

April 29, 2024

SUBJECT: Chief Investment Officer's 1st Quarter 2024 Investment Activity Report

Dear Board Members:

Below is a summary of 1st quarter 2024 investment activity.

Private investments:

- \$9.1 million private equity commitment to Sterling Group VI -- Abbott mandate.
- \$25 million private equity commitment to Main Capital VIII -- Abbott mandate.
- \$25 million private equity commitment to HarbourVest Co-Investment Fund VII -- NEPC/ Board approved.
- \$25 million private equity commitment to Clearlake VIII [expected closing in April] -- Abbott mandate.

Investment presentations:

- Abbott Capital Management:
 - Private equity investment environment and outlook; program; portfolio strategy, composition, and performance review.
 - 2024 Private Equity Investment Strategic Annual Plan, Pacing Plan, and investment pipeline.
 - Progress toward Private Equity Target as of December 31, 2023.
- Adams Street: Annual VCERA Board presentation on VCERA's investments in the following Adams Street funds:
 - 2010 Annual U.S. Fund; Non-U.S. Fund; Emerging Markets Fund; Direct Fund.
 - 2013 Global Fund; 2016 Global Fund.
 - Co-Investment Fund IV; Co-Investment Fund V; Co-Investment Fund VI.
 - Global Private Equity Secondaries Fund VII.
 - Private Credit Fund III.
- HarbourVest: Annual VCERA Board presentations on VCERA's investments in the following HarbourVest funds:
 - Secondary Funds of Funds: Dover Fund VIII; Dover Fund IX; Dover Fund X; Dover Fund XI.
 - Co-Investment Funds IV, Fund V, Fund VI, and Fund VII.
 - Infrastructure Opportunities Fund II and Infrastructure Opportunities Fund III.
 - Direct Lending Fund I and Direct Lending Fund II.
- LaSalle Income & Growth Fund VIII and LaSalle Value Partners Fund U.S. IX VCERA annual Board presentations.
- NEPC:
 - 2023 Q4, and December 2023, January 2024 and February 2024 preliminary monthly investment performance reports.
 - NEPC 2024 Capital Market Assumptions and Market Themes.

- Pantheon Annual VCERA Board Presentation on VCERA's investments in the following Pantheon funds:
 - Secondary Private Equity Funds of Funds: PGSF IV; PGSF V; PGSF VI; PGSF VII.
 - Secondaries Private Credit Opportunity Fund II and Fund III.
 - Global Infrastructure Fund IV.
- Prudential (PGIM): Annual VCERA Board Presentation on VCERA's investment in the PRISA-U.S. Core Real Estate Fund
- UBS: Annual VCERA Board Presentation on VCERA's investment in Trumbull Property Fund, a U.S. core real estate fund
- VCERA CIO:
 - 2024 calendars of investment presentations and on-site due diligence
 - Recommendation for Board Approval of 2024 Private Equity Annual and Pacing Plans
 - Recommendation memo for Authorization for VCERA's CIO and up to 2 trustees to conduct an On-Site Due Diligence Visit to Drive Capital Management in Columbus Ohio
 - Cover Memo recommending approval of a \$25 million private equity commitment to HarbourVest's Co-Investment Fund VII
 - Verbal Report of on-site Due Diligence Visit to Drive Capital by Trustee Tommie Joe and CIO Dan Gallagher

Other:

- Teleconferences, phone calls etc. with investment managers across asset classes, consultants, custodian, regarding actions taken and portfolio monitoring; and to ensure liquidity to effect VCERA priorities.
- Group conference calls with California public pension fund CIOs to share investor activity.
- Abbott 2023 Q3 Private Equity Market Overview Research Paper provided to the Board.

Progress on Goals for 2024

VCERA's Investment Program: Board adopted asset allocation implementation:

- Continuous evaluation of consultant driven *private equity* deal flow and opportunities towards reaching and then maintaining the Board approved 18% asset allocation target, while ensuring vintage year diversification. VCERA committed \$84.1 million to private equity funds thus far in calendar year 2024 towards its \$200 million pacing target.
- Continuous evaluation of consultant driven *private credit* deal flow and opportunities towards achieving the Board approved allocation of 8% targeted to private credit over 3 to 5 years. Staff and NEPC continue to evaluate attractive private credit investment opportunities towards a preliminary private credit commitment target of \$200 million for 2024.

Reduced Fees

- Fee discounts have been achieved with the Board approved 2024 private equity commitment to HarbourVest Co-Investment Fund VII.

Respectfully submitted,



Dan Gallagher

Chief Investment Officer