



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 October 1, 2025
10:30 a.m.**

LOCATION AND TELECONFERENCE		COMMITTEE MEMBERS
ACERA C.G. "BUD" QUIST BOARD ROOM 475 14TH STREET, 10TH FLOOR OAKLAND, CALIFORNIA 94612-1900 MAIN LINE: 510.628.3000 FAX: 510.268.9574 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. 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	GEORGE WOOD CHAIR	ELECTED GENERAL
	TARRELL GAMBLE VICE CHAIR	APPOINTED
	OPHELIA BASGAL	APPOINTED
	KEITH CARSON	APPOINTED
	ROSS CLIPPINGER	ELECTED SAFETY
	HENRY LEVY	TREASURER
	ELIZABETH ROGERS	ELECTED RETIRED
	KELLIE SIMON	ELECTED GENERAL
	STEVEN WILKINSON	APPOINTED
	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, October 1, 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

1. Discussion and Possible Motion to Recommend that the Board Approve the Updated ACERA Environmental, Social, and Governance (ESG) Investment Policy

10:35 – 10:50
Sam Austin, NEPC
John Ta, ACERA
Betty Tse, ACERA

2. Discussion and Possible Motion to Recommend that the Board Approve the Updated ACERA Emerging Investment Manager (EIM) Policy

10:50 – 11:05
Sam Austin, NEPC
Stephen Quirk, ACERA
Betty Tse, ACERA

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

1. Update on State Street Bank and Trust Company Custodial Services

11:05 – 11:20
Erica Haywood, ACERA
Serafin Lim, ACERA
Betty Tse, ACERA

2. Education Session: Public Equity Active v Passive Investments under Current Market Conditions

11:20 – 12:05
Sam Austin, NEPC
William Forde, NEPC
Stephen Quirk, ACERA
Bety Tse, ACERA

INVESTMENT COMMITTEE/BOARD MEETING

NOTICE and AGENDA Wednesday, October 1, 2025

3. Report on Real Assets Investment Made Under Delegated Authority after Distribution of the Last Investment Committee Meeting Agenda – Ares Secondaries Infrastructure Solutions III (\$45 million)³

12:05 – 12:20

Sam Austin, NEPC
Clint Kuboyama, ACERA
Betty Tse, ACERA

4. Report on Real Estate Investment Made Under Delegated Authority after Distribution of the Last Investment Committee Meeting Agenda – Artemis Healthcare Fund III (up to \$35 million)³

12:20 – 12:35

Aaron Quach, Callan Inc.
Avery Robinson, Callan Inc.
John Ta, ACERA
Betty Tse, ACERA

Trustee Remarks

Future Discussion Items

None


Establishment of Next Meeting Date

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

³ Written materials and investment recommendations from the consultants, fund managers and ACERA Investment Staff relating to this alternative investment are exempt from public disclosure pursuant to CA Gov. Code §7928.710 and §7922.000.



To: Members of the Investment Committee

From: John Ta, Senior Investment Officer 

Date: October 1, 2025

Subject: Discussion and Possible Motion to Recommend that the Board Approve the Updated ACERA Environmental, Social, and Governance (ESG) Investment Policy

Recommendation

Staff recommend that the Investment Committee accept the ESG Investment Policy as proposed and motion to the Board for final approval.

Background

The Environmental, Social, and Governance (ESG) Policy was initially adopted by ACERA's Board in March 2021 following collaboration between the ESG Working Group (ACERA Trustees subcommittee), Verus (then General Investment Consultant (GIC)), and ACERA Staff. This Policy establishes a framework for assessing ESG risks and opportunities within ACERA's investment strategy, emphasizing integration over divestment. The development process began with a confidential Enterprise Risk Tolerance (ERT) survey in 2019 (Attachment #1), which highlighted long-term sustainability and prevention of funded status deterioration as top priorities. ESG factors were highlighted as essential risks to address within this broader context. In February 2020, the Board approved the ESG Belief Statement, which underscored fiduciary duties and the importance of managing ESG risks alongside other investment risks. In January 2022, the Board approved an "Integration" path for ESG Policy implementation, which required completing four components: (1) Adopt ISS Public Fund Policy; (2) Develop ESG evaluation framework, integrate into ACERA's due diligence process; (3) Conduct annual review of Investment Managers; (4) Conduct annual review of Emerging Investment Managers (EIM), with both reviews captured through the Annual ESG Risk Disclosure Report. These four components were completed and culminated with Staff's December 2023 ICM presentation of its Annual ESG Risk Disclosure Report. Though completed, components (2), (3), and (4) are expected to evolve, particularly now with NEPC as GIC. In January 2025, Staff presented its Annual ESG Risk Disclosure Report. Staff, with NEPC, outlined the planned ESG and EIM activities for 2025, including Board education, harmonizing the ESG and EIM Policies, and improving monitoring with NEPC's reporting capabilities.

Discussion

Given the Board's achievements noted above, Staff and NEPC only have two recommendations: (1) Streamline the ESG Policy's language and formatting to improve clarity and consistency; (2) Enhance the ESG Questionnaire with NEPC's additions (Attachment #4), as such additions will broaden the scope of the Annual ESG Risk Disclosure Report.

Conclusion

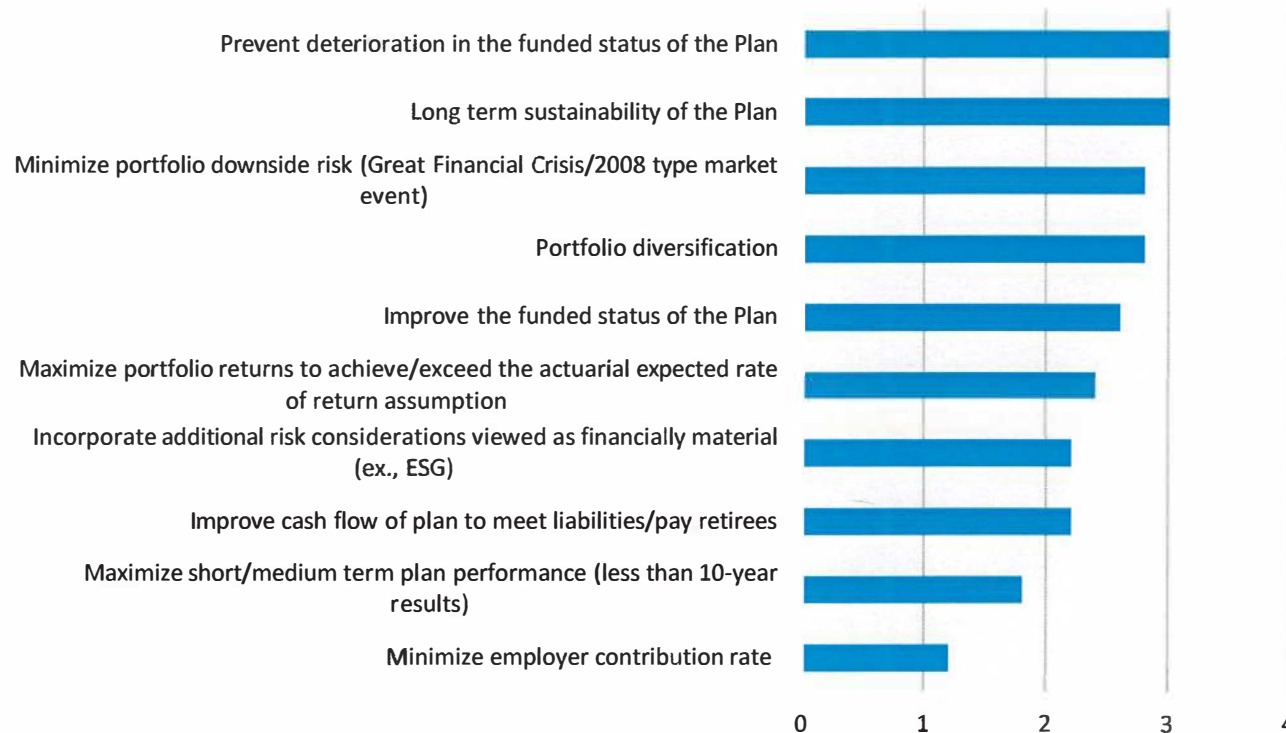
By refining the Policy language, enhancing the ESG Questionnaire, and using NEPC reporting capabilities where appropriate, the Board reaffirms its commitment to ESG risk management. These updates build on ACERA's existing due diligence tools and position ACERA for greater transparency relative to the Total Fund's ESG risk factors.

Attachments

1. ERT Survey Results
2. Final Proposed Amended (Redline) ESG Policy, prepared by Staff and NEPC
3. Final Proposed Amended (Clean) ESG Policy, prepared by Staff and NEPC
4. Final Proposed Amended (Redline) ESG Questionnaire, prepared by Staff and NEPC

ACERA's long-term objectives

LONG TERM OBJECTIVES



Alameda County Employees' Retirement Association

ACERA

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

~~March 18, 2021~~5

ACERA ESG INVESTMENT POLICY

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I. SCOPE

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

II. PURPOSE

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

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

III. LEGAL AUTHORITY

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

IV. ESG MISSION STATEMENT

ACERA’s Board members are fiduciaries and their legal duty remains, at all times, to promote the growth and sustainability of the Fund to timely provide retirement and related benefits to ACERA members and their beneficiaries. The Board’s fiduciary duties require loyalty and care to ACERA’s members and beneficiaries and prudence in all decisions made regarding ACERA’s investments and administration. Within this context, the Board recognizes the

need to mitigate risks that may have a negative impact on the Fund's long-term financial results while adhering to a diversified investment strategy designed to meet ACERA's desired return and risk objectives.

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

ACERA's Board ~~has will~~ developed ~~and adopt an this~~ ESG ~~P~~policy, ~~which statement which~~ codifies its values, ~~p~~olicies and procedures; ~~the Board and~~ will revisit and update this ~~p~~Policy periodically. -

V. ~~ACERA~~ ESG RISK FACTORS

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

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

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

VI. MANAGER SEARCHES

When conducting manager searches, ACERA's Investment Consultant(s) and Staff will incorporate an ESG section into its due diligence that examines ESG-related criteria within the organization and in the manager's investment process. ~~—A description of the managers' ESG approach will be included, along with an investment assessment, in final due diligence materials when hiring new managers.~~ Manager searches will be conducted in accordance with the general parameters and processes established by ACERA and adhering to all Federal and State statutes.

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

VII. MONITORING AND REPORTING

To monitor and report ACERA's ESG risk considerations and factors, ACERA's Investment Consultant(s) and Staff will request that ACERA's investment managers to complete an annual ESG Questionnaire.

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

ACERA's Board will review the results of the ESG Questionnaire as part of ACERA's Annual ESG Risk Disclosure Report. ~~ESG disclosure reporting annually.~~

VIII. ROLES AND RESPONSIBILITIES

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

A. Board

The Board shall be responsible for approving the ESG Policy. The Board, with input from the Investment Committee, shall review this ESG Policy periodically to determine whether modifications are necessary. The Board shall also be responsible for reviewing an Annual ESG Risk Disclosure Report describing ACERA's ESG Policy considerations and factors. ~~implementation for the Fund's investment managers and its service providers.~~

B. Investment Committee

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

C. Staff

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

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

D. Consultants

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

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

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

2. Specialty Asset Class Consultant

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

E. Chief Counsel

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

IX. PROXY VOTING

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

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

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

X. EFFECTIVE DATE

This Policy became effective upon its initial adoption by the Board on March 18, 2021. ~~1.~~ + Any amended Policy shall become effective upon its adoption by the Board.

XI. TABLE OF AMENDMENT DATES

, 2025

Alameda County Employees' Retirement Association

ACERA

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

October 16, 2025

ACERA ESG INVESTMENT POLICY

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I. SCOPE

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II. PURPOSE

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ACERA's Board has developed this ESG Policy, which codifies its values, policies and procedures; the Board will revisit and update this Policy periodically.

V. ESG RISK FACTORS

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1. Incorporating ESG information along with investment due diligence materials in manager

searches;

2. Monitoring ESG-related factors of ACERA's investment managers and service providers on an annual basis and preparing a disclosure report;
3. Coordinating with ACERA's Proxy Voting Consultant as needed to assist with ACERA's ESG-related proxy voting; and
4. Developing and recommending changes to the ESG Policy over time if warranted.

D. Consultants

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

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

2. Specialty Asset Class Consultant

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XI. TABLE OF AMENDMENT DATES

October 16, 2025

ACERA ESG Questionnaire*

1. Is your firm a Principles for Responsible Investment (PRI) signatory? **If yes, for how long and why did your organization agree to become a signatory?**
2. What is your firm's most recent PRI Strategy and Governance score? **Please provide us with the full report if available.**
3. **Is your firm a signatory to any other climate change or environmental related organizations such as the Climate Action 100, Net Zero Alliance, or the Task Force for Climate Disclosure?**
4. Is there a dedicated ESG oversight function at your firm? **If yes, how many dedicated ESG staff members do you have and where does the function sit? Investments, risk management, compliance, client service, etc.?**
5. Does your firm have a firm-wide policy on ESG/Responsible Investment? If yes, please attach.
6. Does your firm publish an annual sustainability report? **If yes, please provide the report and indicate the number of years you have produced a Corporate Social Responsibility (CSR) report. If your firm does have a firm-wide policy on ESG/Responsible investment but no CSR report, please explain why.**
7. Does your firm have processes in place to measure/reduce its carbon footprint? **If yes, how do you measure emissions? Internally measured or external, third-party verification?**
8. Does your firm track **Key Performance Indicators (KPIs)** related to staff diversity initiatives? **If yes, please share the tracked KPIs and your firm's results over time.**
9. Does your firm have policies in place to promote diversity in recruiting, workforce, leadership, and/or board representation? **If yes, please share these policies.**
10. Does your firm have policies in place to increase the gender/ethnic diversity of senior leadership and investment teams? **If yes, please share these policies.**
11. Does your firm have a global policy around proxy voting? **Is there a separate business function that oversees proxy voting, such as a proxy voting team or ESG team? Please provide your most recent proxy voting policy and proxy voting report(s) you produce for external consumption.**
12. **Does your firm integrate ESG factors/metrics into your investment process? If yes, does your firm use an internal set of ESG factors, an ESG ratings model, or an external provider, e.g. MSCI, Arabesque, S&P?**
13. **Does your firm integrate ESG factors/metrics into the investment strategy you run for ACERA? If yes, please provide details.**

*Note: NEPC's additions to ACERA's ESG Questionnaire are **in red**.



To: Members of the Investment Committee

From: Stephen Quirk, Investment Officer *Stephen Quirk*

Date: October 1, 2025

Subject: Discussion and Possible Motion to Recommend that the Board Approve the Updated ACERA Emerging Investment Manager (EIM) Policy

Recommendation

Staff recommend that the Investment Committee accept the EIM Policy as proposed and motion to the Board for final approval.

Background

The EIM Policy's strategic objective is to add incremental value to the Total Fund through the selection of and allocation to skilled emerging investment managers. From its adoption in March 2007 through September 2019, the EIM Policy limited investments to Public Equities and Public Fixed Income. In September 2019, the Board expanded the Policy to include Private Equity, Real Assets, and Real Estate. In October 2022, the Board's further expanded the Policy to include Absolute Return and Private Credit, aligning the EIM universe with the Total Fund's approved asset classes; the Board also refined EIM definitions, adjusted AUM thresholds, and established graduation thresholds. As of June 30, 2025, EIM Exposure as a percentage of the Total Fund was 6.6% (increased from 5.4% as of July 30, 2022).

Discussion

Building on the Board's achievements, Staff and NEPC propose only one key amendment: requiring ACERA's EIM managers to complete an annual EIM questionnaire (please see attachment #3). The results will be included ACERA's Annual ESG Risk Disclosure Report. Other proposed changes are essentially formatting revisions.

Conclusion

The strategic goals and objectives of ACERA's EIM Policy remain unchanged. Managers selected for the EIM program will continue to be subject to all relevant ACERA policies, including but not limited to, the General Investment Guidelines, Policies, and Procedures.

Attachments

1. Final Proposed Amended (Redline) EIM Policy, prepared by Staff and NEPC
2. Final Proposed Amended (Clean) EIM Policy, prepared by Staff and NEPC
3. EIM Questionnaire, prepared by Staff and NEPC

**Alameda County Employees'
Retirement Association**

ACERA

EMERGING INVESTMENT MANAGER POLICY

Amended

~~October 20, 2025~~
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I. SCOPE

This Emerging Investment Manager Policy (“EIM Policy”) governs the Emerging Investment Manager Program (“EIM Program”) of Alameda County Employees’ Retirement Association (“ACERA”) and shall apply to any and all asset classes of ACERA’s Pension Fund (“Fund”). The EIM Policy is subject to all provisions of applicable law and the applicable limitations and requirements of ACERA’s General Investment Guidelines, Policies and Procedures. The ACERA Board (“Board”) reserves the right to amend, supplement, or rescind this EIM Policy at any time.

II. PURPOSE

The purpose of this EIM Policy is to establish a framework for the ongoing development and administration of ACERA’s EIM Program, consistent with the Board’s fiduciary responsibilities in investment of the Fund.

III. LEGAL AUTHORITY

This EIM 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 Fund.

IV. DEFINITION OF EMERGING INVESTMENT MANAGERS

For the purpose of this EIM Policy, ACERA defines emerging investment managers (“EIMs”) in traditional asset classes (Public Equities and Public Fixed Income) as investment managers who have total assets under management (“AUM”) of less than \$5.0 billion, and, in addition, may have more limited time in business and/or a more limited track record in the specific products under consideration than would ordinarily be required in ACERA’s standard institutional investment manager search process. Absolute Return EIM funds, which are a marketable alternative asset class, are defined as investment managers that have total AUM of less than \$5 billion. Private markets EIM funds (Private Equity, Private Credit, and ~~p~~Private ~~R~~real ~~a~~Assets) are defined as first-, second-, or third-time institutional funds raised by the GP firm and with less than \$5 billion in firm committed capital¹—, including co-investments.

The committed capital threshold will be applied to prior Private Equity, Private Credit and Private Real Assets funds—including co-investments and will not include the current recommended fund under consideration by ACERA.

For Private Real Estate, EIMs are defined as firms that have invested less than \$3 billion of capital received from investors. This includes all active vehicles, historical vehicles -and co-investments.

While total assets and length of track record are often more limited in the EIM universe, eligible EIM managers for the ACERA portfolio must have established institutional experience as demonstrated through the prior experience of the firm’s key investment professionals and/or track record from a prior organization.

V. EMERGING INVESTMENT MANAGER PROGRAM

ACERA’s EIM Program is an investment program, developed and managed in accordance with this EIM Policy. The EIM Program is designed to identify investment firms with the potential to add value to ACERA’s portfolio and that may not be identified in ACERA’s standard institutional investment manager search process.—Based on market studies,

¹ Committed capital means the total dollar amount committed by all LPs to a particular fund.

ACERA believes that some smaller investment firms may be able to generate superior performance due to increased market flexibility associated with smaller asset bases.

A. Investment Vehicles

ACERA can utilize Individual Mandates (directly hired EIMs) and/or Manager-of-Managers (“MOMs”), and Fund-of-Funds (“FOFs”) in ACERA’s defined asset classes (Public Equity, Fixed Income, Private Equity, Private Credit, Absolute Return, Real Assets and Real Estate) for the EIM Program. Investment vehicle types will be considered based on suitability for the specific characteristics of ACERA’s portfolio needs for both Public and Private Markets mandates. MOMs/FOFs can be utilized to gain exposure to EIMs subject to diligence justifying their potential net-of-fee performance on par with direct, competitive alternatives and consideration of costs.

B. Size

During the initial stage of the EIM Program implementation at ACERA, 1.0% of the Total Fund was allocated to the EIM Program. The total allocation percentage is measured on an annual basis by total EIM exposure and by asset class. 1.0% will be a minimum goal for Total Fund allocation with the intent that EIM allocation will grow incrementally over time. The targeted goal for future investments, which will be revisited periodically, is up to 10% of Total Fund allocation to be achieved within 10 years. As of June 30, 2025, the EIM exposure across the asset classes in which ACERA invests was 65.64% (on a NAV plus unfunded commitments basis for Private Markets and Real Estate exposures and market value basis for all public markets and Absolute Return assets). Allocation to EIM managers is a function of the identification of compelling opportunities across asset classes. The Board will periodically review the EIM Program size and will consider recommendations from the Investment Committee with input from ACERA Staff (“Staff”) and ACERA’s Investment Consultants (“Consultants”) in conjunction with ongoing manager due diligence.

C. Asset Class Coverage

All asset classes for which the ACERA Board has established an asset allocation policy target may be included in ACERA’s EIM Program in conjunction with ongoing due diligence. EIM managers and their respective asset class allocations will be determined on a case-by-case basis and are not pre-determined by the Board, but rather will be a function of highly competitive offerings in the market that coincide with ACERA’s search needs.

VI. STRATEGIC OBJECTIVE AND GOALS OF THE EMERGING INVESTMENT MANAGER PROGRAM

The strategic objective of the EIM Program is to add incremental value to the Total Fund through the hiring of the most talented EIMs to manage a portion of ACERA's total assets, using the acceptable investment vehicles of directly hired/MOMs/FOFs.

The primary goals of the EIM Program are to 1) identify and gain early access to the most talented investment managers in their early business stages; and 2) further diversify the Fund's overall investment program, to enhance the risk-adjusted returns of the Fund. -As part of the program, ACERA seeks to identify competitive EIM managers in California and Alameda County for inclusion in the portfolio,

ACERA may consider an EIM investment when the assigned Consultants and ~~S~~staff, after due diligence and investigation, have determined that:

1. The risk and return characteristics of the EIM investment are no less favorable than comparable non-EIM opportunities available;
2. The EIM investment is in compliance with this EIM Policy; and
3. Administrative time (associated with typically smaller size allocations) has been considered with EIM opportunity sizing aligned with ACERA resource constraints.

VII. STANDARDS FOR EMERGING INVESTMENT MANAGERS

All investment managers selected through the EIM Program shall comply with and be subject to any and all performance-related and other standards, requirements, and expectations set forth in ACERA's General Investment Guidelines, Policies and Procedures and other applicable asset class policies. In regard to EIM managers, specific consideration may be given to the following criteria: firm formation date, firm ownership structure, firm assets under management, strategy assets under management, proposed allocation as a percentage of firm and strategy concentration, team's investment experience together, prior verifiable track record, length of track record, management of similar client accounts, etc. -It is ACERA's intent that an individual manager's EIM portfolio allocation comprises no more than 25% of the manager's total AUM for traditional assets and no more than 15% of the manager's total fund commitments for Private Markets (including Private Real Estate). -Any exception to this guideline will be made on a case-by-case basis, if warranted.

All investment managers selected through the EIM Program shall also comply with and be subject to any and all other ACERA Board policies, procedures and guidelines that pertain to investment managers, including without limitation, obligations regarding disclosure by investment managers of actual or potential conflicts of interest, as well as any and all other obligations imposed on ACERA's investment managers by State and Federal law.

VIII. ROLES AND RESPONSIBILITIES

The delineation of roles and responsibilities is important for effective administration of ACERA's EIM Program. The duties and responsibilities of the Board, Investment Committee, Staff, Consultants, and directly hired EIMs/MOMs/FOFs in relation to the EIM Program are stated below:

A. Board

The Board shall be responsible for approving the EIM Policy that governs the EIM Program and approving the implementation of the EIM Program at ACERA. The Board, with input from the Investment Committee, shall review this EIM Policy annually or as needed to determine whether modifications are necessary. The Board shall also be responsible for retention and termination of directly hired EIMs and/or MOMs/FOFs.

B. Investment Committee

The Investment Committee shall monitor the compliance of ACERA's EIM Program with this EIM Policy. It shall evaluate proposals for EIM Policy modifications, as needed, and make recommendations for consideration by the Board. The Investment Committee shall review the EIM Policy annually or as needed and make recommendations to the Board with respect to retention and termination of directly hired EIMs and/or MOMs/FOFs.

C. Staff

Staff shall be responsible for oversight of the EIM Program. Staff's responsibilities shall include, but not be limited to the following:

1. Developing and maintaining specific procedures, subject to the Board's approval, to comply with the approved EIM Policy;
2. Developing and recommending changes to the EIM Policy;
3. Implementing the EIM Policy and managing the EIM Program;
4. Initiating searches for directly hired EIMs and/or MOMs/FOFs and/or reviewing EIM candidates within other ACERA searches;
5. Monitoring directly hired EIMs' and/or MOMs'/FOFs' compliance with a) the investment guidelines as set forth in their respective contracts; b) the EIM Policy; and c) applicable requirements of ACERA's General Investment Guidelines, Policies and Procedures and other applicable asset class policies;
6. Conducting comprehensive reviews of the EIM Program and/or the directly hired EIMs and/or MOMs/FOFs;
7. Reporting to the Investment Committee any violations of the EIM Policy with explanations and recommendations;
8. Assisting ACERA's legal department in contract negotiations with directly hired EIMs and/or MOMs/FOFs;
9. Evaluating EIM opportunities with Consultants' input and making recommendations to the Investment Committee; and
10. Evaluating and making recommendations for retention or termination of directly hired EIMs and/or MOMs/FOFs.

D. Consultants

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

General and Specialty Asset Class Investment Consultants hired by the Board are fiduciaries to ACERA and its Board. These Investment Consultants shall independently and continuously monitor and analyze the effectiveness of ACERA's EIM Program and make related recommendations to serve the best interests of the plan participants. Investment Consultants shall also assist Staff in crafting the EIM Policy and implementing the EIM Program. In addition, Investment Consultants shall be responsible for:

- a. Ongoing monitoring of the performance of ACERA's directly hired EIMs and/or MOMs/FOFs;
- b. Monitoring directly hired EIMs' and/or MOMs'/FOFs' compliance with a) their respective investment guidelines as set forth in their contract; b) this EIM Policy; and c) applicable requirements of ACERA's General Investment Guidelines, Policies and Procedures and other applicable asset class policies;
- c. Assisting Staff in directly hired EIM and/or MOM/FOF searches, including the due diligence of EIM candidates within other ACERA manager searches where appropriate, and contract negotiations;
- d. Submitting performance evaluation reports and conducting comprehensive reviews of the directly hired EIMs and/or MOMs/FOFs ~~quarterly~~ periodically to the Investment Committee in conjunction with the regular Total Fund quarterly performance report and review;
- e. Making recommendations for retention or termination of directly hired EIMs and/or MOMs/FOFs;
- f. Attending meetings as needed; and
- g. Performing other duties in accordance with the terms of its contract and applicable State and Federal law.

2. Specialty Investment Consultant

Should the Board, with input from the Investment Committee, decide to hire a Specialty Investment Consultant specializing in EIM programs, this ~~S~~pecialty Consultant will be subject to the same expectations and bear the same responsibilities as stated in Section VIII (D) (1) above.

~~E.~~—Emerging Investment Managers

E.

EIMs are fiduciaries to ACERA and shall prudently manage ACERA's assets in the best interest of ACERA and its members. EIMs shall abide by all of ACERA's policies and procedures and comply fully with applicable law. EIMs shall be responsible for compliance with a) the specific investment guidelines as set forth in their respective contracts; b) the EIM Policy; and c) applicable requirements of ACERA's General Investment Guidelines,

Policies and Procedures and other applicable asset class policies. EIMs shall be responsible for all aspects of portfolio management as set forth in their respective contracts with ACERA. EIMs shall also:

1. Communicate with Staff and/or MOMs/FOFs as needed regarding investment strategy and investment results;
2. Cooperate fully with Staff, Consultants, ACERA's custodian, and/or MOMs/FOFs concerning requests for information;
3. Submit reports to MOMs/FOFs, Staff, and Consultants in accordance with their contract terms; and
4. Attend meetings as needed.

F. Manager-of-Managers/Fund-of-Funds

MOMs/FOFs are fiduciaries to ACERA and shall prudently manage ACERA's assets in the best interest of ACERA and its members. MOMs/FOFs shall abide by all of ACERA's policies and procedures, and fully comply with applicable law. MOMs/FOFs are responsible for compliance with a) the specific investment guidelines as set forth in their respective contracts; b) the EIM Policy; and c) applicable requirements of ACERA's General Investment Guidelines, Policies and Procedures and other applicable asset class policies. MOMs/FOFs shall be responsible for all aspects of portfolio management as set forth in their respective contracts with ACERA. ~~It is expected that~~ MOMs/FOFs shall also:

1. Maintain a comprehensive and current database of emerging investment managers and continuously conduct due diligence evaluation of prospective EIMs;
2. Construct a diversified portfolio of EIMs based on the objectives and benchmarks established by the MOM/FOF;
3. Retain or terminate EIMs based on the evaluation criteria established by the MOM/FOF;
4. Graduate EIMs based on the criteria established by Section XII (B) of this EIM Policy.
5. Monitor and report on the performance of each underlying EIM manager in the MOM/FOF portfolio and the MOM/FOF itself in accordance with the terms of its contract with ACERA; and
6. Attend meetings as needed.

These expectations are subject to the underlying strategy of the MOM/FOF and may not always be applicable. Any exceptions to these criteria will be fully vetted for appropriateness by Consultant and Staff.

IX. PERFORMANCE EVALUATION CRITERIA

The specific performance evaluation criteria for directly hired EIMs, and/or MOMs/FOFs will be established in the investment agreements between ACERA and individual directly hired EIMs and/or MOMs/FOFs.

The Board, Investment Committee, Staff, and Consultants will evaluate MOMs/FOFs based on the performance of the total MOM/FOF itself and not based on the performance of each underlying EIM manager in the MOM/FOF portfolio.

X. MONITORING AND REPORTING

Consultants and Staff will closely monitor and analyze the EIM Program to ensure compliance with the EIM Program's strategic objective and goals. ~~In addition to compliance monitoring, ACERA's EIM managers will be asked to complete an annual questionnaire focused on ownership structure, firm and strategy AUM, and LP concentration. Consultants and Staff will measure EIM exposure in total and by asset class annually and provide a report to ACERA's Investment Committee.~~ In addition to compliance monitoring, ACERA's EIM will be asked to complete an annual EIM Questionnaire, focusing on AUM, ownership, and Limited Partner ("LP") concentration, where results will be included in ACERA's ESG Risk Disclosure report.

Directly hired EIMs and/or, MOMs/FOFs are required to submit all reports to Staff in accordance with their respective contracts and applicable requirements set forth in the Schedule V of ACERA General Investment Guidelines, Policies and Procedures and other applicable asset class policies.

Consultants are required to submit all reports to Staff in accordance with their contract terms.

Staff, in conjunction with Consultants will perform comprehensive evaluations of ACERA's EIM Program, the directly hired EIMs and/or MOMs/FOFs annually, or as needed, and will report the findings to the Investment Committee.

XI. QUALIFICATIONS OF EMERGING INVESTMENT MANAGERS AND MANAGER- OF- MANAGERS

ACERA seeks to retain the most talented EIMs to manage ACERA's assets. The specific qualifications of directly hired EIMs and/or, MOMs/FOFs, consistent with the Strategic Objective and Goals of the EIM Program, will be determined by the Board at the time of the search for directly hired EIMs and/or MOMs/FOFs with input and recommendations from Staff and Consultants. ~~—In addition, EIMs, as defined by ACERA's EIM Policy, may be included in ongoing ACERA searches subject to the criteria for said searches.~~

Staff and Consultants will conduct a comprehensive due diligence review process for each directly hired EIM and/or MOM/FOF. The specific search criteria and due diligence procedures for directly hired EIMs and MOMs/FOF will be established by the Board, consistent with the Strategic Objective and Goals of the EIM Program and each applicable

asset class, at the time of the search with input and recommendations from Staff and Consultants.

XII. EMERGING INVESTMENT MANAGER GRADUATION

A. Directly Hired EIM Mandates (traditional assets and Absolute Return)

If a directly hired, traditional-assets EIM's firm-wide total assets under management have exceeded \$10.0 billion dollars, and, in addition, the directly hired EIM has been in business and/or has a track record in the specific product under consideration for more than five years, a comprehensive evaluation of the EIM shall be conducted by Staff and Consultants. Based on the evaluation, Staff and Consultants shall determine if the directly hired EIM should or should not be graduated from the EIM Program in accordance with ACERA's EIM Policy.—The Investment Committee, with recommendations from Staff and Consultants, may recommend to the Board to graduate the EIM into a larger mandate in conjunction with ACERA's search needs, terminate the directly hired EIM, or continue to retain the directly hired EIM in ACERA's EIM Program. Absolute Return assets will be evaluated similar to directly hired traditional-asset mandates mentioned above.

B. Manager-of-Managers (MOMs)/Fund-of-Funds Mandates (traditional assets and Absolute Return)

MOMs/FOFs shall determine whether or not an underlying EIM should be graduated in accordance with the MOMs/FOFs own graduation policy and ACERA's EIM Policy. A report on any underlying EIM graduation shall be provided to Staff and Consultants within three months after such graduation has occurred. If Staff and the Consultant decide to retain a graduated EIM based upon the recommendation of the MOM/FOF, the MOM/FOF will embark on a search to find a new EIM. This is subject to the underlying strategy of the MOM/FOF and may not always be applicable. If not applicable, reasons for exceptions will be provided to Staff and Consultant as part of the EIM monitoring process. A maturing EIM who graduates may be considered as a regular ACERA manager if warranted, subject to investment and legal due diligence

C. Private Markets

Private Equity, Private Credit, and Private Real Assets will be considered to have graduated and/or not eligible if the most recent fund to which ACERA made a commitment is the fourth time institutional fund raised by the GP firm and/or aggregate firm AUM (defined as committed capital), including co-investments is:

- More than \$5 billion for Private Equity, Private Credit, Private Real Assets funds; and
- More than \$3 billion invested capital for Private Real Estate funds

Existing EIM funds of private markets will naturally roll off the current list of EIM managers as the specific fund fully liquidates.

XIII. EFFECTIVE DATE

This Policy became effective upon its initial adoption by the Board on March 15, 2007. Any amended Policy shall become effective upon its adoption by the Board.

XIV. TABLE OF AMENDMENT DATES

March 15, 2007

November 19, 2009

December 16, 2010

January 17, 2013

September 11, 2019

October 20, 2022

, 2025

**Alameda County Employees'
Retirement Association**

ACERA

EMERGING INVESTMENT MANAGER POLICY

Amended

October 16, 2025

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I. SCOPE

This Emerging Investment Manager Policy (“EIM Policy”) governs the Emerging Investment Manager Program (“EIM Program”) of Alameda County Employees’ Retirement Association (“ACERA”) and shall apply to any and all asset classes of ACERA’s Pension Fund (“Fund”). The EIM Policy is subject to all provisions of applicable law and the applicable limitations and requirements of ACERA’s General Investment Guidelines, Policies and Procedures. The ACERA Board (“Board”) reserves the right to amend, supplement, or rescind this EIM Policy at any time.

II. PURPOSE

The purpose of this EIM Policy is to establish a framework for the ongoing development and administration of ACERA’s EIM Program, consistent with the Board’s fiduciary responsibilities in investment of the Fund.

III. LEGAL AUTHORITY

This EIM 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 Fund.

IV. DEFINITION OF EMERGING INVESTMENT MANAGERS

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For Private Real Estate, EIMs are defined as firms that have invested less than \$3 billion of capital received from investors. This includes all active vehicles, historical vehicles and co-investments.

¹ Committed capital means the total dollar amount committed by all LPs to a particular fund.

While total assets and length of track record are often more limited in the EIM universe, eligible EIM managers for the ACERA portfolio must have established institutional experience as demonstrated through the prior experience of the firm's key investment professionals and/or track record from a prior organization.

V. EMERGING INVESTMENT MANAGER PROGRAM

ACERA's EIM Program is an investment program, developed and managed in accordance with this EIM Policy. The EIM Program is designed to identify investment firms with the potential to add value to ACERA's portfolio and that may not be identified in ACERA's standard institutional investment manager search process. Based on market studies, ACERA believes that some smaller investment firms may be able to generate superior performance due to increased market flexibility associated with smaller asset bases.

A. Investment Vehicles

ACERA can utilize Individual Mandates (directly hired EIMs) and/or Manager-of-Managers ("MOMs"), and Fund-of-Funds ("FOFs") in ACERA's defined asset classes (Public Equity, Fixed Income, Private Equity, Private Credit, Absolute Return, Real Assets and Real Estate) for the EIM Program. Investment vehicle types will be considered based on suitability for the specific characteristics of ACERA's portfolio needs for both Public and Private Markets mandates. MOMs/FOFs can be utilized to gain exposure to EIMs subject to diligence justifying their potential net-of-fee performance on par with direct, competitive alternatives and consideration of costs.

B. Size

During the initial stage of the EIM Program implementation at ACERA, 1.0% of the Total Fund was allocated to the EIM Program. The total allocation percentage is measured on an annual basis by total EIM exposure and by asset class. 1.0% will be a minimum goal for Total Fund allocation with the intent that EIM allocation will grow incrementally over time. The targeted goal for future investments, which will be revisited periodically, is up to 10% of Total Fund allocation to be achieved within 10 years. As of June 30, 2025, the EIM exposure across the asset classes in which ACERA invests was 6.6% (on a NAV plus unfunded commitments basis for Private Markets and Real Estate exposures and market value basis for all public markets and Absolute Return assets). Allocation to EIM managers is a function of the identification of compelling opportunities across asset classes. The Board will periodically review the EIM Program size and will consider recommendations from the Investment Committee with input from ACERA Staff ("Staff") and ACERA's Investment Consultants ("Consultants") in conjunction with ongoing manager due diligence.

C. Asset Class Coverage

All asset classes for which the ACERA Board has established an asset allocation policy target may be included in ACERA's EIM Program in conjunction with ongoing due diligence. EIM managers and their respective asset class allocations will be determined on a case-by-case basis and are not pre-determined by the Board, but rather will be a function of highly competitive offerings in the market that coincide with ACERA's search needs.

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The strategic objective of the EIM Program is to add incremental value to the Total Fund through the hiring of the most talented EIMs to manage a portion of ACERA's total assets, using the acceptable investment vehicles of directly hired/MOMs/FOFs.

The primary goals of the EIM Program are to 1) identify and gain early access to the most talented investment managers in their early business stages; and 2) further diversify the Fund's overall investment program, to enhance the risk-adjusted returns of the Fund. As part of the program, ACERA seeks to identify competitive EIM managers in California and Alameda County for inclusion in the portfolio, ACERA may consider an EIM investment when the assigned Consultants and Staff, after due diligence and investigation, have determined that:

1. The risk and return characteristics of the EIM investment are no less favorable than comparable non-EIM opportunities available;
2. The EIM investment is in compliance with this EIM Policy; and
3. Administrative time (associated with typically smaller size allocations) has been considered with EIM opportunity sizing aligned with ACERA resource constraints.

VII. STANDARDS FOR EMERGING INVESTMENT MANAGERS

All investment managers selected through the EIM Program shall comply with and be subject to any and all performance-related and other standards, requirements, and expectations set forth in ACERA's General Investment Guidelines, Policies and Procedures and other applicable asset class policies. In regard to EIM managers, specific consideration may be given to the following criteria: firm formation date, firm ownership structure, firm assets under management, strategy assets under management, proposed allocation as a percentage of firm and strategy concentration, team's investment experience together, prior verifiable track record, length of track record, management of similar client accounts, etc. It is ACERA's intent that an individual manager's EIM portfolio allocation comprises no more than 25% of the manager's total AUM for traditional assets and no more than 15% of the manager's total fund commitments for Private Markets (including Private Real Estate). Any exception to this guideline will be made on a case-by-case basis, if warranted.

All investment managers selected through the EIM Program shall also comply with and be subject to any and all other ACERA Board policies, procedures and guidelines that pertain to

investment managers, including without limitation, obligations regarding disclosure by investment managers of actual or potential conflicts of interest, as well as any and all other obligations imposed on ACERA's investment managers by State and Federal law.

VIII. ROLES AND RESPONSIBILITIES

The delineation of roles and responsibilities is important for effective administration of ACERA's EIM Program. The duties and responsibilities of the Board, Investment Committee, Staff, Consultants, and directly hired EIMs/MOMs/FOFs in relation to the EIM Program are stated below:

A. Board

The Board shall be responsible for approving the EIM Policy that governs the EIM Program and approving the implementation of the EIM Program at ACERA. The Board, with input from the Investment Committee, shall review this EIM Policy annually or as needed to determine whether modifications are necessary. The Board shall also be responsible for retention and termination of directly hired EIMs and/or MOMs/FOFs.

B. Investment Committee

The Investment Committee shall monitor the compliance of ACERA's EIM Program with this EIM Policy. It shall evaluate proposals for EIM Policy modifications, as needed, and make recommendations for consideration by the Board. The Investment Committee shall review the EIM Policy annually or as needed and make recommendations to the Board with respect to retention and termination of directly hired EIMs and/or MOMs/FOFs.

C. Staff

Staff shall be responsible for oversight of the EIM Program. Staff's responsibilities shall include, but not be limited to the following:

1. Developing and maintaining specific procedures, subject to the Board's approval, to comply with the approved EIM Policy;
2. Developing and recommending changes to the EIM Policy;
3. Implementing the EIM Policy and managing the EIM Program;
4. Initiating searches for directly hired EIMs and/or MOMs/FOFs and/or reviewing EIM candidates within other ACERA searches;
5. Monitoring directly hired EIMs' and/or MOMs'/FOFs' compliance with a) the investment guidelines as set forth in their respective contracts; b) the EIM Policy; and c) applicable requirements of ACERA's General Investment Guidelines, Policies and Procedures and other applicable asset class policies;
6. Conducting comprehensive reviews of the EIM Program and/or the directly hired EIMs and/or MOMs/FOFs;
7. Reporting to the Investment Committee any violations of the EIM Policy with explanations and recommendations;

8. Assisting ACERA's legal department in contract negotiations with directly hired EIMs and/or MOMs/FOFs;
9. Evaluating EIM opportunities with Consultants' input and making recommendations to the Investment Committee; and
10. Evaluating and making recommendations for retention or termination of directly hired EIMs and/or MOMs/FOFs.

D. Consultants

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

General and Specialty Asset Class Investment Consultants hired by the Board are fiduciaries to ACERA and its Board. These Investment Consultants shall independently and continuously monitor and analyze the effectiveness of ACERA's EIM Program and make related recommendations to serve the best interests of the plan participants. Investment Consultants shall also assist Staff in crafting the EIM Policy and implementing the EIM Program. In addition, Investment Consultants shall be responsible for:

- a. Ongoing monitoring of the performance of ACERA's directly hired EIMs and/or MOMs/FOFs;
- b. Monitoring directly hired EIMs' and/or MOMs'/FOFs' compliance with a) their respective investment guidelines as set forth in their contract; b) this EIM Policy; and c) applicable requirements of ACERA's General Investment Guidelines, Policies and Procedures and other applicable asset class policies;
- c. Assisting Staff in directly hired EIM and/or MOM/FOF searches, including the due diligence of EIM candidates within other ACERA manager searches where appropriate, and contract negotiations;
- d. Submitting performance evaluation reports and conducting comprehensive reviews of the directly hired EIMs and/or MOMs/FOFs periodically in conjunction with the regular Total Fund quarterly performance report and review;
- e. Making recommendations for retention or termination of directly hired EIMs and/or MOMs/FOFs;
- f. Attending meetings as needed; and
- g. Performing other duties in accordance with the terms of its contract and applicable State and Federal law.

2. Specialty Investment Consultant

Should the Board, with input from the Investment Committee, decide to hire a Specialty Investment Consultant specializing in EIM programs, this Specialty Consultant will be subject to the same expectations and bear the same responsibilities as stated in Section VIII (D) (1) above.

E. Emerging Investment Managers

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

1. Communicate with Staff and/or MOMs/FOFs as needed regarding investment strategy and investment results;
2. Cooperate fully with Staff, Consultants, ACERA's custodian, and/or MOMs/FOFs concerning requests for information;
3. Submit reports to MOMs/FOFs, Staff, and Consultants in accordance with their contract terms; and
4. Attend meetings as needed.

F. Manager-of-Managers/Fund-of-Funds

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

1. Maintain a comprehensive and current database of emerging investment managers and continuously conduct due diligence evaluation of prospective EIMs;
2. Construct a diversified portfolio of EIMs based on the objectives and benchmarks established by the MOM/FOF;
3. Retain or terminate EIMs based on the evaluation criteria established by the MOM/FOF;
4. Graduate EIMs based on the criteria established by Section XII (B) of this EIM Policy.
5. Monitor and report on the performance of each underlying EIM manager in the MOM/FOF portfolio and the MOM/FOF itself in accordance with the terms of its contract with ACERA; and
6. Attend meetings as needed.

These expectations are subject to the underlying strategy of the MOM/FOF and may not always be applicable. Any exceptions to these criteria will be fully vetted for appropriateness by Consultant and Staff.

IX. PERFORMANCE EVALUATION CRITERIA

The specific performance evaluation criteria for directly hired EIMs, and/or MOMs/FOFs will be established in the investment agreements between ACERA and individual directly hired EIMs and/or MOMs/FOFs.

The Board, Investment Committee, Staff, and Consultants will evaluate MOMs/FOFs based on the performance of the total MOM/FOF itself and not based on the performance of each underlying EIM manager in the MOM/FOF portfolio.

X. MONITORING AND REPORTING

Consultants and Staff will closely monitor and analyze the EIM Program to ensure compliance with the EIM Program's strategic objective and goals. In addition to compliance monitoring, ACERA's EIM will be asked to complete an annual EIM Questionnaire, focusing on AUM, ownership, and Limited Partner ("LP") concentration, where results will be included in ACERA's ESG Risk Disclosure report.

Directly hired EIMs and/or, MOMs/FOFs are required to submit all reports to Staff in accordance with their respective contracts and applicable requirements set forth in the Schedule V of ACERA General Investment Guidelines, Policies and Procedures and other applicable asset class policies.

Consultants are required to submit all reports to Staff in accordance with their contract terms.

Staff, in conjunction with Consultants will perform comprehensive evaluations of ACERA's EIM Program, the directly hired EIMs and/or MOMs/FOFs annually, or as needed, and will report the findings to the Investment Committee.

XI. QUALIFICATIONS OF EMERGING INVESTMENT MANAGERS AND MANAGER- OF- MANAGERS

ACERA seeks to retain the most talented EIMs to manage ACERA's assets. The specific qualifications of directly hired EIMs and/or, MOMs/FOFs, consistent with the Strategic Objective and Goals of the EIM Program, will be determined by the Board at the time of the search for directly hired EIMs and/or MOMs/FOFs with input and recommendations from Staff and Consultants. In addition, EIMs, as defined by ACERA's EIM Policy, may be included in ongoing ACERA searches subject to the criteria for said searches.

Staff and Consultants will conduct a comprehensive due diligence review process for each directly hired EIM and/or MOM/FOF. The specific search criteria and due diligence procedures for directly hired EIMs and MOMs/FOF will be established by the Board, consistent with the Strategic Objective and Goals of the EIM Program and each applicable

asset class, at the time of the search with input and recommendations from Staff and Consultants.

XII. EMERGING INVESTMENT MANAGER GRADUATION

A. Directly Hired EIM Mandates (traditional assets and Absolute Return)

If a directly hired, traditional-assets EIM's firm-wide total assets under management have exceeded \$10.0 billion dollars, and, in addition, the directly hired EIM has been in business and/or has a track record in the specific product under consideration for more than five years, a comprehensive evaluation of the EIM shall be conducted by Staff and Consultants. Based on the evaluation, Staff and Consultants shall determine if the directly hired EIM should or should not be graduated from the EIM Program in accordance with ACERA's EIM Policy. The Investment Committee, with recommendations from Staff and Consultants, may recommend to the Board to graduate the EIM into a larger mandate in conjunction with ACERA's search needs, terminate the directly hired EIM, or continue to retain the directly hired EIM in ACERA's EIM Program. Absolute Return assets will be evaluated similar to directly hired traditional-asset mandates mentioned above.

B. Manager-of-Managers (MOMs)/Fund-of-Funds Mandates (traditional assets and Absolute Return)

MOMs/FOFs shall determine whether or not an underlying EIM should be graduated in accordance with the MOMs/FOFs own graduation policy and ACERA's EIM Policy. A report on any underlying EIM graduation shall be provided to Staff and Consultants within three months after such graduation has occurred. If Staff and the Consultant decide to retain a graduated EIM based upon the recommendation of the MOM/FOF, the MOM/FOF will embark on a search to find a new EIM. This is subject to the underlying strategy of the MOM/FOF and may not always be applicable. If not applicable, reasons for exceptions will be provided to Staff and Consultant as part of the EIM monitoring process. A maturing EIM who graduates may be considered as a regular ACERA manager if warranted, subject to investment and legal due diligence

C. Private Markets

Private Equity, Private Credit, and Private Real Assets will be considered to have graduated and/or not eligible if the most recent fund to which ACERA made a commitment is the fourth time institutional fund raised by the GP firm and/or aggregate firm AUM (defined as committed capital), including co-investments is:

- More than \$5 billion for Private Equity, Private Credit, Private Real Assets funds; and
- More than \$3 billion invested capital for Private Real Estate funds

Existing EIM funds of private markets will naturally roll off the current list of EIM managers as the specific fund fully liquidates.

XIII. EFFECTIVE DATE

This Policy became effective upon its initial adoption by the Board on March 15, 2007. Any amended Policy shall become effective upon its adoption by the Board.

XIV. TABLE OF AMENDMENT DATES

March 15, 2007
November 19, 2009
December 16, 2010
January 17, 2013
September 11, 2019
October 20, 2022
October 16, 2025

ACERA Emerging Investment Manager (EIM) Questionnaire

Firm Name _____

Firm AUM _____

Fund AUM _____

	<u>Firm AUM</u>	<u>Fund AUM</u>
Top 5 LPs	<u>%</u>	<u>%</u>
Top 10 LPs	<u>%</u>	<u>%</u>

	<u>Firm Ownership</u>
Top 5	<u>%</u>
Top 10	<u>%</u>



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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

TO: Members of the Investment Committee

FROM: Erica Haywood, Fiscal Services Officer
Serafin Lim, Investment Operations Officer

DATE: October 1, 2025

SUBJECT: Update on State Street Bank and Trust Company Custodial Services

DS
Signed by:
Serafin Lim
3FD233E6277A413...

Recommendation:

Not Applicable – This is an information item.

Background:

On June 2024, the ACERA Board of Trustees ("Board") approved a two-year extension of the current Custody Contract with State Street Bank and Trust Company (SSB), set to expire on February 8th, 2027. The extension allowed ACERA a monitoring period to work together with SSB to resolve accounting deficiencies identified by the ACERA Fiscal Services Staff in late 2023. The challenges faced then were inaccurate financial reporting and account reconciliations from SSB.

Discussion:

Staff maintains regular communication with State Street and continues to monitor their performance per ACERA's request. Since the contract extension, State Street has implemented the following improvements:

1. As of 9/1/2025, the SSB Client Relationship team was successfully transitioned to the Sacramento office per ACERA's request. The SSB Sacramento client service leads are very experienced with public funds such as ACERA. They are responsive and able to serve ACERA within the same time zone. As a result of this transition, ACERA now has access to a local team servicing pension fund peers such as CalPERS and CalSTRS, and the opportunity for more face-to-face meetings. During the transition over the past few months, Staff took advantage of this proximity and scheduled several onsite meetings (in both Oakland and Sacramento).
2. Since late 2023, accounting deficiencies (i.e. inaccurate financial reporting) have been identified in 114 accounts by the Fiscal Services team and ACERA has been working closely with SSB to resolve all issues. To date, the accounting deficiencies in 66 accounts (58%) have been corrected and these accounts have been handed off to SSB for ongoing services; deficiencies in the remaining 48 accounts (42%) are being addressed and these accounts are expected to be handed off to SSB for full responsibility by year-end.
3. A key operational document, the Service Level Document, was updated to reflect changes in SSB services and personnel because of the recent move to the Sacramento offices. This operational document outlines specific SSB service responsibilities, provides details for certain deliverables, and clearly sets forth ACERA's service expectations.

Conclusion:

ACERA's Investments & Fiscal Services Staff meet regularly to monitor the full range of SSB custodial services, including client services, cash management, accounting reporting, and performance and analytics reporting, to ensure that ACERA will continue to receive accurate and timely financial reports and customer services.

Investments and Fiscal Services Staff are pleased with the currently implemented SSB improvements and look forward to a steady continuation of the improvement trajectory. Before the end of the second quarter in 2026, Staff plans to make a formal recommendation to the Board relative to State Street's custodial services going forward.

Attachments:

#1. State Street Sacramento Client Service Team Org Chart

Sacramento Based State Street Service Team

Executive Management

Ellyn Charters
Executive Vice President

Relationship Management

Kim Cook
Vice President

Business Development

Ryan Russell
Managing Director

Client Service

Maria O'Toole
Senior Vice President

Brenda Dulger-Sheikin
Senior Vice President

Stephanie Clark
Vice President

Sarb Dulai
Vice President

Chris White
Assistant Vice President

Stefan Hofer
Officer

Performance

Consuelo Lomeli
Managing Director

Carl Hennessey
Vice President

Steve Medvecki
Assistant Vice President

Alternative Investments

Safdar Akbari
Vice President

Jeff Verdun
Vice President



**October 1, 2025
Investment Committee Meeting**

INFORMATION ITEM #2

**Education Session: Public Equity Active v
Passive Investments under Current Market
Conditions**

**will be distributed under separate cover on
Friday, 09.26.2025**