



MINUTES OF THE April 1, 2026, INVESTMENT COMMITTEE MEETING

To: Members of the Investment Committee
From: Tarrell Gamble, Chair
Subject: Summary of the April 1, 2026, Investment Committee Meeting

The Investment Committee (“Committee”) met on Wednesday, April 1, 2026, at 10:50 a.m. The Committee members present were Ophelia Basgal, Keith Carson, Ross Clippinger, Scott Ford, Tarrell Gamble, Henry Levy, Kellie Simon, Elizabeth Rogers, and Steve Wilkinson. Also present was Alternate Retired Member Kathy Foster. ACERA Senior Managers and Presenting Staff were David Nelsen – Chief Executive Officer, Harsh Jadhav – Chief of Internal Audit, Lisa Johnson – Assistant Chief Executive Officer – Operations, Jeff Rieger – Chief Counsel, Clint Kuboyama – Senior Investment Officer, Stephen Quirk – Investment Officer, John Ta – Senior Investment Officer, Betty Tse – Chief Investment Officer, and Susan Weiss – Investment Counsel.

PUBLIC COMMENT:

N/A

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

There are no action items.

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

1. Report on a Private Equity Investment Made Under Delegated Authority after Distribution of the Last Investment Committee Meeting Agenda: Warren Equity Partners Fund V (\$60 million)
 - Staff reported closing on a \$60 million commitment to Warren Equity Partners Fund V under delegated authority, in compliance with all applicable Investment Policies and Procedures. Some Trustees asked whether new manager such as Warren should be brought to the Investment Committee as a recommendation under the current delegated authority language in the Policy. Staff responded that there would be a review of delegated authority policy language in the May ICM.
 - This information item serves to report publicly on Staff’s delegated action.

2. Report on the Proposed Minimum Qualifications and Scoring Matrix for ACERA’s Global Equity Manager Search – Public Equities
 - NEPC and Staff discussed the proposed minimum qualifications and scoring matrix for ACERA’s Global Equity (Global Core) manager search and noted that Staff will return to the

Committee in a subsequent meeting with an action item to approve the minimum qualifications and scoring matrix.

- Staff clarified that the search will be conducted as a targeted Request for Information (RFI) and that Staff expects to source candidates primarily from NEPC's Focus Placement List for Global Equity.
- Staff reviewed the high-level scoring framework and noted that this matrix is intended to be consistent with NEPC's manager due diligence approach, with additional scoring detail applied internally during evaluation, if warranted.
- Committee members provided feedback on the proposed minimum qualifications, including the minimum track record requirement and how net performance is considered within the scoring framework. Staff and NEPC noted that the track record requirement is intended as a minimum threshold and that track record length and related context will be disclosed in the materials as the search progresses.
- The search is expected to be completed in approximately six months.

3. Progress Report on 2025 Absolute Return Investment/Rebalancing Plan

- Staff and NEPC discussed with the Committee the 2025 Absolute Return ("AR") Investment/Rebalancing Plan ("Plan") and updated the Committee that the Plan has been implemented and is largely completed. The rebalancing policy and process used to make capital allocation decisions, including the Plan's allocation of \$174 million out of the AR Asset Class and into a single fixed income manager/strategy, was also discussed.

4. Education Session: Update on Private Debt Market Environment and to Make Sense of Today's Private Debt Headlines

- NEPC provided an overview of the Private Credit ("PC") Asset Class and the asset class's current market conditions including direct-lending defaults trending higher, direct-lending distress concentrated in some industries including Media/Telecom and Technology, and lower recovery rates in Technology debt restructurings. NEPC's underwriting of PC managers and the types of PC strategies NEPC has recommended as the PC market fundamentals have shifted were also discussed. The risks to institutional PC investments from redemption pressure in high-net-worth/retail PC vehicles, the lessons learned from the 1Q:23 peak in direct-lending defaults and how the slowdown in initial public offerings ("IPOs") potentially contributed to these defaults were discussed.
- NEPC and Staff commented on the risk management undertaken at the PC Asset Class and Total Fund levels through multi-dimensional diversification and avoidance of making new direct-lending investments since 2023. NEPC also commented that ACERA is invested across the Total Fund in different asset classes with higher risks than PC investments due to these higher-risk investments being lower in corporate capital structures. Staff and NEPC also

commented that the risks related to AI's impact on software and other investments extend well beyond PC investments.

- NEPC concluded that: 1) NEPC does not see systemic risk in PC; 2) retail investing in PC is unlikely to go away; 3) portfolio construction remains important; and 4) there is an opportunity to take advantage of PC dislocations.

5. Education Session: Affordable Housing Part 2 – Real Estate Investments

- Callan provided an education session on Affordable Housing as a real estate investment. The presentation included information on the performance of closed and open-ended affordable housing funds, occupancy and rent growth trends, types of affordable housing, a breakdown of the investment returns, and other considerations.
- The Investment Committee brought up considerations about investing locally and expressed that more time is needed for the Investment Committee to get comfortable with investing in Affordable Housing. Staff confirmed that no real estate commitments to Affordable Housing strategies will be executed under delegated authority.

TRUSTEE REMARKS:

Trustee Clippinger expressed his appreciation to NEPC and Callan for their educational presentations during the Investment Committee meeting.

FUTURE DISCUSSION ITEMS

ESTABLISHMENT OF NEXT MEETING DATE

May 6, 2026, at 10:30 a.m.

ADJOURNMENT

The meeting ended at 1:53 p.m.

To view the April 1, 2026, Investment Committee Meeting in its entirety, click on the link below.
<https://www.youtube.com/watch?v=-12Qa6GKm4o>