



Alameda County Employees' Retirement Association
BOARD OF RETIREMENT

INVESTMENT COMMITTEE/BOARD MEETING

THIS MEETING WILL BE CONDUCTED VIA TELECONFERENCE [SEE EXECUTIVE ORDER N-29-20 ATTACHED AT THE END OF THIS AGENDA.]

ACERA MISSION:

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

Wednesday, March 10, 2021
 9:30 a.m.

ZOOM INSTRUCTIONS	COMMITTEE MEMBERS	
<p>The public can view the Teleconference and comment via audio during the meeting. To join this Teleconference, please click on the link below. https://zoom.us/join Meeting ID: 863 7849 7178 Password: 488055 For help joining a Zoom meeting, see: https://support.zoom.us/hc/en-us/articles/201362193</p>	GEORGE WOOD, CHAIR	ELECTED GENERAL
	JAIME GODFREY, VICE CHAIR	APPOINTED
	DALE AMARAL	ELECTED SAFETY
	OPHELIA BASGAL	APPOINTED
	KEITH CARSON	APPOINTED
	TARRELL GAMBLE	APPOINTED
	LIZ KOPPENHAVER	ELECTED RETIRED
	HENRY LEVY	TREASURER
	ELIZABETH ROGERS	ELECTED GENERAL
	NANCY REILLY	ALTERNATE RETIRED¹
	DARRYL L. WALKER	ALTERNATE SAFETY²

The order of agenda items 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 available online at www.acera.org.

Note regarding public comments: Public comments are limited to four (4) minutes per person in total.

Note regarding accommodations: The Board of Retirement will provide reasonable accommodations for persons with special needs of accessibility who plan to attend Board meetings. Please contact ACERA at (510) 628-3000 to arrange for accommodation.

¹ 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 Elected Safety Member and an Elected General Member, are absent).

² Alternate Safety Member (Votes in the absence of (1) the Elected Safety, (2) either of the two Elected General Members, or (3) both the Retired and Alternate Retired Members).

INVESTMENT COMMITTEE/BOARD MEETING

NOTICE and AGENDA, Page 2 of 3 – Wednesday, March 10, 2021

Call to Order: 9:30 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 of and Possible Motion to Recommend to the Board to Adopt an up to \$30 million Investment in Genstar Capital Partners Fund X as part of ACERA's Private Equity Portfolio – Buyout,³ Pending Completion of Legal and Investment Due Diligence and Successful Contract Negotiations

9:30 – 10:15

Terry McKenna, Genstar Capital Partners
Tony Salweski, Genstar Capital Partners
Faraz Shooshani, Verus Advisory Inc.
John Ta, ACERA
Betty Tse, ACERA

2. Discussion of and Possible Motion to Recommend to the Board to Adopt an up to \$27 million Investment in Strategic Value Special Situations Fund V as part of ACERA's Private Equity Portfolio – Debt Related/Special Situations,³ Pending Completion of Legal and Investment Due Diligence and Successful Contract Negotiations

10:15 – 11:00

David Geenberg, Strategic Value Partners
Chris Hancock, Strategic Value Partners
Faraz Shooshani, Verus Advisory Inc.
Clint Kuboyama, ACERA
Betty Tse, ACERA

3. Discussion of and Possible Motion to Recommend to the Board to Adopt an up to \$25 million Investment in Vision Ridge Partners Sustainable Asset Fund III as part of ACERA's Real Assets Portfolio – Infrastructure,³ Pending Completion of Legal and Investment Due Diligence and Successful Contract Negotiations

11:00 – 11:45

Carolyn Fiuza, Vision Ridge Partners
Reuben Munger, Vision Ridge Partners
Garrett Dinsmore, Verus Advisory Inc.
John Nicolini, Verus Advisory Inc.
Clint Kuboyama, ACERA
Betty Tse, ACERA

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. Codes § 6254.26 and § 6255.

INVESTMENT COMMITTEE/BOARD MEETING

NOTICE and AGENDA, Page 3 of 3 – Wednesday, March 10, 2021

4. Discussion and Possible Motion to Recommend that the Board Adopt the Proposed Environmental, Social, and Governance (ESG) Investment Policy

11:45- 12:30

Margaret Jadallah, Verus Advisory Inc.
Betty Tse, ACERA

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

None

Trustee Remarks

Future Discussion Items

Establishment of Next Meeting Date

April 14, 2021 at 9:30 a.m.

**EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA**

EXECUTIVE ORDER N-29-20

WHEREAS on March 4, 2020, I proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19; and

WHEREAS despite sustained efforts, the virus continues to spread and is impacting nearly all sectors of California; and

WHEREAS the threat of COVID-19 has resulted in serious and ongoing economic harms, in particular to some of the most vulnerable Californians; and

WHEREAS time bound eligibility redeterminations are required for Medi-Cal, CalFresh, CalWORKs, Cash Assistance Program for Immigrants, California Food Assistance Program, and In Home Supportive Services beneficiaries to continue their benefits, in accordance with processes established by the Department of Social Services, the Department of Health Care Services, and the Federal Government; and

WHEREAS social distancing recommendations or Orders as well as a statewide imperative for critical employees to focus on health needs may prevent Medi-Cal, CalFresh, CalWORKs, Cash Assistance Program for Immigrants, California Food Assistance Program, and In Home Supportive Services beneficiaries from obtaining in-person eligibility redeterminations; and

WHEREAS under the provisions of Government Code section 8571, I find that strict compliance with various statutes and regulations specified in this order would prevent, hinder, or delay appropriate actions to prevent and mitigate the effects of the COVID-19 pandemic.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes of the State of California, and in particular, Government Code sections 8567 and 8571, do hereby issue the following order to become effective immediately:

IT IS HEREBY ORDERED THAT:

1. As to individuals currently eligible for benefits under Medi-Cal, CalFresh, CalWORKs, the Cash Assistance Program for Immigrants, the California Food Assistance Program, or In Home Supportive Services benefits, and to the extent necessary to allow such individuals to maintain eligibility for such benefits, any state law, including but not limited to California Code of Regulations, Title 22, section 50189(a) and Welfare and Institutions Code sections 18940 and 11265, that would require redetermination of such benefits is suspended for a period of 90 days from the date of this Order. This Order shall be construed to be consistent with applicable federal laws, including but not limited to Code of Federal Regulations, Title 42, section 435.912, subdivision (e), as interpreted by the Centers for Medicare and Medicaid Services (in guidance issued on January 30, 2018) to permit the extension of

otherwise-applicable Medicaid time limits in emergency situations.

2. Through June 17, 2020, any month or partial month in which California Work Opportunity and Responsibility to Kids (CalWORKs) aid or services are received pursuant to Welfare and Institutions Code Section 11200 et seq. shall not be counted for purposes of the 48-month time limit set forth in Welfare and Institutions Code Section 11454. Any waiver of this time limit shall not be applied if it will exceed the federal time limits set forth in Code of Federal Regulations, Title 45, section 264.1.
3. Paragraph 11 of Executive Order N-25-20 (March 12, 2020) is withdrawn and superseded by the following text:

Notwithstanding any other provision of state or local law (including, but not limited to, the Bagley-Keene Act or the Brown Act), and subject to the notice and accessibility requirements set forth below, a local legislative body or state body is authorized to hold public meetings via teleconferencing and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to observe and to address the local legislative body or state body. All requirements in both the Bagley-Keene Act and the Brown Act expressly or impliedly requiring the physical presence of members, the clerk or other personnel of the body, or of the public as a condition of participation in or quorum for a public meeting are hereby waived.

In particular, any otherwise-applicable requirements that

- (i) state and local bodies notice each teleconference location from which a member will be participating in a public meeting;
- (ii) each teleconference location be accessible to the public;
- (iii) members of the public may address the body at each teleconference conference location;
- (iv) state and local bodies post agendas at all teleconference locations;
- (v) at least one member of the state body be physically present at the location specified in the notice of the meeting; and
- (vi) during teleconference meetings, a least a quorum of the members of the local body participate from locations within the boundaries of the territory over which the local body exercises jurisdiction

are hereby suspended.

A local legislative body or state body that holds a meeting via teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, consistent with the notice and accessibility requirements set forth below, shall have satisfied any requirement that the body allow

members of the public to attend the meeting and offer public comment. Such a body need not make available any physical location from which members of the public may observe the meeting and offer public comment.

Accessibility Requirements: If a local legislative body or state body holds a meeting via teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, the body shall also:

- (i) Implement a procedure for receiving and swiftly resolving requests for reasonable modification or accommodation from individuals with disabilities, consistent with the Americans with Disabilities Act and resolving any doubt whatsoever in favor of accessibility; and
- (ii) Advertise that procedure each time notice is given of the means by which members of the public may observe the meeting and offer public comment, pursuant to subparagraph (ii) of the Notice Requirements below.

Notice Requirements: Except to the extent this Order expressly provides otherwise, each local legislative body and state body shall:

- (i) Give advance notice of the time of, and post the agenda for, each public meeting according to the timeframes otherwise prescribed by the Bagley-Keene Act or the Brown Act, and using the means otherwise prescribed by the Bagley-Keene Act or the Brown Act, as applicable; and
- (ii) In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, also give notice of the means by which members of the public may observe the meeting and offer public comment. As to any instance in which there is a change in such means of public observation and comment, or any instance prior to the issuance of this Order in which the time of the meeting has been noticed or the agenda for the meeting has been posted without also including notice of such means, a body may satisfy this requirement by advertising such means using "the most rapid means of communication available at the time" within the meaning of Government Code, section 54954, subdivision (e); this shall include, but need not be limited to, posting such means on the body's Internet website.

All of the foregoing provisions concerning the conduct of public meetings shall apply only during the period in which state or local public health officials have imposed or recommended social distancing measures.

All state and local bodies are urged to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to the provisions of the Bagley-Keene Act and the Brown Act, and other applicable local laws regulating the conduct of public meetings, in order to maximize transparency and provide the public access to their meetings.

IT IS FURTHER ORDERED that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 17th day of March 2020.



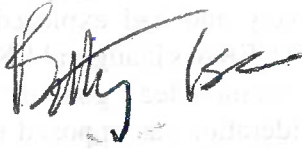
GAVIN NEWSOM
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State



475 14th Street, Suite 1000, Oakland, CA 94612 / telephone #: (510) 628-3000 / fax #: (510) 268-9574 / www.acera.org

TO: Members of the Investment Committee
FROM: Betty Tse, Chief Investment Officer 
DATE: March 10, 2021
SUBJECT: Discussion of and Possible Motion to Recommend that the Board Adopt the Proposed Environmental, Social, and Governance (ESG) Investment Policy

Recommendation:

Adopt the Proposed Environmental, Social, and Governance (“ESG”) Investment Policy

Background:

In early 2019, Verus conducted a confidential Enterprise Risk Tolerance (ERT) survey (see attachment #2) of all ACERA trustees to help prioritize the long term goals of ACERA. At the subsequent ICM, Verus reported the consolidated results of the survey highlighting top priorities as follows: 1) Preventing funded status deterioration in the Plan, and 2) Long-term sustainability of the Plan. Incorporating additional risk considerations (e.g. ESG) viewed as financially material to the Plan was ranked as priority #7 of 10 overall in the survey result.

With that in mind and later in the year, the Board approved the formation of an ACERA Working Group of trustees (Elizabeth Rogers – then IC Chair, Tarrell Gamble - then IC Vice Chair, Dale Amaral, and Henry Levy) to develop a thoughtful ESG Belief Statement with input from Verus and staff to present to the Investment Committee for full discussion. In February 2020, the Board adopted ACERA’s first ESG Belief Statement, which incorporated the following five considerations as directed by the ESG Working Group:

- a) Explicit statement of fiduciary responsibilities and legal duties of all Trustees;
- b) ACERA’s primary Plan objectives as described in the ERT survey;
- c) Consideration of material ESG risk factors that may adversely affect the long term performance of the Plan;
- d) Acknowledge the need to mitigate ESG risk factors along with other investment risk factors in the Plan;
- e) Solicit legal review of the draft ESG Belief Statement before presenting it to the Investment Committee.

Discussion:

Since the Working Group’s first meeting on August 2, 2019 with Verus and staff, and with multiple subsequent meetings (such as in-person meetings, virtual meetings and conference calls) to work

through many drafts of the ESG policy, we put together a draft which was reviewed and supported by the majority of the Working Group before the end of 2020.

Throughout the entirety of our engagement with the Working Group, we had discussed and researched¹ extensively and had explored various practical approaches to establish an initial framework to build ACERA's inaugural ESG Policy based on the approved ESG Belief Statement. Consequently, we have included a goal of "embracing an integrated approach to the assessment of long-term risk considerations as opposed to a divestment approach." (see Proposed ESG Policy section II "Purpose"). Examples of this integrated approach include the use of periodic questionnaires and proxy voting methodologies.

In addition to getting the support of the Working Group to advance this draft Policy to the full Committee for discussion, staff also understands that the Brown Act prohibits additional trustees besides the current Working Group members, such as the current Investment Committee Chair (George Wood) and Vice Chair (Jaime Godfrey), from participating in discussions and/ or reviews of the working draft of the ESG Policy except in a public meeting. Hence, this draft Policy is agendized for your discussion and action today.

Conclusion:

We believe the current draft ESG policy (see attachment #3) is thoughtful and practical, keeping with the five considerations for the ESG Belief Statement. These considerations established the expectations of the Board in mitigating the ESG risk factors and in preserving the long-term sustainability of the ACERA Fund. Staff proposes that the Investment Committee recommend to the Board of Retirement to Adopt the attached Environmental, Social, and Governance ("ESG") Investment Policy.

Attachments:

- #1 Memo regarding ACERA ESG Investment Policy Recommendation (prepared by Verus).
- #2 ERT Survey Results (page 2), dated March 2019 (prepared by Verus).
- #3 Proposed ACERA's Environmental, Social, and Governance ("ESG") Investment Policy (Reviewed by the ESG Working Group with input from Verus and Staff).

¹ One of our research tools was to administer another ERT survey confidentially to all trustees to potentially sharpen our alignment of the goals of the proposed ESG Policy with the goals of the Board. Due to the relatively low response rate to the named survey (less than 50%), we felt that it would be premature to present and incorporate this ERT survey result in this proposed ESG Policy .



Memorandum

To: ACERA
From: Verus
Date: March 10, 2021
RE: ACERA ESG Investment Policy recommendation

Executive Summary

This ACERA ESG Investment Policy recommendation is the result of the combined effort of the ACERA ESG Working Group, in conjunction with Verus and ACERA Staff, over the course of this past year. ACERA's Working Group, comprised of Trustees Dale Amaral, Tarrell Gamble, Henry Levy and Elizabeth Rogers, was formed in August 2019 to develop an ESG policy for ACERA per the direction of the ICM. The ICM's instructions and scope of work for the Working Group were as follows: 1) include explicit statement of fiduciary responsibility and consideration of ACERA's plan objectives (as described in the Enterprise Risk Tolerance survey administered during ACERA's last asset-liability study in April 2019), 2) maintain a specific and limited focus on material ESG risk factors that may adversely affect long-term financial returns and 3) ensure legal review and sign off by ACERA's Chief Counsel. In February 2020, the Board approved ACERA's Mission Statement which was the initial component of the Working Group's efforts and set the framework for ACERA's ESG Investment Policy. Today we are presenting the full ACERA ESG Investment Policy for ICM review and approval for Board recommendation. We stress that this is a living document that can and should be updated periodically, along with all ACERA's investment policies.

Alignment with Fiduciary Responsibility

The policy intends to align with DOL and ERISA fiduciary responsibilities which requires consideration of only pecuniary, or monetary, factors. On October 30, 2020, the U.S. Department of Labor issued its final rule on Financial Factors in Selecting Plan Investments ("Final Rule") which had been closely followed in order to ascertain updated guidance on the incorporation of ESG factors. The Final Rule amends investment regulations under ERISA, requiring retirement plan fiduciaries to select investments solely on pecuniary considerations. Environment, social and governance ("ESG") factors that are not pecuniary can be considered in the event of a tiebreaker situation. While the new administration is reviewing the Final Rule, ACERA's inaugural ESG Investment Policy was adopted in accordance with the current ruling as described above. Similarly, the proposed ESG Investment Policy explicitly restricts material ESG risk considerations to those adhering to all Federal and State statutes.

Lastly, ACERA's Chief Counsel has reviewed and signed off on the recommended ESG policy.

Process for Identifying ACERA's ESG Risk Factors

Verus and ACERA Staff sent out a confidential Enterprise Risk Tolerance survey to all ACERA Trustees this past week gauging their viewpoints on material ESG risk factors and their expected impact on long-term financial returns. The survey queried Trustees on ESG risk factors that have been frequently discussed during ICM meetings over the past two years. These factors include climate change-related, diversity and inclusion, and labor rights/living wage issues, along with a variety of governance risk factors. Note that most of the governance risk factors already have been identified as part of ACERA's existing proxy voting policy.¹

While only a subset of Trustees responded to the survey by our deadline, we've identified some initial findings that warrant further discussion and exploration. First, the data suggest that ACERA's Trustees do believe that there are material ESG risk factors that may affect long-term financial returns (thus, reaffirming the backing for having an ESG Investment Policy). Governance risk factors were unanimously affirmed as impactful to long-term financial returns. Climate change risks within the environmental category were deemed material across the board and, for the most part, diversity was also flagged as a risk metric to incorporate. Initial findings also showed that Trustees were generally leaning to less frequent Board monitoring of ESG risk disclosures and comfort with staff monitoring. Lastly, the initial findings suggest that there is a desire to implement ACERA's ESG Investment Policy through various means – investment integration, monitoring and proxy voting – but with divergent viewpoints on the preferred means of implementation across respondents.

We will elicit discussion at the March ICM from all Trustees on this topic in order to build consensus on specific metrics that Verus and ACERA Staff will need as reference for proper implementation of ACERA's ESG Investment Policy and the optimal means of implementation (investment integration, monitoring or proxy voting). It is critical that ACERA Staff and Verus are seeking and monitoring material E, S and G risk metrics that have broadly been identified as potentially harmful to ACERA's long-term financial returns by ACERA's Trustees.

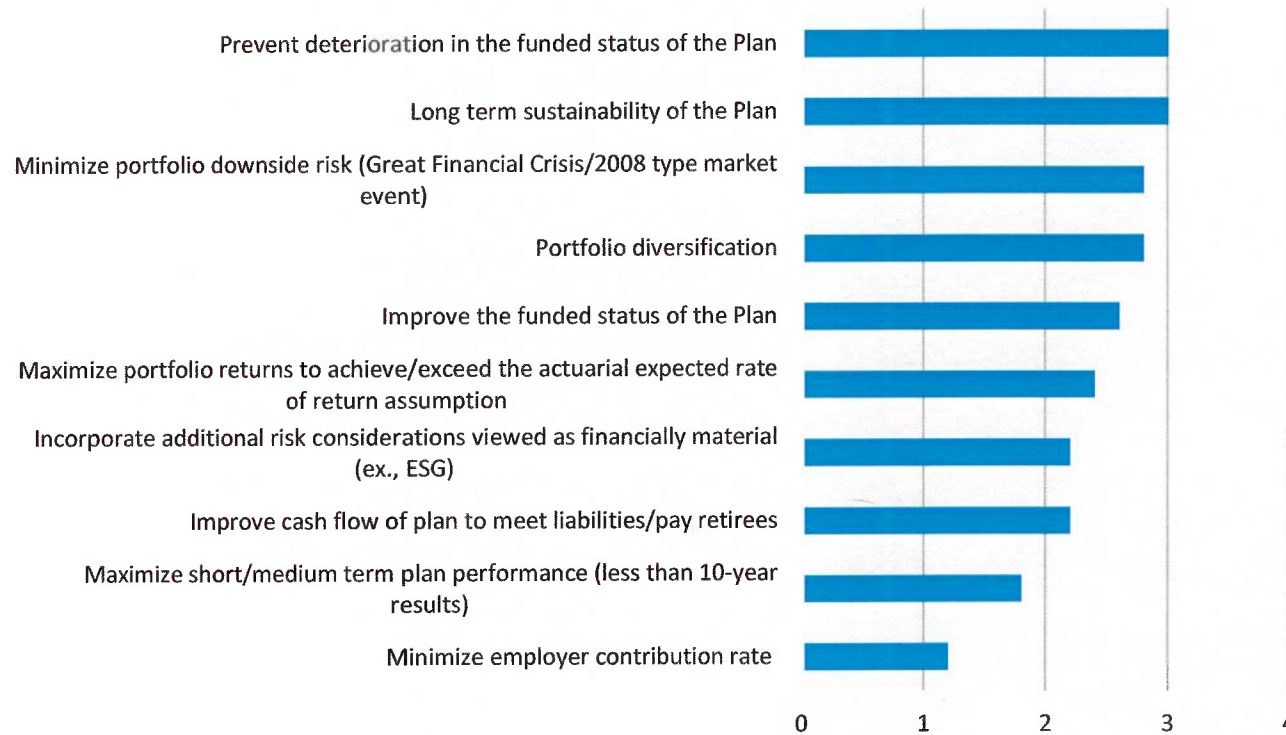
Consideration of ACERA's Resources

Given ACERA's current resources, this policy is intended to work within those limitations by providing a basic ESG framework and policy that can be expanded over time as additional ESG factors may emerge and Trustees become generally more comfortable with the inclusion of material ESG risk factors as part of its policies and procedures. This initial foray is viewed as a starting point both in terms of what can be implemented with current staff and consulting support and also with the recognition that, as with all investment policies, it will be reviewed and refined over time.

¹ Proxy voting refers to a ballot cast on behalf of a corporation's shareholder who may not be able to attend a shareholder meeting or who may not choose to vote on a particular issue. Shareholder votes span a wide array of issues, including the election of board members, merger or acquisition approvals, and approving stock compensation plans.

ACERA's long-term objectives

LONG TERM OBJECTIVES



**Alameda County Employees'
Retirement Association**

ACERA

**Environmental, Social, and Governance (“ESG”) Investment
Policy**

**DRAFT
March , 2021**

ACERA ESG INVESTMENT POLICY

TABLE OF CONTENTS

I.	SCOPE	3
II.	PURPOSE	3
III.	LEGAL AUTHORITY	3
IV.	ESG MISSION STATEMENT	3
V.	ESG RISK FACTORS	4
VI.	MANAGER SEARCHES	4
VII.	MONITORING AND REPORTING	5
VIII.	ROLES AND RESPONSIBILITIES	5
IX.	PROXY VOTING	7
X.	EFFECTIVE DATE	7
XI.	TABLE OF AMENDMENTS DATES	7

I. SCOPE

The Environmental, Social and Governance Investment Policy (“ESG Policy”) reflects the values of Alameda County Employees’ Retirement Association’s (“ACERA’s”) Board in conjunction with long term, material risk considerations that may impact the financial returns of the Plan. It shall apply to all asset classes of ACERA’s Pension Fund (“Fund”) and may be incorporated within investment management guidelines or through active ownership, including proxy voting. The ESG Policy is subject to all provisions of applicable law and the applicable limitations and requirements of ACERA’s General Investment Guidelines, Policies and Procedures. The ACERA Board (“Board”) reserves the right to amend, supplement, or rescind this ESG Policy at any time.

II. PURPOSE

The purpose of this ESG Policy is to establish a framework for the ongoing development, ongoing monitoring, and administration for the Plan’s ESG stated values, consistent with the Board’s fiduciary responsibilities in investment of the Fund. This ESG Policy embraces an integrated approach to the assessment of long-term risk considerations and disclosures, as opposed to a divestment approach.

At its outset, this ESG Policy will focus primarily on understanding the existing ESG policies that exist within the Fund and how they interact and affect overall portfolio risk and performance. Over time, it is expected that ACERA’s ESG Policy will evolve along with the Board’s knowledge and understanding of ESG integration and risk reduction at the Fund level.

III. LEGAL AUTHORITY

As with all other aspects of ACERA’s Fund, this ESG framework requires that ACERA’s Trustees act solely in the interest of plan beneficiaries, in good faith, avoiding conflicts of interest and acting with prudence. This ESG Policy adheres to the California Constitution, article XVI, section 17 and is designed to be consistent with guidance found in DOL publications which define the prudent consideration of ESG factors, allow for ESG factors in investment policy statements and in evaluation and risk metrics, and define prudent ESG proxy voting guidelines. ACERA’s ESG Policy shall not sacrifice investment returns or assume greater risks to promote social policy goals.

IV. ESG MISSION STATEMENT

ACERA’s Board members are fiduciaries and their legal duty remains, at all times, to promote the growth and sustainability of the Fund to timely provide retirement and related benefits to ACERA members and their beneficiaries. The Board’s fiduciary duties require loyalty and care to ACERA’s members and beneficiaries and prudence in all decisions made regarding ACERA’s investments and administration. Within this context, the Board recognizes the need to mitigate risks that may have a negative impact on the Fund’s long-term financial results

while adhering to a diversified investment strategy designed to meet ACERA's desired return and risk objectives.

Risk mitigation includes the prudent consideration of Environmental, Social, and/or Governance (ESG) risk factors that may materially impact the Fund's long-term financial returns. ESG considerations will be evaluated, where applicable, with the goal of mitigating risk while maintaining or improving Plan returns over the long term. The Board shall analyze and consider ESG factors in its decision to approve investments when those factors are reasonably deemed by the Board, in consultation with its internal and external professional investment advisors, to be material to its financial returns.

ACERA's Board will develop and adopt an ESG policy statement which codifies its values, policies and procedures and will revisit and update this policy periodically.

V. ACERA ESG RISK FACTORS

ACERA will consider risk factors that span environmental, social and governance factors. ACERA will use various procedures and implementation methods which are specific to the E, S or G factors in their due diligence and monitoring and disclosures, if applicable. These procedures and methods are subject to periodic review.

- Environmental - ACERA's Board believes that there are substantial risks associated with climate change that may be materially detrimental to long-term financial returns. ACERA will seek to advance its interests in mitigating climate change risk through available tools, including proxy voting.
- Social - While harder to quantify, ACERA holds that certain social risk factors may also be detrimental to long-term financial returns. The Fund will monitor and report on social risk factors identified by ACERA's Board, including diversity & inclusion, and human capital risk issues, for ACERA's investment managers and service providers. The Plan may also augment material social risk mitigation through proxy voting.
- Governance- ACERA will consider various governance risk criteria that the Board has determined may have a material effect on long-term financial returns. Governance risk factors will be incorporated through available tools which also may include proxy voting.

Common to ESG risk factors identified by ACERA's Board is a belief that the implementation of ACERA's ESG Policy will result in long-term value creation for the Plan's members and beneficiaries. Risk factors identified by ACERA's Board will be periodically reviewed along with broader policy review.

VI. MANAGER SEARCHES

When conducting manager searches, ACERA's consultant(s) and Staff will incorporate an ESG section into its due diligence that examines ESG-related criteria within the organization and in the manager's investment process. A description of the managers' ESG approach will

be included, along with an investment assessment, in final due diligence materials when hiring new managers. Manager searches will be conducted in accordance with the general parameters and processes established by ACERA and adhering to all Federal and State statutes.

Should ACERA conduct a consultant search, a similar ESG assessment will be included in the due diligence process.

VII. MONITORING AND REPORTING

ACERA's investment managers and service providers will be asked by ACERA to complete an annual questionnaire that discloses ESG initiatives and factors incorporated at the organization and within the investment approach. ACERA expects that all potentially material risks and opportunities will be identified by the provider. For GPs, ACERA will request best efforts in the disclosure of ESG-related criteria at their underlying portfolio companies. Disclosure will be implemented in the preferred format of ACERA's Board which will be reviewed periodically and revisited as necessary.

ACERA's Board will review the ESG disclosure reporting annually.

VIII. ROLES AND RESPONSIBILITIES

The delineation of roles and responsibilities is important for effective administration of ACERA's ESG Policy. The duties and responsibilities of the Board, Investment Committee, Staff, Consultants, and Chief Counsel are stated below. Roles and responsibilities of ACERA's ESG Policy are further governed by those outlined in ACERA's overarching General Investment Guidelines, Policies, and Procedures.

A. Board

The Board shall be responsible for approving the ESG Policy. The Board, with input from the Investment Committee, shall review this ESG Policy periodically to determine whether modifications are necessary. The Board shall also be responsible for reviewing an annual disclosure report describing ESG policy implementation for the Fund's investment managers and its service providers.

B. Investment Committee

The Investment Committee shall monitor implementation of ACERA's ESG Policy. It shall evaluate proposals for ESG Policy modifications annually or as needed and make recommendations for consideration by the Board. The Investment Committee shall review the ESG annual disclosure report and consider material ESG risk considerations as defined in this ESG Policy in the hiring and/or retention of ACERA's investment managers and service providers.

C. Staff

Staff shall be responsible for implementation of the ESG Policy. Staff's responsibilities shall include the following:

1. Incorporating ESG information along with investment due diligence materials in manager searches ;
2. Monitoring ESG-related factors of ACERA's investment managers and service providers on an annual basis and preparing a disclosure report;
3. Coordinating with ISS as needed to assist with ACERA's ESG-related proxy voting; and
4. Developing and recommending changes to the ESG Policy over time if warranted.

D. Consultants

1. Investment Consultants (General and Specialty Asset Class Consultants)

General and Specialty Asset Class Investment Consultants hired by the Board are fiduciaries to ACERA and its Board. These Investment Consultants shall independently monitor adherence to ACERA's ESG Policy and make related recommendations to serve the best interests of the plan participants. Investment Consultants shall also assist Staff in crafting the ESG Policy and in its implementation. The Investment Consultants responsibilities shall include the following:

- a. Incorporating ESG information into manager search due diligence materials;
- b. Assisting ACERA Staff in ESG monitoring of ACERA's investment managers as needed;
- c. Recommending changes or improvements to the ESG Policy over time if warranted;
- d. Presenting on ESG topics of interest to ACERA; and
- e. Performing other duties in accordance with the terms of its contract and applicable State and Federal law.

2. Specialty Asset Class Consultant

Specialty Asset Class Consultant(s) are subject to the same expectations and bear the same responsibilities stated in Section VIII (D) (1) above.

E. Chief Counsel

ACERA's Chief Counsel shall provide legal advice to ACERA's Board, Investment Committee and Staff regarding all aspects of ACERA's ESG Policy, as requested by ACERA's Board, Investment Committee, Chief Executive Officer or Chief Investment Officer. ACERA's Board, Investment Committee or Chief Counsel may seek legal advice from outside Fiduciary Counsel. Documents that implement this policy for the purpose of Manager Searches, Monitoring and Reporting and Proxy Voting must be reviewed by ACERA's Chief Counsel before they are used.

IX. PROXY VOTING

ACERA's proxy voting provider is hired by the Board and is responsible for voting on shareholder issues as directed by ACERA. The provider will vote its proxies as outlined in ACERA's Proxy Voting Guidelines and Procedures. These guidelines may include specific, customized ESG factors identified by the Board that will be tracked by the said provider.

ACERA's ESG proxy voting direction is subject to periodic review and amendment. Pursuant to the policy, the Board will provide general guidance on ACERA's proxy voting policies and review risk assessments with regard to ESG matters of interest to ACERA.

For accounts that are not separately managed, ACERA's managers will disclose their proxy voting methodology and any ESG risk considerations to ACERA at least once a year.

X. EFFECTIVE DATE

This Policy became effective upon its initial adoption by the Board on March, 2021 Any amended Policy shall become effective upon its adoption by the Board.

XI. TABLE OF AMENDMENT DATES

Month, Day, Year



**INVESTMENT MANAGER,
CONSULTANT, AND CUSTODIAN FEES**
For Quarter Ending December 31, 2020

**INVESTMENT NET ASSET VALUE AND INVESTMENT MANAGER FEES
FOR THE QUARTER ENDED DEC 31, 2020**

For the Quarter Ended Dec 31, 2020	NAV ² (\$) As of 3/31/20	Q1 - Total Fees (\$)	bps of NAV	NAV ² (\$) As of 6/30/20	Q2 - Total Fees (\$)	bps of NAV	NAV ² (\$) As of 9/30/20	Q3 - Total Fees (\$)	bps of NAV	NAV ² (\$) As of 12/31/20	Q4 - Total Fees (\$)	bps of NAV	Total Fees (\$)	Total bps of NAV
Name of Fund														
Domestic Equity¹														
Aristotle Capital	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	136,877,998	94,278	6.89	94,278	6.89
BlackRock R1000 Index Fund	1,563,402,891	39,321	0.25	1,904,773,094	40,642	0.21	2,003,039,962	44,168	0.22	2,144,843,522	45,528	0.21	169,659	0.79
Kennedy Capital	79,413,186	216,284	27.24	95,166,143	177,827	18.69	98,751,614	199,848	20.24	129,466,612	225,899	17.45	819,858	63.33
Pzena	80,249,376	153,347	19.11	97,754,557	127,018	12.99	98,205,921	138,878	14.14	57,437	-	-	419,242	N/A
Trust Co. of the West	115,760,060	143,698	12.41	150,749,338	148,891	9.88	119,503,576	142,422	11.92	129,834,071	140,105	10.79	575,117	44.30
William Blair Small Cap Growth	92,931,190	228,731	24.61	120,393,013	217,125	18.03	129,685,001	256,200	19.76	172,296,544	289,891	16.83	991,947	16.83
Total Domestic Equity	1,931,756,703	781,381	4.04	2,368,836,145	711,503	3.00	2,449,186,073	781,517	3.19	2,713,376,184	795,702	2.93	3,070,102	11.31
International Equity¹														
AQR International Equity	333,110,143	512,297	15.38	391,970,611	470,647	12.01	423,110,916	536,592	12.68	6,009,177	344,225	572.83	1,863,761	3,101.52
BlackRock MSCI World ex-US	358,855,540	25,581	0.71	414,621,299	24,846	0.60	435,196,553	27,411	0.63	687,181,334	33,265	0.48	85,522	1.24
Bivium International Equity	69,722,702	171,614	24.61	81,676,994	155,493	19.04	88,581,271	179,386	20.25	138,112,629	205,026	14.84	711,519	51.52
Capital Group	380,976,080	779,730	20.47	462,157,600	744,687	16.11	508,688,115	883,460	17.37	695,621,553	980,131	14.09	3,388,007	48.70
Franklin Templeton Inv.	169,997,461	341,607	20.09	210,206,749	309,827	14.74	238,133,678	356,312	14.96	274,426,388	208,539	7.60	1,216,285	44.32
Mondrian	336,615,852	373,477	11.10	374,458,267	323,805	8.65	388,455,155	355,372	9.15	693,998,669	413,998	5.97	1,466,652	21.13
Newton Emerging Market Equity Fund	194,773,677	121,734	6.25	247,406,150	246,387	9.96	301,211,958	376,542	12.50	292,153,237	438,724	15.02	1,061,653	36.34
Total International Equity	1,844,051,455	2,326,040	12.61	2,182,497,670	2,275,691	10.43	2,383,377,647	2,715,075	11.39	2,787,502,987	2,623,907	9.41	9,940,713	35.66
Fixed Income¹														
Baird Advisors	586,769,834	136,245	2.32	614,293,862	127,320	2.07	733,240,053	142,114	1.94	741,163,039	145,267	1.96	550,945	7.43
Loomis Sayles	295,145,772	288,449	9.77	327,603,685	251,289	7.67	337,388,893	271,694	8.05	422,796,783	289,895	6.86	1,101,326	26.05
Brandywine Global FI	312,857,319	236,487	7.56	347,171,671	231,538	6.67	360,136,390	253,594	7.04	400,857,610	262,059	6.54	983,678	24.54
Total Fixed Income	1,194,772,925	661,180	5.53	1,289,069,218	610,147	4.73	1,430,765,336	667,402	4.66	1,564,817,432	697,221	4.46	2,635,950	16.85
Real Estate^{5,6}														
Total Real Estate	607,428,802	1,323,482	21.79	603,633,632	1,413,109	23.41	607,279,603	1,980,991	32.62	610,506,411	1,467,114	24.03	6,184,696	101.30
Private Equity^{4,5,6}														
Total Private Equity	547,909,221	(2,738,439)	(49.98)	637,808,250	8,702,983	136.45	714,914,014	13,796,626	192.98	748,779,020	7,630,173	101.90	27,391,344	365.81
Absolute Return^{5,6}														
Total Absolute Return	686,222,746	3,568,300	52.00	700,398,945	2,075,123	29.63	633,127,831	2,104,703	33.24	651,510,843	2,080,469	31.93	9,828,595	150.86
Real Assets^{4,5,6}														
Total Real Assets	351,023,108	1,336,887	38.09	399,596,465	680,075	17.02	416,583,649	1,678,389	40.29	467,430,466	1,435,507	30.71	5,130,858	109.77
Private Credit^{4,5,6}														
Total Private Credit	36,070,411	127,333	35.30	39,054,994	139,067	35.61	48,369,430	252,000	52.10	57,123,760	252,000	44.11	770,400	134.87
Cash	130,547,692			62,186,709			65,710,315			61,915,792				
TOTAL⁷	7,329,783,063	7,386,164	10.08	8,283,082,028	16,607,698	20.05	8,749,313,899	23,976,702	27.40	9,662,962,895	16,982,092	17.57	64,952,657	74.24

Notes:

- Domestic, International Equity, and Fixed Income managers' fees are based on staff validated manager invoices.
- NAVs may use estimates at the time of this report's production.
- Some accounts contain submanaged funds; the fees shown include all assets in the account.
- Sometimes fees may be estimates. According to the Limited Partnership Agreements, management fees are based on committed amounts and/or assets under management.
- Detailed records regarding these investments of public pension funds are exempt from disclosure under California Government Code Section 6254.26
- Fees may include management, incentive fees, and expenses as applicable. Incentive fees may include unrealized (hypothetical) fees which can fluctuate from quarter to quarter based on changes in valuations.
- Previous quarter's amounts may change as estimates are trueed up to actual amounts. Each true up is made using the most recent information.

**CONSULTANT/CUSTODIAN FEES
FOR THE QUARTER ENDED DEC 31, 2020**

	Q1 - Fees (\$)	Q2 - Fees (\$)	Q3 - Fees (\$)	Q4 - Fees (\$)	Total (\$)
Consultant					
Doug McCalla	12,367	12,367	12,367	12,367	49,468
Callan Associates	56,250	56,250	56,250	56,250	225,000
Verus Advisory, Inc.	171,250	171,250	171,250	171,250	685,000
Institutional Shareholders Services	13,575	13,575	13,575	13,575	54,300
Zeno Consulting Group	11,250	11,250	11,250	11,250	45,000
Sub-total Consultant	264,692	264,692	264,692	264,692	1,058,768
Custodian					
State Street Bank	137,596	137,596	137,596	137,596	550,384
TOTAL OF CONSULTANT / CUSTODIAN FEES¹	402,288	402,288	402,288	402,288	1,609,152

Notes:

1. Previous quarter's amounts may change as estimates are tried up to actual amounts. Each true up is made using the most recent information.

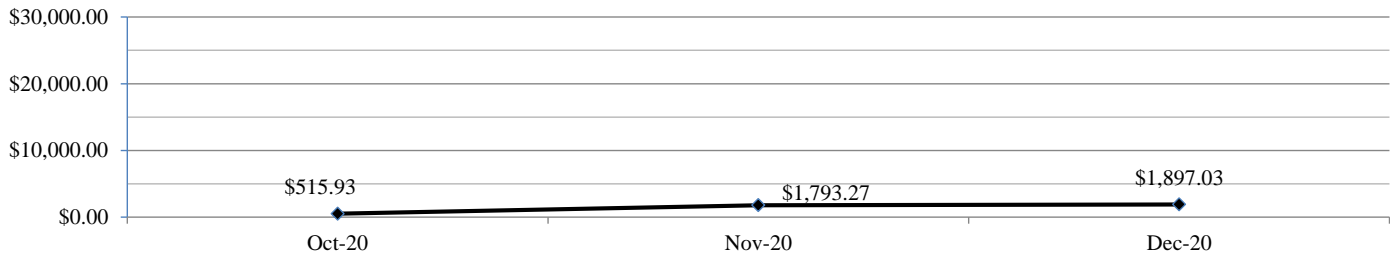


Alameda County Employees' Retirement Association Fourth Quarter 2020 Directed Brokerage Report

Quarterly Commentary

In 4Q20, the total recaptured dollar amount for ACERA's Directed Brokerage (DB) Program was \$4,206.23. Since inception¹, ACERA has recaptured \$2,079,755.98. For the quarter, Kennedy directed the highest percentage (12.63%) of trading volume and Kennedy also generated the largest recaptured directed commission dollar amount (\$4,820.85). CAPIS received 100% of ACERA's directed trades among the network of correspondent brokers. The program continues to operate in compliance with ACERA's DB Policy.

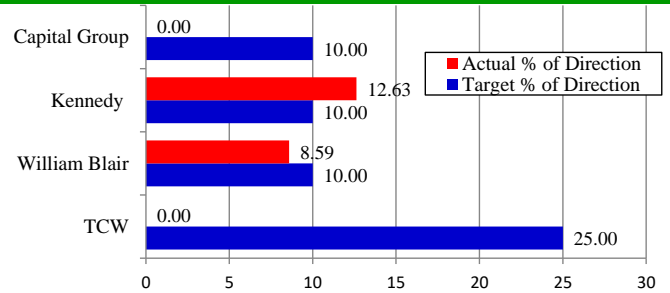
Monthly Recaptured



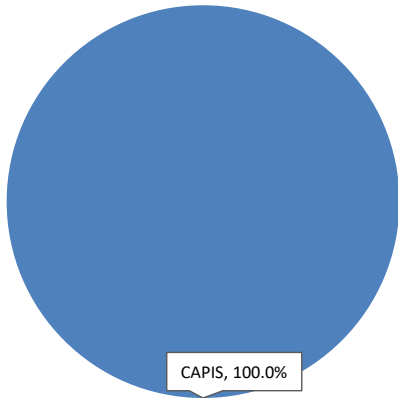
Directed Commission \$²

Manager	4Q2020	YTD
Capital Group	0.00	0.00
Kennedy	4,820.85	21,899.71
William Blair	2,241.72	6,634.80
Pzena	0.00	14,511.81
TCW	0.00	4,136.96
Total	\$7,062.57	\$47,183.28

Directed %³



Directed % to Correspondent Brokers⁴



- | | |
|-------------------------|--------------------------------------|
| Andes Capital Group | ITG, Inc. |
| B. Riley & Co. | Kota Global Securities |
| Barclays (US Algo/DMA) | LAM Securities |
| BIDS Trading | Liquidnet |
| Bley Investment Group | Merrill Lynch (U.S.) |
| Cabrera Capital Markets | Mischler Financial Group |
| CAPIS | Northeast Securities |
| CAPIS Step Out | O'Neil Securities |
| CF Global Trading | Penserra Securities, LLC |
| Commission Direct, Inc. | Pershing, LLC |
| Cowen Securities (U.S.) | Piper Jaffray & Co. |
| Drexel Hamilton | Societe Generale |
| HSBC James Capel | State Street Global Markets (Europe) |
| ICAP (U.S.) | Virtu Securities |
| Imperial Capital | Weeden & Co LP |
| Instinet LLC | |

Brokers are selected at the discretion of the Investment Managers, pursuant to Best Execution and ACERA's DB Policy.

1. ACERA's DB Program began in September 2006. Mondrian, Bivium do not participate in Commission Recapture; Staff will replace Pzena with Aristotle next report; Blackrock, Newton, and Templeton are not SMA.

2. Data provided by CAPIS. Directed Commission \$ - Dollar amount of commissions from directed trades - this amount is split among ACERA (59.56% for 4Q2020), CAPIS, & the Correspondent Brokers.

3. Data provided by Zeno Consulting Group (Zeno). Directed % - Calculated by dividing Manager's directed trading volume by its total trading volume and compared to its assigned target. Target percentages are ranges (e.g. up to 25% for TCW).

4. Data provided by CAPIS.



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

475 14th Street, Suite 1000, Oakland, CA 94612 800/838-1932 510/628-3000 fax: 510/268-9574 www.acera.org

TO: Members of the Investment Committee
FROM: Agnes Ducanes – Administrative Specialist II *Aducanes*
DATE: March 10, 2021
SUBJECT: Quarterly report on ACERA’s Investment Products and Services
 Introductions (IPSI) Program

In the fourth quarter of 2020, Staff received 18 investment products and services inquiries from prospective providers. We met with 5 managers who presented through the IPSI process. Since we had staff turnovers, the IPSI meetings has been scheduled according to staff’s availabilities.

The purpose of IPSI is to provide prospective vendors an opportunity to gain a better understanding of ACERA’s investment objectives and for Staff to learn about the vendors’ investment products/services through face-to-face meetings, teleconferences, or video conferences. Staff has designated the morning of the third Wednesday of every month as ACERA’s IPSI day. Each introductory session is approximately 45 minutes.

Below please find a chart depicting the types of IPSI sessions that were held in the fourth quarter of 2020.

ASSET CLASS	Q1 '20	Q2 '20	Q3 '20	Q4'20	TOTAL
U.S. Equities	1	0	0	0	1
Int'l Equities	0	0	0	0	0
Fixed Income	0	0	0	0	0
Real Estate	1	1	0	1	3
Private Equities	0	0	0	2	2
Absolute Return	1	1	2	2	6
Real Assets	1	0	1	0	2
Private Credit	2	1	1	0	4
Other Services	0	0	0	0	0
TOTAL:	6	3	4	5	18



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

475-14th Street, Suite 1000, Oakland, CA 94612 800/838-1932 510/628-3000 fax: 510/268-9574 www.acera.org

TO: Members of the Investment Committee

FROM: Thomas Taylor, Investment Officer *-Thomas Taylor*

DATE: March 10, 2021

SUBJECT: Summary of Rebalancing and Cash Activities Completed in 4Q2020

Recommendation:

Not Applicable – This is an information item.

Background/Discussion:

1. Action was required to rebalance the Total Fund in the quarter ending December 31, 2020. In accordance with ACERA's General Investment Guidelines, Policies and Procedures, Section V: Asset Allocation and Rebalancing, Schedule IA: Asset Allocation Targets, and Schedule IC: Asset Allocation Portfolio Rebalancing, one rebalancing signal was received during 4Q2020: Loomis Sayles, the Core Plus bond manager, was below its target range for 5-business days. In December 2020, ACERA withdrew \$69.0 million from Blackrock Russell 1000 Index account to fund the full amount to fixed income account managed by Loomis Sayles. Given the uncertainty of the economic times and ACERA's inferred possibility to cover employer payroll contributions timely, Staff has maintained a higher than normal balance during this quarter in HI1A¹.
2. Regarding significant cash-flows for 4Q2020, Staff implemented the following changes to make the supplemental timely month-end retiree benefits and administrative payroll, and to meet the capital calls and provide operating funds:
 - a. Month-end payroll: Staff withdrew a net \$44.2 million from the Total Fund to supplement for month-end payroll for the three-months ending December 31, 2020. Staff wired out \$19.50M in October, \$20.7M in November, and \$18.5M in December to ACERA'S Wells Fargo Bank account. Fiscal Services wired-in \$14.5M from Wells Fargo Bank back to State Street Bank (#HI1A) at the end of October and \$16.0M at the end of November for a total of \$30.5M. The reason for noting the incoming wires is because not all employer contributions were received before the month-end and administrative payroll are paid in that particular month.
 - b. Capital Calls, Distributions, and Other Cash Flows: In general, wire-payments of \$66.8M in aggregate were made to meet capital calls in ACERA's privately placed investments. ACERA received cash and in-kind distributions from ACERA's investments totaled \$56.5M. This dollar amount does not include other incidental income².
3. Reporting of rebalancing activities will continue to be submitted to the Investment Committee on a quarterly basis.

¹ As of 12/31/2020, HI1A was \$47.4M. A normal balance in HI1A is approximately \$10M.

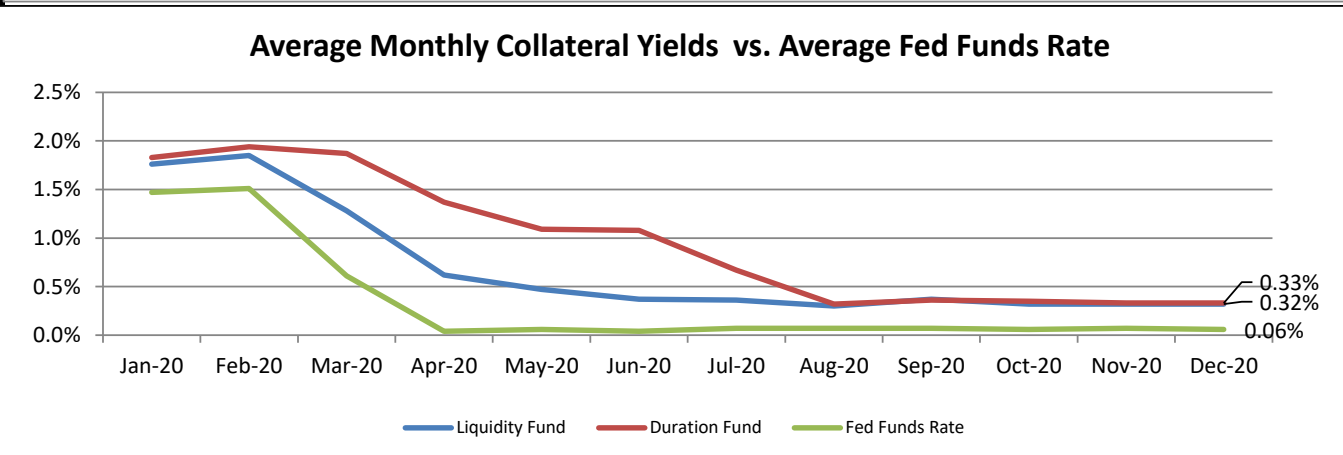
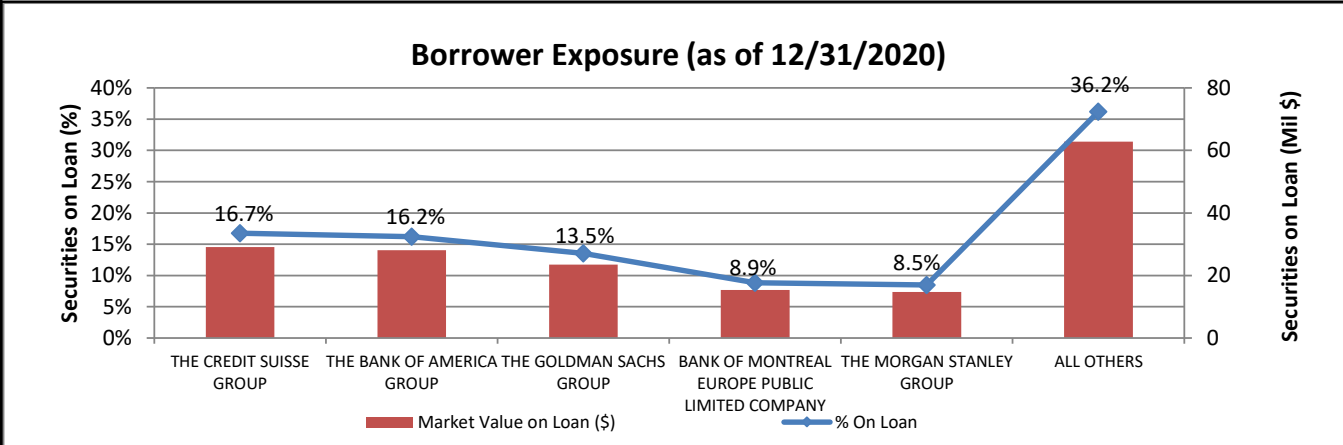
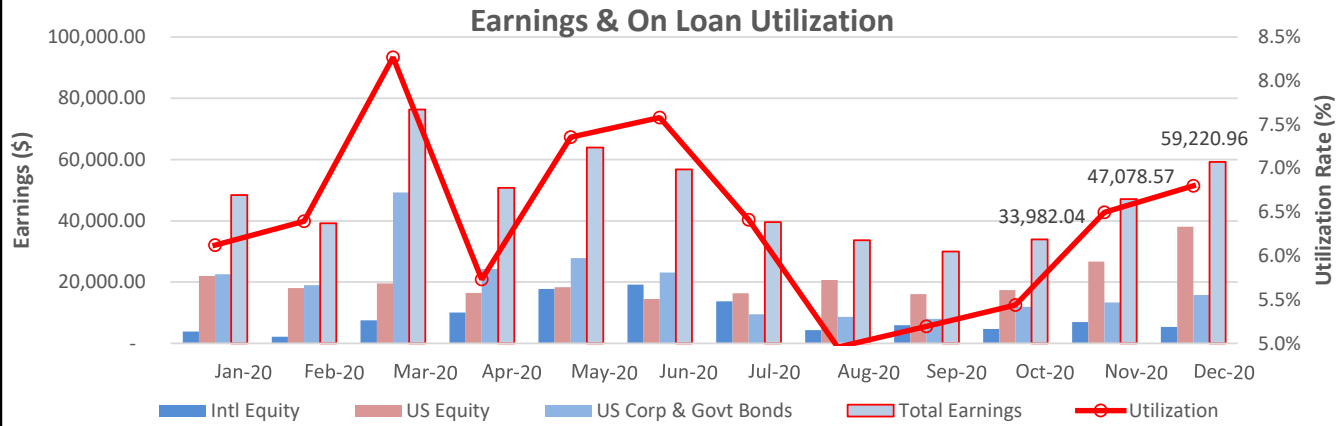
² Securities Litigation Income (\$7.5K), Securities Lending Income (\$110.6K), and Commission Recapture Income (\$3.4K) totaled \$121.6K. Incremental income does not include dividend and interest income from traditional managed accounts, which is reinvested by the managers.

Alameda County Employees' Retirement Association

4th Quarter 2020 Securities Lending Report

Quarterly Summary

In 4Q2020, ACERA's earnings from Securities Lending activities were \$140,281.57. U.S. Equities generated the highest earnings of \$82,135.40. For the quarter ending December 31, 2020, the average value of securities out on loan was \$156,013,623.33. The average lendable amount for the same period was \$2.49 billion. Credit Suisse was the largest borrower of ACERA's securities with 16.7% or \$29.1 million.



Notes:

(1) Quality D Liquidity and Quality D Duration Funds are managed by an affiliate of State Street Bank (SSB); these funds are common pools in which many securities lending clients of SSB invest their cash collateral generated from their security lending activities. ACERA invests the cash collateral received from its security lending activities into Quality D Liquidity and Quality D Duration Funds. As of 12/31/2020, ACERA's combined NAV per unit of the Quality D Liquidity (1.00) and Quality D Duration Funds (94.60) was \$0.9996. As of 12/31/2020, Quality D Liquidity had 116,316,801.39 units and Quality D Duration had 853,742.26 units.

(2) Data represents past performance and is not necessarily indicative of future results. Securities Lending Report Provided by Staff

(3) Data Source: my.statestreet.com and Securities Finance Business Intelligence ICM 3/10/2020



Investment Committee Workplan for 2021

March 10, 2021

	Action Items	Information Items
January 8	<ol style="list-style-type: none"> 1. Discussion of and Possible Motion to Recommend to the Board to Adopt an up to \$35 million Investment in Peak Rock Fund III as part of ACERA’s Private Equity Portfolio – Buyout 2. Discussion of and Possible Motion to Recommend to the Board to Adopt an up to \$25 million Investment in Artemis Real Estate Partners Healthcare Fund II as part of ACERA’s Real Estate Portfolio – Value-Added <hr/> <p style="text-align: center;">Adjournment into Closed Session</p> <p style="text-align: center;">Consider the Purchase or Sale of Particular, Specific Pension Fund Investments (CA Gov. Code § 54956.81) (One Investment)</p>	<ol style="list-style-type: none"> 1. CA Gov. Code § 7514.7 Alternative Investment Vehicle Information Report 2. Proposed Investment Committee Work Plan for 2021
February 10	<ol style="list-style-type: none"> 1. Discussion of and Possible Motion to Recommend that the Board Adopt the 2021 – 2022 Investment Plan for ACERA’s Real Estate Asset Class 	<ol style="list-style-type: none"> 1. Investment Committee Work Plan 2021
March 10	<ol style="list-style-type: none"> 1. Discussion of and Possible Motion to Recommend to the Board to Adopt an up to \$30 million Investment in Genstar Capital Partners Fund X as part of ACERA’s Private Equity Portfolio – Buyout, Pending Completion of Legal and Investment Due Diligence and Successful Contract Negotiations 2. Discussion of and Possible Motion to Recommend to the Board to Adopt an up to \$27 million Investment in Strategic Value 	<ol style="list-style-type: none"> 1. <i>Quarterly report of ACERA’s investment manager, consultant, and custodian bank fees for the fourth quarter of 2020</i> 2. <i>Quarterly report on ACERA’s rebalancing activities for the fourth quarter 2020</i> 3. <i>Quarterly report on ACERA’s securities lending activities for the fourth quarter of 2020</i>

Notes:

1. This workplan is subject to change without prior notice. Periodic rearrangements of agenda items will be made to the workplan to provide a reasonable length of time for each meeting.
2. Meeting date is assumed to be the second Wednesday of each month.
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, and Real Assets investments will be added to the Agenda from time-to-time.



Investment Committee Workplan for 2021

March 10, 2021

	Action Items	Information Items
	<p>Special Situations Fund V as part of ACERA’s Private Equity Portfolio – Debt Related/Special Situations, Pending Completion of Legal and Investment Due Diligence and Successful Contract Negotiations</p> <p>3. Discussion of and Possible Motion to Recommend to the Board to Adopt an up to \$25 million Investment in Vision Ridge Partners Sustainable Asset Fund III as part of ACERA’s Real Assets Portfolio – Infrastructure, Pending Completion of Legal and Investment Due Diligence and Successful Contract Negotiations</p> <p>4. Discussion and Possible Motion to Recommend that the Board Adopt the Proposed Environmental, Social and Governance (ESG) Investment Policy</p>	<p>4. <i>Quarterly report on ACERA’s Directed Brokerage (DB) Program for the fourth quarter of 2020</i></p> <p>5. <i>Quarterly report on Investment Products and Services Introductions (IPSI) for the fourth quarter of 2020</i></p> <p>6. <i>Investment Committee Work Plan 2021</i></p>
April 14	<p>1. Discussion of and Possible Motion to Recommend to the Board to Adopt an Investment in ACERA’s Private Equities Portfolio (Placeholder)</p>	<p>1. Review of Absolute Return Asset Class Structure</p>
May 19 (meeting moved to third Wednesday due to SACRS Conference)	<p>1. Discussion and Possible Motion to Recommend to the Board Possible Changes to Absolute Return Asset Class Structure and Update to Absolute Return Investment Policy Statement and Investment Plan (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>1. Discussion on Rebalance/Cash Equitization Managers</p> <p>2. Review of Capital Market Assumptions ACERA Portfolio Returns</p>

Notes:

1. This workplan is subject to change without prior notice. Periodic rearrangements of agenda items will be made to the workplan to provide a reasonable length of time for each meeting.
2. Meeting date is assumed to be the second Wednesday of each month.
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, and Real Assets investments will be added to the Agenda from time-to-time.



Investment Committee Workplan for 2021

March 10, 2021

	Action Items	Information Items
June 9	<ol style="list-style-type: none"> 1. Discussion of and Possible Motion to Recommend to the Board to Adopt an Investment in ACERA’s Private Equities Portfolio (Placeholder) 2. Discussion and Possible Motion to Recommend to the Board Possible Changes to ACERA’s Portfolio Asset Allocation 3. Discussion of and Possible Motion to Recommend to the Board to Hire a Rebalance/Cash Equitization Manager (Placeholder) 	<ol style="list-style-type: none"> 1. Semiannual Performance Review for the Period Ending March 31, 2021 – Equities and Fixed Income 2. Semiannual Performance Review for the Period Ending December 31, 2020 – Private Equity 3. Semiannual Performance Review for the Period Ending December 31, 2020 – Absolute Return 4. Semiannual Performance Review for the Period Ending December 31, 2020 – Private Credit 5. Semiannual Performance Review for the Period Ending December 31, 2020 – Real Assets 6. Semiannual Performance Review for the Period Ending March 31, 2021 – Real Estate 7. <i>Quarterly report of ACERA’s investment manager, consultant, and custodian fees for the first quarter of 2021</i> 8. <i>Quarterly report on ACERA’s rebalancing activities for the first quarter of 2021</i> 9. <i>Quarterly report on ACERA’s securities lending activities for the first quarter of 2021</i> 10. <i>Quarterly report on ACERA’s Directed Brokerage (DB) Program for the first quarter of 2021</i> 11. <i>Quarterly report on Investment Products and Services Introduction (IPSI) for the first quarter of 2021</i> 12. <i>Updated Investment Committee Work Plan 2021</i>

Notes:

1. This workplan is subject to change without prior notice. Periodic rearrangements of agenda items will be made to the workplan to provide a reasonable length of time for each meeting.
2. Meeting date is assumed to be the second Wednesday of each month.
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, and Real Assets investments will be added to the Agenda from time-to-time.



Investment Committee Workplan for 2021

March 10, 2021

	Action Items	Information Items
July 14	1. Discussion of and Possible Motion to Recommend to the Board to Adopt an Investment in ACERA’s Private Credit Portfolio (Placeholder)	1. Review of Newton Emerging Markets Equity Manager (Placeholder)
August 11	1. Discussion of and Possible Motion to Recommend to the Board to Adopt an Investment in ACERA’s Private Equities Portfolio (Placeholder) 2. Discussion of and Possible Motion to Recommend to the Board to Adopt an Investment in ACERA’s Absolute Return Portfolio (Placeholder)	
September 8	1. Discussion of and Possible Motion to Recommend to the Board to Adopt an Investment in ACERA’s Real Estate Portfolio (Placeholder)	1. <i>Quarterly report of ACERA’s investment manager, consultant, and custodian bank fees for the second quarter of 2021</i> 2. <i>Quarterly report on ACERA’s rebalancing activities for the second quarter of 2021</i> 3. <i>Quarterly report on ACERA’s securities lending activities for the second quarter of 2021</i> 4. <i>Quarterly report on ACERA’s Directed Brokerage (DB) Program for the second quarter of 2021</i> 5. <i>Quarterly report on Investment Products and Services Introduction (IPSI) for the second quarter of 2021</i> 6. <i>Updated Investment Committee Work Plan for 2021</i>

Notes:

1. This workplan is subject to change without prior notice. Periodic rearrangements of agenda items will be made to the workplan to provide a reasonable length of time for each meeting.
2. Meeting date is assumed to be the second Wednesday of each month.
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, and Real Assets investments will be added to the Agenda from time-to-time.



Investment Committee Workplan for 2021

March 10, 2021

Action Items	Information Items
October 13	1. Discussion of and Possible Motion to Recommend to the Board to Adopt an Investment in ACERA’s Real Assets Portfolio (Placeholder)
November 3 (meeting moved to first Wednesday due to SACRS Conference)	1. Discussion of and Possible Motion to Recommend to the Board to Adopt and Investment in ACERA’s Absolute Return Portfolio (Placeholder)
December 8	<ol style="list-style-type: none"> 1. Semiannual Performance Review for the Period Ending September 30, 2021 – Equities and Fixed Income 2. Semiannual Performance Review for the Period Ending June 30, 2021 – Private Equity 3. Semiannual Performance Review for the Period Ending September 30, 2021 – Absolute Return 4. Semiannual Performance Review for the Period Ending June 30, 2021 – Private Credit 5. Semiannual Performance Review for the Period Ending June 30, 2021 – Real Assets 6. Semiannual Performance Review for the Period Ending September 30, 2021 – Real Estate 7. CA Gov. Code § 7514.7 Information Report 8. <i>Quarterly report of ACERA’s investment manager, consultant, and custodian bank fees for the third quarter of 2021</i> 9. <i>Quarterly report on ACERA’s rebalancing activities for the third quarter 2021</i>

Notes:

1. This workplan is subject to change without prior notice. Periodic rearrangements of agenda items will be made to the workplan to provide a reasonable length of time for each meeting.
2. Meeting date is assumed to be the second Wednesday of each month.
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, and Real Assets investments will be added to the Agenda from time-to-time.



Investment Committee Workplan for 2021

March 10, 2021

Action Items

Information Items

	Action Items	Information Items
		<p>10. <i>Quarterly report on ACERA's securities lending activities for the third quarter of 2021</i></p> <p>11. <i>Quarterly report on ACERA's Directed Brokerage (DB) Program for the third quarter of 2021</i></p> <p>12. <i>Quarterly report on Investment Products and Services Introductions (IPSI) for the third quarter of 2021</i></p> <p>13. <i>Updated Investment Committee Work Plan 2021</i></p>

Notes:

1. This workplan is subject to change without prior notice. Periodic rearrangements of agenda items will be made to the workplan to provide a reasonable length of time for each meeting.
2. Meeting date is assumed to be the second Wednesday of each month.
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, and Real Assets investments will be added to the Agenda from time-to-time.