

**Alameda County Employees'
Retirement Association**

ACERA

PRIVATE CREDIT POLICY

Amended October 17, 2024

ACERA PRIVATE CREDIT POLICY

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I. SCOPE

This Private Credit Policy (“Private Credit Policy” or “Policy”) governs all investments in the Private Credit asset class made by Alameda County Employees’ Retirement Association (“ACERA”). Established on July 10, 2019, the Private Credit Policy is subject to all provisions of applicable law and the applicable limitations and requirements of ACERA’s General Investment Guidelines, Policies and Procedures. If there is any conflict between this Private Credit Policy and ACERA’s General Investment Guidelines, Policies and Procedures pertaining to investments in the Private Credit asset class, the Private Credit Policy prevails. The ACERA Board (“Board”) reserves the right to amend, supplement, or rescind this Private Credit Policy at any time.

II. PURPOSE

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

It is expected that this 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 Private Credit 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 CREDIT INVESTMENTS

For purpose of this Policy, Private Credit investments may include, but not be limited to, Direct Lending investments, including performing, senior-secured, first-lien, second-lien, and unitranche corporate loans. Private Credit investments also include Opportunistic Credit investments including performing and non-performing public and private debt, senior and subordinated loans, preferred- and common-equity securities, structured products (i.e., collateralized debt obligations, collateralized loan obligations), asset-based loans secured by hard assets or a pool of hard assets, consumer and commercial specialty finance loans, factoring and receivables, royalties, regulatory capital relief securities, insurance-linked/life settlements, litigation finance, and private equity portfolio finance. Finally, Distressed Credit investments are also included, including distressed or defaulted debt investments that can be made with or without the intention of taking control of the borrower.

Private Credit investments may be denominated in U.S. dollars or other currencies, and levered to provide additional return. ACERA may consider investing in these assets if and only if the vehicles meet all standards pursuant to the Policy.

V. STRATEGIC OBJECTIVE OF THE PRIVATE CREDIT PORTFOLIO

The Board recognizes that when ACERA invests in private investments, the investment performance may be difficult to measure during the first several years of the investments. However, the Private Credit Policy establishes ongoing monitoring and reporting duties for each investment strategy and for the Private Credit Portfolio as a whole. Specific duties are designed to address these challenges and are described in detail later in this Policy.

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 Credit. The strategic objective of such investments is to: 1) generate returns superior to those available in the public debt markets to compensate the Fund for the longer term and illiquid commitments associated with Private Credit investments; 2) enhance ACERA's long-term risk adjusted return and provide additional diversification to ACERA's overall investment Fund; and 3) generate total Private Credit Portfolio returns in excess of the Morningstar LSTA U.S. Leveraged Loan Index + 200 basis points per Section VII – Specific Guidelines For Private Credit Portfolio.

VI. STRATEGIC ALLOCATION TO PRIVATE CREDIT

The target allocation to the Private Credit asset class, as measured by actual dollars invested and not by dollars committed to underlying Investment Managers or funds, is 6.8% of the Total Fund, within a range of +/-3% (i.e. between 3.8% to 9.8% of the Total Fund) and exposure to sub-asset classes as follows:

Portfolio	Long-Term Target Allocation	Min./Max. Ranges
Private Credit	6.8%	3.8% to 9.8%
-Direct Lending	50%	30% to 70%
-Opportunistic/Distressed Credit	50%	30% to 70%

Portfolio construction will be designed to produce a diversified mix of returns, subject to the guidelines and constraints outlined herein. While specific investments may incur losses of all or part of the capital invested, it is expected that a diversified Private Credit Portfolio will produce a positive return in excess of the Morningstar LSTA U.S. Leveraged Loan Index + 200 basis points benchmark.

Diversifiable risks associated with this Portfolio include credit risk, seniority in the capital structure risk, sector risk, debt-collateral risk, strategy-type risk, investment manager risk, the timing of investment cash flows, and fund-level leverage. The risks associated with Private Credit investments

will be viewed within the context of the entire Fund. ACERA may take on over- and under-weights to the Private Credit asset class and to the Private Credit sub-asset classes to improve its risk/return posture based upon an assessment of the relative attractiveness of all available opportunities.

VII. SPECIFIC GUIDELINES FOR PRIVATE CREDIT PORTFOLIO

ACERA will gain exposure to Private Credit investments by hiring external investment managers directly or through participation in secondary Private Credit markets. Typically, the Fund will subscribe as a limited partner to limited partnership vehicles managed by specialty external investment managers. The performance of the Private Credit Portfolio is benchmarked against the Morningstar LSTA U.S. Leveraged Loan Index + 200 basis points, and evaluated over rolling 3- to 5-year periods.

The Private Credit Portfolio is to be diversified:

By sub-asset classes: Direct Lending, Opportunistic Credit, and Distressed Credit

A. Direct Lending Investments

Description: Direct Lending investments are typically performing, floating-rate, senior-secured, first-lien, second-lien or unitranche loans made to corporations owned by a private equity sponsor (i.e., sponsor-backed loan) or to publicly-traded or private corporations not owned by a private equity sponsor (i.e., non-sponsor-backed loan). These investments can be invested in vehicles that utilize leverage facilities to borrow capital that is invested in addition to the equity capital of the vehicles to increase returns with increased risk as well (i.e., levered vehicles) or in vehicles that do not use leverage to enhance returns (i.e., unlevered vehicles).

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

B. Opportunistic Credit Investments

Description: Opportunistic Credit Investments include a wide variety of investment types as opportunistic credit strategies can have the flexibility to invest in private and public debt, performing and non-performing loans, secured and unsecured loans, senior and subordinated loans, preferred and common equity, structured products, and across markets including corporate, consumer, and real estate and other hard assets. For the purposes of this Policy, strategies that invest in niche markets/investment types are considered Opportunistic Credit Investments. Niche investment types include consumer and commercial specialty finance, factoring and receivables, royalties (i.e., healthcare, music, film, media, and energy and minerals royalties), regulatory capital relief, insurance linked/life settlements, litigation finance, and private equity portfolio finance. Leverage can sometimes be used to enhance the returns of Opportunistic Credit Investments.

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

C. Distressed Credit Investments

Description: Distressed Credit Investments are debt securities purchased at a steep discount to par because the borrower is going through, or has the risk of going through, a debt restructuring or bankruptcy. These investments can be traded and held for relatively short time periods or can be held over longer time periods including through and beyond a restructuring or until the liquidation proceeds of a bankruptcy are paid to the holders of the bankrupt entity's debt. Distressed-for-control investing is a type of distressed investing that involves purchasing distressed debt with the intention of owning a meaningful portion of the distressed entity's equity following a debt restructuring or reorganization bankruptcy. In such a situation, the Distressed Credit Investments can be converted into equity in the entity that emerges from a restructuring or bankruptcy and the holders of the equity will have control of the entity such that business improvements can be made to enhance its value by the time the investment is exited.

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 ACERA will commit capital to the Private Credit Portfolio each year to take advantage of opportunities across vintage year. The commitment amount will vary to adjust for changes in the market value of ACERA's plan, and accommodate market opportunities.

By Investment Manager: No more than 25% and 20% of the Total Fund's 6.8% target allocation to the Private Credit Portfolio may be committed to one manager and one investment vehicle, respectively.

By geography: As a result of diversified commitments outlined above, it is expected that the Private Credit Portfolio will be generally diversified by exposure to companies in and outside the United States.

By industry: As a result of diversified commitments outlined above, it is expected that the Private Credit Portfolio will be generally diversified by sector/industry such that no more than 30% of the Private Credit Portfolio exposure will be in any one sector/industry.

VIII. ROLES AND RESPONSIBILITIES

The delineation of roles and responsibilities is important for effective administration of ACERA's Private Credit 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 Private Credit Policy that governs the Private Credit Portfolio and approving the investment plan of ACERA's Private Credit Portfolio. The Board, with input from the Investment Committee, shall review this Policy to determine whether amendments are necessary. The Board shall also be responsible for reviewing and approving all Private Credit 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 Policy to govern all investments in the Private Credit asset class;
2. Reviewing the Policy, evaluating proposals for the Policy amendments, if any, and making recommendations for approval by the Board;
3. Reviewing and approving the periodic investment plan of the Private Credit Portfolio; and
4. Reviewing Private Credit investments recommended by Staff and/or Consultant and making recommendations to the Board for adoption.

C. Staff

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

1. Developing and recommending all necessary changes to the Policy with input from Consultant;
2. Developing and maintaining specific procedures, if necessary, to comply with the approved Private Credit Policy with input from Consultant;
3. Developing the investment plan of ACERA's Private Credit Portfolio and making recommendations to the Committee for adoption with input from Consultant;
4. Delegation¹:
 - a. Approving Consultant's Private Credit investment proposals (new proposals) with each individual commitment up to 10% of the target allocation to the total Private Credit 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 (*See Appendices I through III*).
 - b. Approving Consultant's Private Credit investment proposals for "re-ups" with existing managers with each individual commitment in addition to the existing commitments, up to 25% of the target allocation to the total Private Credit Portfolio to managers in good standing² upon completion of a thorough review and due diligence process with satisfactory results. Staff and Consultant shall provide the Investment Committee all required reports (*See Appendices I through III*).
 - 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).

¹ Investment manager may not appear before the Investment Committee in circumstances when Staff has exercised its delegated authority.

² An investment manager will 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.

5. Through the Investment Products and Services Introduction (“IPSI”) program of ACERA and the concurrence of the Consultant, recommend highly qualified Private Credit fund investments to the Investment Committee upon completion of a thorough due diligence process and the requisite reporting listed at Appendix I. (See Appendices I through III);
6. Monitoring the Private Credit Portfolio for performance and compliance with the Policy;
7. Monitoring the performance of the underlying Investment Managers and their compliance with a) the investment guidelines as set forth in their respective contracts; b) this Policy; and c) applicable requirements of ACERA’s General Investment Guidelines, Policies and Procedures;
8. Conducting comprehensive annual reviews of ACERA’s Private Credit Portfolio and the individual investments in the Portfolio;
9. Reporting to the Investment Committee any violations of the Private Credit Policy with appropriate recommendations;
10. Assisting ACERA’s legal department in contract negotiations with the selected Investment Managers;
11. Evaluating Private Credit investment opportunities with Consultant’s input on an on-going basis; and
12. Evaluating and making recommendations for retention and 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 Private Credit Portfolio and make related recommendations to serve the best interests of the plan participants. Consultant shall assist Staff in developing the Private Credit Policy and recommending all necessary changes to the Policy. In addition, Consultant shall be responsible for:

1. Analyzing the asset allocation of the Private Credit Portfolio by sub-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 Private Credit Portfolio every 1 to 3 years;
3. Developing a search strategy for highly qualified Private Credit investments and maintaining a robust database containing information on Investment Managers;
4. Recommending highly qualified Private Credit 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 Private Credit 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 Private Credit Portfolio.
6. Ongoing monitoring of the investment performance of ACERA's Private Credit Portfolio and individual strategies in the Portfolio;
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;
8. Ongoing monitoring of Investment Managers’ compliance with a) their respective investment guidelines as set forth in their contract; b) this Private Credit Policy; and c)

- applicable requirements of ACERA's General Investment Guidelines, Policies and Procedures;
9. Assisting Staff in contract negotiations with the selected Investment Managers;
 10. Submitting performance evaluation reports and conducting comprehensive reviews of the Private Credit Portfolio and individual Investment Managers semi-annually to the Investment Committee;
 11. Making recommendations for retention or termination of Investment Managers;
 12. Attending meetings as needed; and
 13. Performing other duties in accordance with the terms of its contract and applicable State and Federal 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 policies and procedures established by ACERA, 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) the Private Credit 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 CREDIT INVESTMENT SELECTION

ACERA recognizes that a proper due diligence process is essential to control the risks associated with Private Credit 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 Credit investment recommendations to Staff and the Investment Committee. Consultant will work closely with Staff in the due diligence process, as necessary. For those investments recommended to be included in the ACERA Private Credit Portfolio, Consultant's duties shall include, but not be limited to:

1. Assessing the reputation of the individuals who manage the Private Credit 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 Credit investments, and, when advisable, from competitors;
4. Determining that the Private Credit 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; and
7. Reviewing and understanding the business terms of all operational documents and other related materials for the Private Credit investments under consideration, including but not limited to offering memoranda, subscription agreements, fund policies, due diligence questionnaires, and Forms ADV, if and as available.

B. Staff

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

1. Reviewing the comprehensive analysis report prepared by Consultant on its recommended Private Credit investments;
2. Verifying the compliance of each recommended Private Credit investment with the Private Credit Policy, the investment plan for ACERA's Private Credit Portfolio and other applicable ACERA investment policies;
3. Discussing all issues related to the recommended Private Credit investments with Consultant and with Investment Managers to gain a thorough understanding of each strategy's return drivers, key terms, and investment guidelines, and determine the investment suitability for ACERA's Private Credit Portfolio;
4. Performing independent due diligence regarding the business, economic, and legal aspects of the proposed Private Credit 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 investment 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.

X. SPECIFIC PERFORMANCE EVALUATION CRITERIA

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

XI. MONITORING AND REPORTING

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

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

Consultant shall submit all reports to Staff in accordance with its contractual obligations and the Private Credit Policy.

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

XII. PRIVATE CREDIT INFORMATION DISCLOSURE POLICY

ACERA is a public agency subject to state laws, including, without limitation, (a) the California Public Records Act (Cal. Govt. Code §7920.000, *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 (“the Fee Disclosure Act”) 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 Credit investments:

XIII. TABLE OF AMENDMENT DATES

October 17, 2024

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
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:

Returns (%):

Periods Ending Date	YTD	1Year	3Years	5Years	Since Inception
Fund					
Benchmark					
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 Credit Investment Selection

Target allocation to Private Credit asset class: 6.8% of the total Fund

A. Private Credit Policy

Fund Name

In Compliance

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>
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3. Investment Characteristics

Private Credit shall include loans as specified in Section VII of the Private Credit Policy.	<i>Specific investment type.</i>	<i>Yes, No or N/A</i>
Private Credit may be denominated in U.S. dollars or other currencies.	<i>Specific currency denomination.</i>	<i>Yes, No or N/A</i>

4. Portfolio Diversification

<u>By vintage year:</u> roughly equal amounts of new funding will be committed each year, with deviations permitted.	<i>Specific vintage year.</i>	<i>Yes, No or N/A</i>
<u>By Investment Manager:</u> diversified across a minimum of four core investment managers.	<i>Specific commitments to the Investment Manager.</i>	<i>Yes, No or N/A</i>
<u>By geography:</u> commitments to funds investing both in and outside of the U.S.	<i>Specific location.</i>	<i>Yes, No or N/A</i>

By industry: generally diversified by sector/industry such that no more than 30% of the Private Credit Portfolio exposure will be in be any one sector/industry.	Specific sector/industry.	Yes, No or N/A
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5. Return Expectation

Morningstar LSTA U.S. Leveraged Loan Index + 200 bps (net of all fees) in aggregate.	Specific return target.	Yes, No, or N/A
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B. Private Credit Investment Plan for YEAR

Approved: *DATE*

Fund Name

In Compliance

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

Details of Disclosure Policy For Private Credit Investments (“PCI”)

1. Upon request, ACERA shall disclose: (i) the name, address and vintage year of each PCI; (ii) the dollar amount of capital committed to each PCI by ACERA since inception; (iii) the dollar amount of cash contributions made to each PCI by ACERA since inception; (iv) the dollar amount of distributions received by ACERA from each PCI on a fiscal yearend basis; (v) the market value of ACERA’s investment in each PCI on a fiscal yearend basis; (vi) each PCI’s net internal rate of return (“IRR”) since inception; (vii) the investment multiple of each PCI since inception; (viii) the dollar amount of total management fees and expenses paid on an annual fiscal yearend basis, by ACERA to each PCI; and (ix) the dollar amount of cash profit received by ACERA from each PCI Fund on a fiscal yearend basis. (*See* Cal. Govt. Code § 7928.710(c).)

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 the PCI, the PCI manager or related parties; (ii) ACERA’s pro rata share of fees and expenses not included in (i) that are paid from the PCI to the PCI manager or related parties; (iii) ACERA’s pro rata share of carried interest distributed by the PCI to the PCI manager or related parties; (iv) ACERA’s pro rata share of aggregate fees and expenses paid by all of the portfolio companies held by the PCI to the PCI manager or related parties; (v) the information outlined in Section 1, above, and (vi) the gross and net IRR of the PCI, since inception. (*See* Cal. Govt. Code § 7514.7)

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

Notwithstanding the preceding, or anything else in this Private Credit 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 §7922.000). 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.³

³ *Michaelis, Montanari & Johnson v Superior Court*, 38 Cal.4th 1065, 1071 (2006).