

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

April 9, 2024

10:03 a.m.

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

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

I

PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA – President Chao asked if any persons wanted to make a general public comment to which there were seven public comment cards received. The following members of the public made public comments with respect to LACERS' investment in Advent International in support of restaurant/hotel workers: Jordan Fein, Martha Vela, Lourdes Acosta, Gladis Avila, Veronica Alvarado, Teresa Garcia, and Telma Gomez.

II

GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager, advised the Board of the following items:
- LACERS Strategic Planning Session
 - City Human Resources & Payroll System
 - LACERS Staff Parking and Transit
 - LACERS Guiding Principals

- City Budget
- Benefit Operations Update

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

- Board meetings on April 23, 2024: Board Strategic Planning Session offsite at the Los Angeles Zoo.
- Governance Committee in May: Proposed Amendment to Board Governance Policy Regarding Temporary Presiding Officers for Board Meetings.
- Board Meeting on May 14, 2024: Triennial Review of the Board Education and Travel Policy.

III

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.
- C. 2024 OPEN ENROLLMENT CLOSEOUT REPORT – Ada Lok, Senior Benefits Analyst I, presented and discussed this item with the Board for 5 minutes. This report was received by the Board and filed.
- D. COMMISSIONER THUY HUYNH EDUCATION EVALUATION ON NATIONAL ASSOCIATION OF SECURITIES PROFESSIONALS DAY OF EDUCATION IN PRIVATE EQUITY; MARINA DEL REY, CA; MARCH 21, 2024 – This report was received by the Board and filed.
- E. COMMISSIONER SUNG WON SOHN EDUCATION EVALUATION ON NATIONAL ASSOCIATION OF SECURITIES PROFESSIONALS DAY OF EDUCATION IN PRIVATE EQUITY; MARINA DEL REY, CA; MARCH 21, 2024 – This report was received by the Board and filed.

IV

COMMITTEE REPORT(S)

- A. GOVERNANCE COMMITTEE VERBAL REPORT FOR THE MEETING ON MARCH 26, 2024 – Commissioner Wilkinson provided a summary of the items from the Governance Committee meeting: Triennial Board Policy Review and Proposed Amendment to Board Governance Policy.

V

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

CONSENT ITEM(S)

A. APPROVAL OF MINUTES FOR THE MEETING OF MARCH 12, 2024 AND POSSIBLE BOARD ACTION

VI

BOARD/DEPARTMENT ADMINISTRATION

- A. 2023 MEMBER COMMUNICATION SURVEY REPORT PRESENTATION – Taneda Larios, Chief Benefits Analyst, Amelia Herrera-Robles, Public Information Director, and Gabriel Perez, Benefit Analyst, presented and discussed this item with the Board for 30 minutes.

VII

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 \$23.0 billion as of April 8, 2024; and Volatility Index at 15.4. Rod June discussed the following items:

- OPERATIONAL:
 1. Axiom - Emerging Markets Manager - \$300 million
 - a. One year watch status expired last week; watch status is being extended due to performance reasons.
 - b. Staff will return with a recommendation and next steps to the Investment Committee and Board at a future meeting.
 2. Global exposures including Russia, Ukraine, China, and Israel have no material change in valuation.
- EMERGING MANAGERS:
 1. Emerging Manager Symposium
 - a. Released on LACERS Website on April 3.
 - b. Total length is 46 minutes divided into four sections: Rod June-Introductory Remarks, Ellen Chen-Interview of Oberweis, Wilkin Ly-Interview of Oak HC/FT, Neil Guglielmo-Closing Remarks.
 2. Emerging Manager Monthly magazine released an article on LACERS Emerging Manager and Investment Program.
- REPORTS:

Discussion and preference of routine Board meeting report handouts in hard copy and digital form.
- FUTURE AGENDA ITEMS:
 - a. Investment Manager Contract
 - b. Cryptocurrency Education

- B. PRESENTATION BY NEPC, LLC REGARDING CONTINUED DISCUSSION OF ASSET ALLOCATION, INFRASTRUCTURE INVESTMENTS AND POSSIBLE BOARD ACTION – Carolyn Smith, Partner and Rose Dean, Partner, with NEPC LLC, presented and discussed this item with the Board for 1 hour. After discussion, the Board took no action.

C. APPROVAL OF SIX-MONTH CONTRACT EXTENSION WITH THE NORTHERN TRUST COMPANY REGARDING MASTER CUSTODIAL SERVICES, SECURITIES LENDING, AND ANCILLARY SERVICES AND POSSIBLE BOARD ACTION – Commissioner Huynh moved approval of the following resolution:

**CONTRACT EXTENSIONS
THE NORTHERN TRUST COMPANY
MASTER TRUST CUSTODIAL SERVICES**

RESOLUTION 240409-A

WHEREAS, LACERS' current contracts with The Northern Trust Company (Northern Trust) for the following services: master custody, securities lending, performance reporting and risk analytics, compliance analytics, private monitor analytics, integrated disbursements, and fair value reporting expire on July 31, 2024; and,

WHEREAS, the Board-approved Master Trust/Custodial Services and Securities Lending Request for Proposal (RFP) search process is currently underway; and,

WHEREAS, staff anticipates contract negotiations and execution to be completed beyond the expiration of the current contracts; and,

WHEREAS, on April 9, 2024, the Board approved staff's recommendation for six-month contract extensions with Northern Trust; and,

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

| | |
|---------------------------|---|
| <u>Company Name:</u> | The Northern Trust Company |
| <u>Services Provided:</u> | Master Custody Securities Lending Performance Reporting and Risk Analytics Compliance Analytics Private Monitor Analytics Integrated Disbursements Fair Value Reporting |
| <u>Effective Dates:</u> | August 1, 2024 through January 31, 2025 |
| <u>Duration:</u> | Six months |

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

OTHER BUSINESS – There was no other business.

IX

NEXT MEETING: The next Regular meeting of the Board scheduled for Tuesday, April 23, 2024, is canceled. A Special Meeting is scheduled for 9:30 a.m. on Tuesday, April 23, 2024, and will be held at the Los Angeles Zoo, Classroom B, 5333 Zoo Drive, Los Angeles, CA 90027.

X

ADJOURNMENT – There being no further business before the Board, President Chao adjourned the Meeting at 12:29 p.m.

Annie Chao

Annie Chao
President

Neil M. Guglielmo

Neil M. Guglielmo
Manager-Secretary