



SBCERA Board Meeting Q2 2019

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Performance Overview

SBCERA Performance

Performance as of March 31, 2019



| SNAPSHOT | | CREDIT LINE | | |
|---|--------------|-----------------------------------|--|----------------|
| SBCERA Commitments prior to 2015 | \$17,300,000 | <u>Principal Amount Available</u> | <u>Amount Drawn</u> | <u>% Drawn</u> |
| SBCERA Commitment (since 1/1/15) | 307,500,000 | \$100,000,000 | \$86,019,200 | 86.0% |
| SBCERA Funded Equity | 177,728,894 | | | |
| SBCERA Unfunded Equity | 129,771,106 | | | |
| <u>Estimated Returns</u> | | <u>Investments Funded on Line</u> | <u>Percent of Funded Amount Utilizing Line</u> | |
| 2019 Q1 HF Return (Levered) [#] | 1.8% | Real Estate Bridge Lending | 97% | |
| 2019 Q1 HF Return (Unlevered) [#] | 1.5% | Corrum Alternative Income Fund | 46% | |
| | | Ethanol Loan | 100% | |
| | | Eleven | 21% | |
| 2019 YTD HF Return (Levered) [#] | 1.8% | Corrum Aviation Investors 2018 | 100% | |
| 2019 YTD HF Return (Unlevered) [#] | 1.5% | Corrum Capital Railcar Partners | 23% | |
| | | Watford | 100% | |
| ITD PE IRR (Levered) ^{##} | 9.8% | | | |
| ITD PE IRR (Unlevered) ^{##} | 7.8% | | | |

[#] HF returns are net of Corrum fees

^{##} PE IRR returns are gross of Corrum fees

**All credit line data is as of the date this report is delivered*

| PERFORMANCE (Unlevered) | | | | | | | | | | | | |
|--|-------------------------|-----------------------|----------------------|----------------------|---------------------|-----------------------------------|--------------------------|-------------------------|--------------|------------------------------|---------------------------|---------------------------|
| Investment | Initial Investment Date | Strategy | Commitment | Funded | ITD Cash Returned | Current Market Value ¹ | Total Value ¹ | Gross MOIC ¹ | DPI | Gross ITD IRR ^{1,2} | QTD Return ^{1,2} | YTD Return ^{1,2} |
| CLO Investments I* | February-13 | Structured Credit/CLO | \$7,000,000 | \$7,268,826 | \$9,350,725 | \$27,442 | \$9,378,167 | 1.29x | 1.29x | 8.0% | -4.9% | -4.9% |
| CLO Investments II* (exited) | December-14 | CLO | 3,300,000 | 3,300,000 | 4,716,848 | - | 4,716,848 | 1.43x | 1.43x | 32.9% | - | - |
| ICE Global CLO 2013* | April-13 | CLO | 5,000,000 | 4,504,000 | 3,591,164 | 1,658,000 | 5,249,164 | 1.17x | 0.80x | 3.8% | - | - |
| Gateway Mezzanine Partners II ** | March-15 | Direct Lending | 15,000,000 | 13,402,337 | 9,483,198 | 4,963,320 | 14,446,518 | 1.08x | 0.71x | 5.8% | 1.8% | 1.8% |
| PAG Asia Loan Fund II *** | December-14 | Direct Lending | 2,000,000 | 1,191,067 | 1,280,685 | 196,555 | 1,477,240 | 1.24x | 1.08x | 17.0% | 3.3% | 3.3% |
| Real Estate Bridge Lending** | March-16 | Direct Lending | 15,000,000 | 15,000,000 | 3,437,405 | 14,987,870 | 18,425,275 | 1.23x | 0.23x | 8.1% | 2.0% | 2.0% |
| CCM Aviation Parent | January-19 | AB Lending | 8,500,000 | 7,437,500 | - | 7,505,441 | 7,505,441 | 1.01x | 0.00x | 5.8% | 5.8% | 5.8% |
| Corrum Capital Alternative Income Fund** | January-16 | TF & AB Lending | 100,000,000 | 78,600,000 | - | 86,260,600 | 86,260,600 | 1.10x | 0.00x | 6.5% | 1.1% | 1.1% |
| Eleven | March-18 | AB Lending | 15,000,000 | 15,000,000 | - | 16,305,224 | 16,305,224 | 1.09x | 0.00x | 16.6% | 4.0% | 4.0% |
| Ethanol Loan | October-16 | AB Lending | 5,000,000 | 5,000,000 | 1,417,032 | 4,709,856 | 6,126,888 | 1.23x | 0.28x | 9.9% | -0.5% | -0.5% |
| Watford**** | December-18 | AB Lending | 9,827,775 | 9,827,775 | - | 10,545,621 | 10,545,621 | - | - | 11.2% | 2.8% | 2.8% |
| CCM Aviation Holdings 1 | May-16 | Leasing | 2,000,000 | 2,123,766 | 507,500 | 2,479,986 | 2,987,486 | 1.41x | 0.24x | 13.6% | 2.1% | 2.1% |
| CCM Aviation Holdings 2 | July-16 | Leasing | 5,000,000 | 5,000,000 | 2,257,204 | 4,661,161 | 6,918,365 | 1.38x | 0.45x | 16.3% | 1.5% | 1.5% |
| Corrum Capital Aviation Investors 2018 | July-18 | Leasing | 50,000,000 | 12,000,000 | - | 12,644,032 | 12,644,032 | 1.05x | 0.00x | 8.9% | 1.6% | 1.6% |
| Corrum Capital Aviation Partners | June-17 | Leasing | 47,125,000 | 33,458,750 | - | 37,819,273 | 37,819,273 | 1.13x | 0.00x | 8.7% | 2.6% | 2.6% |
| Corrum Railcar Partners**** | June-18 | Leasing | 30,000,000 | 28,500,000 | - | 29,185,129 | 29,185,129 | 1.02x | 0.00x | 3.6% | 1.6% | 1.6% |
| Foreland Co-Investment | May-16 | Energy Co-Investment | 5,000,000 | 4,935,370 | - | 6,619,872 | 6,619,872 | 1.34x | 0.00x | 12.0% | - | - |
| Open Commitment | | | 47,225 | | | | | | | | | |
| Total | | | \$324,800,000 | \$246,549,391 | \$36,041,761 | \$240,569,382 | \$276,611,143 | 1.12x | 0.15x | 7.8% | 1.5% | 1.5% |

Footnotes

* Includes principal & coupon in cashflow and CLO's are not expected to return par

** Excludes Points

***Funded on PAG LOC

****Includes bridge commitment of \$10 million

*****Net of hedge

¹ Italics represent an estimate and not final performance or values.

² Returns are unlevered and gross of Corrum fees.

Allocation Overview

SBCERA Investment Overview

Portfolio as of April 30, 2019



As of April 30, 2019, Corrum Capital manages the following for SBCERA:

- Approximately \$455 million of commitments across GCO and GCO Co-Invest
- Approximately \$359 million of market value across GCO and GCO Co-Invest
- City National Bank subscription facility for the GCO Co-Invest with availability of up to \$100 million
- Weighted Average Management Fee across all Corrum funds of 0.39%

| Funds | Committed (\$) | NAV (\$)* | Fee Structure |
|---------------------------------------|----------------|-------------|--|
| Global Credit | 125,000,000 | 118,500,000 | <ul style="list-style-type: none"> · Mgmt Fee 100 bps · 20% rebate on other LP mgmt and incentive fees, if NAV > \$100m · Incentive Fees 10% over hard hurdle of 10% |
| Global Credit Co-Invest | 329,800,000 | 240,569,382 | <ul style="list-style-type: none"> · Mgmt Fee 12 bps · Incentive Fees on investment-by-investment basis · Incentive Fees 10% over hard hurdle of 10% |
| <i>Corrum Alt. Income Fund</i> | 100,000,000 | 86,260,600 | · No additional manager fees on Corrum Funds |
| <i>Corrum Aviation Partners</i> | 47,125,000 | 37,819,273 | |
| <i>Corrum Aviation Partners II</i> | 5,000,000 | - | |
| <i>Corrum Aviation Investors 2018</i> | 50,000,000 | 12,644,032 | |
| <i>Corrum Railcar Partners</i> | 30,000,000 | 29,185,129 | |
| <i>CCM Aviation 1</i> | 2,000,000 | 2,479,986 | |
| <i>CCM Aviation 2</i> | 5,000,000 | 4,661,161 | |
| <i>CCM Aviation Parent</i> | 8,500,000 | 7,505,441 | · No additional manager fees |
| <i>Corrum - Other</i> | 39,875,000 | 39,838,573 | |
| <i>Non-Corrum Managers</i> | 42,300,000 | 20,175,187 | · Wtd Avg Mgmt Fee of 1.66% |

* NAV is based on 3/31/19 estimated values, gross of the subscription line

| Other | Available (\$)** | Drawn (\$) | Fee Structure |
|----------------------------------|------------------|------------|---|
| CNB Subscription Facility | 100,000,000 | 86,019,200 | <ul style="list-style-type: none"> · Interest rate of 5.00% (LIBOR+2.50%) · Corrum handles all covenants and compliance |

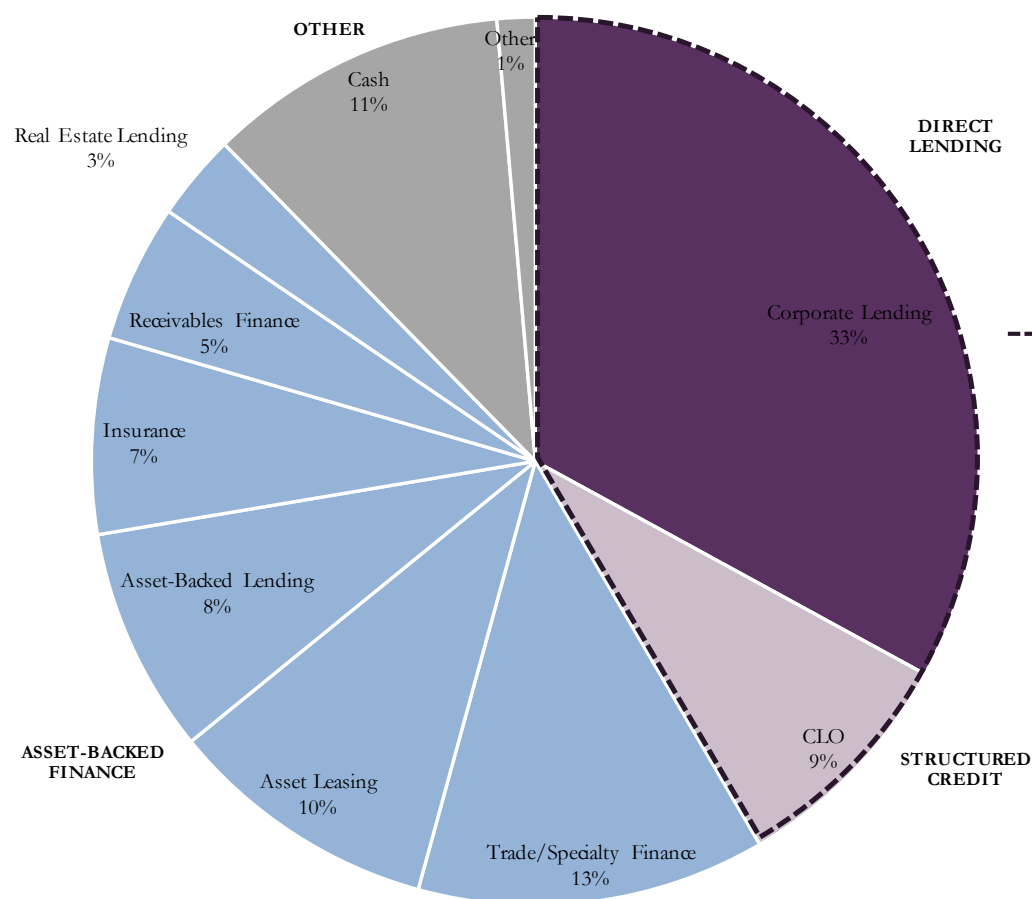
** Available amount to draw based on lower of \$100 million or 75% of unfunded commitments

Global Credit Opportunities

Portfolio as of March 31, 2019



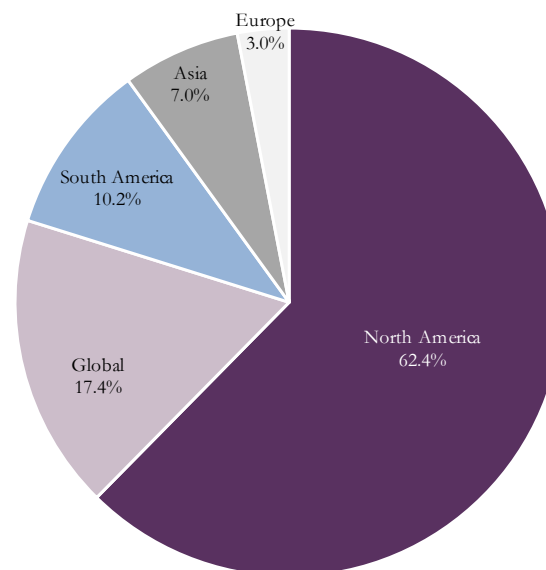
GCO Exposure by Strategy



Corporate Credit Industry Exposure

| Sector | % Corporate Credit | % of Total GCO |
|-----------------------------|--------------------|----------------|
| Telecom, Media, Tech | 24.6% | 10.2% |
| Consumer | 20.4% | 8.5% |
| Construction, Manufacturing | 16.3% | 6.8% |
| Business/Financial Services | 9.3% | 3.9% |
| Energy | 7.7% | 3.2% |
| Transportation | 6.5% | 2.7% |
| Healthcare | 5.5% | 2.3% |
| Other | 9.7% | 4.0% |
| Total | 100.0% | 41.6% |

GCO Exposure by Geography



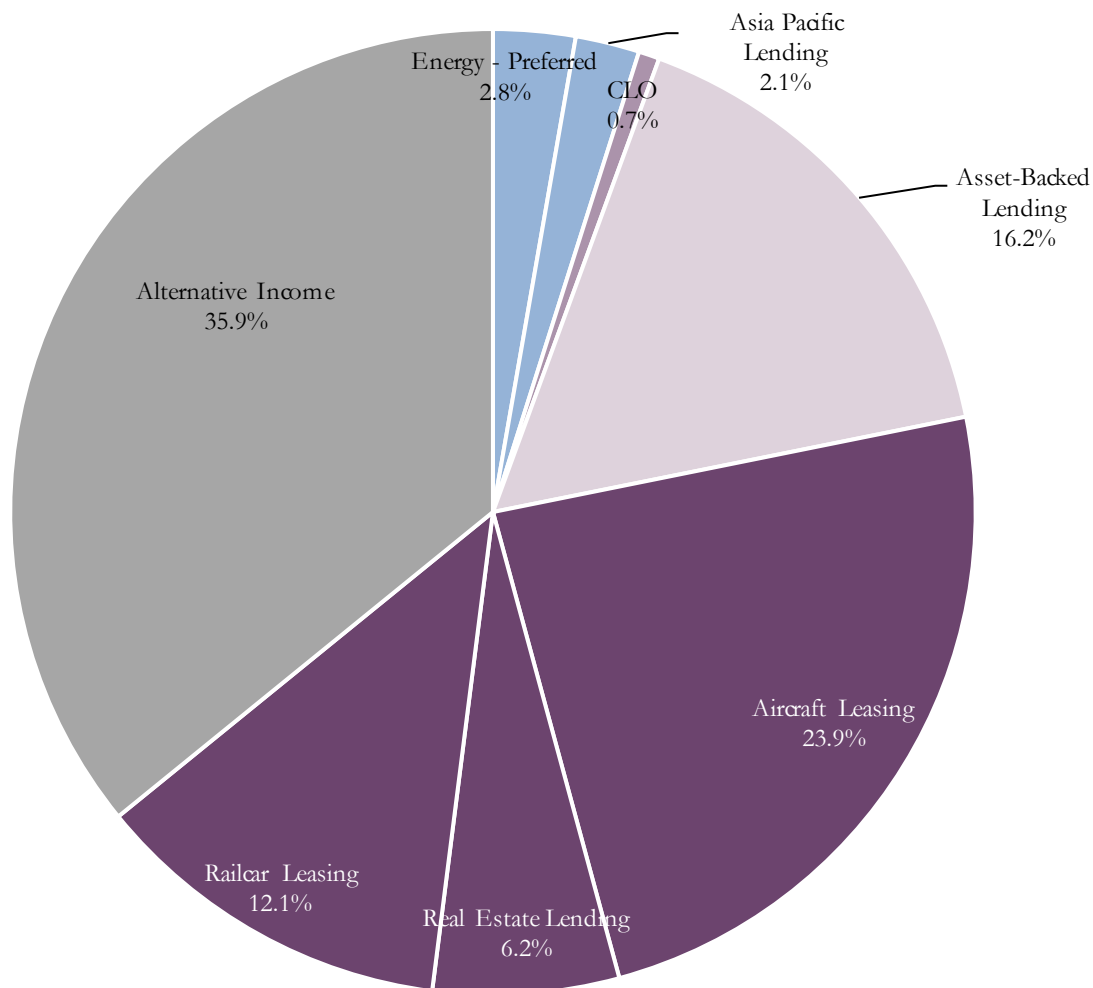
- 1) Portfolio allocation is as of March 31, 2019. Please note that the categorizations of the strategies are subject to change without notice. Cash allocation is existing cash less unfunded capital commitments.
- 2) Capital commitment structure; net asset value plus unfunded commitment amount is shown.

SBCERA Co-Invest

Portfolio as of March 31, 2019



SBCERA NAV of \$240.6 million within the GCO Co-Investment Fund (ex. LOC) based on 3/31/19 estimated values



Remaining SBCERA Positions in Side Pocket (Pre-CCM)

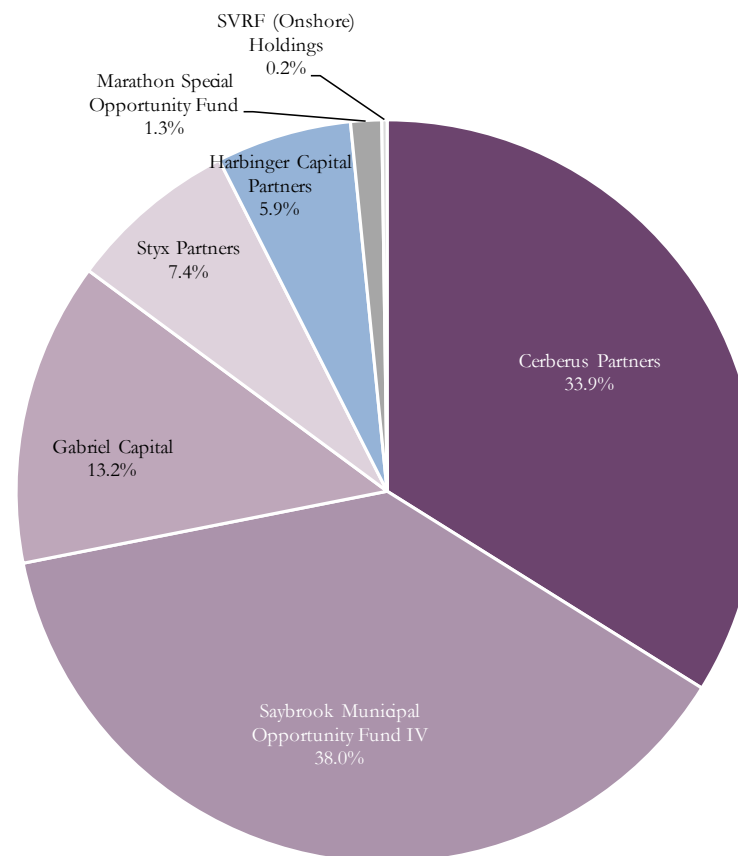
Portfolio as of March 31, 2019



We continue to progress with liquidating the legacy positions, which are holdovers from investments made by a different team at the prior firm before 2009

- The remaining side pocket portfolio represents \$6.7 million of NAV
- Over the past several years, CCM/managers have liquidated or sold the vast majority of these challenged assets at a profit
- Remaining investments are mostly real estate and private equity related which we expect to have exits in the next 24 months

Remaining Side Pocket Positions



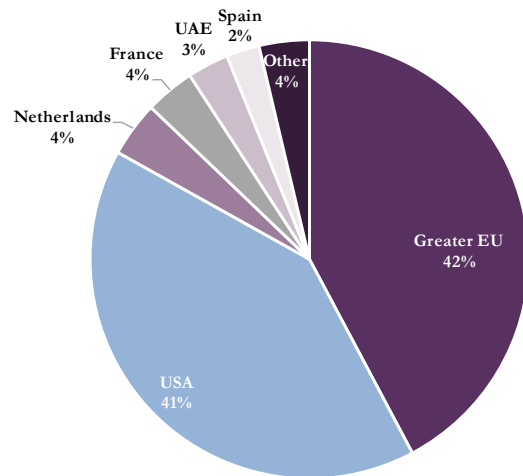
Corrum Capital Alternative Income Fund, LP

Portfolio as of March 31, 2019

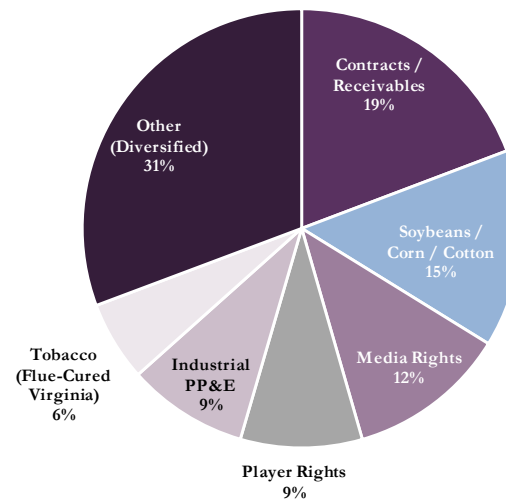


The AIF portfolio is comprised of a diversified set of collateralized loans and investments with exposure to a broad range of underlying collateral types and payors that are predominantly from developed markets

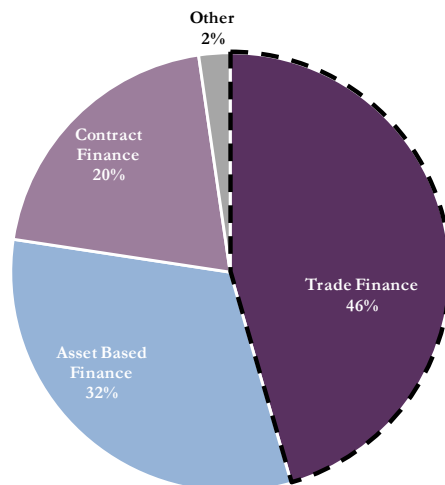
Portfolio by Payor Geography



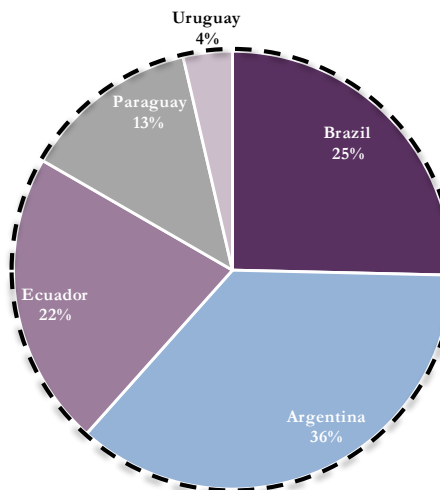
Portfolio Exposure by Collateral Type



Portfolio by Strategy



Trade Finance - Production Geography



PORTFOLIO STATISTICS*

AS OF MARCH 31, 2019

WAVG Gross Yield 10.3%

WAVG Duration (Underlying Loans) 16 Months

AVG Deal Size (Underlying Loans) \$6.2MM

Number of Underlying Loans 43

Currently Outstanding ~\$245MM

Amount Funded to Date ~\$487MM

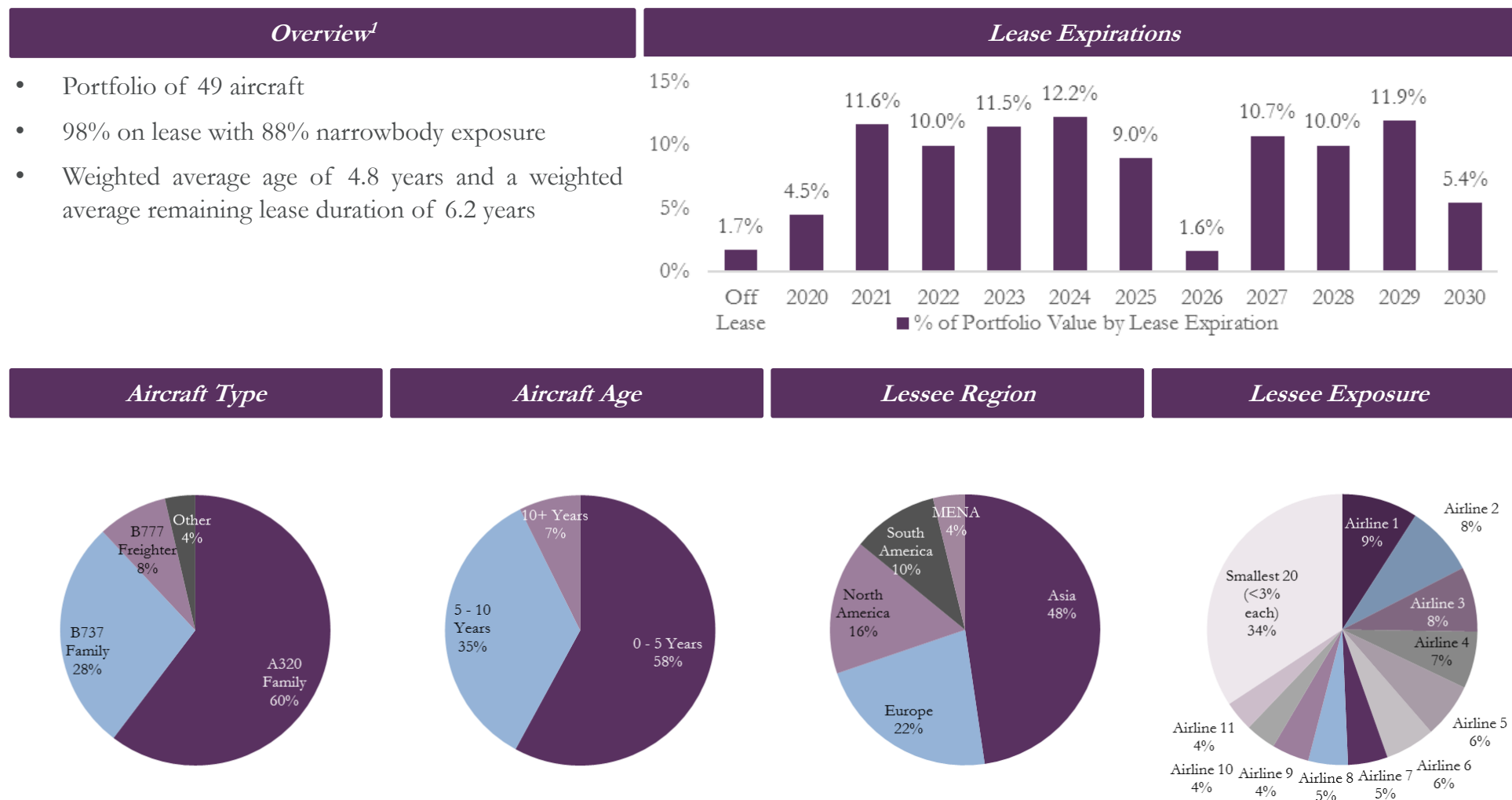
* Includes transactions of AIF and affiliated entities

Corrum Capital Aviation Partners, LP

Portfolio as of May 31, 2019



Corrum Capital and WCP continue to build a diversified portfolio of predominantly narrowbody aircraft on lease to airlines globally



¹) Includes 31 owned aircraft and 18 aircraft subject to LOIs/PSAs

Note: Charts above include 18 aircraft subject to LOIs/PSAs; weighted based on purchase price

Corrum Capital Aviation Investors 2018, LP

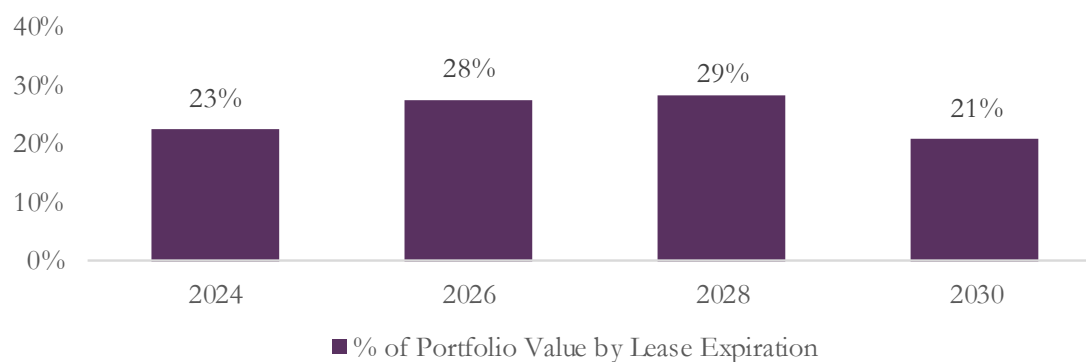
Portfolio as of May 31, 2019



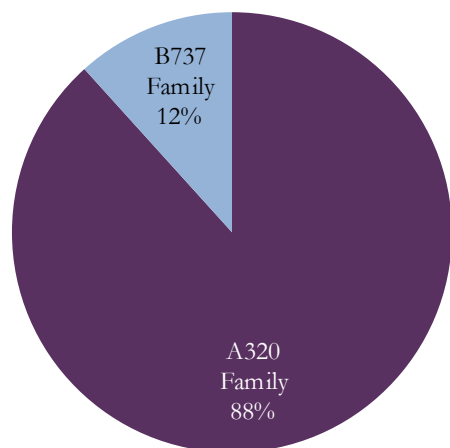
Overview

- Existing Portfolio of 3 aircraft with an additional 5 aircraft under LOI
- Pro forma for the 5 aircraft under LOI, the aircraft in the Portfolio have a weighted average age of 3.7 years and a weighted average remaining lease duration of 8.4 years
- Robust pipeline of aircraft in earlier stages of diligence

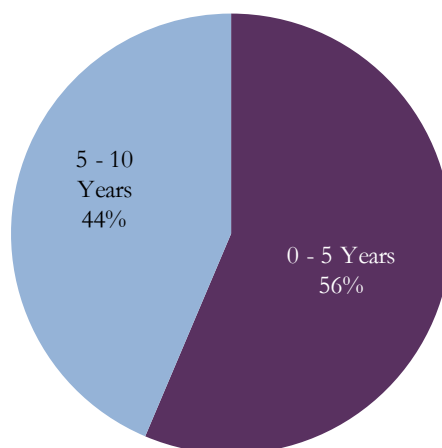
Lease Expirations



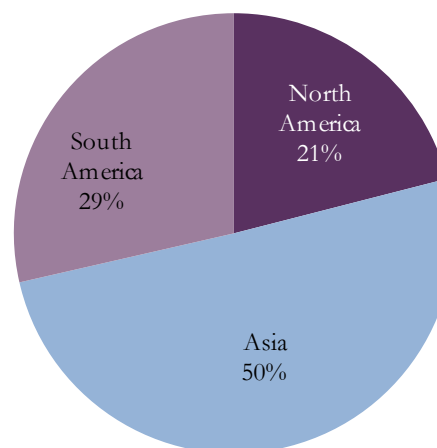
Aircraft Type



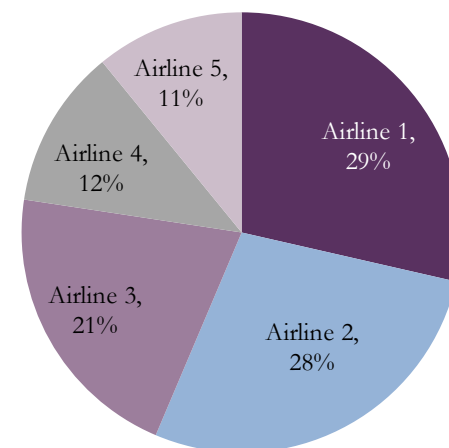
Aircraft Age



Lessee Region



Lessee Exposure



Note: above charts include 5 aircraft under LOI; weighted based on underlying aircraft values

Corrum Capital Railcar Partners, LP

Portfolio as of May 31, 2019

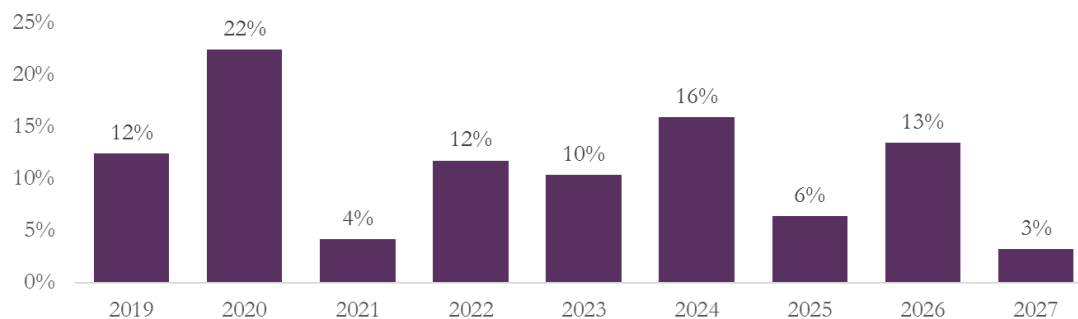


Corrum Capital and RGCX continue to build a diversified portfolio of railcars

Overview

- Existing Portfolio of ~3,900 railcars
- Weighted average age of 14.5 years and a weighted average remaining lease duration of 3.7 years
- Additional ~500 railcars currently subject to LOI

Lease Expirations

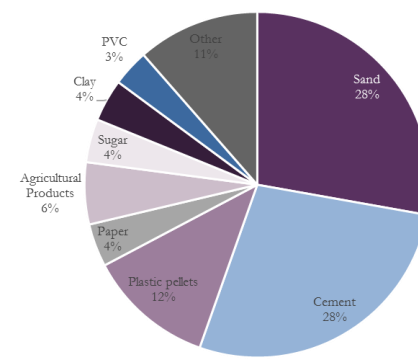
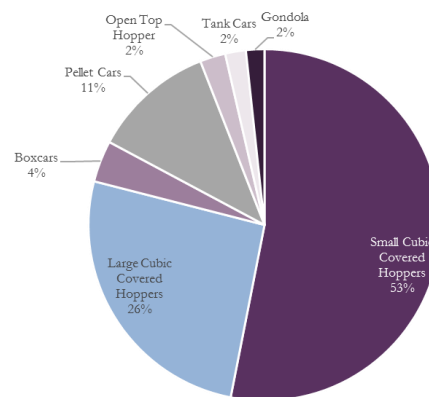
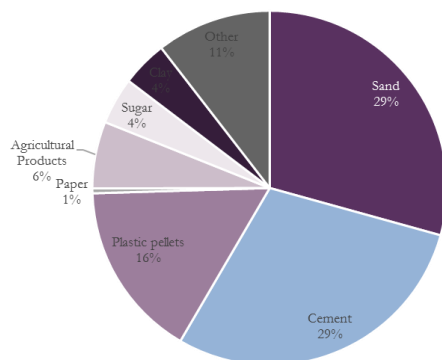
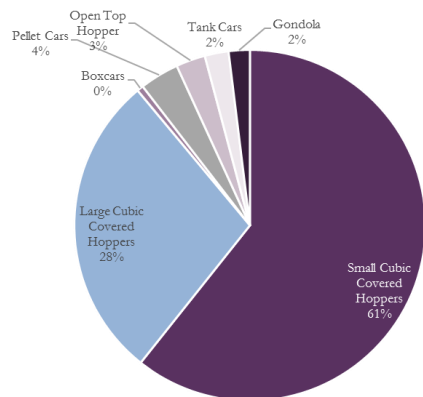


Railcar Type (Existing)

Commodity (Existing)

Railcar Type (Proforma¹)

Commodity (Proforma¹)



1) Includes ~500 railcars currently subject to LOI

Case Studies



CASE STUDY 1: AIRCRAFT LEASING

| | |
|----------------------------|---------------------------------------|
| Aircraft Type: | A320-200 (narrowbody) |
| Transaction Size: | 2 Aircraft Portfolio; \$68,000,000 |
| Age: | 6 Years |
| Lessee Region: | North America (Single Lessee) |
| Rem. Lease Term: | 12+ Years |
| Avg. Lease Rate (monthly): | \$277,000 |
| Annual Yield: | 11.7% |
| Total Return: | 12.6% |
| LTV: | 60% |
| Date Executed: | September 2018 |



Investment Overview

CCM acquired a 2 plane portfolio as part of a sale-leaseback transaction from a North American airline for a total purchase price of \$68,000,000. CCM financed the acquisition with a warehouse loan facility of approximately 60% LTV. This transaction was underwritten to generate an 11.7% asset-level net IRR and a 2.29x net MOIC assuming an exit at the end of the current 12-year lease term. CCM projects the transaction to generate an average net cash yield of 11.7%. Key underwriting assumptions include current lease rate, maintenance forecast, and residual values. Due to the market's resiliency and standardization, CCM believes that MBA and Ascend's (leading aviation consultancies for market analytics, valuation, and technical services) residual valuation of the aircraft are the best indicator of exit values. The portfolio is leased to a Mexico based airline with a remaining lease duration of 12+ years and 6 years of age.

CASE STUDY 2: RAILCAR LEASING

| | |
|----------------------------|-------------------------------------|
| Asset Type: | Covered Hoppers |
| Transaction Size: | 218 Railcars; \$8,400,000 |
| Age: | 22 Years |
| Lessee Region: | North America (Multiple Lessees) |
| Rem. Lease Term: | 2.3 Years |
| Avg. Lease Rate (monthly): | \$494 |
| Annual Yield: | 16.0% |
| Total Return: | 16.2% |
| LTV: | 76% |
| Date Executed: | July 2018 |



Investment Overview

CCM acquired a 218 railcar portfolio for a total purchase price of \$8.4 million. CCM financed the acquisition with a warehouse loan facility of approximately 76% LTV. This transaction was underwritten to generate a 16.2% asset-level net IRR and a 1.75x net MOIC over a 5-year holding period. CCM projects the transaction to generate an average net annual cash yield of 16.0%. Key underwriting assumptions include current lease rate, re-lease rate, and residual values. CCM believes that due to the long life nature of the assets, a straight line depreciation to salvage value is appropriate to determine an exit value. Additionally, on a weighted average basis, CCM determined that the re-lease rates would be consistent to current lease rates. The portfolio is fully leased across five lessees with a remaining lease duration of ~2.3 years and age of ~22 years at time of acquisition. The railcars transport commodities such as sand, dry distiller grain (cattle feed), proppant, sugar, and clay.



CASE STUDY 3: FROZEN SHRIMP

| | |
|---------------------|---|
| Loan Type: | Pre-Export Facility |
| Borrower Country: | Ecuador |
| Offtaker Country: | Various Global |
| Collateral: | Frozen Shrimp |
| Transaction Size: | \$10,000,000 (initial); \$13,000,000 (upsized) |
| Tenor: | 18 months |
| Interest Rate: | L + 9.25% |
| Other Interest/OID: | 1.00% |
| Currency: | USD |
| LTV: | 83.3% |
| Date Executed: | September 2016; May 2018 |



Investment Overview

CCM AIF provided a \$10 million uncommitted revolving credit facility to one of the largest fully integrated Ecuadorian shrimp companies to finance the costs related to the purchase, processing, warehousing, transportation and export of frozen shrimp. The facility was secured by: (i) accounts receivable from exports to approved offtakers (investment grade or equivalent), (ii) frozen shrimp inventory with a value of \$2 million at any given time that has not been stored in the warehouse for greater than 60 days, and (iii) land dedicated for residential and commercial development located in Samborondon, Ecuador (assigned \$0 for LTV calculation). The Facility was paid down in full in March 2018, and AIF subsequently exercised its option to re-issue the Facility at an increased balance of \$13 million in May 2018. In July 2018 the Facility was placed into CCM's initial trade finance structured credit vehicle, where it continues to perform.

CASE STUDY 4: TRADE FINANCE STRUCTURED CREDIT

| | |
|-----------------------|------------------------|
| Loan Type: | Structured Credit |
| Borrower Country: | Various South American |
| Offtaker Country: | Various Global |
| Collateral: | Diversified |
| Transaction Size: | \$100,000,000 |
| Tenor: | 4 years |
| Yield: | 10-12% |
| Total Return: | 11-13% |
| LTV (Facility-Level): | 60% |
| LTV (Loan-Level): | 55-80% |
| Currency: | USD |
| Date Executed: | July 2018 |



Investment Overview

CCM committed \$100 million in capital to a Latin American Trade Financed focused entity ("NewCo") created to originate structured credit issuances backed by Latin American trade finance loans. This was accomplished through a JV structure with a specialty finance company that we have been partnering with over the last couple years. CCM designed the JV structure to highly align interests between the two parties and facilitate the creation of real, long term enterprise value. The \$100 million commitment means CCM will own 50% of the servicer and 100% of the junior tranche of the initial issuance from NewCo. The Facility will allow for better diversification within the portfolio, and eventually may allow for higher returns via cheaper senior financing in subsequent issuances.



CASE STUDY 5: ETHANOL

| | |
|----------------------|------------------------------------|
| Loan Type: | Asset-based Lending |
| Borrower Country: | United States |
| Collateral: | Ethanol Plants |
| Transaction Size: | \$22,000,000 (current) |
| Total Note Offering: | \$55,000,000 |
| Tenor: | 36 Months |
| Interest Rate: | L + 7.0%; 9.0%; 11.0% |
| Other Interest/OID: | 3.0% |
| Currency: | USD |
| LTV: | 25-40% |
| Date Executed: | Dec 2016; Jun 2017; Jul 2018 |



Investment Overview

In Fall 2016, CCM used its proprietary network to source a \$20 million investment in the debt of a US-based ethanol company at an attractive purchase price. The company refinanced its debt in Dec. 2016. As part of the refinance, CCM worked with the company to structure a new senior secured note, and rolled \$15 million of its original investment into the newly formed notes. Since, CCM has twice had the opportunity to acquire additional portions of the new notes at a discount to par (\$3 million in June 2017 and \$4 million in June 2018). The notes are secured by a first lien on the ethanol production capacity of three of the company's ethanol plants. The LTV is based on the forecasted production and margins. The interest rate for the first year was LIBOR + 7.0% and has increased 2.0% per year to its present level of LIBOR + 7.0%. CCM expects the company to refinance the notes prior to its 3-year maturity date.

CASE STUDY 6: EUROPEAN SOCCER CLUB DEBT FACILITY

| | |
|-------------------|--|
| Loan Type: | Junior Loan Facility |
| Borrower Country: | UK |
| Collateral: | Player Rights, Stadium, & Real Estate |
| Transaction Size: | ~\$32,000,000 |
| Tenor: | Base case: 31 months Downside case: 21 months |
| Interest Rate: | 10.0% |
| Servicer Fees: | 0.5% |
| Currency: | GBP |
| LTV: | ~40% |
| Date Executed: | Dec 2018 |



Investment Overview

CCM committed ~\$32M to a major European Soccer Club playing in the top division of its respective league. The facility is directly secured by a 2nd lien over the player contracts/rights, stadium, and associated real estate. The loan sits behind an existing Senior debt facility in which CCM is the majority holder. Additionally, the facility has share charges and negative liens on all parent entities to prevent any potential leakage of the Club's share of the league's lucrative TV contract (greatest source of income for the Club and primary path to repayment). Corrum has structured the loan with an accelerated amortization provisions and multiple springing covenants to mitigate risk in a downside scenario where the Club is relegated to a lower league. As of the issuance of the loan, the Club had been performing well above expectations and was highly expected to remain in the top flight, which it ultimately did in May 2019.