



**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, January 8, 2025
10:30 a.m.**

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

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

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

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

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

Board and Committee agendas and minutes and all documents distributed to the Board or a Committee in connection with a public meeting (unless exempt from disclosure) are posted online at www.acera.org and also may be inspected at 475 14th Street, 10th Floor, Oakland, CA 94612-1916.

INVESTMENT COMMITTEE/BOARD MEETING

NOTICE and AGENDA Wednesday, January 8, 2025

Call to Order: 10:30 a.m.

Roll Call

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

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

There are no action items.

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

1. Review of Private Equity Policy

10:35 – 11:05
Sam Austin, NEPC
Rose Dean, NEPC
John Ta, ACERA
Betty Tse, ACERA

2. Annual Update for 2024 - ESG

11:05 – 11:35
Sam Austin, NEPC
Dan Hennessy, NEPC
Julius Cuaresma, ACERA
Betty Tse, ACERA

3. Proposed Investment Committee Meeting Workplan for 2025

11:35 – 12:05
Sam Austin, NEPC
Betty Tse, ACERA

4. CA Gov. Code § 7514.7 Information Report Update

12:05 – 12:20
Noe Reynoso, ACERA
Betty Tse, ACERA

Trustee Remarks

Future Discussion Items

None

Establishment of Next Meeting Date

February 5, 2025 at 10:30 a.m.



TO: Members of the Investment Committee
FROM: John Ta, Senior Investment Officer
DATE: January 8, 2025
SUBJECT: Review of Private Equity Policy

Executive Summary:

This information item reviews the proposed amendments to ACERA's Private Equity (PE) Policy as recommended by Staff and NEPC. A summary of the key changes is provided in this memo. Similar to the amendment process for the Private Credit Policy that was approved in October, Staff and NEPC plan to solicit feedback on the proposed changes before bringing the finalized version of the amended PE Policy for a formal vote.

Background:

The Board approved new asset allocation targets for ACERA's Total Fund (Mix C) on July 18, 2024. While the percentage allocated to PE (11% of the total fund) remained unchanged, the underlying composition of the PE portfolio was changed with the new allocation. As a result, Staff and NEPC reviewed ACERA's PE Policy and have proposed changes to reflect the revised goals and characteristics of ACERA's PE portfolio.

Discussion:

A full redline draft of the PE policy is attached for reference (Attachment #1). To note, much of the approved language from the recently amended Private Credit Policy were also incorporated into the PE Policy draft where appropriate. All the significant changes to the PE Policy are listed below:

- 1. Reorganized Sub-Asset Classes** – With the new asset allocation, all debt-related strategies with a similar risk/return profile to private credit were moved from the Private Equity Portfolio to the Private Credit Portfolio. This move creates better alignment for the asset classes and its benchmarks. What remains in ACERA's PE portfolio are all private, equity-related strategies (quite literally "private equity"). The private equity asset can be divided into three main sub-asset classes or strategy-types: Buyouts, Growth Equity, and Venture Capital. Language in the PE policy draft has been updated to delineate the new sub-asset classes. (*See p. 5-7 of Attachment #1*)
- 2. New Sub-Asset Class Target Weights and Benchmark** – The reorganized PE portfolio requires new long-term target weightings and an appropriate benchmark. After taking into consideration capital market expectations, historical performance and other market factors, Staff and NEPC determined the following sub-asset targets to be appropriate for ACERA's PE portfolio:
 - Buyouts: 70% (Range 50%-90%)
 - Growth Equity: 15% (Range 5% to 25%)

- Venture Capital 15% (Range 5% to 25%)

A new benchmark was also selected to more accurately align the new long-term portfolio sub-asset targets: the Cambridge Associates Global Private Equity and Venture Capital Index. This benchmark has roughly the same sub-asset class concentration as the new targets listed above. (See p.4 of Attachment #1)

3. **Removal of Sub-Asset Class Benchmarks** – The benchmarks for the sub-asset classes are no longer explicitly indicated (e.g., Buyouts or Venture Capital benchmark). Staff and ACERA’s consultants have always focused on portfolio construction and risk management at the total PE portfolio level. For example, industry and geographic diversification is considered at the total PE portfolio level. As such, all investment decisions will revolve around what’s best for the total PE portfolio versus what’s best for the sub-asset class. The proposed language changes reflect this investment approach.
4. **Updated Definition for “Total Commitments” Under Delated Authority** – The definition for the sum of the commitments made to one investment manager was updated for clarification. The current language states that the total commitments to one investment manager cannot exceed 10% of the total PE Portfolio. Total commitments are now defined as net of capital commitments returned. This is to avoid a situation where the full commitment to older and terminated funds would count in the active commitment total to a manager. A generic example would be ACERA has invested in Funds 1-5 for “Great Manager A” and is fundraising for Fund 6. Funds 1-3 are wound down and terminated. Only Funds 4-5 would be count towards the 10% limit instead of all Funds 1-5. (See p.8 of Attachment #1)
5. **Added Language for Continuation Funds** – Similar to ACERA’s Private Credit Policy, language has been added to the PE policy to recognize and specify the process for continuation fund opportunities. The language is the same as the approved language in ACERA’s Private Credit Policy. (See p.9-10 of Attachment #1)

Next Steps:

Staff and NEPC will solicit feedback from the IC on the proposed policy changes. A final draft of the amended PE Policy will be presented to the IC for a formal vote at the next investment committee meeting.

Attachments:

- #1 Redlined ACERA Private Equity Policy, prepared by Staff and NEPC

**Alameda County Employees'
Retirement Association**

ACERA

PRIVATE EQUITY INVESTMENT POLICY

Amended ~~October 21, 2021~~TBD

ACERA PRIVATE EQUITY INVESTMENT POLICY

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I. SCOPE

This Private Equity Investment Policy (“PE Policy”) governs all investments in the Private Equity (“PE”) asset class made by Alameda County Employees’ Retirement Association (“ACERA”)¹. The investments governed under this PE Policy are subject to applicable law and the applicable limitations and requirements of ACERA’s General Investment Guidelines, Policies and Procedures. If there is any conflict between this PE Policy and ACERA’s General Investment Guidelines, Policies and Procedures pertaining to investments in the Private Equity asset class, the PE Policy prevails. The ACERA Board (“Board”) reserves the right to amend, supplement, or rescind this PE Policy at any time.

II. PURPOSE

The purpose of this PE Policy is to 1) set forth the private equity policies and guidelines which are deemed to be appropriate and prudent; 2) establish criteria against which private equity opportunities are to be measured; and 3) serve as a review document to guide the ongoing oversight of ACERA’s Private Equity Portfolio (“PE Portfolio”) on a consistent basis. This PE Policy also defines the roles and responsibilities of the Board, the ACERA Investment Committee (“Investment Committee”), the ACERA Staff (“Staff”), the ACERA PE Consultant (“Consultant”), and the PE Investment Managers hired by ACERA to manage its assets (“Investment Managers”).

It is expected that this PE Policy will be a living document and that changes will be made from time to time to reflect experience, evolving investment products, and opportunities and changes in the economic and capital market environment.

III. LEGAL AUTHORITY

This PE Policy is established in accordance with Article XVI, Section 17 of the California Constitution and California Government Code Sections 31594 and 31595, which establish the exclusive authority and fiduciary responsibility of the Board for the investment and administration of the ACERA Trust Fund (“Fund”).

IV. TYPES OF PRIVATE EQUITY INVESTMENTS

For purpose of this PE Policy, Private Equity may include, but not be limited to, venture capital, ~~corporate~~ buyouts², ~~and growth equity and debt related/ special situations~~. ACERA may consider investing in these assets if and only if the fund vehicles meet all legal standards and PE Policy requirements. Private Equity investments may be denominated in U.S. dollars or other currencies ~~and may be levered to provide additional return.~~ With the exception of short-term facilities utilized for capital call / cash flow management or warehousing, ACERA expects that in general the investments will not utilize leverage exceeding 100% of the NAV. Both staff and the consultant will review each fund’s use of leverage during the due diligence process.

¹ See ACERA’s Absolute Return Policy, Real Estate Policy and Real Assets Policy for investments in other asset classes.

² Buyouts include niche strategies such as secondaries, fund of funds, and structured equity.

V. STRATEGIC OBJECTIVE OF THE PRIVATE EQUITY PORTFOLIO

The Board recognizes that when ACERA invests in new Private Equity investments, the investment performance results may be difficult to evaluate during the first several years of the investments³, and possibly longer. However, this PE Policy establishes performance expectations and ongoing monitoring and reporting duties for each investment strategy and for the PE Portfolio as a whole. Such duties are designed to address these challenges and are described in detail below.

The Board believes the Fund's overall returns can be enhanced, on a risk-adjusted basis, by investing a portion of its assets in Private Equity. The strategic objective of such investments is to: 1) generate returns superior to those available in the public equity market to compensate the Fund for the longer term and illiquid commitments associated with Private Equity investments; 2) enhance ACERA's long-term risk adjusted return and provide additional diversification to ACERA's overall investment Fund; and -3) generate The total PE Portfolio performance shall be benchmarked against in excess of the Thomson Reuters C/A Cambridge Associates Global Private Equity and Venture Capital Index Benchmark (see Section VII).

VI. STRATEGIC ALLOCATION TO PRIVATE EQUITY PORTFOLIO

The long-term target allocation to the Private Equity asset class, as measured by Net Asset Value of the portfolio and not by dollars committed to underlying Investment Managers or funds, is 11% of the Total Fund. Portfolio construction shall be driven by careful manager selection. Due to the illiquid nature of investments, the allocation to Private Equity can range from 8% to 143%, with exposure to sub-asset classes as follows:

Portfolio	Long-Term Target Allocation	Min./Max. Ranges
Private Equity	11.0%	8% to <u>143%</u>
- <i>Buyouts</i>	<u>760%</u>	<u>530% to 980%</u>
- <i>Venture Capital</i>	<u>2150%</u>	<u>50% to 2540%</u>
- <i>Debt related/Special Situations Growth Equity</i>	<u>2015%</u>	<u>50% to 30025%</u>
Total	11%	8% to <u>143%</u>

Portfolio construction will be designed to produce a diversified mix of returns, subject to the guidelines and constraints outlined under each subcategory below herein. As with any investment, invested capital may incur losses of all or part of the capital invested but it is expected that a diversified PE Portfolio will produce a positive return significantly in excess of publicly traded domestic equities. Diversifiable risks associated with this Portfolio include position in the capital structure, the timing and amounts of cash flows, the size of the individual investments, and their

³ The J-Curve effect occurs as fund expenses and management fees are high in the initial years of private equity investing. Due to this J-Curve effect, early returns both at the fund level, and potentially at the portfolio level, are not relevant to long-term results.

sensitivities to business cycles. The risks associated with Private Equity will be viewed within the context of the entire Fund. ACERA may take on over- and under-weights to the Private Equity asset class and to the sub-asset classes within the PE Portfolio to improve its risk/return posture based upon an assessment of the relative attractiveness of all available opportunities. ~~As commitments and investments are expected to be made over time, the Portfolio is expected to reach and maintain its long-term target allocation within 4-6 years (subject to availability of quality managers) from the most recent date of change in allocation targets.~~

VII. SPECIFIC GUIDELINES FOR PRIVATE EQUITY PORTFOLIOS

ACERA will gain exposure to PE investments by hiring external investment managers either directly or through participation in secondary PE markets. Typically, the Fund will subscribe for interests in limited partnership or limited liability company vehicles, as applicable, sponsored by specialty external investment managers. The strategic objective of PE investments is to outperform the public equity market, with performance of the portfolio benchmarked against the Cambridge Associates Global Private Equity and Venture Capital Index Thomson Reuters C|A Benchmark (net of fees). ~~Each sub-asset class (buyout, venture, debt related) is to outperform the respective sub-asset class benchmark within the Thomson Reuters C|A Benchmark.~~

Portfolio	Benchmark
Private Equity	Thomson Reuters C A Global All Private Equity Benchmark
<i>Buyouts</i>	—Thomson Reuters C A Global Buyout Benchmark
<i>Venture Capital</i>	—Thomson Reuters C A Global Venture Capital & Growth Equity
<i>Debt</i>	Benchmark
<i>related/Special Situations</i>	—Thomson Reuters C A Global Mezzanine & Distressed Benchmark

The PE Portfolio shall be diversified ~~over 4 to 6 years from the most recent date of change in allocation targets~~by:

~~By~~ Sub-asset class: Among Bbuyouts, Vventure Capital, and ~~debt related / special situations~~ investmentsGrowth Equity.

A. Buyout Investments

Description: Buyout investments typically involve acquiring a control position in mature companies (or a division of a company) using a mixture of equity and debt. Buyout returns are typically generated through operational improvements, debt reduction, and increased scale.

ACERA will look to hire ~~high~~ external managers with the goal of achieving a diversified exposure across sectors, regions, and vintage year.

B. Venture Capital Investments

Description: Venture Capital investments typically involve acquiring minority stakes in companies at the early stages of development. These companies carry higher risk because the companies are unprofitable and have unproven business models. Venture Capital returns are typically generated through major revenue growth and market penetration.

ACERA will look to hire external managers with the goal of achieving a diversified exposure across sectors, regions, and vintage year.

C. Growth Equity Investments

Description: Growth Equity Investments typically involve acquiring minority stakes in rapidly growing companies with proven business models. Growth Equity returns are typically generated through sustained growth in revenue and operating margins.

ACERA will look to hire external managers with the goal of achieving a diversified exposure across sectors, regions, and vintage year.

By vintage year: It is expected that roughly equal amounts of new funding will be committed in each calendar year, that ACERA will commit capital to the PE Portfolio each year to take advantage of opportunities across vintage year. The commitment amounts will vary with deviations permitted to adjust for changes in the market value of ACERA's plan, and accommodate market opportunities, and to facilitate initial entry into the asset class.

By Investment Manager: No more than 20% of the Total Fund's 11% target allocation to the PE Portfolio may be committed to any one investment vehicle.

By geography: Through commitments to funds located and/or investing both in and outside of the United States As a result of the diversified commitments outlined above, it is expected that the PE portfolio will be generally diversified by exposure to companies in and outside the United States.

By industry: As a result of the diversified commitments outlined above, it is expected that the PE Portfolio will be generally diversified by sector/industry.

A. Buyout Investments

Description: Buyout investments typically involve the purchase of a control position (primarily majority positions, with some minority positions) in an established, privately held company. Investments are typically made in years one through three and returns typically occur in years three through six of the limited partnership.

Investment Constraints: No more than 35% of the target value of capital invested in the Buyout portfolio may be invested in a single sector of the domestic or international economy.

B. Venture Capital Investments

Description: Venture Capital investments are typically made in privately held companies at varying stages of development. Investments are often made in years one through five and returns typically occur in years four through ten of the limited partnership. Depending on the stage or risk profile of investments, a large portion of such investments may result in losses, while a few should provide substantially outsized returns. Other types of Private Equity Investments with similar risk/return profiles may be considered for the Fund under this category.

Investment Constraints: No more than 50% of the target value of capital invested in the Venture Capital portfolio may be invested in a single industry within a particular sector.

C. Debt-Related and Special Situations Investments

Description: Debt-Related investments typically combine a debt instrument, which provides a current yield, with an equity participation of warrants, etc. Investments are typically made in years one through three of the partnership with a high level of current income that is combined with capital appreciation supplied by the warrants or other "equity kickers." Special Situations investments can encompass any variety of private investments in debt or equity, typically to generate returns from the turnaround or dissolution of stressed and distressed assets, including opportunistic real estate investments.

Investment Constraints: No more than 30% of the target value of the capital invested in the Debt-Related portfolio may be invested in any single debt-related asset.

VIII. ROLES AND RESPONSIBILITIES

The delineation of roles and responsibilities is important for effective administration of ACERA's PE Portfolio. The duties and responsibilities of the Board, Investment Committee, Staff, Consultant, and Investment Managers are stated below:

A. Board

The Board shall be responsible for approving the PE Policy that governs the PE Portfolio and approving the investment plan of ACERA's PE Portfolio. The Board, with input from the Investment Committee, shall review this PE Policy to determine whether amendments are necessary. The Board shall also be responsible for reviewing and approving all Private Equity investments with individual commitments exceeding Staff's delegated authority as described in subparagraph C below.

B. Investment Committee

The Investment Committee shall be responsible for the following:

1. Establishing the PE Policy to govern all investments in the Private Equity asset class;
2. Reviewing the PE Policy, evaluating proposals for PE Policy amendments, if any, and making recommendations for approval by the Board;
3. Reviewing and approving the ACERA PE Investment Plan ~~every 1 to 3 years~~;
4. Reviewing Private Equity investments recommended by Staff and/or Consultant and making recommendations to the Board for adoption; and
5. Delegation⁴:
 - a. Delegating to Staff the authority to make final decisions on new proposed Private Equity investments with an individual commitment up to 5% of the target allocation to the total PE Portfolio.
 - b. Delegating to Staff the authority to make final decisions on proposed “re-up” Private Equity investments with existing managers in good standing, an individual commitment in addition to the existing commitments, up to 10% of the target allocation to the total PE Portfolio.

C. Staff

Staff shall be responsible for oversight of ACERA’s PE Portfolio. Staff’s responsibilities shall include, but not be limited to the following:

1. Developing and recommending all necessary changes to the PE Policy with input from Consultant;
2. Developing and maintaining specific procedures, if necessary, to comply with the approved PE Policy with input from Consultant;
3. Developing the investment plan of ACERA’s PE Portfolio and making recommendations to the Committee for adoption with input from Consultant;
4. Delegation⁵:
 - a. Approving Consultant’s Private Equity investment proposals (new proposals) with each individual commitment up to 5% of the target allocation to the total PE Portfolio upon completion of a thorough review and due diligence process with satisfactory results. Staff and Consultant shall provide the Investment Committee all required reports (please see Appendices I through III).
 - b. Approving Consultant’s Private Equity investment proposals for “re-ups” with existing managers with each individual commitment in addition to the existing commitments⁶, up to 10% of the target allocation to the total PE Portfolio to managers in good standing⁷ upon completion of a thorough review and due

⁴ Investment managers may not appear before the Investment Committee when Staff exercises its delegated authority.

⁵ [Investment manager may not appear before the Investment Committee in circumstances when Staff has exercised its delegated authority.](#)

⁶ [Total commitments are calculated net of capital commitments returned.](#)

⁷ An investment manager may be considered to be in good standing if there is sufficient comfort with factors including, but not limited to, its organization, strategy, performance, and compliance.

diligence process with satisfactory results. Staff and Consultant shall provide the Investment Committee all required reports (please see Appendices I through III).

b.c. When the investment manager or general partner of existing investment vehicles offer related continuation vehicles (aka “continuation funds”), following a thorough evaluation of the investment options related to the continuation vehicle (i.e., subscribing to the continuation vehicle, receiving liquidity, or, in some cases, both), and in alignment with Consultant’s recommendation, approving of investment in continuation vehicles or other related options such as receiving liquidity (i.e., receiving cash proceeds for the investments that are to be transferred into the continuation vehicle).

5. Through the ACERA Investment Products and Services Introduction (IPSI) program, and with the concurrence of the Consultant, recommend highly qualified Private Equity fund investments to the Investment Committee upon completion of a thorough review and due diligence process, providing the required Appendix I reports to Staff and/or the Investment Committee. (See Appendices I through III);
6. Monitoring the PE Portfolio for performance and compliance with this PE Policy;
7. Monitoring the performance of the underlying Investment Managers and their compliance with a) the investment guidelines set forth in their respective contracts; b) this PE Policy; and c) the applicable requirements of ACERA’s General Investment Guidelines, Policies and Procedures;
8. Conducting comprehensive annual reviews of ACERA’s PE Portfolio and the individual investments in the PE Portfolio;
9. Reporting any manager violations of this PE Policy to the Investment Committee, with appropriate recommendations;
10. Assisting ACERA’s Legal Department in contract negotiations for the selected Private Equity investments;
11. Evaluating Private Equity investment opportunities with Consultant’s input on an on-going basis; and
12. Evaluating and making recommendations for retention, addition to, and/or termination of Investment Managers.

D. Consultant

The Consultant hired by the Board is a fiduciary to ACERA and its Board. Consultant shall independently and continuously monitor and analyze the performance of ACERA’s PE Portfolio and make related recommendations to serve the best interests of the plan participants. Consultant shall assist Staff in developing this PE Policy and recommending all necessary changes to the PE Policy. In addition, Consultant shall be responsible for:

1. Analyzing the asset allocation of the PE Portfolio by typesub-asset class, implementation vehicle, geography, industry, and vintage year, and making recommendations for reallocation of assets, as appropriate;
2. Developing an investment plan for ACERA’s PE Portfolio every 1 to 3 years;
3. Developing a search strategy for highly qualified Private Equity investments and maintaining a robust database containing information on Investment Managers;
4. Recommending highly qualified Private Equity fund investments to Staff and/or the Investment Committee upon completion of a thorough due diligence process and providing

the required reports listed in the Appendix I of this PE Policy to Staff and/or the Investment Committee;

5. When continuation vehicles are offered related to existing investment vehicles, and following a thorough evaluation of the related investment options, recommending to Staff which investment option is most suitable for the PE Portfolio.
- ~~5.6.~~ Ongoing monitoring of the investment performance of ACERA's PE Portfolio and individual investments-strategies in the PE Portfolio;
- ~~6.7.~~ Conducting ongoing due diligence on Investment Managers, notifying ACERA of any significant developments and adverse events and providing analysis and advice on such issues;
- ~~7.8.~~ Ongoing monitoring of Investment Managers' compliance with a) their respective investment guidelines as set forth in their contract; b) this PE Policy; and c) applicable requirements of ACERA's General Investment Guidelines, Policies and Procedures;
- ~~8.9.~~ Assisting Staff in contract negotiations for the selected Private Equity investments, as needed;
- ~~9.10.~~ Submitting performance evaluation reports and conducting comprehensive reviews of the PE Portfolio and individual Investment Managers semi-annually, and when appropriate, quarterly to the Investment Committee;
- ~~10.11.~~ Making recommendations for retention or termination of Investment Managers;
- ~~11.12.~~ Attending meetings as needed; and
- ~~12.13.~~ Performing other duties in accordance with the terms of its contract and applicable law.

E. Investment Managers

Investment Managers are fiduciaries and shall prudently manage ACERA's assets in the best interest of ACERA and its members. Investment Managers shall abide by all applicable ACERA policies and procedures, and fully comply with applicable law. Investment Managers shall be responsible for compliance with a) the specific investment guidelines as set forth in their respective contracts; b) this PE Policy; and c) applicable requirements of ACERA's General Investment Guidelines, Policies and Procedures. Investment Managers shall be responsible for all aspects of portfolio management as set forth in their respective contracts with ACERA. They shall also:

1. Communicate with Staff and/or Consultant promptly regarding investment strategy, investment results, and any non-conforming issues that may have significant and/or negative impact on the portfolio;
2. Cooperate fully with Staff, Consultant, ACERA's custodian, and other ACERA vendors concerning requests for information;
3. Submit reports in a timely manner to Staff and Consultant in accordance with their contract terms; and
4. Attend meetings as needed.

IX. DUE DILIGENCE PROCESS FOR PRIVATE EQUITY INVESTMENT SELECTION

ACERA recognizes that a proper due diligence process is essential to control the risks associated with Private Equity investments and therefore, hereby establishes the following due diligence processes for both its Consultant and Staff:

A. Consultant

Consultant shall conduct extensive, documented due diligence before making any Private Equity investment recommendations to Staff and the Investment Committee. Consultant ~~shall involve~~will work closely with Staff in the due diligence process, as necessary. ~~When appropriate~~For those investments recommended to be included in the ACERA PE Portfolio, Consultant's duties ~~shall,~~ but not be limited to:

1. Assessing the reputation of the individuals who manage the Private Equity investments, consider background checks, internet searches, and in-person meetings or conference calls with these individuals, etc.;
2. Conducting on-site visits to the offices of the Investment Managers;
3. Checking references from other investors that have invested in these Private Equity investments, and, when advisable, from competitors;
4. Determining that the Private Equity investment funds are audited, at least annually, by a reputable and recognized external independent auditing firm;
5. Reviewing Investment Managers investment strategies, policies, operating procedures, and historical performance;
6. Reviewing and understanding the valuation procedures employed by the Investment Managers;
- ~~7. Reviewing business terms of all legal agreements and other related documents for the Private Equity investments under consideration, such as offering memorandum, legal agreements, and Forms ADV, if and as available;~~
7. Reviewing and understanding the business terms of all operational documents and other related materials for the Private EquityCredit investments under consideration, including but not limited to offering memoranda, subscription agreements, fund policies, -due diligence questionnaires, and Forms ADV, if and as available.

~~Review the investments for potential exposure to Unrelated Business Taxable Income (UBTI); and assessing what exit strategies exist to liquidate existing investments owing to poor performance and, if necessary, to avoid future investments in similar funds.~~

B. Staff

Staff shall ensure that Consultant has conducted extensive, documented due diligence on all Private Equity investment proposals recommended to Staff and the Investment Committee. Staff shall participate in Consultant's due diligence process when appropriate, shall conduct its own independent due diligence, and shall also be responsible for:

1. Reviewing the comprehensive analysis report prepared by Consultant on its recommended Private Equity investments;
2. Verifying the compliance of each recommended Private Equity investment with the PE Policy, the investment plan for ACERA's PE Portfolio and other applicable investment policies;

3. Discussing all issues related to the recommended Private Equity investments with Consultant and with Investment Managers to gain a thorough understanding of each strategy's primary return drivers, key terms, investment guidelines, and determine the investments suitability for ACERA's PE Portfolio; and
4. Performing independent due diligence regarding the business, economic, and legal aspects of the proposed PE investment and in accordance with the Executive Summary (Appendix II) and the Compliance Checklist (Appendix III).
5. Completing Appendices II and III of this document for each proposal.
6. Conducting an on-site due diligence visit to each manager's headquarters office whenever possible; and
7. Arranging presentations of select investment opportunities to the Investment Committee, ~~as applicable as described under Section VIII.C.4.~~

X. SPECIFIC PERFORMANCE EVALUATION CRITERIA

When appropriate, specific performance evaluation criteria, including but not limited to benchmarks, will be established for the Investment Managers in their respective contracts with ACERA.

XI. MONITORING AND REPORTING

Consultant and Staff will closely monitor and analyze the PE Portfolio so that the strategic objective of the Portfolio can be met.

Investment Managers shall submit reports to Staff, Consultant, ACERA’s custodian, and other ACERA vendors as required in their respective contracts.

Consultant shall submit all reports to Staff in accordance with its contract terms and the PE Policy.

Consultant, in conjunction with Staff, shall perform evaluations of ACERA’s PE Portfolio and the underlying Investment Managers semi-annually ~~and when appropriate, quarterly~~ in addition to ongoing cooperation with the Staff. Consultant shall report the findings to Staff and the Investment Committee.

XII. PRIVATE EQUITY INVESTMENT INFORMATION DISCLOSURE POLICY

ACERA is a public agency subject to state laws, including, without limitation, (a) the California Public Records Act (Cal. Govt. Code §6250, *et seq.*)(the “Public Records Act”), which provides generally that all records relating to a public agency’s business are open to public inspection and copying unless exempted under the Public Records Act, (b) the Ralph M. Brown Act (Cal. Govt. Code § 54950 *et seq.*)(the “Brown Act”), which provides generally for open meetings for local legislative bodies, and (c) the California Government Code Section 7514.7 (“Cal. Govt. Code § 7514.7”) which provides generally that public pension systems in California obtain and publicly disclose certain information regarding fees, expenses and returns from the alternative investment vehicles in which they invest. See Appendix IV for details of the ACERA disclosure policy regarding its Private Equity investments:

XIII. TABLE OF AMENDMENT DATES

- September 18, 2008*
- March 19, 2009*
- August 18, 2011*
- December 20, 2012*
- October 14, 2015*
- September 21, 2017
- October 21, 2021

*PEARLS Policy, and Amended PEARLS Policies

Appendix I

List of Reports Required for Each Investment Recommendation/Approval

Name of Report	Source
Recommendation/Approval memo	Staff
Recommendation/Approval memo	Consultant
Executive Summary of the Fund	Consultant/Staff
Compliance Checklist	Staff
Comprehensive Due Diligence Report (Available to Trustees upon request due to confidentiality)	Consultant
Manager Pitchbook	Investment Manager

Note: Staff will provide an abbreviated Executive Summary Report that is available for review upon request by the Trustees.

Appendix II

Executive Summary Report Template

Fund Name

Section I: General Information

Fund Name; Total AUM of the Firm; Current Target Fund Size; Previous Fund Size; Fund Focus; etc.

Section II: Investment Management

Organization Structure; Management Group; Experience; Personnel Turnover; etc.

Section III: Investment Strategy

Investment Philosophy; Investment Strategy; Investment Process; Investment Objective; etc.

Section IV: Risk Management

Risk Control Methodology; Exit Strategy; etc.

Section V: Investment Rationale

Section VI: Investment Concerns

Section VII: Performance (example)

Benchmark:

Net Returns (%):

Periods Ending Date	YTD	1Year	3Years	5Years	Since Inception
Fund					
Benchmark (see § VII)					
Relative Performance: Account – Benchmark					

Section VIII: Key Terms

Fund Term; Preferred Return; Investment Period; Management Fee; Other Fees; General Partner Carry; GP Commitment; Advisory Board; Clawback; No-Fault Divorce; Key-Person Events; Closing Schedule; Drawdown Schedule; etc.

* List of items to be addressed as appropriate.
Data provided by Name as of Date; ICM Date

Appendix III

Compliance Checklist Template for Private Equity Investment Selection

Target allocation to Private Equity (PE) Portfolio: 11.0% of the total Fund

<u>A. Private Equity (PE) Policy for PE Portfolio</u>	<u>Fund Name</u>	<u>In Compliance</u>
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1. Permissible Legal Structures

Any legally permissible vehicle will be allowed including, but not limited to, joint ventures, limited partnerships, and limited liability corporations.	<i>Specific legal structure.</i>	<i>Yes, No or N/A</i>
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2. Investment Methods

Individual limited partnership funds Primary and/or Secondary Separate accounts Discretionary Fund-of-funds Direct investments/Co-Investments Combination of the above	<i>Specific investment methods.</i>	<i>Yes, No or N/A</i>
--	-------------------------------------	-----------------------

3. Investment Characteristics

Private Equity shall include investments as specified in Section VII of the PE Policy may include, but not be limited to, buyouts, venture capital, debt related / special situations.	<i>Specific investment type.</i>	<i>Yes, No or N/A</i>
Buyouts: typically purchase of a control position in an established, privately held company, Venture Capital: typically purchase in privately held companies at varying stages of formation, and Debt related / special situations: typically combine a debt instrument, which provides a current yield, with an equity participation of warrants, etc. Special situations investments can encompass any variety of private investments in debt or equity.	<i>Specific investment characteristics.</i>	<i>Yes, No or N/A</i>
	<i>Specific currency denomination.</i>	<i>Yes, No or N/A</i>

<p><u>Private Equity</u> may be denominated in U.S. dollars or other currencies.</p>		
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4. Portfolio Diversification

<p><u>By sub-asset class: among buyouts, venture capital, and debt-related/special situations Strategies may be classified as <u>Buyout, Venture Capital, or Growth Equity.</u></u></p> <p><u>By vintage year:</u> roughly equal amounts of new funding will be committed in each calendar year with deviations permitted.</p> <p><u>By Investment Manager:</u> ≤20% of the target allocation to total PE Portfolio may be committed to any one partnership.</p> <p><u>By geography:</u> commitments to funds located and/or investing in both in and outside of the U.S.</p> <p><u>By industry:</u> PE Portfolio is generally diversified by sector/industry.</p>	<p><i>Specific investment type.</i></p> <p><i>Specific vintage year.</i></p> <p><i>Specific commitments to the Investment Manager.</i></p> <p><i>Specific location.</i></p> <p><i>Specific sector/industry.</i></p>	<p><i>Yes, No or N/A</i></p> <p><i>Yes, No or N/A</i></p> <p><i>Yes, No or N/A</i></p> <p><i>Yes, No or N/A</i></p> <p><i>Yes, No or N/A</i></p>
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5. Return Expectation

<p><u>Cambridge Associates Global Private Equity and Venture Capital Index in Aggregate.</u> Thomson Reuters C/A Benchmark (net of all fees) in aggregate.</p> <p>Each sub-asset class:</p> <p>Thomson Reuters C/A Global Buyout Equity Benchmark</p> <p>Thomson Reuters C/A Global Venture Capital & Growth Equity Benchmark</p> <p>Thomson Reuters C/A Global Mezzanine & Distressed Benchmark</p>	<p><i>Specific return target.</i></p>	<p><i>Yes, No, or N/A</i></p> <p><i>Yes, No, or N/A</i></p> <p><i>Yes, No, or N/A</i></p> <p><i>Yes, No, or N/A</i></p>
---	---------------------------------------	--

6. Investment Allocations

<p><u>Private Equity Portfolio: target 11%;</u> range 8%-143% of the total Fund.</p> <p><u>Buyouts:</u> target 760%; range 530%-980%.</p> <p><u>Venture Capital:</u> target 1520%; range 50%-2540%.</p> <p><u>Debt related / Special Situations:</u> target <u>Growth Equity: target 20</u>15%; range 500%-2530%.</p>	<p><i>Expected allocations to the PE Portfolio and the underlying portfolios including specific commitment to the Investment Manager.</i></p>	<p><i>Yes, No, or N/A</i></p>
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7. Investment Constraints

<p>Buyouts: ≤35% of the target value of the buyout portfolio may be invested in a single sector of the domestic or international economy.</p> <p>Venture Capital: ≤50% of the target value of the venture capital portfolio may be invested in a single industry within a particular sector.</p> <p>Debt related / Special Situations: ≤30% of the target value of the debt related portfolio may be invested in any single debt related asset.</p>	<p>Specific commitment to the Investment Manager.</p>	<p>Yes, No or N/A</p>
--	--	----------------------------------

B. Private Equity Investment Plan for YEAR

Approved: *DATE*

Fund Name

In Compliance

<p>Specific Investment Plan.</p>	<p><i>Specific commitment to the Investment Manager.</i></p>	<p><i>Yes, No or N/A</i></p>
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APPENDIX IV

Details of Disclosure Policy For Private Equity Investments (“PE Funds”)

1. Upon request, ACERA shall disclose : (i) the name, address and vintage year of each PE Fund; (ii) the dollar amount of capital committed to each PE Fund by ACERA since inception; (iii) the dollar amount of cash contributions made to each PE Fund by ACERA since inception; (iv) the dollar amount of distributions received by ACERA from each PE Fund on a fiscal yearend basis; (v) the market value of ACERA’s investment in each PE Fund on a fiscal yearend basis; (vi) each PE Fund’s net internal rate of return (“IRR”) since inception; (vii) the investment multiple of each PE Fund since inception; (viii) the dollar amount of total management fees and expenses paid on an annual fiscal yearend basis, by ACERA to each PE Fund; and (ix) the dollar amount of cash profit received by ACERA from each PE Fund on a fiscal yearend basis. (*See* Cal. Govt. Code § 6254.26(b).)

2. ACERA shall disclose at least once annually in a report presented at a meeting open to the public : (i) the fees and expenses that ACERA pays directly to each PE Fund and, the PE Fund manager or related parties; (ii) ACERA’s pro rata share of fees and expenses not included in (i) that are paid from each PE Fund to the PE Fund manager or related parties; (iii) ACERA’s pro rata share of carried interest distributed by each PE Fund to the PE Fund manager or related parties; (iv) ACERA’s pro rata share of aggregate fees and expenses paid by all of the portfolio companies held by each PE Fund to the PE Fund manager or related parties; (v) the information outlined in Section 1, above, and (vi) the gross and net IRR of each PE Fund, since inception. (*See* Cal. Govt. Code § 7514.7)

All other records regarding h Private Equity investments shall be exempt from disclosure to the fullest extent permitted under applicable law.

Notwithstanding the preceding, or anything else in this PE Policy, ACERA reserves the right to withhold any record when “on the facts of the particular case the public interest served by not disclosing the record clearly outweighs the public interest served by disclosure of the record.” (*See*, Cal. Govt. Code §6255(a)). This weighing process contemplates a case-by-case balancing test between competing public interests based on the facts presented as the statute has been interpreted by the courts.⁸

⁸ *Michaelis, Montanari & Johnson v Superior Court*, 38 Cal.4th 1065, 1071 (2006).



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To: Members of the Investment Committee

From: Julius Cuaresma, Investment Analyst

Date: January 8, 2025

Subject: Annual Update for 2024 – ESG

Recommendation:

Not applicable. This is an information item.

Background:

At the December 2023 IC Meeting, Staff presented ACERA's first Annual ESG Risk Disclosure Report. This presentation marked the completion of the 2022 Board-approved ESG Policy Implementation Plan¹. At this meeting, Investment Staff and NEPC, with input and review from Legal Staff, present the second Annual ESG Risk Disclosure Report. Similar to the 2023 Report, this Report results from Staff's request to its Investment Managers to:

1. Confirm, read, and acknowledge receipt of ACERA's Investment Policies;
2. Complete ACERA's ESG Survey², "Ten ESG Questions" (Attachment #1).

Discussion:

This named Report is an asset allocation³ perspective of ACERA's ESG risk factors based on ACERA's Investment Manager responses to the Ten ESG Questions. For example, 99% of the Total Fund has an ESG Policy⁴; 93% of the Emerging Investment Manager ("EIM") allocation has an ESG Policy. A higher percentage indicates that more Managers responded with a "Yes" response to the Ten ESG Questions.

Conclusion:

Throughout 2024, Staff and NEPC discussed the importance of asset allocation, the harmonization of ACERA's Policies, and the rebalancing of the IC workplan. In 2025, Staff and NEPC will be seeking the Board's approval to amend the ESG and EIM Policies. This process will utilize NEPC's ESG due diligence capabilities and involve updating and enhancing ACERA's current ESG Risk Disclosure Report and Ten ESG Questions.

Attachments:

#1 Second Annual ESG Risk Disclosure Report (including Ten ESG Questions), prepared by Staff

¹ This named Plan required four "Implementation Components": (1) Adopt ISS Public Fund Policy (replace current ISS Benchmark Policy); (2) Develop ESG evaluation framework, integrate into ACERA's due diligence process; (3 and 4) Conduct annual ESG review of ACERA's Investment Managers, including Emerging Investment Managers (EIM), through the Annual ESG Risk Disclosure Report.

² Staff surveyed its Investment Managers using the ACERA.org website.

³ Using 9/30/24 net asset value (NAV) data

⁴ From the 2023 ESG Risk Disclosure Report, "97% of the Total Fund has an ESG Policy, with the EIM portfolio at 94%."

ACERA’s Second Annual ESG Risk Disclosure Report (as of 9/30/2024 data)

Table 1: ACERA’s Ten ESG Questions

1. Is your firm a PRI signatory?
2. What is your firm's most recent PRI Strategy and Governance score?*
3. Is there a dedicated ESG oversight function at your firm?
4. Does your firm have a firm-wide policy on ESG/Responsible Investment? If yes, please attach.
5. Does your firm publish an annual sustainability report?
6. Does your firm have efforts in place to measure/reduce its carbon footprint?
7. Does your firm track KPIs related to staff diversity initiatives?
8. Does your firm have policies to promote diversity in recruiting, workforce, leadership, and/or board representation?
9. Does your firm have policies in place to increase gender/ethnic diversity of senior leadership and investment teams?
10. Does your firm have a global policy around proxy voting?***

Table 2: Total Fund, Emerging Investment Manager (“EIM”) ***

ACERA's Ten ESG Questions	Total Fund	EIM
<i>1. UN PRI Signatory?</i>	88%	73%
<i>2. PRI Score?</i>	0%	0%
<i>3. Dedicated ESG Oversight?</i>	95%	78%
<i>4. ESG Policy?</i>	99%	93%
<i>5. Annual Sustainability Report?</i>	70%	27%
<i>6. Efforts in place to measure/reduce its carbon footprint?</i>	90%	33%
<i>7. Track KPIs related to staff diversity initiatives?</i>	86%	80%
<i>8. Policies to promote diversity in recruiting, workforce, leadership, and/or board representation?</i>	95%	87%
<i>9. Policies to increase gender/ethnic diversity of senior leadership and investment teams?</i>	86%	73%
<i>10. Global proxy voting policy?</i>	90%	73%

Table 3: US Equity, International Equity, Fixed Income, and Private Equity

ACERA's Ten ESG Questions	US Equity	Intl Equity	Fixed Income	Private Equity
1. UN PRI Signatory?	95%	100%	100%	36%
2. PRI Score?	0%	0%	0%	0%
3. Dedicated ESG Oversight?	95%	100%	100%	65%
4. ESG Policy?	100%	100%	100%	88%
5. Annual Sustainability Report?	89%	70%	28%	56%
6. Efforts in place to measure/reduce its carbon footprint?	94%	85%	100%	57%
7. Track KPIs related to staff diversity initiatives?	95%	84%	100%	69%
8. Policies to promote diversity in recruiting, workforce, leadership, and/or board representation?	94%	100%	100%	72%
9. Policies to increase gender/ethnic diversity of senior leadership and investment teams?	84%	84%	100%	56%
10. Global proxy voting policy?	100%	100%	100%	55%

Table 4: Absolute Return, Real Estate, Real Assets, and Private Credit

ACERA's Ten ESG Questions	Absolute Return	Real Estate	Real Assets	Private Credit
1. UN PRI Signatory?	56%	86%	100%	100%
2. PRI Score?	0%	0%	0%	0%
3. Dedicated ESG Oversight?	95%	95%	98%	100%
4. ESG Policy?	100%	95%	100%	100%
5. Annual Sustainability Report?	56%	86%	98%	78%
6. Efforts in place to measure/reduce its carbon footprint?	100%	95%	100%	78%
7. Track KPIs related to staff diversity initiatives?	52%	91%	98%	63%
8. Policies to promote diversity in recruiting, workforce, leadership, and/or board representation?	100%	95%	94%	100%
9. Policies to increase gender/ethnic diversity of senior leadership and investment teams?	100%	94%	94%	80%
10. Global proxy voting policy?	95%	41%	79%	100%

Notes:

1. With NEPC, Staff expects to update and improve current ESG due diligence, including this Report and the Questions. For example:
 - a. *Question 2, "What is your firm's recent PRI score?" Staff received many disparate Manager responses, thus the inability to portray a quantifiable number for the tables above.
 - b. **Question 10, "Does your firm have a global policy around proxy voting?" Many firms do not have proxy voting policies due to their investable asset universe.
2. ***The EIM portfolio, as of 9/30/24, represents about 8% of the Total Fund or \$929.8 M.



Proposed Investment Committee Meeting Workplan for 2025

January 8, 2025

Action Items	Information Items		
January 8	<ol style="list-style-type: none"> 1. Review of Private Equity Policy 2. Annual Update for 2024 - ESG 3. Proposed Investment Committee Meeting Workplan for 2025 4. CA Gov. Code § 7514.7 Information Report Update 		
February 5	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <ol style="list-style-type: none"> 1. Interview of the Finalists for ACERA’s Emerging Markets Manager Search – Public Equities and Possible Motion that the Investment Committee Recommends Finalist to the Board (Placeholder, Title TBD) 2. Discussion and Possible Motion to Recommend that the Board Adopt an Investment in ACERA’s Real Estate Portfolio (Placeholder) 3. Discussion and Possible Motion to Recommend that the Board Adopt the Updated Private Equity Policy (Title TBD) </td> <td style="width: 50%; vertical-align: top;"> <ol style="list-style-type: none"> 1. 2025 Capital Market Assumptions and Asset Allocation Update (Placeholder) 2. Investment Committee Meeting Workplan for 2025 3. Review of Real Asset Policy 4. Report on Investment Made Under Delegated Authority – Private Credit (Placeholder) </td> </tr> </table>	<ol style="list-style-type: none"> 1. Interview of the Finalists for ACERA’s Emerging Markets Manager Search – Public Equities and Possible Motion that the Investment Committee Recommends Finalist to the Board (Placeholder, Title TBD) 2. Discussion and Possible Motion to Recommend that the Board Adopt an Investment in ACERA’s Real Estate Portfolio (Placeholder) 3. Discussion and Possible Motion to Recommend that the Board Adopt the Updated Private Equity Policy (Title TBD) 	<ol style="list-style-type: none"> 1. 2025 Capital Market Assumptions and Asset Allocation Update (Placeholder) 2. Investment Committee Meeting Workplan for 2025 3. Review of Real Asset Policy 4. Report on Investment Made Under Delegated Authority – Private Credit (Placeholder)
<ol style="list-style-type: none"> 1. Interview of the Finalists for ACERA’s Emerging Markets Manager Search – Public Equities and Possible Motion that the Investment Committee Recommends Finalist to the Board (Placeholder, Title TBD) 2. Discussion and Possible Motion to Recommend that the Board Adopt an Investment in ACERA’s Real Estate Portfolio (Placeholder) 3. Discussion and Possible Motion to Recommend that the Board Adopt the Updated Private Equity Policy (Title TBD) 	<ol style="list-style-type: none"> 1. 2025 Capital Market Assumptions and Asset Allocation Update (Placeholder) 2. Investment Committee Meeting Workplan for 2025 3. Review of Real Asset Policy 4. Report on Investment Made Under Delegated Authority – Private Credit (Placeholder) 		
March 5	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <ol style="list-style-type: none"> 1. Discussion and Possible Motion to Recommend that the Board Adopt an Investment in ACERA’s Private Equity Portfolio- (Placeholder) 2. Discussion and Possible Motion to Recommend that the Board to Adopt the Updated Real Assets Policy 3. Discussion and Possible Motion to Recommend that the Board to Approve the 2025 Real Assets Investment Plan 4. Discussion and possible motion to recommend to the board to eliminate the Directed Brokerage Policy (Placeholder) </td> <td style="width: 50%; vertical-align: top;"> <ol style="list-style-type: none"> 1. Semiannual Performance Review for the Period Ending September 30, 2024 – Total Fund Highlighting Public Markets Asset Classes 2. ESG Education (Placeholder) 3. ESG & Emerging Investment Manager (EIM) Policy Review (Placeholder) 4. Semiannual report on ACERA’s Directed Brokerage from July to December 2024 5. Semiannual report on ACERA’s Sec Lending from July to December 2024 6. Semiannual report of ACERA’s investment manager, consultant, and </td> </tr> </table>	<ol style="list-style-type: none"> 1. Discussion and Possible Motion to Recommend that the Board Adopt an Investment in ACERA’s Private Equity Portfolio- (Placeholder) 2. Discussion and Possible Motion to Recommend that the Board to Adopt the Updated Real Assets Policy 3. Discussion and Possible Motion to Recommend that the Board to Approve the 2025 Real Assets Investment Plan 4. Discussion and possible motion to recommend to the board to eliminate the Directed Brokerage Policy (Placeholder) 	<ol style="list-style-type: none"> 1. Semiannual Performance Review for the Period Ending September 30, 2024 – Total Fund Highlighting Public Markets Asset Classes 2. ESG Education (Placeholder) 3. ESG & Emerging Investment Manager (EIM) Policy Review (Placeholder) 4. Semiannual report on ACERA’s Directed Brokerage from July to December 2024 5. Semiannual report on ACERA’s Sec Lending from July to December 2024 6. Semiannual report of ACERA’s investment manager, consultant, and
<ol style="list-style-type: none"> 1. Discussion and Possible Motion to Recommend that the Board Adopt an Investment in ACERA’s Private Equity Portfolio- (Placeholder) 2. Discussion and Possible Motion to Recommend that the Board to Adopt the Updated Real Assets Policy 3. Discussion and Possible Motion to Recommend that the Board to Approve the 2025 Real Assets Investment Plan 4. Discussion and possible motion to recommend to the board to eliminate the Directed Brokerage Policy (Placeholder) 	<ol style="list-style-type: none"> 1. Semiannual Performance Review for the Period Ending September 30, 2024 – Total Fund Highlighting Public Markets Asset Classes 2. ESG Education (Placeholder) 3. ESG & Emerging Investment Manager (EIM) Policy Review (Placeholder) 4. Semiannual report on ACERA’s Directed Brokerage from July to December 2024 5. Semiannual report on ACERA’s Sec Lending from July to December 2024 6. Semiannual report of ACERA’s investment manager, consultant, and 		



Proposed Investment Committee Meeting Workplan for 2025

January 8, 2025

Action Items

Information Items

April 2	<ol style="list-style-type: none"> 1. Discussion and possible motion to recommend to the Board to adopt an updated ESG Policy and EIM Policy (placeholder) 	<p>custodian bank fees from July to December 2024</p> <ol style="list-style-type: none"> 7. Semiannual report on ACERA’s rebalancing activities from July to December 2024 8. Semiannual report on Investment Products and Services Introductions (IPSI) from July to December 2024 9. Semiannual Update of the Investment Committee Meeting Work Plan for 2025 <ol style="list-style-type: none"> 1. Report on Investment Made Under Delegated Authority – Real Assets (Placeholder) 2. Report on Investment Made Under Delegated Authority – Private Credit (Placeholder) 3. Proposed Investment Policy Statement Update on the New Policy Benchmark per Approved Asset Allocation (Placeholder/Tentative Working Title) 4. Proposed Public Equity Restructure (Placeholder)
May 7	<ol style="list-style-type: none"> 1. Discussion and Possible Motion to Recommend to the Board to Adopt the Investment Policy Statement Update on the New Policy Benchmark per Approved Asset Allocation (Placeholder/Tentative Working Title) 2. Discussion of and Possible Motion that the Board Approve a Safe Haven Fixed Income Investment Plan (Placeholder) 	<ol style="list-style-type: none"> 1. Report on Investment Made Under Delegated Authority – Private Credit (Placeholder)



Proposed Investment Committee Meeting Workplan for 2025

January 8, 2025

Action Items

Information Items

Date	Action Items	Information Items
June 4	1. Discussion and Possible Motion to Recommend that the Board Approve a Real Assets Investment - Infrastructure (Placeholder)	1. Semiannual Performance Review for the Period Ending December 31, 2024 – Real Estate 2. Semiannual Performance Review for the Period Ending December 31, 2024 – Private Equity 3. Semiannual Performance Review for the Period Ending December 31, 2024 – Private Credit 4. Semiannual Performance Review for the Period Ending December 31, 2024 – Real Assets 5. Semiannual Performance Review for the Period Ending December 31, 2024 – Absolute Return (Placeholder) 6. Report on Investment Made Under Delegated Authority – Private Credit (Placeholder)
July 2		1. Review of Absolute Return Policy (Placeholder)
August 6	1. Discussion and Possible Motion to Recommend that the Board Approve an updated Absolute Return Policy (Placeholder) 2. Discussion and Possible Motion to Recommend that the Board Approve the 2025 Absolute Return Investment Plan (Placeholder)	1. Report on Investment Made Under Delegated Authority – Private Credit (Placeholder)



Proposed Investment Committee Meeting Workplan for 2025

January 8, 2025

Action Items

Information Items

Action Items	Information Items
<p>September 3</p> <p>1. Discussion and Possible Motion to Recommend that the Board Approve an Investment in ACERA’s Real Assets Portfolio (Placeholder)</p>	<p>1. Semiannual Performance Review for the Period Ending March 31, 2025 – Total Fund Highlighting Public Market Asset Classes</p> <p>2. Semiannual report on ACERA’s Directed Brokerage from January to June 2025 (Placeholder)</p> <p>3. Semiannual report on ACERA’s Sec Lending from January to June 2025</p> <p>4. Semiannual report of ACERA’s investment manager, consultant, and custodian bank fees from January to June 2025</p> <p>5. Semiannual report on ACERA’s rebalancing activities from January to June 2025</p> <p>6. Semiannual report on Investment Products and Services Introductions (IPSI) from January to June 2025</p> <p>7. Semiannual Update of the Investment Committee Meeting Work Plan for 2025</p>
<p>October 1</p> <p>1. Discussion and Possible Motion to Recommend that the Board to Adopt an Investment in ACERA’s Private Equity Portfolio- (Placeholder)</p>	<p>1. Parametric Presentation & Proposed revisions to Cash Overlay/Rebalance Sections in the General Investment Guidelines, Policies, and Procedures (Placeholder)</p> <p>2. Discussion of Investment Governance and Delegated Authority (Placeholder)</p>



Proposed Investment Committee Meeting Workplan for 2025

January 8, 2025

	Action Items	Information Items
November 5		1. Annual Update for 2025 – ESG (Placeholder)
December 3	<ol style="list-style-type: none"> 1. Discussion and Possible Motion to Recommend that the Board Approve an Investment in a ACERA’s Real Assets Portfolio (Placeholder) 2. Discussion of and Possible Motion that the Board Approve the 2026 Private Credit Investment Plan 3. Discussion of and Possible Motion that the Board Approve the 2026 Private Equity Investment Plan 4. Discussion of and Possible Motion that the Board Approve the 2026 Real Assets Investment Plan 	<ol style="list-style-type: none"> 1. Semiannual Performance Review for the Period Ending June 30, 2025 – Real Estate 2. Semiannual Performance Review for the Period Ending June 30, 2025 – Private Equity 3. Semiannual Performance Review for the Period Ending June 30, 2025 – Private Credit 4. Semiannual Performance Review for the Period Ending June 30, 2025 – Real Assets 5. Semiannual Performance Review for the Period Ending June 30, 2025 – Absolute Return (Placeholder) 6. CA Gov. Code § 7514.7 Information Report



TO: Members of the Investment Committee

FROM: John Ta, Investment Officer

Noe Reynoso, Investment Analyst *Noe Reynoso*

DATE: January 08, 2025

SUBJECT: CA Gov. Code § 7514.7 Alternative Investment Vehicles Information Report Update

Recommendation:

Not Applicable – This is an information item.

Background/Discussion:

In the December 4th, 2024 Investment Committee meeting, staff presented the CA Gov. Code § 7514.7 Alternative Investment Vehicles Information Report to the committee. At the time of producing the reports, not all information was available to staff and an N/A was placed in sections where we did not have the information. Staff has since then obtained the missing information and thus we are redistributing the completed reports.

As a reminder, staff has created two disclosure charts, one to address the information required in Section 7514.7 (See Attachment #1) and another to address Section 7928.710 (See Attachment #2). The charts reflect information for the calendar year ending December 31, 2023.

The Section 7514.7 Chart includes both the mandatory disclosure information for contracts entered into after January 1, 2017 (“Mandatory Funds”) and the voluntary disclosure information for contracts executed prior to January 1, 2017 (“Voluntary Funds”). For earlier investment contracts, Staff has made considerable efforts to obtain the information either via contract amendment or information arrangement. For those legacy managers that agreed to provide the data, their information is listed under Voluntary Funds.

The Section 7928.710 Chart applies to all AIVs in which ACERA is invested, as the data contained in this Chart can be disclosed under the California Public Records Act.

Attachments:

- #1 Staff Section 7514.7 Chart, prepared by ACERA
- #2 Staff Section 7928.710 Chart, prepared by ACERA

Attachment #1 - Section 7514.7 Chart*

Fund Name	Board Approval Date**	Fees and Expenses	Fees and Expenses Paid	Carried Interest Distributed ³ (FY 2023)	Aggregate Fees and Expenses Paid	Gross IRR ^{5,A} (Since Inception)	Net IRR ^{6,A} (Since Inception)
		Paid Directly ¹ (FY 2023)****	Indirectly (from AIV) ² (FY 2023)****		by Portfolio Companies ⁴ (FY 2023)		
Voluntary Funds (Pre-2017)							
Angeles Equity Partners I, L.P.	Aug-2016	\$0	\$148,721	\$203,646	\$372,458	29.0%	17.9%
CIM Infrastructure Fund II, L.P.	Dec-2015	\$0	\$751,902	\$0	\$182,343	15.4%	11.3%
CIM VI-2 (Urban REIT), LLC	Apr-2012	\$0	\$3,455,515	\$0	\$0	4.5%	3.2%
Global Strategy LLC	May-2013	\$0	\$1,006,931	\$258,792	\$0	9.8%***	6.6%***
Great Hill Equity Partners IV, L.P.	Oct-2008	\$0	\$9,414	\$321,699	\$0	25.8%	25.8%
Great Hill Equity Partners V, L.P.	Aug-2013	\$0	\$246,813	\$12,629	\$710	33.9%	24.7%
Heitman American Real Estate Trust, L.P.	Jan-2013	\$0	\$564,619	\$0	\$0	8.2%	7.0%
Jamestown Premier Property Fund, L.P.	Sep-2012	\$0	\$153,128	\$0	\$0	3.7%	-0.3%
JLL Partners Fund VII, L.P.	Feb-2014	\$0	\$366,590	\$0	\$0	20.3%	16.4%
MetLife Core Property Fund, L.P.	Nov-2013	\$0	\$383,956	\$0	\$0	9.4%	8.7%
PRISA	Sep-2007	\$0	\$300,477	\$0	\$0	4.9%	3.9%
PRISA III	Mar-2013 / May-2022	\$0	\$767,513	\$0	\$0	13.2%	11.4%
Sycamore I, L.P.	Mar-2012	\$0	\$115,885	\$298,484	\$3,286	37.0%	24.0%
Sycamore II, L.P.	May-2014	\$0	\$126,336	\$0	\$16,339	9.0%	5.0%
UBS Trumbull Property Fund	Jul-2014	\$0	\$230,812	\$0	\$0	5.1%	4.0%
Warburg Pincus Energy, L.P.	Apr-2014	\$0	\$42,655	\$0	\$0	6.1%	2.9%
Warburg Pincus Private Equity XI, L.P.	Sep-2012	\$0	\$203,905	\$307,378	\$0	16.9%	12.1%
Warburg Pincus Private Equity XII, L.P.	Oct-2015	\$0	\$420,178	\$0	\$0	21.4%	16.4%
Mandatory Funds (2017-2023)							
ABRY Advanced Securities Fund IV, L.P.	Sep-2018	\$0	\$681,306	\$0	\$0	12.0%	6.8%
ABRY Senior Equity VI, L.P.	May-2021	\$0	\$345,297	\$0	\$0	16.7%	9.2%
AEW Partners Real Estate Fund IX, L.P.	Mar-2020	\$0	\$402,683	\$0	\$0	8.6%	6.6%
AEW Partners Real Estate Fund VIII, L.P.	Apr-2018	\$0	\$1,264,445	\$0	\$0	26.5%	20.2%
AG Credit Solutions Fund II, L.P.	Oct-2021	\$0	\$107,488	\$0	\$0	16.1%	11.5%
AG CSF2A Dislocation Master Fund A, L.P.	Dec-2022	\$0	\$290,818	\$0	\$0	34.4%	23.9%
AG Realty Value Fund X, L.P.	Jul-2018	\$0	\$705,600	\$0	\$0	15.9%	8.0%
Altas Partners Holdings II, L.P.	Jun-2019	\$0	\$360,439	\$0	\$0	15.4%	10.5%
Altas Partners Holdings III, L.P.	Mar-2022	\$0	\$674,425	\$0	\$0	N/A	N/A
Ares Senior Direct Lending Fund II, L.P.	Sep-2021	\$0	\$881,289	\$0	\$0	20.2%	15.0%
Ares Senior Direct Lending Fund III, L.P.	Jul-2023	\$0	\$0	\$0	\$0	N/A	N/A
Artemis Real Estate Partners Healthcare Fund II, L.P.	Jan-2021	\$0	\$313,870	\$0	\$0	9.4%	1.0%
Artemis Real Estate Partners Income and Growth Fund, L.P.	Nov-2019	\$0	\$376,269	\$0	\$0	3.8%	0.8%
Audax Private Equity Fund VI, L.P.	Aug-2018	\$0	\$2,628,671	\$422,008	\$0	38.1%	34.7%
Audax Private Equity Fund VII, L.P.	Sept-2022	\$0	\$499,189	\$0	\$0	16.9%	-9.0%
BCP Fund II, L.P.	Oct-2017	\$0	\$538,178	\$229,046	\$0	27.8%	20.6%
BlackRock Direct Lending Fund IX, L.P.	Sep-2020	\$0	\$1,124,044	\$0	\$0	10.1%	7.3%
Blackstone Strategic Opportunity Fund L.P.	Dec-2017	\$0	\$2,102,066	\$0	\$0	5.3%	5.1%
Blue Owl First Lien Fund, L.P.	Sept-2019	\$0	\$1,466,274	\$0	\$0	11.3%	9.1%
Brookfield Super-Core Infrastructure Partners	Jul-2020	\$0	\$524,316	\$0	\$0	9.6%***	8.0%***
Canvas Ventures III, L.P.	Nov-2020	\$0	\$249,555	\$0	\$2,117	N/A	-1.2%
CapVest Equity Partners IV, L.P.	Jun-2018	\$0	\$0	\$0	\$0	41.0%	23.0%
CBRE Strategic Partners U.S. Value 9	May-2021	\$0	\$1,373,265	\$0	\$0	-9.8%	-13.1%
CD&R XI, L.P.	Sep-2020	\$0	\$463,569	\$0	\$0	9.8%	2.8%
CD&R XII, L.P.	Mar-2023	\$0	\$638,476	\$0	\$0	N/A	N/A
Crestline Opportunity Fund V, L.P.	Apr-2023	\$0	\$391,562	\$0	\$0	47.9%	30.9%
Davidson Kempner Opportunities Fund VI, L.P.	May-2023	\$0	\$596,548	\$0	\$0	28.5%	5.1%
Eclipse Fund V, L.P.	Mar-2023	\$0	\$0	\$0	\$0	N/A	N/A
EQT Infrastructure Fund IV, L.P.	Nov-2018	\$0	\$487,959	\$0	\$1,828	14.0%	10.6%
EQT Infrastructure V - USD	Oct-2020	\$0	\$403,197	\$0	\$87	14.0%	11.3%
Genstar Capital Partners IX, L.P.	Feb-2019	\$0	\$327,942	\$327,771	\$0	43.1%	31.1%
Genstar Capital Partners X, L.P.	Mar-2021	\$0	\$514,687	\$0	\$0	7.1%	2.1%
Genstar Capital Partners XI, L.P.	Apr-2023	\$0	\$134,555	\$0	\$0	N/A	N/A
Great Hill Equity Partners VI, L.P.	Jan-2017	\$0	\$791,446	\$2,136,423	\$5,980	41.5%	45.4%
Great Hill Equity Partners VII, L.P.	May-2019	\$0	\$757,006	\$0	\$4,531	28.3%	39.8%
Great Hill Equity Partners VIII, L.P.	Jan-2022	\$0	\$2,072,784	\$0	\$2,859	N/A	N/A
Gridiron Capital Fund V, L.P.	May-2023	\$0	\$2,523,362	\$0	\$0	17.5%	9.3%
Heitman Value Partners IV, L.P.	Jun-2017 / Mar-2018	\$0	\$151,549	\$0	\$0	15.0%	10.5%
HPS Specialty Loan Fund V, L.P.	Oct-2020	\$0	\$1,152,600	\$0	\$0	12.1%	8.6%
ISQ Global Infrastructure Fund II, L.P.	Dec-2017	\$0	\$446,020	\$350,322	\$0	16.5%	12.7%
Khosla Ventures Seed D, L.P.	Mar-2018	\$0	\$54,209	\$0	\$0	37.7%	28.1%
Khosla Ventures VI, L.P.	Mar-2018	\$0	\$138,172	\$0	\$0	34.5%	25.4%
KPS Special Situations Fund V, L.P.	Oct-2019	\$0	\$14,040	\$478,581	\$0	36.2%	22.0%
KPS Special Situations Mid-Cap Fund, L.P.	Oct-2019	\$0	\$24,039	\$82,086	\$0	34.8%	21.3%
LHP Strategic Alpha Fund, LLC	Nov-2015 / May-2018	\$0	\$2,013,492	\$0	\$0	7.2%***	6.4%***
Lion Industrial Trust	Mar-2018 / Mar-2022	\$0	\$2,561,188	\$0	\$0	17.1%	14.6%
LS Power Fund V, L.P.	Jul-2023	\$0	\$213,887	\$0	\$0	N/A	N/A
Monroe Private Credit Fund IV, L.P.	Dec-2021	\$0	\$817,013	\$628,857	\$0	10.2%	8.3%
NEA 16, L.P.	Mar-2017	\$0	\$167,403	\$0	\$0	11.2%	7.9%
Peak Rock Capital Credit Fund II, L.P.	Sep-2017	\$0	\$92,940	\$0	\$0	22.6%	16.6%
Peak Rock Capital Fund II, L.P.	Sep-2017	\$0	\$222,987	\$0	\$64,809	55.6%	38.2%
Peak Rock Capital Fund III, L.P.	Jan-2021	\$0	\$231,182	\$0	\$71,762	32.6%	26.6%
Quantum Energy Partners VII Co-Investment Fund, L.P.	Sep-2017	\$0	\$7,942	\$0	\$0	19.0%	17.7%
Quantum Energy Partners VII, L.P.	Sep-2017	\$0	\$320,961	\$75,805	\$0	23.0%	17.0%
Riverview Strategic Alpha, L.P.	Jan-2022	\$0	\$2,047,439	\$150,881	\$0	8.6%***	8.0%***
SSGA Custom Real Assets Non-Lending Strategy	Nov-2018	\$616,232	\$0	\$0	\$0	6.5%	6.4%
Starwood Distressed Opportunity Fund XII	Jun-2021	\$0	\$636,253	\$0	\$0	18.8%	8.4%
Summit Partners Growth Equity XI, L.P.	Sept-2021	\$0	\$348,834	\$0	NA	14.0%	14.0%
SVP Special Situations Fund V, L.P.	Mar-2021	\$0	\$397,584	\$0	\$0	20.1%	14.3%
Sycamore III, L.P.	Jan-2018	\$0	\$126,336	\$0	\$1,178,605	34.0%	19.8%
Taurus Mining Finance Fund No.2, L.P.	Feb-2019	\$0	\$343,240	\$0	\$0	29.9%	18.9%
Tiger Infrastructure Partners Fund III, L.P.	Dec-2021	\$0	\$461,617	\$0	\$27,958	15.0%	5.0%
Vision Ridge Sustainable Asset Fund III, L.P.	Mar-2021	\$0	\$334,483	\$0	\$0	1.2%	-2.0%
Vista Foundation IV, L.P.	Dec-2019	\$0	\$483,571	\$0	\$84,233	5.7%	0.2%

* The information on this chart is prepared by ACERA. This chart has not been prepared, reviewed or approved by the listed Funds, General Partners, Fund Managers, or any of their affiliates.

** Date the Board approved the investment.

*** Returns expressed as annualized total return instead of IRR.

**** The total management fees and expenses are net offsets and rebates, where applicable.

^ Calculated/Reported IRRs are typically not meaningful within the early stages of a fund's life due to a short time frame and lack of cash flows.

N/A: Not available or not applicable.

Footnotes for the information being requested for each Alternative Investment Vehicle:

1. The fees and expenses that the public investment fund pays directly to the alternative investment vehicle, the fund manager, or related parties.
2. The investor's pro rata share of fees and expenses not included in footnote #1 that are paid from the alternative investment vehicle to the fund manager or related parties.
3. The investor's pro rata share of carried interest distributed by the Partnership to the fund manager or related parties. For non private equity type vehicles, this category represents the performance fee charged in addition to a management fee.
4. The investor's pro rata share of aggregate fees and expenses paid by all of the portfolio companies held by the alternative investment vehicle to fund manager or related parties. This aggregate sum may or may not offset (or partially offset) management fees.
5. Gross internal rate of return.
6. Net internal rate of return.

Attachment #2 - Section 7928.710 Chart*

Fund Name ¹	Address ¹	Vintage Year ¹	Commitment ²	Cash		Cash Distributions		Net IRR ⁶ (Since Inception)	Investment Multiple ⁷ (Since Inception)	Management Fees & Costs ⁸ (FY 2023)	Profit ⁹ (FY 2023)
				Contributions ³ (Since Inception)	Distributions ⁴ (FY 2022)	+ NAV ⁵ (FY 2022)	NAV** (FY 2022)				
ABRY Advanced Securities Fund II, L.P.	https://abry.com/	2011	\$25,000,000	\$14,131,876	\$25,586,328	\$25,879,032	\$292,704	13.02%	1.83x	\$5,467	-\$145,403
ABRY Advanced Securities Fund III, L.P.	https://abry.com/	2014	\$20,000,000	\$20,000,000	\$10,053,793	\$20,683,636	\$10,629,843	0.61%	1.03x	\$411,072	\$1,703,861
ABRY Advanced Securities Fund IV, L.P.	https://abry.com/	2018	\$33,000,000	\$16,236,463	\$0	\$21,231,506	\$21,231,506	6.75%	1.31x	\$180,651	\$935,434
ABRY Partners VII, L.P.	https://abry.com/	2011	\$12,500,000	\$12,086,222	\$17,549,481	\$20,303,640	\$2,754,159	12.08%	1.68x	\$21,574	\$43,894
ABRY Partners VIII, L.P.	https://abry.com/	2015	\$18,000,000	\$15,784,587	\$20,414,341	\$23,284,314	\$2,869,973	9.16%	1.48x	\$1,879,387	\$7,707,653
ABRY Senior Equity IV, L.P.	https://abry.com/	2012	\$7,500,000	\$6,912,606	\$11,443,937	\$12,280,220	\$836,283	14.55%	1.78x	\$12,046	-\$230,609
ABRY Senior Equity V, L.P.	https://abry.com/	2017	\$8,250,000	\$8,006,144	\$3,458,857	\$12,339,213	\$8,880,356	13.89%	1.54x	\$79,154	\$227,010
ABRY Senior Equity VI, L.P.	https://abry.com/	2021	\$27,000,000	\$15,127,036	\$0	\$16,877,472	\$16,877,472	9.20%	1.12x	\$363,925	\$1,230,420
AEW Partners Fund IX, L.P.	https://www.aew.com/	2020	\$35,000,000	\$25,781,893	\$1,047,966	\$28,692,349	\$27,644,383	11.89%	1.11x	\$221,125	\$711,156
AEW Partners Fund VIII, L.P.	https://www.aew.com/	2018	\$25,000,000	\$23,989,589	\$29,816,628	\$35,179,986	\$5,363,358	20.18%	1.47x	\$96,223	\$128,310
AG Credit Solutions Fund II, L.P.	https://www.angelogordon.com/	2021	\$36,000,000	\$29,700,000	\$2,838,414	\$32,924,847	\$30,086,433	11.51%	1.11x	\$1,136,979	\$3,974,440
AG CSF2A (Annex) Dislocation Fund, L.P.	https://www.angelogordon.com/	2023	\$36,000,000	\$24,300,000	\$0	\$27,408,269	\$27,408,269	23.91%	1.12x	\$1,005,425	\$3,066,446
AG Opportunistic Whole Loan Fund, L.P.	https://www.angelogordon.com/	2014	\$50,000,000	\$50,000,000	\$62,243,409	\$62,307,261	\$63,852	6.77%	1.24x	\$0	-\$5,382
AG Realty Value Fund X, L.P.	https://www.angelogordon.com/	2019	\$35,000,000	\$32,900,000	\$18,928,031	\$42,297,023	\$23,368,992	12.50%	1.29x	\$355,394	-\$1,557,603
Altas Partners Holdings II, L.P.	https://www.altas.com/	2019	\$33,000,000	\$29,648,651	\$1,041,822	\$39,053,464	\$38,011,642	10.53%	1.32x	\$360,446	\$6,056,898
Altas Partners Holdings III, L.P.	https://www.altas.com/	2022	\$43,000,000	\$727,270	\$2,838,414	\$32,924,847	\$30,086,433	11.51%	1.11x	\$674,425	-\$674,425
Angeles Equity Partners I, L.P.	https://www.angelesequity.com/	2016	\$35,000,000	\$30,118,572	\$19,186,155	\$48,197,861	\$29,011,706	18.30%	1.59x	\$524,344	\$652,061
Ares Senior Direct Lending Fund II, L.P.	https://www.aresmgmt.com/	2021	\$70,000,000	\$34,677,082	\$0	\$42,529,895	\$42,529,895	15.04%	1.23x	\$5,975,616	\$6,035,194
Ares Senior Direct Lending Fund III, L.P.	https://www.aresmgmt.com/	2023	\$80,000,000	\$0	\$0	-\$2,537	-\$2,537	N/A	N/A	N/A	N/A
Artemis Real Estate Partners Healthcare Fund I, L.P.	https://www.artemisrep.com/	2017	\$25,000,000	\$25,000,000	\$21,456,933	\$34,269,753	\$12,812,820	8.82%	1.23x	\$406,515	-\$3,068,554
Artemis Real Estate Partners Healthcare Fund II, L.P.	https://www.artemisrep.com/	2021	\$25,000,000	\$8,363,806	\$1,739,280	\$8,444,229	\$6,704,949	1.05%	1.01x	\$275,593	\$214,746
Artemis Real Estate Partners Income and Growth Fund, L.P.	https://www.artemisrep.com/	2019	\$35,000,000	\$31,911,494	\$7,988,999	\$32,378,537	\$24,389,538	0.81%	1.01x	\$406,515	-\$3,438,544
Audax Private Equity Fund VI, L.P.	https://www.audaxprivateequity.com/	2018	\$25,000,000	\$24,629,112	\$13,163,154	\$43,510,500	\$30,347,346	34.65%	1.77x	\$0	-\$2,488,139
Audax Private Equity Fund VII, L.P.	https://www.audaxprivateequity.com/	2022	\$55,000,000	\$8,237,069	\$0	\$7,750,056	\$7,750,056	-9.00%	0.94x	\$1,230,071	\$620,025
Avista Capital Partners II, L.P.	https://www.avistacap.com/	2010	\$30,000,000	\$26,118,601	\$46,087,737	\$46,113,876	\$26,139	12.18%	1.74x	\$0	\$27,283
Bernhard Capital Partners II, L.P.	https://www.bernhardcapital.com/	2018	\$44,000,000	\$35,313,777	\$54,573,002	\$2,842,843	\$51,730,159	20.59%	1.55x	\$1,252,505	\$5,010,021
BlackRock Direct Lending Fund IX, L.P.	https://www.blackrock.com/	2020	\$75,000,000	\$68,612,424	\$12,271,905	\$79,108,695	\$66,836,790	7.33%	1.15x	\$2,856,830	\$6,143,959
Blackstone Strategic Opportunity Fund, L.P.	https://www.blackstone.com/	2018	\$80,000,000	\$80,000,000	\$0	\$101,220,118	\$101,220,118	5.06%	1.27x	\$2,892,820	\$9,653,731
Blue Owl First Lien Fund II, L.P.	https://www.blueowl.com/	2019	\$80,000,000	\$74,000,000	\$22,294,873	\$98,277,209	\$75,982,336	9.14%	1.31x	\$1,369,919	\$7,452,752
Bridgepoint Credit Opportunities III, L.P.	https://www.bridgepoint.eu/	2017	\$38,501,820	\$24,113,753	\$9,082,235	\$23,118,405	\$14,036,170	-1.09%	0.96x	\$299,598	\$1,026,574
Brookfield Super-Core Infrastructure Partners	https://bip.brookfield.com/	2020	\$40,000,000	\$40,000,000	\$2,514,650	\$45,071,767	\$42,557,117	7.22%	1.13x	\$649,601	\$3,442,165
Canvas Ventures III, L.P.	https://www.canvas.vc/	2020	\$10,000,000	\$6,406,934	\$0	\$6,264,769	\$6,264,769	-1.15%	0.98x	\$247,851	-\$870,272
CapVest Equity Partners IV, L.P.	https://www.capvest.com/	2018	\$29,701,404	\$20,395,801	\$0	\$31,759,117	\$31,759,117	20.52%	1.56x	\$1,617,366	\$1,824,128
Catalyst Fund V, L.P.	https://catcapital.com/	2015	\$50,000,000	\$31,362,524	\$8,146,592	\$36,176,131	\$28,029,539	3.15%	1.15x	\$988,750	-\$3,545,111
CBRE Strategic Partners U.S. Value 9	https://www.cbre.com/	2021	\$40,000,000	\$26,065,223	\$1,534,768	\$20,822,191	\$19,287,423	-13.07%	0.80x	\$600,000	-\$3,782,548
CD&R XI, L.P.	https://www.cdr-inc.com/	2020	\$35,000,000	\$28,183,184	\$0	\$29,359,762	\$29,359,762	2.82%	1.04x	\$466,557	\$677,230
CD&R XII, L.P.	https://www.cdr-inc.com/	2023	\$50,000,000	\$0	\$0	-\$756,857	-\$756,857	N/A	N/A	\$657,580	-\$756,857
Centerbridge Special Credit Partners, L.P.	https://www.centerbridge.com/	2009	\$35,000,000	\$29,750,000	\$49,865,631	\$50,082,372	\$216,741	13.42%	1.68x	\$7,206	\$65,392
CIM Infrastructure Fund II, L.P.	https://www.cimgroup.com/	2016	\$35,000,000	\$34,779,194	\$9,035,800	\$54,590,721	\$45,554,921	10.72%	1.49x	\$1,012,628	\$2,974,168
CIM VI-2 (Urban REIT), LLC	https://www.cimgroup.com/	2012	\$25,000,000	\$25,000,000	\$18,097,293	\$32,117,694	\$14,020,401	3.15%	1.28x	\$169,053	-\$3,455,515
Crestline Opportunity Fund V, L.P.	https://www.crestlineinvestors.com/	2023	\$38,000,000	\$12,670,979	\$0	\$14,246,648	\$14,246,648	12.59%	1.11x	\$624,991	\$1,575,669
Davidson Kempner Opportunities Fund VI, L.P.	https://www.davidsonkempner.com/	2023	\$38,000,000	\$6,776,667	\$0	\$6,906,321	\$6,906,321	1.28%	1.01x	\$596,548	\$129,654
Dyal II US Investors LP	https://www.blueowl.com/	2014	\$40,000,000	\$37,522,956	\$16,881,983	\$60,707,069	\$43,825,086	9.50%	1.59x	\$1,081,983	\$4,533,380
Eclipse Fund V, L.P.	https://eclipse.vc/	2023	\$5,000,000	\$0	\$0	\$0	\$0	N/A	N/A	\$0	N/A
EQT Infrastructure IV	https://eqtgroup.com/	2019	\$40,000,000	\$34,030,811	\$1,482,305	\$47,390,457	\$45,908,152	10.58%	1.39x	\$512,240	\$4,322,740
EQT Infrastructure V	https://eqtgroup.com/	2020	\$30,000,000	\$21,851,939	\$0	\$26,173,922	\$26,173,922	11.30%	1.20x	\$1,030,257	\$2,579,747
General Catalyst Group VI, L.P.	https://www.generalcatalyst.com/	2012	\$10,000,000	\$9,850,000	\$40,051,910	\$67,674,920	\$27,623,010	30.13%	6.79x	\$68,607	-\$2,891,225
Genstar Capital Partners IX, L.P.	https://www.genstar.com/	2019	\$25,000,000	\$21,071,510	\$10,679,558	\$45,543,434	\$34,863,876	31.09%	2.16x	\$1,370,955	\$4,399,455
Genstar Capital Partners X, L.P.	https://www.genstar.com/	2021	\$30,000,000	\$27,688,070	\$0	\$28,289,230	\$28,289,230	2.10%	1.02x	\$323,669	-\$85,493
Genstar Capital Partners XI, L.P.	https://www.genstar.com/	2023	\$40,000,000	\$159,045	\$0	\$56,816	\$56,816	-64.28%	0.36x	\$134,555	\$76,517
Global Strategy LLC	https://www.peinvestments.com/	2013	\$25,000,000	\$25,000,000	\$0	\$44,813,123	\$44,813,123	5.75%	1.79x	\$1,265,723	\$2,081,551
Great Hill Equity Partners IV, L.P.	https://www.greathillpartners.com/	2008	\$10,000,000	\$10,000,000	\$25,289,595	\$31,634,384	\$6,344,789	25.72%	3.11x	\$9,415	\$88,916,208
Great Hill Equity Partners V, L.P.	https://www.greathillpartners.com/	2014	\$25,000,000	\$25,000,000	\$51,884,257	\$70,821,535	\$18,937,278	24.53%	2.83x	\$257,264	\$175,627,967
Great Hill Equity Partners VI, L.P.	https://www.greathillpartners.com/	2017	\$50,000,000	\$47,235,000	\$71,640,105	\$147,478,451	\$75,838,346	45.39%	3.12x	\$791,446	\$395,927,548
Great Hill Equity Partners VII, L.P.	https://www.greathillpartners.com/	2019	\$60,000,000	\$57,981,254	\$16,573,329	\$87,598,161	\$71,024,832	39.87%	1.51x	\$920,653	\$4,034,838
Great Hill Equity Partners VIII, L.P.	https://www.greathillpartners.com/	2021	\$60,000,000	\$12,955,799	\$0	\$9,638,105	\$9,638,105	-32.03%	0.74x	\$1,172,967	\$376,893
Gridiron Capital Fund V, L.P.	https://gridironcapital.com/	2023	\$50,000,000	\$21,427,853	\$0	\$22,641,025	\$22,641,025	N/A	1.06x	\$2,523,362	\$1,213,172
Heitman American Real Estate Trust, L.P.	https://www.heitman.com/	2013	\$40,000,000	\$40,000,000	\$16,284,704	\$73,146,755	\$56,862,051	7.01%	1.83x	\$564,619	-\$7,731,740
Heitman Value Partners IV, L.P. (HVP IV)	https://www.heitman.com/	2018	\$30,000,000	\$27,971,471	\$20,317,550	\$38,772,083	\$18,454,533	13.85%	1.39x	\$151,549	\$968,954
HPS Specialty Loan Fund V, L.P.	https://www.hpspartners.com/en/home/	2020	\$75,000,000	\$59,378,217	\$9,240,265	\$72,286,188	\$63,045,923	8.69%	1.17x	\$2,148,649	\$6,680,396
Insight Equity II, L.P.	https://www.insightequity.com/	2009	\$16,875,000	\$16,364,231	\$23,035,278	\$26,702,550	\$3,667,272	8.10%	1.61x	\$37,379	-\$55,674
Insight Equity Mezzanine, L.P.	https://www.insightequity.com/	2009	\$5,625,000	\$5,350,802	\$6,387,347	\$7,520,642	\$1,133,295	5.33%	1.33x	-\$22,071	\$68,434
ISQ Global Infrastructure Fund II, L.P.	https://isquaredcapital.com/	2018	\$40,000,000	\$35,735,211	\$8,938,912	\$54,253,935	\$45,315,023	12.69%	1.52x	\$150,000	\$131,962
Jamestown Premier Property Fund	https://www.jamestownlp.com/	2012	\$20,000,000	\$20,000,000	\$18,570,992	\$30,324,281	\$11,753,289	-0.28%	0.99x	\$153,129	-\$12,360,139
JLL Partners Fund VII, L.P.	https://www.jllpartners.com/	2015	\$47,250,000	\$40,304,006	\$38,981,554	\$88,402,399	\$49,420,845	16.41%	2.21x	\$273,032	\$11,965,464
JP Morgan Strategic Property Fund	https://am.jpmorgan.com/us/en/asset-management/adv/	2007	\$50,000,000	\$50,000,000	\$23,165,945	\$92,461,722	\$69,295,777	4.03%	1.75x	\$759,894	

Attachment #2 - Section 7928.710 Chart*

Fund Name ¹	Address ¹	Vintage Year ¹	Commitment ²	Cash	Cash	Cash Distributions		NAV** (FY 2022)	Net IRR ⁶ (Since Inception)	Investment Multiple ⁷ (Since Inception)	Management Fees & Costs ⁸ (FY 2023)	Profit ⁹ (FY 2023)
				Contributions ³ (Since Inception)	Distributions ⁴ (FY 2022)	+ NAV ⁵ (FY 2022)						
KPS Special Situations Fund V, L.P.	https://www.kpsfund.com/	2019	\$20,000,000	\$9,493,751	\$2,082,482	\$16,112,343	\$14,029,861	21.97%	1.70x	\$14,040	\$1,107,846	
KPS Special Situations Mid-Cap Fund, L.P.	https://www.kpsfund.com/	2019	\$5,000,000	\$2,859,122	\$658,951	\$4,714,361	\$4,055,410	21.30%	1.65x	\$24,039	\$625,312	
LHP Strategic Alpha Fund, LLC	https://www.lighthousepartners.com/	2015	\$278,000,000	\$278,000,000	\$0	\$353,305,288	\$353,305,288	6.40%	1.27x	\$2,051,024	\$12,432,686	
Lion Industrial Trust	https://www.clarionpartners.com/	2012	\$104,984,782	\$55,000,000	\$17,416,836	\$210,337,944	\$192,921,108	14.50%	1.85x	\$2,561,188	-\$10,262,929	
Metlife Core Property Fund, L.P.	https://investments.metlife.com/	2013	\$50,000,000	\$50,000,000	\$27,030,935	\$101,598,658	\$74,567,723	8.78%	2.03x	\$383,956	-\$12,587,456	
Monroe Private Credit Fund IV, L.P.	https://monroecap.com/	2020	\$75,000,000	\$65,138,771	\$8,633,684	\$74,845,919	\$66,212,235	8.30%	1.13x	\$628,857	\$5,030,855	
NEA 13, L.P.	https://www.nea.com/	2009	\$11,000,000	\$11,000,000	\$27,646,737	\$30,107,255	\$2,460,518	17.13%	2.74x	\$0	\$952,103	
NEA 14, L.P.	https://www.nea.com/	2012	\$11,000,000	\$10,780,000	\$12,239,011	\$29,405,990	\$17,166,979	15.43%	2.73x	\$98,394	\$1,229,162	
NEA 15, L.P.	https://www.nea.com/	2015	\$5,000,000	\$4,725,000	\$4,850,111	\$8,802,549	\$3,952,438	11.98%	1.86x	\$60,673	-\$31,669	
NEA 16, L.P.	https://www.nea.com/	2017	\$15,000,000	\$13,650,000	\$2,677,966	\$18,777,092	\$16,099,126	7.71%	1.38x	\$167,403	\$400,329	
OHA Strategic Credit Fund II, L.P.	https://www.oakhilladvisors.com/	2017	\$50,000,000	\$32,500,000	\$25,557,303	\$47,839,656	\$22,282,353	11.75%	1.47x	\$601,947	\$1,001,806	
Partners Group Secondary 2008, L.P.	https://www.partnersgroup.com/en/	2008	\$17,370,855	\$18,576,302	\$27,539,665	\$28,028,238	\$488,573	8.83%	1.51x	\$3,411	\$137,793	
Peak Rock Capital Credit Fund II, L.P.	https://peakrockcapital.com/	2017	\$8,750,000	\$7,223,729	\$6,823,172	\$8,987,296	\$2,164,124	19.16%	1.24x	\$254,258	-\$143,813	
Peak Rock Capital Fund II, L.P.	https://peakrockcapital.com/	2018	\$35,000,000	\$25,386,398	\$28,801,177	\$53,115,657	\$24,314,480	38.23%	2.09x	\$232,627	\$11,865,320	
Peak Rock Capital Fund III L.P.	https://peakrockcapital.com/	2021	\$20,000,000	\$9,467,628	\$2,980,861	\$13,308,025	\$10,327,164	26.45%	1.41x	\$1,146,253	\$1,835,931	
PRISA	https://www.pgim.com/	2007	\$50,000,000	\$35,936,048	\$31,762,241	\$99,537,447	\$67,775,206	10.95%	1.57x	\$591,401	-\$7,389,039	
PRISA III	https://www.pgim.com/	2013	\$35,936,048	\$50,000,000	\$27,991,737	\$83,708,163	\$55,716,426	3.53%	1.58x	\$767,513	-\$3,417,287	
Quantum Energy Partners VII	https://www.quantumcap.com/	2017	\$31,818,182	\$1,799,314	\$1,344,233	\$3,308,474	\$1,964,241	17.63%	1.84x	\$387,749	\$1,541,292	
Quantum Energy Partners VII Co-Investment Fund	https://www.quantumcap.com/	2017	\$3,181,818	\$27,750,078	\$17,546,837	\$48,498,759	\$30,951,922	16.85%	1.74x	\$13,616	\$254,691	
Riverview Strategic Alpha	https://www.morganstanley.com/	2022	\$330,000,000	\$330,000,000	\$0	\$365,510,530	\$365,510,530	7.51%	1.11x	\$1,896,558	\$27,466,041	
SSGA Custom Real Assets Non-Lending Strategy	https://www.ssga.com/	2019	\$341,556,035	\$494,556,035	\$258,000,000	\$631,477,331	\$373,477,331	7.92%	1.28x	\$616,262	\$11,329,770	
Starwood Distressed Opportunity Fund XII	https://www.starwoodcapital.com/	2021	\$50,000,000	\$25,000,000	\$34,643	\$26,883,134	\$26,848,491	8.41%	1.08x	\$625,000	\$334,444	
Summit Partners Growth Equity XI, L.P.	https://www.summitpartners.com/	2021	\$25,000,000	\$14,133,853	\$0	\$17,858,762	\$17,858,762	14.53%	1.26x	\$632,109	\$658,457	
SVP Special Situations Fund V, L.P.	https://www.svpglobal.com/	2021	\$27,000,000	\$6,418,510	\$0	\$7,224,747	\$7,224,747	13.98%	1.13x	\$563,655	\$2,847,387	
Sycamore Partners II, L.P.	https://www.sycamorepartners.com/	2014	\$42,500,000	\$38,371,930	\$21,381,485	\$47,657,389	\$26,275,904	5.18%	1.24x	\$82,924	\$4,853,494	
Sycamore Partners III, L.P.	https://www.sycamorepartners.com/	2018	\$44,000,000	\$20,339,409	\$0	\$40,507,062	\$40,507,062	19.75%	1.99x	\$126,336	\$1,776,743	
Sycamore Partners, L.P.	https://www.sycamorepartners.com/	2011	\$30,000,000	\$17,933,547	\$38,449,529	\$59,977,191	\$21,527,662	25.40%	3.32x	\$443,166	\$7,612,995	
Taurus Mining Finance Fund No.2	https://www.taurusfunds.com.au/	2019	\$30,000,000	\$12,778,395	\$5,283,938	\$18,146,559	\$12,862,621	15.90%	1.42x	\$439,314	-\$1,552,826	
Third Rock Ventures II, L.P.	https://www.thirdrockventures.com/	2010	\$12,500,000	\$12,500,000	\$44,795,466	\$44,815,919	\$20,453	38.90%	3.59x	\$2,997,567	\$32,316,022	
Third Rock Ventures III, L.P.	https://www.thirdrockventures.com/	2013	\$10,000,000	\$10,000,000	\$24,523,832	\$24,959,708	\$435,876	23.10%	2.50x	\$2,248,084	\$14,959,708	
Tiger Infrastructure Partners Fund III, L.P.	https://www.tigerinfrastructure.com/	2021	\$30,000,000	\$19,424,679	\$0	\$20,840,657	\$20,840,657	4.79%	1.05x	\$597,811	\$234,811	
UBS Trumbull Property Fund	https://www.ubs.com/	2014	\$40,000,000	\$40,000,000	\$26,868,423	\$54,328,812	\$27,460,389	\$0	1.36x	\$230,812	-\$5,268,537	
Vision Ridge Sustainable Asset Fund III, L.P.	https://vision-ridge.com/	2021	\$25,000,000	\$14,666,728	\$0	\$13,826,738	\$13,826,738	\$0	0.94x	\$266,996	\$47,478	
Vista Foundation IV, L.P.	https://www.vistaequitypartners.com/	2020	\$35,000,000	\$26,702,557	\$0	\$26,588,674	\$26,588,674	\$0	1.00x	\$700,000	\$1,131,779	
Warburg Pincus Energy, L.P.	https://warburgpincus.com/	2014	\$15,000,000	\$14,400,000	\$9,996,587	\$16,279,048	\$6,282,461	\$0	1.14x	\$42,636	-\$321,531	
Warburg Pincus Private Equity XI, L.P.	https://warburgpincus.com/	2012	\$75,000,000	\$75,000,000	\$106,323,683	\$133,010,983	\$26,687,300	\$0	1.77x	\$179,271	\$6,148,353	
Warburg Pincus Private Equity XII, L.P.	https://warburgpincus.com/	2015	\$43,000,000	\$43,000,000	\$49,989,134	\$85,178,659	\$35,189,525	\$0	1.98x	\$359,205	-\$3,445,171	

*The information on this chart is prepared by ACERA. This chart has not been prepared, reviewed or approved by the fund managers.

**This column is calculated by taking the difference between the data in footnote #5 and footnote #4.

Footnotes:

- The address, name and vintage year of each alternative investment vehicle.
- The dollar amount of the commitment made to each alternative investment vehicle by public investment fund since inception.
- The dollar amount of cash contributions made by the public investment fund to each alternative investment vehicle since inception.
- The dollar amount, on a fiscal yearend basis, of cash distributions received by the public investment fund from each alternative investment vehicle.
- The dollar amount, on a fiscal yearend basis, of cash distributions received by the public investment fund plus remaining value of partnership assets attributable to the public investment fund's investment in each alternative investment vehicle.
- The net internal rate of return of each alternative investment vehicle since inception.
- The investment multiple of each alternative investment vehicle since inception.
- The dollar amount of the total management fees and costs paid on an annual fiscal yearend basis, by the public investment fund to each alternative investment vehicle.
- The dollar amount of cash profit received by public investment funds from each alternative investment vehicle on a fiscal year-end basis. This item is understood to represent a net increase (or decrease) in capital from operations net of incentive allocations.