ACERA ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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# MINUTES OF THE AUGUST 5, 2026, INVESTMENT COMMITTEE MEETING

To: Members of the Investment Committee

From: Elizabeth Rogers

**Subject: Summary of August 5, 2026, Investment Committee Meeting**

The Investment Committee ("Committee") met on Wednesday, August 5, 2026, at 10:32 a.m. The Committee members present were Ophelia Basgal, Keith Carson, Scott Ford, Henry Levy, and Elizabeth Rogers. Also present was Alternate Retired Member Kathy Foster. ACERA Senior Managers and Presenting Staff were David Nelsen – Chief Executive Officer, Satjit Dale – Assistant Chief Executive Officer – Operations, Harsh Jadhav – Chief of Internal Audit, Chief Counsel – Jeff Rieger (Via Zoom), Clint Kuboyama – Senior Investment Officer, Stephen Quirk – Investment Officer, Betty Tse – Chief Investment Officer, and Susan Weiss – Investment Counsel.

**PUBLIC COMMENT:**

N/A

**<u>Action Items: Matters for discussion and possible motion by the Committee</u>**

1. Discussion of and Possible Motion to Recommend that the Board approve a New Asset Allocation Portfolio Rebalancing Methodology

    - Staff and NEPC presented a proposed new rebalancing methodology to replace ACERA's current standard-deviation-based framework. The proposed methodology establishes minimum and maximum ranges around each asset class policy target, with the ranges derived systematically from one standard deviation of expected volatility for each asset class based on NEPC's annual Capital Market Assumptions. Staff noted that the proposed approach is consistent with industry best practices adopted by ACERA's peers.

    - Staff explained that the proposed rebalancing methodology is a risk control mechanism which preserves existing Staff discretion in implementing the policy. A rebalancing signal occurs when an asset class exceeds its minimum or maximum range for five consecutive business days, at which point Staff engage NEPC and Parametric to assess the appropriate action at the Total Fund level, including consideration of liquidity, transaction costs, and other cash-flow obligations.

    - Staff and NEPC noted that rebalancing is not a precise science and that no methodology represents a perfect solution. The proposed approach intends to balance the risk of allowing the portfolio to drift against the transaction costs of rebalancing too frequently. NEPC added that it had evaluated more complex frameworks used by other public plans and concluded that the incremental benefit did not justify the added complexity.

- Trustee Carson moved, seconded by Trustee Levy, to recommend that the Board approve a New Asset Allocation Portfolio Rebalancing Methodology.

- The motion carried with 6 Yes (Basgal, Carson, Ford, Foster, Levy, and Rogers), 0 No, and 0 Abstention.

2. Discussion of and Possible Motion to Recommend that the Board approve an up to $35 million Investment in Quantum Energy Partners IX[3] as part of ACERA's Real Assets Portfolio – Natural Resources, Pending Completion of Legal and Investment Due Diligence and Successful Contract Negotiations

- Staff and NEPC discussed the rationale behind the recommended investment and noted that it is in compliance with the Real Assets Investment Policy and Plan.

- Quantum representatives presented the Fund and its strategy to the Committee and answered Trustee questions related to Quantum's business and the Fund.

- Trustee Ford moved, seconded by Trustee Basgal, to recommend that the Board approve an up to $35 million Investment in Quantum Energy Partners IX as part of ACERA's Real Assets Portfolio – Natural Resources, Pending Completion of Legal and Investment Due Diligence and Successful Contract Negotiations.

- The motion carried with 4 Yes (Basgal, Carson, Ford, and Foster), 1 No (Rogers), and 1 Abstention (Levy).

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

1. Report on a Real Assets Investment Made Under Delegated Authority after Distribution of the Last Investment Committee Meeting Agenda: Taurus Mining Finance Fund No. 3 ($35 million)

- Staff reported closing on a $35 million commitment to Taurus Mining Finance Fund No. 3 under delegated authority, in compliance with all applicable Investment Policies and Procedures. Staff and NEPC discussed the rationale supporting the investment.

- This information item serves to report publicly on Staff's delegated action.

2. Report on a Private Credit Investment Made Under Delegated Authority after Distribution of the Last Investment Committee Meeting Agenda: Davidson Kempner Opportunities Fund VII ($40 million)

- Staff reported closing on a $40 million commitment to Davidson Kempner Opportunities Fund VII under delegated authority, in compliance with all applicable Investment Policies and Procedures. Staff and NEPC discussed the rationale for making the investment commitment.

- This information item serves to report publicly on Staff's delegated action.

3. Report on a Real Assets Investment Made Under Delegated Authority after Distribution of the Last Investment Committee Meeting Agenda: LS Power Equity Partners VI ($25 million)

- Staff reported closing on a $25 million commitment to LS Power Equity Partners VI under delegated authority, in compliance with all applicable Investment Policies and Procedures. Staff noted that although it subscribed to the Fund for a $40 million commitment, due to oversubscription to the Fund, ACERA was only allocated a $25 million commitment by LS Power.

- NEPC and Staff discussed the reasons behind the investment commitment.

- This information item serves to report publicly on Staff's delegated action.

4. Education Session on Co-Investments

- NEPC provided an educational overview of co-investments as an investment structure within private markets. NEPC defined a co-investment as an arrangement in which a limited partner (LP) invests directly in a portfolio company alongside a general partner (GP), typically arising when a GP syndicates a portion of an acquisition to LPs rather than committing the full amount from its fund. Co-investments were characterized as complementary to a diversified private markets program rather than a replacement for core fund commitments and were noted to be increasingly offered in private credit and private real estate in addition to private equity.

- Staff and NEPC confirmed that ACERA has limited existing co-investment exposure (no direct co-investment exposure, only a few co-investment vehicles offered by existing GPs). Although ACERA is routinely offered co-investment opportunities from existing managers, it has historically declined such opportunities since there is no established governance framework to evaluate opportunities within the short turnaround time. NEPC noted that among the largest public fund peers surveyed at its annual public funds conference, approximately one-third are actively pursuing co-investment programs, and interest is growing more broadly among plans of ACERA's size.

- Staff emphasized that while the objective of co-investments is to maximize net-of-fees returns, staff is not recommending to pursue a co-investment program until ACERA has established an appropriate governance infrastructure for such a program. Staff further emphasized that the purpose of the session was to introduce the topic to inform future consideration.

**TRUSTEE REMARKS:**

**FUTURE DISCUSSION ITEMS**

N/A

**ESTABLISHMENT OF NEXT MEETING DATE**

September 2, 2026, at 10:30 a.m.

**ADJOURNMENT**

The meeting ended at 12:37 p.m.

**To view the August 5, 2026, Investment Committee Meeting in its entirety, click on the link below.**
**https://www.youtube.com/watch?v=vjeiS1JyUEw**