

MINUTES OF THE REGULAR MEETING
BOARD OF ADMINISTRATION
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

May 23, 2023

10:00 a.m.

PRESENT:	President:	Vacant
	Vice President:	Elizabeth Lee
	Commissioners:	Annie Chao Thuy Huynh Sung Won Sohn Michael R. Wilkinson
	Legal Counselor:	Anya Freedman
	Manager-Secretary:	Neil M. Guglielmo
	Executive Assistant:	Ani Ghoukassian
ABSENT:	Commissioner:	Janna Sidley

The Items in the Minutes are numbered to correspond with the Agenda.

I

PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA – Vice President Lee asked if any persons wanted to make a general public comment to which there was no public comment cards submitted.

II

ELECTION TO FILL UNEXPIRED TERM OF THE VACANT OFFICE OF THE BOARD PRESIDENT PURSUANT TO LOS ANGELES CITY CHARTER SECTION 503(A) AND POSSIBLE BOARD ACTION – Neil M. Guglielmo, General Manager, advised that the nominations for Board President were being considered. Commissioner Sohn nominated Commissioner Chao and Commissioner Huynh nominated Vice President Lee. Mr. Guglielmo called for the vote on the nomination of Commissioner Chao as President: Ayes, Commissioners Chao, Sohn, and Wilkinson -3; Nays, Commissioner Huynh and Vice President Lee -2. Commissioner Chao did not receive the majority vote. Mr. Guglielmo called for the vote on the nomination of Vice President Lee as President: Ayes, Commissioner Huynh and Vice President Lee -2; Nays, Commissioners Chao, Sohn, and Wilkinson -3. Vice President Lee did not receive the majority vote. The Board Officer election will be continued to the next Board meeting.

III

IF VACANCY CREATED IN OFFICE OF THE VICE PRESIDENT BY BOARD ACTION ON AGENDA ITEM II, ELECTION TO FILL UNEXPIRED TERM OF BOARD VICE PRESIDENT, PURSUANT TO LOS ANGELES CITY CHARTER SECTION 503(A) AND POSSIBLE BOARD ACTION – No action was taken on this item and it will be continued to the next Board meeting.

IV

BOARD PRESIDENT VERBAL REPORT – Vice President Lee and Commissioner Chao recognized Asian American Pacific Islander (AAPI) Heritage Month.

V

GENERAL MANAGER VERBAL REPORT

A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager, advised the Board of the following items:

- Evacuation Drill held at LACERS HQ
- HQ updates
- Retirement Services updates
- Health Benefits Administration updates
- Communications and Stakeholder Relations updates
- Upcoming events

B. UPCOMING AGENDA ITEMS – Neil M. Guglielmo, General Manager, advised the Board of the following items:

- Governance Committee on June 13th: Continuation of the Triennial Board Policy Review
- Benefits Administration Committee on June 13th: Health Plan Financial Dashboard
- Board Meeting on June 27th: Experience Study
- Benefits Administration Committee on June 27th: Medical Plan RFP Evaluations, and the Dental and Vision Contracts Renewal

VI

RECEIVE AND FILE ITEMS

A. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR APRIL 2023 – This report was received by the Board and filed.

B. COMMISSIONER THUY HUYNH EDUCATION EVALUATION REPORT ON THE INSTITUTIONAL INVESTOR PUBLIC FUNDS ROUNDTABLE; LOS ANGELES, CA; APRIL 24-26, 2023 – This report was received by the Board and filed.

C. COMMISSIONER ELIZABETH LEE BOARD EDUCATION EVALUATION REPORT ON THE INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS (IFEFP) PORTFOLIO CONCEPTS AND MANAGEMENT PROGRAM; PHILADELPHIA, PA; MAY 1-4, 2023 – This report was received by the Board and filed.

- D. COMMISSIONER ANNIE CHAO BOARD EDUCATION EVALUATION REPORT ON THE CALIFORNIA ASSOCIATION OF PUBLIC RETIREMENT SYSTEMS (CALAPRS) TRUSTEES ROUNDTABLE; VIRTUAL; MAY 5, 2023 – This report was received by the Board and filed.
- E. COMMISSIONER THUY HUYNH BOARD EDUCATION EVALUATION REPORT ON THE CALIFORNIA ASSOCIATION OF PUBLIC RETIREMENT SYSTEMS (CALAPRS) TRUSTEES ROUNDTABLE; VIRTUAL; MAY 5, 2023 – This report was received by the Board and filed.
- F. COMMISSIONER MICHAEL R. WILKINSON BOARD EDUCATION EVALUATION REPORT ON THE STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS (SACRS) SPRING CONFERENCE; SAN DIEGO, CA; MAY 9-12, 2023 – This report was received by the Board and filed.

VII

COMMITTEE REPORT(S)

- A. INVESTMENT COMMITTEE VERBAL REPORT FOR THE MEETING ON MAY 9, 2023 – Vice President Lee stated the Committee heard a presentation by PGIM, Inc. The Committee also approved the Real Estate FY 2023-24 Strategic Plan and contract with Loomis, Sayles & Company, L.P.

VIII

Commissioner Huynh moved approval of Consent Agenda Item VIII-A, seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sohn, Wilkinson, Vice President Lee -5; Nays, None.

CONSENT ITEM(S)

- A. APPROVAL OF MINUTES FOR THE MEETING OF APRIL 25, 2023 AND POSSIBLE BOARD ACTION

IX

BOARD/DEPARTMENT ADMINISTRATION

- A. PROPOSED BUDGET, PERSONNEL, AND ANNUAL RESOLUTIONS FOR FISCAL YEAR 2023-24 AND POSSIBLE BOARD ACTION – Isaias Cantu, Senior Management Analyst, presented and discussed this item with the Board. Commissioner Sohn moved approval, seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sohn, Wilkinson, Vice President Lee -5; Nays, None.

X

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT INCLUDING DISCUSSION ON THE PORTFOLIO EXPOSURE TO GLOBAL EVENTS – Bryan Fujita, Investment Officer III, reported

on the portfolio value of \$21.41 billion as of May 22, 2023. Mr. Fujita discussed the following items:

- Volatility Index at 17.5
- New NEPC documents to Board members
- Organizational update on Barrow Hanley Global Investors
- Recent headlines about Wells Fargo Bank
- Emerging Manager Networking Forum on June 8, 2023
- Future Agenda Items: Total Fund Portfolio Performance Review as of March 31, 2023, Two International Travel Authorities, and Investment Committee Charter

Mr. Fujita shared that Russian exposure for LACERS was 1.5 basis points and there were no material changes since May 22, 2023.

- B. PRESENTATION BY NORTHERN TRUST COMPANY REGARDING MASTER CUSTODY SERVICES, INTEGRATED DISBURSEMENTS, COMPLIANCE ANALYST, PRIVATE MONITOR ANALYTICS, RISK ANALYTICS, SECURITIES LENDING SERVICES AND FAIR VALUE REPORTING TOOLS – Gary Guibert, Senior Vice President, with Northern Trust Company, presented and discussed this item with the Board for 45 minutes.
- C. PRESENTATION BY TOWNSEND HOLDINGS LLC OF THE REAL ESTATE FISCAL YEAR 2023-24 STRATEGIC PLAN AND POSSIBLE BOARD ACTION – Felix Fels, Associate Partner, and Prashant Tawari, Partner, with Townsend Holdings LLC, presented and discussed this item with the Board for 40 minutes. Commissioner Huynh moved approval, seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sohn, Wilkinson, and Vice President Lee -5; Nays, none.
- D. APPROVAL OF 3-YEAR CONTRACT WITH LOOMIS, SAYLES & COMPANY, L.P. REGARDING THE MANAGEMENT OF AN ACTIVE HIGH YIELD FIXED INCOME PORTFOLIO AND POSSIBLE BOARD ACTION – Bryan Fujita, Chief Operating Officer, and Jeremiah Paras, Investment Officer I, presented and discussed this item with the Board for 15 minutes. Commissioner Chao moved approval of the following Resolution:

**CONTRACT RENEWAL
LOOMIS, SAYLES & COMPANY, L.P.
ACTIVE HIGH YIELD FIXED INCOME PORTFOLIO MANAGEMENT**

RESOLUTION 230523-B

WHEREAS, LACERS' current three-year contract with Loomis, Sayles & Company, L.P. (Loomis) for active high yield fixed income portfolio management expires on August 31, 2023; and,

WHEREAS, Loomis is in compliance with the LACERS Manager Monitoring Policy; and,

WHEREAS, a contract renewal with Loomis will allow the LACERS total portfolio to maintain a diversified exposure to high yield fixed income; and,

WHEREAS, on May 23, 2023, the Board approved the Investment Committee's recommendation to approve a three-year contract renewal with Loomis.

NOW, THEREFORE, BE IT RESOLVED, that the General Manager is hereby authorized to approve and execute a contract subject to satisfactory business and legal terms and consistent with the following services and terms:

Company Name: Loomis, Sayles & Company, L.P.
Service Provided: Active High Yield Fixed Income Portfolio Management
Effective Dates: September 1, 2023 through August 31, 2026
Duration: Three years
Benchmark: Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index
Allocation as of March 31, 2023: \$224 million

Which motion was seconded by Commissioner Sohn, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sohn, Wilkinson, and Vice President Lee -5; Nays, None.

- E. NOTIFICATION OF COMMITMENT OF UP TO \$40 MILLION IN GGV CAPITAL IX L.P. – This report was received by the Board and filed.
- F. NOTIFICATION OF COMMITMENT OF UP TO \$10 MILLION IN GGV CAPITAL IX PLUS L.P. – This report was received by the Board and filed.
- G. NOTIFICATION OF COMMITMENT OF UP TO \$25 MILLION IN BARINGS EMERGING GENERATION FUND II, L.P. – This report was received by the Board and filed.
- H. NOTIFICATION OF COMMITMENT OF UP TO \$50 MILLION IN HELLMAN & FRIEDMAN CAPITAL PARTNERS XI, L.P. – This report was received by the Board and filed.
- I. NOTIFICATION OF COMMITMENT OF UP TO \$60 MILLION IN TA XV-A, L.P. – This report was received by the Board and filed.

XI

LEGAL/LITIGATION

- A. APPROVAL OF ONE-YEAR EXTENSIONS TO OUTSIDE FIDUCIARY COUNSEL AND INDEPENDENT CONFLICT COUNSEL CONTRACTS WITH KUTAK ROCK LLP, NOSSAMAN LLP, AND OLSON REMCHO LLP, AND POSSIBLE BOARD ACTION – Miguel Bahamon, Deputy City Attorney, presented this item to the Board. Commissioner Wilkinson moved approval, seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sohn, Wilkinson, and Vice President Lee -5; Nays, None.

XII

OTHER BUSINESS – There was no other business.

XIII

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, June 13, 2023, at 10:00 a.m., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, California 90012-1728.

XIV

ADJOURNMENT – There being no further business before the Board, Vice President Lee adjourned the Meeting at 12:31 p.m.



Elizabeth Lee
Vice-President



Neil M. Guglielmo
Manager-Secretary