



MINUTES OF THE MAY 6, 2026, INVESTMENT COMMITTEE MEETING

To: Members of the Investment Committee

From: Tarrell Gamble, Chair
Steve Wilkinson, Vice Chair

Subject: Summary of May 6, 2026, Investment Committee Meeting

The Investment Committee (“Committee”) met on Wednesday, May 6, 2026, at 10:31 a.m. The Committee members present were Ophelia Basgal, Keith Carson, Ross Clippinger, Scott Ford, Tarrell Gamble, Henry Levy, Kellie Simon, and Steve Wilkinson (Zoom for “just cause”). ACERA Senior Managers and Presenting Staff were David Nelsen – Chief Executive Officer, Harsh Jadhav – Chief of Internal Audit, Lisa Johnson – Assistant Chief Executive Officer, – 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. Review of ACERA’s Delegated Authority for All Alternative Asset Classes
 - This item has been moved to next month’s Investment Committee Meeting.

2. Report on a Real Assets Investment Made Under Delegated Authority after Distribution of the Last Investment Committee Meeting Agenda: ISQ Global Infrastructure Fund IV (\$40 million)
 - Staff reported closing on a \$40 million commitment to ISQ Global Infrastructure Fund IV under delegated authority, in compliance with all applicable Investment Policies and Procedures. Staff and NEPC discussed with the Committee the rationale behind making the investment, and concerns and mitigants to the concerns related to the pace of distributions in previous ISQ Global Infrastructure Funds.
 - This information item serves to report publicly on Staff’s delegated action.

3. Progress Report on Real Assets Investment Plan

- Staff and NEPC provided a progress report on the Real Assets (RA) Investment Plan (Plan) that covered investments made in 2025. Four private infrastructure investment commitments were made for a total of \$155 million compared to the Plan's projected 3 – 4 for a total of \$120 million. The overallocation was due to the attractiveness of the strategies in market in 2025. No private natural resources investment commitments were made compared to the Plan's projected 2 – 3 for a total of \$80 million. This was due to the lack of private natural resources strategies in 2025 that were diversifying and attractive from a risk/return perspective. NEPC noted that the Plan is a guide to reach the asset class's long-term sub-class targets and that actual investment activity each year will deviate from the Plan based on market environment and availability of suitable strategies in each particular year.
- Staff and NEPC discussed with the Committee the potential commitments to private natural resources in 2026, the difficulty Staff and NEPC have encountered finding attractive non-energy private natural resources investments, and the risk of an overweight to private infrastructure. Staff and NEPC noted that the RA asset class is currently at target in its market value weighting in the Total Fund and that the asset class is comprised of a combination of publicly traded and private infrastructure and natural resources investments. Staff and NEPC further noted that the public exposures provide the asset class with beta to the infrastructure and natural resources markets while the private natural resources and infrastructure sub-classes are being built out.

4. Education Session: Public Equity Active Extension Strategies

- NEPC and Staff presented an education session on Public Equity active extension strategies in connection with ACERA's upcoming Global Core manager search. Staff noted that the proposed minimum qualifications and scoring matrix for the Global Core search will return to the Committee as an action item in later this year.
- NEPC defined active extension strategies as approaches that loosen the long-only constraint by permitting a limited amount of short selling and reallocation of capital for various ideas, while remaining fully invested with a beta of 1 and closely aligned with the benchmark. NEPC noted that total exposure is finite and controlled, volatility and drawdowns are explicitly managed, and portfolios are typically well-diversified.
- Staff and NEPC committed to follow up with empirical data comparing the risk and return characteristics of active extension strategies to long-only fundamental and systematic approaches, and to assess potential impacts at the Total Fund level. Staff confirmed that

ACERA does not currently invest with any active extension managers and clarified that the purpose of the education was not to advocate for a specific allocation, but to ensure the Committee is informed before the active extension strategies are considered as part of the Global Core manager search.

TRUSTEE REMARKS:

N/A

FUTURE DISCUSSION ITEMS

Trustee Wilkinson referenced a recent Callan conference presentation regarding geopolitical developments and the potential impact of evolving global relationships on financial markets and investment portfolios. He suggested the topic may warrant future committee discussion.

Sam noted that while NEPC is not a geopolitical forecasting organization, it monitors geopolitical developments and related market implications.

Trustee Levy requested an update on affordable housing managers. Staff indicated the item is expected to return to the Committee within the next one to two months following additional discussions with Callan.

ESTABLISHMENT OF NEXT MEETING DATE

June 3, 2026, at 10:30 a.m.

ADJOURNMENT

The meeting ended at 11:44 a.m.

To view the May 6, 2026, Investment Committee Meeting in its entirety, click on the link below.

<https://www.youtube.com/watch?v=JIwRdKOO5oI>