

Recommendation on Claren Road Credit Fund

To: RISIC
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From: Thomas Lynch, CFA, Senior Managing Director

Claren Road Credit Fund (the “Fund”) is a long/short credit fund managed by Claren Road Asset Management (“Claren Road”). ERSRI initially invested with the Fund in April 2013 as part of the Real Return Portfolio. As of August 31, 2015, ERSRI has \$43 million invested in the Fund. From April 2013—August 2015, the Fund has performed poorly with an annualized return of -6.20% net of fees. In addition to poor performance, the Claren Road has not demonstrated adequate portfolio risk controls over the past 12 months. Performance has also resulted in significant levels of investor redemptions.

Cliffwater recommends that ERSRI redeem from Claren Road Credit Fund.

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