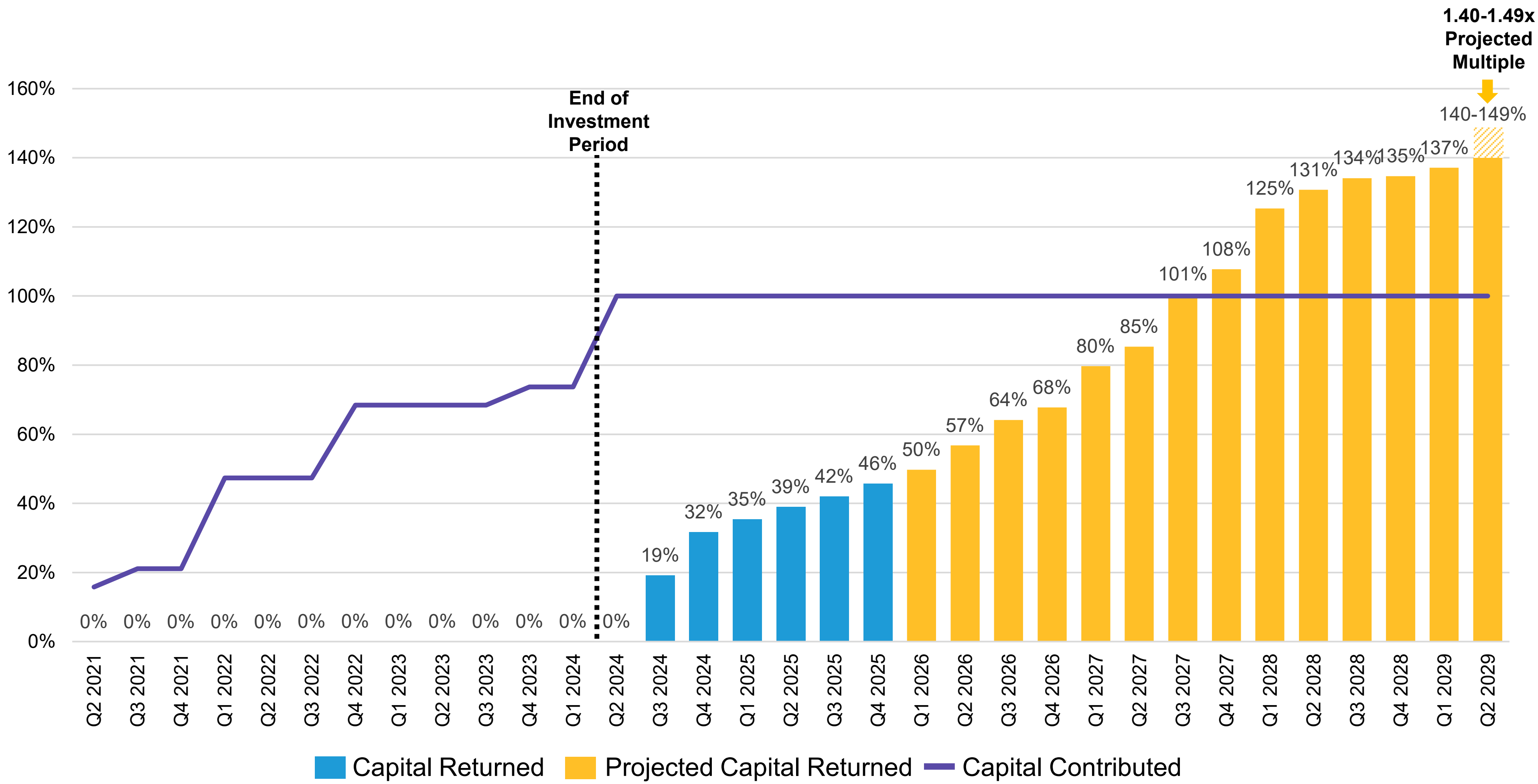
CVF V Calendar Year Net Returns*

Year	Net Return (Percent)
2021	[redacted]
2022	[redacted]
2023	[redacted]
2024	[redacted]
2025	[redacted]

[redacted]

As of December 31, 2025 (estimate)
*Net Returns represent net time-weighted returns for the stated time periods, inclusive of all fees and realized and unrealized results.
†Profit does not include a deduction for fund-level costs, expenses or performance or management fees.

CVF V: Return of Capital



As of December 31, 2025 (estimate)
Projections of future returns or distributions are derived solely utilizing current management models containing various assumptions. Changes to any assumption(s) or model methodology will result in differing and potentially less favorable results. Projected performance is hypothetical, and there are risks and limitations of using such hypothetical performance in making an investment decision. Additional information regarding these risks and limitations is available upon request. See disclaimers on Factors Affecting Performance, Past Performance and Projections.

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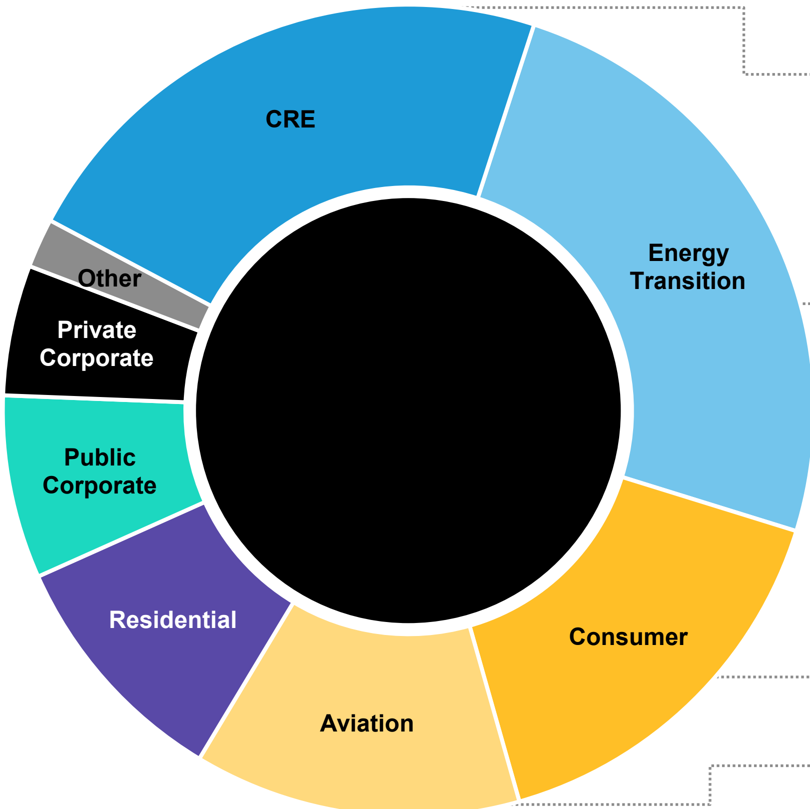
B.2

CVF V: Diversified, Asset Based, Strong Carry

CVF V portfolio is designed to be durable and profitable



CRE	
Concentration	[redacted]
Expected gross return	[redacted]
Current yield	[redacted]
Duration years	[redacted]

Energy Transition	
Concentration	[redacted]
Expected gross return	[redacted]
Current yield	[redacted]
Duration years	[redacted]

Consumer	
Concentration	[redacted]
Expected gross return	[redacted]
Current yield	[redacted]
Duration years	[redacted]

Aviation	
Concentration	[redacted]
Expected gross return	[redacted]
Current yield	[redacted]
Duration years	[redacted]

As of December 31, 2025. See disclaimer regarding Projections.

Takeaways

- The Fund is currently in the second year of its Harvest Period
- The portfolio remains well diversified, cash flowing and downside protected
- We expect high levels of organic cash flow to produce distributions and will also seek early exits when available
- We currently project a net IRR around [redacted] and a net multiple of [redacted]

Projections of future returns or distributions are derived solely utilizing current management models containing various assumptions. Changes to any assumption(s) or model methodology will result in differing and potentially less favorable results. See disclaimer regarding Projections.

Market Update for Sectors of Focus in the Fund

Asset-Based Finance
Energy Transition
Aviation Leasing

Need for Solutions Starts at the Intersection of Themes and Capital Models

Themes and market dynamics

Asset-Based Finance

Evolution – where credit is originated and funded

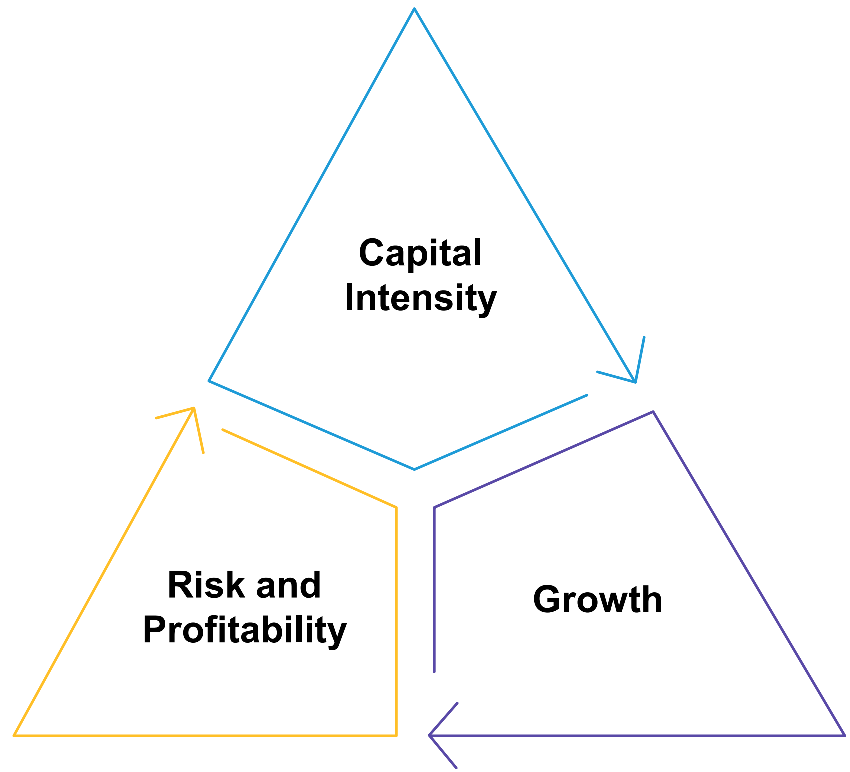
Energy Transition

Need for power, capital intensity, policy-driven transaction activity

Aviation

Supply and demand for aircraft; ongoing fleet pruning

Capital models – balancing tradeoffs



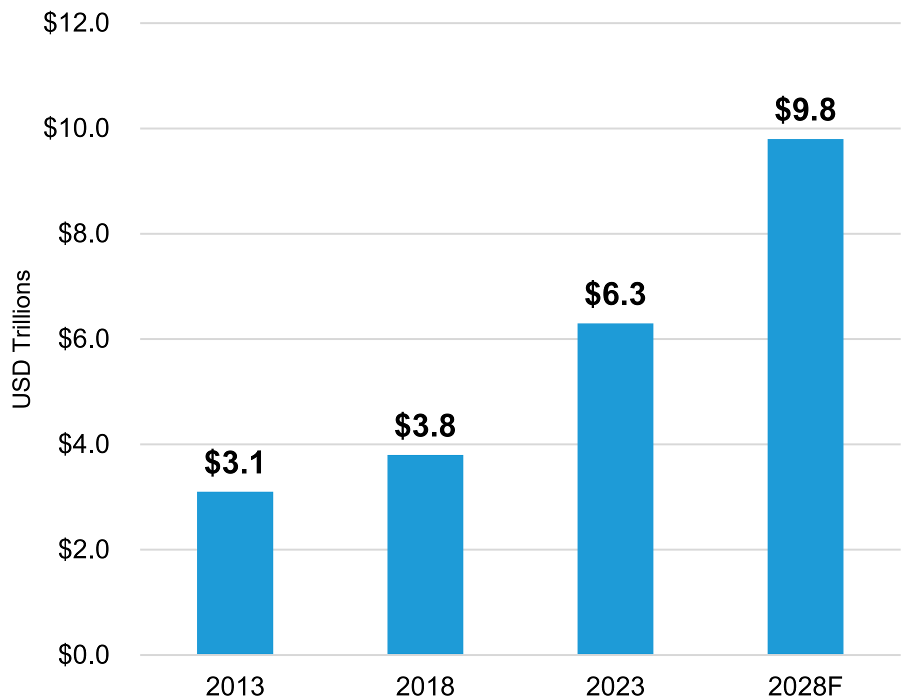
Asset-Based Finance

B.2

Asset-Based Finance: Addressable Market and Opportunity

Asset-based finance is a multi-trillion-dollar global market supported by today's macro environment

$6.3 Trillion Global Asset-Based Finance Market*



Constructive Backdrop

- Systemic shift of global banks away from long-term lending creates large credit vacuum
- More penal regulatory capital requirements and accounting changes have accelerated this trend, leaving large opportunity for more specialized non-bank lenders
- Rising interest rate environment allows regulated banks to focus on more vanilla core products and further remove from specialist lending
- The progress and pace of this evolution in the lending market differs across geographies with the US having led the way and Europe following the path

*2013 and 2018 data sourced from FSB Global Monitoring Report on Non-Bank Financial Intermediation 2023 and reflect EF2. 2023 and 2028 Forecast are sourced from Integer Advisors and are as of June 30, 2023.

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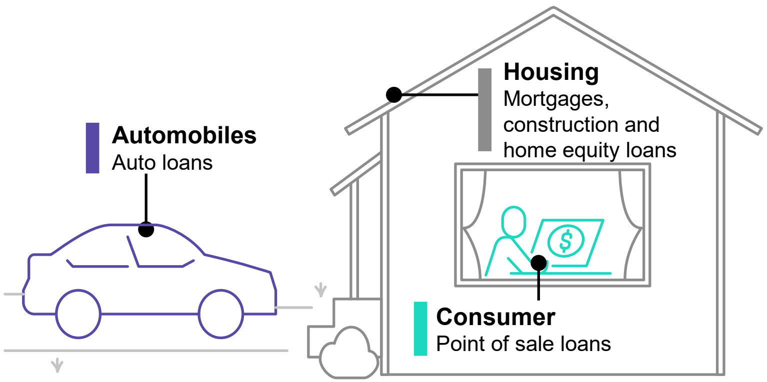
The Fund's Asset Based Finance Investments

Smaller, Granular Loans in Portfolios

Overview

- Sold to investors in pools for instant diversity
- Diversification across borrower, geography, loan size, and loan-to-value

Examples



Loan Characteristics

- Contractual cash flow on potentially thousands of underlying assets, diversifying risk exposure
- Amortizing loans result in self-liquidating, short duration profile

- Private investments
- Bilateral negotiations
- Highly structured for downside protection
- Investments backed by contractual cash flows, predominately secured

There can be no assurances that any investment objectives will be achieved.
For Illustrative purposes only. The Fund characteristics indicated here are soft guidelines that reflect AB CarVal's current strategic approach to constructing the AB CarVal Asset Based Finance Strategy. These guidelines are non-binding and are subject to change at any time. Moreover, the composition of the Strategy may deviate from these guidelines at any given point in time, as circumstances warrant. See disclaimer regarding Targeted Returns and Risk of Loss.

ABF Example: Granular Spanish Residential Loan Portfolio

Portfolio attributes

Outstanding portfolio balance	€339 million
Average outstanding loan balance	**€68 thousand**
Number of loans	**4,985**
LTV	74%
Performance status	Reperforming (cash flowing and amortizing)
Loan origination vintage	70% originated before 2013

Transaction Motivation and Profile

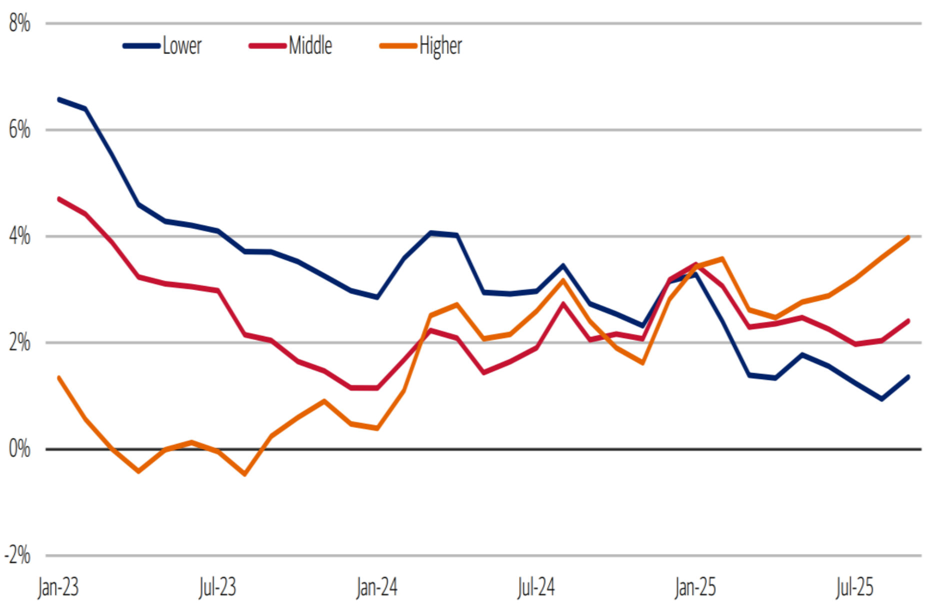
- Penal regulatory capital requirements motivated the bank to sell; capital intensity of reperforming loans
- Discounted purchase price (76% of balance) protects downside and enhances upside optionality
- Underwrote 25% of loans to default; double digit return achievable even under stressed default scenario where defaults are 50% higher than base case underwrite
- Structural protections include strong reps and warrants from seller to protect against asset breaches or legacy issues

See disclaimer regarding Investment Examples and Risk of Loss.

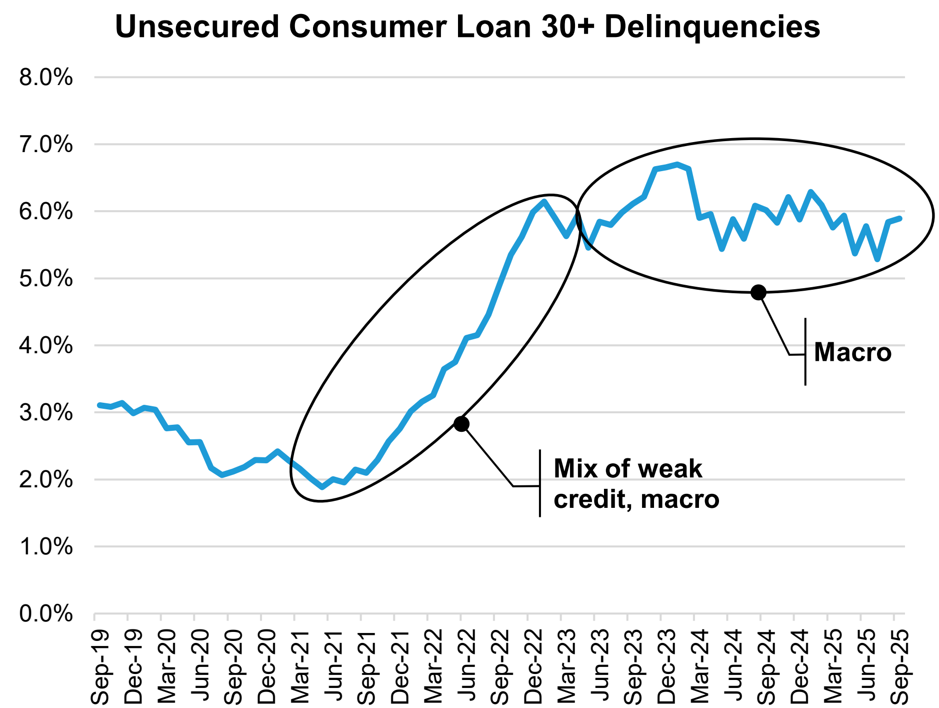
US Consumer: Focus on Higher Quality Portfolios with Downside Protections

Underwriting needs to reflect the market context and realities

Income growth uneven



New normal – elevated but stabilized delinquencies



Source: Bank of America internal data (from “Consumer Checkpoint: Early wrinkles for younger spenders,” Bank of America Institute (September 9, 2025))

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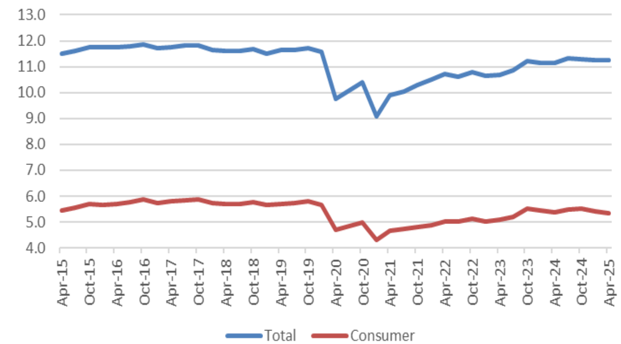
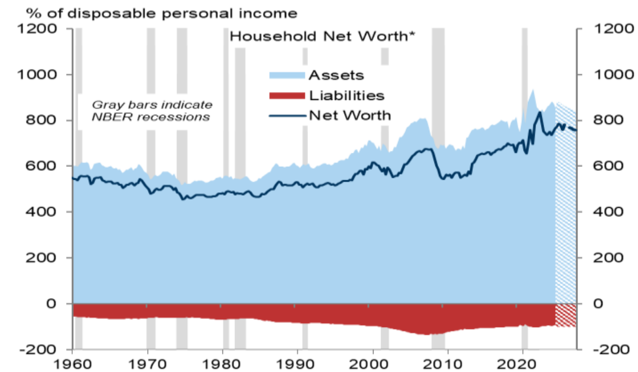
Overall, Key US Consumer Health Metrics Look Good

Debt Service Remains Low*

Debt Service as Percent of Disposable Personal Income



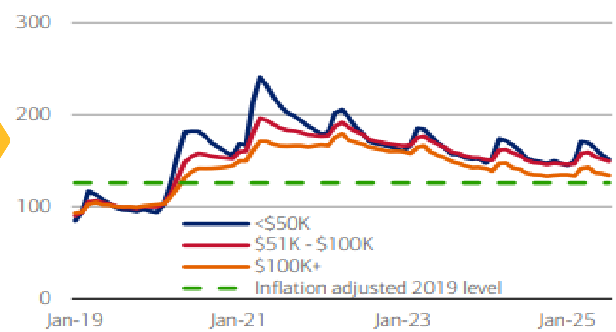
Net Worth Close to High



Dotted and diagonal lines indicated GS forecast based on income, saving and asset return assumptions

Deposit Balances Above 2019 Levels‡

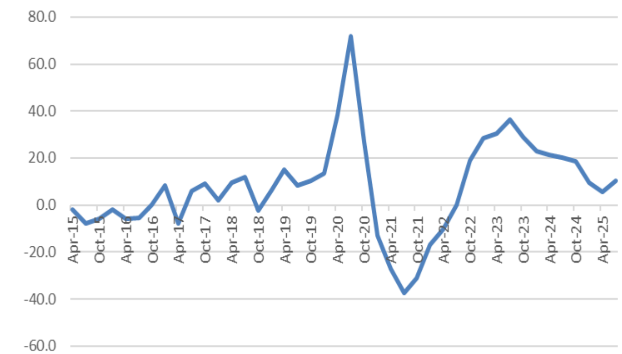
Median Checking and Savings Deposit Balances



Note: Monthly data includes those households that had a consumer deposit account (checking and/or savings account) for all months from January 2019 through July 2025

Lending Standards Still Tight†

Percent Net Tightening Credit Cards



*Total = household debt service payments as a percentage of disposable personal income; Consumer = consumer debt service payments as a percent of disposable personal income. ‡Monthly median household savings and checking balances by income for a fixed group of households through July 2025 (monthly, indexed 2019 = 100). †Net Percentage of Domestic Banks Tightening Standards for Credit Card Loans, Q3 2025.

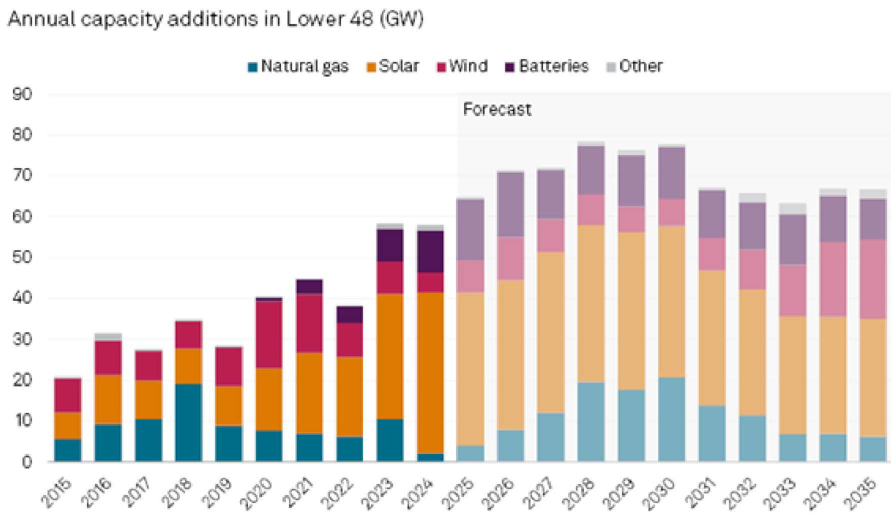
Sources: (top left) Board of Governors of the Federal Reserve System (US) via FRED; (top right) Goldman Sachs Research; (bottom left) Bank of America internal data; (bottom right) Board of Governors of the Federal Reserve System (US) vis FRED

Energy Transition

Renewables and Battery Storage Expected to Continue to Dominate for Years

Increased investment is required to meet higher demand for power, driving opportunities

93% of new 2025 US generating capacity come from solar, wind and battery storage



- The bulk of new US power generation for the past decade has been solar plants and wind farms
- Forecast demand increases driven by electrification, data centers and AI
- Renewables and storage are expected to continue dominating new generation in the US and globally due to cost advantages, fast deployment capabilities, and ability to reliably scale

Source: S&P Global Energy: S&P US Power Outlook January 14, 2026

Low Costs Drive the Energy Transition Forward

Renewables are usually the cheapest source of power generation

Technology	Levelized cost of energy (USD MWh)
Solar PV – utility scale	$58
Wind – onshore	$61
Gas Combined Cycle	$78
Coal	$122
US Nuclear	$180
Gas Peaking	$200

- Cost continues to decline with technological improvements at scale
- Zero marginal fuel costs
- Modular and decentralized power production

Source: lazards-lcoeplus-june-2025.pdf
Levelized cost of energy (LCOE) is the average total cost of building and operating the asset per unit of total electricity generated over an assumed lifetime. The LCOE figures above exclude subsidies to renewables from policy and tax credits.

Market Focus Back On Investing, Following Policy Focus in 2025

The sector, we believe, will adjust to the new economic, procurement, and financing realities

Key ITC and Tariff Provisions	Impact on Investment Opportunities
• **Accelerated phase-out of tax credits** for solar and wind (eligibility ends 2027 unless construction starts by July 4, 2026); **Safe-harboring of tax credits to solar and wind projects potentially through 2030**	Solar and wind investment activity pulled forward; expected to be higher through YE 2027+; drives need for capital to fund capex and M&A activity in the project market
• **Battery storage** and carbon capture **retain 100% eligibility for tax credits through 2033** (plus another four years of safe harboring)	Strong support for growth in battery storage market, recognizing importance or the role played by batteries; significant growth expected in sector
• **Strict foreign ownership and sourcing restrictions** (FEOC rules) limit eligibility for tax credits if linked to China or other foreign entities	Impactful mostly for battery storage given China-centric supply chain; will see some battery storage projects forego tax credits in favor of low cost/high quality components from China
• **Tariffs increased,** impacting supply chain and costs	Tariffs increase cost (including cost of capital to reflect uncertainty) and impact procurement strategies for developers

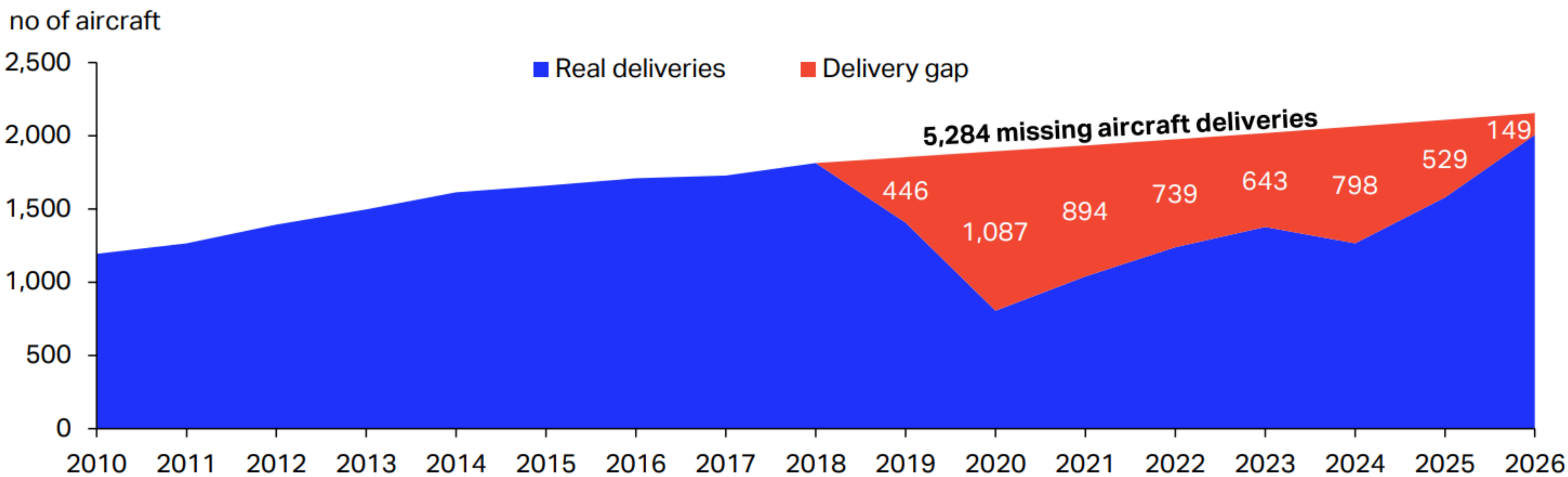
2025 macro shifts has broadened 2026+ market opportunities, favoring those closest to the space and agile enough to move quickly.

Information on this slide is based on AB CarVal's view and interpretations of recent US policy on the energy transition sector.

Aviation Leasing

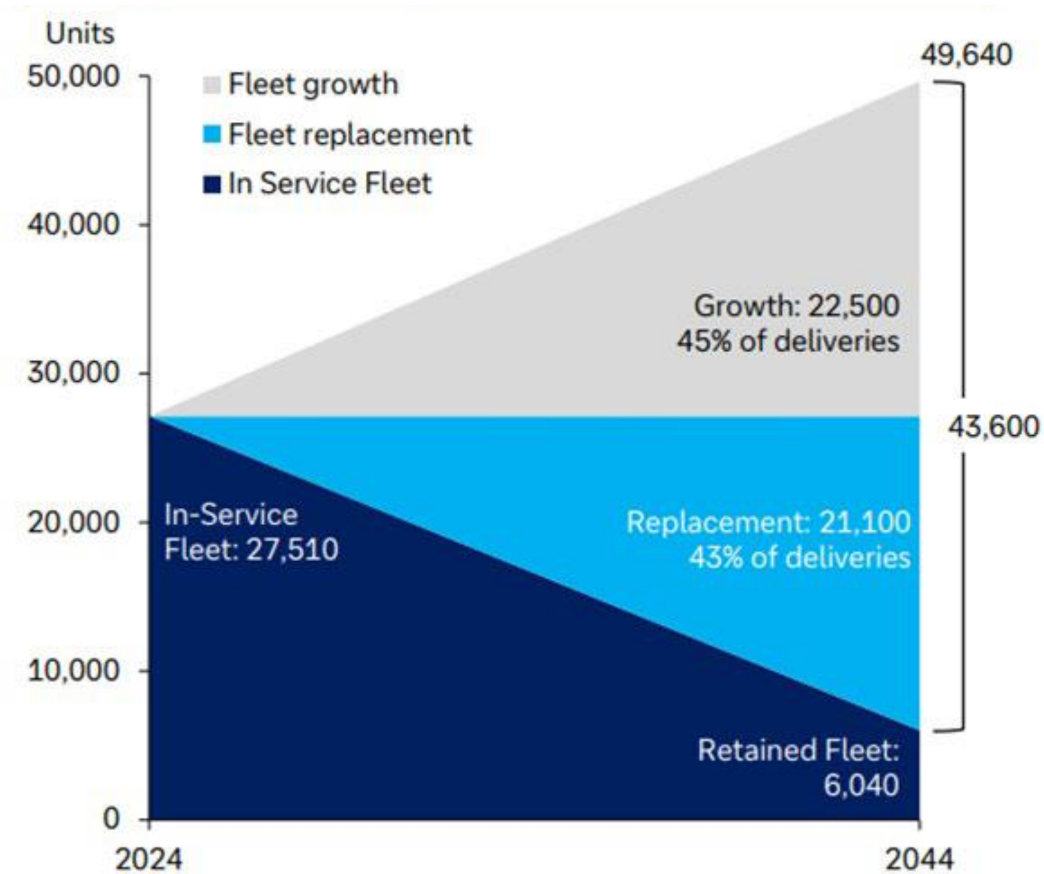
Aircraft Shortage: The Big Issue Extending to 2034

Real aircraft deliveries (including 2025-26 forecast) compared with theoretical pre-pandemic trend



Source: IATA Sustainability and Economics, Cirium Fleets Analyzer; Chart of the Week, September 12, 2025

Future Financing Opportunities Driven by Replacement and Growth



Source: (right) Boeing Capital/2025 Commercial Market Outlook, Deutsche Bank

2026 Takeaways

- The predominance of the investments in the Fund are cash-flowing and secured
- Our focus is on active asset management and realizations of investments
- Fundamentals in our focus markets are generally constructive, a solid backdrop for execution
- The opportunity to provide solutions to borrowers across the Asset-Based Finance, Energy Transition and Aviation sectors is compelling

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Date. All time sensitive representations and warranties in this summary are made as of December 31, 2025 (estimate), unless stated otherwise.

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Targeted returns. The targeted rates of return included in this presentation are hypothetical and are for illustrative purposes only. Accordingly, no assumptions or comparisons should be made based upon these returns. The targeted returns are based on research conducted by AB CarVal and the conclusions are AB CarVal's opinions based on its own independent study. Targeted returns are subject to inherent limitations. One limitation is that the returns cannot take into account the impact that market and economic risks, such as defaults, prepayments and reinvestment rates, may have on actual trading. In addition, targeted returns are subject to risk and uncertainties that may change at any time and, therefore, actual results may differ materially from those expected. In no circumstances should the targeted returns be regarded as a representation, warranty or prediction that any future AB CarVal-managed investment vehicle will reflect any particular performance or that it will achieve or is likely to achieve any particular result or that investors will be able to avoid losses, including total losses of their investment. Inherent in any investment is the potential for loss. While AB CarVal believes its assumptions are reasonable, it is very difficult to predict the impact of known factors and it is impossible to anticipate all factors that could affect actual results.

Disclaimer

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

FORTRESS

FORTRESS CREDIT OPPORTUNITIES FUND V EXPANSION UPDATE

PRESENTATION PREPARED FOR MARIN COUNTY EMPLOYEES RETIREMENT ASSOCIATION

FEBRUARY 2026

AGENDA

PRESENTERS

MAX SAFFIAN

- Mr. Saffian is a Managing Director at Fortress, based in Menlo Park
- Mr. Saffian focuses primarily on liquid securities with an emphasis on distressed debt and corporate credit
- Prior to joining Fortress in August 2006, Mr. Saffian worked as an analyst at W.R. Huff Asset Management where he focused on high yield and distressed credit
- Mr. Saffian is a graduate of Columbia University

SHAUN PETERSON

EMAIL: SPETERSON@FORTRESS.COM

- Mr. Peterson is an Associate in the Client & Product Solutions Group at Fortress, where he is responsible for capital raising and investor relations for U.S. institutional clients
- Prior to joining Fortress in 2025, he worked at Credit Suisse and UBS
- Mr. Peterson holds a Bachelor of Business and a Bachelor of Arts from Monash University in Australia

FORTRESS OVERVIEW

FORTRESS INVESTMENT GROUP[1]

Fortress is a highly diversified global investment manager across a range of credit and real estate strategies

Investing History	Invested Capital Since Inception
20+ years	$210BN+

AUM[2]	Investment and AM Professionals
$54BN	410

Investors	Global Offices
2,000	13

ONE INVESTMENT APPROACH
Consistent credit-based approach to underwriting investments

CYCLE-TESTED TEAM
Deep experience investing through multiple credit cycles with compelling risk-adjusted returns

TEN INVESTING PLATFORMS
Ability to pivot across a broad range of sectors and geographies with expertise across the full capital structure

PROACTIVE ASSET MANAGEMENT
Intense focus on capital preservation and downside protection with a 170-person dedicated team

[1] As of September 30, 2025, unless noted otherwise. [2] Fee-paying AUM plus uncalled and recallable capital as of September 30, 2025. AUM refers to the assets Fortress manages, including capital that Fortress has the right to call from investors, or investors are otherwise required to contribute, pursuant to their capital commitments to various funds or managed accounts. AUM equals the sum of: (i) the net asset value ("NAV") of the hedge funds, (ii) the capital commitments, invested capital or net capital base (or NAV, if lower) of the credit PE funds and private equity funds, depending on which measure management fees are being calculated upon at a given point in time, plus uncalled and recallable capital from which Fortress is currently not earning management fees, (iii) the contributed capital or book equity of the publicly traded permanent capital vehicles; and (iv) amounts investors have committed to contribute to certain managed accounts, including unfunded amounts for which Fortress is currently not earning management fees.

FORTRESS | $54BN AUM ACROSS THREE VERTICALS[1]

CORPORATES

$20 billion AUM

- Investments in private / public credit across loans, corporate debt and securities, portfolios and orphaned assets and structured finance
- Primary and secondary private equity opportunities

LED BY
DREW MCKNIGHT
Co-CEO, Managing Partner
20+ Years at Fortress
25+ Years of Industry Experience

ASSET-BACKED FINANCE

$12 billion AUM

- Alternative credit platform including consumer and commercial lender finance, forward flows, structured credit, legal assets, intellectual property, infrastructure and logistics financing investments

LED BY
JACK NEUMARK
Co-CEO, Managing Partner
15+ Years at Fortress
20+ Years of Industry Experience

REAL ESTATE

$19 billion AUM

- Flexible, cross capital structure real estate solutions, including debt, equity and net lease opportunities

LED BY
TIM SLOAN
Vice Chairman
5+ Years at Fortress
41+ Years of Industry Experience

[1] Fee-paying AUM plus uncalled and recallable capital as of September 30, 2025. Note: Legacy PE/PCV capital comprises approximately $1.3 billion of additional AUM that is not included in the strategies above.

B.3

FORTRESS INVESTING PLATFORMS[1]

With 240 investment professionals across 10 investing platforms, Fortress has a thematic, rotational investment engine that delivers across cycles, sectors and geographies

OPPORTUNISTIC	DIRECT LENDING	REAL ESTATE	ASSET BASED CREDIT	TRIPLE NET LEASE	LEGAL ASSETS	CORPORATE SECURITIES	PRIVATE EQUITY	MULTI-MANAGER	INSURANCE
Corporate / Asset Dislocations	U.S. Middle Market Direct Lending	Senior CRE and RE Debt Solutions	Lender Finance	U.S. Triple Net Lease Assets	Insurance Wrappers	Broadly Syndicated Loan CLOs	Control Orientation	Market Neutral Strategies	Direct Investments
Hybrid Solutions	EU Middle Market Direct Lending	Non-Qualified Mortgage Forward Flow	Commercial / Consumer Forward Flow	EU / UK Triple Net Lease Assets	Balance Sheet Monetization	Middle Market CLOs	Structured Equity	Equity Capital Markets	Liability Acquisition
Infrastructure	NAV Lending	European NPLs	Aviation, Infra & Royalties		Law Firm Finance	U.S. / European Corporate Distress	Secondaries	APAC	Reinsurance / Captive Structures
		Resi / Commercial Equity			Intellectual Property	ABS / CMBS	Distressed for Control		

240 INVESTMENT PROFESSIONALS

with a long track record of investing through cycles

170 ASSET MANAGERS

integrated with the investment team, who monitor transactions daily and identify risks early

305 OPERATIONAL PROFESSIONALS

across accounting, treasury, risk, legal, and other support teams*

[1] As of September 30, 2025.

* Includes finance, operations, treasury, tax, IT, hedging, valuation and the Client & Product Solutions team.

THE FORTRESS TEAM[1]

B.3

Drew McKnight
Co-CEO & Managing Partner
Dallas

Jack Neumark
Co-CEO & Managing Partner
New York

CORPORATES
Brian Stewart | Aaron Blanchette | Drew McKnight

U.S. Corporate Securities
Aaron Blanchette
Stu Sinclair

Origination
Andy Frank

U.S. BSL / CLOs
Aaron Blanchette
Stu Sinclair

Private Equity
Ahsan Aijaz
Greg Shoemaker
Bob Warden

U.S. Private Loans
Aaron Blanchette
Brian Stewart

PE Solutions
Troy Duncan
Greg Getschow

European Corporate Securities
Niccolo Biancheri

Secondaries
Apostolos Peristeris
Magnus Lorraine-Smith

European BSL / CLOs
Niccolo Biancheri

Structured Equity & Preferred
Brian Stewart
Bob Warden

European Private Loans
Brian Stewart
Niccolo Biancheri

Power & Energy
Dan Shea
Kenneth Blackman

ASSET BACKED FINANCE
Jack Neumark | Dominick Ruggiero

ABS
Mario Rivera

Residential Assets
Mike Fallacara
Ryan Gromko

Consumer / Small Business
Dominick Ruggiero
Matthew Biczak

Legal Assets
Jack Neumark
Joe Dunn

Intellectual Property
Eran Zur
Erez Levy

Transportation & Shipping
Mario Rivera
Matthew Mortara

REAL ESTATE
Tim Sloan

U.S. Real Estate Debt
Tim Sloan
Noah Shore
Spencer Garfield

European Real Estate Debt
Tim Sloan
Noah Shore
Marc Fuhrmann

U.S. Real Estate Equity
Tom Pulley
Tim Sloan
Eli Edwards
David Hammerman

European Real Estate Equity
Tom Pulley
Tim Sloan
Cyril Courbage
David Hammerman

Net Lease
Ahsan Aijaz

European NPLs
Francesco Colasanti
Chris Linkas

REGIONAL STRATEGIES

APAC
Tom Pulley
Eric Golden
Akio Yamashita
David Kelleher
Premjit Kaur
Geoffrey Ziman

Europe
Francesco Colasanti

Middle East
Chuck Spetka

OTHER STRATEGIES

Fortress Multi-Manager
Jeffrey Runnfeldt
Todd Rapp

PORTFOLIO MANAGEMENT
Jason Meyer
Lucy Munro

CLOs
Jonathan Horowitz
Regang Ou

ASSET MANAGEMENT
DeWayne Chin
Bobby Jarrett
David Moson
Jeff Casad
Josiah Lindsay
Kay Khoo
Mark Kwei
Ross Mottl
Julia Nguyen
Will Turner

U.S. Restructurings & LMEs
Wariz Anifowoshe

Insurance Solutions
Pradip Ghosh
Ken Pierce

CHAIRPERSONS
Pete Briger
Executive Chairman

Marc Furstein
Vice Chairman

Tim Sloan
Vice Chairman

MANAGEMENT, FINANCE & SUPPORT
Jason Meyer
COO

Lucy Munro
Data & Reporting

Daniel Bass
CFO

David Brooks
General counsel

David Goldman
Tax

Client & Product Solutions
Scott Werthamer

Corporate Communications
Mark Lane

INVESTMENT PROFESSIONALS	ASSET MANAGEMENT PROFESSIONALS	MANAGEMENT, FINANCE & SUPPORT
109 MDs +129 Team Members	33 MDs +138 Team Members	68 MDs +238 Team Members

[1] As of September 30, 2025. None of the professionals in the headcount above are dedicated solely to investments of the Fund.
There can be no assurance that professionals currently employed by Fortress will continue to be employed by Fortress or that performance of any such professional serves as an indicator of future performance. There is no guarantee that Fortress's investment professionals will successfully implement the investment strategies.

FORTRESS

FCO FUNDS OVERVIEW & MANDATE

Note: The Fortress Credit Opportunities Funds are referred to herein as the “FCO Funds”.

EXECUTIVE SUMMARY

B.3

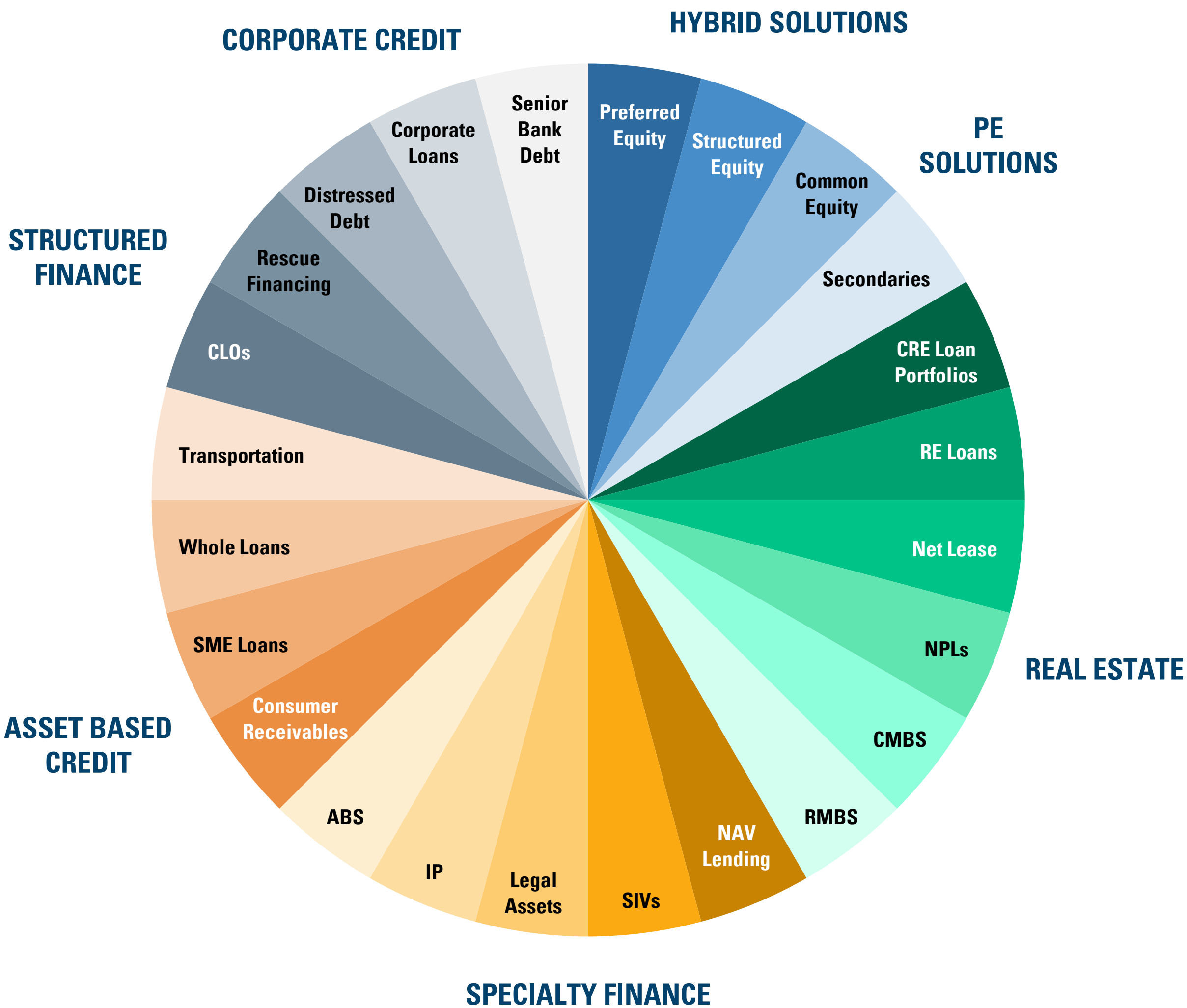
DISCIPLINED AND SELECTIVE INVESTING THROUGH PREVAILING MACROECONOMIC UNCERTAINTY

- Fortress Credit Opportunities Fund V Expansion ("FCO V EXP" or the "Fund") and related SMAs have **invested and committed approximately $9 billion** across 165+ investments, which is **approximately 124% of fund commitments**[1]
  - From inception, FCO V EXP and related SMAs have **distributed approximately $3 billion,** which is **approximately 40% of capital called**[1]
- Fortress Credit Opportunities Fund V ("FCO VI") held its final close in July 2025 with $4.6 billion of commitments
- We believe we are **well positioned to thrive** amidst the current uncertainty. We remain focused on **protecting and growing capital,** while pursuing opportunities to seek to return capital to investors

[1] As of September 30, 2025.

FORTRESS'S OPPORTUNISTIC INVESTING APPROACH

The FCO Funds are Fortress's flagship, opportunistic credit strategy with a broad mandate and ability to move opportunistically across the entire credit spectrum



Note: Please refer to the Appendix: Important Footnotes & Disclaimers for information concerning the contents of this slide.

B.3

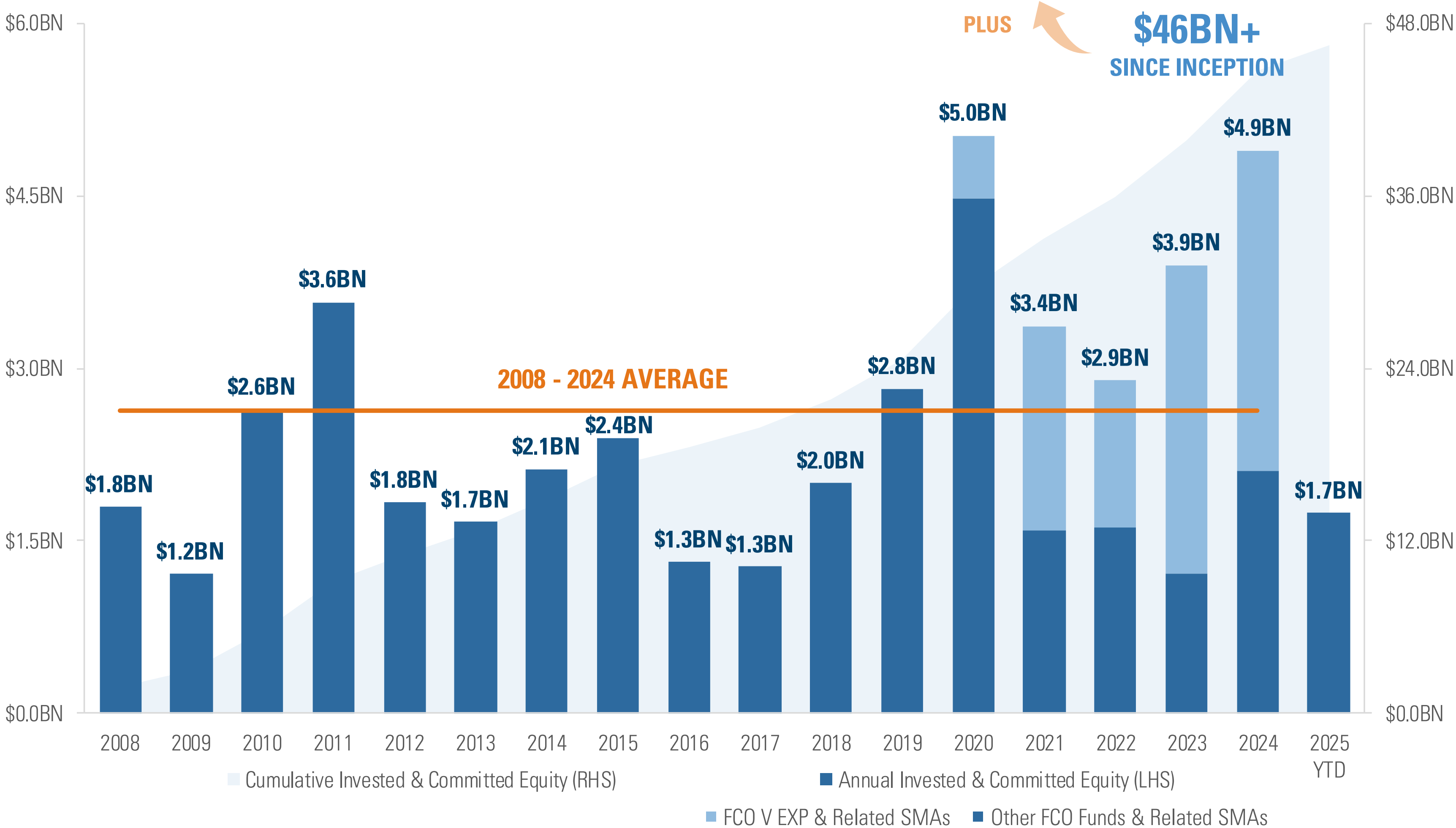
FCO FUNDS INVESTMENT PACE[1]

The FCO Funds and related separately managed accounts ("SMAs") have invested and committed over $46 billion since inception, deploying annually an average of over $2.6 billion[2]

CURRENT INVESTMENT PIPELINE[3]

~$11BN under term sheets / serious negotiations

~$3BN under due diligence



Note: Please refer to the Appendix: Important Footnotes & Disclaimers for information concerning the contents of this slide.

FORTRESS

FCO V EXP UPDATE

FCO V EXP HIGHLIGHTS

B.3

MARIN COUNTY EMPLOYEES RETIREMENT ASSOCIATION	AS OF SEPTEMBER 30, 2025
COMMITMENT	$33 million
CAPITAL CALLED	$35 million
INVESTED AND COMMITTED CAPITAL[1]	$42 million

FCO V EXP	AS OF SEPTEMBER 30, 2025
FUND COMMITMENTS	$5.9 billion
NET ASSET VALUE[2]	$5.3 billion
CURRENT DPI MULTIPLE[3] (OVER COMMITMENTS / OVER PAID-IN-CAPITAL)	0.4x / 0.4x
REMAINING INVESTMENTS (EXCLUDES SUBSTANTIALLY REALIZED)	134
CUMULATIVE DISTRIBUTIONS[4] (% OF PROJECTED TOTAL DISTRIBUTIONS)	21%
ASSET LEVERAGE %[5] (DEBT / GROSS MARKET VALUE)	48.5%

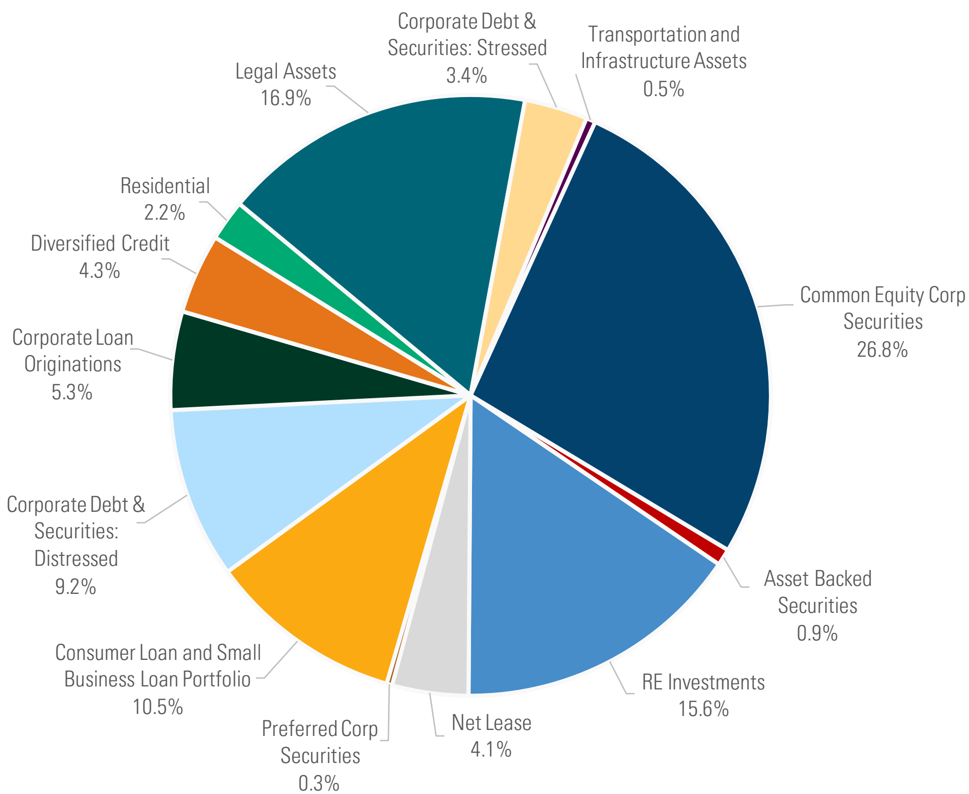
Note: Please refer to the Appendix: Important Footnotes & Disclaimers for information concerning the contents of this slide.

FCO V EXP REALIZED PROCEEDS[1,2,3]

B.3

Since September 2024, FCO V EXP has generated approximately $1.1 billion of realized proceeds and resolved 17 investments

TOTAL REALIZED PROCEEDS BY ASSET CLASS



TOP 10 REALIZED PROCEEDS

INVESTMENT	PORTFOLIO	REALIZATIONS ($MM)
Investment 1	Common Equity Corp Securities	$215
Investment 2	RE Investments	$91
Investment 3	Consumer Loan and Small Business Loan Portfolio	$53
Investment 4	Consumer Loan and Small Business Loan Portfolio	$53
Investment 5	Corp Debt & Securities: Distressed	$50
Investment 6	RE Investments	$47
Investment 7	Corporate Loan Originations	$45
Investment 8	Legal Assets	$42
Investment 9	Common Equity Corp Securities	$35
Investment 10	Corp Debt & Securities: Stressed	$34
TOTAL		**$665**

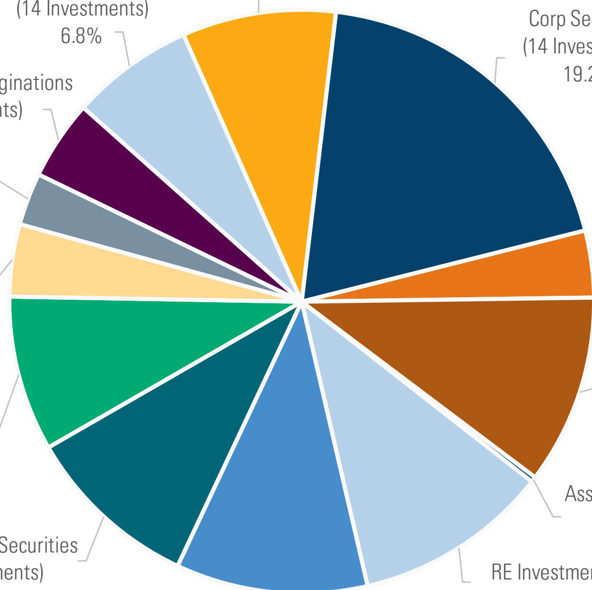
Note: Please refer to the Appendix: Important Footnotes & Disclaimers for information concerning the contents of this slide.

B.3

FCO V EXP CURRENT PORTFOLIO OVERVIEW[1]

FCO V EXP has 134 remaining investments across 13 portfolios

CURRENT NET MARKET VALUE BY ASSET CLASS



TOP 10 NET MARKET VALUE

INVESTMENT	PORTFOLIO	REALIZATIONS ($MM)
Investment 1	RE Investments	$220
Investment 2	Transportation and Infrastructure Assets	$213
Investment 3	Common Equity Corp Securities	$200
Investment 4	Net Lease	$174
Investment 5	Transportation and Infrastructure Assets	$167
Investment 6	Preferred Corp Securities	$159
Investment 7	Net Lease	$141
Investment 8	Consumer Loan and Small Business Loan Portfolio	$137
Investment 9	Common Equity Corp Securities	$130
Investment 10	RE Investments	$125
TOTAL		**$1,666 (30%)**

Note: Please refer to the Appendix: Important Footnotes & Disclaimers for information concerning the contents of this slide.

KEY INVESTMENT THEMES

There can be no assurance that our view of the key investment themes will hold true, which may impact investment opportunities for Fortress. Note FCO V EXP is no longer in its investment period. The Presentation is not intended to provide, and should not be relied upon for, tax, legal, accounting or investment advice.

WE BELIEVE FORTRESS IS A BENEFICIARY OF TWO KEY INVESTMENT THEMES

SHIFT FROM BANKS TO PRIVATE CREDIT PROVIDERS

MARKET UNCERTAINTY

UNCERTAINTY CREATES OPPORTUNITIES FOR FORTRESS TO THRIVE

- ✓ LIMITED LIQUIDITY IN VENTURE CAPITAL AND PRIVATE EQUITY DRIVES THE NEED FOR ALTERNATIVE CAPITAL SOLUTIONS
- ✓ ONGOING OPPORTUNITIES ARISING FROM RESTRUCTURED CREDITS ATTRIBUTED TO LME
- ✓ UNCERTAINTY REMAINS AROUND U.S. TARIFF POLICY AND GEOPOLITICAL EVENTS
- ✓ UNCERTAINTY OF RATES DUE TO INFLATIONARY IMPACT OF TARIFFS, LABOR MARKET
- ✓ INCREASE IN DEFAULTS AND UPCOMING MATURITY WALL → GREATER DEMAND FOR CAPITAL
- ✓ THE MARKET WILL REQUIRE SIGNIFICANT CAPITAL TO ADDRESS THE CURRENT OPPORTUNITY SET

Note: The above is a summary of our view of the market as of October 2025. There can be no assurance this will hold true, which may impact investment opportunities for Fortress. Liability management exercise is referred to herein as "LME".

THE GREAT ASSET MIGRATION[1] B.3

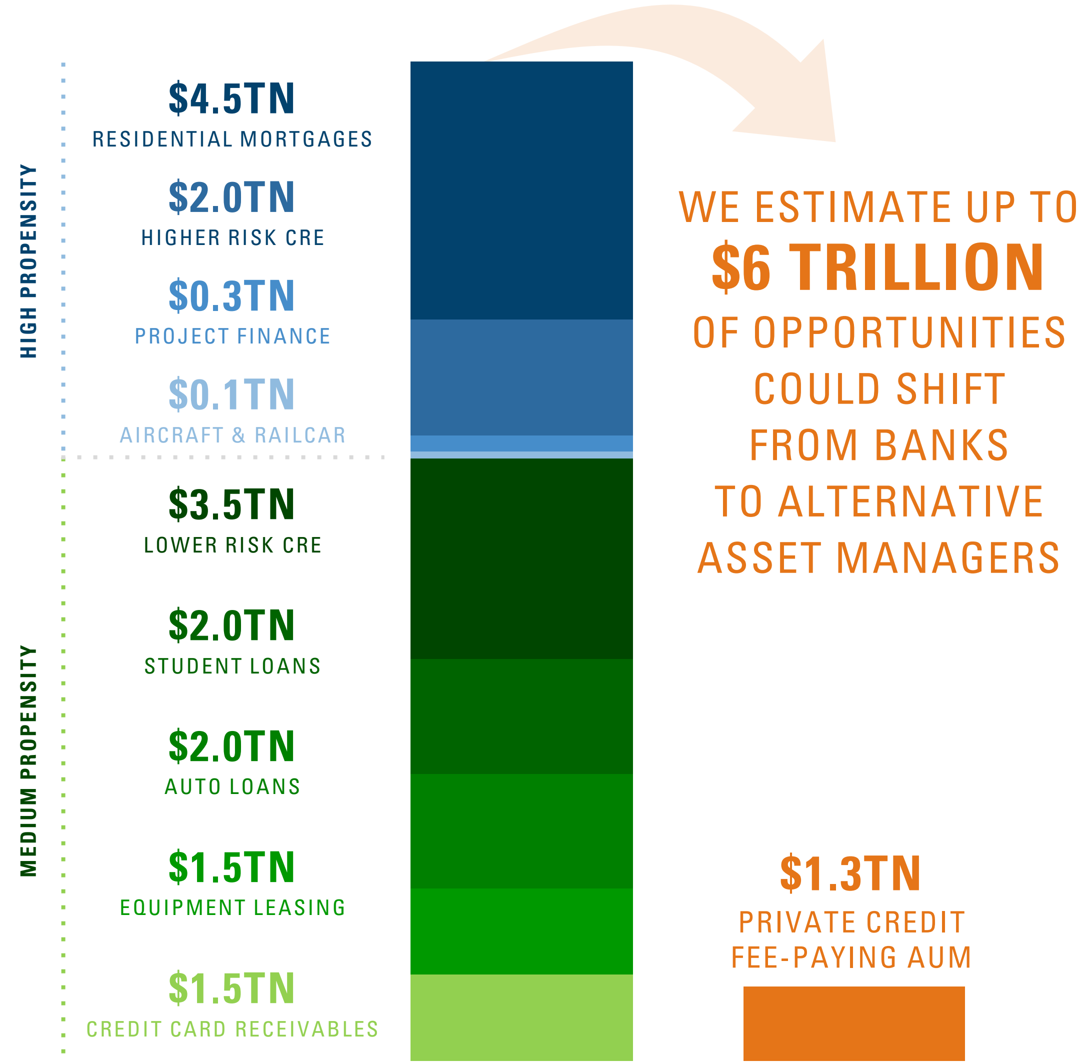
Note: The above is for illustrative purposes only and is not drawn to scale. [1] Fortress internal analysis suggests up to approximately $15 trillion of opportunities could shift from banks to alternative asset managers. There can be no assurance this assumption will prove correct and actual addressable market size could differ materially which could impact the investment opportunities of Fortress. Source: McKinsey: "Beyond the Balance Sheet: North American Asset Management 2024.": "Student Loans"; "Auto Loans"; "Credit Card Receivables"; "Equipment Leasing". Allied Market Research: "Business Credit Cards Market"; "Global Small Business Loan Market"; "Merchant Cash Advance Market"; "Revenue-Based Financing Market".

B.3

MARKET'S MOVE TO THE ALTERNATIVE CAPITAL PROVIDER[1]

BANKS EXPECTED TO REDUCE EXPOSURE TO LONGER-DATED LENDING

ASSETS & LOANS	$ IN TRILLIONS	% OF TOTAL	CAPITAL EFFICIENCY
Cash & Other Securities	$11.2	48%	HIGH
Commercial Real Estate Loans	3.0	13%	LOW
Commercial & Industrial Loans	2.8	12%	LOW
Residential Loans	2.6	11%	MODERATE / LOW
Other Loans & Leases	1.9	8%	MODERATE
Credit Card	1.1	5%	MODERATE
Auto	0.5	2%	MODERATE
Other Consumer	0.4	2%	MODERATE
TOTAL	**$23.4**	**100%**	



[1] Source: Data is from McKinsey & Company's "Beyond the Balance Sheet: North American Asset Management 2024" report. Fortress has highlighted the opportunities we believe are most likely to shift from banks to alternative asset managers based on our internal research.
Note: The above is a summary of our view of the market as of October 2025. There can be no assurance this will hold true, which may impact investment opportunities for Fortress. Commercial real estate is referred to herein as "CRE".

OUTLOOK BY OPPORTUNITY SET

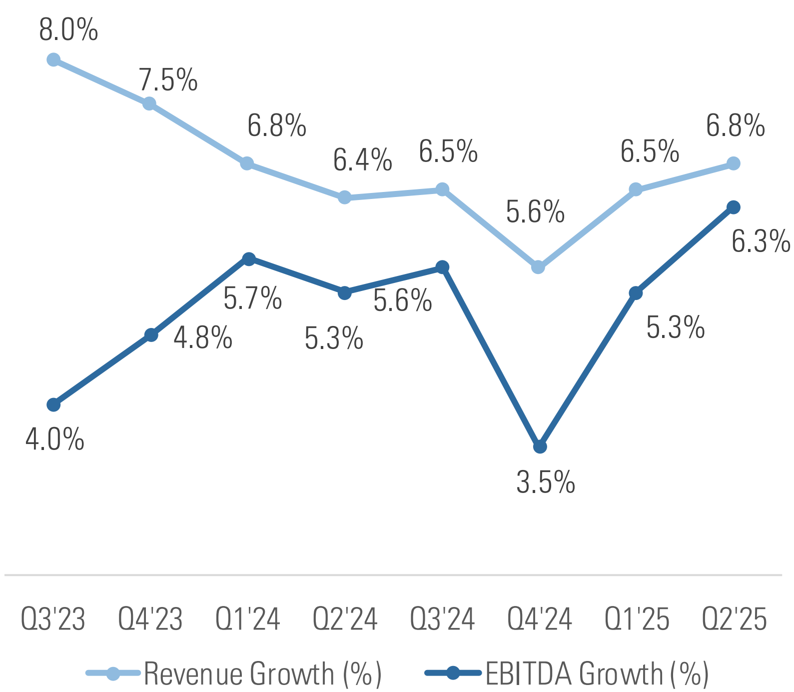
There can be no assurance that our view of the market and opportunity set will hold true, which may impact investment opportunities for Fortress. Note FCO V EXP is no longer in its investment period. The Presentation is not intended to provide, and should not be relied upon for, tax, legal, accounting or investment advice.

CORPORATE CREDIT | OPTIMISTIC OUTLOOK

We remain optimistic about the opportunity set and are focused on managing risks in a market with ample capital

STABLE FUNDAMENTALS

Borrowers have shown consistent quarter over quarter **revenue** and **EBITDA growth** across portfolios, supported by robust borrower portfolio data[1]



ABOVE-MARKET SPREADS

With reduced deal volume contributing to spread compression, Fortress has maintained **steady year-over-year origination growth** while consistently achieving **above-market spreads**

PRIVATE CORPORATE LOAN TRANSACTIONS[2]

YTD 2025

$2.4BN	of commitments
29	new transactions
80%+	led or structured by Fortress
580+	weighted average spread
30%	repricing & upsizing existing credits

[1] Source: Lincoln VOG Proprietary Private Market Database as of June 30, 2025.
[2] Represents all YTD private corporate loans made by Fortress managed funds through June 30, 2025.

CORPORATE CREDIT | SPECIAL SITUATIONS OPPORTUNITIES

DISTRESSED DEBT INVESTMENTS

Purchase discounted debt in unsustainable capital structures to create attractive equity investments through restructuring processes

JUNIOR CAPITAL SOLUTIONS

Junior debt and preferred equity opportunities to facilitate debt extensions / refinancings

DISTRESSED LOANS & RECEIVABLES

Invest in diverse, non-performing exposures (“NPE”) and NPE-linked opportunities

DISTRESSED FOR CONTROL

Acquisition of all or meaningful portion of a debt facility with a clear path and expectation to restructure the business into a significant ownership position

LIABILITY MANAGEMENT INVESTMENTS

Lead and structure LME transactions via debt holdings to enhance collateral position while providing borrowers liquidity runway

GP SECONDARIES / CONTINUATION VEHICLES

Provide direct liquidity to mature private equity investments at attractive valuations

Note: The above is a summary of our view of potential opportunities related to sponsor-basked corporates as of October 2025. There can be no assurance this will hold true, which may impact investment opportunities for Fortress. General partner is referred to herein as “GP”.

ASSET BACKED | LARGE AND GROWING OPPORTUNITY

LENDER FINANCE

Senior secured loans to companies originating financial assets / receivables

FORWARD FLOW PURCHASES

Committed agreements with bank and non-bank companies originating financial assets / receivables

PORTFOLIO ACQUISITION

Purchase portfolios of financial assets / receivables from banks, specialty finance firms and warehouse lenders that are exiting markets, facing constraints or offloading foreclosed portfolios

INTELLECTUAL PROPERTY

Acquiring undervalued patent portfolios and acquiring or investing in undervalued companies where we believe the value of the company's IP is greater than the acquisition cost of the company itself

LEGAL ASSETS

Opportunistically investing in legal assets, litigation finance transactions and legal or regulatory process-driven situations

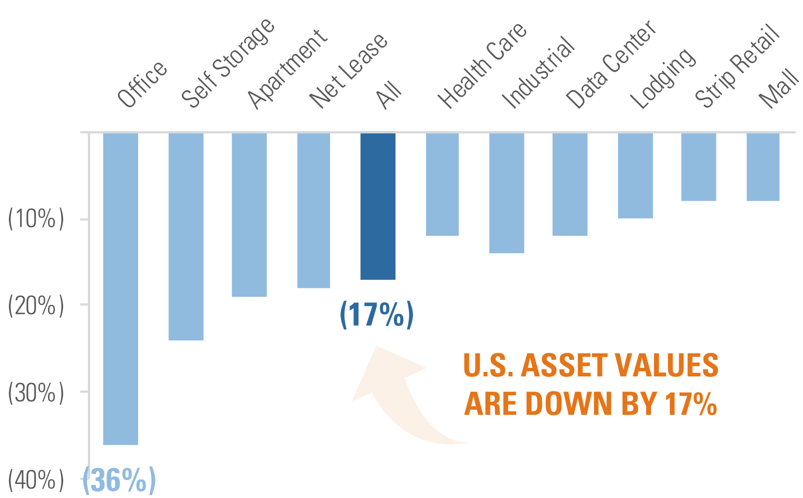
Note: The above is a summary of our view of potential opportunities in the market as of October 2025. There can be no assurance this will hold true, which may impact investment opportunities for Fortress.

REAL ESTATE | DEPRESSED VALUATIONS AND LENDER STRESS

VALUATION DECLINE

- CRE has experienced substantial declines in public and private valuations
  - Office sector has experienced the greatest negative impact
  - Multifamily faces challenges following the high transaction volumes in 2020 - 2022

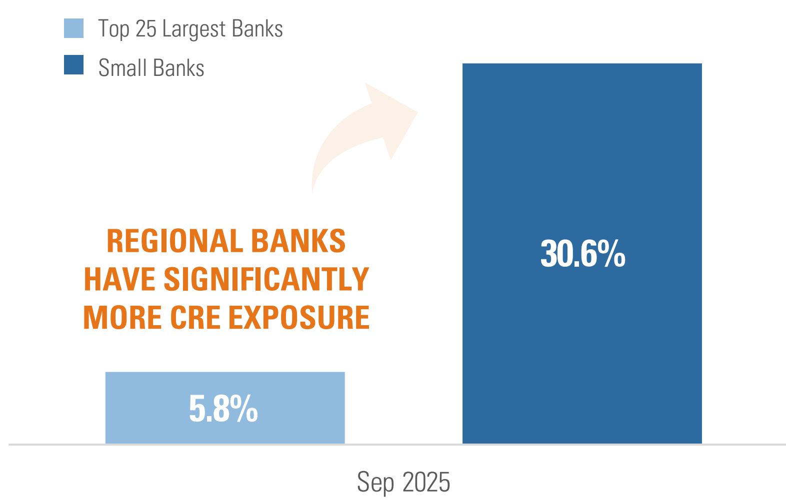
CHANGE IN COMMERCIAL PROPERTY VALUES SINCE 2022 PEAK[1]



BANK LENDING STRESS

- Traditional lenders have historically been hampered by regulatory changes and capital requirements
- The recent regional bank crisis has created an even larger financing gap
  - Regional and community banks account for approximately 70% of total bank CRE loans

CRE LOANS AS A PERCENTAGE OF TOTAL BANK ASSETS[2]



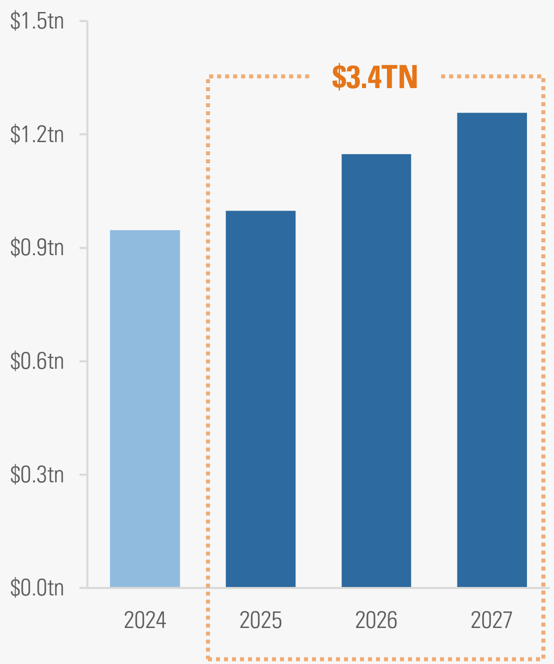
[1] Source: Green Street "Commercial Property Price Index" as of October 6, 2025. Excludes core sector and manufactured home park sector. [2] Source: Federal Reserve, Assets and Liabilities of Commercial Banks in the United States, seasonally adjusted, as of September 24, 2025. Note: The above is a summary of our view of the market as of October 2025. There can be no assurance this will hold true, which may impact investment opportunities for Fortress.

REAL ESTATE | LARGE REFINANCING NEED

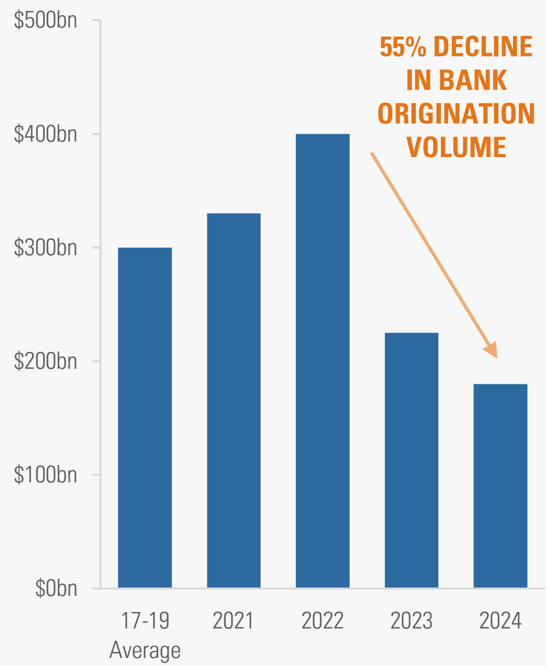
Looming CRE loan maturity wall amidst bank retrenchment creates potential opportunities for private credit to meet refinancing demands

- Many loans originated during the low interest and cap rate environment of 2020 - 2022 are coming due, as traditional lenders have retrenched due to existing portfolio valuation resets, regulatory changes and capital requirements
- Tighter lending conditions create a debt funding gap for borrowers looking to refinance

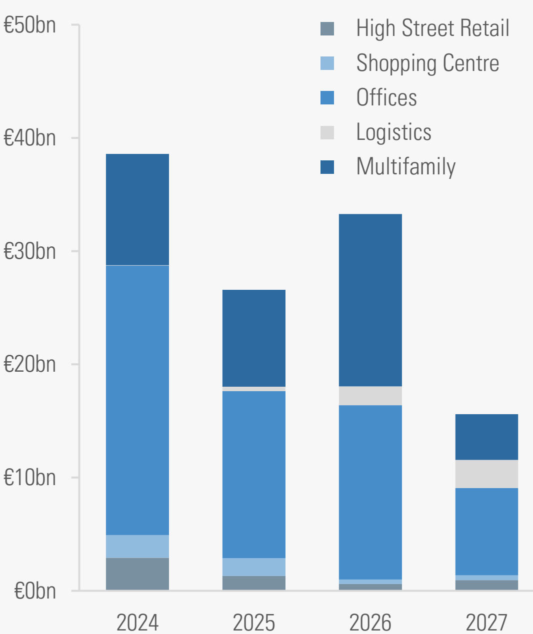
U.S. COMMERCIAL REAL ESTATE MATURITY WALL[1]



U.S. BANK CRE LENDING ORIGINATION VOLUME[2]



EUROPEAN CRE DEBT FUNDING GAP OF €114 BILLION[3]



[1] Source: S&P Capital Research & Analysis Commercial Real Estate Maturity Wall as of August 2024. [2] Source: Newmark Research's "Fourth Quarter 2024 Capital Markets Report" as of January 21, 2025. [3] Source: CBRE Research's "The Debt Funding Gap for European Real Estate" as of December 2023. Note: The above is a summary of our view of the market as of October 2025. There can be no assurance this will hold true, which may impact investment opportunities for Fortress.

KEY NEAR-TERM OPPORTUNITIES

We are seeing compelling investment opportunities across the following key sectors

CORPORATES

EUROPE

Macro headwinds are creating distressed opportunities. NPE secondary markets are growing as securitizations lag collections pace. Regulations and pressure to de-risk are fueling banks to dispose via the primary market and hybrid instruments

FUND SOLUTIONS / PRIVATE EQUITY

Opportunities for custom financing solutions created by disruption in the hedge fund and private equity industries as well as for flexible capital solutions for traditional equity investments

CORPORATE OPPORTUNITIES

Target good companies with bad balance sheets, and are focused on predictable cash flows and/or complicated restructurings and LME proceedings where risk is misunderstood

ASSET BACKED FINANCE

LEGAL ASSETS

Risk in most transactions remains relatively uncorrelated with macro trends. We believe Fortress's established sourcing network has positioned us to capture attractive assets as the legal finance market matures

FORWARD FLOWS

Increased forward flow activity due to regional bank and credit union pullback and better ability to create aligned structures. Opportunities to finance non-bank specialty finance companies across consumer and small business receivable asset classes

INTELLECTUAL PROPERTY

Financial markets volatility in technology and life sciences sectors, along with a more favorable patent licensing and regulatory environment, is encouraging companies with valuable patent portfolios to seek alternative capital sources

REAL ESTATE

COMMERCIAL REAL ESTATE

Higher interest rates, more attractive property valuations, $4.5 trillion loan maturity wall and a reduction in CRE lending from banks have created opportunities to structure creative solutions

Note: The above is a summary of our view of the key near-term investment opportunities as of October 2025. There can be no assurance this will hold true, which may impact investment opportunities for Fortress.

APPENDIX

IMPORTANT FOOTNOTES & DISCLAIMERS

IMPORTANT FOOTNOTES

B.3

FORTRESS'S OPPORTUNISTIC INVESTING APPROACH

Note: Private equity is referred to herein as "PE", commercial real estate is referred to herein as "CRE", real estate is referred to herein as "RE", non-performing loans are referred to herein as "NPL", commercial mortgage-backed securities are referred to herein as "CMBS", residential mortgage-backed securities are referred to herein as "RMBS", net asset value is referred to herein as "NAV", structured investment vehicles are referred to herein as "SIVs", intellectual property is referred to here in as "IP", asset-backed securities are referred to herein as "ABS", small and medium-sized enterprises are referred to herein as "SME", collateralized loan obligations are referred to herein as "CLOs".

FCO FUNDS INVESTMENT PACE

[1] As of September 30, 2025, unless noted otherwise. For FCO VI, includes invested and committed equity as of December 31, 2025, and includes reserved equity for approved pipeline investments. There can be no assurance that such transactions will be consummated.

[2] Represents straight average from 2008 to 2024.

[3] Represents the FCO Funds investment pipeline as of January 7, 2026. There can be no assurance that the potential transactions described herein will ultimately be consummated, or that any such transaction will be allocated to any specific Fortress managed fund. The estimated investment amounts shown herein represent total estimated investment amounts by Fortress managed funds, including leverage as applicable, and are subject to change. For potential transactions that have a range for the total estimated investment amount, the amounts shown herein reflect the midpoint of the range. Please refer to the important Forward Looking Statements disclaimers at the end of this document.

FCO V EXP HIGHLIGHTS

[1] Represents invested and committed capital for investments through September 30, 2025, and does not include management fees, taxes and other costs incurred by FCO V EXP.

[2] Gross of promote.

[3] As of September 30, 2025 . The DPI refers to Distributions to Paid-in-Capital. The DPI multiple over commitments is calculated as total distributions in excess (or in deficit) of total contributions to 1.50% management fee paying limited partners in Fortress Credit Opportunities Fund Expansion (A) V LP ("Fund A Max Fee-Paying Investors") plus total commitments from Fund A Max Fee-Paying Investors divided by total commitments from Fund A Max Fee-Paying Investors. The multiple over paid-in-capital is calculated as total distributions to Fund A Max Fee-Paying Investors divided by total contributions from Fund A Max Fee-Paying Investors.

[4] Actual cumulative distributions to date and projected total distributions over the life of the applicable Fund to individual investors may be lower due to the netting of any amounts for investments, fund expenses, promote or management fees against distributions, and may vary based on the applicable Fund's particular parallel partnership in which they are invested and related investment structures utilized to address tax concerns, and fee waivers or discounts, if any, to which a particular investor is eligible. Projected Total Distributions are through the life of the applicable Fund and have been calculated by adding aggregate Fund distributions to date to the gross aggregate projected remaining cash flows from underlying investments.

[5] Primarily non-recourse asset specific financing.

IMPORTANT FOOTNOTES

B.3

FCO V EXP REALIZED PROCEEDS

Note: Categories are determined at Fortress's discretion and are inherently subjective and as such, include categorizing investments that do not fall clearly into a particular category, or which may involve multiple or different categories on a look-through basis. We assume no responsibility for the accuracy of these categorizations for your purposes.

[1] Includes cash available for distribution as of September 2025.

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

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

FCO V EXP CURRENT PORTFOLIO OVERVIEW

Note: Categories are determined at Fortress's discretion and are inherently subjective and as such, include categorizing investments that do not fall clearly into a particular category, or which may involve multiple or different categories on a look-through basis. We assume no responsibility for the accuracy of these categorizations for your purposes.

[1] Excludes cash and other assets / liabilities.

DISCLAIMERS & RISK FACTORS

B.3

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

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

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

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

Investment examples. Investment Examples represent investments that were made, in whole or in part, by FCO V EXP. The Investment Examples included herein do not comprise the entire FCO V EXP portfolios, which are available upon request. Investment Examples included in the Presentation are intended to serve as a non-exhaustive set of examples of the types of investments made by the Fund. There can be no assurance that FCO V EXP will make future investments with the same or even similar characteristics as the Investment Examples presented. The Investment Examples are presented for discussion purposes only and are not a reliable indicator of the likely performance or investment profile of the Fund or any investment to be made in the Fund. The Investment Examples do not contain complete information with respect to each of the particular investments described, including, without limitation, risks associated with the investment and litigation. Notwithstanding any analysis included in the Presentation, it is possible that each of the Investment Examples could result in a total loss of any invested capital.

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

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

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

DISCLAIMERS & RISK FACTORS

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

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

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

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

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

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Marin County Employees' Retirement Association

The Värde Dislocation Fund Update

February 3, 2026

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Important Disclaimers

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

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

[redacted]

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

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

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

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

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

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

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

No advertisement, invitation or document relating to the shares in the Fund, has been issued or possessed for the purposes of issue, nor will be issued or possessed for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares in the Fund which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

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Värde Attendees

Jim Dunbar

Partner

Jim Dunbar is a Partner and Head of Real Estate Lending. He oversees commercial real estate debt strategies, including loan originations and loan trading. He has also led investments in real estate operating companies, hospitality assets and non-performing CRE loans. He is a member of the firm's Investment Committee. Based in Minneapolis, he joined the firm in 2010 and was named Partner in 2022.

Prior to joining Värde, Jim was a Senior Vice President at Macquarie based in Chicago. He had multiple roles within its real estate business including commercial real estate investments with joint ventures partners, developing new business initiatives and forming real estate investment trusts. Prior to Macquarie, Jim worked for Salomon Smith Barney/Citigroup within its investment banking division in New York and Sydney.

Jim graduated from Boston College with a B.S. in Finance.

Hannah Turro

Managing Director, Business Development

Hannah Turro is a Managing Director on the Business Development & Investor Relations team. Based in New York, she joined the firm in 2022.

Prior to joining Värde, Hannah was a Principal of the Business Development Group at CQS. Prior to that, she served in business development and investor relations role at Saba Capital and the Man Group.

Hannah received a B.A. from New York University.

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Värde Overview

Over 30 Years

Credit specialist with experience through multiple cycles

$16 Billion

AUM

183 Employees

Including 57 investment professionals

$100+ Billion

Invested capital across private and public markets

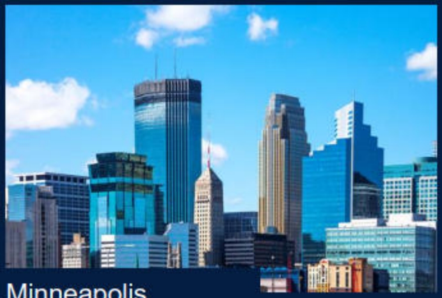
6 Offices[1]

Globally

100% Partner Owned

Strong alignment of interest with limited partners

New York



Minneapolis

London

Singapore

Mumbai

Notes: Firm assets under management are as of September 30, 2025; AUM includes all committed capital under management. This includes capital that is committed to a Värde-managed fund or account but is currently uncalled.
Personnel headcounts are as of January 2026.
1. Not pictured: Luxembourg

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Värde Dislocation Fund Update

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The Dislocation Fund Performance Snapshot

Estimated as of December 31, 2025

Fund Overview	
Total Commitments	$1,604 million
Total Called	$1,276 million (79.5% called)
Current AUM	$512 million
Investment Period	June 2020 – June 2022
Harvest Period	June 2022 – June 2026[1]

Fund-Level Performance to Date	
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]

Fund-Level Projected Returns[3]	
[redacted]	[redacted]
[redacted]	[redacted]

Fund-Level LTD Distributions	
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]

Fund-Level Distribution Projections[2]	
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]

Please see important disclaimers and definitions in Appendix.
1 The General Partner extends the Term for an additional one-year period now ending on June 12, 2026
2 Projected distributions shown as a cumulative growing % of distributions over time as a % of December 31, 2025 estimated AUM. Please note that these projections are based on a number of assumptions that may not prove accurate. There can be no assurance that any future event will occur or that any projections will be achieved. Projected distributions are gross of GP incentive fee allocations.
3 Please note these projections are based on a number of assumptions that may not prove accurate. There can be no assurance that any future event will occur or that any projections will be achieved.

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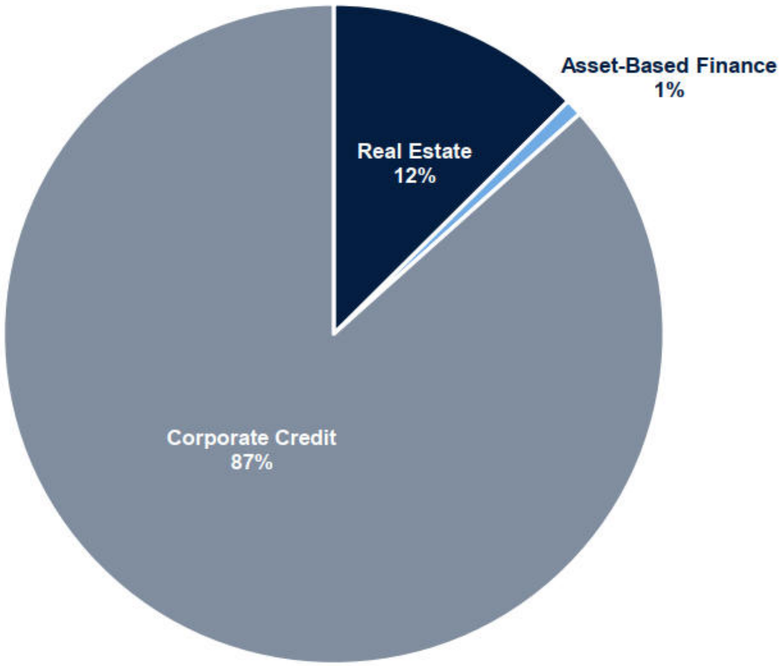
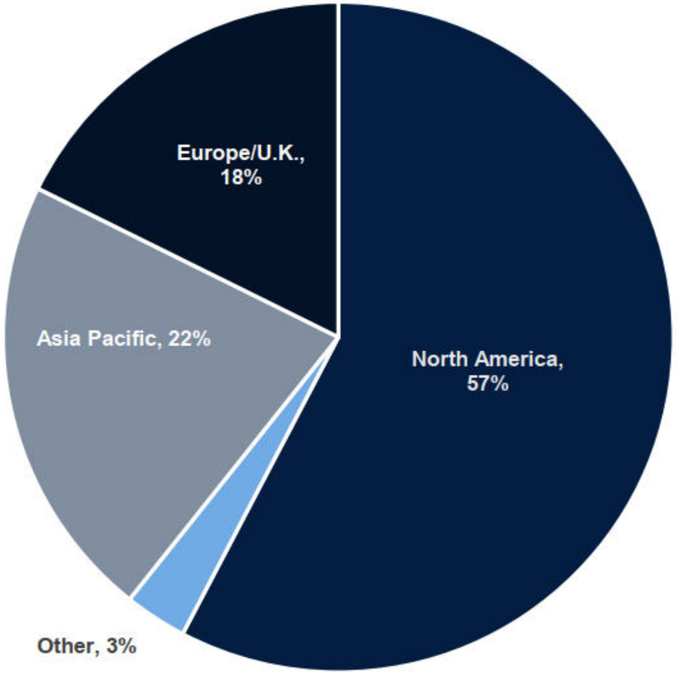
Total Invested Capital Breakdown

Estimated as of December 31, 2025

Segment[1]



Geography[2]



Segment / theme and geography breakdowns represent current exposure and do not include uncalled capital commitments.

Source: Värde data estimated as of December 31, 2025, unless otherwise noted, 1. “Segment” is based on Värde’s internal classification system as of the date of this Presentation and has been modified over time. Please see Värde’s Form ADV Part 2A for more information on these segments. Värde’s segments may not align with the categories and definitions applied by other market participants. Investments may have been classified differently in the past. 2. “Geography” refers to the jurisdiction in which (a) the issuer is located or (b) the investment derives or is anticipated to derive at least a majority of its returns from activities within that country or region. Exposures are expressed as a percentage of total exposure as of the end of the period calculated as follows: (i) instruments (other than notional instruments) are reflected at fair value in accordance with Accounting Standards Codification Topic 820 under generally accepted accounting principles in the U.S. and (ii) notional instruments are reflected on a bond equivalent basis

“Other” geography includes FX swaps and investments in the Middle East & South America.

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Key Performance Drivers

Top Contributor Themes Life-to-Date

Real Estate
- U.S. Hotel-to-Student Housing Conversion
- Land banking
- CRE Lending

Corporate Credit
- Dislocated traded credit (airlines)
- European financials

Asia Credit
- Special Situations lending
- Senior lending

Top Contributor Themes Forward Projected

Real Estate
- U.S. Hotel-to-Student Housing Conversion
- CRE Lending

Corporate Credit
- Dislocated First Liens

Asia Credit
- Special Situations Lending

As of December 2025

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Life-to-Date Performance Drivers

Estimated as of December 31, 2025

Top 5 Performers	Segment	Geography	ITD Gross P&L ($m)	Gross Multiple
[redacted]	Real Estate	United States	[redacted]	[redacted]
[redacted]	Real Estate	United States	[redacted]	[redacted]
[redacted]	Corporate Credit	Asia Pacific	[redacted]	[redacted]
[redacted]	Corporate Credit	Asia Pacific	[redacted]	[redacted]
[redacted]	Corporate Credit	Asia Pacific	[redacted]	[redacted]

Bottom 5 Performers	Segment	Geography	ITD Gross P&L ($m)	Gross Multiple
[redacted]	Corporate Credit	Asia Pacific	[redacted]	[redacted]
[redacted]	Real Estate	United States	[redacted]	[redacted]
[redacted]	Corporate Credit	Asia Pacific	[redacted]	[redacted]
[redacted]	Corporate Credit	United States	[redacted]	[redacted]
[redacted]	Corporate Credit	United States	[redacted]	[redacted]

☐ = Exited

Please see important performance disclaimers and definitions in Appendix.

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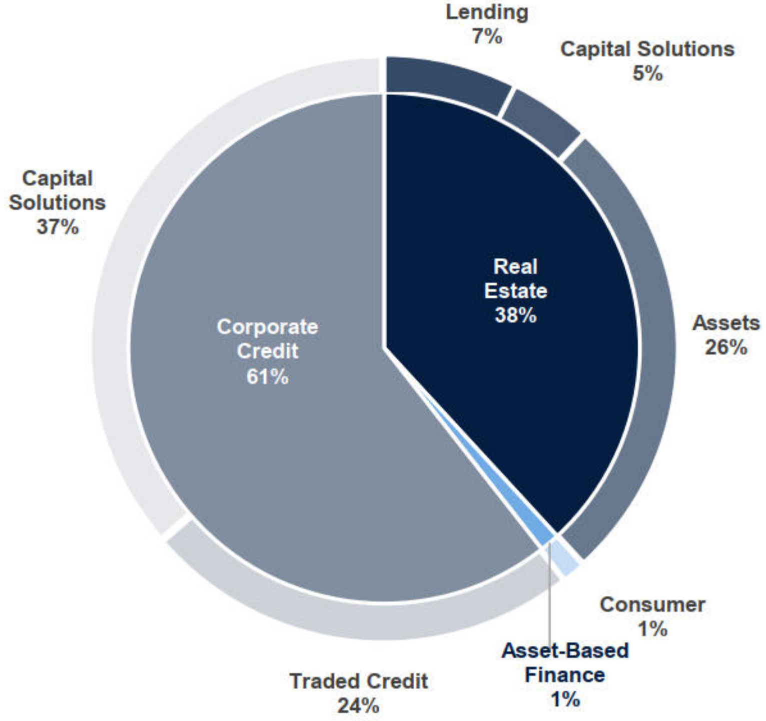
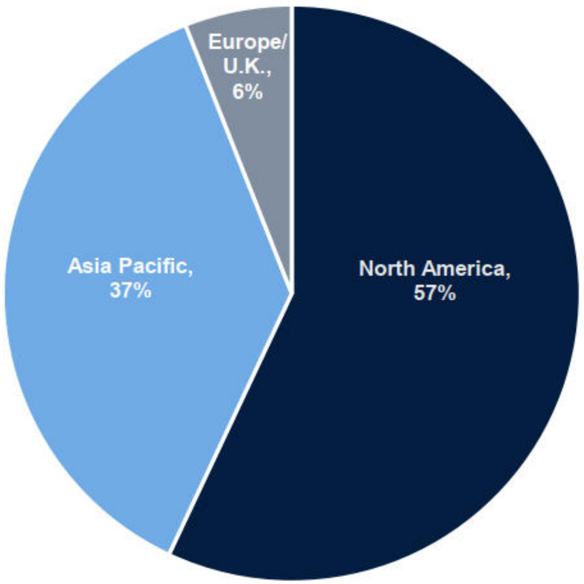
Remaining Portfolio Review

Estimated as of December 31, 2025

Segment / Theme[1]



Geography[2]



Segment / theme and geography breakdowns represent current exposure and do not include uncalled capital commitments.

Source: Värde data estimated as of December 31, 2025, unless otherwise noted, 1. "Segment" is based on Värde's internal classification system as of the date of this Presentation and has been modified over time. Please see Värde's Form ADV Part 2A for more information on these segments. Värde's segments may not align with the categories and definitions applied by other market participants. Investments may have been classified differently in the past. 2. "Geography" refers to the jurisdiction in which (a) the issuer is located or (b) the investment derives or is anticipated to derive at least a majority of its returns from activities within that country or region. Exposures are expressed as a percentage of total exposure as of the end of the period calculated as follows: (i) instruments (other than notional instruments) are reflected at fair value in accordance with Accounting Standards Codification Topic 820 under generally accepted accounting principles in the U.S. and (ii) notional instruments are reflected on a bond equivalent basis

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Top 10 Holdings

Estimated as of December 31, 2025

	Holding	Segment	Geography	Exposure (in millions)	Net Exposure (% of Total)
1	[redacted]	Real Estate	North America	$122	19%
2	[redacted]	Corporate Credit	North America	81	12%
3	[redacted]	Corporate Credit	Asia Pacific	66	10%
4	[redacted]	Corporate Credit	Asia Pacific	55	9%
5	[redacted]	Real Estate	North America	48	7%
6	[redacted]	Corporate Credit	North America	35	5%
7	[redacted]	Corporate Credit	Asia Pacific	29	4%
8	[redacted]	Corporate Credit	Asia Pacific	19	3%
9	[redacted]	Real Estate	North America	18	3%
10	[redacted]	Corporate Credit	Asia Pacific	17	3%
	Top 10 Total			489	75%

Exposures are expressed as a percentage of the sum of the Fund's assets under management and outstanding subscription line balance as of the end of the period calculated as follows: (i) instruments (other than notional instruments) are reflected at fair value in accordance with Accounting Standards Codification Topic 820 under generally accepted accounting principles in the U.S. and (ii) notional instruments are reflected on a bond equivalent basis. Unrealized gains/(losses) on related currency hedges have been excluded from investment exposure calculations.
Please see important performance disclaimers and definitions in Appendix.

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Market Backdrop & Opportunity Set

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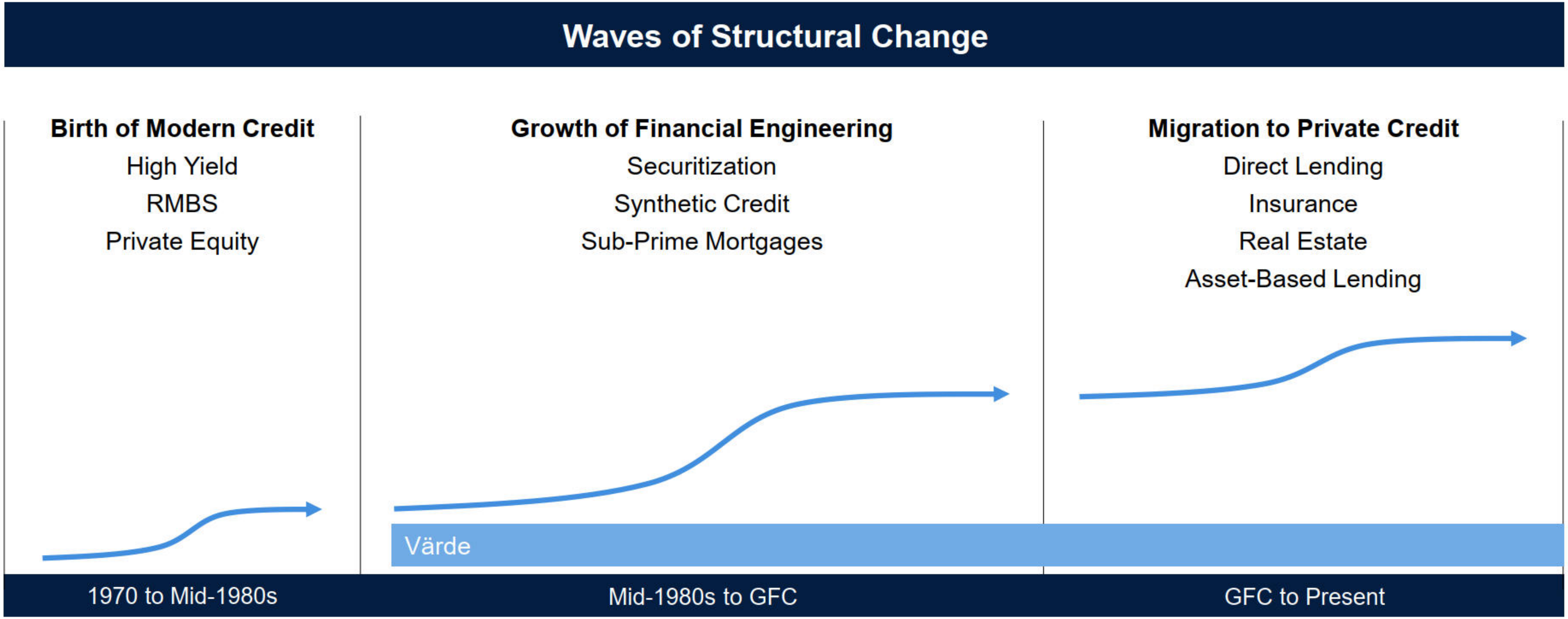
Credit Market Evolution



For illustrative purposes only.

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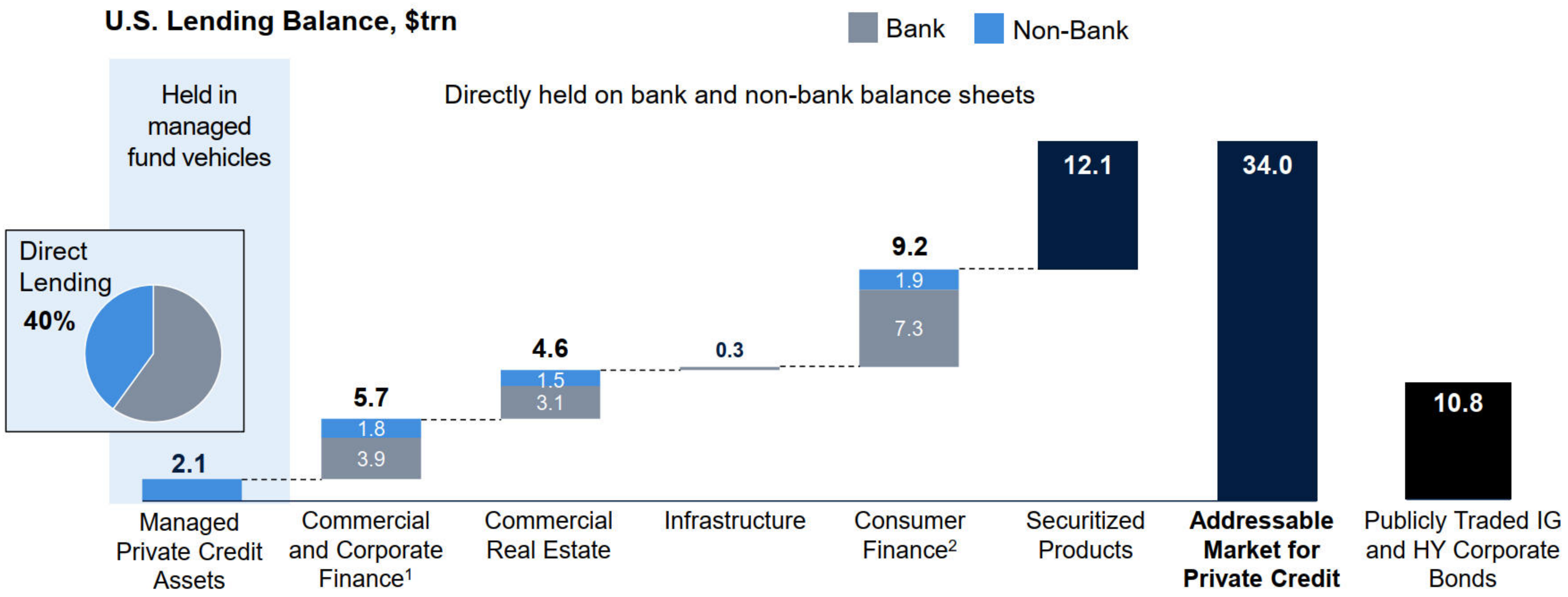
Sustained Growth in Private Credit

$5-6 trillion of assets is expected to shift to the non-bank ecosystem over the next decade



Sources: Preqin; Securities Industry and Financial Markets Association; Global Banking Pools by McKinsey; McKinsey analysis.
1. Includes aircraft and railcar leasing, equipment leasing, receivables financing, standard corporate loans, and trade finance. Information as of 2023. 2. Includes auto loans, credit card receivables, residential mortgages, student loans, and unsecured personal loans.

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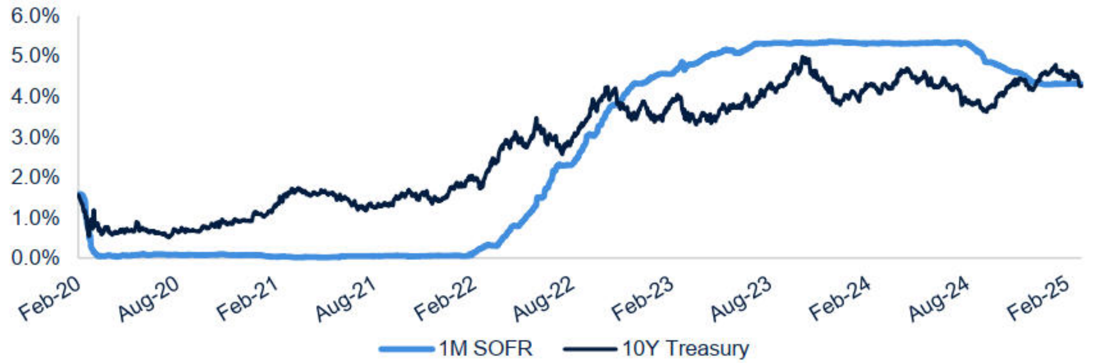
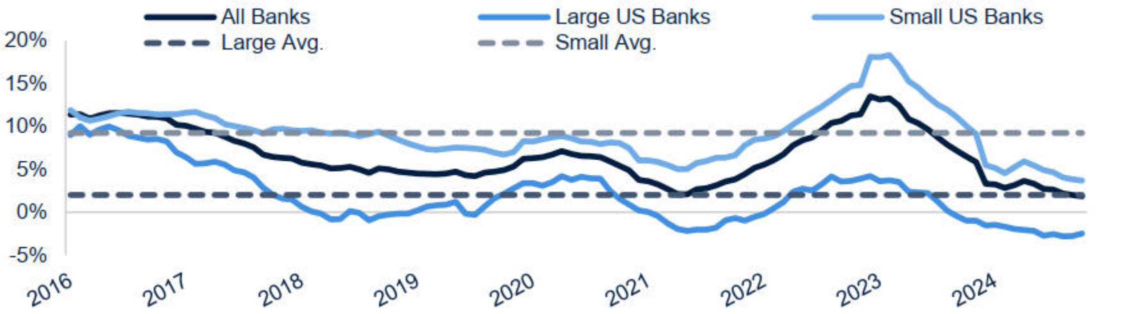
Real Estate Spotlight: CRE Lending

1 SIGNIFICANT RISE IN INTEREST RATES

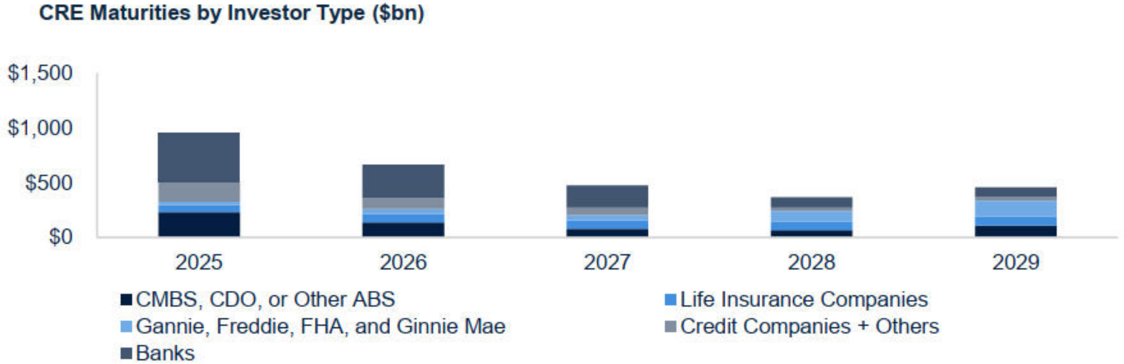


2 PRESSURE ON REAL ESTATE VALUATIONS

3 REGIONAL BANK RETRENCHMENT FROM CRE CREDIT MARKETS



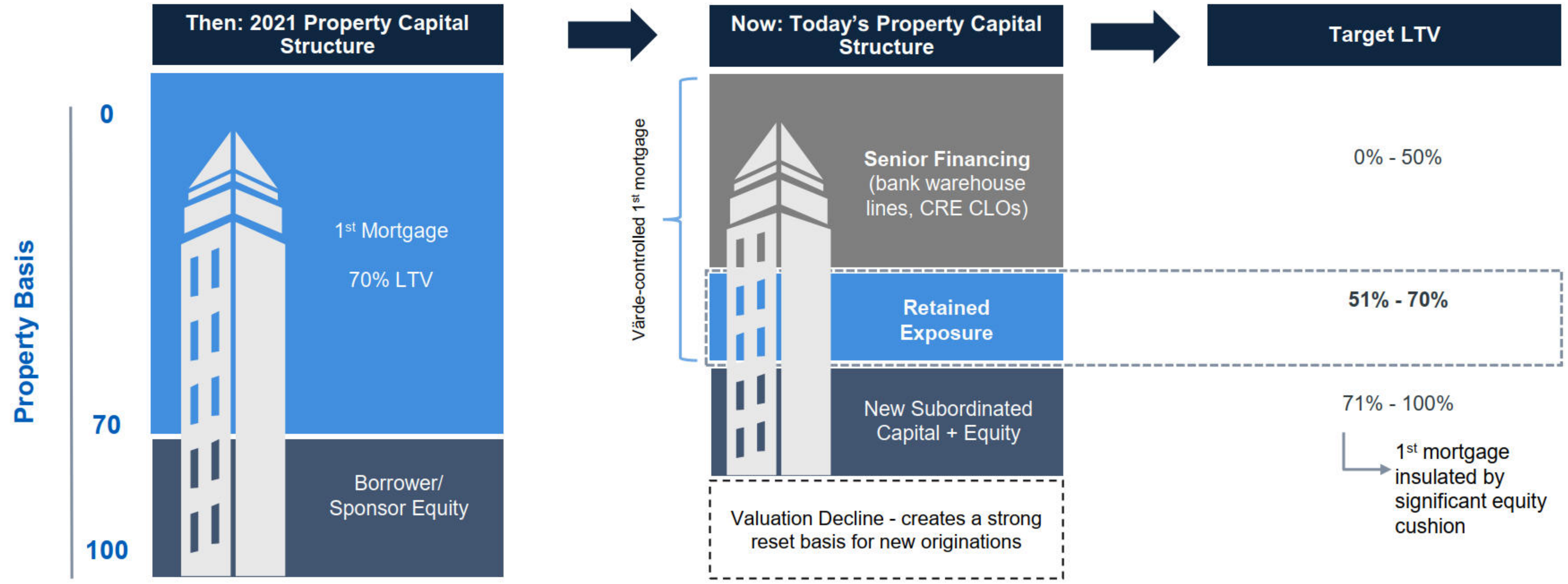
4 MARKET RECAPITALIZATION OVER NEXT 5 YEARS



Source: Bloomberg, Federal Reserve, Green Street – Commercial Property Price Index.
Green Street's Commercial Property Price Index® is a time series of unleveraged U.S. commercial property values that captures the prices at which commercial real estate transactions are currently being negotiated and contracted managed by Green Street Advisors, LLC.

Real Estate Spotlight: Attractive Time to be a Lender

Structural protection and margin of safety: senior and control position in the capital structure; reset real estate valuations



You should not assume that the performance of any specific investment or investment strategy will be profitable, in line with targeted returns or consistent with estimates. Any investment or investment strategy can be impacted by numerous factors, including market and economic conditions, and may result in a loss to investors. There can be no assurance that any future event will occur or that any projections will be achieved.

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ABF Spotlight: The Rise of ABF in Private Markets

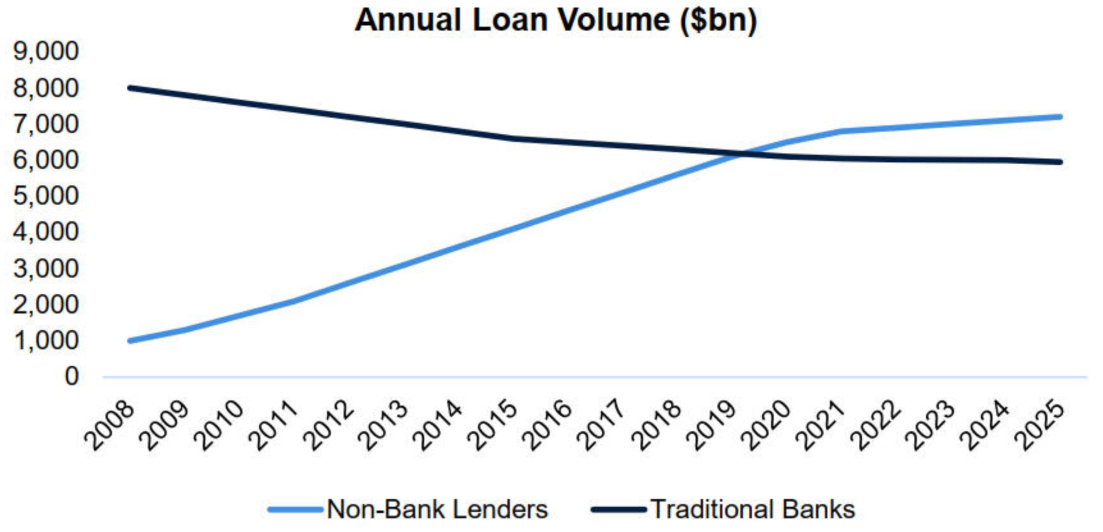
Private credit surged post-GFC as banks pulled back, starting with direct lending and now expanding into ABF

1 Banks have increasingly **been forced to de-lever** following the GFC

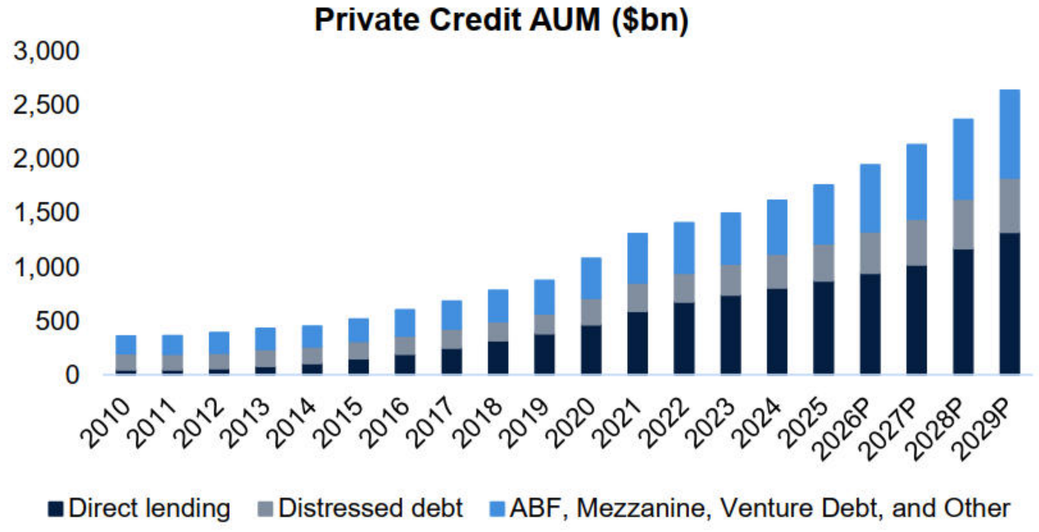
2 As a result, a **pullback in bank lending and technology advancements** fueled the rise of private debt markets

3 **Creditworthy borrowers were left behind**, driving demand for capital in ABF

Non-Banks Now Exceed Traditional Banks in Number & Loan Volume[1]



Private Credit AUM is Expected to Grow to $2.6+ Trillion by 2029[2]



1. Estimates from FDIC, FRED, and Statista. 2. Preqin 2025 Global Report: Private Debt. Any past performance described herein is not indicative of future results.
For illustrative purposes only. You should not assume that the performance of any specific investment or investment strategy will be profitable, in line with targeted returns or consistent with estimates. Any investment or investment strategy can be impacted by numerous factors, including market and economic conditions, and may result in a loss to investors. There can be no assurance that any future event will occur or that any projections will be achieved.

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ABF Spotlight: Sub-Sectors in Focus

Commercial Finance

- Equipment
- Inventory & Receivables
- Trade
- SME

Consumer Finance

- Credit Cards
- Home
- Personal Loans
- Transportation

Fund Finance

- Subline
- NAV
- Hybrid
- GP

For illustrative purposes only.

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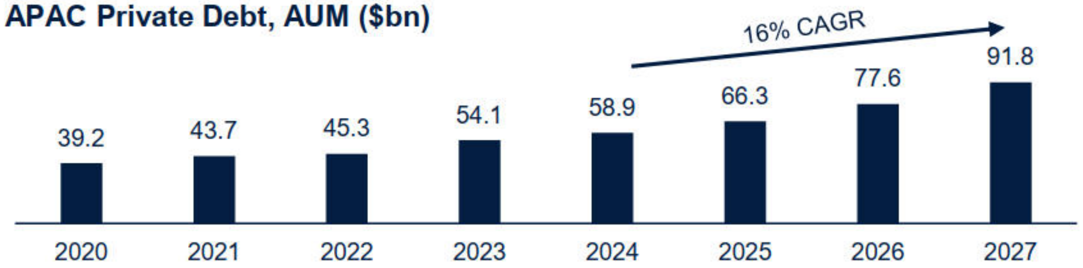
Asia Private Credit Spotlight: Demand Supply Imbalance

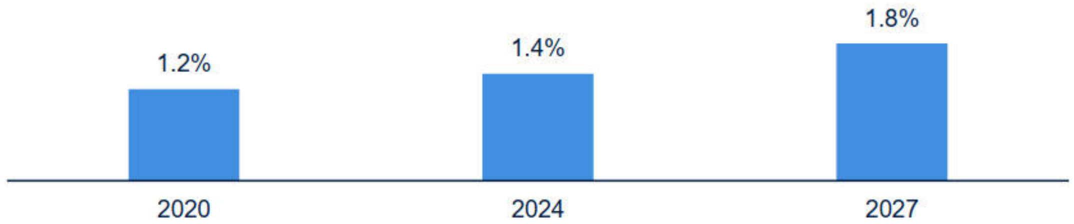
1 STRONG GROWTH PROJECTIONS FOR APAC PRIVATE CREDIT

APAC Private Debt, AUM ($bn)



2 PRIVATE CREDIT REMAINS SMALL PORTION OF DEBT MARKETS

Private Debt, % of Public Debt



3 SUBSTANTIAL UNDERPENETRATION VS. WESTERN MARKETS

Capital Raised

4 LACK OF PUBLIC MARKETS

- Asia High Yield market limited by structural challenges:
  - Lack of standardized documentation given nature of borrowers, sponsors, and local bank lending standards
  - Impact from Chinese property developer distress on high yield markets

Source: Alternative Credit Council. For illustrative purposes only.

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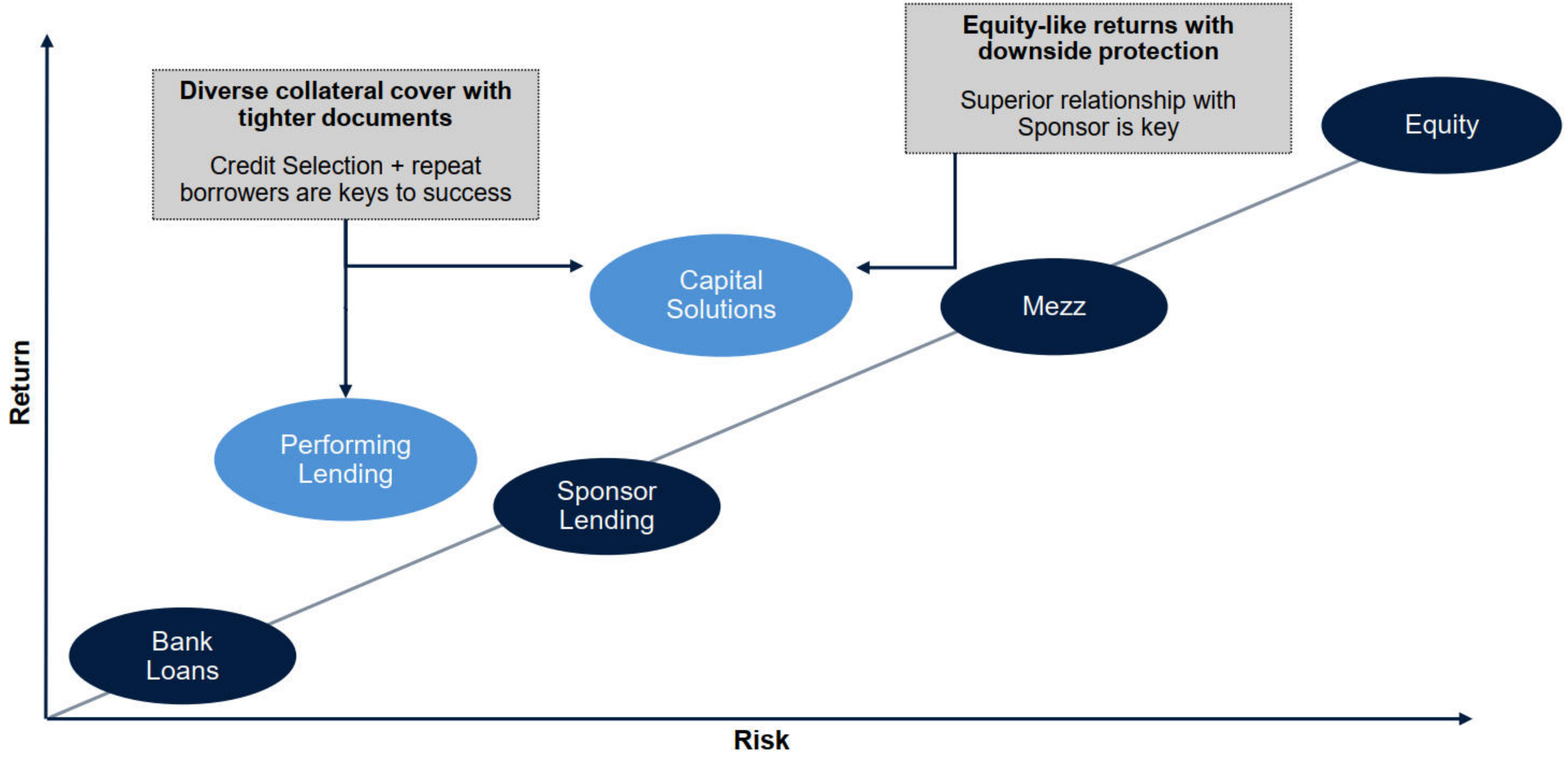
Asia Private Credit Spotlight: Relative Value Spectrum

Värde believes that APAC offers a spread premium in performing lending situations, while stronger convexity and increased downside protections for Capital Solutions credit opportunities when compared with Western markets



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Appendix

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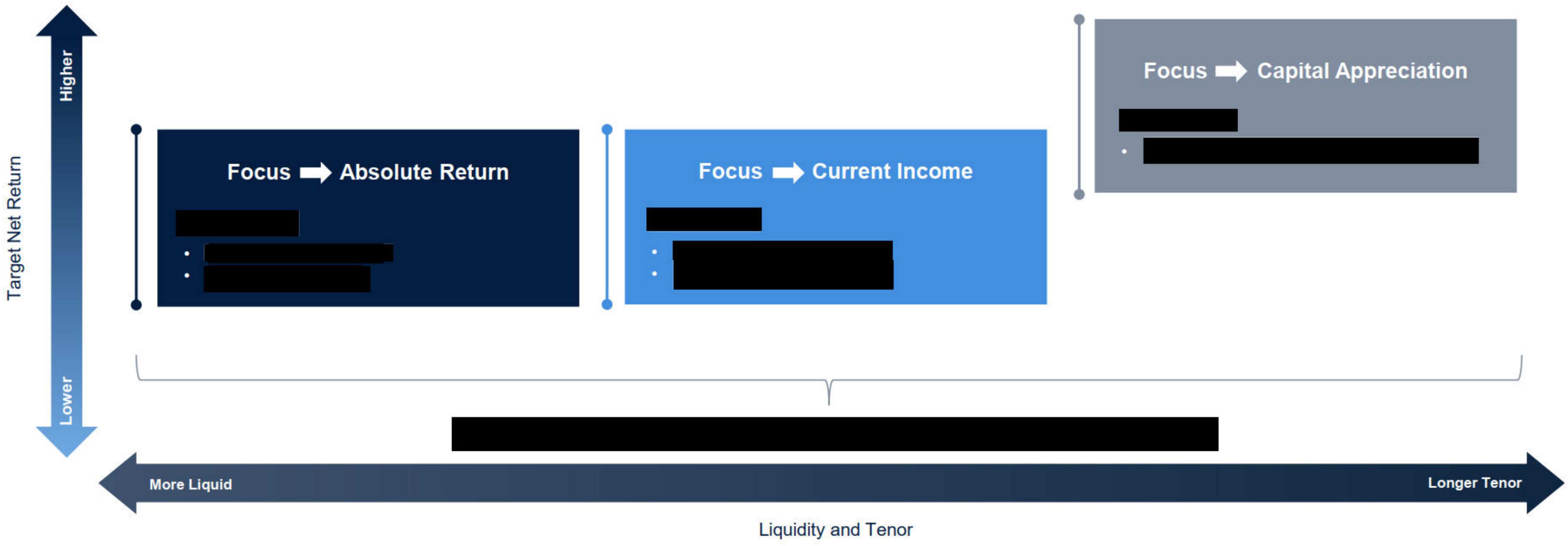
Värde Investment Offerings



1. [redacted]his slide is for illustrative purposes only. The segments are based on Värde's internal classification system. Värde's segments may not align with the categories and definitions [redacted]

There can be no assurance that any Fund will achieve returns or objectives stated herein. The adoption of these performance objectives is not intended to predict any Fund's performance; instead, the objectives are used to help explain how the general partner intends to construct its portfolio. The ultimate returns realized by any Fund will depend on numerous factors, which are subject to uncertainty. Accordingly, there can be no assurances that any performance or return objective will be realized or achieved. In addition, there are a variety of risks that may impede the achievement of the performance objectives. You should not assume that the performance of any specific investment or investment strategy will be profitable, in line with targeted returns or consistent with estimates. Any investment or investment strategy can be impacted by numerous factors, including market and economic conditions, and may result in a loss to investors. There can be no assurance that any future event will occur or that any projections will be achieved. In addition, there are a variety of risks that may impede the achievement of the performance objectives. You should not assume that the performance of any specific investment or investment strategy will be profitable; any investment may result in a loss to investors.

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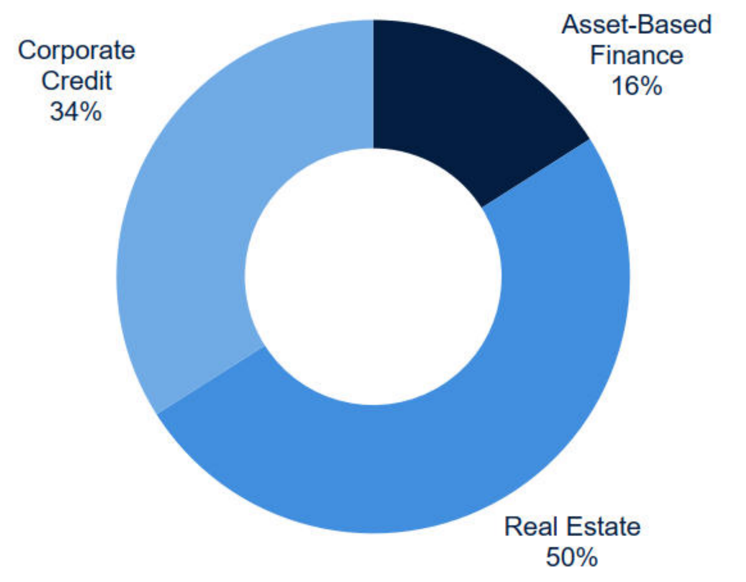
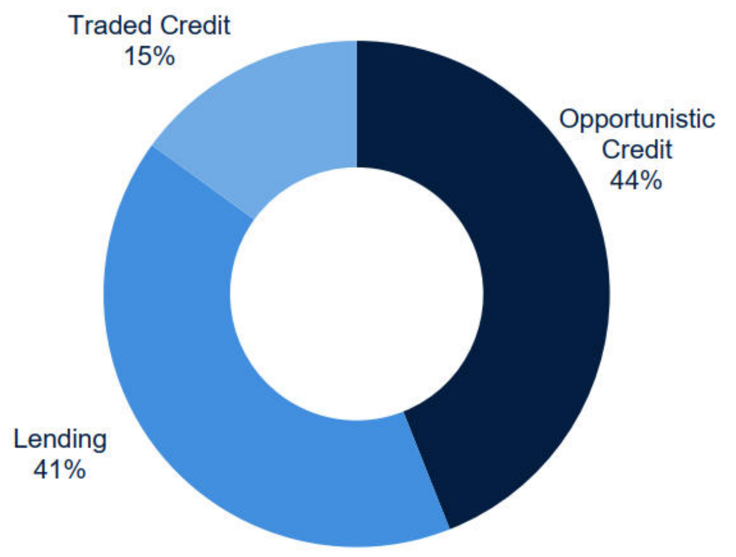
Värde AUM by Segment and Strategy

Total Firm AUM: $16 Billion

Segment



Strategy



Data as of September 30, 2025. AUM includes all committed capital under management. This includes capital that is committed to a Värde-managed fund or account but is currently uncalled. Segments are based on Värde's internal classification system as of the date of this Presentation and may not align with the categories and definitions applied by other market participants.

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Performance Disclaimers and Definitions

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

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

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

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

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

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

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

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

"Net DPI" represents (i) aggregate distributions to the limited partners as of the reporting date divided by (ii) aggregate limited partner drawn capital as of the same date. "Net DPI" reflects the deduction of management fees, carried interest, any direct investment-related expenses and other general Fund expenses.

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

The "Segments" are based on Värde's internal classification system whereby investments are classified according to Värde's internal reporting hierarchy. Värde's segments may not align with the categories and definitions applied by other market participants.

VÄRDE

Callan

February 3, 2026

Marin County Employees' Retirement Association

Private Equity Commitments

David Wong, CFA
Private Equity Consulting

Jim Callahan, CFA
President

Anne Heaphy
Senior Vice President

Eugene O'Neill, CFA
Senior Vice President

Overview

MCERA initiated its Private Equity program in 2008 and has an 8% target to the asset class. The program currently utilizes two fund-of-funds managers, Abbott Capital Management ("Abbott") and Pathway Capital Management ("Pathway").

Each September, Callan presents the commitment pacing analysis which recommends appropriate commitment amounts for upcoming years, enabling MCERA to maintain its private equity exposure at the targeted level over the long term.

- In September 2025, the Investment Committee approved commitments totaling $120 million per Callan's pacing recommendation for 2026.

In the past, the private equity commitments have been evenly divided between Abbott and Pathway. However, the recent announcement of Pathway's acquisition by Clearlake Capital necessitated further discussion on the commitment allocations for 2026.

- In December 2025, it was decided to continue committing capital to Abbott. MCERA committed $60 million to Abbott's AP 2026 program.
- The commitment for the remaining $60 million needs to be determined.

Different options for the remaining commitment are presented in these materials. The following slides cover the topics below:

- MCERA Private Equity Program Overview
- Manager Profiles
- Commitment Options

Callan

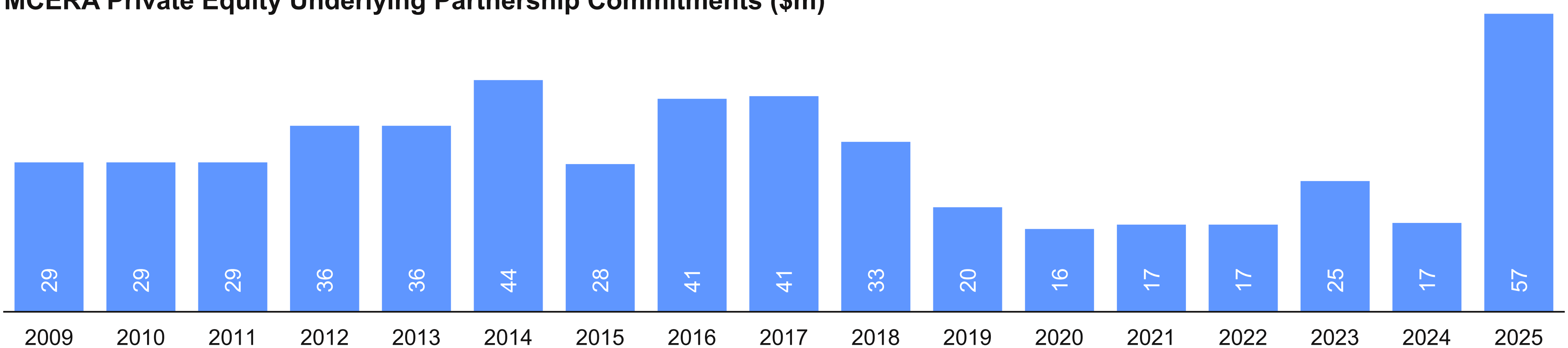
MCERA Private Equity Program Overview

Private Equity Program Overview

MCERA initiated its Private Equity program in 2008 with an 8% target and selected its two fund-of-fund (FOF) managers during the early stages of the Global Financial Crisis.

- 2013 - MCERA reinvested smaller commitments with both managers due to a modest change in the total plan's value and a large backlog of uncalled capital (75% of the original commitment).
- 2015 - MCERA's total plan increased 40%, uncalled commitments declined, and distributions had initiated. Additional commitments of $50 million were made to each manager.
- 2016 - MCERA made $15 million commitments to each manager ($30 million total).
- 2020 and 2022 - MCERA made additional $25 million commitments to each manager.
- 2025 - After pausing in 2024, MCERA restarted commitments totaling $120 million per Callan's pacing recommendation.
- 2026 - MCERA again approved commitments totaling $120 million per Callan's pacing recommendation.

MCERA Private Equity Underlying Partnership Commitments ($m)



Private Equity Program by Manager

Steady Exposure by Manager

MCERA has made equal commitments to each of its two fund-of-funds managers, Abbott and Pathway.

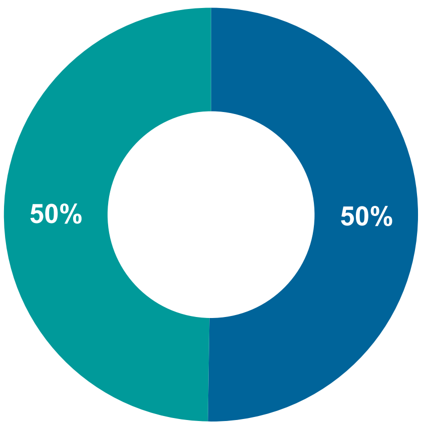
By net asset value (NAV), the portfolio is equally split between the two managers, although Pathway has higher NAV + uncalled capital commitments, due to the recency of MCERA's commitment to PPEF I-12.

Both managers' NAV fell over the past year as distributions exceeded contributions, while underlying investment appreciated modestly.

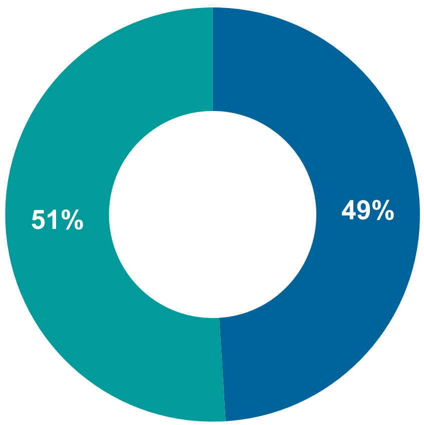
Following Pathway Capital's acquisition, it is prudent to review the manager line up.

Net Asset Value	03/31/2024 ($M)	*% Change*	03/31/2025 ($M)
Abbott	$172	*-8%*	$158
Pathway	$166	*-7%*	$155
Total Private Equity	**$338**	*-7%*	**$312**

NAV by Manager



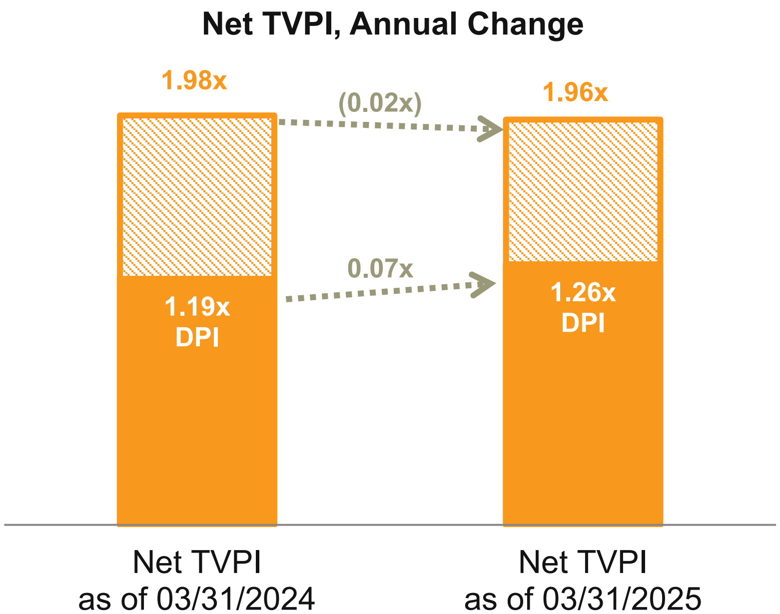
NAV + Uncalled by Manager

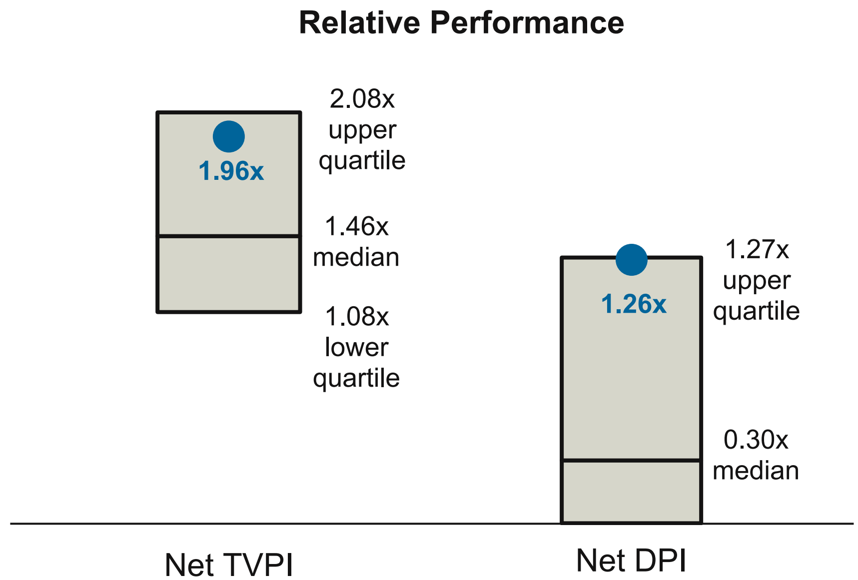


■ Abbott ■ Pathway

$millions

Aggregate Performance





Slight Decline in Net TVPI

Distributions increased this year, but TVPI declined slightly as return of capital outpaced new contributions.

The net TVPI of 1.96x still reflects strong performance for a mature, diversified fund-of-funds program.

Second Quartile Performance

The portfolio has generated upper 2nd quartile performance across both measures, with a strong TVPI near the top quartile.

Given the wide dispersion of private equity returns, delivering consistent 2nd quartile performance is an achievement, and should be the objective for a well-diversified, mature portfolio.

TVPI: Total Value (Distributions + NAV) divided by Paid-In Capital
DPI: Distributions divided by Paid-In Capital
As of 03/31/2025. Quartile Rankings against the Global Private Equity Refinitiv/Cambridge database for vintage years 2008-2024.

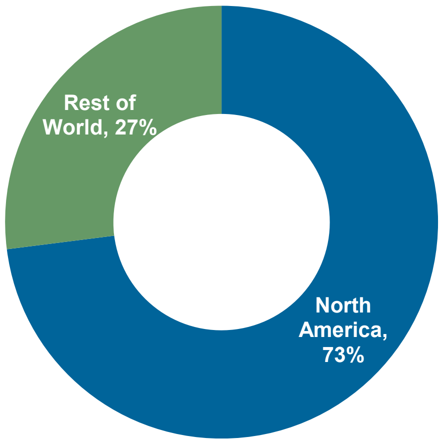
Diversification by Strategy

Well-Diversified Portfolio

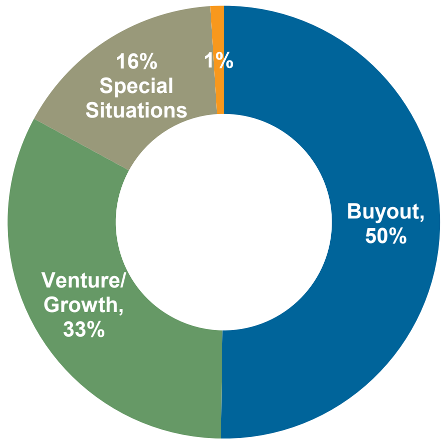
MCERA's fund-of-funds are well-diversified by country, strategy, investment type, and sector, as detailed below:

- North America represents the largest geographic exposure at 73% of NAV.
- By strategy type, buyouts represent 50% of exposure, venture/growth equity 33%, special situations (largely secondaries) 16%, and distressed 1%.
- By investment type, primary funds make up the majority of these portfolios, with co-investments and secondaries still building up to 25%-30%.
- Exposure is diversified across 10 sectors. While technology exposure dominates at 43%, representing the majority of venture/growth exposure, there is good diversification across other sectors.

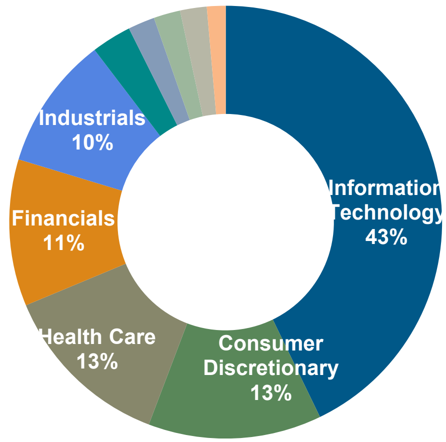
Country Diversification
% of NAV



Strategy Diversification
% of NAV



Sector Diversification
% of NAV



As of 03/31/2025.

Future Commitment Pacing

Consistent with last year's analysis, Callan's pacing model recommends commitments averaging ~$100 million to its fund-of-funds (FOF) managers in 2026 through 2028:

- After pausing in commitments in 2024, these commitments will prevent the private equity allocation from falling too far below target
- Callan recommends a consistent engagement with the asset class to avoid "market timing"

Commitments should moderate from 2029-2032 before increasing again thereafter to match the growth of the Total Plan and a normal overcommitment pace

The pacing model incorporates annual fund-of-fund fundraising timelines and a three-year deployment pace into partnerships.

At the September 2025 meeting, the Board voted to make an additional commitment of $120 million for 2026.

Future Commitments to FOFs ($mm)

Year	Total
2026	**$120**
2027	**$100**
2028	**$90**
2029	**$60**
2030	**$40**
2031	**$40**
2032	**$80**
2033	**$90**
2034	**$100**
2035	**$110**
Total	**$880**

Callan

Manager Profiles

Abbott Capital Management Profile

Year Founded	Headquarters	Ownership	# Employees	# Investment Professionals	AUM
1986	New York City	Employee-Owned	62	20	$16 billion

Overview

- Abbott is a boutique, 100% employee-owned fund-of-funds manager specializing in private equity with $16 billion under management. Abbott's platform spans buyouts, growth equity, and venture capital. It provides commingled fund and separate account solutions with flexible and customizable exposures by strategy and across primaries, secondaries, and co-investments. The Firm has a diversified client base and works with 21 public plan clients, which constitute most of its assets.

Organization/Team Updates

- The firm is managed by the 11 Managing Directors on a consensus basis. In 2023, as part of a planned succession, Jonathan Roth (Co-President) retired, and Len Pangburn transitioned from Co-President to President. There have been no Investment Committee or senior-level departures during the past year.

Strategy Overview

- Abbott's Annual Program (AP) is the Firm's diversified commingled fund-of-funds that invests across primary funds as well as secondaries and co-investments (together up to 25%). Although the strategy allocations within the funds are customizable, they typically have exposure to the following: North American Buyouts (30%), Venture/Growth (30%), Small Buyouts (20%), and European Private Equity (20%).
- Abbott implements a barbell approach, focusing on small, niche funds as well as large, mega funds, particularly in the US.
- The Annual Program is deployed over three vintage years.

Callan Stoplight

Performance

● Within Expectations

Organization

● Within Expectations

Callan Stoplight Legend:

- Within Expectations
- Notable
- Cautionary

Abbott Capital Management – MCERA Performance

Performance Commentary

- Strong, consistent performance since inception. In the aggregate, Abbott has generated second-quartile performance with a 1.9x net TVPI and 14.0% net IRR.
- Given the wide dispersion in private equity performance, Abbott's consistent second-quartile performance across vintages is an achievement for a diversified fund-of-funds program.
- Abbott's focus on small- and mid-sized managers allowed it to take advantage of attractive exit valuations in sponsor-driven deals in 2021, particularly benefitting ACE VII, AP 2016, and AP 2017's TVPIs.
- All mature funds have generated second-quartile IRRs in the mid-teens with TVPIs hovering near 2x.

											Quartile Rank		
Fund	**Vintage**	**Committed**	**Paid-In**	**% Paid-In**	**Uncalled**	**Distributed**	**NAV**	**IRR**	**TVPI**	**DPI**	**IRR**	**TVPI**	**DPI**
Abbott													
ACE VI	2008	100,000,000	99,500,000	100%	500,000	167,630,948	21,033,552	12.3%	1.90	1.68	2nd	2nd	2nd
ACE VII	2014	35,000,000	34,650,000	99%	350,000	52,864,190	29,178,662	17.6%	2.37	1.53	2nd	2nd	2nd
AP 2016	2016	50,000,000	48,861,251	98%	1,138,749	40,918,750	61,253,855	17.6%	2.09	0.84	2nd	2nd	2nd
AP 2017	2017	15,000,000	14,152,502	94%	847,498	8,131,875	19,678,517	17.8%	1.97	0.57	2nd	2nd	Med
AP 2021	2021	25,000,000	14,737,186	59%	10,262,814	0	16,615,598	5.5%	1.13	0.00	2nd	2nd	Med
AP 2023	2023	25,000,000	6,415,625	26%	18,584,375	0	7,214,854	16.4%	1.12	0.00	NM	NM	NM
AP 2025	2025	60,000,000	2,700,000	5%	57,300,000	0	2,700,000	NM	NM	NM	NM	NM	NM
Total		**310,000,000**	**221,016,564**	**71%**	**88,983,436**	**269,545,763**	**157,675,038**	**14.0%**	**1.93**	**1.22**	2nd	2nd	2nd

TVPI: Total Value (Distributions + Net Asset Value) divided by Paid-In Capital
IRR: Internal Rate of Return
As of March 31, 2025. Quartile rankings against the Global Private Equity Refinitiv/Cambridge database, customized for each vintage year.

Pathway Capital Management – Profile

Year Founded	Headquarters	Ownership	# Employees	# Investment Professionals	AUM
1991	Irvine, CA	Employee-Owned	246	82	$95 billion

Overview

- Pathway is a private markets investment manager specializing in private equity, private credit, and real assets. The Firm is known for its tailored approach to investment management, offering customized portfolio solutions to meet client needs, offering commingled fund-of-funds, secondaries funds, co-investment funds, and separate accounts.

Organization/Team Updates

- In November 2025, Pathway announced that it would be acquired by Clearlake Capital, an alternative asset manager that manages private equity and private credit products. The acquisition is a balance-sheet investment by Clearlake, with Pathway serving as the firm's investment solutions business.

- Pathway expects to continue operating independently within Clearlake with no anticipated changes to the team, products, or operations. They expect minimal day-to-day disruption for Pathway clients. The transaction's primary purpose is to provide liquidity for Pathway's co-founders, with any strategic advantages being secondary and limited at the outset. Based on Callan's experience, these transactions can introduce new risks, such as product expansion, accelerated fundraising, conflicts of interest, and team turnover, that should be monitored as integration progresses. As such, we flag the Organization Stoplight as Yellow, for Notable.

Strategy Overview

- Pathway's Private Equity Fund (PPEF) program is the Firm's diversified commingled fund-of-funds that invests across primary funds (>60%) as well as secondaries and co-investments (together < 25%). As PPEF tends to focus on small- to mid-sized funds, little overlap is expected with Abbott in US buyouts.

Callan Stoplight

Performance

● Within Expectations

Organization

● Notable

Callan Stoplight Legend:

- Within Expectations
- Notable
- Cautionary

Pathway Capital Management Acquisition: Overview & Strategic Rationale

What Is Happening

- Pathway Capital Management is being acquired by Clearlake Capital Group, a large global investment firm
- The combined firm will manage approximately $185 billion in assets
- Pathway will keep its name, leadership team, and investment decision-making authority
- The goal is to help Pathway grow while continuing to operate as it does today

Why This Can Be Positive

- Continuity: Maintaining leadership, reducing disruption
- Stronger Platform: Pathway gains access to Clearlake's technology, systems, and operational support
- Growth Support: Clearlake's size and distribution network can help Pathway reach more investors
- Employee Stability: Long-term incentives encourage staff to stay and remain aligned

Independent Review

- Investment consultant Callan held a diligence discussion with Pathway
- Focus areas included governance, conflicts of interest, staff retention, and business continuity

Key Risks, Governance & Mitigation Measures

Main Concerns to Consider

- Could Pathway lose independence?
- Will cultures align?
- Could conflicts of interest arise because Clearlake is also an investor?

How These Risks Are Being Managed

Independence Preserved:

- Clearlake has no role in Pathway's investment decisions
- Pathway continues to operate under its own brand and leadership

Clear Separation:

- Clearlake cannot access Pathway's data, research, or internal systems
- Separate investment committees and systems remain in place

Conflict Safeguards:

- Formal policies are being drafted to govern conflicts of interest
- Clearlake investments are offered to clients only if the client chooses

People & Business Stability

- Senior leaders are receiving equity lockups, aligning them with the business longer term
- Equity ownership has been expanded to a broader group of professionals

Pathway Capital Management – MCERA Performance

Performance Commentary

- Strong performance since inception
- In the aggregate, Pathway has generated consistent second-quartile performance with a 2.0x net TVPI and 14.1% net IRR, with some top-quartile performers offset by third-quartile performers.
- After a sub-par PPEF I-9, which had more exposure to venture funds, Pathway has recovered strongly and produced a strong TVPI with PPEF I-10, largely from the performance of its co-investments.

											Quartile Rank		
Fund	**Vintage**	**Committed**	**Paid-In**	**% Paid-In**	**Uncalled**	**Distributed**	**NAV**	**IRR**	**TVPI**	**DPI**	**IRR**	**TVPI**	**DPI**
Pathway													
PPEF 2008	2008	100,000,000	101,383,639	101%	8,392,436	183,009,643	28,294,912	13.6%	2.08	1.81	2nd	1st	2nd
PPEF I-7	2012	35,000,000	35,097,380	100%	2,541,263	51,961,146	22,774,785	14.7%	2.13	1.48	2nd	2nd	3rd
PPEF I-8	2015	50,000,000	46,054,141	92%	7,054,108	48,265,777	51,297,480	16.6%	2.16	1.05	2nd	2nd	2nd
PPEF I-9	2017	15,000,000	13,036,867	87%	2,614,438	6,848,081	15,958,087	14.4%	1.75	0.53	3rd	3rd	2nd
PPEF I-10	2020	25,000,000	21,380,418	86%	4,131,798	293,843	27,377,560	9.5%	1.29	0.01	2nd	1st	3rd
PPEF I-11	2023	25,000,000	7,535,339	30%	17,551,725	22,676	8,909,454	NM	1.19	0.00	NM	NM	NM
PPEF I-12	2025	60,000,000	0	0%	60,000,000	0	0	NM	NM	NM	NM	NM	NM
Total		**310,000,000**	**224,487,784**	**72%**	**102,285,768**	**290,401,166**	**154,612,278**	**14.1%**	**1.96**	**1.26**	2nd	2nd	2nd

TVPI: Total Value (Distributions + Net Asset Value) divided by Paid-In Capital
IRR: Internal Rate of Return
As of March 31, 2025. Quartile rankings against the Global Private Equity Refinitiv/Cambridge database, customized for each vintage year.

Callan

Commitment Options

Option 1: Maintain Structure & Manager Line Up

Overview

Continue with the existing structure in which Abbott and Pathway each manage half of MCERA's planned $120 million commitment through a fund-of-funds approach.

Rationale

This option preserves stability and continuity in the program, maintains established General Partnership (GP) relationships, and avoids operational disruption.

Pros

- Consistent net of fee performance from both managers: Abbott and Pathway continue to meet expectations.
- Diversification benefits: Two independent fund-of-funds managers provide strategy, pacing, and manager diversification.

Cons

- Pathway uncertainty: The Board may have reservations regarding Pathway following the acquisition.
- Opportunity cost: Does not capture fee savings or strategic benefits available through consolidation or differentiated strategies.

Managers' Current Vehicles

Manager Strategy and Fundraise Timing

Abbott

- **Strategy:**
  - Abbott's Annual Program 2026 product provides a flexible investment strategy allowing investors to allocate among four pools: 1) Venture Capital and Growth, 2) North America Private Equity, 3) Non-US Private Equity, and 4) Global Developed Markets Small Buyouts.
  - Abbott's recommended mix of primary partnerships is unchanged from last year: Venture Capital 30% / US Private Equity 30% / Europe Private Equity 20%/ Small Buyouts 20%.
  - All four Abbott Annual Program strategy pools are intended to contain opportunistic investments (secondaries and co-investments) up to 25%.
- **Timing:**
  - AP 2026 held a first close in January 2026, in which MCERA participated. The Fund is targeting a final close by June 2026 with a fund size of $300-400 million. As of January 15, 2026, the fund had raised $60 million in commitments, with an additional $10 million expected by month-end.
  - By participating in the first close, Abbott has waived MCERA's first year's management fee.

Pathway

- **Strategy:**
  - The PPEF strategy remains a manager-determined mix, with Venture Capital 10-25% / Buyouts 45-70% / Special Situations 10-40%, with up to 30% Non-US.
  - Pathway's target ranges for primary partnerships are expected to be unchanged, with primaries expected to be >60% and direct equities/secondaries <40%.
- **Timing:**
  - Pathway extended the fundraising period for PPEF I-12 March 31, 2026. The fund has closed on $145 million in commitments and expects to close on an additional ~$120 million at final close. PPEF I-13 is expected to start fundraising in 2Q 2026 and should remain open until end-2027.

Manager Reviews: Projected Fee Schedules

Abbott AP 2026 and Pathway PPEF I-12 Vehicles: $60 million commitment per manager

Abbott Fee Projection - AP 2026 Schedule

Year	Calendar	Mgmt Fee	Opp Carry	Total
1	2026	~~75,000~~	0	**~~75,000~~**
2	2027	150,000	0	**150,000**
3	2028	225,000	0	**225,000**
4	2029	300,000	0	**300,000**
5	2030	300,000	0	**300,000**
6	2031	300,000	0	**300,000**
7	2032	300,000	128,571	**428,571**
8	2033	300,000	128,571	**428,571**
9	2034	270,000	128,571	**398,571**
10	2035	243,000	128,571	**371,571**
11	2036	218,700	128,571	**347,271**
12	2037	196,830	128,571	**325,401**
13	2038	147,623	128,571	**276,194**
14	2039	110,717	0	**110,717**
15	2040	83,038	0	**83,038**
Total fee		**$3,144,907**	**$900,000**	**$4,044,907**
Yearly Avg.		**$209,660**	**$60,000**	**$269,660**
Avg bp		**0.35%**	**0.10%**	**0.45%**

Pathway Fee Projection - PPEF I-13 Schedule

Year	Calendar	Mgmt Fee	Opp Carry	Total
1	2025	90,570	0	**90,570**
2	2026	181,139	0	**181,139**
3	2027	271,709	0	**271,709**
4	2028	362,278	0	**362,278**
5	2029	362,278	0	**362,278**
6	2030	362,278	154,286	**516,564**
7	2031	362,278	154,286	**516,564**
8	2032	362,278	154,286	**516,564**
9	2033	326,051	154,286	**480,336**
10	2034	289,823	154,286	**444,108**
11	2035	253,595	154,286	**407,881**
12	2036	217,367	154,286	**371,653**
13	2037	181,139	0	**181,139**
14	2038	144,911	0	**144,911**
15	2039	108,684	0	**108,684**
Total fee		**$3,876,380**	**$1,080,000**	**$4,956,380**
Yearly Avg.		**$258,425**	**$72,000**	**$330,425**
Avg bp		**0.43%**	**0.12%**	**0.55%**

- Both managers' fee schedules are unchanged from last year.
- Abbott AP 2026 includes a prior commitment discount applied to 10 years of prior commitments, and an early close discount, which waives the first year's management fee (MCERA participated in the first close and has its first-year management fee waived).
- Pathway is charging MCERA's "Targeted Fee Rate" of 95% of the prior fund's fee, consistent with the prior three commitments. This is different (less than) the standard fee outlined in the I-Series marketing materials.
- Both managers charge a 10% carried interest on secondary and co-investments. Abbott expects to invest 25% and Pathway 30% in carry investments.
- Both managers charge MCERA a low management fee. In Callan's most recent fee study on Fund-of-Fund fees, the median management fee was 0.75%.

Option 2: Consolidate Manager Line Up

Overview

Transition from a two-manager fund-of-funds structure to a single primary manager responsible for the full private equity program. Deploy $120 million with Abbott.

Rationale

A consolidated approach can deliver cost efficiencies, simplify oversight, and deepen the strategic partnership Abbot, while preserving existing manager relationship.

Pros

- Strong historical performance: Abbott has delivered consistently strong returns across vintages, with disciplined underwriting and durable access to high-quality GPs.
- Potential fee savings: A single manager may offer improved pricing on future commitments through economies of scale, reduced administrative layers, and streamlined reporting. Initial indications suggest a 20% fee reduction.
- Stronger GP relationship: Concentrating capital enhances MCERA's influence and access to top-tier underlying managers, co-investments, and secondary opportunities.
- Operational simplicity and customization: Reduces administrative complexity, due diligence demands, and monitoring requirements across the program.

Cons

- Manager concentration risk: Relying on a single platform reduces MCERA's optionality if performance, team stability, or strategy drifts over time.

Manager Reviews: Projected Fee Schedules

Abbott AP 2026: $120 million commitment

Abbott Fee Projection - AP 2026 Schedule

Year	Calendar	Mgmt Fee	Opp Carry	Total
1	2026	~~120,000~~	0	**~~120,000~~**
2	2027	240,000	0	**240,000**
3	2028	360,000	0	**360,000**
4	2029	480,000	0	**480,000**
5	2030	480,000	0	**480,000**
6	2031	480,000	0	**480,000**
7	2032	480,000	257,143	**737,143**
8	2033	480,000	257,143	**737,143**
9	2034	432,000	257,143	**689,143**
10	2035	388,800	257,143	**645,943**
11	2036	349,920	257,143	**607,063**
12	2037	314,928	257,143	**572,071**
13	2038	236,196	257,143	**493,339**
14	2039	177,147	0	**177,147**
15	2040	132,860	0	**132,860**
Total fee		**$5,031,851**	**$1,800,000**	**$6,831,851**
Yearly Avg.		**$335,457**	**$120,000**	**$455,457**
Avg bp		**0.28%**	**0.10%**	**0.38%**

- Abbott has offered a 20% reduction to the effective management fee with a $120 million commitment to AP 2026, reducing the effective management fee to 28 basis points from 35 basis points with a $60 million commitment.

Option 3: Replace Pathway with Fund-of-Funds manager

Overview
Replace Pathway with a new private equity fund-of-funds manager that pairs well with Abbott.

Rationale
A differentiated fund-of-funds manager could provide exposures not fully captured through Abbott, and removes uncertainty regarding Pathway acquisition

Pros
- Preserved diversification: Retaining a two-manager structure continues to diversify manager risk, investment styles, and implementation approaches rather than relying on a single fund-of-funds platform. Reduced organizational risk: Replacing Pathway removes uncertainty related to its acquisition, future strategic priorities, and potential changes in team stability or investment process.
- Reduced organizational risk: Replacing Pathway removes uncertainty related to its acquisition, future strategic priorities, and potential changes in team stability or investment process.
- Continuity of structure: Maintains a familiar program design, limiting disruption to pacing, oversight, and administrative processes.

Cons
- Manager search requirement: A full search and due diligence process is required to identify a suitable replacement with strong capabilities, stability, and cultural alignment.
- Transition considerations: Careful coordination is needed to manage commitment timing and pacing as the program transitions from Pathway to a new manager
- Implementation lag: Depending on market conditions and fundraising cycles, there may be a delay before capital is fully deployed through the new relationship.

Manager Reviews: Projected Fee Schedules

New gatekeeper: Illustrative fees for a $60 million commitment

Fund	Fund ABC Global Fund	
Target Commitment Period	3 Years	
Investment Mix	55-60% primaries; 35-45% secondaries and co-investments; up to 10% direct growth equity	
Illustrative Management Fees	**Subscription Amount**	**Average Annual Rate**
	<$25 million	0.69%
	$25 million to <$50 million	0.65%
	$50 million to <$75 million	0.57%
	$75 million to <$100 million	0.42%
	$100 million to <$150 million	0.27%
	> $150 million	0.23%
Credit for Prior Subscriptions	A credit amount for prior subscriptions may be applied towards the management fee schedule.	
Carried Interest	10% on secondary; 12.5% on co-investments; 15% on private credit and private market manager investments (7% preferred return for carry strategies); no carried interest on primary investments.	

- A new $60 million commitment to this illustrative manager would incur an initial effective management fee of 57 basis points. Subsequent commitments would reduce the effective management fees from there, though it is difficult to calculate the reduction without a history of prior commitments.

Summary of Options

Decide how to allocate the remaining $60 million commitment:

Option 1:
Continue to split the allocation between Abbott and Pathway:
Consideration: Benefit from existing scale with managers. Requires Board be comfortable with Pathway transaction.

Option 2:
Commit $120 million to Abbott:
Consideration: 20% discount to current existing Abbott fee. Concentrates exposure with one manager.

Option 3:
Split the allocation between Abbott and a new manager:
Consideration: Higher fees in the early stage of relationship. Provides diversification.

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D.1 Future Meetings

This is a discussion with no backup.

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Preliminary Performance Summary (Net of Fees)

Marin County Employees' Retirement Association
Defined Benefit Plan

Managers	December 2025 Market Value	Fiscal Year To Date 7/1/25 - 12/31/25	Calendar Year To Date 1/1/25 - 12/31/25
Domestic Equity	**$1,300,653,771**	**10.5%**	**15.3%**
Russell 3000 Index		*10.8%*	*17.2%*
SSGA Russell 1000 Index	**$1,024,317,706**	**10.6%**	**17.4%**
Russell 1000 Index		*10.6%*	*17.4%*
Dimensional Fund Advisors	**$303,358,269**	**9.3%**	**7.7%**
Russell 2000 Index		*14.9%*	*12.8%*
Parametric Domestic Equity Overlay	**-$27,022,204**		
International Equity	**$834,835,702**	**10.4%**	**33.2%**
MSCI ACWI ex-US IMI Index		*12.0%*	*32.0%*
SSGA World ex US Index	**$426,243,231**	**10.9%**	**32.4%**
MSCI World ex-US Index		*10.8%*	*31.9%*
TimesSquare	**$146,343,102**	**2.9%**	**31.3%**
MSCI EAFE Small Cap Index		*9.1%*	*31.8%*
KBI Global Resources	**$134,214,318**	**4.0%**	**14.0%**
MSCI World SMID Cap Index		*8.6%*	*18.4%*
FIAM Emerging Markets	**$237,561,439**	**17.7%**	**38.1%**
MSCI Emerging Markets Index		*15.9%*	*33.6%*
Parametric International Equity Overlay	**-$109,526,388**		
Fixed Income	**$884,490,345**	**3.1%**	**6.9%**
Bloomberg U.S. Aggregate Index		*3.2%*	*7.3%*
Wellington	**$377,085,814**	**3.5%**	**7.6%**
Dodge & Cox	**$380,373,387**	**3.9%**	**n/a**
Bloomberg U.S. Aggregate Index		*3.2%*	*7.3%*
Parametric Fixed Income Overlay	**$126,307,839**		

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

Callan

Preliminary Performance Summary (Net of Fees)

Marin County Employees' Retirement Association
Defined Benefit Plan

Managers	December 2025 Market Value	Fiscal Year To Date 7/1/25 - 12/31/25	Calendar Year To Date 1/1/25 - 12/31/25
Real Estate*	**$275,616,198**	**1.5%**	**4.6%**
Real Estate Benchmark		*3.5%*	*6.9%*
Woodmont	$13,609,998	**-**	**-**
UBS Trumbull Property Fund	$86,703,382	**2.2%**	**5.0%**
AEW Core Property Trust	$105,225,458	**0.7%**	**2.2%**
BlackRock REIT Index	$30,761,410	**4.3%**	**3.6%**
Parametric Real Estate Overlay	**$39,315,950**		
Private Equity	**$270,746,614**	**-1.4%**	**4.9%**
Abbott ACE VI	$14,312,642		
Abbott ACE VII	$25,531,208		
Abbott AP 2016	$55,598,741		
Abbott AP 2017	$19,199,036		
Abbott AP 2021	$19,905,535		
Abbott 2023	$9,917,013		
Abbott 2025	$10,448,689		
Pathway PPEF 2008	$24,684,874		
Pathway PPEF I-7	$19,251,143		
Pathway PPEF I-8	$46,361,216		
Pathway PPEF I-9	$15,325,624		
Pathway PPEF I-10	$28,650,940		
Pathway PPEF I-11	$11,807,862		
Pathway PPEF I-12	-$297,964		
Parametric Private Equity Overlay	**-$29,949,945**		
Private Credit	**$192,193,207**	**2.6%**	**7.2%**
CarVal Credit Value Fund V	$24,861,544		
Fortress Credit Opportunities Fund V Expansion	$26,855,177		
Varde Dislocation Fund	$9,471,971		
Parametric Private Credit Overlay	$131,004,515		
Total Fund	**$3,758,535,837**	**6.4%**	**14.6%**

*Real Estate composite returns include Public Real Assets from 6/30/15 to 11/30/25.

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