



## MINUTES OF THE DECEMBER 3, 2025, INVESTMENT COMMITTEE MEETING

To: Members of the Investment Committee

From: George Wood, Chair

**Subject: Summary of the December 3, 2025 Investment Committee Meeting**

The Investment Committee ("Committee") met on Wednesday, December 3, 2025, at 10:31 a.m. The Committee members present were Ophelia Basgal, Tarrell Gamble, Henry Levy, Elizabeth Rogers, Kellie Simon, Steven Wilkinson (via Zoom), and George Wood. Also present was Alternate Retired Member Cynthia Baron. ACERA Senior Managers and Presenting Staff were David Nelsen – Chief Executive Officer, Lisa Johnson – Assistant Chief Executive Officer, Jeff Rieger – Chief Counsel, Clint Kuboyama – Senior Investment Officer, Noe Reynoso – Investment Analyst, John Ta – Senior Investment Officer, Betty Tse – Chief Investment Officer, and Susan Weiss – Investment Counsel

### **PUBLIC COMMENT:**

N/A

### **Action Item: Matters for discussion and possible motion by the Committee**

There were no action items.

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

1. Report on Real Estate Investment Made Under Delegated Authority after Distribution of the Last Investment Committee Meeting Agenda – Artemis Healthcare Fund III
  - Staff confirmed closing a \$35 million commitment to the named Artemis Healthcare Fund III under delegated authority, in compliance with all applicable Investment Policies and Procedures. This information item serves to report publicly on Staff's delegated action.
2. Report on Real Assets Investment Made Under Delegated Authority after Distribution of the Last Investment Committee Meeting Agenda – Brookfield Global Transition Fund II-B, LP
  - Staff confirmed closing a \$40 million commitment to the named Brookfield Global Transition Fund II-B, LP under delegated authority, in compliance with all applicable Investment Policies and Procedures. This information item serves to report publicly on Staff's delegated action.
3. Report on Real Assets Investment Made Under Delegated Authority after Distribution of the Last Investment Committee Meeting Agenda – Rockland Power Partners V, LP

- Staff confirmed closing a \$30 million commitment to the named Rockland Power Partners V, LP under delegated authority, in compliance with all applicable Investment Policies and Procedures. This information item serves to report publicly on Staff's delegated action.

4. Semiannual Performance Review for the Period Ending June 30, 2025 – Real Estate

- As of 06/30/25, the Real Estate Portfolio had a total market value of \$987.2 million, which represented 6.3% of the Total Fund (asset class target is 8.2%). For the last 6-months ending 06/30/2025, ACERA's Real Estate portfolio had a net return of 0.7%, underperforming the NFI-ODCE benchmark return of 1.7%. For the trailing 3-year period, ACERA's Real Estate portfolio had a net return of -5.5% outperforming the NFI-ODCE benchmark return of -6.2%.
- Trustee Gamble inquired about two funds with \$0 capital called as of 6/30/2025. Staff confirmed one manager had called capital after that date and indicated that specific cash flow details would be emailed to all Trustees after the meeting.
- Trustee Basgal inquired about considerations to possibly sell the ACERA HQ building due to the performance drag of the named building to the RE portfolio. The Committee discussed the pros and cons of keeping the ACERA HQ building without making any decisions. Staff and Callan stated that they would continue to monitor the performance of the named building while Callan also noted that the current market would be unfavorable for a sale.

5. Semiannual Performance Review for the Period Ending June 30, 2025 – Private Equity

- As of 06/30/2025, the Private Equity Portfolio had a total market value of \$944.8 million, which represented 7.2% of the Total Fund in comparison to its 11.0% asset class target. As of 06/30/2025, the Private Equity Portfolio produced a one-year annualized, one- and three-year annualized, net IRRs of 12.9% and 9.7%, respectively, versus a 9.7% and 5.6% return, respectively, for the Cambridge Global PE and VC Index.

6. Semiannual Performance Review for the Period Ending June 30, 2025 – Private Credit

- As of 06/30/2025, the Private Credit Portfolio had a total market value of \$569.3 million which represented 4.3% of the Total Fund (asset-class target was 6.8%). As of 06/30/2025, the Private Credit Portfolio produced one- and three-year-annualized, net time-weighted returns of 7.4% and 8.7%, respectively, versus 9.3% and 11.7% returns, respectively, for the Private Credit blended benchmark.<sup>1</sup>

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<sup>1</sup>Private 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 S&P LSTA U.S. Leveraged Loan 100 Index + 175 bps.

7. Semiannual Performance Review for the Period Ending June 30, 2025 – Real Assets

- As of 06/30/2025, the Real Assets Portfolio had a total market value of \$802.0 million, representing 6.1% of ACERA's Total Fund (asset-class target is 6.0%). As of 06/30/2025, the Real Assets Portfolio produced one- and three-year annualized, net time-weighted returns of 13.8% and 8.1%, respectively, versus 19.3% and 9.8% returns, respectively, for the Real Assets blended benchmark.<sup>2</sup>

8. Semiannual Performance Review for the Period Ending June 30, 2025 – Absolute Return

- Sam Austin, NEPC Consultant, introduced new member of NEPC's team Emily Moran. Emily will be an additional resource on ACERA's account. She has about 15 years of investment experience working for both the investment manager as well as a consultant in the OCIO space prior to joining NEPC.
- As of 06/30/2025, the Absolute Return Portfolio had a total market value of \$1.0 billion, which represented 7.9% of the Total Fund (asset-class target was 6.0%). As of 06/30/2025, the Absolute Return Portfolio produced one- and three-year annualized net returns of 8.5% and 8.0%, respectively, versus 7.0% and 6.5% returns, respectively, for its Absolute Return blended benchmark.<sup>3</sup>

9. Annual Report on ACERA Alternative Investments (CA Gov. Code § 7514.7)

- Staff discussed its annual CA Gov. Code § 7514.7 Alternative Investment Vehicles Information Report with the Investment Committee. This is a mandatory report that covers all the data through December 31, 2024.
- Trustee Gamble requested training on the requirements of CA Government Code §7514.7, including guidelines on what information should be considered confidential.

**TRUSTEE REMARKS:**

**FUTURE DISCUSSION ITEMS**

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<sup>2</sup>Real 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.

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

**ESTABLISHMENT OF NEXT MEETING DATE**

January 7, 2026 at 10:30 a.m.

**ADJOURNMENT**

The meeting ended at 12:12 p.m.

**To view the December 3, 2025 Investment Committee Meeting in its entirety, click on the link below.**

<https://www.youtube.com/watch?v=cDNFYG0Z6dM>