



Date: November 6, 2019
To: Members of the Board of Retirement
From: Elizabeth Rogers – Chair
Subject: Summary of November 6, 2019 Investment Committee Meeting

The Investment Committee (“Committee”) met on Wednesday, November 6, 2019 at 9:31 a.m. The Committee members present were Dale Amaral, Ophelia Basgal, Tarrell Gamble, Jaime Godfrey, Elizabeth Rogers, and George Wood. Also present were Alternate Safety Member, Darryl Walker and Alternate Retired Member, Nancy Reilly. Members of the Staff present were David Nelsen – Chief Executive Officer, Kathy Mount – Chief Counsel, Harsh Jadhav – Chief of Internal Audit and Betty Tse – Chief Investment Officer (CIO).

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

1. Discussion of and Possible Motion to Recommend to the Board to Adopt a \$35 million Investment in Artemis Income & Growth Fund , as part of ACERA’s Real Estate Portfolio
 - Representatives from Artemis Real Estate Partners, presented to the Committee. They outlined the history, background and culture of their firm and the investment opportunity in the Artemis Real Estate Partners Income and Growth Fund (“Fund”). Artemis Real Estate Partners is a majority women-owned firm and a manager in good standing at ACERA. The Firm and its Fund fit well within ACERA’s Real Estate Investment Guidelines, Policy and Procedures and Emerging Investment Manager Policy.
 - Artemis discussed the Fund’s strategy related to income-orientation and its partnership with its operating partners. The Fund will invest in the following four main property types: Office, Industrial, Multi-family, and Retail, with a small portion in Hospitality and/or Self-Storage. Up to one-third of the portfolio will be in direct investments and two-thirds of the portfolio will be in investments with joint venture partners; (approximately 50% of that with diverse or emerging managers.) The Fund will invest across the East and West coasts and in the South as investment opportunities become available. The Fund is targeting 9-11% net IRR, with income distributions to be 50%-60% of those returns.
 - After discussion, Mr. Jaime Godfrey moved, seconded by Ms. Ophelia Basgal, to recommend to the Board to adopt an investment of \$35 million in the Artemis Real Estate Partners Income and Growth Fund, pending completion of legal and investment due diligence and successful contract negotiation.
 - The motion carried unanimously with 7 yes (Amaral, Basgal, Gamble, Godfrey, Reilly, Rogers, and Wood), 0 no, and 0 abstention.

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

None

TRUSTEE/PUBLIC INPUT

Chief Investment Officer Betty Tse introduced Julius Cuaresma, the Investment Department's new Investment Analyst, to the Committee.

FUTURE DISCUSSION ITEMS

None

ESTABLISHMENT OF NEXT MEETING DATE

Wednesday, December 11, 2019 at 9:30 a.m.

ADJOURNMENT

The meeting ended at 10:36 a.m.