LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

Board of Administration Agenda

REGULAR MEETING

TUESDAY, MAY 10, 2022

TIME: 10:00 A.M.

MEETING LOCATION:

In accordance with Government Code Section 54953, subsections (e)(1) and (e)(3), and in light of the State of Emergency proclaimed by the Governor on March 4, 2020 relating to COVID-19 and ongoing concerns that meeting in person would present imminent risks to the health or safety of attendees and/or that the State of Emergency continues to directly impact the ability of members to meet safely in person, the LACERS Board of Administration's May 10, 2022 meeting will be conducted via telephone and/or videoconferencing.

Important Message to the Public

Information to call-in to listen and or participate:
Dial: (669) 254-5252 or (669) 216-1590
Meeting ID# 161 560 8047

Instructions for call-in participants:

1- Dial in and enter Meeting ID
2- Automatically enter virtual "Waiting Room"
3- Automatically enter Meeting
4- During Public Comment, **press *9** to raise hand
5- Staff will call out the last 3-digits of your phone number to make your comment

Information to listen only: Live Board Meetings can be heard at: (213) 621-CITY (Metro), (818) 904-9450 (Valley), (310) 471-CITY (Westside), and (310) 547-CITY (San Pedro Area).

Notice to Paid Representatives

If you are compensated to monitor, attend, or speak at this meeting, City law may require you to register as a lobbyist and report your activity. See Los Angeles Municipal Code §§ 48.01 *et seq*. More information is available at ethics.lacity.org/lobbying. For assistance, please contact the Ethics Commission at (213) 978-1960 or ethics.commission@lacity.org.

Request for Services

As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services and activities.

Sign Language Interpreters, Communication Access Real-Time Transcription, Assistive Listening Devices, Telecommunication Relay Services (TRS), or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. Due to difficulties in securing Sign Language Interpreters, five or more business days' notice is strongly recommended. For additional information, please contact: Board of Administration Office at ***(213) 855-9348*** and/or email at ***ani.ghoukassian@lacers.org***.

Disclaimer to Participants

Please be advised that all LACERS Board and Committee Meeting proceedings are audio recorded.

CLICK HERE TO ACCESS BOARD REPORTS

I. PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA – *THIS WILL BE THE ONLY OPPORTUNITY FOR PUBLIC COMMENT* - **PRESS *9 TO RAISE HAND DURING PUBLIC COMMENT PERIOD**

II. APPROVAL OF MINUTES FOR THE MEETING OF APRIL 12, 2022, AND POSSIBLE BOARD ACTION

III. BOARD PRESIDENT VERBAL REPORT

IV. GENERAL MANAGER VERBAL REPORT

A. REPORT ON DEPARTMENT OPERATIONS

B. UPCOMING AGENDA ITEMS

V. RECEIVE AND FILE ITEMS

A. ETHICAL CONTRACT COMPLIANCE REPORT NOTIFICATION TO THE BOARD

B. BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER

VI. BOARD/DEPARTMENT ADMINISTRATION

A. FINDINGS TO CONTINUE TELECONFERENCE MEETINGS AND DETERMINATION THAT COVID-19 STATE OF EMERGENCY CONTINUES TO DIRECTLY IMPACT THE ABILITY OF MEMBERS TO MEET SAFELY IN PERSON, AND POSSIBLE BOARD ACTION

B. TRAVEL AUTHORITY – COMMISSIONER CYNTHIA M. RUIZ; THE INVESTMENT DIVERSITY EXCHANGE (TIDE) SPARK 2022, DANA POINT, CA; JULY 6-7, 2022, AND POSSIBLE BOARD ACTION

VII. INVESTMENTS

A. CHIEF INVESTMENT OFFICER VERBAL REPORT INCLUDING DISCUSSION ON THE PORTFOLIO EXPOSURE TO GLOBAL EVENTS

B. PRESENTATION BY LACERS STAFF, NEPC, LLC AND WELLINGTON MANAGEMENT COMPANY LLP ON ESG UPDATE AND INVESTMENT OPPORTUNITIES

C. CONSENT OF ASSIGNMENT OF RHUMBLINE ADVISERS LIMITED PARTNERSHIP CONTRACT AND POSSIBLE BOARD ACTION

D. SECURITIES & EXCHANGE COMMISSION'S PROPOSED RULES ON CLIMATE-RELATED DISCLOSURES AND POSSIBLE BOARD ACTION

E. NOTIFICATION OF COMMITMENT OF UP TO $50 MILLION IN TPG REAL ESTATE PARTNERS IV, L.P.

VIII. OTHER BUSINESS

IX. NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, May 24, 2022, at 10:00 a.m. at LACERS, 202 West 1st Street, Suite 500, Los Angeles, CA 90012, and/or via telephone and/or videoconferencing. Please continue to view the LACERS website for updated information on public access to Board meetings while response to public health concerns relating to the novel coronavirus continue.

X. ADJOURNMENT

Agenda of:	**May 10, 2022**
Item No:	**II**

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

In accordance with Government Code Section 54953, subsections (e)(1) and (e)(3), and in light of the State of Emergency proclaimed by the Governor on March 4, 2020 relating to COVID-19 and ongoing concerns that meeting in person would present imminent risks to the health or safety of attendees and/or that the State of Emergency continues to directly impact the ability of members to meet safely in person, the LACERS Board of Administration's April 12, 2022 meeting will be conducted via telephone and/or videoconferencing.

April 12, 2022

10:00 a.m.

PRESENT via Videoconferencing:	President:	Cynthia M. Ruiz
	Vice President:	Sung Won Sohn
	Commissioners:	Annie Chao Nilza R. Serrano Michael R. Wilkinson
PRESENT at LACERS Office:	Manager-Secretary:	Neil M. Guglielmo
	Legal Counselor:	Anya Freedman
	Executive Assistant:	Ani Ghoukassian
ABSENT:	Commissioners:	Elizabeth Lee Sandra Lee

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 – *THIS WILL BE THE ONLY OPPORTUNITY FOR PUBLIC COMMENT* – **PRESS *9 TO RAISE HAND DURING PUBLIC COMMENT PERIOD** – President Ruiz asked if any persons wanted to make a general public comment to which there was no response.

II

APPROVAL OF MINUTES FOR THE MEETING OF MARCH 8, 2022, AND POSSIBLE BOARD ACTION – Commissioner Wilkinson moved approval, seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -5; Nays, None.

III

BOARD PRESIDENT VERBAL REPORT – President Ruiz shared that City Council Meetings will be opening to the public in May 2022. She stated the LACERS is running a hybrid Board Meeting with staff in the office and the Commissioners joining virtually. She shared that she would like to proceed with in-person meetings in the coming months with all the Commissioners present in the LACERS' Board Room.

IV

GENERAL MANAGER VERBAL REPORT

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

- LACERS Offices Re-opening
- Liability Insurance status
- 977 Headquarters update
- ERIP Liability Payments – Quarter ending 03/31/22
- Retirement Services update
- Health Benefits Administration update
- Member Services update
- Upcoming Events: Seminars & Demos, Wellness Events
- Update on LACERS Linkedln followers

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

- Education and Travel Expenditure Report for Quarter Ending March 31, 2022
- Contract Award for Actuarial Services
- Mid-Year Supplemental Budget Adjustments for FY 2021/22
- Possible Contract Extension for Web Design and Support Services

V

RECEIVE AND FILE ITEMS

A. ETHICAL CONTRACT COMPLIANCE REPORT NOTIFICATION TO THE BOARD – This report was received by the Board and filed.

B. BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER – This report was received by the Board and filed.

VI

GOVERNANCE COMMITTEE VERBAL REPORT FOR THE MEETING ON APRIL 12, 2022 – Commissioner Serrano stated the Committee was provided with and discussed the Proxy Policy changes. The Committee provided comments and approved the policy to be presented to the full Board.

VII

BOARD/DEPARTMENT ADMINISTRATION

A. FINDINGS TO CONTINUE TELECONFERENCE MEETINGS AND DETERMINATION THAT COVID-19 STATE OF EMERGENCY CONTINUES TO DIRECTLY IMPACT THE ABILITY OF MEMBERS TO MEET SAFELY IN PERSON, AND POSSIBLE BOARD ACTION – Commissioner Chao moved approval of the following Resolution:

CONTINUE HOLDING LACERS BOARD AND COMMITTEE MEETINGS VIA TELECONFERENCE AND/OR VIDEOCONFERENCE

RESOLUTION 220412-A

WHEREAS, LACERS is committed to preserving public access and participation in meetings of the Board of Administration; and

WHEREAS, all LACERS Board and Committee meetings are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend and participate as the LACERS Board and Committees conduct their business; and

WHEREAS, the Brown Act, Government Code Section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, subject to the existence of certain conditions; and

WHEREAS, the COVID-19 State of Emergency proclaimed by the Governor on March 4, 2020 remains active; and

WHEREAS, on October 12, 2021, the Board met via teleconference and determined by majority vote, pursuant to Government Code Section 54953(e)(1)(B)-(C), that due to the COVID-19 State of Emergency, meeting in person would present imminent risks to the health or safety of attendees; and

WHEREAS, the Board has reconsidered the circumstances of the State of Emergency; and

WHEREAS, COVID-19 remains a public health concern in Los Angeles, with moderate or substantial levels of community transmission;

NOW THEREFORE, BE IT RESOLVED that pursuant to Government Code Section 54953(e)(1)(B)-(C), the Board finds that holding Board and Committee meetings in person would present imminent risks to the health or safety of attendees.

BE IT FURTHER RESOLVED that pursuant to Government Code Section 54953(e)(3)(A) and (B)(i), the Board finds that the COVID-19 State of Emergency continues to directly impact the ability of Board and Committee members to meet safely in person.

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

B. PROPOSED AMENDMENT TO KEENAN & ASSOCIATES CONTRACT NO. 4177 AND POSSIBLE BOARD ACTION – Commissioner Wilkinson moved approval of the following Resolution:

PROPOSED AMENDMENT NO. 2 TO CONTRACT NO. 4177
WITH KEENAN & ASSOCIATES

RESOLUTION 220412-B

WHEREAS, LACERS' Health and Welfare Consultant contract with Keenan & Associates ("Keenan") was initially in place effective March 1, 2018 through February 28, 2021;

WHEREAS, to allow staff to focus on significant workload related to the Separation Incentive Programs and various health-related benefits projects, the Board approved, on August 11, 2020, a contract amendment to extend the contract for sixteen (16) months, which expires June 30, 2022;

WHEREAS, Health, Wellness, and Buyback Division (HWABD) is in the process of conducting the Annual Renewal Process, which is supported by the current LACERS Health Consultant, Keenan. The underwriting and actuarial review of premiums, which is an important part of the renewal process, directly impacts timely delivery of benefits since the outcome of the renewals impact Health, Dental, and Vision premium and subsidy rates, as well as the benefit design offerings;

WHEREAS, Keenan has also been providing expertise in underwriting and monthly claims review services required for LACERS' self-funded programs;

WHEREAS, it is essential that there is no gap of consulting service, between the current contract and the inception of the new contract upon completion of the Retiree Health Plan Procurement and Administration Consulting Services RFP, which could impact accurate and timely delivery of health benefits.

WHEREAS, LACERS staff alone do not have the expertise nor the resources to provide the health and welfare services LACERS currently operates at without assistance from a Consultant;

NOW, THEREFORE, BE IT RESOLVED, that the Board:

Approve to extend the Health and Welfare Consultant contract with Keenan & Associates through December 31, 2022 not-to-exceed $169,000; and authorize the General Manager to negotiate and execute the contract amendment.

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

C. CONTRACT WITH MONDAY.COM FOR PRODUCTIVITY SOFTWARE AND POSSIBLE BOARD ACTION – Isiaus Cantu, Chief Management Analyst, presented and discussed this item with the Board. After discussion and direction from the Board, Commissioner Serrano moved approval of the following Resolution:

CONTRACT WITH MONDAY.COM FOR PRODUCTIVITY SOFTWARE AND POSSIBLE BOARD ACTION

RESOLUTION 220412-C

WHEREAS, in 2020 LACERS first procured Monday.com and continued to utilize City of Los Angeles' Information Technology Agency's piggyback contract with the County of Fairfax, Virginia to purchase the Monday.com licenses through Insight Public Sector, Inc. ("Insight");

WHEREAS, LACERS' staff thoroughly vetted various productivity products and determined Monday.com to be the most user-friendly, adaptable for staff needs, and compatible with other applications, and thus was recommended as the productivity software of choice for LACERS;

WHEREAS, LACERS' Divisions have thoroughly integrated Monday.com into their operations and have achieved significant efficiencies using the software's project management, workflow automation, and document and correspondence accessibility tools;

WHEREAS, LACERS attempted to purchase Monday.com licenses prior to the March 31, 2022 expiration date but was informed by Insight that it would no longer be able to source the product and that LACERS would have to purchase the product directly from Monday.com;

WHEREAS, Insight is the City of Los Angeles' sole contract software vendor who could procure the Monday.com licenses on behalf of LACERS;

WHEREAS, LACERS has had a positive experience with the Monday.com product and desires to continue to use the Monday.com product;

WHEREAS, initiating a competitive bidding process for these services would not be advantageous for LACERS due to the time required to implement the process and the operational impact that not having access to the software would have on LACERS' operations;

WHEREAS, time is of the essence as Monday.com has provided LACERS a limited amount of time to use their product after the expiration of the annual license;

WHEREAS, Charter Section 371(e)(10) provides exemption from the competitive bidding process when the process would be "undesirable, impractical, or impossible";

WHEREAS, a competitive bid is both impractical and impossible given the time needed to prepare an RFP, post it, evaluate responses, and prepare a contract as soon as possible given that the Monday.com licenses expired on March 31, 2022.

NOW, THEREFORE, BE IT RESOLVED, that the Board:

1. Find that, pursuant to City Charter Section 371(e)(10), the proposed contract is for technical, special services for which competitive bidding is not desirable or practical;
2. Approve a three-year, sole-source contract with Monday.com for productivity software and related services, for a period beginning April 1, 2022 and ending March 31, 2025 in accordance with annually budgeted funds, as authorized by the Board;

3. Authorize the General Manager to negotiate and execute up to a three-year (or three annual) contract(s) with Monday.com subject to the approval of the City Attorney as to form.

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

VIII

INVESTMENTS

A. CHIEF INVESTMENT OFFICER VERBAL REPORT INCLUDING DISCUSSION ON THE PORTFOLIO EXPOSURE TO GLOBAL EVENTS – Rod June, Chief Investment Officer, reported on the portfolio value of $22.48 billion as of April 11, 2022. Mr. June discussed the following items:

- Staff continues to explore options to an independent valuation of the private equity portfolio
- Lazard CEO retiring at end of 2022 and his successor is Evan Russo; staff will monitor
- Private Credit RFP closed on March 25, 2022; four firms submitted proposals
- Transition Manager RFP closed on April 11, 2022; eight firms submitted proposals
- SEC is proposing a requirement that publicly traded companies report their greenhouse emissions; staff will follow-up and report back to the Board
- Future Agenda items: Emerging Manager Symposium on April 20, 2022 from 10am to 12pm PST, Camille Wright, a finance student at University of Louisville, is LACERS' summer intern from the Girls Who Invest Program.

Mr. June shared that the Russia exposure is largely unchanged since the last report to the Board on March 22, 2022, due to the Russian stock markets being closed to foreign investors. He stated that LACERS has approximately 5 basis points of exposure to Russian equity and fixed income securities in the total LACERS fund.

IX

LEGAL/LITIGATION

A. BOARD FIDUCIARY EDUCATION: LEGAL UPDATE – Gina DiDomenico, Deputy City Attorney, presented and discussed this training with the Board for 30 minutes.

X

OTHER BUSINESS – There was no other business.

XI

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, April 26, 2022, at 10:00 a.m. at LACERS, 202 W. 1st Street, Suite 500, Los Angeles, CA 90012, and/or via telephone and/or videoconferencing. Please continue to view the LACERS website for updated information on public access to Board meetings while response to public health concerns relating to the novel coronavirus continue.

XII

ADJOURNMENT – There being no further business before the Board, President Ruiz adjourned the Meeting at 11:17 a.m.

Cynthia M. Ruiz
President

Neil M. Guglielmo
Manager-Secretary

LACERS' ETHICAL CONTRACT COMPLIANCE REPORT
NOTIFICATION TO THE BOARD

RESTRICTED SOURCES

The Board's Ethical Contract Compliance Policy was adopted in order to prevent and avoid the appearance of undue influence on the Board or any of its Members in the award of investment- related and other service contracts. Pursuant to this Policy, this notification procedure has been developed to ensure that Board Members and staff are regularly apprised of firms for which there shall be no direct marketing discussions about the contract or the process to award it; or for contracts in consideration of renewal, no discussions regarding the renewal of the existing contract.

Name	Description	Inception	Expiration	Division
Agility Recovery	Business Continuity Services	September 20, 2021	September 19, 2022	Administration
Monday.com Ltd	Productivity Software Licensing	N/A	N/A	Administration
The Segal Company	Actuarial Consulting Services	N/A	N/A	Administration
K&L Gates LLP	Outside Investment & Real Estate Counsel	N/A	N/A	City Attorneys
Ice Miller LLP	Outside Tax Counsel	N/A	N/A	City Attorneys
Anthem	Medical HMO & PPO	January 1, 2022	December 31, 2022	Health, Wellness, & Buyback
Kaiser	Medical HMO	January 1, 2022	December 31, 2022	Health, Wellness, & Buyback
SCAN	Medical HMO	January 1, 2022	December 31, 2022	Health, Wellness, & Buyback
United Healthcare	Medical HMO	January 1, 2022	December 31, 2022	Health, Wellness, & Buyback
Delta Dental	Dental PPO and HMO	January 1, 2022	December 31, 2022	Health, Wellness, & Buyback

Also viewable online here.

LACERS' ETHICAL CONTRACT COMPLIANCE REPORT
NOTIFICATION TO THE BOARD

Name	Description	Inception	Expiration	Division
Anthem Blue View Vision	Vision Services Contract	January 1, 2022	December 31, 2022	Health, Wellness, & Buyback
Keenan & Associates	Health and Welfare Consultant	March 1, 2018	June 30, 2022	Health, Wellness, & Buyback
CEM Benchmarking, Inc.	Investment Benchmarking Services	April 1, 2022	March 31, 2023	Investments
NEPC, LLC	General Pension Fund Consulting Services	July 1, 2017	June 30, 2022	Investments
MFS Institutional Advisors, Inc.	Active Non-U.S. Equities Developed Markets Growth	October 2, 2013	September 30, 2022	Investments
Townsend Holdings LLC	Real Estate Consulting Services	April 1, 2014	March 31, 2022	Investments
QTC Medical Group, Inc	Disability Medical Evaluation Services	April 30, 2019	June 30, 2022	Retirement Services
Box, Inc.	Retirement Application Portal Custom Consulting Services	December 1, 2021	November 30, 2022	Systems
PensionX	Website Design and Support Services	April 1, 2019	April 30, 2022	Systems

Also viewable online [here].

LACERS' ETHICAL CONTRACT COMPLIANCE REPORT
NOTIFICATION TO THE BOARD

ACTIVE RFPs

Description	Respondents	Inception	Expiration	Division
Real Estate Consultant	Aksia LLC, ORG Portfolio Management LLC, RCLCO Fund Advisors, RVK, Inc., StepStone Group LP, The Townsend Group	September 8, 2021	November 8, 2021	Investments
Passive U.S., Non-U.S., and Global Index Strategies Search	Blackrock, Inc., Mellon Investments Corporation, Northern Trust Securities, Inc., RhumbLine Advisers, State Street Global Advisors, Xponance, Inc.	September 9, 2021	November 9, 2021	Investments
Private Credit Consultant	Aksia LLC; Meketa Investment Group, Inc.; NEPC, LLC; Wilshire Advisors LLC	January 24, 2022	March 25, 2022	Investments
Transition Manager		February 14, 2022	August 31, 2022	Investments
Board Governance Consulting Services (RFQ)		May 2, 2022	June 13, 2022	Administration
Strategic Planning Facilitation Services (TOS)		May 13, 2022	June 13, 2022	Administration
Securities Monitoring/Litigation Counsel	Barrack, Rodos & Bacine; Berman Tabacco; Bernstein Litowitz Berger & Grossmann LLP; Bleichmar Fonti & Auld LLP; Block & Leviton, LLP; Cohen Milstein Sellers & Toll PLLC; Grant & Eisenhofer P.A.; Kaplan Fox & Kilsheimer LLP; Kasowitz Benson Torres LLP; Kessler Topaz Meltzer & Check LLP; Levi & Korsinsky LLP; Lieff Cabraser Heimann & Bernstein LLP; Motley Rice LLC; Pomerantz LLP; Robbins Geller Rudman & Dowd LLP; Saxena White, P.A.; Scott + Scott LLP	February 14, 2022	March 14, 2022	City Attorneys
Health Consulting Services		April 1, 2022	May 6, 2022	Health Benefits Administration

Also viewable online here.

BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM V-B

Pursuant to the authority delegated to the General Manager under Board Rule GMA 1, General Manager Authorization, adopted by the Board of Administration on June 14, 2016, the following benefit payments have been approved by the General Manager:

SERVICE RETIREMENTS

Member Name	Service	Department	Classification
Haywood, Barbara J	41	Library Dept.	Exec Admin Asst
Tam, Wing Kwong	40	PW - Sanitation	Sr Envrmntl Engineer
Gomez, Jacqueline Z	36	Dept. of Bldg. & Safety	Pr Clerk
Ayers, Linda D	36	Library Dept.	Messenger Clerk
Gillett, Dana Denise	36	Police Dept. - Civilian	Police Service Rep
Lorenzo, Vladimir Deleon	35	PW - Clean Water Div	Envrmntl Engrg Assc
Veasey, Ollie L	35	PW - Sanitation	Sanitation Wstwater Mgr
Noriega, Diana Lopez	34	Police Dept. - Civilian	Sr Detention Officer
Palka, Laura C	34	Dept. of Airports	Management Analyst
Velez, Ana Rita	34	Police Dept. - Civilian	Administrative Clerk
Coulson, Richard K	34	GSD - Admin.	Asst GM Gen Svcs Dept
Ariosa, Rebecca Renia	33	Dept. of Bldg. & Safety	Sr Systems Analyst
Stargell, Margaret	32	Police Dept. - Civilian	Police Service Rep
Perez, Robert Hurtado	32	Police Dept. - Civilian	Sr Administrative Clerk
Carter, Theresa Lerma	32	Police Dept. - Civilian	Police Admin
Mastrocovo, Michael Frank	30	Police Dept. - Civilian	Supvsg Criminalist
Banks, Raymond D	30	Dept. of Bldg. & Safety	Sr Safety Eng Elevators
Dennis, Charlene Rita	30	ITA	Systems Programmer
Tobo, Jaime O	30	Dept. of Airports	Bus Operator
Castellanos, Laura Alicia	30	Police Dept. - Civilian	Forensic Prnt Spec
Ohara, Cindy L	30	Dept. of Bldg. & Safety	Systems Programmer
Persic, Peter V	30	Library Dept.	Develpmnt & Mrktng Dir
Stoker, Brian Francis	30	PW - Engineering	Emergncy Mgt Coord
Anderson, Diana Corinne	30	Fire & Police Pensions	Senior Benefits Analyst
Kolb, John Charles	30	PW - St. Maint.	Warehouse & T/R Wkr
Alvarez, Sonia	29	PW - Engineering	Sr Civil Engineer
Manick, Steven A	29	Dept. of Airports	Sr Systems Analyst
Hotchkis, Neil Thomas	29	PW - Sanitation	Plumber
Rushton, Kim Mattinson	28	PW - Sanitation	Chemist
Buesa, Anna M	28	Police Dept. - Civilian	Exec Admin Asst
Ting, Hsiao Ling	27	PW - Engineering	Architect
Duran, Linda Helen	26	El Pueblo	Administrative Clerk
Ponce, Joseph L	25	Dept. of Airports	Airport Police Officer
Davis, Debra E	24	PW - Admin Div.	Sr Administrative Clerk
Kaplan, Michael S	23	City Attorney's Office	Deputy City Atty
Hanna, Randa M	23	Police Dept. - Civilian	Exec Admin Asst

Malosh, Denise M	22	LACERS	Administrative Clerk
Isaia, Antonio	22	City Planning Dept.	City Planning Assoc
Bescos, Brad Scott	21	Dept. of Bldg. & Safety	Sr Build Mech Inspectr
Lewis, Roosevelt	20	GSD - Bldg. Fac Mgmt.	Custodian Supervisor
Winston, Cynthia M	20	Police Dept. - Civilian	Sr Personnel Analyst
Johnson, Jeffrey Alan	20	Dept. of Transportation	Traf Officer
Merrick, Renee Opal	19	Police Dept. - Civilian	Police Service Rep
Mcmahon, Kathryn Elizabeth	18	Police Dept. - Civilian	Police Service Rep
Choi, Steven S	18	Police Dept. - Civilian	Police Service Rep
Wright, David E	18	Dept. of Bldg. & Safety	Plumbing Inspector
Sy, Mary Agnes Fama	16	Police Dept. - Civilian	Management Analyst
Kidder, Curtis S	16	City Attorney's Office	Asst City Attorney
Gray, Fern Ruth	16	Dept. of Airports	Custodian Airport
Garcia, Rigoberto	16	Dept. of Transportation	Signal System Electrcn
Hall, Eric S	15	Police Dept. - Civilian	Security Officer
Rodgers, Sharon M	12	Dept. of Airports	Sr Admin Clerk
Springett, Christine	10	City Planning Dept.	City Planning Assoc
Strong, Alvinette	10	Council - As Needed	Council Aide
Hanson, Nancy L	10	Dept. of Rec. & Parks	Animal Keeper
Frausto, Manuel A	9	Dept. of Rec. & Parks	Special Prog Asst
Kaur, Apparjit	9	ITA	Commun Engr Assoc
Nevarez, Apolonia C	8	Dept. of Rec. & Parks	Recreation Asst
San Agustin, Meliton Y	7	Dept. of Bldg. & Safety	Safety Engr Press Ves
Onorato, John	7	Dept. of Rec. & Parks	Special Prog Asst
Lucatero, Arcelia	6	Dept. of Rec. & Parks	Special Prog Asst

BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM V-B

Pursuant to the authority delegated to the General Manager under Board Rule GMA 1, General Manager Authorization, adopted by the Board of Administration on June 14, 2016, the following benefit payments have been approved by the General Manager:

Approved Death Benefit Payments

Deceased	Beneficiary/Payee
TIER 1	
Adams, Barbara	Kevin D Adams for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance
Alexander, John H	Raphellia Alexander for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Anderson, Robert J	Michael W Anderson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Andrew, Forrest M	Elizabeth J Andrew for the payment of the Burial Allowance
Anthony, Carlee	Kathryn J Anthony for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Arnet, Louise R	Camille A Perry for the payment of the Accrued But Unpaid Continuance Allowance Jacques E Arnet for the payment of the Accrued But Unpaid Continuance Allowance
Atkinson, Joseph D	Cynthia Roberts for the payment of the Accrued But Unpaid Service Retirement Allowance Unused Contributions Selena Elaine Atkinson for the payment of the Accrued But Unpaid Service Retirement Allowance Unused Contributions Tandelyn A Weaver for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions
Ballard, Adriana	Julie M Wardzinski for the payment of the Accrued But Unpaid Continuance Allowance
Barbarino, Michael A	Marian Denise Zabel for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Boyrington, Walter	Sabrina D Broach Slie for the payment of the Burial Allowance
Brookins, Blanche V.	Carole M Brookins for the payment of the Accrued But Unpaid Continuance Allowance Connie M Mattos for the payment of the Accrued But Unpaid Continuance Allowance

Brooks, L Gordon	Dianne L Maccary for the payment of the Accrued But Unpaid Larger Annuity Allowance Accrued But Unpaid Service Retirement Allowance Burial Allowance
Brooks, Sammy J	Ida M Hymes-Brooks for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Brown, Diana S	Martin E Brown for the payment of the Accrued But Unpaid Continuance Allowance
Calderon, Ida R	Ned Ralph Calderon for the payment of the Accrued But Unpaid Continuance Allowance
Carlson, Suzanne F	Kathleen Von Schlegell for the payment of the Accrued But Unpaid Continuance Allowance
Chiarolla, Nancy	Toni Wehn for the payment of the Accrued But Unpaid Continuance Allowance
Clouser, Russell L	Lois M Clouser for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Coleman, Terry L	Estate of Terry L Coleman for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Collins, Franklin	Yvonne C Davis for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Dasselaar, Carla	Arman Pogosyan for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Derrick, Kim H	Michael L Derrick for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Dickenson, Ronald	Raquel M Dickenson for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance
Donaldson, Noreen A	Julie Donaldson for the payment of the Accrued But Unpaid Disability Continuance Allowance
Fernandez, Fred R	Teresita Milan Fernandez for the payment of the Accrued But Unpaid Service Retirement Allowance
Flowers, Marcus C	Marcus M Flowers for the payment of the Burial Allowance

Fort, R T	Patricia Fort for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
	Rue T Fort for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
	Timothy Fort for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Giffin, Dale	Carol Anne Giffin for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Guillemette, Homer W	Violet M Clavio for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Gunning, Marjorie L	Charles S Kimble for the payment of the Accrued But Unpaid Continuance Allowance
Gutierrez, Richard J	Phyllis Gutierrez for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Hanson, Christina Ruth	Charles R Hanson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Hay, Patricia A	Erin P Hay Curtis for the payment of the Accrued But Unpaid Disability Continuance Allowance
Hutchison, R C	Annie Ruth Portier for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance
Jacobs, Ladda	Jeanette Lee Mathews for the payment of the Accrued But Unpaid Continuance Allowance
Jefferson, Raymond L	Vicki L Jefferson for the payment of the Accrued But Unpaid Service Retirement Allowance
Johnson, James E	Eleen Johnson for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance
Kolacinski, Brian L	Justin Kolacinski for the payment of the Burial Allowance
Kunze, Evelyn	Daniel D Kunze for the payment of the Accrued But Unpaid Continuance Allowance Donald L Kunze for the payment of the Accrued But Unpaid Continuance Allowance Ronald L Kunze for the payment of the Accrued But Unpaid Continuance Allowance

Lam, Ronald O	Lucy K Lam for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Lee, Connie	Sarah L Silverstein for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Lee, Sam J	Jean Yaeko Lee for the payment of the Burial Allowance
Low, Jean	Stacy Michele Low for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
	Stephanie Jean Vidales for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Lundquist, Cynthia D	Erica Sanden for the payment of the Accrued But Unpaid Continuance Allowance
	Robert Lundquist for the payment of the Accrued But Unpaid Continuance Allowance
Lyons, Joann	Eulyondon Lyons for the payment of the Accrued But Unpaid Continuance Allowance
Maldonado, Larry	Ermalinda Maldonado for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Markham, Patricia M	Horace Mcclellan for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
May, Douglas Macarthur	Mary May for the payment of the Accrued But Unpaid Service Retirement Allowance Theresa M Lewis for the payment of the Burial Allowance
Mcconnell, Jon S	Faye Li Mcconnell for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Mcgarry, Mildred V	Harley S Mcgarry for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance
Mendiola, Jose G	Maria E Mendiola for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Mendoza, Ady U	Odyssey Umali Mendoza for the payment of the Accrued But Unpaid Service Retirement Allowance Ramoncito U Mendoza for the payment of the Accrued But Unpaid Service Retirement Allowance
Meyer, Shirley A	Erica A Crossen for the payment of the DRO Lump Sum

Miller, Whalen	Whalen D Miller for the payment of the Burial Allowance
Moore, Timothy A	Karin Arlene Audett for the payment of the Burial Allowance
Musick, Marvin C	Fredrick M Burns for the payment of the Accrued But Unpaid Service Retirement Allowance
Niemann, Frederick	Linda S Niemann for the payment of the Burial Allowance
O Dell, Robin E	David George Phillips for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
O'neal, Margie R	Torchy R Watson for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance
Ohara, Jacquelyn C	Valerie Ohara Penharlow for the payment of the Accrued But Unpaid Survivorship (Retirement) Allowance
Overton, Bernell H	Pamela Overton Mcneal for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Portolese, Giuseppe	Lina G Carrillo for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Presby, Mary Mills	Shannon Scott Presby for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Protesta, Roland B	Nita E Protesta for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Ramirez, Paulo	Kathleen H Ramirez for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Rendon, Honorato Oleta	Charles James Dejesus for the payment of the Burial Allowance
Richard, Lualla	Deitra Anderson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Richter, Fred L	Carla S Richter for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Scottini, Lawrence E	Emma Pacheco-Scottini for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance
Sharp, Takako Anita	Ashley Linette Davis for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Soderstrom, Charles	Charles B Soderstrom for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance
	Teri Lynn Reed for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance
	Tricia Jo Soderstrom for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance
Solamo, Teofilo L	Marcelina Ferraren Solamo for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Solis, Mario	Epi Solis for the payment of the Burial Allowance
	Sylvia Solis for the payment of the Accrued But Unpaid Larger Annuity Allowance Accrued But Unpaid Service Retirement Allowance Burial Allowance
St Hilaire, Stephen J	Nicole M St Hilaire for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance

Sunok, David S	Paul Sunok for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Thomasian, Nazen	Kenneth Thomasian for the payment of the Accrued But Unpaid Continuance Allowance
Vallejos, Stella	Frank Joseph Vallejos for the payment of the Accrued But Unpaid Continuance Allowance
Vasile, Edna M	Laurel M Vasile for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
White, Gwendolyn W	Gabrielle M Smith for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Wilson, Keith A	Mary Jane Wilson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Wilson, Vincent	Jermayne Marcel Wilson for the payment of the Burial Allowance Margaret J Wilson for the payment of the Accrued But Unpaid Service Retirement Allowance

<u>TIER 3</u>
NONE

BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM V-B

Pursuant to the authority delegated to the General Manager under Board Rule GMA 1, General Manager Authorization, adopted by the Board of Administration on June 14, 2016, the following benefit payments have been approved by the General Manager:

Approved Death Benefit Payments

Deceased **TIER 1** **Active**	Beneficiary/Payee
Boyd, Gabriel (Deceased Active)	Latrice Cavett Jones-Boyd for the payment of the Limited Pension
Buchanan, Kelbon D (Deceased Active)	Janice Bloomer-Buchanan for the payment of the Accumulated Contributions
Duncan, Kevin Edward (Deceased Active)	Linda Gail Duncan for the payment of the Service Retirement Survivorship Allowance
Genovese, Regina Osuna (Deceased Active)	Nicholas Genovese for the payment of the Accumulated Contributions Limited Pension
Guerena, Guadalupe Gamboa (Deceased Active)	Maria Simental De Guerena for the payment of the Service Retirement Survivorship Allowance Survivor Contributions Death Refund

Hawkins, Danny L (Deceased Active)	Teresa Eugenia Hawkins for the payment of the Accumulated Contributions Limited Pension
Kuwahara, Tom N (Deceased Active)	Emily Kuwahara for the payment of the Accumulated Contributions
Margolis, Mike (Deceased Active)	Anida Margolis for the payment of the Limited Pension
Orozco, Jose L (Deceased Active)	Dora Orozco for the payment of the Accumulated Contributions Jose Orozco for the payment of the Accumulated Contributions

TIER 3
NONE

Disclaimer: The names of members who are deceased may appear more than once due to multiple beneficiaries being paid at different times.

LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM

REPORT TO BOARD OF ADMINISTRATION **MEETING: MAY 10, 2022**
From: Neil M. Guglielmo, General Manager **ITEM: VI-A**

SUBJECT: **FINDINGS TO CONTINUE TELECONFERENCE MEETINGS AND DETERMINATION THAT COVID-19 STATE OF EMERGENCY CONTINUES TO DIRECTLY IMPACT THE ABILITY OF MEMBERS TO MEET SAFELY IN PERSON AND POSSIBLE BOARD ACTION**

ACTION: ☒ CLOSED: ☐ CONSENT: ☐ RECEIVE & FILE: ☐

Recommendation

That the Board approve continuing to hold LACERS Board and Committee meetings via teleconference and/or videoconference, under Government Code Sections 54953(e)(1)(B)-(C) and 54953(e)(3)(A) and (B)(i).

Discussion

LACERS is committed to preserving public access and participation in meetings of the Board of Administration. All LACERS Board and Committee meetings are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend and participate as the LACERS Board and Committees conduct their business. The Brown Act, Government Code Section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, subject to the existence of certain conditions. The COVID-19 State of Emergency proclaimed by the Governor on March 4, 2020 remains active: COVID-19 remains a public health concern in Los Angeles, with substantial or high levels of community transmission.

The Board met via teleconference on October 12, 2021, and determined by majority vote, pursuant to Government Code Section 54953(e)(1)(B)-(C), that due to the COVID-19 State of Emergency, meeting in person would present imminent risks to the health or safety of attendees.

Strategic Plan Impact Statement

The Board's action on this item aligns with the LACERS Strategic Plan Goal to uphold good governance practices which affirm transparency, accountability, and fiduciary duty.

Prepared By: Ani Ghoukassian, Commission Executive Assistant II

Attachment: Proposed Resolution

CONTINUE HOLDING LACERS BOARD AND COMMITTEE MEETINGS VIA TELECONFERENCE AND/OR VIDEOCONFERENCE

PROPOSED RESOLUTION

WHEREAS, LACERS is committed to preserving public access and participation in meetings of the Board of Administration; and

WHEREAS, all LACERS Board and Committee meetings are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend and participate as the LACERS Board and Committees conduct their business; and

WHEREAS, the Brown Act, Government Code Section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, subject to the existence of certain conditions; and

WHEREAS, the COVID-19 State of Emergency proclaimed by the Governor on March 4, 2020 remains active; and

WHEREAS, on October 12, 2021, the Board met via teleconference and determined by majority vote, pursuant to Government Code Section 54953(e)(1)(B)-(C), that due to the COVID-19 State of Emergency, meeting in person would present imminent risks to the health or safety of attendees; and

WHEREAS, the Board has reconsidered the circumstances of the State of Emergency; and

WHEREAS, COVID-19 remains a public health concern in Los Angeles, with substantial or high levels of community transmission;

NOW THEREFORE, BE IT RESOLVED that pursuant to Government Code Section 54953(e)(1)(B)-(C), the Board finds that holding Board and Committee meetings in person would present imminent risks to the health or safety of attendees.

BE IT FURTHER RESOLVED that pursuant to Government Code Section 54953(e)(3)(A) and (B)(i), the Board finds that the COVID-19 State of Emergency continues to directly impact the ability of Board and Committee members to meet safely in person.

LACERS
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO BOARD OF ADMINISTRATION **MEETING: MAY 10, 2022**
From: Neil M. Guglielmo, General Manager **ITEM: VI-B**

SUBJECT: **TRAVEL AUTHORITY – COMMISSIONER CYNTHIA M. RUIZ; THE INVESTMENT DIVERSITY EXCHANGE (TIDE) SPARK EVENT; DANA POINT, CA; JULY 6-7, 2022, AND POSSIBLE BOARD ACTION**

ACTION: ☒ CLOSED: ☐ CONSENT: ☐ RECEIVE & FILE: ☐

Recommendation

That the Board authorize Commissioner Ruiz to attend the TIDE SPARK event from July 6-7, 2022 (travel dates July 6-7, 2022) in Dana Point, CA; and authorize the reimbursement of up to $764.60 for Commissioner Ruiz for reasonable expenses in connection with participation.

Discussion

Commissioner Ruiz has expressed interest in attending the above-mentioned educational conference and will be a speaker at the event, and this Board report is prepared on her behalf. Commissioner Ruiz has been provided a copy of LACERS Board Education and Travel Policy.

Strategic Alignment

As stipulated in the Policy, the sound management of the assets and liabilities of a trust fund imposes a continuing need for all Board Members to attend professional and educational conferences, seminars and other educational events that will better prepare them to perform their fiduciary duties.

Fiscal Impact Statement

For Fiscal Year 2021-22, Commissioner Ruiz has an education travel budget of $10,000.

Prepared By: Ani Ghoukassian, Commission Executive Assistant II

Attachments: 1. Estimate of Reimbursable Expenses
2. Proposed Resolution
3. Tentative Schedule/Agenda

BOARD Meeting of May 10, 2022
Item VI-B
Attachment 1

CITY OF LOS ANGELES
Intra-Departmental Correspondence

DATE: April 22, 2022

TO: Accounting Section
City Employees' Retirement System

FROM: Ani Ghoukassian, Commission Executive Assistant II
Board of Administration

SUBJECT: ESTIMATE OF REIMBURSABLE EXPENSES

Name of Attendee Title	CYNTHIA M. RUIZ, COMMISSIONER LACERS Board of Administration	
Event	TIDE SPARK 2022	
Organization	The Investment Diversity Exchange (TIDE) SPARK	
Date(s) of Event	July 6-7, 2022 (Travel dates July 6-7, 2022)	
Location of Event	Dana Point, CA	
ESTIMATED EXPENSES:	Registration: Speaker/Complimentary	$0.00
	Hotel: $485.00 per night (1 night)	$485.00
	Parking: $39.00 (1 night)	$39.00
	Meal/Incidental Allowances: July 6 - $55.50 (first day) July 7 - $55.50 (last day)	$111.00
	Mileage: Roundtrip to and from Conference @$.58/mile 120 miles total = $69.60	$69.60
	Miscellaneous: ($30 per day) x 2 days	$60.00
	TOTAL ESTIMATE:	**$764.60**

BOARD Meeting of May 10, 2022
Item VI-B
Attachment 2

TRAVEL AUTHORITY
TIDE SPARK EVENT
JULY 6-7, 2022
Dana Point, CA

PROPOSED RESOLUTION

WHEREAS, Board approval is required for all international travel requests, travel not included in the Approved List of Educational Seminars, and travel that exceeds the annual education travel budget of $10,000 for each Commissioner;

WHEREAS, The Investment Diversity Exchange (TIDE) SPARK event in Dana Point, CA is not included in the Approved List of Educational Seminars, and therefore requires individual approval;

WHEREAS, the sound management of the assets and liabilities of a trust fund imposes a continuing need for all Board Members to attend professional and educational conferences, seminars, and other educational events that will better prepare them to perform their fiduciary duties;

THEREFORE, BE IT RESOLVED, that Commissioner Ruiz is hereby authorized to attend the TIDE SPARK event from July 6-7, 2022, in Dana Point, CA;

BE IT FURTHER RESOLVED, that the reimbursement of up to $764.60 for Commissioner Ruiz is hereby authorized for reasonable expenses in connection with participation.

Board Mtg: 05/10/22
Item VI-B
Attachment 3

TIDE SPARK 2022

Wednesday, July 6th

	Main ballroom	Breakout Rooms
7:00-8:00	Registration	
8:00-9:00		
9:00-9:15		
9:15-10:00	Amplifying D&I Panel	
10:00-10:45	ESG Panel	
10:45-11:30	Fireside Chat	
11:30-1:00	11:30 - 1:00 Lunch 12:00 - 1:00 Policy Discussion Affecting the Investment Industry	
1:00-1:15	Break	
1:15-2:00	State of the Economy	
2:00-2:45		Digital Asset Panel Family Office Panel
2:45-3:00	Break	
3:00-3:45	*Breakout Session*	Room 1 - Public Markets Room 2 - Private Equity Room 3 - Real Asset
3:45-4:30	*Breakout Session*	Roundtable
4:45-5:30	Art & Science of Investment Decisions	
6:00-8:00	Invite-Only VIP Dinner @ Laguna Brick LP's & Sponsors	
8:00-10:00	Dessert Reception @ Vue Lawn All Guests	

TIDE SPARK 2022

THURSDAY, JULY 7TH

	Main ballroom	Breakout Rooms
7:00-8:00	Registration	
8:00-9:00	Insights from Industry's Leading CEO's	
9:00-9:45	E&F Panel	
9:45-10:00	**Break**	
10:00-10:45	ESG Panel	
10:45-11:30	Fireside Chat	
11:30-1:00	11:30 - 1:00 Lunch 12:00 - 1:00 Corporate Pensions Panel	
1:00-1:15	**Break**	
1:15-2:00	International Panel	
2:00-2:45	Special Topic	Special Topic
2:45-3:00	**Break**	
3:00-3:45	*Breakout Session*	Room 1 - Hedge Funds/Liquid Alts Room 2 - Private Credit Room 3 - Venture Capital
3:45-4:30	*Breakout Session*	Roundtables
4:45-5:30	West Coast CIO Panel	
6:00-8:00		
8:00-10:00		

LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO BOARD OF ADMINISTRATION | **MEETING: MAY 10, 2022**
From: Neil M. Guglielmo, General Manager | **ITEM: VII - B**

SUBJECT: **PRESENTATION BY LACERS STAFF, NEPC, LLC AND WELLINGTON MANAGEMENT COMPANY LLP ON ESG UPDATE AND INVESTMENTS OPPORTUNITIES**

ACTION: ☐ CLOSED: ☐ CONSENT: ☐ RECEIVE & FILE: ☒

Recommendation

That the Board receive and file this update report on LACERS' Environmental, Social, and Governance (ESG) Program and the attached ESG educational presentations by NEPC, LLC (NEPC) and Wellington Management Company LLP (Wellington).

Executive Summary

This report provides the Board an ESG Program update on the Principles of Responsible Investment (PRI) reporting; LACERS' ESG-related policies including the Responsible Investment Policy, Emerging Investment Manager Policy, and Proxy Voting Policy; outreach efforts to the emerging manager community; and engagements with companies held in the LACERS portfolio. The attached presentations by NEPC, LACERS' general fund consultant, and Wellington, an existing LACERS investment manager, provide continuing education on integrating ESG approaches into the investment process and will be presented by representatives of NEPC and Wellington.

Discussion

Update on PRI Annual Reporting
As a PRI signatory, LACERS is required to report publicly on responsible investment activities each year; LACERS first annual report was submitted in May 10, 2021, under PRI's new pilot reporting framework tool. PRI received comments and questions on the new reporting framework tool from more than 1,700 signatories. This included comments on the structure and content of the framework as well as on users' experience with the new reporting tool. Overall, most signatories indicated that the new framework better captures responsible investment activities compared to the previous framework. However, the feedback varied between modules and between asset owners and investment managers. In addition, many signatories found that the new framework required an excessive amount of time and resources to complete in comparison to the previous framework. Technical issues with the new reporting tool, specifically with navigation and functionality, also affected the quality of some signatories' submissions, including LACERS' submission.

As a result, PRI has delayed publishing signatories' 2021 reports until June 2022. PRI has also paused 2022 reporting while it works with Price Waterhouse Coopers LLP to improve the quality and usability of the reporting framework tool. Signatory reporting will resume in 2023.

Update on ESG-Related Investment Policies

On May 25, 2021, the Board approved revisions to the Emerging Investment Manager Policy regarding the use of the Organization Diversity Survey as a research tool to assist with outreach to qualified investment managers to participate in LACERS investment manager searches. The revised policy language sets forth guidelines for the collection and data analysis of diversity data in a manner that adheres to public contracting laws. The Board also approved revisions to the emerging investment manager qualifying criteria to address changes in the emerging manager landscape based on research conducted by staff and discussions with NEPC; Aksia CA LLC (Aksia), LACERS' private equity consultant; and The Townsend Group, LACERS' private real estate consultant. In general, the revised criteria are intended to increase LACERS' access to attract investment managers that could be considered under the Emerging Investment Manager Policy.

On January 11, 2022, the Board approved a Responsible Investment Policy that establishes the objectives, goals, and guidelines of LACERS' ESG Program. On April 26, 2022, the Board approved revisions to the Proxy Voting Policy to incorporate new ESG issues relevant in the current market including climate change risk and wage equality.

Outreach Efforts to Emerging Managers

LACERS hosted two successful Emerging Manager Symposiums on October 20, 2021, and April 20, 2022, to educate the emerging manager community about LACERS investment policies and manager selection processes. The inaugural Symposium in October 2021 was attended by 212 professionals, with 168 representing emerging manager firms. The second Symposium in April 2022 was attended by 319 professionals (50% increase from the inaugural Symposium), with 292 representing emerging manager firms (74% increase from the inaugural Symposium). Post-event survey responses and feedback from attendees were extremely positive on the content and structure of both Symposiums.

Engagement Efforts to Mitigate ESG Risks

LACERS, in partnership with the Los Angeles Fire and Police Pensions (LAFPP), initiated an engagement campaign with Meta Platforms, Inc. (Meta) by issuing a letter to express concern over Meta's alleged business practices that prioritize profits at the expense of the well-being of kids and teens and alleged misrepresentations of its safety controls for harmful content across its applications. This letter was mailed to Meta's Corporate Secretary on April 15, 2022.

LACERS is also actively engaged with two private equity general partners, BC Partners and Roark Capital Group, regarding wage and working condition issues at PetSmart, LLC and Sonic America's Drive-In Brand Properties, LLC. Working closely with the City Attorney's Office and Aksia, staff held meetings with representatives from the general partners to discuss the concerns raised by members of the public about these portfolio companies; staff continues to actively engage with the general partners.

Continuing Board Education on ESG Integration

As part of continuing Board education on integrating ESG risk factors into LACERS' investment process, NEPC representatives Carolyn Smith, Partner, Dulari Pancholi, Principal, and Michael Malchenko, Consultant, will present the attached educational presentation on the current ESG landscape and trends. Subsequent to NEPC's presentation, Wellington representative Wendy Cromwell, Head of Sustainability, will present the attached educational presentation on ESG risk factors and climate integration in investment portfolios.

Strategic Plan Impact Statement

The ESG update and continuing education to the Board aligns with the Strategic Plan goals of optimizing long-term risk adjusted investment returns (Goal IV); upholding good governance practices which affirm transparency, accountability, and fiduciary duty (Goal V); and maximizing organizational effectiveness and efficiency (Goal VI).

Prepared By: Ellen Chen, ESG Risk Officer and Investment Officer II, Investment Division

NMG/RJ/BF/EC:rm

Attachments:
1. NEPC, LLC ESG Update Presentation
2. Wellington Management Company LLC ESG and Climate Integration Presentation

LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

ESG UPDATE

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

MAY 10, 2022

NEPC

TABLE OF CONTENTS

BIOGRAPHIES

Michael Malchenko

Consultant

- 8 years NEPC
- 16 years investment experience
- Impact Investing Committee
- Public Funds Team
- H.B.A. University of Toronto

Dulari Pancholi, CFA, CAIA

Principal

- 14 years NEPC
- 22 years investment experience
- Head of Credit & Multi-Asset
- Co-Head Impact Investing Committee
- M.B.A. University of Massachusetts, Amherst
- L.L.B. and B.S. University of Mumbai

Carolyn Smith

Partner

- 16 years NEPC
- 34 years investment experience
- Due Diligence Committee
- Diverse Manager Committee
- Public Funds Team
- B.S. University of Utah

ESG LANDSCAPE & TRENDS

TODAY'S INVESTMENT LANDSCAPE

	Negative Screening	ESG Integration	Thematic	Shareholder Engagement
Strategy Focus	Screening out certain securities for non-financial reasons	ESG factors built-in as part of the investment process	Pro-actively seeking opportunities in targeted areas (e.g. Renewable Energy)	Actively engage in corporate voting process to push key agenda
Investment Universe	Varied across asset classes	Sizable and includes mainstream managers	Growing in size, but many funds are smaller and newer	Small but growing
Performance	May increase tracking error due to restricted universe	Performance studies show neutral to positive impact	Varied and will have sizable tracking error due to sector focus	Values-oriented motivations, performance impacts tangential
Level of Impact	Low	Low/Medium	High	High

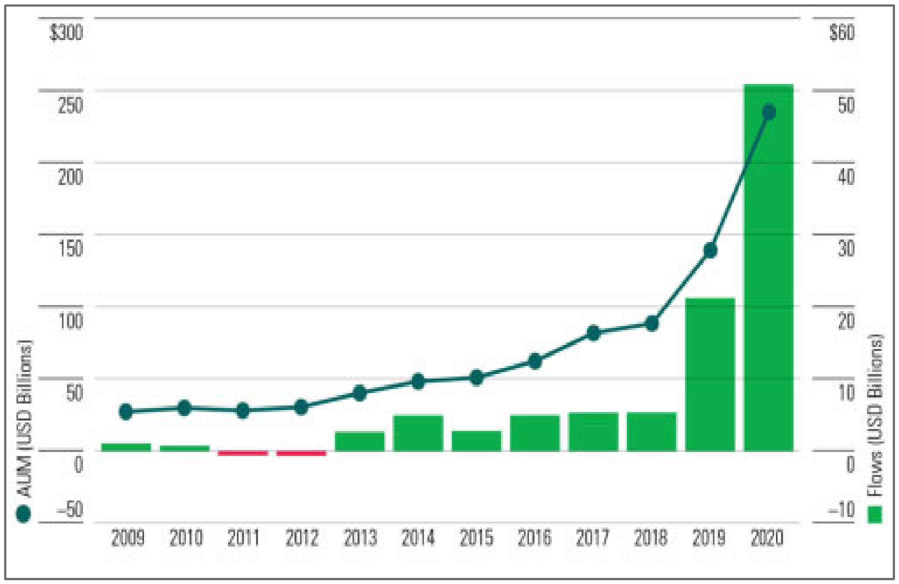
Note: All investments may include ESG integration in the investment process

ANNUAL SUSTAINABLE FUND ASSETS

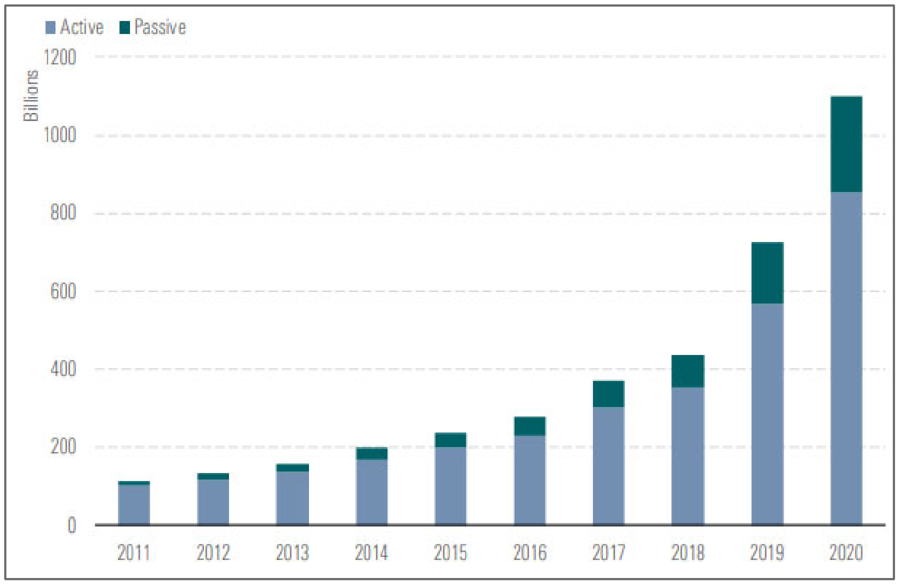
PRODUCT ASSET GROWTH ROUGHLY TRIPLES IN TWO YEARS

United States	European Union

$US Billions

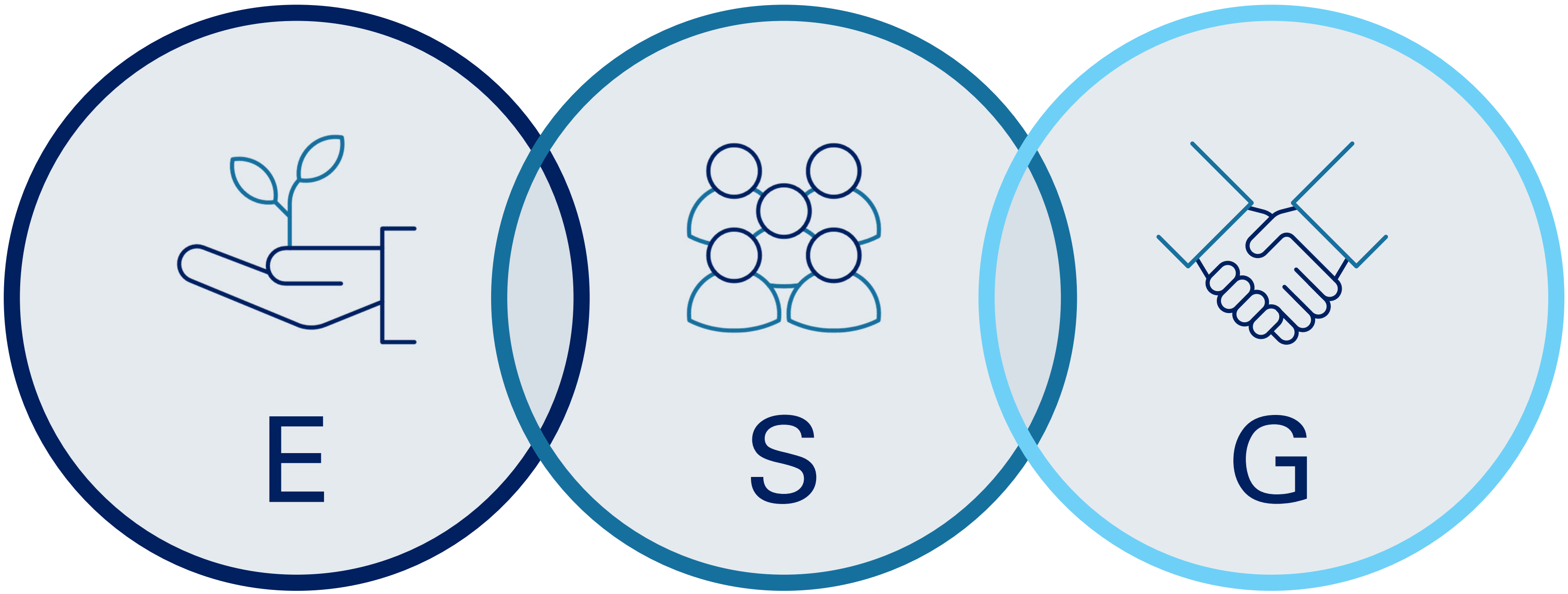


$EUR Billions



WHAT'S BEHIND THE E, S, AND G?

CORE FOCUS AREAS IN ESG INVESTING



ENVIRONMENTAL

Pollution

Carbon Emissions and climate change

Resource utilization

Sustainability

SOCIAL

Employees

Customers

Suppliers

Community

Human rights

Privacy rights

GOVERNANCE

Executive compensation

Management structure

Board accountability

Shareholder treatment

THREE DRIVERS OF ESG TRENDS

1. Megatrends: Environment and social

2. Regulatory: Increased scrutiny by regulators on ESG disclosures and reporting

3. Market place: Increased expectations from market stakeholders

MEGATRENDS AFFECT FINANCIAL VALUATIONS

- **Visible extreme events – droughts, flooding, forest fires**

- **Physical risk (property damage)**

- **Transition risk (sectors, lost jobs, skills)**
  - Disrupted global supply-chains, depleted natural resources, increase COGS, WACC, decrease profitability and economic stability
  - Social inequalities, impacts affordability and community development, affect human rights and inhibits innovation

WHY ESG INTEGRATION IS IMPORTANT

CASE STUDY EQUIFAX – VALUE ADD FROM ESG INTEGRATION

1 — Aug 2016
- MSCI downgraded ESG rating for Equifax Inc.
- B to CCC prior to data breach
- Downgrade based on poor data security and privacy measures

2 — Dec 2016
- Equifax excluded from MSCI ESG Leaders Index

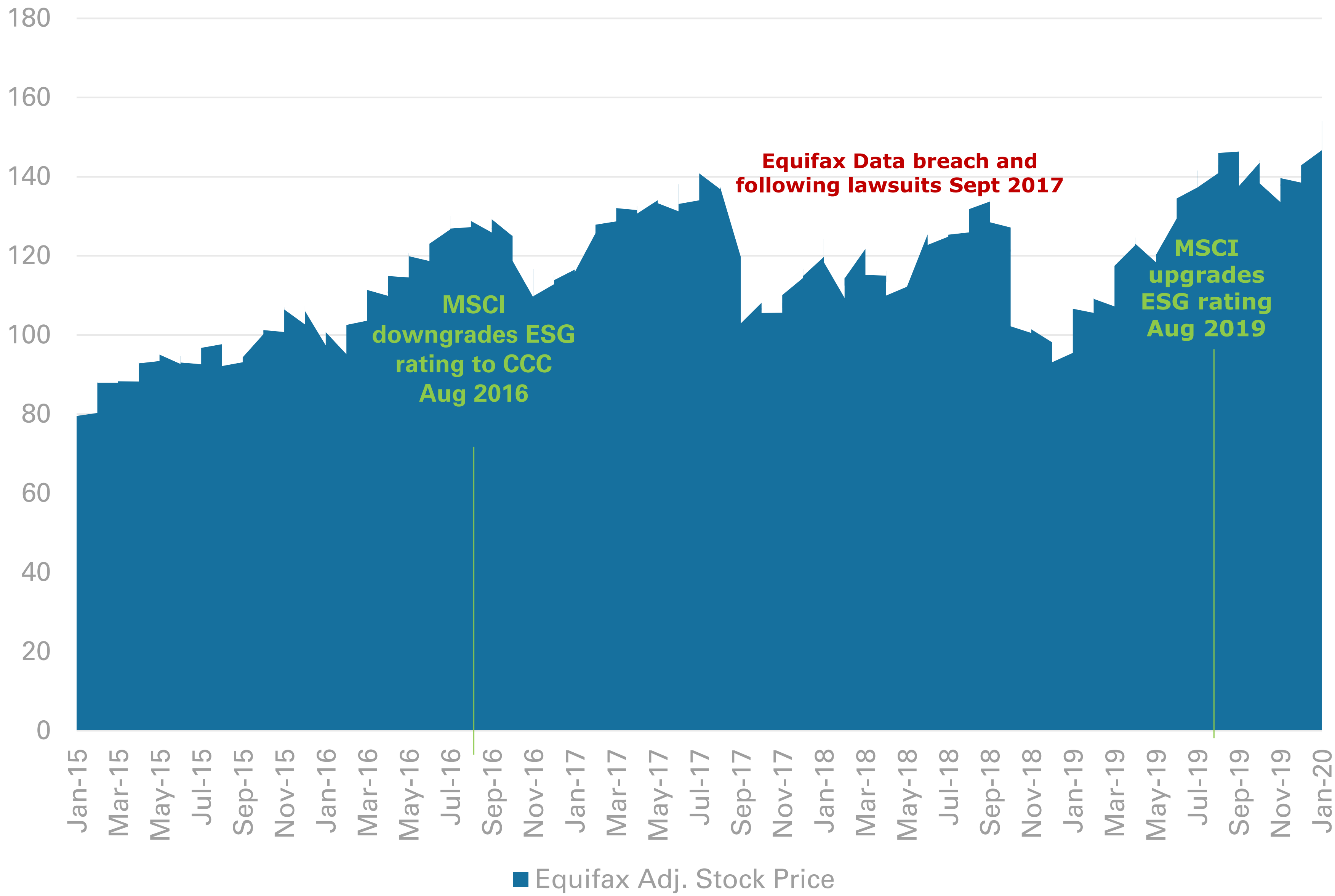
3 — Sept 2017
- Equifax reported cyber-attack potentially impacting 143 million U.S. consumers

4 — 2017
- Many investment products with exposure to Equifax experienced losses in 2017

5 — Aug 2019
- MSCI upgraded Equifax to BB
- Reflected decreased risk after the identified ESG related event materialized

Source: MSCI

TRACKING ESG RATING AND STOCK PRICE



Source: MSCI, Yahoo Finance

CHALLENGES WITH ESG DATA COLLECTION

- **Lack of standardization prevents comparison, data is not decision-useful**
  - Self reporting and self generated ESG KPIs
- **Lack of education and awareness on corporate boards that are deciding key ESG KPIs**
- **Backward looking data for forward projections, time lag from data generation, to reporting, to collection**
- **Greenwashing, swashing (social washing), inconsistent labeling**

MANAGER APPROACHES VARY

- **Why is the manager incorporating ESG considerations?**
- **What are the firm and strategy level resources?**
- **Who performs the analysis?**
- **What data is being used to frame the ESG assessment?**
- **When/how is the analysis factored into investment decisions?**

Result: Investors must consider additional layers to the investment process when evaluating asset managers

ESG INTEGRATION BY INVESTMENT TYPE

STRATEGY TYPE	LEVEL OF ESG INTEGRATION	NOTES
PUBLIC EQUITY	HIGH	Highest level of adoption; European market generally ahead of US
FIXED INCOME	MODERATE	ESG ratings more applicable for corporate debt; sovereign debt and structured credit generally less compatible; growing adoption
PRIVATE EQUITY	MODERATE	Funds are often smaller in size, have shorter track records and are newer entities; ESG issues can present an opportunity to unlock value
REAL ESTATE	MODERATE	Value-add and opportunistic strategies are often more focused on ESG given their emphasis on property repositioning
REAL ASSETS	MODERATE	Sustainable real assets present a wide range of options from renewables to agriculture
HEDGE FUNDS	LOW	Limited but growing adoption of ESG amongst hedge funds; Will be strategy dependent

INCREASED REGULATION ON THE HORIZON

- **Investors with trillion dollars in assets are seeking mandatory disclosures and governance of ESG-related risks**
- **Informational flow is asymmetric and transparency is critical**
- **Europe is ahead – TCFD, SFDR, and EU taxonomy**
- **US regulators are actively navigating these discussions:**
  - SEC Request for Comment on Climate Related Disclosures
  - DOL proposes new ESG proxy voting regulations
  - DOL – Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights
  - SEC seeks to mandate carbon-related disclosures
  - SEC examinations to focus on ESG, private funds

DRIVERS OF REGULATION

- Main driver of increased regulation is the asymmetric informational flow and access – quest for timely information and transparency
- Rise of climate/environmental related risks can potentially impact financial returns
- Increasingly investors are recognizing the critical need for ESG information in their day-to-day decision-making
- Regulators need to provide guidance, comparable information/standardization for this increased demand

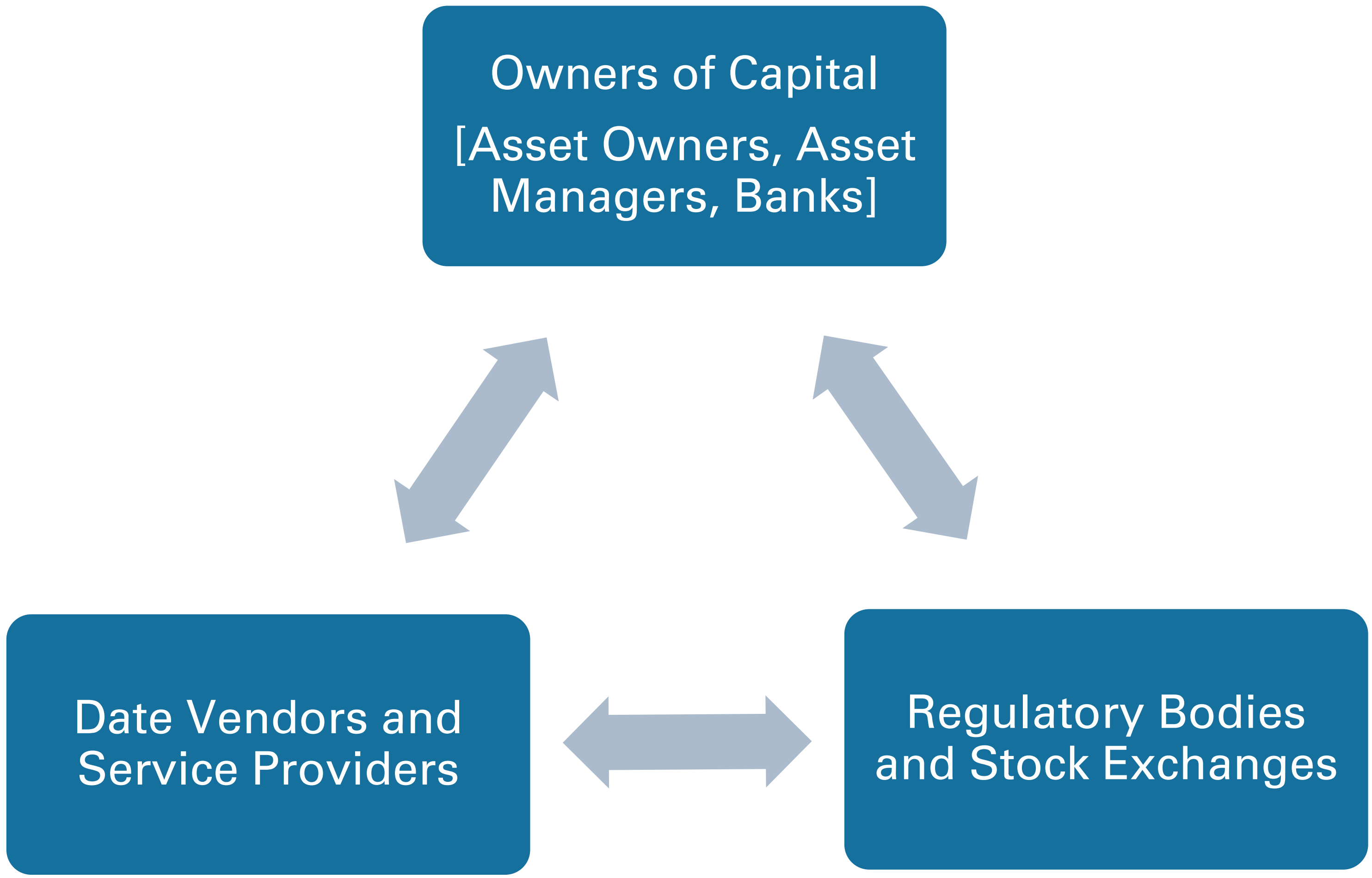
US REGULATIONS

- **SEC and DOL are actively involved in US financial markets**
- **SEC**
  - Public comment period on Climate related disclosures
  - Created a Climate and ESG task force – look closely at how ESG funds are marketing themselves and what they actually represent
- **Federal Reserve**
  - Created a supervisory committee on climate change, taking more active participation in the international central bank discussions
- **CFTC**
  - Issued a report on financial risk from climate change from 2020

EU REGULATIONS

- **Focus is on increasing transparency using two main building blocks:**
  1. Taxonomy regulation
  2. Sustainable Finance Disclosure Regulation (SFDR)
- **Taxonomy: Exhaustive classification of economic activities by its contribution to society; it provides disclosure requirements based on three shades of green:**
  - Environmentally sustainable economic activities
  - Contribute to sustainability transition
  - Enable S. transition
- **SFDR: Obligation for financial participants to disclose how sustainability risk is integrated into their business operations and investment decisions**
  - Creates distinctions in funds based on the emphasis on sustainability
    - Article 6 – Funds with no stated sustainability goals are subject to reporting on minimum standards of transparency addressing integration of sustainability risk
    - Article 8 – Funds with explicitly stated suitability goals; higher standard of disclosures on how they achieve and measure these goals

INCREASED DEMAND ACROSS THE ECOSYSTEM



KEY INVESTMENT THEMES BY CLIENT TYPES

	Negative Screening	ESG Integration	Thematic	Shareholder Engagement
E&Fs	Faith based organization and Foundations – sin stock exclusion	An area of increasing focus. Assessing ESG score by each asset class, and overall at portfolio-level weighted by allocation size	Area of focus from Endowments – implement across various SDGs	Area of less emphasis since their mission can be achieved use other three pillars
Public Pension Plans	Some pensions explore this option for low-carbon or fossil free mandates Sector exclusion pose a challenge from a fiduciary standpoint	An area of increasing focus	Area of focus as many pension explore emission targets and diversity mandates	Pension plans dominate this segment Most engagement efforts are geared towards emission, equity, and governance issues
Private Wealth	Passive equity management is used extensively, and both negative screening and positive tilts can be implemented easily	An area of increasing focus	Area of focus for private wealth clients, often explored via Private markets investing	Limited engagement, often executed by using firms like As You Sow

NEPC'S APPROACH TO SUSTAINABILITY

HIGHLIGHTS IN SUSTAINABILITY INVESTING

PRI Signatory Since 2014

70+ Clients Pursuing Impact Investing

2018 Launched ESG Ratings System

- Focus on Four Pillars: Negative Screening, ESG Integration, Thematic Investing, and Shareholder Engagement
- Dedicated Committee Representative of Research and Practice Teams
- White papers and blog posts on a range of topics (divestment, ESG integration, investing in healthcare)
- Partnerships with White House on Clean Energy, Rural Investment and ESG Roundtables

NEPC'S ESG RATING: PROCESS

Firm Level

- Commitments
- Policies
- Resources
- Structure
- Engagement

Strategy Level

- Investment Team Philosophy
- Research ESG Integration
- Tools – Internal/External
- Decision Making

Comprehensive ESG Rating
1 (highest) – 5 (lowest)

- ESG Due Diligence Questionnaire completed by investment managers
- Supplemental Firm & Strategy level calls/meetings to further engage with the data
- Qualitative analyst opinion factor to allow for flexibility and additional insight

CLIMATE CHANGE POLICY SCENARIOS

Dystopian

Industrialized nations reverse current policies in place to mitigate greenhouse gas emissions. Potential global temperature change of 5 °C or greater

Indifference

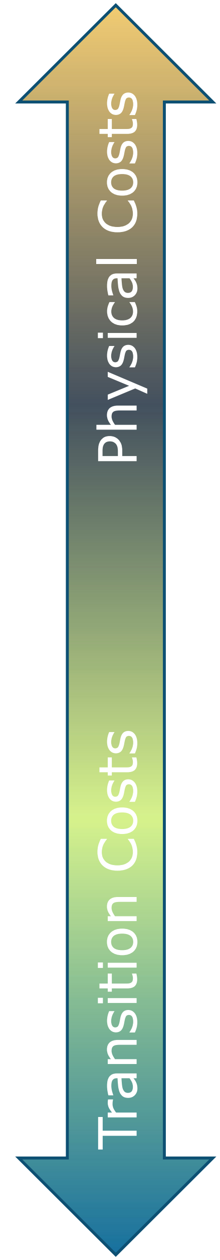
Current mitigation policies in place continue with potential global temperate change of 3 °C to 3.5 °C

Aspirational

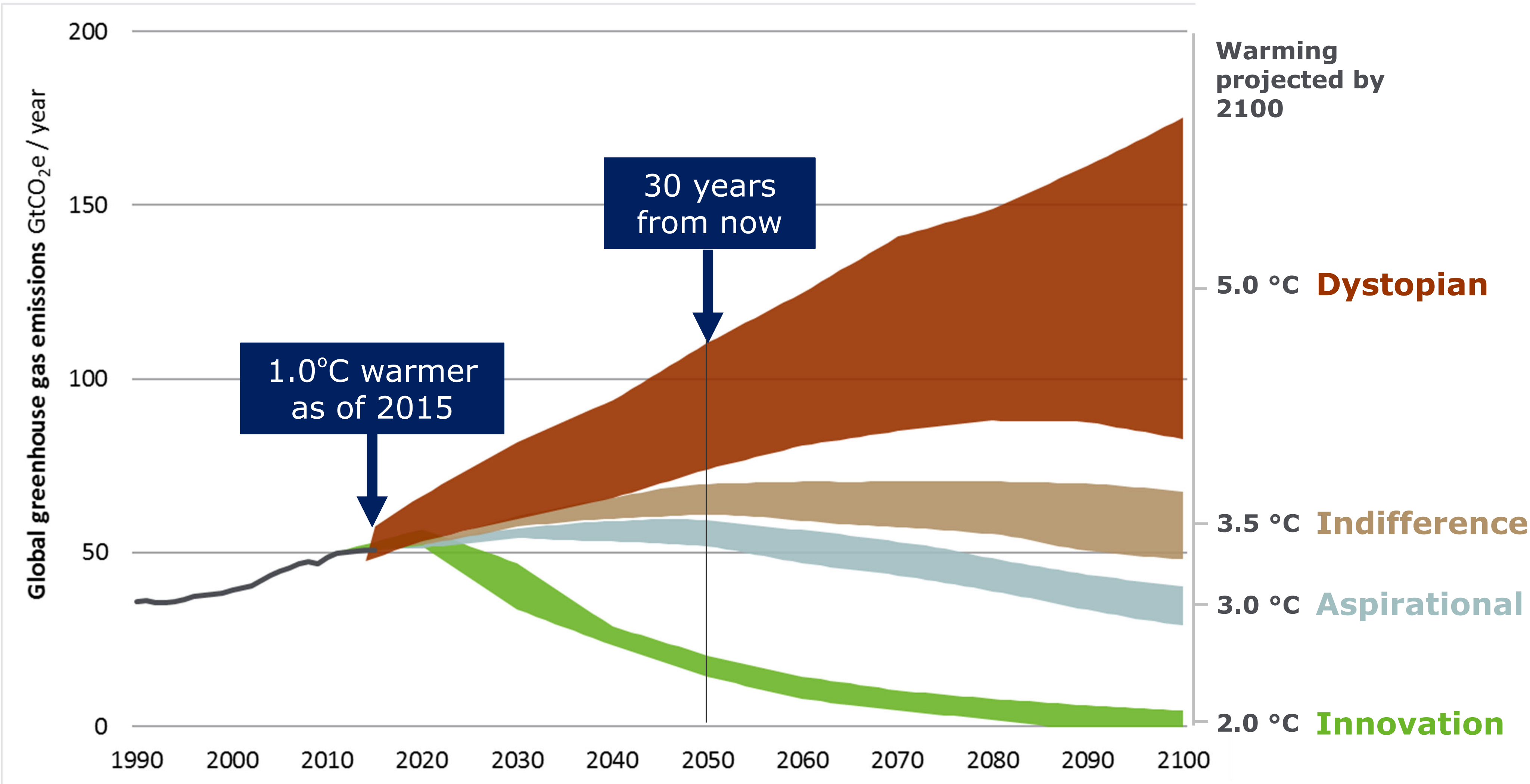
Current pledges of industrialized nations are implemented along with current policies (e.g. Paris Accord) with potential global temperate change of 3 °C or less

Innovation

Revolutionary technological change reduces greenhouse gas emissions to 20th century levels. Potential global temperature change of 2 °C or less



POTENTIAL GLOBAL POLICY SCENARIOS

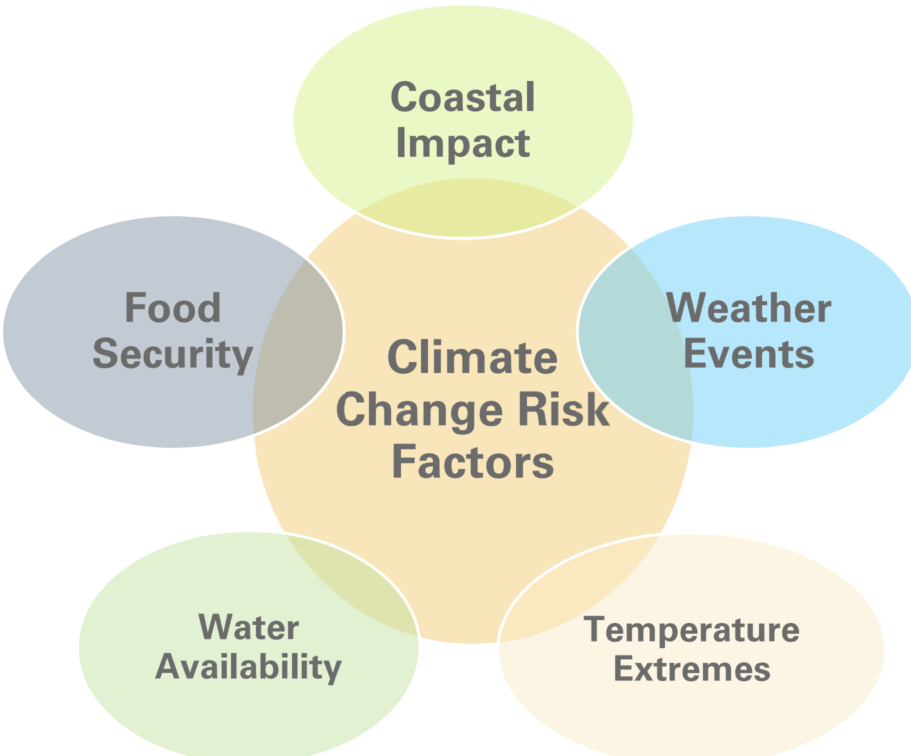


Source: Climate Action Tracker, December 2018 Update

Temperature increases are projected over a 100 year time horizon but we will look to the impact of each scenario over the next 30 years

CLIMATE CHANGE MODEL

Risk Factors → Scenarios → Investment Implications



Adaption Capacity Index

Dystopian

Indifference

Aspirational

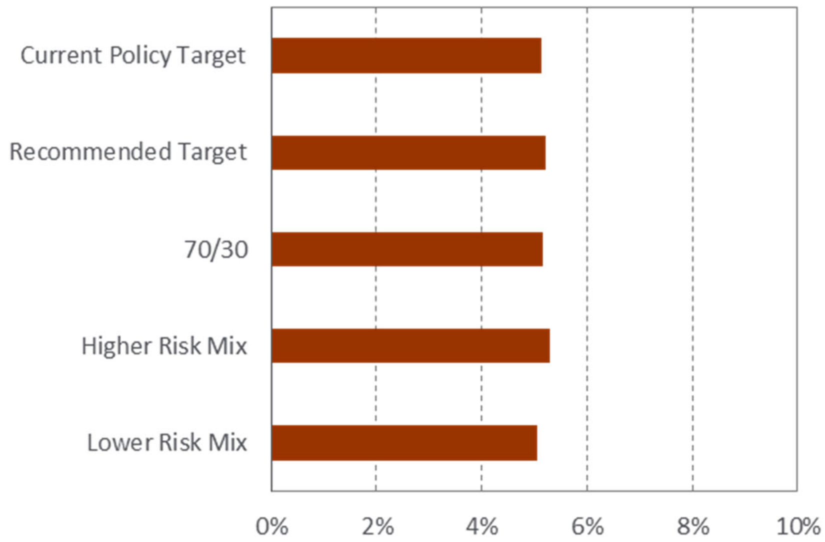
Innovation

Long-term Investment Implications
Commodities
Infrastructure
EM Markets
Developed Markets
Credit Markets
Real Estate

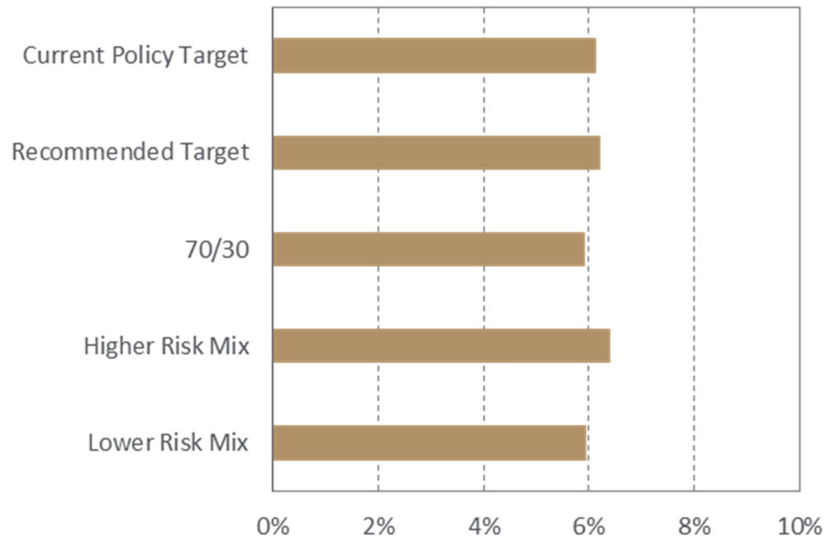
POLICY SCENARIOS OVER NEXT 30 YEARS

Total Portfolio Return: 30 Years

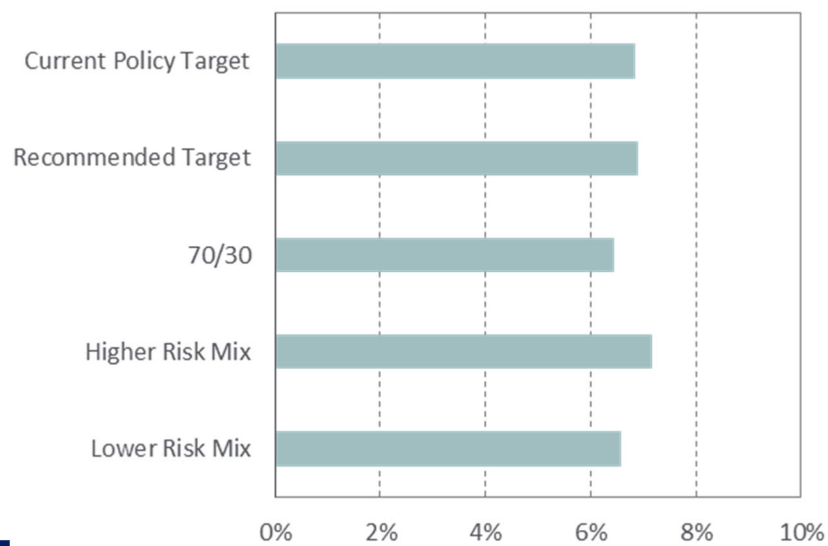
Dystopian



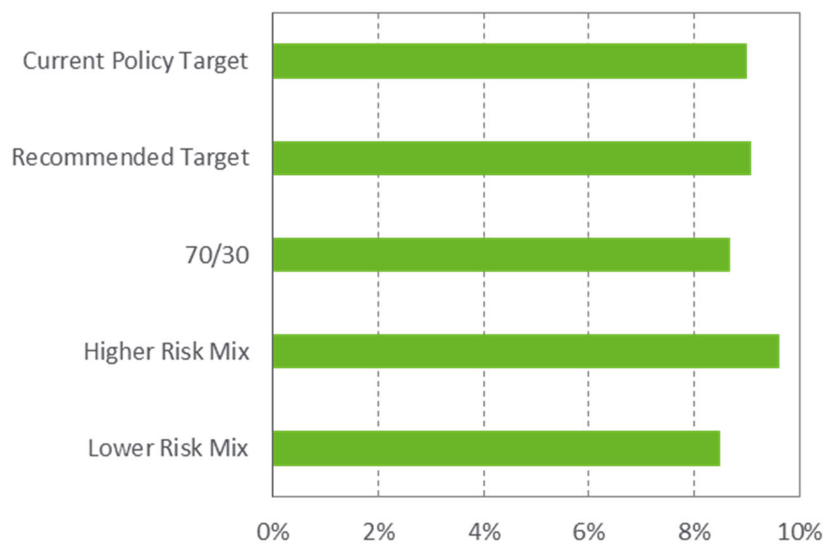
Indifference



Aspirational

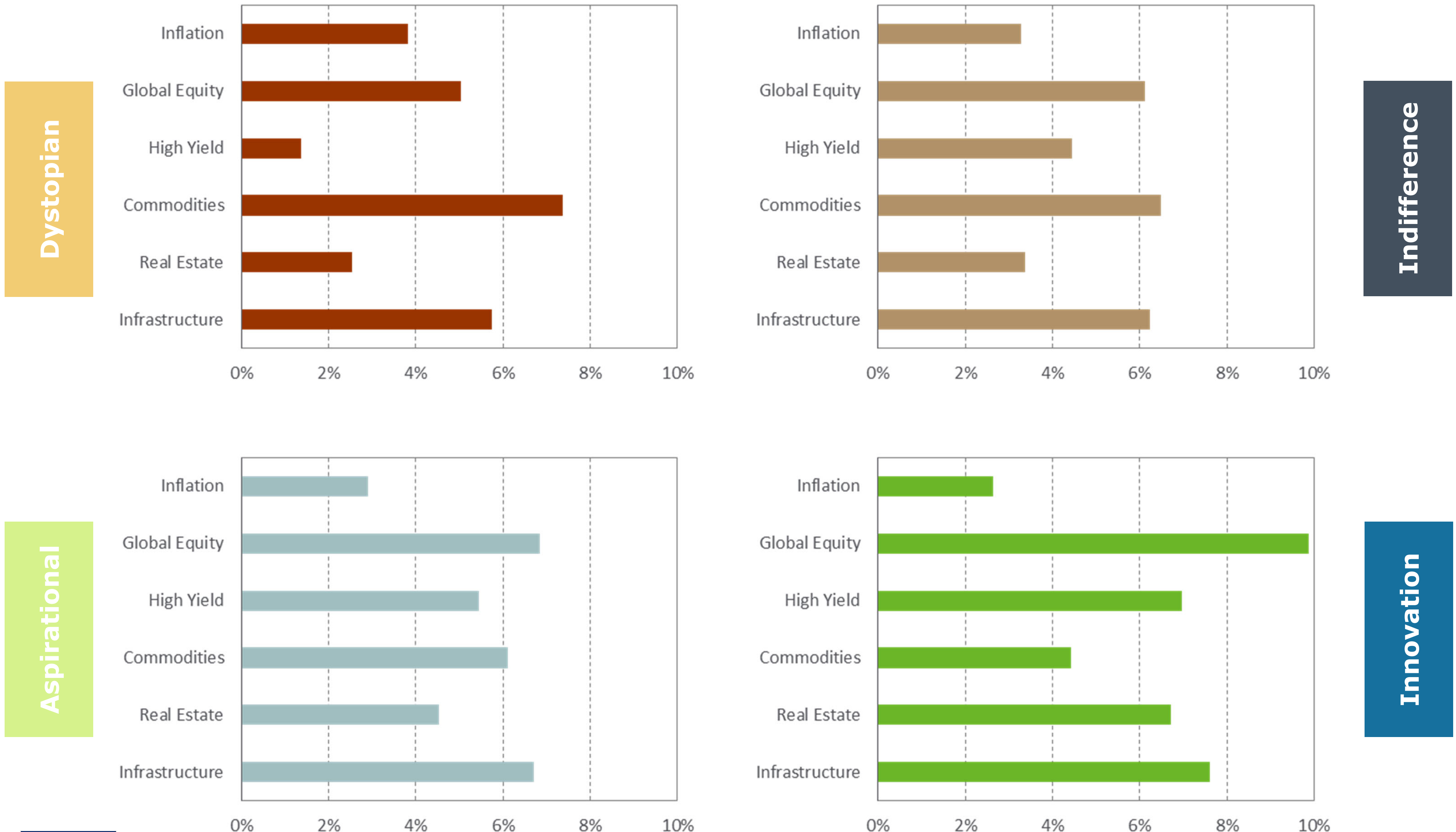


Innovation



POLICY SCENARIOS OVER NEXT 30 YEARS

Asset Class Scenario Return: 30 Years



CLIMATE CHANGE SCENARIO ANALYSIS

It is good governance to discuss long-term risk factors today, climate change is potentially one of those risks

This is NEPC's inaugural effort to highlight the potential range of outcomes associated with climate change risks

- This is a long-term project and the first step of an evolving process to assess risk factors at the asset class, country, and sector/industry level

Engagement is the word for institutional investors

- Look to engage with investment managers to understand how climate change risks are incorporated into the overall investment process

Governance may be the most important factor to help mitigate the costs of climate change risks factors

However, do not overlook the prospects for technological change revolutionizing the energy and transportation sectors with a transformative impact on the global economy

LACERS RESPONSIBLE INVESTMENT POLICY

LACERS ESG FRAMEWORK

- ESG Governance & Policy
- Integration of PRI
- ESG Risk Exposures
- ESG-Focused Investing

Source: LACERS ESG Risk Framework

LACERS APPROACH ACROSS THE FOUR PILLARS

Negative Screening

ESG Integration

Thematic

Shareholder Engagement

Negative Screening	ESG Integration	Thematic	Shareholder Engagement
Inconsistent with LACERS ESG Risk Framework in passive investment management. May be inconsistent with broad goals in certain asset classes.	Early stages in integration of ESG. Focus on policy/ governance. Policy adoption and considered in investment due diligence manager search questionnaires. Exposures and risks outlined across thermal coal exposure.	Thematic approach lesser focus: but may be considered within manager search and portfolio construction.	Important focus of LACERS that furthers investor alignment: Proxy Voting Policy, Securities Litigation Policy, PRI Signatory. Active shareholder with engagement of SEC regarding proxy voting, engagement of public companies in promotion of better governance, engagement of private equity GPs on labor issues.

FRAMEWORK FOR ACTION

IDENTIFYING AND MITIGATING MATERIAL RISKS

LACERS Responsible Investing Policy outlines a framework of Action Levels based on:

1. **Once ESG risk factors of material significance within the portfolio have been identified**
2. **The Board may decide at any point after considering research and staff findings that further action may be necessary to mitigate risk**

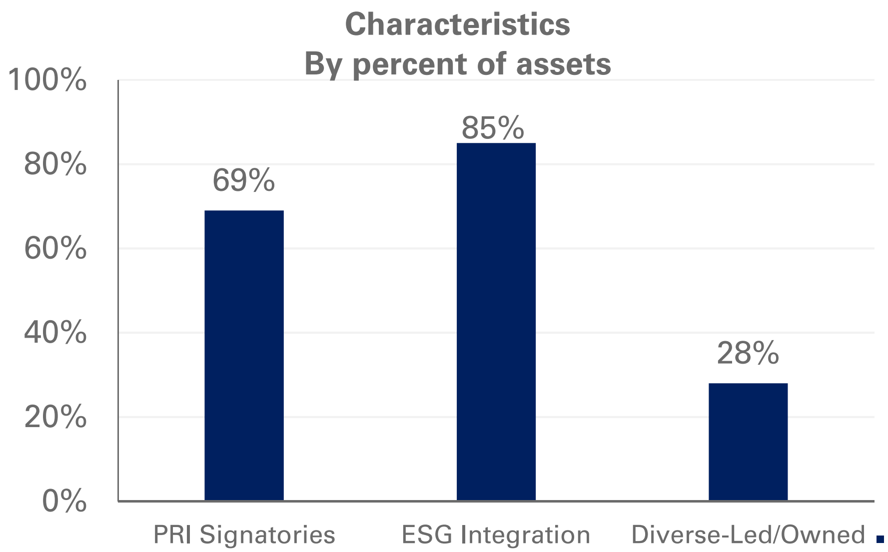
Action Level	Possible Action(s) to include but not limited to:	Responsible Parties	Estimated Risk to Plan Assets
1	Relationship Initiatives: Collaboration with other Agencies, Engagement/Advocacy Letters, Joint-Agency Endorsements, Company Presentations to LACERS Board, Disassociation with Misaligned Orgs., Outreach/Association with Emerging Managers, Discussion at Advisory Board Meetings or Annual Meetings of Private Markets Funds	Staff, Consultants, Industry, Organizations, Agencies	None Level 1 actions do not include any portfolio restructurings resulting in virtually no discernable adverse risks to portfolio valuations.
2	Policy Implications/Contractual: Proxy Voting Amendments, Investment Manager Guidelines, Investment Policy Amendments, Contract Side Letter Provisions	Staff, Consultants, Investment Managers, Proxy Voting Agent, City Attorney	None to Medium Level 2 actions do not include significant portfolio restructurings but may have an indirect impact on portfolio management, investment valuations, or investment manager relationships.
3	Strategic Investment Approaches: ESG-Sensitive Strategies, SRI Strategies, Corp. Gov. Strategies	Staff, Consultants, Investment Managers	Low to Medium Level 3 actions may have a direct impact on individual portfolios due to removal, substitution, or addition of mandates. Such actions may impact performance; implementation risk and costs; fee structures; tracking error; create opportunity costs.
4	Restructure: Divestment, Sale of Partnership Interests, Portfolio Restructure, Termination of Manager	Staff, Consultants, Investment Managers, Transition Managers, Bank Custodian	Medium to High Level 4 actions may lead to immediate and significant realized losses due to market illiquidity; tracking error; transition management risk; timing and implementation risks; create opportunity costs; sub-optimal asset allocation structure misaligned with approved Asset Allocation Policy.

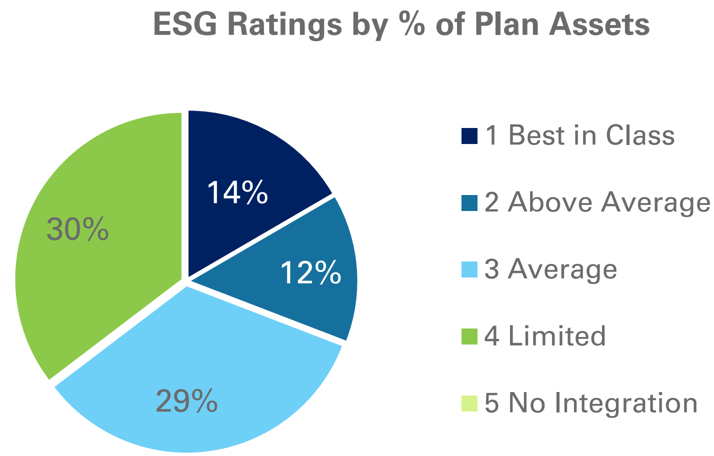
Source: LACERS Responsible Investment Policy

TAKING THE NEXT STEP

	Positive/ Negative Screening	ESG Integration	Thematic	Shareholder Engagement
Strategy Focus	Screening for certain securities for non-financial reasons	ESG factors built-in as part of the investment process	Pro-actively seeking opportunities in targeted areas (e.g. Renewable Energy)	Actively engage in corporate voting process to push key agenda
Investment Universe	Varied across asset classes	Sizable and includes mainstream managers	Growing in size, but many funds are smaller and newer	Small but growing
Active or Passive	Both: May have passive choices dependent on asset class screened	Both	Both	Most likely Active
Management Fees	Passive: higher than traditional index	Passive: higher than traditional index	Passive: higher than traditional index	High
Performance	May increase tracking error due to restricted universe	Performance studies show neutral to positive impact	Varied and will have sizable tracking error due to sector focus	Values-oriented motivations, performance impacts tangential
Level of Impact	Low	Low/Medium	High	High

LACERS TOTAL FUND DASHBOARD





KEY TERMS

- **PRI Signatory:** A PRI signatory is a firm that has committed to integrating ESG into their investment process according to the six principles in the UN supported Principles for Responsible Investing.
- **ESG Integration**: An investment strategy rated as a 4 or higher according to the NEPC ESG Ratings Framework (1-5 with 1 being the best) is considered to have some level of ESG integration
- **ESG Ratings:** NEPC's proprietary ESG Ratings Framework scores investment strategies based on their ESG integration at the firm and strategy level. A 5 has no integration, a 4 has limited integration, a 3 has average integration, a 2 has above average integration, and a 1 is best in class.
- **Diverse Owned:** A firm that is at least 50% owned by an under-represented group.
- **Diverse Led:** A firm that is 33%-50% owned by an under-represented group.
- **Thematic:** A strategy that prioritizes specific issues, investing in firms that offer solutions while also achieving financial goals.

Asset classes evaluated include: Public Equity, Core Fixed Income, Credit Opportunities and Public Real Assets

LACERS ESG RATINGS SUMMARY

Asset	AUM	ESG Rating	PRI Signatory	Diverse-Led	Diverse-Owned	Diversity Identifier
US Equity						
RhumbLine Advisers Russell 2000	332,845,391.52	4		✓	✓	Female
Rhumbline Advisers Russell 2000 Value	156,373,820.00	4		✓	✓	Female
EAM Investors	106,478,228.94	NR	✓			
Principal Global Investors	314,341,575.30	NR	✓			
RhumbLine Advisers S&P 500	3,850,066,751.50	4		✓	✓	Female
Copeland Capital Management	245,677,798.38	4	✓			
Granahan Investment Management	76,346,951.77	4	✓	✓		Female
Segall, Bryant & Hamill	92,004,002.19	3	✓			
Non US Equity						
Barrow Hanley	544,559,436.33	NR	✓			
Lazard Asset Management	567,200,533.33	1	✓			
MFS Institutional Advisors	576,340,769.14	2	✓			
Oberweis Asset Mgmt	275,119,213.13	4	✓			
SSgA World ex US IMI	2,042,682,838.76	3	✓			
State Street EAFE SC	314,371,395.75	3	✓			
Emerging Markets Equity						
Axiom Emerging Markets	352,943,492.85	1	✓	✓		Combination Female & Minority
DFA Emerging Markets	461,507,717.86	3	✓			
State Street Emerging Markets	338,583,266.62	3	✓			
Wasatch Global Investors	297,266,970.48	3	✓			
Core Fixed Income						
Loomis Sayles & Co. Core Fixed Income	618,804,811.07	2	✓			
SSgA U.S. Aggregate Bond	964,501,933.18	3	✓			
Baird Advisors Core Fixed Income	602,096,979.16	3				
Garcia Hamilton & Associates	406,617,952.80	4	✓	✓	✓	Combination Female & Minority
JP Morgan Investment Management	403,433,018.37	1	✓			
Income Research & Management	407,962,658.74	1				
Credit Opportunities						
PGIM Blended	453,341,223.76	NR	✓			
Wellington	449,123,790.41	2	✓			
Bain Capital Senior Loan Fund, LP	244,166,765.00	2				
DDJ Capital Management	295,181,897.44	1	✓			
Loomis Sayles & Co. High Yield	292,249,566.19	2	✓			
Benefit Street Partners LLC	51,247,790.00	NR				
Crescent	2,626,866.00	NR	✓			
Monroe	24,892,415.00	NR	✓			
Public Real Assets						
DFA US TIPS	1,264,601,152.26	NR	✓			
CenterSquare US Real Estate	497,442,266.09	1	✓			

Diverse-Led organizations are 33%-50% owned by an under-represented group. Diverse-Owned organizations have at least 50% ownership by an under-represented group.

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ESG and Climate Integration

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Neeta Madahar, Falling 1 (detail), 2005, Lightjet print mounted on aluminum, 48 x 48 inches (122 x 122 cm)

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Representing Wellington Management

Wendy M. Cromwell, CFA

Vice Chair; Senior Managing Director; Partner; Head of Sustainable Investment

Wendy is the head of Sustainable Investment, setting the research agenda and strategy for the firm's sustainable investment practice. As vice chair, she is a senior member of the firm's management team and works with the CEO on strategic initiatives and external affairs of the organization.

Wendy serves as chair of the Strategic Relationship Advisory Committee and the Wellington Management Australia Board, vice chair of the Compensation Committee, and a member of the firm's Investment Stewardship Committee. She is also a director on the board of the United Nations-supported Principles for Responsible Investment and serves on the advisory group of the Net Zero Asset Managers initiative.

Previously, Wendy conducted research on long-term multi-asset themes and led the development of multi-asset portfolios for the firm's global client base as the director of Global Multi-Asset Strategies. She has also served terms on the Executive Committee, Hedge Fund Review Group, and Equity Review Group.

Wendy received her MBA, with honors, from Vanderbilt University and her BBA, summa cum laude, from the University of Mississippi. She also holds the Chartered Financial Analyst designation.

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Our understanding

LACERS became a PRI signatory on September 3, 2019

As a signatory LACERS has drafted action plans to advance the 6 principles of PRI:

- Incorporate ESG into investment analysis and decision making
- Practice active ownership
- Seek appropriate disclosure
- Promote acceptance of RI principles
- Work with others to enhance effectiveness
- Report progress

LACERS' RI investment policy is to *"Consider material ESG risk and return factors in order to achieve superior risk-adjusted returns"*

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What is ESG and why is it important?
Our philosophy

We believe
Material ESG issues are strategic business issues that can impact performance, so understanding them enables more informed investment decisions

Through informed and active ownership, we can support actions that benefit our clients

Environmental

Water efficiency ▶ Production costs

- Carbon emissions
- Water usage
- Waste management
- Climate change adaptation

Social

Labor conflicts ▶ Net margins

- Labor union relations
- Health and safety
- Supply chain risks
- Cybersecurity

Governance

CEO compensation ▶ Share price

- Ownership structure and control
- Board composition
- CEO compensation
- Shareholder rights

These examples are not intended to be representative of all ESG factors considered.

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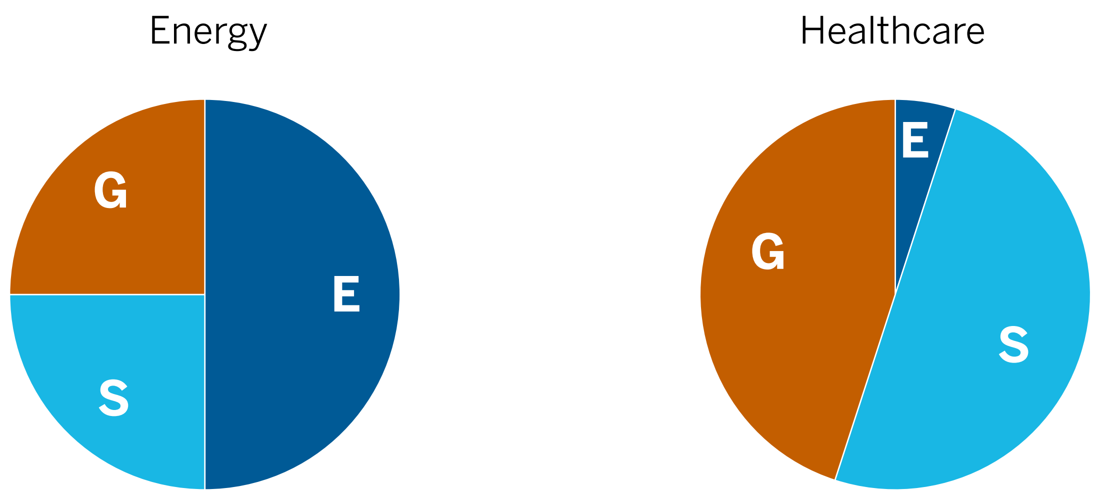
What is materiality?

Materiality frameworks and weightings

Investment-led approach: focus on the ESG issues most relevant to investment outcomes



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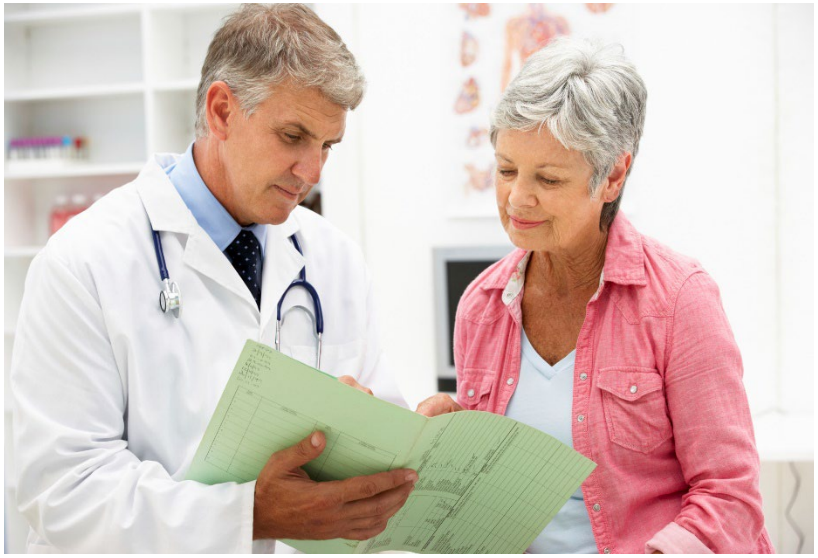
Materiality frameworks and weightings: Healthcare

How can we use ESG analysis to assess whether a company can sustainably create value for our clients over time?

Highest priority on the “S” in ESG (50% – 55%)
- Focus on corporate culture, product quality and safety, reputational risk, and drug pricing.
- For managed care companies, we also consider improving patient outcomes, health care access and affordability, and customer relations.

“G” has the second-highest weighting (35% – 40%)
- Emphasize board composition and structure, diversity of backgrounds and skillsets, and boardroom discussions.
- Seek alignment of pay with performance in compensation decisions, along with a mix of relevant metrics in incentive plans.

“E” has the lowest weighting (5% – 10%)
- Consider the impact of extreme weather on manufacturing and costs, as well as product sustainability and life-cycle issues



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Sample engagement questions
Healthcare

	Environmental	Social	Governance
Medtech	• **Physical climate change risk:** How exposed is your manufacturing footprint to extreme weather disruptions? • **Product sustainability:** How are you addressing customers preferences around product sustainability?	• **Culture:** What are strengths/weaknesses of your company's culture? How do you incentive innovation? • **Product quality & safety**: What quality metrics do you track and how are you benchmarking yourselves to peers? • **Cybersecurity:** What are your top cyber risks? How do you collaborate with peers on cybersecurity? • **Business ethics:** How is your sales force incentivized? Is approach to compliance consistent globally?	• **Board comp:** Do you have industry-relevant specialists? Scientific and regulatory experts? How does the board work with management? • **Executive Compensation:** What are the primary drivers of your company's performance? Are these reflected in your executive comp plan?
Pharmaceuticals	• **Physical climate change risk:** How exposed is your manufacturing footprint to extreme weather disruptions? • **Climate change impacts on human health:** How do you view the impact of climate change from a development standpoint? How is your portfolio positioned to address this?	• **Culture:** What are strengths/weaknesses of your company's culture? How do you incentive innovation? • **Product quality & safety:** What quality metrics do you track and how are you benchmarking yourselves to peers? • **Reputational risk:** What is your approach to pricing and access? How has it evolved? How are you controlling the narrative around these issues? • **Business ethics:** How are you managing and monitoring third-party compliance risk? What policies and trainings are in place for healthcare professional interactions?	• **Board comp:** Do you have industry-relevant specialists? Scientific and regulatory experts? How does the board work with management? • **Executive Compensation:** What are the primary drivers of your company's performance? Are these reflected in your executive comp plan? What feedback are you hearing from other shareholders on comp?
Managed care	• **Climate change impacts on human health:** When assessing the impacts of climate change, what are the most material risks to the business? What about potential opportunities?	• **Human capital management:** When looking at the results of employee engagement, what are the pain points? How is management addressing those? • **Improving outcomes:** What are some examples of how the company promotes and improves patients' health outcomes. How are these efforts prioritized? • **Access & affordability:** How do you measure patient access to coverage? How are you controlling the narrative around this? • **Cybersecurity:** What are the top data/cyber risks impacting your business? What's changed in your approach to managing data/cyber risk in recent years? • **Customer relations:** How is customer satisfaction measured, both in absolute terms and relative to peers?	• **Board comp:** Do you have industry-relevant specialists? Scientific and regulatory experts? How does the board work with management? • **Executive Compensation:** What are the primary drivers of your company's performance? Are these reflected in your executive comp plan? What feedback are you hearing from other shareholders on comp?

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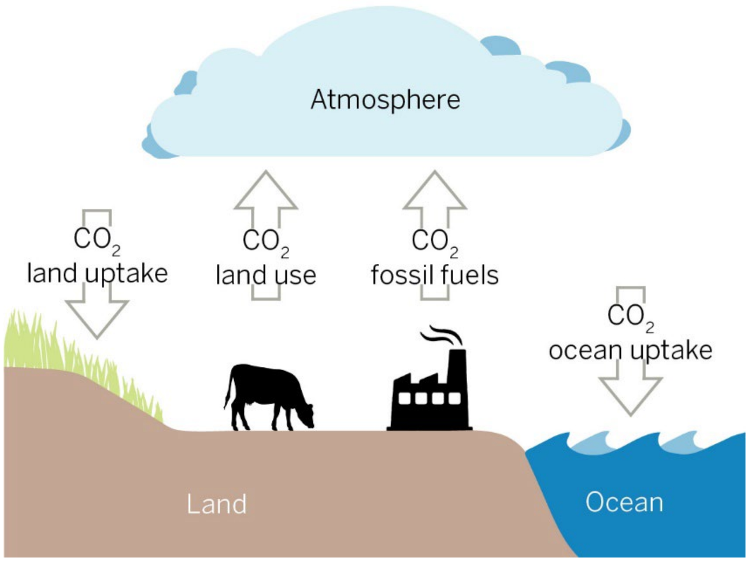
Climate cause and effect

Most climate analysis focuses on transition risk not physical risk

Cause



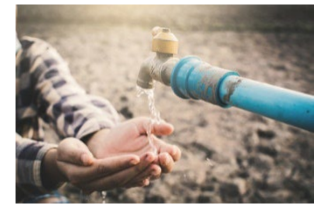
Higher emissions in atmosphere exacerbates physical risks

Effect

Chronic


Heat


Drought


Water access

Acute


Flooding


Hurricanes

Wildfire

Transition risks...

Policy & regulation
- Carbon pricing to reduce future emissions
- Carbon sinks to remove existing emissions

Technological disruption
- Renewable energy
- Electric vehicles

Litigation

Societal pressure & behavior

...drive need for mitigation

Physical risks...

Chronic risks are long-term shifts in climate patterns

Acute risks are event-driven and increasing in severity

Changing climate will impact regions at different paces and magnitudes

Impacts to: societies, economies, private & public spending, infrastructure

...drive need for mitigation

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Understanding how climate change affects investments

Partnership with Woodwell Climate Research Center

Began multi-year research collaboration with Woodwell Climate Research Center in September 2018

- #1 ranked global climate think tank by ICCG1 over the last four years
- Collaborators include The World Bank, NASA, USAID, The Nature Conservancy
- Staff of 70 working around the globe

Research collaboration focused on physical climate risk

- Implications of heat, drought, wildfire, hurricanes, floods, water access
- Bridging the gap between science and finance

"I could give 100 more speeches and nothing will change but if we get 100 security prices to move, something may change"

– Phil Duffy, Executive Director
Woodwell Climate Research Center

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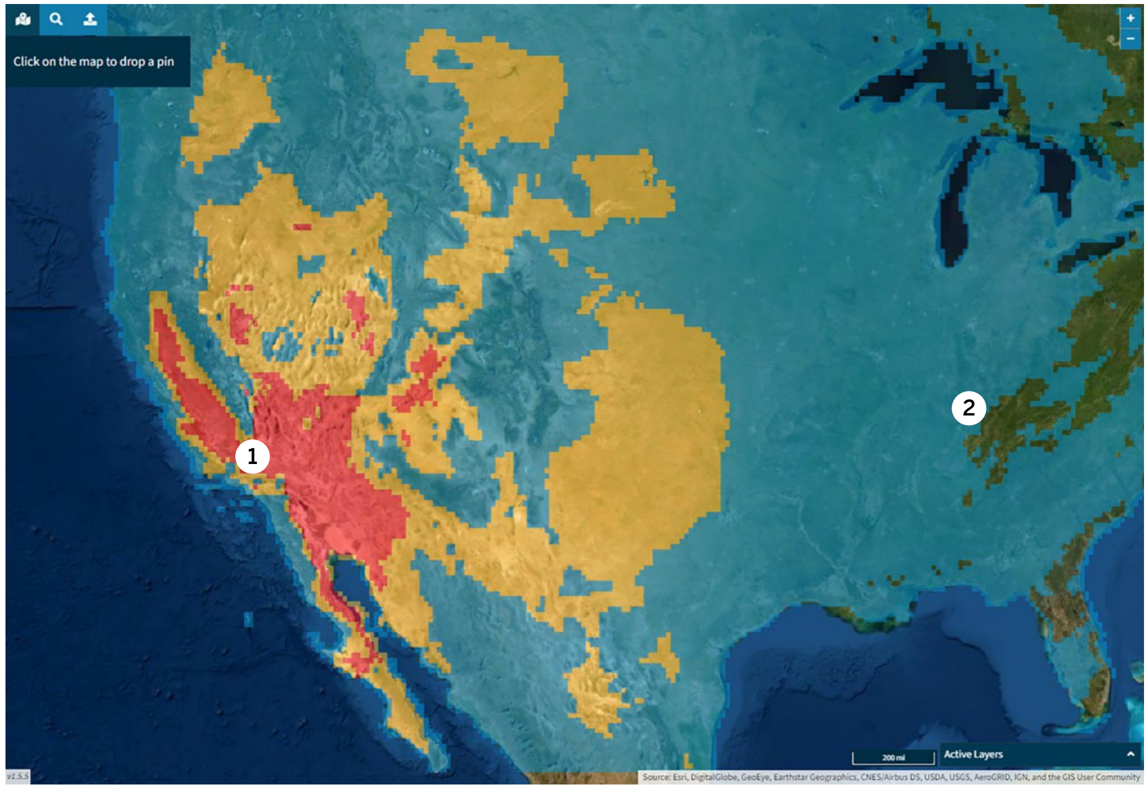
Spatial finance example

Commercial mortgage loan mapping overlay

Number of high fire risk days per decade throughout the 2045 – 2054 decade



Number of FWI high fire risk days per year

- < 87
- 87 – 141
- ≥ 141

Location 1	California
Mortgage interest rate	6
Maturity date	5 Oct 2039
High fire risk days	187

Location 2	Tennessee
Mortgage interest rate	6
Maturity date	5 Mar 2040
High fire risk days	0

Sources: Standard & Poor's, Investortools, Woodwell Climate Research Center | Image from Wellington's Climate Exposure Risk Application (CERA) | For illustrative purposes only. | The map shows the expected increase in days with high fire risk, determined based on past data of the correlation between high fire risk, measured by Fire Weather Index, and fire occurrence on a state-by-state basis. | The projected data presented is hypothetical in nature. No assurance or guarantee is made that any projected data can or will be realized. Actual experience may be outside of stated ranges. All investments are subject to risk of loss.

WELLINGTON MANAGEMENT®

Our net zero philosophy & investment thesis

The transition will create great return dispersion

The transition to a low-carbon economy is underway and is unlikely to reverse

Increased materialization of physical climate risks

Enhanced policy action to stem physical risks

Growing share of emissions covered by carbon prices and other regulation, shifting consumer preferences toward low-carbon products

Higher corporate expenses (capex, carbon taxes), changing revenue mixes and top-line opportunities

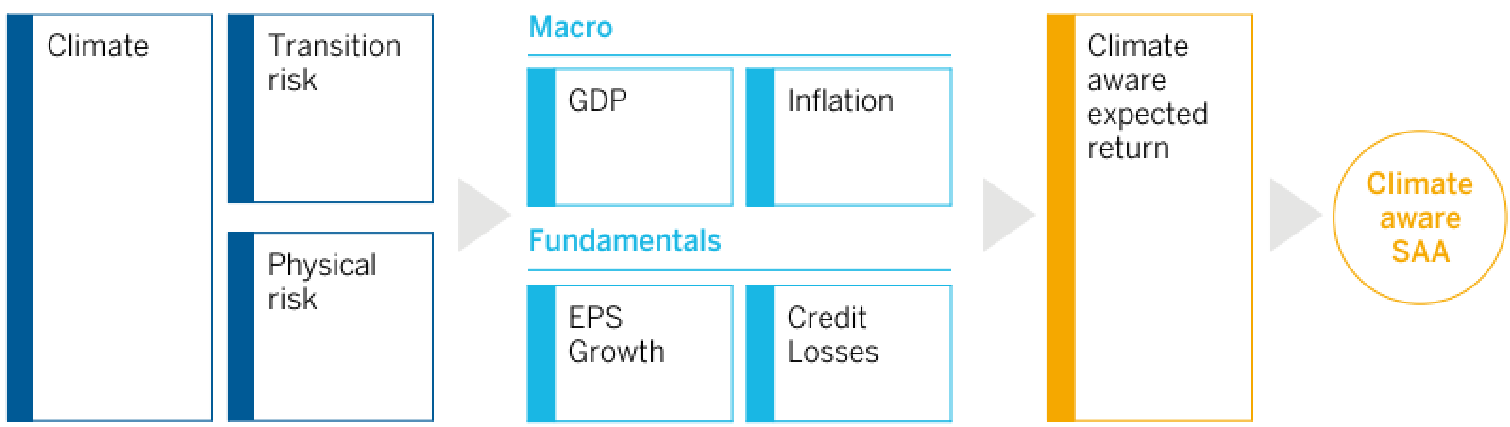
These dynamics will create **greater return dispersion** between climate leaders and climate laggards

WELLINGTON MANAGEMENT®

Climate Aware CMAs

Macro: impact of physical and transition risk on GDP and Inflation.

Fundamentals: impact of physical and transition risk on EPS Growth (Equity) and credit losses (Fixed Income).



Climate adjusted macroeconomic assumptions flow through our revenue growth estimates for equities and our terminal rate assumption for government bond yield.

The fundamental channel requires a larger set of assumptions to calculate the impact of climate variables on corporate profit margins or credit losses.

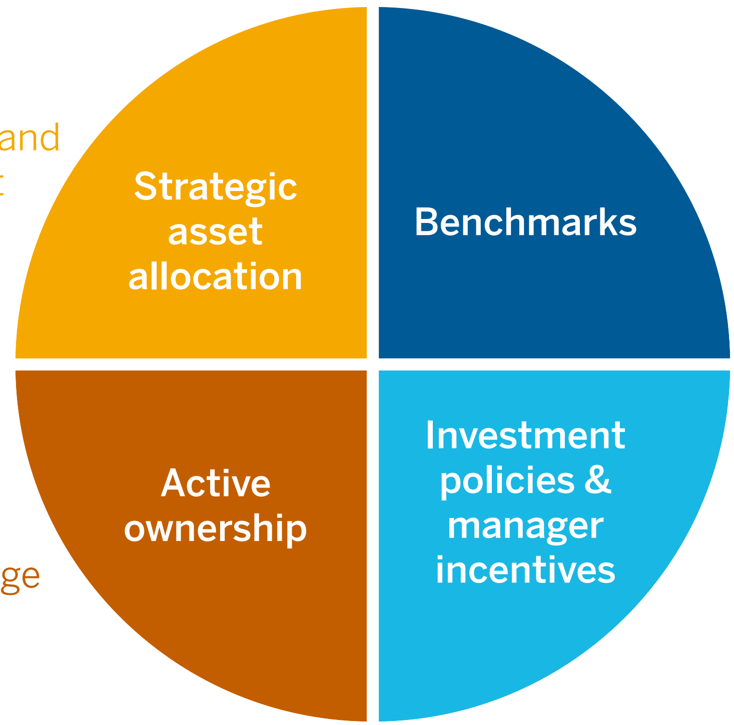
WELLINGTON MANAGEMENT®

Integrating climate change

Potential changes to investment strategy

Adjust asset class and geographic market exposure

Reconstruct indexes to account for physical risk



Active Management

Engage to encourage adaptation & resilience

Incentivize longer-term performance measurement

For illustrative purposes only. | This is not an exhaustive list. Not to be considered investment advice.

WELLINGTON
MANAGEMENT®

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LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO BOARD OF ADMINISTRATION **MEETING: MAY 10, 2022**
From: Neil M. Guglielmo, General Manager **ITEM: VII - C**

SUBJECT: **CONSENT OF ASSIGNMENT OF RHUMBLINE ADVISERS LIMITED PARTNERSHIP CONTRACT AND POSSIBLE BOARD ACTION**

ACTION: ☒ CLOSED: ☐ CONSENT: ☐ RECEIVE & FILE: ☐

Recommendation

That the Board:

1. Consent to the assignment of the contract with RhumbLine Advisers Limited Partnership for passive management of multiple U.S. equity index portfolios.

2. Authorize the General Manager to approve and execute the necessary documents, subject to satisfactory business and legal terms.

Executive Summary

On April 30, 2022, Wayne Owen, former Chief Executive Officer (CEO) of RhumbLine Advisers Limited Partnership ("RhumbLine"), retired and transferred most of his equity interest in the firm to Denise D'Entremont, who promoted to CEO upon Mr. Owen's retirement. Ms. D'Entremont has become the majority equity holder of RhumbLine with an approximate 51% stake in the firm. Under the Investment Advisers Act of 1940 and pursuant to LACERS' contract with RhumbLine, this change in control of the firm is deemed to be a contract assignment (a legal transfer of the obligations and benefits of a contract to another party) and requires Board approval.

Discussion

The Board initially hired RhumbLine in February 1993 to passively manage a U.S. large cap equity portfolio that tracks the S&P 500 Index. In April 2012, the Board authorized a search for investment managers to provide multiple passive investment strategies. As a result of the search, RhumbLine was awarded a new contract along with BlackRock Institutional Trust Company, N.A., and State Street Global Advisors. RhumbLine's current contract became effective on April 1, 2013 and expires on March 31, 2026.

Under the multiple passive strategies contract, RhumbLine provides U.S. equity strategies based on the S&P and Russell indices across the large and small capitalization company ranges. RhumbLine's investment objective is to fully replicate the risk and return characteristics of the benchmarks using quantitative techniques. The specific strategies available under this contract and the amount of assets managed as of April 27, 2022, are presented in the following table:

Strategy	LACERS' AUM (in millions)
RhumbLine S&P 500 Index	$ 3,552.4
RhumbLine Russell 1000 Growth Index	$ 0.0
RhumbLine Russell 1000 Value Index	$ 0.0
RhumbLine Russell 2000 Index	$ 302.9
RhumbLine Russell 2000 Growth Index	$ 0.0
RhumbLine Russell 2000 Value Index	$ 145.4
Total Managed	$ 4,000.7

RhumbLine is a semi-finalist candidate in the 2021-2022 Passive U.S., Non-U.S., and Global Index Strategies Search that is currently in progress.

Organizational Change

On April 1, 2022, RhumbLine formally announced the retirement of Wayne Owen, CEO, who had been with the firm since its founding in 1990. On April 30, 2022, Mr. Owen retired and Denise D'Entremont was promoted to CEO. Ms. D'Entremont had previously served as President of RhumbLine since 2019 and has been employed at the firm for 27 years. Upon his retirement, Mr. Owen transferred most of his equity interest in the firm to Ms. D'Entremont, resulting in Ms. D'Entremont becoming the majority owner of the firm with an approximate equity stake of 51%. RhumbLine remains a private firm owned 100% by employees.

Under the Investment Advisers Act of 1940 and pursuant to LACERS' contract with RhumbLine, this event constitutes a change in control of the firm and is deemed to be a contract assignment (a legal transfer of the obligations and benefits of a contract to another party) that requires Board approval.

Due Diligence

Staff and NEPC, LLC, (NEPC), LACERS' General Fund Consultant, conducted due diligence on this organizational change and do not anticipate this event to have an adverse impact on the investment management relationship between LACERS and RhumbLine. This organizational change was expected and consistent with the succession plan that RhumbLine had previously communicated to staff. The current portfolio manager, Julie Lind, will continue managing LACERS' portfolios and there will be no changes to the team responsible for LACERS' account. As this ownership change is not anticipated to have an adverse impact to the performance or management of RhumbLine's passive strategies, this event does not warrant watch list status pursuant to the LACERS Manager Monitoring Policy. Nonetheless, staff will diligently monitor RhumbLine's organization and performance.

Staff and NEPC recommend consenting to the assignment of the RhumbLine contract. All terms of LACERS' current contract with RhumbLine, including the termination provision, will remain intact upon assignment.

Strategic Plan Impact Statement

A continued relationship with RhumbLine will allow the fund to maintain access to multi-passive U.S. equity strategies, which aligns with the Strategic Plan Goal to optimize long-term risk adjusted investment returns (Goal IV).

Prepared By: Barbara Sandoval, Investment Officer II, Investment Division

NMG/RJ/BF/BS:rm

Attachments:
1. Consultant Recommendation – NEPC
2. RhumbLine Letter to Clients and Client Consent Form
3. Proposed Resolution

To: Los Angeles City Employees' Retirement System Investment Committee

From: NEPC, LLC

Date: May 10, 2022

Subject: RhumbLine Advisers Ownership Change and Contract Assignment

Recommendation

RhumbLine is an employee-owned index fund provider, offering index products across the fixed income and equity asset classes. The firm is preparing for the retirement of Wayne Owen, Chief Executive Officer, and his ownership transition to Denise D'Entremont. NEPC does not believe this organizational change will impact RhumbLine's management of passive strategies. Our recommendation to the Los Angeles City Employees' Retirement System (LACERS) is to approve the contract assignment as required by the Investment Advisors Act of 1940.

Background

RhumbLine is 100% employee-owned and 53% minority/woman owned institutional index provider managing $96 billion in assets across the fixed income, domestic equity and international equity investment landscape. The Firm currently is one of the three index providers under contract with LACERS. RhumbLine manages three US equity portfolios totaling $4.3 billion as of March 31, 2022. RhumbLine charges 0.0055% (0.55 basis points) on the total assets they manage across all strategies they manage for LACERS. This fee ranks in the 1st percentile across the eVestment US Large Cap S&P 500 Passive and eVestment US Small Cap Passive universes.

Wayne Owen is the Chief Executive Officer and a founder of RhumbLine. Mr. Owen announced his retirement effective April 30, 2022. Denise D'Entremont will be purchasing some of Mr. Owen's ownership interest increasing her ownership to 51% of the firm and she will be elevated to CEO. Ms. D'Entremont currently is President of RhumbLine and has been with the firm for over 27 years.

When there is a change in control at an investment advisor registered under the Investment Advisors Act of 1940, the investment advisor is required to notify and receive consent from each of their clients. RhumbLine has sent letters to their clients requesting consent to the change in control that is scheduled to happen when Mr. Owen sells his ownership to Ms. D'Entremont.

RhumbLine has proven skill in managing passive investment mandates. We do not believe the retirement of Mr. Owen will have an adverse impact on the firm's ability to manage the LACERS' portfolios going forward.

Kim Roger McCant, the firm's Chief Financial Officer, is expected to retire later in 2022. Information regarding her replacement will be announced at a later date.

RhumbLine
Institutional Index Management

April 1, 2022

To: Our RhumbLine Clients

Re: RhumbLine Organizational Update

Dear Client:

I have exciting news to share with you, and a small request (noted on the last page).

As we emerge from the pandemic, I would like to take the opportunity to announce my upcoming retirement effective April 30, 2022. Denise D'Entremont, who has been with RhumbLine for more than 27 years and was promoted to President of RhumbLine at the close of 2019, will be promoted to CEO upon my retirement date. I will remain available to the firm as a consultant/advisor on a part-time and as-needed basis.

I have been so fortunate to be a part of the original RhumbLine team that set sail on October 12, 1990, with no clients and no assets. Throughout my 31-year tenure at RhumbLine, I held the positions of Director of Client Service, then Managing Partner and finally my current role since 2007 as CEO. Over the past three decades, with your support, RhumbLine has grown into one of the largest institutional index managers in the country, now managing more than $96 billion in assets as of December 31, 2021.

Being a part of RhumbLine for a significant amount of my career has been an enormously fulfilling voyage professionally and personally. The excitement of landing our first client, achieving many significant milestones over the years, and developing so many wonderful friendships will always be an extraordinary part of my life. To all our amazing clients and the talented team who I have had the opportunity to work with over the past 31 years – **THANK YOU**.

I am extremely pleased to welcome Denise into her new role and tremendously grateful for her commitment and enormous contributions to the firm. She is uniquely qualified and an incredibly dedicated leader.

RhumbLine
Institutional Index Management

In addition to my retirement, Kim Roger McCant, CFO, will retire later this year and we will keep you informed of that change as well. Our current leadership team, including Alex Ryer, CIO, and Lisa Sheeler, CCO and General Counsel, as well as our Portfolio Management team (Julie Lind, Jeff Kusmierz, Antonio Ballestas and Drew Zagarri), and Operations, Finance and Information Technology teams, will remain the same once the transaction is complete. Denise D'Entremont, who has been primarily responsible for day-to-day management of the firm for the past two years, leading our team through the global pandemic, will continue in the capacity as the new Chief Executive Officer.

My pending retirement will result in an internal change in the ownership of RhumbLine as I will be transferring most of my interest to Denise D'Entremont, who will then hold more than 25% of RhumbLine. Specifically, after my retirement, Denise will own the majority interest (approximately 51%) of RhumbLine. Over the years, the RhumbLine general partners have broadened their internal ownership so that there are now 15 employees who share in the interest of the firm. RhumbLine will remain a private 100% employee-owned firm after the internal transfer, as it has been for the past 31 years, so this transition will be seamless to you.

As this internal change in ownership of the partnership and Denise's promotion to CEO will constitute an assignment of your investment management agreement, we ask for your affirmative consent to the assignment by signing below.

RhumbLine's overall investment product offering, process and commitment to client responsiveness will continue to be our sole focus. Indexing and custom index strategies will continue to be the path of the firm and the service expectation you are familiar with will not change.

On behalf of the entire team, I thank you for the trust you have placed in us, and we look forward to continuing our relationship for many years ahead.

Kind regards,

Wayne Owen

Wayne Owen
Chief Executive Officer and General Partner

RhumbLine
Institutional Index Management

By your signature below, you consent to the assignment of your Investment Management Agreement as described above, and the continued management of your account by RhumbLine Advisers under its terms.

Client Name: ______________________________

By: ______________________________
Authorized Signatory

Title: ______________________________

Date: ______________________________

CONSENT TO ASSIGN CONTRACT WITH
RHUMBLINE ADVISERS LIMITED PARTNERSHIP

PROPOSED RESOLUTION

WHEREAS, LACERS has an existing contract with RhumbLine Advisers Limited Partnership (RhumbLine), for passive management of multiple U.S. equity index portfolios; and,

WHEREAS, Wayne Owen, former Chief Executive Officer, retired as of April 30, 2022 and transferred most of his equity interest in the firm to Denise D’Entremont, Chief Executive Officer.

WHEREAS, this transfer of ownership interest results in Denise D’Entremont becoming the majority interest holder of the firm and constitutes a change in control of the firm; and

WHEREAS, under the Investment Advisers Act of 1940 and pursuant to LACERS’ contract with RhumbLine, the change in control of RhumbLine is deemed to be a contract assignment that requires written consent of the Board; and,

WHEREAS, staff has conducted appropriate due diligence on this organizational change.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby consents to the assignment of LACERS’ existing contract with RhumbLine; and, authorizes the General Manager to approve and execute the necessary documents, subject to satisfactory business and legal terms.

May 10, 2022

LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO BOARD OF ADMINISTRATION | **MEETING: MAY 10, 2022**
From: Neil M. Guglielmo, General Manager | **ITEM: VII - D**

SUBJECT: **SECURITIES & EXCHANGE COMMISSION'S PROPOSED RULES ON CLIMATE-RELATED DISCLOSURES AND POSSIBLE BOARD ACTION**

ACTION: ☒ CLOSED: ☐ CONSENT: ☐ RECEIVE & FILE: ☐

Recommendation

That the Board:

1. Consider and approve LACERS' letter to address the U.S. Securities and Exchange Commission (SEC) request for public comment on the SEC's proposed rulemaking on climate-related disclosures; and

2. Authorize the General Manager (GM) to sign and submit the letter.

Executive Summary

On March 21, 2022, the SEC voted 3-1 to propose amendments to existing disclosures that would require publicly listed companies and foreign private issuers in the U.S. to disclose climate-related information in their annual reports and registration statements. Principles for Responsible Investment (PRI) supports the SEC's proposal and encourages signatories to submit comments to the SEC; PRI has drafted a template comment letter for signatories to use. Staff believes it is prudent to sign this letter in order to help signatories like LACERS fulfill their fiduciary duty to consider material information and make informed investment decisions. The deadline to submit comments to the SEC is May 20, 2022.

Discussion

On March 15, 2021, then Acting Chair of the SEC, Allison Herren Lee, issued a statement requesting public comments on climate change disclosures by June 14, 2021. PRI encouraged signatories to sign on to its letter advocating standardized, mandatory disclosure of Environmental, Social, Governance (ESG) data and urging the SEC to build a mandatory corporate reporting regime for ESG information. LACERS' Board approved signing on to that letter at the May 25, 2021, Board meeting.

On March 21, 2022, the SEC issued a notice of proposed rulemaking entitled “The Enhancement and Standardization of Climate-Related Disclosures for Investors”,[1] which proposes climate-related disclosure requirements (the Proposed Rules or Proposals) for public companies and foreign private issuers to be included in periodic statements and annual reports. The Proposed Rules are subject to a 60-day public comment period prior to final rulemaking by the SEC.

The Proposed Rules would require listed companies and foreign private issuers in the U.S. to provide disclosure of climate-related information in their SEC annual reports and registration statements based on the Task Force on Climate-Related Financial Disclosure (TCFD) recommendations. This includes disclosure of Scope 1 and 2 greenhouse gas (GHG) emissions for all companies, and disclosure of Scope 3 emissions where material or in cases where a company has set a GHG emissions reduction target that includes Scope 3 emissions. According to PRI’s U.S. Policy Briefing: SEC Proposed Rulemaking on Climate-Related Disclosures (Attachment 1), Scope 1 emissions are defined as the direct GHG emissions from operations that are owned or controlled by a company. Scope 2 emissions are defined as indirect GHG emissions from the generation of purchased or acquired electricity, steam, heat or cooling that is consumed by operations owned or controlled by a company. Scope 3 is defined as all indirect GHG emissions not otherwise included in a company’s Scope 2 emissions, which occur in the upstream and downstream activities of a company’s value chain.

This proposal would also require additional disclosure for any company that has set climate-related targets and goals or utilizes analytical tools such as scenario analysis to assess climate-related risks. The recommendations closely align with draft disclosures proposed by the the International Financial Reporting Standards (IFRS) Foundation’s International Sustainability Standards Board (ISSB) and represent continued alignment toward global disclosure standards. The IFRS Foundation is a not-for-profit, public interest organization established to develop a single set of high-quality, understandable, enforceable and globally accepted accounting and sustainability disclosure standards and to promote and facilitate adoption of the standards.

As outlined in Table A, disclosure requirements would be phased in over time, with filings beginning in 2024 for fiscal year 2023, and with additional disclosure and assurance requirements phased in depending on the company’s filer status with the SEC.

[1] See Securities Exchange Commission, available at: https://www.sec.gov/rules/proposed/2022/33-11042.pdf.

TABLE A

Filer Type	Compliance Date	
	Proposed disclosures, except Scope 3 GHG emissions metrics	**Scope 3 GHG emissions metrics**
Large Accelerated Filer	Fiscal year 2023 (filed in 2024)	Fiscal year 2024 (filed in 2025)
Accelerated Filer and Non-Accelerated Filer	Fiscal year 2024 (filed in 2025)	Fiscal year 2025 (filed in 2026)
Smaller Reporting Company	Fiscal year 2025 (filed in 2026)	Exempted

Large Accelerated Filer generally refers to a company with a public float (shares held by public investors) of greater than $700 million. Accelerated Filer and Non-Accelerated Filer generally refer to companies with public floats between $75 million and $700 million. Smaller Reporting Company generally refers to a company with a public float of less than $75 million.

Please see Attachment 1, PRI's U.S. Policy Briefing: SEC Proposed Rulemaking on Climate-Related Disclosures, for additional details on the Proposed Rules.

Staff recommends signing the attached letter (Attachment 2), which provides support for the SEC's Proposed Rules. This letter is based on a letter template provided by PRI to its signatories and has been reviewed and approved by the City Attorney's Office. The deadline to submit the letter to the SEC is May 20, 2022. Should the Board approve this recommendation, LACERS' General Manager would sign the letter.

Strategic Impact Statement

The discussion of the SEC's request for comments on the Proposed Rules on climate change disclosures aligns with the Strategic Plan Goals to optimize long-term risk adjusted investment returns (Goal IV) and to uphold good governance practices which affirm transparency, accountability, and fiduciary duty (Goal V).

Prepared By: Ellen Chen, ESG Risk Officer, Investment Officer II, Investment Division

NMG/RJ/BF/EC:rm

Attachments: 1. PRI's U.S. Policy Briefing: SEC Proposed Rulemaking on Climate-Related Disclosures
2. LACERS' Letter to the SEC Regarding File No. S7-10-22: The Enhancement and Standardization of Climate-Related Disclosures for Investors

BRIEFING

US POLICY BRIEFING: SEC PROPOSED RULEMAKING ON CLIMATE-RELATED DISCLOSURES

April 7, 2022

PRI US, Inc
Registered office: 41 Madison Avenue, 31st Floor
New York, NY 10010
T: +212 332 3437 W: www.unpri.org E:info@unpri.org

INTRODUCTION

The Principles for Responsible Investment (PRI) is the world's leading initiative on responsible investment. The PRI has now over 4,900 signatories (pension funds, insurers, investment managers and service providers) to the PRI's six principles with approximately US$121 trillion in assets under management.

The PRI supports its international network of signatories in implementing the Principles. As long-term investors acting in the best interests of their beneficiaries and clients, our signatories work to understand the contribution that environmental, social and governance (ESG) factors make to investment performance, the role that investment plays in broader financial markets and the impact that those investments have on the environment and society as a whole.

The PRI works to achieve this sustainable global financial system by encouraging adoption of the Principles and collaboration on their implementation; by fostering good governance, integrity and accountability; and by addressing obstacles to a sustainable financial system that lie within market practices, structures and regulation.

ABOUT THIS BRIEFING

On March 21, 2022, the U.S. Securities and Exchange Commission (SEC or the Commission) issued a notice of proposed rulemaking entitled "The Enhancement and Standardization of Climate-Related Disclosures for Investors",[1] which proposes climate-related disclosure requirements (the Proposed Rules or Proposals) for public companies and foreign private issuers to be included in periodic statements and annual reports. The Proposed Rules are subject to a 60-day public comment period prior to final rulemaking by the SEC.

This briefing provides an overview of the Proposed Rules, including major changes to existing regulation, links to background materials and instructions for submitting a public comment to the SEC.

[1] *See* Securities Exchange Commission, available at: https://www.sec.gov/rules/proposed/2022/33-11042.pdf.

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BACKGROUND MATERIALS

In March 2021, Acting Chair Allison Herren Lee issued a statement requesting public comment on "whether current disclosures adequately inform investors" on climate change. In the statement, the Acting Chair acknowledged the lack of consistent and comparable climate change information for investors under existing SEC regulations and provided a list of questions for market participants to answer to help inform SEC staff in reviewing existing disclosure rules for climate change information.

In response, the PRI submitted a sign on letter and consultation response. In addition, the PRI conducted a survey for US signatories, published a briefing and held webinars to inform and answer signatory questions, and hosted SEC Chair Gary Gensler to discuss climate change disclosures.

For additional resources on PRI's work on the SEC's actions on climate disclosure, please visit our SEC climate disclosure information hub here.

SUMMARY OF PROPOSED RULES

The Proposed Rules would require publicly listed companies and foreign private issuers in the US to provide disclosure of climate-related information in their SEC annual reports and registration statements. The Commission proposes revising the primary regulations dictating the contents and format of statements and annual financial reports, Regulations S-K,17 CFR 229.1500-17 CFR 229.1507 (Regulation S-K) and S-X,17 CFR 210.14-01-17 CFR 210.14-02 (Regulation S-X).

The Proposals would add a new subpart to Regulation S-K, including seven new articles, requiring disclosure of climate-related information based on the Task Force on Climate-Related Financial Disclosure recommendations, including information on governance, risk management, and impacts on strategy, business model, outlook, greenhouse gas (GHG) emissions metrics, and targets and goals as it relates to climate change if any.

In addition, the Proposed Rules would add a new article to Regulation S-X requiring disclosure in a note to financial statements that include disaggregated climate-related financial metrics falling under three categories of information: financial impact metrics; expenditure metrics; and financial estimates and assumptions.

Disclosure requirements would be phased in over time, beginning with filing in 2024 for fiscal year 2023, with additional disclosure and assurance requirements phased in depending on the company's filer status with the SEC.

DISCLOSURE OF STRATEGY, BUSINESS MODEL AND OUTLOOK

The Proposals would require companies to disclose any climate-related risks reasonably likely to have a material impact on their business or consolidated financial statements, which may manifest over the short-, medium-, and long-term. Companies would also be required to disclose how any actual and potential impacts of climate risk described are considered as part of the companies' business strategy, financial planning, and capital allocation, and how any climate-related risks have affected or are reasonably likely to affect the company's consolidated financial statements.

In addition, companies would be required to include a discussion of relevant climate-related risks, specifying whether they are physical, or transition risks and the nature of the risks presented.

PHYSICAL RISKS

Companies would be required to provide detailed disclosures of material physical risks faced, including classification of the risk as acute (e.g., hurricanes) or chronic (e.g., sea-level rise or the decreased availability of freshwater).

TRANSITION RISKS

Companies would be required to disclose how they are impacted by material transition risks, which are the risks associated with the impact of regulatory, technological, and market changes related to mitigation of, or adaptation to, climate change.

IMPACT OF RISKS

Companies also would be required to describe the actual and potential impact of these risks on their strategy, business model, and outlook, and how such impacts are considered as part of their strategy, financial planning, and capital allocation, on a current and forward-looking basis.

Furthermore, the Proposals would require a description of how the company defines short-, medium-, and long-term time horizons, including how it takes into account or reassesses the expected useful life of assets and the time horizons for the company's climate-related planning processes and goals. It would also be required to describe the actual and potential impacts of any climate-related risks identified, including those on business operations, supply chains, activities to mitigate or adapt to climate risks, or expenditure for research and development.

RISK MANAGEMENT DISCLOSURE

The Proposed Rules would require companies to disclose any processes it has for identifying, assessing, and managing climate-related risks, including their determinations of the relative significance of climate-related risks compared to other risks. Disclosure would also be required as to how companies consider existing or likely regulatory requirements or policies, shifts in customer preferences, and how companies make decisions around their response to climate-related risks. An explanation of how companies determine the materiality of climate-related risks would also be required.

GOVERNANCE DISCLOSURE

The Proposals would require companies to disclose their internal governance of climate-related risks and opportunities. This would include a description of the board's oversight of climate-related activities, including any relevant expertise, any board member responsible for oversight of climate-related risks, the process by which the board considers climate-related risks, and whether and how the board sets climate-related targets or goals and oversees related activities.

Companies would also be required to disclose management's role in assessing and managing climate-related risks, including any specific positions or responsibilities, and the frequency and processes by which such responsible persons are informed about and monitor related risks. Moreover, they would be required to provide details that include how the company determines the materiality of climate-related risks, including how it assesses the potential size and scope of any identified climate-related risk.

ADDITIONAL DEPENDENT DISCLOSURE

The Proposed Rules set out additional disclosure requirements for any company that utilizes, or has stated publicly it utilizes, strategies to assess, monitor or mitigate climate-related risks. Specific disclosures are required if a company has set climate-related targets and goals, has established a transition plan, utilizes scenario analysis or uses an internal price on carbon emissions.

TARGETS & GOALS

If a company has set any targets or goals related to the reduction of GHG emissions, or any other climate-related target or goal (e.g., energy usage, water usage, conservation or ecosystem restoration, or revenues from low-carbon products), then it would have to provide additional clarifying information, including the scope of activities included in the target, relevant units of measurement, relevant time horizon, baseline time period emissions, any interim targets set by the company, and how climate-related targets or goals are intended to be met. This information must be updated in annual disclosures by describing the actions taken during the year to achieve its targets or goals, alongside any relevant data to indicate whether the company is making progress towards meeting the target or goal and how such progress has been achieved.

TRANSITION PLANS

If a company has adopted a transition plan, the Proposals would require disclosure including a description of the plan, its metrics, and targets to manage physical and transition risks.

SCENARIO ANALYSIS

If a company uses scenario analysis or a different analytical tool to assess the impact of climate-related risks or to increase resilience to foreseeable climate-related risks, it must disclose the type of scenarios included in the analysis, parameters, assumptions, and analytical choices included in the analysis. Additionally, companies would have to disclose the projected financial impacts for each scenario.

CARBON PRICE

If a company has set an internal carbon price, it would have to disclose the price per metric ton of carbon dioxide equivalent, the total price and how it is estimated to change over time, and the boundaries of measurement on which the price is based. Additionally, disclosure of the rationale for selecting the internal carbon price would be required.

EMISSIONS OFFSETS

If carbon offsets or renewable energy credits (RECs) have been used as part of a plan to achieve climate-related targets or goals, then disclosure would be required on the amount of carbon reduction represented by the offsets or the amount of generated renewable energy represented by the RECS, the source of the offsets or RECs, a description and location of the underlying projects, any registries or other authentication of the offsets or RECs, and the cost of the offsets or RECs.

GHG EMISSIONS METRICS

The Commission has based its proposed GHG emissions disclosure requirement primarily on the Greenhouse Gas Protocol's concept of scopes and related methodology and some definitions used by the Environmental Protection Agency. Disclosure would be made in absolute terms (excluding offsets) and in terms of intensity per unit of economic value. The Proposals define GHG emissions as "direct and indirect emissions of greenhouse gases expressed in metric tons of carbon dioxide equivalent". The greenhouse gases included are carbon dioxide, methane, nitrous oxide, nitrogen trifluoride, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride, which is aligned with the Kyoto Protocols.

Scope 1 and 2 emissions would be required to be separately disclosed, both disaggregated by constituent GHG and in the aggregate. Scope 1 emissions are defined as the direct GHG emissions from operations that are owned or controlled by a company and Scope 2 emissions are defined as indirect GHG emissions from the generation of purchased or acquired electricity, steam, heat, or cooling that is consumed by operations owned or controlled by a company. Calculations would be based on all sources that are included in the company's organizational and operational boundaries.

Separate disclosure of Scope 3 emissions would be required if those emissions are material, or if the company has set a GHG emission reduction goal or target that includes Scope 3 emissions. In the Proposals, it is indicated that Scope 3 emissions are material if there is a substantial likelihood that a reasonable investor would consider them important when making an investment or voting decision. The Proposal defines Scope 3 emissions as all indirect GHG emissions not otherwise included in a company's Scope 2 emissions, which occur in the upstream and downstream activities of a company's value chain. Disclosure would be made in absolute terms, excluding offsets, and in terms of intensity per unit of economic value. Scope 3 disclosure also includes a requirement to describe the data sources used to calculate these emissions. Smaller Reporting Companies (SRCs), as registered with the SEC, would be exempted from the Scope 3 reporting requirement.

SAFE HARBOR

The Proposal states that possible challenges to obtaining accurate Scope 3 emissions disclosure makes it appropriate to set out a specific safe harbor provision that would apply for Scope 3 emissions disclosure pursuant to the Private Securities Litigation Reform Act of 1995 (PSLRA), to the extent that the proposed climate-related disclosures constitute forward-looking statements. Under these provisions, disclosure of Scope 3 emissions would not be deemed a fraudulent statement unless it is proved that the disclosure was made or reaffirmed without a reasonable basis or was disclosed other than in good faith. It is important to note that PSLRA applies to private actions and would not limit the Commission's ability to bring enforcement actions.

FINANCIAL STATEMENT DISCLOSURE

The Proposed Rules would amend regulation S-X to require disclosure of impacts climate-related events or activities have on financial statements. Companies would be required to evaluate the potential financial impacts of severe weather events and other natural conditions, transition activities, and mitigation activities, and include a note to financial statements where evaluations show climate related-events or activities produce a one percent change to any single line item in the financial statements. Underlying estimates and assumptions used to determine any potential or known impacts on financial statements above the one percent threshold would be required to be disclosed. Consistent with all other information within financial statements, these disclosures would be subject to an independent audit.

PHASE-IN PERIOD

Compliance with the Proposed Rules would be phased in over time based on a company's filer status with the SEC. As outlined in Table A, disclosures would be phased in for all companies, with an additional phase-in period for Scope 3 emissions disclosure, where applicable.

TABLE A

Filer Type	Compliance Date	
	Proposed disclosures, except Scope 3 GHG emissions metrics	**Scope 3 GHG emissions metrics**
Large Accelerated Filer	Fiscal year 2023 (filed in 2024)	Fiscal year 2024 (filed in 2025)
Accelerated Filer and Non-Accelerated Filer	Fiscal year 2024 (filed in 2025)	Fiscal year 2025 (filed in 2026)
Smaller Reporting Company	Fiscal year 2025 (filed in 2026)	Exempted

ASSURANCE OF DISCLOSURE

The Proposals put forth different types of assurance requirements. First, disclosures made under Regulation S-X, in a note to companies' financial statements, would be subject to audit by an independent registered public accounting firm in accordance with applicable SEC rules and standards of the Public Company Accounting Oversight Board. Second, Scope 1 and 2 GHG emissions disclosure by companies that are registered as Accelerated and Large Accelerated Filers would be subject to limited assurance beginning with the second fiscal year of reporting, increasing to reasonable assurance beginning with the fourth fiscal year of reporting. SRCs are exempted from assurance requirements.

TABLE B

Filer Type	Disclosure Compliance Date	Limited Assurance	Reasonable Assurance
Large Accelerated Filer	Fiscal year 2023 (filed in 2024)	Fiscal year 2024 (filed in 2025)	Fiscal year 2026 (filed in 2027)
Accelerated Filer	Fiscal year 2024 (filed in 2025)	Fiscal year 2025 (filed in 2026)	Fiscal year 2027 (filed in 2028)

NEXT STEPS

The PRI encourages signatories to respond to the proposed rulemaking no later than the deadline of May 20, 2022.

The PRI will also submit a response to the consultation, which will be made available to PRI signatories. Further resources, including an informational webinar and a template comment for signatories to review can be found on PRI's website at www.unpri.org/secdisclosure.

Comments can be submitted electronically through the SEC's webform or via email at rule-comments@sec.gov with File Number S7-10-22 in the subject line.

Written correspondence should be sent to:

Vanessa Countryman, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-0609

File Number: S7-10-22

For questions or comments, email policy@unpri.org or contact Colleen Orr, Senior Policy Analyst, at colleen.orr@unpri.org.

LACERS

Ms. Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street N.E.
Washington, D.C. 20549

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Re: File No. S7-10-22: The Enhancement and Standardization of Climate-Related Disclosures for Investors

Dear Ms. Countryman:

The Los Angeles City Employees' Retirement System ("LACERS") welcomes the opportunity to respond on File No. S7-10-22: The Enhancement and Standardization of Climate-Related Disclosures for Investors ("Proposed Rule").

LACERS administers a $23 billion defined benefit plan sponsored by the City of Los Angeles and serves 56,835 municipal employees and their beneficiaries. We believe that material environmental, social, and governance (ESG) risk factors can affect the performance of LACERS' investments and are committed to understanding and managing such risks. We commend the Commission for its Proposed Rule aimed at providing investors with climate-related financial information from issuers of public securities

The Commission's Proposed Rule marks a change in the quality and comparability of climate disclosures that is essential to an efficient market response to climate change and ESG-related risks. While most companies report sustainability information in some form, the content and type of disclosures vary significantly. To better interpret and utilize climate-related information, consistent, reliable and comparable disclosures by companies are a top priority for investors. In the absence of standardized disclosures, investors seeking climate-related information have had to collect this data from numerous sources, including companies' voluntary disclosures that are unverified and often difficult to compare.

Therefore, we support the SEC's Proposed Rule requiring all public companies to file climate-related financial information with the Commission, to have this information appear alongside financial information, and to present narrative and quantitative information in XBRL tagged form. This will make climate-related financial information more useful to investors seeking to understand the risks and opportunities presented by climate change.

The Proposed Rule is aligned with recommendations by the TCFD (Taskforce on Climate-Related Financial Disclosures) and the Greenhouse Gas Protocol and ensures market efficiencies, a key focus for investors. The TCFD recommendations are widely used across the largest capital markets, with 2,600 supporters globally. Furthermore, regulators have begun mandating TCFD-aligned reporting in the United Kingdom, Brazil, the European Union, Hong Kong, Japan, New Zealand, Singapore, and Switzerland.

The IFRS Foundation, which sets accounting standards used in over 140 nations, recently released its own proposal for climate-related disclosures via its International Sustainability Standards Board (ISSB). The ISSB proposal similarly uses the TCFD recommendations as a baseline and has significant similarities to the SEC's proposal.

Coherence with future ISSB standards will reduce the burden of compliance on issuers as many of the largest U.S. issuers are global companies and will likely fall under the disclosure requirements of a jurisdiction following ISSB standards. Furthermore, globally coherent disclosure requirements will lead to better comparability of data for investors.

The SEC's decision to mandate climate-related financial disclosures by U.S. public companies will help companies prepare and plan for the transition to a low-carbon economy and protect investors and U.S. competitiveness in the economies of the future. It is important for investors to understand how companies are managing climate risks and following through on public statements via action towards set goals. The Proposed Rule also includes safe harbor provisions for forward-looking information and Scope 3 emissions, and a reporting phase-in period based on the registrant's filer status, which aims to address issuers' concerns about compliance. The Proposed Rule would also ease the burden on companies that are currently providing this information in numerous formats in response to various investor questionnaires on climate information and shareholder proposals calling for this information.

In our opinion, the Proposed Rule strikes the right balance between investors' needs for climate-related information and issuers' ability to collect and report this information. For further discussion or questions, please contact Rodney June, Chief Investment Officer, at rod.june@lacers.org.

Sincerely,

Neil M. Guglielmo
General Manager
Los Angeles City Employees' Retirement System

LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM

REPORT TO BOARD OF ADMINISTRATION **MEETING: MAY 10, 2022**
From: Neil M. Guglielmo, General Manager **ITEM: VII - E**

SUBJECT: **NOTIFICATION OF COMMITMENT OF UP TO $50 MILLION IN TPG REAL ESTATE PARTNERS IV, L.P.**

ACTION: ☐ CLOSED: ☐ CONSENT: ☐ RECEIVE & FILE: ☒

Recommendation

That the Board receive and file this notice of the commitment of up to $50 million in TPG Real Estate Partners IV, L.P.

Discussion

On February 22, 2022, the Board, in closed session pursuant to Government Code Section 54956.81, approved a commitment of up to $50 million in the following private real estate fund: TPG Real Estate Partners IV, L.P. The investment closed on April 29, 2022. Board vote: Ayes 6 (Commissioners Annie Chao, Elizabeth Lee, Nilza Serrano, Michael Wilkinson, Vice President Sung Won Sohn, and President Cynthia Ruiz), Recusal 0, and Nays 0.

Strategic Plan Impact Statement

The commitment to TPG Real Estate Partners IV, L.P. aligns with the Strategic Plan Goal to optimize long-term risk adjusted investment returns (Goal IV).

Prepared By: Eduardo Park, Investment Officer II, Investment Division

NMG/RJ/BF/WL/EP:rm