



September 18, 2024

## **Marin County Employees' Retirement Association**

Private Equity Fee Disclosure:  
California Government Code Section  
7514.7

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## Background

### California Government Code Section 7514.7

- A private funds disclosure law focusing primarily on fees paid became effective 1/1/17, requiring additional information items to be provided to California Public Fund investors.
- Annual disclosure of this fee information provided is required to be made by public funds.
- MCERA collected fee information from Pathway and Abbott based on a well-developed template developed by the Institutional Limited Partners Association (ILPA) to promote thorough fee transparency.
- The ILPA template is primarily oriented toward direct partnerships, which may have more complex fee structures than the fund-of-funds in which MCERA invests, although the template is also applicable to fund-of-funds.
- Callan was asked to summarize for the Board the fee information collected by the managers.
- Callan combined information compiled by the managers for the individual fund holdings into the two tables on the following pages. The managers' original ILPA fee templates are provided in the Appendix.
- MCERA has adopted calendar-year fee information consistent with industry practices and has worked with the managers to standardize uniformity of information to the degree practicable.

# MCERA Fee Disclosure

## Private Equity Fee Summary: Annual

### MCERA Private Equity Fees Expenses and Incentive Allocations

Category	Abbott Capital Annual							Pathway Capital Annual						Total PCM 1/1/2023 12/31/2023	Combined Managers 12-Month Costs
	LTM 1/1/2023 12/31/2023	LTM 1/1/2023 12/31/2023	LTM 1/1/2023 12/31/2023	LTM 1/1/2023 12/31/2023	LTM 1/1/2023 12/31/2023	LTM 1/1/2023 12/31/2023	Total ACM 1/1/2023 12/31/2023	LTM 1/1/2023 12/31/2023	LTM 1/1/2023 12/31/2023	LTM 1/1/2023 12/31/2023	LTM 1/1/2023 12/31/2023	LTM 1/1/2023 12/31/2023			
	ACE VI	ACE VII	AP 16	AP 17	AP 21	AP 23		PPEF 2008	PPEF I-7	PPEF I-8	PPEF I-9	PPEF I-10	PPEF I-11		
<b><u>Fees and Carried Interest</u></b>															
Management Fees - Gross of Offsets, Waivers, and Rebates	205,170	268,515	265,000	75,000	112,500	0	926,185	266,900	223,738	372,273	115,002	178,294	43,005	1,199,212	2,125,397
Incentive Allocation Paid	21,962	9,351	13,504	2,362	-	-	47,180	0	0	0	0	0	0	0	47,180
Net Accrued Incentive Allocation - Period Change	(21,436)	(8,324)	89,554	20,385	52,982	22,849	156,009	0	0	0	0	0	0	0	156,009
Total Received by GPs and Related Parties	<b>205,697</b>	<b>269,542</b>	<b>368,058</b>	<b>97,747</b>	<b>165,482</b>	<b>22,849</b>	<b>1,129,374</b>	<b>266,900</b>	<b>223,738</b>	<b>372,273</b>	<b>115,002</b>	<b>178,294</b>	<b>43,005</b>	<b>1,199,212</b>	<b>2,328,586</b>
<b><u>Expenses</u></b>															
Audit and Tax Preparation	16,756	16,213	47,953	6,805	19,448	4,625	111,800	45,429	16,115	15,841	5,711	16,116	738	99,950	211,750
Bank Fees	2	27.89	0	34.73	47.25	1.37	113	0	0	0	7	0	0	7	120
Legal	58	-	-	-	2,483	8,032	10,573	0	0	93	0	1,414	13,111	14,618	25,191
Organization Costs	-	-	-	-	-	41,672	41,672	0	0	0	0	0	22,265	22,265	63,937
Other*	816	917	6,376	1,309	17,910	7,596	34,923	(248)	556	(22)	453	3,776	43,253	47,768	82,691
Interest Expense	-	-	-	-	59,364	1,113	60,477	0	0	0	0	55,983	0	55,983	116,460
Other (Income) Expense+	-	-	-	-	-	-	0	0	0	0	0	269,620	0	269,620	269,620
Total Expenses	<b>17,632</b>	<b>17,158</b>	<b>54,329</b>	<b>8,149</b>	<b>99,252</b>	<b>63,039</b>	<b>259,558</b>	<b>45,181</b>	<b>16,671</b>	<b>15,912</b>	<b>6,171</b>	<b>346,909</b>	<b>79,367</b>	<b>510,211</b>	<b>769,769</b>
<b>Total Fund-of-Funds Managers Fees and Expenses</b>	<b>223,328</b>	<b>286,700</b>	<b>422,387</b>	<b>105,896</b>	<b>264,733</b>	<b>85,887</b>	<b>1,388,932</b>	<b>312,081</b>	<b>240,409</b>	<b>388,185</b>	<b>121,173</b>	<b>525,203</b>	<b>122,372</b>	<b>1,709,423</b>	<b>3,098,355</b>
<b><u>Underlying Partnerships</u></b>															
Management Fees - Net of Offsets, Waivers, and Rebates	140,140	267,037	811,333	259,342	282,150	35,265	1,795,267	NA	NA	NA	NA	NA	NA	0	1,795,267
Expenses Paid	235,486	67,521	151,466	58,346	161,033	24,876	698,728	NA	NA	NA	NA	NA	NA	0	698,728
Incentive Allocation Paid	956,695	631,530	484,579	54,083	35,971	0	2,162,858	NA	NA	NA	NA	NA	NA	0	2,162,858
Accrued Incentive Allocation - Period Change	543,613	(463,998)	917,636	213,632	240,119	37,934	1,488,936	NA	NA	NA	NA	NA	NA	0	1,488,936
Total Underlying Partnerships - Net of Fees, Expenses, and Incentive Allocations	<b>1,875,934</b>	<b>502,090</b>	<b>2,365,014</b>	<b>585,403</b>	<b>719,273</b>	<b>98,075</b>	<b>6,145,789</b>	<b>6,016,262</b>	<b>(1,525,357)</b>	<b>1,900,302</b>	<b>186,434</b>	<b>716,285</b>	<b>34,002</b>	<b>7,327,928</b>	<b>13,473,717</b>
<b>Total FOF and Underlying Partnership Fees and Expenses</b>	<b>2,099,262</b>	<b>788,790</b>	<b>2,787,401</b>	<b>691,299</b>	<b>984,006</b>	<b>183,962</b>	<b>7,534,721</b>	<b>6,328,343</b>	<b>(1,284,948)</b>	<b>2,288,487</b>	<b>307,607</b>	<b>1,241,488</b>	<b>156,374</b>	<b>9,037,351</b>	<b>16,572,072</b>

\*ACM: Other Expenses are Advisory Board, Annual Meeting, Delaware Registration, Administration Fees and Insurance.

+ACM: Other (Income)/Expense is syndication costs and closing interest. Syndication costs are accounted for as a reduction to partner's capital, not an income statement expense.

\*PCM: Other Expenses are State Tax, Fidelity Bond, and Registered Agent, and Other related

PCM: Gross management fees are generally not reported by the underlying investment partnerships, and therefore, amounts are based on net management fees.

\*\*MCERA's proportionate share of underlying partnership amounts reflected above are estimated based on information received by Abbott and may not reflect actual allocations to MCERA as a result of its investment in the Abbott Funds. Differences between estimated and actual amounts may exist and such differences could be material. See ILPA templates for further details.

NA = Not Available

- Calendar year 2023 values are shown in the table for each manager and fund, and the combined totals.
- The top portion of the table summarizes the fees (management fee and carried interest) and expenses paid by MCERA for the FOF vehicles.
- The bottom portion shows estimates of fees (management fees and carried interest) and expenses paid by the FOFs to underlying partnerships.
- Pathway was not able to provide underlying partnership detail.

# MCERA Fee Disclosure

## Private Equity Fee Summary: Since Inception

### MCERA Private Equity Fees Expenses and Incentive Allocations

Category	Abbott Capital Annual							Pathway Capital Annual						Total PCM 12/26/2008 12/31/2023	Combined Managers Since Inception Costs
	Since Inception 3/31/2008 ACE VI	Since Inception 4/23/2013 ACE VII	Since Inception 2/1/2016 AP 16	Since Inception 1/26/2017 AP 17	Since Inception 12/17/2020 AP 21	Since Inception 12/15/2022 AP 23	Total ACM 3/31/2008 12/31/2023	Since Inception 12/26/2008 PPEF 2008	Since Inception 2/7/2013 PPEF I-7	Since Inception 3/23/2015 PPEF I-8	Since Inception 2/7/2017 PPEF I-9	Since Inception 9/4/2019 PPEF I-10	Since Inception 5/18/2022 PPEF I-11		
<b><u>Fees and Carried Interest</u></b>															
Management Fees - Gross of Offsets, Waivers, and Rebates	9,691,647	2,768,365	1,656,250	393,750	187,500	0	14,697,512	10,981,303	3,253,338	2,904,540	602,814	440,044	43,005	18,225,044	32,922,556
Incentive Allocation Paid	334,029	320,031	128,292	40,945	-	-	823,296	0	0	0	0	0	0	0	823,296
Net Accrued Incentive Allocation	78,598	141,539	380,293	103,166	157,579	22,849	884,024	0	0	0	0	0	0	0	884,024
<b>Total Received by GPs and Related Parties</b>	<b>10,104,274</b>	<b>3,229,934</b>	<b>2,164,835</b>	<b>537,861</b>	<b>345,079</b>	<b>22,849</b>	<b>16,404,832</b>	<b>10,981,303</b>	<b>3,253,338</b>	<b>2,904,540</b>	<b>602,814</b>	<b>440,044</b>	<b>43,005</b>	<b>18,225,044</b>	<b>34,629,876</b>
<b><u>Expenses</u></b>															
Audit and Tax Preparation	177,865	121,309	275,885	32,135	45,904	4,625	657,722	517,437	138,359	97,321	23,468	32,943	792	810,320	1,468,042
Bank Fees	1,087	186	4,483	34.73	47.25	1.37	5,839	0	0	0	7	0	0	7	5,846
Legal	5,509	5,627	1,752	1	23,423	8,032	44,346	28,501	8,402	16,350	6,316	8,601	6,945	75,115	119,461
Organization Costs	103,483	56,913	136,550	22,759	57,002	41,672	418,378	21,852	28,433	0	16,740	15,425	40,377	122,827	541,205
Other*	19,226	11,511	30,623	6,271	44,193	7,596	119,419	23,626	(4,137)	114,872	10,998	18,782	54,499	218,640	338,059
Interest Expense	0	24,003	-	-	82,226	1,113	107,343	0	0	0	0	145,374	0	145,374	252,717
Other Income (Expense)+	(36,820)	33,728	19,766	2,510	97	0	19,280	0	0	0	0	950,456	0	950,456	969,736
<b>Total Expenses</b>	<b>270,349</b>	<b>253,277</b>	<b>469,059</b>	<b>63,709</b>	<b>252,893</b>	<b>63,039</b>	<b>1,372,327</b>	<b>591,416</b>	<b>171,057</b>	<b>228,543</b>	<b>57,529</b>	<b>1,171,581</b>	<b>102,613</b>	<b>2,322,739</b>	<b>3,695,066</b>
<b>Total Fund-of-Funds Managers Fees and Expenses</b>	<b>10,374,624</b>	<b>3,483,211</b>	<b>2,633,894</b>	<b>601,571</b>	<b>597,972</b>	<b>85,887</b>	<b>17,777,159</b>	<b>11,572,719</b>	<b>3,424,395</b>	<b>3,133,083</b>	<b>660,343</b>	<b>1,611,625</b>	<b>145,618</b>	<b>20,547,783</b>	<b>38,324,942</b>
<b><u>Underlying Partnerships</u></b>															
Management Fees - Net of Offsets, Waivers, and Re	N/A	N/A	N/A	N/A	523,389	35,265	558,654	NA	NA	NA	NA	NA	NA	NA	NA
Expenses Paid	N/A	N/A	N/A	N/A	302,554	24,876	327,430	NA	NA	NA	NA	NA	NA	NA	NA
Incentive Allocation Paid	N/A	N/A	N/A	N/A	37,766	0	37,766	NA	NA	NA	NA	NA	NA	NA	NA
Accrued Incentive Allocation - Period Change	N/A	N/A	N/A	N/A	327,986	37,934	365,920	NA	NA	NA	NA	NA	NA	NA	NA
<b>Total Underlying Partnerships - Net Fees, Expenses, and Incentive Allocations*</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>1,191,695</b>	<b>98,075</b>	<b>1,289,770</b>	<b>41,853,788</b>	<b>14,289,892</b>	<b>21,787,896</b>	<b>15,951,694</b>	<b>1,777,363</b>	<b>34,002</b>	<b>95,694,635</b>	<b>96,984,405</b>
<b>Total FOF and Underlying Partnership Fees and Expenses</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>1,789,667</b>	<b>183,962</b>	<b>19,066,929</b>	<b>53,426,507</b>	<b>17,714,287</b>	<b>24,920,979</b>	<b>16,612,037</b>	<b>3,388,988</b>	<b>179,620</b>	<b>116,242,418</b>	<b>135,309,347</b>

\*ACM: Other Expenses are Advisory Board, Annual Meeting, Delaware Registration, Administration Fees and Insurance.

+ACM: Other (Income)/Expense is syndication costs and closing interest. Syndication costs are accounted for as a reduction to partner's capital, not an income statement expense.

\*PCM: Other Expenses are State Tax, Fidelity Bond, and Registered Agent, and Other related

PCM: Gross management fees are generally not reported by the underlying investment partnerships, and therefore, amounts are based on net management fees.

NA = Not Available

- Since inception through 12/31/2023 values are shown in the table for each manager and fund, and the combined totals.
- Abbott has not been able to provide since inception totals for the historical underlying direct partnerships, but initiated collection for AP 21.