



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



Board of Administration Agenda

REGULAR MEETING
TUESDAY, JUNE 25, 2024
TIME: 10:00 A.M.

MEETING LOCATION:
LACERS Boardroom
977 N. Broadway
Los Angeles, California 90012

Important Message to the Public

An opportunity for the public to address the Board in person from the Boardroom and provide comment on items of interest that are within the subject matter jurisdiction of the Board or on any agenda item will be provided at the beginning of the meeting and before consideration of items on the agenda.

Members of the public who do not wish to attend the meeting in person may listen to the live meeting via one-way audio on Council Phone by calling (213) 621-CITY (Metro), (818) 904-9450 (Valley), (310) 471-CITY (Westside) or (310) 547-CITY (San Pedro Area).

Disclaimer to Participants

Please be advised that all LACERS Board meetings are recorded.

LACERS Website Address/link:

www.LACERS.org

In compliance with Government Code Section 54957.5, non-exempt writings that are distributed to a majority or all of the Board in advance of the meeting may be viewed by clicking on LACERS website at www.LACERS.org, at LACERS' offices, or at the scheduled meeting. In addition, if you would like a copy of a public record related to an item on the agenda, please call (213) 855-9348 or email at lacers.board@lacers.org.

President:	Annie Chao
Vice President:	Sung Won Sohn
Commissioners:	Thuy Huynh Elizabeth Lee Gaylord "Rusty" Roten Janna Sidley Michael R. Wilkinson
Manager-Secretary:	Neil M. Guglielmo
Executive Assistant:	Ani Ghoukassian
Legal Counsel:	City Attorney's Office Public Pensions General Counsel Division

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.

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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 lacers.board@lacers.org.

[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

- II. GENERAL MANAGER VERBAL REPORT
 - A. REPORT ON DEPARTMENT OPERATIONS
 - B. UPCOMING AGENDA ITEMS
- III. RECEIVE AND FILE ITEMS
 - A. [MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR MAY 2024](#)
- IV. COMMITTEE REPORT(S)
 - A. INVESTMENT COMMITTEE VERBAL REPORT FOR THE MEETING ON JUNE 11, 2024
 - B. BENEFITS ADMINISTRATION COMMITTEE VERBAL REPORT FOR THE MEETING ON JUNE 25, 2024
- V. CONSENT ITEM(S)
 - A. [APPROVAL OF MINUTES FOR THE MEETING OF MAY 28, 2024 AND POSSIBLE BOARD ACTION](#)
 - B. [APPROVAL OF DISABILITY RETIREMENT APPLICATION OF BRANDON GREEN AND POSSIBLE BOARD ACTION](#)
 - C. [APPROVAL OF DISABILITY RETIREMENT APPLICATION OF MARIZALINA MELLENDREZ AND POSSIBLE BOARD ACTION](#)
- VI. BOARD/DEPARTMENT ADMINISTRATION
 - A. [DISCUSSION OF BOARD GOVERNANCE POLICY REGARDING TEMPORARY PRESIDING OFFICERS FOR BOARD MEETINGS AND POSSIBLE BOARD ACTION](#)
 - B. [PROPOSED LACERS 2024 STRATEGIC PLAN AND POSSIBLE BOARD ACTION](#)
- VII. INVESTMENTS
 - A. CHIEF INVESTMENT OFFICER VERBAL REPORT
 - B. [INVESTMENT MANAGER CONTRACT WITH POLEN CAPITAL CREDIT, LLC REGARDING THE MANAGEMENT OF AN ACTIVE HYBRID HIGH YIELD FIXED INCOME/U.S. FLOATING RATE BANK LOAN PORTFOLIO AND POSSIBLE BOARD ACTION](#)
 - C. [PRESENTATION BY AKSIA LLC OF THE PRIVATE EQUITY PORTFOLIO PERFORMANCE REVIEW FOR THE PERIOD ENDING DECEMBER 31, 2023](#)
 - D. [NOTIFICATION OF COMMITMENT OF UP TO \\$20 MILLION IN BUILDERS VC FUND III, L.P.](#)

- E. [NOTIFICATION OF COMMITMENT OF UP TO \\$33.34 MILLION IN SPARK CAPITAL GROWTH FUND V, L.P.](#)
- F. [NOTIFICATION OF COMMITMENT OF UP TO \\$16.66 MILLION IN SPARK CAPITAL VIII, L.P.](#)
- G. [NOTIFICATION OF COMMITMENT OF UP TO \\$40 MILLION IN SK CAPITAL VI-A, L.P.](#)

VIII. OTHER BUSINESS

- IX. NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, July 9, 2024, at 10:00 a.m., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, California 90012-1728.
- X. ADJOURNMENT

Agenda of: June 25, 2024

Item No: III-A

**MONTHLY REPORT ON SEMINARS AND CONFERENCES
ATTENDED BY BOARD MEMBERS ON BEHALF OF LACERS
(FOR THE MONTH OF MAY 2024)**

In accordance with Section V.H.2 of the approved Board Education and Travel Policy, Board Members are required to report to the Board, on a monthly basis at the last Board meeting of each month, seminars and conferences they attended as a LACERS representative or in the capacity of a LACERS Board Member which are either complimentary (no cost involved) or with expenses fully covered by the Board Member. This monthly report shall include all seminars and conferences attended during the 4-week period preceding the Board meeting wherein the report is to be presented.

BOARD MEMBER:

Commissioner Janna Sidley

DATE(S) OF EVENT	SEMINAR / CONFERENCE TITLE	EVENT SPONSOR (ORGANIZATION)	LOCATION (CITY, STATE)
May 12-15, 2024	Verdexchange Conference VX2024	Verdexchange	Los Angeles, CA

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

May 28, 2024

10:10 a.m.

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

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 three public comment cards received. The following members of the public made public comments with respect to LACERS' investment in Advent International and Oaktree Capital Management and in support of restaurant/hotel workers: Jordan Fein, Edward Diaz, and Lourdes Acosta.

II

GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Todd Bouey, Executive Officer, advised the Board of the following items:
- Emergency Preparedness
 - City Human Resources & Payroll System Update
 - Benefits Operations Update
- B. UPCOMING AGENDA ITEMS – Todd Bouey, Executive Officer, advised the Board of the following items:

- Board Meeting on June 11, 2024:
- Recommendations for contract awards for Printing, Mailing, Website, Graphic Design, and Videography Services
- LACERS 2024 Strategic Plan
- Benefits Administration Committee in June
- Health Management Dashboard

III

RECEIVE AND FILE ITEMS

- MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR APRIL 2024 – This report was received by the Board and filed.
- COMMISSIONER THUY HUYNH EDUCATION EVALUATION ON INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS (IFEFP) WHARTON SCHOOL PORTFOLIO CONCEPTS AND MANAGEMENT COURSE; MAY 6-9, 2024; PHILADELPHIA, PA – This report was received by the Board and filed.
- COMMISSIONER JANNA SIDLEY EDUCATION EVALUATION ON INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS (IFEFP) WHARTON SCHOOL PORTFOLIO CONCEPTS AND MANAGEMENT COURSE; MAY 6-9, 2024; PHILADELPHIA, PA – This report was received by the Board and filed.
- COMMISSIONER SUNG WON SOHN EDUCATION EVALUATION ON STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS (SACRS) SPRING CONFERENCE; MAY 7-10, 2024; SANTA BARBARA, CA – This report was received by the Board and filed.
- ANNUAL CONTRACTOR DISCLOSURE COMPLIANCE REPORT FOR THE YEAR ENDED DECEMBER 31, 2023 – This report was received by the Board and filed.

IV

COMMITTEE REPORT(S)

- INVESTMENT COMMITTEE VERBAL REPORT FOR THE MEETING ON MAY 14, 2024 – Commissioner Lee stated the Committee approved the Real Estate Fiscal Year 2024-25 Plan and Adaptive Asset Allocation Policy and Status Report.
- BENEFITS ADMINISTRATION COMMITTEE VERBAL REPORT FOR THE MEETING ON MAY 28, 2024 – Commissioner Wilkinson stated the Committee was presented with Health Plan Financial Dashboards and Healthcare Trends. The report was received by the Committee and filed.

V

Commissioner Sidley moved approval of Consent Agenda Items V-A and V-B, seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Sidley, Wilkinson, Vice President Sohn, and President Chao -7. Nays, None.

CONSENT ITEM(S)

A. APPROVAL OF DISABILITY RETIREMENT APPLICATION OF AMY CASE AND POSSIBLE BOARD ACTION

**APPROVAL OF DISABILITY RETIREMENT BENEFIT
FOR AMY CASE**

RESOLUTION 240528-A

WHEREAS, the General Manager presented certain medical reports and other evidence and reported that the application filed was in regular and proper form;

WHEREAS, Physicians 1 and 2 examined and concluded Amy Case is unable to perform her usual and customary duties as a Police Service Representative with the City of Los Angeles;

WHEREAS, notwithstanding, Physician 3 examined and concluded Amy Case can perform her usual and customary duties as a Police Service Representative with the City of Los Angeles;

WHEREAS, after some discussion and consideration of the evidence received, it was the finding and determination of this Board that Amy Case is incapacitated pursuant to the definition in Los Angeles Administrative Code § 4.1008(b) and not capable of performing her duties as a Police Service Representative;

WHEREAS, an investigation of the employment record established the age, final compensation, and period of continuous service in accordance with the Los Angeles Administrative Code, and such disability is not the result of the applicant's intemperance or willful misconduct; and,

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the disability retirement benefit for Amy Case based upon her claimed disabling condition.

B. APPROVAL OF DISABILITY RETIREMENT APPLICATION OF CHONGSUP LEE AND POSSIBLE BOARD ACTION

**APPROVAL OF DISABILITY RETIREMENT BENEFIT
FOR CHONGSUP LEE**

RESOLUTION 240528-B

WHEREAS, the General Manager presented certain medical reports and other evidence, and reported that the application filed was in regular and proper form;

WHEREAS, Physicians 1 and 2 examined and concluded Chongsup Lee is unable to perform his usual and customary duties as a Wastewater Collection Worker II with the City of Los Angeles;

WHEREAS, notwithstanding, Physician 3 examined and concluded Chongsup Lee is able to perform his usual and customary duties as a Wastewater Collection Worker II with the City of Los Angeles;

WHEREAS, after some discussion and consideration of the evidence received, it was the finding and determination of this Board that Chongsup Lee is incapacitated pursuant to the definition in Los Angeles Administrative Code § 4.1008(b) and not capable of performing his duties as a Wastewater Collection Worker II;

WHEREAS, an investigation of the employment record established the age, final compensation, and period of continuous service in accordance with the Los Angeles Administrative Code, and such disability is not the result of the applicant's intemperance or willful misconduct; and,

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the disability retirement benefit for Chongsup Lee based upon his claimed disabling condition.

VI

BOARD/DEPARTMENT ADMINISTRATION

- A. PROPOSED BUDGET, PERSONNEL, AND ANNUAL RESOLUTIONS FOR FISCAL YEAR 2024-25 AND POSSIBLE BOARD ACTION – Todd Bouey, Executive Officer, Edwin Avanesian, Chief Management Analyst, and Lisa Li, Management Analyst, presented and discussed this item with the Board for 35 minutes. Edwin Avanesian stated that staff is requesting an amendment for an additional \$600,000 for the Human Resources and Payroll (HRP) Post Go-Live Costs. Commissioner Sidley moved approval, seconded by Commissioner Lee, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Sidley, Wilkinson, Vice President Sohn, and President Chao -7; Nays, None.

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 \$23.13 billion as of May 27, 2024; and Volatility Index at 12.51. Rod June discussed the following items:
- OPERATIONAL
 - a. T+1 Settlement, Effective May 28, 2024 - Staff reached out to the LACERS Investment Managers in advance to exercise caution around the new settlement requirements.
 - b. Staff is working on an allocation plan to deploy the increased City contribution now at \$850 million.
 - GLOBAL ISSUES - No material changes in valuation for Russia, Ukraine, China/China Tech, and Israel.
 - ESG, DEI, EM - CIO notified Board that LACERS' proxy voting agent voted for the entire slate of ExxonMobil board directors. Staff will conduct a review of the proxy ballot results of the board election and return to the Governance Committee with its findings and any recommendations regarding LACERS proxy voting and engagement processes.
 - FUTURE AGENDA ITEMS:
 - a. Total Fund Portfolio Performance Review for period ending March 31, 2024
 - b. Townsend Holdings LLC Consent of Contract

- B. PRESENTATION BY TOWNSEND HOLDINGS LLC OF THE PRIVATE REAL ESTATE PORTFOLIO PERFORMANCE REVIEW FOR THE PERIOD ENDING DECEMBER 31, 2023 – Jessica Chumak, Investment Officer I, Chae Hong, Partner, and Haya Dawai, Investment Associate, with The Townsend Group, presented and discussed this item with the Board for 10 minutes. After discussion, the report was received by the Board and filed.
- C. REAL ESTATE FISCAL YEAR 2024-25 STRATEGIC PLAN AND POSSIBLE BOARD ACTION – Jessica Chumak, Investment Officer I, Chae Hong, Partner, and Haya Dawai, Investment Associate, with The Townsend Group, presented and discussed this item with the Board for 10 minutes. Commissioner Lee moved approval, seconded by Vice President Sohn, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Sidley, Wilkinson, Vice President Sohn, and President Chao -7; Nays, None.
- D. ADAPTIVE ASSET ALLOCATION POLICY AND STATUS REPORT AND POSSIBLE BOARD ACTION – Rod June, Chief Investment Officer, and James Wang, Investment Officer I, presented and discussed this item with the Board for 8 minutes. Commissioner Lee moved approval, seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Sidley, Wilkinson, Vice President Sohn, and President Chao -7; Nays, None.

VIII

OTHER BUSINESS – There was no other business.

IX

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, June 11, 2024, at 10:00 a.m., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, California 90012-1728.

X

ADJOURNMENT – There being no further business before the Board, President Chao adjourned the Meeting at 11:55 a.m.

Annie Chao
President

Todd Bouey
Manager-Secretary



REPORT TO BOARD OF ADMINISTRATION *FS*
From: Ferralyn Sneed, Chief Benefits Analyst

MEETING: JUNE 25, 2024
ITEM: V - B

SUBJECT: APPROVAL OF DISABILITY RETIREMENT APPLICATION OF BRANDON GREEN AND POSSIBLE BOARD ACTION

ACTION: **CLOSED:** **CONSENT:** **RECEIVE & FILE:**

Recommendation

That, pursuant to Los Angeles Administrative Code § 4.1008(b), the Board approves the disability retirement application for Brandon Green based on his claimed disabling conditions and the supporting medical evidence contained in the administrative record, which includes reports by three licensed, practicing physicians.

Background

Brandon Green (Applicant) is a Warehouse and Toolroom Worker I, at the General Services Department, with 6.44280 years of City Service. The Applicant applied for disability retirement on February 21, 2023, within one year of his last day on active payroll, in compliance with Los Angeles Administrative Code § 4.1008(a).

The Applicant's last day on active payroll was January 19, 2023. If approved, the Applicant's retirement effective date will be January 20, 2023.

Accommodation

Because Physician 1 opined no accommodations would allow the Applicant to return to work, no inquiries were made with the employing department.

Fiscal Impact

Upon approval, the Applicant would receive a disability retirement allowance of approximately \$1,720.00 per month, and a retroactive payment covering 18 months of approximately \$30,960.00.

Prepared By: Carol Rembert, Benefits Analyst, Retirement Services Division
Lady Y. Smith, Senior Benefits Analyst I, Retirement Services Division

FS:LYS:cr

Attachment: Proposed Resolution

APPROVAL OF DISABILITY RETIREMENT BENEFIT FOR BRANDON GREEN

PROPOSED RESOLUTION

WHEREAS, the General Manager presented certain medical reports and other evidence, and reported that the application filed was in regular and proper form;

WHEREAS, Physicians 1, 2, and 3 examined and concluded Brandon Green is unable to perform his usual and customary duties as a Warehouse and Toolroom Worker I with the City of Los Angeles;

WHEREAS, after some discussion and consideration of the evidence received, it was the finding and determination of this Board that Brandon Green is incapacitated pursuant to the definition in Los Angeles Administrative Code § 4.1008(b) and not capable of performing his duties as a Warehouse and Toolroom Worker I;

WHEREAS, an investigation of the employment record established the age, final compensation, and period of continuous service in accordance with the Los Angeles Administrative Code, and such disability is not the result of the applicant's intemperance or willful misconduct; and,

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the disability retirement benefit for Brandon Green based upon his claimed disabling conditions.



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REPORT TO BOARD OF ADMINISTRATION
 From: Ferralyn Sneed, Chief Benefits Analyst *FS*

MEETING: JUNE 25, 2024
ITEM: V - C

SUBJECT: APPROVAL OF DISABILITY RETIREMENT APPLICATION OF MARIZALINA MELLENDREZ AND POSSIBLE BOARD ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That, pursuant to Los Angeles Administrative Code § 4.1008(b), the Board approves the disability retirement application for Marizalina Mellendrez based on her claimed disabling conditions and the supporting medical evidence contained in the administrative record, which includes reports by three licensed, practicing physicians.

Background

Marizalina Mellendrez (Applicant) is a Senior Management Analyst I, at the Department of Housing, with 5.44570 years of City Service. The Applicant applied for disability retirement on May 23, 2023, within one year of her last day on active payroll, in compliance with Los Angeles Administrative Code § 4.1008(a).

The Applicant’s last day on active payroll was October 21, 2022. If approved, the Applicant’s retirement effective date will be October 22, 2022.

Accommodation

Because all physicians opined no accommodations would allow the Applicant to return to work, no inquiries were made with the employing department.

Fiscal Impact

Upon approval, the Applicant would receive a disability retirement allowance of approximately \$2,250.00 per month, and a retroactive payment covering 21 months of approximately \$47,250.00.

Prepared By: Carol Rembert, Benefits Analyst, Retirement Services Division
 Lady Y. Smith, Senior Benefits Analyst I, Retirement Services Division

FS:LYS:cr

Attachment: Proposed Resolution

APPROVAL OF DISABILITY RETIREMENT BENEFIT FOR MARIZALINA MELLENDREZ

PROPOSED RESOLUTION

WHEREAS, the General Manager presented certain medical reports and other evidence, and reported that the application filed was in regular and proper form;

WHEREAS, Physicians 1, 2, and 3 examined and concluded Marizalina Mellendrez is unable to perform her usual and customary duties as a Senior Management Analyst I with the City of Los Angeles;

WHEREAS, after some discussion and consideration of the evidence received, it was the finding and determination of this Board that Marizalina Mellendrez is incapacitated pursuant to the definition in Los Angeles Administrative Code § 4.1008(b) and not capable of performing her duties as a Senior Management Analyst I;

WHEREAS, an investigation of the employment record established the age, final compensation, and period of continuous service in accordance with the Los Angeles Administrative Code, and such disability is not the result of the applicant's intemperance or willful misconduct; and,

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the disability retirement benefit for Marizalina Mellendrez based upon her claimed disabling condition.



REPORT TO BOARD OF ADMINISTRATION

From: Governance Committee
Janna Sidley, Chair
Sung Won Sohn
Michael R. Wilkinson

MEETING: JUNE 25, 2024
ITEM: VI-A

SUBJECT: DISCUSSION OF BOARD GOVERNANCE POLICY REGARDING TEMPORARY PRESIDING OFFICERS FOR BOARD MEETINGS AND POSSIBLE BOARD ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

1. That the Board consider the discussion and recommendations issued by the Governance Committee (Committee) at its May 28, 2024 meeting pertaining to the appointment of temporary presiding officers to preside over Board Meetings in the absence of both the Board President and Vice-President;
2. That the Board determine the option best suited for LACERS moving forward; and,
3. Direct staff to return to the Committee with proposed amendments to the Board Governance Manual to implement those changes for final consideration and approval.

Executive Summary

The current procedure for appointing a temporary presiding officer in the absence of both the Board President and Vice-President may not always adhere to the 72-hour advance notice requirement under the Brown Act. To address this potential issue, staff recommend amending the policy to clearly establish an order of succession for Board Members to preside over meetings when necessary.

Discussion

The current process for appointing a temporary presiding officer as outlined in the Board Governance Manual involves a nomination from Board Members present at the meeting. However, this action item typically requires placement on the meeting agenda, posing challenges when the President and Vice-President are unable to attend and notice cannot be provided in advance.

Article I, Section 4.1 paragraph C of the Board Governance Manual currently states:

C. Board Meeting Presiding Officer

Board meetings shall be convened and presided over by the President of the Board. In the absence of the President, the Vice President shall assume all responsibilities and authority of the President. In the absence of both the President and Vice President, the General Manager/Manager-Secretary will open the meeting and call for nominations of a President Pro Tempore from the members present to serve for the duration of the meeting. Should the last presiding officer need to leave an open meeting, they shall designate a succeeding officer. For Committee meetings, the Committee Chair shall convene and preside over the meeting. In the Chair's absence, they shall designate a succeeding officer by notifying the Commission Executive Assistant or the General Manager in advance of the meeting at which they will be absent. If the Chair needs to leave before a Committee meeting ends, they shall designate a succeeding officer.

At the Governance Committee's May 28, 2024 meeting, staff proposed three options (along with considerations for discussion) in lieu of the policy referenced above for appointing a temporary presiding officer that would ensure continuity and compliance with the Brown Act. The options proposed by staff are as follows:

Option 1: Designation based on Seniority/Tenure

- The temporary presiding officer would be designated based on seniority within the Board.
- This option acknowledges experience and familiarity with Board procedures.
- However, Board Member tenure would need to be transparently documented for implementation.

Option 2: Designation based on Committee Chair Hierarchy

- The temporary presiding officer would be selected based on a hierarchy of Committee Chairs, for example: (1) Investments Committee Chair, (2) Governance Committee Chair, (3) Benefits Committee Chair, and (4) Audit Committee Chair.
- This option ensures that individuals with experience leading committees assume responsibility and those Chairs are clearly and transparently documented.
- However, this approach may limit the pool of candidates if Committee Chairs are unavailable or unable to attend.

Option 3: Designation based on Last Name, First Name Alphabetical Order

- The temporary presiding officer would be selected based on alphabetical order of last names.
- This option is straightforward, impartial, and easily applied.
- However, this method lacks consideration for qualifications or experience relevant to presiding over meetings.

During the discussion, Committee Members proposed two additional options for consideration. Those options are as follows:

Option 4: Include a Standing Agenda Item for This Purpose on All Future Board Agendas

- This standing agenda item would only be acted upon under the condition when both the Board President and Vice-President are absent and unavailable to preside.
- This option would preserve the intent of the current policy.
- However, the vote could potentially end with no majority and therefore yield no temporary presiding officer to continue the meeting.

Option 5: Each Board President Appoints a “Leader in Waiting” to Preside in these Instances

- New Board Presidents, upon their election, would designate a “leader in waiting” that could act as the temporary presiding officer if both the Board President and Vice-President were absent and unable to preside over a meeting.
- This option avoids the calling of an election and potential for no majority.
- However, if the pre-appointed “leader in waiting” is also absent, the Board would be left without anyone to preside over it.

After discussing these five options, the Committee’s action was to recommend to the Board both options #2 and #4 equally weighted, and options #1, #3, and #5 with a lesser weight.

This item is now being brought before the Board for discussion and consideration. Upon the Board’s direction, staff will draft the necessary policy amendments and bring them back for final approval and adoption.

Strategic Plan Impact Statement

The triennial review of the Board Governance and Administrative Policies meets the LACERS Strategic Plan Board Governance Goal to uphold good governance practices which affirm transparency, accountability, and fiduciary duty.

Prepared By: John Koontz, Senior Management Analyst I

NMG/TB/EA:jk

Attachment: Governance Committee Report from May 28, 2024



REPORT TO GOVERNANCE COMMITTEE
From: Neil M. Guglielmo, General Manager

MEETING: MAY 28, 2024
ITEM: III

SUBJECT: DISCUSSION ON BOARD GOVERNANCE POLICY REGARDING TEMPORARY PRESIDING OFFICERS FOR BOARD MEETINGS AND POSSIBLE COMMITTEE ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Governance Committee (Committee):

1. Discuss and consider various options for appointing a temporary presiding officer to preside over Board Meetings in the absence of both the Board President and Vice-President; and
2. Direct staff to return to the Committee with proposed new language for the Board Governance Manual to implement those changes.

Executive Summary

The current procedure for appointing a temporary presiding officer in the absence of both the Board President and Vice-President may not always adhere to the 72-hour advance notice requirement under the Brown Act. To address this issue, staff recommend amending the policy to establish an order of succession for the Board Members to preside over meetings when necessary.

Discussion

The current Board Governance Manual outlines the process for appointing a temporary presiding officer which involves a nomination from Board Members present at the meeting. However, this action item typically requires placement on the meeting agenda, posing challenges when the President and Vice-President are unable to attend and notice cannot be provided in advance.

Article I, Section 4.1 paragraph C of the Board Governance Manual currently states:

C. Board Meeting Presiding Officer

Board meetings shall be convened and presided over by the President of the Board. In the absence of the President, the Vice President shall assume all responsibilities and authority of the President. In the

absence of both the President and Vice President, the General Manager/Manager-Secretary will open the meeting and call for nominations of a President Pro Tempore from the members present to serve for the duration of the meeting. Should the last presiding officer need to leave an open meeting, they shall designate a succeeding officer. For Committee meetings, the Committee Chair shall convene and preside over the meeting. In the Chair's absence, they shall designate a succeeding officer by notifying the Commission Executive Assistant or the General Manager in advance of the meeting at which they will be absent. If the Chair needs to leave before a Committee meeting ends, they shall designate a succeeding officer.

To ensure continuity and compliance with the Brown Act, staff propose the following three options for appointing a temporary presiding officer in lieu of the above, along with some possible considerations for discussion:

Option 1: Designation based on Seniority/Tenure

- The temporary presiding officer would be designated based on seniority within the Board.
- This option acknowledges experience and familiarity with Board procedures.
- However, Board Member tenure would need to be transparently documented for effectuation.

Option 2: Designation based on Committee Chair Hierarchy

- The temporary presiding officer would be selected based on a hierarchy of Committee Chairs, for example: (1) Investments Committee Chair, (2) Governance Committee Chair, (3) Benefits Committee Chair, and (4) Audit Committee Chair.
- This option ensures that individuals with experience leading committees assume responsibility and those Chairs are clearly and transparently documented.
- However, it may limit the pool of candidates if Committee Chairs are unavailable or unable to attend.

Option 3: Designation based on Last Name, First Name Alphabetical Order

- The temporary presiding officer would be selected based on alphabetical order of last names.
- This option is straightforward, impartial, and easily applied.
- However, it lacks consideration for qualifications or experience relevant to presiding over meetings.

Following the discussion and direction on this matter, staff will return with proposed new language to the Board Governance Manual for this Committee's consideration and approval before submitting the policy changes to the Board for final adoption.

Strategic Plan Impact Statement

The review of the Board Governance and Administrative Policies meets the LACERS Strategic Plan Board Governance Goal to uphold good governance practices which affirm transparency, accountability, and fiduciary duty.

Prepared By: John Koontz, Senior Management Analyst I

NMG/TB/EA;jk



REPORT TO BOARD OF ADMINISTRATION

From: Neil M. Guglielmo, General Manager

Neil M. Guglielmo

MEETING: JUNE 25, 2024

ITEM: VI – B

SUBJECT: PROPOSED LACERS 2024 STRATEGIC PLAN AND POSSIBLE BOARD ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board:

1. Consider and adopt LACERS' Mission and Vision statements;
2. Affirm the Guiding Principles as proposed by LACERS Senior Leadership;
3. Affirm the seven Goal areas and related Objectives;
4. Assign the crafting of LACERS' current and future Motto(s) to the General Manager to be incorporated into future LACERS communications strategies overseen by the Communications and Stakeholder Relations Division; and,
5. Review and provide input for LACERS' draft Initiatives and Key Performance Indicators subject to future work planning and budget.

Executive Summary

At the June 11, 2024 meeting, LACERS staff presented the proposed Strategic Plan and recommendations for adoption to the Board. The presentation included three Mission and three Vision statements for consideration and adoption including Executive Management's preferred options. Although the Board was in general agreement with the preferred options, the Board Members' discussion highlighted certain points with regard to refining the Mission statement to better reflect the promise of benefits delivery, as well as simplifying the Vision statement given that certain elements are integrated in other components of the Strategic Plan, and instead providing more focus on long-term sustainability. In addition, staff request input for and affirmation of other elements of the Strategic Plan.

Discussion

The proposed LACERS 2024 Strategic Plan report is revised to include alternative proposed Mission and Vision statements for the Board's consideration and adoption. Other components of the Strategic Plan remain unchanged since last proposed to the Board. As previously discussed with the Board on June 11, 2024, staff respectfully request that the General Manager be granted the authority to manage and adjust LACERS' Motto to enhance operational flexibility in response to marketing and stakeholder

expectations. Staff request affirmation of the Goal Areas and Guiding Principles that LACERS Senior Leadership considered and recommended as being most meaningful to LACERS staff. Prioritization of the Strategic Plan Objectives, Initiatives, and Key Performance Indicators (KPIs) will come to the Board through the annual budget process and reported using the Business Plan Initiative process. The Board’s insights and feedback on the Objectives, Initiatives and KPIs will be integrated in the execution of the Strategic Plan.

Proposed Strategic Plan

The following lists some alternative proposed options for LACERS Mission and Vision statements, reflecting input from the Board. The proposed Guiding Principles and Goal Areas remain the same since the previous proposal.

LACERS Mission

*Original executive management preferred option.

Current Mission:

To protect and grow our trust fund and to ensure the sustainable delivery of ethical, reliable, and efficient retirement services to our Members.

Proposed Mission:

Option 1 below was the initial executive management preferred option. However, Board input suggests favoring use of the term “deliver” and retention of the term “benefits” to better align with department responsibility while retaining the focus on LACERS commitment to benefits administration. Options 2, 3, and 4 are alternative proposed Mission statements taking into account the Board’s feedback.

1. Provide retirement and healthcare benefits to all Members by securing and growing the trust fund.*
2. To deliver retirement and healthcare benefits to our Members by securing and growing our trust fund.
3. Deliver retirement and healthcare benefits to all Members by protecting and growing the trust fund.
4. To administer the City’s promised retirement and healthcare benefits for our Members through protecting and growing the trust fund.

Below is another way of looking at these Mission statements broken down into elements that conceivably could be tailored to construct a Mission statement in alignment with the Board’s intent.

Preposition (optional)	Action	Purpose	Target	How
to	provide	retirement and healthcare benefits	to our Members	by securing and growing the trust fund
	deliver	the City’s promised retirement and healthcare benefits	to all Members	by protecting and growing the trust fund
	administer		for our Members	through protecting and growing the trust fund

LACERS Vision

*Original executive management preferred option.

Current Vision:

Trusted by our Members and partners for excellence, innovation, professionalism, and transparency.

Proposed Vision:

Option 1 below was the original preference of Executive Management. However, the Board's preference leaned towards simplification of the Vision statement as the inherent essence of "Service Excellence" has already been encompassed by the proposed strategic Goals. Additionally, the Board placed emphasis on being a financially solvent pension system for the long term. Therefore, options 2, 3, and 4 are alternative proposed Vision statements incorporating the Board's input.

1. A forward-thinking organization and industry leader in financial strength and service excellence to our Members.*
2. A forward-thinking organization committed to providing lasting pension security for our Members.
3. A financially strong organization providing secure pensions for Members' retirements.
4. An innovative organization ensuring fulfillment of promised retirement benefits for all current and future Members.

Below is another way of looking at these Vision statements broken down into elements that conceivably could be tailored to construct a Vision statement in alignment with the Board's intent.

Preposition (optional)	Aspiration	Declaration	Target
A(n)	forward-thinking organization and industry leader	in financial strength and service excellence	to our Members
	forward-thinking organization	committed to providing lasting pension security	for our Members
	financially strong organization	providing secure pensions	for Members' retirements
	innovative organization	ensuring fulfillment of promised retirement benefits	for all current and future Members

LACERS Guiding Principles

Current Guiding Principles:

Professionalism, Respect, Culture and Innovation, Kindness and Caring, Teamwork

Proposed Guiding Principles:

Professionalism, Respect, Culture of Innovation, Kindness, Teamwork

LACERS Proposed Goal Areas

	GOAL	OBJECTIVES
1	<p>Customer Service</p> <p>To provide outstanding customer service that meets Members' needs</p>	<p>A. Identify and provide department-wide service standards to meet Members' needs</p> <p>B. Make retirement planning and resources more accessible to Members through various communication channels</p> <p>C. Evaluate and improve Member experience flows and process maps</p>
2	<p>Benefits Delivery</p> <p>To deliver accurate and timely Member benefits</p>	<p>A. Investment in and development of internal Benefits Delivery knowledge resources</p> <p>B. Increase efficient use of technology</p> <p>C. Adopt benefit delivery standards and metrics that outperform benchmarks</p>
3	<p>Health and Wellness</p> <p>To improve value and minimize costs of Members' health and wellness benefits</p>	<p>A. Ensure well-utilized and affordable healthcare benefits</p> <p>B. Increase Member accessibility to wellness offerings</p> <p>C. Explore health administration technologies to streamline processes</p>
4	<p>Investments</p> <p>To optimize long-term risk adjusted returns through superior investments</p>	<p>A. Outperform respective benchmarks and peer comparisons over periods of time</p> <p>B. Create value through an optimal stable of active and passive investment managers</p> <p>C. Assess cost effectiveness</p> <p>D. Develop a comprehensive set of risk management policies and procedures</p> <p>E. Refine investment governance processes</p>
5	<p>Governance</p> <p>To uphold good governance practices which affirm</p>	<p>A. Establish a comprehensive compliance program</p> <p>B. Enhance information privacy and security oversight policies</p>

	transparency, accountability and fiduciary duty	C. Refine and enhance Board education
6	Organization To increase organizational effectiveness, efficiency, and resiliency	A. Strengthen information security measures B. Standardize and execute the enterprise-wide compliance framework C. Enhance risk management practices D. Organization resources alignment and performance management E. Create operational efficiencies through use of technology
7	Workforce To recruit, retain, mentor, empower, and promote a high-performing workforce	A. Encourage continuing education B. Maintain a safe and harassment free workplace C. Develop career path training for permanent and as-needed Staff D. Promote LACERS culture in a hybrid environment E. Maximize effectiveness of LACERS workforce and recruitment within staffing model

The attachment contains in detail, the Strategic Plan elements including the strategic Goals with corresponding Objectives, Initiatives, and Indicators.

Strategic Plan Impact Statement

The review of the proposed LACERS Strategic Plan supports the LACERS Strategic Plan Organizational goals of upholding good governance practices which affirm transparency, accountability, and fiduciary duty (Goal V) as well as maximizing organizational effectiveness and efficiency (Goal VI).

Prepared By: Lisa Li, Management Analyst

NMG/TB/EA/CK/LL

Attachment: 1. Report to Board of Administration Dated June 11, 2024



REPORT TO BOARD OF ADMINISTRATION
From: Neil M. Guglielmo, General Manager

MEETING: JUNE 11, 2024
ITEM: VI – B

Neil M. Guglielmo

SUBJECT: PROPOSED LACERS 2024 STRATEGIC PLAN AND POSSIBLE BOARD ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board:

1. Consider and adopt LACERS' Mission and Vision;
2. Affirm the Guiding Principles as proposed by LACERS Senior Leadership;
3. Affirm the seven Goal areas and related Objectives;
4. Assign the responsibility for LACERS' current and future Motto(s) to the General Manager to be incorporated into future LACERS communications strategies overseen by the Communications and Stakeholder Relations Division; and,
5. Review and provide input for LACERS' draft Initiatives and Key Performance Indicators subject to future work planning and budget.

Executive Summary

Under the Strategic Planning Policy Board mandate, LACERS conducts regular strategic planning to ensure that LACERS' Mission, Vision, Guiding Principles, Goals, and Objectives are aligned and appropriate to meet the needs and challenges of the Retirement System going forward. This includes an environmental scan (strengths, weaknesses, opportunities, and threats analysis) of the organization. The Strategic Plan will be reviewed at least annually through business initiative reports presented to the Board.

The proposed Strategic Plan (attached) maintains LACERS' seven Goal areas with updated strategic Objectives, Initiatives, and Indicators. The first section of the attachment, "Strategic Plan Elements," is the primary focus of this report and the recommendations for the Board. The Mission and Vision statement options were developed based on survey feedback and input from the Strategic Planning workshop, providing a clearer definition of LACERS' work and aspirations. The LACERS Senior Leadership team provided input to slightly revise the existing five Guiding Principles. The proposed Strategic Plan does not propose any changes to the Motto. Instead, the General Manager respectfully requests authority to manage and adjust LACERS' Motto for future marketing and promotional purposes; no imminent changes are currently planned.

The second section of the attachment, “Strategic Plan Objectives, Initiatives, and Key Performance Indicators (KPIs),” is intended as a draft roadmap for execution by the department. Prioritization and any necessary funding requests will come through the Board as future business plans are developed and presented. Generally, LACERS will use the annual budget process along with the Business Process Initiatives to effectuate and report on progress against Objectives which will be pursued over the next several years. The Board’s input regarding this section will be considered in the future execution of the Strategic Plan.

Discussion

Strategic Planning Process – Stakeholder Engagement

The Strategic Planning process involved engaging with Board Members, LACERS executives and senior management staff, Active and Retired Members, and key consultants and City Officials to gather feedback on the current state of the organization and their vision for its future. This feedback allowed LACERS to address topics of importance to its stakeholders in developing the Strategic Plan.

In February 2024, LACERS initiated its strategic planning process with the facilitation of Ernst & Young, LLP (EY), LACERS board governance consultant. One-on-one interviews were conducted with LACERS executives and division managers, while surveys were sent to Board members, key consultants and City Officials to gather their input on the organization’s direction and ideas for developing the overall strategy.

In March 2024, online surveys were sent to LACERS Active and Retired Members as well as LACERS employees. A total of 1,628 Member survey responses were received and 70% participation was realized from LACERS Staff. The surveys provided valuable insight into the department’s strengths, weaknesses, and priorities. These were crucial for the Board's strategic planning session and the ongoing development of Objectives and Initiatives.

On April 23, 2024, an offsite Board meeting was held in an open meeting session to review the Board’s strategic planning goals, progress, and plans for the organization’s future. The meeting was attended by approximately 45 participants, including LACERS Board members, LACERS executives and senior management staff, representatives from the Office of the City Attorney, commission support staff, as well as members from the general public. EY facilitated the meeting and led the group in reviewing the major components of the Strategic Plan, such as the Mission, Vision, Motto, and Guiding Principles. The department’s strengths, weaknesses, opportunities, and threats were evaluated as they related to current strategic Goals. Break-out sessions were conducted for each Goal to develop specific Initiatives. This Board meeting provided direction for staff to further develop the Objectives, Initiatives, and Indicators of the Strategic Plan.

Through the course of the strategic planning process, it became apparent that there was a desire to make only slight adjustments to the Guiding Principles which are primarily oriented to LACERS staff. LACERS brought this discussion further in house, convening with Senior Leadership to refine the

Guiding Principles that were felt to be most pertinent and would resonate best with staff. Affirmation of these Guiding Principles by the Board is requested.

During the Strategic Planning session, there was also discussion on the relevancy of LACERS' Motto to the Strategic Plan. There were also indications of interest in possibly updating the Motto in some fashion, but no clear path emerged. As such, LACERS proposes to bring the current and future Motto(s) into LACERS' communications strategy wherein the General Manager may adopt or adjust the Motto in accordance with LACERS communications efforts, such that a Motto could be timely, contemporary and possibly temporary, as needed to support LACERS' Member facing efforts.

Proposed Strategic Plan

The following lists the proposed options for LACERS Mission, Vision, Guiding Principles, and Goal Areas for consideration. (Reference attachment, pages 4 through 8)

LACERS Mission

Current Mission:

To protect and grow our trust fund and to ensure the sustainable delivery of ethical, reliable, and efficient retirement services to our Members.

Proposed Mission:

1. Provide retirement and healthcare benefits to all Members by securing and growing the trust fund.
2. To deliver valued benefits to our Members through protecting and growing our trust fund.
3. Provide reliable benefits to all Members by securing and growing our trust fund.

LACERS Vision

Current Vision:

Trusted by our Members and partners for excellence, innovation, professionalism, and transparency.

Proposed Vision:

1. A forward-thinking organization and industry leader in financial strength and service excellence to our Members.
2. To be an industry leader through achieving financial stability and inclusive Member service.

LACERS Guiding Principles

Current Guiding Principles:

Professionalism, Respect, Culture and Innovation, Kindness and Caring, Teamwork

Proposed Guiding Principles:

Professionalism, Respect, Culture of Innovation, Kindness, Teamwork

LACERS Proposed Goal Areas

	GOAL	OBJECTIVES
1	<p>Customer Service</p> <p>To provide outstanding customer service that meets Members' needs</p>	<p>A. Identify and provide department-wide service standards to meet Members' needs</p> <p>B. Make retirement planning and resources more accessible to Members through various communication channels</p> <p>C. Evaluate and improve Member experience flows and process maps</p>
2	<p>Benefits Delivery</p> <p>To deliver accurate and timely Member benefits</p>	<p>A. Investment in and development of internal Benefits Delivery knowledge resources</p> <p>B. Increase efficient use of technology</p> <p>C. Adopt benefit delivery standards and metrics that outperform benchmarks</p>
3	<p>Health and Wellness</p> <p>To improve value and minimize costs of Members' health and wellness benefits</p>	<p>A. Ensure well-utilized and affordable healthcare benefits</p> <p>B. Increase Member accessibility to wellness offerings</p> <p>C. Explore health administration technologies to streamline processes</p>
4	<p>Investments</p> <p>To optimize long-term risk adjusted returns through superior investments</p>	<p>A. Outperform respective benchmarks and peer comparisons over periods of time</p> <p>B. Create value through an optimal stable of active and passive investment managers</p> <p>C. Assess cost effectiveness</p> <p>D. Develop a comprehensive set of risk management policies and procedures</p> <p>E. Refine investment governance processes</p>
5	<p>Governance</p> <p>To uphold good governance practices which affirm</p>	<p>A. Establish a comprehensive compliance program</p>

	transparency, accountability and fiduciary duty	<p>B. Enhance information privacy and security oversight policies</p> <p>C. Refine and enhance Board education</p>
6	<p>Organization</p> <p>To increase organizational effectiveness, efficiency, and resiliency</p>	<p>A. Strengthen information security measures</p> <p>B. Standardize and execute the enterprise-wide compliance framework</p> <p>C. Enhance risk management practices</p> <p>D. Organization resources alignment and performance management</p> <p>E. Create operational efficiencies through use of technology</p>
7	<p>Workforce</p> <p>To recruit, retain, mentor, empower, and promote a high-performing workforce</p>	<p>A. Encourage continuing education</p> <p>B. Maintain a safe and harassment free workplace</p> <p>C. Develop career path training for permanent and as-needed Staff</p> <p>D. Promote LACERS culture in a hybrid environment</p> <p>E. Maximize effectiveness of LACERS workforce and recruitment within staffing model</p>

The Proposed Strategic Plan report (attachment) contains in detail, the Strategic Plan elements including the strategic Goals with corresponding Objectives, Initiatives, and Indicators.

Strategic Plan Impact Statement

The review of the proposed LACERS Strategic Plan supports the LACERS Strategic Plan Organizational goals of upholding good governance practices which affirm transparency, accountability, and fiduciary duty (Goal V) as well as maximizing organizational effectiveness and efficiency (Goal VI).

Prepared By: Chhintana Kurimoto, Management Analyst

NMG/TB/EA/LL/CK

Attachment: 1. Proposed LACERS Strategic Plan

LA City Employees' Retirement System

Strategic Plan

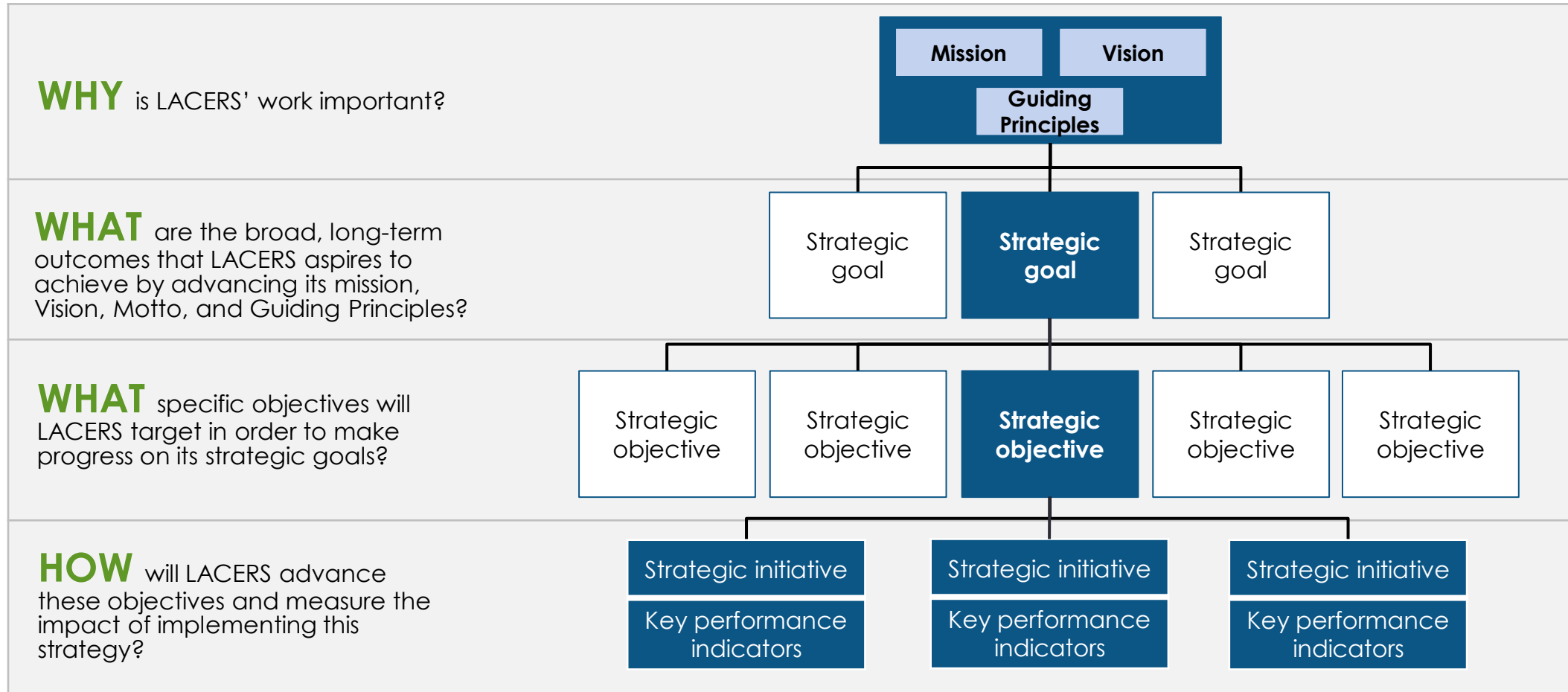


Strategic Plan Elements



LACERS' Strategic Plan Structure

The following infographic illustrates the proposed structure of LACERS' strategic plan as well as describing the purpose, logic, and terminology behind the structure.



LACERS Mission

Current mission: To protect and grow our trust fund and to ensure the sustainable delivery of ethical, reliable, and efficient retirement services to our Members.

Mission was evaluated as part of the strategic planning activities*

"The current mission statement may be slightly wordy"

"Include the sentiment of Benefits Delivery importance"

"It is critical for the mission to be memorable and read clearly"

"Document the idea of financial security and protecting the fund"

Missions for consideration:

1. Provide retirement and healthcare benefits to all Members by securing and growing the trust fund.**
2. To deliver valued benefits to our Members through protecting and growing our trust fund.
3. Provide reliable benefits to all Members by securing and growing our trust fund.

LACERS Vision

Current vision: Trusted by our Members and partners for excellence, innovation, professionalism, and transparency.

Vision was evaluated as part of the strategic planning activities*

"LACERS vision may not be as aspirational as it desires to be"

"Promote financial strength, stability, and sustainability"

"Emphasize the idea that LACERS wants to be a leader amongst peers"

"Lean into service excellence with compassion and respect"

Visions for consideration:

1. A forward-thinking organization and industry leader in financial strength and service excellence to our Members.**
2. To be an industry leader through achieving financial stability and inclusive Member service.

LACERS Guiding Principles updates

Current Guiding Principles

- | | |
|--|---|
| 1 Model <u>Professionalism</u> | 4 Use <u>Kindness & Caring</u> Toward Our Members and Each Other in All Interactions |
| 2 <u>Respect</u> People and Their Privacy | 5 Everything is Better with <u>Teamwork</u> |
| 3 Culture and <u>Innovation</u> | |

Guiding Principles evaluated as part of the strategic planning activities*

"Guiding Principles #1, 2, and 5 should stay the same"

"Guiding Principle #3 should be updated to exclusively focus on and emphasize innovation"

"Phrases LACERS should consider for Guiding Principle #4 include: *kindness, service with compassion, kindness and support, empathy*"

Guiding Principle #3 changes**:

1. Updated "Culture and Innovation" to "Culture of Innovation"

Guiding Principle #4 changes:

1. Updated "Kindness and Caring" to "Kindness"

6

LACERS strategic plan

*Activities include interviews with LACERS Staff, Member and LACERS Staff surveys, additional stakeholder questionnaires, and the strategic planning workshop.

** Guiding Principles changes have been internally discussed and adopted by LACERS senior leadership as those most meaningful for staff.

LACERS new Guiding Principles

New Guiding Principles

- 1 Model Professionalism
- 2 Respect People and Their Privacy
- 3 Culture of Innovation
- 4 Use Kindness Toward Our Members and Each Other in All Interactions
- 5 Everything is Better with Teamwork

Strategic Plan Summary

1	2	3	4	5	6	7
Customer Service	Benefits Delivery	Health and Wellness	Investments	Governance	Organization	Workforce
<p>A. Identify and provide department-wide service standards to meet Members' needs</p> <p>B. Make retirement planning and resources more accessible to Members through various communication channels</p> <p>C. Evaluate and improve Member experience flows and process maps</p>	<p>A. Investment in and development of internal Benefits Delivery knowledge resources</p> <p>B. Increase efficient use of technology</p> <p>C. Adopt benefit delivery standards and metrics that outperform benchmarks</p>	<p>A. Ensure well-utilized and affordable healthcare benefits</p> <p>B. Increase Member accessibility to wellness offerings</p> <p>C. Explore health administration technologies to streamline processes</p>	<p>A. Outperform respective benchmarks and peer comparisons over periods of time</p> <p>B. Create value through an optimal stable of active and passive investment managers</p> <p>C. Assess cost effectiveness</p> <p>D. Develop a comprehensive set of risk management policies and procedures</p> <p>E. Refine investment governance processes</p>	<p>A. Establish a comprehensive compliance program</p> <p>B. Enhance information privacy and security oversight policies</p> <p>C. Refine and enhance Board education</p>	<p>A. Strengthen information security measures</p> <p>B. Standardize and execute the enterprise-wide compliance framework</p> <p>C. Enhance risk management practices</p> <p>D. Organization resources alignment and performance management</p> <p>E. Create operational efficiencies through use of technology</p>	<p>A. Encourage continuing education</p> <p>B. Maintain a safe and harassment free workplace</p> <p>C. Develop career path training for permanent and as-needed Staff</p> <p>D. Promote LACERS culture in a hybrid environment</p> <p>E. Maximize effectiveness of LACERS workforce and recruitment within staffing model</p>

Strategic Plan Objectives, Initiatives, and Key Performance Indicators (KPIs)



Goal 1: Customer Service

To provide outstanding customer service that meets Members' needs

Objective 1.A

Identify and provide department-wide service standards to meet Members' needs

Initiatives	KPIs
<p>A.i Conduct annual re-evaluation of the Member Service Agreement (MSA) to ensure expectations are up to date and business process improvements align with Service Level Agreements (SLAs)</p>	<p>a. Development of a standardized review process for MSA to ensure alignment with SLAs across all Member facing Divisions</p> <p>b. Completion of MSA review on an annual basis</p>
<p>A.ii Conduct Member surveys to receive feedback at all Member and partner touchpoints to identify opportunities to improve service</p>	<p>a. Satisfaction rates among Members and partners derived from survey results</p> <p>b. Documentation of opportunity areas to improve service for Members derived from survey responses</p>
<p>A.iii Conduct benchmarking study of service delivery against peers</p>	<p>a. Identification of peer organizations for benchmarking</p> <p>b. Service delivery benchmark report (e.g., response rates, satisfaction rates) of LACERS performance compared to peers</p>
<p>A.iv Identify customer service gap areas by leveraging Amazon Connect platform</p>	<p>a. Identification of standardized process (frequency) for utilization of Amazon Connect metrics</p> <p>b. Staff training and education derived from identified gap areas</p>

Goal 1: Customer Service

To provide outstanding customer service that meets Members' needs

Objective 1.B

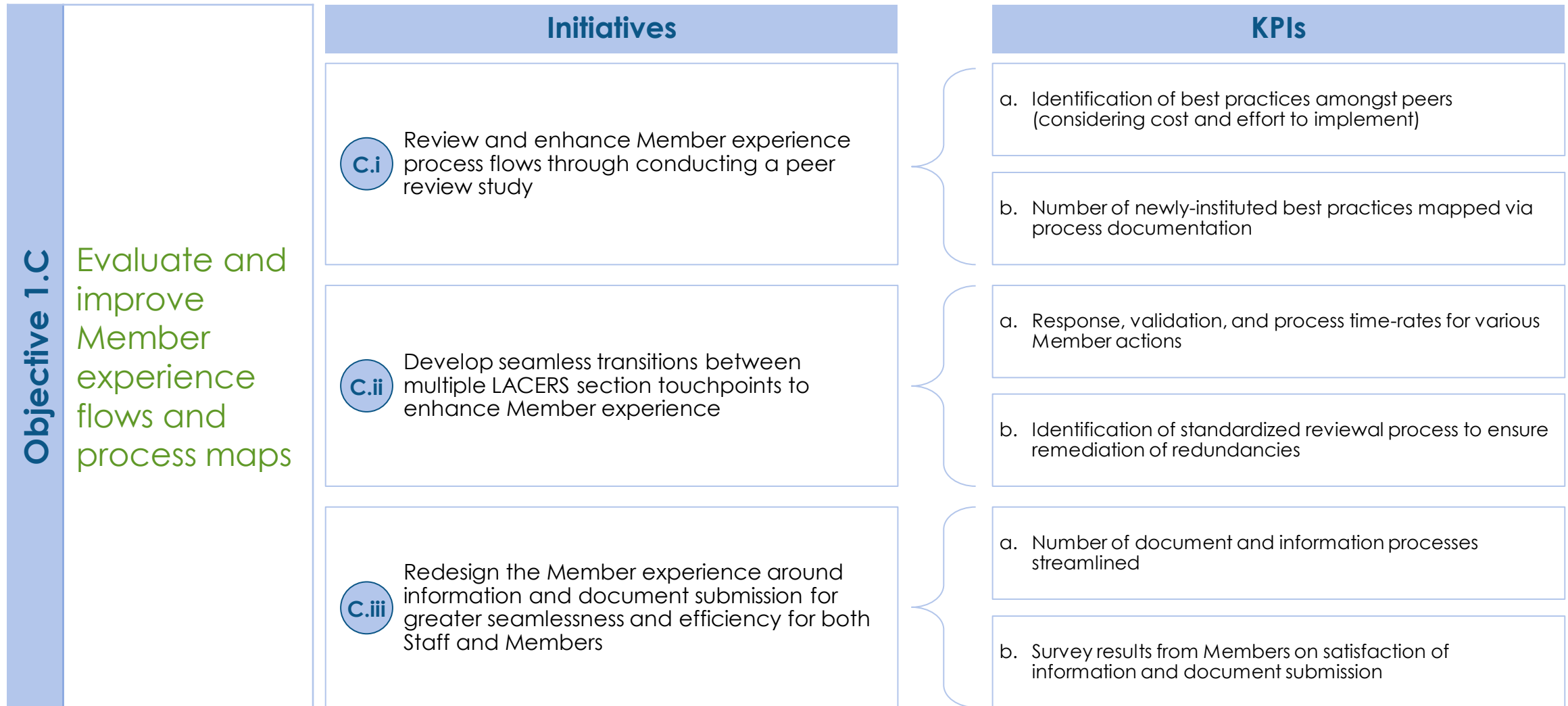
Make retirement planning and resources more accessible to Members through various communication channels

Initiatives	KPIs
<p>B.i Conduct analysis of additional social media channels to utilize for a more tailored Member experience</p>	<p>a. Analysis report of social media channels for utilization derived from Member input</p>
<p>B.ii Improve education outreach to provide clear and streamlined guidance for Members on topics such as retirement planning benefits, cybersecurity practices, and the safeguarding of personal information</p>	<p>a. Improvement of Member survey scores on knowledge and understanding on outreach topics</p>
<p>B.iii Enhance the availability of multi-lingual information, service, and support through the Language Access Plan*</p>	<p>a. Percentage rate of LACERS Staff that can provide multi-lingual services</p> <p>b. Percentage rate of LACERS documentation translated into multiple languages</p> <p>c. Number of Planning for Retirement seminars held in other languages</p>
<p>B.iv Optimize Member service operations by reviewing open hours and implementing appointment scheduling to minimize wait times and enhance Staff readiness for Member inquiries</p>	<p>a. Reviewal of open hours to identify Member frequencies at various times</p> <p>b. Implementation of appointment scheduling</p> <p>c. Survey results from Members using appointment scheduling</p>
<p>B.v Evaluate use of artificial intelligence (AI) or targeted queues with additional messaging while Members wait for virtual services</p>	<p>a. Feasibility study of AI/queued messaging functionality</p> <p>b. If applicable, length of time to query resolutions</p> <p>c. If applicable, percentage rate of queries resolved via AI-supported queues</p>
<p>B.vi Expand MyLACERS Portal through additional enhancements to support Member functionality</p>	<p>a. Completion of three-phased enhancement plan for MyLACERS portal (demographic updates, direct deposit, tax withholding)</p> <p>b. Percentage rate of LACERS Member service processes that have been digitized</p>

*Includes Retirement Benefits as well as Health & Wellness Benefits

Goal 1: Customer Service

To provide outstanding customer service that meets Members' needs



Goal 2: Benefits Delivery

To deliver accurate and timely Member benefits

		Initiatives	KPIs
Objective 2.A Investment in and development of internal Benefits Delivery knowledge resources		A.i Develop, review, and update comprehensive policies and procedures	a. Number of policies and procedures developed, reviewed, and/or updated
		A.ii Create centralized repository to store knowledge documents	a. Development of a centralized knowledge repository b. Percentage of new/experienced Staff trained through leveraging knowledge repository
		A.iii Implement a Knowledge Transfer System	a. Implementation of Knowledge Transfer System b. Percentage of key operational documentation stored within Knowledge Transfer System
		A.iv Design continuous, up-to-date Benefits Delivery training plan	a. Development of recurring and scheduled new trainings created within the Benefits Delivery training plan b. Percentage rate of Benefits Delivery Staff participation in trainings
		A.v Deliver cross-training across benefit delivery units	a. Percentage of Benefits Delivery Staff having completed cross-training sessions b. Percentage of units within Benefits Delivery with developed cross-training education

Goal 2: Benefits Delivery

To deliver accurate and timely Member benefits

		Initiatives	KPIs
Objective 2.B	Increase efficient use of technology	<p>B.i Automate Member notifications regarding service status updates as well as document receipt and upload confirmations</p>	<p>a. Number of Member service status updates processed automatically</p>
		<p>B.ii Automate front-end document scanning and application validations</p>	<p>b. Number of document receipt and upload confirmations processed automatically</p>
		<p>B.iii Improve operational efficiency by enhancing functionality within the Pension Administration System (PAS) through the implementation of customized configuration for benefit calculations</p>	<p>a. Percentage rate of paper forms automatically scanned, as opposed to manually entered</p> <p>b. Timing decrease in validation of documentation upon automation implementation</p>
Objective 2.C	Adopt benefit delivery standards and metrics that outperform benchmarks	<p>C.i Formalize Benefits Delivery standards and metrics</p>	<p>a. Percentage rate of benefits calculations requiring manual workaround</p> <p>b. Conduct capability evaluation of PAS on ongoing basis</p>
		<p>C.ii Conduct Benefits Delivery benchmarking against peer organizations</p>	<p>a. Identification of Benefits Delivery standards and metrics</p> <p>b. Improvement of Benefits Delivery metrics</p>
			<p>a. Identification of peer organizations for benchmarking</p> <p>b. Benefits Delivery benchmarking report of LACERS performance compared to peers</p>

Goal 3: Health and Wellness

Improve value and minimize costs of Members' health and wellness benefits

	Initiatives	KPIs
Objective 3.A Ensure well-utilized and affordable healthcare benefits	A.i Analyze health plan data to identify cost drivers that can be impacted	a. Conduct analysis report of health care data cost drivers b. Utilization rates for the following services: Annual Physician Visits (Anthem), Tele-Health (video visits), Condition Management Programs (Anthem)
Objective 3.B Increase Member accessibility to wellness offerings	B.i Increase Member participation by expanding health management activities offered	a. Number of Health and Wellness (H&W) activities held for Members b. Participation rate in H&W activities among Members
Objective 3.C Explore health administration technologies to streamline processes	C.i Increase utilization of consultants to identify automation opportunities for LACERS Health and Wellness processes and access innovative technology to support Staff workload	a. Percentage of H&W processes automated b. Percent reduction in total Staff processing times

Goal 4: Investment

To optimize long-term risk adjusted returns through superior investments

	Initiatives	KPIs
Objective 4.A Outperform respective benchmarks and peer comparisons over periods of time	A.i Evaluate investment managers' performance in achieving superior risk-adjusted returns in accordance with LACERS' Board policies and guidelines	a. Evaluate quarterly performance of the Total Fund against its assigned policy benchmark and the Board-approved investment risk budget
Objective 4.B Create value through an optimal stable of active and passive investment managers	B.i Periodically review the use of active versus passive investment strategies	a. Evaluate individual active and passive investment managers on a quarterly basis against their respective benchmarks over various long-term time periods, including (but not limited to) three- and five-year periods b. Review active and passive public market investment mandates at least annually and adjust the mandates as appropriate; manage an investment manager stable that appropriately assigns active and passive mandates based on the market efficiency of a particular asset class and availability of passive mandates

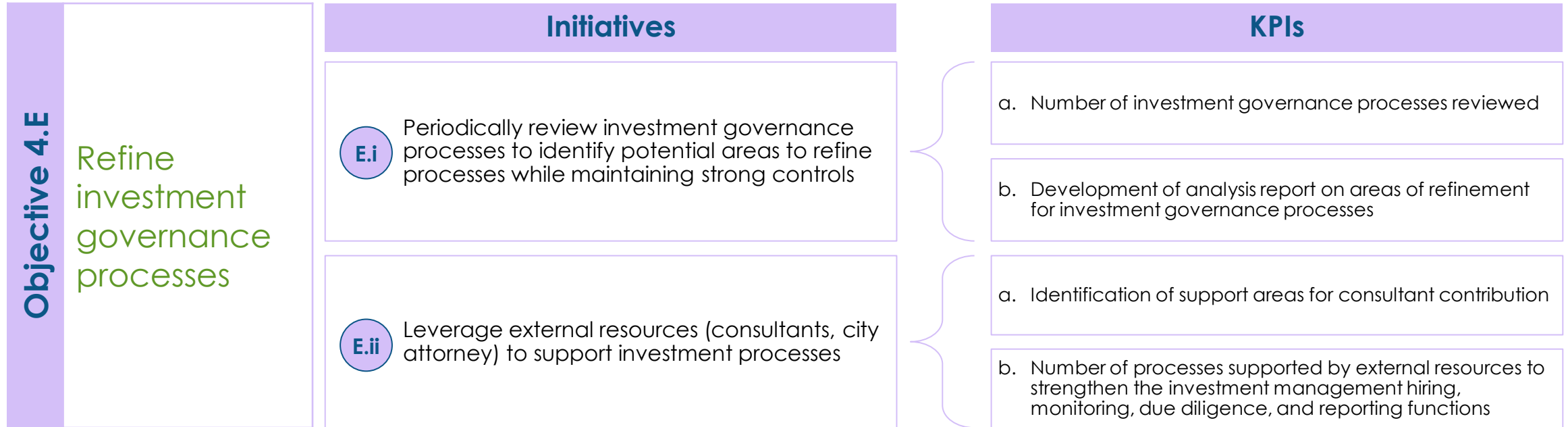
Goal 4: Investment

To optimize long-term risk adjusted returns through superior investments

Objective 4.C	Assess cost effectiveness	Initiatives	KPIs
Objective 4.D	Develop a comprehensive set of risk management policies and procedures	<p>C.i Conduct benchmarking to assess the cost-effectiveness of the investment program and to leverage for contract negotiation with investment managers</p>	<p>a. Prudent use of active and passive management on a cost-effectiveness basis</p> <p>b. Evaluation of the performance, risk, and cost-effectiveness of the stable of public market active investment managers</p>
		<p>D.i Conduct a risk assessment covering operational and headline risks</p>	<p>a. Development of a comprehensive assessment report to include and address risk factors such as market, operational, and headline risks</p>
		<p>D.ii Develop policies, procedures, and controls that address identified risks</p>	<p>a. Number of controls developed in response to risk assessment</p> <p>b. Development of risk mitigation report highlighting updates to policies and procedures to address identified risks</p>
		<p>D.iii Educate LACERS Staff on identified risks and newly-drafted policies, procedures, and controls</p>	<p>a. Development of education program for Staff on risk management</p> <p>b. Percentage of Staff who have completed risk management training</p>
		<p>D.iv Procure risk tools (e.g., returns-based style analysis, comprehensive risk assessment tool, ESG risk assessment tool)</p>	<p>a. Implementation of newly-procured risk tools</p> <p>b. Percentage of Staff trained in newly-procured risk tools</p>

Goal 4: Investment

To optimize long-term risk adjusted returns through superior investments



Goal 5: Governance

To uphold good governance practices which affirm transparency, accountability and fiduciary duty

		Initiatives	KPIs		
Objective 5.A	Establish a comprehensive compliance program	A.i Create a chief compliance officer role and hire a resource to fill the role	a. Hire personnel into created chief compliance officer role b. Develop and conduct onboarding and training of chief compliance officer c. (Chief compliance officer to) Oversee and drive initiative A.ii as well as initiatives from Goal 6 – B.i, B.ii, C.i, C.ii, and C.iii		
		A.ii Develop an enterprise-wide compliance framework	a. Incorporate following areas into compliance framework: legal/regulatory, financial reporting, ethics, and industry standards/benchmarking b. Percentage of LACERS Divisions accommodated within compliance framework		
		Objective 5.B	Enhance information privacy and security oversight policies	B.i Hire a chief information security officer to fill the role	a. Hire personnel into created chief information security officer role b. Develop and conduct onboarding and training of chief information security officer c. (Chief information security officer to) Oversee and drive initiatives B.ii and B.iii as well as initiatives from Goal 6 - A.i and A.ii
				B.ii Develop an enterprise-wide information security framework	a. Maturity level of the enterprise-wide information security framework
				B.iii Review and update information privacy and security policies at the Board level	a. Percentage of information privacy and security policies reviewed

Goal 5: Governance

To uphold good governance practices which affirm transparency, accountability and fiduciary duty

Objective 5.C

Refine and enhance Board education

Initiatives

C.i Update and implement onboarding and annual internal training for Board members

C.ii Streamline the Board Education and Travel Policy for improved clarity and administration

C.iii Promote participation of Board members at industry conferences

KPIs

- a. Development of onboarding training program for new commissioners
- b. Identification of annual trainings required for the Board
- c. Participation rate in onboarding education for any new commissioner(s) and annual trainings for all commissioners

- a. Development of a streamlined Board Education and Travel Policy
- b. Survey results measuring the Board's understanding and administration of the Board Education and Travel Policy

- a. Identification of relevant and beneficial conferences for attendance
- b. Participation rate of Board members at conferences

Goal 6: Organization

To increase organizational effectiveness, efficiency, and resiliency

		Initiatives	KPIs
Objective 6.A	Strengthen information security measures	<p>A.i Conduct regular penetration testing across LACERS, vendors, and contractor systems</p>	<p>a. Identification of applicable systems for testing</p> <p>b. Results of penetration testing across systems</p>
		<p>A.ii Conduct ongoing, LACERS department-wide information security training</p>	<p>a. Percentage of LACERS Staff who have completed information security training</p>
		<p>B.i Establish and regularly review compliance policies and procedures covering legal and regulatory requirements, financial reporting, and ethics standards</p>	<p>a. Development of compliance policies and procedures</p> <p>b. Percentage of developed compliance policies and procedures reviewed on established periodic basis</p>
		<p>B.ii Conduct periodic industry benchmarking to ensure industry leading practices are leveraged within the compliance framework</p>	<p>a. Identification of peer organizations for benchmarking</p> <p>b. Compliance benchmarking report of LACERS performance compared to peers</p>

Goal 6: Organization

To increase organizational effectiveness, efficiency, and resiliency

		Initiatives		KPIs		
Objective 6.C	Enhance risk management practices	C.i Conduct ongoing LACERS Staff trainings covering risk management best practices	}	a. Participation rate of Staff in the following trainings: AED/first aid, active shooter training, evacuations, and annual fire and life safety trainings (with LAPD/LAFD)		
		C.ii Reassess LACERS insurance policies and determine necessary updates or changes in coverage		a. Percentage of LACERS insurance policies assessed		
		C.iii Carry out tabletop exercises on potential business threats, such as a ransomware event or post-earthquake recovery		a. Number of tabletop exercises held b. Participation rate of Staff on tabletop exercises		
		Objective 6.D	Organization resources alignment and performance management	D.i Obtain LACERS Staff input and buy-in on KPIs and service standards	}	a. Survey results from Staff on applicability and measurability of newly-developed KPIs and service standards
				D.ii Create and maintain performance management KPIs and service standards through collaborative discussions between Senior Leadership and Executive Staff		a. Percentage of LACERS Divisions with KPIs developed b. Conduct annual review of performance against KPIs and service standards
				D.iii Benchmark performance management KPIs and service standard performance against peers	a. Identification of peer organizations for benchmarking b. KPI and service standard benchmarking report of LACERS performance compared to peers	

Goal 6: Organization

To increase organizational effectiveness, efficiency, and resiliency

Objective 6.E

Create operational efficiencies through use of technology

Initiatives	KPIs
<p>E.i Identify areas where innovative technologies and AI can be further integrated within existing LACERS technology</p>	<p>a. Number of opportunities identified for application of innovative technologies (automation, AI)</p>
<p>E.ii Conduct education to improve utilization and standardization of LACERS technology platforms</p>	<p>a. Participation rate of Staff in trainings for technology systems used within their Division</p> <p>b. Number of inquiries requiring assistance brought forth by Staff regarding technology platforms</p>
<p>E.iii Integrate data from the new Human Resource Planning (HRP) system to increase process efficiencies</p>	<p>a. Percentage rate of LACERS human resources processes requiring manual workaround</p>
<p>E.iv Rollout the learning management system (LMS)</p>	<p>a. Deployment of LMS</p> <p>b. Number of trainings developed or incorporated into the LMS</p>
<p>E.v Develop policy on secure and safe use of innovative technology platforms and AI use</p>	<p>a. Development of a policy for technology and AI use</p>
<p>E.vi Conduct a wholistic review of internal data management and create a central repository of data and streamline data analytics capabilities across Divisions</p>	<p>a. Development of LACERS-wide reporting capabilities utilizing the newly-developed central data repository</p> <p>b. Percentage rate of total LACERS data feeds incorporated or input into the central data repository</p>

Goal 7: Workforce

To recruit, retain, mentor, empower, and promote a high-performing workforce

		Initiatives	KPIs
Objective 7.A	Encourage continuing education	<ul style="list-style-type: none">A.i Increase participation in tuition reimbursement program	<ul style="list-style-type: none">a. Participation rate amongst Staff in tuition reimbursement program
Objective 7.B	Maintain a safe and harassment free workplace	<ul style="list-style-type: none">B.i Establish workplace violence prevention program	<ul style="list-style-type: none">a. Annual participation rate for Staff participation in workplace violence training
		<ul style="list-style-type: none">B.ii Conduct workplace harassment trainings for Staff	<ul style="list-style-type: none">a. Participation rate for Staff participation in workplace harassment training

Goal 7: Workforce

To recruit, retain, mentor, empower, and promote a high-performing workforce

		Initiatives	KPIs
Objective 7.C	Develop career path training for permanent and as-needed Staff	C.i Enhance accessibility of training through leveraging the LMS	a. Number of LACERS trainings available on the LMS
		C.ii Develop Division-specific training	a. Percentage of Divisions with specific training programs developed b. Percentage of Staff having completed Division-specific trainings
		C.iii Conduct brown bag lunch and learns	a. Number of lunches held office-wide
		C.iv Provide LACERS Staff with education and support on career-growth opportunities	a. Development of an education plan for Staff on career growth opportunities b. Development of a LACERS-specific career ladder for posting on the website

Goal 7: Workforce

To recruit, retain, mentor, empower, and promote a high-performing workforce

Objective 4.D

Promote LACERS culture in a hybrid environment

Initiatives	KPIs
<p>D.i Continually revisit the hybrid model to account for new innovations in technology and changes in workforce</p>	<p>a. Percentage of LACERS Divisions reviewed for current hybrid model effectiveness</p> <p>b. Survey results of Staff on efficiency and productivity within hybrid work model</p>
<p>D.ii Promote and celebrate use of the Guiding Principles to define LACERS culture</p>	<p>a. Identification of internal events for Staff to celebrate practice of Guiding Principles</p> <p>b. Survey results of Staff on perceived practicing of Guiding Principles at LACERS</p>
<p>D.iii Improve Staff communication and break down Divisional silos</p>	<p>a. Development of annual program for cross-Division trainings and events</p> <p>b. Number of cross-trainings done by Staff across multiple Divisions</p>
<p>D.iv Ensure workforce is supported by technology that enables mobility</p>	<p>a. Number of tickets pertaining to mobility and work from home and timeframe for resolution</p>

Goal 7: Workforce

To recruit, retain, mentor, empower, and promote a high-performing workforce

Objective 4.E

Maximize effectiveness of LACERS workforce and recruitment within staffing model

Initiatives	KPIs
<p>E.i Evaluate LACERS current-state staffing model and career paths to install classifications as necessary for the nature of work conducted by each Division</p>	<p>a. Conduct analysis of current state staffing requirements across LACERS Divisions</p> <p>b. Percentage rate of LACERS units' staffing model and organizational chart evaluated</p>
<p>E.ii Periodically assess LACERS organizational structure and staffing needs to reflect innovative technology and process automations</p>	<p>a. Conduct impact assessment of potential future-state innovations and technology implementations</p>
<p>E.iii Promote DEI in recruitment and hiring of LACERS Staff</p>	<p>a. LACERS Staff survey results of the DEI</p>
<p>E.iv Expand scope of advertising channels to increase awareness of career opportunities at LACERS</p>	<p>a. Incorporation of information on LACERS careers onto website</p> <p>b. Identification of alternate channels to promote LACERS careers</p>



REPORT TO BOARD OF ADMINISTRATION

From: Investment Committee

Elizabeth Lee, Chair
Annie Chao
Gaylord "Rusty" Roten

MEETING: JUNE 25, 2024

ITEM: VII-B

SUBJECT: INVESTMENT MANAGER CONTRACT WITH POLEN CAPITAL CREDIT, LLC REGARDING THE MANAGEMENT OF AN ACTIVE HYBRID HIGH YIELD FIXED INCOME/U.S. FLOATING RATE BANK LOAN PORTFOLIO AND POSSIBLE BOARD ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board:

1. Approve a two-year contract extension with Polen Capital Credit, LLC (Polen Credit) for management of an active hybrid high yield fixed income/U.S. floating rate bank loan portfolio.
2. Authorize the General Manager to approve and execute the necessary documents, subject to satisfactory business and legal terms.

Discussion

On June 11, 2024, the Committee considered the attached staff report (Attachment 1) recommending a two-year contract extension with Polen Credit for management of an active hybrid high yield fixed income/U.S. floating rate bank loan portfolio. The current contract extension expires on August 31, 2024. LACERS' portfolio was valued at approximately \$265 million as of May 31, 2024. Polen Credit is in compliance with the LACERS Manager Monitoring Policy.

Staff provided a review of the organization, investment strategy, performance, and fees. Staff underscored the strength of the strategy's recent performance. For the one-year period through April 30, 2024, the strategy outperformed its benchmark by 243 basis points. Staff noted that this led to a significant reduction in the strategy's cumulative underperformance. Through April 30, 2023, the strategy registered a since inception net return of -133 basis points. One year later through April 30, 2024, the since inception net return improved to -32 basis points. Staff mentioned there have not been any fee concessions but acknowledged that the manager has continued to work with staff in exploring

other options in which fees could be optimized. Lastly, staff highlighted the investment team's stability and consistency. Following the discussion, the Committee concurred with the staff recommendation.

Strategic Plan Impact Statement

A contract extension with Polen Credit will allow the fund to maintain a diversified exposure to the active high yield fixed income and U.S. floating rate bank loan markets, which is expected to help optimize long-term risk adjusted investment returns (Goal IV). The discussion of the investment manager's organization, strategy, performance, and management fee structure aligns with the Strategic Plan Goal to uphold good governance practices that affirm transparency, accountability, and fiduciary duty (Goal V).

Prepared By: Jeremiah Paras, Investment Officer II, Investment Division

NMG/RJ/WL/JP:rm

Attachments: 1. Investment Committee Recommendation Report dated June 11, 2024
 2. Proposed Resolution



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



REPORT TO INVESTMENT COMMITTEE
From: Neil M. Guglielmo, General Manager

Neil M. Guglielmo

MEETING: JUNE 11, 2024
ITEM: IV

SUBJECT: INVESTMENT MANAGER CONTRACT WITH POLEN CAPITAL CREDIT, LLC REGARDING THE MANAGEMENT OF AN ACTIVE HYBRID HIGH YIELD FIXED INCOME/U.S. FLOATING RATE BANK LOAN PORTFOLIO AND POSSIBLE COMMITTEE ACTION

ACTION: **CLOSED:** **CONSENT:** **RECEIVE & FILE:**

Recommendation

That the Committee recommend to the Board a two-year contract extension with Polen Capital Credit, LLC (Polen Credit) for management of an active hybrid high yield fixed income/U.S. floating rate bank loan portfolio.

Executive Summary

Polen Credit has managed an active hybrid high yield fixed income/U.S. floating rate bank loan portfolio for LACERS since October 2020. LACERS' portfolio was valued at \$262 million as of April 30, 2024. The Board authorized a provisional one-year contract extension on June 27, 2023, on account of the LACERS portfolio underperforming against its benchmark, net of fees, over the period spanning two-and-a-half years since inception. Staff underscores the strong performance over the past year as well as the stability of the investment process and strategy. Further, the strategy demonstrates outperformance over longer periods of time. Staff recommends a two-year extension of the Polen Credit contract.

Discussion

Background

Polen Credit manages an active hybrid high yield fixed income/U.S. floating rate bank loan portfolio for LACERS benchmarked against a custom blend of 50% of the Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index and 50% of the Credit Suisse Leveraged Loan Index. With an active bias toward small-to-mid cap issues, Polen Credit's strategy seeks to exploit inefficiencies in the credit markets by adhering to a bottom-up, fundamentally oriented investment process with downside protection. The strategy is opportunistic and has the flexibility to invest in both high yield bonds (target range generally 50% to 95% of portfolio market value) and bank loans (target range generally 0% to 50% of portfolio market value); the strategy is not required, nor expected, to maintain an even allocation between high yield bonds and bank loans like its benchmark, pursuant to its approved investment management guidelines. LACERS' portfolio was valued at \$262 million as of April 30, 2024.

The strategy has three named co-portfolio managers: Dave Breazzano (44 years of experience / 27 years with Polen Credit), Ben Santonelli (20 years of experience / 19 years with Polen Credit), and John Sherman (20 years of experience / 16 years with Polen Credit), who all form part of a larger 23-member investment team.

The Board hired Polen Credit through the 2019-2020 Active Hybrid High Yield Fixed Income/U.S. Floating Rate Bank Loan search process and authorized a three-year contract on February 11, 2020; the contract became effective on September 1, 2020. On June 27, 2023, the Board approved the current contract extension which expires on August 31, 2024.

Organization

Polen Credit is headquartered in Waltham, Massachusetts. At the time of its hiring, Polen Credit, formerly known as DDJ Capital Management, LLC prior to rebranding, was 100% employee-owned. In January 2022, Florida-based growth equity asset management firm Polen Capital Management, LLC (Polen Capital) acquired Polen Credit as a wholly owned subsidiary. Polen Credit continues to operate autonomously from its parent Polen Capital. As of March 31, 2024, Polen Capital managed \$69.6 billion in total assets, inclusive of the \$7.7 billion in total credit assets, which in turn includes the \$5.0 billion under the U.S. Opportunistic High Yield strategy. LACERS' capital comprises approximately 5.2% of this strategy. As of March 31, 2024, Polen Capital had 261 employees, 53 of which are investment professionals. There are 23 investment personnel primarily dedicated to the support of the credit business.

Due Diligence

Staff conducts routine due diligence of the manager that includes quarterly portfolio reviews and ad hoc investment discussions. LACERS staff last conducted an extensive onsite meeting at Polen Credit's headquarters on April 12, 2023, to interview key personnel across the organization. Through these due diligence activities and continuous monitoring, staff and NEPC have determined that Polen Credit's investment philosophy, strategy, and process have not changed materially since contract inception.

Polen Capital's acquisition of Polen Credit in January 2022 prompted staff to place Polen Credit under watch status pursuant to the LACERS Manager Monitoring Policy. Staff and NEPC closely monitored the firm's integration progress and performance against specific standards set forth by policy and in February 2023, removed Polen Credit from watch status upon determining that the change in ownership did not detrimentally impact the firm's investment capabilities. Staff also determined that the acquisition has not affected the autonomy of the Polen Credit portfolio management team, which has remained stable since contract inception. Polen Credit is currently in compliance with the LACERS Manager Monitoring Policy.

Performance

As of April 30, 2024, Polen Credit outperformed the benchmark over the 3-month and 1-year time periods but continues to log negative net excess returns over the 3-year and since inception time periods, as presented in the following table.

Annualized Performance as of 4/30/2024 (Net-of-Fees)				
	3-Month	1-Year	3-Year	Since Inception 10/28/2020
Polen Credit	2.46	13.01	3.00	4.82
50% Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index/50% Credit Suisse Leveraged Loan Index	1.47	10.58	3.72	5.14
<i>% of Excess Return</i>	<i>0.99</i>	<i>2.43</i>	<i>-0.72</i>	<i>-0.32</i>

During the contract renewal discussions between May and June 2023, the Board called attention to the strategy’s net-of-fees underperformance against the benchmark across several time periods, including the then two-and-a-half years since inception through April 30, 2023 (Attachment 2). With concerns over the manager’s ability to deliver on its objective of outperforming the benchmark, net of fees, over a full market cycle, the Board approved a one-year extension instead of a full three-year contract renewal. In the ensuing year through April 30, 2024, the strategy outperformed the benchmark by 243 basis points net-of-fees. Referring to Exhibit 2 of the NEPC recommendation report (Attachment 1), the strategy’s one-year performance through March 31, 2024, places it in the 3rd percentile ranking in its peer group.

The calendar year returns, as shown in the following table, are also illustrative of the strategy’s outperformance over the more recent time periods. The 2024 year-to-date (as-of April 30) and the 2023 full year net excess returns are 162 and 170 basis points, respectively. In contrast, most of Polen Credit’s cumulative underperformance relative to the benchmark can be traced to the strategy’s significant underperformance during the calendar year 2022, which was marked by a net excess return of -413 basis points.

Calendar Year Performance as of 4/30/2024 (Net-of-Fees)					
	1/01/2024- 4/30/2024	2023	2022	2021	10/28/2020- 12/31/2020
Polen Credit	3.49	14.98	-10.27	5.31	4.90
50% Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index/50% Credit Suisse Leveraged Loan Index	1.87	13.28	-6.14	5.34	4.61
<i>% of Excess Return</i>	<i>1.62</i>	<i>1.70</i>	<i>-4.13</i>	<i>-0.03</i>	<i>0.29</i>

While since inception net-of-fees performance still lags the benchmark, the strategy’s recent performance has led to a significant reduction in its cumulative underperformance. Through April 30, 2023, the strategy registered a two-and-a-half years since inception net excess return of -133 basis points. Through April 30, 2024, the three-and-a-half years since inception net excess return has improved to -32 basis points.

The composite’s (all accounts managed in the strategy) trailing returns, updated as of April 30, 2024, are presented as supplemental information in the following table. Net excess returns for the composite remain positive for all time periods seven years and longer, demonstrating a long history of outperformance.

Composite Trailing Returns as of 4/30/2024 (Net-of-Fees)									
	3-Month	1-Year	3-Year	5-Year	7-Year	10-Year	15-Year	20-Year	Since Inception 3/31/1998
Polen Credit	1.78	10.40	3.56	4.43	4.91	5.24	8.96	7.06	6.97
Benchmark	1.47	10.58	3.72	4.45	4.54	4.47	7.28	5.69	5.48
<i>% of Excess Return</i>	<i>0.31</i>	<i>-0.18</i>	<i>-0.16</i>	<i>-0.02</i>	<i>0.37</i>	<i>0.77</i>	<i>1.68</i>	<i>1.37</i>	<i>1.49</i>

Fees

LACERS pays Polen Credit an effective fee of 51 basis points (0.51%), which is approximately \$1.3 million annually. This fee ranks in the 84th percentile of fees charged by high yield fixed income managers in the eVestment database (i.e., 84% of have lower fees). The premium to the manager’s fee partly comes from the strategy’s structural allocation to bank loans, whereas the peer universe cited is mostly comprised of managers focused on high yield fixed income exclusively. Since inception, LACERS has paid Polen Credit a total of \$4.4 million in investment management fees as of April 30, 2024.

During last year’s contract renewal discussions, the Board also pointed out that the level of fees also contributed to the strategy’s cumulative underperformance. Staff worked with the manager in exploring options to lower management fees; this resulted in the proposal of three different fund and fee structures, under two of which fees are performance-based. The Board did not find any of the options suitable. Further, a hypothetical analysis of the two performance-based fee structures shows that for the year ending April 30, 2024, LACERS would have paid approximately 59 and 58 basis points respectively, a considerable increase from the current effective fee.

Staff has continued to push for lower management fees with Polen Credit. For the time being, the manager has ruled out a further reduction to the current asset-based fee structure because this would require extending the reduction to other separately managed client accounts pursuant to most favored nations contract provisions. As part of its manager monitoring responsibilities, staff will continue to work with the manager in pursuing fee optimization as appropriate.

General Fund Consultant Opinion

NEPC concurs with this recommendation.

Strategic Plan Impact Statement

A contract extension with Polen Credit will allow the fund to maintain a diversified exposure to the active high yield fixed income and U.S. floating rate bank loan markets, which is expected to help optimize long-term risk adjusted investment returns (Goal IV). The discussion of the investment manager’s organization, strategy, performance, and management fee structure aligns with the Strategic Plan Goal to uphold good governance practices that affirm transparency, accountability, and fiduciary duty (Goal V).

Prepared By: Jeremiah Paras, Investment Officer II, Investment Division

NMG/RJ/WL/JP:rm

Attachments: 1. Consultant Recommendation – NEPC, LLC
 2. Report to Board of Administration Dated June 27, 2023



To: Los Angeles City Employees' Retirement System Investment Committee

From: NEPC, LLC

Date: June 11, 2024

Subject: Polen Capital Management, LLC - Contract Renewal

Recommendation

NEPC recommends Los Angeles City Employees' Retirement System (LACERS) renew the contract with Polen Capital Management, LLC ('Polen' or 'Polen Capital') for a period of two years from the date of contract expiry.

Background

Polen has been an investment manager for LACERS since October 28, 2020 managing a high yield/bank loan strategy within the Credit Opportunities asset class. As of March 31, 2024, Polen managed \$261.8 million, or 1.1% of Plan assets. The portfolio is benchmarked against a 50:50 split between the Bloomberg U.S. High Yield 2% Issuer Cap Index and the Credit Suisse Leveraged Loan Index. The portfolio has a performance objective of outperforming the benchmark, net of fees, annualized over a full market cycle (normally three-to-five years). The Polen portfolio is currently compliant with LACERS' manager monitoring policy.

DDJ Capital Management was founded by Dave Breazzano in 1996. In December 2021 it was announced that Polen Capital Management, LLC, a privately held growth equity investment firm, would be acquiring DDJ, with the deal ultimately closing in January 2022. The transaction saw DDJ founder Dave Breazzano take an equity interest in Polen's holding company and become a member of the firm's Operating Committee. Other equity owners in DDJ, including departed partners who still held equity interest, were paid out 2/3rds up front, with the last 1/3rd expected to be paid out over three years based on certain business metrics. The senior investment team members of legacy DDJ received phantom equity in the Polen Capital Credit franchise business based on revenue share and will have the opportunity to become equity partners in the Polen holding company over time. DDJ has officially been rebranded as Polen Credit. There are three other growth equity teams at Polen, all bringing different expertise. Each group functions separately but takes advantage of centralized operational and marketing resources. Polen Credit is now the fourth team under Polen Capital and is the only fixed income manager.

Polen Capital Management was founded in 1979 by David M. Polen, who was the sole owner until July 2007. In July 2007, employee ownership was broadened to 10% with David Polen continuing to own 90% of the firm. David Polen passed away in June 2012 and his ownership interest passed to Polen Family Holdings (formerly the Polen Family Trust). In December 2012, an employee group led by Stan Moss, Dan Davidowitz and Damon Ficklin assumed majority ownership of the firm.

From 2012-2015, employees owned 51% of the firm and Polen Family Holdings owned 49% as a passive owner. At year-end 2015, iM Global Partner (formerly iM Square), a London-based investment and development platform dedicated to the asset management business, acquired a 20%

passive equity stake in Polen Capital. iM Global Partner purchased 20% directly from Polen Family Holdings. Polen Family Holdings was further diluted by 9% as a result of new equity interests granted to Polen Capital employees. This increased employee ownership from 51% to 60%. On January 4, 2019, Polen Capital purchased 11% of equity from Polen Family Holdings. This increased employee ownership from 60% to 71%. In January 2020, the legal structure of Polen Capital Management LLC was modified such that the 71% of Polen Capital Management LLC that is owned by employees is now held through a limited partnership entity, Polen Capital Holdings LP. This limited partnership provides a more tax-efficient structure. In connection with that modification, there were no changes in the management of the firm or the overall ownership breakdown in terms of aggregate percentages owned by Polen Capital employees, iM Global Partner, or the Polen family. The current ownership structure is 72% employees (Polen Capital Holdings LP), 20% iM Global Partner (passive interest) and 8% Polen Family Holdings (passive interest). Importantly, Polen Capital employees control 100% of the firm.

As of March 31, 2024, Polen Capital Management had approximately \$69.6 billion in assets under management ('AUM') and the Polen Credit team managed \$7.7 billion, of which the Opportunistic High Yield strategy represented \$5.0 billion.

Polen focuses on the smaller issue size and lower-rated parts of the high yield and loan market. They believe the rating agencies have a size bias and will rate securities lower due to smaller size. Polen relies on in-depth enterprise analysis, with a loan to value lens. They want companies that generate cash flow and have enterprise value/asset value to help secure their positions. There is also a strong focus on the covenant/legal aspects to help them understand and protect value when credit events arise. Generally, their perspective is that of a long-term lender and they enter positions expecting to be a long-term holder and earn the coupon. Polen does not have a dedicated risk management team. Given the nature of the investments and the focus on lower tier high yield (and bank loans), risk management effectively comes in the underwriting and monitoring of investments. Polen's focused style does lead to larger position sizes in relatively less liquid markets, so investors should be aware of the portfolio's limited liquidity during stressful times. It is also not unusual for Polen to be involved in creditor battles and dealing with bankruptcies and restructurings where positions may become restricted.

Dave Breazzano is the head of the high yield team at Polen. He has been leading the group since DDJ's inception in 1996. Around him is a slightly younger generation. John Sherman (19 years industry/16 years Polen) and Ben Santonelli (19 years industry/19 years Polen) are co-PMs with Mr. Breazzano on the Opportunistic High Yield strategy. In addition to the portfolio managers, on the Investment Review Committee is the Associate General Counsel, Elizabeth Duggan. Jason Rizzo is the head trader. Supporting the Investment Review Committee is a nine-person research group, broken out by industry coverage.

Performance

Referring to Exhibit 1, as of March 31, 2024, since the portfolio's inception date of November 1, 2020, the portfolio has underperformed its benchmark by -0.6%. Over the past year, the portfolio has outperformed the benchmark by 3.4% and year-to-date the portfolio has outperformed by 1.6%. Referring to Exhibit 1A, over longer periods of time, Polen clients in the U.S. Opportunistic High Yield product have experienced outperformance over longer periods of time with 5.2% and 5.3% over the 7 and 10-year respectively. Over the last five years the product has outperformed by 0.1% and over three years has been in line with the benchmark.



Referring to Exhibit 2, as of March 31, 2024, since inception the portfolio has underperformed its benchmark's return by -0.6% and ranked in the 25th percentile in its peer group. In the past year, ended March 31, 2024, the portfolio outperformed its benchmark return by 3.4% and ranked in the 3rd percentile in its peer group.

Referring to Exhibit 3, outperformance over the course of 2023 has helped narrow the return gap since inception of cumulative results. The portfolio outperformed in each of the quarters of 2023. Stubborn inflation and resilient economic growth led to lower forecasts for U.S. Federal Reserve rate cuts in 2024 and rising interest rates. Credit spreads tightened for high yield bonds and leveraged loans, contributing to lower-rated credits' outperformance. All of this was a positive for the portfolio. In Q1, U.S. Treasury yields moved higher. The shorter duration of the Portfolio relative to the Index contributed to relative performance.

Fees

The portfolio has an asset-based fee of 0.506% annually. This fee ranks in the 84th percentile among its peers in the eVestment U.S. High Yield Fixed Income universe. In other words, 84% of the products included in the peer universe have a lower fee than the LACERS account.

Conclusion

Polen has underperformed its benchmark index since November 1, 2020. The portfolio is designed to invest in the smaller sized and lower-rated parts of the U.S. High Yield and bank loans investment universe and this area of the market has not been in favor. Polen Credit has exhibited some instability having been purchased, though NEPC sees this as a net positive as it should provide long-term stability in firm operations. Polen's investment process, investment team, strategy and philosophy have been stable. NEPC recommends a contract renewal for a period of two years from the period of contract expiry.

The following tables provide specific performance information, net of fees referenced above.

Exhibit 1: Performance Comparison Net of Fees as of March 31, 2024

	1 Month	YTD	1 Year	3 Years	5 Years	10 Years	Inception	Inception Date
Polen Capital	2.0	3.6	15.2	3.3	-	-	4.8	Nov-20
50% BBgBarc US High Yield 2% Issuer Cap / 50% Credit Suisse Leveraged Loan Index	<u>1.0</u>	<u>2.0</u>	<u>11.8</u>	<u>4.0</u>	=	=	<u>5.4</u>	
Over/Under	1.0	1.6	3.4	-0.7	-	-	-0.6	



Exhibit 1A: Performance Comparison Net of Fees Polen U.S. Opportunistic High Yield Separately Managed Accounts Composite as of March 31, 2024

Product Name	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Returns - Since Inception 25 Years 04/1998 - 03/2024
Polen Capital	2.8	12.2	4.0	4.9	5.2	5.3	7.0
50% BBgBarc US High Yield 2% Issuer Cap / 50% Credit Suisse Leveraged Loan Index	<u>2.0</u>	<u>11.8</u>	<u>4.0</u>	<u>4.8</u>	<u>4.7</u>	<u>4.5</u>	--
Over/Under	0.8	0.4	0.0	0.1	0.5	0.8	--

*Source: eVestment, Polen Capital U.S. Opportunistic High Yield separately managed account composite

Exhibit 2: Universe Performance Comparison Net of Fees Ending March 31, 2024

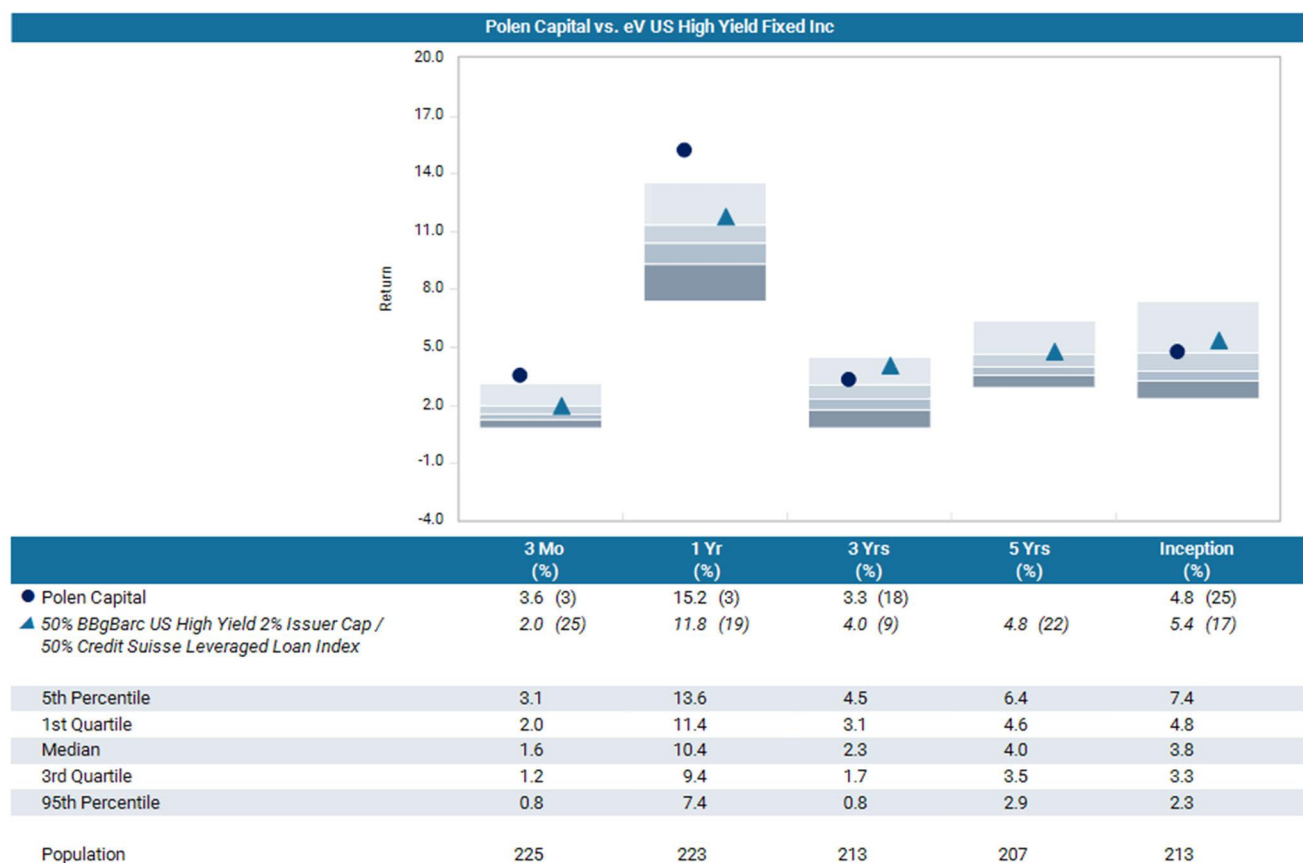
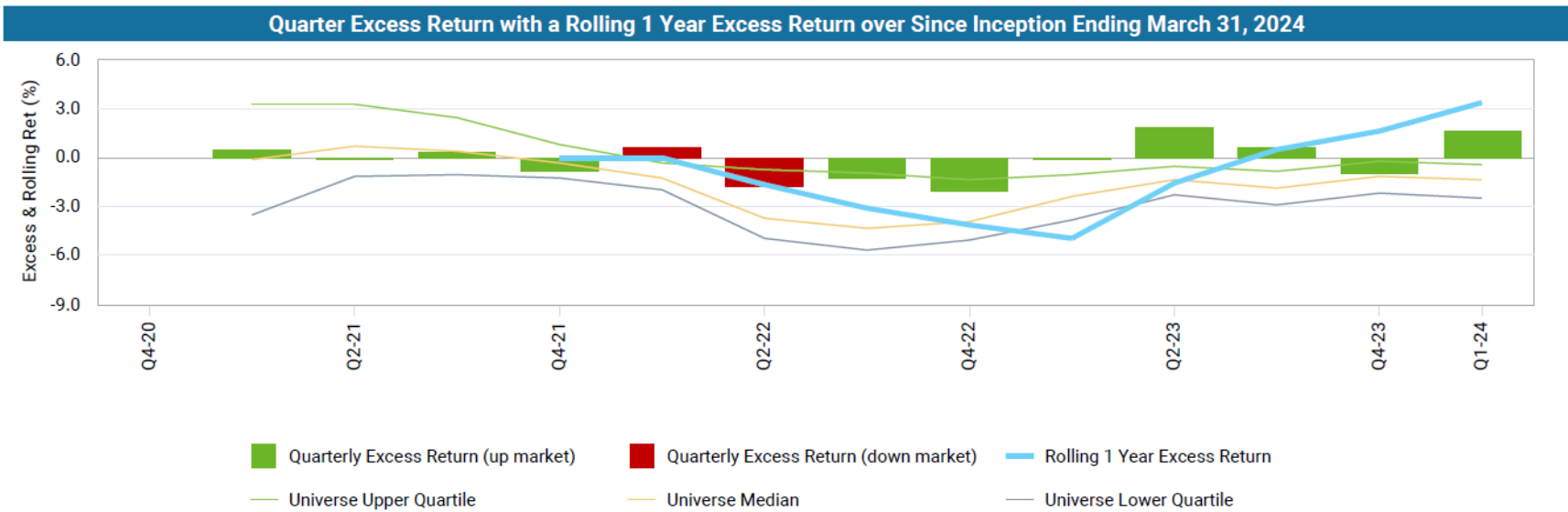




Exhibit 3: Cumulative Excess Performance Net of Fees Ending March 31, 2024





LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



REPORT TO BOARD OF ADMINISTRATION

From: Investment Committee

Elizabeth Lee, Chair
Janna Sidley
Thuy Huynh

MEETING: JUNE 27, 2023

ITEM: XII – C

SUBJECT: APPROVAL OF 1-YEAR CONTRACT WITH POLEN CAPITAL CREDIT, LLC REGARDING THE MANAGEMENT OF AN ACTIVE HYBRID HIGH YIELD FIXED INCOME/U.S. FLOATING RATE BANK LOAN PORTFOLIO AND POSSIBLE BOARD ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board:

1. Approve a one-year contract extension with Polen Capital Credit, LLC (Polen Credit) for management of an active hybrid high yield fixed income/U.S. floating rate bank loan portfolio.
2. Authorize the General Manager to approve and execute the necessary documents, subject to satisfactory business and legal terms.

Discussion

At the Investment Committee meeting held on June 13, 2023, the Committee considered the attached staff report (Attachment 1) recommending a one-year contract extension with Polen Credit. The firm has managed an active hybrid high yield fixed income/U.S. floating rate bank loan portfolio for LACERS since October 2020; the current contract expires on August 31, 2023. LACERS' portfolio was valued at approximately \$231 million as of May 31, 2023. Polen Credit is in compliance with the LACERS Manager Monitoring Policy. Since inception, LACERS has paid Polen Credit a total of \$3.2 million in investment fees through May 31, 2023.

Performance

The Committee meeting of June 13, 2023, continued a discussion of performance and investment management fees from their meeting of May 9, 2023. Included in the staff report to the Committee (attached) was a three-year contract renewal recommendation despite manager performance for the period ending March 31, 2023, showing negative returns relative to the benchmark over the 1-year, 2-year, and since inception time periods, and a marginal positive net excess return over the most recent

three months. Polen Credit has managed the LACERS portfolio for approximately 32 months under an unconventional market cycle and its track record is not long enough to warrant Watch Status placement. An update through May 31, 2023, extends the strategy's calendar year excess returns against the benchmark to 127 basis points, as presented in the table below.

Calendar Year Performance as of 5/31/2023 (Net-of-Fees)				
	1/01/2023-5/31/2023	2022	2021	10/28/2020-12/31/2020
Polen Credit	5.10	-10.27	5.31	4.90
50% Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index/50% Credit Suisse Leveraged Loan Index	3.83	-6.14	5.34	4.61
<i>% of Excess Return</i>	<i>1.27</i>	<i>-4.13</i>	<i>-0.03</i>	<i>0.29</i>

Despite recent performance gains in the calendar year 2023, Polen Credit continues to underperform the benchmark over the 1-year, 2-year, and since inception time periods as of May 31, 2023, but has reduced since inception underperformance by 18 bps between April 30, 2023 (since inception net excess return was -1.33%), and May 31, 2023, as presented in the table below.

Annualized Performance as of 5/31/2023 (Net-of-Fees)				
	3-Month	1-Year	2-Year	Since Inception 10/28/2020
Polen Credit	1.40	0.51	-1.79	1.60
50% Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index/50% Credit Suisse Leveraged Loan Index	0.95	2.81	0.00	2.75
<i>% of Excess Return</i>	<i>0.45</i>	<i>-2.30</i>	<i>-1.79</i>	<i>-1.15</i>

The composite's trailing returns as of May 31, 2023, are presented as supplemental information in the following table.

Composite Trailing Returns as of 5/31/2023 (Net-of-Fees)									
	3-Month	1-Year	3-Year	5-Year	7-Year	10-Year	15-Year	20-Year	Since Inception 3/31/1998
Polen Credit	1.31	0.96	8.11	3.39	5.89	4.92	6.80	7.47	6.82
Benchmark	0.95	2.81	4.41	3.37	4.37	3.94	5.44	5.68	5.24
<i>% of Excess Return</i>	<i>0.36</i>	<i>-1.85</i>	<i>3.70</i>	<i>0.02</i>	<i>1.51</i>	<i>0.98</i>	<i>1.36</i>	<i>1.78</i>	<i>1.58</i>

Polen Credit's history of risk-adjusted outperformance, stability of its team, and proven repeatable investment process provides confidence to staff that allowing this manager to realize its value-add skills in challenging market conditions over a longer market cycle is warranted.

Fees

The Committee discussed the current fee structure, which is an effective 52 basis points (0.52%) based on current assets under management, which in turn ranks in the 86th percentile of fees charged by managers in the peer universe. Given the underperformance reflected under various time periods, the Committee directed staff to negotiate a more attractive fee structure commensurate with the aforementioned underperformance.

Polen Credit returned to LACERS with three fee options for the Committee's consideration.

Option 1: Performance-Based Fee – LACERS will pay the manager a base fee of 25 basis points and 15% of the performance share (above its benchmark). This option will only require an amendment to the existing contract. However, LACERS may end up paying the manager a higher total fee should the manager deliver strong relative performance regardless of upward or downward performance.

Option 2: Commingled Investment Trust (CIT) – The CIT would be structured as a fund-of-one and LACERS would maintain the flexibility to tailor its own guidelines. Fees would be approximately 49 basis points of AUM: management fees at 42 basis points and administrative fees capped at seven basis points.

Option 3: Opportunistic High Yield Private Fund – This fund is Polen Credit's private commingled vehicle. The current share class fees would be 45 basis points of AUM: 32 basis points in management fees and 13 basis points administrative fees. Unlike the fund-of-one, LACERS would be subject to the private fund's guidelines.

Each option entails a different combination of financial, transparency, liquidity, fund governance, negotiation, operational and implementation considerations. Based on the preliminary information however, the Committee found the options unacceptable, and directed staff to continue negotiating with the manager for other options to consider.

Staff recommends a one-year extension of the Polen Credit contract under the current asset-based fee structure to allow time for staff and the general investment consultant to explore a wider set of fee structure options to bring to the Committee over the next several months with appropriate recommendations. As LACERS prepares for another asset allocation study in 2024, staff will also consider past and trending fundamental market and economic changes that could lead to structural changes to its asset allocation policy. The Committee concurred with the staff recommendation for a one-year contract extension effective September 1, 2023.

Strategic Plan Impact Statement

A contract extension with Polen Credit will allow the fund to maintain a diversified exposure to the active high yield fixed income and U.S. floating rate bank loan markets, which is expected to help optimize long-term risk adjusted investment returns (Goal IV). The discussion of the investment manager's performance and management fee structure aligns with the Strategic Plan Goal to uphold good governance practices that affirm transparency, accountability, and fiduciary duty (Goal V).

Prepared By: Jeremiah Paras, Investment Officer I, Investment Division

NMG/RJ/WL/JP:rm

Attachments: 1. Investment Committee Recommendation Report dated June 13, 2023
2. Proposed Resolution



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



REPORT TO INVESTMENT COMMITTEE
From: Neil M. Guglielmo, General Manager

MEETING: JUNE 13, 2023
ITEM: VI

Neil M. Guglielmo

SUBJECT: CONTINUED DISCUSSION OF INVESTMENT MANAGER CONTRACT WITH POLEN CAPITAL CREDIT, LLC REGARDING THE MANAGEMENT OF AN ACTIVE HYBRID HIGH YIELD FIXED INCOME/U.S. FLOATING RATE BANK LOAN PORTFOLIO AND POSSIBLE COMMITTEE ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Committee recommend to the Board a one-year contract extension with Polen Capital Credit, LLC (Polen Credit) for management of an active hybrid high yield fixed income/U.S. floating rate bank loan portfolio.

Executive Summary

Polen Credit has managed an active hybrid high yield fixed income/U.S. floating rate bank loan portfolio for LACERS since October 2020. LACERS' portfolio was valued at \$231 million as of April 30, 2023. At the Investment Committee meeting held on May 9, 2023, staff presented a recommendation for a three-year contract renewal. The Committee found the level of the manager's investment management fees unsuitable considering underperformance of the strategy and instructed staff to negotiate with the manager for a lower fee structure. Polen Credit presented staff with three alternative fee options, each with its own financial, legal, and administrative considerations. Staff recommends a one-year extension of the Polen Credit contract under the current asset-based fee structure to allow staff sufficient time to fully evaluate these options.

Discussion

Background

At the Investment Committee meeting held on May 9, 2023, the Committee received a recommendation from staff for a three-year contract renewal for Polen Credit for the management an active hybrid high yield fixed income/U.S. floating rate bank loan portfolio for LACERS benchmarked against a custom blend of 50% of the Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index and 50% of the Credit Suisse Leveraged Loan Index. LACERS' portfolio was valued at \$231 million as of April 30, 2023.

Staff noted that while Polen Credit is currently compliant with the LACERS Manager Monitoring Policy, the manager is registering underperformance against its benchmark over the 1-year, 2-year, and since

inception time periods. Staff upheld that the short performance track record of the LACERS account is insufficient to cover a conventional market cycle and therefore does not provide adequate time to fully evaluate the effectiveness of the manager. Also highlighted during the report, the composite's net excess returns for longer time periods remain positive. The Committee directed staff to maintain its due diligence efforts and continue to closely monitor the manager and strategy pursuant to policy.

Further, the Committee expressed its reservations about the investment management fees. In particular, the Committee found the effective fee of 52 basis points (0.52%), which ranks in the 86th percentile of fees charged by managers in the peer universe, to be unsuitable considering underperformance of the strategy. Staff explained that the premium to the manager's fee comes from the strategy's structural allocation to bank loans, whereas the peer universe is mostly comprised of managers focused on high yield fixed income. The Committee instructed staff to negotiate with the manager and push for a lower fee structure as a condition for contract renewal.

Performance

As an update to performance, of April 30, 2023, Polen Credit still underperformed the benchmark over the 1-year, 2-year, and since inception time periods. The manager delivered a positive net excess return over the 3-month time period, as presented in the table below.

Annualized Performance as of 4/30/2023 (Net-of-Fees)				
	3-Month	1-Year	2-Year	Since Inception 10/28/2020
Polen Credit	1.66	-1.35	-1.67	1.72
50% Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index/50% Credit Suisse Leveraged Loan Index	1.13	2.16	0.46	3.05
<i>% of Excess Return</i>	<i>0.53</i>	<i>-3.51</i>	<i>-2.13</i>	<i>-1.33</i>

The performance over the quarter was buoyed by the results for the month of April 2023, which saw an 88 basis points outperformance against the benchmark. This was also additive to the strategy's calendar year-to-date outperformance against the benchmark, as presented in the table below.

Calendar Year Performance as of 4/30/2023 (Net-of-Fees)				
	1/01/2023- 4/30/2023	2022	2021	10/28/2020- 12/31/2020
Polen Credit	5.28	-10.27	5.31	4.90
50% Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index/50% Credit Suisse Leveraged Loan Index	4.36	-6.14	5.34	4.61
<i>% of Excess Return</i>	<i>0.92</i>	<i>-4.13</i>	<i>-0.03</i>	<i>0.29</i>

The composite's trailing returns, updated as of April 30, 2023, are presented as supplemental information in the following table.

Composite Trailing Returns as of 4/30/2023 (Net-of-Fees)									
	3-Month	1-Year	3-Year	5-Year	7-Year	10-Year	15-Year	20-Year	Since Inception 3/31/1998
Polen Credit	1.50	-0.67	9.63	3.35	6.01	4.95	6.89	7.53	6.84
Benchmark	1.13	2.16	5.99	3.49	4.56	3.97	5.51	5.77	5.28
<i>% of Excess Return</i>	<i>0.37</i>	<i>-2.83</i>	<i>3.64</i>	<i>-0.14</i>	<i>1.45</i>	<i>0.98</i>	<i>1.38</i>	<i>1.76</i>	<i>1.56</i>

Fee Structure Options

Staff discussed the Committee’s desire for lower management fees with Polen Credit, which readily expressed a willingness to work with LACERS to optimize fees. The manager ruled out a further reduction to the current asset-based fee structure because this would require extending the reduction to other separately managed client accounts pursuant to most favored nations contract provisions. Instead, Polen Credit presented staff with three other options, each with its own financial, legal and administrative considerations. The first option is a performance-based fee. Under this fee structure, LACERS pays the manager a base fee of 25 basis points and 15% of the performance share. The primary advantage of this structure would be the ease of implementation – LACERS would not need to transition out of its separately management account (SMA) as the process will only require an amendment to the existing contract. The drawback to this fee structure is the possibility that LACERS ends up paying the manager a higher total fee relative to the current asset-based fee structure should the manager deliver strong relative performance, in either up or down markets. Other technical considerations include setting a performance cap and determining the performance calculation timing.

As a second option, Polen Credit is willing to create a new Commingled Investment Trust (CIT) fund exclusive to LACERS. It would be structured as a fund-of-one and as such, LACERS would maintain the flexibility to tailor its own investment management guidelines. Under the tiered management fee of this proposed structure and the current market value of the LACERS portfolio, LACERS would pay approximately 42 basis points in management fees plus administrative fees capped at seven basis points with Polen Credit subsidizing the remainder of the administrative fees. LACERS may lose the holdings transparency it currently has with its SMA and would be subject to the liquidity/withdrawal window provisions of the CIT. The manager estimates that it would require 90-120 days to launch this vehicle should LACERS pursue this option. LACERS may potentially incur legal costs should outside investment counsel be required to assist with review and negotiation of the CIT contract.

The third option would be transitioning to Polen Credit’s Opportunistic High Yield Private Fund, a private commingled vehicle. The fund is already established, and the share class currently being offered sets cost at 45 basis points, which is comprised of 32 basis points management fees and 13 basis points administrative fees. Unlike the fund-of-one, LACERS would have to adopt the private fund’s investment management guidelines. Although very similar, LACERS’ current guidelines and the private fund’s guidelines do have differences which may be deemed material. LACERS will also need to consider the fund’s liquidity restrictions as well as potential policy implications surrounding the fund’s legal and regulatory status. As with the CIT option, LACERS may potentially incur legal costs should outside investment counsel be required to assist with review and negotiation of the private commingled vehicle contract.

Recommendation

In light of the contract expiration on August 31, 2023, staff recommends a one-year extension of the Polen Credit contract under the current asset-based fee structure. Within the next year, staff and NEPC aim to fully evaluate each of the proposed options to determine if any of the proposed options provide a distinct advantage over the existing fee structure and investment vehicle. As LACERS prepares for another asset allocation study in 2024, staff will also aim to utilize the additional year to evaluate potential changes to the Credit Opportunities asset class under which the Polen Credit active hybrid high yield fixed income/U.S. floating rate bank loan portfolio falls.

Strategic Plan Impact Statement

A contract extension with Polen Credit will allow the fund to maintain a diversified exposure to the active high yield fixed income and U.S. floating rate bank loan markets, which is expected to help optimize long-term risk adjusted investment returns (Goal IV). The discussion of the investment manager's performance and management fee structure aligns with the Strategic Plan Goal to uphold good governance practices that affirm transparency, accountability, and fiduciary duty (Goal V).

Prepared By: Jeremiah Paras, Investment Officer I, Investment Division

NMG/RJ/BF/JP:rm

Attachment: 1. Investment Committee Recommendation Report dated May 9, 2023



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



REPORT TO INVESTMENT COMMITTEE
From: Neil M. Guglielmo, General Manager

MEETING: MAY 9, 2023
ITEM: VII

Neil M. Guglielmo

SUBJECT: INVESTMENT MANAGER CONTRACT WITH POLEN CAPITAL CREDIT, LLC REGARDING THE MANAGEMENT OF AN ACTIVE HYBRID HIGH YIELD FIXED INCOME/U.S. FLOATING RATE BANK LOAN PORTFOLIO AND POSSIBLE COMMITTEE ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Committee recommend to the Board a three-year contract renewal with Polen Capital Credit, LLC for management of an active hybrid high yield fixed income/U.S. floating rate bank loan portfolio.

Executive Summary

Polen Capital Credit, LLC (Polen Credit) has managed an active hybrid high yield fixed income/U.S. floating rate bank loan portfolio for LACERS since October 2020. LACERS' portfolio was valued at \$227 million as of March 31, 2023. Polen Credit is in compliance with the LACERS Manager Monitoring Policy. Staff and NEPC, LLC (NEPC), LACERS' General Fund Consultant, recommend a three-year contract renewal.

Discussion

Background

Polen Credit manages an active hybrid high yield fixed income/U.S. floating rate bank loan portfolio for LACERS benchmarked against a custom blend of 50% of the Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index and 50% of the Credit Suisse Leveraged Loan Index. With an active bias toward small-to-mid cap issues, Polen Credit's strategy seeks to exploit inefficiencies in the credit markets by adhering to a disciplined, bottom-up, fundamentally oriented investment process with a strict adherence to downside protection. The strategy is opportunistic and has the flexibility to invest in both high yield bonds (target range generally 50% to 95% of portfolio market value) and bank loans (allowable range typically 0% to 50% of portfolio market value); the strategy is not required, nor expected, to maintain an even allocation between high yield bonds and bank loans like its benchmark pursuant to its approved investment management guidelines. LACERS' portfolio was valued at \$227 million as of March 31, 2023.

The strategy has three named co-portfolio managers: Dave Breazzano (43 years of experience/26 years with Polen Credit), Ben Santonelli (19 years of experience/18 years with Polen Credit), and John

Sherman (19 years of experience/15 years with Polen Credit), who all form part of a larger 17-member investment team.

The Board hired Polen Credit through the 2019-2020 Active Hybrid High Yield Fixed Income/U.S. Floating Rate Bank Loan search process and authorized a three-year contract on February 11, 2020; the contract became effective on September 1, 2020. The current contract expires on August 31, 2023. Representatives of Polen Credit most recently presented a portfolio review to the Investment Committee on October 11, 2022.

Organization

Polen Credit is headquartered in Waltham, Massachusetts. There are 43 employees working primarily in support of the credit business, 17 of whom are investment personnel. At the time of its hiring, Polen Credit, formerly known as DDJ Capital Management, LLC prior to rebranding, was 100% employee-owned. In January 2022, Florida-based growth equity asset management firm Polen Capital Management, LLC (Polen Capital) acquired Polen Credit as a wholly owned subsidiary. Polen Credit continues to operate autonomously from its parent Polen Capital. As of March 31, 2023, the firm managed over \$6.9 billion in total assets with over \$4.4 billion in their U.S. Opportunistic High Yield strategy. LACERS' capital comprises approximately 5.2% of this strategy.

Due Diligence

Staff conducts routine due diligence of the manager. In addition to meeting virtually for quarterly portfolio reviews and ad hoc investment discussions, LACERS staff conducted an onsite meeting at Polen Credit's headquarters on April 12, 2023 to interview key personnel across the organization. Based upon these due diligence activities as well as staff's and NEPC's continuous monitoring, it has been noted that Polen Credit's investment philosophy, strategy, and process have not changed materially over the contract period.

As to the aforementioned change in Polen Credit's ownership, staff placed Polen Credit under watch status in December 2021 pursuant to the LACERS Manager Monitoring Policy following the announcement of Polen Capital's planned acquisition of Polen Credit. During this evaluation period, staff and NEPC closely monitored the firm's integration progress and performance against specific standards set forth by policy. In February 2023, staff removed Polen Credit from watch status upon determining that the change in ownership did not detrimentally impact the firm's investment capabilities.

Staff and NEPC continue to deem Polen Credit capable of managing assets for LACERS under its hybrid high yield fixed income/U.S. floating rate bank loan strategy.

Performance

As of March 31, 2023, Polen Credit has underperformed the benchmark over the 1-year, 2-year, and since time periods, and delivered a marginal positive net excess return over the 3-month time period, as presented in the following table.

Annualized Performance as of 3/31/2023 (Net-of-Fees)				
	3-Month	1-Year	2-Year	Since Inception 10/28/2020
Polen Credit	3.36	-5.47	-2.13	1.01
50% Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index/50% Credit Suisse Leveraged Loan Index	3.35	-0.54	0.37	2.75
<i>% of Excess Return</i>	<i>0.01</i>	<i>-4.93</i>	<i>-2.50</i>	<i>-1.74</i>

Most of Polen Credit's cumulative underperformance relative to its benchmark can be traced to the strategy's significant underperformance during the calendar year 2022, as presented in the table below.

Calendar Year Performance as of 3/31/2023 (Net-of-Fees)				
	1/01/2023- 3/31/2023	2022	2021	10/28/2020- 12/31/2020
Polen Credit	3.36	-10.27	5.31	4.90
50% Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index/50% Credit Suisse Leveraged Loan Index	3.35	-6.14	5.34	4.61
<i>% of Excess Return</i>	<i>0.01</i>	<i>-4.13</i>	<i>-0.03</i>	<i>0.29</i>

The 2022 underperformance was driven by three primary factors. First, the portfolio maintains an underweight allocation to bank loans relative to the benchmark. (As discussed in the Background section, the portfolio is not required to be evenly allocated between high yield bonds and bank loans like its benchmark.) Floating rate bank loans outperformed fixed rate high yield fixed income by over 1,000 basis points in 2022 due to the rising interest rate environment, causing the strategy to lag the benchmark. Second, the strategy holds a sizable overweight to CCC-rated instruments relative to the benchmark. Polen Credit believes that the lower rated segments of the market are poised for a multi-year stretch of outperformance driven by attractive valuations and healthy fundamentals. In 2022, concerns over rising rates and an impending downturn led lower rated credits to meaningfully underperform higher rated instruments, which the portfolio had an underweight to. Third, the portfolio's structural underweight to the energy sector detracted from performance with the energy sector outperforming since the inception of portfolio. Polen Credit's structural underweight to energy is deliberate as the manager believes that the sector is heavily driven by the price of oil, which is volatile and difficult to predict and therefore does not lend itself well to Polen Credit's bottom-up fundamental research-based approach.

As presented in the table below, even with a significant underperformance in the most recent year, net excess return for the composite (all accounts managed in the strategy) remains positive for all time periods seven years and longer. Polen Credit believes that the portfolio is positioned to outperform the benchmark going forward for several reasons. First, Polen Credit expects a mean reversion to occur, resulting in high yield bonds outperforming bank loans over the next two to three years. Second, the manager believes that the portfolio's yield premium, which is higher relative to the benchmark, will largely be realized with the expectation of only a few credit impairments in the portfolio over the

intermediate term. Third, Polen Credit considers the volatility in the current environment as an opportunity to add significant excess returns through superior security selection.

Composite Trailing Returns as of 3/31/2023 (Net-of-Fees)									
	3-Month	1-Year	3-Year	5-Year	7-Year	10-Year	15-Year	20-Year	Since Inception 3/31/1998
Polen Credit	3.46	-4.15	9.72	2.96	6.23	4.92	6.99	7.77	6.80
Benchmark	3.35	-0.54	7.18	3.41	4.85	4.00	5.70	5.91	5.26
<i>% of Excess Return</i>	<i>0.11</i>	<i>-3.61</i>	<i>2.54</i>	<i>-0.45</i>	<i>1.38</i>	<i>0.92</i>	<i>1.29</i>	<i>1.86</i>	<i>1.54</i>

Polen Credit is currently compliant with the LACERS Manager Monitoring Policy; however, the short performance track record of the LACERS account is insufficient to cover a conventional market cycle and therefore does not provide adequate time to fully evaluate the effectiveness of the manager under this particular strategy. Staff and NEPC recommend renewing Polen Credit’s contract for another three-year period and will continue to monitor the manager and strategy pursuant to policy.

Fees

LACERS pays Polen Credit an effective fee of 52 basis points (0.52%), which is approximately \$1,190,000 annually based on the value of LACERS’ assets as of March 31, 2023. This fee ranks in the 86th percentile of fees charged by similar managers in the eVestment database (i.e., 86% of like-managers have lower fees). Since inception, LACERS has paid Polen Credit a total of \$2.9 million in investment management fees as of March 31, 2023.

General Fund Consultant Opinion

NEPC concurs with this recommendation.

Strategic Plan Impact Statement

A contract renewal with Polen Credit will allow the fund to maintain a diversified exposure to the active high yield fixed income and U.S. floating rate bank loan markets, which is expected to help optimize long-term risk adjusted investment returns (Goal IV). The discussion of the investment manager’s organization, strategy, performance, and management fee structure aligns with the Strategic Plan Goal to uphold good governance practices that affirm transparency, accountability, and fiduciary duty (Goal V).

Prepared By: Jeremiah Paras, Investment Officer I, Investment Division

NMG/RJ/BF/JP:rm

Attachment: 1. Consultant Recommendation – NEPC, LLC



To: Los Angeles City Employees' Retirement System Investment Committee

From: NEPC, LLC

Date: May 9, 2023

Subject: Polen Capital Management, LLC - Contract Renewal

Recommendation

NEPC recommends Los Angeles City Employees' Retirement System (LACERS) renew the contract with Polen Capital Management, LLC ('Polen' or 'Polen Capital') for a period of three years from the date of contract expiry.

Background

Polen has been an investment manager for LACERS since October 28, 2020 managing a high yield/bank loans strategy within the Credit Opportunities asset class. As of February 28, 2023, Polen managed \$227.8 million, or 1.1% of Plan assets. The portfolio is benchmarked against a 50:50 split between the Bloomberg U.S. High Yield 2% Issuer Cap Index and the Credit Suisse Leveraged Loan Index. The portfolio has a performance objective of outperforming the benchmark, net of fees, annualized over a full market cycle (normally three-to-five years). The Polen portfolio is currently compliant with LACERS' manager monitoring policy.

DDJ Capital Management was founded by Dave Breazzano in 1996. In December 2021 it was announced that Polen Capital Management, LLC, a privately held growth equity investment firm, would be acquiring DDJ, with the deal ultimately closing in January 2022. The transaction saw DDJ founder Dave Breazzano take an equity interest in Polen's holding company and become a member of the firm's Operating Committee. Other equity owners in DDJ, including departed partners who still held equity interest, were paid out 2/3rds up front, with the last 1/3rd expected to be paid out over three years based on certain business metrics. The senior investment team members of legacy DDJ received phantom equity in the Polen Capital Credit franchise business based on revenue share and will have the opportunity to become equity partners in the Polen holding company over time. DDJ has officially been rebranded as Polen Credit. There are three other growth equity teams at Polen, all bringing different expertise. Each group functions separately, but takes advantage of centralized operational and marketing resources. Polen Credit is now the fourth team under Polen Capital and is the only fixed income manager.

Polen Capital Management was founded in 1979 by David M. Polen, who was the sole owner until July 2007. In July 2007, employee ownership was broadened to 10% with David Polen owning 90%. David Polen passed away in June 2012 and his ownership interest passed to Polen Family Holdings (formerly the Polen Family Trust). In December 2012, an employee group led by Stan Moss, Dan Davidowitz and Damon Ficklin assumed majority ownership of the firm. From 2012 to 2015, employees owned 51% of the firm and Polen Family Holdings owned 49% as a passive owner. At year-end 2015, iM Global Partner (formerly iM Square), a London-based investment and development platform dedicated to the asset management business, acquired a 20% passive equity stake in Polen Capital. iM Global Partner purchased 20% directly from Polen Family Holdings. Polen

Family Holdings was further diluted by 9% as a result of new equity interests granted to Polen Capital employees. This increased employee ownership from 51% to 60%. On January 4, 2019, Polen Capital purchased 11% of equity from Polen Family Holdings. This increased employee ownership from 60% to 71%. Polen Capital is an independently controlled, employee-managed firm. The current ownership structure is 72% employees (Polen Capital Holdings LP), 20% iM Global Partner (passive interest) and 8% Polen Family Holdings (passive interest). Importantly, Polen Capital employees control 100% of the firm.

As of March 31, 2023, Polen Capital Management had approximately \$61.3 billion in assets under management ('AUM'). As of December 31, 2022 total AUM for the Polen Credit team specifically was \$6.9 billion, of which the Opportunistic High Yield strategy represented \$4.3 billion. The firm has been trying to diversify strategies using the same basic credit platform and introduced the BB/B Upper Tier High Yield in 2012, Bank Loan in 2013 as well as higher octane Total Return Credit in 2010.

Polen focuses on the smaller issue size and lower-rated parts of the high yield and loan market. They believe the rating agencies have a size bias and will rate securities lower due to smaller size. Polen relies on in-depth enterprise analysis, with a loan to value lens. They want companies that generate cash flow and have enterprise value/asset value to help secure their positions. There is also a strong focus on the covenant/legal aspects to help them understand and protect value when credit events arise. Generally, their perspective is that of a long-term lender and they enter positions expecting to be a long-term holder and earn the coupon. Polen does not have a dedicated risk management team. Given the nature of the investments and the focus on lower tier high yield (and bank loans), risk management effectively comes in the underwriting and monitoring of investments. Polen's focused style does lead to larger position sizes in relatively less liquid markets, so investors should be aware of the portfolio's limited liquidity during stressful times. It is also not unusual for Polen to be involved in creditor battles and dealing with bankruptcies and restructurings where positions may become restricted.

Dave Breazzano is the head of the high yield team at Polen. He has been leading the group since DDJ's inception in 1996. Around him is a slightly younger generation. John Sherman (19 years industry/16 years Polen) and Ben Santonelli (19 years industry/19 years Polen) are co-PMs with Mr. Breazzano on the Opportunistic High Yield strategy. In addition to the portfolio managers, on the Investment Review Committee is the Associate General Counsel, Elizabeth Duggan. Jason Rizzo is the head trader. Supporting the Investment Review Committee is a nine-person research group, broken out by industry coverage.

Performance

Referring to Exhibit 1, as of February 28, 2023, since the portfolio's inception date of November 1, 2020, the portfolio has underperformed its benchmark by 1.8%. Over the past year, the portfolio has underperformed the benchmark by 4.4% and year-to-date the portfolio has outperformed by 0.8%. Referring to Exhibit 1A, over longer periods of time, Polen clients in the U.S. Opportunistic High Yield product have experienced outperformance over longer periods of time with 1% and 1.4% over 10 year and seven years respectively. Over the last five years the product has underperformed by 0.2% and over three years has outperformed by 1.2%.

Referring to Exhibit 2, as of December 31, 2022, since inception the portfolio has underperformed its benchmark's return by 2.3% and ranked in the 73rd percentile in its peer group. In the past year,



ended December 31, 2022, the portfolio also underperformed its benchmark return 4.2% and ranked in the 54th percentile in its peer group.

Referring to Exhibit 3, underperformance over the course of 2022 has pulled the since inception cumulative results below benchmark returns. The portfolio underperformed in the second, third, and fourth quarter of 2022. Underperformance in the portfolio can be attributed to sector allocation and credit positioning. The portfolio’s overweight to bonds and loans across the lower-rated spectrum and underweight to bonds across the higher-rated spectrum detracted significantly from total returns. Sector allocation detracted from relative performance primarily driven by the portfolio’s overweight to bonds in the Brokerage/Asset Managers sector and underweight to bonds in the Electric and Energy sectors.

Fees

The portfolio has an asset-based fee of 0.52% annually. This fee ranks in the 86th percentile among its peers in the eVestment U.S. High Yield Fixed Income universe. In other words, 86% of the products included in the peer universe have a lower fee than the LACERS account.

Conclusion

Polen has underperformed its benchmark index since November 1, 2020. The portfolio is designed to invest in the smaller sized and lower-rated parts of the U.S. High Yield and bank loans investment universe and this area of the market has not been in favor. The firm managing the LACERS portfolio has exhibited some instability at the firm-level after having been purchased, though NEPC sees this as a net positive which provides long-term stability in firm operations. Polen’s investment process, investment team, strategy and philosophy have been stable. NEPC recommends a contract renewal for a period of three years from the period of contract expiry.

The following tables provide specific performance information, net of fees referenced above.

Exhibit 1: Performance Comparison Net of Fees as of February 28, 2023

	1 Month	YTD	1 Year	3 Years	5 Years	10 Years	Inception	Inception Date
Polen Capital	0.1	3.7	-6.0				0.9	Nov-20
50% BBgBarc US High Yield 2% Issuer Cap / 50% Credit Suisse Leveraged Loan Index	-0.3	2.9	-1.6				2.7	
Over/Under	0.4	0.8	-4.4				-1.8	

Exhibit 1A: Performance Comparison Net of Fees Polen U.S. Opportunistic High Yield Separately Managed Accounts Composite as of February 28, 2023

Product Name	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Returns - Since Inception 24.92 Years 04/1998 - 02/2023
Polen Capital	3.7	-4.0	3.8	3.1	6.7	5.1	6.8
50% BBgBarc US High Yield 2% Issuer Cap / 50% Credit Suisse Leveraged Loan Index	2.9	-1.6	2.6	3.3	5.3	4.1	--
Over/Under	0.8	-2.4	1.2	-0.2	1.4	1.0	--

*Source: eVestment, Polen Capital U.S. Opportunistic High Yield separately managed account composite





Exhibit 2: Universe Performance Comparison Net of Fees Ending December 31, 2022

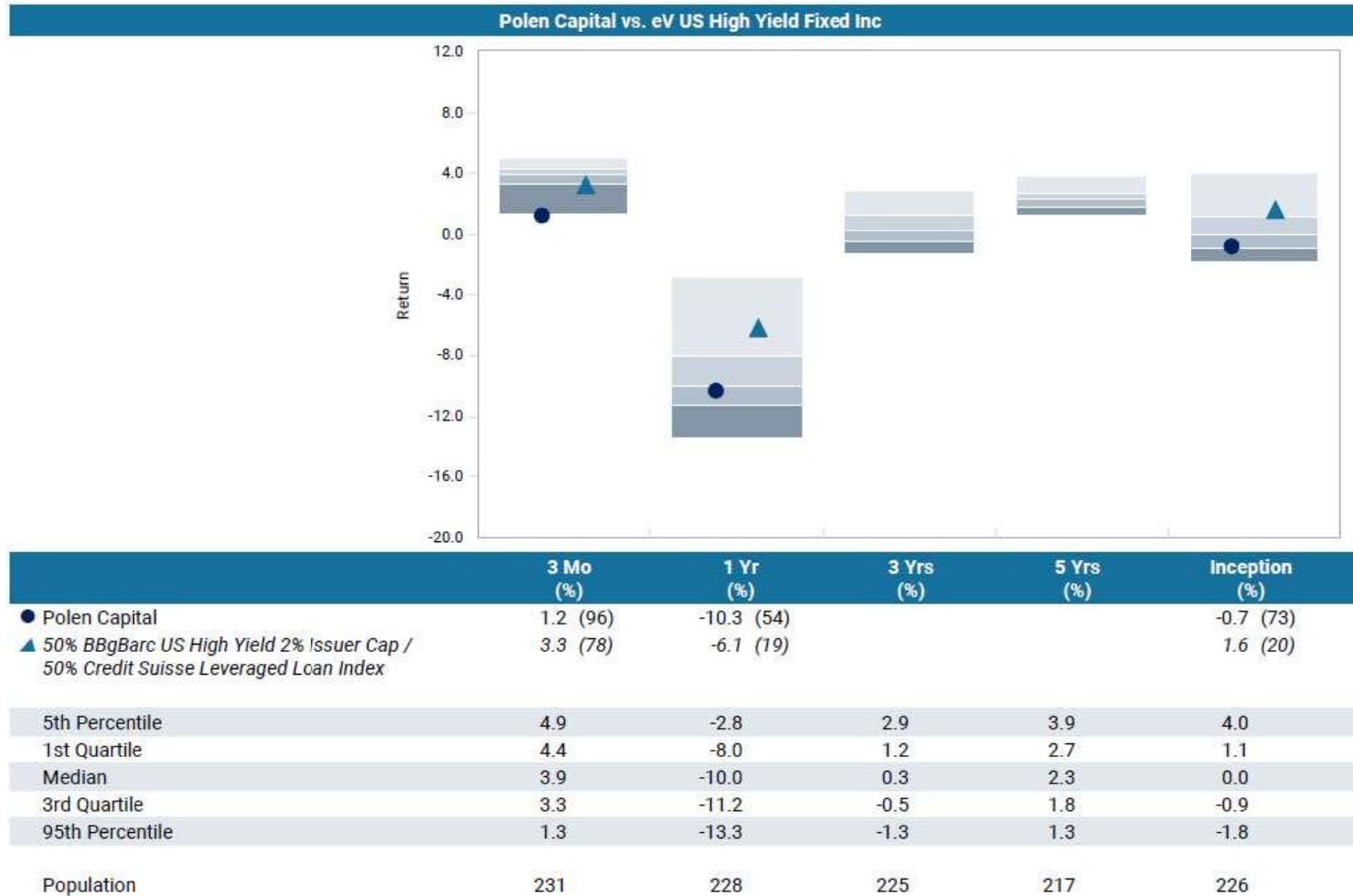
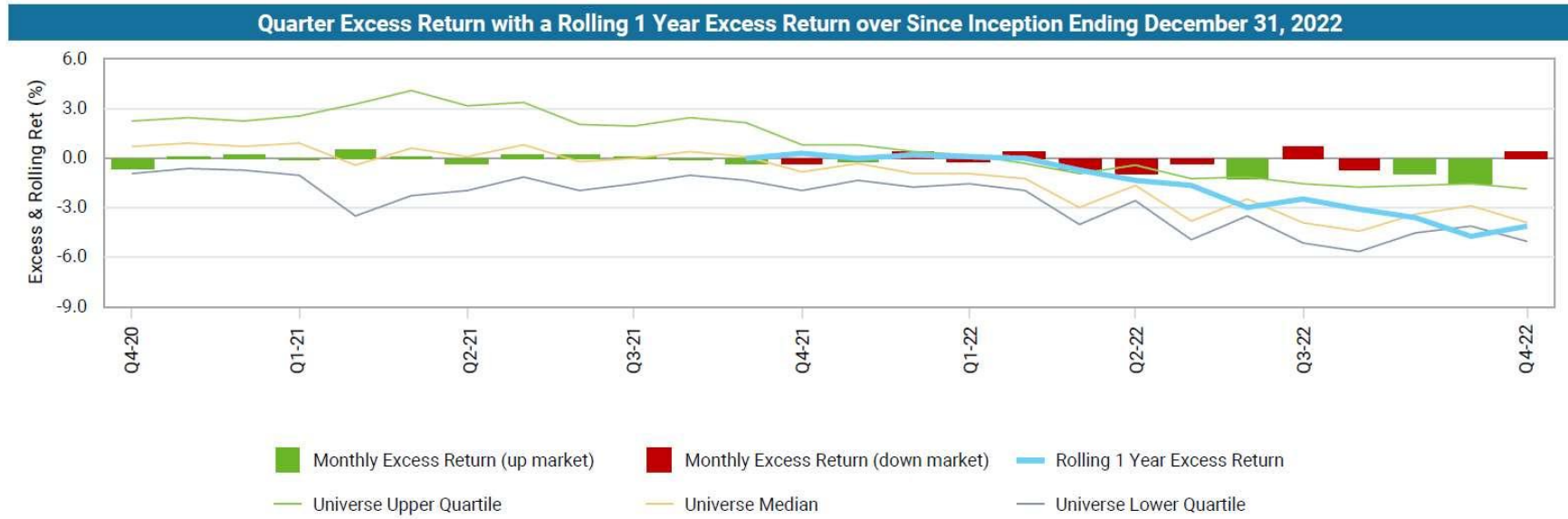


Exhibit 3: Cumulative Excess Performance Net of Fees Ending December 31, 2022



CONTRACT EXTENSION
POLEN CAPITAL CREDIT, LLC
ACTIVE HYBRID HIGH YIELD FIXED INCOME/U.S. FLOATING RATE BANK LOAN
PORTFOLIO MANAGEMENT

PROPOSED RESOLUTION

WHEREAS, LACERS' current three-year contract with Polen Capital Credit, LLC (Polen Credit) for management of an active hybrid high yield fixed income/U.S. floating rate bank loan portfolio expires on August 31, 2023; and,

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

WHEREAS, a contract extension with Polen Credit will allow the LACERS total portfolio to maintain a diversified exposure to the active high yield fixed income and U.S. floating rate bank loan markets; and,

WHEREAS, on June 27, 2023, the Board approved the Investment Committee's recommendation to approve a one-year contract extension with Polen Credit.

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

<u>Company Name:</u>	Polen Capital Credit, LLC
<u>Service Provided:</u>	Active Hybrid High Yield Fixed Income/U.S. Floating Rate Bank Loan Portfolio Management
<u>Effective Dates:</u>	September 1, 2023 through August 31, 2024
<u>Duration:</u>	One year
<u>Benchmark:</u>	50% of the Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index and 50% of the Credit Suisse Leveraged Loan Index
<u>Allocation as of May 31, 2023:</u>	\$231 million

June 27, 2023

CONTRACT EXTENSION
POLEN CAPITAL CREDIT, LLC
ACTIVE HYBRID HIGH YIELD FIXED INCOME/U.S. FLOATING RATE BANK LOAN
PORTFOLIO MANAGEMENT

PROPOSED RESOLUTION

WHEREAS, LACERS' current one-year contract extension with Polen Capital Credit, LLC (Polen Credit) for management of an active hybrid high yield fixed income/U.S. floating rate bank loan portfolio expires on August 31, 2024; and,

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

WHEREAS, a contract extension with Polen Credit will allow the LACERS total portfolio to maintain a diversified exposure to the active high yield fixed income and U.S. floating rate bank loan markets; and,

WHEREAS, on June 25, 2024, the Board approved the Investment Committee's recommendation to approve a two-year contract extension with Polen Credit.

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

<u>Company Name:</u>	Polen Capital Credit, LLC
<u>Service Provided:</u>	Active Hybrid High Yield Fixed Income/U.S. Floating Rate Bank Loan Portfolio Management
<u>Effective Dates:</u>	September 1, 2024 through August 31, 2026
<u>Duration:</u>	Two years
<u>Benchmark:</u>	50% of the Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index and 50% of the Credit Suisse Leveraged Loan Index
<u>Allocation as of May 31, 2024:</u>	\$265 million

June 25, 2024

Aksia LLC

Los Angeles City Employees' Retirement System
Private Equity Portfolio Performance Report
As of December 31, 2023



www.aksia.com

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Aggregate Portfolio Summary As of December 31, 2023

- As of December 31, 2023, the aggregate portfolio's fair market value of ~\$4.3 billion represented 18.8% of Total Plan Assets

Aggregate Portfolio Private Equity Exposure Summary	
Total Plan Market Value	\$22,765,251,564
Private Equity Exposure Target (%)	16.0%
Private Equity Exposure Target (\$)	\$3,642,440,250
Private Equity Exposure (%)	18.8%
Fair Market Value ("FMV")	\$4,276,869,225

- As of December 31, 2023, total plan assets increased quarter-over-quarter by ~5.5% to ~\$22.8 billion. This translates to private equity exposure of ~18.8% (based on private equity fair market value as of 12/31/23)
- Public equity markets and total plan assets continued to recover in the back half of 2023. However, distributions from private equity remained slow resulting in an exposure to private equity greater than target. 2024 commitment pacing is targeting between \$750mm and \$850mm.

Aggregate Portfolio Snapshot Year-Over-Year (12/31/2022 through 12/31/2023)

- Since the inception of the LACERS private equity program in 1995, LACERS has committed \$8.3 billion to 378 partnerships, of which 293 remain active as of 12/31/23
- For the year, contributions (\$536 million) outpaced distributions (\$453 million)
- Over this same period, the fair market value of the private equity portfolio increased by \$401 million
- Since inception, the aggregate portfolio has generated a total value of 1.64x and a Net IRR of 12.1%

Aggregate Portfolio Snapshot (\$ millions)			
Portfolio Since Inception	12/31/2023	12/31/2022	Change (+/-)
Partnerships	378	353	+25
Active	293	276	+17
Inactive	85	77	+8
Sponsors	155	152	+3
Investment To Date Contributions	\$6,262	\$5,726	+\$536
Investment To Date Distributions	\$6,006	\$5,553	+\$453
Fair Market Value	\$4,277	\$3,876	+\$401
TVPI ¹	1.64x	1.65x	0.00x
Net IRR	12.1%	12.3%	-0.2%

¹Total Value to Paid In Capital ("TVPI"): (Cumulative Distributions + Fair Market Value) / (Cumulative Contributions)

The Aggregate Portfolio Can Be Grouped Into Vintage Year Buckets

- “Mature” bucket (\$78.1 million of fair market value with vintage years 1995-2009)
 - Minimal change year-over-year with respect to Net TVPI and Net IRR
 - Will have limited impact going forward given the small value relative to other buckets
- “Maturing” bucket (\$878.5 million of fair market value with vintage years 2010-2015)
 - Net TVPI increased 0.03x while the Net IRR decreased by 0.4%
 - Potential for growth or decline to occur in these investments
 - Bulk of any near-term distributions are likely to come from the “Maturing” bucket
- “Developing” bucket (\$3,320.3 million of fair market value with vintage years 2016-2023)
 - Net TVPI increased 0.01x while the Net IRR decreased by 3.3%
 - Significant potential for growth or decline to occur in these investments
 - Bulk of the near-term contributions are likely to come from the “Developing” bucket

\$ millions									
Vintage Years	LTM ¹	ITD ²	LTM ¹	ITD ²	Fair Market	12/31/2023	Year Over	12/31/2023	Year Over
	Contributions	Contributions	Distributions	Distributions	Value	Net TVPI	Year Change	Net IRR	Year Change
							Net TVPI	Net IRR	Net IRR
Mature (1995-2009)	\$0.6	\$1,879.9	\$13.7	\$3,040.7	\$78.1	1.66x	-0.00x	10.50%	-0.02%
Maturing (2010-2015)	\$17.8	\$1,461.4	\$196.6	\$2,057.8	\$878.5	2.01x	0.03x	14.90%	-0.39%
Developing (2016-2023)	\$517.9	\$2,921.0	\$242.4	\$907.4	\$3,320.3	1.45x	0.01x	16.95%	-3.27%
Total Portfolio	\$536.3	\$6,262.2	\$452.7	\$6,005.8	\$4,276.9	1.64x	-0.00x	12.10%	-0.17%

¹Last 12 Months (“LTM”)

²Inception to Date (“ITD”)

10 Largest Sponsor Relationships (by total exposure)

- The top ten Sponsors by exposure account for 32.3% of aggregate portfolio exposure and 27.4% of active portfolio commitments

Firm	Number of Active Funds	Active Commitments	% of Total Active Commitments	Exposure (FMV + Unfunded)	% of Total Exposure	TVPI ¹	Net IRR ¹
Thoma Bravo LP	10	\$275,000,000	3.8%	\$336,913,199	5.0%	1.63x	19.8%
Platinum Equity Advisors LLC	6	\$222,500,000	3.1%	\$239,258,026	3.5%	1.60x	24.7%
Vista Equity Partners Management LLC	8	\$215,000,000	3.0%	\$233,610,376	3.5%	2.01x	19.7%
Advent International Corporation	7	\$235,000,000	3.3%	\$218,829,856	3.2%	1.64x	15.6%
Hellman & Friedman LLC	10	\$160,000,001	2.2%	\$213,621,669	3.2%	1.92x	19.6%
TA Associates	5	\$200,000,000	2.8%	\$200,021,265	3.0%	2.02x	21.7%
Genstar Capital Management LLC	6	\$167,500,000	2.3%	\$192,703,352	2.9%	1.44x	21.7%
Spark Management Partners	9	\$143,750,000	2.0%	\$187,857,156	2.8%	2.49x	27.4%
TCV (Technology Crossover Ventures)	6	\$185,000,000	2.6%	\$184,167,235	2.7%	1.96x	14.5%
Clearlake Capital Group LP	3	\$155,000,000	2.2%	\$179,425,791	2.7%	1.35x	18.7%

¹Inception-to-date performance includes liquidated holdings.

SUMMARY OF Q3 2023 & Q4 2023 ACTIVITY

New Investments made in Q3 2023 & Q4 2023

Closing Date	Sponsor	Partnership	Fund Size ² (\$ millions)	New or Existing	Investment Strategy	Commitment Amount (\$ millions)
7/28/2023	Altaris LLC	Altaris Health Partners VI	\$3,710	New	Buyout - Medium	\$40
10/6/2023	Freeman Spogli & Co	FS Equity Partners IX	\$750	Existing	Buyout - Medium	\$30
11/3/2023	MBK Management Inc	MBK Partners Fund VI	\$8,000	Existing	Buyout - Large	\$40
11/29/2023	General Catalyst Group Management	General Catalyst Group XII - Creation	\$1,500	Existing	Venture - Early Stage	\$15
11/29/2023	General Catalyst Group Management	General Catalyst Group XII – Health Assurance	\$750	Existing	Venture - Early Stage	\$8
11/29/2023	General Catalyst Group Management	General Catalyst Group XII - Ignition	\$708	Existing	Venture - Early Stage	\$15
11/29/2023	General Catalyst Group Management	General Catalyst Group XII - Endurance	\$2,250	Existing	Growth Equity	\$23
12/5/2023	Clearlake Capital Group LP	Clearlake Capital Partners VIII	\$7,500	Existing	Distressed	\$50
12/18/2023	3 Boomerang Capital ¹	3 Boomerang Capital I	\$375	New	Buyout - Small	\$20
12/29/2023	Platinum Equity Advisors LLC	Platinum Equity Small Cap Fund II	\$1,750	Existing	Buyout - Small	\$35
Total	10	10				\$275

¹Qualifies as an Emerging Manager based on LACERS' definition.

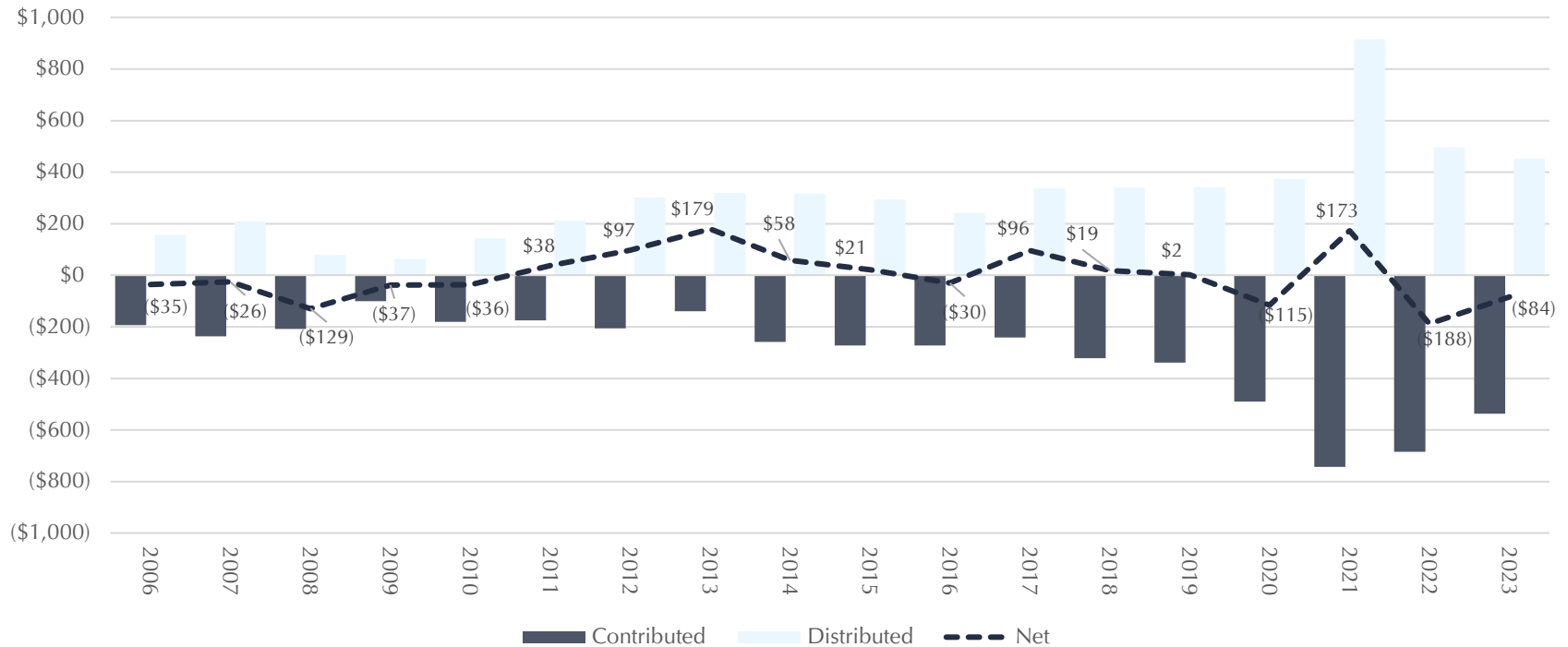
²Total capital raised as confirmed by the general partner. If the general partner has yet to provide closing data, the fund size will represent the target fund size.

Commitment Statistics

- Commitments were made to 10 different funds totaling \$275.0 million
 - 8 commitments were made to existing sponsor relationships (\$215.0 million)
 - The average commitment amount was \$27.5 million per sponsor
 - 1 commitment was made to an emerging manager (\$20.0mm)

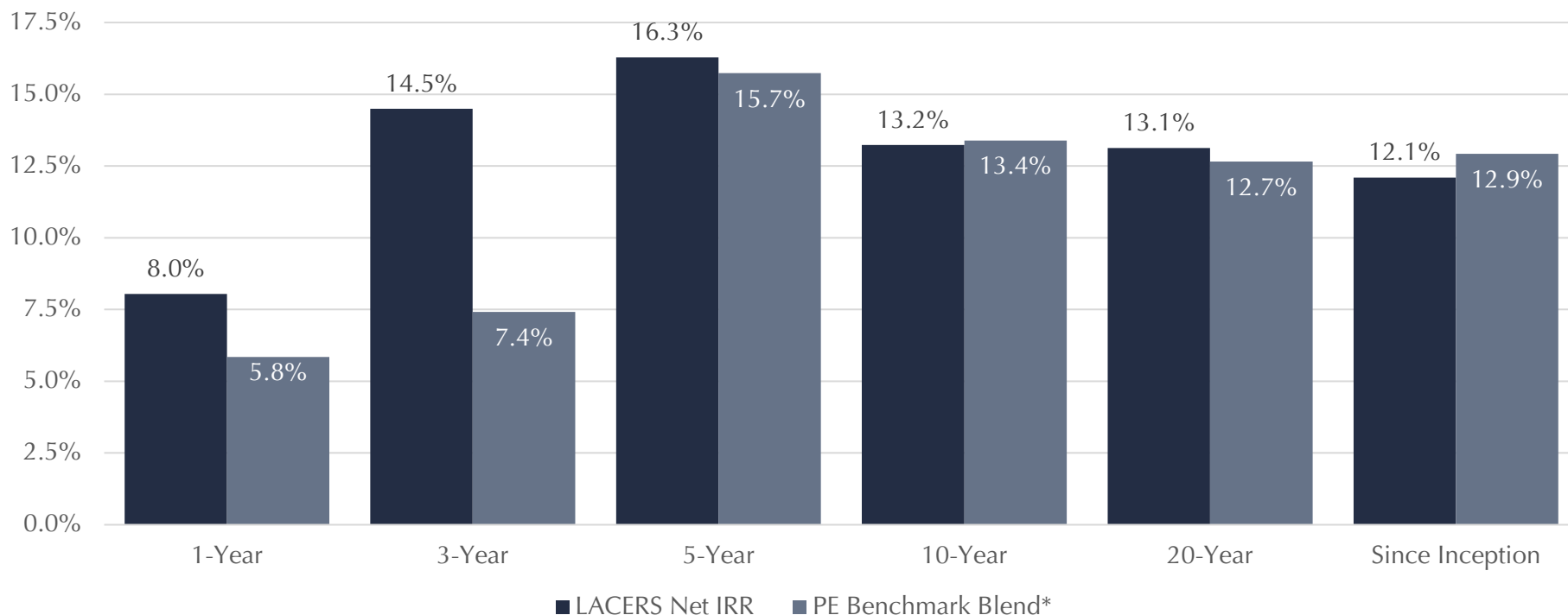
Private Equity Program Cash Flow Profile Over Time

- LACERS' private equity portfolio is relatively mature and has been largely cash flow positive over the last decade even with higher capital calls the last three years



Horizon Returns for LACERS' Private Equity Program vs. PE Benchmark Blend

- LACERS Private Equity Benchmark is a historical blend of the Russell 3000 and Cambridge Associates benchmarks



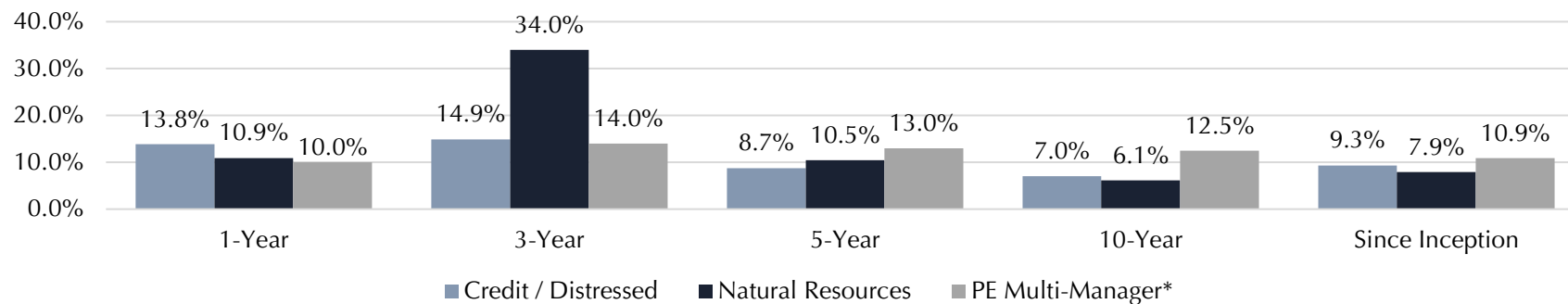
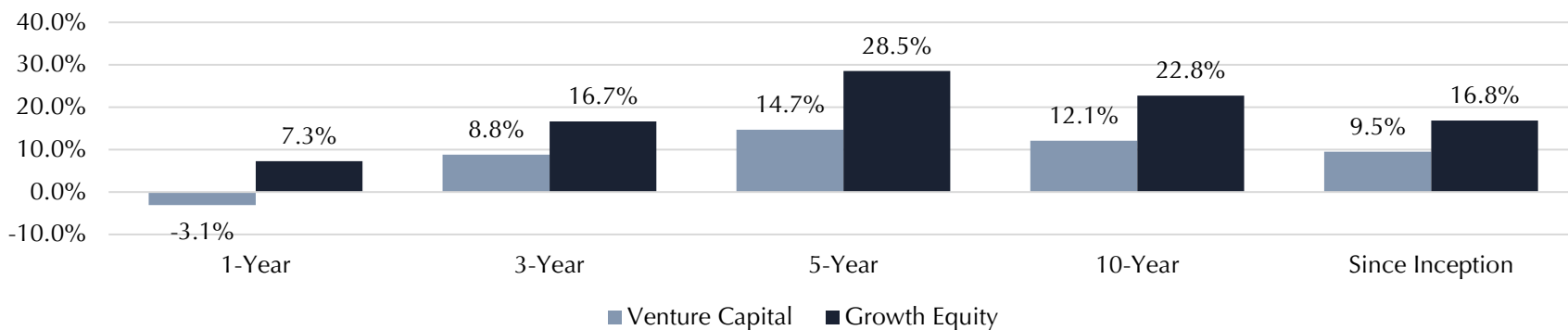
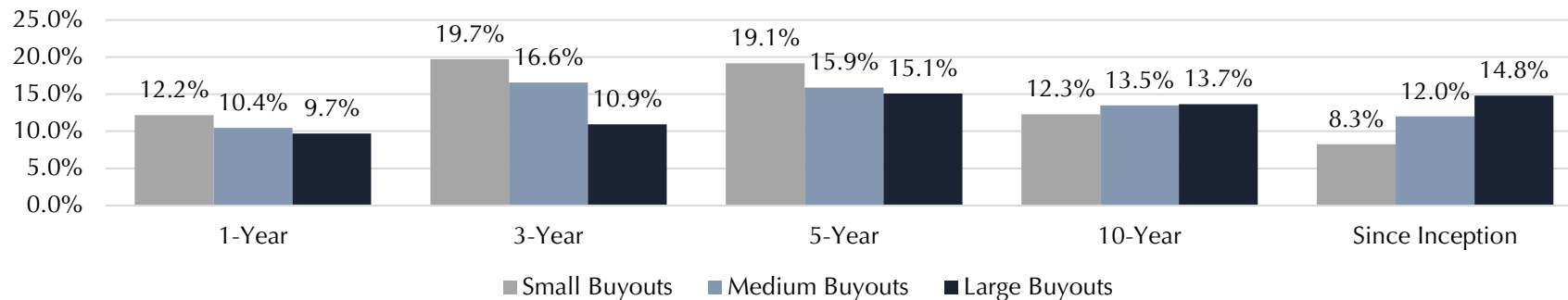
■ LACERS Net IRR ■ PE Benchmark Blend*

* Note: On January 25, 2022, the Board approved a benchmark change to the Cambridge Associates Global Private Equity and Venture Capital Index. The new benchmark includes the Russell 3000 Index + 400bps (inception – January 31, 2012), the Russell 3000 Index + 300bps (February 1, 2012 – December 31, 2021), and the Cambridge Associates Global PE and VC Index, beginning January 1, 2022. Portfolio data are as of December 31, 2023. CA data are as of December 31, 2023.

Performance by Strategy and Sub-Strategy (Inception-to-Date)

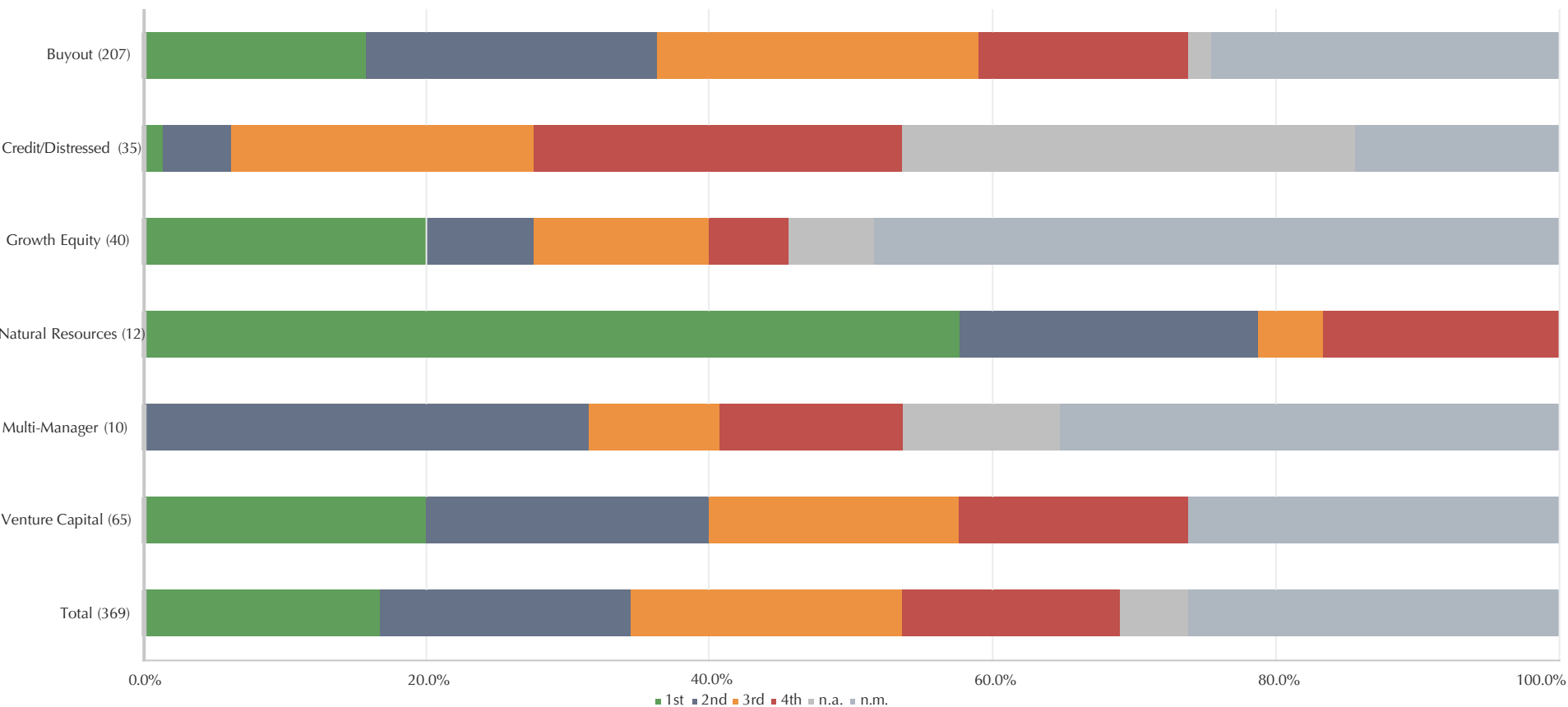
Sub-Strategy	Commitment	Contributions	Percent Called	Distributions	Percent Distributed	Fair Market Value	TVPI	IRR
Large	\$2,253,559,850	\$1,658,043,260	73.57%	\$1,675,432,562	74.35%	\$1,097,235,141	1.67x	14.8%
Medium	\$2,258,746,313	\$1,819,800,494	80.57%	\$1,867,933,570	82.70%	\$1,175,060,780	1.67x	12.0%
Small	\$355,600,562	\$250,066,331	70.32%	\$217,293,640	61.11%	\$155,143,787	1.49x	8.3%
Buyouts Total	\$4,867,906,725	\$3,727,910,085	76.58%	\$3,760,659,772	77.25%	\$2,427,439,708	1.66x	12.7%
Credit	\$80,000,000	\$82,811,408	103.51%	\$50,145,184	62.68%	\$42,850,572	1.12x	3.5%
Distressed	\$639,531,008	\$569,286,602	89.02%	\$488,769,412	76.43%	\$275,506,352	1.34x	10.2%
Mezzanine	\$65,000,000	\$49,460,966	76.09%	\$33,968,898	52.26%	\$28,045,600	1.25x	6.0%
Credit / Distressed Total	\$784,531,008	\$701,558,976	89.42%	\$572,883,493	73.02%	\$346,402,523	1.31x	9.3%
Growth Equity	\$1,018,900,354	\$606,118,749	59.49%	\$599,885,499	58.88%	\$651,365,528	2.06x	16.8%
Growth Equity Total	\$1,018,900,354	\$606,118,749	59.49%	\$599,885,499	58.88%	\$651,365,528	2.06x	16.8%
Energy	\$330,000,000	\$319,463,395	96.81%	\$337,586,581	102.30%	\$120,246,224	1.43x	7.9%
Natural Resources Total	\$330,000,000	\$319,463,395	96.81%	\$337,586,581	102.30%	\$120,246,224	1.43x	7.9%
Co-Investment	\$50,000,000	\$35,000,000	70.00%	\$0	0.00%	\$38,653,195	1.10x	n.m.
Fund of Funds	\$70,000,000	\$38,609,577	55.16%	\$31,630,712	45.19%	\$23,142,068	1.42x	7.8%
Secondaries	\$150,000,000	\$99,463,847	66.31%	\$64,373,338	42.92%	\$77,822,459	1.43x	14.9%
PE Multi-Manager Total	\$270,000,000	\$173,073,424	64.10%	\$96,004,049	35.56%	\$139,617,723	1.36x	10.9%
Early Stage	\$330,170,000	\$190,942,849	57.83%	\$198,522,857	60.13%	\$225,755,459	2.22x	42.6%
Expansion Stage	\$20,000,000	\$12,000,000	60.00%	\$0	0.00%	\$12,392,713	1.03x	1.7%
Late Stage	\$140,000,000	\$135,629,777	96.88%	\$148,549,224	106.11%	\$93,339,605	1.78x	8.0%
Multi-Stage	\$1,025,387,369	\$734,107,456	71.59%	\$638,829,649	62.30%	\$591,797,519	1.68x	9.5%
Venture Capital Total	\$1,025,387,369	\$734,107,456	71.59%	\$638,829,649	62.30%	\$591,797,519	1.68x	9.5%
Total	\$8,296,725,456	\$6,262,232,084	75.48%	\$6,005,849,044	72.39%	\$4,276,869,225	1.64x	12.1%

Horizon Net Returns by Sub-Strategy



*The PE Multi-Manager category includes LACERS' investments in Co-Investment Funds, Secondary Funds and Fund of Funds.

Portfolio Strategy vs. Cambridge Associates¹ % of Contributed Capital As of December 31, 2023

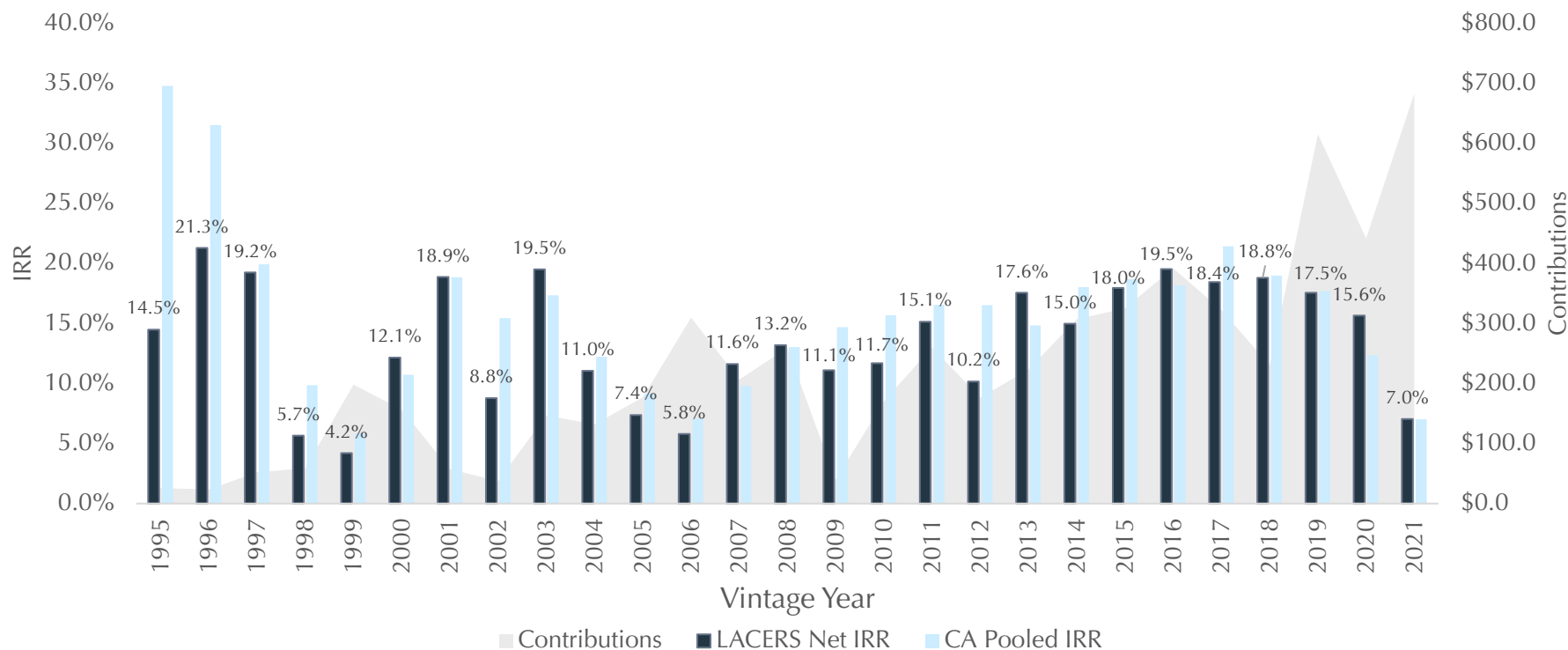


n.m. : IRR is not meaningful
n.a. :Not available Benchmark data

¹All quartiles are based on Cambridge Associates data as of September 31, 2023. Funds where corresponding benchmark data is not available from Cambridge Associates Benchmark are categorized as "NA" and funds where the first capital call date is younger than two years are categorized as "NM". Funds with total commitments equal to zero are excluded from the calculation. Cambridge Associates data is continually updated and subject to change.

Portfolio Vintage Years vs. Cambridge Associates¹

December 31, 2023



¹Cambridge Associates pooled Net IRRs are as of December 31, 2023. Pooled IRRs are comprised of similar regions and strategies as those in the LACERS portfolio. IRRs of funds younger than two years are not considered meaningful and have been excluded.

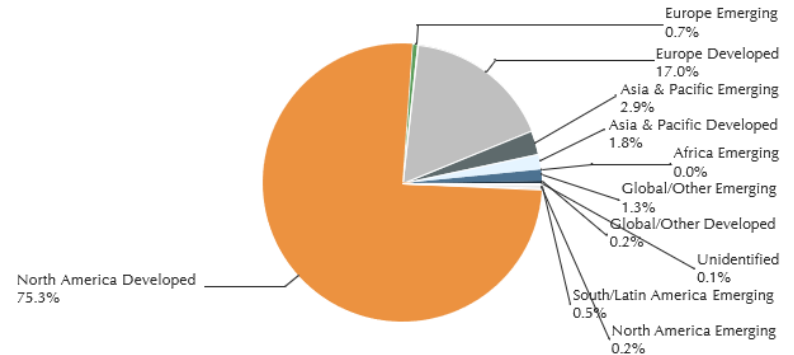
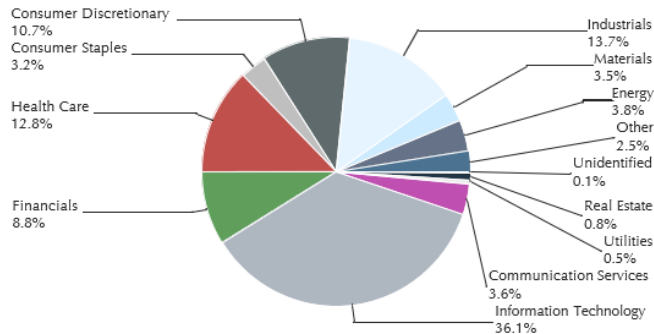
Overall Exposure

- Private Equity exposure was 18.8% as of December 31, 2023, versus 16.0% target

Performance Since Inception

- The Aggregate Portfolio has generated a Net IRR of 12.1% and a TVPI of 1.64x
- The Core Portfolio has generated a Net IRR of 12.6% and a TVPI of 1.66x
- The Specialized Portfolio has generated a Net IRR of 1.8% and a TVPI of 1.12x

Diversification



*Other: Represents the total of investments in sectors or geographies that constitute <1% of the NAV.

APPENDIX

- Fund-By-Fund Returns – Q3 2023
- Fund-By-Fund Returns – Q4 2023

CORE PORTFOLIO SUMMARY AS OF 9/30/2023- ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
1315 Capital Fund	Venture Capital	Venture - Late Stage	2015	10,000,000	10,386,065	8,258,568	13,104,621	17.7%
1315 Capital Fund II	Venture Capital	Venture - Late Stage	2018	10,000,000	9,817,157	5,583,174	7,983,317	16.8%
1315 Capital Fund III	Growth Equity	Growth Equity	2022	30,000,000	3,278,243	-	3,196,731	n.m.
ABRY Advanced Securities Fund III	Credit/Distressed	Credit	2014	20,000,000	26,151,284	14,719,989	11,856,209	0.4%
ABRY Advanced Securities Fund IV	Credit/Distressed	Credit	2018	40,000,000	36,556,813	16,372,616	25,093,968	6.0%
ABRY Heritage Partners	Buyout	Buyout - Small	2016	10,000,000	10,338,979	11,704,369	7,441,834	26.8%
ABRY Partners IX	Buyout	Buyout - Medium	2019	40,000,000	41,724,057	11,846,875	48,944,119	17.0%
ABRY Partners VIII	Buyout	Buyout - Medium	2015	25,000,000	28,624,392	35,958,331	4,512,958	9.9%
ABRY Senior Equity V	Credit/Distressed	Mezzanine	2016	10,000,000	10,547,859	4,629,924	10,733,376	13.7%
ACON Equity Partners 3.5	Buyout	Buyout - Medium	2012	20,000,000	18,034,492	19,946,885	394,614	2.7%
Advent Global Technology	Buyout	Buyout - Medium	2019	15,000,000	14,324,999	-	16,767,109	6.2%
Advent Global Technology II	Buyout	Buyout - Medium	2021	30,000,000	10,960,512	-	13,572,832	18.2%
Advent International GPE IX	Buyout	Buyout - Large	2019	45,000,000	42,077,875	4,498,202	53,757,976	16.0%
Advent International GPE VI A	Buyout	Buyout - Medium	2008	20,000,000	20,000,000	40,162,749	1,554,945	16.4%
Advent International GPE VII B	Buyout	Buyout - Large	2012	30,000,000	28,800,000	47,824,310	4,227,028	13.3%
Advent International GPE VIII B-2	Buyout	Buyout - Large	2016	35,000,000	35,000,000	34,013,607	38,775,620	18.1%
Advent International GPE X	Buyout	Buyout - Large	2022	60,000,000	18,000,000	-	16,711,160	-17.1%
AION Capital Partners	Credit/Distressed	Credit	2012	20,000,000	19,572,071	15,583,810	7,240,032	3.8%
American Securities Partners VII	Buyout	Buyout - Medium	2016	25,000,000	24,264,952	15,224,384	31,924,717	15.1%
American Securities Partners VIII	Buyout	Buyout - Large	2019	40,000,000	36,156,309	3,429,948	50,005,085	19.4%
Angeles Equity Partners I	Buyout	Buyout - Small	2015	10,000,000	9,429,092	7,382,434	6,881,231	16.9%
Apollo Investment Fund IV	Buyout	Buyout - Large	1998	5,000,000	4,989,241	8,320,973	2,629	8.5%
Apollo Investment Fund VI	Buyout	Buyout - Large	2006	15,000,000	14,372,999	23,957,457	266,359	8.6%
Apollo Investment Fund VII	Buyout	Buyout - Large	2008	20,000,000	17,566,884	35,658,847	208,092	22.6%
Apollo Investment Fund VIII	Buyout	Buyout - Large	2013	40,000,000	36,146,244	41,297,109	12,788,878	9.4%
Arsenal Capital Partners VI	Buyout	Buyout - Medium	2021	50,000,000	22,201,115	7,631,640	10,798,950	-25.9%

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CORE PORTFOLIO SUMMARY AS OF 9/30/2023- ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD	USD ITD	USD ITD	USD Fair Market	
				Commitment	Contributions	Distributions	Value	Net IRR
Ascribe Opportunities Fund II	Credit/Distressed	Distressed	2010	20,000,000	30,537,420	31,202,934	1,244,925	2.3%
Ascribe Opportunities Fund III	Credit/Distressed	Distressed	2014	30,000,000	50,591,896	42,046,859	652,658	-19.0%
Ascribe Opportunities Fund IV	Credit/Distressed	Distressed	2019	25,000,000	31,248,816	12,541,839	21,259,177	9.8%
Astorg VI	Buyout	Buyout - Medium	2015	25,625,875	21,228,378	24,439,629	10,089,185	12.7%
Astorg VII	Buyout	Buyout - Medium	2019	36,123,864	33,810,449	(85,178)	43,442,274	11.4%
Astra Partners I	Buyout	Buyout - Small	2017	10,000,000	8,513,186	(28,358)	9,820,746	5.2%
Auldbrass Partners Secondary Opportunity Fund III	PE Multi-Manager	Secondaries	2021	20,000,000	5,716,879	-	5,111,312	-15.9%
Avance Investment Partners	Buyout	Buyout - Small	2021	20,000,000	10,896,024	2,005,407	9,653,664	6.4%
Bain Capital Asia Fund III	Buyout	Buyout - Large	2016	15,000,000	15,549,728	16,988,765	10,791,216	19.9%
Bain Capital Double Impact Fund	Buyout	Buyout - Small	2016	10,000,000	10,819,474	12,771,150	6,280,827	23.1%
Barings Emerging Generation Fund	PE Multi-Manager	Fund of Funds	2021	25,000,000	15,946,905	(333,543)	19,775,163	15.0%
Barings Emerging Generation Fund II	PE Multi-Manager	Fund of Funds	2023	25,000,000	1,190,949	-	977,019	n.m.
BC European Capital IX	Buyout	Buyout - Large	2011	17,665,048	19,437,617	23,972,107	5,009,700	9.0%
BC European Capital X	Buyout	Buyout - Large	2017	31,651,237	30,146,448	7,512,206	35,685,575	9.2%
BDCM Opportunity Fund IV	Credit/Distressed	Distressed	2015	25,000,000	35,648,958	27,107,416	43,319,524	17.5%
Bessemer Venture Partners XII Institutional Fund	Venture Capital	Venture - Early Stage	2022	25,000,000	-	-	-	n.m.
Biospring Partners Fund	Growth Equity	Growth Equity	2020	20,000,000	12,367,687	2,853,929	7,868,859	-12.7%
Blackstone Capital Partners V & V-S	Buyout	Buyout - Large	2005	19,799,726	19,300,620	32,598,921	83,175	7.9%
Blackstone Capital Partners VI	Buyout	Buyout - Large	2011	20,000,000	19,377,327	30,013,421	6,708,891	12.4%
Blackstone Energy Partners	Natural Resources	Energy	2011	25,000,000	23,690,761	36,508,067	4,788,018	11.2%
Blue Sea Capital Fund I	Buyout	Buyout - Small	2013	10,000,000	9,410,689	14,825,595	6,888,402	19.4%
Brentwood Associates Private Equity VI	Buyout	Buyout - Medium	2017	25,000,000	31,763,891	11,923,103	35,468,009	20.3%
Builders VC Fund II	Venture Capital	Venture - Early Stage	2021	10,000,000	5,175,000	-	5,405,538	3.2%
Carlyle Partners V	Buyout	Buyout - Large	2007	30,000,000	26,714,020	51,186,907	1,457,224	13.8%
CenterGate Capital Partners I	Buyout	Buyout - Small	2015	10,000,000	8,003,240	5,806,672	7,766,894	21.0%
Charterhouse Capital Partners IX	Buyout	Buyout - Large	2008	17,650,992	17,448,610	23,427,998	108,072	9.5%

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CORE PORTFOLIO SUMMARY AS OF 9/30/2023- ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD	USD ITD	USD ITD	USD Fair Market	
				Commitment	Contributions	Distributions	Value	Net IRR
CHP III	Venture Capital	Venture - Early Stage	2006	15,000,000	15,000,000	43,122,417	2,281,743	12.6%
Clearlake Capital Partners VI	Credit/Distressed	Distressed	2020	30,000,000	30,928,639	3,796,677	45,608,340	23.7%
Clearlake Capital Partners VII	Credit/Distressed	Distressed	2021	75,000,000	43,387,389	201,711	45,227,772	4.6%
Coller International Partners VI	PE Multi-Manager	Secondaries	2011	25,000,000	18,948,311	29,556,285	3,251,247	14.7%
CVC Capital Partners VII	Buyout	Buyout - Large	2017	28,567,140	26,166,606	9,325,689	37,252,105	21.1%
CVC Capital Partners VIII	Buyout	Buyout - Large	2021	50,206,765	28,510,288	230,263	30,683,711	6.7%
CVC European Equity Partners III	Buyout	Buyout - Large	2001	15,000,000	14,776,341	41,619,578	1,098,781	41.0%
CVC European Equity Partners IV	Buyout	Buyout - Large	2005	26,008,211	23,257,442	46,521,992	33,643	16.7%
CVC European Equity Partners V	Buyout	Buyout - Large	2008	18,815,039	18,352,938	38,287,800	391,557	16.7%
Defy Partners I	Venture Capital	Venture - Early Stage	2017	10,000,000	9,500,000	2,251,655	10,578,400	8.7%
Defy Partners II	Venture Capital	Venture - Early Stage	2019	18,010,000	11,166,200	-	15,431,659	14.5%
Defy Partners III	Venture Capital	Venture - Early Stage	2021	20,000,000	3,000,000	-	2,310,197	-27.4%
DFJ Growth 2013	Growth Equity	Growth Equity	2013	25,000,000	25,126,311	116,764,725	27,745,169	32.8%
DFJ Growth III	Growth Equity	Growth Equity	2017	15,000,000	14,790,000	8,137,930	23,150,338	21.5%
EIG Energy Fund XVI	Natural Resources	Energy	2013	25,000,000	23,872,311	16,136,420	13,987,027	5.2%
Encap Energy Capital Fund IX	Natural Resources	Energy	2012	30,000,000	29,193,824	35,803,258	10,938,166	11.0%
Encap Energy Capital Fund VIII	Natural Resources	Energy	2010	15,000,000	14,936,530	9,623,740	5,904,277	0.7%
Encap Energy Capital Fund X	Natural Resources	Energy	2015	35,000,000	34,092,679	46,011,443	21,435,501	15.8%
EnCap Energy Capital Fund XI	Natural Resources	Energy	2017	40,000,000	36,449,128	17,758,630	42,791,684	21.1%
Energy Capital Partners III	Natural Resources	Energy	2014	40,000,000	39,786,001	52,928,497	12,222,261	11.6%
Essex Woodlands Health Ventures Fund IV	Venture Capital	Venture - Late Stage	1998	4,000,000	4,000,000	5,227,551	524,439	7.2%
Essex Woodlands Health Ventures Fund V	Venture Capital	Venture - Late Stage	2000	10,000,000	10,000,000	10,591,086	1,025,503	3.1%
Essex Woodlands Health Ventures Fund VI	Venture Capital	Venture - Multi-Stage	2004	15,000,000	14,587,500	16,028,797	4,422,200	3.6%
FIMI Opportunity V	Buyout	Buyout - Medium	2012	20,000,000	18,194,334	27,458,121	8,130,000	11.9%
First Reserve Fund XI	Natural Resources	Energy	2006	30,000,000	30,000,000	21,071,746	9,014	-7.9%
First Reserve Fund XII	Natural Resources	Energy	2008	25,000,000	25,990,474	12,742,874	24,096	-17.8%

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CORE PORTFOLIO SUMMARY AS OF 9/30/2023- ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
Fortress Credit Opportunities V Expansion	Credit/Distressed	Distressed	2020	50,000,000	25,605,254	7,221,610	21,578,149	9.4%
Francisco Partners Agility III	Buyout	Buyout - Medium	2022	17,500,000	-	-	-	n.m.
Francisco Partners VII	Buyout	Buyout - Medium	2021	50,000,000	-	-	-	n.m.
FS Equity Partners VIII	Buyout	Buyout - Medium	2019	25,000,000	20,476,037	688,936	31,749,236	20.2%
General Catalyst Group X - Early Venture	Venture Capital	Venture - Early Stage	2020	10,000,000	9,650,000	-	16,582,034	23.5%
General Catalyst Group X - Endurance	Venture Capital	Venture - Multi-Stage	2020	11,666,667	11,666,667	-	11,040,536	-2.1%
General Catalyst Group X - Growth Venture	Growth Equity	Growth Equity	2020	16,666,666	16,416,666	-	17,989,837	3.6%
General Catalyst Group XI - Creation LP	Venture Capital	Venture - Early Stage	2021	13,000,000	6,142,704	-	6,298,355	3.1%
General Catalyst Group XI - Endurance LP	Growth Equity	Growth Equity	2021	44,000,000	34,964,335	7,971	33,690,561	-2.9%
General Catalyst Group XI - Ignition LP	Venture Capital	Venture - Early Stage	2021	18,000,000	11,818,822	1,993	11,298,166	-3.4%
Genstar Capital Partners IX	Buyout	Buyout - Medium	2019	25,000,000	23,968,108	13,181,679	34,049,631	32.2%
Genstar Capital Partners X	Buyout	Buyout - Large	2021	32,500,000	22,974,843	95,632	23,988,206	4.7%
Genstar Capital Partners XI	Buyout	Buyout - Large	2023	35,000,000	-	-	-	n.m.
Genstar IX Opportunities Fund I	Buyout	Buyout - Large	2019	25,000,000	21,609,939	10,761,080	29,367,697	24.3%
Genstar X Opportunities Fund I	Buyout	Buyout - Large	2021	25,000,000	16,102,596	74,112	17,285,729	5.9%
Genstar XI Opportunities Fund	Buyout	Buyout - Large	2023	25,000,000	-	-	-	n.m.
GGV Capital IX	Venture Capital	Venture - Multi-Stage	2023	40,000,000	-	-	-	n.m.
GGV Capital IX Plus	Venture Capital	Venture - Multi-Stage	2023	10,000,000	-	-	-	n.m.
GGV Capital VIII	Venture Capital	Venture - Expansion Stage	2021	16,000,000	10,160,000	-	11,142,213	5.8%
GGV Capital VIII Plus	Venture Capital	Venture - Expansion Stage	2021	4,000,000	1,840,000	-	1,909,406	2.0%
Gilde Buy-Out Fund V	Buyout	Buyout - Medium	2016	27,121,713	25,802,808	54,539,150	10,610,539	27.5%
Gilde Buy-Out Fund VI	Buyout	Buyout - Medium	2019	39,684,790	26,131,005	1,620,567	29,240,770	10.0%
Glendon Opportunities Fund	Credit/Distressed	Distressed	2014	20,000,000	18,990,996	24,802,279	4,529,406	8.2%
Glendon Opportunities Fund II	Credit/Distressed	Distressed	2019	40,000,000	36,000,000	-	50,840,401	13.7%
Green Equity Investors V	Buyout	Buyout - Large	2007	20,000,000	18,309,607	46,669,621	231,252	19.4%
Green Equity Investors VI	Buyout	Buyout - Large	2012	20,000,000	19,673,792	20,178,702	21,277,039	13.3%

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CORE PORTFOLIO SUMMARY AS OF 9/30/2023- ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD	USD ITD	USD ITD	USD Fair Market	
				Commitment	Contributions	Distributions	Value	Net IRR
Green Equity Investors VII	Buyout	Buyout - Large	2017	25,000,000	25,960,677	23,705,331	28,526,753	20.7%
GTCR Fund XII-AB	Buyout	Buyout - Medium	2017	40,000,000	41,370,021	25,396,657	45,793,508	24.0%
GTCR Fund XIII-AB	Buyout	Buyout - Medium	2020	40,000,000	20,782,202	4,357,526	20,812,412	17.7%
GTCR Fund XIV	Buyout	Buyout - Large	2022	60,000,000	-	-	-	n.m.
H&F Arrow 1	Buyout	Buyout - Large	2020	-	3,502,497	-	7,132,930	25.9%
H&F Spock 1	Buyout	Buyout - Large	2018	-	3,266,786	335,718	10,491,213	24.8%
H.I.G. Europe Middle Market LBO Fund	Buyout	Buyout - Medium	2020	49,552,926	11,377,091	216,856	16,048,256	39.8%
Halifax Capital Partners II	Buyout	Buyout - Small	2005	10,000,001	8,104,233	10,703,687	218,077	7.6%
HarbourVest Partners Co-Investment Fund VI	PE Multi-Manager	Co-Investment	2021	50,000,000	27,500,000	-	28,993,564	8.0%
Harvest Partners IX	Buyout	Buyout - Medium	2021	50,000,000	17,347,848	1,466,729	14,679,028	-13.5%
Harvest Partners VII	Buyout	Buyout - Medium	2016	20,000,000	19,457,451	17,911,712	11,207,983	10.9%
Harvest Partners VIII	Buyout	Buyout - Medium	2019	50,000,000	51,700,010	18,249,754	56,025,043	16.7%
Hellman & Friedman Capital Partners IX	Buyout	Buyout - Large	2019	30,000,000	30,133,759	1,518,771	40,817,943	13.7%
Hellman & Friedman Capital Partners VII	Buyout	Buyout - Large	2011	20,000,000	19,117,835	60,085,495	4,692,951	24.7%
Hellman & Friedman Capital Partners VIII	Buyout	Buyout - Large	2016	20,000,000	19,953,750	10,224,917	24,924,425	13.2%
Hellman & Friedman Capital Partners X	Buyout	Buyout - Large	2021	40,000,000	28,853,359	68,179	31,744,534	6.8%
Hellman & Friedman Capital Partners XI	Buyout	Buyout - Large	2023	50,000,000	-	-	-	n.m.
Hg Genesis 10 A	Buyout	Buyout - Large	2022	39,182,400	6,901,860	-	7,245,919	26.3%
Hg Genesis 9	Buyout	Buyout - Medium	2020	19,295,500	17,277,813	3,270,810	18,341,589	19.9%
Hg Saturn 3 A	Buyout	Buyout - Large	2022	40,000,000	12,355,886	-	12,446,134	5.3%
HgCapital Saturn Fund 2	Buyout	Buyout - Large	2020	20,000,000	19,761,589	6,570,947	18,561,823	21.0%
High Road Capital Partners Fund II	Buyout	Buyout - Small	2013	25,000,000	24,131,225	29,169,267	14,080,076	14.7%
Hony Capital Fund V	Buyout	Buyout - Large	2011	25,000,000	26,141,123	9,800,378	9,782,409	-3.7%
ICG Strategic Equity Fund IV	PE Multi-Manager	Secondaries	2021	50,000,000	29,430,117	5,118,670	35,772,153	23.2%
ICG Strategic Equity Fund V	PE Multi-Manager	Secondaries	2024	30,000,000	-	-	(296,930)	n.m.
Incline Equity Partners IV	Buyout	Buyout - Small	2017	10,000,000	10,044,199	9,406,925	9,004,395	23.8%

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CORE PORTFOLIO SUMMARY AS OF 9/30/2023- ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
Insight Venture Partners IX	Growth Equity	Growth Equity	2015	25,000,000	26,467,536	36,385,868	60,540,756	25.0%
Insight Venture Partners VIII	Growth Equity	Growth Equity	2013	20,000,000	20,652,344	47,394,187	18,213,596	20.9%
Institutional Venture Partners XV	Venture Capital	Venture - Late Stage	2015	20,000,000	20,120,007	37,114,246	23,683,562	26.1%
J.H. Whitney VII	Buyout	Buyout - Medium	2010	25,000,000	24,667,457	31,855,151	19,624,144	12.6%
Kelso Investment Associates VII	Buyout	Buyout - Medium	2003	18,000,000	17,131,163	29,092,678	32,387	12.5%
Kelso Investment Associates VIII	Buyout	Buyout - Medium	2007	20,000,000	19,002,679	27,187,340	486,217	7.2%
Khosla Ventures IV	Venture Capital	Venture - Early Stage	2011	20,000,000	19,620,000	55,914,954	26,813,516	23.2%
KKR 2006 Fund	Buyout	Buyout - Large	2006	30,000,000	30,219,403	56,261,664	10,171	9.3%
KKR European Fund II	Buyout	Buyout - Large	2005	15,000,000	15,497,844	20,962,595	106,261	4.7%
KPS Special Situations Fund IV	Buyout	Buyout - Medium	2014	25,000,000	21,705,533	34,765,795	10,769,843	23.8%
KPS Special Situations Fund V	Buyout	Buyout - Medium	2020	40,000,000	22,872,267	7,803,342	28,203,857	24.0%
KPS Special Situations Fund VI	Buyout	Buyout - Large	2023	40,000,000	-	-	-	n.m.
KPS Special Situations Mid-Cap Fund	Buyout	Buyout - Medium	2019	10,000,000	6,239,703	1,839,364	7,614,597	20.7%
KPS Special Situations Mid-Cap Fund II	Buyout	Buyout - Medium	2023	20,000,000	-	-	-	n.m.
L2 Point Opportunities I	Credit/Distressed	Mezzanine	2022	30,000,000	29,718,298	(60,727)	30,208,005	1.3%
Levine Leichtman Capital Partners IV	Buyout	Buyout - Medium	2008	20,000,000	16,448,126	28,973,102	1,917,584	17.5%
Levine Leichtman Capital Partners V	Buyout	Buyout - Medium	2013	30,000,000	31,522,230	60,517,474	10,495,540	17.2%
LightBay Investment Partners II	Buyout	Buyout - Small	2022	25,000,000	2,237,330	-	880,722	-60.5%
Longitude Venture Partners III	Venture Capital	Venture - Late Stage	2016	10,000,000	10,380,874	10,339,712	6,541,364	18.6%
Mayfield Select III	Venture Capital	Venture - Late Stage	2023	5,000,000	-	-	-	n.m.
MBK Partners Fund V	Buyout	Buyout - Large	2021	40,000,000	23,552,300	483,831	32,663,373	31.0%
Menlo Ventures IX	Venture Capital	Venture - Multi-Stage	2001	20,000,000	20,000,000	20,254,444	151,433	0.3%
Mill Point Capital Partners	Buyout	Buyout - Small	2017	10,000,000	10,676,807	8,766,845	14,143,727	25.2%
Mill Point Capital Partners II	Buyout	Buyout - Medium	2021	11,000,000	9,589,079	2,482,874	10,894,565	44.6%
Montagu VI	Buyout	Buyout - Medium	2020	40,301,363	32,159,660	11,640,052	21,852,764	3.7%
Nautic Partners V	Buyout	Buyout - Medium	2000	15,000,000	14,376,238	29,742,872	1,137,548	17.0%

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CORE PORTFOLIO SUMMARY AS OF 9/30/2023- ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
NEA 18 Venture Growth Equity	Growth Equity	Growth Equity	2022	35,000,000	11,287,500	-	7,421,186	-27.0%
New Enterprise Associates 13	Venture Capital	Venture - Multi-Stage	2009	15,000,000	15,000,000	36,791,577	3,883,559	17.1%
New Enterprise Associates 15	Venture Capital	Venture - Multi-Stage	2015	20,000,000	18,900,000	18,326,811	16,775,296	12.2%
New Enterprise Associates 16	Venture Capital	Venture - Multi-Stage	2017	25,000,000	22,750,000	3,955,903	27,577,481	8.3%
New Enterprise Associates 17	Venture Capital	Venture - Multi-Stage	2019	35,000,000	27,825,000	3,117,748	28,377,233	5.3%
New Enterprise Associates 18	Venture Capital	Venture - Multi-Stage	2022	40,000,000	10,600,000	-	11,232,854	5.4%
New Mountain Partners III	Buyout	Buyout - Large	2007	20,000,000	19,583,991	48,649,824	785,169	14.5%
New Water Capital	Buyout	Buyout - Small	2015	10,000,000	10,175,888	10,973,864	4,279,967	12.6%
NGP Natural Resources XI	Natural Resources	Energy	2014	25,000,000	25,490,714	24,246,110	17,026,738	10.5%
NMS Fund III	Buyout	Buyout - Small	2017	10,000,000	9,152,334	3,667,028	12,573,056	21.1%
NMS Fund IV	Buyout	Buyout - Medium	2020	40,000,000	26,429,376	5,083,114	29,086,434	27.8%
Nordic Capital Fund XI	Buyout	Buyout - Large	2022	47,663,400	4,879,614	-	3,652,523	n.m.
Nordic Capital V	Buyout	Buyout - Medium	2003	14,043,460	14,312,613	42,509,152	50,127	20.8%
Oak HC-FT Partners	Venture Capital	Venture - Late Stage	2014	10,000,000	9,663,325	19,622,897	13,265,300	26.9%
Oak HC-FT Partners II	Venture Capital	Venture - Late Stage	2017	10,000,000	10,000,000	4,422,049	23,918,000	32.6%
Oak HC-FT Partners III	Venture Capital	Venture - Multi-Stage	2019	25,000,000	25,081,217	2,328,199	38,312,832	19.9%
Oak HC-FT Partners IV	Venture Capital	Venture - Multi-Stage	2021	40,000,000	34,401,949	163,684	42,653,758	13.3%
Oak HC-FT Partners V	Venture Capital	Venture - Multi-Stage	2022	50,000,000	7,231,819	41	7,853,180	14.1%
Oak Investment Partners XII	Venture Capital	Venture - Multi-Stage	2006	15,000,000	14,999,762	13,930,627	264,224	-0.8%
Oaktree Opportunities Fund X	Credit/Distressed	Distressed	2015	7,500,000	6,225,000	5,556,699	4,057,505	9.2%
Oaktree Opportunities Fund Xb	Credit/Distressed	Distressed	2018	17,500,000	13,125,000	-	19,887,377	13.6%
OceanSound Partners Fund	Buyout	Buyout - Medium	2019	20,000,000	16,931,576	199,482	31,029,003	29.5%
OceanSound Partners Fund II	Buyout	Buyout - Small	2023	25,000,000	10,177,775	-	9,570,789	n.m.
OCM Opportunities Fund VII	Credit/Distressed	Distressed	2007	10,000,000	10,000,000	13,744,793	88,967	7.3%
OCM Opportunities Fund VIIb	Credit/Distressed	Distressed	2008	10,000,000	9,000,000	15,582,552	3,499	16.5%
Onex Partners	Buyout	Buyout - Large	2003	20,000,000	19,048,408	58,437,674	86,350	38.4%

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Orchid Asia VIII	Growth Equity	Growth Equity	2021	50,000,000	15,144,334	1,077,796	11,303,141	-22.8%
P4G Capital Partners I	Buyout	Buyout - Small	2018	10,000,000	8,004,330	362,762	10,989,182	24.3%
Palladium Equity Partners IV	Buyout	Buyout - Medium	2012	25,000,000	26,734,495	18,313,885	25,253,014	10.6%
Palladium Equity Partners V	Buyout	Buyout - Medium	2017	25,000,000	21,574,095	4,719,900	24,585,686	12.5%
Permira Europe III	Buyout	Buyout - Large	2003	21,506,160	21,573,836	36,917,803	55,174	26.1%
Pharos Capital Partners II-A	Buyout	Buyout - Medium	2004	5,000,000	5,000,000	3,192,707	2,297,767	1.1%
Platinum Equity Capital Partners III	Buyout	Buyout - Large	2011	25,000,000	19,979,379	42,561,873	4,327,584	30.6%
Platinum Equity Capital Partners IV	Buyout	Buyout - Large	2016	15,000,000	15,761,816	15,455,683	15,643,627	22.5%
Platinum Equity Capital Partners V	Buyout	Buyout - Large	2019	50,000,000	52,381,720	8,729,203	68,259,082	19.8%
Platinum Equity Capital Partners VI	Buyout	Buyout - Large	2022	75,000,000	9,824,320	651,273	9,277,423	n.m.
Platinum Equity Small Cap Fund	Buyout	Buyout - Medium	2018	22,500,000	18,864,523	4,105,972	28,268,401	23.2%
Polaris Growth Fund	Growth Equity	Growth Equity	2018	10,000,000	4,880,000	3,514,286	10,544,100	48.5%
Polaris Partners VII	Venture Capital	Venture - Multi-Stage	2014	25,000,000	23,125,000	6,262,289	36,412,160	9.9%
Polaris Partners VIII	Venture Capital	Venture - Multi-Stage	2016	10,000,000	8,100,000	5,224,901	13,113,440	21.1%
Polaris Venture Partners V	Venture Capital	Venture - Multi-Stage	2006	15,000,000	14,700,000	19,764,786	8,493,797	8.4%
Polaris Venture Partners VI	Venture Capital	Venture - Multi-Stage	2010	15,000,000	13,125,000	18,000,993	10,882,250	13.0%
Providence Debt Fund III	Credit/Distressed	Distressed	2013	30,000,000	32,098,772	35,780,413	6,074,692	6.2%
Providence Equity Partners V	Buyout	Buyout - Large	2005	18,000,000	16,415,595	20,374,892	98,851	3.2%
Providence Equity Partners VI	Buyout	Buyout - Large	2007	30,000,000	28,967,876	42,974,272	303,273	6.0%
Reverence Capital Partners Opportunities Fund V (PE III)	Buyout	Buyout - Medium	2021	50,000,000	18,819,300	1,215,116	17,900,295	1.7%
Roark Capital Partners II Side Car	Buyout	Buyout - Medium	2018	10,000,000	9,988,328	1,703,566	17,447,968	18.3%
Roark Capital Partners V	Buyout	Buyout - Large	2018	15,000,000	13,783,706	3,299,735	18,720,172	17.5%
Roark Capital Partners VI	Buyout	Buyout - Large	2021	40,000,000	13,771,872	1,355,001	16,033,295	14.5%
Samson Brunello 1	Buyout	Buyout - Large	2021	-	2,546,878	-	7,220,531	49.1%
Samson Hockey 1	Buyout	Buyout - Large	2020	-	3,381,607	3,368,414	4,398,871	41.1%
Samson Shield 1	Buyout	Buyout - Large	2020	-	11,378,440	2,125,231	12,436,229	11.0%

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Searchlight Capital II	Buyout	Buyout - Medium	2015	25,000,000	25,245,588	31,612,305	15,433,906	21.6%
Spark Capital	Venture Capital	Venture - Early Stage	2005	9,000,000	8,820,000	11,937,038	436,737	8.1%
Spark Capital Growth Fund	Growth Equity	Growth Equity	2014	10,000,000	10,000,000	29,931,719	34,287,971	32.6%
Spark Capital Growth Fund II	Growth Equity	Growth Equity	2017	15,000,000	15,000,000	14,852,371	17,360,312	22.6%
Spark Capital Growth Fund III	Growth Equity	Growth Equity	2020	26,750,000	26,750,000	4,703,069	38,530,372	23.8%
Spark Capital Growth Fund IV	Growth Equity	Growth Equity	2021	33,340,000	10,502,100	-	8,957,140	-14.8%
Spark Capital II	Venture Capital	Venture - Early Stage	2008	9,750,000	9,750,000	45,726,125	7,299,076	51.4%
Spark Capital III	Venture Capital	Venture - Early Stage	2011	10,000,000	10,000,000	17,733,069	24,695,491	28.0%
Spark Capital VI	Venture Capital	Venture - Early Stage	2020	13,250,000	10,467,500	-	15,247,065	17.9%
Spark Capital VII	Venture Capital	Venture - Early Stage	2021	16,660,000	6,164,200	-	5,465,283	-10.0%
Spire Capital Partners III	Buyout	Buyout - Small	2013	10,000,000	10,520,110	6,139,702	8,880,430	8.1%
Stellex Capital Partners II	Buyout	Buyout - Medium	2021	30,000,000	20,346,135	1,390,723	21,133,240	8.0%
StepStone Secondary Opportunities III	PE Multi-Manager	Secondaries	2016	25,000,000	28,779,029	22,480,216	21,820,451	13.4%
Stripes III	Growth Equity	Growth Equity	2015	10,000,000	12,832,144	15,630,747	15,922,016	18.4%
Stripes IV	Growth Equity	Growth Equity	2017	10,000,000	13,775,813	10,310,217	28,333,302	34.6%
Sunstone Partners I	Growth Equity	Growth Equity	2015	7,500,000	8,204,512	10,348,034	12,203,270	35.4%
Sunstone Partners II	Growth Equity	Growth Equity	2020	10,000,000	9,124,580	-	10,828,047	12.9%
Sunstone Partners III	Growth Equity	Growth Equity	2022	20,000,000	1,021,782	-	496,441	n.m.
TA XI	Growth Equity	Growth Equity	2010	20,000,000	19,778,812	71,041,586	3,387,332	26.7%
TA XII-A	Growth Equity	Growth Equity	2016	25,000,000	25,017,785	47,329,182	29,211,871	36.3%
TA XIII-A	Growth Equity	Growth Equity	2019	35,000,000	34,352,705	13,965,205	44,018,658	27.0%
TA XIV-A	Growth Equity	Growth Equity	2021	60,000,000	41,400,000	1,800,000	38,512,640	-2.3%
TA XV	Growth Equity	Growth Equity	2023	60,000,000	-	-	-	n.m.
TCV IX	Growth Equity	Growth Equity	2016	10,000,000	7,953,739	8,177,994	8,474,318	19.9%
TCV VII	Growth Equity	Growth Equity	2008	20,000,000	19,745,900	62,174,983	565,968	23.3%
TCV VIII	Growth Equity	Growth Equity	2014	30,000,000	26,152,505	22,387,778	32,715,553	11.4%

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TCV X	Growth Equity	Growth Equity	2019	25,000,000	18,763,324	4,564,305	32,641,075	22.0%
TCV XI	Growth Equity	Growth Equity	2021	40,000,000	24,575,243	-	21,454,387	-8.3%
TCV XII	Growth Equity	Growth Equity	2022	60,000,000	-	-	-	n.m.
TCW Crescent Mezzanine Partners V	Credit/Distressed	Mezzanine	2007	10,000,000	9,625,012	13,257,347	55,713	9.7%
The Baring Asia Private Equity Fund VI, L.P. 1	Buyout	Buyout - Medium	2015	25,000,000	28,802,598	34,969,054	15,035,920	13.7%
The Baring Asia Private Equity Fund VII	Buyout	Buyout - Medium	2018	25,000,000	25,359,317	18,033,008	22,531,177	25.3%
The Eighth Cinven Fund	Buyout	Buyout - Large	2022	72,746,600	-	-	(602,226)	n.m.
Thoma Bravo Discover Fund II	Buyout	Buyout - Medium	2018	10,000,000	10,643,550	6,985,997	13,062,647	23.9%
Thoma Bravo Discover Fund III	Buyout	Buyout - Medium	2020	20,000,000	19,939,175	259,587	22,257,706	6.8%
Thoma Bravo Discover Fund IV	Buyout	Buyout - Medium	2022	45,000,000	18,828,996	-	20,228,359	n.m.
Thoma Bravo Explore Fund	Buyout	Buyout - Small	2020	10,000,000	8,830,758	538,135	12,339,381	25.1%
Thoma Bravo Fund XI	Buyout	Buyout - Medium	2014	15,000,000	13,400,392	34,733,049	16,901,469	26.6%
Thoma Bravo Fund XII	Buyout	Buyout - Large	2016	25,000,000	26,512,090	27,551,836	27,930,508	16.3%
Thoma Bravo Fund XIII	Buyout	Buyout - Large	2018	30,000,000	36,733,975	18,190,859	49,696,242	28.6%
Thoma Bravo Fund XIV	Buyout	Buyout - Large	2021	30,000,000	29,551,865	7	32,904,766	5.4%
Thoma Bravo Fund XV	Buyout	Buyout - Large	2022	80,000,000	54,320,945	17,335	57,091,727	5.6%
Thoma Bravo Special Opportunities Fund II	Buyout	Buyout - Medium	2015	10,000,000	9,200,691	11,185,600	10,815,084	16.1%
Threshold Ventures II	Venture Capital	Venture - Early Stage	2016	10,000,000	9,795,000	3,019,757	30,972,973	27.1%
TPG Growth II	Buyout	Buyout - Medium	2011	30,000,000	30,016,445	56,635,993	14,565,849	17.1%
TPG Partners IV	Buyout	Buyout - Large	2003	25,000,000	27,436,973	52,741,423	42,990	15.2%
TPG Partners V	Buyout	Buyout - Large	2006	29,610,505	31,415,182	42,739,813	30,106	4.8%
TPG Partners VI	Buyout	Buyout - Large	2008	22,500,000	24,691,367	36,375,239	321,437	9.4%
TPG Rise Climate	Growth Equity	Growth Equity	2021	50,000,000	17,266,975	1,153,156	18,921,884	21.2%
TPG STAR	Buyout	Buyout - Medium	2006	20,000,000	21,635,099	25,871,189	2,048,052	6.1%
Trident Capital Fund-VI	Buyout	Buyout - Medium	2005	8,500,000	8,500,000	11,600,511	1,584,577	4.5%
Ulu Ventures Fund III	Venture Capital	Venture - Early Stage	2020	10,000,000	9,000,000	-	8,595,339	-2.7%

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Ulu Ventures Fund IV	Venture Capital	Venture - Early Stage	2023	20,000,000	2,000,000	-	1,881,868	n.m.
Upfront VI	Venture Capital	Venture - Early Stage	2017	20,000,000	18,057,078	1,068,853	27,623,796	13.2%
VantagePoint Venture Partners IV	Venture Capital	Venture - Multi-Stage	2000	15,000,000	15,000,000	14,430,192	26,214	-0.5%
Vista Equity Partners Fund III	Buyout	Buyout - Medium	2007	25,000,000	23,297,865	62,074,275	1,112,294	26.6%
Vista Equity Partners Fund IV	Buyout	Buyout - Medium	2011	30,000,000	25,290,094	34,524,726	21,562,699	14.2%
Vista Equity Partners Fund V	Buyout	Buyout - Medium	2014	40,000,000	41,111,682	49,662,169	58,084,413	19.5%
Vista Equity Partners Fund VI	Buyout	Buyout - Large	2016	30,000,000	37,494,593	43,355,240	34,727,274	18.8%
Vista Equity Partners Fund VII	Buyout	Buyout - Large	2018	40,000,000	36,326,684	3,868,771	42,596,062	9.3%
Vista Foundation Fund II	Buyout	Buyout - Medium	2013	10,000,000	9,302,535	15,775,829	4,814,342	15.0%
Vista Foundation Fund III	Buyout	Buyout - Medium	2016	10,000,000	11,497,567	11,770,759	10,555,141	22.4%
Vista Foundation Fund IV	Buyout	Buyout - Medium	2020	30,000,000	22,887,908	5,779	22,519,182	-0.9%
Vitruvian Investment Partnership IV	Buyout	Buyout - Medium	2020	39,119,924	30,721,555	-	35,211,489	10.7%
Vitruvian Investment Partnership V	Growth Equity	Growth Equity	2022	75,103,200	3,433,778	-	2,199,899	n.m.
Wynnchurch Capital Partners IV	Buyout	Buyout - Medium	2015	10,000,000	9,744,542	11,399,559	14,225,942	26.8%
Yucaipa American Alliance Fund II	Buyout	Buyout - Medium	2008	20,000,000	20,160,070	22,593,698	16,788,006	7.9%
LACERS - Active Core				6,834,139,174	4,970,576,186	4,164,617,942	4,147,215,213	13.9%
LACERS Core				7,821,463,788	5,927,061,517	5,659,393,797	4,147,215,213	12.6%

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CORE PORTFOLIO SUMMARY AS OF 9/30/2023 - LIQUIDATED

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ACON-Bastion Partners II	Buyout	Buyout - Medium	2006	5,000,000	4,721,150	8,209,699	-	12.3%
Alchemy Plan (City of Angels)	Buyout	Buyout - Medium	1999	38,194,245	40,196,637	50,322,714	-	5.7%
Austin Ventures VII	Venture Capital	Venture - Multi-Stage	1999	17,000,000	17,000,000	13,726,439	-	-2.8%
Austin Ventures VIII	Venture Capital	Venture - Multi-Stage	2001	8,300,000	8,300,000	13,730,002	-	6.8%
Avenue Europe Special Situations Fund II	Credit/Distressed	Distressed	2011	28,323,908	28,305,005	32,200,618	-	3.5%
Avenue Special Situations Fund IV	Credit/Distressed	Distressed	2006	10,000,000	10,000,000	13,828,999	-	8.3%
Avenue Special Situations Fund V	Credit/Distressed	Distressed	2007	10,000,000	9,950,262	13,312,819	-	11.5%
Carlyle Partners IV	Buyout	Buyout - Large	2005	20,000,000	19,634,189	39,897,415	-	13.0%
CGW Southeast Partners III	Buyout	Buyout - Small	1996	8,680,144	8,680,144	14,736,448	-	9.2%
CGW Southeast Partners IV	Buyout	Buyout - Medium	1999	10,000,000	8,707,914	13,398,877	-	8.3%
Charterhouse Capital Partners VIII	Buyout	Buyout - Large	2006	19,869,483	19,656,305	18,895,820	-	-0.6%
Chisholm Partners IV	Buyout	Buyout - Small	1999	9,000,000	8,841,055	9,376,669	-	0.7%
CHS Private Equity V	Buyout	Buyout - Medium	2005	20,000,000	20,145,530	35,432,176	-	9.9%
CVC European Equity Partners	Buyout	Buyout - Large	1996	10,000,000	9,686,071	24,345,254	-	23.2%
CVC European Equity Partners II	Buyout	Buyout - Large	1998	9,218,055	9,212,371	22,076,376	-	18.9%
Energy Capital Partners II	Natural Resources	Energy	2009	20,000,000	13,957,194	20,431,934	-	9.1%
Enhanced Equity Fund	Buyout	Buyout - Small	2006	10,000,000	10,000,000	10,776,209	-	1.1%
Enhanced Equity Fund II	Buyout	Buyout - Small	2010	10,000,000	9,570,165	5,253,831	-	-21.7%
First Reserve Fund X	Natural Resources	Energy	2004	20,000,000	20,000,000	36,552,322	-	31.0%
Golder, Thoma, Cressey, Rauner Fund V	Buyout	Buyout - Medium	1997	10,000,000	10,000,000	18,226,074	-	11.0%
GTCR Fund IX-A	Buyout	Buyout - Medium	2006	15,000,000	14,288,203	25,808,785	-	13.8%
GTCR Fund VI	Buyout	Buyout - Medium	1998	10,000,000	10,000,000	8,890,791	-	-3.8%
GTCR Fund VII	Buyout	Buyout - Medium	2000	18,750,000	18,609,375	43,841,047	-	21.8%
GTCR Fund VII-A	Buyout	Buyout - Medium	2001	6,250,000	4,140,625	11,565,815	-	83.1%
GTCR Fund VIII	Buyout	Buyout - Medium	2003	20,000,000	18,520,960	32,408,009	-	22.3%
Hellman & Friedman Capital Partners V	Buyout	Buyout - Large	2004	10,463,972	9,931,388	26,659,657	-	27.8%

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Hellman & Friedman Capital Partners VI	Buyout	Buyout - Large	2006	20,000,000	19,252,237	36,202,495	-	12.9%
Highbridge Principal Strategies Senior Loan II	Credit/Distressed	Distressed	2010	50,000,000	40,883,273	47,651,965	-	7.9%
InterWest VI	Venture Capital	Venture - Early Stage	1996	5,000,000	5,000,000	14,858,749	-	49.0%
J.H. Whitney IV	Buyout	Buyout - Medium	1999	22,448,463	22,448,463	9,422,111	-	-10.9%
J.H. Whitney V	Buyout	Buyout - Medium	2000	9,957,358	11,558,159	22,375,756	-	23.3%
J.H. Whitney VI	Buyout	Buyout - Medium	2005	15,000,000	14,884,557	14,590,780	-	-0.4%
Kelso Investment Associates VI	Buyout	Buyout - Medium	1998	4,309,418	4,309,418	5,982,794	-	9.3%
KKR 1996 Fund	Buyout	Buyout - Large	1997	25,000,000	26,194,438	46,838,314	-	13.2%
Levine Leichtman Capital Partners III	Buyout	Buyout - Medium	2003	20,000,000	21,392,254	33,354,346	-	10.0%
Lindsay Goldberg & Bessemer II	Buyout	Buyout - Large	2006	20,000,000	18,913,523	27,078,474	-	7.1%
Lindsay Goldberg III	Buyout	Buyout - Large	2008	20,000,000	19,232,884	26,175,344	-	8.1%
Madison Dearborn Capital Partners III	Buyout	Buyout - Medium	1999	16,000,000	16,000,000	24,398,778	-	8.6%
Madison Dearborn Capital Partners IV	Buyout	Buyout - Medium	2000	25,000,000	25,199,114	48,054,335	-	14.1%
Menlo Ventures VII	Venture Capital	Venture - Multi-Stage	1997	5,000,000	5,000,000	23,552,033	-	135.8%
Menlo Ventures VIII	Venture Capital	Venture - Multi-Stage	1999	18,000,000	18,000,000	8,980,234	-	-8.9%
NewBridge Asia IV	Buyout	Buyout - Medium	2005	10,000,000	9,846,880	21,943,320	-	16.8%
OCM Opportunities Fund	Credit/Distressed	Distressed	1995	11,000,000	10,972,896	18,030,431	-	10.3%
OCM Opportunities Fund II	Credit/Distressed	Distressed	1997	11,000,000	11,000,000	16,628,641	-	8.4%
OCM Opportunities Fund III	Credit/Distressed	Distressed	1999	10,000,000	10,000,000	15,072,658	-	11.9%
OCM Opportunities Fund IV	Credit/Distressed	Distressed	2001	10,000,000	10,000,000	16,503,319	-	28.4%
OCM Opportunities Fund V	Credit/Distressed	Distressed	2004	7,100,000	7,100,000	11,703,269	-	14.1%
Olympus Growth Fund IV	Buyout	Buyout - Medium	2003	7,700,000	7,660,045	11,831,606	-	8.5%
Permira Europe IV	Buyout	Buyout - Large	2006	14,935,115	14,921,731	24,111,899	-	8.6%
Providence TMT Debt Opportunity Fund II	Credit/Distressed	Distressed	2010	20,000,000	16,319,772	25,893,666	-	10.4%
Richland Ventures III	Venture Capital	Venture - Late Stage	1999	18,000,000	18,000,000	15,261,276	-	-3.0%
SSG Capital Partners II	Credit/Distressed	Distressed	2012	15,914,286	15,287,483	17,803,371	-	4.1%

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CORE PORTFOLIO SUMMARY AS OF 9/30/2023 - LIQUIDATED

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
TAX	Growth Equity	Growth Equity	2006	6,000,000	6,186,689	8,025,046	-	5.2%
TCV V	Venture Capital	Venture - Multi-Stage	2004	19,500,000	19,334,250	35,783,445	-	10.6%
TCW Crescent Mezzanine Partners IV	Credit/Distressed	Mezzanine	2006	10,000,000	8,712,805	9,998,443	-	2.9%
The Resolute Fund	Buyout	Buyout - Medium	2002	20,000,000	18,978,049	48,217,383	-	17.0%
Thoma Cressey Fund VI	Buyout	Buyout - Medium	1998	5,000,000	4,845,000	4,995,064	-	0.4%
Thomas H. Lee Equity Fund V	Buyout	Buyout - Medium	2000	15,000,000	15,260,867	26,333,190	-	14.2%
Tibbar Holdings, LLC (FKA TH Lee IV)	Buyout	Buyout - Medium	1998	7,000,000	6,314,197	5,484,109	-	-2.6%
TPG Partners III	Buyout	Buyout - Large	1999	25,000,000	22,442,286	56,580,977	-	24.4%
Trident Capital Fund-V	Buyout	Buyout - Medium	2000	10,587,999	10,627,045	17,742,590	-	7.7%
Trident Capital Fund-V (Secondary)	Buyout	Buyout - Medium	2000	3,781,680	3,374,683	6,480,167	-	12.1%
Vestar Capital Partners IV	Buyout	Buyout - Medium	1999	17,000,000	16,590,256	29,407,769	-	13.4%
Welsh, Carson, Anderson & Stowe IX	Buyout	Buyout - Medium	2000	15,000,000	14,850,000	24,680,230	-	11.2%
Welsh, Carson, Anderson & Stowe VII	Buyout	Buyout - Medium	1995	15,000,000	15,000,000	32,633,357	-	17.7%
Welsh, Carson, Anderson & Stowe VIII	Buyout	Buyout - Medium	1998	15,000,000	15,000,000	19,322,526	-	3.1%
Weston Presidio Capital IV	Growth Equity	Growth Equity	2000	15,000,000	14,764,721	17,365,533	-	3.0%
Weston Presidio Capital IV (Secondary)	Growth Equity	Growth Equity	2000	3,040,488	2,772,810	3,521,264	-	5.2%
LACERS - Liquidated Core				987,324,614	956,485,331	1,494,775,855	-	10.6%
LACERS Core				7,821,463,788	5,927,061,517	5,659,393,797	4,147,215,213	12.6%

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SPECIALIZED PORTFOLIO SUMMARY AS OF 9/30/2023 - ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
Angeleno Investors III	Venture Capital	Venture - Late Stage	2009	10,000,000	10,686,144	2,321,282	9,068,675	0.8%
DFJ Frontier Fund II	Venture Capital	Venture - Early Stage	2007	5,000,000	5,002,783	1,790,549	4,016,617	1.5%
Element Partners Fund II	Venture Capital	Venture - Late Stage	2008	10,000,000	9,361,465	13,946,541	39,338	5.9%
NGEN III	Venture Capital	Venture - Multi-Stage	2008	10,000,000	11,413,705	5,824,676	1,885,203	-5.2%
Palladium Equity Partners III	Buyout	Buyout - Medium	2004	10,000,000	9,915,419	17,816,861	12,511	11.2%
Saybrook Corporate Opportunity Fund	Credit/Distressed	Distressed	2007	6,192,814	6,321,092	9,672,160	74,919	9.8%
St. Cloud Capital Partners II	Credit/Distressed	Mezzanine	2007	5,000,000	4,989,085	4,177,572	43,015	-3.9%
Vicente Capital Partners Growth Equity Fund	Growth Equity	Growth Equity	2007	10,000,000	10,093,708	13,998,549	100,307	5.7%
Yucaipa American Alliance Fund I	Buyout	Buyout - Medium	2002	10,000,000	10,431,383	12,451,100	502,727	3.8%
LACERS - Specialized Active				76,192,814	78,214,782	81,999,290	15,743,312	3.7%
LACERS Specialized				191,261,668	189,594,631	196,615,830	15,743,312	1.8%

SPECIALIZED PORTFOLIO SUMMARY AS OF 9/30/2023 - LIQUIDATED

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
Ares Special Situations Fund	Credit/Distressed	Distressed	2008	10,000,000	10,166,166	17,497,244	-	13.1%
Carpenter Community BancFund-A	Buyout	Buyout - Small	2008	10,000,000	9,692,231	16,376,097	-	8.2%
Craton Equity Investors I	Growth Equity	Growth Equity	2006	10,000,000	9,951,989	1,067,621	-	-32.7%
DFJ Element	Venture Capital	Venture - Multi-Stage	2006	8,000,000	7,846,106	5,764,976	-	-3.4%
NGEN Partners II	Venture Capital	Venture - Multi-Stage	2005	7,750,702	7,750,702	515,126	-	-49.0%
Nogales Investors Fund II	Buyout	Buyout - Medium	2006	4,100,000	3,603,436	398,586	-	-24.1%
Reliant Equity Partners	Buyout	Buyout - Small	2002	7,920,417	8,008,449	55,772	-	-100.0%
Rustic Canyon/Fontis Partners	Growth Equity	Growth Equity	2005	5,000,000	3,671,248	2,552,846	-	-5.0%
Sector Performance Fund	Buyout	Buyout - Medium	2007	9,297,735	9,502,443	8,466,553	-	-2.9%
Spire Capital Partners II	Buyout	Buyout - Small	2006	10,000,000	9,025,654	17,699,807	-	15.6%
StarVest Partners II	Venture Capital	Venture - Late Stage	2007	5,000,000	4,976,109	2,919,313	-	-7.0%
StepStone Pioneer Capital I	PE Multi-Manager	Fund of Funds	2004	10,000,000	9,751,911	13,033,359	-	5.1%
StepStone Pioneer Capital II	PE Multi-Manager	Fund of Funds	2006	10,000,000	9,427,148	18,255,456	-	9.1%
Sterling Venture Partners II	Venture Capital	Venture - Late Stage	2005	8,000,000	8,006,256	10,013,785	-	3.2%
Liquidated				115,068,854	111,379,849	114,616,541	-	0.5%
LACERS Specialized				191,261,668	189,594,631	196,615,830	15,743,312	1.8%

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CORE PORTFOLIO SUMMARY AS OF 12/31/2023- ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
1315 Capital Fund	Venture Capital	Venture - Late Stage	2015	10,000,000	10,386,065	9,897,890	11,874,206	17.6%
1315 Capital Fund II	Venture Capital	Venture - Late Stage	2018	10,000,000	10,049,533	5,583,174	8,410,780	16.4%
1315 Capital Fund III	Growth Equity	Growth Equity	2022	30,000,000	3,278,243	-	3,119,426	n.m.
3 Boomerang Capital I	Buyout	Buyout - Small	2023	20,000,000	-	-	(89,940)	n.m.
ABRY Advanced Securities Fund III	Credit/Distressed	Credit	2014	20,000,000	26,251,712	16,286,032	10,629,843	0.6%
ABRY Advanced Securities Fund IV	Credit/Distressed	Credit	2018	40,000,000	36,556,813	16,865,286	25,735,158	6.7%
ABRY Heritage Partners	Buyout	Buyout - Small	2016	10,000,000	10,485,948	11,743,724	8,304,572	27.2%
ABRY Partners IX	Buyout	Buyout - Medium	2019	40,000,000	41,724,057	11,846,875	49,172,247	15.8%
ABRY Partners VIII	Buyout	Buyout - Medium	2015	25,000,000	28,711,108	35,958,331	4,884,175	10.0%
ABRY Senior Equity V	Credit/Distressed	Mezzanine	2016	10,000,000	10,576,603	5,057,344	10,764,068	13.9%
ACON Equity Partners 3.5	Buyout	Buyout - Medium	2012	20,000,000	18,034,492	19,946,885	396,715	2.7%
Advent Global Technology	Buyout	Buyout - Medium	2019	15,000,000	14,399,999	-	18,142,357	8.4%
Advent Global Technology II	Buyout	Buyout - Medium	2021	30,000,000	11,260,512	-	14,561,203	18.7%
Advent International GPE IX	Buyout	Buyout - Large	2019	45,000,000	42,077,875	4,498,202	58,775,201	18.2%
Advent International GPE VI A	Buyout	Buyout - Medium	2008	20,000,000	20,000,000	40,162,749	1,604,606	16.4%
Advent International GPE VII B	Buyout	Buyout - Large	2012	30,000,000	28,800,000	47,824,310	4,562,634	13.3%
Advent International GPE VIII B-2	Buyout	Buyout - Large	2016	35,000,000	35,000,000	35,204,179	37,686,942	17.6%
Advent International GPE X	Buyout	Buyout - Large	2022	60,000,000	21,607,417	-	21,642,716	0.3%
AION Capital Partners	Credit/Distressed	Credit	2012	20,000,000	20,002,883	16,993,866	6,485,571	4.0%
Altaris Health Partners VI	Buyout	Buyout - Medium	2023	40,000,000	-	-	-	n.m.
American Securities Partners VII	Buyout	Buyout - Medium	2016	25,000,000	24,271,435	20,969,839	25,033,616	14.1%
American Securities Partners VIII	Buyout	Buyout - Large	2019	40,000,000	38,988,035	3,429,948	54,468,005	18.8%
Angeles Equity Partners I	Buyout	Buyout - Small	2015	10,000,000	10,737,985	7,706,750	8,317,521	17.3%
Apollo Investment Fund IV	Buyout	Buyout - Large	1998	5,000,000	4,989,241	8,320,973	2,433	8.5%
Apollo Investment Fund VI	Buyout	Buyout - Large	2006	15,000,000	14,372,999	23,957,457	253,971	8.6%
Apollo Investment Fund VII	Buyout	Buyout - Large	2008	20,000,000	17,566,884	35,753,362	124,760	22.6%

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CORE PORTFOLIO SUMMARY AS OF 12/31/2023- ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
Apollo Investment Fund VIII	Buyout	Buyout - Large	2013	40,000,000	36,160,934	41,839,966	12,540,514	9.4%
Arsenal Capital Partners VI	Buyout	Buyout - Medium	2021	50,000,000	22,316,307	7,631,640	11,422,405	-18.2%
Ascribe Opportunities Fund II	Credit/Distressed	Distressed	2010	20,000,000	30,537,420	31,202,934	1,597,889	2.6%
Ascribe Opportunities Fund III	Credit/Distressed	Distressed	2014	30,000,000	50,591,896	42,046,859	605,910	-19.0%
Ascribe Opportunities Fund IV	Credit/Distressed	Distressed	2019	25,000,000	34,058,255	16,403,651	20,748,340	9.9%
Astorg VI	Buyout	Buyout - Medium	2015	25,625,875	21,228,378	24,439,629	10,692,388	12.9%
Astorg VII	Buyout	Buyout - Medium	2019	36,123,864	33,810,449	(85,178)	45,384,903	12.1%
Astra Partners I	Buyout	Buyout - Small	2017	10,000,000	8,513,186	(28,358)	9,543,710	3.8%
Auldbrass Partners Secondary Opportunity Fund III	PE Multi-Manager	Secondaries	2021	20,000,000	9,453,656	-	8,848,089	-10.0%
Avance Investment Partners	Buyout	Buyout - Small	2021	20,000,000	11,269,094	2,071,398	10,169,047	6.7%
Bain Capital Asia Fund III	Buyout	Buyout - Large	2016	15,000,000	15,549,728	16,988,765	11,267,604	19.9%
Bain Capital Double Impact Fund	Buyout	Buyout - Small	2016	10,000,000	10,819,474	13,329,759	6,854,107	24.4%
Barings Emerging Generation Fund	PE Multi-Manager	Fund of Funds	2020	25,000,000	15,857,672	341,896	19,820,659	15.3%
Barings Emerging Generation Fund II	PE Multi-Manager	Fund of Funds	2022	25,000,000	3,572,846	-	3,321,410	n.m.
BC European Capital IX	Buyout	Buyout - Large	2011	17,665,048	19,437,617	23,990,165	5,675,244	9.4%
BC European Capital X	Buyout	Buyout - Large	2017	31,651,237	30,146,448	8,712,995	37,907,503	10.6%
BDCM Opportunity Fund IV	Credit/Distressed	Distressed	2015	25,000,000	35,783,468	29,489,696	43,327,582	17.7%
Bessemer Venture Partners XII Institutional Fund	Venture Capital	Venture - Early Stage	2022	25,000,000	-	-	-	n.m.
Biospring Partners Fund	Growth Equity	Growth Equity	2020	20,000,000	12,735,953	2,853,929	10,596,267	4.4%
Blackstone Capital Partners V & V-S	Buyout	Buyout - Large	2005	19,799,726	19,300,620	32,598,921	81,814	7.9%
Blackstone Capital Partners VI	Buyout	Buyout - Large	2011	20,000,000	19,377,327	30,830,349	5,910,420	12.3%
Blackstone Energy Partners	Natural Resources	Energy	2011	25,000,000	23,690,761	36,531,257	4,523,984	11.1%
Blue Sea Capital Fund I	Buyout	Buyout - Small	2013	10,000,000	9,410,689	14,825,595	6,850,150	19.1%
Brentwood Associates Private Equity VI	Buyout	Buyout - Medium	2017	25,000,000	31,947,176	11,945,402	36,881,948	19.9%
Builders VC Fund II	Venture Capital	Venture - Early Stage	2021	10,000,000	5,175,000	-	5,310,256	1.6%
Carlyle Partners V	Buyout	Buyout - Large	2007	30,000,000	26,714,020	51,192,922	1,459,988	13.8%

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CORE PORTFOLIO SUMMARY AS OF 12/31/2023- ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
CenterGate Capital Partners I	Buyout	Buyout - Small	2015	10,000,000	8,003,240	5,806,672	7,812,155	20.3%
Charterhouse Capital Partners IX	Buyout	Buyout - Large	2008	17,650,992	17,448,610	23,427,998	120,069	9.6%
CHP III	Venture Capital	Venture - Early Stage	2006	15,000,000	15,000,000	43,122,417	2,418,232	12.6%
Clearlake Capital Partners VI	Credit/Distressed	Distressed	2020	30,000,000	31,327,201	4,787,600	47,707,479	23.9%
Clearlake Capital Partners VII	Credit/Distressed	Distressed	2021	75,000,000	43,387,389	201,711	48,499,644	9.5%
Clearlake Capital Partners VIII	Credit/Distressed	Distressed	2023	50,000,000	-	-	-	n.m.
Coller International Partners VI	PE Multi-Manager	Secondaries	2011	25,000,000	18,948,311	30,143,372	2,727,062	14.7%
CVC Capital Partners VII	Buyout	Buyout - Large	2017	28,567,140	26,918,291	13,555,110	36,595,322	21.9%
CVC Capital Partners VIII	Buyout	Buyout - Large	2021	50,206,765	36,302,969	230,263	39,730,970	8.1%
CVC European Equity Partners III	Buyout	Buyout - Large	2001	15,000,000	14,776,341	41,857,121	1,025,597	41.0%
CVC European Equity Partners IV	Buyout	Buyout - Large	2005	26,008,211	23,257,442	46,521,992	34,320	16.7%
CVC European Equity Partners V	Buyout	Buyout - Large	2008	18,815,039	18,352,938	38,287,800	440,664	16.7%
Defy Partners I	Venture Capital	Venture - Early Stage	2017	10,000,000	9,500,000	2,251,655	9,706,909	6.4%
Defy Partners II	Venture Capital	Venture - Early Stage	2019	18,010,000	11,166,200	-	14,574,388	10.7%
Defy Partners III	Venture Capital	Venture - Early Stage	2021	20,000,000	3,000,000	-	2,304,321	-21.8%
DFJ Growth 2013	Growth Equity	Growth Equity	2013	25,000,000	25,126,311	120,741,415	27,935,172	32.9%
DFJ Growth III	Growth Equity	Growth Equity	2017	15,000,000	14,790,000	8,137,930	23,293,523	20.7%
EIG Energy Fund XVI	Natural Resources	Energy	2013	25,000,000	24,165,789	17,035,455	12,888,412	4.8%
Encap Energy Capital Fund IX	Natural Resources	Energy	2012	30,000,000	29,193,824	36,422,100	9,162,452	10.5%
Encap Energy Capital Fund VIII	Natural Resources	Energy	2010	15,000,000	14,937,843	9,725,799	5,528,339	0.4%
Encap Energy Capital Fund X	Natural Resources	Energy	2015	35,000,000	34,263,996	47,114,893	20,366,063	15.5%
EnCap Energy Capital Fund XI	Natural Resources	Energy	2016	40,000,000	37,573,648	19,563,637	41,517,370	19.4%
Energy Capital Partners III	Natural Resources	Energy	2014	40,000,000	40,199,152	54,484,588	11,809,799	11.7%
Essex Woodlands Health Ventures Fund IV	Venture Capital	Venture - Late Stage	1998	4,000,000	4,000,000	5,227,551	524,439	7.2%
Essex Woodlands Health Ventures Fund V	Venture Capital	Venture - Late Stage	2000	10,000,000	10,000,000	10,591,086	1,025,503	3.1%
Essex Woodlands Health Ventures Fund VI	Venture Capital	Venture - Multi-Stage	2004	15,000,000	14,587,500	16,028,797	4,422,200	3.5%

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CORE PORTFOLIO SUMMARY AS OF 12/31/2023- ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
FIMI Opportunity V	Buyout	Buyout - Medium	2012	20,000,000	18,194,334	27,458,121	8,968,000	12.2%
First Reserve Fund XI	Natural Resources	Energy	2006	30,000,000	30,000,000	21,071,746	8,067	-7.9%
First Reserve Fund XII	Natural Resources	Energy	2008	25,000,000	25,990,474	12,742,874	16,803	-17.8%
Fortress Credit Opportunities V Expansion	Credit/Distressed	Distressed	2020	50,000,000	31,855,254	7,221,610	28,575,705	9.9%
Francisco Partners Agility III	Buyout	Buyout - Medium	2022	17,500,000	-	-	(155,226)	n.m.
Francisco Partners VII	Buyout	Buyout - Medium	2021	50,000,000	375,000	-	(170,370)	n.m.
FS Equity Partners VIII	Buyout	Buyout - Medium	2019	25,000,000	20,991,612	693,958	31,960,459	17.9%
FS Equity Partners IX	Buyout	Buyout - Medium	2023	30,000,000	-	-	-	n.m.
General Catalyst Group X - Early Venture	Venture Capital	Venture - Early Stage	2020	10,000,000	9,800,000	-	15,794,486	18.8%
General Catalyst Group X - Endurance	Venture Capital	Venture - Multi-Stage	2020	11,666,667	11,666,667	568,750	11,146,945	0.1%
General Catalyst Group X - Growth Venture	Growth Equity	Growth Equity	2020	16,666,666	16,416,666	-	17,897,062	3.1%
General Catalyst Group XI - Creation LP	Venture Capital	Venture - Early Stage	2021	13,000,000	7,701,266	-	7,867,736	2.5%
General Catalyst Group XI - Endurance LP	Growth Equity	Growth Equity	2021	44,000,000	34,964,335	7,971	33,932,391	-2.0%
General Catalyst Group XI - Ignition LP	Venture Capital	Venture - Early Stage	2021	18,000,000	13,127,496	1,993	12,658,164	-2.6%
General Catalyst Group XII - Creation	Venture Capital	Venture - Early Stage	2023	15,000,000	-	-	-	n.m.
General Catalyst Group XII - Endurance	Growth Equity	Growth Equity	2023	22,500,000	-	-	-	n.m.
General Catalyst Group XII - Health Assurance	Venture Capital	Venture - Early Stage	2023	7,500,000	-	-	-	n.m.
General Catalyst Group XII - Ignition	Venture Capital	Venture - Early Stage	2023	15,000,000	-	-	(47,726)	n.m.
Genstar Capital Partners IX	Buyout	Buyout - Medium	2019	25,000,000	24,041,775	13,649,823	34,863,876	31.1%
Genstar Capital Partners X	Buyout	Buyout - Large	2021	32,500,000	30,134,037	138,628	30,646,666	2.1%
Genstar Capital Partners XI	Buyout	Buyout - Large	2023	35,000,000	139,165	-	49,714	n.m.
Genstar IX Opportunities Fund I	Buyout	Buyout - Large	2019	25,000,000	21,652,257	10,761,080	30,532,590	23.8%
Genstar X Opportunities Fund I	Buyout	Buyout - Large	2021	25,000,000	21,558,618	109,643	22,298,997	3.3%
Genstar XI Opportunities Fund	Buyout	Buyout - Large	2023	25,000,000	5,718,696	-	5,709,770	n.m.
GGV Capital IX	Venture Capital	Venture - Multi-Stage	2023	40,000,000	-	-	-	n.m.
GGV Capital IX Plus	Venture Capital	Venture - Multi-Stage	2023	10,000,000	-	-	-	n.m.

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GGV Capital VIII	Venture Capital	Venture - Expansion Stage	2021	16,000,000	10,160,000	-	10,498,565	1.8%
GGV Capital VIII Plus	Venture Capital	Venture - Expansion Stage	2021	4,000,000	1,840,000	-	1,894,148	1.4%
Gilde Buy-Out Fund V	Buyout	Buyout - Medium	2016	27,121,713	25,802,808	55,509,965	9,750,496	27.3%
Gilde Buy-Out Fund VI	Buyout	Buyout - Medium	2019	39,684,790	31,593,356	1,620,567	38,981,133	15.7%
Glendon Opportunities Fund	Credit/Distressed	Distressed	2014	20,000,000	18,990,996	24,802,279	5,143,533	8.5%
Glendon Opportunities Fund II	Credit/Distressed	Distressed	2019	40,000,000	36,000,000	4,756,290	50,091,299	15.4%
Green Equity Investors V	Buyout	Buyout - Large	2007	20,000,000	18,309,607	46,669,621	237,325	19.4%
Green Equity Investors VI	Buyout	Buyout - Large	2012	20,000,000	19,934,875	21,425,981	23,402,282	14.1%
Green Equity Investors VII	Buyout	Buyout - Large	2017	25,000,000	26,655,978	26,421,771	28,101,208	20.8%
GTCR Fund XII-AB	Buyout	Buyout - Medium	2017	40,000,000	41,370,021	25,396,657	46,160,535	22.9%
GTCR Fund XIII-AB	Buyout	Buyout - Medium	2020	40,000,000	21,114,202	4,445,006	21,922,404	17.7%
GTCR Fund XIV	Buyout	Buyout - Large	2022	60,000,000	-	-	-	n.m.
H&F Arrow 1	Buyout	Buyout - Large	2020	-	3,502,497	-	7,332,050	24.8%
H&F Spock 1	Buyout	Buyout - Large	2018	-	3,266,786	335,718	10,494,560	23.6%
H.I.G. Europe Middle Market LBO Fund	Buyout	Buyout - Medium	2020	49,552,926	11,377,091	216,856	17,033,977	37.4%
Halifax Capital Partners II	Buyout	Buyout - Small	2005	10,000,001	8,104,233	10,703,687	87,867	7.4%
HarbourVest Partners Co-Investment Fund VI	PE Multi-Manager	Co-Investment	2021	50,000,000	35,000,000	-	38,653,195	13.6%
Harvest Partners IX	Buyout	Buyout - Medium	2021	50,000,000	17,930,385	1,566,077	14,837,943	-11.9%
Harvest Partners VII	Buyout	Buyout - Medium	2016	20,000,000	19,455,084	17,937,884	11,119,844	10.6%
Harvest Partners VIII	Buyout	Buyout - Medium	2019	50,000,000	51,700,010	18,249,754	56,808,380	15.9%
Hellman & Friedman Capital Partners IX	Buyout	Buyout - Large	2019	30,000,000	30,133,759	1,946,805	42,159,951	14.1%
Hellman & Friedman Capital Partners VII	Buyout	Buyout - Large	2011	20,000,000	19,117,835	60,085,495	4,738,907	24.7%
Hellman & Friedman Capital Partners VIII	Buyout	Buyout - Large	2016	20,000,000	19,953,750	10,224,917	25,526,108	13.1%
Hellman & Friedman Capital Partners X	Buyout	Buyout - Large	2021	40,000,000	28,923,576	68,179	33,438,303	8.9%
Hellman & Friedman Capital Partners XI	Buyout	Buyout - Large	2022	50,000,000	-	-	-	n.m.
Hg Genesis 10 A	Buyout	Buyout - Large	2022	39,182,400	7,075,184	-	7,772,465	23.2%

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Hg Genesis 9	Buyout	Buyout - Medium	2020	19,295,500	17,342,510	3,270,810	20,048,824	22.6%
Hg Saturn 3 A	Buyout	Buyout - Large	2022	40,000,000	12,456,708	-	13,000,800	11.5%
Hg Capital Saturn Fund 2	Buyout	Buyout - Large	2020	20,000,000	19,698,733	6,570,947	19,325,525	20.8%
High Road Capital Partners Fund II	Buyout	Buyout - Small	2013	25,000,000	24,407,791	29,169,267	12,699,553	13.7%
Hony Capital Fund V	Buyout	Buyout - Large	2011	25,000,000	26,141,123	10,473,313	8,378,750	-4.1%
ICG Strategic Equity Fund IV	PE Multi-Manager	Secondaries	2021	50,000,000	42,013,991	10,083,443	44,455,133	21.5%
ICG Strategic Equity Fund V	PE Multi-Manager	Secondaries	2023	30,000,000	-	-	1,369,795	n.m.
Incline Equity Partners IV	Buyout	Buyout - Small	2017	10,000,000	10,127,619	12,903,051	5,721,314	23.5%
Insight Continuation Fund II	Growth Equity	Growth Equity	2023	4,000,000	3,610,000	-	4,820,983	n.m.
Insight Venture Partners IX	Growth Equity	Growth Equity	2015	25,000,000	26,467,536	38,408,976	60,935,918	24.8%
Insight Venture Partners VIII	Growth Equity	Growth Equity	2013	20,000,000	20,652,344	47,394,187	19,298,977	20.9%
Institutional Venture Partners XV	Venture Capital	Venture - Late Stage	2015	20,000,000	20,120,007	37,114,246	22,439,445	25.3%
J.H. Whitney VII	Buyout	Buyout - Medium	2010	25,000,000	24,754,022	49,271,279	3,774,633	12.9%
Kelso Investment Associates VII	Buyout	Buyout - Medium	2003	18,000,000	17,131,163	29,092,678	31,363	12.5%
Kelso Investment Associates VIII	Buyout	Buyout - Medium	2007	20,000,000	19,053,174	27,707,990	72,516	7.2%
Khosla Ventures IV	Venture Capital	Venture - Early Stage	2011	20,000,000	19,620,000	57,010,447	29,447,879	23.4%
KKR 2006 Fund	Buyout	Buyout - Large	2006	30,000,000	30,219,403	56,263,276	10,148	9.3%
KKR European Fund II	Buyout	Buyout - Large	2005	15,000,000	15,497,844	20,962,595	55,650	4.7%
KPS Special Situations Fund IV	Buyout	Buyout - Medium	2014	25,000,000	21,707,512	34,823,066	10,714,557	23.5%
KPS Special Situations Fund V	Buyout	Buyout - Medium	2020	40,000,000	22,879,673	8,057,139	28,059,721	22.0%
KPS Special Situations Fund VI	Buyout	Buyout - Large	2023	40,000,000	-	-	-	n.m.
KPS Special Situations Mid-Cap Fund	Buyout	Buyout - Medium	2019	10,000,000	6,239,703	1,839,364	8,110,820	21.3%
KPS Special Situations Mid-Cap Fund II	Buyout	Buyout - Medium	2023	20,000,000	-	-	-	n.m.
L2 Point Opportunities I	Credit/Distressed	Mezzanine	2022	30,000,000	15,557,461	1,431,343	17,232,296	8.0%
Levine Leichtman Capital Partners IV	Buyout	Buyout - Medium	2008	20,000,000	16,448,126	28,973,102	1,905,319	17.5%
Levine Leichtman Capital Partners V	Buyout	Buyout - Medium	2013	30,000,000	31,522,230	70,068,906	1,213,751	17.2%

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LightBay Investment Partners II	Buyout	Buyout - Small	2021	25,000,000	4,371,829	31,614	2,507,455	-66.9%
Longitude Venture Partners III	Venture Capital	Venture - Late Stage	2016	10,000,000	10,380,874	10,453,998	6,484,325	18.2%
Mayfield Select III	Venture Capital	Venture - Late Stage	2023	5,000,000	-	-	-	n.m.
Mayfield XVII	Venture Capital	Venture - Early Stage	2023	5,000,000	-	-	-	n.m.
MBK Partners Fund V	Buyout	Buyout - Large	2021	40,000,000	23,552,300	483,831	31,688,601	23.2%
MBK Partners Fund VI	Buyout	Buyout - Large	2024	40,000,000	-	-	-	n.m.
Mill Point Capital Partners	Buyout	Buyout - Small	2017	10,000,000	10,757,916	11,152,831	12,661,198	25.3%
Mill Point Capital Partners II	Buyout	Buyout - Medium	2021	11,000,000	10,454,943	7,450,864	7,859,272	44.7%
Montagu VI	Buyout	Buyout - Medium	2020	40,301,363	35,383,313	11,640,724	25,284,185	3.7%
Nautic Partners V	Buyout	Buyout - Medium	2000	15,000,000	14,373,667	29,834,843	902,331	17.0%
NEA 18 Venture Growth Equity	Growth Equity	Growth Equity	2022	35,000,000	11,812,500	-	9,007,617	-16.3%
New Enterprise Associates 13	Venture Capital	Venture - Multi-Stage	2009	15,000,000	15,000,000	37,700,234	3,355,124	17.1%
New Enterprise Associates 15	Venture Capital	Venture - Multi-Stage	2015	20,000,000	18,900,000	19,401,356	15,808,837	12.0%
New Enterprise Associates 16	Venture Capital	Venture - Multi-Stage	2017	25,000,000	22,750,000	4,463,105	26,832,048	7.7%
New Enterprise Associates 17	Venture Capital	Venture - Multi-Stage	2019	35,000,000	28,525,000	3,117,748	29,997,510	6.0%
New Enterprise Associates 18	Venture Capital	Venture - Multi-Stage	2022	40,000,000	12,100,000	1,347,546	11,771,647	7.0%
New Mountain Partners III	Buyout	Buyout - Large	2007	20,000,000	19,583,991	48,649,824	784,375	14.5%
New Water Capital	Buyout	Buyout - Small	2015	10,000,000	10,365,979	10,973,864	4,477,819	12.4%
NGP Natural Resources XI	Natural Resources	Energy	2014	25,000,000	25,490,714	25,909,976	14,424,934	9.8%
NMS Fund III	Buyout	Buyout - Small	2017	10,000,000	9,220,093	3,667,028	12,358,827	19.3%
NMS Fund IV	Buyout	Buyout - Medium	2020	40,000,000	26,618,011	5,097,555	32,656,317	31.7%
Nordic Capital Fund XI	Buyout	Buyout - Large	2022	47,663,400	4,879,614	-	3,787,588	n.m.
Nordic Capital V	Buyout	Buyout - Medium	2003	14,043,460	14,312,613	42,509,152	49,995	20.8%
Oak HC-FT Partners	Venture Capital	Venture - Late Stage	2014	10,000,000	9,663,325	19,622,897	9,458,986	24.6%
Oak HC-FT Partners II	Venture Capital	Venture - Late Stage	2017	10,000,000	10,000,000	4,422,049	24,025,936	30.9%
Oak HC-FT Partners III	Venture Capital	Venture - Multi-Stage	2019	25,000,000	25,081,217	2,328,199	32,783,476	12.5%

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Oak HC-FT Partners IV	Venture Capital	Venture - Multi-Stage	2021	40,000,000	35,698,102	163,684	44,998,655	12.9%
Oak HC-FT Partners V	Venture Capital	Venture - Multi-Stage	2022	50,000,000	7,231,819	41	7,645,692	6.6%
Oak Investment Partners XII	Venture Capital	Venture - Multi-Stage	2006	15,000,000	14,999,762	13,930,627	13,437	-1.1%
Oaktree Opportunities Fund X	Credit/Distressed	Distressed	2015	7,500,000	6,225,000	5,894,199	3,803,203	9.2%
Oaktree Opportunities Fund Xb	Credit/Distressed	Distressed	2018	17,500,000	13,125,000	-	20,174,992	13.0%
OceanSound Partners Fund	Buyout	Buyout - Medium	2019	20,000,000	17,572,602	4,540,577	28,896,238	28.9%
OceanSound Partners Fund II	Buyout	Buyout - Small	2023	25,000,000	10,177,775	-	9,480,858	n.m.
OCM Opportunities Fund VII	Credit/Distressed	Distressed	2007	10,000,000	10,000,000	13,744,793	96,227	7.3%
OCM Opportunities Fund VIIIb	Credit/Distressed	Distressed	2008	10,000,000	9,000,000	15,582,552	2,704	16.5%
Onex Partners	Buyout	Buyout - Large	2003	20,000,000	19,048,408	58,437,674	85,438	38.4%
Orchid Asia VIII	Growth Equity	Growth Equity	2021	50,000,000	15,674,928	2,279,931	10,420,281	-19.6%
P4G Capital Partners I	Buyout	Buyout - Small	2018	10,000,000	9,278,772	380,092	15,674,619	37.6%
Palladium Equity Partners IV	Buyout	Buyout - Medium	2012	25,000,000	26,848,922	18,313,885	26,560,970	10.8%
Palladium Equity Partners V	Buyout	Buyout - Medium	2017	25,000,000	22,971,255	4,719,900	27,241,384	13.1%
Permira Europe III	Buyout	Buyout - Large	2003	21,506,160	21,573,836	36,961,431	14,953	26.1%
Pharos Capital Partners II-A	Buyout	Buyout - Medium	2004	5,000,000	5,000,000	3,192,707	2,453,000	1.4%
Platinum Equity Capital Partners III	Buyout	Buyout - Large	2011	25,000,000	19,925,621	43,290,271	3,618,271	30.6%
Platinum Equity Capital Partners IV	Buyout	Buyout - Large	2016	15,000,000	16,029,162	16,955,026	13,834,328	21.4%
Platinum Equity Capital Partners V	Buyout	Buyout - Large	2019	50,000,000	52,422,206	9,874,515	67,139,244	17.8%
Platinum Equity Capital Partners VI	Buyout	Buyout - Large	2022	75,000,000	24,102,998	714,647	23,176,494	-2.7%
Platinum Equity Small Cap Fund	Buyout	Buyout - Medium	2018	22,500,000	19,063,314	4,105,972	28,348,389	21.2%
Platinum Equity Small Cap Fund II	Buyout	Buyout - Small	2023	35,000,000	-	-	-	n.m.
Polaris Growth Fund	Growth Equity	Growth Equity	2018	10,000,000	4,880,000	3,514,286	10,978,134	46.8%
Polaris Partners VII	Venture Capital	Venture - Multi-Stage	2014	25,000,000	23,125,000	6,262,289	37,374,429	9.9%
Polaris Partners VIII	Venture Capital	Venture - Multi-Stage	2016	10,000,000	8,400,000	5,224,901	12,843,687	19.5%
Polaris Venture Partners V	Venture Capital	Venture - Multi-Stage	2006	15,000,000	14,700,000	19,764,786	8,358,846	8.3%

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Polaris Venture Partners VI	Venture Capital	Venture - Multi-Stage	2010	15,000,000	13,125,000	18,748,547	11,194,183	13.3%
Providence Debt Fund III	Credit/Distressed	Distressed	2013	30,000,000	32,098,772	36,836,079	5,050,244	6.1%
Providence Equity Partners V	Buyout	Buyout - Large	2004	18,000,000	16,415,595	20,392,465	86,131	3.2%
Providence Equity Partners VI	Buyout	Buyout - Large	2007	30,000,000	28,967,876	42,974,272	196,471	5.9%
Reverence Capital Partners Opportunities Fund V (PE III)	Buyout	Buyout - Medium	2021	50,000,000	18,144,658	1,331,202	18,679,904	8.6%
Roark Capital Partners II Side Car	Buyout	Buyout - Medium	2018	10,000,000	10,000,456	1,703,566	18,014,760	18.0%
Roark Capital Partners V	Buyout	Buyout - Large	2018	15,000,000	14,420,199	3,336,502	19,653,800	16.8%
Roark Capital Partners VI	Buyout	Buyout - Large	2021	40,000,000	16,149,528	1,355,001	20,030,120	17.8%
Samson Brunello 1	Buyout	Buyout - Large	2021	-	2,546,878	-	7,508,071	45.9%
Samson Hockey 1	Buyout	Buyout - Large	2020	-	3,381,607	3,368,414	4,552,426	39.6%
Samson Shield 1	Buyout	Buyout - Large	2020	-	11,378,440	2,125,231	13,204,719	12.2%
Searchlight Capital II	Buyout	Buyout - Medium	2015	25,000,000	25,245,588	31,612,305	14,958,063	21.0%
Spark Capital	Venture Capital	Venture - Early Stage	2005	9,000,000	8,820,000	11,937,038	438,277	8.1%
Spark Capital Growth Fund	Growth Equity	Growth Equity	2014	10,000,000	10,000,000	29,931,719	34,231,119	32.0%
Spark Capital Growth Fund II	Growth Equity	Growth Equity	2017	15,000,000	15,000,000	14,852,371	16,936,366	21.5%
Spark Capital Growth Fund III	Growth Equity	Growth Equity	2020	26,750,000	26,750,000	4,703,069	37,825,921	20.7%
Spark Capital Growth Fund IV	Growth Equity	Growth Equity	2021	33,340,000	13,502,700	-	11,745,344	-13.4%
Spark Capital II	Venture Capital	Venture - Early Stage	2008	9,750,000	9,750,000	45,726,125	7,342,680	51.4%
Spark Capital III	Venture Capital	Venture - Early Stage	2011	10,000,000	10,000,000	17,733,069	24,719,723	27.7%
Spark Capital VI	Venture Capital	Venture - Early Stage	2020	13,250,000	10,997,500	-	16,318,652	17.6%
Spark Capital VII	Venture Capital	Venture - Early Stage	2021	16,660,000	8,330,000	-	7,699,274	-7.1%
Spire Capital Partners III	Buyout	Buyout - Small	2013	10,000,000	10,520,110	6,139,702	9,336,046	8.5%
Stellex Capital Partners II	Buyout	Buyout - Medium	2021	30,000,000	20,554,218	1,500,288	22,032,799	9.2%
StepStone Secondary Opportunities III	PE Multi-Manager	Secondaries	2016	25,000,000	29,047,889	24,146,523	20,422,381	13.0%
Stripes III	Growth Equity	Growth Equity	2015	10,000,000	12,832,144	19,027,137	12,088,611	17.8%
Stripes IV	Growth Equity	Growth Equity	2017	10,000,000	13,775,813	13,421,075	25,992,513	33.6%

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Sunstone Partners I	Growth Equity	Growth Equity	2015	7,500,000	8,204,512	10,348,034	12,596,689	34.8%
Sunstone Partners II	Growth Equity	Growth Equity	2020	10,000,000	9,124,580	-	12,640,561	21.5%
Sunstone Partners III	Growth Equity	Growth Equity	2022	20,000,000	2,571,140	-	1,913,257	n.m.
TA XI	Growth Equity	Growth Equity	2010	20,000,000	19,778,812	71,102,021	3,510,697	26.7%
TA XII-A	Growth Equity	Growth Equity	2016	25,000,000	25,086,535	48,960,432	28,370,355	35.9%
TA XIII-A	Growth Equity	Growth Equity	2019	35,000,000	34,352,705	14,665,205	45,447,281	26.6%
TA XIV-A	Growth Equity	Growth Equity	2021	60,000,000	45,600,000	1,800,000	42,705,432	-1.9%
TA XV	Growth Equity	Growth Equity	2024	60,000,000	-	-	-	n.m.
TCV IX	Growth Equity	Growth Equity	2016	10,000,000	7,953,739	8,177,994	8,597,197	19.5%
TCV VII	Growth Equity	Growth Equity	2008	20,000,000	19,745,900	62,174,983	562,162	23.3%
TCV VIII	Growth Equity	Growth Equity	2014	30,000,000	26,152,505	25,044,763	31,374,076	11.5%
TCV X	Growth Equity	Growth Equity	2019	25,000,000	18,763,324	4,564,305	33,952,745	21.7%
TCV XI	Growth Equity	Growth Equity	2021	40,000,000	28,577,775	-	25,792,659	-6.3%
TCV XII	Growth Equity	Growth Equity	2022	60,000,000	-	-	-	n.m.
TCW Crescent Mezzanine Partners V	Credit/Distressed	Mezzanine	2007	10,000,000	9,625,012	13,304,197	6,221	9.7%
The Baring Asia Private Equity Fund VI, L.P. 1	Buyout	Buyout - Medium	2015	25,000,000	28,802,598	34,969,054	16,071,074	13.9%
The Baring Asia Private Equity Fund VII	Buyout	Buyout - Medium	2018	25,000,000	25,359,317	18,033,008	22,609,482	23.9%
The Eighth Cinven Fund	Buyout	Buyout - Large	2022	72,746,600	-	-	(985,276)	n.m.
Thoma Bravo Discover Fund II	Buyout	Buyout - Medium	2018	10,000,000	10,696,862	6,986,867	14,403,061	24.8%
Thoma Bravo Discover Fund III	Buyout	Buyout - Medium	2020	20,000,000	20,220,363	259,587	23,822,664	8.7%
Thoma Bravo Discover Fund IV	Buyout	Buyout - Medium	2022	45,000,000	25,731,072	-	28,025,174	15.2%
Thoma Bravo Explore Fund	Buyout	Buyout - Small	2020	10,000,000	9,676,900	2,442,132	12,376,909	27.0%
Thoma Bravo Fund XI	Buyout	Buyout - Medium	2014	15,000,000	13,400,392	38,139,472	14,882,223	26.7%
Thoma Bravo Fund XII	Buyout	Buyout - Large	2016	25,000,000	26,512,090	27,551,836	30,540,519	16.8%
Thoma Bravo Fund XIII	Buyout	Buyout - Large	2018	30,000,000	36,733,975	25,401,062	44,312,949	27.8%
Thoma Bravo Fund XIV	Buyout	Buyout - Large	2021	30,000,000	29,551,865	3,906,977	29,985,904	6.2%

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Thoma Bravo Fund XV	Buyout	Buyout - Large	2022	80,000,000	57,054,445	17,335	63,573,240	10.1%
Thoma Bravo Special Opportunities Fund II	Buyout	Buyout - Medium	2015	10,000,000	9,200,691	11,185,600	11,603,991	16.3%
Threshold Ventures II	Venture Capital	Venture - Early Stage	2016	10,000,000	9,795,000	3,019,757	28,218,136	24.0%
TPG Growth II	Buyout	Buyout - Medium	2011	30,000,000	30,016,445	56,635,993	15,158,998	17.1%
TPG Partners IV	Buyout	Buyout - Large	2003	25,000,000	27,436,973	52,741,423	38,591	15.2%
TPG Partners V	Buyout	Buyout - Large	2006	29,610,505	31,415,182	42,739,813	30,334	4.8%
TPG Partners VI	Buyout	Buyout - Large	2008	22,500,000	24,691,367	36,394,766	287,818	9.4%
TPG Rise Climate	Growth Equity	Growth Equity	2021	50,000,000	24,352,561	1,242,907	28,281,839	28.1%
TPG STAR	Buyout	Buyout - Medium	2006	20,000,000	21,635,099	25,871,189	2,038,276	6.1%
Trident Capital Fund-VI	Buyout	Buyout - Medium	2005	8,500,000	8,500,000	11,600,511	1,744,961	4.6%
Ulu Ventures Fund III	Venture Capital	Venture - Early Stage	2020	10,000,000	9,000,000	-	8,343,752	-3.9%
Ulu Ventures Fund IV	Venture Capital	Venture - Early Stage	2023	20,000,000	2,000,000	-	1,674,381	n.m.
Upfront VI	Venture Capital	Venture - Early Stage	2017	20,000,000	18,157,605	1,071,060	27,513,582	12.2%
VantagePoint Venture Partners IV	Venture Capital	Venture - Multi-Stage	2000	15,000,000	15,000,000	14,430,192	25,284	-0.5%
Vista Equity Partners Fund III	Buyout	Buyout - Medium	2007	25,000,000	23,297,865	62,074,275	1,138,896	26.6%
Vista Equity Partners Fund IV	Buyout	Buyout - Medium	2011	30,000,000	25,290,094	34,524,726	21,616,709	14.1%
Vista Equity Partners Fund V	Buyout	Buyout - Medium	2014	40,000,000	41,111,682	50,927,578	57,279,605	19.2%
Vista Equity Partners Fund VI	Buyout	Buyout - Large	2016	30,000,000	37,628,828	43,548,685	34,759,330	18.4%
Vista Equity Partners Fund VII	Buyout	Buyout - Large	2018	40,000,000	36,326,684	3,868,771	41,812,241	7.9%
Vista Foundation Fund II	Buyout	Buyout - Medium	2013	10,000,000	9,302,535	15,775,829	4,351,478	14.6%
Vista Foundation Fund III	Buyout	Buyout - Medium	2016	10,000,000	11,497,567	11,770,759	10,049,271	21.2%
Vista Foundation Fund IV	Buyout	Buyout - Medium	2020	30,000,000	22,887,908	5,779	22,790,301	-0.2%

IRRs of investments held less than two years generally is not a meaningful indicator of performance and are therefore labeled "n.m."

CORE PORTFOLIO SUMMARY AS OF 12/31/2023- ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
Vitruvian Investment Partnership IV	Buyout	Buyout - Medium	2020	39,119,924	30,721,555	-	37,083,537	12.5%
Vitruvian Investment Partnership V	Growth Equity	Growth Equity	2022	75,103,200	6,144,023	-	4,464,646	n.m.
Wynnchurch Capital Partners IV	Buyout	Buyout - Medium	2015	10,000,000	9,775,286	11,871,515	14,644,609	26.8%
Yucaipa American Alliance Fund II	Buyout	Buyout - Medium	2008	20,000,000	20,160,070	22,593,698	17,116,618	7.9%
LACERS - Active Core				7,098,139,174	5,096,152,360	4,292,881,267	4,261,855,491	14.1%
LACERS Core				8,105,463,788	6,072,637,691	5,808,056,957	4,261,855,491	12.6%

IRRs of investments held less than two years generally is not a meaningful indicator of performance and are therefore labeled “n.m.”

CORE PORTFOLIO SUMMARY AS OF 12/31/2023 - LIQUIDATED

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
ACON-Bastion Partners II	Buyout	Buyout - Medium	2006	5,000,000	4,721,150	8,209,699	-	12.3%
Alchemy Plan (City of Angels)	Buyout	Buyout - Medium	1999	38,194,245	40,196,637	50,322,714	-	5.7%
Austin Ventures VII	Venture Capital	Venture - Multi-Stage	1999	17,000,000	17,000,000	13,726,439	-	-2.8%
Austin Ventures VIII	Venture Capital	Venture - Multi-Stage	2001	8,300,000	8,300,000	13,730,002	-	6.8%
Avenue Europe Special Situations Fund II	Credit/Distressed	Distressed	2011	28,323,908	28,305,005	32,200,618	-	3.5%
Avenue Special Situations Fund IV	Credit/Distressed	Distressed	2005	10,000,000	10,000,000	13,828,999	-	8.3%
Avenue Special Situations Fund V	Credit/Distressed	Distressed	2007	10,000,000	9,950,262	13,312,819	-	11.5%
Carlyle Partners IV	Buyout	Buyout - Large	2004	20,000,000	19,634,189	39,897,415	-	13.0%
CGW Southeast Partners III	Buyout	Buyout - Small	1996	8,680,144	8,680,144	14,736,448	-	9.2%
CGW Southeast Partners IV	Buyout	Buyout - Medium	1999	10,000,000	8,707,914	13,398,877	-	8.3%
Charterhouse Capital Partners VIII	Buyout	Buyout - Large	2006	19,869,483	19,656,305	18,895,820	-	-0.6%
Chisholm Partners IV	Buyout	Buyout - Small	1999	9,000,000	8,841,055	9,376,669	-	0.7%
CHS Private Equity V	Buyout	Buyout - Medium	2005	20,000,000	20,145,530	35,432,176	-	9.9%
CVC European Equity Partners	Buyout	Buyout - Large	1996	10,000,000	9,686,071	24,345,254	-	23.2%
CVC European Equity Partners II	Buyout	Buyout - Large	1998	9,218,055	9,212,371	22,076,376	-	18.9%
Energy Capital Partners II	Natural Resources	Energy	2009	20,000,000	13,957,194	20,431,934	-	9.1%
Enhanced Equity Fund	Buyout	Buyout - Small	2006	10,000,000	10,000,000	10,776,209	-	1.1%
Enhanced Equity Fund II	Buyout	Buyout - Small	2010	10,000,000	9,570,165	5,253,831	-	-21.7%
First Reserve Fund X	Natural Resources	Energy	2004	20,000,000	20,000,000	36,552,322	-	31.0%
Golder, Thoma, Cressey, Rauner Fund V	Buyout	Buyout - Medium	1997	10,000,000	10,000,000	18,226,074	-	11.0%
GTCR Fund IX-A	Buyout	Buyout - Medium	2006	15,000,000	14,288,203	25,808,785	-	13.8%
GTCR Fund VI	Buyout	Buyout - Medium	1998	10,000,000	10,000,000	8,890,791	-	-3.8%
GTCR Fund VII	Buyout	Buyout - Medium	2000	18,750,000	18,609,375	43,841,047	-	21.8%
GTCR Fund VII-A	Buyout	Buyout - Medium	2001	6,250,000	4,140,625	11,565,815	-	83.1%
GTCR Fund VIII	Buyout	Buyout - Medium	2003	20,000,000	18,520,960	32,408,009	-	22.3%
Hellman & Friedman Capital Partners V	Buyout	Buyout - Large	2004	10,463,972	9,931,388	26,659,657	-	27.8%

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CORE PORTFOLIO SUMMARY AS OF 12/31/2023 - LIQUIDATED

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
Hellman & Friedman Capital Partners VI	Buyout	Buyout - Large	2006	20,000,000	19,252,237	36,202,495	-	12.9%
Highbridge Principal Strategies Senior Loan II	Credit/Distressed	Distressed	2010	50,000,000	40,883,273	47,651,965	-	7.9%
InterWest VI	Venture Capital	Venture - Early Stage	1996	5,000,000	5,000,000	14,858,749	-	49.0%
J.H. Whitney IV	Buyout	Buyout - Medium	1999	22,448,463	22,448,463	9,422,111	-	-10.9%
J.H. Whitney V	Buyout	Buyout - Medium	2000	9,957,358	11,558,159	22,375,756	-	23.3%
J.H. Whitney VI	Buyout	Buyout - Medium	2005	15,000,000	14,884,557	14,590,780	-	-0.4%
Kelso Investment Associates VI	Buyout	Buyout - Medium	1998	4,309,418	4,309,418	5,982,794	-	9.3%
KKR 1996 Fund	Buyout	Buyout - Large	1997	25,000,000	26,194,438	46,838,314	-	13.2%
Levine Leichtman Capital Partners III	Buyout	Buyout - Medium	2003	20,000,000	21,392,254	33,354,346	-	10.0%
Lindsay Goldberg & Bessemer II	Buyout	Buyout - Large	2005	20,000,000	18,913,523	27,078,474	-	7.1%
Lindsay Goldberg III	Buyout	Buyout - Large	2008	20,000,000	19,232,884	26,175,344	-	8.1%
Madison Dearborn Capital Partners III	Buyout	Buyout - Medium	1999	16,000,000	16,000,000	24,398,778	-	8.6%
Madison Dearborn Capital Partners IV	Buyout	Buyout - Medium	2000	25,000,000	25,199,114	48,054,335	-	14.1%
Menlo Ventures VII	Venture Capital	Venture - Multi-Stage	1997	5,000,000	5,000,000	23,552,033	-	135.8%
Menlo Ventures VIII	Venture Capital	Venture - Multi-Stage	1999	18,000,000	18,000,000	8,980,234	-	-8.9%
Menlo Ventures IX	Venture Capital	Venture - Multi-Stage	2001	20,000,000	20,000,000	20,399,835	-	0.3%
NewBridge Asia IV	Buyout	Buyout - Medium	2005	10,000,000	9,846,880	21,943,320	-	16.8%
OCM Opportunities Fund	Credit/Distressed	Distressed	1995	11,000,000	10,972,896	18,030,431	-	10.3%
OCM Opportunities Fund II	Credit/Distressed	Distressed	1997	11,000,000	11,000,000	16,628,641	-	8.4%
OCM Opportunities Fund III	Credit/Distressed	Distressed	1999	10,000,000	10,000,000	15,072,658	-	11.9%
OCM Opportunities Fund IV	Credit/Distressed	Distressed	2001	10,000,000	10,000,000	16,503,319	-	28.4%
OCM Opportunities Fund V	Credit/Distressed	Distressed	2004	7,100,000	7,100,000	11,703,269	-	14.1%
Olympus Growth Fund IV	Buyout	Buyout - Medium	2003	7,700,000	7,660,045	11,831,606	-	8.5%
Permira Europe IV	Buyout	Buyout - Large	2006	14,935,115	14,921,731	24,111,899	-	8.6%
Providence TMT Debt Opportunity Fund II	Credit/Distressed	Distressed	2010	20,000,000	16,319,772	25,893,666	-	10.4%
Richland Ventures III	Venture Capital	Venture - Late Stage	1999	18,000,000	18,000,000	15,261,276	-	-3.0%

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CORE PORTFOLIO SUMMARY AS OF 12/31/2023 - LIQUIDATED

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
SSG Capital Partners II	Credit/Distressed	Distressed	2012	15,914,286	15,287,483	17,803,371	-	4.1%
TA X	Growth Equity	Growth Equity	2006	6,000,000	6,186,689	8,025,046	-	5.2%
TCV V	Venture Capital	Venture - Multi-Stage	2004	19,500,000	19,334,250	35,783,445	-	10.6%
TCW Crescent Mezzanine Partners IV	Credit/Distressed	Mezzanine	2006	10,000,000	8,712,805	9,998,443	-	2.9%
The Resolute Fund	Buyout	Buyout - Medium	2002	20,000,000	18,978,049	48,217,383	-	17.0%
Thoma Cressey Fund VI	Buyout	Buyout - Medium	1998	5,000,000	4,845,000	4,995,064	-	0.4%
Thomas H. Lee Equity Fund V	Buyout	Buyout - Medium	2000	15,000,000	15,260,867	26,333,190	-	14.2%
Tibbar Holdings, LLC (FKA TH Lee IV)	Buyout	Buyout - Medium	1998	7,000,000	6,314,197	5,484,109	-	-2.6%
TPG Partners III	Buyout	Buyout - Large	1999	25,000,000	22,442,286	56,580,977	-	24.4%
Trident Capital Fund-V	Buyout	Buyout - Medium	2000	10,587,999	10,627,045	17,742,590	-	7.7%
Trident Capital Fund-V (Secondary)	Buyout	Buyout - Medium	2000	3,781,680	3,374,683	6,480,167	-	12.1%
Vestar Capital Partners IV	Buyout	Buyout - Medium	1999	17,000,000	16,590,256	29,407,769	-	13.4%
Welsh, Carson, Anderson & Stowe IX	Buyout	Buyout - Medium	2000	15,000,000	14,850,000	24,680,230	-	11.2%
Welsh, Carson, Anderson & Stowe VII	Buyout	Buyout - Medium	1995	15,000,000	15,000,000	32,633,357	-	17.7%
Welsh, Carson, Anderson & Stowe VIII	Buyout	Buyout - Medium	1998	15,000,000	15,000,000	19,322,526	-	3.1%
Weston Presidio Capital IV	Growth Equity	Growth Equity	2000	15,000,000	14,764,721	17,365,533	-	3.0%
Weston Presidio Capital IV (Secondary)	Growth Equity	Growth Equity	2000	3,040,488	2,772,810	3,521,264	-	5.2%
LACERS - Liquidated Core				1,007,324,614	976,485,331	1,515,175,689	-	10.4%
LACERS Core				8,105,463,788	6,072,637,691	5,808,056,957	4,261,855,491	12.6%

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SPECIALIZED PORTFOLIO SUMMARY AS OF 12/31/2023 - ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
Angeleno Investors III	Venture Capital	Venture - Late Stage	2009	10,000,000	10,686,144	3,461,274	9,095,985	1.9%
DFJ Frontier Fund II	Venture Capital	Venture - Early Stage	2007	5,000,000	5,002,783	1,790,549	3,452,357	0.5%
NGEN III	Venture Capital	Venture - Multi-Stage	2008	10,000,000	11,413,705	5,824,676	1,737,742	-5.4%
Saybrook Corporate Opportunity Fund	Credit/Distressed	Distressed	2007	6,192,814	6,321,092	9,672,160	81,601	9.8%
St. Cloud Capital Partners II	Credit/Distressed	Mezzanine	2007	5,000,000	4,989,085	4,177,572	43,015	-3.9%
Vicente Capital Partners Growth Equity Fund	Growth Equity	Growth Equity	2007	10,000,000	10,093,708	13,998,549	100,307	5.6%
Yucaipa American Alliance Fund I	Buyout	Buyout - Medium	2002	10,000,000	10,431,383	12,451,100	502,727	3.8%
LACERS - Specialized Active				56,192,814	58,937,899	51,375,879	15,013,734	1.8%
LACERS Specialized				191,261,668	189,594,393	197,792,087	15,013,734	1.8%

SPECIALIZED PORTFOLIO SUMMARY AS OF 12/31/2023 - LIQUIDATED

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
Ares Special Situations Fund	Credit/Distressed	Distressed	2008	10,000,000	10,166,166	17,497,244	-	13.1%
Carpenter Community BancFund-A	Buyout	Buyout - Small	2008	10,000,000	9,692,231	16,376,097	-	8.2%
Craton Equity Investors I	Growth Equity	Growth Equity	2006	10,000,000	9,951,989	1,067,621	-	-32.7%
DFJ Element	Venture Capital	Venture - Multi-Stage	2006	8,000,000	7,846,106	5,764,976	-	-3.4%
Element Partners Fund II	Venture Capital	Venture - Late Stage	2008	10,000,000	9,361,465	13,980,686	-	5.9%
NGEN Partners II	Venture Capital	Venture - Multi-Stage	2005	7,750,702	7,750,702	515,126	-	-49.0%
Nogales Investors Fund II	Buyout	Buyout - Medium	2006	4,100,000	3,603,436	398,586	-	-24.1%
Palladium Equity Partners III	Buyout	Buyout - Medium	2004	10,000,000	9,915,181	17,818,981	-	11.2%
Reliant Equity Partners	Buyout	Buyout - Small	2002	7,920,417	8,008,449	55,772	-	-100.0%
Rustic Canyon/Fontis Partners	Growth Equity	Growth Equity	2005	5,000,000	3,671,248	2,552,846	-	-5.0%
Sector Performance Fund	Buyout	Buyout - Medium	2007	9,297,735	9,502,443	8,466,553	-	-2.9%
Spire Capital Partners II	Buyout	Buyout - Small	2006	10,000,000	9,025,654	17,699,807	-	15.6%
StarVest Partners II	Venture Capital	Venture - Late Stage	2007	5,000,000	4,976,109	2,919,313	-	-7.0%
StepStone Pioneer Capital I	PE Multi-Manager	Fund of Funds	2004	10,000,000	9,751,911	13,033,359	-	5.1%
StepStone Pioneer Capital II	PE Multi-Manager	Fund of Funds	2006	10,000,000	9,427,148	18,255,456	-	9.1%
Sterling Venture Partners II	Venture Capital	Venture - Late Stage	2005	8,000,000	8,006,256	10,013,785	-	3.2%
Liquidated				135,068,854	130,656,494	146,416,208	-	1.8%
LACERS Specialized				191,261,668	189,594,393	197,792,087	15,013,734	1.8%



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



REPORT TO BOARD OF ADMINISTRATION

From: Neil M. Guglielmo, General Manager

MEETING: JUNE 25, 2024

ITEM: VII-D

SUBJECT: NOTIFICATION OF COMMITMENT OF UP TO \$20 MILLION IN BUILDERS VC FUND III, L.P.

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board receive and file this notice of the commitment of up to \$20 million in Builders VC Fund III, L.P.

Executive Summary

Builders VC Fund III, L.P. will focus on investing in seed-stage technology companies that target the healthcare, agriculture, industrials, and real asset sectors in North America.

Discussion

Consultant Recommendation

Aksia LLC (Aksia), LACERS' Private Equity Consultant, recommended a commitment of up to \$20 million in Builders VC Fund III, L.P. (the Fund) managed by Builders VC (Builders or the GP). Fund management and incentive fees are comparable to similar strategies; the GP will invest alongside limited partners, providing alignment of interests. This recommendation is consistent with the Private Equity Program 2024 Strategic Plan adopted by the Board on November 28, 2023.

Background

Builders was founded in 2016 by Jim Kim along with Alex Kinnier and Dr. Amit Mehta. Messrs. Kinnier and Mehta were part of Mr. Kim's prior team at Formation 8, a venture capital firm founded by Mr. Kim, where he served as managing partner. Messrs. Kim and Kinnier also worked together at Khosla Ventures. Builders is managed by six partners: Messrs. Kim, Kinnier, and Mehta, Mark Blackwell, Mark Goldstein, and Jocelyn Doe. The firm is headquartered in San Francisco, with additional offices in Chicago, Honolulu, and Calgary.

Builders is an existing general partner relationship for LACERS and meets the criteria as an Emerging Investment Manager pursuant to the LACERS Emerging Investment Manager Policy. LACERS

previously committed \$10 million to Builders VC Fund II, L.P. (2021 vintage), which has earned a net internal rate of return (IRR) of 1.6%.^{1, 2}

Investment Thesis

Builders invest in early-stage technology companies seeking to modernize antiquated industries that have been slow to adopt new technology. Targeted sectors are healthcare, agriculture, industrials, and real assets. The Fund is expected to be sufficiently diversified, with a relatively even allocation to portfolio companies representing the target sectors. This strategy is similar to that used by the three founding partners when they invested together at Formation 8 and the most recent Fund II.

The Firm expects to take an active role in portfolio companies, through occupying board seats and regular communication with company management teams. To this end, Builders offers to its portfolio companies access to an in-house team of expert operating partners as well as technological resources that most early-stage companies cannot afford or are unable to replicate themselves, such as sophisticated analytics and machine-learning tools.

Placement Agent

The GP did not use a placement agent in connection with LACERS' investment.

Staff Recommendation

Staff concurred with Aksia's recommendation. The commitment has been consummated pursuant to the Discretion in a Box (Roles and Responsibilities) section of the Private Equity Investment Policy; no Board action is required.

Strategic Plan Impact Statement

Investment in Builders VC Fund III, L.P. will allow LACERS to maintain exposure to private equity, pursuant to the Private Equity Program 2024 Strategic Plan, and aligns with the Strategic Plan Goal of optimizing long-term risk adjusted investment returns (Goal IV).

Prepared By: Wendy E. Norman, Investment Officer I, Investment Division

NMG/RJ/WL/EC/WN:rm

Attachments: 1. Aksia Investment Notification
 2. Discretion in a Box

¹ Performance as of December 31, 2023.

² Performance data (1) does not necessarily accurately reflect the current or expected future performance of the Fund(s) or the fair value of LACERS' interest in the Fund(s), (2) should not be used to compare returns among multiple private equity funds and (3) has not been calculated, reviewed, verified or in any way sanctioned or approved by the general partner(s) or manager(s).

Aksia LLC

Builders VC Fund III, L.P.
Investment Notification



www.aksia.com

Builders VC Fund III, L.P.

General Partner	• Builders VC (“Builders” or the “Firm”)
Fund	• Builders VC Fund III, L.P. (“Fund III” or the “Fund”)
Firm Founded	• 2016
Strategy	• Venture Capital
Sub-Strategy	• Early Stage
Geography	• Primarily North America
Team	• ~15 Investment Professionals (including Venture Partners)
Senior Partners	• Jim Kim, Alex Kinnier, Amit Mehta, Mark Blackwell, Mark Goldstein, and Jocelyn Doe
Office Locations	• San Francisco, Chicago, Honolulu, Calgary
Industries	• Healthcare, Industrials, Agriculture, Real Assets
Target Fund Size	• \$400.0 million
LACERS Commitment	• \$20.0 million

Investment Highlights

- The investment team, which is currently comprised of six Partners has substantial venture capital experience both as investors and operators.
- The bulk of the team has invested one fund together and otherwise has overlapping tenures at prior firms; prior to Builders, members of the investment team had experience working together at both Formation 8 and Khosla Ventures.
- The strategy will focus on investing in technology companies that target the healthcare, industrials, agriculture, and real estate sectors (sectors that are increasingly embracing the use of technology).
- The six Partners at the Firm have a strong track record of investments in Fund I & II as well as at their prior firms.

Builders VC Fund III, L.P.

Firm and Background

- Builders was founded in 2016 by Jim Kim along with prior team members from Formation 8, Alex Kinnier and Amit Mehta. Today the Firm is managed by six Partners (Jim Kim, Alex Kinnier, Amit Mehta, Mark Blackwell, Mark Goldstein, and Jocelyn Doe) and has offices in four locations, with its headquarters in San Francisco.
- In 2017, Builders raised \$171.8 million in Builders VC Fund I (“Fund I”). As of June 30, 2023, Fund I invested approximately \$147.0 million across almost 24 different investments.
- In 2021, Builders raised \$250.0 million for Builders VC Fund II (“Fund II”). As of June 30, 2023, Fund II invested approximately \$127.0 million across almost 23 different investments.

Investment Strategy

- The Firm was created with the thesis of investing in early-stage technology companies for industries where technology has not always been prevalent. Targeted sectors are healthcare, agriculture, industrials, and real assets.
- Builders invests in early-stage (which is typically defined as Series A or earlier rounds) technology and software companies dedicated to advancing ‘antiquated’ industries. Aksia notes that across Funds I & II, Builders has deployed the most capital in investments where the Firm initially invested at the Series B round.
- The Firm seeks to apply technology and new business models to industries where IT spending compared to revenue is minimal.
- The Firm expects to take an active role in portfolio companies, through occupying board seats as well as through regular communication with the company’s management team. Despite the Firm’s early-stage focus, this has been and will continue to be a priority.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE PERFORMANCE.

THESE MATERIALS ARE NOT INTENDED AS AN OFFER TO SELL, OR THE SOLICITATION OF AN OFFER TO PURCHASE, ANY SECURITY. THIS PRESENTATION HAS BEEN PREPARED SOLELY FOR INFORMATIONAL AND DISCUSSION PURPOSES ONLY. THE INFORMATION HEREIN IS NOT INTENDED TO BE COMPLETE AND THE DESCRIPTION OF THE FUND IN THESE MATERIALS IS QUALIFIED IN ITS ENTIRETY BY THE TERMS AND INFORMATION CONTAINED IN THE FUND'S OFFERING DOCUMENTS, INCLUDING, WITHOUT LIMITATION, THE FUND'S PRIVATE PLACEMENT MEMORANDUM, PARTNERSHIP AGREEMENT AND SUBSCRIPTION AGREEMENT ("GOVERNING DOCUMENTS"). NOTHING HEREIN CONSTITUTES OR SHOULD NOT BE CONSTRUED AS INVESTMENT ADVICE.

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INTERESTS IN THE FUND HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER ANY STATE OR OTHER SECURITIES LAWS OR THE LAWS OF ANY NON-U.S. JURISDICTION. THE INTERESTS WILL BE OFFERED AND SOLD FOR INVESTMENT ONLY TO QUALIFYING INVESTORS PURSUANT TO THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH THE APPLICABLE SECURITIES LAWS OF THE STATES AND OTHER JURISDICTIONS (INCLUDING NON-U.S. JURISDICTIONS) WHERE THE OFFERING WILL BE MADE. THERE WILL BE NO PUBLIC MARKET FOR INTERESTS IN THE FUND, AND THERE IS NO OBLIGATION ON THE PART OF ANY PERSON TO REGISTER THE INTERESTS UNDER THE SECURITIES ACT. INTERESTS IN THE FUND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND ANY APPLICABLE NON-U.S. SECURITIES LAWS, PURSUANT TO REGISTRATION OR AN EXEMPTION THEREFROM. THE TRANSFERABILITY OF THE INTERESTS WILL BE FURTHER RESTRICTED BY THE TERMS OF THE FUND'S GOVERNING DOCUMENTS. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF AN INVESTMENT IN THE FUND FOR AN INDEFINITE PERIOD OF TIME.

NONE OF THE INFORMATION CONTAINED HEREIN WAS PREPARED BY THE FUND OR ANY UNDERLYING PORTFOLIO FUNDS IDENTIFIED HEREIN, IF ANY, THE GENERAL PARTNERS THEREOF OR ANY OF THEIR RESPECTIVE AFFILIATES. BY ACCEPTING THESE MATERIALS, YOU HEREBY ACKNOWLEDGE AND AGREE TO ALL OF THE TERMS AND CONDITIONS IN THESE DISCLOSURES.

Section 5 PRIVATE EQUITY INVESTMENT POLICY

F. Roles and Responsibilities

	Role of the Board	Role of Staff	Role of the Private Equity Consultant
Strategy/Policy	<ul style="list-style-type: none"> • Select Private Equity Consultant. • Approve asset class funding level. • Review and approve the Private Equity Annual Strategic Plan which includes allocation targets and ranges. 	<ul style="list-style-type: none"> • In consultation with Private Equity Consultant and General Fund Consultant, develop policies, procedures, guidelines, allocation targets, ranges, assumptions for recommendation to the Board. 	<ul style="list-style-type: none"> • Help develop policies, procedures, guidelines, allocation targets, ranges, assumptions for recommendation to the Board.
Investment Management and Monitoring	<ul style="list-style-type: none"> • Review quarterly, annual, and other periodic monitoring reports and plans. • Review Commitment Notification Reports. 	<ul style="list-style-type: none"> • Review quarterly, annual and other periodic monitoring reports prepared by the Private Equity Consultant. • Conduct meetings with existing managers periodically. • Attend annual partnership meetings when appropriate. • Fund capital calls and manage distributions. • Review Private Equity Consultant's recommendations on partnership amendments and consents. • Execute partnership amendments and consents. • Manage and approve the wind-down and/or dissolve private equity fund investment(s) with private equity consultant's concurrence. • Manage and execute the sale of partnership interest on the secondary market or to other limited partner(s) or potential buyer(s). • Prepare Commitment Notification Reports for Board. 	<ul style="list-style-type: none"> • Maintain regular contact with existing managers in the portfolio to ascertain significant events within the portfolio. • Recommend amendments and consents to Staff for approval. • Provide quarterly, annual, and other periodic monitoring reports and plans.

Section 5 PRIVATE EQUITY INVESTMENT POLICY

	Role of the Board	Role of Staff	Role of the Private Equity Consultant
Investment Selection	<ul style="list-style-type: none"> Review investment analysis reports. Review and approve investments in partnerships of amounts greater than \$150 million prior to investment. Review and approve direct co-investment opportunities that exceed \$50 million. Review and approve the sale of any one existing partnership fund on the secondary market exceeding \$50 million in Fair Market Value. Review and approve a simultaneous sale of multiple partnership fund interests in a packaged structure. 	<ul style="list-style-type: none"> Refer investments and forward to Private Equity Consultant for preliminary screening. Conduct meetings with prospective or existing general partners representing new investment opportunities. Conduct due diligence with general partners to better ascertain risk and return profile, as determined by the Chief Investment Officer. In conjunction with Private Equity Consultant, invest up to and including \$150 million in partnerships without Board approval. If Staff opposes and Private Equity Consultant disagrees, refer to Board for decision. In conjunction with Private Equity Consultant, make recommendations to Board for approval for investments over \$150 million. In conjunction with Private Equity Consultant, review and concur with direct co-investment opportunities up to and including \$50 million. In conjunction with Private Equity Consultant, review and concur with the approval of sale of existing partnership funds on the secondary market up to and including \$50 million in Fair Market Value. General Manager or designee with signature authority will execute agreements and other legal or business documents to effectuate the transaction closing. Ensure review of relevant fund documents by the City Attorney and/or external legal counsel. 	<ul style="list-style-type: none"> Conduct appropriate analysis and due diligence on investments. Prepare investment reports for Board consideration on investments exceeding \$150 million. With Staff concurrence, approve investments of up to and including \$150 million. With Staff concurrence, approve direct co-investment opportunities up to and including \$50 million. Present to Staff recommendations pertaining to the sale of existing partnership funds on the secondary market exceeding \$50 million in Fair Market Value. Such transactions shall be brought to the Board for review and approval. Provide investment analysis reports for each new investment and for sales of partnership fund interest on the secondary market or to other limited partner(s) or potential buyer(s). Communicate with Staff regarding potential investment opportunities undergoing analysis and due diligence. Coordinate meetings with general partners at the request of Staff. Advise on and negotiate investment terms.



REPORT TO BOARD OF ADMINISTRATION

From: Neil M. Guglielmo, General Manager *N. Guglielmo*

MEETING: JUNE 25, 2024

ITEM: VII-E

SUBJECT: NOTIFICATION OF COMMITMENT OF UP TO \$33.34 MILLION IN SPARK CAPITAL GROWTH FUND V, L.P.

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board receive and file this notice of the commitment of up to \$33.34 million in Spark Capital Growth Fund V, L.P.

Executive Summary

Spark Capital Growth Fund V, L.P. will focus on late/growth stage investments.

Discussion

Consultant Recommendation

Aksia LLC (Aksia), LACERS' Private Equity Consultant, initially recommended a commitment of up to \$33 million in Spark Capital Growth Fund V, L.P. (the Fund), a growth equity strategy managed by Spark Capital Partners, LLC (Spark or the GP); LACERS final commitment amount was \$33.34 million. Fund management and incentive fees are comparable to similar strategies; the GP will invest alongside limited partners, providing alignment of interests. The recommendation is consistent with the Private Equity Program 2024 Strategic Plan adopted by the Board on November 28, 2023.

Background

Spark was founded in 2005 as a media and technology-focused venture capital firm. Today, the firm is led by senior partners Santo Politi, Alex Finkelstein, and Jeremy Philips, with 27 employees located in offices in San Francisco, New York, and Boston. Across seven prior early-stage funds and four growth funds, the firm has invested approximately \$2.2 billion in more than 82 companies.

LACERS has an existing partner relationship with the GP and has previously committed \$143.75 million to the following Spark-sponsored funds:

Fund	Vintage Year	Commitment Amount	Net IRR ^{1,2}
Spark Capital I, L.P.	2005	\$9.00 million	8.1%
Spark Capital II, L.P.	2008	\$9.75 million	51.4%
Spark Capital III, L.P.	2011	\$10.00 million	27.7%

Spark Capital VI, L.P.	2020	\$13.25 million	17.6%
Spark Capital VII, L.P.	2021	\$16.66 million	<i>n.m.</i> ³
Spark Capital Growth Fund I, L.P.	2014	\$10.00 million	32.0%
Spark Capital Growth Fund II, L.P.	2017	\$15.00 million	21.5%
Spark Capital Growth Fund III, L.P.	2020	\$26.75 million	20.7%
Spark Capital Growth Fund IV, L.P.	2021	\$33.34 million	<i>n.m.</i> ³

The Spark Capital funds focus on early-stage venture capital investments, while the Spark Capital Growth funds focus on late/growth stage venture capital investments.

Investment Thesis

Spark seeks to invest in companies within the digital media and technology market as it believes that there is a fundamental shift in consumer behavior and expectations within this sector. Similar to the previous Growth fund, Spark will seek to invest in venture growth stage companies, with a focus on investing soon after a company reaches an inflection point where it has established product-market fit and is starting to develop category leadership. The GP will target companies with a clear business model, attractive unit economics, a defensible market position or a material competitive advantage, and a path to fast growth. Spark will target opportunities where they have an informational advantage and will leverage its proactive deal flow approach and monitoring functions to identify attractive investments.

Placement Agent

The GP did not use a placement agent in connection with LACERS' investment.

Staff Recommendation

Staff concurred with Aksia's recommendation. The commitment has been consummated pursuant to the Discretion in a Box (Roles and Responsibilities) section of the Private Equity Investment Policy; no Board action is required.

Strategic Plan Impact Statement

Investment in Spark Capital Growth Fund V, L.P. will allow LACERS to maintain exposure to private equity, pursuant to the Private Equity Program 2024 Strategic Plan, and aligns with the Strategic Plan Goal of optimizing long-term risk adjusted investment returns (Goal IV).

Prepared By: Daniel Becerra, Investment Officer I, Investment Division

NMG/RJ/EC/DB:rm

Attachments: 1. Aksia Investment Notification
2. Discretion in a Box

¹Performance as of December 31, 2023

²Performance data (1) does not necessarily accurately reflect the current or expected future performance of the Fund(s) or the fair value of LACERS' interest in the Fund(s), (2) should not be used to compare returns among multiple private equity funds and (3) has not been calculated, reviewed, verified or in any way sanctioned or approved by the general partner(s) or manager(s).

³IRR not meaningful for investments held less than 24 months

Aksia LLC

Spark Capital Growth V, L.P.
Investment Notification



www.aksia.com

Spark Capital Growth V, L.P.

General Partner	• Spark Management Partners
Fund	• Spark Capital Growth V, L.P.
Firm Founded	• 2005
Strategy	• Generalist
Sub-Strategy	• N/A
Geography	• North America
Team	• Jeremy Phillips, Will Reed, Yasmin Razavi, James Kuklinski, Clay Fisher, Aaditya Jain, Connor Mullaney, Hanseul Nam
Senior Partners	• Santo Politi, Alex Finkelstein, Jeremy Phillips
Office Locations	• San Francisco, Boston, New York
Industries	• Consumer, enterprise software, artificial intelligence, fintech, frontier tech
Target Fund Size	• \$1.4 billion
LACERS Commitment	• \$33.34m

Investment Highlights

- **Overall Performance:** Since the Firm's inception through June 30, 2023, Spark's Growth funds has invested \$2.2 billion across 82 investments. Across Spark Growth I through Growth IV, investments have generated a gross IRR and gross MOIC of 40.2% and 3.2x, respectively.
- **Generational Transition:** Spark has successfully navigated the retirement of Bijan Sabet in 2022 and appropriately appointed Managing Member Jeremy Phillips to lead the management company. Phillips has held leadership roles in the past, having previously worked as an EVP at News Corporation, and CEO of Photon Group. The Firm has also been mindful of growing the team and promoting individuals. Phillips is supported by Managing Members Alex Finkelstein and Santo Politi, as well as a deep team that consists of 13 additional investment professionals and 14 operational and administrative professionals.
- **Consistent Strategy:** Since launching in 2005, Spark has maintained a consistent investment strategy and approach, focusing on venture and venture growth investments in digital media and technology companies. The Firm has demonstrated its ability to identify emerging market trends and invest in strong entrepreneurs, secure meaningful allocations, and leverage its experience to develop and grow category-leading businesses.

Spark Capital Growth V, L.P.

Firm and Background

- Spark Capital Partners is a venture capital firm focused on investing in media and technology companies. With offices in San Francisco, New York and Boston, Spark was founded in 2005 by Todd Dagres and Santo Polito who previously worked at Battery Ventures and Charles River Ventures, respectively. The founding partners were joined by Paul Conway and Bijan Sabet later that year after the closing of the Firm's first fund.
- Between 2005 and 2014, Spark invested exclusively in early-stage venture deals. During this time, the firm raised \$1.5 billion across Funds I through IV. Spark later hired Jeremy Philips, the former Executive VP at NewsCorp in 2014 to lead the rollout of Spark's late-stage strategy. In prior Spark funds, the Firm utilized one fund vehicle that invested in early- and later-stage investments. In 2014, the Firm raised its first dedicated growth fund focusing on later stage opportunities while keeping its flagship funds focused on early-stage investments.

Investment Strategy

- Spark V will pursue the same investment strategy as previous Spark Capital Growth Funds. The Fund will pursue venture investments in the digital media and technology ecosystem, concentrating on investing in technology-focused companies across consumer, enterprise software, artificial intelligence, fintech, and frontier tech. The General Partner will seek to deploy \$25.0 million to \$100.0 million checks into 20 to 25 companies. Growth V will seek to invest in companies that have the potential to generate at least 3.0x to 5.0x invested capital. The GP expects to be less involved with growth companies as there is typically another venture capital firm with substantial earlier involvement. Therefore, the Growth Fund will remain agnostic towards ownership thresholds.
- Similar to the previous Growth fund, Growth V will seek to invest in venture growth stage companies, with a focus on investing soon after a company reaches an inflection point where it has established product market fit and is starting to develop category leadership. This typically happens during a company's Series B or C rounds. Growth V will target companies with a clear business model, attractive unit economics, a defensible market position or an unfair competitive advantage and a path to fast growth. To delineate investments between Spark Capital VIII and Spark Growth V, the Firm expects to rely on multiple factors including the stage of the company, completeness of the team, maturity of the business model, revenue and valuation. Spark expects there to be circumstances where Growth V may invest in a Venture Fund portfolio company. Spark has indicated that approximately 20% of invested capital will be follow on investments in companies from the early-stage strategy, with the remaining capital going towards new deals.

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Section 5 PRIVATE EQUITY INVESTMENT POLICY

F. Roles and Responsibilities

	Role of the Board	Role of Staff	Role of the Private Equity Consultant
Strategy/Policy	<ul style="list-style-type: none"> Select Private Equity Consultant. Approve asset class funding level. Review and approve the Private Equity Annual Strategic Plan which includes allocation targets and ranges. 	<ul style="list-style-type: none"> In consultation with Private Equity Consultant and General Fund Consultant, develop policies, procedures, guidelines, allocation targets, ranges, assumptions for recommendation to the Board. 	<ul style="list-style-type: none"> Help develop policies, procedures, guidelines, allocation targets, ranges, assumptions for recommendation to the Board.
Investment Management and Monitoring	<ul style="list-style-type: none"> Review quarterly, annual, and other periodic monitoring reports and plans. Review Commitment Notification Reports. 	<ul style="list-style-type: none"> Review quarterly, annual and other periodic monitoring reports prepared by the Private Equity Consultant. Conduct meetings with existing managers periodically. Attend annual partnership meetings when appropriate. Fund capital calls and manage distributions. Review Private Equity Consultant's recommendations on partnership amendments and consents. Execute partnership amendments and consents. Manage and approve the wind-down and/or dissolve private equity fund investment(s) with private equity consultant's concurrence. Manage and execute the sale of partnership interest on the secondary market or to other limited partner(s) or potential buyer(s). Prepare Commitment Notification Reports for Board. 	<ul style="list-style-type: none"> Maintain regular contact with existing managers in the portfolio to ascertain significant events within the portfolio. Recommend amendments and consents to Staff for approval. Provide quarterly, annual, and other periodic monitoring reports and plans.

Section 5 PRIVATE EQUITY INVESTMENT POLICY

	Role of the Board	Role of Staff	Role of the Private Equity Consultant
Investment Selection	<ul style="list-style-type: none"> Review investment analysis reports. Review and approve investments in partnerships of amounts greater than \$150 million prior to investment. Review and approve direct co-investment opportunities that exceed \$50 million. Review and approve the sale of any one existing partnership fund on the secondary market exceeding \$50 million in Fair Market Value. Review and approve a simultaneous sale of multiple partnership fund interests in a packaged structure. 	<ul style="list-style-type: none"> Refer investments and forward to Private Equity Consultant for preliminary screening. Conduct meetings with prospective or existing general partners representing new investment opportunities. Conduct due diligence with general partners to better ascertain risk and return profile, as determined by the Chief Investment Officer. In conjunction with Private Equity Consultant, invest up to and including \$150 million in partnerships without Board approval. If Staff opposes and Private Equity Consultant disagrees, refer to Board for decision. In conjunction with Private Equity Consultant, make recommendations to Board for approval for investments over \$150 million. In conjunction with Private Equity Consultant, review and concur with direct co-investment opportunities up to and including \$50 million. In conjunction with Private Equity Consultant, review and concur with the approval of sale of existing partnership funds on the secondary market up to and including \$50 million in Fair Market Value. General Manager or designee with signature authority will execute agreements and other legal or business documents to effectuate the transaction closing. Ensure review of relevant fund documents by the City Attorney and/or external legal counsel. 	<ul style="list-style-type: none"> Conduct appropriate analysis and due diligence on investments. Prepare investment reports for Board consideration on investments exceeding \$150 million. With Staff concurrence, approve investments of up to and including \$150 million. With Staff concurrence, approve direct co-investment opportunities up to and including \$50 million. Present to Staff recommendations pertaining to the sale of existing partnership funds on the secondary market exceeding \$50 million in Fair Market Value. Such transactions shall be brought to the Board for review and approval. Provide investment analysis reports for each new investment and for sales of partnership fund interest on the secondary market or to other limited partner(s) or potential buyer(s). Communicate with Staff regarding potential investment opportunities undergoing analysis and due diligence. Coordinate meetings with general partners at the request of Staff. Advise on and negotiate investment terms.



REPORT TO BOARD OF ADMINISTRATION

From: Neil M. Guglielmo, General Manager *BM*

MEETING: JUNE 25, 2024

ITEM: VII-F

SUBJECT: NOTIFICATION OF COMMITMENT OF UP TO \$16.66 MILLION IN SPARK CAPITAL VIII, L.P.

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board receive and file this notice of the commitment of up to \$16.66 million in Spark Capital VIII, L.P.

Executive Summary

Spark Capital VIII, L.P. will focus on early-stage venture capital investments.

Discussion

Consultant Recommendation

Aksia Partners LLC (Aksia), LACERS' Private Equity Consultant, initially recommended a commitment of up to \$17 million in Spark Capital VIII, L.P. (the Fund), a venture capital strategy managed by Spark Capital Partners, LLC (Spark or the GP); LACERS final commitment amount was \$16.66 million. Fund management and incentive fees are comparable to similar strategies; the GP will invest alongside limited partners, providing alignment of interests. The recommendation is consistent with the Private Equity Program 2024 Strategic Plan adopted by the Board on November 28, 2023.

Background

Spark was founded in 2005 as a media and technology-focused venture capital firm. Today, the firm is led by senior partners Santo Politi, Alex Finkelstein, and Jeremy Philips, with 27 employees located in offices in San Francisco, New York, and Boston. Across seven prior early-stage funds and four growth funds, the firm has invested approximately \$2.2 billion in more than 82 companies.

LACERS has an existing partner relationship with the GP and has previously committed \$143.75 million to the following Spark-sponsored funds:

Fund	Vintage Year	Commitment Amount	Net IRR^{1,2}
Spark Capital I, L.P.	2005	\$9.00 million	8.1%
Spark Capital II, L.P.	2008	\$9.75 million	51.4%
Spark Capital III, L.P.	2011	\$10.00 million	27.7%

Spark Capital VI, L.P.	2020	\$13.25 million	17.6%
Spark Capital VII, L.P.	2021	\$16.66 million	<i>n. m.</i> ³
Spark Capital Growth Fund I, L.P.	2014	\$10.00 million	32.0%
Spark Capital Growth Fund II, L.P.	2017	\$15.00 million	21.5%
Spark Capital Growth Fund III, L.P.	2020	\$26.75 million	20.7%
Spark Capital Growth Fund IV, L.P.	2021	\$33.34 million	<i>n. m.</i> ³

The Spark Capital funds focus on early-stage venture capital investments, while the Spark Capital Growth funds focus on late/growth stage venture capital investments.

Investment Thesis

Spark seeks to invest in companies within the digital media and technology market as it believes that there is a fundamental shift in consumer behavior and expectations within this sector. The Fund will focus on investing in early-stage media and technology companies, with a preference toward being the first institutional investor in a company. Specifically, the GP will target Seed and Series A rounds but may also invest in later stage deals that do not have a mature revenue model in place. Spark will seek a board seat in each investment and will be actively involved in advising and consulting the management of the portfolio company. Exit strategies include initial public offerings and sales to financial institutions or strategic partners, such as other private equity firms or large enterprise firms.

Placement Agent

The GP did not use a placement agent in connection with LACERS’ investment.

Staff Recommendation

Staff concurred with Aksia’s recommendation. The commitment has been consummated pursuant to the Discretion in a Box (Roles and Responsibilities) section of the Private Equity Investment Policy; no Board action is required.

Strategic Plan Impact Statement

Investment in Spark Capital VIII, L.P. will allow LACERS to maintain exposure to private equity, pursuant to the Private Equity Program 2024 Strategic Plan, and aligns with the Strategic Plan Goal of optimizing long-term risk adjusted investment returns (Goal IV).

Prepared By: Daniel Becerra, Investment Officer I, Investment Division

NMG/RJ/WL/DB:rm

- Attachments: 1. Aksia Investment Notification
2. Discretion in a Box

¹Performance as of December 31, 2023

²Performance data (1) does not necessarily accurately reflect the current or expected future performance of the Fund(s) or the fair value of LACERS’ interest in the Fund(s), (2) should not be used to compare returns among multiple private equity funds and (3) has not been calculated, reviewed, verified or in any way sanctioned or approved by the general partner(s) or manager(s).

³IRR not meaningful for investments held less than 24 months

Aksia LLC

Spark Capital VIII, L.P.
Investment Notification



www.aksia.com

Spark Capital VIII, L.P.

General Partner	• Spark Management Partners
Fund	• Spark Capital VIII, L.P.
Firm Founded	• 2005
Strategy	• Generalist
Sub-Strategy	• N/A
Geography	• North America
Team	• Santo Politi, Alex Finkelstein, Nabeel Hyatt, Kevin Thau, Natalie Sandman, Fraser Kelton, Natalie Vais
Senior Partners	• Santo Politi, Alex Finkelstein, Jeremy Phillips
Office Locations	• San Francisco, Boston, New York
Industries	• Consumer, enterprise software, artificial intelligence, fintech, frontier tech
Target Fund Size	• \$700 million
LACERS Commitment	• \$16.66m

Investment Highlights

- **Overall Performance:** Since the Firm's inception through June 30, 2023, Spark has invested \$2.3 billion across 294 investments. Across Spark I through VII, investments have generated a gross IRR and gross MOIC of 41.2% and 3.7x, respectively. Funds I, II, III, IV, and VI rank in the first and second quartile on a net IRR, TVPI and DPI basis.
- **Generational Transition:** Spark has successfully navigated the retirement of Bijan Sabet in 2022 and appropriately appointed Managing Member Jeremy Phillips to lead the management company. Phillips has held leadership roles in the past, having previously worked as an EVP at News Corporation, and CEO of Photon Group. The Firm has also been mindful of growing the team and promoting individuals. Phillips is supported by Managing Members Alex Finkelstein and Santo Politi, as well as a deep team that consists of 13 additional investment professionals and 14 operational and administrative professionals.
- **Consistent Strategy:** Since launching in 2005, Spark has maintained a consistent investment strategy and approach, focusing on venture and venture growth investments in digital media and technology companies. The Firm has demonstrated its ability to identify emerging market trends and invest in strong entrepreneurs, secure meaningful allocations, and leverage its experience to develop and grow category-leading businesses.

Spark Capital VIII, L.P.

Firm and Background

- Spark Capital Partners is a venture capital firm focused on investing in media and technology companies. With offices in San Francisco, New York and Boston, Spark was founded in 2005 by Todd Dagres and Santo Polito who previously worked at Battery Ventures and Charles River Ventures, respectively. The founding partners were joined by Paul Conway and Bijan Sabet later that year after the closing of the Firm's first fund.
- Between 2005 and 2014, Spark invested exclusively in early-stage venture deals. During this time, the firm raised \$1.5 billion across Funds I through IV. Spark later hired Jeremy Philips, the former Executive VP at NewsCorp in 2014 to lead the rollout of Spark's late stage strategy. In prior Spark funds, the Firm utilized one fund vehicle that invested in early- and later-stage investments. In 2014, the Firm raised its first dedicated growth fund focusing on later stage opportunities while keeping its flagship funds focused on early-stage investments.

Investment Strategy

- Spark VIII will pursue the same investment strategy as previous Spark Capital Funds. The Fund will pursue venture investments in the digital media and technology ecosystem, concentrating on investing in technology-focused companies across consumer, enterprise software, artificial intelligence, fintech, and frontier tech. As with Spark VII, Spark VIII will focus on identifying entrepreneurs and management teams with differentiated skill sets and a clear track record in the markets they operate in. Historically, Spark has invested primarily in companies in the Western and Northeastern regions of the United States, with a notable tilt towards investing in Boston, New York, and San Francisco.
- Spark VIII will target a portfolio of 20 to 25 Series A investments and 15 to 20 Seed investments. The Fund will target an equity ownership of 15% to 20% in each portfolio company and will aim to be the first institutional investor in an early-stage company. Spark notes that it does not need to reach its target ownership in an initial investment but will seek to build their ownership position over time as Spark strengthens their support in top performing companies while minimizing its losses with underperforming companies. Historically, the Firm has reserved between \$0.5 million and \$10.0 million for select investments. At the time of investment, Spark anticipates that portfolio companies will have recently launched their product or service or are in the process of launching one in the near term. Spark expects to take a board seat in the majority of Fund VIII portfolio companies and work with management teams through the life of their investment.

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Section 5 PRIVATE EQUITY INVESTMENT POLICY

F. Roles and Responsibilities

	Role of the Board	Role of Staff	Role of the Private Equity Consultant
Strategy/Policy	<ul style="list-style-type: none"> Select Private Equity Consultant. Approve asset class funding level. Review and approve the Private Equity Annual Strategic Plan which includes allocation targets and ranges. 	<ul style="list-style-type: none"> In consultation with Private Equity Consultant and General Fund Consultant, develop policies, procedures, guidelines, allocation targets, ranges, assumptions for recommendation to the Board. 	<ul style="list-style-type: none"> Help develop policies, procedures, guidelines, allocation targets, ranges, assumptions for recommendation to the Board.
Investment Management and Monitoring	<ul style="list-style-type: none"> Review quarterly, annual, and other periodic monitoring reports and plans. Review Commitment Notification Reports. 	<ul style="list-style-type: none"> Review quarterly, annual and other periodic monitoring reports prepared by the Private Equity Consultant. Conduct meetings with existing managers periodically. Attend annual partnership meetings when appropriate. Fund capital calls and manage distributions. Review Private Equity Consultant's recommendations on partnership amendments and consents. Execute partnership amendments and consents. Manage and approve the wind-down and/or dissolve private equity fund investment(s) with private equity consultant's concurrence. Manage and execute the sale of partnership interest on the secondary market or to other limited partner(s) or potential buyer(s). Prepare Commitment Notification Reports for Board. 	<ul style="list-style-type: none"> Maintain regular contact with existing managers in the portfolio to ascertain significant events within the portfolio. Recommend amendments and consents to Staff for approval. Provide quarterly, annual, and other periodic monitoring reports and plans.

Section 5 PRIVATE EQUITY INVESTMENT POLICY

	Role of the Board	Role of Staff	Role of the Private Equity Consultant
Investment Selection	<ul style="list-style-type: none"> Review investment analysis reports. Review and approve investments in partnerships of amounts greater than \$150 million prior to investment. Review and approve direct co-investment opportunities that exceed \$50 million. Review and approve the sale of any one existing partnership fund on the secondary market exceeding \$50 million in Fair Market Value. Review and approve a simultaneous sale of multiple partnership fund interests in a packaged structure. 	<ul style="list-style-type: none"> Refer investments and forward to Private Equity Consultant for preliminary screening. Conduct meetings with prospective or existing general partners representing new investment opportunities. Conduct due diligence with general partners to better ascertain risk and return profile, as determined by the Chief Investment Officer. In conjunction with Private Equity Consultant, invest up to and including \$150 million in partnerships without Board approval. If Staff opposes and Private Equity Consultant disagrees, refer to Board for decision. In conjunction with Private Equity Consultant, make recommendations to Board for approval for investments over \$150 million. In conjunction with Private Equity Consultant, review and concur with direct co-investment opportunities up to and including \$50 million. In conjunction with Private Equity Consultant, review and concur with the approval of sale of existing partnership funds on the secondary market up to and including \$50 million in Fair Market Value. General Manager or designee with signature authority will execute agreements and other legal or business documents to effectuate the transaction closing. Ensure review of relevant fund documents by the City Attorney and/or external legal counsel. 	<ul style="list-style-type: none"> Conduct appropriate analysis and due diligence on investments. Prepare investment reports for Board consideration on investments exceeding \$150 million. With Staff concurrence, approve investments of up to and including \$150 million. With Staff concurrence, approve direct co-investment opportunities up to and including \$50 million. Present to Staff recommendations pertaining to the sale of existing partnership funds on the secondary market exceeding \$50 million in Fair Market Value. Such transactions shall be brought to the Board for review and approval. Provide investment analysis reports for each new investment and for sales of partnership fund interest on the secondary market or to other limited partner(s) or potential buyer(s). Communicate with Staff regarding potential investment opportunities undergoing analysis and due diligence. Coordinate meetings with general partners at the request of Staff. Advise on and negotiate investment terms.



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



REPORT TO BOARD OF ADMINISTRATION

From: Neil M. Guglielmo, General Manager

MEETING: JUNE 25, 2024

ITEM: VII-G

SUBJECT: NOTIFICATION OF COMMITMENT OF UP TO \$40 MILLION IN SK CAPITAL PARTNERS VI-A, L.P.

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board receive and file this notice of the commitment of up to \$40 million in SK Capital Partners VI-A, L.P.

Executive Summary

SK Capital Partners VI-A, L.P. will focus on control investments in North American and Western European businesses that operate within the specialty chemicals, specialty materials, and pharmaceutical industries.

Discussion

Consultant Recommendation

Aksia LLC, LACERS' Private Equity Consultant, recommended a commitment of up to \$40 million in SK Capital Partners VI-A, L.P. (the Fund) managed by SK Capital Investment VI, L.P. (SK Capital or the GP). Fund management and incentive fees are comparable to similar strategies; the GP will invest alongside limited partners, providing alignment of interests. This recommendation is consistent with the Private Equity Program 2024 Strategic Plan adopted by the Board on November 28, 2023.

Background

SK Capital was founded in 2007 by Barry Siadat and Jamshid Keynejad as a spinout from private equity firm Arsenal Capital Partners (Arsenal), a private equity firm that specializes in middle-market industrial growth and healthcare companies. The Co-founders have had a long standing relationship and eventually led SK Capital's Fund 1 in 2008 together.

Prior to founding SK Capital, Mr. Siadat was co-founder and Managing Director at Arsenal, where he led investments in specialty materials and chemicals. Shortly after inception, he was joined by three Arsenal colleagues – Aaron Davenport, Jack Norris, and James Marden. Mr. Marden eventually left the firm in 2019. SK Capital continues to be led by Siadat and Keynejad along with Davenport, Norris, and Mario Toukan, who comprise of the executive committee. Mr. Toukan joined the firm as a Managing Director to allow SK Capital to continue to build out the next tier of leadership.

SK Capital, which is based in New York, has approximately \$9 billion in assets under management with over 20 portfolio companies.

SK Capital is a new general partner relationship for LACERS.

Investment Thesis

SK Capital makes control investments in North American and Western European businesses that operate within the specialty chemicals, specialty materials, and pharmaceutical industries. Given this targeted focus, the Firm views itself as a partner of choice for these industries and prefers to pursue businesses that are under resourced or challenged. This has led to more complex transaction types such as carve-outs, business combinations, and founder transitions. The Firm maintains the flexibility to invest in a wide variety of company sizes, ranging from \$150 million to \$2 billion in enterprise value, and geographies with almost 40% of the invested capital going into European headquartered businesses, most of which operate globally.

Portfolio construction is relatively concentrated with seven to ten platform investments anticipated for the fund. Post-acquisition, the Firm seeks to build category leaders by improving human capital management, growth strategies, operations, and leveraging strategic relationships with strategic relationship with other portfolio companies.

Placement Agent

The GP did not use a placement agent in connection with LACERS' investment.

Staff Recommendation

Staff concurred with Aksia's recommendation. The commitment has been consummated pursuant to the Discretion in a Box (Roles and Responsibilities) section of the Private Equity Investment Policy; no Board action is required.

Strategic Alignment

Investment in SK Capital Partners VI-A, L.P. will allow LACERS to maintain exposure to private equity, pursuant to the Private Equity Program 2024 Strategic Plan, and aligns with the Strategic Plan Goal of optimizing long-term risk adjusted investment returns (Goal IV).

Prepared By: Clark Hoover, Investment Officer I, Investment Division

NMG/RJ/EC/CH:rm

Attachments: 1. Aksia Investment Notification
 2. Discretion in a Box

Aksia LLC

SK Capital Partners VI-A, L.P.
Investment Notification



www.aksia.com

SK Capital Partners VI-A, L.P.

General Partner	• SK Capital Investment VI, L.P. (the “Firm” or “SK”)
Fund	• SK Capital Partners VI-A, L.P. (the “Fund” or “Fund VI”)
Firm Founded	• 2007
Strategy	• North American Buyouts
Sub-Strategy	• Middle Market Buyouts
Geography	• North America and Europe
Team	• 6 Managing Directors, 3 Principals, 4 Vice Presidents, 4 Senior Associates, 8 Associates
Senior Partners	• Barry Siadat, Jamshid Keynejad, Aaron Davenport, Jack Norris
Office Locations	• New York, NY
Industries	• Specialty Chemicals & Materials, Pharmaceuticals
Target Fund Size	• \$2.75 billion
LACERS Commitment	• \$40.0 million

Investment Highlights

- Experienced senior team who have a long-standing history together and an average tenure of ~13.5 years at the Firm
- Niche sector specialization focused on making investments within specialty chemicals, materials and pharmaceuticals
- Value-oriented strategy focused on complex transactions in highly regulated and specialized end markets
- Extensive operational expertise with dedicated operating resources
- Seeded portfolio: ~37% invested into four platforms (based on target size)

SK Capital Partners VI-A, L.P.

Firm and Background

- Founded in 2007 by Barry Siadat and Jamshid Keynejad as a spinout from Arsenal Capital Partners
- The Firm raised three institutional funds, beginning in 2011, collectively accumulated over \$3.6 billion in capital commitments
- SK expanded beyond investing the Flagship funds, having launched a lower middle market strategy, Catalyst, in 2019
- SK continues to be led Barry Siadat and Jamshid Kaynejad along with Aaron Davenport, Jack Norris, and Mario Toukan, who comprise the executive committee
- The Firm has grown to over 75 employees that operate out of the sole office in New York City

Investment Strategy

- Fund VI will make control investments in North American and European businesses that operate within the specialty chemicals, specialty materials, and pharmaceutical industries
- The Fund is focused on more complex transactions such as carve-outs, business combinations, and founder transactions
- Flexible mandate to invest in a wide variety of company sizes, ranging from \$150 million to \$2 billion in enterprise value
- 40% of invested capital going into European headquartered businesses, most of which have global operations
- Relatively concentrated portfolio construction with seven to 10 platform investments anticipated for the Fund

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