ACERA

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, May 17, 2023
9:30 a.m.

LOCATION AND TELECONFERENCE	COMMITTEE MEMBERS	
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	TARRELL GAMBLE CHAIR	APPOINTED
	GEORGE WOOD VICE CHAIR	ELECTED GENERAL
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.	OPHELIA BASGAL	APPOINTED
	KEITH CARSON	APPOINTED
	ROSS CLIPPINGER	ELECTED SAFETY
Link: https://zoom.us/join Call-In: 1 (669) 900-6833 US Webinar ID: 879 6337 8479 Passcode: 699406 For help joining a Zoom meeting, see: https://support.zoom.us/hc/en-us/articles/201362193	JAIME GODFREY	APPOINTED
	ELIZABETH ROGERS	ELECTED RETIRED
	HENRY LEVY	TREASURER
	KELLIE SIMON	ELECTED GENERAL
	CYNTHIA BARON	ALTERNATE RETIRED[1]
	KEVIN BRYANT	ALTERNATE SAFETY[2]

[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, May 17, 2023

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)

I. ACTION ITEMS: MATTERS FOR DISCUSSION AND POSSIBLE MOTION BY THE COMMITTEE

1. Discussion of and Possible Motion to Recommend that the Board Approve an up to $38 Million Investment in Davidson Kempner Opportunities Fund VI 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

   9:30 – 10:00

   Alexis Georgiadis, Davidson Kempner
   Anthony Yoseloff, Davidson Kempner
   Faraz Shooshani, Verus Advisory
   Clint Kuboyama, ACERA
   Betty Tse, ACERA

2. Discussion of and Possible Motion to Recommend that the Board Approve an up to $50 Million Investment in Gridiron Capital Fund V as part of ACERA's Private Equity Portfolio – Buyouts[3] Pending Completion of Legal and Investment Due Diligence and Successful Contract Negotiations

   10:00 – 10:30

   Kevin Jackson, Gridiron Capital
   Faraz Shooshani, Verus Advisory
   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. Review of Trust Company of the West (TCW)

   Craig Blum, TCW
   Brandon Bond, TCW
   Brian McNamara, TCW
   Eileen Neill, Verus Advisory
   Clint Kuboyama, ACERA
   Betty Tse, ACERA

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[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

2. Update on the Revised International Equity Asset Class Phased Implementation Transition Plan

Eileen Neill, Verus Advisory
Julius Cuaresma, ACERA
Betty Tse, ACERA

3. Status Update on the General Investment Consultant (GIC) RFP Search

Valter Voila, Cortex Consulting Inc.
Serafin Lim, ACERA
Betty Tse, ACERA

Trustee Remarks

None

Future Discussion Items

None

Establishment of Next Meeting Date

June 14, 2023 at 9:30 a.m.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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: Clint Kuboyama, Investment Officer Clint Kuboyama

DATE: May 17, 2023

SUBJECT: Review of Trust Company of the West (TCW)

Recommendation:

This is an information item only.

Background Discussion:

The Evolution of TCW's Weighting and Active Management in ACERA's U.S. Equity Asset Class: TCW has managed the large-cap-growth mandate in ACERA's U.S. Equity Asset Class since June 1999. (See Attachments #1 - #3 for Staff's overview and analysis of the strategy.) This large-cap-growth mandate has been paired with a corresponding large-cap-value mandate (currently managed by Aristotle) to represent the active, large-cap exposure in the U.S. Equity Asset Class. Over the last decade, the target weightings to actively managed, large-cap strategies in ACERA's U.S. Equity Asset Class have declined as active large-cap managers have had a progressively difficult time beating their benchmarks. In the ten-years ended 2012 (i.e., 10-year annualized return), 64% of active managers in the eVestment Alliance style universe[1] outperformed the Russell 1000 Growth Index (TCW's benchmark). By comparison, ten years later, at the end of 2022, only 22% of active managers in this universe beat the Russell 1000 Growth Index over the previous ten years annualized.

Ten years ago, the U.S. Equity Asset Class had a 55.5% target weighting to active managers (versus 44.5% target weighting to passive management) including a 35% total target weighting to actively-managed, large-cap strategies and 17.5% weighting each to active large cap growth and active large cap value. Due to the progressive challenges of active, large-cap managers beating their passive benchmarks, ACERA reduced its weightings to these managers. Currently, ACERA's U.S. Equity Asset Class has only a 20% target weighting to active managers (versus its 80% current target passive weighting), including a total 10% active weighting to large-cap strategies and a 5% weighting each to active large cap growth (TCW) and active large cap value (Aristotle). Accordingly, the performance impact of TCW's strategy on the asset class and Total Fund has diminished over time with TCW's weighting in the Total Fund declining from 6.4% ($356.8 million account value) at the end of 2012 to 1.1% ($110.7 million account value) as of the end of 2022.

TCW's Watchlist & Investment Committee Review History: TCW was on ACERA's Watchlist between 2012 and 2018 when ACERA's Watchlist process was rules-based[2] and TCW's formal benchmark included a performance premium (i.e., TCW's gross performance had to exceed its benchmark's return plus, for example, 200 basis points, in order for it to outperform its benchmark). During this period, ACERA lowered the weighting of active managers (including TCW's mandate) in the U.S. Equity Asset Class. TCW's since-inception performance (net of fees) outperformed its benchmark throughout that timeframe and there were medium-term periods of time (i.e., 3- and 5-year periods) in which TCW's net-of-fees performance outperformed its benchmark, without the premium. ACERA's Investment Committee ("IC") revisited this Watchlist status via IC reviews of TCW in 2012, 2013, 2014, 2016, and 2018. In 2018, ACERA revised its Watchlist process to reflect best practices which eliminated the rules-based

[1] The eVestment Alliance style universe is a peer group of active managers in particular styles (i.e. U.S. large-cap growth or International small-cap value, etc.) used to benchmark ACERA's active traditional managers in Verus' performance reports.

[2] Until the 2018 change in ACERA's General Investment Guidelines, Policies & Procedures, active U.S. large-cap managers were automatically put on Watchlist if their cumulative 5-year rolling return was below the benchmark (which at the time included premiums) for two consecutive quarters, or if the manager's peer ranking fell below median for two consecutive quarters over a cumulative 5-year rolling period.

Watchlist methodology and benchmark premiums. With these changes, TCW was removed from ACERA's Watchlist. TCW was then reviewed by the IC in 2019, the last time TCW was reviewed by the Committee.

TCW's Current Watchlist Status and IC Review: Staff and Verus placed TCW on Watchlist on 3/1/23 for underperformance and organizational change. In 2022, TCW's performance, net of fees, underperformed its benchmark the Russell 1000 Growth Index by 6.7%[3] (-35.9% versus -29.1%). Underperformance was driven primarily by unfavorable stock selection with TCW's concentrated, high-growth positions suffering more earnings-multiple compression than stocks in the more diversified, and in aggregate, lower-growth, Russell 1000 Growth Index.

The poor performance in 2022 has negatively impacted TCW's long-term performance, net of fees, relative to its benchmark. At the end of last year, TCW's net returns underperformed its benchmark over the 5-, 10- and 20-year periods. Although TCW's since-inception net performance has remained above the benchmark, Staff is concerned that the since-inception outperformance of the strategy was driven primarily by outperformance over the 1999-2004 timeframe and that the strategy has not produced alpha (i.e., net returns over the benchmark) for 20 years. (See TCW's performance, updated to 3/31/23, in Table 1 below, Staff's StyleAdvisor Performance Analysis (Attachment #2) and Verus' TCW Memorandum (Attachment #4) for a more detailed review of TCW's recent and long-term performance.)

Table 1: TCW Concentrated Core Gross and Net Performance Versus the Russell 1000 Growth Index (as of 3/31/23)							
	YTD	1-Year	3-Year	5-Year	10-Year	20-Year	Since Inception
TCW Gross	14.0%	-14.8%	13.3%	11.7%	12.6%	11.6%	8.2%
TCW Net	13.9%	-15.1%	12.9%	11.2%	12.2%	11.2%	7.8%
Russell 1000 Growth	14.4%	-10.9%	18.6%	13.7%	14.6%	11.6%	6.9%
Net Out/(Under)performance	-0.5%	-4.2%	-5.7%	-2.5%	-2.4%	-0.4%	0.9%
Source: TCW. For periods 1 year and longer, performance and Net Out/(Under)performance is annualized.							

In addition to poor benchmark relative performance, TCW's peer ranking was below median for the 1-, 3-, 5-, and 10-year periods as of the end of last year (see Table 2 below). Similar to 2022, TCW's long-term underperformance has mainly been a result of unfavorable stock selection.

Table 2: TCW Concentrated Core Performance Percentile Rank* (as of 12/31/22)				
	1-Year	3-Year	5-Year	10-Year
TCW Gross Performance Percentile Rank*	86	79	59	86
TCW Net Performance Percentile Rank*	88	83	69	91
Russell 1000 Growth Percentile Rank*	51	35	33	23
Source: Verus. *Percentile Rank based on eVestment Alliance style universe.				

In January 2023, TCW notified Staff that a major organizational change was underway. Craig Blum had been the strategy's sole portfolio manager between 2008 and 2023. However, ACERA was notified that, beginning 2/1/23, Mr. Blum would become co-PM of the strategy along with Mr. Brandon Bond, who had not been a PM on the strategy and did not previously work as a PM. TCW also notified Staff that Mr. Blum would transition from his co-PM role to become a portfolio advisor on July 1, 2023 and that upon this change, Mr. Bond would become the sole PM of the strategy. (Please see Verus' TCW Memorandum (Attachment #4) for more information on TCW's organizational change.)

Given the strategy's long-term underperformance and the major changes to the strategy's management, Staff and Verus placed TCW on ACERA's Watchlist. This means that Staff and Verus will closely monitor this strategy for the next year. In addition, Staff has scheduled this review such that ACERA's IC can hear directly from the strategy's portfolio

[3] Data from Verus' 4Q22 Performance Report. On this report, TCW's 2022 net return was -35.85% versus -29.14% for the Russell 1000 Growth Index. Accordingly, TCW's net return underperformed the Russell 1000 Growth Index by 6.71%. The returns for TCW (net) and the Russell 1000 Growth Index, as well as TCW's underperformance, are rounded.

managers on TCW's underperformance and the IC can gauge its comfort with the transition of portfolio management responsibilities from Mr. Blum to Mr. Bond.

Conclusion:

Staff is concerned that the strategy has not been able to generate net-of-fees outperformance against the Russell 1000 Growth Index for twenty years now. Actively managed large-cap growth strategies have increasingly had a difficult time in recent years, but may, at some point, come back into favor relative to passive management. However, TCW's ranking among active managers has also declined well below median over the last ten years. Moreover, TCW's underperformance has been produced with the experienced, long-time PM Craig Blum at the helm while beginning 7/1/23, the strategy's management will transition to Mr. Bond, who lacks a portfolio management track record.

Because TCW now represents only 1% of the Total Fund and has been placed on Watchlist, Staff and Verus recommend the close monitoring of TCW over the next year with a reassessment to be conducted at the end of that period rather than recommend action at this point in time. Evaluating TCW over this period could potentially allow TCW to improve relative results, provide time for Mr. Bond's solo portfolio management skills to be assessed, and provide Staff and Verus time to review the U.S. Equity Asset Class structure to determine if passive management is the optimal implementation approach for the aggregate large cap sub-class.

Attachments:

#1 Executive Summary, prepared by Staff
#2 StyleAdvisor Performance Analysis of TCW, prepared by Staff
#3 Trading-Cost Analysis of TCW, prepared by Staff
#4 Verus TCW Memorandum, prepared by Verus
#5 TCW Presentation Materials, prepared by TCW

Executive Summary
Trust Company of the West

Investment Strategy: The strategy's philosophy is strong long-term performance can be achieved by participating in the growth and success of extraordinary businesses purchased at attractive valuations. The strategy implements this philosophy by investing in a concentrated, low-turnover portfolio of 25 – 35 stocks that are of high quality, have competitive advantages in large and expanding end markets, and whose prospects for market-share gains, widening profit margins and accelerated earnings growth are undervalued. The portfolio is constructed to have a 2/3 weighting to "offensive growth" (i.e., innovative and disruptive companies with potential for accelerated earnings growth) and 1/3 weighting to "defensive growth" (i.e., companies whose growth is less economically cyclical).

Inception Date with ACERA: 6/4/99

Total Assets Managed: $213 billion (firm-wide as of 3/31/23)

Total Assets Managed in Product: $2.3 billion in institutional client AUM (as of 3/31/23)

Total Clients in Product: 20 institutional clients (as of 3/31/23)

ACERA Assets Being Managed: $110.7 million (as of 12/31/22)

Percentage of ACERA's Total Fund[1]: 1.1% (as of 12/31/22)

Account Benchmark: Russell 1000 Growth

Annualized Returns (%):

Annualized Returns for Periods Ending March 31, 2023 (not annualized if less than one year)	Year to Date	1 Year	3 Years	5 Years	10 Years	20 Years	Since Inception
Trust Company of the West (Gross Returns)	14.0	-14.8	13.3	11.7	12.6	11.6	8.2
Trust Company of the West (Net Returns)	13.9	-15.1	12.9	11.2	12.2	11.2	7.8
Index (Russell 1000 Growth)	14.4	-10.9	18.6	13.7	14.6	11.6	6.9
Relative Performance (Net)	-0.5	-4.2	-5.7	-2.5	-2.4	-0.4	0.9

Portfolio Characteristics:	**Portfolio**	**Benchmark**
Number of Holdings:	31	509
Percentage of Top Ten Holdings:	49.5%	45.4%
Annual Turnover:	22.2%	N/A
Weighted Average Market Cap:	$435.6 B	$817.3 B
Average Forward P/E Ratio:	29.2x	23.8x
Projected 3-to 5-year EPS Growth:	19.4%	14.5%

Actual Management Fees for 2022: $571,035 (44 bps)

Management Fees 4Q22: $131,965 (12 bps)

Manager Style: Large Cap Growth

Compliance: In compliance with ACERA's reporting requirements.

Turnover in Key Personnel/Names of Portfolio Managers ("PMs"): Craig Blum was the sole PM between 2008 and 2023. On 2/1/23, Brandon Bond became Co-PM with Mr. Blum. On 7/1/23, Mr. Blum is scheduled to become a "Portfolio Advisor", at which time Mr. Bond will become sole PM.

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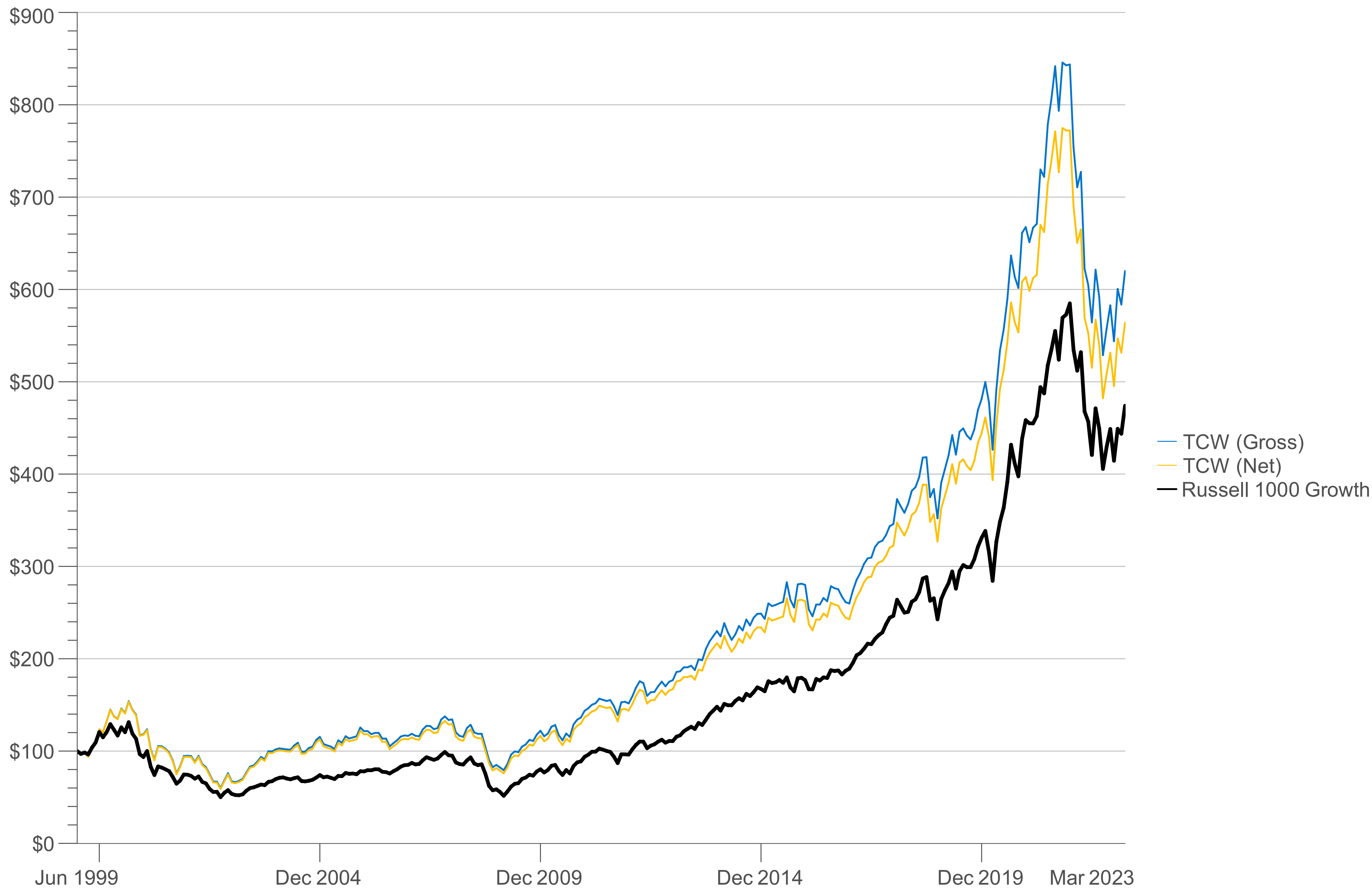
[1] Total Fund as of 12/31/22: $10,252,621,691 (Source: Verus Advisory, 4Q2022 IPR)

Information compiled by the Investment Manager and Staff.

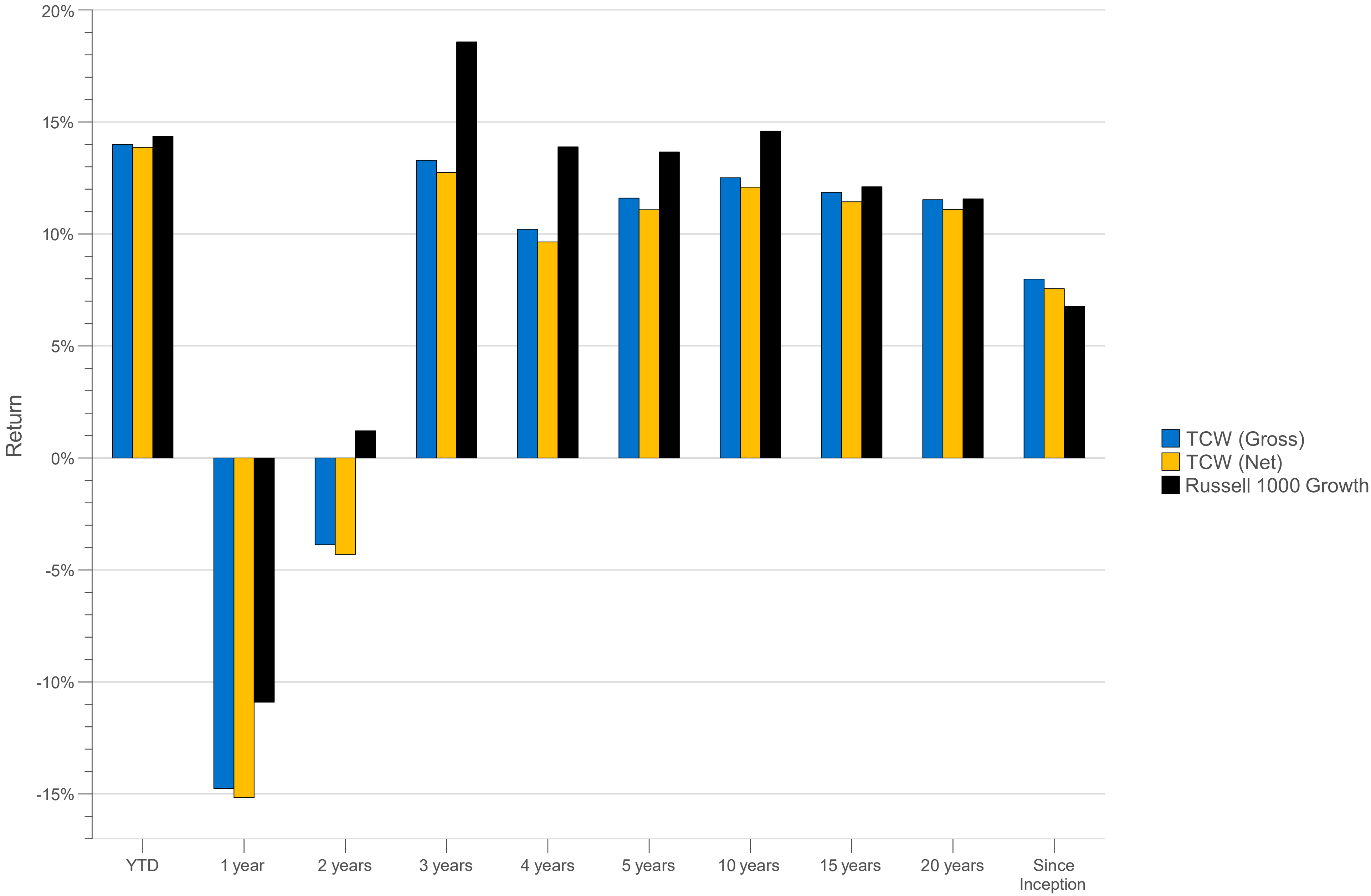
Manager Performance

July 1999 - March 2023 (Single Computation)



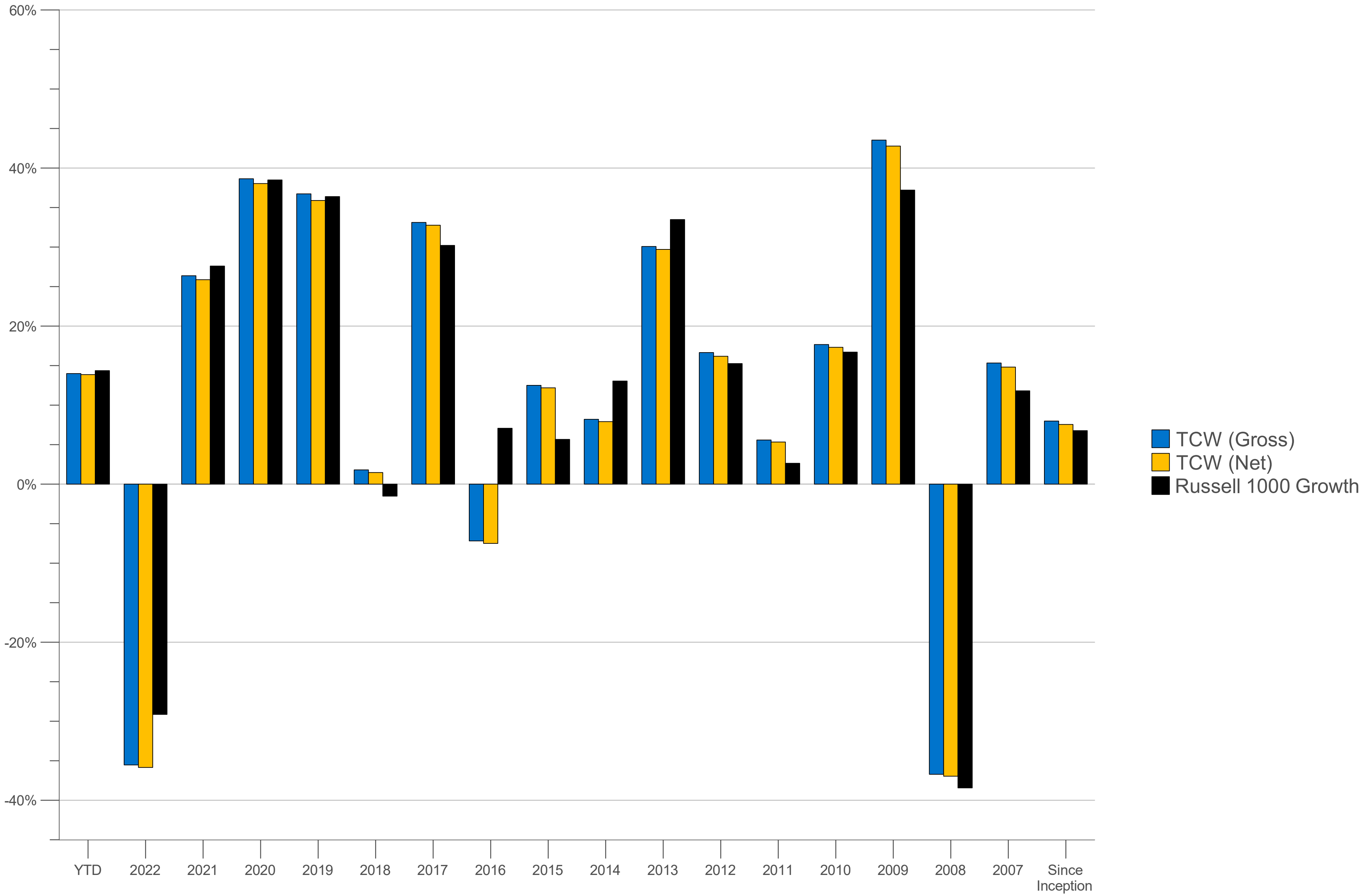
Manager vs Benchmark: Return

July 1999 - March 2023 (not annualized if less than 1 year)



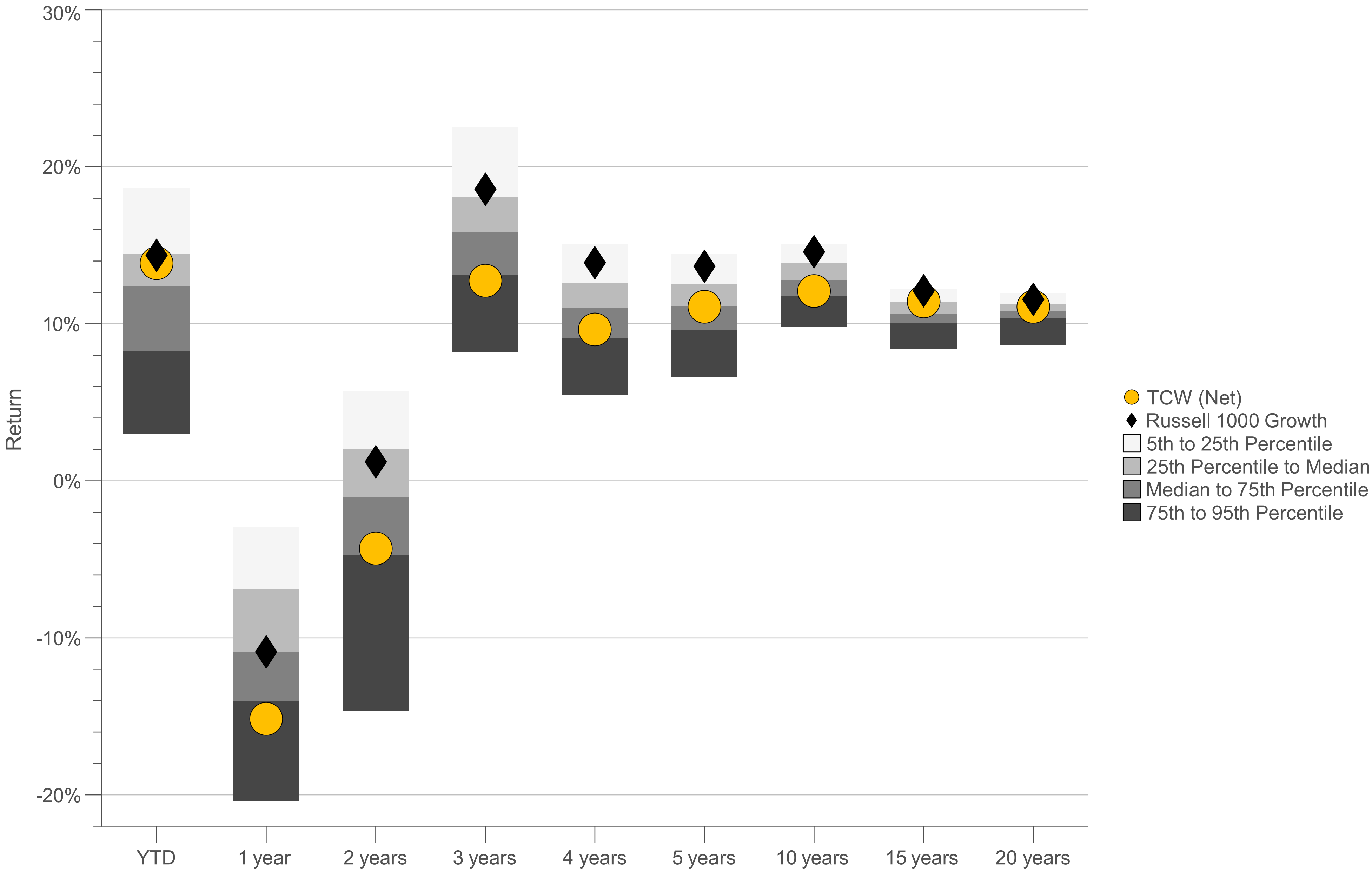
Calendar Year Return

As of March 2023



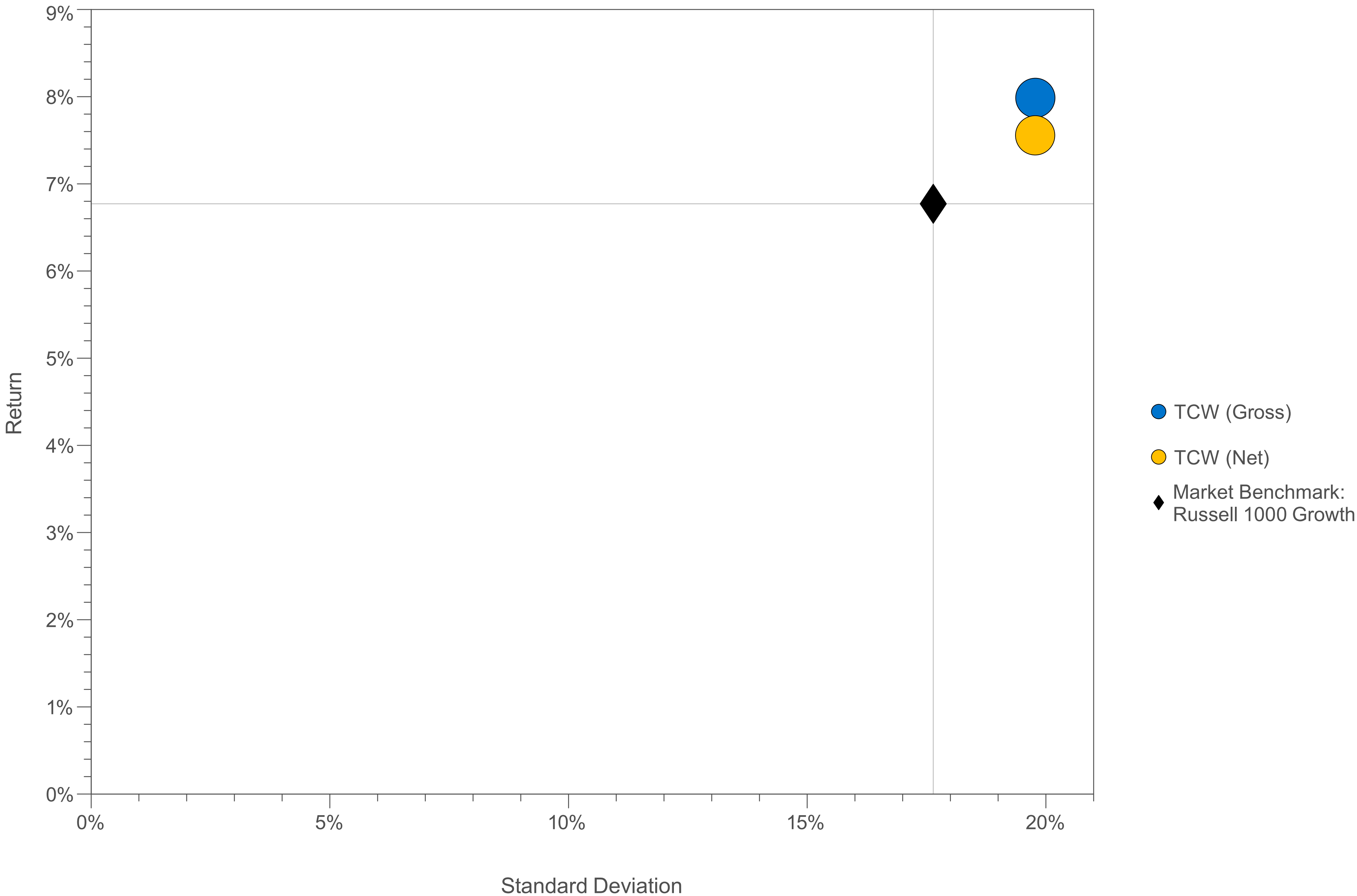
Manager vs PSN Large Cap Growth Net: Return

July 1999 - March 2023 (not annualized if less than 1 year)



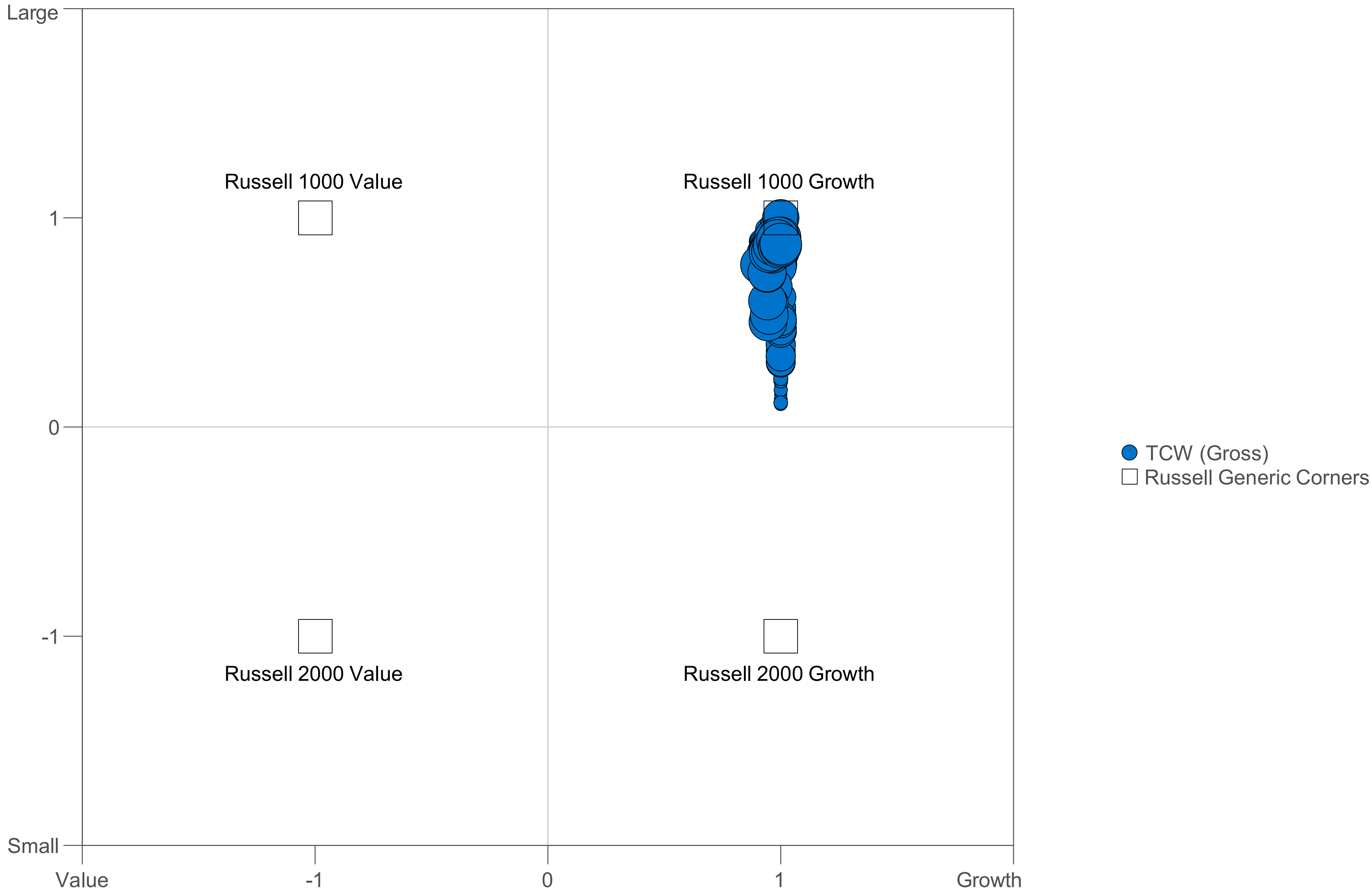
Risk / Return

July 1999 - March 2023 (Single Computation)



Manager Style

July 1999 - March 2023 (36-Month Moving Windows, Computed Monthly)



Trust Company of the West
Trading Cost Analysis

ACERA has contracted with Zeno Consulting Group (Zeno) to perform the trading cost analyses since 1Q98. ACERA has also contracted with Zeno to monitor and analyze the efficiency of ACERA's DB program since September 2006.

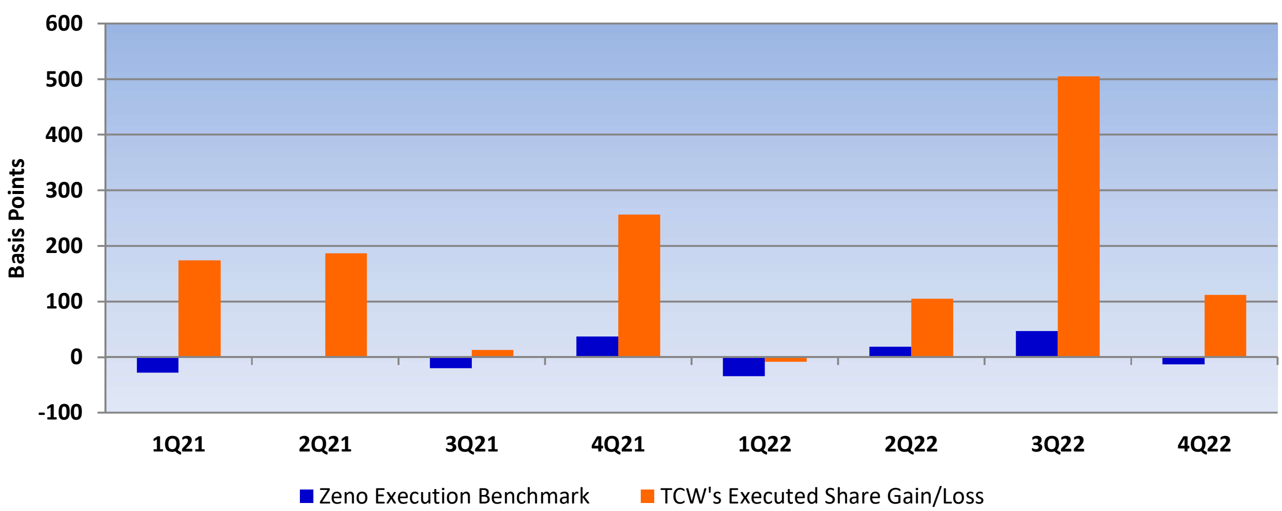
Zeno Methodology: Trades executed in the same stock, on the same side (Buy or Sell) and within five trading days of the previous trade, are grouped into the same Decision/Order. For each group of trades, Decision/Order prices are set to the opening price of the stock on the day of the first trade. For example, assume a manager's "Decision" to trade was made at the Market's close on Oct. 20th. The stock's opening price on Oct. 21st becomes the Decision/Order price against which all trade prices in each group are compared. Since either gains or losses can accrue to the funds assets through the process of trading stocks, Zeno nomenclature identifies "total costs" as "Executed Share Gain/Loss."

Executed Share Gain/Loss:	Commission + Market Impact + Delays
Zeno Execution Benchmark:	Zeno Average Execution Gain/Loss based on the average cost for all managers in the Zeno Database trading similar stocks in similar size and market conditions (risk adjusted)
Commission:	Cost of transacting with a broker
Market Impact:	Each day's trading cost (opening price minus trade price)
Delays:	The costs of trading decisions over several days (decision price minus days opening price)

Trading Discipline: If prices are favorable (i.e. falling for buys, rising for sells) a positive Executed Share Gain/Loss number will accrue for the fund if delays occur while trading. If prices are adverse (i.e. rising for buys, falling for sells), a negative Executed Share Gain/Loss number will be incurred by the fund if delays occur while trading. Many growth/momentum managers incur execution losses, since they usually purchase and liquidate stocks with adverse prices (growth stocks also tend to be momentum stocks).

TCW Execution Gain/Loss vs. Zeno Execution Benchmark:

	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
Zeno Execution Benchmark	-28	2	-20	37	-34	19	47	-13
TCW's Executed Share Gain/Loss	174	187	13	256	-8	105	505	112
Value Added/Lost by TCW	**202**	**185**	**33**	**219**	**26**	**86**	**458**	**125**



Summary:

TCW has routinely incured lower aggregate execution costs and greater execution efficiency relative to its benchmark, which has added value to ACERA's portfolio in each of the last eight quarters (ended 4Q22). The total dollar value added by TCW over that time period was approximately $0.8 million.

Data provided by Zeno

Memorandum

From:	Verus
Date:	May 17, 2023
RE:	TCW Concentrated Core Equities Performance Update

Executive Summary

Verus met with the TCW Concentrated Core Equity team considering Watchlist status due to underperformance and organizational changes. We recommend heightened strategy monitoring and assessing the strategy for continued retention after one-year from being initially placed on Watch List.

Investment Team & Organization Update

In January 2023, TCW announced that Craig Blum, CFA, would cede his portfolio management responsibilities beginning in July 2023, leave the firm and become a senior advisor to the Concentrated Core strategy. Blum has been a co-portfolio manager on the strategy in 2004 and the sole portfolio manager since 2008. The firm cited family matters as the reason for Blum's role change. As a result, Brandon Bond, CFA, became a co-portfolio manager on the strategy as of February 1, 2023, and will become the sole portfolio manager in July 2023. Bond has worked on the strategy for 14 years.

Prior to becoming a co-portfolio manager on the strategy, Bond was a senior analyst on the strategy along with senior analyst Rob Park, CFA, and analyst/portfolio specialist, Brian McNamara. Senior analysts (Bond/Park) operate as research generalists and are responsible for the research agenda while portfolio managers (Blum) are responsible for portfolio buy and sell decisions as well as position sizing. Bond will rely on Park, McNamara, and TCW's centralized equity research team, which assists the team with deeper fundamental analysis and position monitoring, for continuing research support. The firm does not expect to add to this team as Blum will be an advisor to the strategy for the foreseeable future. In addition, there will not be any changes to the investment philosophy or process with the team change.

TCW has also announced additional changes to the firm's leadership and centralized equity research team. Katie Koch joined TCW in February as the firm's new CEO, replacing David Lippman, who retired at the end of 2022 after more than a decade at the helm. Koch came to TCW after a 20-year career with Goldman Sachs Asset Management (GSAM), where she was a partner. Most recently, Koch served as CIO of GSAM's $300 billion public equity business. Lastly, TCW announced the departure of two Technology analysts/portfolio managers in early 2023. Sam Silverson, formerly of Janus Henderson's Technology team, was recently hired to backfill those roles.

Performance

Except for ACERA's since-inception period, TCW's performance has been disappointing – failing to exceed the benchmark over the trailing 1-, 3-, 5-, and 10-year time periods (as of December 31, 2022), as illustrated in the table below:

	MRQ	1 Year	3 Year	5 Year	10 Year	SI (6/99)
TCW (Gross)	2.84	-35.52	4.19	9.73	12.01	7.46
TCW (Net)	2.72	-35.85	3.73	9.22	11.59	
Russell 1000 Growth	2.20	-29.14	7.79	10.96	14.10	6.24

Additionally, in terms of peer group comparisons, on a net-of-fee basis, TCW's percentile rankings are below median over each of the trailing 1-, 3-, 5-, and 10-year time periods (relative to the eVestment US Large Cap Growth universe). Please note the Russell 1000 Growth index ranks in the top third or better of the peer universe for the 3-, 5-, and 10-year time periods.

Over the past decade, four calendar years (i.e., 2013, 2014, 2016 and 2022) are the most notable detractors with underperformance ranging from -350 bps to -1,430 bps. Particularly, poor stock selection in the Technology and Health Care sectors has weighed on long-term performance. The strategy's 670 bps underperformance during last year's broad market selloff was due largely to unfavorable stock selection. On a relative basis, the five largest detractors were Align Technology (-114 bps), Twilio (-108 bps), PayPal (-79 bps), Salesforce (-66 bps), and NVIDIA (-65 bps). Notably, the information technology sector accounted for four of the five largest relative detractors. Align Technology, a Health Care stock, accounted for more than half of the Health Care sector's 2022 underperformance. Technology represents approximately 40% of both the benchmark and the strategy; thus, the ability to skillfully select stocks in this sector within a concentrated portfolio is paramount.

Positioning

The Concentrated Core team executes a concentrated, low turnover approach to the large cap growth space. The team tries to identify high growth stocks that are sub-$15 billion and hold them more than five years. NVIDIA, the largest holding in the portfolio, is an example of this process. The team is trimming the stock as it reaches their 7% maximum portfolio weighting. Recently, the team sold Twilio based on concerns that Twilio's business model and revenue potential could be negatively impacted by factors such as recent management missteps, heightened competition, and the current macroeconomic climate. In addition, the team sold Meta (previously known as Facebook) on concerns of the firm's Metaverse spending. The stock had been in the portfolio almost 10 years. Typically, the team will purchase four to six new holdings each year. UnitedHealthCare and Intuitive Surgical, two Health Care stocks, are recent purchases.

While acknowledging that 2022 was a very difficult year for TCW's approach, TCW noted that despite some growth deceleration resulting from a more challenging economic environment, fundamentals remain attractive for the team's portfolio holdings. Unless interest rates stage another dramatic spike, the team believes the significant pain of multiple compression is in the past, at least over the near term.

Recommendation

Verus views TCW's Concentrated Core strategy as an institutional-quality product for clients seeking to allocate capital to a large-cap growth strategy. However, we do not have a high conviction rating on the strategy. The impending portfolio management transition from long-time portfolio manager Craig Blum to veteran senior analyst Brandon Bond, in isolation, does not alter this opinion especially since the investment philosophy and process are not expected to change. However, coupled with negative relative performance in five out of the prior six quarters and the centralized research team's loss of two Technology analysts/portfolio managers, we recommend heightened strategy monitoring and then assessing the strategy for continued retention after one-year from being initially placed on Watch List depending on how the portfolio's Technology stocks perform relative to the benchmark's Technology stocks.

TCW Concentrated Core

FIRST QUARTER 2023

PRESENTATION TO:

Alameda County Employees' Retirement Association

MAY 17, 2023

Presented by:
Craig C. Blum, CFA | Group Managing Director | Co-Portfolio Manager | Equities
Brandon D. Bond, CFA | Managing Director | Co-Portfolio Manager | Equities
Brian M. McNamara | Managing Director | Analyst and Portfolio Specialist | Equities

Table of Contents

I. TCW Overview

TCW Overview

AS OF MARCH 31, 2023

Distinguishing Features:

- Among leading global asset management firms with more than five decades of investment experience
- Disciplined, team-managed investment processes that have been tested across market cycles
- Broad range of products and expertise across fixed income, equities, emerging markets, and alternative investments
- TCW is a signatory to the UN Principles for Responsible Investment
- High level of employee ownership of TCW
- For the ninth year in a row, TCW named "Best Places to Work in Money Management among firms with 500-999 employees" by *Pensions & Investments*, 2014-2022

Firm Facts:

- Established in 1971 in Los Angeles, California
- $213 billion under management
- Through our TCW and MetWest Fund Families, TCW manages one of the largest mutual fund complexes in the U.S. with over $80 billion in assets under management
- TCW staff of more than 650 individuals
- Offices in Los Angeles, New York, Boston, Chicago, London, Milan, Singapore, Hong Kong, Tokyo, and Sydney

Source: TCW

Comprises the assets under management, or committed to management, of The TCW Group, Inc. and its subsidiaries.

TCW Partial Client List

AS OF APRIL 30, 2023

Corporations

ArcelorMittal Steel USA, Inc.
AT&T Inc.
BAE Systems North America
Hallmark Cards, Inc.
Navy Federal Credit Union
Sanofi-Aventis
Smart & Final
Union Bank
Verizon Investment Management Corporation

Multiple-Employer/Unions

Boilermaker-Blacksmith National Pension Trust
Media Guild Retirement Plan
New Jersey Transit
Painting Industry of Hawaii Annuity Fund
Producer-Writers Guild of America Pension Plan
San Diego County Construction Laborers
Screen Actors Guild - Producers Pension Plan
Sheet Metal Workers' National Pension Fund

Foundations, Universities and Not-For-Profit Organizations

California State University Risk Management Authority
Catholic Relief Services
Father Flanagan's Trust Fund
The Archdiocese of San Francisco
U.S. Conference of Catholic Bishops

Public Funds

Alameda County Employees' Retirement Association
City of Tallahassee Pension Plan
County of Los Angeles Savings Plan
Oklahoma Law Enforcement Retirement System
Oklahoma Public Employees' Retirement System
Public School Retirement System of St. Louis
Sacramento County Employees' Retirement System
Sacramento Regional Transit District
San Diego City Employees' Retirement System
State of Michigan Retirement System
State of Wisconsin Investment Board
Tacoma Employees' Retirement System
Tennessee Valley Retirement System
Westmoreland County Employees' Retirement System

Healthcare and Insurance

Bishop Clarkson Memorial Foundation
Blue Cross/Blue Shield of Kansas City
Cedars-Sinai Medical Center
MAG Mutual Insurance Company
Mayo Clinic
McDonald's Owner/Operator Ins. Co. Ltd
Medica
Methodist Le Bonheur Healthcare
Nippon Life Insurance Company
Sompo Japan Nipponkoa Insurance
Southern Farm Bureau Life Insurance Company

Subadvisory Relationships/ Program Sponsors

Subadvisory Relationships

Amundi
Brighthouse Financial
Morgan Stanley Pathway Funds – Core Fixed Income Fund
Columbia Management
Daiwa Securities
FundLogic Alternatives
Liberty All-Star® Funds
Mitsubishi UFJ Trust and Banking Corporation
SEI
Sompo Japan Nipponkoa Asset Management

Program Sponsors

J.P. Morgan Securities LLC*
Fidelity FundsNetwork®**

* Sponsor of an advisory program in which TCW participates as an advisor

** Fidelity, Fidelity Investments, and FundsNetwork are registered service marks of FMR LLC.

The clients listed have a minimum of $10mm AUM with TCW, are invested in one or more investment strategies and are selected based on inclusion in the Money Market Directory or written consent by the client. Subadvisory relationships and Program Sponsors are listed with their express written consent. Inclusion on this list should not be considered an endorsement of the investment advisor or services rendered. It is not known whether the listed clients approve or disapprove of TCW or the advisory services provided.

II. TCW Concentrated Core Team

TCW Investment Team and Resources

AS OF MARCH 31, 2023

INVESTMENT TEAM

Craig C. Blum, CFA
Group Managing Director
Co-Portfolio Manager

Brandon D. Bond, CFA
Managing Director
Co-Portfolio Manager

Brian M. McNamara
Managing Director
Analyst, Portfolio Specialist

Robert J. Park, CFA
Managing Director
Senior Analyst

Average over 25 years of investment experience	TCW Shareholders	TCW Select Equities Fund Shareholders

RESOURCES

TCW Equity Research

Analysts provide coverage of all major economic sectors	Average 18 years of investment experience

Third Party Research	TCW Equity & Fixed Income Product Teams	TCW Portfolio Analytics Group

TCW Equity Research

AS OF APRIL 2023

MICHAEL REILLY, CFA

Chief Investment Officer – Equities
Director of Equity Research

Industry Experience
35 years | TCW 31 years

Education
University of Southern California
- BS in Finance
- BA in Spanish

University of Southern California, Marshall School of Business
- MBA in Finance

JASON MAXWELL, CFA

Managing Director
Senior Equity Analyst

Sector Expertise
Energy, Utilities

Cross-Sector
Sustainability, Renewables, Energy Transition

Industry Experience
24 years | TCW 23 years

Education
University of California, San Diego
- BS in Structural Engineering

University of Southern California, Marshall School of Business
- MBA

DAVID EPSTEIN, CFA

Senior Vice President
Senior Equity Analyst

Sector Expertise
Consumer Staples, Transports, Homebuilders/Household Durables, Business and Consumer Services

Industry Experience
14 years | TCW 9 years

Education
University of Redlands
- BS in Business Administration

UCLA Anderson School of Management
- MBA

VERA KAHN

Senior Vice President
Senior Equity Analyst

Sector Expertise
Retail, Footwear and Apparel, Restaurants, Supermarkets

Industry Experience
23 years | TCW 16 years

Education
Bryn Mawr College
- BA in Russian Studies

American University
- MBA in Finance

MATTHEW LOWE, PhD

Senior Vice President
Senior Equity Analyst

Sector Expertise
Healthcare: Biotechnology, Pharmaceuticals, Life Sciences Tools, Medical Devices

Industry Experience
20 years | TCW 6 years

Education
University of Oxford
- BS in Physiological Sciences
- PhD in Cardiac Pharmacology

EVAN FEAGANS, CFA

Senior Vice President
Senior Equity Analyst

Sector Expertise
Internet, Media, Gaming and Lodging

Industry Experience
10 years | TCW 8 years

Education
Hamilton College
- BA in Economics

Claremont McKenna College
- MA in Finance

TCW Equity Research (CONT'D)

AS OF APRIL 2023

LOVE GHOTRA

Vice President
Equity Analyst

Sector Expertise
Industrials, Basic Materials

Industry Experience
7 years | TCW 6 years

Education
University of California, Irvine
- BA in Finance

Claremont McKenna College
- MA in Finance

NEHAL PATEL

Vice President
Equity Analyst

Sector Expertise
REITs, Healthcare: Services, Distributors, Facilities, IT

Industry Experience
10 years | TCW 7 years

Education
University of California, Los Angeles
- BA

University of Chicago Booth School of Business
- MBA

SAM SILVERSON

Vice President
Equity Analyst

Sector Expertise
Technology

Industry Experience
11 years | TCW < 1 year

Education
Rutgers University
- BA

UCLA Anderson School of Management
- MBA

III. Investment Philosophy and Process

Investment Philosophy

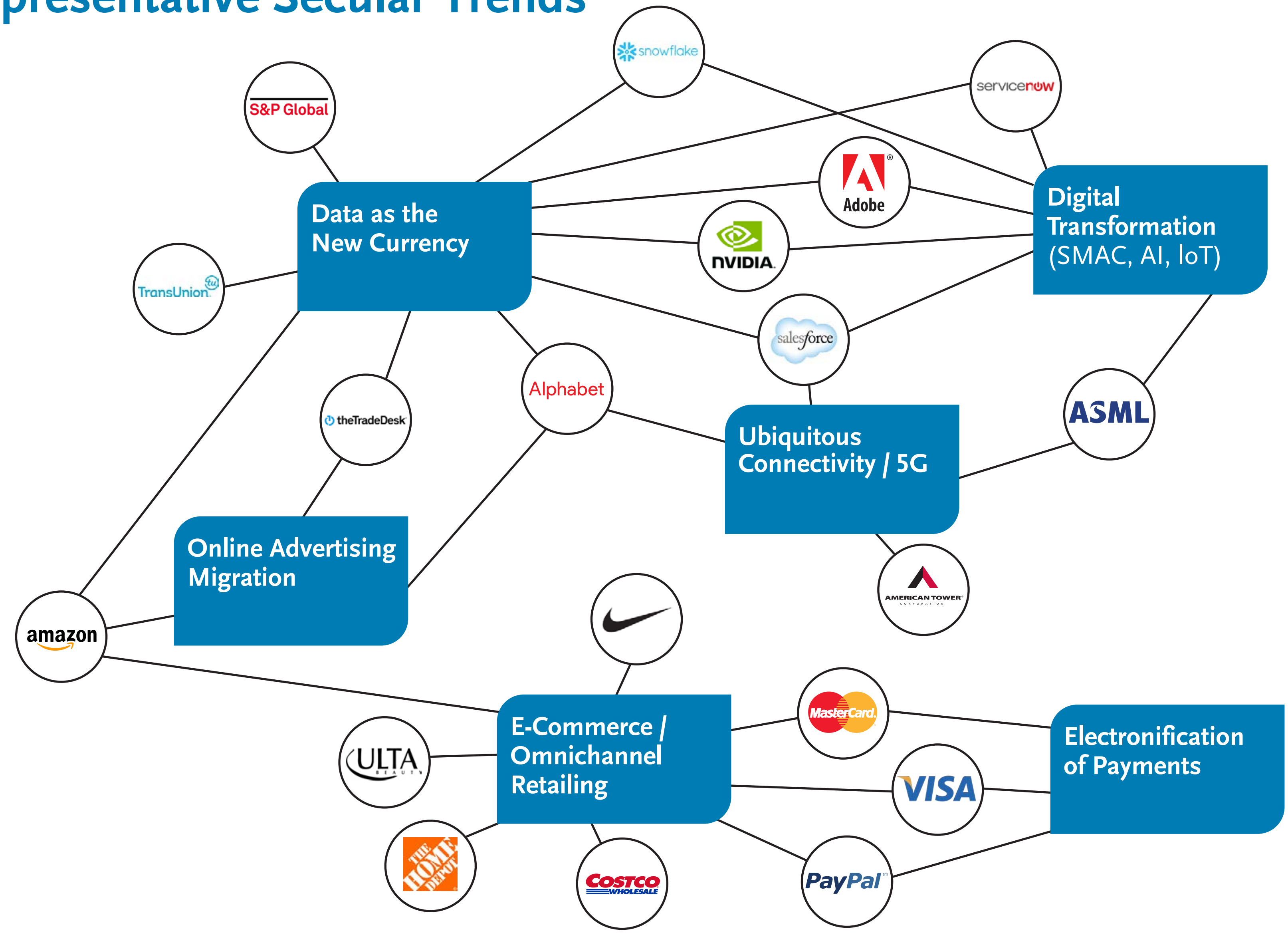
Strong long-term performance may be achieved by participating in the growth and success of extraordinary businesses purchased at attractive valuations.

Distinguishing Features

- A concentrated portfolio of approximately 25 to 35 stocks seeking the highest quality growth opportunities
- Strict focus on companies with large end-market opportunities and clear product and/or cost advantages
- Emphasis on attractive, yet undervalued, prospects for expanding market share, widening profit margins and accelerating earnings growth
- Long-term/Low turn-over orientation
- Fundamental bottom-up research process complemented and supported by thematic macro trends
- Conviction weighted – fully invested
- Macro and systemic risk managed at portfolio level
- Consistency – no deviation from stated process
- Track record of demonstrated results over the long term

Portfolio characteristics and holdings are subject to change at any time.

Representative Secular Trends



For illustrative purposes only. Portfolio characteristics and holdings are subject to change at any time. It should not be assumed that an investment in the securities listed was, or will be, profitable.

Investment Process

Universe
~500
Companies

INITIAL SCREEN

- Multi-channel idea sourcing
- Double-digit earnings growth
- Accelerating revenue, earnings and cash flow growth
- Growing Total Addressable Market (TAM)
- Strong balance sheet
- Proven management team
- Pricing power
- Cost leadership/scale

Watch List

5-15 Companies

FUNDAMENTAL ANALYSIS

- Evaluate business model and industry dynamics
- Model and analyze company fundamentals
- Conduct competitor analysis
- Identify sustainable, competitive advantage
- Meet with and evaluate management
- Compare and contrast internal results vs. consensus
- Establish price targets
- Consider terminating idea

Wish List

0-5 Companies

PORTFOLIO CONSTRUCTION

- Stock weight driven by conviction in return opportunity
- Balance between offensive and defensive growth
- Concentrated portfolio
  - Large and attractive end markets
  - Strong business models
  - Dominant industry positions
  - Favorable secular/macro themes
  - Accelerating revenue, earnings and cash flow growth

Generally 25-35 Companies

SELL DISCIPLINE

- Tactical re-weightings driven by relative attractiveness, position size and intermediate-term price targets
- Positions sold entirely when company valuation reflects our most optimistic outlook and/or cash is needed to take advantage of a more attractive opportunity
- Unexpected negative developments require immediate placement onto Review List.
  - Is business model impaired?
  - Is revenue opportunity impaired?

Portfolio characteristics and holdings are subject to change at any time.

Portfolio Construction: Staying Balanced

~2/3 Offense

- "Offensive" growth:
  - Innovative stories, disruptive to end markets, accelerating earnings power and margins

~1/3 Defense

- "Defensive" growth:
  - Uncorrelated fundamentals
  - Drivers of growth depend less on GDP growth

Source: TCW

For illustrative purposes only. Portfolio characteristics and holdings are subject to change at any time. It should not be assumed that an investment in the securities listed was, or will be, profitable. For a complete list of holdings, please see the Complete List of Portfolio Holdings shown later in this presentation.

Keen Focus on Risk Management

1. Diversification

- Seek to find growth across all sectors of the economy
- Portfolio construction seeks to reduce volatility by targeting uncorrelated business fundamentals

2. Strict sell discipline

- Price targets based on proprietary cash flow estimates

3. Proprietary fundamental research

- Business risk controlled through quality framework and depth of research enabled by concentration

4. Portfolio controls

- "Top heaviness" of portfolio monitored weekly
- Generally do not add to any holding once it exceeds 5% of total portfolio

5. Leverage TCW's Portfolio Analytics Group

- Detailed attribution analysis provided on an ongoing basis
- Portfolio optimization and risk management (MSCI Barra Portfolio Manager)
- Evaluate marginal contribution of risk for each name in the portfolio

Portfolio characteristics and holdings are subject to change at any time.

IV. Portfolio Characteristics

Portfolio Characteristics

AS OF MARCH 31, 2023 | SUPPLEMENTAL INFORMATION

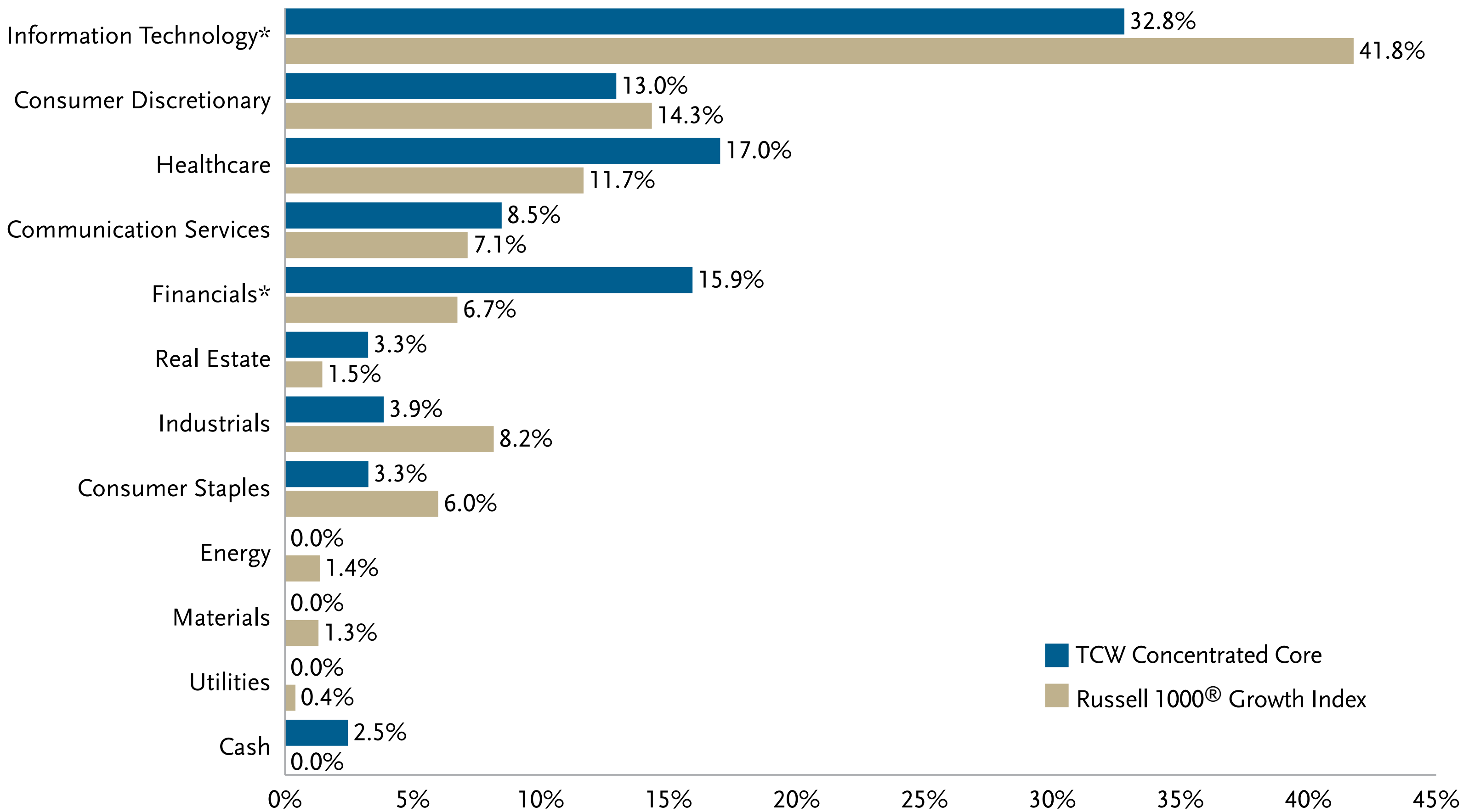
	TCW Concentrated Core	Russell 1000® Growth Index	S&P 500 Index
Number of Securities	31	509	503
Average P/E: Next 12 Months	29.20x	23.77x	18.17x
Price-to-Sales	4.88x	3.83x	2.55x
Debt-to-Equity	0.82x	1.31x	1.31x
PEG Ratio - Forward 1 Yr.	1.81x	1.77x	1.56x
Dividend Yield	0.53%	1.01%	1.66%
Projected 3-5 Yr. Revenue Growth	12.40%	8.81%	5.89%
Projected 3-5 Yr. EPS Growth	19.36%	14.48%	11.54%
Market Capitalization (Billions)			
Average ($ Weighted)	$435.64	$817.33	$542.04
Average (Equal Weighted)	$286.83	$56.96	$75.36
Median	$95.15	$15.56	$29.90

Source: TCW, FactSet

Based upon a representative account. Portfolio characteristics and holdings are subject to change at any time. All projections and estimates are based on current asset prices and are subject to change.

Sector Weightings

AS OF MARCH 31, 2023 | SUPPLEMENTAL INFORMATION



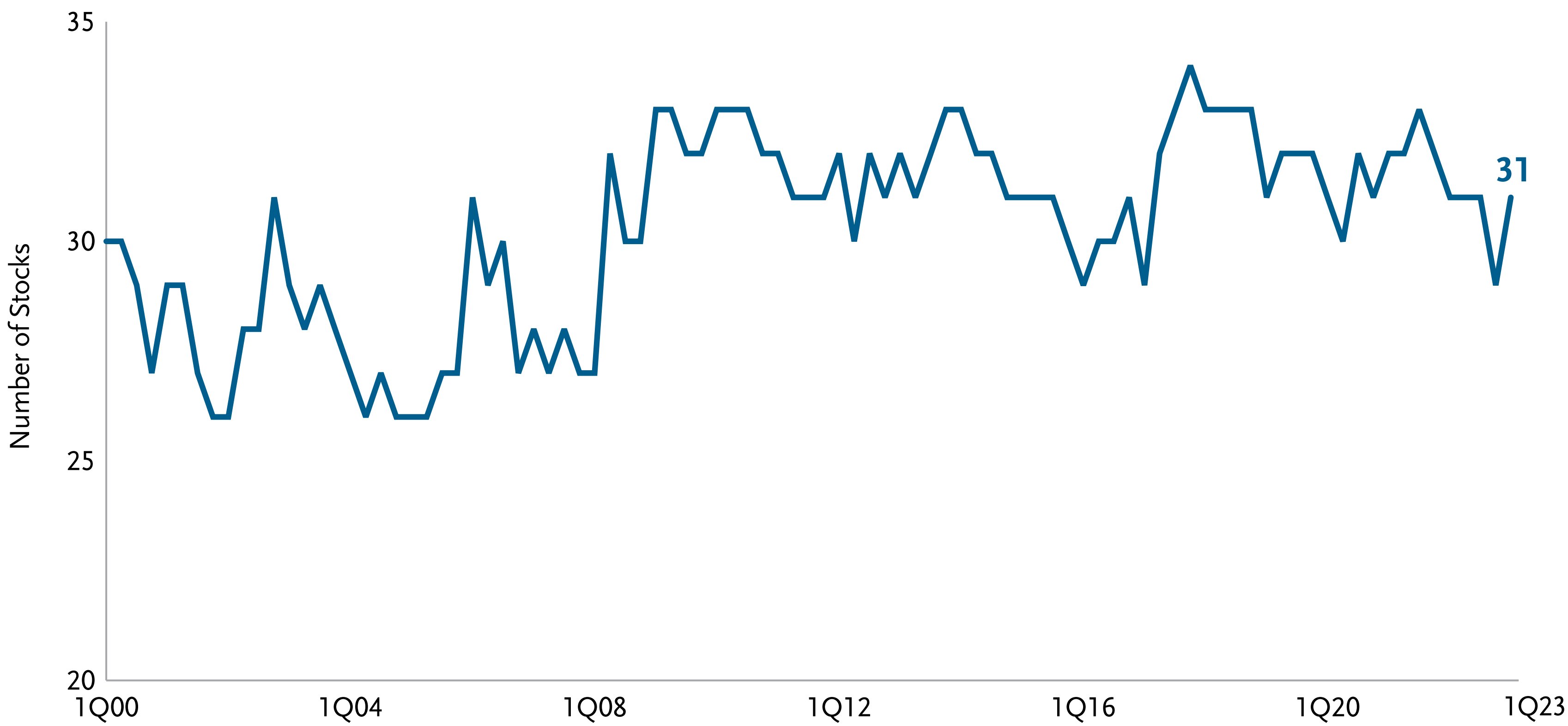
Source: TCW, FactSet

* Visa Inc. (V), Mastercard Incorporated (MA) and PayPal Holdings, Inc. (PYPL) were reclassified by Global Industry Classification Standards (GICS) from the Information Technology sector to the Financials sector on 3/17/23.

Based upon a representative account. Portfolio characteristics and holdings are subject to change at any time.

Number of Holdings

DECEMBER 31, 2000 – MARCH 31, 2023 | SUPPLEMENTAL INFORMATION



Source: TCW
Based upon a representative account. Portfolio characteristics and holdings are subject to change at any time.

Complete List of Portfolio Securities

AS OF MARCH 31, 2023 | SUPPLEMENTAL INFORMATION

Security	% of Portfolio
NVIDIA Corporation	6.98
Alphabet Inc.	6.27
ServiceNow, Inc.	5.68
Microsoft Corporation	5.67
Visa Inc.	5.33
Amazon.com, Inc.	5.10
S&P Global Inc.	3.92
Mastercard Incorporated	3.66
Salesforce, Inc.	3.53
Zoetis Inc.	3.31
Costco Wholesale Corporation	3.26
American Tower Corporation	3.25
ASML Holding N.V. ADR	3.07
Adobe Inc.	3.05
IQVIA Holdings Inc.	2.79
Ulta Beauty, Inc.	2.74
DexCom, Inc.	2.66
The Home Depot, Inc.	2.66

Security	% of Portfolio
UnitedHealth Group Incorporated	2.54
Boston Scientific Corporation	2.53
NIKE, Inc.	2.44
Waste Connections, Inc.	2.26
The Trade Desk, Inc.	2.20
CrowdStrike Holdings, Inc.	2.12
Intuitive Surgical, Inc.	1.67
Enphase Energy, Inc.	1.61
TransUnion	1.60
The Charles Schwab Corporation	1.56
Align Technology, Inc.	1.52
PayPal Holdings, Inc.	1.47
Snowflake, Inc.	1.11
Total Equities	**97.54**
Cash	2.46
Total Portfolio	**100.00**

Source: TCW
Based upon a representative account.
Portfolio characteristics and holdings are subject to change at any time. It should not be assumed that an investment in the securities listed was, or will be, profitable. Securities may be different in other accounts within the strategy.

V. Performance

TCW Concentrated Core Composite Performance

AS OF MARCH 31, 2023 | SUPPLEMENTAL INFORMATION

		TCW Concentrated Core Gross	TCW Concentrated Core Net	Russell 1000® Growth Index
2023	1Q	14.12%	13.92%	14.37%
	Year	**14.12**	**13.92**	**14.37**
2022	1Q	-13.83	-13.98	-9.04
	2Q	-22.55	-22.69	-20.92
	3Q	-6.39	-6.55	-3.60
	4Q	2.86	2.68	2.20
	Year	**-35.74**	**-36.19**	**-29.14**
2021	1Q	0.48	0.31	0.94
	2Q	16.11	15.90	11.93
	3Q	1.97	1.79	1.16
	4Q	6.49	6.30	11.64
	Year	**26.68**	**25.79**	**27.60**
2020	1Q	-11.40	-11.55	-14.10
	2Q	30.58	30.35	27.84
	3Q	10.68	10.49	13.22
	4Q	8.90	8.71	11.39
	Year	**39.46**	**38.48**	**38.49**
2019	1Q	19.34	19.13	16.10
	2Q	6.23	6.04	4.64
	3Q	-1.86	-2.04	1.49
	4Q	10.05	9.85	10.62
	Year	**36.91**	**35.95**	**36.39**

		TCW Concentrated Core Gross	TCW Concentrated Core Net	Russell 1000® Growth Index
2018	1Q	4.45%	4.26%	1.42%
	2Q	7.73	7.54	5.76
	3Q	8.52	8.33	9.17
	4Q	-15.69	-15.84	-15.89
	Year	**2.95**	**2.23**	**-1.51**
2017	1Q	12.80	12.60	8.91
	2Q	5.76	5.57	4.67
	3Q	5.99	5.80	5.90
	4Q	5.54	5.36	7.86
	Year	**33.44**	**32.51**	**30.21**
2016	1Q	-7.65	-7.82	0.74
	2Q	1.35	1.17	0.61
	3Q	5.13	4.95	4.58
	4Q	-5.68	-5.85	1.01
	Year	**-7.19**	**-7.84**	**7.08**
2015	1Q	3.31	3.13	3.84
	2Q	1.83	1.65	0.12
	3Q	-2.30	-2.47	-5.29
	4Q	9.87	9.67	7.32
	Year	**12.93**	**12.14**	**5.67**

		TCW Concentrated Core Gross	TCW Concentrated Core Net	Russell 1000® Growth Index
2014	1Q	-0.66%	-0.84%	1.12%
	2Q	3.11	2.93	5.13
	3Q	0.25	0.08	1.49
	4Q	5.46	5.27	4.78
	Year	**8.29**	**7.54**	**13.05**
2013	1Q	7.83	7.64	9.54
	2Q	-1.54	-1.71	2.06
	3Q	12.18	11.98	8.11
	4Q	9.13	8.93	10.44
	Year	**29.97**	**29.06**	**33.48**
2012	1Q	16.00	15.79	14.69
	2Q	-6.88	-7.05	-4.02
	3Q	7.07	6.88	6.11
	4Q	0.87	0.69	-1.32
	Year	**16.65**	**15.84**	**15.26**
2011	1Q	5.80	5.62	6.03
	2Q	1.61	1.43	0.76
	3Q	-10.32	-10.48	-13.14
	4Q	8.92	8.73	10.61
	Year	**5.00**	**4.27**	**2.64**

Source: TCW
Net returns presented reflect the deduction of all fees, expenses, and performance allocations and include accrued and reinvested dividends and interest. Individual results may vary. Past performance is no guarantee of future results. Please see the GIPS® Composite Report and additional disclosures in the appendix, which are an integral and important part of this presentation.

TCW Concentrated Core Composite Performance (CONT'D)

AS OF MARCH 31, 2023 | SUPPLEMENTAL INFORMATION

		TCW Concentrated Core Gross	TCW Concentrated Core Net	Russell 1000® Growth Index
2010	1Q	3.61%	3.43%	4.65%
	2Q	-11.63	-11.79	-11.75
	3Q	15.44	15.25	13.00
	4Q	11.40	11.20	11.83
	Year	**17.75**	**16.92**	**16.71**
2009	1Q	1.07	0.90	-4.12
	2Q	15.06	14.87	16.32
	3Q	13.46	13.27	13.97
	4Q	9.00	8.81	7.94
	Year	**43.81**	**42.84**	**37.21**
2008	1Q	-13.69	-13.85	-10.18
	2Q	3.93	3.75	1.25
	3Q	-12.74	-12.90	-12.33
	4Q	-18.81	-18.96	-22.79
	Year	**-36.45**	**-36.91**	**-38.44**
2007	1Q	-0.47	-0.64	1.19
	2Q	9.64	9.45	6.86
	3Q	5.30	5.12	4.21
	4Q	0.00	-0.17	-0.77
	Year	**14.91**	**14.12**	**11.81**

		TCW Concentrated Core Gross	TCW Concentrated Core Net	Russell 1000® Growth Index
2006	1Q	-1.55%	-1.72%	3.09%
	2Q	-5.21	-5.38	-3.90
	3Q	-1.65	-1.82	3.94
	4Q	4.29	4.11	5.93
	Year	**-4.29**	**-4.95**	**9.07**
2005	1Q	-9.46	-9.62	-4.09
	2Q	3.95	3.77	2.46
	3Q	5.34	5.16	4.01
	4Q	5.81	5.63	2.98
	Year	**4.91**	**4.19**	**5.26**
2004	1Q	0.05	-0.12	0.79
	2Q	7.12	6.94	1.94
	3Q	-5.21	-5.38	-5.23
	4Q	11.75	11.56	9.17
	Year	**13.53**	**12.75**	**6.30**
2003	1Q	4.37	4.23	-1.07
	2Q	20.73	20.58	14.31
	3Q	7.94	7.79	3.91
	4Q	11.38	11.21	10.41
	Year	**51.49**	**50.66**	**29.75**

		TCW Concentrated Core Gross	TCW Concentrated Core Net	Russell 1000® Growth Index
2002	1Q	-0.06%	-0.20%	-2.59%
	2Q	-21.29	-21.41	-18.67
	3Q	-19.67	-19.79	-15.05
	4Q	12.67	12.52	7.15
	Year	**-28.81**	**-29.22**	**-27.88**
2001	1Q	-22.20	-22.32	-20.90
	2Q	11.58	11.43	8.42
	3Q	-25.86	-25.97	-19.41
	4Q	26.15	25.99	15.14
	Year	**-18.81**	**-19.26**	**-20.42**
2000	1Q	17.37	17.22	7.13
	2Q	0.56	0.42	-2.70
	3Q	-0.78	-0.91	-5.38
	4Q	-18.22	-18.34	-21.35
	Year	**-4.22**	**-4.75**	**-22.42**
1999	1Q	12.29	12.14	6.36
	2Q	3.49	3.35	3.85
	3Q	-6.70	-6.83	-3.66
	4Q	31.80	31.63	25.14
	Year	**42.89**	**42.13**	**33.16**

Source: TCW
Net returns presented reflect the deduction of all fees, expenses, and performance allocations and include accrued and reinvested dividends and interest. Individual results may vary. Past performance is no guarantee of future results. Please see the GIPS® Composite Report and additional disclosures in the appendix, which are an integral and important part of this presentation.

TCW Concentrated Core Composite Performance (CONT'D)

AS OF MARCH 31, 2023 | SUPPLEMENTAL INFORMATION

		TCW Concentrated Core Gross	TCW Concentrated Core Net	Russell 1000® Growth Index
1998	1Q	19.28%	19.12%	15.15%
	2Q	6.10	5.96	4.54
	3Q	-5.40	-5.53	-9.08
	4Q	26.12	25.96	26.74
	Year	**51.00**	**50.20**	**38.71**
1997	1Q	1.18	1.05	0.54
	2Q	27.88	27.72	18.91
	3Q	18.37	18.21	7.52
	4Q	-4.23	-4.36	1.52
	Year	**46.68**	**45.90**	**30.49**
1996	1Q	3.57	3.43	5.37
	2Q	6.93	6.79	6.36
	3Q	5.30	5.16	3.60
	4Q	11.27	11.12	6.04
	Year	**29.76**	**29.07**	**23.12**
1995	1Q	13.34	13.19	9.52
	2Q	15.48	15.33	9.83
	3Q	11.97	11.82	9.08
	4Q	-1.32	-1.46	4.55
	Year	**44.63**	**43.86**	**37.19**
1994	1Q	-2.84	-2.98	-4.41
	2Q	-2.64	-2.77	-1.02
	3Q	8.20	8.05	7.69
	4Q	2.23	2.09	0.75
	Year	**4.63**	**4.06**	**2.66**

		TCW Concentrated Core Gross	TCW Concentrated Core Net	Russell 1000® Growth Index
1993	1Q	4.89%	4.75%	-0.84%
	2Q	4.69	4.54	-1.55
	3Q	13.99	13.84	1.48
	4Q	-0.19	-0.33	3.87
	Year	**24.93**	**24.26**	**2.90**
1992	1Q	0.24	0.10	-4.94
	2Q	-3.45	-3.58	-1.09
	3Q	5.10	4.96	4.40
	4Q	14.08	13.93	6.97
	Year	**16.03**	**15.40**	**5.00**
1991	1Q	26.60	26.44	17.94
	2Q	3.22	3.08	-0.96
	3Q	6.39	6.24	6.99
	4Q	15.09	14.94	12.96
	Year	**60.00**	**59.16**	**41.16**
1990	1Q	1.54	1.40	-3.70
	2Q	6.06	5.91	10.13
	3Q	-14.51	-14.64	-15.24
	4Q	10.21	10.06	10.95
	Year	**1.46**	**0.90**	**-0.26**
1989	1Q	9.24	9.10	6.95
	2Q	9.83	9.68	10.08
	3Q	14.43	14.28	12.44
	4Q	-5.60	-5.73	2.69
	Year	**29.61**	**28.91**	**35.92**

		TCW Concentrated Core Gross	TCW Concentrated Core Net	Russell 1000® Growth Index
1988	1Q	16.31%	16.16%	3.10%
	2Q	10.76	10.61	5.37
	3Q	7.21	7.07	-0.43
	4Q	1.14	1.00	2.86
	Year	**39.69**	**38.94**	**11.27**
1987	4Q	-23.28	-23.40	-23.44
	Year	**-23.28**	**-23.40**	**-23.44**

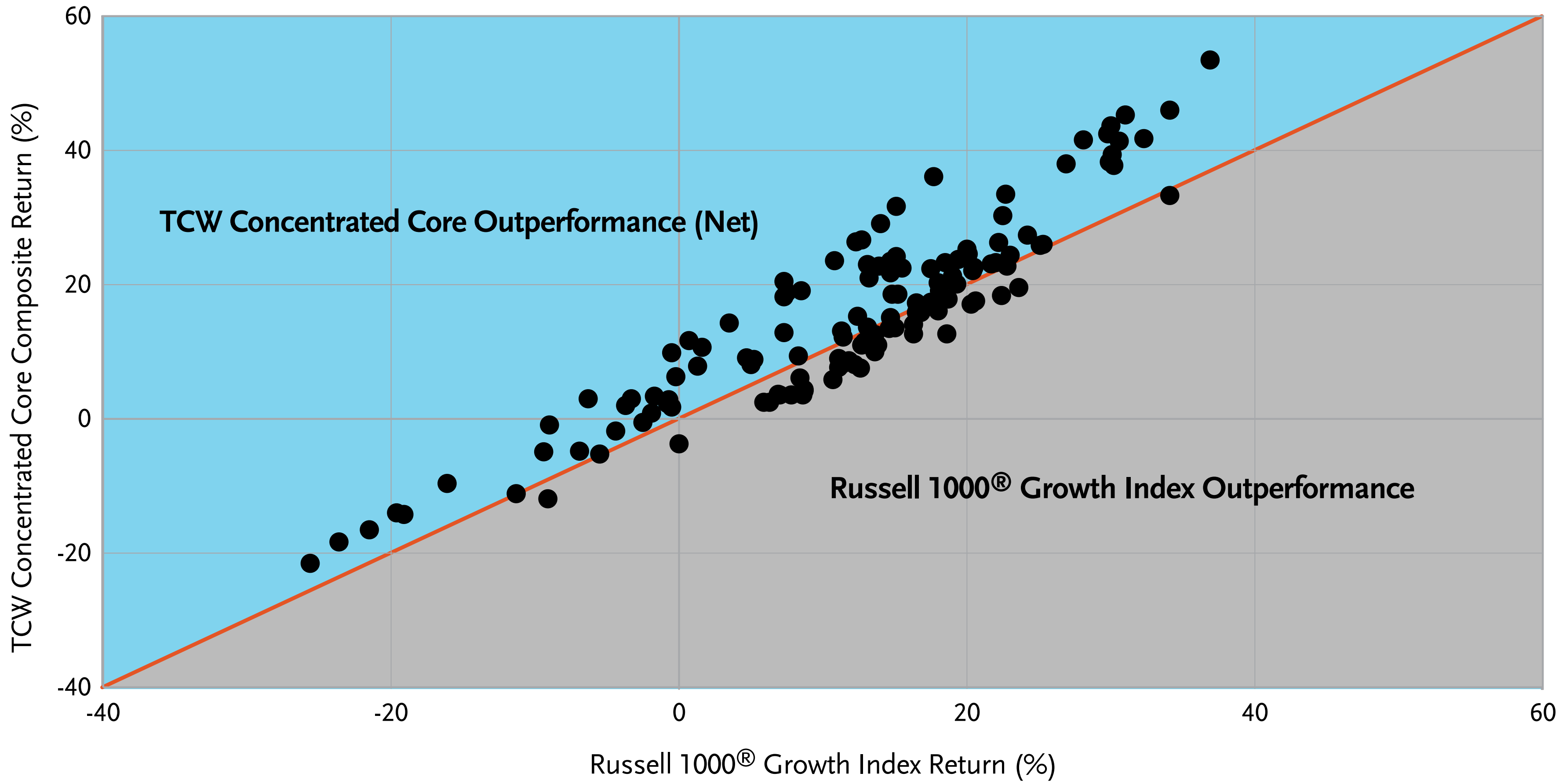
Total Annualized Returns

	TCW Concentrated Core Gross	TCW Concentrated Core Net	Russell 1000® Growth Index
1 Year	-14.89%	-15.49%	-10.90%
3 Year	13.50	12.71	18.58
5 Year	11.82	11.04	13.66
7 Year	13.65	12.85	15.01
10 Year	12.79	12.01	14.59
15 Year	12.02	11.24	12.11
20 Year	11.62	10.84	11.57
25 Year	9.38	8.66	7.64
30 Year	12.94	12.22	9.91
Since 9/30/1987	14.03	13.32	9.94

Source: TCW
Net returns presented reflect the deduction of all fees, expenses, and performance allocations and include accrued and reinvested dividends and interest. Individual results may vary. Past performance is no guarantee of future results. Please see the GIPS® Composite Report and additional disclosures in the appendix, which are an integral and important part of this presentation.

TCW Concentrated Core Composite Excess Performance

ROLLING 3 YEAR NET QUARTERLY RETURNS | SINCE INCEPTION THROUGH MARCH 31, 2023 | SUPPLEMENTAL INFORMATION



Source: Morningstar Direct

Standard presentation of composite performance appears prior to this content; it should be read in conjunction with this data. Net returns presented reflect the deduction of all fees, expenses, and performance allocations and include accrued and reinvested dividends and interest. Individual results may vary. Past performance is no guarantee of future results. Please see additional disclosures in the appendix, which are an integral and important part of this presentation.

VI. Performance Review

Alameda County Employees' Retirement Association Performance

AS OF MARCH 31, 2023 | SUPPLEMENTAL INFORMATION

			Annualized				
Return (%)	**1Q23**	**1 Year**	**3 Year**	**5 Year**	**10 Year**	**20 Year**	**ITD 6/4/99**
ACERA – SMS_6621 (Gross)	**14.0**	**-14.8**	**13.3**	**11.7**	**12.6**	**11.6**	**8.2**
ACERA – SMS_6621 (Net)	**13.9**	**-15.1**	**12.9**	**11.2**	**12.2**	**11.2**	**7.8**
Russell 1000® Growth	14.4	-10.9	18.6	13.7	14.6	11.6	6.9
Russell 1000® Growth + 200 bps/yr	14.9	-9.1	20.9	15.9	16.9	13.8	9.2
Relative Gross Performance vs. Russell 1000® Growth*	-0.4	-3.9	-5.3	-2.0	-2.0	0.0	1.3
Relative Gross Performance vs. Russell 1000® Growth + 200 bps/yr**	-0.9	-5.7	-7.6	-4.2	-4.2	-2.2	-1.0

Source: TCW
* Difference between the returns of TCW Account (gross) and Russell 1000® Growth
**Difference between the returns of TCW Account (gross) and Russell 1000® Growth + 200 bps/year
Standard presentation of composite performance appears prior to this content; it should be read in conjunction with this data. Net returns presented reflect the deduction of all fees, expenses, and performance allocations and include accrued and reinvested dividends and interest. Individual results may vary. Past performance is no guarantee of future results. Please see additional disclosures in the appendix, which are an integral and important part of this presentation.

TCW Concentrated Core – What Hurt in 2022?

- CCE's net return of -36.19% in 2022 trailed the Russell 1000® Growth Index's return of -29.14% by 705 bps
- While negative security selection represented the bulk of the relative underperformance, Index "growth" stocks also played a role

Five Biggest Detractors (%) CCE Stocks in the Index

	Total CCE Attribution Effect	CCE Avg. Weight	–	Index Avg. Weight	=	CCE Active Avg. Weight
ALGN	-1.14	1.97		0.11		1.86
TWLO	-1.08	1.08		0.03		1.05
PYPL	-0.79	2.09		0.39		1.70
CRM	-0.66	3.56		0.18		3.38
NVDA	-0.65	5.03		2.31		2.72
	-4.33					

Five Biggest Detractors (%) Index Stocks Not Owned in 2022 by CCE

	Total CCE Attribution Effect[1]	CCE Avg. Weight	–	Index Avg. Weight	=	CCE Active Avg. Weight
ABBV	-0.49	0.00		1.38		-1.38
LLY	-0.45	0.00		1.11		-1.11
AAPL	-0.39	0.00		12.45		-12.45
PEP	-0.28	0.00		1.05		-1.05
KO	-0.26	0.00		0.92		-0.92
	-1.87					

Source: FactSet, TCW Portfolio Analytics

1 The impact to the portfolio of not holding these five stocks is reflected in this column.

Net performance is based on Composite return.

Please see additional disclosures on page 18, which are an integral and important part of this presentation. Individual results may vary. Past performance is no guarantee of future results.

A Closer Look at Index Stocks CCE Did Not Hold in 2022

- Almost all of the stocks below do not meet our investment criteria:

10 Biggest TCW Concentrated Core Detractors in 2022

Ticker	Index Avg. Weight (%)	CCE Avg. Weight (%)	2022 Stock Return (%)	Total CCE Attribution (%)	Projected 3-5 Year Revenue Growth %[1]
ABBV	1.38	0.00	24.04	-0.49	-1.09
LLY	1.11	0.00	34.24	-0.45	8.15
AAPL	12.45	0.00	-26.40	-0.39	4.33
PEP	1.05	0.00	6.77	-0.28	5.06
KO	0.92	0.00	10.61	-0.26	6.16
UNH	1.36	0.00	6.95	-0.24	10.16
LMT	0.52	0.00	40.43	-0.21	0.37
DE	0.55	0.00	26.60	-0.21	5.14
AMGN	0.59	0.00	20.43	-0.20	4.23
CAT	0.50	0.00	18.58	-0.17	8.03
				-2.90	

Source: FactSet, TCW Portfolio Analytics

1 Consensus estimates as of December 31, 2022.

Net performance is based on Composite return.

Based upon a representative account. Portfolio characteristics and holdings are subject to change at any time. It should not be assumed that an investment in the securities listed was, or will be, profitable. All projections and estimates are based on current asset prices and are subject to change.

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We Have Already Endured Multiple Compression

- Which explains nearly all of TCW Concentrated Core's 2022 performance…

Ticker	EV/Revenue[1]		2022 Change in Multiple	2022 Stock Performance	2022 Contribution to Return
	1/1/2022	12/31/2022			
TWLO[2]	8.9x	1.3x	-85%	-81%	-1.85%
ALGN	8.9x	4.1x	-54%	-68%	-2.09%
META[2]	5.6x	2.6x	-54%	-64%	-2.58%
PYPL	6.2x	2.8x	-55%	-62%	-1.86%
SNOW	31.1x	13.9x	-55%	-58%	-0.89%
TRU	7.7x	4.3x	-44%	-52%	-1.33%
TTD	22.8x	11.1x	-51%	-51%	-1.61%
NFLX[2]	7.3x	4.3x	-42%	-51%	-1.37%
NVDA	20.0x	12.5x	-37%	-50%	-2.86%
AMZN	2.7x	1.7x	-38%	-50%	-3.61%
CRWD	17.0x	7.7x	-55%	-49%	-1.08%
CRM	6.6x	3.9x	-40%	-48%	-1.80%
ILMN[2]	10.6x	6.7x	-37%	-47%	-0.01%
ADBE	13.2x	8.2x	-38%	-41%	-1.84%
NOW	14.3x	8.7x	-39%	-40%	-2.36%
ZTS	13.3x	8.5x	-36%	-40%	-1.23%
GOOG	5.4x	3.6x	-33%	-39%	-2.96%
ASML	11.8x	8.4x	-29%	-31%	-0.63%

Ticker	EV/Revenue[1]		2022 Change in Multiple	2022 Stock Performance	2022 Contribution to Return
	1/1/2022	12/31/2022			
NKE	4.5x	3.5x	-23%	-30%	-0.54%
SPGI[3]	12.6x	9.1x	-28%	-29%	-0.68%
MSFT	11.2x	8.4x	-25%	-29%	-0.30%
AMT	17.7x	13.3x	-25%	-28%	-1.04%
IQV	4.1x	3.3x	-20%	-27%	-0.57%
HD	3.0x	2.3x	-23%	-24%	-0.39%
EQIX[2]	11.6x	9.2x	-21%	-23%	-0.21%
COST	1.1x	0.8x	-23%	-20%	-0.60%
DXCM	14.7x	13.5x	-8%	-16%	-0.15%
V	14.9x	14.0x	-6%	-4%	-0.05%
MA	13.8x	13.9x	0%	-3%	-0.05%
WCN	5.7x	5.1x	-11%	-3%	-0.05%
SCHW	4.2x	4.8x	16%	-1%	-0.15%
BSX	4.9x	5.6x	14%	9%	0.20%
ULTA	2.5x	2.5x	-1%	14%	0.31%
ENPH	10.7x	11.9x	11%	45%	0.74%
INFO[2,3]	11.7x	–	–	–	–
		Average	-34%	-32%	

Source: FactSet

1 Enterprise Value divided by consensus 2023 Revenue estimates as of December 31, 2022.

2 Security not held as of December 31, 2022.

3 INFO merged with SPGI on February 28, 2022.

Based upon a representative account. Portfolio characteristics and holdings are subject to change at any time. It should not be assumed that an investment in the securities listed was, or will be, profitable.

1Q 2023: What Helped, What Hurt (COMPOSITE)

JANUARY 1, 2023 – MARCH 31, 2023 | SUPPLEMENTAL INFORMATION

Five Best Contributors (%)

	1Q 2023 Average Weight	1Q 2023 Security Total Return*	1Q 2023 Contribution to Portfolio Return	Date Purchased in Strategy
NVIDIA Corporation	5.95	89.74	3.91	April-18
Salesforce, Inc.	3.30	50.68	1.46	October-05
Amazon.com, Inc.	4.99	23.00	1.14	December-02
Alphabet Inc.	6.08	17.17	1.06	April-14
ServiceNow, Inc.	5.57	19.72	1.04	January-14

Five Worst Contributors (%)

	1Q 2023 Average Weight	1Q 2023 Security Total Return*	1Q 2023 Contribution to Portfolio Return	Date Purchased in Strategy
The Charles Schwab Corporation	2.51	-36.97	-1.08	October-09
Enphase Energy, Inc.	1.75	-20.67	-0.52	March-22
The Home Depot, Inc.	2.90	-5.91	-0.18	November-17
American Tower Corporation	3.90	-3.52	-0.10	February-10
UnitedHealth Group Incorporated	1.20	-4.21	-0.09	February-23

Source: TCW, FactSet
* Total return of the security while held in the portfolio.
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Performance information is represented on a gross basis unless otherwise stated.

1Q 2023: Attribution Analysis (COMPOSITE)

JANUARY 1, 2023 – MARCH 31, 2023 | SUPPLEMENTAL INFORMATION

Sector Total Returns (%)

	TCW Concentrated Core	Russell 1000® Growth Index	Contribution to Portfolio Return
Communication Services	21.80	21.03	1.68
Consumer Discretionary	11.03	19.85	1.56
Consumer Staples	9.06	2.47	0.33
Energy	0.00	-8.25	0.00
Financials*	-13.21	1.29	-0.89
Health Care	10.60	-1.18	1.44
Industrials	7.34	5.22	0.33
Information Technology*	24.16	22.57	9.58
Materials	0.00	2.74	0.00
Real Estate	-3.42	2.01	-0.10
Utilities	0.00	-3.85	0.00

Portfolio Sector Attribution vs. Index (%)

	Security Selection	Asset Allocation	Total
Communication Services	0.06	0.07	0.12
Consumer Discretionary	-1.22	-0.02	-1.23
Consumer Staples	0.25	0.31	0.56
Energy	0.00	0.39	0.39
Financials*	-1.20	-0.41	-1.61
Health Care	1.75	-0.33	1.41
Industrials	0.10	0.36	0.47
Information Technology*	0.57	-0.21	0.36
Materials	0.00	0.17	0.17
Real Estate	-0.27	-0.29	-0.56
Utilities	0.00	0.01	0.01

Source: TCW, FactSet

* Visa Inc. (V), Mastercard Incorporated (MA) and PayPal Holdings, Inc. (PYPL) were reclassified by Global Industry Classification Standards (GICS) from the Information Technology sector to the Financials sector on 3/17/23.

Based upon a representative account. Portfolio characteristics and holdings are subject to change at any time.

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2022: What Helped, What Hurt (COMPOSITE)

JANUARY 1, 2022 – DECEMBER 31, 2022 | SUPPLEMENTAL INFORMATION

Five Best Contributors (%)

	2022 Average Weight	2022 Security Total Return*	2022 Contribution to Portfolio Return	Date Purchased in Strategy
Enphase Energy, Inc.	1.64	46.11	0.74	March-22
Ulta Beauty, Inc.	2.23	13.74	0.31	December-17
Boston Scientific Corporation	2.12	8.92	0.20	August-19
The Charles Schwab Corporation	2.68	0.16	0.15	October-09
Illumina Inc.	0.02	2.32	0.01	March-14

Five Worst Contributors (%)

	2022 Average Weight	2022 Security Total Return*	2022 Portfolio Contribution to Return	Date Purchased in Strategy
Amazon.com, Inc.	6.14	-49.62	-3.61	December-02
Alphabet Inc.	7.10	-38.66	-2.96	April-14
NVIDIA Corporation	5.03	-50.27	-2.86	April-18
Meta Platforms, Inc.	2.27	-70.59	-2.58	October-14
ServiceNow, Inc.	5.68	-40.18	-2.35	January-14

Source: TCW, FactSet
* Total return of the security while held in the portfolio.
Based upon a representative account. Portfolio characteristics and holdings are subject to change at any time. It should not be assumed that an investment in the securities listed was, or will be, profitable.
Performance information is represented on a gross basis unless otherwise stated.

2022: Attribution Analysis (COMPOSITE)

JANUARY 1, 2022 – DECEMBER 31, 2022 | SUPPLEMENTAL INFORMATION

Portfolio Sector Total Returns (%)

	TCW Concentrated Core	Russell 1000® Growth Index	Contribution to Portfolio Return
Communication Services	-56.43	-48.97	-7.58
Consumer Discretionary	-31.51	-41.84	-4.23
Consumer Staples	-19.06	-4.30	-0.60
Energy	0.00	54.03	0.00
Financials	-14.66	-16.88	-0.53
Healthcare	-33.36	-11.97	-3.83
Industrials	-31.75	-9.56	-1.75
Information Technology	-38.70	-30.27	-15.78
Materials	0.00	-27.21	0.00
Real Estate	-24.61	-26.03	-1.24
Utilities	0.00	2.87	0.00

Portfolio Sector Attribution vs. Index (%)

	Security Selection	Asset Allocation	Total
Communication Services	-1.08	-0.41	-1.49
Consumer Discretionary	1.33	0.39	1.71
Consumer Staples	-0.38	-0.31	-0.69
Energy	0.00	-0.39	-0.39
Financials	0.19	0.32	0.51
Health Care	-2.33	0.23	-2.10
Industrials	-0.98	-0.36	-1.34
Information Technology	-3.45	0.01	-3.44
Materials	0.00	-0.03	-0.03
Real Estate	0.05	0.02	0.06
Utilities	0.00	-0.01	-0.01

Source: TCW, FactSet
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Buys and Sells

JANUARY 1, 2023 – MARCH 31, 2023 | SUPPLEMENTAL INFORMATION

Buys

Intuitive Surgical, Inc. (ISRG)

UnitedHealth Group Incorporated (UNH)

Sells

There were no sells during the quarter.

Based upon a representative account. Portfolio characteristics and holdings are subject to change at any time. It should not be assumed that an investment in the securities listed was, or will be, profitable. This material includes a partial list of past specific recommendations, reflecting all buys and all sells during the quarter. For a complete list of all representative buys and sells for a given time period, please contact TCW at contact@tcw.com

VII. Appendix

Quarterly Review

AS OF MARCH 31, 2023

Performance

The TCW Concentrated Core strategy generated a return of +14.12% gross (+13.92% net of fees and expenses) during the first quarter, underperforming the Russell 1000® Growth Index return of +14.37%. While security selection was a positive contributor during the quarter, relative underperformance was driven by negative sector allocation effects (primarily due to our overweight in the financials and healthcare sectors and our underweight in the information technology sector).

Investment Environment

Despite turmoil in the banking sector, a deeply inverted yield curve and continued geopolitical tensions, U.S. equity markets rose in the first quarter with the NASDAQ (+17.1%), S&P 500 (+7.5%) and DJIA (+0.4%) all finishing the period at higher levels. The price of crude oil dropped 6.7% in the quarter, and while down 24.5% over the past year, the price remains stubbornly high ~$80/barrel. The U.S. consumer balance sheet remains relatively strong (U.S. household debt payment as a percentage of disposable personal income is now 9.8% versus 13.2% in fourth quarter 2007) but The University of Michigan Consumer Confidence Index remains challenged. The housing market has begun to cool (perhaps no surprise given higher mortgage rates) and mortgage demand from homebuyers recently dropped to a 28-year low. Notwithstanding the Fed's best attempts to kill job openings, the U.S. labor market remains extremely tight and with inflation still running above the Fed's long-term target, the FOMC raised its federal funds target rate by another 25bps in both its January and March meetings. The speed of the Fed's rate hikes over the past year has been breathtaking and (predictably) resulted in some financial instability including the second and third largest bank failures in U.S. history [Silicon Valley Bank (SIVB) and Signature Bank (SBNY)] as well as an 11th hour European shotgun merger (UBS and Credit Suisse). We believe tighter bank lending standards *(disinflationary)* are on the horizon and this credit tightening may have the same tightening impact as rate hikes. Focus now turns to the upcoming earnings season (likely to be the second consecutive quarter of declining YoY gains in S&P earnings) and whether May's FOMC meeting will mark the last rate hike of the current cycle.

Sector Weightings

Including the contribution of sector allocation and security selection, our financials and consumer discretionary weightings hurt relative results most and our healthcare and consumer staples weightings most helped relative performance during the quarter.

Top 10 Contributing Securities

	Average Weight (%)	Total Effect (%)*
NVIDIA	5.95	1.82
Salesforce, Inc.	3.30	0.98
Align Technology	1.62	0.59
UnitedHealth	1.20	0.45
Trade Desk	2.04	0.39
ASML Holding	3.10	0.31
CrowdStrike	1.86	0.28
ServiceNow, Inc.	5.57	0.26
Alphabet Inc.	6.08	0.10
Intuitive Surgical	1.00	0.08

Bottom 10 Contributing Securities

	Average Weight (%)	Total Effect (%)*
Charles Schwab	2.51	-1.33
Enphase Energy	1.75	-0.74
American Tower	3.90	-0.69
IQVIA Holdings	3.23	-0.53
S&P Global Inc.	4.33	-0.50
Home Depot	2.90	-0.43
DexCom, Inc.	2.68	-0.32
Microsoft Corp	5.24	-0.32
Waste Conexs	2.26	-0.22
Mastercard	3.83	-0.22

Security Selection

Our weakest performance during the quarter came from the financial services and information technology sectors. Shares of The Charles Schwab Corporation (SCHW) dropped during the quarter. Shares initially moved lower in January after reporting earnings results for its fiscal fourth quarter that missed top and bottom-line consensus estimates and management noted that client cash sorting issues would likely lead to further balance sheet shrinkage in 2023, offsetting some of the benefits SCHW receives from higher interest rates. After shares modestly recovered in February, SCHW moved lower in March as shares were swept up in the financial services sector downdraft as SIVB and SBNY were closed by regulators after the companies ran into liquidity issues due to a duration mismatch (years of a zero-interest rate backdrop and a sizable securities portfolio) and a loss of confidence from financial regulators and depositors. We note several differences between SCHW and the two aforementioned regional banks: SCHW's deposits are not commercial (>80% are within FDIC limits), most of SCHW's deposits are a function of client's assets at SCHW (not active cash deposits) and SCHW has other funding mechanisms to potentially fill any mass deposit outflows. Additionally, we note that the company appears to be benefiting from the current market dislocation, with strong inflows during March. We recognize 2023 may be a "transition year" for the company but longer-term we remain constructive on shares given our belief the company's scale and the sustainability of SCHW's asset-gathering prowess is underestimated by the market. After rallying 45% in 2022, shares of

Source: TCW Portfolio Analytics, Factset

* Total attribution effect relative to the Russell 1000® Growth

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Quarterly Review (CONT'D)

AS OF MARCH 31, 2023

Enphase Energy, Inc. (ENPH) ended the first quarter at lower levels. While company-specific headlines were sparse in the first quarter, the CPUC (California Public Utilities Commission) voted to approve the revised alternate proposed decision for NEM 3.0 (a new net metering regime for solar installations in California) in December 2022. The proposal was adopted without modification: new solar installations in California will sell electricity back to the grid at wholesale rather than retail rates. This change will be implemented gradually and existing systems are grandfathered in, with no minimum fixed monthly charge for a solar customer with no net bill. We believe this is a net positive for California-exposed companies such as ENPH as it makes batteries more attractive. With batteries, excess electricity generation can be stored and used to avoid utility usage at night ($0.25-$035/kwh) rather than being sold back to the grid at wholesale rates ($0.05-$0.08). As we wrote in our July 2022 commentary, ENPH also benefits from the Inflation Reduction Act of 2022 as it includes clean energy tax credits (including restoring a 30% tax credit for residential solar systems and extending the program to January 1, 2034). While ~80% of company revenues are currently derived from the U.S. residential market, we believe several other growth vectors exist for Enphase including storage, the U.S. commercial market, international markets, portable power solutions and distributed energy grid solutions. We remain positive on shares.

Our strongest performance during the period came from the information technology sector. After shares of NVIDIA Corporation (NVDA) slumped in 2022 due to multiple compression and inventory issues, shares have rallied meaningfully so far in 2023. The company reported solid quarterly results that beat consensus top and bottom-line estimates and while Datacenter revenues missed consensus estimates (management cited China softness and a pause in hyperscaler sales), NVDA reported sequential growth in its four major segments, led by Gaming and Datacenter. NVDA shares have recently benefited from renewed market enthusiasm for AI. Over 1,000 high-end NVIDIA GPUs were used to train the large language model for ChatGPT and given its early success, many investors now anticipate an arms race with Google (GOOG) and Microsoft (MSFT) leading the charge and NVIDIA being the primary beneficiary. We remain positive on NVIDIA's long-term prospects. Shares of Salesforce, Inc. (CRM) rallied after the company reported solid quarterly results for its fiscal fourth quarter. While revenue growth of +14% topped muted expectations heading into the quarterly release, the bigger story was management's focus on profitability and margin expansion (no doubt a result of recent shareholder activist involvement in CRM). For the quarter, CRM delivered a 29.2% operating margin (~700bps better than consensus expectations) and guided to a 27% operating margin for FY24 (~400bps better than consensus expectations and notably better than its previous FY26 guidance of 25%+). Management also disbanded its M&A committee, bought back ~$2.3bn of stock during the quarter and announced the company is raising its share repurchase authorization to $20bn. As investors in CRM since 2005, we believe the company is a unique asset and very competitively positioned to capitalize on the secular growth in digital transformation projects, but the lack of margin expansion has been a source of frustration. We therefore applaud management's recent moves and we remain constructive on CRM shares.

Market Outlook

Perhaps no four words send shivers up the spine of a seasoned investor faster than *"This time is different."* Yet, as we enter the second quarter of 2023, this phrase has reentered the zeitgeist. Following a welcome bounce in U.S. equity markets in the first quarter after a challenging 2022, an increasing number of pundits have begun to argue that *"This time is different"* and the Fed may be able to engineer a soft landing or a "no landing" scenario after the fastest hiking cycle in 40 years, an inverted yield curve that just passed its one year anniversary and the fact that a recession almost always follows tightening cycles. While a soft landing may be possible, we believe it is increasingly likely that the Fed will keep monetary policy restrictive until further breakage occurs (beyond SVB and Signature Bank) as current employment and inflation data still provide cover for further rate hikes.

So how did we get here? For years we have written about boom-bust cycles and central bank complicity in their creation. Since the GFC (Global Financial Crisis), government debt has exploded as more and more stimulus was "required" to react to the next budding crisis. Incredibly, the volume of U.S. government debt has increased more than the size of the economy over the past 14 years. U.S. federal government debt has nearly tripled from $8tn to $21tn since second quarter 2008, dwarfing the increase in U.S. nominal GDP over the same time period, $15tn to $26tn. Years of ZIRP (Zero Interest Rate Policy) and fiscal stimulus produced the intended result politically *(dampened downturn with more modest nominal income declines)* but resulted in a host of less desirable consequences including asset inflation (which resulted in further wealth inequality) and speculation (meme stocks, NFTs, bitcoin, etc.).

A year ago (March 2022 with core PCE inflation at 5.2%), the Fed should have been hiking rates, not still buying billions of bonds on a monthly basis in an effort to further stimulate the economy. In 2021, the Fed was convinced inflation was *"transitory,"* something we fervently disagreed with then and still do today. Now in April 2023, the Fed finds itself in the unenviable position of trying to "catch up" from their delayed start. The speed at which the Fed has hiked (+475bps over the past year) marks the most aggressive and fastest tightening since the 1980 cycle and money supply is now contracting at the fastest pace in over 60 years (M2 dropped $130bn in February, -2.4% YoY). Not surprisingly, this has resulted in some financial instability including the two aforementioned regional bank failures as well as an 11th hour European shotgun merger (UBS and Credit Suisse). In an effort to avoid a 2008-style financial crisis, the Fed responded with a massive ~$300bn expansion of its balance sheet, helping the FDIC back-stop bank deposits.

Quarterly Review (CONT'D)

AS OF MARCH 31, 2023

Tightening bank lending standards likely result from this most recent crisis and will further pressure consumption. Eventually, with a recession at hand and needing to stimulate economic growth in front of the 2024 election cycle (as well as a looming debt ceiling, a risk just now coming to the forefront for many investors), we believe there will be enormous pressure on the Fed to cut rates. With the Fed well above its 2% inflation mandate, however, this may ultimately lead to a stop/start policy reminiscent of the 1970s. In this scenario, bulls might argue this first rate cut should immediately power the equity markets higher, but we are reminded of the sobering fact that since 1974 the S&P 500 has averaged a 23.5% decline and it has taken 195 days on average to reach the market low after the first rate cut *(Source: Strategas)*.

Given this view, we have maintained the balance in the fund by trimming some offensive positions and adding to some defensive positions into the strength of the first quarter. We continue to have dry powder and a bench of new ideas to take advantage of potential drawdowns should the current view of the equity market prove too sanguine. Early in 2023, the portfolio is generally performing as expected. As we have reevaluated the three-to-five year return prospects (our investment horizon), we are quite optimistic even as we recognize the returns could be lumpy. As highlighted, tightening cycles take time to play out and patience is warranted at this point in the cycle given the lagged impact of monetary policy. But, after the multiple compression the portfolio endured last year, the still healthy long-term outlooks of the names that remain in the portfolio, the likely increasing scarcity value of growth in an economic slowdown and the balance that we maintain in the fund, we believe there are a number of paths to outperformance from here.

As always, we remain truly grateful for your trust and support.

Sincerely,

Craig Blum, CFA
Co-Portfolio Manager
Group Managing Director
Equities

Brandon D. Bond, CFA
Co-Portfolio Manager
Managing Director
Equities

Brian M. McNamara
Managing Director
Analyst & Portfolio Specialist
Equities

Robert J. Park, CFA
Managing Director
Senior Analyst
Equities

Source: TCW

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Biographies

Portfolio Managers

Craig C. Blum, CFA
Group Managing Director
Co-Portfolio Manager
Equities

Mr. Blum is a Co-Portfolio Manager of the TCW Concentrated Core strategy and the TCW Select Equities Fund. He joined TCW in 1999 as a Research Analyst in the Equity Research group covering data networking, communications equipment, and enterprise technology companies. In 2002, Mr. Blum became a member of the Concentrated Core/Select Equities group and was subsequently named Portfolio Manager in 2004. Prior to TCW, Mr. Blum held various positions with FMAC Capital Markets, PaineWebber and Merrill Lynch. He received his BS in Applied Mathematics and Computer Science from the University of California, Los Angeles (UCLA), and his MBA from the UCLA Anderson School of Management. Mr. Blum is a CFA charterholder.

Brandon D. Bond, CFA
Managing Director
Co-Portfolio Manager
Equities

Mr. Bond is a Co-Portfolio Manager for the Concentrated Core investment strategy, including the TCW Select Equities Fund. Previously, he was a Senior Analyst for the strategy with generalist research responsibilities. Prior to joining the Concentrated Core group in 2009, he was a Senior Equity Analyst on the Equity Research team covering the financial services sector. He first joined TCW in 2003 as part of the firm's Summer Associate Program. He rejoined the firm full-time in 2004 after completing his MBA in Finance and Accounting from the UCLA Anderson School of Management where he was a Student Investment Fund Fellow and Edward W. Carter Fellow. Prior to business school, he worked as a consultant in Accenture's Electronics and High-Tech Practice. Mr. Bond graduated Summa Cum Laude from Brigham Young University with a BA in Marketing Communications and minors in Business Management and Japanese. He is a CFA charterholder.

Investment Team

Brian M. McNamara
Managing Director
Analyst and Portfolio Specialist
Equities

Mr. McNamara is an Analyst and Portfolio Specialist for the Concentrated Core investment strategy, including the TCW Select Equities Fund. In this role, he is responsible for communicating investment strategy, performance, and outlook to clients, as well as strategy idea generation and new product development. Prior to joining TCW in 2012, his investment experience included over 16 years as an Analyst, Investment Banker, and Regional Head of Institutional Equity Sales. Mr. McNamara received his BA from the University of California, Los Angeles (UCLA) and his MBA from the UCLA Anderson School of Management. In addition, he holds Series 4, 7, 24, and 63 FINRA licenses.

Robert J. Park, CFA
Senior Analyst
Managing Director
Equities

Mr. Park is a Senior Equity Analyst for the TCW Concentrated Core strategy and also serves as the Portfolio Manager of the TCW Global Healthcare strategy. Prior to joining TCW in 2001, Mr. Park was an Analyst at Newell Associates, a Palo Alto based investment management firm. While attending the University of Chicago Graduate School of Business, he interned at Wanger Asset Management. Mr. Park holds a BA in Economics from Stanford University and an MBA from the University of Chicago Graduate School of Business. He is a CFA charterholder.

TCW Concentrated Core GIPS® Composite Report

ASSET-WEIGHTED AND TIME-WEIGHTED RATES OF RETURN

	Annual Return Gross (%)	Annual Return Net (%)	Russell 1000® Growth Index (%)	# of Portfolios	Total Composite Assets at End of Period (U.S.$ millions)	Composite Internal Dispersion	Composite 3-Year Standard Deviation Annualized	Benchmark 3-Year Standard Deviation Annualized	Total Firm Assets (MSD)* (U.S.$ millions)
2012	16.65	15.84	15.26	39	4,047.40	0.24	15.92	15.88	102,490
2013	29.97	29.06	33.48	48	5,224.26	0.29	12.46	12.35	109,920
2014	8.29	7.54	13.05	41	4,677.85	0.31	11.87	9.73	144,768
2015	12.93	12.14	5.67	34	4,337.36	0.25	13.22	10.85	165,036
2016	-7.19	-7.84	7.08	32	3,137.40	0.50	14.62	11.31	177,187
2017	33.44	32.51	30.21	34	3,185.38	0.44	13.58	10.69	191,104
2018	2.95	2.23	-1.51	31	2,406.54	0.23	14.11	12.30	179,091
2019	36.91	35.95	36.39	31	2,960.91	0.29	13.84	13.26	204,309
2020	39.46	38.48	38.49	35	3,333.72	1.53	19.68	19.92	233,633
2021	26.68	25.79	27.60	30	3,766.09	0.33	18.42	18.42	247,535

The TCW Group, Inc. is divided into three divisions: the Marketable Securities Division; the Alternative Products Division; and the Managed Accounts Division. On February 23, 2010, The TCW Group, Inc. acquired Metropolitan West Asset Management. On January 1, 2011, the Marketable Securities Division and Metropolitan West Asset Management completed a merger. Accordingly, effective January 1, 2011, Metropolitan West Asset Management was included within the Firm definition.

1. Effective January 1, 2000, the Marketable Securities Division (MSD) was established to provide investment advisory services in the marketable securities area. *The Marketable Securities Division is defined as the Firm for purposes of reporting performance in accordance with the Global Investment Performance Standards (GIPS®).
2. The Marketable Securities Division of The TCW Group, Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. The Marketable Securities Division of The TCW Group, Inc. has been independently verified for the periods January 2000 through December 2021. The verification reports are available upon request.

   A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

   GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.
3. The TCW Concentrated Core Composite (Composite) includes all portfolios managed in the strategy, except for those subject to material client restrictions, which are, therefore, deemed non-discretionary. From January 2010 onward, portfolios included in the composite are present for an entire month. Prior to 2010, portfolios included in the composite are present for an entire quarter.
4. Results are time-weighted and geometrically linked to yield quarterly returns, and include all items of income, gain and loss.
5. Results are based on trade-date transactions.
6. A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request.
7. The internal dispersion of annual returns is measured by the standard deviation across asset-weighted portfolio gross returns represented within the composite for the full year. Periods with five or fewer portfolios are not statistically representative and are not presented.
8. Asset-weighted results use beginning of period market values. Unless stated otherwise, asset-weighted results are shown for the entire period. Equal-weighted results represent the simple average of all composite portfolios present for the entire period.
9. All numerical information is reported in U.S. dollars.
10. Gross results do not reflect the deduction of management fees and other custodial fees. Including these costs would reduce the shown returns. Net-of-fees returns are calculated by reducing monthly composite returns using a factor of 0.999415. This equates to a model annual fee of 0.70%, which is the highest tier of the separate account fee schedule. Certain clients could pay a significantly higher or lower fee which would result in different net returns. A fee which is 0.50% higher than the separate account fee will result in the total return being reduced, over five years, by 2.53% on a compound basis. Net results do not include the deduction of custodial fees or other administrative expenses, which will also reduce the returns shown. Prior to August 2010 net returns were calculated arithmetically, afterwards net returns were calculated geometrically.
11. TCW makes no representation that future investment performance will conform to past performance and it should never be assumed that past performance foretells future performance.
12. TCW's policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.
13. There currently is no minimum asset level for portfolios included in the composite. From 2Q 2000 through 3Q 2017 the minimum asset level was $5 million.
14. These results have been prepared and presented in compliance with GIPS standards for the periods shown beginning in January 1988. Results prior to this date are not in compliance as we are unable to show "composite as a percentage of Firm assets" information due to the lack of Marketable Securities Division assets data. The first account managed in this fashion and included in the composite had an inception date of October 1, 1987.
15. The Composite has an inception date of October 1, 1987 and was created in 1Q 2002. Returns for periods prior to the 10-year track record presented in this report are available upon request.
16. The Composite is composed of portfolios whose objective is to outperform the benchmark over the long term by investing in a concentrated portfolio of large capitalization companies with strong and enduring business models and unique business franchise characteristics. While TCW's objective is to outperform the stated benchmark, it does not imply that this strategy shall share, or attempt to share, the same or similar characteristics of the benchmark or attempt to track the benchmark.

Source: TCW

TCW Concentrated Core GIPS® Composite Report (cont'd)

ASSET-WEIGHTED AND TIME-WEIGHTED RATES OF RETURN

17. The benchmark is the Russell 1000® Growth. The Russell 1000® Growth Index measures the performance of those Russell 1000® companies with higher price-to-book ratios and higher forecasted growth values. The index is not available for direct investment; therefore its performance does not reflect a reduction for fees or expenses incurred in managing a portfolio. The securities in the index may be substantially different from those in the Composite.
18. The Composite's separate account fee schedule is as follows: 0.70% on all assets
19. Leverage or derivatives are not used in the management of this composite.
20. Withholding tax is not deducted from the portfolios contained in the composite.
21. Gross-of-fees returns were used to calculate the three-year annualized ex post standard deviation and the internal dispersion of the composite.
22. The performance of the TCW Concentrated Core composite for the period from inception to March 1998 reflects performance of portfolios greater than $5,000,000 that were managed by Glen Bickerstaff while at Transamerica Investment Services. Thereafter, it represents the performance while at TCW. The original TCW Concentrated Core performance is available upon request. For the period from November 1998 to December 31, 2004, a team of portfolio managers under the guidance and oversight of Glen Bickerstaff, who retained final authority for all buy and sell decisions, were responsible for the TCW Concentrated Core strategy. As of January 1, 2005, Mr. Bickerstaff became senior portfolio advisor to the strategy, and the remaining team members assumed full responsibility for managing the portfolios in the composite. As of February 6, 2008 Craig Blum became sole portfolio manager. As of February 1, 2023, Brandon Bond was elevated to co-portfolio manager alongside Craig Blum.
23. There currently is no security limitation for portfolios included in the composite. From 1Q 2006 through 3Q 2017 portfolios with a security limitation of 7.5% or less were excluded from the composite. Prior to 1Q 2006, the limitation was 5%.

INVESTMENT RISKS

Equity investments entail equity risk and price volatility risk. The value of stocks and other equity securities will change based on changes in a company's financial condition and in overall market and economic conditions. Strategies investing in mid and small cap companies involve special risks including higher volatility and lower liquidity.

INDEX DISCLOSURE

Secondary index definition, (primary index definition is found on the GIPS® disclosure page in the appendix) **S&P 500 Index** – A capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

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ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
475 14th Street, Suite 1000, Oakland, CA 94612 / Telephone (800) 838-1932 (510) 628-3000 / Fax: (510) 268-9574 / www.acera.org

To: Members of the Investment Committee

From: Julius Cuaresma, Investment Analyst JCC

Date: May 17, 2023

Subject: Update on the Revised International Equity Asset Class Phased Implementation Transition Plan

Recommendation:

Not Applicable – This is an information item.

Background:

A structural change to the International Equity ("IE") Asset Class Structure was approved at the February[1] Investment Committee Meeting ("ICM"). At the April ICM, the Board subsequently approved a Modified[2] Structure and, to effect this new structure, the Board approved a Phased Implementation Transition Plan. This named Plan includes many non-agendized and agendized ICM items, including two Manager Search RFPs, Transition of Assets across many Managers (and potential interim Overlay exposure to reflect the Board's Strategic Asset Allocation), and IMA Amendments.

The purpose of this Update Memo is to share Staff's and Verus' 1) actions since last month's ICM; and 2) estimated prospective Timeline to fulfill the named Plan.

Discussion:

Actions since the prior ICM

- Staff provided each IE Manager a Notice of Board Action letter to communicate the Board's April ICM decisions.
- Staff and Verus held calls with each IE Manager, assessing the impact upon each respective Manager's Mandates, including the Active Mandates where IMA Amendments will be needed to reflect this IE-Modified Structure (i.e., investable securities and benchmarks). Discussion points have also included fee schedules.

Timeline

- Staff and Verus are reviewing prior Emerging Market ("EM") RFPs in order to update the EM RFP for Board approval at the June ICM. Expected updates will reflect recently Board-approved Actions and Policies, including the 2022 General Investment Guidelines, Policies, and Procedures and actions. Updated materials, (i.e., Timeline, Minimum Qualifications, and recommended Evaluation Matrix) will be conveyed at the June ICM.
- Verus is conducting quantitative screens based upon those employed in the 2021-2022 Emerging Markets equity manager search process, plus additional criteria requested by Staff, on eVestment Emerging Markets equity manager universe for Staff's review. Screening criteria and results will be conveyed at June ICM.
- After conducting preliminary calls with Transition Managers ("TM") and ACERA's Overlay Manager, Parametric, Staff and Verus have continued the dialogue and are now working with ACERA's current IE managers to obtain securities lists; such lists will enable TMs to develop transition cost proposals for Staff and Verus evaluation.

Conclusion:

Staff and Verus expect to continue to share these ICM updates when appropriate, and estimated to be on a quarterly basis until completion of the transition to the new structure.

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[1] 62% Developed Markets (33% passive, 29% active), 28% Emerging Markets (all active) and 10% International Small Cap (all active).

[2] At the April ICM, Verus' analysis indicated that the February-Approved ("February") Structural Option and the Modified Option resulted in nearly identical projected alpha and projected tracking error. A slightly higher projected information ratio was noted for the Modified Option. Based on this Verus analysis, the Board approved the Modified Option.

ACERA

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

475 14th Street, Suite 1000, Oakland, CA 94612 | Phone: 510-628-3000 | Fax: 510-268-9574 | www.acera.org

TO: Members of the Investment Committee

FROM: Betty Tse, Chief Investment Officer

DocuSigned by:
DB375065B0D9446...

DATE: May 17, 2023

SUBJECT: Status Update on the General Investment Consultant (GIC) RFP Search

---

Recommendation:

Not applicable. This is an information item.

Background:

2022 Sep	Board authorized a Request for Proposal (RFP) for a General Investment Consultant*
2022 Oct	Board adopted Search Criteria for the RFP, including Minimum Qualifications and Evaluation Matrix
2022 Dec	Staff provided an update regarding the RFP submission deadline
2023 Feb	RFP responses from interested candidates deadline
2023 Mar	Board authorized a two-month extended timeline for Staff to complete due diligence arising from constraints on human resources that were not present when the RFP was issued

Discussion:

Staff would like to share the following updates related to the Search.

1) Five (5) proposals were submitted (below).
   - Aon Investments USA, Inc. ("AON")
   - Callan LLC ("CALLAN")
   - Meketa Investment Group ("MEKETA")
   - NEPC, LLC ("NEPC")
   - Verus Advisory, Inc. ("VERUS")

2) Cortex is following up with firms for additional or clarifying information, as needed.

3) Staff's scoring** of candidates is on track to be completed by the Board-approved extended timeline (May 31st, 2023), with a Staff Recommendation to the Investment Committee regarding proposed Finalists on June 14, 2023.

Conclusion:

Although each of the bidding firms also submitted proposals in the prior GIC Search (2017/2018), staff will continue to evaluate these five candidates using the most recent Board adopted search criteria to arrive at our recommendation due to the Committee next month.

Attachment:
n/a

* *Contract with our current GIC continues to May 2023, and then it auto-renews for successive 1-year terms.*

** *Scoring uses the Evaluation Matrix approved by the Investment Committee*

Callan

May 2023

Semi-Annual ending 4Q 2022 Performance Measurement Report

Avery Robinson, CAIA
Senior Vice President

Aaron Quach
Vice President

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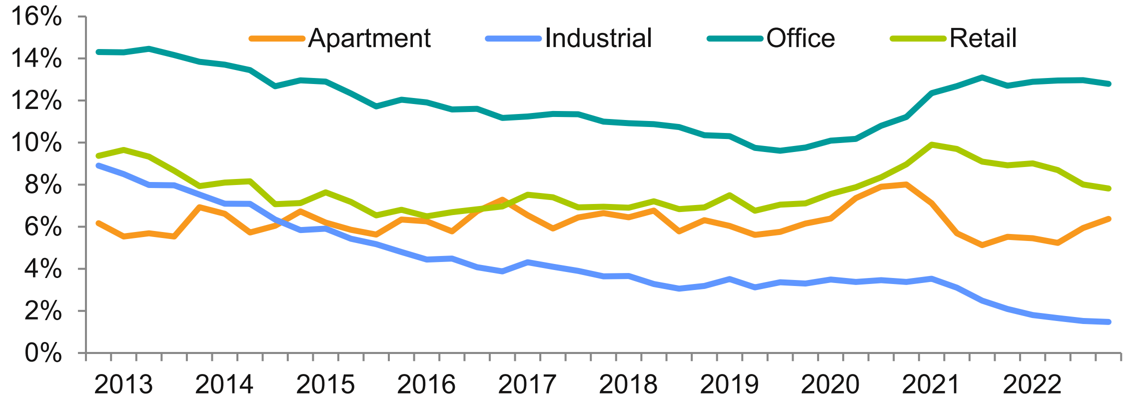
U.S. Private Real Estate Market Trends

Vacancy rates and NOI growth remain mixed

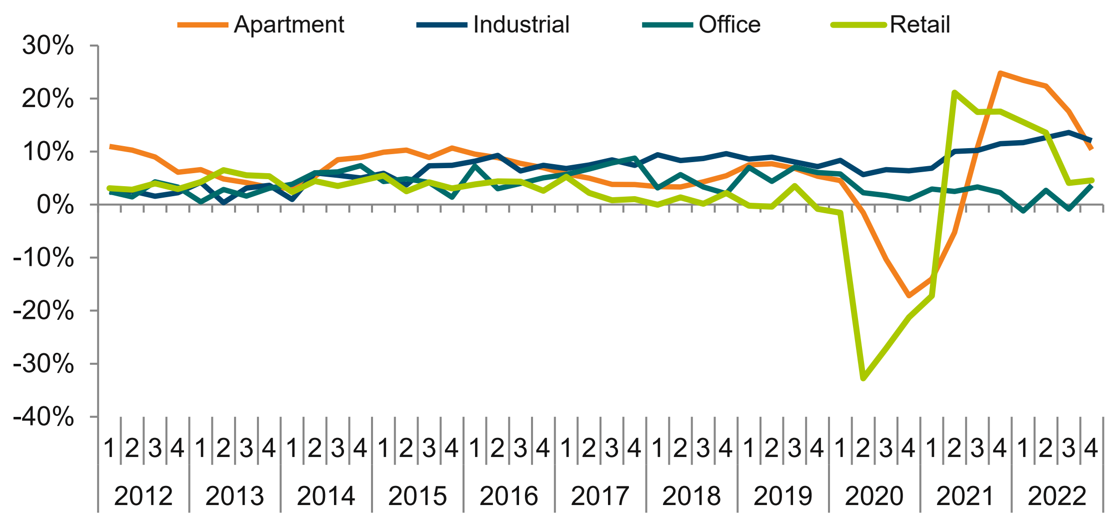
Mixed vacancy and NOI growth results

- Vacancy rates for Industrial continued to compress and remains well below historical averages.
- Vacancy rates also compressed in Office and Retail but remain above long-term averages.
- Multifamily vacancy rates increased slightly during the quarter.
- Net operating income growth decreased in Apartment and Industrial, while increasing in Office and Retail.
- Overall fundamentals remain strong in Industrial, Apartment, Grocery Anchored Retail, and alternative sectors.

Vacancy by Property Type



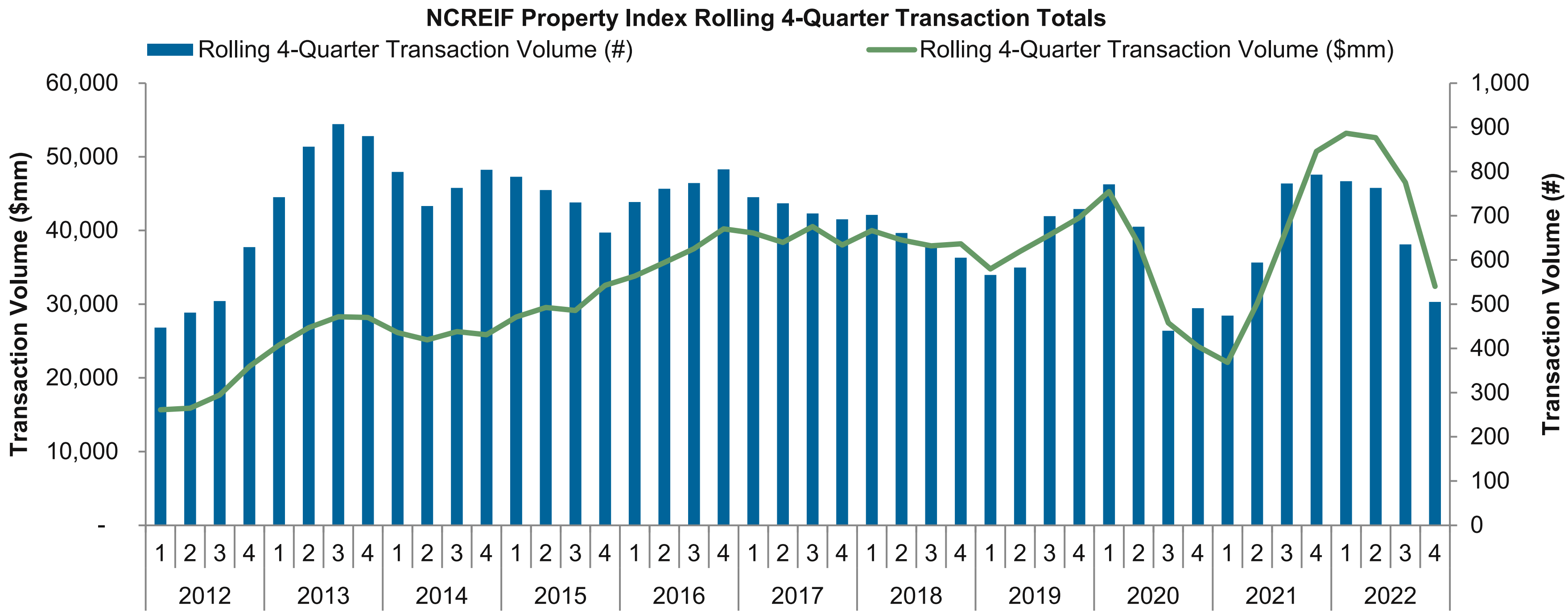
Rolling 4-Quarter NOI Growth by Property Type



Source: NCREIF 4Q 2022

Real Estate Transactions Market

Transaction volumes decline through 4Q22



- Transaction volume continues to decrease on a rolling four-quarter basis and is now below five-year averages.
- The rise in interest rates is the driving force behind the slowdown in transactions. A bid-ask spread remains and price discovery continues to occur among market participants. Sectors that are in favor, such as multi-family and industrial, are more liquid.

Source: NCREIF 4Q 2022

Alameda County Employees’ Retirement Association Performance Measurement Report Summary

Portfolio Measurement Presentation

This is the Performance Measurement Report presentation for the Alameda County Employees’ Retirement Association (“ACERA”) Real Estate Portfolio (“Portfolio”) Quarter ending December 31, 2022 (“Quarter”).

Funding Status as of December 31, 2022

	($) Millions	(%)
ACERA Plan Assets	10,252.62	100.00%
Real Estate Target[1]	922.74	9.00%
Plan's Real Estate Market Value	805.89	7.86%
Net Unfunded Commitments	124.24	1.21%
RE Market Value & Unfunded Commitments	930.13	9.07%
Remaining Allocation	116.85	1.14%

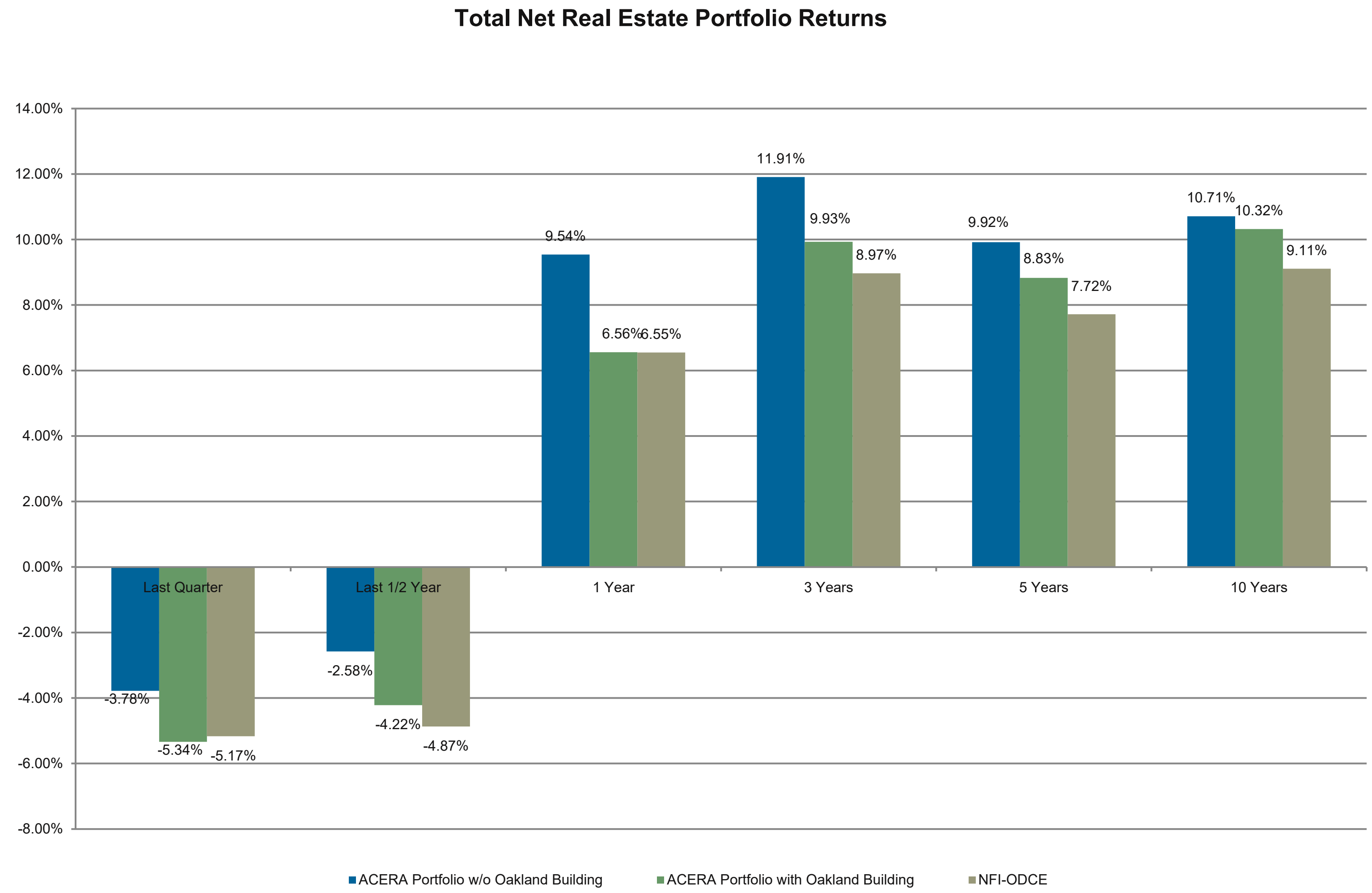
Portfolio Composition

Portfolio Composition	Target Range	Funded	Funded & Committed
Core	60% - 100%	48.94%	42.41%
Core-Plus	0% - 30%	25.47%	22.07%
Value-Add	0% - 30%	17.09%	20.51%
Opportunistic	0% - 15%	8.49%	15.01%

(1) The real estate target changed from 8% to 9% effective 6/30/2021.

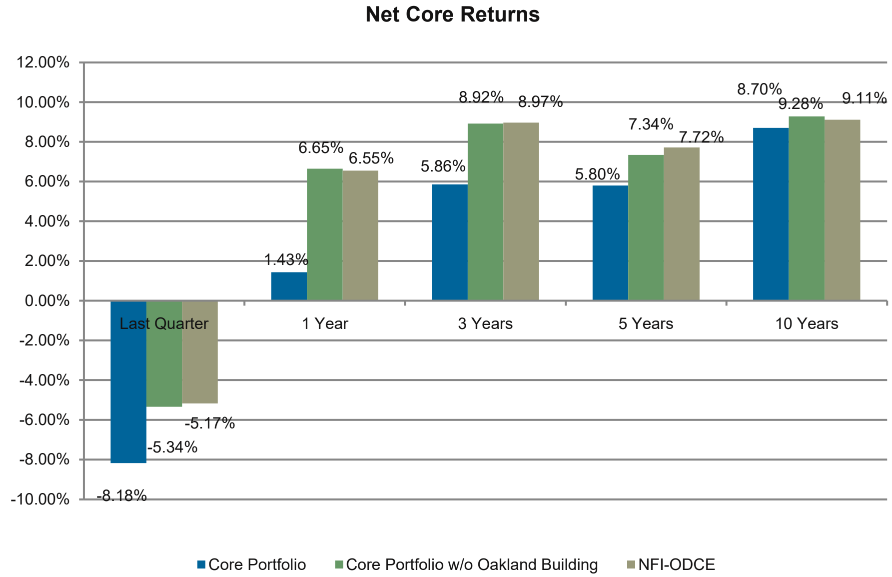
Portfolio Net Returns

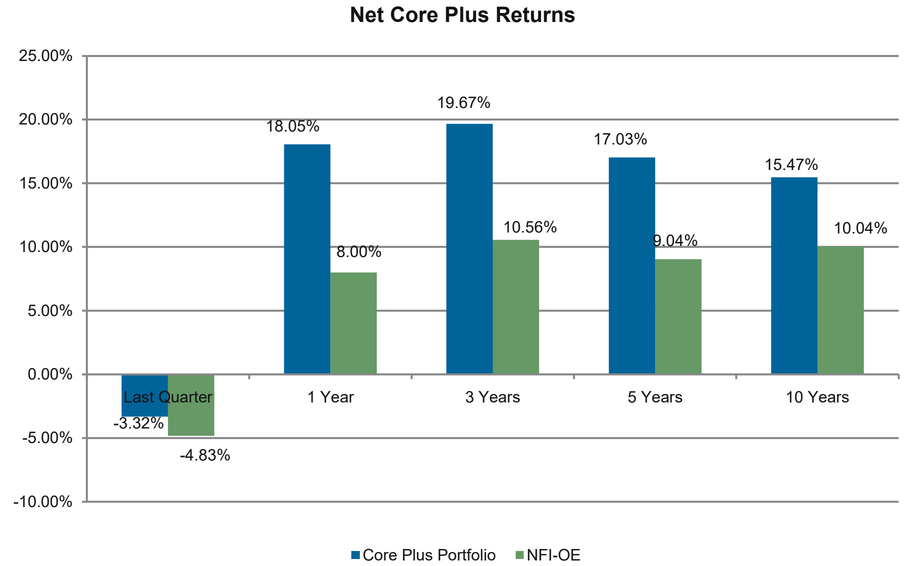
For Period Ended December 31, 2022

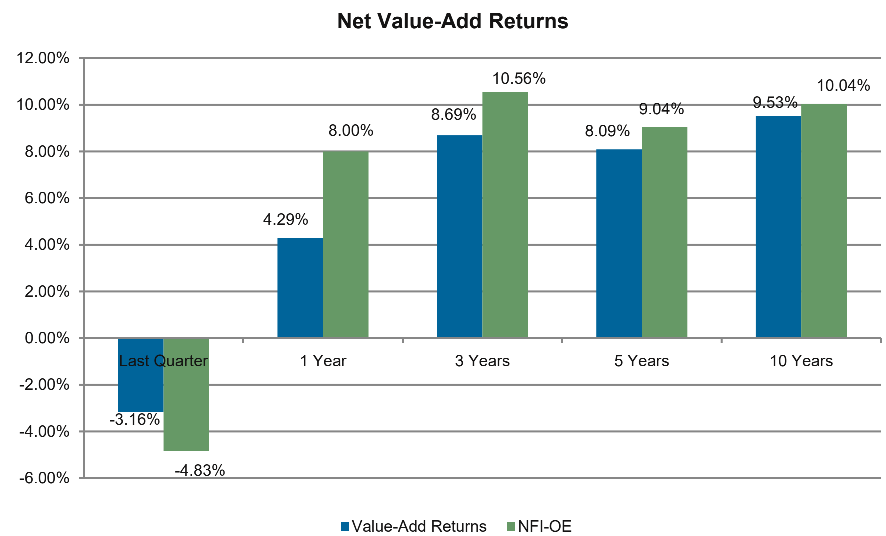


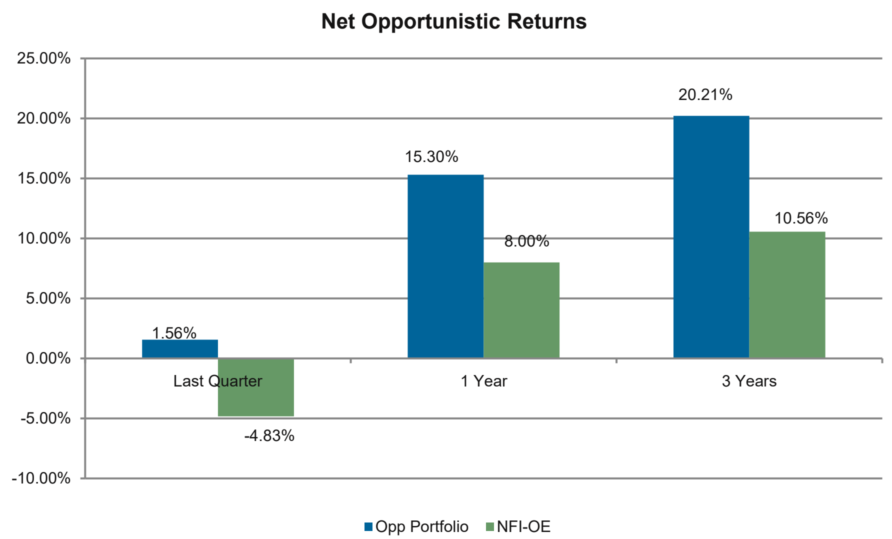
Portfolio Returns by Style

For Period Ended December 31, 2022









Portfolio Returns by Style

For Period Ended December 31, 2022

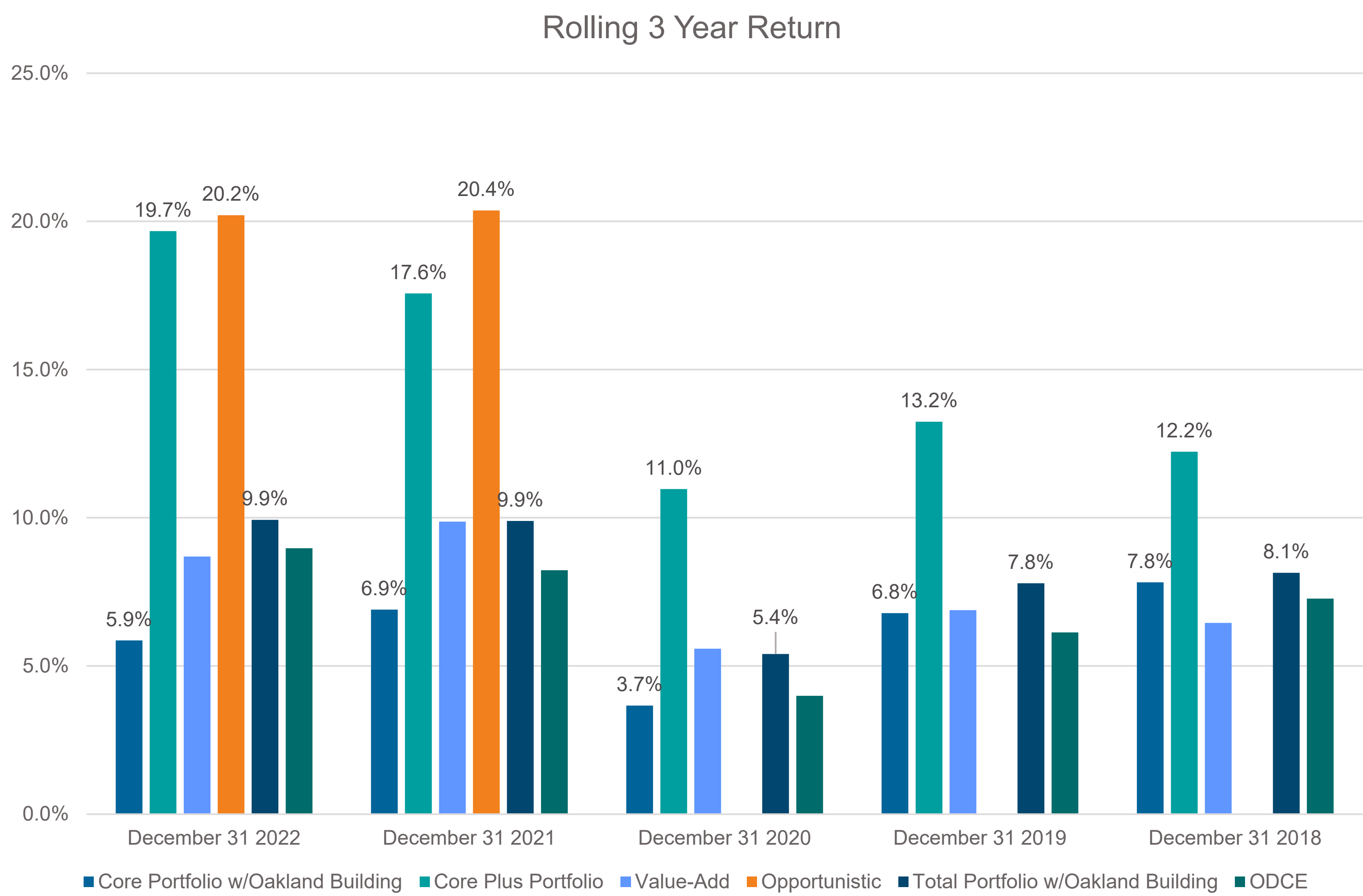
Net Portfolio w/o Oakland Building	Last Quarter	1 Year	3 Years	5 Years	10 Years
Core Portfolio w/o Oakland Building	-5.34%	6.65%	8.92%	7.34%	9.28%
Core Plus Portfolio	-3.32%	18.05%	19.67%	17.03%	15.26%
Value-Add Portfolio	-3.16%	4.29%	8.69%	8.09%	9.53%
Opportunistic Portfolio	1.56%	15.30%	20.21%	--	--
Total Portfolio w/o Oakland Building	**-3.78%**	**9.54%**	**11.91%**	**9.92%**	**10.71%**

Net Total Portfolio	Last Quarter	1 Year	3 Years	5 Years	10 Years
Core Portfolio	-8.18%	1.43%	5.86%	5.80%	8.70%
Core Plus Portfolio	-3.32%	18.05%	19.67%	17.03%	15.26%
Value-Add Portfolio	-3.16%	4.29%	8.69%	8.09%	9.53%
Opportunistic Portfolio	1.56%	15.30%	20.21%	--	--
Total Portfolio	**-5.34%**	**6.56%**	**9.93%**	**8.83%**	**10.32%**

Rolling 3 Year Returns

For Period Ended December 31, 2022

Total Net Real Estate Portfolio Returns



Performance Drivers and Detractors by Style

Core Portfolio (Excluding Oakland Building)

- The ACERA Core Portfolio outperformed the NFI-ODCE Value Weight Index (Net) by 1 bp for the half year ending 12/31/2022.
- MetLife Core Property Fund was the strongest performer over the half year period with a return of -3.17%.
- JP Morgan Strategic Property was the largest detractor from performance over the last half year, returning -6.58%.

Core Plus Portfolio

- The Core Plus Portfolio outperformed the NFI-OE Value Weight Index (Net) by 367 bps for the half year ending 12/31/2022.
- Clarion Lion Industrial Trust outperformed, while Jamestown Premier Property Fund was a significant detractor from performance.

Value Add Portfolio

- The Value Add Portfolio outperformed the NFI-OE Value Weight Index (Net) by 109 bps for the half year ending 12/31/2022.
- Artemis Healthcare Fund I was the largest contributor to outperformance with a half year return of 1.90%; all other funds generated negative half year returns.

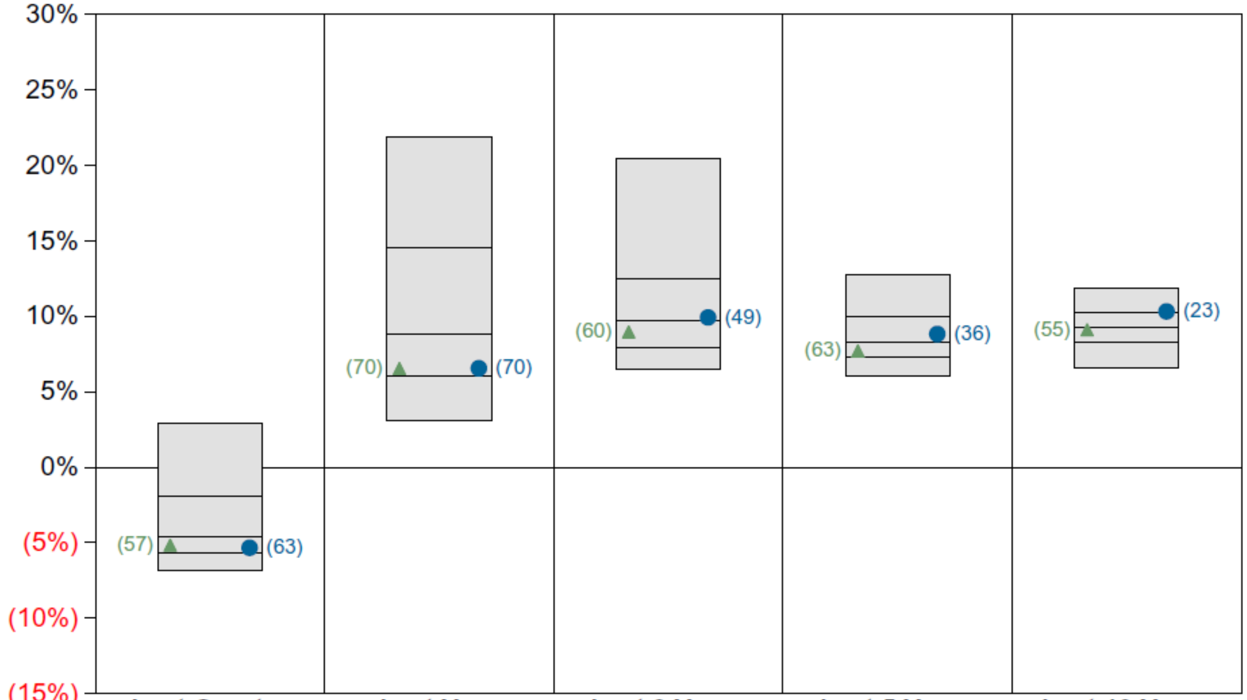
Opportunistic Portfolio

- The Opportunistic Portfolio outperformed the NFI-OE Value Weight Index (Net) by 624 bps for the period.
- AEW Partners IX and AEW Partners VIII were the primary drivers of performance, returning 6.75% and 3.27% respectively.

Performance vs. Peer Group

For Period Ended December 31, 2022

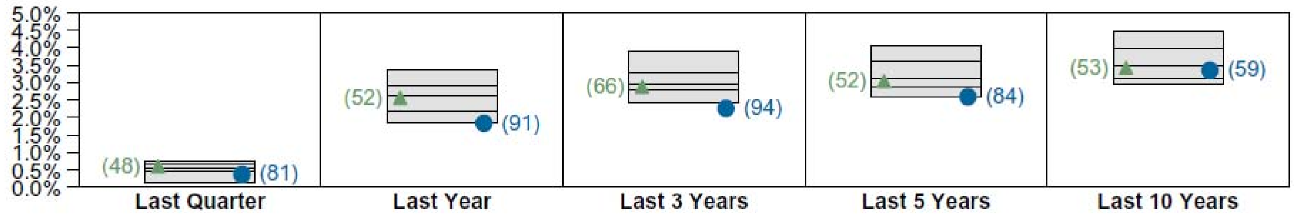
Performance vs Callan Open End Core Cmmingled Real Est



	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
10th Percentile	2.91	21.86	20.43	12.74	11.82
25th Percentile	(1.89)	14.53	12.48	10.01	10.23
Median	(4.64)	8.83	9.72	8.27	9.30
75th Percentile	(5.69)	6.03	7.90	7.30	8.32
90th Percentile	(6.89)	3.12	6.48	6.07	6.57
ACERA Total RE Portfolio ●	(5.34)	6.56	9.93	8.83	10.32
NCREIF NFI-ODCE Val Wt Nt ▲	(5.17)	6.55	8.97	7.72	9.11

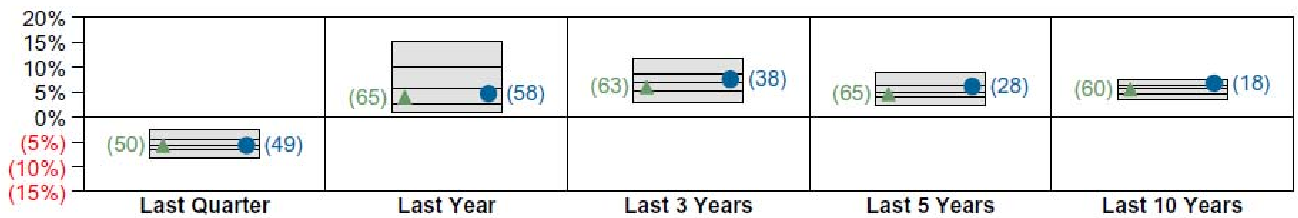
Performance vs. Peer Group

Income Rankings vs Callan OE Core Cmngld RE
Periods ended December 31, 2022



	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
10th Percentile	0.75	3.34	3.88	4.07	4.48
25th Percentile	0.68	2.90	3.27	3.60	3.97
Median	0.56	2.61	2.96	3.12	3.49
75th Percentile	0.45	2.17	2.79	2.89	3.11
90th Percentile	0.14	1.86	2.41	2.58	2.95
ACERA Total RE Portfolio ●	0.36	1.83	2.26	2.59	3.35
NCREIF NFI-ODCE Val Wt Nt ▲	0.60	2.56	2.88	3.04	3.43

Appreciation Rankings vs Callan OE Core Cmngld RE
Periods ended December 31, 2022

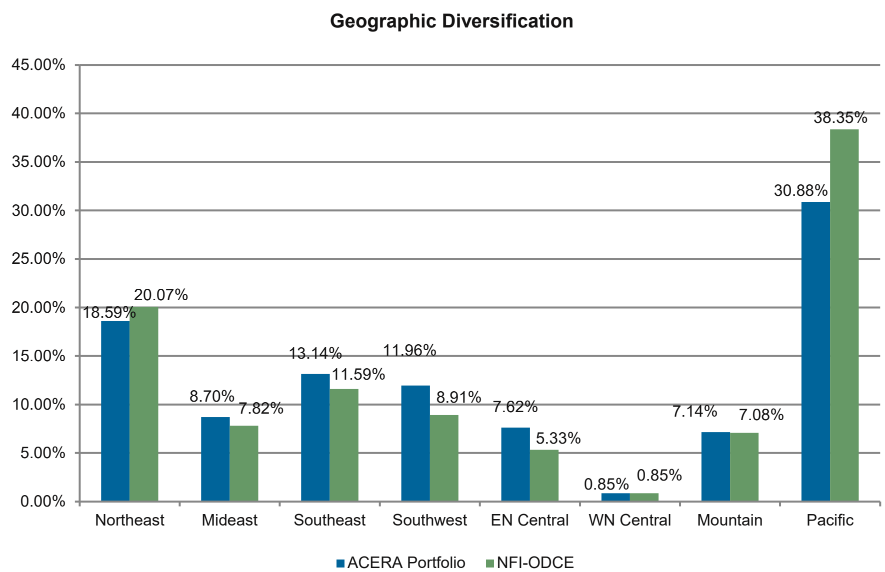


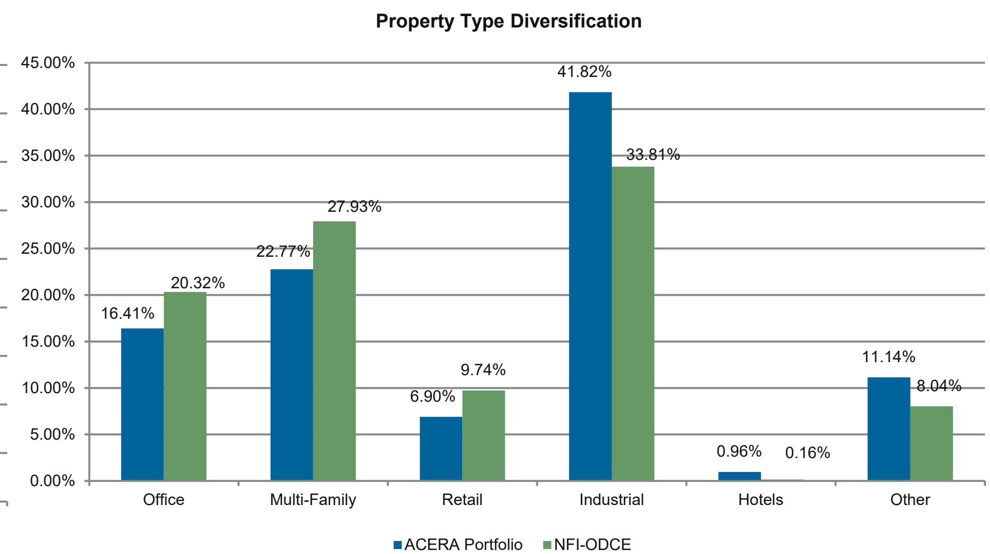
	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
10th Percentile	(2.41)	15.07	11.67	9.02	7.53
25th Percentile	(4.46)	10.03	8.69	6.42	6.24
Median	(5.76)	5.65	6.87	4.98	5.80
75th Percentile	(6.49)	2.67	5.11	3.94	4.63
90th Percentile	(8.30)	1.03	2.85	2.28	3.41
ACERA Total RE Portfolio ●	(5.70)	4.67	7.54	6.12	6.77
NCREIF NFI-ODCE Val Wt Nt ▲	(5.76)	3.91	5.96	4.58	5.54

Diversification & Debt

Diversification – Total Portfolio (excluding Oakland Building)

- The ACERA Portfolio is well diversified by both property type and region.
- ACERA's exposure to alternative/other property sectors includes Self-Storage (3.56%); Health Care (1.40%); Mixed Use (1.38%); and Hotels, Diversified, Data Center, Manufactured Homes, and Student Housing, each of which comprise less than 1% of the real estate portfolio.





Debt Compliance

- The ACERA Strategic Plan limits leverage to 40.0% at the Portfolio level. As of December 31, 2022, the loan-to-value ("LTV") ratio of the Portfolio was 32.3%.

Fundamentals and Outlook by Property Sector

Office

- Challenges in the office sector are primarily driven by the shift to remote and hybrid work. In 1Q 2023, the national vacancy rate increased by 50 bps to 17.8%.
- The leasing environment continues to be challenging. Absorption has been stronger in class-A office buildings as the “flight-to-quality” has continued.
- Investor sentiment has continued to sour on concerns of weakening fundamentals and pending loan maturities. High-profile loan defaults have heightened the focus on refinancing risk.

Multi-Family

- Fundamentals remain relatively healthy, despite a pullback from the record demand that in 2021 and 1H 2022.
- Vacancy has increased slightly and rent growth, while still positive in virtually all markets, has moderated.
- New supply in some markets is a near-term headwind that has impacted absorption; however, an overall housing shortage persists.

Retail

- Neighborhood and community center fundamentals have stabilized amidst a return to normal foot traffic and consumer demand conditions.
- Net absorption well outpaced completions, and the availability rate declined by 10 bps to 6.8%, the lowest level on record.
- New demand has continued to outpace completions, and landlords have more pricing power.

Industrial

- Fundamentals remain historically strong, driven by increasing e-commerce adoption and efforts to strengthen supply chains
- However, new supply is beginning to catch up with demand, as net absorption moderated and was outpaced by completions.
- Annual average rent growth remains strong at 12.5%, the second highest quarterly pace on record. .

Source: Callan research, Clarion Partners, Moody’s Analytics

Opportunities in Today's Market Environment

ACERA's portfolio is well positioned to take advantage of market dislocation

– Volatile real estate markets could lead to compelling opportunities to acquire assets at discounted pricing or take advantage of other unique circumstances.
– Certain funds in ACERA's real estate program are specifically focused on these opportunities, including AEW Partners VIII, AEW Partners IX, Angelo Gordon Fund X, and Starwood Distressed Opportunities Fund XII.

1 Discounted Pricing

Opportunities to acquire high-quality, well-located real estate at discounted pricing

Sellers could need liquidity for a variety of reasons, including pending debt maturities, redemption requests, and funds that are approaching the end of fund life.

2 Real Estate Debt Void

Generate equity-like returns from debt position

Banks are pulling back on lending which provides an opportunity for real estate funds to step in as a capital provider at higher rates.

Debt investments include distressed debt, preferred equity, bridge loans, junior tranches of CMBS and rescue capital.

3 REIT Take Privates

Public REITs trading at discounts to NAV

Certain groups with scale can execute take private transactions at purchase prices that represented significant discounts to the last reported net asset value.

APPENDIX

Definitions

Performance

Capitalization rate: Commonly known as cap rate, is a rate that helps in evaluating a real estate investment. Cap rate = Net operating income / Current market value (Sale price) of the asset.

Net operating income: Commonly known as NOI, is the annual income generated by an income-producing property, taking into account all income collected from operations, and deducting all expenses incurred from operations.

Real Estate Appraisal: The act of estimating the value of a property. A real estate appraisal may take into account the quality of the property, values of surrounding properties, and market conditions in the area.

Income Return ("INC"): Net operating income net of debt service before deduction of capital items (e.g., roof replacement, renovations, etc.)

Appreciation Return ("APP"): Increase or decrease in an investment's value based on internal or third party appraisal, recognition of capital expenditures which did not add value, uncollectible accrued income, or realized gain or loss from sales.

Total Gross Return ("TGRS"): The sum of the income return and appreciation return before adjusting for fees paid to and/or accrued by the manager.

Total Net Return ("TNET"): Total gross return less Advisor fees reported. All fees are requested (asset management, accrued incentives, paid incentives). No fee data is verified. May not include any fees paid directly by the investor as opposed to those paid from cash flows.

Inception Returns: The total net return for an investment or portfolio over the period of time the client has had funds invested. Total portfolio Inception Returns may include returns from investments no longer held in the current portfolio.

Net IRR: IRR after advisory fees, incentive, and promote. This includes actual cash flows and a reversion representing the LP Net Assets at market value as of the period end reporting date.

Equity Multiple: The ratio of Total Value to Paid-in-Capital (TVPIC). It represents the Total Return of the investment to the original investment not taking into consideration the time invested. Total Value is computed by adding the Residual Value and Distributions. It is calculated net of all investment advisory and incentive fees and promote.

Definitions

Style Groups

The Style Groups consist of returns from commingled funds with similar risk/return investment strategies. Investor portfolios/investments are compared to comparable style groupings.

Core: Direct investments in operating, fully leased, office, retail, industrial, or multifamily properties using little or no leverage (normally less than 30%).

Value-Added: Core returning investments that take on moderate additional risk from one or more of the following sources: leasing, re-development, exposure to non-traditional property types, the use of leverage.

Opportunistic: Investments that take on additional risk in order to achieve a higher return. Typical sources of risks are: development, land investing, operating company investing, international exposure, high leverage, distressed properties.

Definitions

Indices

Stylized Index: Weights the various style group participants so as to be comparable to the investor's portfolio holdings for each period.

Open-End Diversified Core Equity Index ("ODCE"): A core index that includes only open-end diversified core strategy funds with at least 95% of their investments in U.S. markets. The ODCE is the first of the NCREIF Fund Database products, created in May 2005, and is an index of investment returns reporting on both a historical and current basis (24 active vehicles). The ODCE Index is capitalization-weighted and is reported gross and net of fees. Measurement is time-weighted and includes leverage.

NCREIF Fund Index Open-End Index ("OE"): NFI-OE is an aggregate of open-end, commingled equity real estate funds with diverse investment strategies. Funds comprising NFI-OE have varied concentrations of sector and region, core and non-core, leverage, and life cycle.

NAREIT Equity Index: This is an index of Equity Real Estate Investment Trust returns reflecting the stock value changes of REIT issues as determined through public market transactions.

Definitions

Cash Flow Statements

Beginning Market Value: Value of real estate, cash, and other holdings from prior period end.

Contributions: Cash funded to the investment for acquisition and capital items (i.e., initial investment cost or significant capital improvements).

Distributions: Actual cash returned from the investment, representing distributions of income from operations.

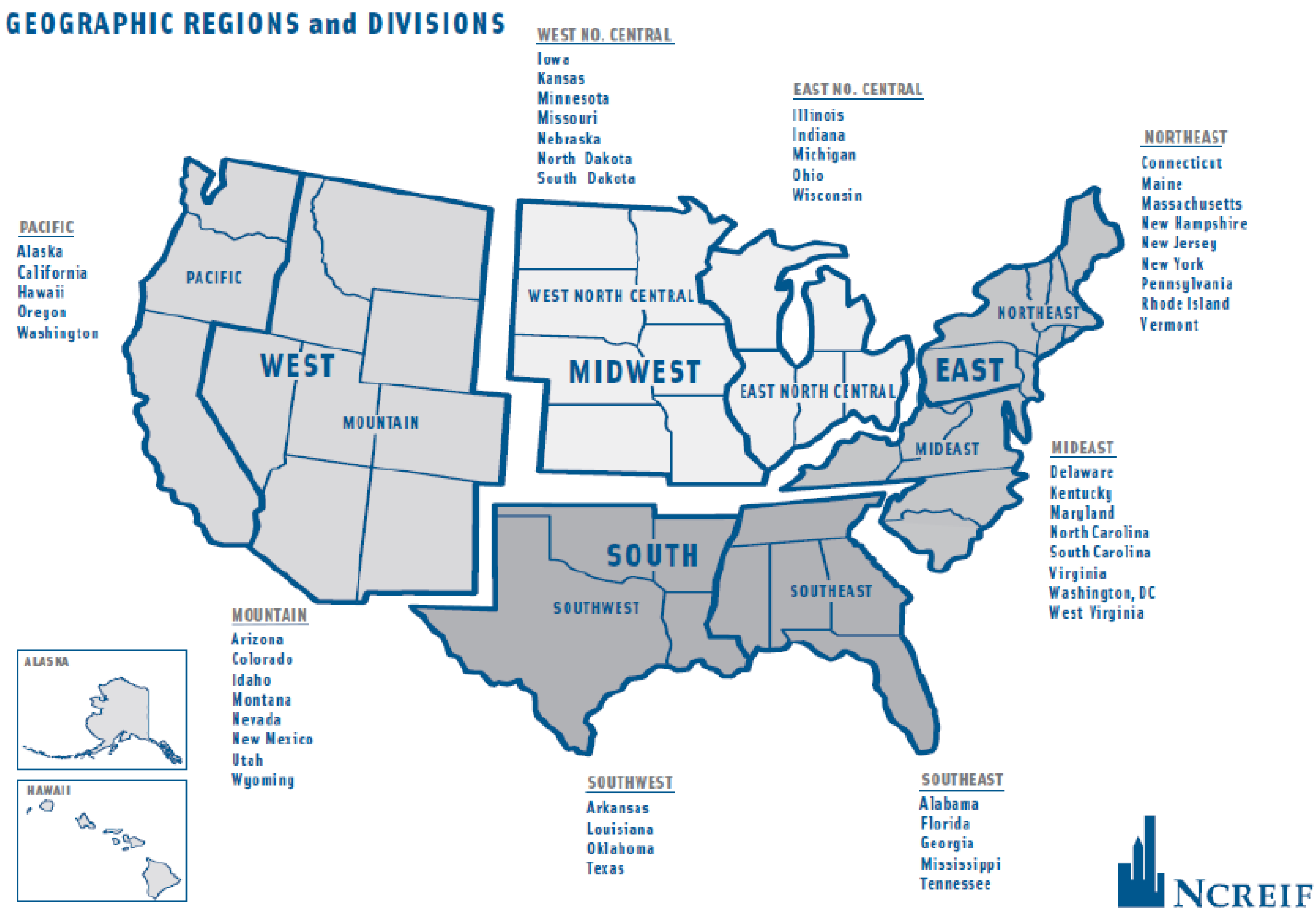
Withdrawals: Cash returned from the investment, representing returns of capital or net sales proceeds.

Ending Market Value: The value of an investment as determined by actual sales dollars invested and withdrawn plus the effects of appreciation and reinvestment; market value is equal to the ending cumulative balance of the cash flow statement (NAV).

Unfunded Commitments: Capital allocated to managers which has not yet been called for investment. Amounts are as reported by managers.

Remaining Allocation: The difference between the ending market value + the unfunded commitments and the target allocation. This figure represents dollars available for allocation.

NCREIF Region Map



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