



To: SBCERA Investment Committee

From: Neil Sheth

Date: June 2, 2026

Subject: Greywolf Maritime Opportunities Fund III Investment and related SBCERA SMA

Summary

NEPC's Real Asset Research Team has met with and reviewed the Greywolf Maritime Opportunities Fund III (report attached) and states that the strategy has the potential to generate attractive levels of current income and provide diversification benefits to an existing private credit or infrastructure portfolio. In short, NEPC believes this investment as structured by the SBCERA Investment Team offers an attractive risk/reward, with attractive net IRRs and MOICs, in a niche segment of the global shipping industry.

The Fund and the accompanying SMA will specifically target mid-to-end-of-life assets in versatile but highly fragmented sectors of the shipping industry, including feeder container ships, multi-purpose/heavy lift ships, and small tankers. The portfolio manager of this investment strategy is James Kelly, who has been at Greywolf for eighteen of the past twenty-two years and leads its Maritime Opportunities Funds. The Greywolf Investment Team partners with Conbulk, a Greek shipping operations company, to source, undertake technical, operational and engineering underwriting of each ship before committing to an investment. Conbulk and Greywolf have worked together for each of the prior Greywolf Opportunities Funds and have produced a very attractive track record together.

Investment Specifics

The SBCERA Investment Team is proposing a \$125MM investment into Greywolf Maritime structured as follows:

- \$25MM to Greywolf Maritime Opportunities Fund III which has a targeted net IRR of 15% plus and a net MOIC of 1.8x over its fund-life of seven years
- \$100MM to a SBCERA SMA in a strategy with a slightly lower return objective of a net IRR of 12% plus and a MOIC of 1.5-1.6x. This SMA will focus on ship acquisitions that fall slightly below the Fund's return objectives. However, these ships have longer charters in place which means they generate more current income and have lower risk/return parameters.