

Recommendation on Luxor Capital Partners, L.P.

To: RISIC
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Luxor Capital Partners, L.P. (the “Fund”) is an event driven fund managed by Luxor Capital Group (“Luxor”). ERSRI initially invested with the Fund in May 2014 as part of the Global Equities Portfolio. As of February 29, 2016, ERSRI has \$35 million invested in the Fund. From March 2014 through February 2016, the Fund has performed poorly with an annualized return of -18.3% net of fees. Underperformance has resulted from poor investment selection and inadequate hedging. Performance has also resulted in significant levels of investor redemptions.

Cliffwater recommends that ERSRI redeem from Luxor Capital Partners, L.P.

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