



**Alameda County Employees' Retirement Association
BOARD OF RETIREMENT**

INVESTMENT COMMITTEE/BOARD MEETING

ACERA MISSION:

To provide ACERA members and employers with flexible, cost-effective, participant-oriented benefits through prudent investment management and superior member services.

**Wednesday, February 7, 2024
10:30 a.m.**

LOCATION AND TELECONFERENCE	COMMITTEE MEMBERS	
<p>ACERA C.G. "BUD" QUIST BOARD ROOM 475 14TH STREET, 10TH FLOOR OAKLAND, CALIFORNIA 94612-1900 MAIN LINE: 510.628.3000 FAX: 510.268.9574</p> <p>The public can observe the meeting and offer public comment by using the below Webinar ID and Passcode after clicking on the below link or calling the below call-in number.</p> <p>Link: https://zoom.us/join Call-In: 1 (669) 900-6833 US Webinar ID: 879 6337 8479 Passcode: 699406</p> <p>For help joining a Zoom meeting, see: https://support.zoom.us/hc/en-us/articles/201362193</p>	JAIME GODFREY CHAIR	APPOINTED
	GEORGE WOOD VICE CHAIR	ELECTED GENERAL
	ROSS CLIPPINGER	ELECTED SAFETY
	OPHELIA BASGAL	APPOINTED
	KEITH CARSON	APPOINTED
	TARRELL GAMBLE	APPOINTED
	ELIZABETH ROGERS	ELECTED RETIRED
	HENRY LEVY	TREASURER
	KELLIE SIMON	ELECTED GENERAL
	CYNTHIA BARON	ALTERNATE RETIRED¹
	KEVIN BRYANT	ALTERNATE SAFETY²

¹ The Alternate Retired Member votes in the absence of the Elected Retired Member, or, if the Elected Retired Member is present, then votes if both Elected General members, or the Safety Member and an Elected General member, are absent.

² The Alternate Safety Member votes in the absence of the Elected Safety, either of the two Elected General Members, or both the Retired and Alternate Retired members.

Note regarding accommodations: If you require a reasonable modification or accommodation for a disability, please contact ACERA between 9:00 a.m. and 5:00 p.m. at least 72 hours before the meeting at accommodation@acera.org or at 510-628-3000.

Public comments are limited to four (4) minutes per person in total. The order of items on the agenda is subject to change without notice.

Board and Committee agendas and minutes and all documents distributed to the Board or a Committee in connection with a public meeting (unless exempt from disclosure) are posted online at www.acera.org and also may be inspected at 475 14th Street, 10th Floor, Oakland, CA 94612-1900.

INVESTMENT COMMITTEE/BOARD MEETING

NOTICE and AGENDA Wednesday, February 7, 2024

Call to Order: 10:30 a.m.

Roll Call

Public Input (The Chair allows public input on each agenda item at the time the item is discussed)

Action Items: Matters for discussion and possible motion by the Committee

1. Discussion and Possible Motion to Recommend that the Board approve an up to \$50 million Investment in PGIM Real Estate U.S. Debt Fund as part of ACERA's Real Estate Portfolio,³ Pending Completion of Legal and Investment Due Diligence and Successful Contract Negotiations

10:30 – 11:00

John Jacobs – PGIM Real Estate
Steve Moen – PGIM Real Estate
Aaron Quach, Callan LLC
Avery Robinson, Callan LLC
John Ta, ACERA
Betty Tse, ACERA

Information Items: These items are not presented for Committee action but consist of status updates and cyclical reports

1. 2024 Capital Market Assumptions

11:00 – 11:30

Sam Austin, NEPC
Dan Hennessy, NEPC
Betty Tse, ACERA

2. Investment Committee Workplan 2024

11:30 – 11:35

Sam Austin, NEPC
Agnes Ducanes, ACERA
Betty Tse, ACERA

Trustee Remarks

None

Future Discussion Items

None

Establishment of Next Meeting Date

March 6, 2024, at 10:30 a.m.

³ Written materials and investment recommendations from the consultants, fund managers and ACERA Investment Staff relating to this alternative investment are exempt from public disclosure pursuant to CA Gov. Code §7928.710 and §7922.000.



KEY MARKET THEMES AND ASSUMPTIONS

ALAMEDA COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION

Sam Austin, Partner
Dan Hennessy, Sr. Consultant

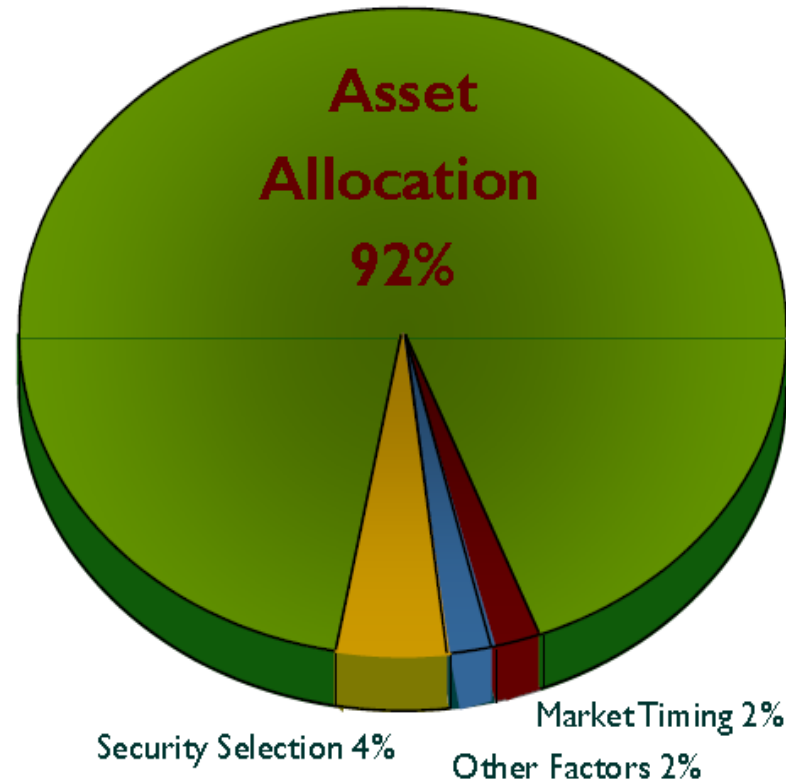


TODAY'S AGENDA

- **Review of NEPC's asset class forecasting process**
- **Discussion of the Key Investment Themes that NEPC expects to impact capital markets**

ASSET ALLOCATION: THE KEY INVESTMENT DECISION

Determinants of Portfolio Performance



Source: *Determinants of Portfolio Performance II: An Update*, Brinson, et al, *Financial Analysts Journal*, May/June 1991, pp 40-48.

ASSET CLASS ASSUMPTIONS

OVERVIEW

- **NEPC's capital market assumptions are available each quarter and reflect December 31, 2023 market data**
- **Valuation expansion weighed on forward-looking return expectations for global equity markets**
- **Interest rate volatility persisted; forward rate and inflation expectations appear suppressed relative to the resilient U.S. economic backdrop**
- **NEPC remains biased to a higher interest rate and stickier inflation environment than current market pricing**
- **We recommend adding strategic U.S. TIPS exposure: the outlook is favorable at current real yields and breakeven inflation levels**
- **Public fixed income expected returns continue to offer an attractive risk-return profile relative to public equities**

ASSET CLASS ASSUMPTIONS

DEVELOPMENT

- **Assumptions are published for over 70 asset classes**
 - NEPC publishes return forecasts for 10-year and 30-year periods
- **Market data as of 12/31/2023**
 - Assumptions are developed with NEPC valuations models and rely on a building block approach
- **The 10-year return outlook is intended to support strategic asset allocation analysis**
- **30-year return assumptions are used for actuarial inputs and long-term planning**

Asset Allocation Process

1. Finalize list of new asset classes
2. Calculate asset class volatility and correlation assumptions
3. Set model terminal values, growth, and inflation inputs
4. Model data updated at quarter-end
5. Review model outputs and produce asset class return assumptions
6. Assumptions released on the 15th calendar day after quarter-end

ASSET CLASS BUILDING BLOCKS

METHODOLOGY

- **Asset models reflect current and forecasted market data to inform expected returns**
- **Systematic inputs are paired with a long-term trend to terminal values**
- **Model inputs are aggregated to capture key return drivers for each asset class**
- **Building block inputs will differ across asset class categories**



CORE ASSET CLASS RETURN ASSUMPTIONS

	Asset Class	12/31/23 10-Year Return	12/31/22 10-Year Return	Delta
	Cash	3.9%	4.0%	-0.1%
	U.S. Inflation	2.6%	2.5%	+0.1%
Equity	U.S. Large-Cap Equity	4.4%	5.4%	-1.0%
	Non-U.S. Developed Equity	4.6%	5.6%	-1.0%
	Emerging Market Equity	8.6%	9.6%	-1.0%
	Global Equity*	5.4%	6.3%	-0.9%
	Private Equity*	9.0%	9.2%	-0.2%
Fixed Income	U.S. Treasury Bond	4.2%	4.2%	-
	U.S. Municipal Bond	3.5%	4.4%	-0.9%
	U.S. Aggregate Bond*	4.6%	4.8%	-0.2%
	U.S. TIPS	4.6%	4.4%	+0.2%
	U.S. High Yield Corporate Bond	6.1%	7.1%	-1.0%
	Private Debt*	8.3%	8.8%	-0.5%
Real Assets	Commodity Futures	4.6%	4.2%	+0.4%
	REIT	6.0%	6.2%	-0.2%
	Gold	4.9%	5.1%	-0.2%
	Real Estate - Core	5.4%	4.0%	+1.4%
	Private Real Assets - Infrastructure	6.8%	6.6%	+0.2%
Multi-Asset	60% S&P 500 & 40% U.S. Aggregate	4.8%	5.3%	-0.5%
	60% MSCI ACWI & 40% U.S. Agg.	5.4%	6.0%	-0.6%
	Hedge Fund*	6.1%	6.5%	-0.4%

*Calculated as a blend of other asset classes

U.S. INFLATION ASSUMPTIONS

OVERVIEW

- Inflation is a key building block to develop asset class assumptions
- Inflation assumptions are model-driven and informed by multiple inputs for both the U.S. and global assets
- NEPC's inflation assumption forecasts near-term paths for major Consumer Price Index (CPI) components including food, energy, core services, and shelter costs
 - CPI is expected to converge with breakeven inflation rates over the long-term
- A composite inflation assumption reflects a blend of NEPC's inflation forecast and market-implied breakeven inflation rates

Region	10-Year Inflation Assumption	12-Month Change	30-Year Inflation Assumption	12-Month Change
United States	2.6%	+0.1%	2.6%	-

KEY INVESTMENT THEMES

2024 MARKET THEMES

NEPC MARKET OUTLOOK

- **At the start of each year, we identify the Market Themes that we believe will impact the investment landscape over the next 12 months**
- **Market Themes represent essential factors for investors and are likely to exert significant influence on market pricing and investor sentiment**
- **Disruptions in these factors will reveal new investment opportunities and likely alter our understanding of market dynamics**



ADJUSTING TO A “COST OF CAPITAL”

2024 MARKET THEMES



Normalizing Higher Interest Rates

Economy is not acclimated to long-term interest rate environment of 4% or higher



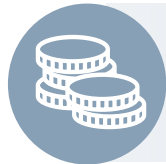
Tighter Bank Lending Standards

Access to capital for entities needing to refinance will be a 2024 focus point



Benefits Accrue for Fixed Rate Borrowers

Fixed rate borrowers have time to adjust capital structure to the rate environment



Interest Income

Income flows to savers but drains availability of capital for the economy



M&A Dealmaking Complexity

Deal volume is more limited and pathway to finalize transactions are tighter

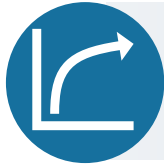
MAGNIFICENT SEVEN

2024 MARKET THEMES



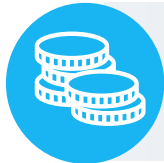
Unprecedented Size

Massive Scale; Just 7 companies account for 28% of the S&P 500 Index



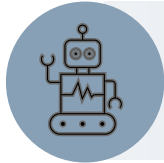
Priced For Perfection

Sky-high earnings growth expectations offer limited upside at current valuations



Free Cash Flow Cows

Operating cash flows and revenue quality insulated names from higher rates



Tech Dominance

Pioneers of tech in their own right, but new tech advances can usurp them



Nifty Fifty Vibes

Historically, growth at this size becomes harder and darling stocks tend to fade

U.S. FISCAL DEBT PROFILE

2024 MARKET THEMES



Interest Rate Implications

Fundamentals suggest perpetual deficit cycle requires higher interest rates



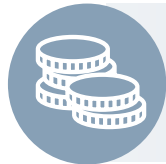
Inflation Pressure

Money supply can absorb the debt but stoke demand and inflation



Dollar Impact

The dollar still has no competitor for global reserve currency status



Crowding Out Effect

Increasing supply of Treasuries will compete for credit vs. other investments



Nominal Growth Needed

To maintain a healthy debt-to-GDP ratio, higher nominal GDP growth is needed

ARTIFICIAL INTELLIGENCE

2024 MARKET THEMES



AI as a Tool

Artificial Intelligence will be used with humans rather than replace humans



Productivity Gains

Adoption of AI may boost real economic growth and enhance productivity



Impact is Beyond Tech Sector

Current market has favored tech sector, broader industry effects remain unknown



AI Proof Statement

Novel products and successful AI adoption will test valuations in 2024



Geopolitics May Alter Adoption

Costs for semiconductors, data, regulation could slow adoption

HEIGHTENED GEOPOLITICAL RISK

2024 MARKET THEMES



Instant Transmission of (Mis)Information

The speed of information amplifies tail risks and introduces uncertainty



Market Impact of Geopolitics

Historically, geopolitics have a short-lived market impact following a flash point



The Balance of Power

Geopolitical alignments must be chosen by countries caught in the middle



2024 Global Election "Supercycle"

Elections increase the likelihood of geopolitical surprises for the market



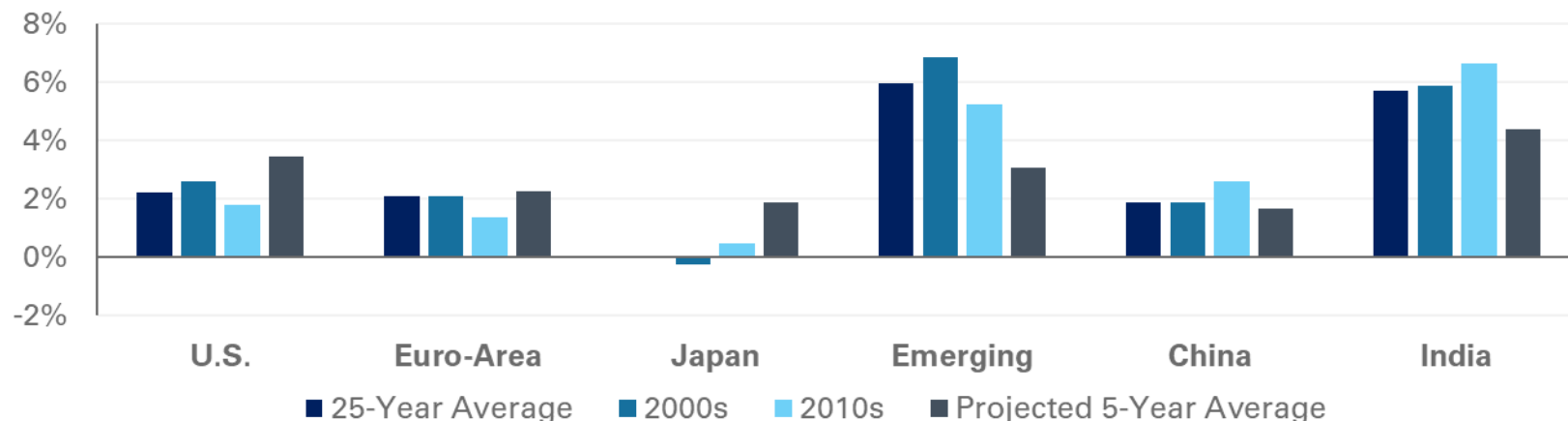
Rebalance Opportunities

Find opportunities amid volatility around geopolitical events and election outcomes

MACROECONOMIC

GLOBAL INFLATION

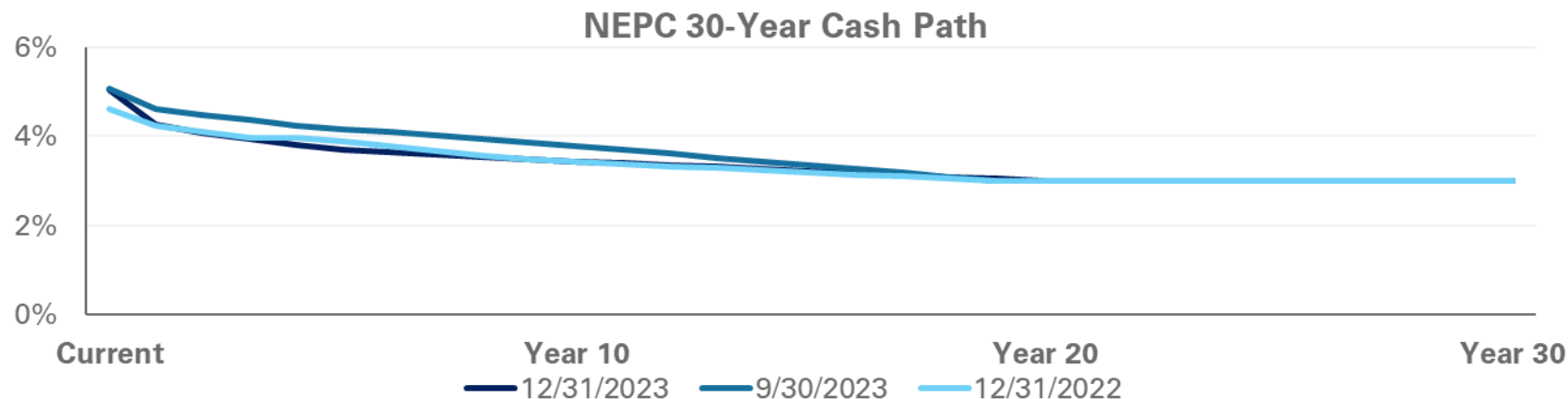
HISTORICAL INFLATION



- **Non-U.S. forecasts are guided by IMF forecasts, local consumer and producer price indices, and global interest rate curves**
- **Near-term inflation levels for developed markets are projected to be higher relative to history**
 - Long-term inflation assumptions reflect NEPC and central bank targets
 - The expected inflation differential between emerging and developed markets has narrowed significantly

U.S. CASH

EXPECTATIONS



- **Cash is a foundational input for all asset class return expectations**
 - Cash + risk premia is an input for long-term asset class return projections
- **Cash assumptions reflect inflation and real interest rates**
- **A composite cash assumption is built from a blend of NEPC’s cash forecast and market forward pricing of short-term interest rates**

10-Year Cash Assumption	30-Year Cash Assumption
3.9%	3.4%

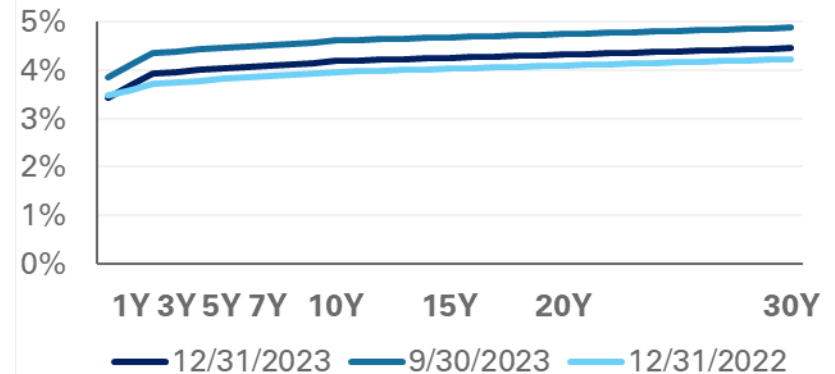


Sources: Bloomberg, FactSet, NEPC

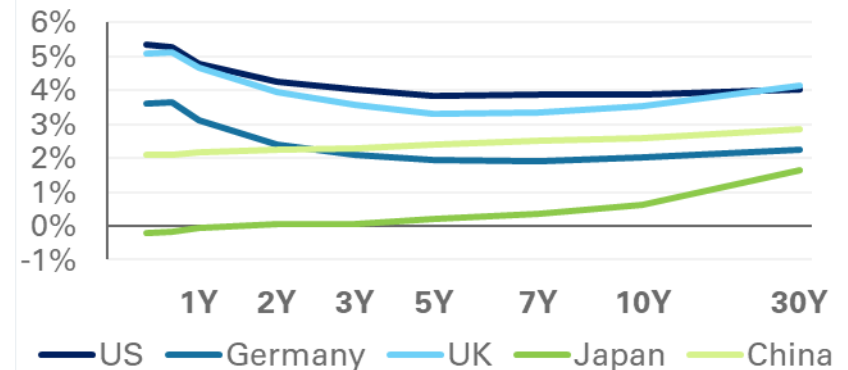
GLOBAL INTEREST RATE EXPECTATIONS

- **Real yields have normalized, reflecting a tighter monetary policy environment**
 - Attractive real yields should signal a shift in risk posture for investors
- **Markets remain biased to a lower interest rate environment - diverging from Fed projections in the near-term**
- **The outlook is less attractive for non-U.S. developed markets due to the nominal yield differential relative to the U.S.**

NEPC 10-Year Forward Curve



Global Yield Curves





PUBLIC EQUITY



PUBLIC EQUITY ASSUMPTIONS

OVERVIEW

- **Valuation expansion weighed on forward-looking return expectations**
 - U.S. mega-cap outperformance has driven U.S. large-cap index valuations above NEPC's terminal value, detracting from expected returns
- **Long-term valuation inputs are tied to NEPC's path for interest rates and inflation, reflecting valuation sensitivity to the macro environment**
- **Non-U.S. Developed Market assumptions reflect negative real earnings growth as current profit margins remain near cyclical highs**
- **Emerging market assumptions incorporate weaker market expectations for economic growth and earnings, reflecting uncertainty around China**
- **NEPC encourages a strategic bias to small-cap with the use of active management relative to small-cap exposure in the MSCI ACWI IMI**

PUBLIC EQUITY ASSUMPTIONS

BUILDING BLOCKS

Illiquidity Premium	The return expected for assets with illiquidity risk
Valuation	Represents P/E multiple contraction or expansion relative to long-term trend
Inflation	Market-specific inflation based on country-level revenue exposure
Real Earnings Growth	Market-specific real growth based on a weighted-average of country revenue exposure and GDP growth
Dividend Yield	Income distributed to shareholders adjusted to reflect market trends

Asset Class	12/31/23 10-Yr Return	12-Month Change
U.S. Large-Cap Equity	4.4%	-1.0%
U.S. Small/Mid-Cap Equity	6.0%	-0.5%
Non-U.S. Developed Equity	4.6%	-1.0%
Non-U.S. Developed Small-Cap Equity	6.4%	-0.3%
Emerging Market Equity	8.6%	-1.0%
Emerging Market Small-Cap Equity	7.9%	-1.4%
China Equity	9.9%	+1.2%
Hedge Fund - Equity	5.5%	-0.5%
Global Equity*	5.4%	-0.9%
Private Equity*	9.0%	-0.2%

Source: NEPC

*Calculated as a blend of other asset classes

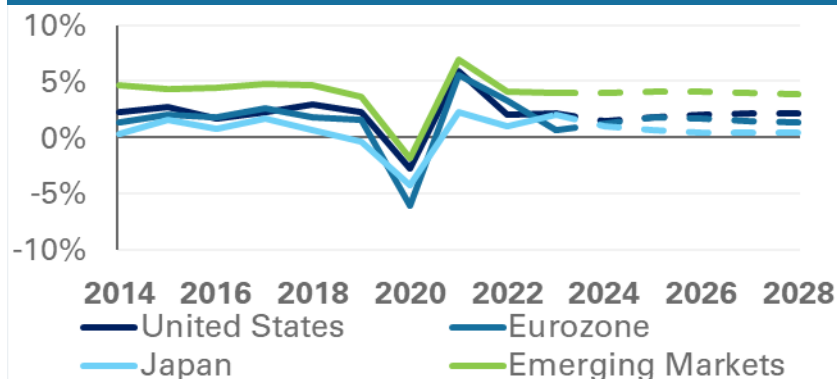


PUBLIC EQUITY

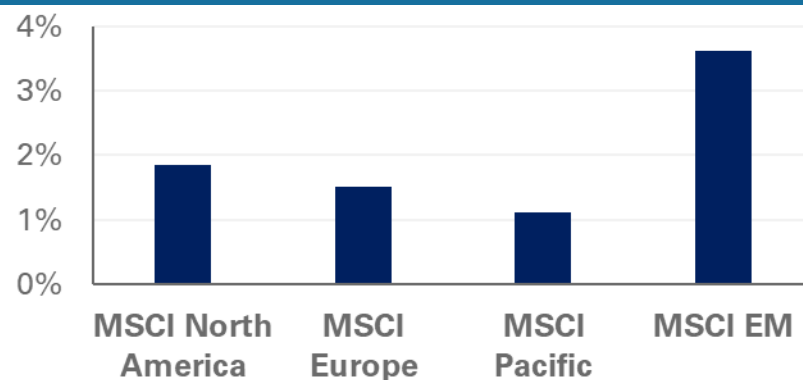
REAL EARNINGS GROWTH

- **Equities with a greater share of revenue from emerging markets are forecasted to benefit from higher sales growth**
 - Non-U.S. stocks benefit from a greater portion of revenue from EM than U.S. stocks
- **We expect elevated real earnings growth for small-caps over the long-term relative to large-cap**
 - Over the long-term we expect a forward-looking risk premium for small-cap and mid-cap equities relative to large-cap stocks

Real GDP Growth Projections

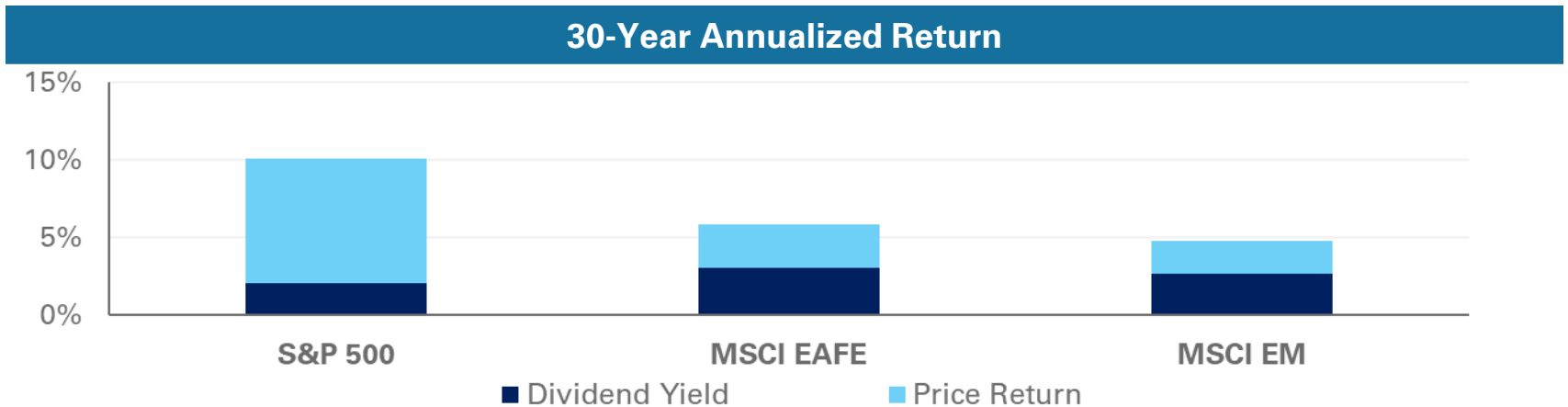
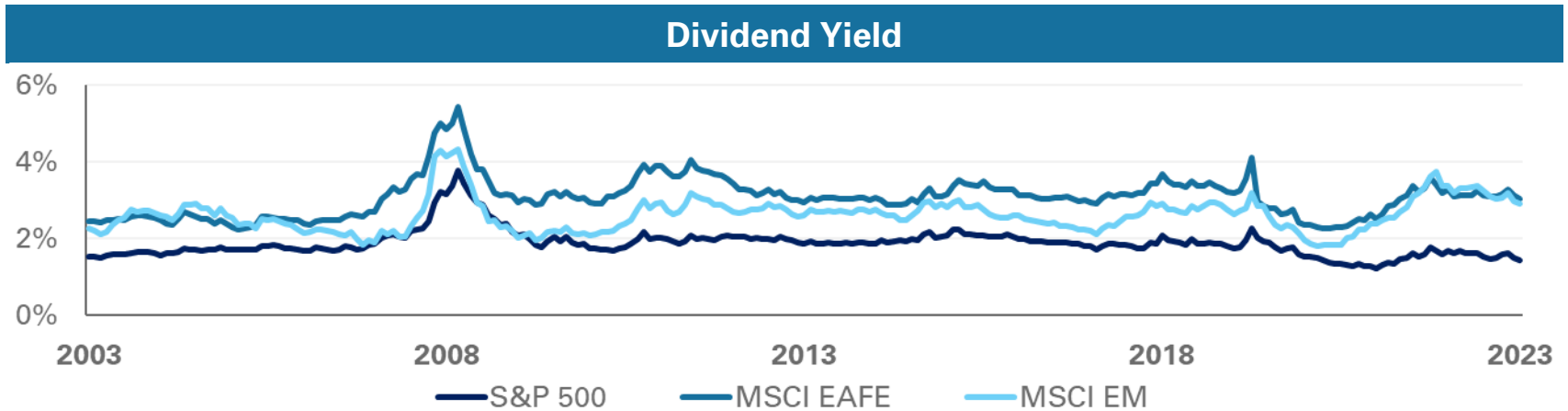


Expected 5-Year Real Growth



PUBLIC EQUITY DIVIDEND YIELD

NON-U.S. EQUITY OFFERS HIGHER DIVIDEND YIELDS



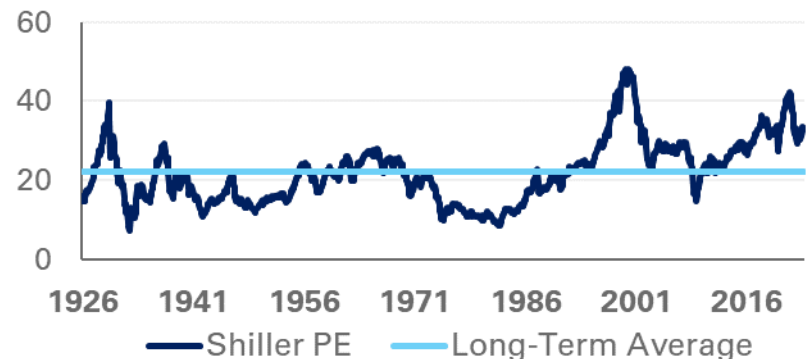
Sources: S&P, MSCI, FactSet

PUBLIC EQUITY

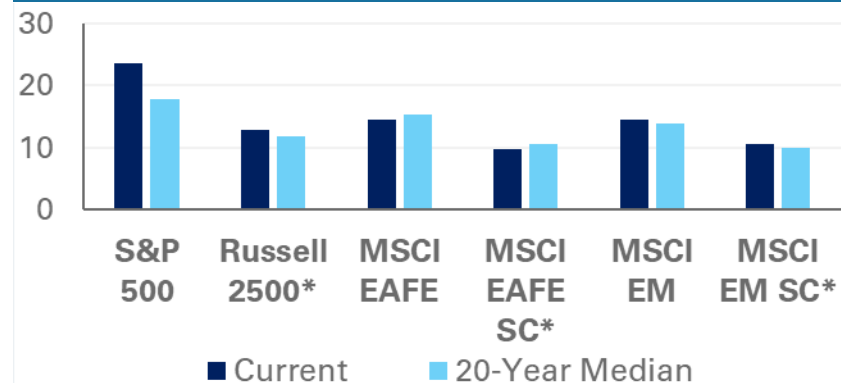
VALUATION

- **Valuations remain elevated relative to long-term averages**
 - U.S. large-cap valuations represent the largest drag on returns across the equity complex
- **EAFE valuation inputs are lower relative to the U.S. and reflect the economic growth profile**
- **Emerging markets offer an elevated total return opportunity relative to developed markets**

S&P 500 Shiller PE Ratio



Trailing PE Relative Median



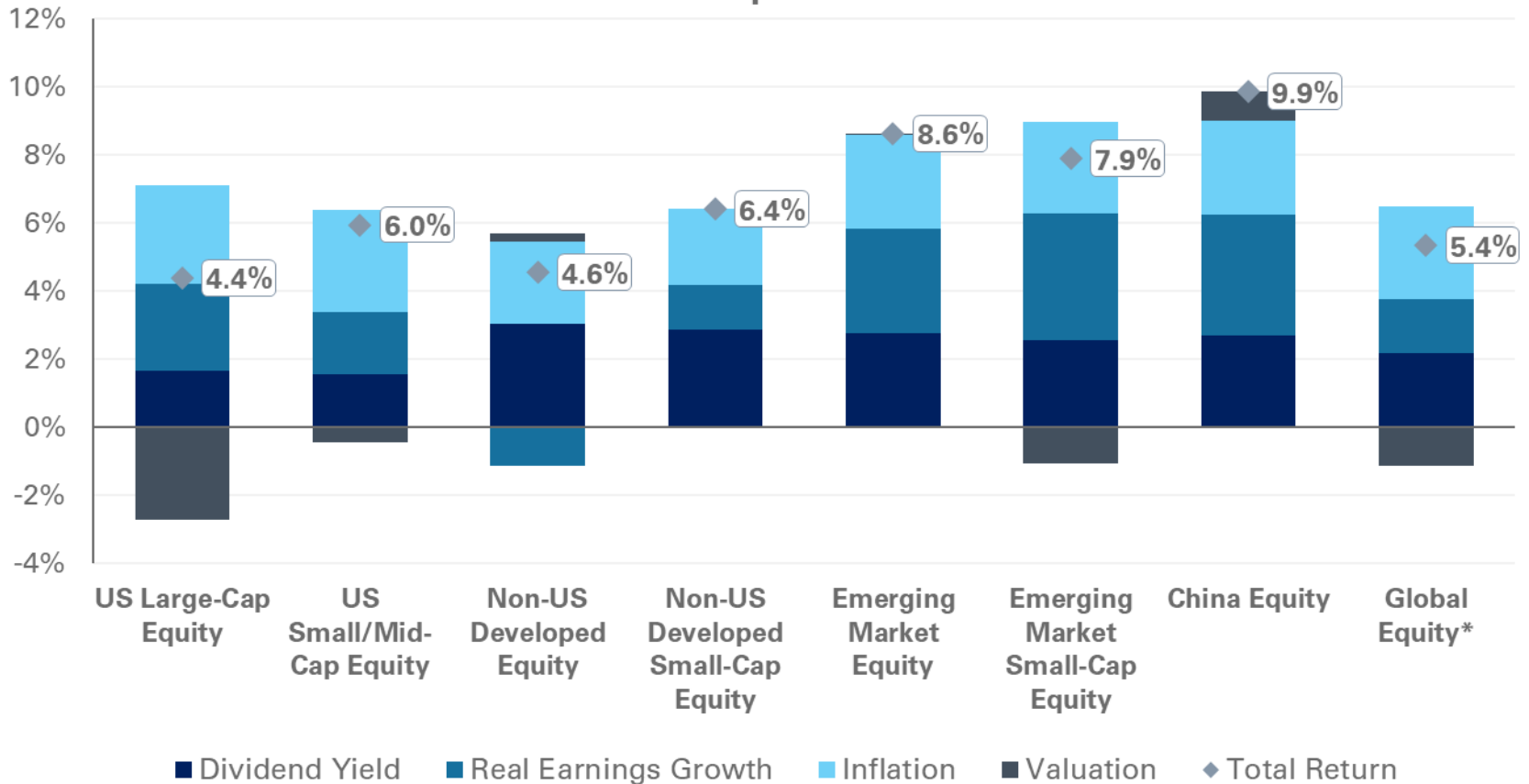
Sources: S&P, Shiller, Russell, MSCI, FactSet, NEPC; Shiller PE long-term average beginning in 1926

Note: *Small cap indices valuations based on EV/EBITDA multiples

PUBLIC EQUITY

BUILDING BLOCKS

10-Year Expected Return



Source: NEPC

*Calculated as a blend of other classes



FIXED INCOME

FIXED INCOME ASSUMPTIONS

OVERVIEW

- **Despite elevated interest rate volatility, Treasury assumptions are unchanged year-over-year as yields round-tripped during 2023**
- **Credit spreads tightened to below median levels across investment grade and high yield bonds, leading to lower return expectations**
- **We encourage a dedicated safe-haven fixed income allocation to serve as a critical liquidity source for the portfolio**
 - Sizing of the safe-haven exposure is a strategic exercise and reflects investor return objectives, risk-tolerance, and private market pacing plan needs
- **High-quality fixed income is an asset class group designed to support lower volatility portfolios and larger strategic targets to fixed income**
 - We recommend introducing strategic targets to U.S. TIPS given attractive real yield levels and breakeven inflation rates
- **We encourage the use of return-seeking credit investments, specifically high yield bonds, in a strategic asset allocation policy**

FIXED INCOME ASSUMPTIONS

BUILDING BLOCKS

Illiquidity Premium	The return expected for assets with illiquidity risk
Government Rates Price Change	Change due to shifts in current yields relative to forecasted rates
Credit Deterioration	The average loss for credit assets due to defaults and recovery rates
Spread Price Change	Valuation change due to changes in credit spreads relative to long-term targets
Credit Spread	Yield premium provided by securities with credit risk
Government Rates	The yield attributed to sovereign bonds that do not have credit risk

Asset Class	12/31/23 10-Yr Return	12-Month Change
U.S. TIPS	4.6%	+0.2%
U.S. Treasury Bond	4.2%	-
U.S. Corporate Bond	5.3%	-0.6%
U.S. MBS	4.4%	-0.1%
U.S. High Yield Corporate	6.1%	-1.0%
U.S. Leveraged Loan	7.2%	-0.6%
EMD External Debt	7.1%	-
EMD Local Currency Debt	6.1%	-1.1%
Non-U.S. Govt. Bond	2.4%	-0.2%
U.S. Muni Bond (1-10 Year)	2.9%	-0.3%
U.S. High Yield Muni Bond	4.5%	-1.2%
Hedge Fund – Credit	6.6%	-0.5%
U.S. Aggregate Bond*	4.6%	-0.2%
Private Debt*	8.3%	-0.5%

Source: NEPC

*Calculated as a blend of other asset classes

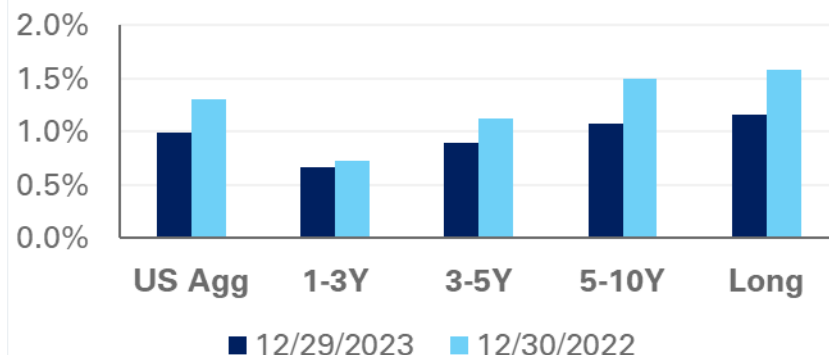


FIXED INCOME

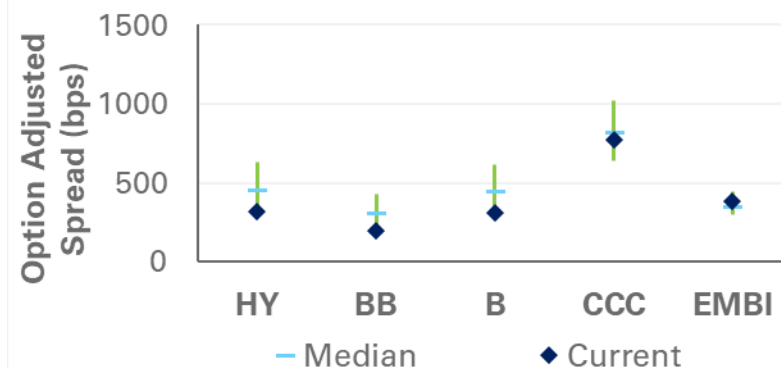
CREDIT SPREADS

- Credit spreads have tightened and are broadly below median levels
- Lower spread levels weigh on future return expectations given less overall carry return
- Credit spread assumptions reflect a path towards long term median levels
- Default and recovery rate assumptions are informed by long-term history

U.S. Corporate OAS by Maturity



Return-Seeking Credit Spreads



FIXED INCOME

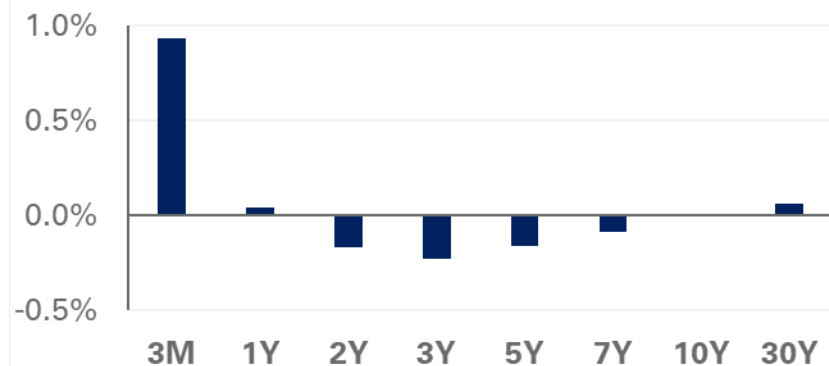
GOVERNMENT RATES

- **Government rates price change reflects shifts in interest rates, the yield curve, and roll down**
 - Roll down refers to the price change due to the aging of a bond along the yield curve
- **Intermediate Treasury yields are near terminal values, even as long yields remain suppressed**
- **A normalization of yield curve steepness is a headwind to long duration fixed income**

Barclays U.S. Aggregate Bond



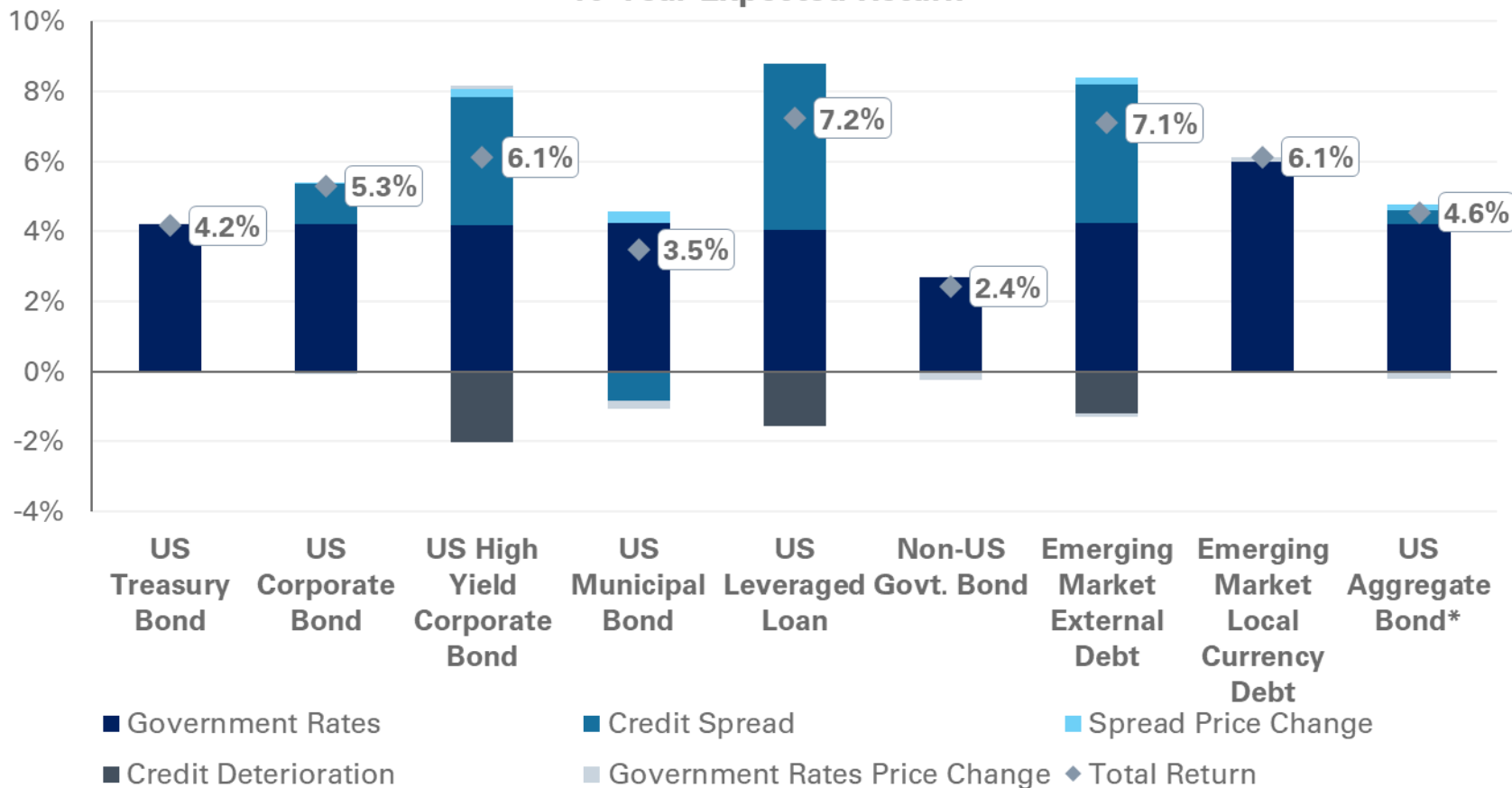
Annual Change in Treasury Yields



FIXED INCOME

BUILDING BLOCKS

10-Year Expected Return



Source: NEPC

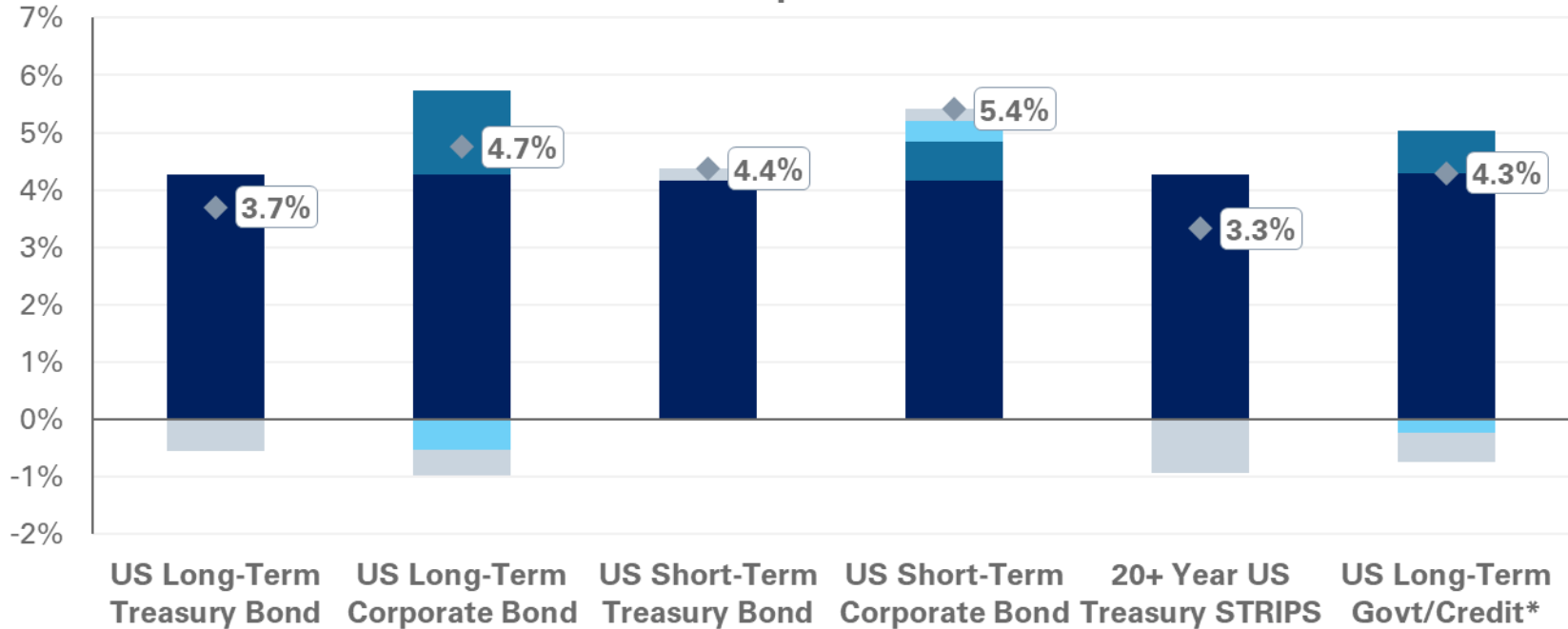
*Calculated as a blend of other classes



FIXED INCOME

BUILDING BLOCKS

10-Year Expected Return



■ Government Rates
■ Credit Deterioration

■ Credit Spread

■ Spread Price Change

■ Government Rates Price Change ◆ Total Return

Source: NEPC
*Calculated as a blend of other classes



REAL ASSET



REAL ASSET ASSUMPTIONS

OVERVIEW

- **Real asset exposure can enhance risk-adjusted returns as markets undergo a secular shift toward higher interest rates and inflation levels**
 - Lagged real estate valuation data reflects a slow adjustment to these dynamics
- **Real assets provide exposure to inflation-sensitive asset classes and offer diversification benefits to the portfolio**
 - A diversifying blend of real assets provides an elevated beta to inflation relative to public equity and nominal bond exposure
- **We encourage investors to evaluate strategic real asset exposure relative to their long-term investment objectives and spending needs**
 - We believe building portfolio inflation sensitivity is a strategic exercise and public real assets serve as a complement to private market investments
- **NEPC recommends a strategic real assets target comprising an equal-weight blend to commodity futures, natural resource equity, public infrastructure equity, REITs, and gold**

REAL ASSET ASSUMPTIONS

BUILDING BLOCKS

Illiquidity Premium	The return expected for assets with illiquidity risk
Valuation	The change in price of the asset moving to a terminal value or real average level
Inflation	Based on the inflation path as defined by breakeven-inflation rates and NEPC assumptions
Growth	Market-specific real growth based on a weighted-average of country-level revenue exposure and GDP growth
Real Income	The inflation-adjusted income produced by the asset

Asset Class	12/31/23 10-Yr Return	12-Month Change
Commodity Futures	4.6%	+0.4%
Midstream Energy	5.5%	-0.5%
REIT	6.0%	-0.2%
Global Infrastructure Equity	6.6%	+1.0%
Global Natural Resources Equity	6.2%	+0.7%
Gold	4.9%	-0.2%
Real Estate - Core	5.4%	+1.4%
Real Estate – Non-Core	7.1%	+1.8%
Private Debt - Real Estate	6.3%	+0.5%
Private Real Assets - Natural Resources	8.2%	+0.1%
Private Real Assets - Infrastructure	6.8%	+0.2%

Source: NEPC

*Calculated as a blend of other asset classes

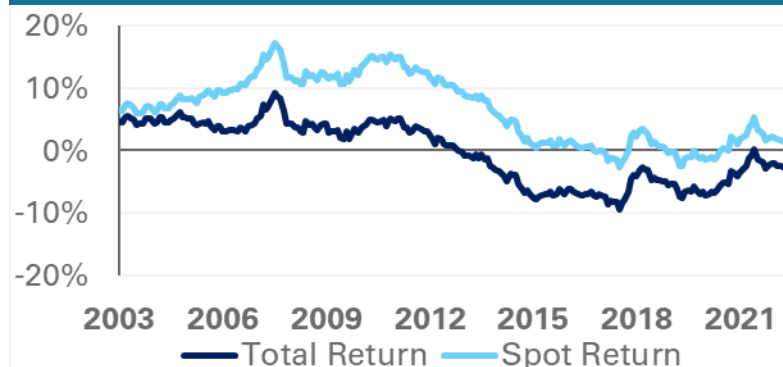


REAL ASSET

REAL INCOME

- **Equity: Real income is inflation-adjusted dividend yield**
 - Includes public infrastructure, REITs, midstream energy, and natural resource equity
- **Real Estate: Real income is net operating income (NOI)**
 - NOI growth tracks the business cycle and economic regimes
- **Commodity Futures: Real income reflects collateral return and the futures roll yield**
 - Collateral is based on a cash proxy over the time horizon and has increased in-line with cash rates

Commodities Rolling 10-Year Returns



Real Assets Yields

	12/31/23	12/31/22
Midstream Energy	5.6%	5.9%
Real Estate - Core	2.6%	2.6%
U.S. REITs	4.2%	4.4%
Global Infrastructure Equities	3.6%	3.2%
Natural Resource Equities	3.7%	3.8%
U.S. 10-Year Breakeven Inflation	2.2%	2.3%
Commodity Index Roll Yield	-0.9%	5.7%

Sources: Bloomberg, NCREIF, Alerian, NAREIT, S&P, FactSet, NEPC

*Commodity Index Roll Yield represents a proprietary calculation methodology

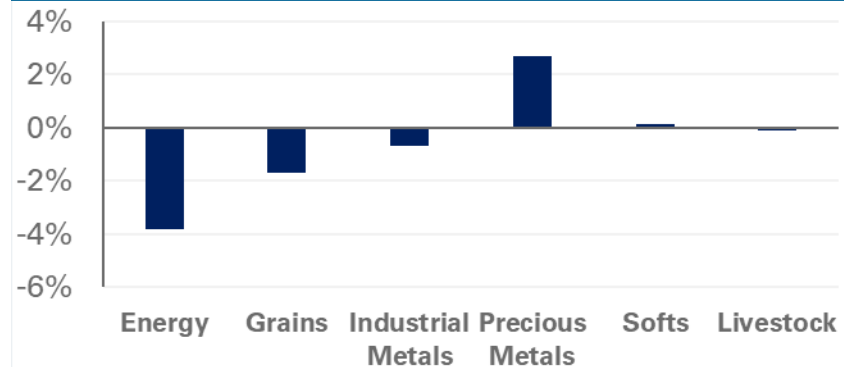


REAL ASSET

VALUATION

- **Commodity valuation inputs reflect the long-term average of spot prices**
 - Many areas of the commodity index are trading at a premium to long-term real averages
- **Valuation assumptions for other real assets are based on asset-specific valuation inputs**
 - Capitalization rates are used for core real estate, price-to-earnings for global infrastructure and global natural resources equity
 - Gold's valuation incorporates the asset's historical risk premia and the impact of the macroeconomic market regime

Discount/Premium to 10-Year Real Average

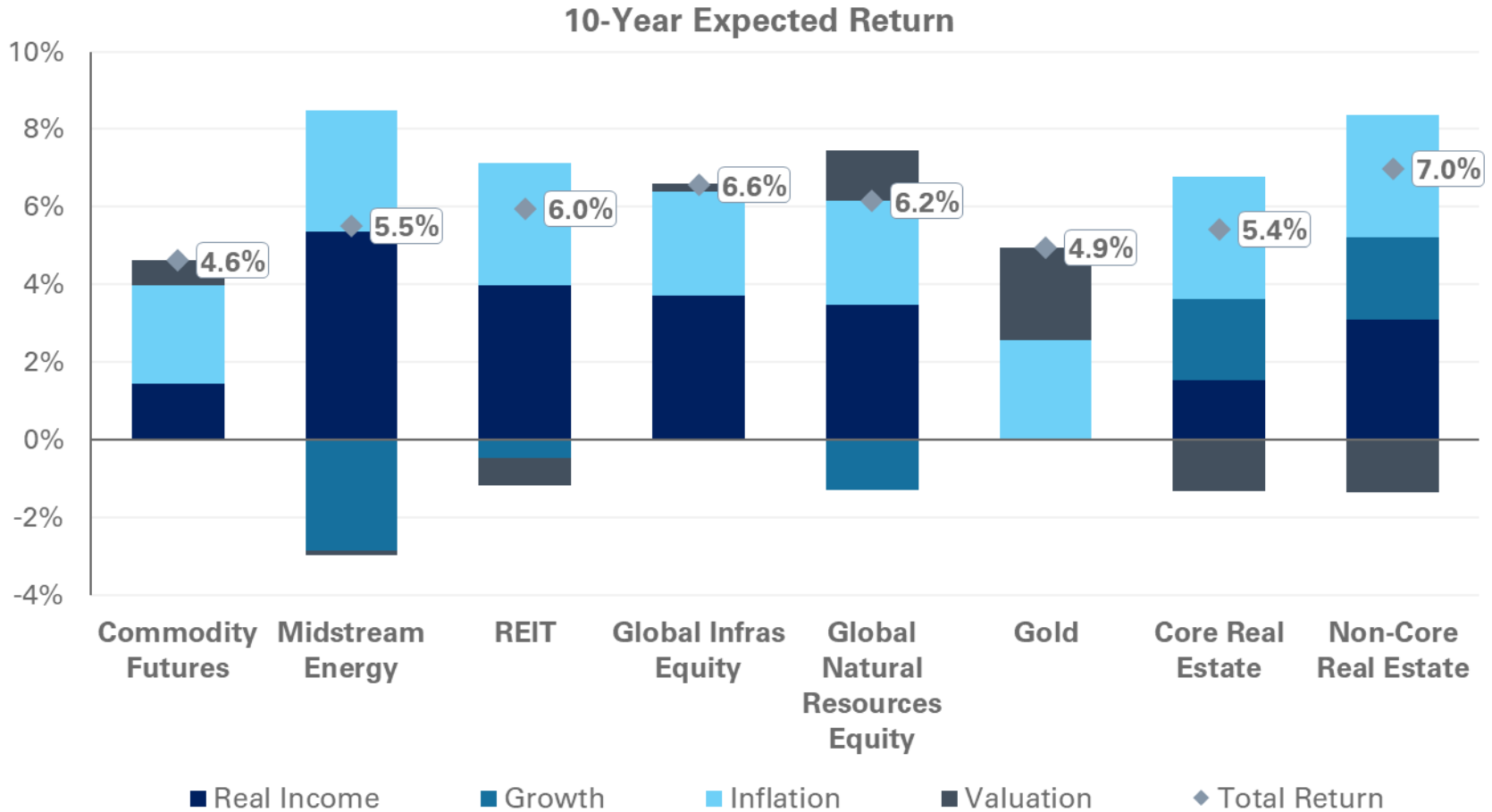


Real Price of Gold



Sources: FactSet, NEPC

REAL ASSET BUILDING BLOCKS

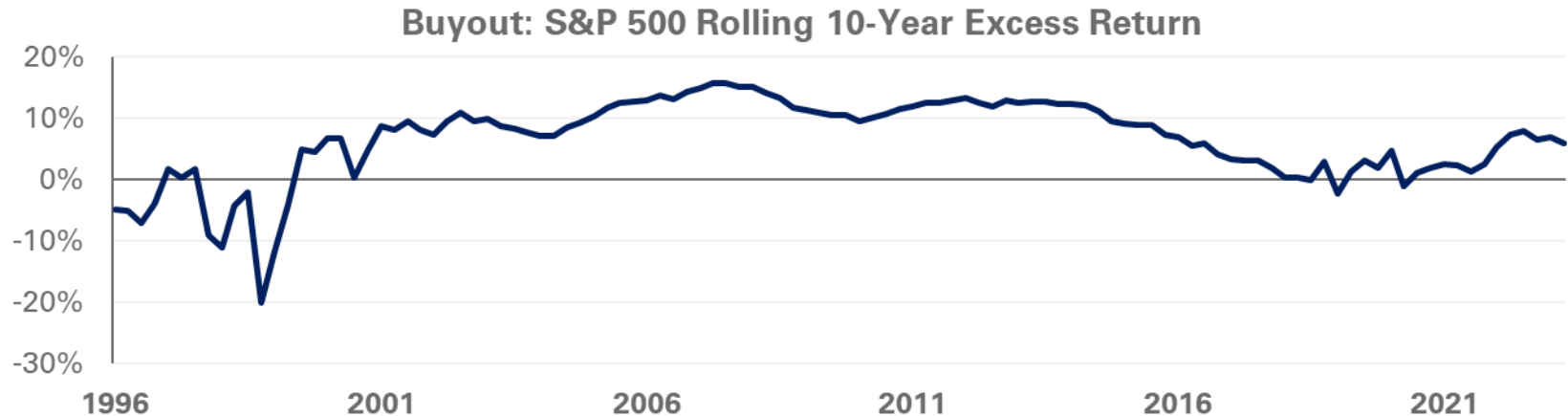


ALTERNATIVE ASSETS



ALTERNATIVE ASSETS

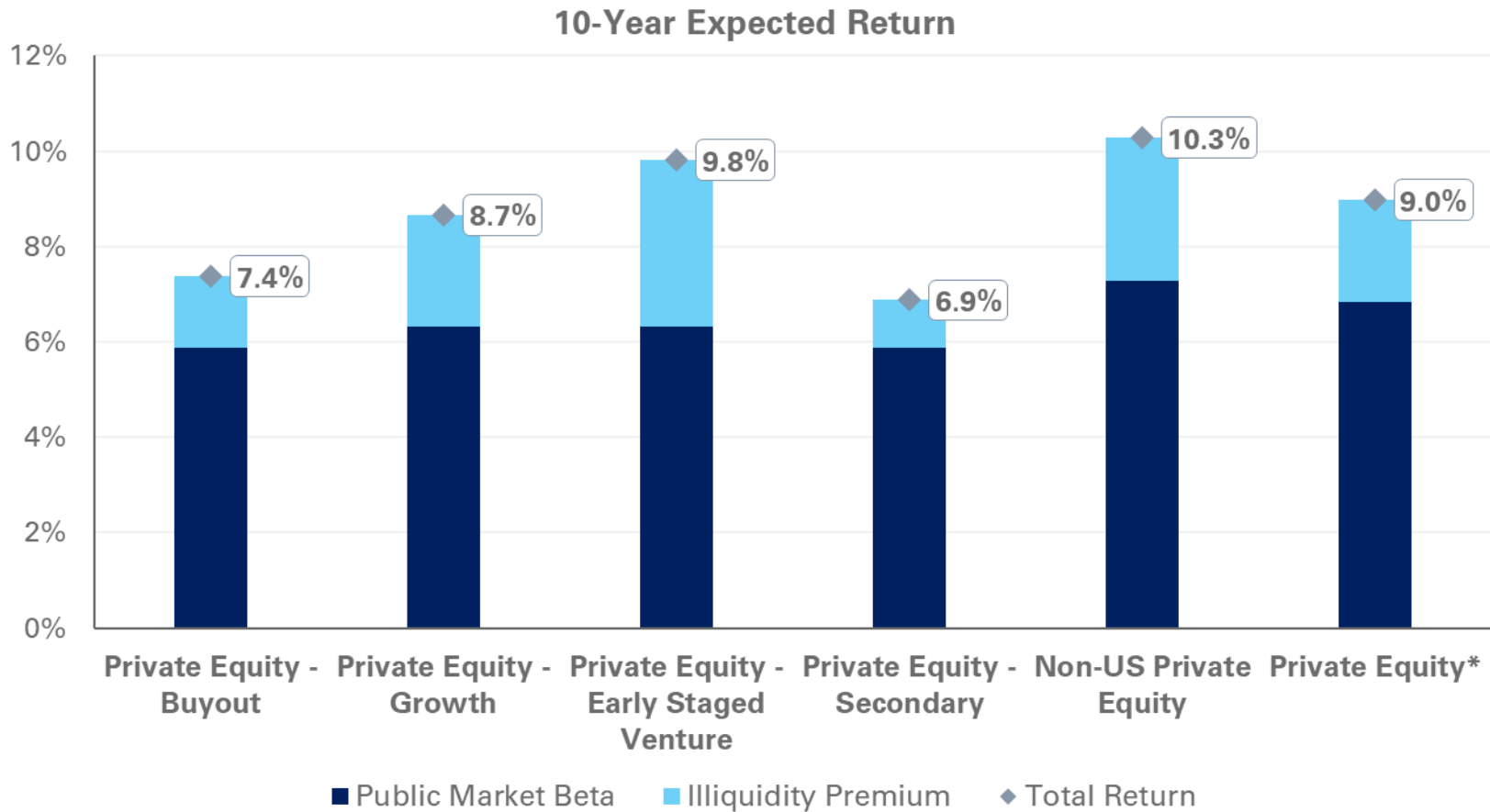
METHODOLOGY



- **Private market assumptions are constructed from public market betas with an added illiquidity premia**
 - Historically, the observed illiquidity premium has been a significant component driving private market returns
- **Hedge fund assumptions are constructed from betas to public markets with an added alpha assumption**

PRIVATE EQUITY

BUILDING BLOCKS



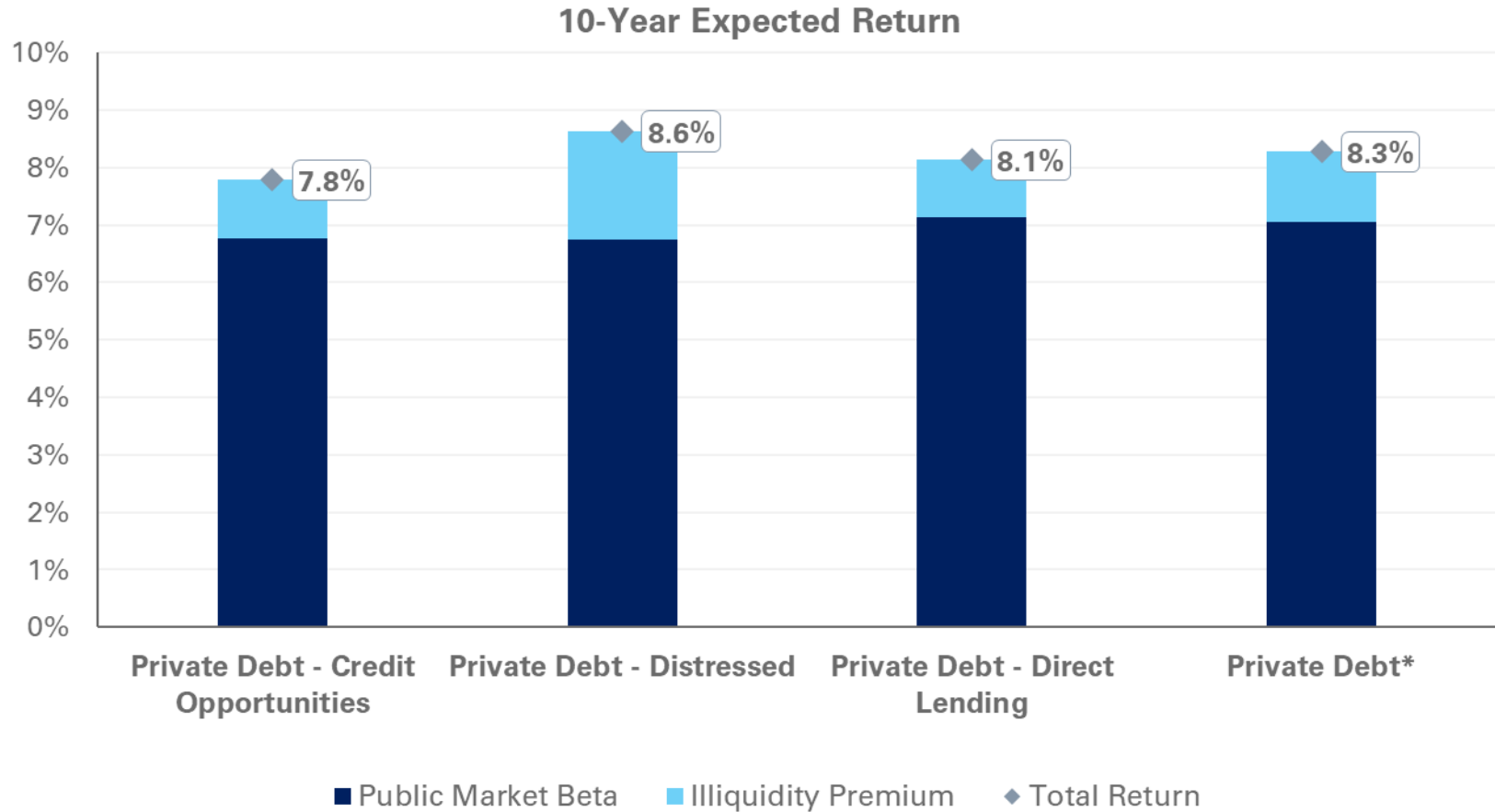
Source: NEPC

*Private Equity is a derived composite of 34% U.S. Buyout, 34% U.S. Growth, 8.5% U.S. Secondary, 8.5% U.S. Venture, 15% Non-U.S. PE



PRIVATE DEBT

BUILDING BLOCKS

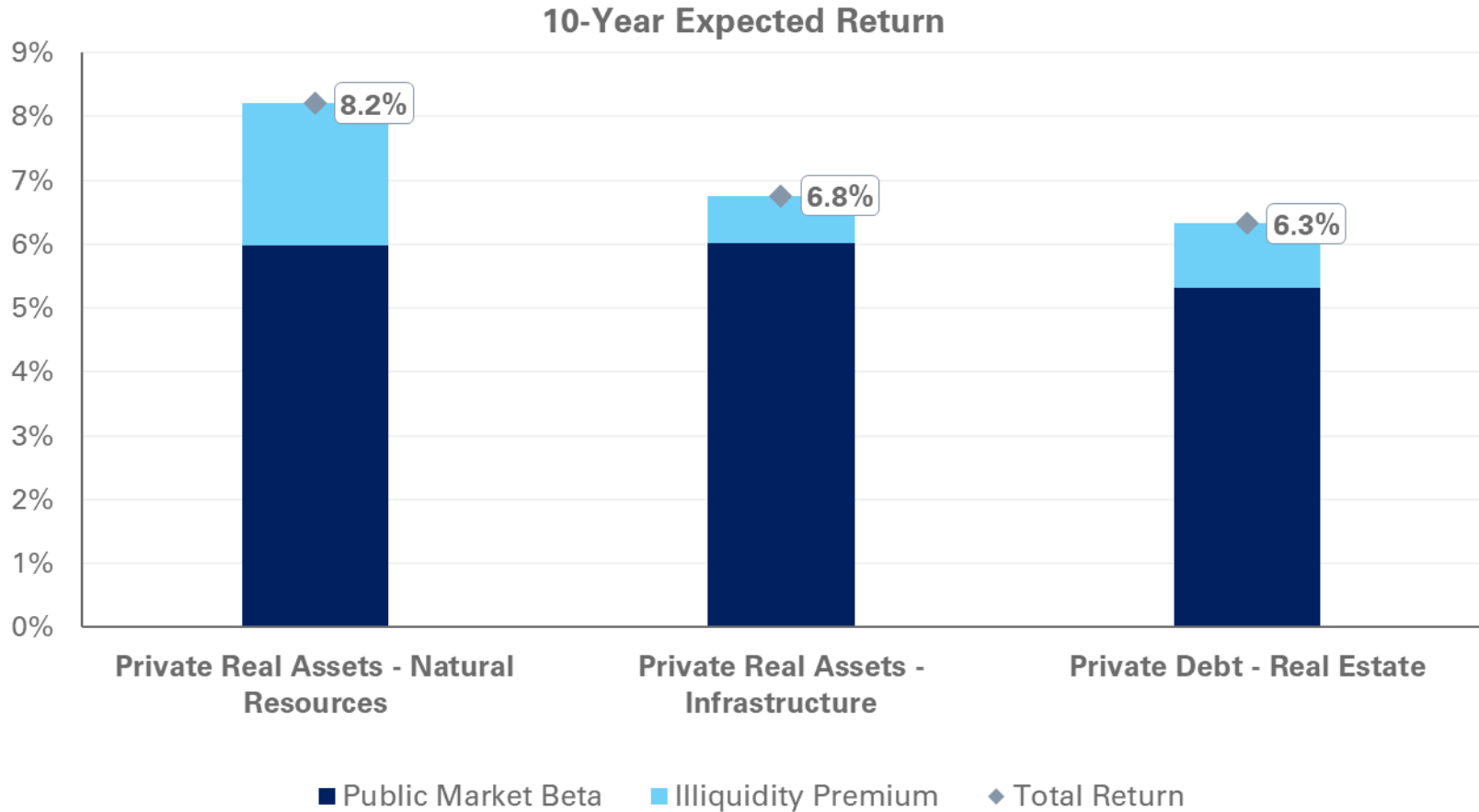


Source: NEPC

*Private Debt is a derived composite of 25% Mezzanine, 25% Distressed, 50% Direct Lending

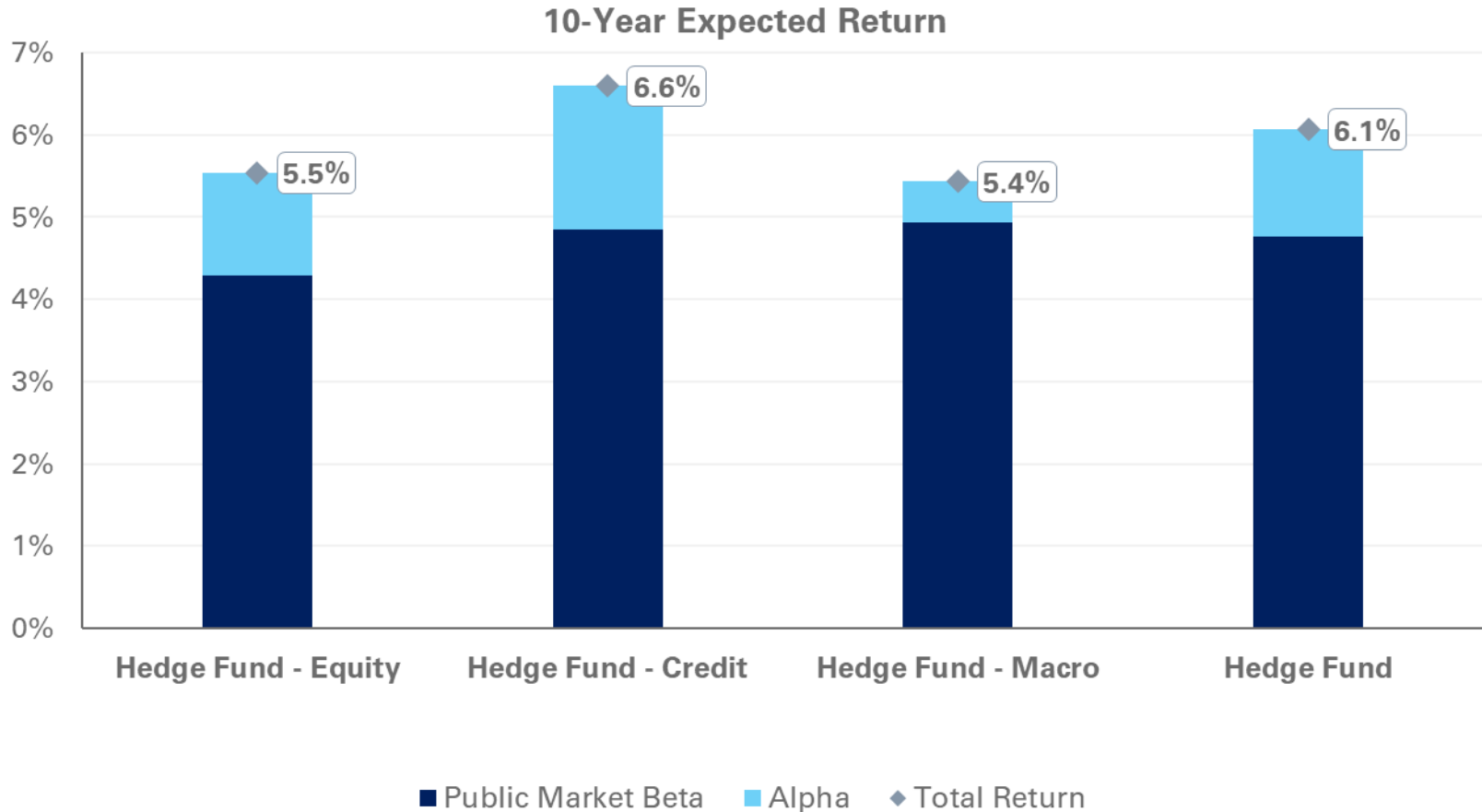


PRIVATE REAL ASSET BUILDING BLOCKS



HEDGE FUND

BUILDING BLOCKS



Source: NEPC

*Hedge Funds is a derived composite of 40% Long/Short, 40% Credit, 20% Macro





APPENDIX

PRIVATE MARKETS COMPOSITES

PUBLIC MARKET BETA INPUTS FOR PRIVATE MARKETS

PRIVATE EQUITY

Buyout: 25% U.S. Large Cap, 75% U.S. Small/Mid Cap

Secondary: 25% U.S. Large Cap, 75% U.S. Small/Mid Cap

Growth: 100% U.S. Small/Mid Cap

Early-Stage Venture: 100% U.S. Small/Mid Cap

Non-U.S.: 70% International Small Cap, 30% Emerging Small Cap

Composite: 34% Buyout, 34% Growth, 15 % Non-U.S., 8.5% Secondary, 8.5% Early Venture

PRIVATE DEBT

Direct Lending: 100% Bank Loans

Distressed: 20% U.S. Small/Mid Cap, 60% U.S. High Yield, 20% Bank Loans

Credit Opportunities: 34% U.S. SMID Cap, 33% U.S. High Yield, 33% Bank Loans

Composite: 50% Direct Lending, 25% Credit Opportunities, 25% Distressed

PRIVATE REAL ASSETS

Energy: 30% Comm., 35% Midstream, 35% Public Resource Equity

Infra/Land: 30% Commodities, 70% Public Infrastructure

Private Real Estate Debt: 50% CMBS, 50% Real Estate - Core

10-YEAR RETURN FORECASTS

EQUITY

Geometric Expected Return			
Asset Class	12/31/2023	12/31/2022	Delta
U.S. Large-Cap Equity	4.4%	5.4%	-1.0%
U.S. Small/Mid-Cap Equity	6.0%	6.5%	-0.5%
Non-U.S. Developed Equity	4.6%	5.6%	-1.0%
Non-U.S. Developed Equity (USD Hedge)	4.8%	5.8%	-1.0%
Non-U.S. Developed Small-Cap Equity	6.4%	6.7%	-0.3%
Emerging Market Equity	8.6%	9.6%	-1.0%
Emerging Market Small-Cap Equity	7.9%	9.3%	-1.4%
Hedge Fund - Equity	5.5%	6.0%	-0.5%
Private Equity - Buyout	7.4%	7.7%	-0.3%
Private Equity - Growth	8.7%	8.8%	-0.1%
Private Equity - Early Stage Venture	9.8%	10.0%	-0.2%
Private Equity - Secondary	6.9%	7.2%	-0.3%
Non-U.S. Private Equity	10.3%	10.4%	-0.1%
China Equity	9.9%	8.7%	+1.2%
Global Equity*	5.4%	6.3%	-0.9%
Private Equity*	9.0%	9.2%	-0.2%



*Calculated as a blend of other asset classes

10-YEAR RETURN FORECASTS

FIXED INCOME

Geometric Expected Return			
Asset Class	12/31/2023	12/31/2022	Delta
Cash	3.9%	4.0%	-0.1%
US TIPS	4.6%	4.4%	+0.2%
US Treasury Bond	4.2%	4.2%	-
US Corporate Bond	5.3%	5.9%	-0.6%
US Corporate Bond - AAA	4.4%	4.9%	-0.5%
US Corporate Bond - AA	4.6%	5.0%	-0.4%
US Corporate Bond - A	5.1%	5.6%	-0.5%
US Corporate Bond - BBB	5.6%	6.2%	-0.6%
US Mortgage-Backed Securities	4.4%	4.5%	-0.1%
US Securitized Bond	5.2%	5.2%	-
US Collateralized Loan Obligation	5.5%	5.8%	-0.3%
US Municipal Bond	3.5%	4.4%	-0.9%
US Municipal Bond (1-10 Year)	2.9%	3.2%	-0.3%
US Taxable Municipal Bond	5.3%	5.5%	-0.2%

10-YEAR RETURN FORECASTS

FIXED INCOME

Geometric Expected Return			
Asset Class	12/31/2023	12/31/2022	Delta
Non-US Government Bond	2.4%	2.6%	-0.2%
Non-US Government Bond (USD Hedge)	2.6%	2.9%	-0.3%
Non-US Inflation-Linked Bond (USD Hedge)	3.2%	3.4%	-0.2%
US Short-Term TIPS (1-3 Year)	4.7%	4.3%	+0.4%
US Short-Term Treasury Bond (1-3 Year)	4.4%	4.2%	+0.2%
US Short-Term Corporate Bond (1-3 Year)	5.4%	5.4%	-
US Intermediate-Term TIPS (3-10 Year)	4.6%	4.4%	+0.2%
US Intermediate-Term Treasury Bond (3-10 Year)	4.2%	4.2%	-
US Intermediate-Term Corporate Bond (3-10 Year)	5.6%	6.1%	-0.5%
US Long-Term TIPS (10-30 Year)	4.5%	4.5%	-
US Long-Term Treasury Bond (10-30 Year)	3.7%	4.0%	-0.3%
US Long-Term Corporate Bond (10-30 Year)	4.7%	5.8%	-1.1%
20+ Year US Treasury STRIPS	3.3%	3.9%	-0.6%
10 Year US Treasury Bond	4.2%	4.3%	-0.1%
10 Year Non-US Government Bond (USD Hedge)	2.1%	2.2%	-0.1%
US Aggregate Bond*	4.6%	4.8%	-0.2%



*Calculated as a blend of other asset classes

10-YEAR RETURN FORECASTS

FIXED INCOME

Geometric Expected Return			
Asset Class	12/31/2023	12/31/2022	Delta
US High Yield Corporate Bond	6.1%	7.1%	-1.0%
US Corporate Bond - BB	6.8%	7.5%	-0.7%
US Corporate Bond - B	6.3%	7.5%	-1.2%
US Corporate Bond - CCC/Below	1.4%	2.9%	-1.5%
US Short-Term High Yield Corporate Bond (1-3 Year)	5.5%	6.2%	-0.7%
US Leveraged Loan	7.2%	7.8%	-0.6%
Emerging Market Investment Grade External Debt	5.0%	-	-
Emerging Market High Yield External Debt	9.0%	-	-
Emerging Market Local Currency Debt	6.1%	7.2%	-1.1%
US High Yield Securitized Bond	8.7%	8.9%	-0.2%
US High Yield Collateralized Loan Obligation	7.8%	8.5%	-0.7%
US High Yield Municipal Bond	4.5%	5.7%	-1.2%
Hedge Fund - Credit	6.6%	7.1%	-0.5%
Private Debt - Credit Opportunities	7.8%	8.2%	-0.4%
Private Debt - Distressed	8.6%	9.0%	-0.4%
Private Debt - Direct Lending	8.1%	8.8%	-0.7%
Private Debt*	8.3%	8.8%	-0.5%

*Calculated as a blend of other asset classes



10-YEAR RETURN FORECASTS

REAL ASSETS

Geometric Expected Return			
Asset Class	12/31/2023	12/31/2022	Delta
Commodity Futures	4.6%	4.2%	+0.4%
Midstream Energy	5.5%	6.0%	-0.5%
REIT	6.0%	6.2%	-0.2%
Global Infrastructure Equity	6.6%	5.6%	+1.0%
Global Natural Resources Equity	6.2%	5.5%	+0.7%
Gold	4.9%	5.1%	-0.2%
Real Estate - Core	5.4%	4.0%	+1.4%
Real Estate – Value-Add	6.6%	5.8%	+0.8%
Real Estate - Opportunistic	7.6%	7.4%	+0.2%
Private Debt - Real Estate	6.3%	5.8%	+0.5%
Private Real Assets - Natural Resources	8.2%	8.1%	+0.1%
Private Real Assets - Infrastructure	6.8%	6.6%	+0.2%

30-YEAR RETURN FORECASTS

EQUITY

Geometric Expected Return			
Asset Class	12/31/2023	12/31/2022	Delta
U.S. Large-Cap Equity	6.7%	6.9%	-0.2%
U.S. Small/Mid-Cap Equity	7.4%	7.4%	-
Non-U.S. Developed Equity	6.4%	6.7%	-0.3%
Non-U.S. Developed Equity (USD Hedge)	6.6%	6.9%	-0.3%
Non-U.S. Developed Small-Cap Equity	7.5%	7.5%	-
Emerging Market Equity	9.2%	9.6%	-0.4%
Emerging Market Small-Cap Equity	9.1%	9.6%	-0.5%
Hedge Fund - Equity	6.0%	6.2%	-0.2%
Private Equity - Buyout	8.8%	8.8%	-
Private Equity - Growth	9.7%	9.8%	-0.1%
Private Equity - Early Stage Venture	10.6%	10.6%	-
Private Equity - Secondary	8.2%	8.2%	-
Non-U.S. Private Equity	10.8%	10.8%	-
China Equity	9.5%	9.1%	+0.4%
Global Equity*	7.3%	7.5%	-0.2%
Private Equity*	10.1%	10.1%	-



*Calculated as a blend of other asset classes

30-YEAR RETURN FORECASTS

FIXED INCOME

Geometric Expected Return			
Asset Class	12/31/2023	12/31/2022	Delta
Cash	3.4%	3.4%	-
US TIPS	4.7%	4.3%	+0.4%
US Treasury Bond	4.3%	4.1%	+0.2%
US Corporate Bond	5.9%	5.9%	-
US Corporate Bond - AAA	5.1%	5.1%	-
US Corporate Bond - AA	5.1%	5.0%	+0.1%
US Corporate Bond - A	5.5%	5.5%	-
US Corporate Bond - BBB	6.1%	6.1%	-
US Mortgage-Backed Securities	4.6%	4.4%	+0.2%
US Securitized Bond	5.4%	5.1%	+0.3%
US Collateralized Loan Obligation	4.9%	5.2%	-0.3%
US Municipal Bond	3.8%	3.9%	-0.1%
US Municipal Bond (1-10 Year)	3.5%	3.4%	+0.1%
US Taxable Municipal Bond	6.0%	5.8%	+0.2%

30-YEAR RETURN FORECASTS

FIXED INCOME

Geometric Expected Return			
Asset Class	12/31/2023	12/31/2022	Delta
Non-US Government Bond	2.9%	3.2%	-0.3%
Non-US Government Bond (USD Hedge)	3.2%	3.4%	-0.2%
Non-US Inflation-Linked Bond (USD Hedge)	3.3%	3.6%	-0.3%
US Short-Term TIPS (1-3 Year)	4.4%	3.9%	+0.5%
US Short-Term Treasury Bond (1-3 Year)	4.2%	3.8%	+0.4%
US Short-Term Corporate Bond (1-3 Year)	5.2%	4.9%	+0.3%
US Intermediate-Term TIPS (3-10 Year)	4.7%	4.4%	+0.3%
US Intermediate-Term Treasury Bond (3-10 Year)	4.4%	4.2%	+0.2%
US Intermediate-Term Corporate Bond (3-10 Year)	6.0%	6.0%	-
US Long-Term TIPS (10-30 Year)	4.8%	4.6%	+0.2%
US Long-Term Treasury Bond (10-30 Year)	4.3%	4.3%	-
US Long-Term Corporate Bond (10-30 Year)	6.0%	6.2%	-0.2%
20+ Year US Treasury STRIPS	4.2%	4.3%	-0.1%
10 Year US Treasury Bond	4.8%	4.7%	+0.1%
10 Year Non-US Government Bond (USD Hedge)	2.8%	3.1%	-0.3%
US Aggregate Bond*	4.9%	4.7%	+0.2%

*Calculated as a blend of other asset classes



30-YEAR RETURN FORECASTS

FIXED INCOME

Geometric Expected Return			
Asset Class	12/31/2023	12/31/2022	Delta
US High Yield Corporate Bond	7.1%	7.3%	-0.2%
US Corporate Bond - BB	7.7%	7.7%	-
US Corporate Bond - B	7.1%	7.2%	-0.1%
US Corporate Bond - CCC/Below	1.9%	2.1%	-0.2%
US Short-Term High Yield Corporate Bond (1-3 Year)	5.6%	5.5%	+0.1%
US Leveraged Loan	6.6%	6.9%	-0.3%
Emerging Market Investment Grade External Debt	5.9%	-	-
Emerging Market High Yield External Debt	8.4%	-	-
Emerging Market Local Currency Debt	5.5%	6.1%	-0.6%
US High Yield Securitized Bond	8.3%	8.1%	+0.2%
US High Yield Collateralized Loan Obligation	7.3%	7.7%	-0.4%
US High Yield Municipal Bond	4.9%	5.7%	-0.8%
Hedge Fund - Credit	7.0%	7.1%	-0.1%
Private Debt - Credit Opportunities	8.4%	8.4%	-
Private Debt - Distressed	9.3%	9.4%	-0.1%
Private Debt - Direct Lending	8.9%	9.1%	-0.2%
Private Debt*	9.0%	9.1%	-0.1%

*Calculated as a blend of other asset classes



30-YEAR RETURN FORECASTS

REAL ASSETS

Geometric Expected Return			
Asset Class	12/31/2023	12/31/2022	Delta
Commodity Futures	3.9%	3.2%	+0.7%
Midstream Energy	6.6%	6.7%	-0.1%
REIT	7.3%	7.3%	-
Global Infrastructure Equity	7.0%	6.7%	+0.3%
Global Natural Resources Equity	7.1%	6.6%	+0.5%
Gold	4.8%	4.8%	-
Real Estate - Core	6.1%	5.1%	+1.0%
Real Estate – Value-Add	7.3%	6.9%	+0.4%
Real Estate - Opportunistic	8.2%	8.6%	-0.4%
Private Debt - Real Estate	6.6%	6.0%	+0.6%
Private Real Assets - Natural Resources	8.7%	8.4%	+0.3%
Private Real Assets - Infrastructure	7.1%	7.0%	+0.1%

VOLATILITY FORECASTS

EQUITY

Volatility			
Asset Class	12/31/2023	12/31/2022	Delta
U.S. Large-Cap Equity	17.2%	16.9%	+0.3%
U.S. Small/Mid-Cap Equity	21.0%	20.8%	+0.2%
Non-U.S. Developed Equity	19.7%	19.6%	+0.1%
Non-U.S. Developed Equity (USD Hedge)	17.7%	17.6%	+0.1%
Non-U.S. Developed Small-Cap Equity	24.2%	24.2%	-
Emerging Market Equity	28.1%	28.6%	-0.5%
Emerging Market Small-Cap Equity	31.4%	31.9%	-0.5%
Hedge Fund - Equity	11.0%	11.1%	-0.1%
Private Equity - Buyout	20.0%	20.0%	-
Private Equity - Growth	31.5%	31.4%	+0.1%
Private Equity - Early Stage Venture	46.5%	45.0%	+1.5%
Private Equity - Secondary	20.4%	21.0%	-0.6%
Non-U.S. Private Equity	32.0%	32.0%	-
China Equity	30.6%	30.7%	-0.1%
Global Equity*	18.2%	18.1%	+0.1%
Private Equity*	25.9%	25.7%	+0.2%



*Calculated as a blend of other asset classes

VOLATILITY FORECASTS

FIXED INCOME

Volatility			
Asset Class	12/31/2023	12/31/2022	Delta
Cash	0.6%	0.6%	-
US TIPS	6.0%	6.1%	-0.1%
US Treasury Bond	5.4%	5.4%	-
US Corporate Bond	7.7%	7.6%	+0.1%
US Corporate Bond - AAA	6.8%	6.5%	+0.3%
US Corporate Bond - AA	6.6%	6.4%	+0.2%
US Corporate Bond - A	7.6%	7.5%	+0.1%
US Corporate Bond - BBB	8.4%	8.4%	-
US Mortgage-Backed Securities	6.5%	6.5%	-
US Securitized Bond	8.0%	8.2%	-0.2%
US Collateralized Loan Obligation	7.7%	7.6%	+0.1%
US Municipal Bond	6.0%	6.0%	-
US Municipal Bond (1-10 Year)	4.5%	4.5%	-
US Taxable Municipal Bond	7.5%	7.5%	-

VOLATILITY FORECASTS

FIXED INCOME

Volatility			
Asset Class	12/31/2023	12/31/2022	Delta
Non-US Government Bond	9.5%	9.5%	-
Non-US Government Bond (USD Hedge)	4.1%	4.1%	-
Non-US Inflation-Linked Bond (USD Hedge)	6.7%	6.6%	+0.1%
US Short-Term TIPS (1-3 Year)	3.3%	3.4%	-0.1%
US Short-Term Treasury Bond (1-3 Year)	2.3%	2.3%	-
US Short-Term Corporate Bond (1-3 Year)	2.8%	2.8%	-
US Intermediate-Term TIPS (3-10 Year)	6.0%	6.0%	-
US Intermediate-Term Treasury Bond (3-10 Year)	5.9%	5.9%	-
US Intermediate-Term Corporate Bond (3-10 Year)	7.1%	7.1%	-
US Long-Term TIPS (10-30 Year)	12.4%	12.4%	-
US Long-Term Treasury Bond (10-30 Year)	11.8%	11.8%	-
US Long-Term Corporate Bond (10-30 Year)	11.9%	12.1%	-0.2%
20+ Year US Treasury STRIPS	20.7%	20.7%	-
10 Year US Treasury Bond	7.5%	7.5%	-
10 Year Non-US Government Bond (USD Hedge)	5.0%	5.1%	-0.1%
US Aggregate Bond*	5.8%	5.8%	-



*Calculated as a blend of other asset classes

VOLATILITY FORECASTS

FIXED INCOME

Volatility			
Asset Class	12/31/2023	12/31/2022	Delta
US High Yield Corporate Bond	11.2%	11.1%	+0.1%
US Corporate Bond - BB	9.7%	9.7%	-
US Corporate Bond - B	11.6%	11.7%	-0.1%
US Corporate Bond - CCC/Below	20.3%	20.3%	-
US Short-Term High Yield Corporate Bond (1-3 Year)	8.2%	8.5%	-0.3%
US Leveraged Loan	9.1%	9.1%	-
Emerging Market Investment Grade External Debt	8.7%	-	-
Emerging Market High Yield External Debt	17.5%	-	-
Emerging Market Local Currency Debt	12.7%	13.0%	-0.3%
US High Yield Securitized Bond	11.2%	11.1%	+0.1%
US High Yield Collateralized Loan Obligation	10.4%	10.4%	-
US High Yield Municipal Bond	12.0%	12.0%	-
Hedge Fund - Credit	9.9%	10.0%	-0.1%
Private Debt - Credit Opportunities	14.5%	14.8%	-0.3%
Private Debt - Distressed	14.4%	14.6%	-0.2%
Private Debt - Direct Lending	11.0%	11.0%	-
Private Debt*	11.8%	11.8%	-

*Calculated as a blend of other asset classes



VOLATILITY FORECASTS

REAL ASSETS

Volatility			
Asset Class	12/31/2023	12/31/2022	Delta
Commodity Futures	18.5%	18.5%	-
Midstream Energy	28.2%	28.8%	-0.6%
REIT	21.8%	21.7%	+0.1%
Global Infrastructure Equity	19.4%	20.6%	-1.2%
Global Natural Resources Equity	23.3%	23.5%	-0.2%
Gold	16.4%	16.3%	+0.1%
Real Estate - Core	15.0%	15.0%	-
Real Estate – Value-Add	23.4%	20.4%	+3.0%
Real Estate - Opportunistic	25.8%	23.3%	+2.5%
Private Debt - Real Estate	11.9%	11.9%	-
Private Real Assets - Natural Resources	32.3%	32.5%	-0.2%
Private Real Assets - Infrastructure	12.4%	12.4%	-

INFORMATION DISCLAIMER

Past performance is no guarantee of future results.

The goal of this report is to provide a basis for substantiating asset allocation recommendations. The opinions presented herein represent the good faith views of NEPC as of the date of this report and are subject to change at any time.

Information on market indices was provided by sources external to NEPC. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.

All investments carry some level of risk. Diversification and other asset allocation techniques do not ensure profit or protect against losses.

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Investment Committee Workplan for 2024

February 7, 2024

Action Items

Information Items

Action Items	Information Items
January 3 (Meeting Cancelled)	1. Proposed 2024 Investment Committee Meeting Workplan (draft) – moved to the Board Meeting under “New Business”
February 7	<ol style="list-style-type: none"> 1. Discussion and Possible Motion to Recommend that the Board approve an up to \$50 million Investment in PGIM Real Estate U.S. Debt Fund as part of ACERA’s Real Estate Portfolio, Pending Completion of Legal and Investment Due Diligence and Successful Contract Negotiations
March 6	<ol style="list-style-type: none"> 1. Discussion of and Possible Motion to Recommend to the Board to Adopt an Investment in ACERA’s Real Estate Portfolio – Placeholder
	<ol style="list-style-type: none"> 1. Performance Review for the Period Ending December 31, 2023 – Total Fund Highlighting Public Markets Asset Classes 2. Education Session: Asset Liability Overview and Methodology 3. <i>Quarterly report of ACERA’s investment manager, consultant, and custodian bank fees for the fourth quarter of 2023</i> 4. <i>Quarterly report on ACERA’s rebalancing activities for the fourth quarter 2023</i> 5. <i>Quarterly report on Investment Products and Services Introductions (IPSI) for the fourth quarter of 2023</i> 6. <i>Updated Investment Committee Work Plan 2024</i>

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3. Educational sessions may be added to the Agenda from time-to-time e.g., Portable Alpha, Market and Currency Overlay, Equity Overlay, and Emerging Managers in Private Equity investments. Recommendations and reports on ACERA’s Real Estate, Private Equity, Absolute Return, Private Credit, and Real Assets investments will be added to the Agenda from time-to-time.



Investment Committee Workplan for 2024

February 7, 2024

Action Items	Information Items
<p>April 3</p> <p>1. Discussion of and Possible Motion to Recommend to the Board to Adopt an Investment in ACERA’s Private Equity Portfolio-Placeholder</p>	<p>1. Discussion on Asset Liability Study – Asset Allocation Mix Options, Liability Assumptions, Scenario Analysis, and Liquidity Analysis, and Stochastic Analysis</p>
<p>May 1</p> <p>1. Discussion and Possible Motion to Recommend to the Board to Adopt an Asset Allocation Mix</p>	<p>1. Education Session: Private Credit (Placeholder)</p> <p>2. Review of Real Assets Policy (Placeholder)</p>
<p>June 5</p> <p>1. Discussion and Possible Motion to Recommend to the Board to Adopt an Amended Real Estate Policy (Placeholder)</p> <p>2. Discussion of and Possible Motion to Recommend to the Board to Adopt an Investment in ACERA’s Real Estate Portfolio – (Placeholder)</p> <p>3. Discussion of and Possible Motion to Recommend to the Board to Adopt an Investment in ACERA’s Private Equity Portfolio- (Placeholder)</p>	<p>1. <i>Quarterly report of ACERA’s investment manager, consultant, and custodian bank fees for the first quarter of 2024</i></p> <p>2. <i>Quarterly report on ACERA’s rebalancing activities for the first quarter of 2024</i></p> <p>3. <i>Quarterly report on Investment Products and Services Introductions (IPSI) for the first quarter of 2024</i></p> <p>4. <i>Updated Investment Committee Work Plan 2024</i></p>
<p>July 3</p>	<p>1. Semiannual Performance Review for the Period Ending December 31, 2023 – Real Estate</p> <p>2. Semiannual Performance Review for the Period Ending December 31, 2023 – Private Equity</p> <p>3. Semiannual Performance Review for the Period Ending December 31, 2023 – Private Credit</p> <p>4. Semiannual Performance Review for the Period Ending December 31, 2023 – Absolute Return</p> <p>5. Semiannual Performance Review for the Period Ending December 31, 2023 – Real Assets</p>

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Investment Committee Workplan for 2024

February 7, 2024

Action Items	Information Items
	6. Discussion on the consolidated short list of International Equity Strategies from NEPC’s Focus Placement List 7. Review of Private Credit Policy (Placeholder) 8. Mid – year update on 2024 pacing plan implementation for Private Equity, Private Credit, Absolute Return, and Real Assets
August 7	1. Report on the Proposed timeline, search criteria, and evaluation matrix for ACERA’s Small Cap Manager Search – International Equities
1. Discussion of and Possible Motion to Recommend to the Board to Adopt an Investment in ACERA’s Real Estate Portfolio - Placeholder 2. Discussion of and Possible Motion to Recommend to the Board to Adopt an Investment in ACERA’s Private Credit Portfolio – Placeholder 3. Discussion of and Possible Motion to Recommend to the Board to Adopt an Investment in ACERA’s Real Assets Portfolio - Placeholder	
September 4	1. Performance Review for the Period Ending June 30, 2024 – Total Fund Highlighting Public Market Asset Classes 2. Report on the proposed timeline, search criteria, and evaluation matrix for ACERA’s Emerging Markets Manager Search – International Equities (Placeholder) 3. Education Session: ESG (Placeholder) 4. <i>Quarterly report of ACERA’s investment manager, consultant, and custodian bank fees for the second quarter of 2024</i>
1. Discussion of and Possible Motion to Recommend to the Board to Adopt the Proposed timeline, search criteria, and evaluation matrix for ACERA’s Small Cap Manager Search – International Equities (Placeholder) 2. Discussion of and Possible Motion to Recommend to the Board to Adopt an Investment in ACERA’s Real Assets Portfolio- (Placeholder) 3. Discussion of and Possible Motion to Recommend to the Board to Adopt an Investment in ACERA’s Private Equity Portfolio- (Placeholder)	

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Investment Committee Workplan for 2024

February 7, 2024

Action Items

Information Items

	Action Items	Information Items
		<ol style="list-style-type: none"> 5. <i>Quarterly report on ACERA’s rebalancing activities for the second quarter of 2024</i> 6. <i>Quarterly report on Investment Products and Services Introductions (IPSI) for the second quarter of 2024</i> 7. <i>Updated Investment Committee Work Plan 2024</i>
October 2	<ol style="list-style-type: none"> 1. Discussion of and Possible Motion to Recommend to the Board to Approve the Finalists for ACERA’s Small Cap Manager Search – International Equities (Placeholder) 2. Discussion of and Possible Motion to Recommend to the Board to Adopt an Investment in ACERA’s Private Credit Portfolio – (Placeholder) 3. Discussion of and Possible Motion to Recommend to the Board to Adopt an Investment in ACERA’s Private Equity Portfolio- (Placeholder) 	<ol style="list-style-type: none"> 1. Review of Directed Brokerage Policy (Placeholder)
November 6	<ol style="list-style-type: none"> 1. Discussion of and Possible Motion to Recommend to the Board to Adopt an Investment in ACERA’s Real Assets Portfolio – (Placeholder) 2. Discussion of and Possible Motion to Recommend to the Board to Adopt the Proposed timeline, search criteria, and evaluation matrix for ACERA’s Emerging Markets Manager Search – International Equities (Placeholder) 	<ol style="list-style-type: none"> 1. Review of ESG Policy (Placeholder) 2. Review of Placement Agent Policy (Placeholder)
December 4	<ol style="list-style-type: none"> 1. Interview of the Finalists for ACERA’s Small Cap Manager Search – International Equities and Possible Motion by the Investment Committee to Recommend Finalist (s) to the Board (Placeholder) 	<ol style="list-style-type: none"> 1. 2025 Pacing Plans for Private Equity, Private Credit, Absolute Return, and Real Assets (Placeholder) 2. Semiannual Performance Review for the Period Ending June 30, 2024 – Real Estate

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Investment Committee Workplan for 2024

February 7, 2024

Action Items

Information Items

Action Items	Information Items
<p>2. Discussion of and Possible Motion to Recommend to the Board to Adopt an Investment in ACERA’s Private Equity Portfolio- (Placeholder)</p>	<p>3. Semiannual Performance Review for the Period Ending June 30, 2024 – Private Equity</p> <p>4. Semiannual Performance Review for the Period Ending June 30, 2024 – Private Credit</p> <p>5. Semiannual Performance Review for the Period Ending June 30, 2024 – Absolute Return</p> <p>6. Semiannual Performance Review for the Period Ending June 30, 2024 – Real Assets</p> <p>7. CA Gov. Code § 7514.7 Information Report</p> <p>8. Annual Update – ESG Implementation (Placeholder)</p> <p>9. <i>Quarterly report of ACERA’s investment manager, consultant, and custodian bank fees for the third quarter of 2024</i></p> <p>10. <i>Quarterly report on ACERA’s rebalancing activities for the third quarter 2024</i></p> <p>11. <i>Quarterly report on Investment Products and Services Introductions (IPSI) for the third quarter of 2024</i></p> <p>12. <i>Updated Investment Committee Work Plan 2024</i></p>

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