ALAMEDA COUNTY
EMPLOYEES RETIREMENT ASSOCIATION

REAL ESTATE INVESTMENT GUIDELINES, POLICIES AND PROCEDURES

Amended November 18, 2021

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I. SCOPE

The Real Estate Investment Guidelines, Policies and Procedures ("R/E Policy") governs all investments in the Real Estate asset class made by Alameda County Employee's Retirement Association ("ACERA"). The R/E Policy is subject to all provisions of applicable law and the applicable limitations and requirements of ACERA's General Investment Guideline, Policies and Procedures ("General Policy"). If there is any conflict between this R/E Policy and ACERA's General Policy pertaining to investments in the Real Estate asset class, this R/E Policy prevails. The ACERA Board ("Board") reserves the right to amend, supplement or rescind this R/E Policy at any time.

II. PURPOSE

The purpose of this Policy is to 1) set forth the real estate investment policies and guidelines which are deemed to be appropriate and prudent; 2) establish criteria against which real estate investment opportunities are to be measured; and 3) serve as a governance document and guide to the ongoing oversight of ACERA's Real Estate Portfolio ("R/E Portfolio") on a consistent basis. The Policy also defines roles and responsibilities of the Board, the ACERA Investment Committee ("Investment Committee"), the ACERA Staff ("Staff"), the ACERA Real Estate Consultant ("Consultant") and the Real Estate Investment Managers hired by ACERA to manage its assets ("Investment Managers").

It is expected that this Policy will be a living document and that changes will be made from time-to-time to reflect experience, evolving investment products, and opportunities and changes in the economic and capital market environment.

ACERA has determined that, over the long term, inclusion of real estate investments should provide the following benefits (in order of relative importance):

- Lower portfolio risk due to low correlation with other portfolio asset classes
- Generate a stable, income stream to assist in meeting cash flow needs
- Provide growth through appreciation
- Serve as a hedge against inflation

- Provide an opportunity to enhance portfolio return through higher total return investments

In order to achieve the above benefits, this document establishes the specific investment guidelines, policies and procedures involved in the implementation and oversight of the ACERA real estate program. The investment guidelines define the specific risk tolerance and return expectations for the program. The policies provide specifications for acceptable investment styles and management of the various risks associated with the asset class. The procedures provide guidelines for the implementation and oversight of said policies.

III. INVESTMENT OBJECTIVES

A. Asset Allocation

ACERA has approved a long-term asset allocation target of nine percent (9%) for investment in real estate investments.

B. Return Objectives

The Board has determined that the primary objective for the real estate asset class will be to provide a source of return that improves the diversification of the overall investment portfolio. Equity real estate investments generally have low correlations to traditional asset classes. The secondary objective for the asset class will be to achieve total returns[1] that include a large portion attributable to income[1].

The Board seeks to achieve total net returns on all real estate investments equivalent to the net returns of the National Council of Real Estate Investment Fiduciaries Fund Index Open-End Diversified Core Equity Index ("NFI-ODCE" or "ODCE") as a minimum return for the total portfolio over rolling five-year periods.

[1] Total return is comprised of two components: income and appreciation. Income is defined as net operating income from real estate after expenses and leverage but before the deduction of capital items (e.g. roof replacement, renovations, etc.). Appreciation / depreciation is defined as an increase or decrease in investment value based on an internal or third party appraisal or mark-to-market.

IV. INVESTMENT POLICIES

A. Portfolio Composition

The universe of public and private real estate investment strategies ('styles') can be divided into three primary categories: (1) Core, (2) Core-Plus, (3) Value-Added, and (4) Opportunistic. For purposes of diversification and because of the size of ACERA's Fund, the portfolio will consist mostly of commingled funds, not Separately Managed Accounts ("SMA") except for maintaining ACERA's Headquarters. The style groups are defined by their respective market risk/return characteristics:

<u>Core Characteristics</u>

- Institutional quality operating properties that are substantially leased (greater than 80%) core quality properties;
- Property types invested in mainly include office, apartment, retail and industrial;
- Total return consists of both income and appreciation with income accounting for 65% or more of the return.
- May generally include the use of leverage up to 50% Loan-to-Value. (See Section IV.B.4.a, "Leverage: Core" for more information).

<u>Core - Plus Characteristics</u>

- Institutional quality operating properties that are substantially leased core quality properties;
- Strategies may include one or more of the traditional property types (office, apartment, retail, industrial) or niche property types with demonstrated capital demand for disposition;
- Total return consists of both income and appreciation with income accounting for 50% or more of the return.
- May generally include the use of leverage up to 65% Loan-to-Value. (See Section IV.B.4.b, "Leverage: Core-Plus" for more information).

Value-Added Characteristics

- Institutional quality properties with identifiable deficiencies such as lease-up, rehabilitation, repositioning, expansion or those acquired through forward purchase commitments in order to reach stabilization;
- Strategies may include traditional (office, apartment, retail, industrial) or niche property types with demonstrated capital demand for disposition;
- Total return consists of capital appreciation with anticipated growing income over time;
- May generally include the use of leverage up to 65% Loan-to-Value. (See Section IV.B.4.c, "Leverage: Value Added" for more information).

Opportunistic Characteristics

- Institutional quality properties offering recapitalization, turnaround, development, market arbitrage opportunities or offshore investments;
- No property types are excluded, and properties may include business operations (e.g. hotels, congregate care), as well as, office, apartment, retail, and industrial;
- Total return is primarily attributable to appreciation.
- May generally include the use of leverage up to 80% Loan-to-Value. (See Section IV.B.4.d, "Leverage: Opportunistic" for more information).

With respect to the four style groups, the Board has established the following portfolio composition target[1]:

Style	Return Benchmarks (Net of Fees)
≥ 60% Core	NCREIF Open-End Diversified Core Equity ("ODCE") Index Capitalization – Weighted (Net of Fees)
0%-30% Core-Plus	NCREIF Open-End Equity ("OE")Index
0% - 30% Value-Added	NCREIF Open-End Equity ("OE")Index
0% - 15% Opportunistic	NCREIF OE Index
Total Real Estate Portfolio	NCREIF ODCE Index Capitalization-Weighted (Net of Fees)

[1] Refer to Schedule II: ACERA's policy index for Real Estate and Benchmarks for Real Estate Managers.

All investments will be classified based upon the strategy advocated at inception of the investment.

B. Risk Management

The primary risks associated with real estate investments relate to property type and geographic selection, illiquidity, investment manager risk, portfolio management risk and loss of principal (economic risk). The following policies have been established to prudently manage and mitigate the risks involved in investing in real estate.

1. Defined Roles for Participants

All program participants must comply with ACERA policies, guidelines and contracts in addition to the conditions listed in this document. Additional roles and responsibilities specific to the real estate portfolio are detailed in Appendix A of this document.

2. Investment Structure

ACERA recognizes that, regardless of investment vehicle, real estate is an illiquid asset class. Vehicles that maximize investor control of the assets are preferred, particularly in Core, Core-plus, Value-Added, and Opportunistic investments. ACERA also recognizes that the Opportunistic style requires the assumption of additional risks including diminished investor control. The risk associated with reduced investor control in higher return strategies will be mitigated by limiting exposure to any single investment strategy and/or manager.

ACERA will utilize the following investment structure:

a) Commingled Funds[1]

[1] Investments made through a privately placed commingled fund structure or limited partnerships are considered Alternative Investments.

Commingled Funds will be utilized for Core, Core-plus, Value-Added and Opportunistic investment strategies.

The Core investment style is considered to be less risky (thereby providing lower returns) than higher returning Core-plus, value-added or opportunistic investments. The lower risk assigned to stabilized investments is due to three primary characteristics: (1) the stability of the income generated;(2) the higher proportion of the total return attributable to income; and (3) the limited use of debt (0% to 50%) usually associated with the style. Because of its high occupancy rates, Core properties are more stable.

The Core-plus investment style is considered to be slightly more risky than Core, but less risky than higher returning value-added or opportunistic investments. The slightly higher risk assigned to Core-plus is due to three primary characteristics: (1) greater specialization in 1 or more property types, (2) possible more leverage used, and (3) the stability of the income generated, albeit less than Core.

The Value-Added and Opportunistic investment styles seek to provide higher returns with higher risk than the Core or Core-plus components of the portfolio. Value-Added investments depend upon the successful completion of an active management strategy and a timely disposition of the asset(s). Value-Added investments often use higher levels of debt, as compared to Core or Core-plus investments, to further increase total return expectations.

Opportunistic investments seek to capitalize on market inefficiencies and opportunities (e.g. capital voids, market recovery, development, distressed sellers, financial engineering, non-domestic markets) and debt to provide excess returns. Because of the degree of reliance on active management necessary to capitalize on such market inefficiencies, investments will be accessed through structures that allow a high degree of manager discretion and a significant level of diversification.

In order to mitigate the increased risks associated with the style exposure, ACERA will make investments in the Value-Added and

Opportunistic components through the ownership of units or shares of Commingled Fund structures. Any legally permissible vehicle will be allowed including, but not limited to, joint ventures, limited partnerships, real estate investment trusts and limited liability corporations. ACERA will invest in Commingled Fund in accordance with the procedures detailed in Section IV. B.

3. *Diversification*

To minimize the adverse impact of any single style, strategy, manager or investment property, ACERA will seek to diversify its real estate portfolio by property type, property location, investment style, investment strategy, and manager; and primarily through commingled funds. At the asset class level, the debt investments in real estate cannot account for more than up to 15% of the total allocation.

Property Types and Location

Selection of specific Commingled Fund investments will provide enhanced diversification characteristics based on its complimentary strategy/style so as to increase diversification benefits within the real estate portfolio.

Exposure to any single property type (i.e. office, retail, apartment, industrial) or geographic region (East, Mid-West, West or South in the United States or internationally) will be within a range of zero percent (0%) to forty percent (40%), excluding the Oakland Office Building. Any single property type or region found to be in excess of the range limitations must be approved as an exception by the Committee and Board. At the asset class level, investments in international real estate cannot account for more than up to 15% of the total allocation.

Investment Style/Strategy

The risk profile of the real estate portfolio will be managed through the maintenance of the approved style composition ($\geq$ 60% Core; 0%-30% Core-Plus; 0%-30% Value-Added; 0%-15% Opportunistic) when allocating capital.

Investment Vehicles/Managers

a) Commingled Fund ("CF")

Diversification by Strategy and Manager will be used to minimize sponsor or strategy concentration, which might, in turn, impact the performance of the Core, Core-plus, Value-Added and Opportunistic allocation and/or the total portfolio. Commingled Funds will provide reporting which will allow ACERA to monitor its geographic and property type diversification. Commingled Funds are generally categorized into two sub-structures, Open-end and Closed-end. Open-end commingled funds are infinite vehicles which provide liquidity by allowing investor to make capital contributions or redemption requests, typically on a quarterly basis. Closed-end funds are finite vehicles where the timing of contribution requests and capital distributions are at the discretion of the manager. 4. Leverage

ACERA has approved leverage limits in order to maximize returns to the total portfolio with minimum risk. The Board has approved a maximum of forty percent (40%) leverage for the total portfolio. In addition, targets are established for each investment style based on the risk/return profile of the underlying investments. In the event that either the portfolio level and/or style level leverage constraint is breached due to a contraction in market values, the ACERA's Staff and Consultant will notify the Board and make a recommendation for action or exception.

a) Core

Core assets generally provide an established stream of rental revenue. Because of the predictability of the income stream, third-party debt can be used at relatively low risk to enhance return. Core opportunities accessed through Commingled Funds will have pre-specified leverage limits stated in the offering documents. Core Commingled Fund leverage will generally be limited to 50% at the portfolio level.[1]

b) Core-Plus

Investments classified as institutional high quality Core-like opportunities that fall outside of all the Core type fund assets parameters. Core-plus funds can specialize in one or more property

[1] For any single Core SMA asset, such as the Oakland Office Building, third-party debt will be limited to fifty percent (50%) of the market value of the asset.

types, geographic regions, with higher levels of debt. Core-Plus Commingled Fund leverage will generally be limited to 65% at the portfolio level.

c) Value-Added

Investments classified as Value-Added generally provide a higher proportion of appreciation, as compared to income, than Core and Core-plus assets. Value-Added opportunities accessed through Commingled Funds will have pre-specified leverage limits stated in the offering documents. Value-Added Commingled Fund leverage will generally be limited to 65% at the portfolio level.

d) Opportunistic

Investments classified as Opportunistic investments often utilize third-party debt as an integral part of their total return strategy. Such investments will be made through Commingled Funds and will therefore have a specified leverage target or maximum stated in the offering documents. Opportunistic Commingled Fund leverage will generally be limited to 80% at the portfolio level.

A chart depicting the leverage limits is shown below:

Style	Leverage Limits
Core	≤ 50%
Core-Plus	≤ 65%
Value-Added	≤ 65%
Opportunistic	≤ 80%
Total Real Estate Portfolio	≤ 40%

5. Investment Size

ACERA's investment in any single Commingled Fund may not exceed 20% of the total net asset value of the Commingled Fund at offering.

6. Valuations

This policy does not apply to the Fund's commingled fund investments, where the Fund does not have control over the appraisal policies or implementation of appraisal practices.

For any SMA, such as the Oakland Office Building, an annual valuation in the quarter of the anniversary date of each asset acquisition, the Manager will arrange for valuations for such assets and will provide ACERA with valuations for all properties for which it has asset management responsibilities. Unless specifically directed by ACERA, the valuation will be prepared by a qualified independent third party entity beginning on the third anniversary of ownership and every third year of ownership thereafter. Interim valuations may be conducted by the manager.

All materials generated by the independent third party will be copied to ACERA for record keeping. Valuation adjustments made in the interim periods will be documented in a memo to ACERA and retained for record keeping.

C. Discretionary Authority

The Board controls the delegation of discretion. The Policies and Procedures described herein are structured to control investment risk.

1. Commingled Funds

Commingled Funds are structured to give the highest level of discretion to the Manager. The limited investor control of management decisions inherent in Commingled Fund investments is appropriate given the flexibility required to achieve higher expected returns. Nonetheless, preference will be given to Commingled Funds extending greater investor rights (e.g. redemptions, termination, and alignment). Investments made in Commingled Funds are monitored for compliance with vehicle documents through quarterly performance measurement procedures.

V. INVESTMENT PROCEDURES

The ACERA Annual Real Estate Investment Plan identifies the investment needs of the portfolio and establishes the parameters for the selection of appropriate investments. The particular needs for each Annual Real Estate Investment Plan will be established in light of the structure, objectives and performance of the existing portfolio as well as current market opportunities. All Annual Investment Plans will be consistent with the policies detailed in Section IV.A-C.

A. Commingled Funds

The following procedures will be utilized in the selection, closing and monitoring of specific Commingled Fund investments.

1. *Commingled Fund Selection Process*

a) The Consultant will maintain an ongoing review of offerings within the institutional market place and, based on due diligence findings, refer appropriate Commingled Fund investments to Staff.

b) Staff shall review the Consultant recommendations for compliance with agreed upon due diligence procedures for each fund recommendation.

c) Staff shall verify and opine as to the compliance of each recommended fund with the approved R/E Policy and current Investment Plan. (See Compliance Check List, Appendix B)

d) Staff shall arrange presentations to the Committee in order to allow the Committee to recommend a selection to the Board for approval.

B. Separately Managed Accounts ("SMA")

The following procedures will be utilized for maintaining and monitoring of SMA, such as the Oakland Office Building.

1. *Control and Monitoring*

a) Budget and Management Plan

Not less than 60 days after the end of the calendar year, each SMA Manager shall submit a Budget and Management Plan for the upcoming year for each direct investment and the aggregate SMA portfolio. The Budget and Management Plan must include a narrative strategy and an estimated income and cash flow statement for the ensuing year. The statement will include gross revenues, expenses, percentage rent, additional interest, property management fees, net operating income, tenant improvements, leasing commissions, capital expenditures, cash flow before and after debt service and asset management, incentive and other fees along with quarterly distribution projections.

Not more than 90 days after the end of the calendar year, Staff and Consultant will meet with the Manager personnel directly responsible for portfolio and asset management for a review and evaluation of the reasonableness of the submitted Budget and Management Plan.

C. Performance Measurement Reports

On a semi-annual basis, the Consultant will prepare a report and evaluation of the real estate portfolio relative to the R/E Policy. The report shall provide such information as may be required by ACERA to evaluate and administer its investments and Managers.

The content of the report shall include return analysis for both the investment managers and the total portfolio including: income, appreciation, gross and net returns for the portfolio and each manager, cash-flow, internal rate of return, diversification, comparisons to relevant industry performance indices and information reporting standards, and R/E Policy and Investment Plan compliance.

Quarterly reports will also provide the ACERA Staff and Board with notification of any manager appearing on the ACERA 'Watch list' for additional oversight and evaluation.

Watch List Qualification

1. A manager may be placed on the Watch List at any time for material organizational changes or instability. Material organizational changes may

include, but are not limited to, key personnel changes, ownership changes or other firm level issues.

2. A manager will automatically be placed on the Watch List if net of fee performance falls below the net of fee performance of the relevant manager account benchmark for three (3) consecutive quarters. Performance will be measured on a quarterly basis using the longest rolling time period possible (one, three or five year rolling returns).

Watch List Removal

1. With respect to material organizational changes, a manager may be removed from the Watch List after a minimum one year period and with satisfaction by and recommendation from the Staff and Consultant. The Staff and Consultant will provide notification to the Board when such changes are made.

2. With respect to performance, any manager placed on the Watch List for underperformance will automatically be eligible for removal from the Watch List once net of fee performance exceeds the relevant manager account benchmark for three (3) consecutive quarters. Performance will be measured on a quarterly basis using the longest rolling time period possible (one, three, or five year rolling returns).

The Consultant shall prepare and forward to ACERA's Staff, a Performance Measurement Report within ninety (90) days following the last day of each quarter pending receipt of all manager supplied data requests.

Schedule I

Manager Structure, Capital Structure, and Location Targets

No manager may represent more than 35% of ACERA's total real estate target allocation. Other guidelines are set forth in the chart below.

Style	Target Allocation within Asset Class
Core Investments	≥ 60%
Core - Plus	0% - 30%
Value-Added Investments	0% - 30%
Opportunistic	0% - 15%

Capital Structure/Location	Target Allocation within Asset Class
Equity Real Estate	0% - 100%
Debt Real Estate	0% - 15%
International Exposure (Equity or Debt)	0% - 15%

Schedule II

Defined Roles of Participants

The real estate program shall be planned, implemented, and monitored through the coordinated efforts of the Board, Investment Committee ("Committee"), Staff, Real Estate Consultant ("Consultant") and Investment Managers ("Manager" or "Managers"). Set forth below is the delegation of the major responsibilities of each participant.

Responsibilities of the ACERA Board

- Approves Committee recommendations.

Responsibilities of the Investment Committee

- Reviews the R/E Policy and the Investment Plan for the real estate program.
- Evaluates the selection and/or termination of Managers and Real Estate Consultants, and recommends such selection and/or termination to the Board for approval.
- Reviews the real estate portfolio quarterly to evaluate the investment performance and to ensure compliance with policy guidelines and approved Investment Plans.
- Makes recommendations to the Board for approval; and,
- Delegation[1]:

    a. Delegating to Staff the authority to make final decisions on new proposed private real estate investments with an individual commitment up to 5% of the target allocation to the total Real Estate Portfolio.

    b. Delegating to Staff the authority to make final decisions on proposed "re-up" private real estate investments with existing managers in good standing, an individual commitment, in addition to the existing commitment, up to 10% of the target allocation to the total Real Estate Portfolio.

Responsibilities of the ACERA Staff

- Recommends the R/E Policy and the Investment Plan to the Committee.
- Makes recommendations to the Committee regarding ACERA's real estate portfolio.

[1] Investment managers may not appear before the Investment Committee when Staff exercises its delegated authority.

- Ensures compliance with the R/E Policy and with contracts by consultants and by managers.
- Implements Board and Committee decisions.
- Provides day-to-day oversight of program activities.
- Makes recommendations to the Committee regarding the management of the portfolio.
- Monitors the organization and performance of managers, and reports any significant discrepancies.
- Completes any other activity as directed by the Committee and/or Board.
- Delegation:

    a. Approving Consultant's real estate investment proposals (new proposals) with each individual commitment up to 5% of the target allocation to the total RE Portfolio upon completion of a thorough review and due diligence process with satisfactory results. Staff and Consultant shall provide the Investment Committee all required reports (please see Appendices A & B).

    b. Approving Consultant's real estate investment proposals for "re-ups" with existing managers with each individual commitment in addition to the existing commitment, up to 10% of the target allocation to the total RE Portfolio to managers in good standing[1] upon completion of a thorough review and due diligence process with satisfactory results. Staff and Consultant shall provide the Investment Committee all required reports[2] (please see Appendices A & B).

Responsibilities of the Consultant

- Recommends the R/E Policy and the Investment Plan to the Committee.
- Makes recommendations to the Committee regarding ACERA's real estate portfolio.
- Brings any non-conforming items or significant issues to the attention of the Staff, Committee and/or Board.
- Prepares the R/E Policy (with annual reviews) and Real Estate Investment Plan
- Prepares the Annual Real Estate Portfolio Review including the review of annual Budget and Management Plans prepared by Managers in conjunction with Staff.

[1] An investment manager may be considered to be in good standing if there is sufficient comfort with factors including, but not limited to, its organization, strategy, performance, and compliance.
[2] Investment managers may not appear before the Investment Committee when Staff exercises its delegated authority

- Oversees Manager preparation of annual Manager Investment Plans.
- Reviews Preliminary Investment Packages (submitted by IMA Managers) for program compliance.
- Presents portfolio performance reports (as described in Section IV.C. of this document) to evaluate investment performance and to ensure compliance with policy guidelines and approved Investment Plans to the Committee quarterly.
- Provides any additional real estate related information (within the agreed upon scope of work) as requested by the Board and ACERA Staff. Responsibilities of the Manager
- Provides performance measurement data in form and substance as requested by ACERA or its Consultant.
- Promptly reports any non-conforming items or significant issues to the Staff and Consultant.
- Provides any additional real estate related information as requested by the Board, ACERA Staff and the Consultant.
- Attends ACERA's meetings as requested.

Separately Managed Account Managers (e.g. Manager of the Oakland Building):

- Monitors, manages and disposes of assets on behalf of ACERA.
- Adheres to the most recent version of the Real Estate Information Standards established jointly by the National Council of Real Estate Investment Fiduciaries ("NCREIF"), the Pension Real Estate Association ("PREA") and the National Association of Real Estate Investment Managers ("NAREIM") ("Information Standards").
- Provides quarterly financial statements and annual reports to Staff and Consultant.
- Prepares Manager Investment Plans (as described in Section V.B.1.a of this document) to be submitted to Staff and Consultant.
- Prepares Preliminary Investment Packages (as described in Section V.B.1.a of this document) to be submitted to Staff and Consultant.
- Prepares Budget and Management Plans (as described in Section V.B.1.a of this document) to be submitted to Staff and Consultant.
- Meets with Staff and Consultant for the Annual Real Estate Portfolio Review (as described in Section V.B.1.a of this document).

Commingled Fund Managers:

- Adheres to the most recent version of the NCREIF PREA Reporting Standards established jointly by the National Council of Real Estate Investment Fiduciaries ("NCREIF"), the Pension Real Estate Association ("PREA").
- Provides all compliance reports, including quarterly financial statements and annual reports to Staff and Consultant.
- Executes and performs its responsibilities under the terms of the investment vehicle documents and contracts.
- Provides timely notices for capital contributions and distributions.
- Conducts annual portfolio review meetings with the Consultant, Staff, the Committee and/or the Board, and provides timely information to discuss important developments regarding investment and management issues.

Appendix A
Compliance Checklist Template for RE Investment/Commitment

Target allocation to RE asset class: 9% of the Total Fund

RE Policy | **Investment Fund** | **In Compliance**

1. Permissible Legal Structures

Any legally permissible vehicle will be allowed including, but not limited to, separate accounts, commingled funds, joint ventures, limited partnerships, corporations, and limited liability companies.	*Specific legal structure.*	*Yes, No, or N/A*

2. Investment Methods

Commingled Funds
Individual limited partnership funds
    Primary and/or Secondary
    Separate accounts
    Discretionary
Separate Accounts
REITs/ETFs
Co-Investments, Fund-of-funds
Combination of the above
	Specific investment methods.	*Yes, No, or N/A*

3. Investment Characteristics

RE may include, but not be limited to, • Core (Total Return with expected income, substantially leased) • Core-Plus (specialization of property types) • Value-Add (deficiencies in lease-up, repositioning, or rehabilitation of assets.) • Opportunistic (recapitalization, turnaround, development, market arbitrage opportunities or offshore);	*Specific investment type.*	*Yes, No, or N/A* *Yes, No, or N/A*

RE may include debt real estate in addition to equity real estate: Level of debt real estate at Fund Level, at asset class level.	*Specific limit of debt real estate in percentage and dollars terms?*	

4. Portfolio Diversification

Property Type, Geography, and Other Exposure:		
Property Types: Office, Multifamily, Retail, and Industrial. No property types are excluded, and properties may include business operations (e.g. hotels, senior housing, and public storage)	*Specific investment type.*	*Yes, No, or N/A*
Geography/Diversification (Domestic or International): Geographic Percentage and Property Type Percentage) – within R/E Policy Guidelines.	*Specific region of investments; Is this a domestic or international fund; specific currency denomination.*	*Yes, No, or N/A*
International Exposure (not to exceed 15% for total portfolio.)	*Exposure per fund; total exposure for asset class.*	
Debt Exposure (not to exceed 15% for total portfolio.)	*Exposure per fund; total exposure for asset class.*	*Yes, No, or N/A*
By vintage year: roughly equal amounts of new funding may be committed in each calendar year with deviations permitted (Closed-end Commingled Funds).	*Specific vintage year.*	*Yes, No, or N/A*
		Yes, No, or N/A

RE Policy | **Investment Fund** | **In Compliance**

5. Return Expectation

Benchmark in Policy (net of all fees): • Core, • Core-Plus, • Value-Added, • Opportunistic	*Specific return target(s).*	*Yes, No, or N/A*

6. Strategic Investment Allocations

RE Portfolio: 9% of the total Fund. • Core ≥ 60% • Core-Plus 0%-30% • Value-Added 0% - 30% • Opportunistic 0% - 15%	*Expected allocations to the RE Portfolio and to the underlying portfolios including specific commitment to the Investment Fund.*	*Yes, No, or N/A*

RE Investment Plan for *YEARS*

Approved: *DATE*	**Investment Fund**	**In compliance**
Specific Investment Plan.	*Commitment to Fund.*	*Yes, No, or N/A*

APPENDIX B

EXECUTIVE SUMMARY

FUND NAME

Organization:

Investment Strategy:

Investment Process:

Total Assets under Management:

Fund Style:

Fund Structure/Inception Date:

Fund Target Commitment:

ACERA Proposed Investment:

Fund Life/Term:

Target Return of Fund Life:

Platform Gross Returns:

As of DATE	**Fund I, Fund II, Fund III, etc.**
Vintage	
Capital Commitments ($ M)	
Gross Value	
Leverage	
% Realized (all 100% invested)	
Gross Levered Returns	

-Realized/Unrealized IRR (current)	
-Realized/Unrealized Equity Multiple (current)	

Target Property Types:

ACERA's Account Benchmark:

Leverage Ratio (%):

Investment Guidelines:

Leverage:

Concentration and investment size:

Anticipated investment size:

Fees Structure (Management/Incentive):

Distributions:

Investment Manager:

GP (Sponsor) Commitment: