

### Recommendation on BlueCrest Capital

To: RISIC  
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BlueCrest Capital (the “Fund”) is a global macro fund managed by BlueCrest Capital Management (“BlueCrest”). ERSRI initially invested with the Fund in January 2012 as part of the Real Return Portfolio. As of January 31, 2015, ERSRI has \$20 million invested in the Fund. From January 2012-January 2015, the Fund has performed poorly with an annualized return of -0.65% net of fees.

As part of its longer term under performance, the Fund produced a -5.99% return in January 2015. This larger than expected, one month return was due to a short position in the Swiss Franc. A decision by the central bank in Switzerland to de-peg the Swiss Franc from the Euro resulted in a significant appreciation in the Swiss currency and a large loss by the Fund.

Cliffwater recommends that ERSRI redeem from BlueCrest Capital due to performance.

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