



MINUTES OF THE JUNE 3, 2026, INVESTMENT COMMITTEE MEETING

To: Members of the Investment Committee

From: Tarrell Gamble, Chair
Steven Wikinson, Vice Chair

Subject: Summary of June 3, 2026, Investment Committee Meeting

The Investment Committee ("Committee") met on Wednesday, June 3, 2026, at 10:31 a.m. The Committee members present were Ophelia Basgal, Keith Carson, Ross Clippinger (arrived after roll call), Scott Ford, Tarrell Gamble, Henry Levy (arrived after roll call), Kellie Simon, and Steven Wilkinson. Also present was Alternate Retired Member Kathy Foster. ACERA Senior Managers and Presenting Staff were David Nelsen – Chief Executive Officer, Carlos Barrios – Assistant Chief Executive Officer – Benefits, Harsh Jadhav – Chief of Internal Audit, Lisa Johnson – Assistant Chief Executive Officer – Operations, Chief Counsel – Jeff Rieger, Clint Kuboyama – Senior Investment Officer, Stephen Quirk – Investment Officer, John Ta – Senior Investment Officer (via Zoom), 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

1. Discussion of and Possible Motion to Recommend to the Board the Minimum Qualifications and Scoring Matrix for ACERA's Global Equity Manager Search – Public Equities
 - Staff and NEPC presented the proposed minimum qualifications ("MQs") and scoring matrix for ACERA's Global Core manager search, which implements the 20% Global Core allocation within the new Public Equity structure approved by the Board in January 2026. Staff confirmed that the search will be conducted as a targeted Request for Information (RFI), with issuance anticipated by the end of June, scoring of RFI responses through the third quarter, finalist due diligence in the fourth quarter, and funding anticipated in early 2027.
 - The proposed MQs comprise of 19 items, including minimum tracking error thresholds, a minimum since-inception information ratio, and a requirement that active strategies maintain net 100% market exposure. Item 6 carries forward existing policy language limiting the mandate to no more than 25% of a firm's total assets under management. The scoring matrix weighs net-of-fees performance, investment process, organizational factors, portfolio construction, and risk management among other things.

- NEPC presented trailing five-year median statistics indicating that the global extended equity universe has historically produced higher net excess returns at a lower tracking error than the global core long-only universe, resulting in a materially higher net information ratio. NEPC also provided a non-exhaustive list of public funds currently or historically invested in active extension strategies, including Sacramento County, Marin County, SFERS, and CalPERS.
- Staff and NEPC reiterated their recommendation to include active extension strategies in the search opportunity set in order to cast as wide a net as possible, while preserving the Committee's discretion at finalist selection. Staff and NEPC also confirmed that the MQs as drafted allow flexibility regarding the number of managers ultimately selected.
- Trustee Gamble moved, seconded by Trustee Basgal, to recommend that the Board adopt the minimum qualifications and the scoring matrix for ACERA's Global Equity Manager Search, with the MQs to be applied consistent with a potential multi-manager structure.
- The motion carried with 8 Yes (Basgal, Carson, Clippinger, Ford, Foster, Gamble, Simon, and Wilkinson), 0 No, and 0 Abstention.

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
 - The Investment Committee discussed the information item of delegated authority with Staff, NEPC and Callan. While no future action or resolution resulted from this discussion, the IC Chair suggested that policy updates could be considered when adding new investment strategies to the alternative asset classes.
2. Semiannual Performance Review for the Period Ending December 31, 2025 – Real Estate
 - As of 12/31/25, the Real Estate Portfolio had a total market value of \$816.60 million, which represented 5.8% of the Total Fund (asset class target is 8.2%). For the last 6-months ending 12/31/2025, ACERA's Real Estate portfolio had a net return of 1.8%, outperforming the NFI-ODCE benchmark return of 1.2%. For the trailing 3-year period, ACERA's Real Estate portfolio had a net return of -3.5% outperforming the NFI-ODCE benchmark return of -4.3%.
3. Semiannual Performance Review for the Period Ending December 31, 2025 – Private Equity
 - As of 12/31/2025, the Private Equity Portfolio had a total market value of \$1.0 billion, which represented 7.2% of the Total Fund in comparison to its 11.0% asset class target. As of 12/31/2025, the Private Equity Portfolio produced a one- and three-year annualized, net IRRs of 10.4% and 10.0%, respectively, versus a 12.9% and 8.2% return, respectively, for the Cambridge Global PE and VC Index.

4. Semiannual Performance Review for the Period Ending December 31, 2025 – Private Credit

- As of 12/31/2025, the Private Credit Portfolio had a total market value of \$568.6 million which represented 4.0% of the Total Fund (asset-class target was 6.8%). As of 12/31/2025, the Private Credit Portfolio produced one- and three-year-annualized, net IRRs of 6.1% and 8.4%, respectively, versus 8.0% and 11.2% returns, respectively, for the Private Credit blended benchmark.¹

5. Semiannual Performance Review for the Period Ending December 31, 2025 – Real Assets

- As of 12/31/2025, the Real Assets Portfolio had a total market value of \$886.8 million, representing 6.3% of ACERA's Total Fund (asset-class target is 6.0%). As of 12/31/2025, the Real Assets Portfolio produced one- and three-year annualized, net IRRs of 18.9% and 10.3%, respectively, versus 28.0% and 12.3% returns, respectively, for the Real Assets blended benchmark.²

6. Semiannual Performance Review for the Period Ending December 31, 2025 – Absolute Return

- As of 12/31/2025, the Absolute Return Portfolio had a total market value of \$968.7 million, which represented 6.9% of the Total Fund (asset-class target was 6.0%). As of 12/31/2025, the Absolute Return Portfolio produced one- and three-year annualized net time-weighted returns of 8.0% and 8.6%, respectively, versus 8.9% and 8.0% returns, respectively, for its Absolute Return blended benchmark.³

TRUSTEE REMARKS:

Trustee Levy attended the Pension Real Estate Association conference and described the event as high quality and relevant to current investment themes.

There was a brief discussion about whether affordable housing would be discussed at a future Committee meeting. Staff and Callan stated that they may bring the topic back for discussion, if directed to do so by the IC Chair.

¹Private Credit blended benchmark is comprised of the Morningstar LSTA U.S. Leveraged Loan Index + 200 bps effective 1/1/2025. From inception to 12/31/2024, it was comprised of the Morningstar LSTA U.S. Leveraged Loan 100 Index + 175 bps.

²Real Assets blended benchmark is comprised of 67% S&P Global Infrastructure Index/33% S&P Global LargeMidCap Commodity & Resources Index + 100 bps effective 5/1/2025. From 1/1/2021 to 4/30/2025, it was comprised of 5% Bloomberg Commodity Index/60% S&P Global Infrastructure Index/35% S&P Global LargeMidCap Commodity & Resources Index

³Absolute Return blended benchmark is comprised of HFRI Fund of Funds Conservative Index effective 9/1/2025. From 10/1/2017 to 8/31/2025, it was comprised of HFRI Fund of Funds Composite Index. From inception to 9/30/2017, it was comprised of Libor 1M + 400 bps.

FUTURE DISCUSSION ITEMS

N/A

ESTABLISHMENT OF NEXT MEETING DATE

July 1, 2026, at 10:30 a.m.

ADJOURNMENT

The meeting ended at 1:02 p.m.

To view the June 3, 2026, Investment Committee Meeting in its entirety, click on the link below.

https://www.youtube.com/watch?v=8_XYk8opiQQ