



**LACERS**  
LA CITY EMPLOYEES'  
RETIREMENT SYSTEM



**Board of Administration Agenda**

**REGULAR MEETING**  
**TUESDAY, MAY 28, 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](http://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](http://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](mailto: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](http://ethics.lacity.org/lobbying). For assistance, please contact the Ethics Commission at (213) 978-1960 or [ethics.commission@lacity.org](mailto:ethics.commission@lacity.org).

**Request for Services**

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

Sign Language Interpreters, Communication Access Real-Time Transcription, Assistive Listening Devices, Telecommunication Relay Services (TRS), or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. Due to difficulties in securing Sign Language Interpreters, **five** or more business days' notice is strongly recommended. For additional information, please contact: Board of Administration Office at (213) 855-9348 and/or email at [lacers.board@lacers.org](mailto: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 APRIL 2024](#)
  - B. [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](#)
  - C. [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](#)
  - D. [COMMISSIONER SUNG WON SOHN EDUCATION EVALUATION ON STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS \(SACRS\) SPRING CONFERENCE; MAY 7-10, 2024; SANTA BARBARA, CA](#)
  - E. [ANNUAL CONTRACTOR DISCLOSURE COMPLIANCE REPORT FOR THE YEAR ENDED DECEMBER 31, 2023](#)
- IV. COMMITTEE REPORT(S)
  - A. INVESTMENT COMMITTEE VERBAL REPORT FOR THE MEETING ON MAY 14, 2024
  - B. BENEFITS ADMINISTRATION COMMITTEE VERBAL REPORT FOR THE MEETING ON MAY 28, 2024
- V. CONSENT ITEM(S)
  - A. [APPROVAL OF DISABILITY RETIREMENT APPLICATION OF AMY CASE AND POSSIBLE BOARD ACTION](#)
  - B. [APPROVAL OF DISABILITY RETIREMENT APPLICATION OF CHONGSUP LEE AND POSSIBLE BOARD ACTION](#)
- VI. BOARD/DEPARTMENT ADMINISTRATION
  - A. [PROPOSED BUDGET, PERSONNEL, AND ANNUAL RESOLUTIONS FOR FISCAL YEAR 2024-25 AND POSSIBLE BOARD ACTION](#)
- VII. INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT
- B. [PRESENTATION BY TOWNSEND HOLDINGS LLC OF THE PRIVATE REAL ESTATE PORTFOLIO PERFORMANCE REVIEW FOR THE PERIOD ENDING DECEMBER 31, 2023](#)
- C. [REAL ESTATE FISCAL YEAR 2024-25 STRATEGIC PLAN AND POSSIBLE BOARD ACTION](#)
- D. [ADAPTIVE ASSET ALLOCATION POLICY AND STATUS REPORT AND POSSIBLE BOARD ACTION](#)

VIII. 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

Agenda of: May 28, 2024

Item No: III-A

**MONTHLY REPORT ON SEMINARS AND CONFERENCES  
ATTENDED BY BOARD MEMBERS ON BEHALF OF LACERS  
(FOR THE MONTH OF APRIL 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 Thuy Huynh

<b>DATE(S) OF EVENT</b>	<b>SEMINAR / CONFERENCE TITLE</b>	<b>EVENT SPONSOR (ORGANIZATION)</b>	<b>LOCATION (CITY, STATE)</b>
April 29 – May 1, 2024	<b>Public Funds Roundtable</b>	Institutional Investor	Beverly Hills, CA



**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM (LACERS)  
TRAVEL/CONFERENCE EVALUATION REPORT**

Name of Attendee: <b>Thuy Huynh</b>	
Title of Conference/Seminar: <b>Portfolio Concepts and Management</b>	
Location: <b>Philadelphia, PA</b>	No. of Education Hours: <b>31</b>
Event Sponsor: <b>Wharton/International Foundation of Employee Benefit Plans</b>	Date(s) Held: <b>May 6 -9,2024</b>

Report for:

- Travel  
 Conference/Seminar Attendance Only

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I.Nature/Purpose of Travel (if applicable):

To better understand portfolio concepts and management of public pension plans.

II.Significant Information Gained:

Overview of financial assets, fundamentals of portfolio theory, performance evaluation, pension management in risky global environment, pension redesign through behavioral lessons, fundamentals of valuation, macroeconomics and financial markets, asset allocation and the impacts of risk on return.

III.Benefits to LACERS:

To deepen commissioner/trustee knowledge of investment portfolio concepts and overall management of our fund's asset allocation.

IV.Additional Comments:

SUBMIT TO THE LACERS COMMISSION EXECUTIVE ASSISTANT,  
WITHIN 30 DAYS AFTER ATTENDING THE CONFERENCE/SEMINAR

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM (LACERS)  
TRAVEL/CONFERENCE EVALUATION REPORT**

Name of Attendee: Janna Sidley	
Title of Conference/Seminar: IFEBP Portfolio Concepts & Management	
Location: U Penn - Wharton	No. of Education Hours: 28
Event Sponsor:	Date(s) Held: 5/6 - 5/9-2024

Report for:

- Travel  
 Conference/Seminar Attendance Only

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I. Nature/Purpose of Travel (if applicable):

Traveled to Philadelphia, PA to attend class that was only offered in person.

II. Significant Information Gained:

I learned about Alpha, Beta, Sharpe Present Value of \$, cost of risk, diversification and how all concepts work together for a healthy portfolio.

III. Benefits to LACERS:

All this information is essential for a trustee to make excellent decisions regarding Investments and the selection of managers.

IV. Additional Comments:

I think every trustee should attend this course.

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM (LACERS)  
TRAVEL/CONFERENCE EVALUATION REPORT**

Name of Attendee: <b>Sung Won Sohn</b>	
Title of Conference/Seminar: <b>SACRS Spring Conference</b>	
Location: <b>Santa Barbara, CA</b>	No. of Education Hours: <b>20</b>
Event Sponsor: <b>SACRS</b>	Date(s) Held: <b>May 7-10, 2024</b>

Report for:

- Travel
- Conference/Seminar Attendance Only

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I. Nature/Purpose of Travel (if applicable):

Drove from Los Angeles to Santa Barbara to attend SACRS Spring Investment Conference.

II. Significant Information Gained:

Investments including private equity, stocks, bonds, etc. Discussions on AI and Investment . Also impact of the upcoming election on investments.

III. Benefits to LACERS:

Investments including private equity, stocks, bonds, etc. Discussions on AI and Investment. Also impact of the upcoming election on investments.

IV. Additional Comments:

SUBMIT TO THE LACERS COMMISSION EXECUTIVE ASSISTANT,  
WITHIN 30 DAYS AFTER ATTENDING THE CONFERENCE/SEMINAR



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

**MEETING: MAY 28, 2024**  
**ITEM: III-E**

*Neil M. Guglielmo*

**SUBJECT: ANNUAL CONTRACTOR DISCLOSURE COMPLIANCE REPORT FOR THE YEAR ENDED DECEMBER 31, 2023**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Board receive and file the Annual Contractor Disclosure Compliance Report for the period January 1, 2023, to December 31, 2023.

**Executive Summary**

Last August 13, 2019, the Board adopted the Contractor Disclosure Policy to:

- Provide transparency and confidence in LACERS' decision-making process and ensure that investment and procurement decisions are made solely on the merits of goods or services provided by the Contractors to LACERS; and,
- Enhance contractors' disclosure by requiring periodic reporting of conflicts of interest whether actual, potential, or perceived after the contract is awarded and during their engagement with LACERS.

This policy applies to new agreements entered into by LACERS after the adoption date, and to all existing agreements with changes or amendments in contract terms and conditions after the adoption date. Changes in contract terms and conditions include: extension of contract period; increase in contract or commitment amount; and, increase in fees and compensation paid to contractors.

Exceptions to this policy include: contracts that are \$20,000 or less with not more than 1 year period; low cost equipment maintenance agreement of \$2,000 or less; contracts with less than 3 months in duration; and, piggy-backed City/State/Federal contracts.

LACERS Internal Audit is responsible for reviewing and compiling a Board report that contains contractor-submitted information such as: campaign contributions, other contributions, gifts, list of contacts/meetings, and intermediary’s information.

Based on Internal Audit’s review and evaluation of contractors’ disclosures, no anomalies or improprieties were found.

LACERS achieved 100% compliance from contractors. Internal Audit received all 136 requested disclosure reports for calendar year 2023, as shown in the following table.

<b>FILING TYPE</b>	<b>NO. REQUIRED</b>	<b>NO. RECEIVED</b>
CONTRACTOR DISCLOSURE REPORT REQUESTS	135	135

Section H (Penalties) of the Contractor Disclosure Policy provides that in the event of material omission or inaccuracy in the Contractor Disclosure or any other violation of this Policy (e.g., non-compliance/non-submission), the Board in its sole discretion may impose the following penalties:

1. Whichever is greater, the reimbursement of any contractor, management or advisory fees paid by LACERS for one year or an amount equal to the amounts that the Contractor has paid or promised to pay to the Intermediary, in connection with LACERS investments.
2. LACERS shall have the authority to terminate the agreement, without penalty.
3. The Board of Administration may take action to ban Contractor and/or the intermediary who materially violated this Policy from future contracting opportunities with LACERS for a period of up to five years. However, the prohibition may be reduced by a majority vote of the Board, at a public session, upon showing of good cause.

Contractors are initially given 45 days from the end of the reporting period to submit their signed reporting forms (with or without information to disclose). If no response is received, additional reminders to comply are sent by both internal audit and respective contract administrators.

For this reporting period, including the additional time given after the original deadline, contractors had approximately three months from the end of their reporting period to submit the required disclosure reports.

Attachment 1 lists the contractors' contributions, list of contacts/meetings, gifts, and intermediary's information. Attachment 2 pertains to LACERS Contractors' Disclosure Policy.

### **Strategic Alignment**

Discussion of the Contractors' Disclosure Report is consistent with the Board's Governance Goal to "uphold good governance practices which affirm transparency, accountability and fiduciary duty."

### **Fiscal Impact Statement**

None

Prepared By: Mina Habib, Internal Auditor II

NMG/MR/MH

Attachments: 1. Contractors Disclosures Summary  
2. LACERS Contractors' Disclosure Policy

**ATTACHMENT 1**

**CONTRACTORS DISCLOSURES SUMMARY  
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM  
FOR THE PERIOD JANUARY 1, 2023 TO DECEMBER 31, 2023**

<b>OUTSTANDING DISCLOSURES</b>					
<b>Account Number</b>	<b>Vendor / Contract Name</b>	<b>Contract Term</b>		<b>Responsible Section</b>	<b>Reason for non-disclosure</b>
		<b>Start Date</b>	<b>Exp. Date</b>		
	None			None	
<b>CAMPAIGN CONTRIBUTIONS</b>					
<b>Contract Number</b>	<b>Vendor / Contract Name</b>	<b>Contract Term</b>		<b>Campaign Contribution Information</b>	
		<b>Start Date</b>	<b>Exp. Date</b>		
C-134865	Foley & Lardner LLP	12/1/2019	11/30/2023	<p><b>Jean-Paul Ciardullo</b>, Partner at Foley &amp; Lardner contributed \$129.00 on 02/23/2023 to benefit Imelda Padilla, City Council Member – District 06</p> <p><b>Jeffery Atkin</b>, Partner at Foley &amp; Lardner contributed \$524.08 on May 30, 2023. to benefit Aura Vasquez, City Council Member– District 10. On June 30, 2023, \$124.08 of this contribution was returned to Jeffery Atkin.</p> <p><b>Jeffery Atkin</b>, Partner at Foley &amp; Lardner contributed \$500.00 on June 30, 2023 to benefit Aura Vasquez, City Council Member– District 10</p> <p><i>(Note: Per person contribution limits for 2023 Regular Elections according to City/State/Federal Finance Laws as published by LA City Ethics Commission are: City Council a limit of \$900 per election; Mayor, City Attorney and Controller a limit of \$1,700 per election: and LAUSD a limit of \$1,300 per election . Primary and general are considered separate elections. )</i></p>	
<b>Contract Number</b>	<b>Vendor / Contract Name</b>	<b>Contract Term</b>		<b>Other Contribution Information</b>	
		<b>Start Date</b>	<b>Exp. Date</b>		
	None			None	

**DISCLOSED CONTACTS- 24 MONTH PERIOD PRIOR TO BOARD APPROVAL**

<b>Contract Number</b>	<b>Vendor / Contract Name</b>	<b>Contact Date</b>	<b>Contact Information</b>
PE	Clearlake Capital Group / Clearlake Capital Partners VI, Clearlake Capital Partners VII	9/28/2023	Fund Update Call with Clark Hoover, Eduardo Park, and Jessica Gonzalez
Non-US Equity	Lazard Asset Management LLC, extended on May 24, 2022 for another 1 year	2/2/2023	Contractor reported that they had conference calls with LACERS staff and an in person office visit by an investment staff (Ellen Chen, Jeremiah Paras, James Wang) during the calendar year 2023 for Portfolio reviews. <i>(Note: This was reported in prior disclosure report dated February 2023 for Calendar year 2022. However, in the current disclosure report calendar year 2023 this was no longer reported.)</i>
PE	Builders VC Fund II	Did not specify	Fund managing Partner Jim Kim, Managing Partner, jim@builders.vc contacted LACERS. (Note: No additional information provided)
PE	Oaktree Capital Management / Oaktree Opportunities Fund X, Oaktree Opportunities Fund Xb, OCM Opportunities Fund VII, OCM Opportunities Fund VIIb	2/8/2023	On February 8, 2023 - Oaktree co-sponsored a DEI panel at UCLA. Jerilyn McAniff, MD and Oaktree's head of D&I, was a featured speaker Ellen Chen, Jeremiah Paras, and former Commissioner Nilza Serrano attended the event.



PE	Technology Crossover Ventures (TCV), Fund XI was effective 10/02/2020 and Fund XII was effective 06/13/2022	Did not specify	Held meetings with LACERS staff to discuss matters related to LACERS' investments in TCV.
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**DISCLOSED GIFTS**

<b>Contract Number</b>	<b>Vendor / Contract Name</b>	<b>Gift Date</b>	<b>Gift Information</b>
26-63280	Advent Global Technology II	November 7-8, 2023	<p>An investment staff attended Advent's Annual Investor Meeting and received an event's give aways costing below the gift limit of \$100. In addition, like all other attendees, she was provided pens and notebooks at her table but Advent is not aware of whether she used or took those items. She also registered for three meals that were available to all attendees in connection with the meeting: breakfast, lunch, and an off-site dinner..</p> <p><i>(Note: The Limit set by the State/City law on gifts is \$100 per restricted source (e.g., contractor of the agency) per year, and per individual (receiver of gift). LACERS' disclosure policy states that value of food and beverage items provided to LACERS staff and consultants at networking events, annual general meetings and/or advisory meetings that are open to general public or other investors, and which in aggregate do not exceed annual limit of \$50 are not required to be reported. While the City requires gifts over \$50 to be reported in the individual's Statement of Economic Interest Form (Form 700).)</i></p>

LAC99	PGIM (EM Debt)	5/17/2023	<p>An Investment Staff of Los Angeles City Employees' Retirement System. Total \$15.98 - 7.99 per person (In-house catering during on-site due diligence meeting) at the Client Advisory Team - PGIM Fixed Income. Robert Ventura - Prudential Tower, 655 Broad Street, 10th Floor Newark, New Jersey 07102 (Note: The Limit set by the State/City law on gifts is \$100 per restricted source (e.g., contractor of the agency) per year, and per individual (receiver of gift). LACERS' disclosure policy states that value of food and beverage items provided to LACERS staff and consultants at networking events, annual general meetings and/or advisory meetings that are open to general public or other investors, and which in aggregate do not exceed annual limit of \$50 are not required to be reported. While the City requires gifts over \$50 to be reported in the individual's Statement of Economic Interest Form (Form 700).)</p>
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**INTERMEDIARY INFORMATION**

<b>Contract Number</b>	<b>Vendor / Contract Name</b>	<b>Intermediary Name</b>	<b>Compensation</b>	<b>Disclosure Date</b>	<b>Notes</b>
PE	Arsenal Capital Partners, effective December 10, 2021	Ms. Patricia Grad is a Partner and the Head of Investor Relations of Arsenal	Compensation are salary and discretionary bonus	3/4/2024	Ms. Grad receives a base salary for her full time role as head of investor relations at Arsenal, and from time to time may receive a bonus. None of her compensation is related to any specific investor, including LACERS.

PE	Auldbress Partners, effective July 7, 2022	Auldbress Partners entered into a placement agreement with Aviditi Financial LLC	pay a compensation fee of 2% of the commitment amount.	2/10/2024	Avidity assists with fund raising for Auldbress Partners by introducing potential investors to Auldbress partners.
RE	Cerberus Institutional Real Estate Partners V, LP, effective 09/14/2020	Greg Gordon is the Senior Managing Director of Cerberus Capital Management, LP. He is an employee of Cerberus Capital Management LP.	As an employee, Mr. Gordon receives an annual salary and discretionary bonus	1/25/2024	Mr. Gordon helps to discuss with potential clients the opportunity to invest in Cerberus' new funds.
PE	Clearlake Capital Group, LP, effective 12/10/2019 for Fund VI and 09/17/2021 for Fund VII	Credit Suisse Private Fund Group (the PFG), acting through Credit Suisse Securities USA LLC (CS), has been engaged by Clearlake as the Company's non-exclusive advisor and non-exclusive placement agents.	CS is compensated with a non-refundable cash retainer and a scaled fee based on a percentage of certain aggregate principal amount of securities sold to certain investors.	2/23/2024	CS acted as non-exclusive advisor and non-exclusive placement agent for Fund VI and Fund VII as well as the Firm's previous funds Fund V and Opportunities Partners II.

PE	CVC Capital Partners/ CVC Capital Partners VIII, effective on May 22, 2020	Robert Squire and Dimia Fogam are employed by CVC Funding which acts as distributor of CVC Capital Partners. They help manage current and prospective investors.	Investments with LACERS maybe a factor in calculating their bonuses, however this bonus is discretionary and is not charged to LACERS or the Fund.	3/7/2024	Contractor reported that they do not compensate non-CVC placement agents. Robert Squire and Dimia Fogam are their distributor's employees and are part of CVC's Investor Relations Team.
RE	GLP Capital Partners IV, effective 03/30/2021	PJT Park Hill (placement agent) operates as the alternative asset advisory and fundraising services practice group of PJT Partners, an SEC registered broker-dealer.	Paid a fee based on a percentage of interests raised.	2/22/2024	The intermediary is a placement agent utilized for all clients of GLP Partners. GCP Capital Partners IV is a closed fund, the Contractor works with the intermediary during capital raising for funds.
PE	HarbourVest Partners Co-Investment Fund VI. effective 08/31/2021	Teri Noble is an in-house employee of HarbourVest Partners, an SEC registered investment adviser.	Base salary and discretionary bonus.	2/22/2024	Teri Noble markets HarbourVest products and services to institutional investors, including LACERS.

PE	Fortress Investment Group (Fund V), contract was effective August 31, 2020	Fortress Capital Formation, LLC	Base salary and discretionary bonus.	02/23/2024	<p>Contractor reported that it relies on its employees thru Fortress Capital Formation, LLC to sell interests in investment vehicles managed by Fortress. Fortress personnel who are dedicated to raising capital are compensated for doing so.</p> <p>However no payments or reimbursements are contingent upon LACERS' investing in Fortress Fund.</p>
PE	Harvest Partners IX, effective December 15, 2021	The Credit Suisse Private Fund Group (PFG) acts as the primary placement agent for HP VIII and HP IX.	Credit Suisse is compensated with a fee based on a percentage of a certain aggregate principal amount of securities of Harvest.	3/6/2024	Credit Suisse was not directly involved in soliciting an investment from LACERS.

PE	Hellman & Friedman Capital Partners X, effective May 5, 2021	Ms. Susanna Daniels, Ms. Catie Barile and Ms. Sara Ho (Morgan) are employees or Partners of Hellman & Friedman LLC	Compensation are salary and discretionary bonus or, in the case of a Partner, a share of the net profits of the Firm in addition to other customary benefits,	2/21/2024	None of the intermediaries is compensated or has the firm agreed to compensate (whether on commission, contingent percentage or other similar basis) specifically in connection with any investment or potential investment by LACERS in Hellman & Friedman.
PE	KPS Capital Partners, effective October 10, 2019	The intermediary, Shavonne Correia, is a full time employee of KPS. She serves as the Head of Investor Relations & Marketing and is a registered lobbyist in the State of California.	Compensation is not based on the procurement of any investment or business with LACERS	2/26/2024	Ms. Correia helps to discuss with potential clients the opportunity to invest in KPS funds.

PE	Lightbay Management LLC, effective January 31, 2022	UBS Securities LLC (UBS) has been engaged as the placement agent for Lightbay Investment Partners II, LP.	UBS is paid a market-based fee based on capital raised for the Fund. However, this cost is borne by the General Partner as an offset against Management fee or otherwise.	2/20/2024	UBS assists in the preparation of confidential private placement memorandum and supplements and amendments thereto together with an investor presentation describing the Company and the Fund.
RE	Northbridge Partners effective February 10, 2023	PMP is not registered as a lobbyist with the City of Los Angeles or any state or national government and is registered with the SEC and FINRA.	PMP will be paid a placement fee equal to 2.0% of the total equity committed to the Fund from new investors. A portion of the fee is paid at closing, with the remainder paid over 10 calendar quarters. All fees are paid in cash.	2/15/2024	NorthBridge has engaged Park Madison Partners ("PMP") to assist with raising capital from institutional investors.

RE	Oaktree Capital Management, LP, effective December 4, 2020	OCM Investments, a subsidiary of Oaktree, has acted as a placement agent for the limited purpose of marketing Oaktree-managed funds.	OCM Investments is reimbursed on a cost-plus 10% basis for its costs and expenses. This reimbursement is paid quarterly by Oaktree. Oaktree employees, including associated persons of OCM Investments, are compensated in the ordinary course of business and will not receive commissions or any compensation based in whole or in part upon an investment by LACERS in the Fund.	2/28/2024	OCM Investments is not compensated for its role as placement agent on a transaction basis and was not involved in soliciting LACERS' prospective investment.
PE	OceanSound Partners Fund, LP, contract was effective 06/02/2020	Harris Williams is a broker/dealer registered with the SEC and a member of FINRA. Their CRD#113930 and SixPoint Partners, LLC, a Placement Agent	Subject to the customary carve-outs for certain public plans that prohibit the use or payment to placement agents, Sixpoint earns 1% on all capital commitments and/or investments accepted by the Fund.	2/15/2024	Harris Williams worked with LACERS consultant/contractor Torey Cove, specifically Kyson Hawkins and Charles Pender. Sixpoint provides several advisory and fundraising services and is utilized with all prospective clients, except in certain limited circumstances or for entities that prohibit payment of fees to placement agents.



Non-US Equity	State Street Global Advisors Trust Company (Multi Passive Index), effective 06/01/2021	Ms. Sonya Park and Mr. Nicholas Trager are an internal employee of SSGA and not a third party placement agent or intermediary. A registered lobbyist in the State of California	Paid a base salary plus an annual discretionary bonus.	2/14/2024	Bonus is not paid based upon activity from any one client.
PE	Technology Crossover Ventures (TCV), Fund XI was effective 10/02/2020 and Fund XII was effective 06/13/2022	Julia Novaes Roux is Partner and Head of Investor Relations at TCV	Paid a salary and bonus from TCV and holds interests in certain investment funds, all of which is not dependent on LACERS decision to invest with TCV.	2/28/2024	No compensation is specifically allocable to time spent on LACERS investments.

**Los Angeles City Employees' Retirement System**

**ETHICS RESPONSIBILITIES FOR BOARD MEMBERS, THE GENERAL MANAGER, LACERS STAFF, CONTRACTORS, AND INVESTMENT CONSULTANTS**

**CONTRACTOR DISCLOSURE REPORTING POLICY**

**A. PURPOSE**

It is LACERS' policy for Contractors to disclose conflicts of interest - - actual, potential, and perceived.

The goal of this Policy is to prevent impropriety or the appearance of impropriety, to provide transparency and confidence in LACERS' decision-making process, and to help ensure that investment and procurement decisions are made solely on the merits of the goods or services proposed to be provided by Contractors to LACERS.

This Policy sets forth the circumstances under which LACERS requires the full and timely periodic disclosure of ex parte communications with, relationships with, and payments to, entities such as placement agents, third party marketers, lobbyists, and other Intermediaries. This Policy is intended to apply broadly to all Contractors with whom LACERS conducts business.

This Policy shall apply in addition to, and is intended to supplement, LACERS' Marketing Cessation policy, Third Party Marketer Compliance policy, Conflict Governance policy; any applicable state and City ethics, campaign finance, and lobbying laws found in the City's Charter, Governmental Ethics, Lobbying, and Campaign Finance Ordinances; the California Political Reform Act; and the California Constitution. Unless otherwise specified or required by the context, all terms used but not defined herein shall have the same meanings ascribed to them in **Appendix A.**

The Board recognizes that the flow of communication through staff between Contractors or Consultants and Board members is beneficial to the conduct of LACERS business. However, there are instances wherein Contractors or Consultants may have ex parte communications directly with Board members. In those instances where the ex parte communication reasonably might give the appearance of being an attempt to influence the outcome of a Board or staff decision or Consultant recommendation, the Board recognizes that there might be the potential for misunderstanding, misinformation, or conflicting instructions, and therefore such communications reasonably could be interpreted as inappropriately affecting the Board, staff, or Consultant. Such communications do not always rise to the level of "Undue Influence" as defined in this policy, but nevertheless are subject to disclosure.

**B. APPLICATION AND EXCLUSIONS**

**1. APPLICATION**

This policy applies to all agreements with Contractors that are entered into after the date this Policy is adopted. Additionally, this Policy applies to existing agreements with Contractors if, after the date this Policy is adopted, (a) the term of the agreement is extended, (b) there is any increased commitment of funds by LACERS pursuant to the existing agreement, or (c) there is an amendment to the substantive terms of an existing

## Los Angeles City Employees' Retirement System

### ETHICS RESPONSIBILITIES FOR BOARD MEMBERS, THE GENERAL MANAGER, LACERS STAFF, CONTRACTORS, AND INVESTMENT CONSULTANTS

agreement, including the fees or compensation payable to the Contractor to the extent that LACERS' consent is required.

#### 2. EXCLUSIONS

The following contracts are excluded from this Policy:

- 1) Contracts in the amount of \$20,000 or less and for not more than a one-year period for which the Board has authorized the General Manager to approve service agreements, pursuant to Administrative Code section 10.1.1.
- 2) Low cost equipment maintenance agreements and service for equipment repair. "Low cost" is defined as \$2,000 or less.
- 3) Contracts for which contract terms are less than 3 months in duration.
- 4) City or state contracts/agreements for which LACERS utilizes the existing City or state contract or agreement.

#### C. CAMPAIGN CONTRIBUTION - PERIODIC DISCLOSURE

Except as otherwise provided in this policy, every Contractor shall disclose any and all monetary contributions and/or other financial benefits made directly or indirectly by such Contractor and/or any of its Officers, marketing representatives, relationship representatives, portfolio managers, members of the investment committee, and/or Intermediaries (and, in the case of individuals, the Family Members of any of them) that are involved with the product or service provided, or sought to be provided, to LACERS, to any Elected Official, Candidate, Appointed Official or Applicable City Employee (collectively, "Contractor Campaign Contribution Disclosure"). Such Contractor Campaign Contribution Disclosures shall include contributions made during the twenty-four month period prior to Board approval of a new agreement or investment, or extension of or amendment to an existing agreement, or an increase in funding of an existing investment commitment. For private equity partnerships, disclosure information for the prior twenty-four month period shall be provided at the time that Staff and Consultants consider a new or additional investment in a private equity fund, and annually afterwards. All other Contractors shall disclose campaign contributions made during the terms of the agreement semi-annually.

For each such monetary contribution or financial benefit, the Contractor Campaign Contribution Disclosure shall include the following information:

- (1) The name and address of the contributor and the connection to the Contractor;
- (2) The name and title of each person receiving the contribution and the name of the Elected Official, Candidate, or Appointed Official or person for whose benefit the contribution was made;
- (3) The amount of the monetary contribution or financial benefit; and
- (4) The date of the monetary contribution or financial benefit.

Exemption: Monetary contributions and/or financial benefits given by any person to an Elected Official or Candidate for whom such person was entitled to vote at the time of the contributions and which in the aggregate do not exceed \$100 to any one Elected Official or Candidate per election are not required to be reported pursuant to this disclosure policy.

## Los Angeles City Employees' Retirement System

### ETHICS RESPONSIBILITIES FOR BOARD MEMBERS, THE GENERAL MANAGER, LACERS STAFF, CONTRACTORS, AND INVESTMENT CONSULTANTS

#### D. OTHER CONTRIBUTIONS/PAYMENTS - PERIODIC DISCLOSURE

Every Contractor shall disclose any and all monetary contributions and/or other financial benefits, including but not limited to contributions to charitable organizations, not covered by other sections of this Policy. The contributions/benefits to be disclosed can be made directly or indirectly by such Contractor and/or any of its Officers, marketing representatives, relationship representatives, portfolio managers, investment committee members, and/or Intermediaries (and, in the case of individuals, the Family Members of any of them) that are involved with the product or service provided, or sought to be provided, to LACERS.

Disclosure shall include monetary contributions and/or other financial benefits which were solicited directly or indirectly by any Elected Official, Candidate, Appointed Official, or Applicable City Employee. Disclosure shall also include situations where contributions/benefits were made to an organization of which any Elected Official, Candidate, Appointed Official or Applicable City Employee is, to the best knowledge of the person paying the monetary contribution or financial benefit, an officer, employee, or member of the board of directors, advisory board, or any similar board or committee (collectively, "Contractor Miscellaneous Contribution Disclosures").

Such Contractor Miscellaneous Contribution Disclosures shall include contributions made during the twenty-four month period prior to Board approval of a new agreement or investment, or extension of or amendment to an existing agreement, or an increase in funding of an existing investment commitment. For private equity partnerships, disclosure information for the prior twenty-four month period shall be provided at the time that Staff and Consultants consider a new or additional investment in a private equity fund, and annually afterwards. All other Contractors shall also disclose any monetary contributions and/or financial benefits paid during the term of the agreement or investment semi-annually.

For each such monetary contribution and/or financial benefit, the Contractor Miscellaneous Contribution Disclosure shall include the following information:

- (1) The name and address of the contributor and the connection to the Contractor;
- (2) The name of the organization and the name and title of each person receiving the contribution, and the name of the Elected Official, Candidate, or Appointed Official or person for whose benefit the contribution was made;
- (3) The amount of the monetary contribution or financial benefit; and
- (4) The date of the monetary contribution or financial benefit.

Exemption: Value of food and beverage items provided to LACERS staff or Consultants at networking events, annual general meetings and/or advisory meetings that are open to general public or other investors, and which in aggregate do not exceed annual limit of \$50 are not required to be reported pursuant to this disclosure policy.

#### E. APPLICABILITY OF SECTIONS C AND D

Disclosures required by Sections C and D of this Policy include, but are not limited to, any monetary contribution or financial benefit to any of the following:

## Los Angeles City Employees' Retirement System

### ETHICS RESPONSIBILITIES FOR BOARD MEMBERS, THE GENERAL MANAGER, LACERS STAFF, CONTRACTORS, AND INVESTMENT CONSULTANTS

1. Any Elected Official (and any of his or her controlled committees), Candidate (and any of his or her controlled committees), Appointed Official, or Applicable City Employee.
2. Any account or trust set up through motion of the Los Angeles City Council that would seek funds controlled by an Elected Official or Candidate.
3. Any third party at the behest of an Elected Official, Candidate, or Appointed Official or for the purpose of supporting or opposing an Elected Official, Candidate, or City ballot measure.
4. Any Elected Official, Candidate, Appointed Official, or Applicable City Employee for the sale of private property.
5. Any charitable or other organization or individual at the behest of an Elected Official, Candidate, Appointed Official, or Applicable City Employee.

#### F. GIFTS - PERIODIC DISCLOSURE

##### 1. GIFTS MADE BY CONTRACTORS

Every Contractor shall disclose all Gifts made directly or indirectly by such Contractor and/or any of its Officers (and the Family Members of any of them), or made directly or indirectly by marketing representatives, relationship representatives, portfolio managers, investment committee members, and/or Intermediaries (and, in the case of individuals, the Family Members of any of them) that are involved with the product or service provided, or sought to be provided to LACERS, to any Elected Official, Candidate, Appointed Official, or Applicable City Employee, or to LACERS' private equity Consultant, general investment Consultant, or real estate Consultant.

For each such Gift, the Contractor shall disclose:

- (1) The name and address of each person providing the Gift and each such person's connection to the Contractor;
- (2) The name and title of each person receiving the Gift;
- (3) The value of the Gift;
- (4) A description of the Gift; and
- (5) The date of the presentation of the Gift.

Such disclosures shall include Gifts made during the term of the agreement or investment (as applicable) and during the twenty-four month period prior to Board approval of a new agreement or investment, or extension of and/or amendment to an existing contract, or an increase in funding of an existing investment commitment. Disclosures shall be made semi-annually for all Contractors (end of June and December of each year); except for private equity partnerships and their general partners, which shall be required to make such disclosures annually, no later than 45 calendar days after December 31st each year.

## Los Angeles City Employees' Retirement System

### ETHICS RESPONSIBILITIES FOR BOARD MEMBERS, THE GENERAL MANAGER, LACERS STAFF, CONTRACTORS, AND INVESTMENT CONSULTANTS

#### 2. FINANCIAL INCENTIVES AND GIFTS RECEIVED BY INVESTMENT CONSULTANTS

- (a) LACERS' private equity Consultant, general investment Consultant, and real estate Consultant (each individually, an "Investment Consultant") shall disclose all Gifts received directly or indirectly from Contractors and/or any of their Officers (and the Family Members of any of them), or directly or indirectly from their marketing representatives, relationship representatives, portfolio managers, investment committee members, and/or Intermediaries (and, in the case of individuals, the Family Members of any of them) that are involved with any product or service provided, or sought to be provided, to LACERS.

For each such Gift, the Investment Consultant shall disclose:

- (1) The name and address of each person providing the Gift and each such person's connection to the Contractor;
- (2) The name and title of each person receiving the Gift;
- (3) The value of the Gift;
- (4) A description of the Gift; and
- (5) The date of the presentation of the Gift.

- (b) Investment Consultants shall also report any financial incentive, compensation, consideration, or benefit received from others in connections with Investment Consultant's recommendations of funds, products, or services made to LACERS.

For each such financial incentive or compensation, the Investment Consultant shall disclose:

- (1) The name and address of the firm or organization providing the incentive;
- (2) A description of the financial incentive arrangement;
- (3) The value of the incentive;
- (4) The alternative fund(s), product(s), or service(s) considered along with the recommended fund, product, or service;
- (5) Factors used to select the recommended fund, service, or product over the alternative(s).

Such disclosures shall include Gifts and/or financial incentives received during the term of the Investment Consultant's service agreement with LACERS, and shall be made semi-annually by the private equity Consultant; and annually by the general investment Consultant and real estate Consultant with regard to all Contractors, and otherwise as required by LACERS in relation to any particular contracting process.

*Exemption: Value of food and beverage items provided to LACERS staff or Consultants at networking events, annual general meetings and/or advisory meetings that are open to general public or other investors, and which in aggregate do not exceed annual limit of \$50 are not required to be reported pursuant to this disclosure policy.*

## Los Angeles City Employees' Retirement System

### ETHICS RESPONSIBILITIES FOR BOARD MEMBERS, THE GENERAL MANAGER, LACERS STAFF, CONTRACTORS, AND INVESTMENT CONSULTANTS

#### G. RESPONSIBILITIES

1. Each Contractor is responsible for:
  - a. Providing to Staff, as part of the Contractor Disclosure, the following information for existing agreements and prior to hiring for new agreements:
    - (1) A statement whether the Contractor, or any of its marketing or relationship representatives, portfolio managers, or members of the investment committee (or any Family Members of any of them) that are involved with the product or service provided to LACERS, or any of its Officers (or Family Members of any of them), within the twenty-four month period prior to either (a) Board approval of a new agreement or investment, or (b) extension of or amendment to an existing agreement, or (c) an increase in funding of an existing investment commitment, has compensated or agreed to compensate, directly or indirectly, any person (whether or not employed by the Contractor) or entity to act as an Intermediary in connection with any investment or procurement by LACERS.
    - (2) Notice to LACERS that if any person working on behalf of the Contractor with, or assigned on behalf of the Contractor to, a LACERS contract is a current or former LACERS Board member, employee or Consultant or a Family Member of any such person.
    - (3) A description of all compensation provided or agreed to be provided directly or indirectly by the Contractor to any Intermediary or to any employee of the Contractor who was hired specifically to solicit an investment or other business with LACERS or is compensated on the basis of the procurement of any such investment or business. The description of such compensation shall include the nature, timing and amount thereof and any condition precedent to receiving the compensation.
    - (4) For investment and consulting contracts, a List of Contacts made by the Contractor with Appointed or Elected Officials within either 1) the three month period prior to the interview regarding a new agreement or investment; or, 2) the search period; whichever is longer. The List of Contacts shall include the date and names of the contact(s) and the nature of the contact.
    - (5) For investment and consulting contracts and except for private equity partnerships who are required to disclose annually, Contractors shall also disclose any contacts with Appointed or Elected Officials **during the term of the agreement, contract, or investment on a semi-annual basis.**

## Los Angeles City Employees' Retirement System

### ETHICS RESPONSIBILITIES FOR BOARD MEMBERS, THE GENERAL MANAGER, LACERS STAFF, CONTRACTORS, AND INVESTMENT CONSULTANTS

- (6) With regard to each Intermediary identified pursuant to Section G.1.a (3) above, each Contractor shall provide:
  - (i) A description of the services to be performed by the Intermediary and a statement as to whether the Intermediary is utilized by the Contractor with all prospective clients or only with a subset of the Contractor's prospective clients (and if a subset, describe the subset), and a resume of each officer, partner, and principal of the Intermediary detailing the person's education, professional designation, regulatory licenses, and investment work experience. Work experience need not be provided in connection with agreements unrelated to investments.
  - (ii) With regard to procurement of business from LACERS, a copy of all written agreements between the Contractor and the Intermediary and a description of any agreement that is not in writing.
  - (iii) A List of Contacts made by the Intermediary, on behalf of the Contractor, with Appointed Officials, Elected Officials, or staff within the 24 months period prior to Board approval of a new agreement or investment. The List of Contacts shall include the date and names of the contact(s) and intermediary(ies).
  - (iv) The names of all persons who suggested the retention of the Intermediary and a description of how the Intermediary was selected.
  - (v) A listing for the Intermediary and/or any of its affiliates showing registration with the Securities and Exchange Commission or the Financial Industry Regulatory Association or any similar regulatory agency or self-regulatory organization outside the United States, and either the details of any such registration or an explanation of why registration is not required.
  - (vi) A listing for the Intermediary, and/or any of its affiliates, showing registration as a lobbyist with any local, state or national government and the details of any such registration.
- b. Providing a representation and warranty signed by the Contractor's chief executive officer or head of the business unit that provides, or will be providing, the service to LACERS, of the accuracy of the information included in the Contractor Disclosure in any final written agreement.



## Los Angeles City Employees' Retirement System

### ETHICS RESPONSIBILITIES FOR BOARD MEMBERS, THE GENERAL MANAGER, LACERS STAFF, CONTRACTORS, AND INVESTMENT CONSULTANTS

- c. All information required in the Contractor Disclosure shall be sent to LACERS internal audit staff as follows:

Los Angeles City Employees' Retirement System Internal Audit Section  
202 West First Street, Suite 500 Los Angeles, CA 90012  
Office: 800-779-8328  
Email address: [auditor@LACERS.org](mailto:auditor@LACERS.org)

The Contractor Disclosure of all contacts, monetary contributions, other financial benefits, and/or Gifts, as required pursuant to this Disclosure Policy, is due 45 calendar days after June 30th or December 31st of each year, as applicable.

2. LACERS Staff are responsible for all of the following:
  - a. Section managers are responsible for providing Contractors with a copy of this Policy with all Requests for Proposals at the time that due diligence in connection with a prospective investment or engagement begins.
  - b. Section managers are responsible for confirming that the Contractor Disclosure has been received prior to the completion of due diligence and any recommendation to proceed with the engagement of the Contractor or the decision to make any investment or procurement.
  - c. For new agreements and/or amendments to agreements existing as of the date of the Policy, Section managers are responsible for confirming that the final written agreement between LACERS and the Contractor provides that the Contractor shall be solely responsible for, and LACERS shall not pay (directly or indirectly), any fees, compensation or expenses for any Intermediary used by the Contractor.
  - d. Section managers are responsible for excluding any Contractor or Intermediary from the solicitation of new investments or business from LACERS for a time period determined by the Board up to a maximum of 5 years after they have committed a material violation of this Policy, as determined by the Board in its sole discretion, and promptly informing the Board of any such action. Refer to Penalties in Section H.
  - e. Staff of the section responsible for the administration of the contract will provide the Board, including the relevant Committee, with a copy of the Contractor Disclosure information prior to the Board making or approving any decision to invest or procure with a Contractor.
  - f. LACERS internal audit staff will compile a semi-annual Board report containing the names and amount of compensation agreed to be provided

## Los Angeles City Employees' Retirement System

### **ETHICS RESPONSIBILITIES FOR BOARD MEMBERS, THE GENERAL MANAGER, LACERS STAFF, CONTRACTORS, AND INVESTMENT CONSULTANTS**

to each Intermediary by each Contractor; the campaign contributions and Gifts of each Contractor as reported in the Contractor Disclosures; the List of Contacts; and the List of Exclusions.

- g. Reporting to the Board immediately any conduct that the Staff reasonably believes constitutes a material violation of the Policy, to enable the Board to make a determination whether the conduct constitutes a material violation.
3. Contractors shall comply with the Policy and cooperate with Staff in meeting Staff's obligations under this Policy. All parties responsible for implementing, monitoring and complying with this Policy should consider the spirit as well as the literal expression of the Policy. In cases where there is uncertainty whether a disclosure should be made pursuant to this Policy, the Policy shall be interpreted to require disclosure.

#### **H. PENALTIES**

For new agreements and/or amendments to agreements existing as of the date of this Policy, the Contractor, in the final written agreement with LACERS, will agree to provide LACERS with any or all of the following remedies in the event that there was or is a material omission or inaccuracy in the Contractor Disclosure or any other violation of this Policy, as determined by the Board in its sole discretion:

1. Whichever is greater, the reimbursement of any contractor, management or advisory fees paid by LACERS for one year or an amount equal to the amounts that the Contractor has paid or promised to pay to the Intermediary in respect of LACERS.
2. LACERS shall have the authority to terminate the agreement, without penalty.
3. The Board of Administration may take action to ban Contractor and/or the Intermediary who materially violated this Policy from future contracting opportunities with LACERS for a period of up to five years. However, the prohibition may be reduced by a majority vote of the Board at a public session upon showing of good cause.

#### **I. NO RIGHT OF CONFIDENTIALITY**

All Contractor Disclosures and attachments thereto shall be public records subject to disclosure under the California Public Records act and the Ralph M. Brown Act. No confidentiality restrictions shall be placed on any Contractor Disclosures or any information provided by Contractors pursuant to this Policy.

#### **REVIEW**

This policy shall be reviewed every 3 years.

See APPENDIX A – DEFINITIONS

## Los Angeles City Employees' Retirement System

### ETHICS RESPONSIBILITIES FOR BOARD MEMBERS, THE GENERAL MANAGER, LACERS STAFF, CONTRACTORS, AND INVESTMENT CONSULTANTS

#### APPENDIX A – DEFINITIONS

*Definitions are based on current laws. To the extent that Board policies are not updated subsequent to changes in law, each Board Member, LACERS employee and Consultant is responsible to comply with current laws and changes thereto.*

#### **Applicable City Employee**

(1) A LACERS employee or (2) a lawyer in the Public Pension General Counsel, the Outside Counsel Oversight Division of the Los Angeles City Attorney's Office, or one who is in the direct supervisory chain of command over the lawyers in those divisions

#### **Appointed Official**

An appointed LACERS Board Member (including a person who has been appointed to the LACERS Board, pending confirmation)

#### **Candidate**

A person who has filed to run for an Elected Office

#### **City**

The City of Los Angeles

#### **Consultant**

A Contractor that is hired to provide advice or recommendations to LACERS on the selection of investment funds/strategies, fund managers, or the procurement of goods and/or services from other firms. All LACERS Consultants are also considered Contractors under the terms of this Policy.

#### **Contractor**

A person who, or entity that, seeks to be and/or is hired to provide goods and/or services to LACERS. The individuals with reporting responsibility are those at a firm that would have any contact with or responsibility for a LACERS investment or agreement.

#### **Contractor Disclosure**

Collectively, the information required from Contractors as described in Sections **C through G** of this Policy.

#### **Elected Official or Office**

Mayor of the City of Los Angeles  
Members of the Los Angeles City Council  
Los Angeles City Attorney  
Los Angeles City Controller  
Elected LACERS Board Member

#### **Family Member**

The spouse or domestic partner of a Contractor or Intermediary.

## Los Angeles City Employees' Retirement System

### ETHICS RESPONSIBILITIES FOR BOARD MEMBERS, THE GENERAL MANAGER, LACERS STAFF, CONTRACTORS, AND INVESTMENT CONSULTANTS

#### Financial Benefits

Other financial benefits include having direct or indirect financial relationship with or beneficial ownership in securities, investments, funds, companies or products being recommended to LACERS.

#### Gift

Pursuant to **Los Angeles Municipal Code Section 49.5.8 et seq., which references the Political Reform Act and California Constitution, and Section 82028 of the Political Reform Act 2019**, a “Gift” means, except as otherwise provided in this definition, any payment that confers a personal benefit on the recipient, to the extent that consideration of equal or greater value is not received and includes a rebate or discount in the price of anything of value unless the rebate or discount is made in the regular course of business to members of the public without regard to official status. Any person, other than a defendant in a criminal action, who claims that a payment is not a gift by reason of receipt of consideration has the burden of proving that the consideration received is of equal or greater value. The term “gift” does not include:

- (1) Informational material such as books, reports, pamphlets, calendars, periodicals. No payment for travel or reimbursement of any expenses shall be deemed “informational material.”
- (2) Gifts which are not used and which, within 30 days after receipt, are either returned to the donor or delivered to a nonprofit entity exempt from taxation under Section 501(c)(3) of the Internal Revenue Code without being claimed as a charitable contribution for tax purposes.
- (3) Gifts from an individual’s spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person; provided that a gift from any such person shall be considered a gift if the donor is acting as an agent or Intermediary for any person not covered by this paragraph.
- (4) Campaign contributions required to be reported under Chapter 4 of the Political Reform Act of 1974, as amended.
- (5) Any devise or inheritance.
- (6) Personalized plaques and trophies with an individual value of less than two hundred fifty dollars (\$250).

#### Intermediary

A person or entity (1) who is hired, engaged or retained by or acting on behalf of a Contractor as a placement agent, finder, lobbyist, solicitor, marketer, consultant, broker or other type of agent to raise money or investments from or obtain access to LACERS, directly or indirectly, and (2) who engages in, either personally or through an agent, any written or oral direct communication with any LACERS representative in furtherance of obtaining an investment or a contract with LACERS. This definition also includes agents of Intermediaries commonly referred to as sub-agents.

#### Investment Consultant

LACERS’ private equity Consultant, general investment Consultant, and real estate Consultant. Investment Consultants are also considered Contractors under the terms of this Policy.

## **Los Angeles City Employees' Retirement System**

### **ETHICS RESPONSIBILITIES FOR BOARD MEMBERS, THE GENERAL MANAGER, LACERS STAFF, CONTRACTORS, AND INVESTMENT CONSULTANTS**

#### **LACERS**

The Los Angeles City Employees' Retirement System.

#### **Officers**

The Chief Executive Officer, Chief Operating Officer, Chief Financial Officer or functional equivalent in the Contractor's firm.

#### **Undue Influence**

The employment of any improper or wrongful pressure, scheme, or threat by which one's will is overcome and he or she is induced to do or not to do an act which he or she would not do, or would do, if left to do freely.



REPORT TO BOARD OF ADMINISTRATION  
From: Ferralyn Sneed, Chief Benefits Analyst  
*Isaias Cantú* for

MEETING: MAY 28, 2024  
ITEM: V-A

SUBJECT: APPROVAL OF DISABILITY RETIREMENT APPLICATION OF AMY CASE 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 Amy Case based on her claimed disabling condition and the supporting medical evidence contained in the administrative record, which includes reports by three licensed, practicing physicians.

**Background**

Amy Case (Applicant) is a Police Service Representative at the Los Angeles Police Department with 17.56430 years of City Service. The Applicant applied for disability retirement on April 26, 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 February 14, 2023. If approved, the Applicant's retirement effective date would be February 15, 2023.

**Accommodation**

Because Physicians 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 \$2,622.00 per month, and a retroactive payment covering 16 months of approximately \$41,952.00.

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 AMY CASE**

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 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.



**REPORT TO BOARD OF ADMINISTRATION**  
**From: Ferralyn Sneed, Chief Benefits Analyst**  
 Signed for Ferralyn by: *Isaias Cantu*

**MEETING: MAY 28, 2024**  
**ITEM: V - B**

**SUBJECT: APPROVAL OF DISABILITY RETIREMENT APPLICATION OF CHONGSUP LEE 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 Chongsup Lee based on his claimed disabling condition and the supporting medical evidence contained in the administrative record, which includes reports by three licensed, practicing physicians.

**Background**

Chongsup Lee (Applicant) is a Wastewater Collection Worker II at the Department of Public Works with 7.36320 years of City Service. The Applicant applied for disability retirement on February 16, 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 May 6, 2022. If approved, the Applicant's retirement effective date would be May 7, 2022.

**Accommodation**

Because Physicians 1 and 2 opined the Applicant could return to work with accommodations, the employing department was contacted. The Department indicated it is unable to accommodate the cited restrictions.

**Fiscal Impact**

Upon approval, the Applicant would receive a disability retirement allowance of approximately \$2,291.00 per month, and a retroactive payment covering 25 months of approximately \$57,275.00.

**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 CHONGSUP LEE**

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 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.



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

**MEETING: MAY 28, 2024**  
**ITEM: VI-A**

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**SUBJECT: PROPOSED BUDGET, PERSONNEL, AND ANNUAL RESOLUTIONS FOR FISCAL YEAR 2024-25 AND POSSIBLE BOARD ACTION**

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

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**Recommendation**

- 1) Adopt the Proposed Budget, Personnel, and Annual Resolutions for Fiscal Year 2024-25 (FY25); and,
- 2) Authorize the General Manager to make technical corrections to the budget including the update of the Final City Contribution based on the Adopted City covered payroll.

**Executive Summary**

The FY25 Administrative Expense Budget presented for approval is \$46.7 million, with a minor increase of \$38,655 over the March proposed Preliminary Budget (Preliminary Budget) presented to the Board on March 26, 2024, an overall increase of \$2.3 million, or 5.2%, over the prior year base budget.

The Proposed Budget includes obligatory increases from recent labor negotiations. However, there is still uncertainty surrounding the timeline of the retro-active payments from the cost-of-living adjustments effective earlier this calendar year, which may potentially be paid out in FY25 in conjunction with the launch of the City’s Human Resources and Payroll (HRP) project. This retro-active payment is not included in the FY25 budget.

The position authority count remains the same since last proposed to the Board at 195 regular authorities and 33 substitute authorities, with one add/delete adjustment to replace a Senior Administration Clerk with a Benefits Specialist position to better support health enrollments.

Additionally, LACERS has met with the City’s Joint-Labor Management Committee on Commute Options & Parking (JMLC-COP) to discuss parking terms stated within the City’s Special Memorandum of Understanding Regarding City Employee Parking and Commute Options (Parking and Commute Option MOU). It has been determined that LACERS should develop its own Departmental Transit Benefits Program to offer LACERS’ employees transportation benefits. Therefore, the requested General Manager authority and budget of \$162,000 will be utilized to develop and offer a transportation benefit program that is at least on par with the City’s COMMUTEwell program.

	FY25	FY24	\$ change	% change
Personnel Services	\$ 35,854,473	\$ 34,014,741	\$ 1,839,732	5.4
Professional Services	6,884,989	6,896,252	(11,263)	(0.2)
Information Technology	2,251,482	1,940,435	311,047	16.0
Education/Training/Travel	357,595	376,005	(18,410)	(4.9)
Office Expenses	1,390,398	1,209,250	181,148	15.0
<b>Total Administrative Expense</b>	<b>\$ 46,738,937</b>	<b>\$ 44,436,683</b>	<b>\$ 2,302,254</b>	<b>5.2</b>
<b>Regular Position Authorities</b>	<b>195</b>	<b>195</b>	<b>-</b>	<b>-</b>

The FY25 City Contribution is revised to \$850.4 million, an increase of \$26.5 million over the estimated City Contribution presented in Preliminary Budget, due to the increase in City's covered payroll for FY25, as reflected in the Mayor's Proposed Budget. Upon adoption of the Final City Budget in June by the Mayor and City Council, the City Contribution will be adjusted accordingly.

	FY25	FY24	\$ change	% change
City Contribution	\$ 850,400,480*	\$ 823,897,034	\$ 26,503,446	3.2
Investment Management Fee & Expense	\$ 141,190,690	\$ 129,674,876	\$ 11,515,814	8.9
Administrative Expense	\$ 46,738,937	\$ 44,436,683	\$ 2,302,254	5.2

An Asterisk (\*) denotes estimated amount.

## **Discussion**

Detailed discussion of the proposed budget is provided in the attached report. The table below summarizes changes between the Preliminary Budget and the May Proposed budget.

Administrative Expenses	FY25 May Proposed Budget	FY25 March Preliminary Budget	\$ change	% change
Personnel Services	\$ 35,854,473	\$ 35,854,473	\$ -	-
Professional Services	6,884,989	6,884,989	-	-
Informational Technology	2,251,482	2,226,382	25,100	1.1
Training & Related Travel	357,595	357,595	-	-
Office Expenses	1,390,398	1,376,843	13,555	1.0
<b>Total Administrative Expense</b>	<b>\$ 46,738,937</b>	<b>\$ 46,700,282</b>	<b>\$ 38,655</b>	<b>0.1</b>

## Highlights of changes from the Preliminary Budget to the May Proposed Budget for adoption include:

### *Administrative Expense Budget*

- Information Technology – net increase of \$25,100 to purchase additional software licenses to accommodate anticipated staffing levels.
- Office Expenses – net increase of \$13,555 to employ device management features on mobile devices (\$12,000) for ease of remote administration and other additions, such as the Western Economic Association International membership (\$55), and processing fee for Internal Revenue Service electronic filing (\$1,500).

## **Departmental Transit Benefits Program**

In October 2019, LACERS' Board of Administration authorized and completed the purchase of a five-story office building and underground parking structure located in 977 N. Broadway, Los Angeles, CA 90012. This Headquarters (HQ) building is an asset of the Plan and at the time, located outside of the geographic boundaries established within the Parking and Commute Options MOU, thus allowing the LACERS' Board of Administration the authority to determine that onsite and adjacent parking for the new HQ will be made complimentary for all LACERS staff as a retention incentive.

On November 2023, the adopted successor Parking and Commute Options MOU by the JMLC-COP expanded its geographical boundary to include Chinatown, where LACERS HQ resides, thus subjecting LACERS' staff to its parking provisions of \$55/month. On April 11, 2024, LACERS approached the JMLC-COP subcommittee with aims of finding an alternative solution to enable LACERS employees to continue to receive free parking while also allowing them to claim transit benefits from the City's COMMUTEwell program for those that qualified. However, resulting discussions with the JMLC-COP subcommittee suggest that LACERS may be subjected to contribute to the rideshare fund on behalf of every employee that parks at LACERS HQ. With the implemented hybrid schedule and in order to retain free parking for employees, it will be more prudent for LACERS to create its own transit benefit program.

A \$162,000 request from the preliminary budget is continued for FY25's Administrative Expense Budget, along with request for General Manager authority for the development of the transit benefit program. Staff are currently in the process of finalizing a transit benefit program model that will be able to attract and retain talented employees while also promoting alternative forms of transportation through subsidies including a fully subsidized vanpool program. This will also address the growing shortage of parking available at HQ. The program is expected to launch early in FY25.

## **City's Separation Incentive Program Position Information**

During the preliminary budget discussion, staff was asked to report back on the disposition of those positions added to LACERS to support the CSIP. In FY21, (35) substitute authorities were activated along with (16) Mayoral transfers, and (4) 120-Day retired employees assisted in the processing of retirement applications.

- (6) Substitute authorities continuing:
  - Health, Wellness and Buyback Division (HWABD): (1) Benefit Specialist in the Service Purchase Section (SPS) to continue tackling backlogs, (1) Benefit Specialist in Enrollment, (1) Benefits Specialist in Advocacy, and (1) Benefits Analyst in Accounts Reconciliation Unit to continue due to increase in volume of calls/ counseling/ reconciliation due to increase in covered lives in Health, Medicare enrollment and increase in healthcare regulation. Not continuing these substitute authorities or regularizing them would impact timely delivery of benefits.
  - Retirement Services Division (RSD): (2) Benefit Specialists in the Performance Review Unit (PRU) to provide the internal quality assurance check for how RSD delivers benefits that include: managing, auditing, and processing Member documentation for the International and Domestic Alive and Well program; internal auditing and review of divisional procedures and workflows for operational efficiency and effectiveness; assisting in the development of the Knowledge Transfer project for onboarding and educating staff.
- (2) 120-day employment of retirees continuing:
  - Systems Division: (1) Systems Analyst to continue supporting the increase in daily operations driven by the Headquarters move and mobile workforce initiative, as well as the City's HRP project.
  - HWABD: (1) Management Analyst to continue supporting the reduction of the backlog in the SPS.
- (7) Substitute authorities regularized:
  - HWABD: (1) Benefits Specialist in Medical Plan Enrollments to correspond to increased requirements for Retiree Health Plan Enrollments and to reduce on-going overtime; (1) Benefits Analyst, (1) Benefits Specialist, and (1) Accounting Clerk in SPS to reduce Member wait times and outstanding caseloads; (1) Benefits Analyst in Medicare Compliance dedicated to assist Members with complicated medical non-compliance issues to ensure timely completion of the required enrollment timeframe; (1) Benefits Analyst in Health Advocacy to continue supporting the high volume of requests for health related services.
  - RSD: (1) Benefits Analyst in the PRU to assist in performing quality assurance checks on retirement benefits delivery and coordinating special projects.

Supported by the aforementioned funding and positions, the LACERS FY25 Business Plan includes continuing Business Plan Initiatives for Governance with a focus on updating and developing new Board policies, Language Access Plan, Central Data Repository, the City's Human Resource and Payroll (HRP) Implementation, and introducing one new initiative, Business Continuity Plan (BCP) to reinforce LACERS' rapid response to significant disruption of operations.

### **Strategic Plan Impact Statement**

This budget includes funding for FY25 initiatives to meet LACERS seven strategic goals.

Prepared By: Todd Bouey, Assistant General Manager, Dale Wong-Nguyen, Assistant General Manager, the Administration Division and Budget Team: Edwin Avanesian, Andy Chiu, Chhintana Kurimoto, Lisa Li, Lin Lin, Dianne Sunico, Marcel Nguyen, and Jo Ann Peralta. In collaboration, and with special thanks to Department senior managers for the thought and leadership that went into this budget.

NMG/TB/EA/LL/CK

- Attachments:
1. LACERS Performance Budget Report for Fiscal Year 2024-25
  2. Proposed Budget, Personnel, and Annual Resolutions for Fiscal Year 2024-25

BOARD Meeting: 5/28/24  
Item: VI-A  
Attachment 1

# LACERS PERFORMANCE BUDGET

Fiscal Year  
2024 - 25



Board Presentation of May 28, 2024

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LACERS marked its one year anniversary on March 6, 2024 since the official occupation of the new office Headquarters. Over the past year, LACERS has made significant investments in resources and initiatives to better serve the Plan and Member Experience as we welcome back our Members to in-person services. At the same time, LACERS has continued to work diligently with other City departments to ensure the successful implementation of the City's Human Resources and Payroll (HRP) project, which aims to replace the City's legacy payroll system, PaySR. However, upon staff's participation in the project testing for the past year, many concerns have been raised in relation to base functionalities, data conversion, integration files, etc., which all impact LACERS' ability in processing retirements, receiving Member contributions, and other payroll deductions. The currently anticipated launch date of HRP is June 2024 and with many of the issues remaining unresolved, it is believed that LACERS will need to manage and reconcile a substantial number of errors once the project goes live. In October 2023, the Board supported seeking additional staffing resources. Despite the additional resources, challenges persist due to limited hiring lists and the race against the impending HRP launch date.

As evidenced by the City Administrator's Mid-Year Financial Status Report dated March 18, 2024, the City is experiencing significant financial challenges. LACERS FY25 Proposed Administrative Budget employs belt-tightening measures that allow LACERS to continue to address the most pressing needs while offsetting these resources with salary savings and other reductions. LACERS FY25 Business Plan primarily supports ongoing initiatives including the Mayor's Language Access Plan directive, HRP Post Go Live support, and the development of a Central Data Repository to house data and reporting with the addition of one new initiative, LACERS Business Continuity Plan, to ensure that LACERS is properly equipped and trained to continue operations under unforeseeable circumstances.

The budget reflects our mission, vision, and strategic goals. We look forward to maintaining our quality service to our Members and continue to promote financially sound investments.

	FY25	FY24	CHANGE	% CHANGE
<b>City Contribution</b>	\$ 850,400,480	\$ 823,897,034	\$ 26,503,446	3.2
<b>Investment Management Fees &amp; Expenses</b>	\$ 141,191,690	\$ 129,674,876	\$ 11,515,814	8.9
<b>Administrative Expenses</b>	\$ 46,738,937	\$ 44,436,683	\$ 2,302,254	5.2
<b>Health Care Fund Administrative Expense</b>	\$ 1,032,000	\$ 1,035,000	\$ (3,000)	(0.3)
<b>Regular Position Authorities</b>	195	195	0	0.0

# Budget Overview



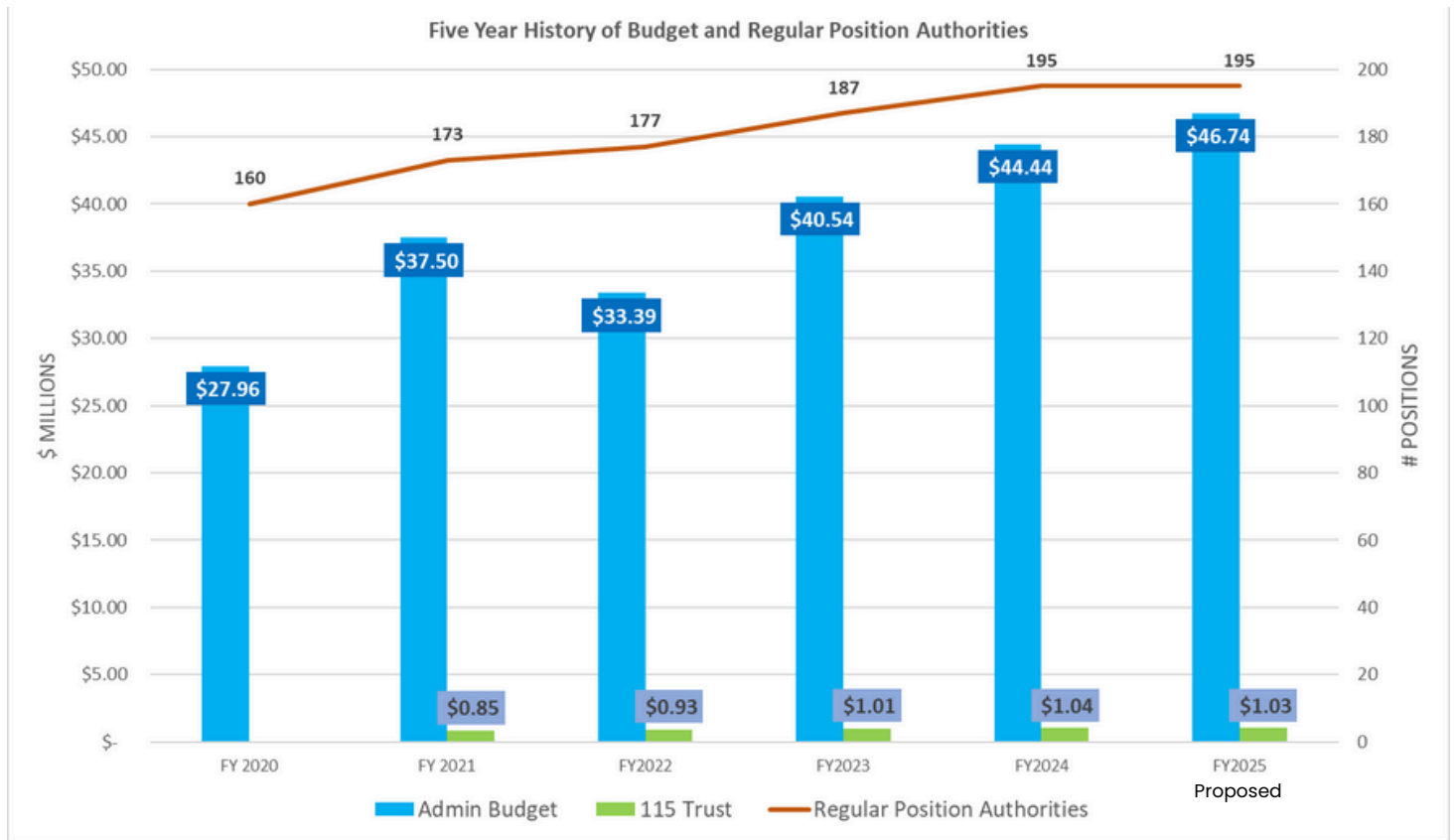
The LACERS Board approves an annual budget which estimates the cost of maintaining the Retirement System. LACERS’ budget is transmitted to the Mayor for inclusion in the City’s proposed budget, which is due to City Council by April 20 and finalized by June for the fiscal year beginning July 1st. The Board’s approval of the Administrative and Investment Expense budget establishes the General Manager’s expenditure authority for the fiscal year.

LACERS’ budget is comprised of the Administrative Expense Budget, the Health Care Fund Budget (“115 Trust”), the Investment Management Fees and Expenses Budget, and the City’s contribution to the LACERS Retirement Trust Fund and 115 Trust Fund. Key decisions made by the Board throughout the year will determine certain aspects of the budget. This includes the adoption of the actuarial valuation in November which sets the annual contribution rate (a percentage of City payroll) that the City will provide to LACERS to fund the retirement benefits for City employees. The Board approves asset allocations and investment contracts which set fee rates used to establish the Investment Management Fee Budget. The Board also considers programs and annual business plan initiatives to fund for the coming fiscal years reflected in the Administrative Expense Budget.

An overview of the major components of the LACERS’ budget, with the Board’s discretionary decisions is reflected as follows:

CITY CONTRIBUTION	=	CONTRIBUTION RATE Adopted in LACERS Valuation	x	CITY’S COVERED PAYROLL As Adopted by City Council
INVESTMENT MANAGEMENT FEES	=	ASSET MANAGEMENT FEES Established in LACERS-Approved Investment Contracts	x	ASSUMED MARKET VALUE OF ASSETS Based on Capital Market Assumptions
ADMINISTRATIVE EXPENSE	=	OBLIGATORY CHANGES Salary Increases, Cost-of-Living Increases, Retirement & Benefit Costs, Legal Fees	+	APPROVED DISCRETIONARY CHANGES New Positions, Programs & Initiatives, Service Enhancements, Salary Savings Rate
HEALTH CARE FUND ADMINISTRATIVE EXPENSE	=	OBLIGATORY CHANGES Approved Third-Party Administrator, Audit Contract Fees	+	APPROVED DISCRETIONARY CHANGES Program Enhancements

# Administrative Expense Budget



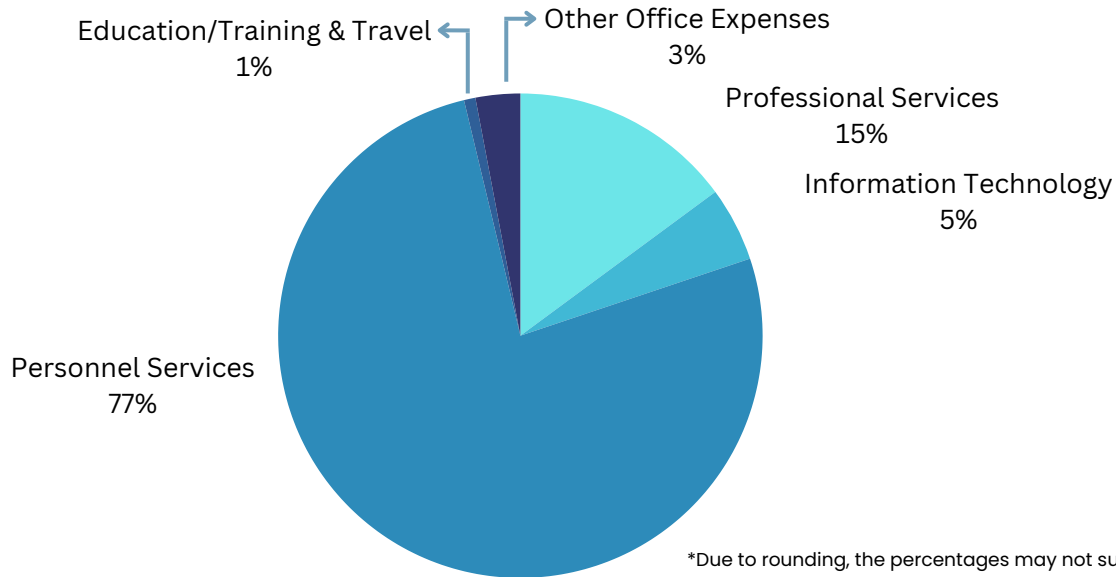
The Administrative Expense Budget of \$46.74 million reflects a net increase of \$2.30 million, or 5.2% over the FY24 base budget. Obligatory changes to the budget account for \$2.79 million in increases over the FY24 adopted budget. This includes \$0.76 million in salary rate increases and excess leave pay due to recent labor union negotiations, \$0.31 million for cost of living adjustments, and \$1.4 million for the restoration of salary savings (See Summary of Changes table, [page 4](#)). Obligatory costs are partially offset by the adoption of an 8% salary savings rate equivalent to \$2.07 million, and \$0.49 million in one-time and various expense reductions. The Budget invests \$1.95 million in core services and \$0.14 million to fund four ongoing Business Plan Initiatives (BPI) and one new initiative: Governance Initiative, Language Access Plan Initiative, Central Data Repository, City Human Resources and Payroll System Implementation, and the Business Continuity Plan (See 2024-25 Annual Business Plan, starting on [page 9](#)).

# Summary of Changes



Category	Item	Dollars	Positions	
			Regular	Substitute
<b>2023-24 Adopted Budget</b>		<b>\$ 44,436,683</b>	<b>195</b>	<b>23</b>
<b>Obligatory Changes</b>		<b>2,793,098</b>	-	-
	Cost-of-Living Adjustment	311,870	-	-
	Restoration of Salary Savings	1,430,428		
	Salary Rate Increases, Turnover, Excess Leave Pay	761,082	-	-
	Part-Time Salaries	72,559	-	-
	LACERS' Employer Share of Retirement Contributions	(196,200)	-	-
	LACERS' Share of Employee Benefits	289,820	-	-
	LACERS' Share of City Attorney and Outside Legal Counsel	123,539	-	-
<b>Deletion of One-Time Funding</b>		<b>(364,535)</b>	-	-
	Deletion of Funding for One-Time Services, Expenses, & Equipment	(364,535)	-	-
<b>Efficiencies to Services</b>		<b>(2,189,277)</b>	-	-
	Salary Savings Rate Adjustment [8%]	(2,065,777)	-	-
	Expense Account Savings	(123,500)	-	-
<b>Continuation of Services</b>		<b>1,923,223</b>	-	-
	Investment Program Expenses	6,980	-	-
	Benefits Administration Expenses	524,325	-	2
	General Administration & Support Expenses	1,391,918	-	7
<b>New/Enhanced Services</b>		<b>139,746</b>	-	-
	City HRP System Implementation	88,946	-	1
	Central Repository	36,000	-	-
	Business Continuity Plan	14,800	-	-
<b>Total Changes</b>		<b>\$ 2,302,254</b>	<b>-</b>	<b>10</b>
<b>2024-25 Proposed Budget</b>		<b>\$ 46,738,937</b>	<b>195</b>	<b>33</b>

# FY25 Allocation of Expenses



This budget year maintains the level of Personnel resources, however obligatory personnel costs have increased mainly due to the recent labor union concessions for increases in salaries and benefits.

In the five major categories of expenses, Personnel Services account for 77% of the FY25 budget (+5.4% total expense year-over-year (YOY)). Professional Services comprise 15% of the budget (-0.2% total expense YOY) followed by Office Expenses at 3% of the budget (+15.0% total expense YOY). Information Technology is 5% of the budget (+16.0% total expense YOY) and finally Education/Training and Travel are 1% of the budget (-4.9% total expense YOY).

The Administrative Budget Detail includes the following notable items:

- Salary increases by \$1.7 million (+7.3% YOY) and Employee Benefits increase by \$93,620 (+0.9% YOY). The increase in Employee Benefits coincide with the increase in requested positions and corresponding salaries. A salary savings rate of \$2.07 million (8%) is applied to account for vacancies and partial funding for new positions.
- Actuarial Services increase by \$50,000 (+13.9% YOY) due to the exploration of alternative models for the Larger Annuity Plan and to conduct an actuarial review of the pension administration system's calculations to ensure accuracy and compliance with regulatory standards.
- Audit Services increase by \$14,000 (+7.5% YOY) for penetration testing to identify vulnerabilities within LACERS' computer systems. This results of the test will aid in the enhancements of the operations' cyber defense.
- Professional Services, such as Disability Services and Benefit Payroll Processing Services, increase \$50,000 (+33.3% YOY) and \$25,000 (+9.1% YOY) respectively to maintain existing services due to increases in material cost and physician rate costs. Retiree Health Admin. Consulting increases by \$50,000 (+7.1% YOY) to review and update the Health Benefits Guide.
- Computer Hardware increases by \$111,000 (+47.8% YOY) as a result of a laptop replacement program to mitigate downtime as equipment meets maximum life span. Computer Software increases by \$111,184 (+17.4% YOY) and Other Computer Consulting increases by \$53,500 (+33.6%) largely due to the procurement and development of a new budget software.

# FY25 Allocation of Expenses

- Transportation Expenses increase by \$149,000 (+647.8% YOY) due to the anticipated implementation of a robust Transit Benefit Program, which includes staff parking, transit subsidy reimbursement, and other commuter benefits. Staff are currently working out the details of this program.
- Office Space increases by \$120,000 (+100% YOY) for the procurement of armed guard services to provide protection and ensure security of personnel and property. On the other hand, Furniture and Other Equipment Services decrease by \$53,500 (-27.4% YOY) as the one-time purchase of a Magnetometer and first floor buildout has been completed.

Additional items to note include:

- The budget for the 115 Trust Administrative Expense is shown in the table following the Administrative Expense Budget. The 115 Trust Fund was established in 2018 to better manage future costs and decrease future tax liability for LACERS health and welfare benefits. The 115 Trust Budget pays for administrative expenses including third party fees charged for the administration of Self-Funded Dental and Vision benefit claims, audit fee, legal counsel cost, and the Fund's share in LACERS' overall administrative expenses. The Proposed 115 Trust Budget for direct administrative expenses of \$1,032,000 represents a decrease of \$3,000 (-0.3% YOY).
- This budget invests in the continuation of 32 substitute authority positions and adding 1 new substitute authority position. The purpose of and justifications for these positions begin on [page 8](#).
- The budget funds programs currently underway including the core programs in Benefit Administration, Investment Administration, and General Administration and Support, as well as continuing four initiatives in the FY25 Business Plan including the Language Access Plan Initiative, Governance Initiative centered on strategic planning, Central Data Repository initiative, and City HRP System Implementation, plus a new Business Continuity Plan initiative.



# Detail of Administrative Expenses

	City Account Number	FY2024-25 Proposed Budget	FY2023-24 Adopted Budget	Budget \$ Change	Budget % Change
<b>FUND 800: ADMINISTRATIVE EXPENSE BUDGET</b>					
<b>Personnel Services</b>					
601	Salaries	101	\$ 25,097,304	\$ 23,387,186	\$ 1,710,118 7.3%
602	Overtime	109	459,669	423,675	35,994 8.5%
605	Employee Benefits	175	10,297,500	10,203,880	93,620 0.9%
<b>Personnel Services Total</b>			<b>\$ 35,854,473</b>	<b>\$ 34,014,741</b>	<b>\$ 1,839,732 5.4%</b>
<b>Professional Services</b>					
611	Actuarial Service	304	\$ 410,000	\$ 360,000	\$ 50,000 13.9%
612	Audit Services	304	200,500	186,500	14,000 7.5%
613	Legal Services	304	1,381,586	1,258,997	122,589 9.7%
614	Disability Services	304	200,000	150,000	50,000 33.3%
615	Other Consulting	304	3,642,903	3,965,755	(322,852) -8.1%
616	Benefit Payroll Processing Servs.	304	300,000	275,000	25,000 9.1%
617	Retiree Health Adm. Consultant	304	750,000	700,000	50,000 7.1%
<b>Professional Services Total</b>			<b>\$ 6,884,989</b>	<b>\$ 6,896,252</b>	<b>\$ (11,263) -0.2%</b>
<b>Information Technology</b>					
622	Pension Adm. System Vendor	304	\$ 542,750	\$ 547,687	\$ (4,937) -0.9%
623	Computer Hardware	730	343,100	232,100	111,000 47.8%
624	Computer Software	601	751,843	640,659	111,184 17.4%
625	Computer Maint. & Support	601	401,289	360,989	40,300 11.2%
626	Other Computer Consulting	304	212,500	159,000	53,500 33.6%
<b>Information Technology Total</b>			<b>\$ 2,251,482</b>	<b>\$ 1,940,435</b>	<b>\$ 311,047 16.0%</b>
<b>Training &amp; Related Travel</b>					
604	Employee Development	601	\$ 135,045	\$ 141,415	\$ (6,370) -4.5%
634	Conferences & Travel	213	222,550	234,590	(12,040) -5.1%
<b>Training &amp; Related Travel Total</b>			<b>\$ 357,595</b>	<b>\$ 376,005</b>	<b>\$ (18,410) -4.9%</b>
<b>Office Expenses</b>					
606	Transportation Expenses	331	\$ 172,000	\$ 23,000	\$ 149,000 647.8%
631	Printing and Binding	212	119,500	144,500	(25,000) -17.3%
632	Postage	601	195,950	193,950	2,000 1.0%
633	Telephone and Utilities	601	72,600	60,600	12,000 19.8%
635	Office Space	304	120,000	-	120,000 100.0%
636	Office Equipment Services	304	60,000	60,000	- 0.0%
651	Petty Cash	601	6,000	6,000	- 0.0%
652	Board Member Election Expense	601	61,600	65,000	(3,400) -5.2%
653	Furniture and Other Equipment	730	141,500	195,000	(53,500) -27.4%
655	Other Office Expense	601	175,260	161,425	13,835 8.6%
656	Membership Dues & Subscriptions	601	127,988	172,775	(44,787) -25.9%
658	Promotional Supplies	601	8,000	6,000	2,000 33.3%
659	Insurance Expense	304	130,000	121,000	9,000 7.4%
<b>Office Expenses Total</b>			<b>\$ 1,390,398</b>	<b>\$ 1,209,250</b>	<b>\$ 181,148 15.0%</b>
<b>TOTAL ADMINISTRATIVE EXPENSE BUDGET</b>			<b>\$ 46,738,937</b>	<b>\$ 44,436,683</b>	<b>\$ 2,302,254 5.2%</b>
<b>FUND 871: 115 TRUST EXPENSE BUDGET</b>					
612	Audit and Consulting CPA	304	10,000	10,000	- 0.0%
613	Legal	304	10,000	15,000	(5,000) -33.3%
660	Self-Funded Insurance Admin Fee	304	1,012,000	1,010,000	2,000 0.2%
<b>TOTAL 115 TRUST EXPENSE BUDGET</b>			<b>\$ 1,032,000</b>	<b>\$ 1,035,000</b>	<b>\$ (3,000) -0.3%</b>

# Summary of Changes in Personnel



This table provides a look at the distribution and movement of personnel in the department among its business units.

DIVISION/SECTION	2023-24 Adopted Budget  Regular Authorities	Proposed Changes				2024-25 Proposed Budget  Regular Authorities	2024-25 Proposed Substitute Authorities		
		Add/Delete	Transfers	Regularize Substitute Authorities	New		Cont.	New	Total
Executive	6					6			
Investments	14					14			
Human Resources	6					6			
Internal Audit	3					3			
Retirement Services	47		+8			55	2		2
Health, Wellness, and Buyback	39					39	13		13
Communications & Stakeholder Relations	21					21	4		4
Member Stewardship Section	14		-9			5	7		7
Administration	14		+1			15	3		3
Fiscal Management	15					15	2		2
Systems	13					13	1		1
Systems Operations Support	3					3		+1	1
<b>TOTAL</b>	<b>195</b>		<b>0</b>			<b>195</b>	<b>32</b>	<b>1</b>	<b>33</b>

\*FY25 Total positions = (195 regular + 33 substitute authorities)

Note organizational transfers to better align resources:

- The Member Stewardship Section
  - Member Processing Unit transferred to the Retirement Services Division.
  - One Fiscal Systems Specialist transferred to the Administration Division.



# Annual Business Plan for FY 2024-25



## Department Programs

## Annual Work Plan and Business Plan Initiatives for FY25

### INVESTMENT ADMINISTRATION

Positions: 14 Regular

Admin Budget: \$2.5M

- Expanding Environmental, Social, and Governance Investment Policy Implementation
- Broadening Emerging Managers program
- Development of LACERS' internal Risk Management Committee
- Implementation of updated asset allocation

### BENEFITS ADMINISTRATION

Positions: 115 Regular | 19 Substitute Authorities

Admin Budget: \$16M

- Respond to 62,000 Member inquiries to the Member Service Center
- Deliver more than 52 mass communication pieces
- Hold 96 seminars and events for Members
- Develop a Strategic Communications Plan
- Counsel and retire 1,000 Members
- Counsel and process 1,000 death benefits
- Perform reviews of 3,200 legal documents related to Member caseload
- Public Safety Officer - Benefit Design Change Analysis
- Administer retiree health benefits for LACERS Retired Members, Survivors, and their eligible dependents
- Continue to actively respond to health benefits-related claims, issues, and feedback
- Conduct Request for Proposal (RFP) for Dental Plans and Vision Plan to survey the health plan marketplace and negotiate premiums and benefits for the 2025 plan year
- Conduct a RFP for Health & Welfare Consultant in 2025
- Expand LACERS *Well* in-person activity program
- Implement the Language Access Plan - Year 3

### GENERAL ADMINISTRATION AND SUPPORT

Positions: 66 Regular | 14 Substitute Authorities

Admin Budget: \$18.8M

- Governance Initiative
  - Board Policies Review
- Workforce Diversity, Equity, and Inclusion Initiatives
  - Fellowship Program
  - Learning Management System
- Central Data Repository Initiative
- City Human Resources & Payroll System Implementation Initiative
- Business Plan Continuity Initiative
- Strengthening Cybersecurity
- Capital Plan
- Budget Software
- Laptop Replacement Program

## BENEFITS ADMINISTRATION OPERATIONS

The Benefits Administration Operations provides services to over 48,000 Active and Retired Members inclusive of education and outreach relating to their LACERS retirement and retiree health benefits; counseling and calculation of their retiree benefits; and enrollment and administration of their retiree health insurance and subsidies. Administration of the program also involves ensuring statutory, regulatory, and legal compliance with various local, state, and federal statutes; and advising plan sponsors on benefit plan design considerations. Benefits administration is primarily provided by three divisions totaling 134 full-time employees representing 59% of the employees of the department:

- o Communications and Stakeholder Relations (CSRD)
- o Health, Wellness, and Buyback (HWABD)
- o Retirement Services (RSD)

The proposed budget for benefits administration program seeks to achieve the following:

## ENHANCE MEMBER SERVICES, CUSTOMER SATISFACTION, AND STAKEHOLDER ENGAGEMENT

### ENGAGEMENT WITH MEMBERS AND STAKEHOLDERS

LACERS officially established CSRD a year ago to broaden communications and engagement with Members and stakeholders. Over the past fiscal year, CSRD had taken the role of leading the department's Language Access Plan (LAP) to provide accessibility of translated materials and services, conducted a Member Communications Survey with aims of utilizing the data gathered to formulate future communications and training, increased Member attendance to presentations by 48%, and increased the number of offsite seminars by 72%. CSRD has also successfully onboarded all Member facing units onto Amazon Connect to allow for seamless transfer of calls while maintaining the capabilities of recording calls for quality assurance and training purposes. In FY25, with the renewal of current substitute authority positions, CSRD will continue to deliver quality service to Members and explore innovative solutions to resolve Membership pain points.

### 2023 MEMBER COMMUNICATION SURVEY

Below are some highlighted results from the 2023 Member Communication Survey. Questions asked were, "Do you find the LACERS' communication you receive easy to understand?". The overall response from Members was the communications are extremely easy or somewhat easy to understand. See the below graph for details.

#### Ease of Understanding



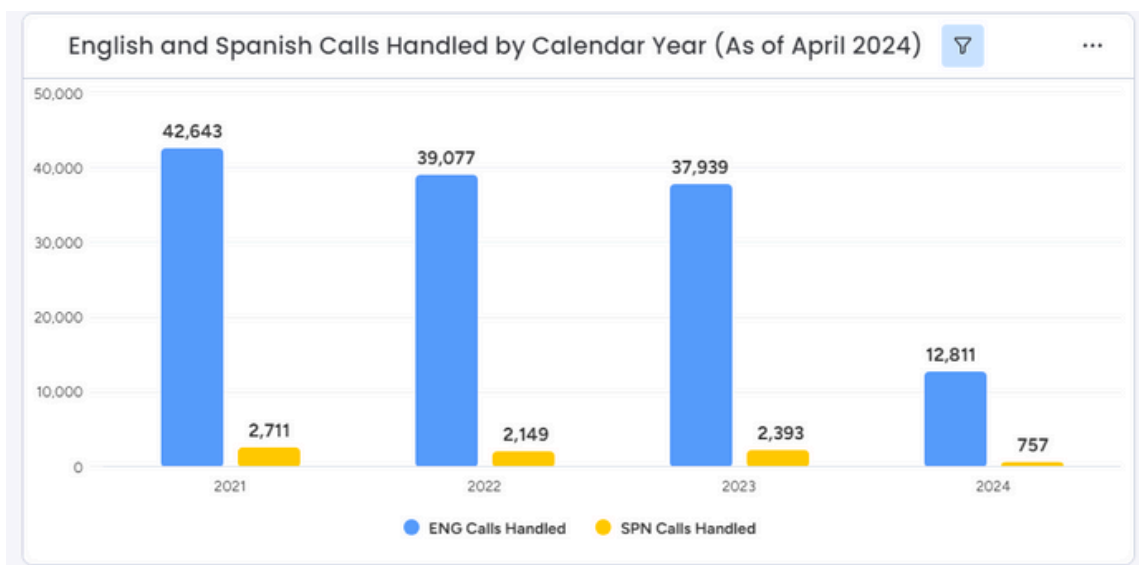
# FY25 Business Plan Benefits Administration

When asked if LACERS communications received were valuable, Active Members responded 95% positively, and Retired Members and beneficiaries 98% positively with a follow-up question on how useful the information received was.

Option	Active	Retiree (Digital)	Retiree (Print)
Very Useful, I read everything	35%	46%	52%
Useful, I glance through it	63%	53%	47%
Of no use, I don't read it	2%	1%	1%

## ENGLISH AND SPANISH CALLS HANDLED

Based on the department's evaluation of Members' language needs the Language Access Plan Initiative prioritizes Spanish language access to expand translation and interpretation services to in-person seminars, video content, and Board meetings.



## SERVICE LEVEL ENHANCEMENT

### FY25 NEW POSITIONS/CONT. SUBAUTHORITIES

- 1 Benefits Analyst (Continue Substitute Authority), CSRD
- 2 Benefits Specialists (Continue Substitute Authority), CSRD
- 1 Development and Marketing Director (Continue Substitute Authority), CSRD

### PERFORMANCE OBJECTIVES

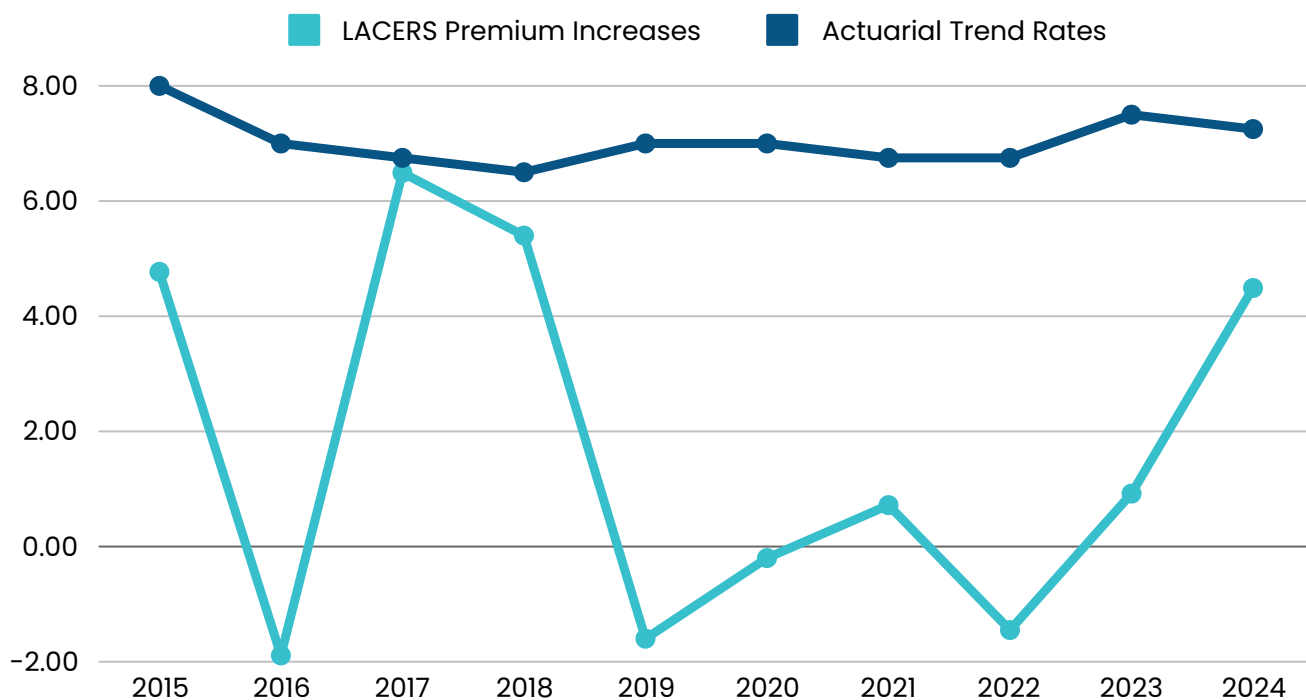
The renewal of these staff will:

- Increase access to translated materials by 25% in FY25
- Achieve an annual average of 95% satisfaction from a minimum of 500 Customer Service survey results
- Coordinate and conduct customer training with Member facing unit staff

## ENHANCE BENEFIT DELIVERY AND HEALTH & WELLNESS

### IMPROVE THE VALUE AND MINIMIZE COSTS OF MEMBERS HEALTH AND WELLNESS BENEFITS

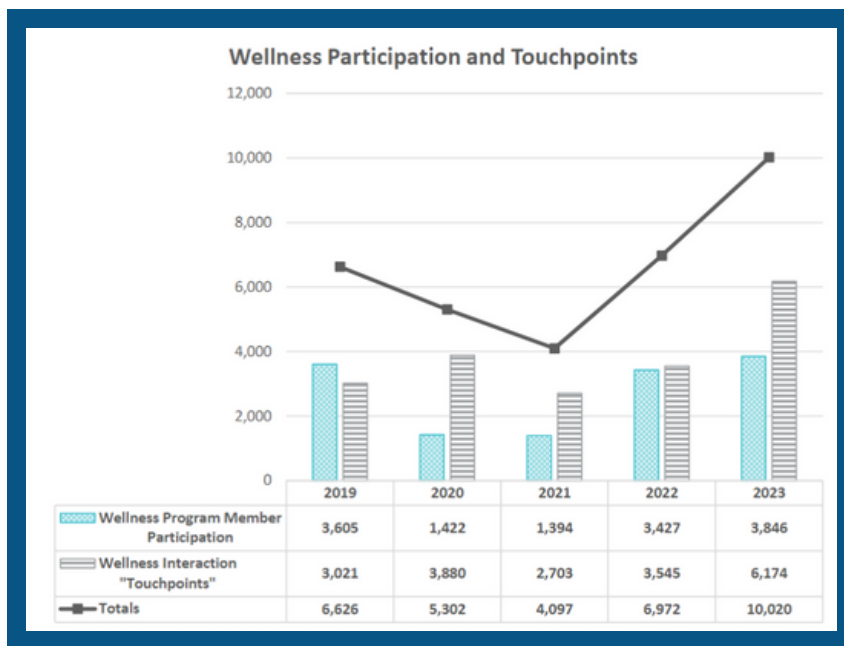
Over the past year, HWABD implemented numerous strategies resulting in minimizing costs to health and wellness benefits administered by LACERS. The Health section conducted a medical plans Request for Proposal in 2023, where negotiations resulted in \$2.8M in savings for plan year 2024. This includes the Anthem Medicare Supplement Plan, back by popular demand by Members. Additionally, the Health section conducted outreach and transmitted a Medicare Part B Income-Related Monthly Adjustment Amount (IRMAA) report for City Council’s consideration of increasing reimbursements to retired members and the inclusion of members who have Medicare Part B Only. To these points, renewal of existing substitute authority positions within the Health section will ensure the strategic goal of benefits delivery is consistently satisfied.



### EXPANSION OF RETIREE WELLNESS PROGRAM

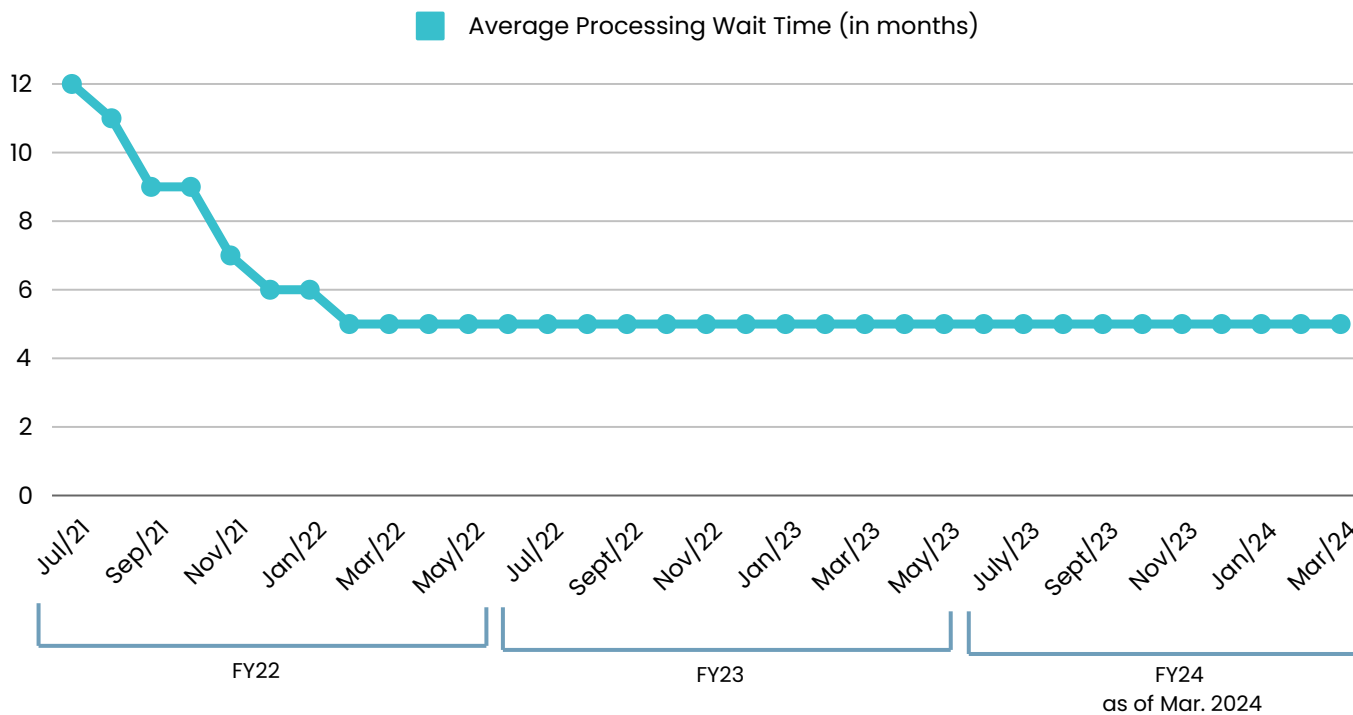
The long-term goal of the LACERS *Well* program is to contribute to the reduction in medical plan costs through the promotion of physical and mental activities, resources, and educational initiatives aimed at preventive care. In the entirety of the 2023 calendar year, the Wellness program welcomed the return of in-person activities and events with 3,846 participations and 6,174 interactions. In the next year, LACERS aims to expand the in-person event program and continue to seek partnerships with nonprofit organizations to build the LACERS Wellness program into a nationally recognized program. Continuation of the Senior Benefits Analyst substitute authority position will allow for partnership explorations while continuation of the Senior Project Coordinator and the Administrative Clerk substitute authority will continue to grow Wellness activities.

# FY25 Business Plan Benefits Administration



## Timely Service Purchases for Active Members

Active members may purchase other government service or past City service to increase their retirement allowance. The Service Processing Section (SPS) handles these requests and has been able to maintain an average processing time of five months since FY21 due to the added positions since then. Continuation of existing substitute authority positions will allow the average processing wait time to be maintained while eliminating the number of aging cases (i.e., 6 months or longer) to a minimum.



## SERVICE LEVEL ENHANCEMENT

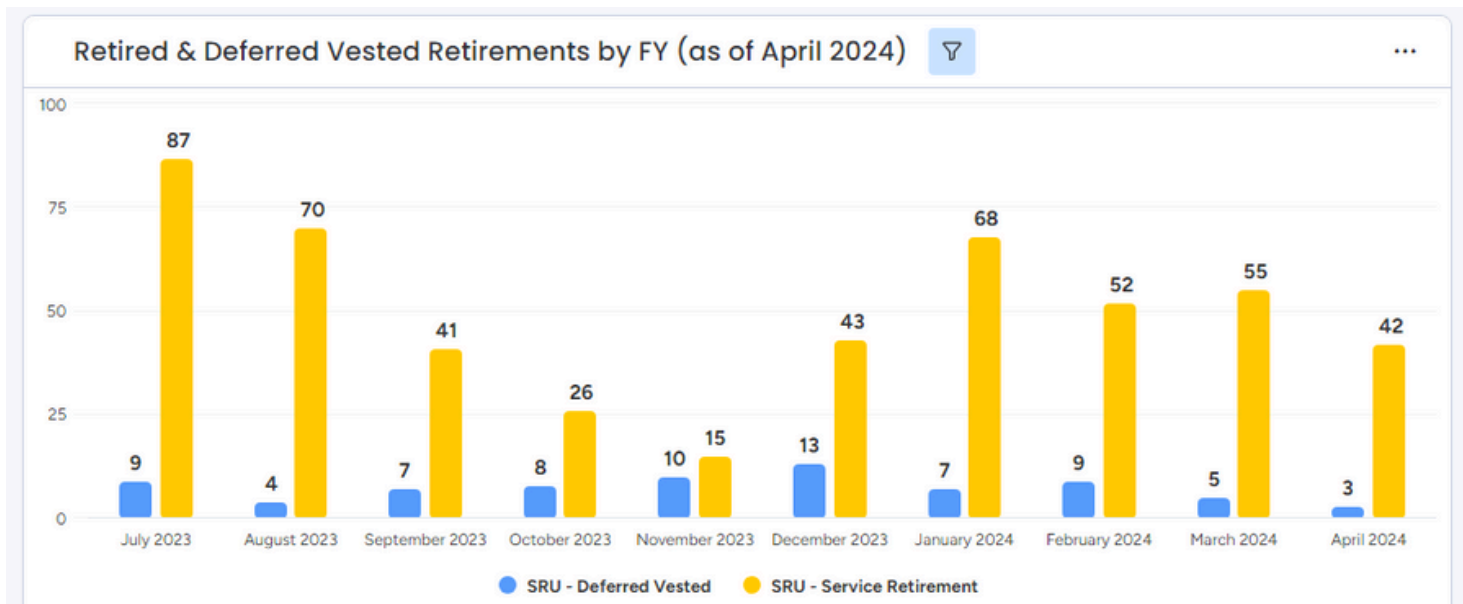
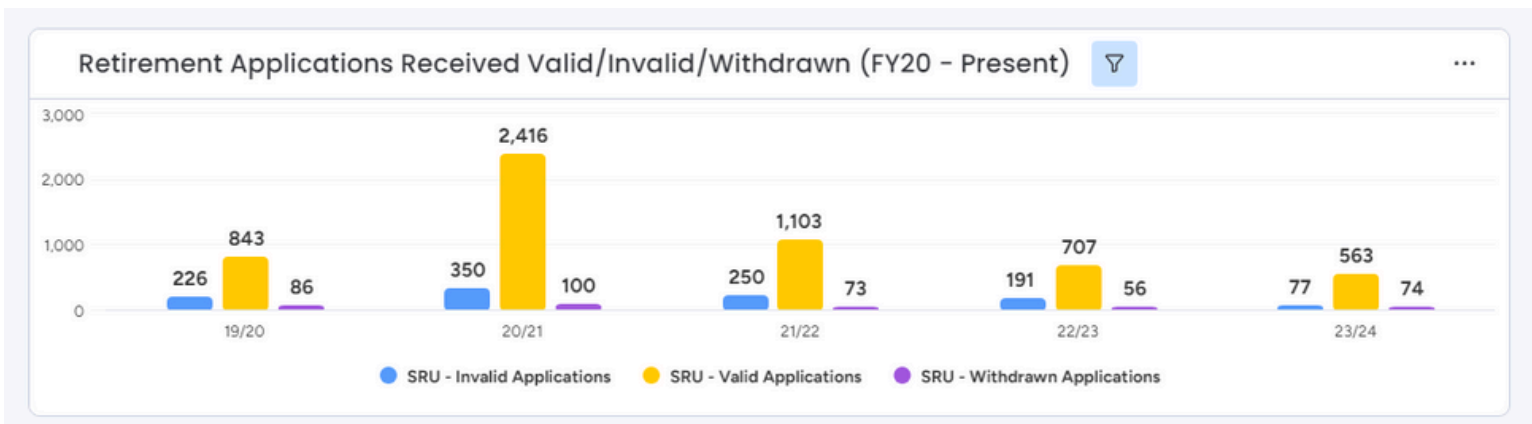
FY24 NEW POSITIONS/CONT. SUBAUTHORITIES	PERFORMANCE OBJECTIVES
<ul style="list-style-type: none"><li>• 3 Benefits Specialists (Continue Substitute Authority), Health Section</li><li>• 4 Benefits Analysts (Continue Substitute Authority), Health Section</li><li>• 1 Senior Benefits Analyst (Continue Substitute Authority), Health Section</li><li>• 1 Senior Benefits Analyst (Continue Substitute Authority), Wellness Program</li><li>• 1 Senior Project Coordinator (Continue Substitute Authority), Wellness Program</li><li>• 1 Administrative Clerk (Continue Substitute Authority), Wellness Program</li><li>• 1 Senior Benefits Analyst (Continue Substitute Authority), SPS</li><li>• 1 Benefits Specialist (Continue Substitute Authority), SPS</li></ul>	<p>The continuation of these staff will:</p> <ul style="list-style-type: none"><li>• Timely enroll Retired Members, Survivors, and their eligible dependents in their chosen health and dental plans</li><li>• Provide counseling to new Retirees and Survivors, and Medicare age-ins</li><li>• Review and resolve membership and premium discrepancies on carrier reports</li><li>• Maintain oversight of the review and processing of reimbursements of the Medical Premium Reimbursement Program (MPRP)</li><li>• Achieve higher participation rates at LACERS <i>Well</i> events, whether in-person or virtual</li><li>• Eliminate aging cases associated with processing service buyback</li></ul>

## OPTIMIZING OPERATIONAL EFFICIENCY

### PROCESS IMPROVEMENTS IN RETIREMENT SERVICES

Retirement Services Division's (RSD) central mission is to deliver retirement benefits accurately, efficiently, and timely. In FY24, RSD made steps to improve their workflows for greater efficiency, which includes leveraging new technological tools for tracking and monitoring, identifying potential fraud, incorporating automations, and explored platforms capable of providing direct interface between systems used to capture member retirement information and the departments electronic member filing system. Additionally, RSD collaborated with City Attorney and other City Pension peers to remain informed on current regulations and federal laws to deliver Member benefits and provide timely legislative information. Continuation of two Benefit Specialists in the Performance Review Unit will ensure RSD is able to assess unit or division performance so that solutions can be implemented to correct deficiencies and resources deployed effectively to ensure RSD as a whole is operating at optimal efficiency and effectiveness and remains on target in meeting strategic goals.

### RETIREMENT APPLICATIONS STATISTICS



## SERVICE LEVEL ENHANCEMENT

### FY25 NEW POSITIONS/CONT. SUBAUTHORITIES

2 Benefits Specialists (Continue Substitute Authority),  
Performance Review Unit

### PERFORMANCE OBJECTIVES

The continuation of these staff will:

- Provide the internal quality assurance check for how RSD delivers benefits
- Provide centralized coordination of scheduled projects, both special and annual
- Through their audit function, review divisional procedures and workflows for operational efficiency and effectiveness to ensure the timely delivery of benefits
- Provide coordination and the resolution of outstanding and returned check issues
- Manage and process member documentation from the International and Domestic Alive and Well Audits to verify and update benefit recipient demographic information and coordinate distribution of the documentation for legal review and/or investigation if necessary.
- Assist in the development of the Knowledge Transfer System archive for usage in onboarding and educating staff



## INVESTMENT OPERATIONS

The Investment Division is responsible for the management of a \$23 billion investment portfolio. LACERS' primary investment objective is to maximize the return of the portfolio at a prudent level of risk to meet the obligations of the System. The Investment Division's project-based workload is largely driven by the Asset Allocation Policy, subject to Board approval, that provides direction in portfolio diversification to allow for prudent risk-taking.

The proposed budget for the investment program seeks to achieve the following:

### OPTIMIZE LONG-TERM RISK-ADJUSTED RETURNS THROUGH SUPERIOR INVESTMENTS

#### EMPHASIS ON ONGOING EFFORTS

In FY24, a triennial asset allocation study was conducted to evaluate the portfolio's asset allocation with results scheduled for release in the fiscal year end. Depending on the results, changes may be implemented to the Asset Allocation Policy in FY25. Investment staff will continue to monitor the performance and the quality of the portfolio, including the use of actively and passively managed strategies, to achieve performance on a risk-adjusted basis. As risk management is a cornerstone of the Investment Program, LACERS formalized an internal Risk Management Committee comprised of Investment Officers that meet on a monthly basis to address risk factors that may impact LACERS portfolio. LACERS aims to further develop this committee by joining the Institutional Society of Risk Professionals (ISRM) to collaborate with peers on leading standards in risk management. Additionally, the Investment Division will continue to develop LACERS' Environmental, Social, and Governance (ESG) program in collaborating with like-minded investors to integrate industry best practices and engaging with other investment entities on ESG issues. The Emerging Investment Manager Program (EMP) will also be further developed to hire and retain smaller firms that have the potential to add value to LACERS' portfolio.

The Investment Division is also committed to its Diversity, Equity, and Inclusion (DEI) efforts by encouraging corporate governance practices that promotes diversity within the investment industry. The Investment Division also has a history of offering internship opportunities to junior and senior students from local undeserved colleges under its Investment Management Fellowship Program (IMFP) to support LACERS' DEI efforts.

#### ASSET ALLOCATION VS. POLICY

As of December 31, 2023

	Current (\$)	Policy (%)	Current (%)	Differences* (%)	Policy Range (%)	Within Range
■ U.S. Equity	4,608,796,758	20.5	20.2	-0.3	14.0 - 25.0	Yes
■ Non-US Equity	5,760,583,684	25.5	25.3	-0.2	19.5 - 31.5	Yes
■ Core Fixed Income	3,288,980,724	14.0	14.4	0.4	11.8 - 18.3	Yes
■ Credit Opportunities	2,048,504,171	8.0	9.0	1.0	5.5 - 13.5	Yes
■ Private Equity	4,160,658,142	18.0	18.3	0.3	N/A	Yes
■ Real Assets	2,667,492,601	13.0	11.7	-1.3	5.5 - 15.5	Yes
■ Cash	230,235,483	1.0	1.0	0.0	0.0 - 2.0	Yes
<b>Total</b>	<b>22,765,251,564</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>		



## SERVICE LEVEL ENHANCEMENT

### PERFORMANCE OBJECTIVES

- In FY25, the Investment Division will continue to expand and develop the following programs:
  - Investment Program - Asset Allocation
  - ESG Program
  - DEI Initiatives
  - EMP
  - Risk Management Program

## GENERAL ADMINISTRATION OPERATIONS

The General Administration consists of seven (7) divisions/sections working in concert under Executive management to ensure that LACERS' programs and businesses run efficiently and effectively.

- o Administration
- o Fiscal Management
- o Human Resources
- o Internal Audit
- o Member Stewardship
- o Systems
- o Systems Operations Support

The FY25 proposed staffing for the General Administration maintains the existing administration support for LACERS operations with enhancements to business processes and includes one (1) additional substitute authority position.

The proposed budget for general administration administration program seeks to achieve the following:

### **INCREASE ORGANIZATIONAL EFFECTIVENESS AND EFFICIENCY**

#### *ENHANCING FACILITY SERVICES*

As LACERS celebrates its first anniversary at its new headquarters, staff has gained valuable insight regarding the administrative needs and resources required to support operations. For FY25, LACERS aims to expand mail services to allow for same day mail distribution and collection. Additionally, LACERS seeks to improve the physical safety of employees and Members through the procurement of professional guard services as well as sidewalk repair. LACERS also aims to provide emergency tabletop exercises to educate staff and enhance operational resiliency against disasters. The continuation of a Management Analyst substitute authority will assist the Administration Division by providing sufficient support in maintaining LACERS facility operations, thus supporting the strategic goals of organizational effectiveness and providing outstanding customer service.

#### *TECHNOLOGICAL SOLUTIONS*

The Systems Division maintains the Information Technology (IT) functions of the organization by keeping business systems operational and running efficiently. FY24 initiated the redesign of the Backup & Recovery and Virtual Desktop infrastructures to streamline recoverability and provide more computing resources to virtual desktops. In FY25, Systems will continue these initiatives to minimize downtime due to maintenance services.

Systems had also collaborated with various other divisions, including the Administration Division for the mobile device replacement project and the Data Office for the development of the Central Data Repository. In FY25, these projects will continue to be developed and expanded to equip LACERS with the latest technological design capable of streamlining communications and data reporting. Continuation of a Systems Analyst substitute authority will ensure the successful delivery of the Central Data Repository and provide the necessary support to maintain and develop custom reports that suit the needs of LACERS operations, thus supporting the strategic goal of organizational effectiveness.

The Administration Division will also begin exploring options for a budget software solution capable of streamlining financial planning, tracking, and management processes, thus enhancing efficiency within the overall budget process. Continuation of a Management Analyst substitute authority will assist in the buildout and maintenance of the new budget software.

### *CYBERSECURITY*

As LACERS is now operating under a hybrid virtual workplace, Systems Division is consistently strengthening cyber security measures to ensure that LACERS is operating safely in the virtual work environment. Systems has coordinated with Internal Audit to conduct a Network Penetration Test to identify vulnerabilities, weaknesses, and security risks. Additionally, Systems has cooperated with other City departments to deploy a centralized security program for monitoring and reviewing security alerts to prevent malicious attacks. Continuation of a Cybersecurity Analyst substitute authority will assist in the technical cybersecurity assessments and provide the necessary support for cyber vulnerabilities remediation.

### **DELIVER ACCURATE AND TIMELY MEMBER BENEFITS AND UPHOLD GOVERNANCE PRACTICES**

#### *HUMAN RESOURCES, AND PAYROLL PROJECT*

The HRP project is a multi-year and multi-phase project directed by the City to replace its existing payroll systems. The Systems Operation Support (SOS) Unit and the Member Stewardship Section (MSS) are responsible for all facets of the Pension Administration System (PAS) and heavily involved with the HRP project, along with the Data Office and Systems Division. Currently undergoing Phase 2, LACERS has participated in development in many workstreams, such as end-to-end tests, parallel tests, and integration files to ensure that all parts of the Member payment process are properly implemented. LACERS is also working with other City departments, such as LAFPP, Personnel and the Controller's Office, to address concerns pertaining to the core functionalities of the HRP software to help mitigate errors and issues that arise once it goes live. The continuation of Benefit Specialists, Benefits Analyst, and Accounting clerk substitute authorities serve as the additional support in resolving discrepancies between the PAS and the HRP system while the addition of a new Accounting Clerk substitute authority will assist in the preparation of system reports and coordinating updates to the PAS to be compatible with the various integration files from HRP.

#### *ACCOUNTING OVERSIGHT*

The Fiscal Management Division primarily provides proper accounting and oversight of LACERS' financial operations including investment transactions, benefit payments and maintenance, employee payroll, cash receipts and disbursements, as well as accurate and timely financial reporting. Since FY19, LACERS' financial transactions have received an aggregate increase of 24% accounting journal entries due to additional accounting required for the 115 Trust Fund and implementation of new GASB reporting guidelines and since FY20, a 17% on management fee invoices for investment-related transactions and funds monitoring. Continuation of an Accountant and a Benefits Specialist substitute authority will allow the Fiscal Management Division to continue to deliver the necessary support to benefit payments and investment transactions to ensure accurate and complete financial reporting. This supports the strategic goal of upholding good governance, promotion transparency, and affirming fiduciary duty.

### **EMPOWER AND PROMOTE A HIGH-PERFORMING WORKFORCE**

#### *DIVERSITY, EQUITY, AND INCLUSION*

The Human Resources Unit (HRU) oversees essential functions to support individuals throughout their entire employment journey at LACERS. Although no longer an official business plan initiative, HRU has continued to lead DEI efforts to foster and sustain a high performance culture within the organization by encouraging cross-divisional collaboration and knowledge sharing amongst staff. HRU will continue to explore activities that improves interdepartmental communication and focus on providing skill development and career journey support to all LACERS staff.

## SERVICE LEVEL ENHANCEMENT

### FY25 NEW POSITIONS/CONT.SUBAUTHORITIES

- 2 Management Analysts (Cont. Substitute Authority), Administration
- 1 Systems Analyst (Cont. Substitute Authority), Administration
- 1 Cybersecurity Analyst II (Cont. Substitute Authority), Systems
- 1 Accounting Clerk (New Substitute Authority), SOS
- 1 Accounting Clerk (Continue Substitute Authority), MSS
- 2 Benefits Analyst (Continue Substitute Authority), MSS
- 3 Benefits Specialist (Continue Substitute Authority), MSS
- 1 Accountant (Continue Substitute Authority), Fiscal Management
- 1 Benefits Specialist (Continue Substitute Authority), Fiscal Management

### PERFORMANCE OBJECTIVES

These additional staff will:

- Provide project support and guidance by becoming facilitators, engagement initiators, and trainers
- Provide support to benefits administration utilizing the Pension Administration System (PAS)
- Participate in HRP testing and resolving discrepancies between PAS and HRP
- Preparation of payroll documentation
- Develop and implement Central Data Repository and Reporting
- Implement and maintain cyber security controls

### ADVANCES THE STRATEGIC PLAN GOALS OF BOARD GOVERNANCE AND ORGANIZATION EFFICIENCY AND EFFECTIVENESS

FY25 BUDGET REQUEST		
	Expense	Positions
<b>Total Request</b>	<b>\$0</b>	



#### PURPOSE

The Governance business plan initiative has consisted of two main projects, development of a new Strategic Plan and completion of the triennial board policy review. The new Strategic Plan is slated to reach project actualization by the end of FY24, thus setting the direction of the organization for the next three to five years with new goal areas. FY24 also began the initial discussions of implementing new Board policies in response to the latest City Management Audit. FY25 aims to continue these discussions and implement new policies as determined by the Board.

#### DELIVERABLES

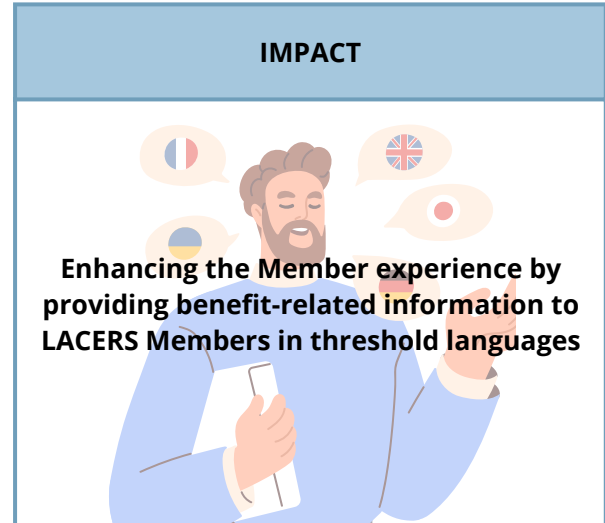
- Consideration and Implementation of New Board Policies as Recommended in the City's 2022 Management Audit

# FY25 Business Plan Initiatives

## Language Access Plan- Year 3

**ADVANCES THE STRATEGIC PLAN GOALS OF CUSTOMER SERVICE, BENEFITS DELIVERY, GOVERNANCE & ORGANIZATION EFFICIENCY AND EFFECTIVENESS**

FY25 BUDGET REQUEST		
	Expense	Positions
<b>Total Request</b>	<b>\$40,000</b>	
Translation and Interpretation Service	\$40,000	



### PURPOSE

Prompted by Mayor Executive Directive 32 - Strengthening Language Access in the City of Los Angeles, LACERS' "Language Access Plan" (LAP) BPI is a multi-phase initiative that seeks to bridge the language gap between benefit plan materials and English Language Learners. FY24 realized the securement of a translation, interpretation, and transcription vendor. Additionally, LACERS bilingual staff began developing a repository of forms and resources that needed to be translated. Continuing in FY25, LACERS aims to expand translation and interpretation services to in-person seminars, video content, and Board meetings.

### DELIVERABLES

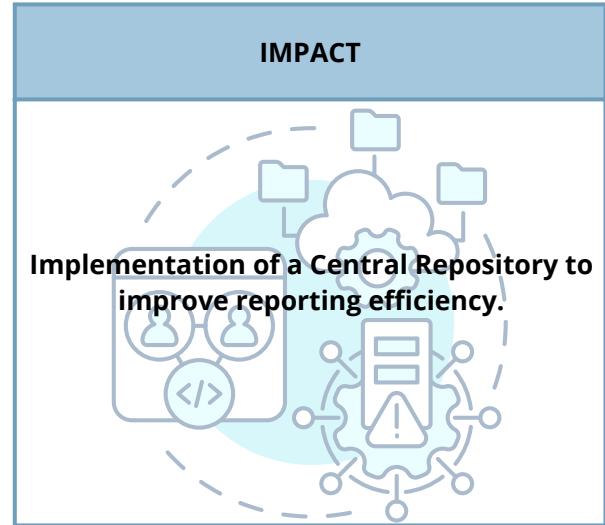
- Provide translation and interpretation services for the following:
  - Board Meetings
  - Summary Plan Descriptions
  - YouTube Video Contents
  - In-Person Seminars
  - Reception Kiosk

# FY25 Business Plan Initiatives

## Central Data Repository -Year 2

### ADVANCES THE STRATEGIC PLAN GOAL OF ORGANIZATION EFFICIENCY AND EFFECTIVENESS

FY25 BUDGET REQUEST		
	Expense	Positions
<b>Total Request</b>	<b>\$36,000</b>	
Azure Open AI	\$2,160	
Microsoft Copilot	\$1,080	
Power App/Power BI Expansion	\$32,760	



### PURPOSE

This initiative seeks to launch a Central Data Repository (CDR) which is a modernized, centralized, and organized platform to house LACERS' data with AI capabilities to enhance reporting efficiencies and accuracy. In FY24, the CDR has been scoped and built-out with an infrastructure that is approaching completion. FY25 will continue the build-out and begin populating data into the CDR through various load processes for data migration from various sources to establish a single source of truth.

### DELIVERABLES

- Development of a CDR infrastructure
- Data Migration
- Data Quality and Security Testing



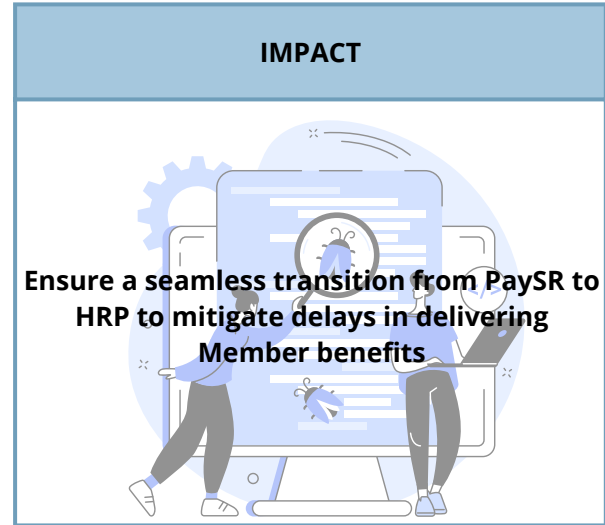
# FY25 Business Plan Initiatives

## City HRP System Implementation -Year 2

### ADVANCES THE STRATEGIC PLAN GOAL OF ORGANIZATION EFFICIENCY AND EFFECTIVENESS AND BENEFITS DELIVERY

FY25 BUDGET REQUEST		
	Expense	Positions
<b>Total Request</b>	<b>\$209,029</b>	<b>1</b>
PAS	\$80,000	
LACERS Share of HRP	\$60,083	
Accounting Clerk Substitute Authority	\$68,946*	

\*Base Salary



### PURPOSE

This initiative seeks to bring awareness and transparency to the HRP project, specifically pertaining to LACERS' efforts in ensuring a seamless transition from the City's legacy payroll system, PaySR, to HRP. This includes making modifications to the PAS to be compatible with HRP while also making sure that the HRP platform is equipped with the necessary business processes to allow LACERS to perform its responsibility of delivering timely and accurate Member benefits. In FY24, LACERS has identified multiple issues within the HRP system and has worked to resolve them. In FY25, LACERS will continue to identify and resolve further issues within the HRP system's core functionalities with considerations of expanding scalability requirements to address the organization's future needs. To assist in a smooth transition, an additional Accounting Clerk substitute authority position is requested.

### DELIVERABLES

- Operational integration files
- Robust and secure data integrity
- Enhanced business workflows that reduces manual processes

# FY25 Business Plan Initiatives

## Business Continuity Plan - Year 1

### ADVANCES THE STRATEGIC PLAN GOAL OF ORGANIZATION EFFICIENCY AND EFFECTIVENESS

FY25 BUDGET REQUEST		
	Expense	Positions
<b>Total Request</b>	<b>\$50,000</b>	
Table Top Exercises	\$50,000	



### PURPOSE

This Business Continuity Plan (BCP) business plan initiative consists of a series of tabletop exercises to evaluate the comprehensiveness of disaster plans while also increasing employee readiness and awareness of their roles and responsibilities under an emergency circumstance, which instills a culture of preparedness within the organization. In FY25, LACERS aims to have a Request for Proposal (RFP) posted to secure a tabletop consultant for the development of tabletop exercises for various scenarios.

### DELIVERABLES

- Procurement of tabletop consultant
- Completion of one tabletop exercise

# Capital Expense Budget



LACERS has established a 10-Year Capital Plan that ensures proactive planning of capital expenditures and establishes spending priorities and overall capital improvement goals.

This year's plan continues with routine improvements of the building's mechanical and structural resilience with additional areas of focus on building security measures and implementation of an asset management system.

For FY25, LACERS proposes the following work be funded as part of the 10-Year Capital Plan:

## FY25 CAPITAL PLAN BUDGET REQUEST - YEAR 3

Category	Property Component	Expense
<b>Parking Garage</b>	<u>Garage Ventilation and New Entry Gate</u> : Procurement and installation of a new entry gate, replace the original parking garage ventilation fans with installation of a carbon-monoxide (CO) system for a safe and reliable operation of the parking garage ventilation system.	\$100,000
<b>HVAC</b>	<u>Heating, Ventilation, and Air Conditioning Systems</u> : Replacement of existing HVAC-Water Source Heat Pumps: 6x units on the 5th Floor and 2x units in restrooms on the 5th and 2nd Floors.	\$190,000
<b>Electrical</b>	<u>Main Switchboard</u> : Replace/Rebuild breaker components of the Motor Control Center (MCC).	\$25,000
<b>Plumbing</b>	<u>Sump Pumps</u> : Replacement of the storm water sump pumps and controller.	\$25,000
<b>Soundproofing</b>	<u>Sound Traveling</u> : Work to damper sound traveling between offices and conference rooms to reduce distraction and bolster privacy. Year two of a three year program was developed for the completion of the work. Procurement and installation of white noise speakers for 3rd, 4th, and 5th Floors.	\$50,000
<b>Security</b>	<u>Security Measures</u> : Procurement and installation of (1) Dual Lane Motorola Concealed Weapons device.	\$132,000
<b>Asset Management</b>	<u>Asset Tracking</u> : Asset tagging of essential Capital and Non-Capital equipment, furniture, and electronics throughout the property.	\$50,000
<b>Administrative</b>	<u>Fee</u> : Contractual fee for capital project oversight 5% of project cost by Property Management.	\$28,600
	<b>TOTAL</b>	<b>\$600,600</b>

# City Contribution

	FY25	FY24	% CHANGE
<b>Total</b>	\$ 850,400,480	\$ 823,897,034	3.2
<b>Retirement and Health Benefits</b>	931,932,464	903,808,063	3.1
<b>True-up Adjustment</b>	(82,919,984)	(81,477,029)	1.8
<b>Family Death Benefit Plan</b>	35,000	51,000	(31.4)
<b>Excess Benefit Plan</b>	1,272,000	1,332,000	(4.5)
<b>Limited Term Retirement Plan</b>	81,000	183,000	(55.7)

The City contributes funding for four plans administered by LACERS: Retirement and Health Benefits, the Excess Benefit Plan, the Family Death Benefit Plan, and the Limited Term Retirement Plan.

City contribution rates toward retirement and health benefits for LACERS Members are set by the Board upon adoption of the annual actuarial valuations. Stated in the form of a percentage of covered payroll, the amount of the City's contribution is determined on the final covered payroll adopted in the City's budget. The final covered payroll will be determined in June once the City and proprietary departments budget gets adopted. As of now, FY25 City Contribution is based on the City's FY25 Proposed Budget covered payroll of \$1.7 billion for Tier 1 Members and rate of 34.34%; and a covered payroll of \$1.1 billion and rate of 31.06% for Tier 3 Members. A credit adjustment of \$82,919,984 is applied toward the FY25 contribution to LACERS. This credit amount represents a true-up of the FY24 contribution -- the difference between the contributions paid on July 15, 2023 based on the budgeted covered payroll amount and the actual payroll toward the end of the Fiscal Year. The City is also required by statute to make employer contributions for the Family Death Benefit Plan, the Excess Benefit Plan, and the Limited Term Retirement Plan.

## Family Death Benefit Plan

Approximately 1,854 Active Members are opted into the Family Death Benefit Plan which provides an additional benefit to qualifying surviving minor children, or widow/widower over age 60 if the Member dies while an active City employee. The City's contribution to the Family Death Benefit is equivalent to a match of the Member's contribution of \$1.50 per month for FY25. This monthly amount is established pursuant to a biennial study of the full actuarial costs of the benefit as required by the Los Angeles Administrative Code.



## **Excess Benefit Plan**

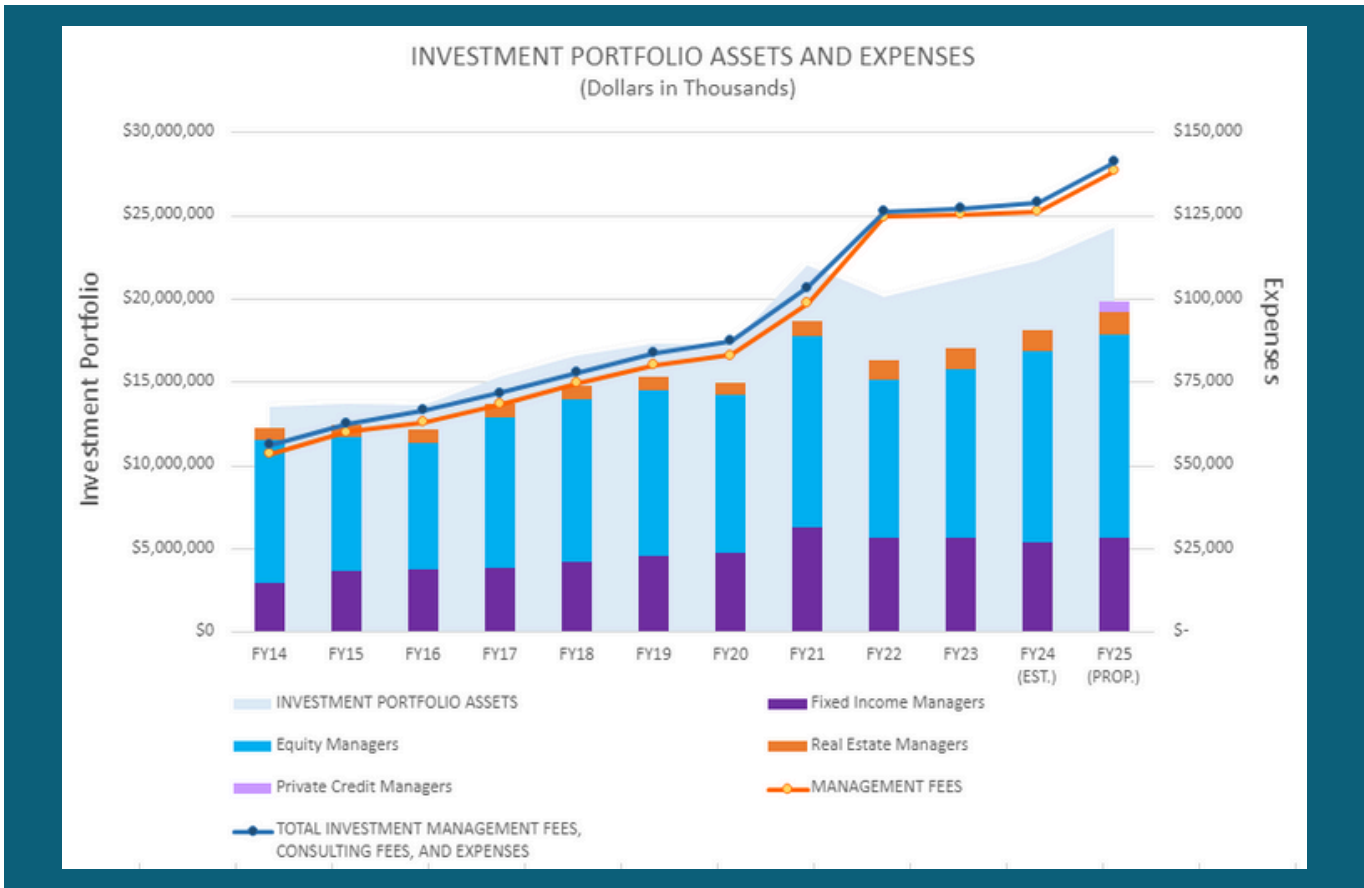
The Excess Benefit Plan was established separate from the LACERS Trust Fund, to pay retirement benefit amounts in excess of the benefit limits established by the Internal Revenue Code (IRC), currently \$275,000<sup>1</sup> for 2024. In 2024, there are 37 LACERS Members who receive their monthly LACERS' retirement benefit up to the limit allowable by the IRC, and the remainder of their benefit is paid separately by City funds. The City's cost of this program is the projected amount of the benefits that will be paid from the City's account for FY25, plus reasonable administrative expenses.

## **Limited Term Retirement Plan (LTRP)**

The LTRP provides elected officials, who serve four-year terms, the option of participating in a defined contribution plan until they have completed the five years of City service needed to vest in the defined benefit plan. The City provides a contribution to LTRP Members at the same rate as the employer contribution to the LACERS defined benefit plan. There are currently two LTRP Members in the plan.

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<sup>1</sup> This represents the unadjusted Excess Benefit limit. The individual limit must be adjusted based on the age of the Member at retirement, years of City service, service purchases, and calculated on a single-life annuity basis.

# Investment Management Fees and Expenses



In the past ten-year period, overall fees have increased along with the increase in portfolio value.

The Investment Management Fees are largely asset-based fees established in the respective contracts with investment managers hired by LACERS. Investment consulting fees are flat fees paid to our General Fund consultant, our Private Equity consultant, and our Real Estate consultant. Other expenses include research and services which support administration of the investment program.

	FY25	FY24	\$ CHANGE	% CHANGE
<b>Total</b>	\$ 141,190,690	\$ 129,674,876	\$ 11,515,814	8.9
<b>Investment Management Fees</b>	138,413,685	126,828,476	11,589,209	9.1
<b>Investment Consulting Fees</b>	2,549,500	2,521,650	27,850	1.1
<b>Other Investment Expenses</b>	227,505	324,750	(96,745)	(29.9)

# Investment Management Fees and Expenses



## INVESTMENT FEE RATE OVERVIEW

The 2024-25 proposed Investment Management Fees & Expenses Budget is \$141.2 million, an increase of \$11.6 million or 8.9% from FY24 budget that includes the following:

- \$6.3M increase from new Private Credit fund commitments estimated to be \$600M
- \$4.3M increase for Private Equity and Real Estate
- \$1.0M increase in Fixed Income and Equity

Generally, Investment management fee increases (decreases) are a function of the following factors:

- Change in the fair value of Investments
- Asset Allocation Policy and the respective weights of asset classes
- Investment management fee structures that vary by asset class

FY25 proposed investment management fees and expenses budget is based on an estimated fair value of investments of \$24.2 billion as of June 30, 2025, an 8.7% increase from FY24 estimated fair value of investments. The said estimate assumes an average 6% increase in assets based on NEPC's 10-year return assumption for each asset class, as of 12/31/2023. Additionally, the new Private Credit Program anticipates fund commitments of \$600M that will be invested pursuant to a pacing plan over the span of the upcoming fiscal year.

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM**

**PROPOSED BUDGET  
AND  
PERSONNEL RESOLUTIONS**

**Fiscal Year 2024 - 25**

**Presented May 28, 2024**

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**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM**

**COMBINED STATEMENT OF RECEIPTS AND EXPENDITURES<sup>3</sup>**

<b>Actual 2022-23</b>	<b>Adopted Budget 2023-24</b>	<b>Estimated 2023-24<sup>1</sup></b>		<b>Budget Appropriation 2024-25<sup>2</sup></b>
<b>RECEIPTS</b>				
\$ 761,406,088	\$ 823,897,034	\$ 814,440,563	City Contributions (see Schedule 1).....	\$ 850,400,480
259,927,200	265,650,000	291,000,000	Member Contributions.....	308,460,000
49,624	51,000	51,000	Family Death Benefit Plan Member Contributions.....	35,000
12,809,566	12,900,000	12,900,000	Self-Funded Insurance Premium.....	13,314,000
1,422,580	1,320,000	1,550,000	Member Insurance Premium Reserve.....	1,596,500
484,084,743	461,028,000	557,000,000	Earnings on Investments.....	573,710,000
329,525,209	-	148,000,000	Gain on Sale of Investments.....	--
<u>\$ 1,849,225,010</u>	<u>\$ 1,564,846,034</u>	<u>\$ 1,824,941,563</u>	Total Receipts.....	<u>\$ 1,747,515,980</u>
<b>EXPENDITURES</b>				
\$ 1,211,015,561	\$ 1,334,000,000	\$ 1,295,000,000	Retirement Allowances.....	\$ 1,412,000,000
878,666	870,000	870,000	Family Death Benefit Plan Allowance.....	880,000
142,759,960	163,664,590	157,000,000	Retired Medical & Dental Subsidy.....	175,840,000
19,804,048	21,890,000	21,500,000	Retired Medicare Part B Reimbursements.....	23,441,000
11,019,197	11,996,000	12,000,000	Self-Funded Insurance Claims.....	13,800,000
12,047,454	13,273,000	14,200,000	Refund of Member Contributions.....	15,620,000
2,349,176	2,186,000	3,400,000	Refund of Deceased Retired Accum. Contributions.....	3,740,000
35,119,854	44,436,683	40,086,629	Administrative Expense .....	46,758,937
914,524	1,010,000	1,000,000	Self-Funded Insurance Administrative Fee.....	1,012,000
127,665,922	129,674,876	129,003,460	Investment Management Fees and Expenses.....	141,190,690
<u>\$ 1,563,574,362</u>	<u>\$ 1,723,001,149</u>	<u>\$ 1,674,060,089</u>	Total Expenditures.....	<u>\$ 1,834,282,627</u>
285,650,648	(158,155,115)	150,881,474	Increase (Decrease) in Fund Balance.....	(86,766,647)
<u>\$ 1,849,225,010</u>	<u>\$ 1,564,846,034</u>	<u>\$ 1,824,941,563</u>	Total Expenditures and Increase (Decrease) in Fund Balance	<u>\$ 1,747,515,980</u>

1. The City Contributions amount for the FY 2023-24 Estimate was based on the City's final covered payroll of \$2,694,425,881 and included the application of a net credit adjustment for FY 2022-23 of \$81,477,029 deducted from FY 2023-24 contribution payment. The credit adjustment represents a true-up of the FY 2022-23 City contribution.

2. The preliminary City Contributions budgeted amount for FY 2024-25 is based on the FY 2023-24 final covered payroll with a total amount of \$2,694,425,881 and includes a credit adjustment of \$82,919,984 for the true-up of FY 2023-24 contributions which will be deducted from the FY 2024-25 contribution payment. The City Contribution budget amount will be finalized upon the receipt of adopted City covered payroll information from the City for FY 2024-25

3. The above Statement contains LACERS combined Receipts and Expenditures including the 115 Trust.

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM**

**DETAIL OF RECEIPTS AND EXPENDITURES  
115 TRUST FUND**

<b>Actual 2022-23</b>	<b>Adopted Budget 2023-24</b>	<b>Estimated 2023-24</b>		<b>Appropriation 2024-25</b>
<b>RECEIPTS</b>				
\$ 90,580,892	\$ 98,236,308	\$ 90,510,522	City Contributions (see Schedule 1).....	\$ 84,198,568
12,809,566	12,900,000	12,900,000	Self-Funded Insurance Premium.....	13,314,000
1,422,580	1,320,000	1,550,000	Member Insurance Premium Reserve.....	1,596,500
9,923,408	14,019,000	16,349,000	Earnings on Investments.....	17,446,000
30,030,025	--	4,344,000	Gain on Sale of Investments.....	--
<u>\$ 144,766,471</u>	<u>\$ 126,475,308</u>	<u>\$ 125,653,522</u>	Total Receipts.....	<u>\$ 116,555,068</u>
<b>EXPENDITURES</b>				
\$ 11,019,197	\$ 11,996,000	\$ 12,000,000	Self-Funded Insurance Claims.....	\$ 13,800,000
917,524	1,010,000	1,000,000	Self-Funded Insurance Administrative Fee.....	1,012,000
-	25,000	-	Administrative Expense	
995,489	1,351,275	1,177,000	Contracts.....	20,000
3,229,744	3,943,283	3,787,000	Share of Department Adm. Expenses.....	1,621,648
<u>\$ 16,161,954</u>	<u>\$ 18,325,558</u>	<u>\$ 17,964,000</u>	Investment Management Expense.....	<u>4,898,735</u>
			Total Expenditures.....	<u>\$ 21,352,383</u>
<u>128,604,517</u>	<u>108,149,750</u>	<u>107,689,522</u>	Increase in Fund Balance.....	<u>95,202,685</u>
<u>\$ 144,766,471</u>	<u>\$ 126,475,308</u>	<u>\$ 125,653,522</u>	Total Expenditures and Increase in Fund Balance.....	<u>\$ 116,555,068</u>

Note: All 115 Trust Receipts and Expenditures above are included in the LACERS Combined STATEMENT OF RECEIPTS AND EXPENDITURES on page 2.

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM**

**SCHEDULE 1 -- CITY CONTRIBUTIONS**

**ACTUARIAL REQUIREMENTS**

To fund the liabilities of the System for future service as required in Article XI Section 1158 and 1160 of the City Charter in accordance with the actuarial valuation of those liabilities as of June 30, 2023 as follows:

	Health (115 TR)	Retirement	Total
Tier 1 34.34% of \$1,731,207,603 total actuarial salary of Tier 1 members for fiscal year 2024-25	\$ 56,437,368	\$ 538,059,321	\$ 594,496,689
Tier 3 31.06% of \$1,086,399,793 total actuarial salary of Tier 3 members for fiscal year 2024-25	37,480,792	299,954,983	337,435,775
Subtotal	<u>\$ 93,918,160</u>	<u>\$ 838,014,304</u>	<u>\$ 931,932,464</u>
Family Death Benefit Plan (FDBP) To match the estimated total amount contributed by Family Death Benefit Plan members in accordance with the provisions of Section 4.1090 of the Administrative Code.		35,000	35,000
Excess Benefit Plan Fund (EBP) To fund retirement benefits in excess of the limits set by Internal Revenue Code Section 415 (b) in accordance with the provisions of Section 4.1800 of the Administrative Code.		1,272,000	1,272,000
Limited Term Retirement Plan Fund (LTRP) To fund the Defined Contribution Plan for elected City officials in accordance with the provisions of Section 4.1850 of the Administrative Code.		81,000	81,000
<b>Total City Contributions</b>	<u>\$ 93,918,160</u>	<u>\$ 839,402,304</u>	<u>\$ 933,320,464</u>
True-up Adjustment: Credit of difference in City contributions for FY 2022-23 based on estimated covered payroll on July 15, 2023 and actual covered payroll up to February 24, 2024.	<u>(9,719,592)</u>	<u>(73,200,392)</u>	<u>(82,919,984)</u>
<b>Total City Contributions After True Up</b>	<u>\$ 84,198,568</u>	<u>\$ 766,201,912</u>	<u>\$ 850,400,480</u>

**City Contributions by Funding Source:**

	Total Covered Payroll	Contributions						Total
		Tier 1 (34.34%)	Tier 3 (31.06%)	Shared Cost for FDBP/EBP/LTP	Tier 1 True-Up	Tier 3 True-Up	FY23 True-Up Adjustments	
General Fund (TRAN)	\$ 2,318,629,610	\$ 475,365,442	\$ 288,066,542	\$ 1,142,195	\$ (50,163,834)	\$ (11,252,617)	\$ (61,416,451)	\$ 703,157,728
Airports	355,101,830	83,009,001	37,515,924	174,929	(7,056,758)	(9,436,986)	(16,493,744)	104,206,110
Harbor	105,012,180	27,108,076	7,975,961	51,731	(5,051,574)	1,654,404	(3,397,170)	31,738,598
LACERS	23,108,576	5,138,727	2,506,501	11,384	(900,615)	(146,617)	(1,047,232)	6,609,380
LAFPP	15,755,200	3,875,443	1,370,847	7,761	(560,018)	(5,369)	(565,387)	4,688,664
<b>Total</b>	<u>\$ 2,817,607,396</u>	<u>\$ 594,496,689</u>	<u>\$ 337,435,775</u>	<u>\$ 1,388,000</u>	<u>\$ (63,732,799)</u>	<u>\$ (19,187,185)</u>	<u>\$ (82,919,984)</u>	<u>\$ 850,400,480</u>

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM**

**SCHEDULE 2 -- ADMINISTRATIVE EXPENSE**

Expenditures 2022-23	Adopted Budget 2023-24	Estimated Expenditures 2023-24		Budget Appropriation 2024-25
			<b>SALARIES</b>	
\$ 18,421,228	\$ 22,528,243	\$ 20,856,600	General	\$ 23,903,024
307,158	858,943	540,400	As Needed	1,194,280
329,082	423,675	408,000	Overtime	459,669
<u>\$ 19,057,468</u>	<u>\$ 23,810,861</u>	<u>\$ 21,805,000</u>	Total Salaries	<u>\$ 25,556,973</u>
			<b>EXPENSE</b>	
\$ 79,802	\$ 144,500	\$ 124,000	Printing and Binding	\$ 119,500
94,635	234,590	148,000	Travel	222,550
8,466,022	10,203,880	10,028,000	Employee Benefits	10,297,500
6,310	23,000	16,000	Transportation Expense	172,000
5,995,099	7,783,939	6,105,629	Contracts	7,950,239
1,114,380	1,808,813	1,598,000	Office and Administrative	1,935,575
<u>\$ 15,756,248</u>	<u>\$ 20,198,722</u>	<u>\$ 18,019,629</u>	Total Expense	<u>\$ 20,697,364</u>
			<b>EQUIPMENT</b>	
\$ 306,138	\$ 427,100	\$ 262,000	Furniture, Office and Technical Equipment	\$ 484,600
<u>\$ 306,138</u>	<u>\$ 427,100</u>	<u>\$ 262,000</u>	Total Equipment	<u>\$ 484,600</u>
<u>\$ 35,119,854</u>	<u>\$ 44,436,683</u>	<u>\$ 40,086,629</u>	Total Administrative Expense	<u>\$ 46,738,937</u>

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM  
INVESTMENT MANAGEMENT FEES AND EXPENSES: FY 2024-25**

	<b>ADOPTED BUDGET FY 2023-24</b>	<b>ESTIMATED EXPENSE FY 2023-24</b>	<b>PROPOSED BUDGET FY 2024-25</b>
1 Baird Advisors	\$ 629,944	\$ 654,233	\$ 714,583
2 Loomis Sayles	796,927	814,273	857,845
3 State Street (Fixed Income Index)	165,032	144,597	150,179
4 Garcia Hamilton & Associates	496,693	483,303	490,789
5 Income Research & Management	505,400	532,047	581,090
6 JP Morgan	543,012	567,824	622,302
7 Bain Capital (formerly Sankaty)	874,732	943,081	996,962
8 Prudential (LAC99)	1,540,535	1,579,946	1,666,318
9 DDJ Capital	1,190,287	1,257,437	1,333,597
10 Benefit Street Prts LLC	1,362,848	976,482	997,011
11 Loomis Sayles	850,483	1,052,350	1,299,734
12 Wellington	2,200,194	2,251,145	2,351,020
13 Crescent	457,894	251,864	295,180
14 Monroe	1,173,382	848,250	930,495
15 Granahan	920,496	819,900	843,130
16 EAM Investors	641,858	533,655	454,796
17 Principal Global	1,111,413	1,220,390	1,309,503
18 Rhumblin (S&P 500)	171,982	157,300	168,830
19 Rhumblin (Russell 2000)	16,859	14,386	15,039
20 Rhumblin (Russell 2000 Value)	7,077	5,778	6,105
21 Copeland Cap Mgmt	1,180,358	1,206,872	1,257,585
22 Segall	705,755	695,871	716,904
23 Axiom International	1,790,801	1,619,484	1,622,763
24 Barrow, Hanley, Mewhinney & Strauss	2,755,132	2,825,170	3,006,871
25 Dimensional Fund Advisor (Emerging Mkt)	1,912,523	1,953,302	2,063,288
26 Lazard Asset Management	2,631,871	2,568,292	2,705,419
27 MFS Institutional Advisors	2,229,513	2,350,437	2,459,934
28 Oberweis Asset Management	2,693,993	2,457,166	2,557,330
29 State Street Global (Non-US Index)	389,679	343,687	354,340
30 State Street EMG Mkt C	242,368	215,247	226,798
31 State Street EAFE SC	131,906	122,600	121,023
32 Wasatch	2,129,594	2,270,103	2,414,796
33 Centersquare (REITS)	2,027,332	1,923,424	2,005,876
34 Dimensional Fund Advisor (TIPS)	533,819	438,477	412,302
35 Real Estate Managers	19,164,706	18,156,677	18,823,517
36 Private Equity Managers	70,652,078	72,130,380	75,280,431
37 Private Credit Managers	-	-	6,300,000
<b>Subtotal - Investment Managers Fee</b>	<b>\$ 126,828,476</b>	<b>\$ 126,385,430</b>	<b>\$ 138,413,685</b>
38 General Fund Consulting	\$ 480,000	\$ 480,000	\$ 480,000
39 Private Equity Consulting	787,500	822,449	860,000
40 Private Credit Consulting	325,000	325,000	325,000
41 Real Estate Consulting	217,150	217,150	221,500
42 Real Estate & Private Equity Legal Consulting	689,000	524,790	560,000
43 Northern Trust	23,000	23,000	103,000
<b>Subtotal - Investment Consulting Fee</b>	<b>\$ 2,521,650</b>	<b>\$ 2,392,389</b>	<b>\$ 2,549,500</b>
44 Bloomberg Financial Services	\$ 32,000	\$ 30,275	\$ 30,420
45 Tax Accounting Services	110,000	70,000	70,000
46 Institutional Shareholder Services	130,000	71,910	71,910
47 Pitchbook Subscription	23,500	24,500	25,500
48 Pacific Center for Asset Management	10,000	10,000	10,000
49 Cambridge Associates Private Equity Benchmark License	5,500	5,175	5,175
51 MSCI ESG Research Software	13,750	13,781	14,500
<b>Subtotal - Other Investment Expense</b>	<b>\$ 324,750</b>	<b>\$ 225,641</b>	<b>\$ 227,505</b>
<b>Total Investment Management Fees and Expenses</b>	<b>\$ 129,674,876</b>	<b>\$ 129,003,460</b>	<b>\$ 141,190,690</b>

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

PROPOSED PERSONNEL RESOLUTION  
FISCAL YEAR 2024-25

WHEREAS, the Board of Administration of the Los Angeles City Employees' Retirement System has the responsibility and authority to establish the number and types of positions to be utilized by the Los Angeles City Employees' Retirement System;

NOW, THEREFORE, BE IT RESOLVED, that:

1. Effective July 1, 2024, the positions listed in the attached schedule of Positions and Salaries are hereby authorized within the Los Angeles City Employees' Retirement System. The class code numbers, classifications, and salaries as set forth herein are hereby determined to be appropriate in accordance with existing City laws and ordinances, and applicable Memoranda of Understanding, as appropriate. Further, the employment of the designated number of persons in each code and classification as set forth herein is hereby authorized.
2. Memoranda of Understanding approved by the City Council shall be considered to be incorporated into this Resolution where appropriate. Salaries established under approved Memoranda of Understanding shall apply to all classes of employees therein noted. The provisions of each of the Memoranda of Understanding shall take precedence over any conflicting provision contained in this Resolution, but only for those employees in classes to which the Memoranda of Understanding apply.
3. Upon approval of the General Manager, substitute authority positions may be filled using any class approved and established by the Board of Civil Service Commissioners. This approval shall specify the period during which the position shall be filled.
4. Upon approval of the General Manager, persons may be employed in any class approved and established by the Board of Civil Service Commissioners in-lieu of a vacant position if the in-lieu employment is consistent with City policies and procedures for such employment.
5. The General Manager shall have the authority to correct any clerical or typographical errors in this document.

May 28, 2024

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM  
POSITIONS AND SALARIES: FY 2024-25**

**(a) Regular Positions**

FY24	FY25	Change	MOU	Class Code	Class Title	Salary Range
3	3	0	1	1513	ACCOUNTANT	\$ 73,309 - \$ 107,177
14	14	0	3	1223	ACCOUNTING CLERK	\$ 58,881 - \$ 86,109
10	10	0	3	1358	ADMINISTRATIVE CLERK	\$ 45,309 - \$ 66,231
2	2	0	0	9414	ASST GM LACERS	\$ 162,717 - \$ 237,885
30	29	(1)	1	9108	BENEFITS ANALYST	\$ 89,241 - \$ 130,479
35	35	0	20	1203	BENEFITS SPECIALIST	\$ 67,609 - \$ 98,845
3	3	0	36	9151	CH BENEFITS ANALYST	\$ 148,018 - \$ 216,421
1	1	0	36	9147	CH INVESTMENT OFCR	\$ 258,431 - \$ 377,823
1	1	0	36	9182	CH MANAGEMENT ANALYST	\$ 148,018 - \$ 216,421
1	1	0	1	9734	COMMISSION EXEC ASST II	\$ 85,649 - \$ 125,238
1	1	0	36	1610	DEPARTMENTAL AUDIT MGR	\$ 148,018 - \$ 216,421
1	1	0	36	1593	DEPT CHIEF ACCT IV	\$ 148,018 - \$ 216,421
2	2	0	37	1117	EXEC ADMIN ASST II	\$ 72,954 - \$ 106,675
1	1	0	37	1117	EXEC ADMIN ASST III	\$ 78,195 - \$ 114,380
1	1	0	20	1555	FISCAL SYSTEMS SPEC II	\$ 125,342 - \$ 183,242
1	1	0	0	9150	GM-LACERS	\$ 193,766 - \$ 343,455
1	1	0	36	1409	INFO SYSTEM MGR II	\$ 148,018 - \$ 216,421
1	1	0	1	1625	INTERNAL AUDITOR III	\$ 101,184 - \$ 147,934
1	1	0	1	1625	INTERNAL AUDITOR IV	\$ 125,342 - \$ 183,242
3	3	0	0	9146	INVESTMENT OFFICER I	\$ 109,828 - \$ 160,546
5	5	0	0	9146	INVESTMENT OFFICER II	\$ 136,826 - \$ 200,009
2	2	0	0	9146	INVESTMENT OFFICER III	\$ 172,009 - \$ 251,457
6	6	0	1	9184	MANAGEMENT ANALYST	\$ 85,649 - \$ 125,238
1	1	0	20	1170	PAYROLL SUPERVISOR	\$ 82,726 - \$ 120,957
1	1	0	20	1129	PERS RECORDS SUPV	\$ 72,015 - \$ 105,318
1	1	0	1	1731	PERSONNEL ANALYST	\$ 85,649 - \$ 125,238
1	0	(1)	63	1714	PERSONNEL DIR I	\$ 135,552 - \$ 198,192
0	1	1	63	1714	PERSONNEL DIR II	\$ 143,028 - \$ 209,113
1	0	(1)	20	1525	PR ACCOUNTANT I	\$ 99,910 - \$ 146,097
1	2	1	20	1525	PR ACCOUNTANT II	\$ 105,381 - \$ 154,031
1	1	0	20	1201	PRINCIPAL CLERK	\$ 67,609 - \$ 98,845
2	2	0	8	1431	PROGRAMMER/ANALYST III	\$ 91,141 - \$ 133,256
1	1	0	8	1431	PROGRAMMER/ANALYST V	\$ 106,300 - \$ 155,409
1	1	0	36	1800	PUB INFO DIRECTOR I	\$ 104,358 - \$ 152,570
12	13	1	20	9109	SENIOR BENEFITS ANALYST I	\$ 109,640 - \$ 160,295
7	7	0	20	9109	SENIOR BENEFITS ANALYST II	\$ 135,699 - \$ 198,380
2	2	0	20	1523	SR ACCOUNTANT I	\$ 85,628 - \$ 125,175
3	3	0	20	1523	SR ACCOUNTANT II	\$ 92,769 - \$ 135,657
20	20	0	3	1368	SR ADMINISTRATIVE CLERK	\$ 55,791 - \$ 81,578
1	1	0	0	1445	SR CYBER SECURITY ANALYST II	\$ 137,265 - \$ 200,698
2	2	0	20	9171	SR MGMT ANALYST I	\$ 105,402 - \$ 154,052
1	1	0	20	9171	SR MGMT ANALYST II	\$ 130,458 - \$ 190,759
1	1	0	64	9167	SR PERSONNEL ANALYST I	\$ 103,836 - \$ 151,839
1	1	0	64	9167	SR PERSONNEL ANALYST II	\$ 128,516 - \$ 187,878
1	1	0	20	1597	SR SYSTEMS ANALYST I	\$ 105,402 - \$ 154,052
1	1	0	20	1597	SR SYSTEMS ANALYST II	\$ 130,458 - \$ 190,759
2	2	0	1	1596	SYSTEMS ANALYST	\$ 106,404 - \$ 125,238
1	1	0	21	1455	SYSTEMS ADMINISTRATOR I	\$ 132,066 - \$ 155,409
2	2	0	21	1455	SYSTEMS ADMINISTRATOR II	\$ 114,422 - \$ 167,248
1	1	0	21	1455	SYSTEMS ADMINISTRATOR III	\$ 123,901 - \$ 181,134
<u>195</u>	<u>195</u>	<u>0</u>				

**(b) To be Employed As Needed in Such Numbers as Required:**

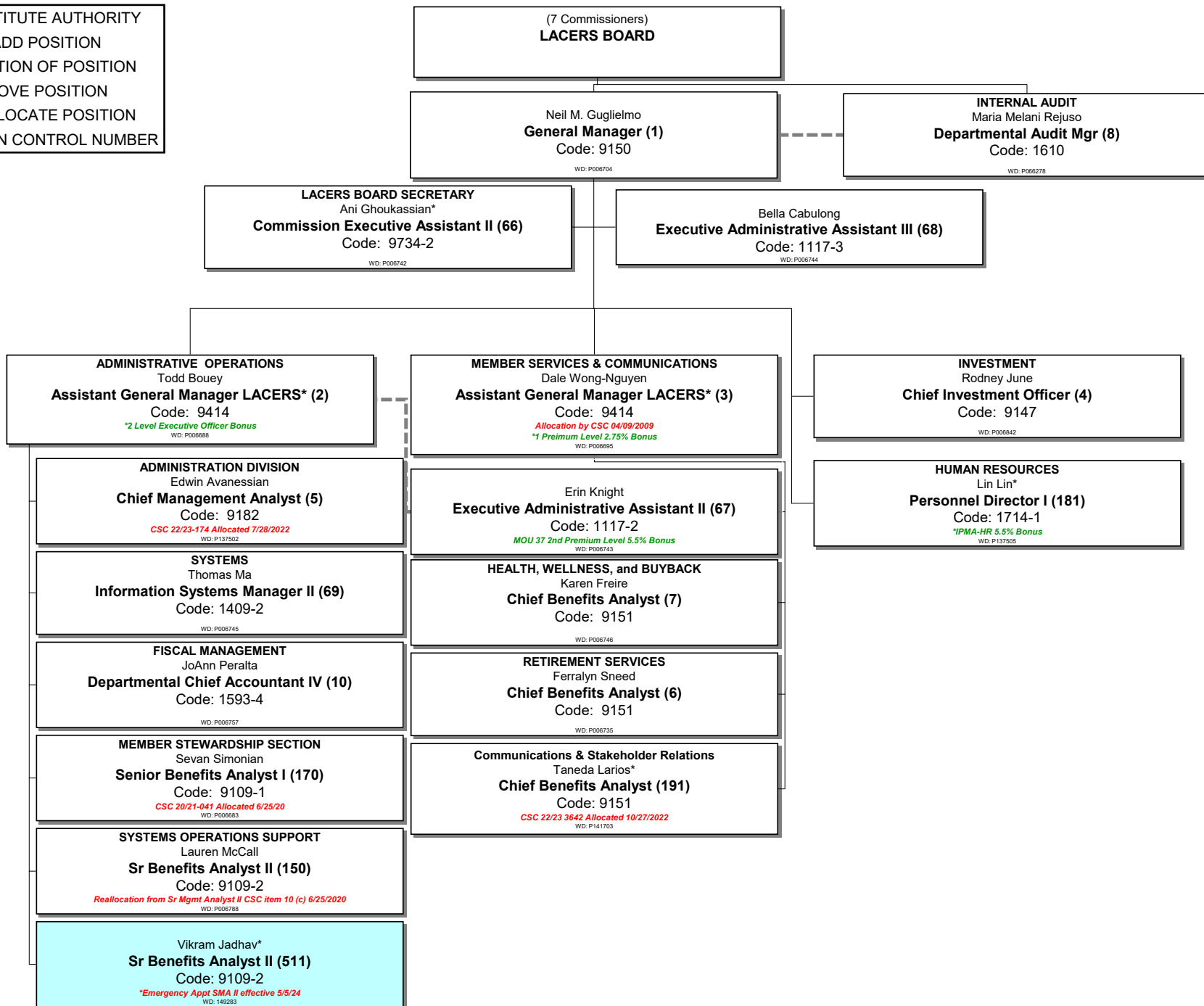
Class Code	Class Title	Class Code	Class Title
1133	RETIREMENT RELIEF WORKER	1119	PAYROLL SUPERVISOR
1358	ADMINISTRATIVE CLERK	1234	ACCOUNTING RECORDS SUPERVISOR
1501	STUDENT WORKER	1502	STUDENT PROFESSIONAL WORKER
1523	SENIOR ACCOUNTANT II	9108	BENEFITS ANALYST
1535	ADMINISTRATIVE INTERN I	1596	SYSTEMS ANALYST
1535	ADMINISTRATIVE INTERN II	9184	MANAGEMENT ANALYST
1538	SR PROJECT COORDINATOR		

FY21	FY22	Change	MOU	Class Code	Class Title	Salary Range
<u>7</u>	<u>7</u>	<u>0</u>	N/A	0101-2	COMMISSIONER	\$50 PER MEETING
7	7	0				

# LACERS

## PROPOSED ORGANIZATIONAL CHART FY 2024/2025

	SUBSTITUTE AUTHORITY
	ADD POSITION
	DELETION OF POSITION
	MOVE POSITION
	REALLOCATE POSITION
	POSITION CONTROL NUMBER

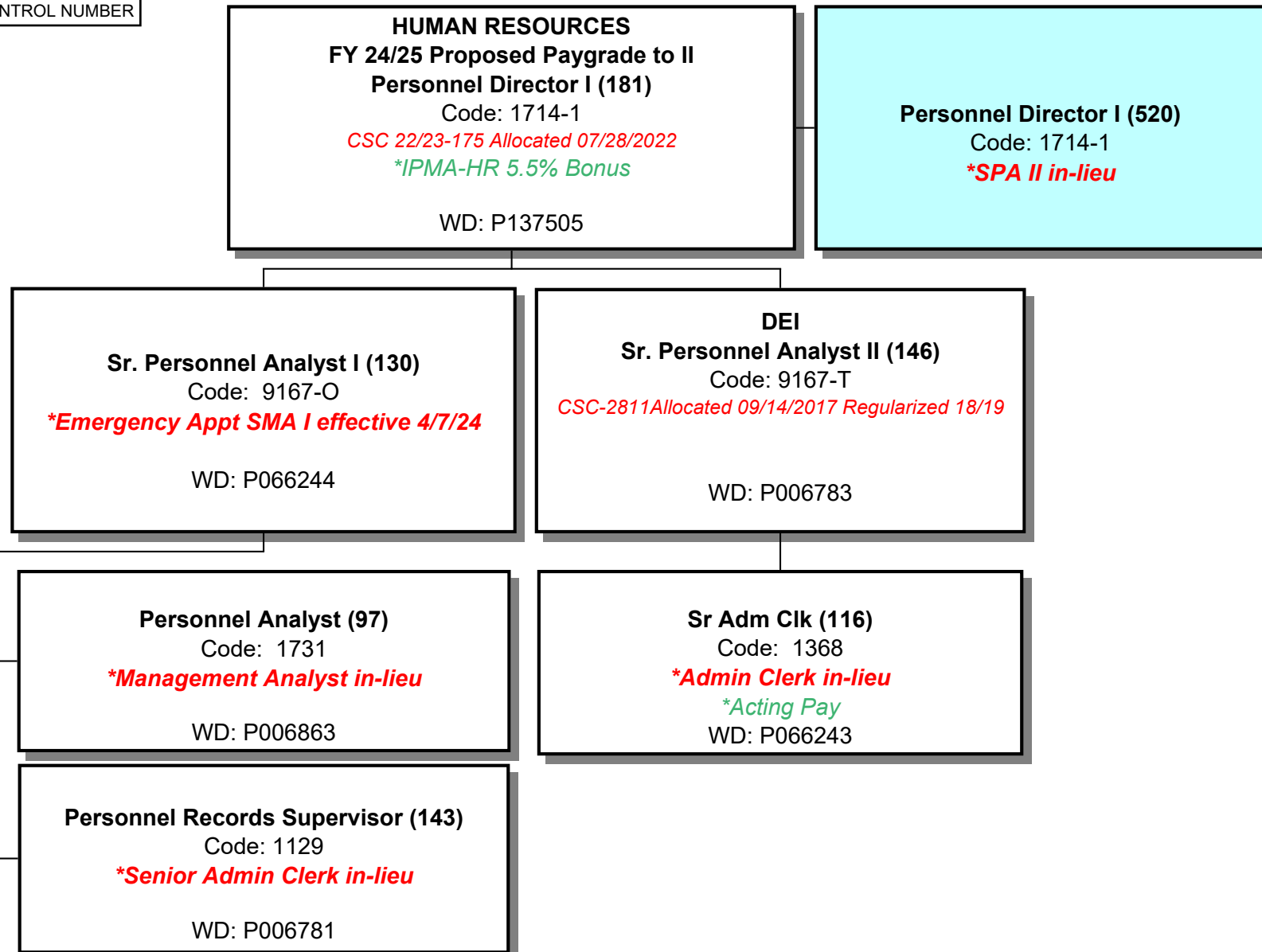




# LACERS







## PROPOSED ORGANIZATIONAL CHART FY 2024/2025

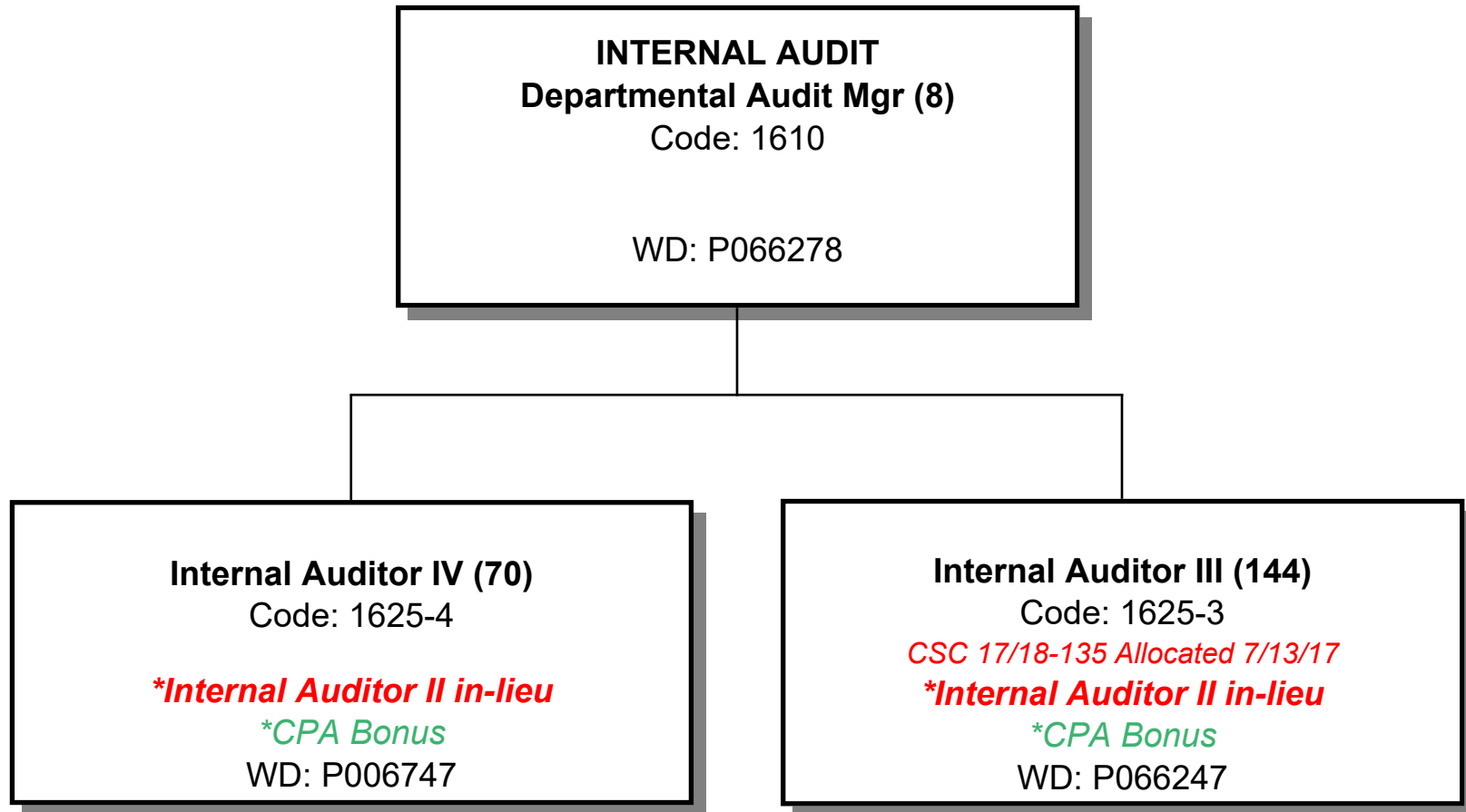
- SUBSTITUTE AUTHORITY
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# LACERS

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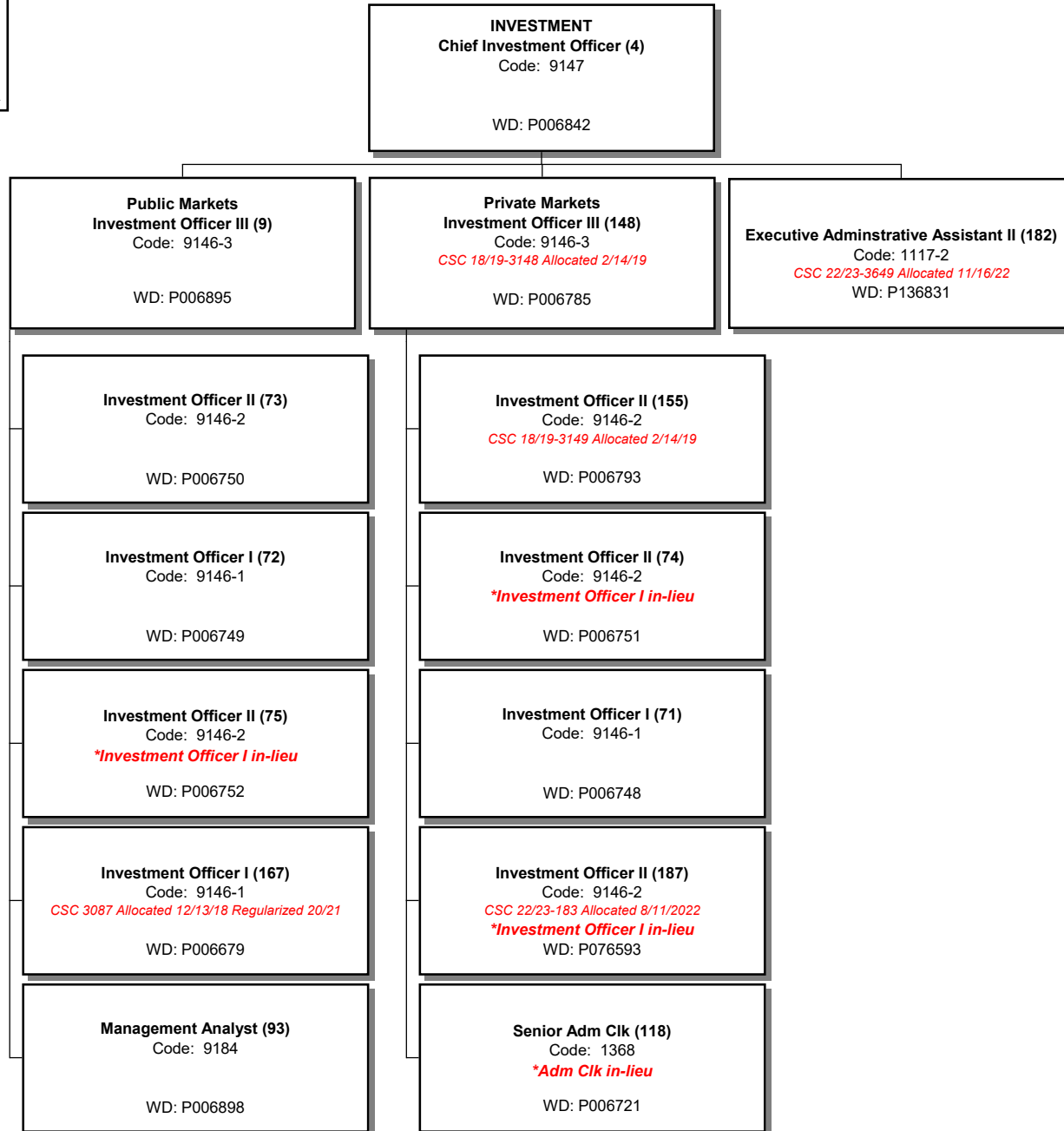
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# LACERS

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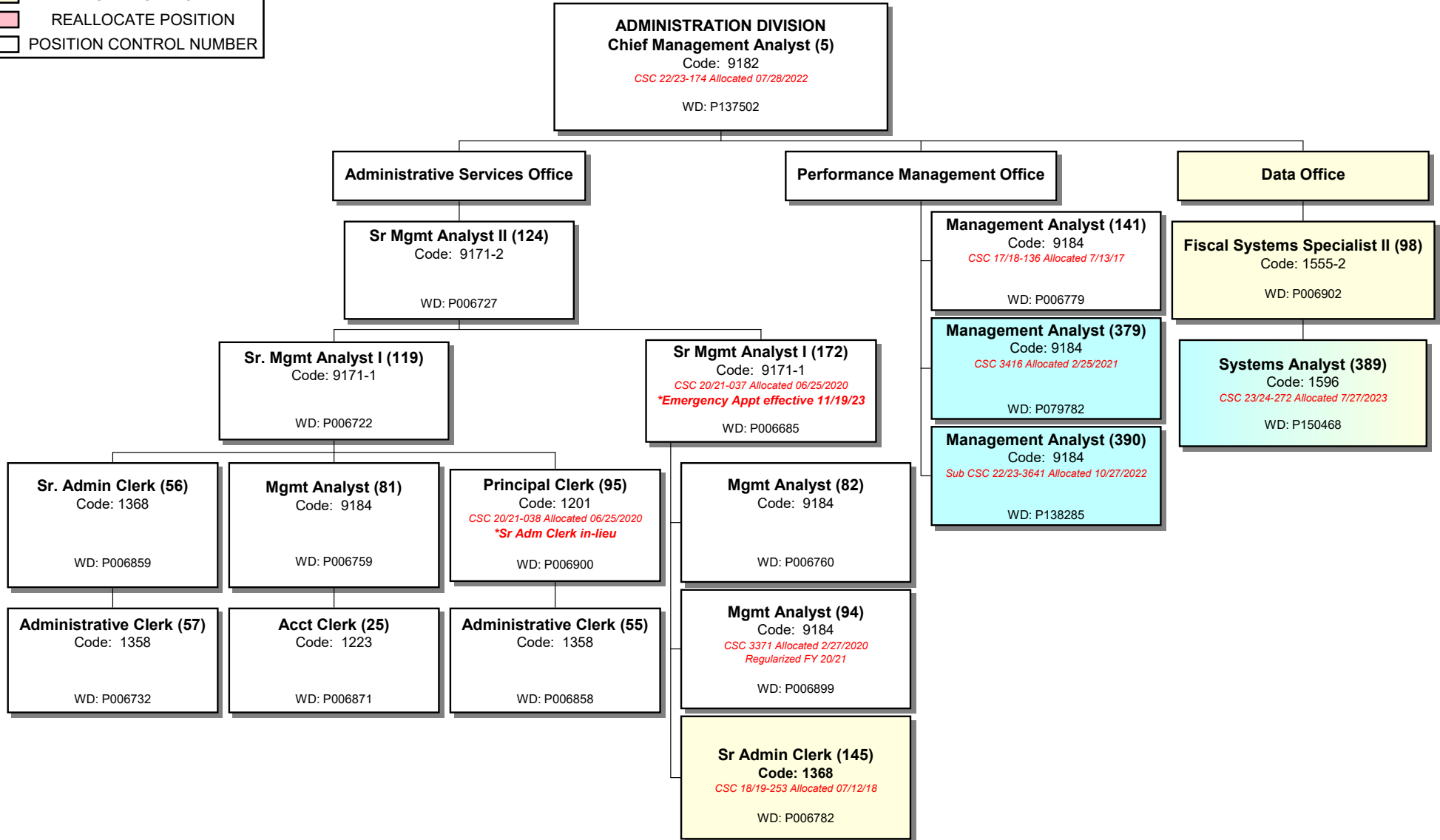


UPDATED 5/28/2024

# LACERS

## PROPOSED ORGANIZATIONAL CHART FY 2024/2025

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# LACERS

## PROPOSED ORGANIZATIONAL CHART FY 2024/2025

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**MEMBER STEWARDSHIP SECTION**  
**Senior Benefits Analyst I (170)**  
 Code: 9109-1  
*CSC 20/21-041 Allocated 6/25/20*  
 WD: P006683

**Active Member Accounts  
Benefits Analyst (96)**  
 Code: 9108  
*CSC 20/21-040 Allocated 06/25/2020*  
 WD: P006901

**Active Settlement Unit  
Benefits Analyst (504)**  
 Code: 9108  
*CSC 22/23-3732 Allocated 04/05/2023*  
 WD: P142969

**Account Settlement Unit (ASU)  
Benefits Analyst (514)**  
 Code: 9108  
*CSC 23/24-3849 Allocated 01/11/2024*  
 WD: P150598

**Benefits Specialist (29)**  
 Code: 1203  
 WD: P006694

**Benefits Specialist (517)**  
 Code: 1203  
*CSC 23/24-3847 Allocated 01/11/2024*  
 WD: P150597

**Benefits Specialist (518)**  
 Code: 1203  
*CSC 23/24-3848 Allocated 01/11/2024*  
 WD: P150600

**Benefits Specialist (516)**  
 Code: 1203  
*CSC 23/24-3847 Allocated 01/11/2024*  
 WD: P150596

**Benefits Specialist (16)**  
 Code: 1203  
*CSC 19/20-060 Allocated 06/27/19*  
 WD: P006671

**Accounting Clerk (513)**  
 Code: 1223  
*CSC 23/24-3846 Allocated 01/11/2024*  
 WD: P150633

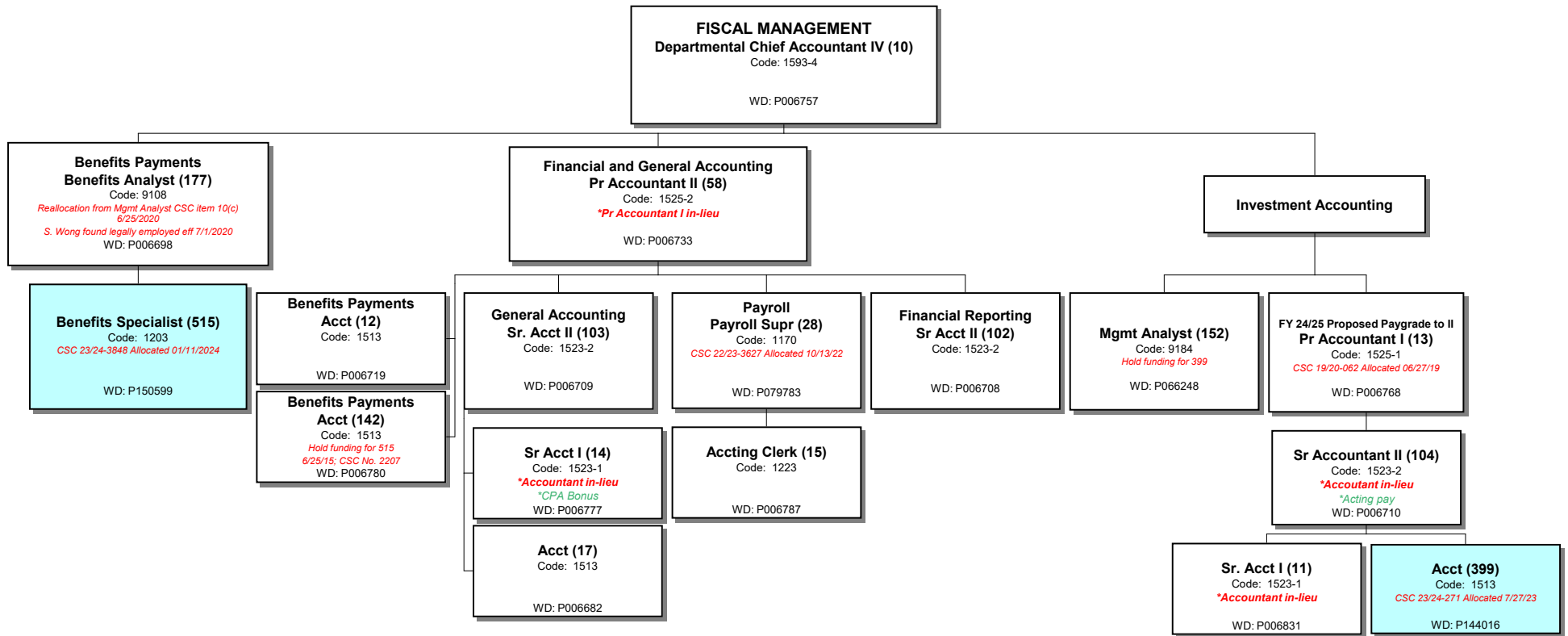
**Benefits Specialist (30)**  
 Code: 1203  
 WD: P006696

**Accounting Clerk (512)**  
 Code: 1223  
*CSC 23/24-3846 Allocated 01/11/2024*  
*\*Acct Clk Trainee in-lieu*  
 WD: P150634

# LACERS







## PROPOSED ORGANIZATIONAL CHART FY 2024/2025

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# LACERS

## PROPOSED ORGANIZATIONAL CHART FY 2024/2025

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**SYSTEMS OPERATIONS SUPPORT**  
**Sr Benefits Analyst II (150)**  
Code: 9109-2  
*Reallocation from Sr Mgmt Analyst II CSC item 10 (c) 6/25/2020*  
*L. McCall found legally employed eff 7/1/2020*  
WD: P006788

**Sr Benefits Analyst I (166)**  
Code: 9109-1  
*B. Cha transitioned from emergency SBAI to regular eff. 7/3/22*  
*Reallocation from Mgmt Analyst CSC item 10 (c) 6/25/2020*  
WD: P006678

**Benefits Analyst (80)**  
Code: 9108  
WD: P006758

**FY 24-25 Propose New Sub**  
**Accounting Clerk (519)**  
Code: 1223  
*CSC 23/24-3893 Allocated 4/25/2024*  
*\*Acct Clk Trainee in-lieu*

# LACERS

## PROPOSED ORGANIZATIONAL CHART FY 2024/2025

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**SYSTEMS**  
**Information Systems Manager II (69)**  
 Code: 1409-2  
 WD: P006745

**Cybersecurity**  
**Sr. Cybersecurity Analyst II (188)**  
 Code: 1445-2  
*CSC 23/24-262 Allocated 7/27/2023*  
 WD: P151116

**Network & Data Support**  
**Sys Programmer III (139)**  
 Code: 1455-3  
 WD: P006776

**Application Development Unit**

**Application Support**

**Systems Programmer II (183)**  
 Code: 1455-2  
*CSC 22/23-183 Allocated 8/11/2022*  
*Unfunded*  
 WD: P138511

**Systems Programmer II (132)**  
 Code: 1455-2  
 WD: P006771

**Systems Programmer I (135)**  
 Code: 1455-1  
*CSC 22/23-181 Allocated 7/28/2022*  
 WD: P076591

**Programmer/Analyst V (100)**  
 Code: 1431-5  
 WD: P006706

**Sr Sys Analyst II (133)**  
 Code: 1597-2  
 WD: P006772

**Cybersecurity Analyst II (505)**  
 Code: 1444-2  
*Unfunded*

**Programmer/Analyst III (134)**  
 Code: 1431-3  
 WD: P066245

**Sr Sys Analyst I (131)**  
 Code: 1597-1  
 WD: P006770

**Programmer/Analyst III (138)**  
 Code: 1431-3  
*CSC 17/18-140 Allocated 7/13/17*  
 WD: P066246

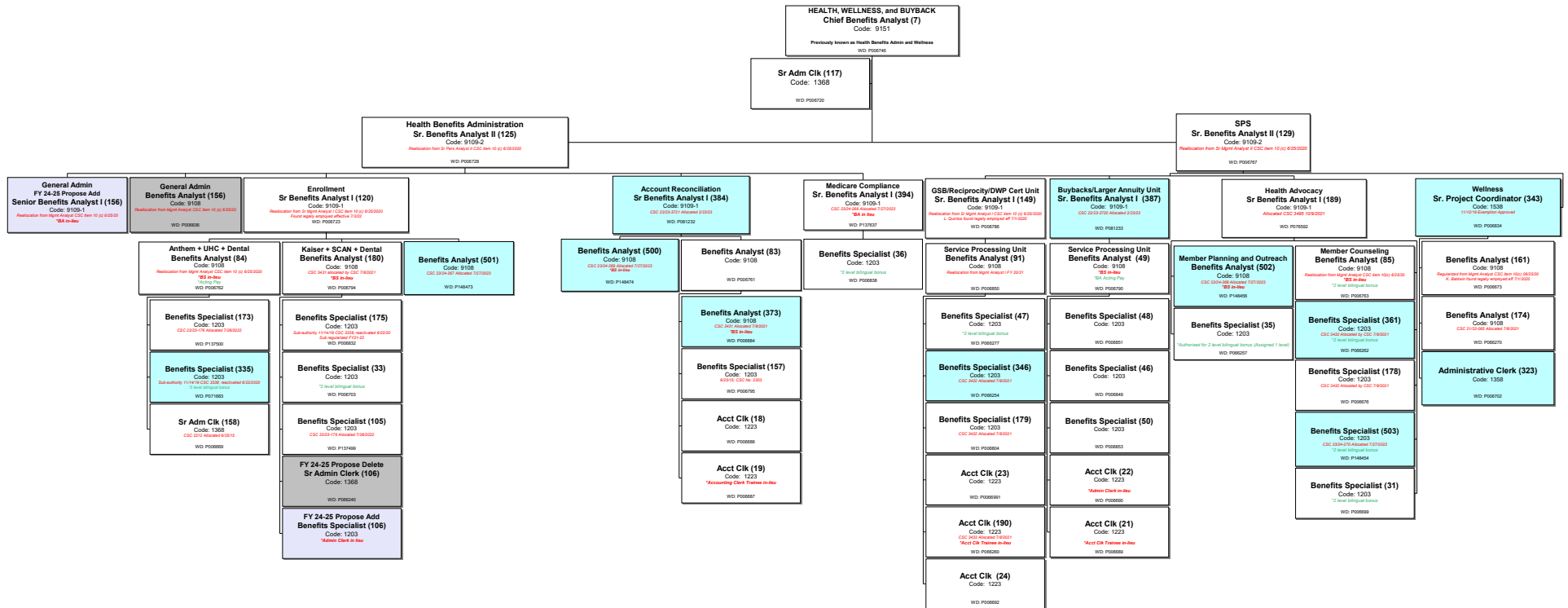
**Sys Analyst (137)**  
 Code: 1596  
 WD: P006775

**Sys Analyst (136)**  
 Code: 1596  
 WD: P006774



# LACERS PROPOSED ORGANIZATIONAL CHART FY 2024/2025

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# LACERS

## PROPOSED ORGANIZATIONAL CHART FY 2024/2025

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**Communications & Stakeholder Relations**  
**Chief Benefits Analyst (191)**  
Code: 9151  
*CSC 22/23 3642 Allocated 10/27/2022*  
*\*2 level bilingual bonus*  
WD: P141703

**MEMBER SERVICES**  
**Sr Benefits Analyst II (126)**  
Code: 9109-2  
*Reallocation from Sr Mgmt Analyst II CSC item 10 (c) 6/25/2020*  
WD: P006729

**Development & Marketing**  
**Development and Marketing Director (392)**  
Code: 1806  
*CSC 22/23-3635 Allocated 10/13/22*  
WD: P140148

**Member Engagement**  
**Sr Benefits Analyst I (121)**  
Code: 9109-1  
*Reallocation from Sr Mgmt Analyst I CSC item 10 (c) CSC 6/25/20*  
WD: P006724

**Member Service Center**  
**Sr Benefits Analyst I (176)**  
Code: 9109-1  
*New Regular FY21-22*  
*\*Acting Pay*  
WD: P076590

**Public Information Director (101)**  
Code: 1800-1  
*\*Emergency Appointment eff. 4/10/2023*  
*\*2 level bilingual bonus*  
WD: P006707

**Benefits Analyst (99)**  
Code: 9108  
*Reallocation from Mgmt Analyst CSC item 10 (c) CSC 6/25/20*  
WD: P006903

**Benefits Analyst (34)**  
Code: 9108  
*CSC 20/21-43 Allocated 06/25/2020*  
WD: P006833

**Benefits Analyst (86)**  
Code: 9108  
*CSC 23/24-263 Allocated 7/27/2023*  
*\*Benefits Specialist in-lieu*  
*\*2 level bilingual bonus*  
WD: P006764

**Benefits Analyst (77)**  
Code: 9108  
*Reallocation from MA CSC item 10 (c) CSC 6/25/20*  
*N. Herkeirath found legally employed eff 7/1/2020*  
WD: P006754

**Sr Adm Clk (107)**  
Code: 1368  
*\*Adm Clk in-lieu*  
*2 level MSC bonus*  
WD: P066286

**Sr Adm Clk (108)**  
Code: 1368  
*\*Office Trainee in-lieu*  
*2 level MSC bonus*  
WD: P006711

**Benefits Specialist (154)**  
Code: 1203  
*Allocated 9/13/18; CSC 3034*  
WD: P066249

**Sr Adm Clerk (153)**  
Code: 1368  
*CSC 19/20-063 Allocated 06/27/19*  
*\*Admin Clerk in-lieu*  
WD: P006791

**Benefits Analyst (353)**  
Code: 9108  
*Sub CSC 3431 Allocated 7/8/2021*  
*\*BS in-lieu*  
*\*2 level bilingual bonus*  
WD: P006792

**Sr Adm Clk (109)**  
Code: 1368  
*\*Office Trainee in-lieu*  
*2 level MSC bonus*  
WD: P066242

**Sr Adm Clk (110)**  
Code: 1368  
*\*Office Trainee in-lieu*  
*2 level MSC bonus*  
*\*Authorized for 2 level bilingual bonus (Assigned 1)*  
WD: P006714

**Sr Adm Clk (193)**  
Code: 1368  
*CSC 23/24-265 Allocated 7/27/2023*  
*\*Office Services Assistant in-lieu*  
WD: P148021

**Benefits Analyst (192)**  
Code: 9108  
*Reallocation from MA CSC item 10 (c) CSC 6/25/20*  
*\*2 level bilingual bonus*  
WD: P148020

**Sr Adm Clk (111)**  
Code: 1368  
*2 level MSC bonus*  
WD: P006713

**Sr Adm Clk (112)**  
Code: 1368  
*\*Office Trainee in-lieu*  
*2 level MSC bonus*  
*\*Authorized for 2 level bilingual bonus (Assigned 1)*  
WD: P006715

**Benefits Specialist (507)**  
Code: 1203  
*CSC 23/24-3822 Allocated 9/28/23*  
*\*2 level bilingual bonus*  
WD: P148024

**Adm Clk (59)**  
Code: 1358  
*\*Office Trainee in-lieu*  
*2 level MSC bonus*  
WD: P006734

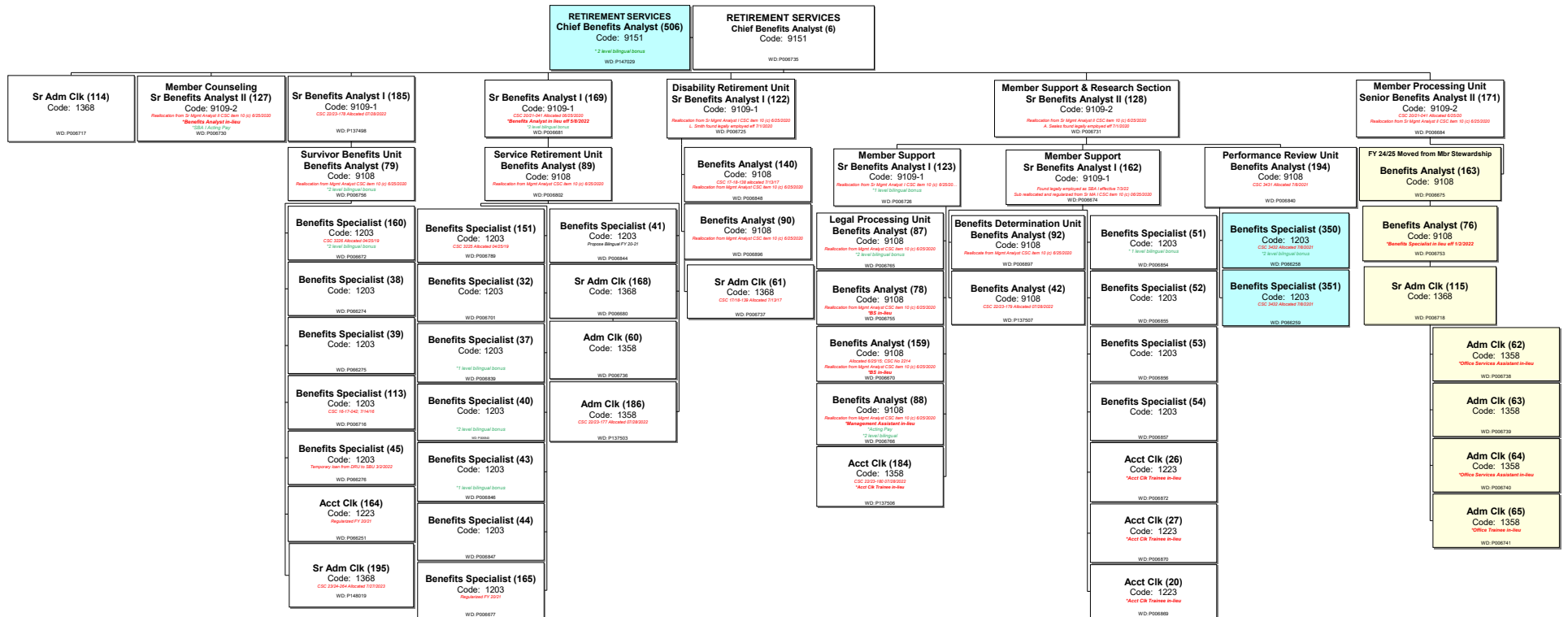
**Adm Clk (147)**  
Code: 1358  
*CSC 18/19-252 Allocated 07/12/18*  
*\*Office Trainee in-lieu*  
*2 level MSC bonus*  
WD: P006784

**Benefits Specialist (508)**  
Code: 1203  
*CSC 23/24-3822 Allocated 9/28/23*  
WD: P148025

# LACERS

## PROPOSED ORGANIZATIONAL CHART FY 2024/2025

	SUBSTITUTE AUTHORITY
	ADD POSITION
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LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

PROPOSED RESOLUTION

DELEGATION OF AUTHORITY TO THE GENERAL MANAGER  
TO APPROVE TRANSFERS BETWEEN APPROPRIATION ACCOUNTS  
FOR FISCAL YEAR 2024-25

WHEREAS, the Fiscal Year 2024-25 Budget aims to limit budget overages and appropriations are conservatively budgeted, greater flexibility to move funds between appropriation accounts will help manage expenditures within budgeted funds;

WHEREAS, Charter Section 343(b) and Administrative Code Section 5.36, provides authority to the head of the department, the LACERS Board of Administration, to transfer between budget appropriation accounts, within limits prescribed by the City Administrative Officer, the most current at \$65,624 in Fiscal Year 2023-24;

WHEREAS, on May 28, 2024, the Board has approved the 2024-25 Budget and desires that the General Manager have the flexibility to move funds between appropriation accounts in order to meet priorities in the most efficient and timely manner;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby delegates authority to the General Manager to transfer between budget appropriation accounts not to exceed the City thresholds.

May 28, 2024

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

PROPOSED RESOLUTION

AUTHORIZATION FOR  
DEPARTMENTAL EXEMPLARY STAFF RECOGNITION PROGRAM  
FISCAL YEAR 2024-25

WHEREAS, on March 11, 2003, the Board established a departmental Exemplary Staff Recognition Program to provide a framework for team building and recognition throughout the Department;

WHEREAS, the Board continues the program in order to recognize employees for their efforts, and to identify role models who communicate the standards established through our guiding principles, inclusive in promoting teambuilding, employee engagement, and motivational activities;

WHEREAS, funds for program-related expenditures during the 2024-25 Fiscal Year have been included in the Fiscal Year 2024-25 Departmental budget in order to continue the program; and

WHEREAS, the Controller's Office requires an annual Board Resolution confirming the establishment of the program in order to process future payments of related expenses;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby confirms the ongoing establishment of the LACERS Exemplary Staff Recognition Program, and authorizes program-related expenditures for Fiscal Year 2024-25 not to exceed \$5,000.

May 28, 2024

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

PROPOSED RESOLUTION

AUTHORIZATION FOR  
LACERS DEPARTMENTAL PARKING PROGRAM  
FISCAL YEAR 2024-25

WHEREAS, on November 8, 2022, the Board established a Departmental Parking Program for full-time LACERS staff, which provides complimentary parking at LACERS Headquarters Building at 977 N. Broadway, Los Angeles, CA 90012 and adjacent parking;

WHEREAS, in consultation with City Attorney, the LACERS Board has the authority to determine whether or not it is prudent to provide complimentary parking for employees at LACERS Headquarters Building and, if it decides to do so, to set rates for parking at the Headquarters Building;

WHEREAS, the organizational benefits of complimentary parking are applicable to not only LACERS full-time staff, but also part-time staff and Public Pensions General Counsel staff, and thus complimentary parking is proposed to be extended to include all of these aforementioned groups;

WHEREAS, funds for program-related expenditures during the 2024-25 Fiscal Year have been included in the Departmental budget under the Property Management - Operations expense budget in order to continue the program;

WHEREAS, the demand for parking exceeds supply at LACERS Headquarters Building, additional parking can be obtained by entering into a contract with a nearby parking lot in Chinatown at a monthly rate of \$70 per parking spot as well as an allowance for individual daily rate parking validations as needed;

WHEREAS, providing complimentary parking to all LACERS and Public Pensions General Counsel employees at LACERS Headquarters still represents savings in excess of \$100,000 versus the expenses generated from the parking at the LA Times building;

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

1. Hereby confirms the establishment of the LACERS Departmental Parking Program, and authorizes program-related expenditures for Fiscal Year 2024-25 not to exceed \$30,000;
2. Authorize the General Manager to work with the property management firm for the LACERS Headquarters Building to rent up to 25 parking spots annually and/or enter into an agreement for validated parking in the Chinatown area; and,
3. Authorize the General Manager to negotiate and execute any contracts required to implement the parking program.

May 28, 2024

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

PROPOSED RESOLUTION

AUTHORIZATION FOR  
DEPARTMENTAL TRANSIT BENEFITS PROGRAM  
FISCAL YEAR 2024-25

WHEREAS, on May 23, 2023, the Board authorized implementation of a Departmental Transit Subsidy Reimbursement Program for eligible LACERS staff, which provides a subsidy of up to \$50 a month to LACERS staff who commute from home to work via public transit (bus, train, or rail) or by walking or biking;

WHEREAS, LACERS headquarters building at 977 N. Broadway was incorporated under the City's Special Memorandum of Understanding on City Employee Parking and Commute Options (Special Parking MOU) effective March 1, 2024;

WHEREAS, LACERS intends to allow employees to concurrently utilize the complimentary parking benefit and the Transit Benefits Program;

WHEREAS, LACERS discussed with the City to allow continuing participation of LACERS staff in the Special Parking MOU while maintaining complimentary parking benefits, resulting discussions suggests that the optimal solution is for LACERS to establish a separate departmental administrated Transit Benefits Program with commuter and vanpool benefits;

WHEREAS, funds for program-related expenditures during the 2024-25 Fiscal Year have been included in the 2024-25 Departmental budget in order to establish this program;

WHEREAS, eligible LACERS staff are required to submit documentation and valid proof(s) of purchases or commute method within specified time frames; and,

WHEREAS, LACERS proposes that transit subsidies would be an incentive that could not only help to retain LACERS staff but could also attract other City employees who work in and around the Civic Center and reduce any current and future parking burdens to the building;

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

1. Hereby confirms the establishment of the LACERS Transit Benefits Program, and authorizes program-related expenditures for Fiscal Year 2024-25 not to exceed \$162,000;
2. Authorize the General Manager to establish a monthly transit subsidy per eligible employee;
3. Authorize the General Manager to establish the program requirements, policies and procedures as necessary within the framework of this authorizing Resolution; and,
4. Authorize the General Manager to negotiate and execute any contracts or agreements required to implement the Departmental Transit Benefits Program.

May 28, 2024





**TOWNSEND**<sup>®</sup>  
GROUP

an Aon company

Real Estate Portfolio

# Performance Review

FOURTH QUARTER 2023



**LACERS**

LA CITY EMPLOYEES'  
RETIREMENT SYSTEM



## Portfolio Funding Status

- The following slides provide a review of key information pertaining to the Los Angeles City Employees' Retirement System ("LACERS") Real Estate Portfolio (the "Portfolio") through December 31, 2023. A detailed performance report is also provided as **Exhibit A**.
- LACERS is below its 7.0% target allocation to Real Estate as of quarter-end on a funded basis, but unfunded commitments will bring the exposure towards the target over the near-term.

	Market Value (\$ millions)*	% LACERS Plan*
<b>LACERS Total Plan Assets</b>	22,765	
<b>Real Estate Target</b>	1,591	7.0%
RE Market Value:		
Core	762	
Non-Core	452	
Timber	21	
<b>Total RE Market Value</b>	1,235	5.4%
Unfunded Commitments	401	1.8%

\*Figures may not add due to rounding.

## Real Estate Portfolio Composition

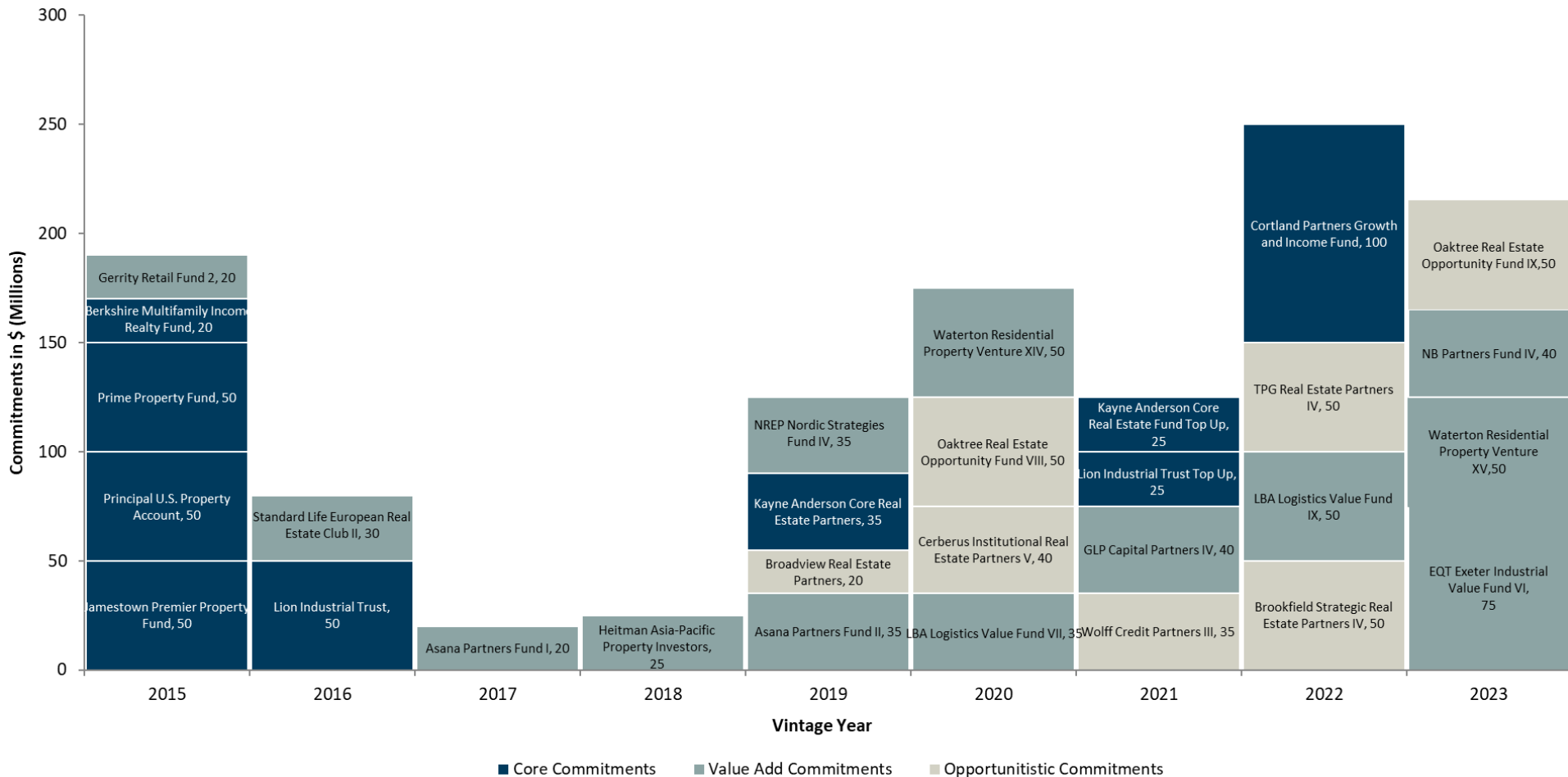
	Strategic Targets		Portfolio Composition (12/31/2023)*	
	Target Allocation	Tactical Range	Market Value	Market Value & Unfunded Commitments
<b>Core</b>	<b>60%</b>	<b>40% - 80%</b>	<b>61.7%</b>	<b>46.6%</b>
<b>Non-Core</b>	<b>40%</b>	<b>20% - 60%</b>	<b>36.6%</b>	<b>52.1%</b>
<i>Value Add Portfolio</i>	<i>N/A</i>	<i>N/A</i>	<i>22.4%</i>	<i>30.2%</i>
<i>Opportunistic Portfolio</i>	<i>N/A</i>	<i>N/A</i>	<i>14.2%</i>	<i>21.8%</i>
<b>Timber</b>	<b>N/A</b>	<b>N/A</b>	<b>1.7%</b>	<b>1.4%</b>

- In May 2014, the Board approved the strategic targets displayed above in order to reflect a more conservative risk profile going-forward. At the time, the Portfolio had 30% exposure to Core and 70% exposure to Non-Core.
- Since 2015, to transition the Portfolio, the LACERS Board has approved \$405 million in Core commitments\*\*.
- The LACERS Board has approved approximately \$800 million in Non-Core commitments\*\* since 2015. These investments initially focused on Value Add strategies with pre-specified portfolios, embedded value and/or an element of current income, with recent commitments focused on blind pool Opportunistic funds and strategies with attractive property type exposures.
- The Core Portfolio utilizes 34.4% leverage, measured on a loan-to-value (LTV) basis, well below the 40.0% constraint.
- The Non-Core Portfolio utilizes 49.0% leverage, well below the 75.0% constraint.

\*Figures may not add due to rounding. Funded & Committed figures exclude commitments made after 12/31/23.

\*\* Excludes commitments approved after 12/31/2023.

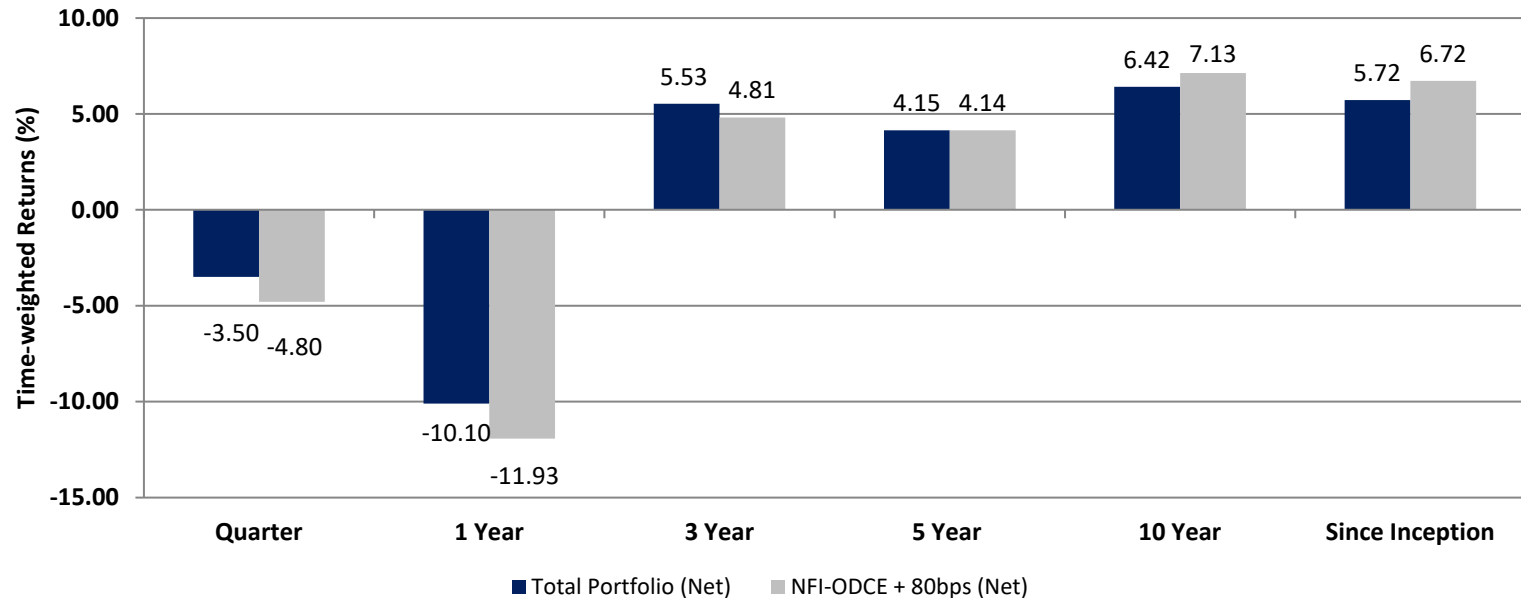
# LACERS Commitment Activity Under Townsend Advisory – Since 2015



- LACERS has committed \$1.2 billion since 2015, all of which has been Townsend-initiated activity.
- Four Non-Core commitments since 2015 (Gerrity II, Asana I, Broadview, and NB Partners Fund IV ) met LACERS’ Emerging Manager guidelines at the time of commitment.
- Vintage year classifications are based on LACERS’ first capital call (or expected capital call), though commitments may have been approved in prior years.

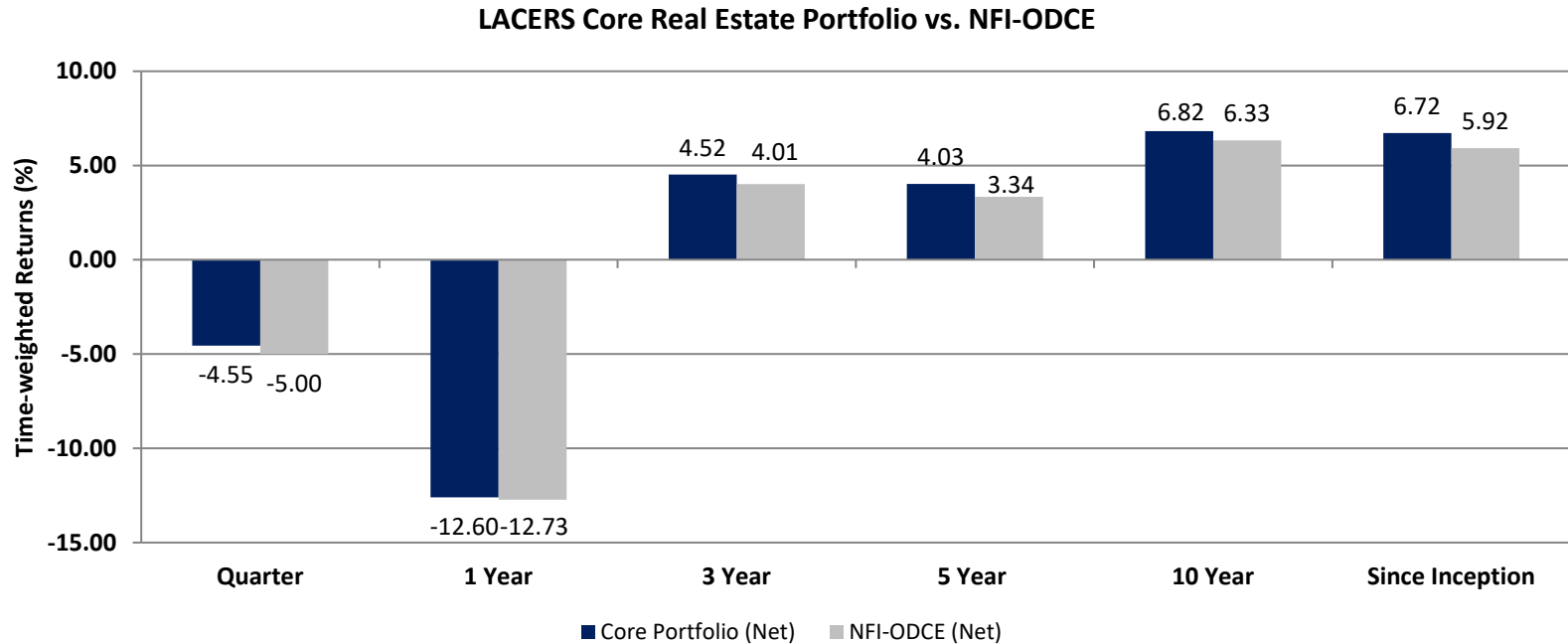
# Total Portfolio Performance

LACERS Total Real Estate Portfolio vs. NFI-ODCE + 80 bps



- The benchmark for the LACERS Total Real Estate Portfolio is the NCREIF Fund Index of Open-End Diversified Core Equity funds (NFI-ODCE) + 80 basis points (“bps”), measured over 5-year time periods, net of fees (defined below).
- LACERS outperformed the benchmark over the Quarter, 1-year, 3-year and 5-year periods. The portfolio underperformed over longer annualized periods, mostly due to weak performance of legacy Opportunistic funds.
- The NFI-ODCE is a Core index that includes Core open-end diversified funds with at least 95% of their investments in US markets. The NFI-ODCE is the first of the NCREIF Fund Database products, created in May 2005, and is an index of investment returns reporting on both a historical (back to 1978) and current basis (25 active vehicles), utilizing approximately 26.2% leverage.
  - o The 80 basis point (“bps”) premium is a reflection of the incremental return expected from Non-Core exposure in the Portfolio, which is not included in the NFI-ODCE.

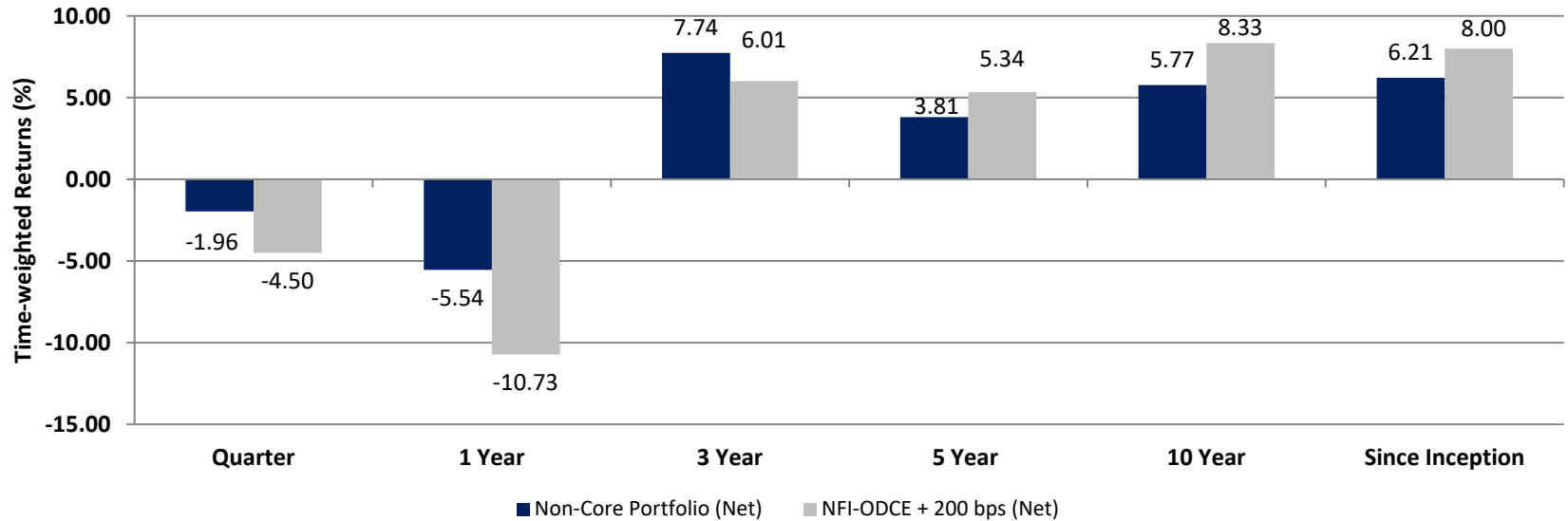
## Relative Performance by Strategy: Core



- The LACERS Core benchmark is the NFI-ODCE, measured over 5-year time periods, net of fees.
- The Core Portfolio has outperformed relative to the benchmark for all periods.
- Prime Property Fund, Principal US Property Account, Kayne Anderson Core Real Estate Fund and Lion Industrial Trust all led outperformance during the quarter, with the latter two also leading outperformance over the trailing year.
- Jamestown Premier Property Fund was the weakest performer over the Quarter and trailing year, producing net returns of -11.5% and -51.0% respectively.

## Relative Performance by Strategy: Non-Core

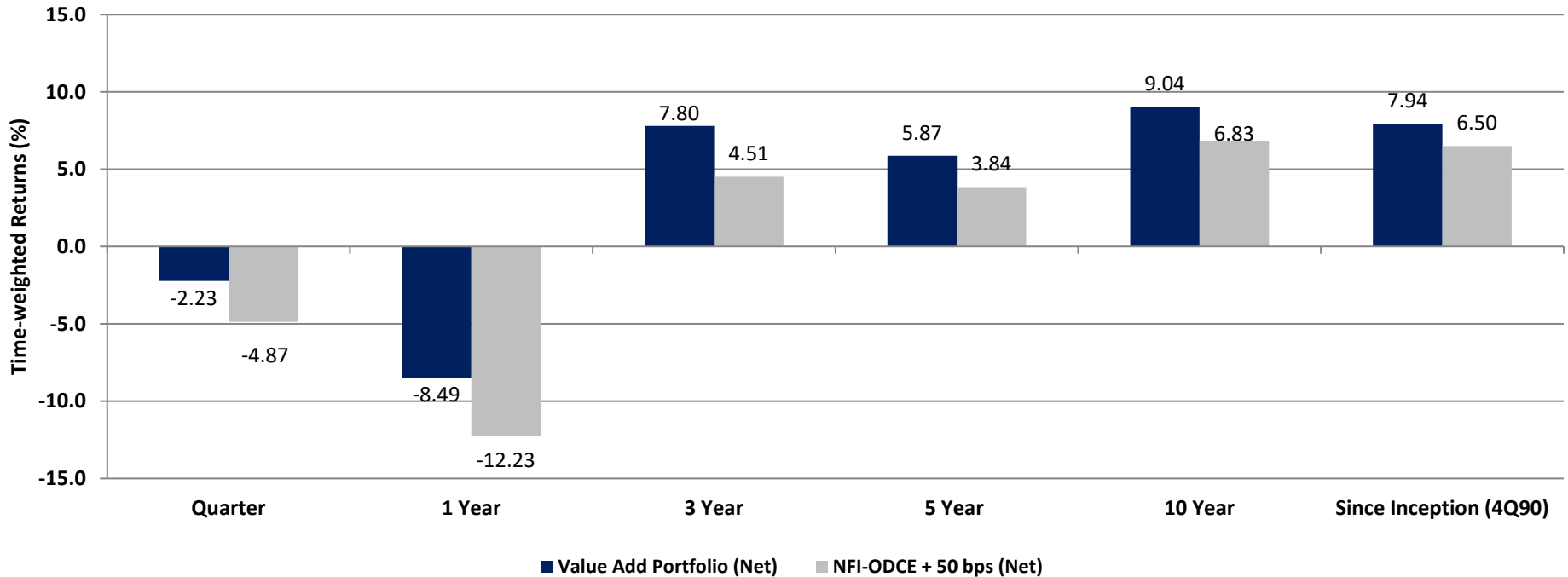
LACERS Non-Core Real Estate Portfolio vs. NFI-ODCE + 200 bps



- The LACERS Non-Core benchmark is the NFI-ODCE + 200 bps, measured over 5-year time periods, net of fees. The 200 bps premium is a reflection of the incremental return expected from the additional risk inherent in Non-Core strategies.
- The Non-Core Portfolio outperformed the NFI-ODCE + 200 bps benchmark during the Quarter, 1-year and 3-year periods. Underperformance over longer time periods is mostly due to Non-Core legacy funds that are due to liquidate over the next few years.
- The Value Add Portfolio has achieved strong relative annualized returns. Meanwhile the Opportunistic Portfolio has been the main driver of Non-Core underperformance over the medium and long-term. Both are discussed in more detail on the following pages.

## Relative Performance by Strategy: Non-Core — Value Add

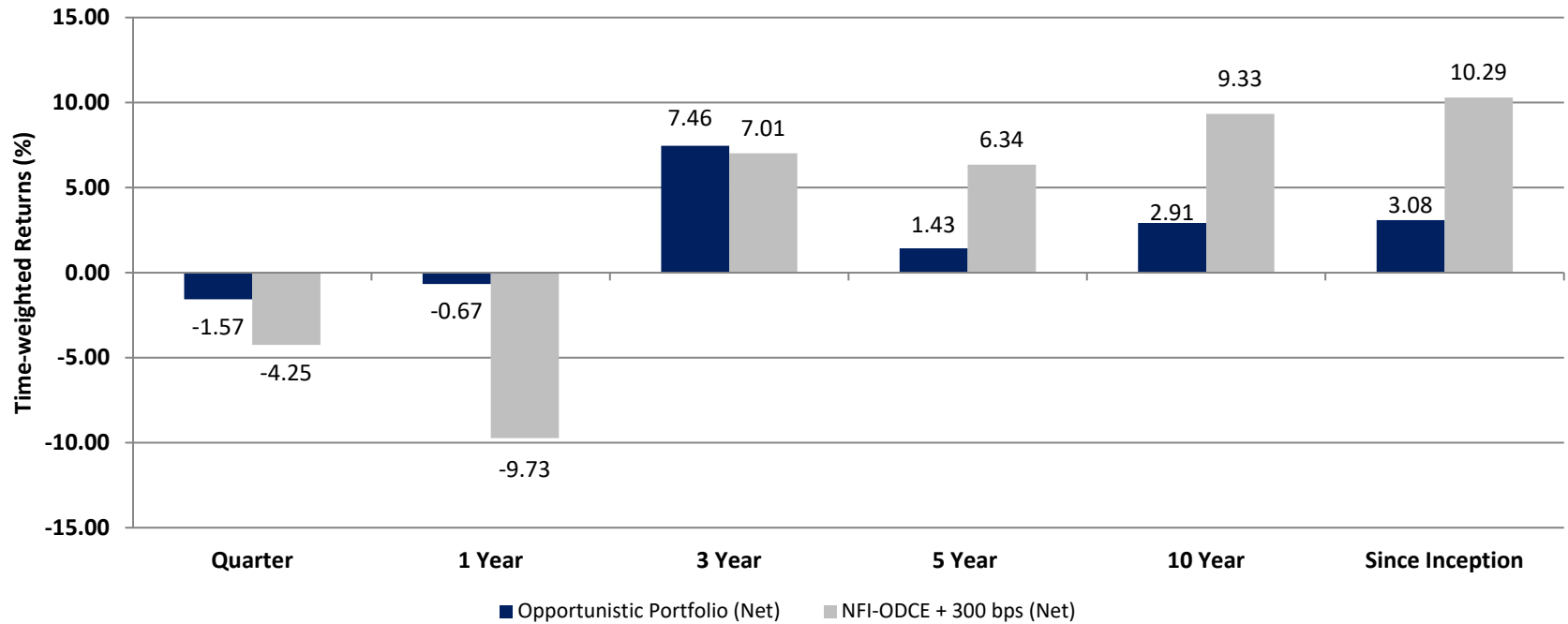
LACERS Value Add Real Estate Portfolio vs. NFI-ODCE + 50 basis points



- The LACERS Value Add benchmark is the NFI-ODCE + 50 bps, measured over 5-year time periods, net of fees. The 50 bps premium is a reflection of the incremental return expected from additional risk inherent in Value Add strategies.
- The Value Add Portfolio outperformed the NFI-ODCE + 50 bps benchmark over all time periods.
- During the Quarter, Northbridge Partners IV was the strongest performer at a 2.0% net return, followed by Asana Partners Fund I and II (1.9% and 1.3% net, respectively).
- Over the medium term, outperformance has been driven by Asana Partners Fund I and II, and LBA Logistics Value Fund VII.

## Relative Performance by Strategy: Non-Core — Opportunistic

LACERS Opportunistic Portfolio vs. NFI-ODCE + 300 bps

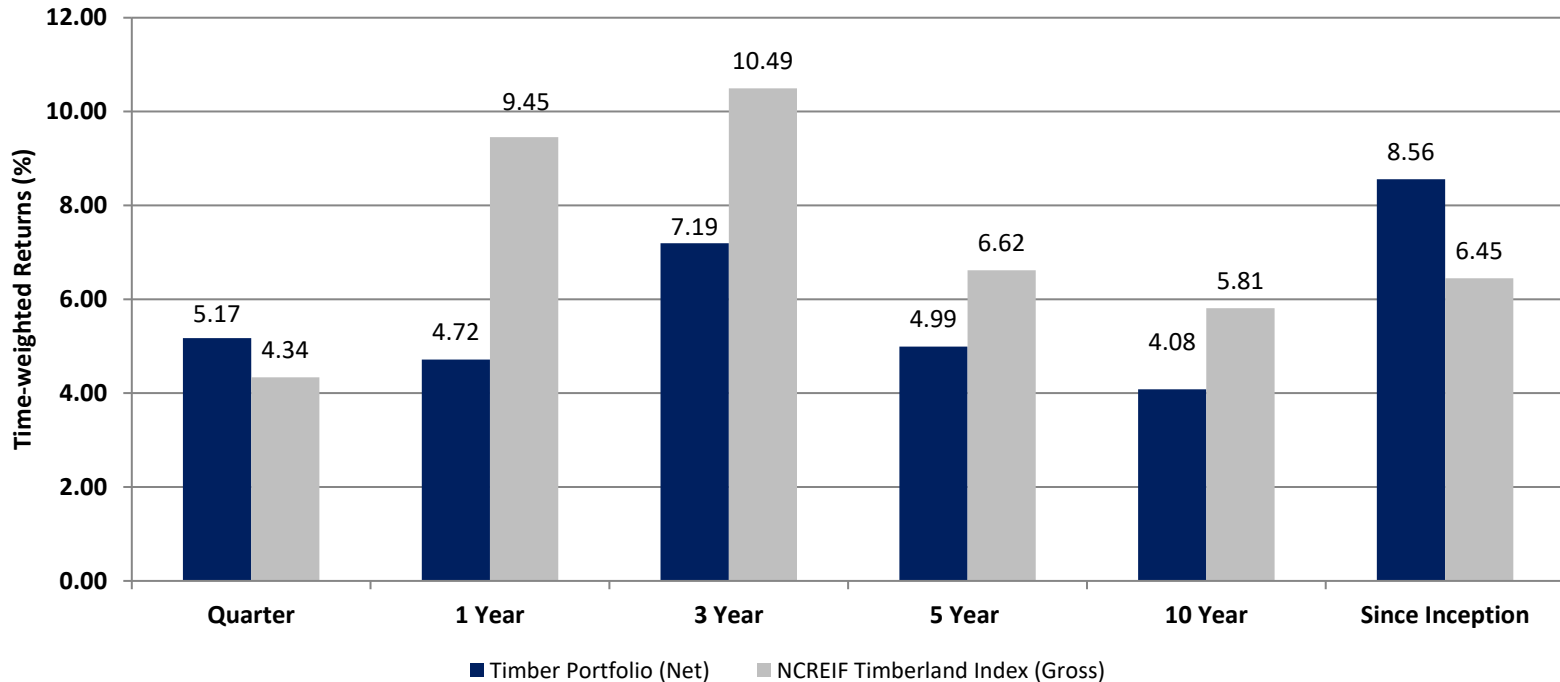


- The LACERS Opportunistic benchmark is the NFI-ODCE + 300 bps, measured over 5-year time periods, net of fees. The 300 bps premium is a reflection of the incremental return expected from additional risk inherent in Opportunistic strategies.
- The Opportunistic Portfolio outperformed the NFI-ODCE + 300 bps benchmark over the short and medium term, but underperformed over longer time periods. Underperformance over long time periods is mostly due to legacy funds that are due to liquidate over the next few years.
- Recent outperformance has been driven by commitments recommended over the last few years: Broadview Real Estate Partners, Cerberus Institutional Partners V, Oaktree Real Estate Opportunity Fund VIII, and Wolff Credit Partners III have all been positive contributors to performance.



## Relative Performance by Strategy: Timber

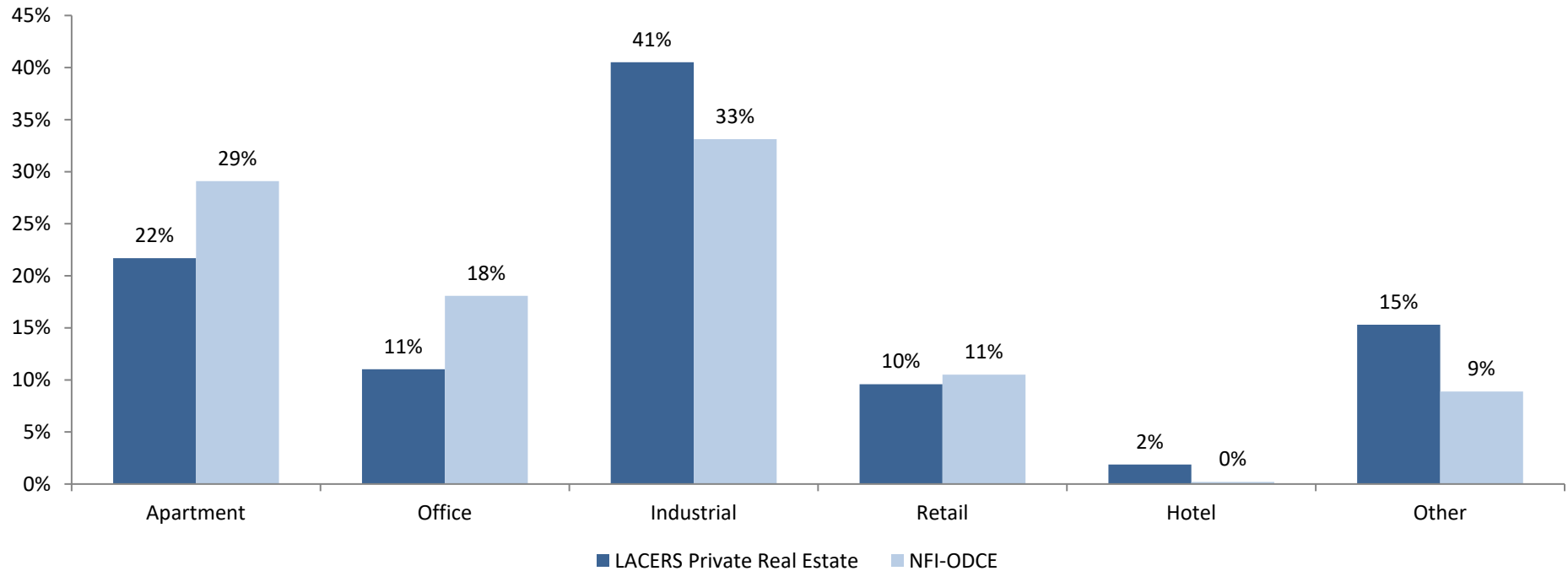
LACERS Timber Portfolio vs. NCREIF Timberland Index



- The Timber Portfolio, net of fees, outperformed its benchmark, the NCREIF Timberland Index, gross of fees, during the current quarter and over the since inception period, but underperformed over all other time periods.
- Outperformance over the long-term is mostly related to strong performance of Hancock ForesTree V, which was fully liquidated by year-end 2015.
- LACERS' only current timberland investment is Hancock Timberland XI. The Fund's assets are located in the United States (split between the South and the Northwest) and Chile (2.73%).
- Income returns for timber investments tend to be infrequent and are realized through harvest. To date, there has been no meaningful income from the fund due to limited harvest activity during a period of lower timber prices. This has impacted total returns.
- Further, all assets in Hancock Timberland IX are appraised at year-end, which is why appreciation usually remains relatively flat from the first quarter through the third quarter of each year. The effect of year-end appraisals is demonstrated in the annualized returns.

# Real Estate Portfolio Diversification

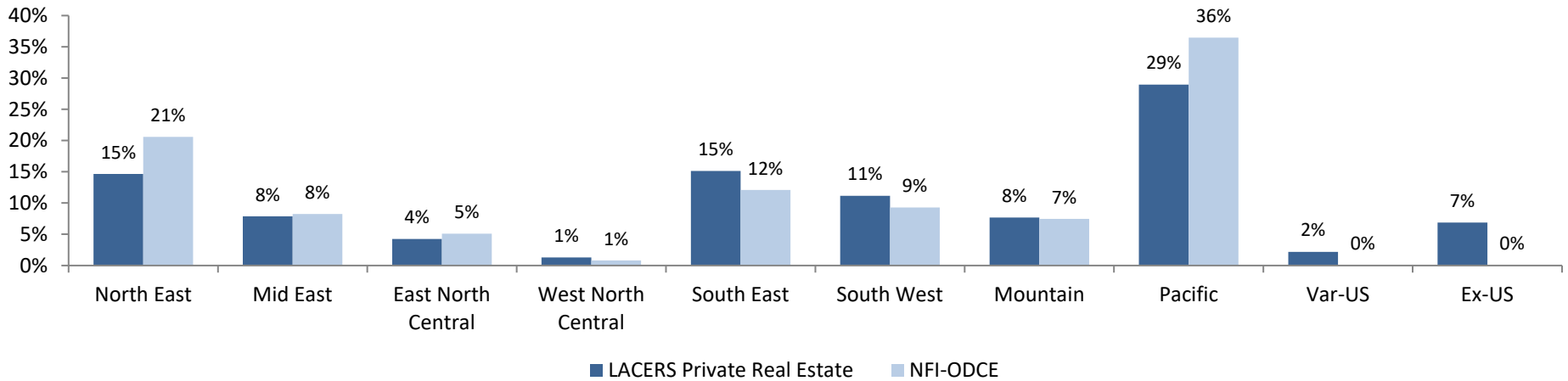
Private Real Estate Portfolio - Property Type Diversification



- The diversification of the Private Real Estate Portfolio is measured against the diversification of the NFI-ODCE  $\pm$  10.0%. Currently, the “Other” category includes investments in alternative property types including Medical Office, Self Storage, Student Housing, Senior Housing, For Sale Residential, and Land.
- Among the “Other” property types, LACERS’ portfolio has the greatest exposure to Medical Office (3.6%), Self-Storage (2.9%), Senior Housing (1.1%), Student Housing (1.3%), and Land (1.1%).

# Real Estate Portfolio Diversification

Private Real Estate Portfolio - Geographic Diversification



- The diversification goal of the Private Real Estate Portfolio is to be well diversified across the US. The only constraint is a 30.0% maximum allocation to Ex-US investments. NFI-ODCE diversification is provided as a benchmark.
- The Portfolio currently has an aggregate exposure to the Los Angeles metropolitan area of approximately 11.1%, with approximately 4% exposure to Los Angeles City. The NFI-ODCE’s exposure to the Los Angeles metropolitan area is approximately 11.8%.
- The Ex-US exposure is composed primarily of two large regional exposures: Europe (4.6%), Asia (1.6%).

\*Var-US includes any investments that are not directly tied to specific regions, such as real estate debt investments through Torchlight or entity-level investments through Almanac.

## Exhibit A: Performance Flash Report



Portfolio Composition (\$)									
Total Plan Assets		Target Allocation		Market Value		Unfunded Commitments		Remaining Allocation	
\$22,765,000,000		1,590,829,800	7.0%	1,234,979,993	5.4%	401,457,587	1.8%	-45,607,780	-0.2%

Performance Summary	Quarter (%)		1 Year (%)		3 Year (%)		5 Year (%)	
	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
LACERS	-3.2	-3.5	-9.3	-10.1	7.2	5.5	5.6	4.1
NFI-ODCE + 80 basis points	-4.6	-4.8	-11.2	-11.9	5.7	4.8	5.0	4.1

Funding Status (\$)	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
Core Portfolio	1989	523,867,553	626,960,363	0	206,649,226	762,085,495	61.7	46.6
Non-Core Portfolio	1990	1,168,977,156	793,342,599	400,059,438	484,383,128	452,095,305	36.6	52.1
Value Added Portfolio	1990	528,969,813	364,508,304	218,736,238	182,225,286	276,187,958	22.4	30.2
Opportunistic Portfolio	1996	540,007,343	428,834,295	181,323,200	302,157,843	175,907,347	14.2	21.8
Timber Portfolio	1999	20,000,000	18,601,851	1,398,149	6,694,194	20,799,193	1.7	1.4
LACERS	1989	1,712,844,709	1,438,904,811	401,457,587	697,726,549	1,234,979,993	100.0	100.0

Funding Status (\$)	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
<b>Core</b>								
Berkshire Multifamily Income Realty Fund	2015	20,000,000	20,000,000	0	16,042,241	14,196,471	1.1	0.9
CIM VI (Urban REIT), LLC	2012	25,000,000	25,000,000	0	17,434,500	14,026,094	1.1	0.9
Cortland Partners Growth and Income Fund	2022	100,000,000	104,067,198	0	4,830,154	69,617,310	5.6	4.3
INVESCO Core Real Estate	2004	63,867,553	139,948,439	0	88,923,856	203,941,227	16.5	12.5
Jamestown Premier Property Fund	2015	50,000,000	51,801,965	0	27,873,198	14,390,792	1.2	0.9
JP Morgan Strategic Property Fund	2005	30,000,000	30,421,882	0	2,859,784	75,461,919	6.1	4.6
Kayne Anderson Core Real Estate Fund	2019	60,000,000	64,046,584	0	8,615,716	65,182,666	5.3	4.0
Lion Industrial Trust - 2007	2016	75,000,000	87,612,746	0	21,907,567	162,764,341	13.2	9.9
Prime Property Fund	2015	50,000,000	54,061,549	0	18,162,210	64,663,997	5.2	4.0
Principal U.S. Property Account	2015	50,000,000	50,000,000	0	0	77,840,678	6.3	4.8
<b>Total Core</b>	<b>N/A</b>	<b>523,867,553</b>	<b>626,960,363</b>	<b>0</b>	<b>206,649,227</b>	<b>762,085,497</b>	<b>61.7</b>	<b>46.6</b>
<b>Timber</b>								
Hancock Timberland XI	2012	20,000,000	18,601,851	1,398,149	6,694,194	20,799,193	1.7	1.4
<b>Total Timber</b>	<b>N/A</b>	<b>20,000,000</b>	<b>18,601,851</b>	<b>1,398,149</b>	<b>6,694,194</b>	<b>20,799,193</b>	<b>1.7</b>	<b>1.4</b>
<b>Value Added</b>								
Almanac Realty Securities VI	2012	25,000,000	15,475,571	0	17,184,560	2,669,067	0.2	0.2
Asana Partners Fund I	2017	20,000,000	18,301,629	2,015,220	6,081,663	26,462,286	2.1	1.7
Asana Partners Fund II	2019	35,000,000	26,993,750	8,006,250	0	32,581,894	2.6	2.5
DRA Growth and Income Fund VII	2011	25,000,000	25,505,352	0	59,979,891	22,404	0.0	0.0
DRA Growth and Income Fund VIII	2014	25,000,000	29,576,071	518,518	30,683,275	5,084,234	0.4	0.3
EQT Exeter Industrial Value Fund VI	2022	75,000,000	7,500,000	67,500,000	0	6,284,564	0.5	4.5
Gerrity Retail Fund 2	2015	20,000,000	20,077,854	0	7,716,497	15,036,198	1.2	0.9
GLP Capital Partners IV	2021	40,000,000	34,410,775	11,359,129	10,109,554	34,116,272	2.8	2.8
Heitman Asia-Pacific Property Investors	2018	25,000,000	22,851,678	3,129,886	8,594,729	15,258,077	1.2	1.1
LBA Logistics Value Fund IX	2021	50,000,000	28,846,154	21,153,846	0	26,558,301	2.2	2.9
LBA Logistics Value Fund VII	2020	35,000,000	30,678,605	4,321,395	1,270,028	42,629,579	3.5	2.9
NB Partners Fund IV LP	2023	40,000,000	6,453,727	33,546,273	0	5,274,206	0.4	2.4
NREP Nordic Strategies Fund IV	2019	35,437,928	22,899,013	12,763,242	0	21,455,508	1.7	2.1
Standard Life Investments European Real Estate Club II	2015	28,531,885	28,134,410	1,226,196	40,572,657	91,958	0.0	0.1
Waterton Residential Property Venture XIV, L.P.	2020	50,000,000	43,767,911	6,232,089	32,432	40,393,052	3.3	2.8
Waterton Residential Property Venture XV	2023	50,000,000	3,035,806	46,964,194	0	2,270,358	0.2	3.0
<b>Total Value Added</b>	<b>N/A</b>	<b>578,969,813</b>	<b>364,508,304</b>	<b>218,736,238</b>	<b>182,225,285</b>	<b>276,187,958</b>	<b>22.4</b>	<b>30.2</b>

Funding Status (\$)	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
<b>Opportunistic</b>								
Apollo CPI Europe I	2006	25,533,001	22,385,238	1,641,793	11,762,746	222,411	0.0	0.1
Bristol Value II, L.P.	2012	20,000,000	24,132,626	1,359,113	18,527,556	16,842,930	1.4	1.1
Broadview Real Estate Partners Fund, L.P.	2019	20,000,000	11,486,859	8,244,900	2,844,195	10,694,223	0.9	1.2
Brookfield Strategic Real Estate Partners IV	2021	50,000,000	32,383,610	19,592,357	1,975,969	32,298,209	2.6	3.2
Bryanston Retail Opportunity Fund	2005	10,000,000	4,271,584	0	20,029,229	58,630	0.0	0.0
California Smart Growth Fund IV	2006	30,000,000	31,522,663	33,153	38,422,919	-264	0.0	0.0
Cerberus Institutional Real Estate Partners V	2020	40,000,000	28,930,849	11,721,327	652,175	37,615,127	3.0	3.0
CIM Real Estate Fund III	2007	15,000,000	16,674,075	0	21,301,769	4,489,440	0.4	0.3
Latin America Investors III	2008	20,000,000	20,686,689	0	3,886,924	-3,139,684	-0.3	-0.2
Lone Star Fund VII	2011	15,000,000	14,075,468	0	24,732,903	6	0.0	0.0
Lone Star Real Estate Fund II	2011	15,000,000	13,291,475	0	20,586,004	19,953	0.0	0.0
Oaktree Real Estate Opportunities Fund VIII L.P.	2021	50,000,000	32,674,118	21,000,000	4,772,538	32,019,651	2.6	3.2
Oaktree Real Estate Opportunities Fund IX L.P.	2023	50,000,000	0	50,000,000	0	0	0.0	3.1
RECP Fund IV, L.P.	2008	40,000,000	53,279,662	750,435	40,820,385	14,216,099	1.2	0.9
Stockbridge Real Estate Fund II	2006	30,000,000	30,000,000	0	13,779,370	350,063	0.0	0.0
Torchlight Debt Opportunity Fund IV	2013	24,474,342	24,483,106	0	32,784,486	1,317,199	0.1	0.1
TPG Real Estate Partners IV	2021	50,000,000	4,100,190	45,899,810	0	1,777,672	0.1	2.9
Walton Street Real Estate Fund V	2006	25,000,000	25,000,001	0	17,350,398	499,027	0.0	0.0
Walton Street Real Estate Fund VI	2009	25,000,000	22,161,966	1,884,390	25,894,104	10,296,413	0.8	0.7
Wolff Credit Partners III, LP	2022	35,000,000	17,294,118	19,195,922	2,034,173	16,330,243	1.3	2.2
<b>Total Opportunistic</b>	<b>N/A</b>	<b>590,007,343</b>	<b>428,834,295</b>	<b>181,323,200</b>	<b>302,157,843</b>	<b>175,907,347</b>	<b>14.2</b>	<b>21.8</b>
<b>Private Real Estate Portfolio Only (ex. Timber)</b>	<b>N/A</b>	<b>1,692,844,709</b>	<b>1,420,302,962</b>	<b>400,059,438</b>	<b>691,032,355</b>	<b>1,214,180,802</b>	<b>98.3</b>	<b>98.6</b>
<b>Non-Core Portfolio</b>	<b>N/A</b>	<b>1,168,977,156</b>	<b>793,342,599</b>	<b>400,059,438</b>	<b>484,383,128</b>	<b>452,095,305</b>	<b>36.6</b>	<b>52.1</b>

Returns (%)	Market Value (\$)	Quarter				1 Year				3 Year			
		INC <sup>1</sup>	APP <sup>1</sup>	TGRS <sup>1</sup>	TNET <sup>1</sup>	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET
<b>Core</b>													
Berkshire Multifamily Income Realty Fund	14,196,471	0.9	-5.9	-5.0	-5.1	3.2	-25.6	-23.1	-23.6	3.3	-1.0	2.3	1.6
CIM VI (Urban REIT), LLC	14,026,094	0.3	-7.1	-6.8	-7.1	1.5	-20.1	-18.8	-19.7	1.9	-9.7	-8.0	-9.1
Cortland Partners Growth and Income Fund	69,617,310	0.5	-8.3	-7.8	-8.0	2.0	-26.2	-24.6	-25.4				
INVESCO Core Real Estate	203,941,227	1.0	-5.6	-4.7	-4.8	3.2	-15.0	-12.2	-12.5	3.4	1.2	4.6	4.3
Jamestown Premier Property Fund	14,390,792	0.4	-11.7	-11.3	-11.5	2.7	-52.2	-50.7	-51.0	2.4	-26.2	-24.3	-24.7
JP Morgan Strategic Property Fund	75,461,919	0.9	-8.3	-7.4	-7.6	3.3	-17.2	-14.3	-15.2	3.3	-0.6	2.7	1.8
Kayne Anderson Core Real Estate Fund	65,182,666	1.2	-5.0	-3.8	-3.9	4.9	-6.6	-1.9	-2.6	4.9	1.5	6.5	5.9
Lion Industrial Trust - 2007	162,764,341	0.9	-3.8	-2.9	-2.5	3.5	-7.2	-3.9	-3.5	3.6	17.7	21.8	18.4
Prime Property Fund	64,663,997	1.0	-2.9	-1.9	-2.2	3.7	-8.2	-4.7	-5.8	3.7	4.1	7.9	6.7
Principal U.S. Property Account	77,840,678	1.1	-3.1	-2.1	-2.3	4.1	-13.7	-10.0	-10.7	4.1	1.3	5.4	4.5
<b>Total Core</b>	<b>762,085,497</b>	<b>0.9</b>	<b>-5.4</b>	<b>-4.5</b>	<b>-4.6</b>	<b>3.4</b>	<b>-15.2</b>	<b>-12.2</b>	<b>-12.6</b>	<b>3.5</b>	<b>2.1</b>	<b>5.6</b>	<b>4.5</b>
<b>Timber</b>													
Hancock Timberland XI	20,799,193	0.5	4.9	5.4	5.2	0.9	4.8	5.7	4.7	0.8	7.3	8.2	7.2
<b>Timber</b>	<b>20,799,193</b>	<b>0.5</b>	<b>4.9</b>	<b>5.4</b>	<b>5.2</b>	<b>0.9</b>	<b>4.8</b>	<b>5.7</b>	<b>4.7</b>	<b>0.8</b>	<b>7.3</b>	<b>8.2</b>	<b>7.2</b>
<b>Value Added</b>													
Almanac Realty Securities VI	2,669,067	-0.1	-6.4	-6.5	-6.8	-0.2	-17.7	-17.9	-18.8	0.3	-1.6	-1.3	-2.4
Asana Partners Fund I	26,462,286	0.3	1.1	1.4	1.9	0.9	-4.8	-3.9	-1.0	2.7	13.6	16.5	12.1
Asana Partners Fund II	32,581,894	-0.3	1.8	1.5	1.3	-1.5	-1.9	-3.4	0.3	-0.4	17.7	17.2	14.8
DRA Growth and Income Fund VII	22,404	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
DRA Growth and Income Fund VIII	5,084,234	-3.3	-11.8	-15.1	-15.6	-5.9	-38.0	-42.0	-43.9	2.9	-10.9	-8.7	-10.0
EQT Exeter Industrial Value Fund VI, L.P.	6,284,564												
Gerrity Retail Fund 2	15,036,198	0.8	-11.2	-10.4	-10.7	3.1	-11.2	-8.3	-9.5	5.1	-3.4	1.6	0.3
GLP Capital Partners IV	34,116,272	2.9	-2.9	0.0	-0.1	-2.2	-1.2	-3.2	-3.7				
Heitman Asia-Pacific Property Investors	15,258,077	0.4	-3.4	-3.0	-3.2	1.5	-7.9	-6.5	-7.3	2.8	-3.5	-0.8	-1.6
LBA Logistics Value Fund IX	26,558,301	-0.6	0.1	-0.5	-1.1	-3.6	-1.2	-4.8	-8.0				
LBA Logistics Value Fund VII	42,629,579	0.4	0.6	1.0	0.9	2.3	-0.2	2.0	1.2	3.4	15.5	19.3	17.4
NB Partners Fund IV LP	5,274,206	-1.9	6.1	4.2	2.0								
NREP Nordic Strategies Fund IV	21,455,508	2.2	-2.0	0.2	-0.5	1.0	-14.6	-13.8	-13.2	-8.5	12.2	4.3	-3.6
Standard Life Investments European Real Estate Club II <sup>2</sup>	91,958	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Waterton Residential Property Venture XIV, L.P.	40,393,052	0.8	-6.3	-5.5	-5.9	0.8	-16.6	-15.9	-16.3	0.2	22.6	22.9	15.1
Waterton Residential Property Venture XV	2,270,358	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total Value Added</b>	<b>273,917,598</b>	<b>0.5</b>	<b>-2.1</b>	<b>-1.7</b>	<b>-2.2</b>	<b>-0.2</b>	<b>-7.3</b>	<b>-7.5</b>	<b>-8.5</b>	<b>2.7</b>	<b>8.3</b>	<b>11.0</b>	<b>7.8</b>
<b>Total Portfolio<sup>3</sup></b>													
<b>LACERS</b>	<b>1,234,979,995</b>	<b>0.7</b>	<b>-4.0</b>	<b>-3.2</b>	<b>-3.5</b>	<b>2.7</b>	<b>-11.8</b>	<b>-9.3</b>	<b>-10.1</b>	<b>3.2</b>	<b>3.9</b>	<b>7.2</b>	<b>5.5</b>
<b>Indices</b>													
NFI-ODCE (Core)		1.0	-5.8	-4.8	-5.0	3.6	-15.2	-12.0	-12.7	3.7	1.2	4.9	4.0
NFI-ODCE + 80 bps (Total Portfolio)				-4.6	-4.8			-11.2	-11.9			5.7	4.8
NFI-ODCE + 200 bps (Non-Core Portfolio)				-4.3	-4.5			-10.0	-10.7			6.9	6.0
NFI -ODCE + 50 bps (Value Add)				-4.7	-4.9			-11.5	-12.2			5.4	4.5
NFI -ODCE + 300 bps (Opportunistic)				-4.1	-4.2			-9.0	-9.7			7.9	7.0
NCREIF Timberland Property Index "NTI"		0.7	3.7	4.3		2.6	6.7	9.5		3.1	7.3	10.5	

\* Net IRR and Equity Multiple may be missing due to hard coded data.

<sup>1</sup> INC: Income Return; APP: Appreciation Return; TGRS: Total Gross Return; TNET: Total Net Return. Please refer to Exhibit C for more detailed definitions.

<sup>2</sup> Liquidating investment. Time-weighted returns are excluded as they are no longer meaningful.

<sup>3</sup> Excludes Integrated Capital Hospitality Fund, which did not provide data as of 12/31/23.



Returns (%)	Market Value (\$)	5 Year				Inception				TWR Calculation Inception	Net IRR*	Equity Multiple*
		INC	APP	TGRS	TNET	INC	APP	TGRS	TNET			
<b>Core</b>												
Berkshire Multifamily Income Realty Fund	14,196,471	3.6	-0.8	2.8	2.0	3.8	0.6	4.5	3.7	1Q16	6.8	1.5
CIM VI (Urban REIT), LLC	14,026,094	2.3	-7.0	-4.9	-6.0	3.1	0.3	3.4	2.1	3Q12	2.9	1.3
Cortland Partners Growth and Income Fund	69,617,310					2.4	-21.8	-19.8	-20.6	3Q22	-22.6	0.7
INVESCO Core Real Estate	203,941,227	3.4	0.3	3.7	3.4	4.7	2.3	7.1	6.7	4Q04	6.7	2.1
Jamestown Premier Property Fund	14,390,792	2.2	-18.5	-16.5	-16.9	3.1	-8.6	-5.7	-6.8	3Q15	-4.8	0.8
JP Morgan Strategic Property Fund	75,461,919	3.5	-0.7	2.8	1.8	4.8	1.5	6.3	5.3	4Q05	5.5	2.6
Kayne Anderson Core Real Estate Fund	65,182,666	5.0	1.6	6.6	6.0	5.0	1.6	6.6	6.0	1Q19	4.9	1.2
Lion Industrial Trust - 2007	162,764,341	4.1	14.6	19.1	16.1	4.6	12.9	17.9	15.2	1Q16	14.7	2.1
Prime Property Fund	64,663,997	3.7	2.9	6.6	5.5	3.8	3.9	7.8	6.7	1Q16	6.8	1.5
Principal U.S. Property Account	77,840,678	4.1	0.8	4.9	4.0	4.4	2.3	6.8	5.8	4Q15	5.7	1.6
<b>Total Core</b>	<b>762,085,497</b>	<b>3.6</b>	<b>1.4</b>	<b>5.0</b>	<b>4.0</b>	<b>6.0</b>	<b>1.6</b>	<b>7.7</b>	<b>6.7</b>	<b>1Q89</b>	<b>5.4</b>	<b>1.5</b>
<b>Timber</b>												
Hancock Timberland XI	20,799,193	0.7	5.2	6.0	5.0	0.1	5.7	5.8	4.9	2Q12	4.6	1.5
<b>Timber</b>	<b>20,799,193</b>	<b>0.7</b>	<b>5.2</b>	<b>6.0</b>	<b>5.0</b>	<b>4.0</b>	<b>5.6</b>	<b>9.8</b>	<b>8.6</b>	<b>4Q99</b>	<b>9.2</b>	<b>1.9</b>
<b>Value Added</b>												
Almanac Realty Securities VI	2,669,067	2.7	-11.2	-8.7	-9.6	6.0	-2.0	3.1	1.7	1Q13	8.2	1.3
Asana Partners Fund I	26,462,286	2.7	9.2	12.1	9.7	2.3	13.3	15.5	11.5	2Q17	11.8	1.8
Asana Partners Fund II	32,581,894					-3.2	6.7	3.1	-4.2	4Q19	8.0	1.2
DRA Growth and Income Fund VII	22,404	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1Q12	21.6	2.4
DRA Growth and Income Fund VIII	5,084,234	3.8	-10.1	-6.8	-8.1	8.3	-3.6	2.5	0.5	4Q14	5.7	1.2
EQT Exeter Industrial Value Fund VI, L.P.	6,284,564									4Q23	-17.1	0.8
Gerrity Retail Fund 2	15,036,198	5.4	-5.4	-0.2	-1.5	6.7	0.1	5.1	3.3	4Q15	2.4	1.1
GLP Capital Partners IV	34,116,272					13.5	10.5	22.2	21.5	3Q21	16.0	1.3
Heitman Asia-Pacific Property Investors	15,258,077	2.9	-1.5	1.3	0.5	2.4	-1.4	0.3	-0.5	3Q18	1.2	1.0
LBA Logistics Value Fund IX	26,558,301					-3.5	-0.6	-3.8	-8.7	2Q22	-8.9	0.9
LBA Logistics Value Fund VII	42,629,579					3.3	19.8	22.0	19.7	4Q20	14.9	1.4
NB Partners Fund IV LP	5,274,206					-4.6	-1.0	-1.6	-8.6	2Q23	-24.2	0.8
NREP Nordic Strategies Fund IV	21,455,508					-17.2	28.7	8.5	N/A	1Q20	-3.7	0.9
Standard Life Investments European Real Estate Club II <sup>2</sup>	91,958	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1Q16	15.5	1.4
Waterton Residential Property Venture XIV, L.P.	40,393,052					-0.1	27.9	22.9	15.1	1Q21	-5.7	0.9
Waterton Residential Property Venture XV	2,270,358	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1Q23	-37.4	0.7
<b>Total Value Added</b>	<b>273,917,598</b>	<b>3.5</b>	<b>5.6</b>	<b>9.1</b>	<b>5.9</b>	<b>7.0</b>	<b>3.0</b>	<b>10.1</b>	<b>7.9</b>	<b>4Q90</b>	<b>7.0</b>	<b>1.3</b>
<b>Total Portfolio<sup>3</sup></b>												
<b>LACERS</b>	<b>1,234,979,995</b>	<b>3.3</b>	<b>2.3</b>	<b>5.6</b>	<b>4.1</b>	<b>5.7</b>	<b>1.6</b>	<b>7.4</b>	<b>5.7</b>	<b>1Q89</b>		
<b>Indices</b>												
NFI-ODCE (Core)		3.8	0.4	4.2	3.3	6.3	0.5	6.9	5.9	1Q89		
NFI-ODCE + 80 bps (Total Portfolio)				5.0	4.1			7.7	6.7	1Q89		
NFI-ODCE + 200 bps (Non-Core Portfolio)				6.2	5.3			9.0	8.0	4Q90		
NFI -ODCE + 50 bps (Value Add)				4.7	3.8			7.5	6.5	4Q90		
NFI -ODCE + 300 bps (Opportunistic)				7.2	6.3			11.3	10.3	4Q96		
NCREIF Timberland Property Index "NTI"		2.9	3.7	6.6		3.2	3.2	6.4		4Q99		

Net IRR and Equity Multiple may be missing due to hard coded data.

<sup>1</sup> INC: Income Return; APP: Appreciation Return; TGRS: Total Gross Return; TNET: Total Net Return. Please refer to Exhibit C for more detailed definitions.

<sup>2</sup> Liquidating investment. Time-weighted returns are excluded as they are no longer meaningful.

<sup>3</sup> Excludes Integrated Capital Hospitality Fund, which did not provide data as of 12/31/23.

Returns (%)	Market Value (\$)	Quarter				1 Year				3 Year			
		INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET
<b>Opportunistic</b>													
Apollo CPI Europe I <sup>1</sup>	222,411	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bristol Value II, L.P.	16,842,930	0.7	-7.8	-7.1	-7.1	4.5	-6.6	-2.4	-2.5	4.7	3.0	7.7	6.6
Broadview Real Estate Partners Fund, L.P.	10,694,223	-0.3	5.3	5.1	4.2	-1.0	10.9	9.8	8.2	-1.4	27.4	25.9	18.1
Brookfield Strategic Real Estate Partners IV	32,298,209	0.0	-1.8	-1.8	-0.6	0.7	4.0	4.7	3.3	0.0	0.0	0.0	0.0
Bryanston Retail Opportunity Fund	58,630	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
California Smart Growth Fund IV	-264	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cerberus Institutional Real Estate Partners V	37,615,127	-0.3	1.9	1.6	1.0	-0.7	12.8	12.0	8.2	-2.3	27.3	24.7	16.0
CIM Real Estate Fund III <sup>2</sup>	4,489,440	-1.7	-0.5	-2.2	-2.6	-3.3	-22.2	-24.9	-26.1	-1.8	-4.9	-6.7	-8.2
Latin America Investors III <sup>1</sup>	-3,139,684	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Lone Star Fund VII <sup>1</sup>	6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Lone Star Real Estate Fund II <sup>1</sup>	19,953	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Oaktree Real Estate Opportunities Fund VIII L.P.	32,019,651	0.0	4.9	4.9	3.6	4.0	1.4	5.5	2.8	0.0	0.0	0.0	0.0
RECP Fund IV, L.P.	14,216,099	1.3	-12.6	-11.3	-11.3	2.9	-18.4	-15.9	-15.9	1.7	-9.0	-7.4	-6.8
Stockbridge Real Estate Fund II <sup>1</sup>	350,063	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Torchlight Debt Opportunity Fund IV	1,317,199	1.1	-14.0	-12.8	-29.7	3.6	-30.1	-27.3	-38.5	2.7	-14.2	-11.8	-15.0
TPG Real Estate Partners IV	1,777,672	-14.3	-9.5	-23.8	-36.3	-26.4	-12.2	-36.7	-61.3	0.0	0.0	0.0	0.0
Walton Street Real Estate Fund V	499,027	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Walton Street Real Estate Fund VI	10,296,413	2.8	-6.0	-3.1	-3.2	10.3	-8.1	1.7	1.5	11.1	0.6	11.8	11.4
Wolff Credit Partners III, LP	16,330,243	3.5	0.0	3.5	2.4	20.5	0.0	20.5	10.4	0.0	0.0	0.0	0.0
<b>Opportunistic</b>	<b>175,907,347</b>	<b>0.4</b>	<b>-1.3</b>	<b>-1.0</b>	<b>-1.6</b>	<b>4.4</b>	<b>-2.3</b>	<b>2.1</b>	<b>-0.7</b>	<b>3.2</b>	<b>7.4</b>	<b>10.7</b>	<b>7.5</b>
<b>Private Real Estate Portfolio Only (ex. Timber)<sup>3</sup></b>	<b>1,211,910,442</b>	<b>0.7</b>	<b>-4.1</b>	<b>-3.4</b>	<b>-3.6</b>	<b>2.8</b>	<b>-12.0</b>	<b>-9.5</b>	<b>-10.3</b>	<b>3.3</b>	<b>3.9</b>	<b>7.2</b>	<b>5.5</b>
<b>Non-Core Portfolio</b>	<b>449,824,945</b>	<b>0.4</b>	<b>-1.8</b>	<b>-1.4</b>	<b>-2.0</b>	<b>1.5</b>	<b>-5.4</b>	<b>-3.9</b>	<b>-5.5</b>	<b>2.9</b>	<b>8.0</b>	<b>11.0</b>	<b>7.7</b>
<b>Total Portfolio<sup>3</sup></b>													
<b>LACERS</b>	<b>1,234,979,995</b>	<b>0.7</b>	<b>-4.0</b>	<b>-3.2</b>	<b>-3.5</b>	<b>2.7</b>	<b>-11.8</b>	<b>-9.3</b>	<b>-10.1</b>	<b>3.2</b>	<b>3.9</b>	<b>7.2</b>	<b>5.5</b>
<b>Indices</b>													
NFI-ODCE (Core)		1.0	-5.8	-4.8	-5.0	3.6	-15.2	-12.0	-12.7	3.7	1.2	4.9	4.0
NFI-ODCE + 80 bps (Total Portfolio)				-4.6	-4.8			-11.2	-11.9			5.7	4.8
NFI-ODCE + 200 bps (Non-Core Portfolio)				-4.3	-4.5			-10.0	-10.7			6.9	6.0
NFI -ODCE + 50 bps (Value Add)				-4.7	-4.9			-11.5	-12.2			5.4	4.5
NFI -ODCE + 300 bps (Opportunistic)				-4.1	-4.2			-9.0	-9.7			7.9	7.0
NCREIF Timberland Property Index "NTI"		0.7	3.7	4.3		2.6	6.7	9.5		3.1	7.3	10.5	

\* Net IRR and Equity Multiple may be missing due to hard coded data.

<sup>1</sup> Liquidating investment. Time-weighted returns are excluded as they are no longer meaningful.

<sup>2</sup> Broken time-weighted return since inception

<sup>3</sup> Excludes Integrated Capital Hospitality Fund, which did not provide data as of 12/31/23.

Returns (%)	Market Value (\$)	5 Year				Inception				TWR Calculation Inception	Net IRR*	Equity Multiple*
		INC	APP	TGRS	TNET	INC	APP	TGRS	TNET			
<b>Opportunistic</b>												
Apollo CPI Europe I <sup>1</sup>	222,411	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4Q06	-9.0	0.5
Bristol Value II, L.P.	16,842,930	3.3	4.9	8.4	7.1	3.2	8.4	11.8	10.2	1Q13	8.9	1.5
Broadview Real Estate Partners Fund, L.P.	10,694,223	0.0	0.0	0.0	0.0	-4.5	148.4	N/A	N/A	4Q19	10.0	1.2
Brookfield Strategic Real Estate Partners IV	32,298,209	0.0	0.0	0.0	0.0	0.5	9.1	9.6	6.3	4Q22	7.2	1.1
Bryanston Retail Opportunity Fund	58,630	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2Q05	79.6	4.7
California Smart Growth Fund IV	-264	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1Q07	3.0	1.2
Cerberus Institutional Real Estate Partners V	37,615,127	0.0	0.0	0.0	0.0	-2.3	27.3	24.7	16.0	1Q21	13.7	1.3
CIM Real Estate Fund III <sup>2</sup>	4,489,440	-1.3	-6.3	-7.6	-9.0	-7.0	N/A	N/A	N/A	1Q08	7.6	1.5
Latin America Investors III <sup>1</sup>	-3,139,684	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1Q09	0.0	0.0
Lone Star Fund VII <sup>1</sup>	6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3Q11	50.2	1.8
Lone Star Real Estate Fund II <sup>1</sup>	19,953	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3Q11	26.3	1.6
Oaktree Real Estate Opportunities Fund VIII L.P.	32,019,651	0.0	0.0	0.0	0.0	4.9	2.9	8.1	4.0	4Q21	12.8	1.1
RECP Fund IV, L.P.	14,216,099	1.8	-10.6	-9.0	-9.1	2.9	-7.7	-5.1	-7.6	4Q08	0.5	1.0
Stockbridge Real Estate Fund II <sup>1</sup>	350,063	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4Q06	-6.7	0.5
Torchlight Debt Opportunity Fund IV	1,317,199	3.2	-12.9	-10.1	-9.8	6.4	-4.7	1.4	0.1	4Q13	8.7	1.4
TPG Real Estate Partners IV	1,777,672	0.0	0.0	0.0	0.0	-26.4	-12.2	-36.7	-61.3	4Q22	-71.5	0.4
Walton Street Real Estate Fund V	499,027	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4Q06	-3.7	0.7
Walton Street Real Estate Fund VI	10,296,413	7.8	-2.6	5.1	4.5	-4.0	8.5	3.3	-0.1	3Q09	8.3	1.6
Wolff Credit Partners III, LP	16,330,243	0.0	0.0	0.0	0.0	66.6	0.0	66.6	33.2	2Q22	11.8	1.1
<b>Opportunistic</b>	<b>175,907,347</b>	<b>2.2</b>	<b>1.6</b>	<b>3.8</b>	<b>1.4</b>	<b>3.8</b>	<b>2.6</b>	<b>6.4</b>	<b>3.1</b>	<b>4Q96</b>	<b>2.0</b>	<b>1.1</b>
<b>Private Real Estate Portfolio Only (ex. Timber)<sup>3</sup></b>	<b>1,211,910,442</b>	<b>3.4</b>	<b>2.2</b>	<b>5.7</b>	<b>4.2</b>	<b>5.7</b>	<b>1.5</b>	<b>7.3</b>	<b>5.7</b>	<b>1Q89</b>		
<b>Non-Core Portfolio</b>	<b>449,824,945</b>	<b>2.8</b>	<b>3.7</b>	<b>6.6</b>	<b>3.8</b>	<b>5.9</b>	<b>2.7</b>	<b>8.8</b>	<b>6.2</b>	<b>4Q90</b>		
<b>Total Portfolio<sup>3</sup></b>												
<b>LACERS</b>	<b>1,234,979,995</b>	<b>3.3</b>	<b>2.3</b>	<b>5.6</b>	<b>4.1</b>	<b>5.7</b>	<b>1.6</b>	<b>7.4</b>	<b>5.7</b>	<b>1Q89</b>		
<b>Indices</b>												
NFI-ODCE (Core)		3.8	0.4	4.2	3.3	6.3	0.5	6.9	5.9	1Q89		
NFI-ODCE + 80 bps (Total Portfolio)				5.0	4.1			7.7	6.7	1Q89		
NFI-ODCE + 200 bps (Non-Core Portfolio)				6.2	5.3			9.0	8.0	4Q90		
NFI -ODCE + 50 bps (Value Add)				4.7	3.8			7.5	6.5	4Q90		
NFI -ODCE + 300 bps (Opportunistic)				7.2	6.3			11.3	10.3	4Q96		
NCREIF Timberland Property Index "NTI"		2.9	3.7	6.6		3.2	3.2	6.4		4Q99		

\* Net IRR and Equity Multiple may be missing due to hard coded data.

<sup>1</sup> Liquidating investment. Time-weighted returns are excluded as they are no longer meaningful.

<sup>2</sup> Broken time-weighted return since inception

<sup>3</sup> Excludes Integrated Capital Hospitality Fund, which did not provide data as of 12/31/23.

Returns (%)	Market Value (\$)	2023		2022		2021		2020		2019		2018	
		TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
<b>Core</b>													
Berkshire Multifamily Income Realty Fund	14,196,471	-23.1	-23.6	10.9	9.9	25.7	24.9	1.9	1.0	5.0	4.2	6.2	5.6
CIM VI (Urban REIT), LLC	14,026,094	-18.8	-19.7	-3.3	-4.5	-0.7	-2.0	-5.0	-6.3	5.3	3.9	10.4	8.9
Cortland Partners Growth and Income Fund	69,617,310	-24.6	-25.4	-4.7	-5.1								
INVESCO Core Real Estate	203,941,227	-12.2	-12.5	7.7	7.3	21.1	20.7	-1.6	-1.9	6.6	6.2	9.4	9.0
Jamestown Premier Property Fund	14,390,792	-50.7	-51.0	-11.7	-12.1	-0.5	-1.1	-9.3	-9.4	3.0	2.4	9.7	7.7
JP Morgan Strategic Property Fund	75,461,919	-14.3	-15.2	4.6	3.7	20.9	19.8	1.4	0.4	4.4	3.4	8.0	7.0
Kayne Anderson Core Real Estate Fund	65,182,666	-1.9	-2.6	8.7	8.0	13.2	12.8	4.0	3.5	9.6	9.0		
Lion Industrial Trust - 2007	162,764,341	-3.9	-3.5	25.7	21.6	49.7	41.5	13.7	11.6	16.5	13.9	18.7	15.9
Prime Property Fund	64,663,997	-4.7	-5.8	7.4	6.1	22.9	21.5	2.1	1.3	7.4	6.2	9.1	8.0
Principal U.S. Property Account	77,840,678	-10.0	-10.7	5.1	4.2	23.7	22.6	1.6	0.6	7.0	6.0	9.1	8.1
<b>Total Core</b>	<b>762,085,497</b>	<b>-12.2</b>	<b>-12.6</b>	<b>9.0</b>	<b>7.8</b>	<b>23.0</b>	<b>21.2</b>	<b>1.2</b>	<b>0.4</b>	<b>7.2</b>	<b>6.3</b>	<b>9.8</b>	<b>8.7</b>
<b>Timber</b>													
Hancock Timberland XI	20,799,193	5.7	4.7	8.0	7.0	10.9	9.9	0.6	-0.3	4.9	3.9	3.9	2.9
<b>Total Timber</b>	<b>20,799,193</b>	<b>5.7</b>	<b>4.7</b>	<b>8.0</b>	<b>7.0</b>	<b>10.9</b>	<b>9.9</b>	<b>0.6</b>	<b>-0.3</b>	<b>4.9</b>	<b>3.9</b>	<b>3.9</b>	<b>2.9</b>
<b>Value Added</b>													
Almanac Realty Securities VI	2,669,067	-17.9	-18.8	-0.1	-1.2	17.2	15.9	-32.1	-32.9	-2.5	-3.2	2.0	1.3
Asana Partners Fund I	26,462,286	-3.9	-1.0	7.4	5.2	53.1	35.3	-13.0	-7.1	28.7	21.3	26.4	18.7
Asana Partners Fund II	32,581,894	-3.4	0.3	1.8	0.7	63.7	49.9	-36.4	-45.7	11.1	1.5		
DRA Growth and Income Fund VII	22,404	2.0	-28.6	34.0	28.9	49.6	39.6	51.2	40.5	58.0	46.3	45.3	37.5
DRA Growth and Income Fund VIII	5,084,234	-42.0	-43.9	-1.1	-1.5	32.7	31.9	-16.6	-17.1	11.0	8.6	14.1	11.3
EQT Exeter Industrial Value Fund VI, L.P.	6,284,564												
Gerrity Retail Fund 2	15,036,198	-8.3	-9.5	6.6	5.2	7.4	5.9	-11.5	-12.7	6.7	5.3	12.4	10.6
GLP Capital Partners IV	34,116,272	-3.2	-3.7	13.8	13.3	49.8	49.0						
Heitman Asia-Pacific Property Investors	15,258,077	-6.5	-7.3	-0.3	-1.1	4.7	4.0	5.2	4.3	4.1	3.3	-4.7	-5.2
LBA Logistics Value Fund IX	26,558,301	-4.8	-8.0	-1.9	-7.3								
LBA Logistics Value Fund VII	42,629,579	2.0	1.2	9.2	7.7	52.3	48.5	12.4	11.0				
NB Partners Fund IV LP	5,274,206	-1.6	-8.6										
NREP Nordic Strategies Fund IV	21,455,508	-13.8	-13.2	0.6	-6.4	30.9	10.3	22.1	-121.4				
Standard Life Investments European Real Estate Club II <sup>1</sup>	91,958	-12.1	-9.4	-30.9	-26.4	5.7	4.4	3.9	1.1	54.8	41.9	-2.0	-2.7
Waterton Residential Property Venture XIV, L.P.	40,393,052	-15.9	-16.3	15.3	11.7	91.3	63.1						
Waterton Residential Property Venture XV	2,270,358												
<b>Total Value Added</b>	<b>276,187,958</b>	<b>-7.5</b>	<b>-8.5</b>	<b>6.4</b>	<b>4.3</b>	<b>39.2</b>	<b>31.3</b>	<b>-4.8</b>	<b>-6.8</b>	<b>18.9</b>	<b>13.9</b>	<b>14.1</b>	<b>11.0</b>
<b>Total Portfolio<sup>2</sup></b>													
<b>LACERS</b>	<b>1,234,979,995</b>	<b>-9.3</b>	<b>-10.1</b>	<b>8.5</b>	<b>6.8</b>	<b>25.3</b>	<b>22.4</b>	<b>-0.8</b>	<b>-1.8</b>	<b>7.6</b>	<b>6.2</b>	<b>8.4</b>	<b>7.0</b>
<b>Indices</b>													
NFI-ODCE (Core)		-12.0	-12.7	7.5	6.5	22.2	21.0	1.2	0.3	5.3	4.4	8.3	7.4
NFI-ODCE + 80 bps (Total Portfolio)		-11.2	-11.9	8.3	7.3	23.0	21.8	2.0	1.1	6.1	5.2	9.1	8.2
NFI-ODCE + 200 bps (Non-Core Portfolio)		-10.0	-10.7	9.5	8.5	24.2	23.0	4.0	3.1	8.1	7.2	11.1	10.2
NFI-ODCE + 50 bps (Value Add)		-11.5	-12.2	8.0	7.0	22.7	21.5	1.7	0.8	5.8	4.9	8.8	7.9
NFI-ODCE + 300 bps (Opportunistic)		-9.0	-9.7	10.5	9.5	25.2	24.0	4.2	3.3	8.3	7.4	11.3	10.4
NCREIF Timberland Index (Timber)		9.5		12.9		9.2		0.8		1.3		3.4	

<sup>1</sup> Liquidating investment. Time-weighted returns are excluded as they are no longer meaningful.

<sup>2</sup> Excludes Integrated Capital Hospitality Fund, which did not provide data as of 12/31/23.

Returns (%)	Market Value (\$)	2017		2016		2015		2014		2013	
		TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
<b>Core</b>											
Berkshire Multifamily Income Realty Fund	14,196,471	5.4	4.7	10.4	9.5						
CIM VI (Urban REIT), LLC	14,026,094	5.2	3.7	2.6	2.4	13.4	11.0	15.0	13.5	6.8	5.4
Cortland Partners Growth and Income Fund	69,617,310										
INVESCO Core Real Estate	203,941,227	8.4	8.0	9.2	8.9	14.7	14.3	12.4	11.9	14.3	13.8
Jamestown Premier Property Fund	14,390,792	18.0	14.2	6.7	5.4	8.5	7.0				
JP Morgan Strategic Property Fund	75,461,919	7.2	6.2	8.4	7.3	15.2	14.1	11.1	10.1	15.9	14.8
Kayne Anderson Core Real Estate Fund	65,182,666										
Lion Industrial Trust - 2007	162,764,341	14.4	12.3	14.9	12.8						
Prime Property Fund	64,663,997	9.9	8.8	10.4	9.2						
Principal U.S. Property Account	77,840,678	9.1	8.1	10.1	9.0	3.0	2.8				
<b>Total Core</b>	<b>762,085,497</b>	<b>9.2</b>	<b>8.1</b>	<b>8.7</b>	<b>7.9</b>	<b>13.4</b>	<b>12.7</b>	<b>11.8</b>	<b>11.3</b>	<b>13.3</b>	<b>12.5</b>
<b>Timber</b>											
Hancock Timberland XI	20,799,193	2.1	1.2	3.5	2.6	5.4	4.6	5.2	4.6	9.9	8.9
<b>Total Timber</b>	<b>20,799,193</b>	<b>2.1</b>	<b>1.2</b>	<b>3.5</b>	<b>2.6</b>	<b>5.4</b>	<b>4.5</b>	<b>8.1</b>	<b>4.5</b>	<b>20.9</b>	<b>17.8</b>
<b>Value Added</b>											
Almanac Realty Securities VI	2,669,067	0.4	-0.3	15.2	14.3	23.5	21.2	15.2	12.8	31.6	26.1
Asana Partners Fund I	26,462,286	18.1	10.8								
Asana Partners Fund II	32,581,894										
DRA Growth and Income Fund VII	22,404	34.3	27.5	35.2	28.8	22.9	16.2	20.3	17.7	18.7	15.5
DRA Growth and Income Fund VIII	5,084,234	14.2	11.7	14.7	11.8	16.0	12.9	2.7	2.1		
EQT Exeter Industrial Value Fund VI, L.P.	6,284,564										
Gerrity Retail Fund 2	15,036,198	9.8	7.6	21.4	17.7	1.7	0.6				
GLP Capital Partners IV	34,116,272										
Heitman Asia-Pacific Property Investors	15,258,077										
LBA Logistics Value Fund IX	26,558,301										
LBA Logistics Value Fund VII	42,629,579										
NB Partners Fund IV LP	5,274,206										
NREP Nordic Strategies Fund IV	21,455,508										
Standard Life Investments European Real Estate Club II <sup>1</sup>	91,958	33.8	32.6	8.1	7.1						
Waterton Residential Property Venture XIV, L.P.	40,393,052										
Waterton Residential Property Venture XV	2,270,358										
<b>Total Value Added</b>	<b>276,187,958</b>	<b>18.6</b>	<b>15.9</b>	<b>14.6</b>	<b>12.1</b>	<b>14.5</b>	<b>11.7</b>	<b>12.6</b>	<b>10.9</b>	<b>9.5</b>	<b>7.9</b>
<b>Total Portfolio<sup>2</sup></b>											
<b>LACERS</b>	<b>1,234,979,995</b>	<b>10.0</b>	<b>8.6</b>	<b>8.1</b>	<b>6.8</b>	<b>11.2</b>	<b>9.5</b>	<b>13.7</b>	<b>11.8</b>	<b>13.5</b>	<b>11.4</b>
<b>Indices</b>											
NFI-ODCE (Core)		7.6	6.7	8.8	7.8	15.0	14.0	12.5	11.5	13.9	12.9
NFI-ODCE + 80 bps (Total Portfolio)		8.4	7.5	9.6	8.6	15.8	14.8	13.3	12.3	14.7	13.7
NFI-ODCE + 200 bps (Non-Core Portfolio)		10.4	9.5	11.6	10.6	17.8	16.8	15.3	14.3	16.7	15.7
NFI-ODCE + 50 bps (Value Add)		8.1	7.2	9.3	8.3	15.5	14.5	13.0	12.0	14.4	13.4
NFI-ODCE + 300 bps (Opportunistic)		10.6	9.7	11.8	10.8	18.0	17.0	15.5	14.5	16.9	15.9
NCREIF Timberland Index (Timber)		3.6		2.7		5.0		10.5		9.7	

<sup>1</sup> Liquidating investment. Time-weighted returns are excluded as they are no longer meaningful.

<sup>2</sup> Excludes Integrated Capital Hospitality Fund, which did not provide data as of 12/31/23.

Returns (%)	Market Value (\$)	2023		2022		2021		2020		2019		2018		2017	
		TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
<b>Opportunistic</b>															
Apollo CPI Europe I <sup>1</sup>	222,411	1.7	1.7	N/A	N/A	N/A	N/A	N/A	N/A	1.6	1.6	-23.0	-23.2	10.4	10.4
Bristol Value II, L.P.	16,842,930	-2.4	-2.5	9.6	7.1	16.9	15.9	10.1	8.7	8.5	6.9	6.7	5.1	17.1	15.3
Broadview Real Estate Partners Fund, L.P.	10,694,223	9.8	8.2	13.4	8.8	60.3	40.2	82.4	35.2	-158.5	-158.5				
Brookfield Strategic Real Estate Partners IV	32,298,209	4.7	3.3	7.1	4.5										
Bryanston Retail Opportunity Fund	58,630	-7.7	-7.7	-7.2	-6.9	74.3	74.0	51.2	50.8	18.3	17.9	23.5	22.9	-22.1	-22.4
California Smart Growth Fund IV	-264	-6.9	-6.9	24.9	24.9	26.4	26.4	10.1	10.1	28.3	28.3	-6.1	-6.1	14.3	12.8
Cerberus Institutional Real Estate Partners V	37,615,127	12.0	8.2	24.0	17.1	39.5	23.4								
CIM Real Estate Fund III <sup>1</sup>	4,489,440	-24.9	-26.1	-2.5	-3.9	11.0	9.0	-17.2	-18.5	0.3	-1.1	5.9	4.5	8.0	6.4
Latin America Investors III <sup>1</sup>	-3,139,684	13.2	18.9	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-99.0	-103.0	-21.9	-24.6
Lone Star Fund VII <sup>1</sup>	6	2.5	1.3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-38.2	-29.2	-57.8	-46.7
Lone Star Real Estate Fund II <sup>1</sup>	19,953	97.7	75.9	N/A	N/A	N/A	N/A	N/A	N/A	10.1	10.4	-2.9	-1.0	-0.7	5.4
Oaktree Real Estate Opportunities Fund VIII	32,019,651	5.5	2.8	4.7	0.5	7.8	5.8								
RECP Fund IV, L.P.	14,216,099	-15.9	-15.9	-14.6	-14.6	10.4	12.9	-23.0	-25.1	2.3	2.1	2.1	1.6	14.6	12.4
Stockbridge Real Estate Fund II	350,063	-0.8	-0.8	N/A	N/A	16.0	15.3	-6.2	-6.6	-4.6	-5.0	0.6	0.2	21.2	20.6
Torchlight Debt Opportunity Fund IV	1,317,199	-27.3	-38.5	-14.7	-7.6	10.7	7.9	-12.3	-4.0	-2.2	1.5	14.8	10.7	15.2	11.3
TPG Real Estate Partners IV	1,777,672	-36.7	-61.3	14.8	78.2										
Walton Street Real Estate Fund V	499,027	-8.0	-8.0	N/A	N/A	-10.3	-10.3	-8.7	-8.7	-17.9	-18.1	-16.6	-17.1	4.5	3.5
Walton Street Real Estate Fund VI	10,296,413	1.7	1.5	14.7	14.3	19.8	19.2	-10.0	-11.0	2.0	1.0	4.2	3.1	9.2	7.9
Wolff Credit Partners III, LP	16,330,243	20.5	10.4	102.8	49.5										
<b>Total Opportunistic</b>	<b>175,907,347</b>	<b>2.1</b>	<b>-0.7</b>	<b>8.3</b>	<b>4.3</b>	<b>12.4</b>	<b>10.5</b>	<b>-11.2</b>	<b>-12.8</b>	<b>0.1</b>	<b>-0.8</b>	<b>-1.1</b>	<b>-2.5</b>	<b>7.5</b>	<b>5.8</b>
<b>Private Real Estate Portfolio Only (ex. Timber)<sup>2</sup></b>	<b>1,214,180,802</b>	<b>-9.5</b>	<b>-10.3</b>	<b>8.5</b>	<b>6.8</b>	<b>16.0</b>	<b>13.9</b>	<b>-0.8</b>	<b>-1.9</b>	<b>7.7</b>	<b>6.3</b>	<b>8.6</b>	<b>7.1</b>	<b>10.2</b>	<b>8.8</b>
<b>Non-Core Portfolio</b>	<b>452,095,305</b>	<b>-3.9</b>	<b>-5.5</b>	<b>7.1</b>	<b>4.3</b>	<b>20.6</b>	<b>16.2</b>	<b>-7.6</b>	<b>-9.3</b>	<b>9.0</b>	<b>6.2</b>	<b>5.8</b>	<b>3.7</b>	<b>12.1</b>	<b>10.0</b>
<b>Total Portfolio<sup>2</sup></b>															
<b>LACERS</b>	<b>1,234,979,995</b>	<b>-9.3</b>	<b>-10.1</b>	<b>8.5</b>	<b>6.8</b>	<b>25.3</b>	<b>22.4</b>	<b>-0.8</b>	<b>-1.8</b>	<b>7.6</b>	<b>6.2</b>	<b>8.4</b>	<b>7.0</b>	<b>10.0</b>	<b>8.6</b>
<b>Indices</b>															
NFI-ODCE (Core)		-12.0	-12.7	7.5	6.5	22.2	21.0	1.2	0.3	5.3	4.4	8.3	7.4	7.6	6.7
NFI-ODCE + 80 bps (Total Portfolio)		-11.2	-11.9	8.3	7.3	23.0	21.8	2.0	1.1	6.1	5.2	9.1	8.2	8.4	7.5
NFI-ODCE + 200 bps (Non-Core Portfolio)		-10.0	-10.7	9.5	8.5	24.2	23.0	4.0	3.1	8.1	7.2	11.1	10.2	10.4	9.5
NFI-ODCE + 50 bps (Value Add)		-11.5	-12.2	8.0	7.0	22.7	21.5	1.7	0.8	5.8	4.9	8.8	7.9	8.1	7.2
NFI-ODCE + 300 bps (Opportunistic)		-9.0	-9.7	10.5	9.5	25.2	24.0	4.2	3.3	8.3	7.4	11.3	10.4	10.6	9.7
NCREIF Timberland Index (Timber)		9.5	0.0	12.9		9.2		0.8		1.3		3.4		3.6	

<sup>1</sup> Liquidating investment. Time-weighted returns are excluded as they are no longer meaningful.

<sup>2</sup> Excludes Integrated Capital Hospitality Fund, which did not provide data as of 12/31/23.

Returns (%)	Market Value (\$)	2016		2015		2014		2013	
		TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
<b>Opportunistic</b>									
Apollo CPI Europe I <sup>1</sup>	222,411	-0.3	-0.4	-16.0	-16.4	-0.8	-1.5	0.7	0.1
Bristol Value II, L.P.	16,842,930	11.0	9.1	8.2	6.1	12.4	10.6	35.0	33.0
Broadview Real Estate Partners Fund, L.P.	10,694,223								
Brookfield Strategic Real Estate Partners IV	32,298,209								
Bryanston Retail Opportunity Fund	58,630	-2.5	-2.8	144.0	142.1	7.3	5.8	50.5	47.5
California Smart Growth Fund IV	-264	5.9	5.4	20.3	19.2	17.9	16.2	13.1	11.6
Cerberus Institutional Real Estate Partners V	37,615,127								
CIM Real Estate Fund III <sup>1</sup>	4,489,440	5.4	4.0	8.3	7.1	11.0	9.8	11.1	9.9
Latin America Investors III <sup>1</sup>	-3,139,684	-4.9	-6.9	-30.3	-32.8	0.4	-4.6	-17.9	-22.4
Lone Star Fund VII <sup>1</sup>	6	-27.3	-21.1	-0.1	0.0	42.8	33.5	100.6	75.7
Lone Star Real Estate Fund II <sup>1</sup>	19,953	16.4	13.8	42.5	32.9	58.3	44.7	30.5	22.3
Oaktree Real Estate Opportunities Fund VIII	32,019,651								
RECP Fund IV, L.P.	14,216,099	6.9	5.3	8.3	6.2	6.4	4.6	8.5	6.7
Stockbridge Real Estate Fund II	350,063	-4.7	-5.5	3.9	2.6	24.4	22.8	46.5	43.7
Torchlight Debt Opportunity Fund IV	1,317,199	11.8	9.8	12.0	9.8	13.9	10.4	3.6	3.0
TPG Real Estate Partners IV	1,777,672								
Walton Street Real Estate Fund V	499,027	2.1	0.7	11.9	10.4	13.2	11.7	12.9	11.2
Walton Street Real Estate Fund VI	10,296,413	-5.4	-6.6	13.5	12.2	14.8	13.4	16.0	14.3
Wolff Credit Partners III, LP	16,330,243								
<b>Total Opportunistic</b>	<b>175,907,347</b>	<b>2.8</b>	<b>1.3</b>	<b>7.2</b>	<b>5.3</b>	<b>15.7</b>	<b>12.9</b>	<b>15.3</b>	<b>12.2</b>
<b>Private Real Estate Portfolio Only (ex. Timber)<sup>2</sup></b>	<b>1,214,180,802</b>	<b>8.2</b>	<b>6.9</b>	<b>11.3</b>	<b>9.6</b>	<b>13.8</b>	<b>12.0</b>	<b>13.4</b>	<b>11.3</b>
<b>Non-Core Portfolio</b>	<b>452,095,305</b>	<b>7.5</b>	<b>5.6</b>	<b>9.8</b>	<b>7.6</b>	<b>14.7</b>	<b>12.2</b>	<b>13.6</b>	<b>10.9</b>
<b>Total Portfolio<sup>2</sup></b>									
<b>LACERS</b>	<b>1,234,979,995</b>	<b>8.1</b>	<b>6.8</b>	<b>11.2</b>	<b>9.5</b>	<b>13.7</b>	<b>11.8</b>	<b>13.5</b>	<b>11.4</b>
<b>Indices</b>									
NFI-ODCE (Core)		8.8	7.8	15.0	14.0	12.5	11.5	13.9	12.9
NFI-ODCE + 80 bps (Total Portfolio)		9.6	8.6	15.8	14.8	13.3	12.3	14.7	13.7
NFI-ODCE + 200 bps (Non-Core Portfolio)		11.6	10.6	17.8	16.8	15.3	14.3	16.7	15.7
NFI-ODCE + 50 bps (Value Add)		9.3	8.3	15.5	14.5	13.0	12.0	14.4	13.4
NFI-ODCE + 300 bps (Opportunistic)		11.8	10.8	18.0	17.0	15.5	14.5	16.9	15.9
NCREIF Timberland Index (Timber)		2.7		5.0		10.5		9.7	

<sup>1</sup> Liquidating investment. Time-weighted returns are excluded as they are no longer meaningful.

<sup>2</sup> Excludes Integrated Capital Hospitality Fund, which did not provide data as of 12/31/23.

Quarterly Cash Flow Activity (\$)	Beginning Market Value	Contributions	Distributions	Withdrawals	Gross Income	Manager Fees	Appreciation	Ending Market Value	LTV (%)
<b>Core</b>									
Berkshire Multifamily Income Realty Fund	15,039,628	0	72,953	0	137,975	23,109	-885,070	14,196,471	48.3
CIM VI (Urban REIT), LLC	15,091,092	0	0	0	47,538	42,335	-1,070,201	14,026,094	10.1
Cortland Partners Growth and Income Fund	75,709,153	796,070	762,956	0	362,019	174,997	-6,311,979	69,617,310	55.7
INVESCO Core Real Estate	215,533,395	214,893	1,558,476	0	2,062,949	214,893	-12,096,641	203,941,227	28.5
Jamestown Premier Property Fund	16,286,195	23,845	50,119	0	57,682	23,125	-1,903,686	14,390,792	61.2
JP Morgan Strategic Property Fund	81,691,354	0	269	0	734,758	194,547	-6,769,377	75,461,919	30.1
Kayne Anderson Core Real Estate Fund	67,838,885	682,136	682,136	0	830,120	109,913	-3,376,426	65,182,666	36.3
Lion Industrial Trust - 2007	167,007,582	-203,283	-203,283	0	1,504,066	-543,719	-6,291,025	162,764,341	31.9
Prime Property Fund	66,121,965	651,433	651,433	0	652,031	206,443	-1,903,556	64,663,997	24.2
Principal U.S. Property Account	79,653,539	0	0	0	851,697	160,086	-2,504,472	77,840,678	25.6
<b>Total Core</b>	<b>799,972,789</b>	<b>2,165,094</b>	<b>3,575,059</b>	<b>0</b>	<b>7,240,835</b>	<b>605,729</b>	<b>-43,112,433</b>	<b>762,085,497</b>	<b>34.4</b>
<b>Timber</b>									
Hancock Timberland XI	20,338,675	0	0	578,091	102,364	44,810	981,055	20,799,193	0.0
<b>Total Timber</b>	<b>20,338,675</b>	<b>0</b>	<b>0</b>	<b>578,091</b>	<b>102,364</b>	<b>44,810</b>	<b>981,055</b>	<b>20,799,193</b>	<b>0.0</b>
<b>Value Added</b>									
Almanac Realty Securities VI	2,863,532	0	0	0	-1,737	9,158	-183,570	2,669,067	0.0
Asana Partners Fund I	25,963,160	0	0	0	83,951	-135,576	279,599	26,462,286	42.0
Asana Partners Fund II	30,860,909	1,312,500	0	0	-85,370	83,910	577,765	32,581,894	47.1
DRA Growth and Income Fund VII	785,684	-574,867	105,133	0	4,520	134,696	46,896	22,404	97.5
DRA Growth and Income Fund VIII	6,021,558	0	0	0	-199,338	28,684	-709,302	5,084,234	64.3
EQT Exeter Industrial Value Fund VI, L.P.	-1,034,914	7,500,000	0	0	-110,222	262,500	192,200	6,284,564	58.0
Gerrity Retail Fund 2	16,832,931	0	0	0	138,492	52,546	-1,882,679	15,036,198	42.3
GLP Capital Partners IV	32,959,821	1,225,992	51,551	0	963,776	24,574	-957,192	34,116,272	49.3
Heitman Asia-Pacific Property Investors	15,869,722	86,233	46,160	141,532	55,684	33,447	-532,424	15,258,077	51.0
LBA Logistics Value Fund IX	21,687,025	5,128,205	0	0	-140,176	143,750	26,997	26,558,301	40.4
LBA Logistics Value Fund VII	42,241,378	0	0	0	186,611	54,807	256,396	42,629,579	36.5
NB Partners Fund IV LP	3,791,400	1,391,404	0	0	-86,961	99,418	277,782	5,274,206	66.0
NREP Nordic Strategies Fund IV	17,498,167	4,049,171	0	0	420,961	130,772	-382,019	21,455,508	59.0
Standard Life Investments European Real Estate Club II	88,078	0	0	0	0	0	3,879	91,958	0.0
Waterton Residential Property Venture XIV, L.P.	38,455,361	4,420,215	32,432	0	321,825	148,552	-2,623,365	40,393,052	59.7
Waterton Residential Property Venture XV	0	3,035,806	0	0	-292,054	444,712	-28,682	2,270,358	72.4
<b>Total Value Added</b>	<b>254,883,813</b>	<b>27,574,658</b>	<b>235,276</b>	<b>141,532</b>	<b>1,259,962</b>	<b>1,515,949</b>	<b>-5,637,718</b>	<b>276,187,958</b>	<b>49.3</b>
<b>Total Portfolio</b>									
<b>LACERS</b>	<b>1,250,214,547</b>	<b>35,599,382</b>	<b>4,807,615</b>	<b>1,943,346</b>	<b>9,259,142</b>	<b>3,241,719</b>	<b>-50,100,395</b>	<b>1,234,979,994</b>	<b>40.3</b>



Quarterly Cash Flow Activity (\$)	Beginning Market Value	Contributions	Distributions	Withdrawals	Gross Income	Manager Fees	Appreciation	Ending Market Value	LTV (%)
<b>Opportunistic</b>									
Apollo CPI Europe I	213,134	0	0	0	-108	0	9,386	222,411	0.0
Bristol Value II, L.P.	18,264,162	30,476	159,873	0	133,275	0	-1,425,110	16,842,930	36.2
Broadview Real Estate Partners Fund, L.P.	10,497,307	221,402	450,610	0	-25,712	96,233	548,069	10,694,223	0.0
Brookfield Strategic Real Estate Partners IV	30,955,971	1,868,427	203,383	127,220	1,332	-356,940	-553,858	32,298,209	59.0
Bryanston Retail Opportunity Fund	58,056	0	0	0	448	0	126	58,630	0.0
California Smart Growth Fund IV	18,370	0	0	24,124	5,490	0	0	-264	0.0
Cerberus Institutional Real Estate Partners V	35,898,828	1,361,976	0	0	-115,068	228,033	697,424	37,615,127	62.3
CIM Real Estate Fund III	4,607,912	0	0	0	-77,875	16,704	-23,893	4,489,440	37.2
Latin America Investors III	-3,026,327	0	0	0	-90,634	25,685	2,962	-3,139,684	30.5
Lone Star Fund VII	72,114	0	71,143	0	-655	310	0	6	0.0
Lone Star Real Estate Fund II	18,612	0	0	0	3,075	1,424	-310	19,953	0.0
Oaktree Real Estate Opportunities Fund VIII L.P.	30,978,723	0	75,229	0	-1,660	385,624	1,503,441	32,019,651	0.0
RECP Fund IV, L.P.	16,068,076	0	37,042	0	205,590	0	-2,020,525	14,216,099	58.0
Stockbridge Real Estate Fund II	350,553	0	0	0	-490	0	0	350,063	0.0
Torchlight Debt Opportunity Fund IV	2,421,666	0	0	541,779	21,228	318,914	-265,002	1,317,199	0.0
TPG Real Estate Partners IV	1,379,165	936,174	0	0	-211,799	185,260	-140,608	1,777,672	92.8
Walton Street Real Estate Fund V	519,177	0	0	0	-20,706	0	556	499,027	0.0
Walton Street Real Estate Fund VI	11,180,236	0	0	530,600	315,076	4,342	-663,957	10,296,413	29.6
Wolff Credit Partners III, LP	14,543,536	1,441,176	0	0	515,173	169,642	0	16,330,243	0.0
<b>Total Opportunistic</b>	<b>175,019,270</b>	<b>5,859,631</b>	<b>997,280</b>	<b>1,223,723</b>	<b>655,980</b>	<b>1,075,231</b>	<b>-2,331,299</b>	<b>175,907,347</b>	<b>48.6</b>
<b>Private Real Estate Portfolio Only (ex. Timber)</b>	<b>1,229,875,872</b>	<b>35,599,383</b>	<b>4,807,615</b>	<b>1,365,255</b>	<b>9,156,778</b>	<b>3,196,909</b>	<b>-51,081,450</b>	<b>1,214,180,802</b>	<b>40.7</b>
<b>Non-Core Portfolio</b>	<b>429,903,082</b>	<b>33,434,289</b>	<b>1,232,557</b>	<b>1,365,255</b>	<b>1,915,941</b>	<b>2,591,180</b>	<b>-7,969,017</b>	<b>452,095,305</b>	<b>49.0</b>
<b>Total Portfolio</b>									
<b>LACERS</b>	<b>1,250,214,547</b>	<b>35,599,382</b>	<b>4,807,615</b>	<b>1,943,346</b>	<b>9,259,142</b>	<b>3,241,719</b>	<b>-50,100,395</b>	<b>1,234,979,994</b>	<b>40.3</b>

Property Type Diversification (%)	Apartment	Office	Industrial	Retail	Hotel	Other
<b>Core</b>						
Berkshire Multifamily Income Realty Fund	100.0	-	-	-	-	-
CIM VI (Urban REIT), LLC	39.2	45.0	-	15.8	-	-
Cortland Partners Growth and Income Fund	100.0	-	-	-	-	-
INVESCO Core Real Estate	23.5	18.8	31.1	12.8	-	13.8
Jamestown Premier Property Fund	-	50.2	-	33.9	-	15.9
JP Morgan Strategic Property Fund	27.2	18.9	33.0	19.1	-	1.7
Kayne Anderson Core Real Estate Fund	-	-	-	-	-	100.0
Lion Industrial Trust - 2007	-	-	100.0	-	-	-
Prime Property Fund	25.6	16.6	32.1	8.4	-	17.3
Principal U.S. Property Account	27.3	16.4	37.5	10.5	-	8.3
<b>Total Core</b>	<b>24.3</b>	<b>11.2</b>	<b>42.9</b>	<b>7.6</b>	<b>-</b>	<b>14.1</b>
<b>Timber</b>						
Hancock Timberland XI	-	-	-	-	-	100.0
<b>Timber Timber</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100.0</b>
<b>Value Added</b>						
Almanac Realty Securities VI	44.2	-	-	-	51.2	4.6
Asana Partners Fund I	1.3	22.7	-	76.0	-	-
Asana Partners Fund II	1.2	44.5	-	54.3	-	-
DRA Growth and Income Fund VII	-	-	-	100.0	-	-
DRA Growth and Income Fund VIII	6.7	62.8	-	30.5	-	-
EQT Exeter Industrial Value Fund VI, L.P.	-	-	100.0	-	-	-
Gerrity Retail Fund 2	-	-	-	100.0	-	-
GLP Capital Partners IV	-	-	100.0	-	-	-
Heitman Asia-Pacific Property Investors	-	48.0	-	12.4	-	39.6
LBA Logistics Value Fund IX	-	-	87.3	-	-	12.7
LBA Logistics Value Fund VII	-	-	84.6	-	-	15.4
NB Partners Fund IV LP	-	-	100.0	-	-	-
NREP Nordic Strategies Fund IV	30.0	5.1	32.1	3.2	6.5	23.1
Standard Life Investments European Real Estate Club II	-	-	-	-	-	-
Waterton Residential Property Venture XIV, L.P.	96.8	-	-	-	-	3.2
Waterton Residential Property Venture XV	46.6	-	-	-	-	53.4
<b>Total Value Added</b>	<b>16.4</b>	<b>10.3</b>	<b>44.5</b>	<b>19.1</b>	<b>1.1</b>	<b>8.6</b>
<b>Total Portfolio</b>						
<b>Los Angeles City Employees' Retirement System</b>	<b>21.4</b>	<b>10.9</b>	<b>39.9</b>	<b>9.4</b>	<b>1.8</b>	<b>16.5</b>
<b>Indices</b>						
<b>NFI-ODCE*</b>	<b>29.1</b>	<b>18.1</b>	<b>33.1</b>	<b>10.5</b>	<b>0.2</b>	<b>8.9</b>

\*NCREIF changed the basis of diversification for the NFI-ODCE from Net Real Estate Assets to Gross Real Estate Assets effective 1Q2020.

Property Type Diversification (%)	Apartment	Office	Industrial	Retail	Hotel	Other
<b>Opportunistic</b>						
Apollo CPI Europe I	-	-	-	-	-	-
Bristol Value II, L.P.	-	42.5	-	-	-	57.5
Broadview Real Estate Partners Fund, L.P.	-	-	21.6	-	-	78.4
Brookfield Strategic Real Estate Partners IV	23.6	32.9	25.5	-	5.6	12.3
Bryanston Retail Opportunity Fund	-	-	-	100.0	-	-
California Smart Growth Fund IV	-	-	100.0	-	-	-
Cerberus Institutional Real Estate Partners V	-	0.3	45.8	0.0	16.0	37.9
CIM Real Estate Fund III	-	36.1	-	5.1	35.6	23.3
Latin America Investors III	-	77.4	-	-	-	22.6
Lone Star Fund VII	-	-	-	-	-	100.0
Lone Star Real Estate Fund II	-	-	-	-	-	100.0
Oaktree Real Estate Opportunities Fund VIII L.P.	32.4	9.5	27.8	15.8	13.3	1.3
RECP Fund IV, L.P.	8.0	-	-	-	53.0	38.9
Stockbridge Real Estate Fund II	-	-	-	-	-	-
Torchlight Debt Opportunity Fund IV	-	-	-	-	54.0	46.0
TPG Real Estate Partners IV	-	-	31.7	-	-	68.3
Walton Street Real Estate Fund V	-	-	-	-	-	100.0
Walton Street Real Estate Fund VI	0.7	-	-	3.4	-	95.9
Wolff Credit Partners III, LP	100.0	-	-	-	-	-
<b>Total Opportunistic</b>	<b>18.4</b>	<b>11.5</b>	<b>22.5</b>	<b>3.4</b>	<b>12.0</b>	<b>32.2</b>
<b>Private Real Estate Portfolio Only (ex. Timber)</b>	<b>21.7</b>	<b>11.0</b>	<b>40.5</b>	<b>9.6</b>	<b>1.9</b>	<b>15.3</b>
<b>Non-Core Portfolio</b>	<b>17.2</b>	<b>10.8</b>	<b>36.2</b>	<b>13.2</b>	<b>5.2</b>	<b>17.5</b>
<b>Total Portfolio</b>						
<b>Los Angeles City Employees' Retirement System</b>	<b>21.4</b>	<b>10.9</b>	<b>39.9</b>	<b>9.4</b>	<b>1.8</b>	<b>16.5</b>
<b>Indices</b>						
<b>NFI-ODCE*</b>	<b>29.1</b>	<b>18.1</b>	<b>33.1</b>	<b>10.5</b>	<b>0.2</b>	<b>8.9</b>

\*NCREIF changed the basis of diversification for the NFI-ODCE from Net Real Estate Assets to Gross Real Estate Assets effective 1Q2020.

Geographic Diversification (%)	North East	Mid East	East North Central	West North Central	South East	South West	Mountain	Pacific	Var-US	Ex-US
<b>Core</b>										
Berkshire Multifamily Income Realty Fund	7.7	5.4	7.8	5.8	10.0	28.1	-	35.1	-	-
CIM VI (Urban REIT), LLC	41.4	21.5	-	-	-	17.7	-	19.5	-	-
Cortland Partners Growth and Income Fund	-	15.7	5.4	1.5	39.9	15.6	22.0	-	-	-
INVESCO Core Real Estate	15.3	7.5	0.2	0.0	4.8	14.5	10.2	47.5	-	-
Jamestown Premier Property Fund	26.4	27.8	-	-	11.4	-	-	34.3	-	-
JP Morgan Strategic Property Fund	13.2	6.3	2.6	0.6	6.1	12.6	4.6	54.1	-	-
Kayne Anderson Core Real Estate Fund	9.6	8.3	14.5	6.4	34.6	14.3	7.5	4.7	-	-
Lion Industrial Trust - 2007	18.1	3.3	5.1	0.8	13.6	13.8	7.7	37.5	-	-
Prime Property Fund	29.2	5.5	8.4	0.8	14.6	8.5	6.4	26.7	-	-
Principal U.S. Property Account	8.5	9.1	1.8	1.7	11.7	16.7	14.7	35.7	-	-
<b>Total Core</b>	<b>15.2</b>	<b>7.5</b>	<b>4.2</b>	<b>1.2</b>	<b>13.9</b>	<b>14.0</b>	<b>9.4</b>	<b>34.6</b>	-	-
<b>Timber</b>										
Hancock Timberland XI	-	-	-	-	-	-	-	22.4	74.9	2.7
<b>Total Timber</b>	-	-	-	-	-	-	-	<b>22.4</b>	<b>74.9</b>	<b>2.7</b>
<b>Value Added</b>										
Almanac Realty Securities VI	20.7	-	-	13.4	6.2	55.1	-	4.6	-	-
Asana Partners Fund I	6.5	35.2	-	-	30.6	23.3	-	4.4	-	-
Asana Partners Fund II	17.5	18.8	-	7.6	19.5	7.3	21.7	7.6	-	-
DRA Growth and Income Fund VII	-	-	-	-	-	-	-	100.0	-	-
DRA Growth and Income Fund VIII	25.3	6.5	26.1	14.8	11.5	15.8	-	-	-	-
EQT Exeter Industrial Value Fund VI, L.P.	16.8	-	17.6	4.4	21.5	19.7	-	20.0	-	-
Gerrity Retail Fund 2	-	-	-	-	-	-	-	100.0	-	-
GLP Capital Partners IV	18.2	1.9	3.8	-	8.7	9.5	-	57.9	-	-
Heitman Asia-Pacific Property Investors	-	-	-	-	-	-	-	-	-	100.0
LBA Logistics Value Fund IX	8.9	19.8	12.2	-	25.4	6.3	6.0	21.4	-	-
LBA Logistics Value Fund VII	13.0	13.8	9.3	1.2	19.6	9.3	9.1	24.6	-	-
NB Partners Fund IV LP	-	-	-	-	-	-	-	-	-	100.0
NREP Nordic Strategies Fund IV	47.5	44.6	-	-	7.9	-	-	-	-	-
Standard Life Investments European Real Estate Club II	-	-	-	-	-	-	-	-	100.0	-
Waterton Residential Property Venture XIV, L.P.	5.2	-	13.8	-	27.6	9.2	3.8	40.4	-	-
Waterton Residential Property Venture XV	13.1	-	86.9	-	-	-	-	-	-	-
<b>Total Value Added</b>	<b>11.1</b>	<b>11.6</b>	<b>6.5</b>	<b>1.4</b>	<b>16.7</b>	<b>8.8</b>	<b>4.9</b>	<b>24.8</b>	-	<b>14.2</b>
<b>Total Portfolio</b>										
<b>LACERS</b>	<b>14.4</b>	<b>7.8</b>	<b>4.2</b>	<b>1.3</b>	<b>14.9</b>	<b>11.0</b>	<b>7.6</b>	<b>28.9</b>	<b>3.2</b>	<b>6.8</b>
<b>Indices</b>										
<b>NFI-ODCE*</b>	<b>20.6</b>	<b>8.2</b>	<b>5.1</b>	<b>0.8</b>	<b>12.1</b>	<b>9.3</b>	<b>7.5</b>	<b>36.5</b>	-	-

\*NCREIF changed the basis of diversification for the NFI-ODCE from Net Real Estate Assets to Gross Real Estate Assets effective 1Q2020.

Geographic Diversification (%)	North East	Mid East	East North Central	West North Central	South East	South West	Mountain	Pacific	Var-US	Ex-US
<b>Opportunistic</b>										
Apollo CPI Europe I	-	-	-	-	-	-	-	-	100.0	-
Bristol Value II, L.P.	45.8	-	-	-	40.0	-	14.1	-	-	-
Broadview Real Estate Partners Fund, L.P.	-	6.9	-	-	93.1	-	-	-	-	-
Brookfield Strategic Real Estate Partners IV	13.2	6.5	2.4	1.1	6.1	6.3	1.2	13.5	-	49.7
Bryanston Retail Opportunity Fund	-	-	100.0	-	-	-	-	-	-	-
California Smart Growth Fund IV	-	-	-	-	-	-	-	100.0	-	-
Cerberus Institutional Real Estate Partners V	1.1	-	-	-	4.2	-	7.1	2.0	45.4	40.2
CIM Real Estate Fund III	24.6	-	5.1	-	17.2	17.0	-	36.2	-	-
Latin America Investors III	-	-	-	-	-	-	-	-	-	100.0
Lone Star Fund VII	-	-	100.0	-	-	-	-	-	-	-
Lone Star Real Estate Fund II	-	-	-	-	-	-	-	-	100.0	-
Oaktree Real Estate Opportunities Fund VIII L.P.	-	4.8	-	-	3.7	-	1.4	19.8	31.0	39.3
RECP Fund IV, L.P.	34.1	13.9	-	-	-	-	-	12.0	-	39.9
Stockbridge Real Estate Fund II	-	-	-	-	-	-	-	-	100.0	-
Torchlight Debt Opportunity Fund IV	-	-	-	-	-	-	-	-	100.0	-
TPG Real Estate Partners IV	47.8	-	-	12.6	20.0	-	-	-	-	19.5
Walton Street Real Estate Fund V	-	-	-	-	-	-	-	-	-	100.0
Walton Street Real Estate Fund VI	97.5	0.7	-	1.8	-	-	-	-	-	-
Wolff Credit Partners III, LP	10.3	-	3.6	4.4	60.4	-	6.8	14.4	-	-
<b>Total Opportunistic</b>	<b>18.1</b>	<b>3.5</b>	<b>0.8</b>	<b>1.3</b>	<b>18.2</b>	<b>1.5</b>	<b>3.9</b>	<b>9.4</b>	<b>16.0</b>	<b>27.2</b>
<b>Private Real Estate Portfolio Only (ex. Timber)</b>	<b>14.7</b>	<b>7.9</b>	<b>4.2</b>	<b>1.3</b>	<b>15.1</b>	<b>11.2</b>	<b>7.7</b>	<b>29.0</b>	<b>2.2</b>	<b>6.9</b>
<b>Non-Core Portfolio</b>	<b>13.7</b>	<b>8.5</b>	<b>4.4</b>	<b>1.4</b>	<b>17.3</b>	<b>6.1</b>	<b>4.5</b>	<b>19.0</b>	<b>6.1</b>	<b>19.1</b>
<b>Total Portfolio</b>										
<b>LACERS</b>	<b>14.4</b>	<b>7.8</b>	<b>4.2</b>	<b>1.3</b>	<b>14.9</b>	<b>11.0</b>	<b>7.6</b>	<b>28.9</b>	<b>3.2</b>	<b>6.8</b>
<b>Indices</b>										
<b>NFI-ODCE*</b>	<b>20.6</b>	<b>8.2</b>	<b>5.1</b>	<b>0.8</b>	<b>12.1</b>	<b>9.3</b>	<b>7.5</b>	<b>36.5</b>	<b>-</b>	<b>-</b>

\*NCREIF changed the basis of diversification for the NFI-ODCE from Net Real Estate Assets to Gross Real Estate Assets effective 1Q2020.

#### Advisory Disclosures and Definitions

##### **Disclosure**

Trade Secret and Confidential.

Past performance is not indicative of future results.

Investing involves risk, including the possible loss of principal.

Returns are presented on a time weighted basis and shown both gross and net of underlying third party fees and expenses and may include income, appreciation and/or other earnings. In addition, investment level Net IRR's and equity multiples are reported.

The Townsend Group, on behalf of its client base, collects quarterly limited partner/client level performance data based upon inputs from the underlying investment managers. Data collection is for purposes of calculating investment level performance as well as aggregating and reporting client level total portfolio performance. Quarterly limited partner/client level performance data is collected directly<sup>1</sup> from the investment managers via a secure data collection site.

<sup>1</sup>In select instances where underlying investment managers have ceased reporting limited partner/client level performance data directly to The Townsend Group via a secure data collection site, The Townsend Group may choose to input performance data on behalf of its client based upon the investment managers quarterly capital account statements which are supplied to The Townsend Group and the client alike.

##### **Benchmarks**

The potential universe of available real asset benchmarks are infinite. Any one benchmark, or combination thereof, may be utilized on a gross or net of fees basis with or without basis point premiums attached. These benchmarks may also utilize a blended composition with varying weighting methodologies, including market weighted and static weighted approaches.

## Exhibit B: Real Estate Market Update



# United States Real Estate Market Update (4Q23)

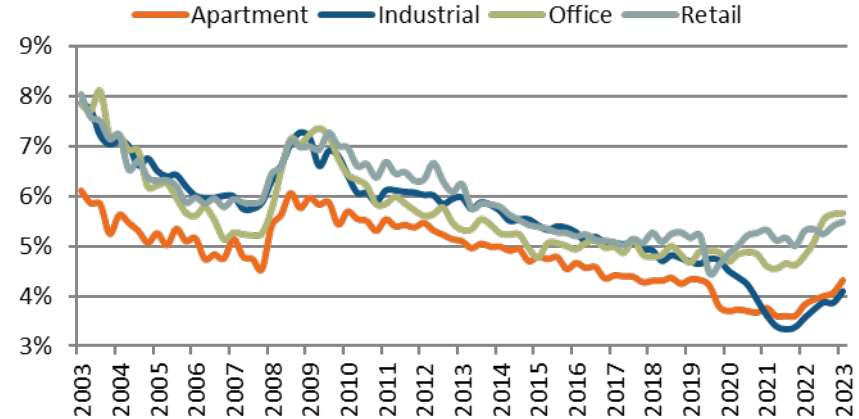
## General

- The economy continues to face headwinds stemming from an increasingly aggressive federal funds rate, continuous inflation, and geopolitical events. The S&P 500 rebounded after a difficult third quarter, returning 11.7% to close out 2023. The MSCI US REIT index also rebounded from its challenging year coming in at 16% for the fourth quarter.
- During the fourth quarter, GDP increased at an annualized rate of 3.3%. This positive growth was primarily due to government spending, consumer spending, and strong job market growth. Inflation has tamed over previous quarters due to the Fed reducing the central bank's balance sheet and the Federal Open Market Committee's dramatic rate hikes spanning from March 2022 until mid-2023.
- 10-year treasury bond yields increased, ending the quarter at 3.9%. As economists expected, rates moved significantly higher throughout 2023, but have since plateaued after the Fed paused its dramatic rate increases spanning from early 2022 until mid 2023.

## Commercial Real Estate

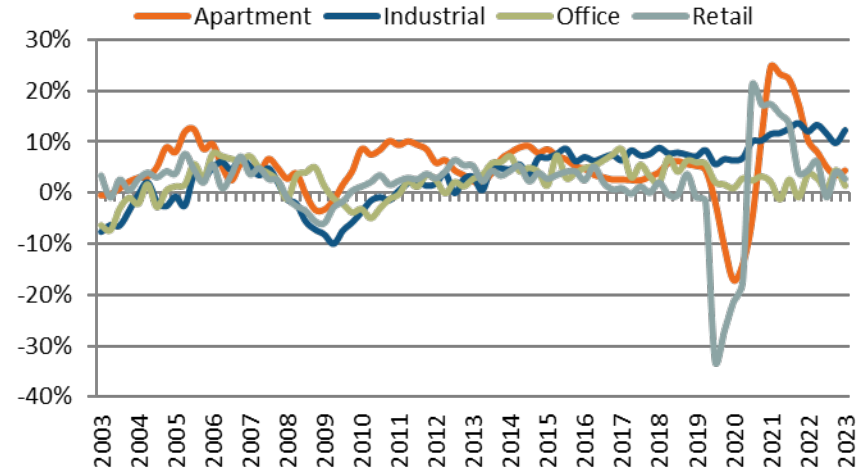
- The fourth quarter of 2023 saw total CRE transaction activity decrease by 51% YOY. The apartment sector transaction volumes in the U.S. have dropped dramatically due to a large amount of transaction volume during and post-pandemic. Although apartment fundamentals remain intact, the increase in cost of debt has contributed to a YoY decrease in transaction volume of 61%.
- Transaction cap rates (5.7%) expanded, moving out 53 bps during the quarter. This increase continues the upward trend on cap rates beginning in 4Q21. Current valuation cap rates expanded for all major property sectors, led by apartment (+23 bps), and followed by industrial (+23 bps), retail (+7 bps), and office (+2 bps).
- NOI growth has continued to diverge between property sectors. Apartment sector struggles due to near-term supply of new deliveries; however, fundamentals over the longer-term continue to show strength. With the cost of debt for homes continuing to become more expensive, Apartment NOI expanded (4%) YoY. Industrial NOI continued to expand (12%) YoY with the continued investments into direct-to-customer distribution by companies.
- Commercial Real Estate fundraising activity rebounded after seeing a slow year. In the fourth quarter, the number of funds in the market increased (22%) as well as a (5%) increase in aggregate capital raised over the previous quarter, albeit aggregate capital raised has declined by 53% YoY.

## Current Value Cap Rates by Property Type



Source: NCREIF

## 4 Qtr Rolling NOI Growth



Source: NCREIF



# United States Property Matrix (4Q23)

Board Meeting: 5/28/24  
Item VII-B



## INDUSTRIAL

- In 4Q23, industrial properties returned -2.29% and outperformed the NPI by 73 bps.
- Transaction volumes decreased to \$21 billion in the fourth quarter of the year, resulting in an 43% decrease year-over-year. Individual asset sales decreased 70% year-over-year, while portfolio purchases turned in a year-over-year volume increase of 20%. At \$21 billion, the industrial sector slightly decreased by \$2 billion quarter-over-quarter.
- The industrial sector turned in NOI growth of 12.25% over the past year. NOI continues to reach all time highs for the sector.
- Vacancy increased by 81 bps year-over-year to 2.3%. Vacancy in the sector increased 24 bps from the prior quarter. E-commerce continues to drive demand across the sector.
- Industrial cap rates expanded approximately 53 bps from a year ago, to 4.09%. Industrial overall fundamentals still top all property sectors.

## MULTIFAMILY

- The apartment sector delivered a -2.98% return during the quarter, outperforming the NPI by 4 bps.
- Transaction volume in the fourth quarter of 2023 slightly decreased to \$27 billion, resulting in a decrease of 50% year-over-year. Transaction volume for the sector slightly decreased from the third quarter by nearly 20%. This volume continues to make multifamily the most actively traded sector for the twenty third straight quarter.
- Cap rates increased to 4.31% quarter-over-quarter, increasing 49 bps year-over-year. Multifamily cap rates remain at low levels relative to prior years, driven by continued increases in valuation.
- The multifamily sector saw increasing vacancy rates throughout the entirety of 2020 due to the global pandemic. Throughout 2021 and 2022, the sector appeared to have shaken that trend although vacancy rates remained steady. Vacancy rates increased during fourth quarter of 2022 and have increased to 6.73% as of the fourth quarter of 2023. The aging millennials have begun shifting their desires to suburban living, but continued home price appreciation has deterred the full effect of this migratory trend.

## OFFICE

- The office sector returned -5.40% in 4Q23, 238 bps below the NPI return over the period.
- Transaction volumes decreased by 32% year-over-year in the fourth quarter. Transaction volume equated to \$14 billion for the quarter, slightly increasing quarter-over-quarter. Office transaction levels have regressed since 4Q21 and are at levels seen during the COVID-19 pandemic.
- Office sector vacancy rates have expanded since the beginning of the pandemic due to work from home orders and uncertainty revolving around the future of office space. Office continues to be the highest vacancy property type at 14.13%, increasing by 54 bps from last quarter.
- NOI growth in the office sector decreased quarter-over-quarter by 200 bps to -2.00% and is still experiencing volatility given the current market environment.
- Office cap rates expanded from a year ago, sitting at approximately 5.7%. Office-using job growth was stunted significantly through out 2020 due to work from home orders. Though we are observing a slow but steady flow back to in-office work, there is still uncertainty in the sector.

## RETAIL

- As of 4Q23, the retail sector delivered a quarterly return of -1.12%, outperforming 190 bps compared to the NPI.
- Transaction volumes totaled \$12 billion in the fourth quarter, decreasing 31% year-over-year. Single asset transactions accounted for just over 91% of all sales volume for the quarter.
- Cap rates have remained fairly steady within the sector over the last year at 5.5%. Current valuation cap rates expanded quarter-over-quarter by 7 bps due to valuation adjustments made across the sector in general.
- NOI growth increased from the prior quarter to 3.50% as of the fourth quarter. Retail has begun its slow recovery but has continued to experience volatility due to the current market environment.
- Retail vacancy rates remained steady over the quarter at 7.0%, down 14 bps over the past year. Many big box stores have closed as the need for retail space shrinks, translating to a negative outlook for rent growth. Paired with the global economic crisis, which has had a significant negative impact on this sector.

## Global Real Estate Market Update (4Q23)

- This past year in the global real estate market proved to be an uphill battle for buyers and sellers alike as high volatility, low inventory, and elevated interest rates were persistent throughout. While commercial interest rates quelled transaction activity in the fourth quarter, they have begun to stabilize and cuts by the Federal Reserve expected in the second half of 2024. Year over year, deal volumes have contracted by 37% YOY with buyers and sellers far apart on pricing.
- US markets have exhibited pronounced deterioration with transaction volumes decreasing 53% since the third quarter of last year. This drawback in activity has outgrown the period in decline at the onset of the pandemic. Significant distress, up to \$42 billion in office alone, is expected to materialize in the coming months. The refinancing and discounted sales to offset these losses should compound as the year progresses.
- China emerged as the top performing market in the Asia Pacific this year, seeing distressed office and retail properties begin to trade following a stagnant period midyear. Singapore doubled its activity in the quarter, leaning into cross border investment in value-added hotel and logistics prospects. Japan deal making waned in the quarter, as concerns over the Bank of Japan's (BOJ) cessation of its negative interest rate policy impacted investor interest in office assets.
- The fourth quarter confirmed a decade low in real estate transaction volumes across major European markets. Despite these themes, there is increased optimism that favorable funding conditions are on the horizon as interest rates are expected to decline in the second half of 2024. Investors in Italy and the UK have gravitated to alternative property types, namely student housing, for their counter cyclical components and a shortage of supply in the region. Overall, there is belief of a gradual recovery over the coming quarters in markets with stable economic conditions, inflation has subdued, and repricing has taken shape (ie. The UK, Netherlands, Spain).
- US logistics and industrial markets saw supply nearly triple net absorption for the year as developers completed 607 million square feet of new product. This was reflected in the average vacancy rate reaching 5.5%, the highest since 2016. These elevated level of vacancies, along with the rising cost of debt have led to concessions in construction starts. As construction starts remain limited, new supply will fall off during each quarter of 2024, positioning supply and demand to reach equilibrium by the end of the year.
- US housing construction was robust over the year, particularly for single-family housing. Forecasts point towards US home starts tracking below the rate of household formations, forming a gap in supply. Europe's largest economies (Germany, France, & the UK) have been hamstrung by a steep decline in housebuilding due to rising build and debt costs and developer insolvencies. These hurdles are consistent across the Asia Pacific among chronic undersupply, rapid urban population growth, and the least affordable ownership rates. This has resulted in the surge of interest in institutional multifamily in the region, while boosting demand for nice sectors in senior and student housing.

### Global Total Commercial Real Estate Volume - 2022 - 2023

\$ US Billions	Q4 2023	Q4 2022	% Change		% Change Full	
			Q4 23 - Q4 22	2023	2022	Year
Americas	79	131	-40%	329	701	-53%
EMEA	44	68	-35%	173	339	-49%
Asia Pacific	268	266	1%	688	860	-20%
<b>Total</b>	<b>391</b>	<b>465</b>	<b>-16%</b>	<b>1191</b>	<b>1900</b>	<b>-37%</b>

Source: Real Capital Analytics, Inc., Q4' 23

### Global Outlook - GDP (Real) Growth % pa, 2023-2025

	2023	2024	2025
<b>Global</b>	<b>3.1</b>	<b>3.1</b>	<b>3.2</b>
<b>Asia Pacific</b>	<b>4.0</b>	<b>4.1</b>	<b>4.0</b>
Australia	1.9	1.4	2.2
China	5.2	4.6	4.4
India	7.2	6.8	6.3
Japan	2.0	0.8	1
<b>North America</b>	<b>2.5</b>	<b>1.6</b>	<b>1.7</b>
US	2.5	1.6	1.7
<b>Middle East</b>	<b>1.0</b>	<b>2.0</b>	<b>4.0</b>
<b>European Union</b>	<b>0.5</b>	<b>0.9</b>	<b>1.7</b>
France	0.8	0.7	1.3
Germany	-0.3	0.2	1.2
UK	0.3	0.4	1.2

Source: Bloomberg

## Exhibit C: Glossary



## Cash Flow Statement

<b>Beginning Market Value:</b>	<b>Value of real estate, cash and other holdings from prior period end.</b>
Contributions:	Cash funded to the investment for acquisition and capital items (i.e., initial investment cost or significant capital improvements).
Distributions:	Actual cash returned from the investment, representing distributions of income from operations.
Withdrawals:	Cash returned from the investment, representing returns of capital or net sales proceeds.
Ending Market Value:	The value of an investment as determined by actual sales dollars invested and withdrawn plus the effects of appreciation and reinvestment; market value is equal to the ending cumulative balance of the cash flow statement (NAV).
Unfunded Commitments:	Capital allocated to managers which remains to be called for investment. Amounts are as reported by managers.
Remaining Allocation	The difference between the ending market value + the unfunded commitments and the target allocation. This figure represents dollars available for allocation.

## Style Groups

<b>The Style Groups consist of returns from commingled funds with similar risk/return investment strategies. Investor portfolios/investments are compared to comparable style groupings.</b>	
Core:	Direct investments in operating, fully leased, office, retail, industrial, or multifamily properties using little or no leverage (normally less than 30%).
Value-Added:	Core returning investments that take on moderate additional risk from one or more of the following sources: leasing, re-development, exposure to non-traditional property types, the use of leverage (typically between 40% and 65%).
Opportunistic:	Investments that take on additional risk in order to achieve a higher return. Typical sources of risks are: development, land investing, operating company investing, international exposure, high leverage (typically between 50% and 65% or higher), distressed properties.

## Indices

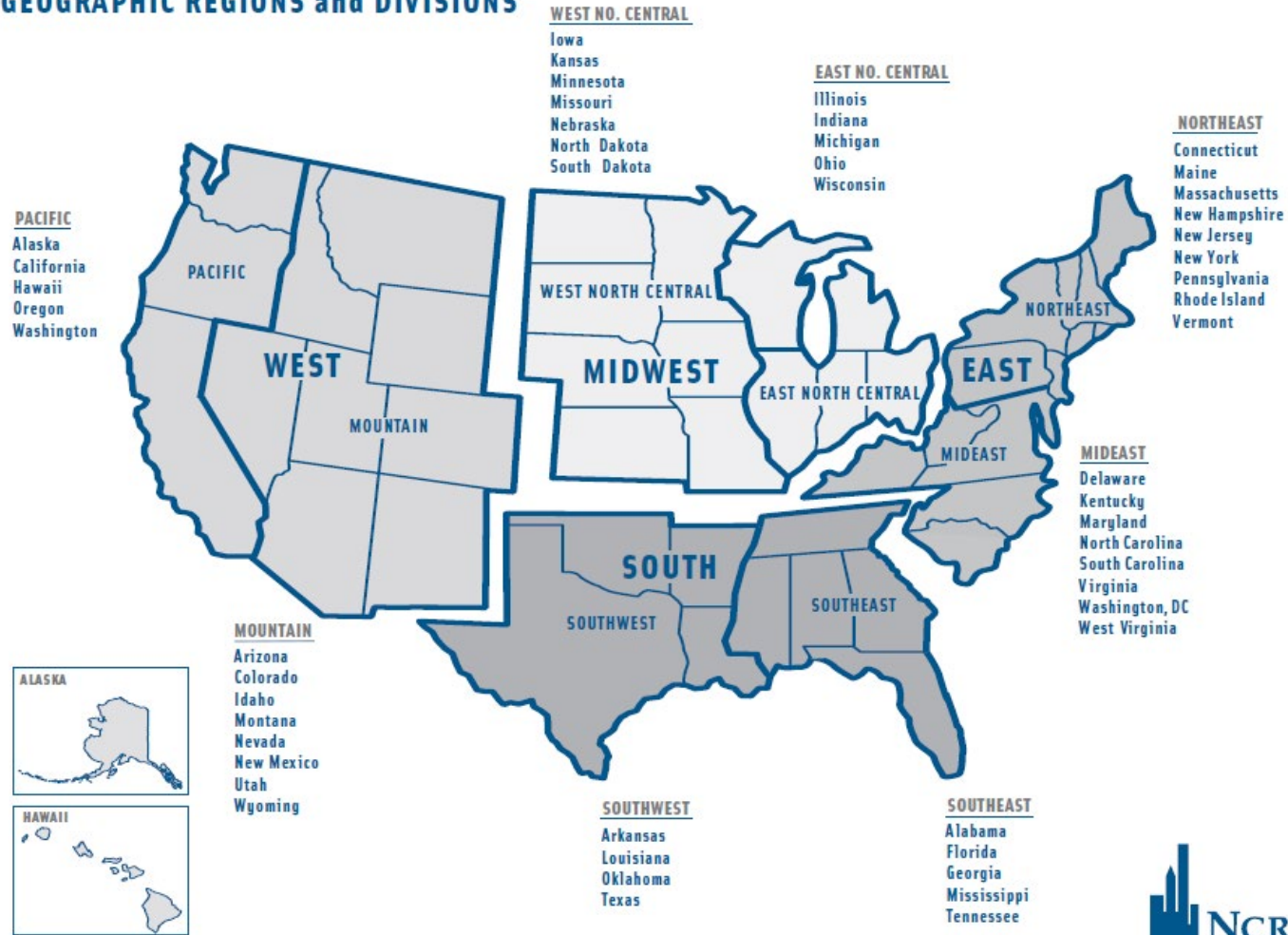
<b>Stylized Index:</b>	<b>Weights the various style group participants so as to be comparable to the investor portfolio holdings for each period.</b>
Open-End Diversified Core Equity Index (“ODCE”):	A core index that includes only open-end diversified core strategy funds with at least 95% of their investments in U.S. markets. The ODCE is the first of the NCREIF Fund Database products, created in May 2005, and is an index of investment returns reporting on both a historical and current basis (25 active vehicles). The ODCE Index is capitalization-weighted and is reported gross and net of fees. Measurement is time-weighted and includes leverage.
NCREIF Timberland Index (“NTI”):	National Index comprised of a large pool of individual timber properties owned by institutions for investment purposes.
NCREIF Property Index (“NPI”):	National Property Index comprised of core equity real estate assets owned by institutions.

## Performance

<b>Income Return (“INC”):</b>	<b>Net operating income net of debt service before deduction of capital items (e.g., roof replacement, renovations, etc.)</b>
Appreciation Return (“APP”):	Increase or decrease in investment's value based on internal or third party appraisal, recognition of capital expenditures which did not add value or uncollectible accrued income, or realized gain or loss from sales.
Total Gross Return (“TGRS”):	The sum of the income return and appreciation return before adjusting for fees paid to and/or accrued by the manager.
Total Net Return (“TNET”):	Total gross return less Advisor fees reported. All fees are requested (asset management, accrued incentives, paid incentives). No fee data is verified. May not include any fees paid directly by the investor as opposed to those paid from cash flows.
Inception Returns <sup>1</sup> :	The total net return for an investment or portfolio over the period of time the client has funds invested. Total portfolio Inception Returns may include returns from investments no longer held in the current portfolio.
Net IRR:	IRR after advisory fees, incentive and promote. This includes actual cash flows and a reversion representing the LP Net Assets at market value as of the period end reporting date.
Equity Multiple:	The ratio of Total Value to Paid-in-Capital (TVPIC). It represents the Total Return of the investment to the original investment not taking into consideration the time invested. Total Value is computed by adding the Residual Value and Distributions. It is calculated net of all investment advisory and incentive fees and promote.

<sup>1</sup> Portfolio level returns include historical returns of managers no longer with assets under management. All returns are calculated on a time-weighted basis.

## GEOGRAPHIC REGIONS and DIVISIONS







**REPORT TO BOARD OF ADMINISTRATION**

**From: Investment Committee**  
Elizabeth Lee, Chair  
Annie Chao  
Gaylord "Rusty" Roten

**MEETING: MAY 28, 2024**  
**ITEM: VII – C**

**SUBJECT: REAL ESTATE FISCAL YEAR 2024-25 STRATEGIC PLAN AND POSSIBLE BOARD ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Board adopt the Real Estate Fiscal Year 2024-25 Strategic Plan.

**Discussion**

On May 14, 2024, the Committee considered the attached report regarding the Real Estate Fiscal Year 2024-25 Strategic Plan. The Committee heard a presentation from Felix Fels and Haya Daawi of The Townsend Group (Townsend), LACERS' Real Estate Consultant. The plan, developed by Townsend with input from staff, establishes strategic objectives and investment plan recommendations for the Fiscal Year 2024-25. During the presentation, Townsend provided an overview of the core and non-core commitments and real estate property types under consideration. Based on this discussion, the Committee concurred with the staff recommendation to adopt the plan. Townsend will be present at the Board meeting of May 28, 2024, should the Board desire to hear a presentation of the plan.

**Strategic Plan Impact Statement**

The annual real estate strategic plan assists the Board in building a diversified real estate and total fund portfolio and aligns with the Strategic Plan Goals of optimizing long-term risk adjusted investment returns (Goal IV) and promoting good governance practices (Goal V).

Prepared By: Ellen Chen, Director of Private Markets, Investment Division

NMG/RJ/WL/EC:rm

Attachment: 1. Investment Committee Recommendation Report dated May 14, 2024



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

**MEETING: MAY 14, 2024**  
**ITEM: IV**

*Neil M. Guglielmo*

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**SUBJECT: PRESENTATION BY TOWNSEND HOLDINGS LLC OF THE REAL ESTATE FISCAL YEAR 2024-25 STRATEGIC PLAN AND POSSIBLE COMMITTEE ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

---

### **Recommendation**

That the Committee recommend to the Board the adoption of the Real Estate Fiscal Year 2024-25 Strategic Plan.

### **Discussion**

The Townsend Group (Townsend), LACERS' Real Estate Consultant, with input from staff, has developed the proposed Real Estate Fiscal Year 2024-25 Strategic Plan, which considers strategic objectives and investment plan recommendations for the next fiscal year. Staff has reviewed the plan and recommends its adoption. Townsend will present the proposed plan.

### **Strategic Plan Impact Statement**

The annual real estate strategic plan assists the Board in building a diversified real estate and total fund portfolio and aligns with the Strategic Plan Goals of optimizing long-term risk adjusted investment returns (Goal IV) and promoting good governance practices (Goal V).

Prepared By: Ellen Chen, Director of Private Markets, Investment Division

NMG/RJ//WL/EC:rm

Attachments: 1. Executive Summary – The Townsend Group  
2. Proposed Real Estate Strategic Plan – The Townsend Group

**MEMORANDUM**

**TO:** The Board of Los Angeles City Employees’ Retirement System

**DATE:** May 2024

**SUBJECT:** Real Estate Strategic & Investment Plan for Fiscal Year 2024-2025 – Executive Summary

**FROM:** The Townsend Group

---

**Executive Summary**

The purpose of this report is to review the Los Angeles City Employees’ Retirement System (“LACERS” or the “System”) Real Estate Strategic Plan (“Strategic Plan”) and outline the corresponding Real Estate Investment Plan (“Investment Plan”). The Investment Plan includes actions which will help LACERS to capitalize on current market opportunities while still meeting the guidelines set forth in the proposed Strategic Plan.

Since being re-engaged by the LACERS Board in 2014 to serve as its real estate consultant, Townsend has worked with LACERS Staff to deploy \$405 million of investments into Core funds and \$800 million into tactical Non-Core funds.

The LACERS Program has a 7.0% allocation target (with an allowable range of ± 2.0%), which was increased from 5% in a 2018 asset allocation study and maintained in a 2021 asset allocation study. As of December 31, 2023, the market value of the portfolio was \$1.23 billion on a funded basis (5.4% of Total Plan Assets).

**FY 2024-2025 Investment Recommendations**

LACERS will need to continue to deploy capital to reach its 7.0% allocation target over the coming years. Townsend recommends the following 2024-2025 Goals to LACERS for consideration:

LACERS Annual Investment Plan FY 2024-2025	
Core Capital	Up to \$200 M
Non-Core Capital	Up to \$250 M
<b>Total Annual Commitments</b>	<b>Up to \$450 M</b>

### Core Portfolio Goals

- Consider commitments to 2-3 core/core plus positions. Patiently evaluate the appropriate method of execution through:
  - Secondary market opportunities with existing strong performing managers if available at a discount to current valuation
  - New blind pool core open-end fund launches positioned to buy high quality properties at favorable valuations
  - Specialist managers with exposure to the alternative space or niche sectors to which LACERS does not currently have exposure to
- Consider rebalancing the core portfolio to focus on boosting returns and continue to evaluate current core open-end positions to deliver appropriate core portfolio objectives.

### Non-Core Portfolio Goals

- Further explore niche investment opportunities that are expected to generate outsized risk-adjusted returns, and/or provide a level of diversification to the portfolio (downside protection, sector exposure, etc.).
  - Townsend continues to conduct manager research in niche opportunities such as cold storage, data centers, single family residential, industrial outdoor storage and real estate credit.
  - Consider lower commitment amounts for highly concentrated niche strategies.
- Target 5-6 new commitments to attractive opportunities with a focus on i) complementary sector/regional exposures, (ii) thematic investments, (iii) proven specialist managers and iv) alternative specialty sectors with growth potential.
- Consider re-up commitments to high conviction managers already represented in the portfolio.
- Focus on maximizing fee savings to boost net returns when possible.
- Continue to evaluate Emerging Managers that are an appropriate fit for LACERS' portfolio, without compromising returns.

**END OF INVESTMENT RECOMMENDATIONS**



Real Estate Portfolio

# Fiscal Year 2024-2025 Investment Plan

PROPRIETARY & CONFIDENTIAL  
May 2024





## Table of Contents

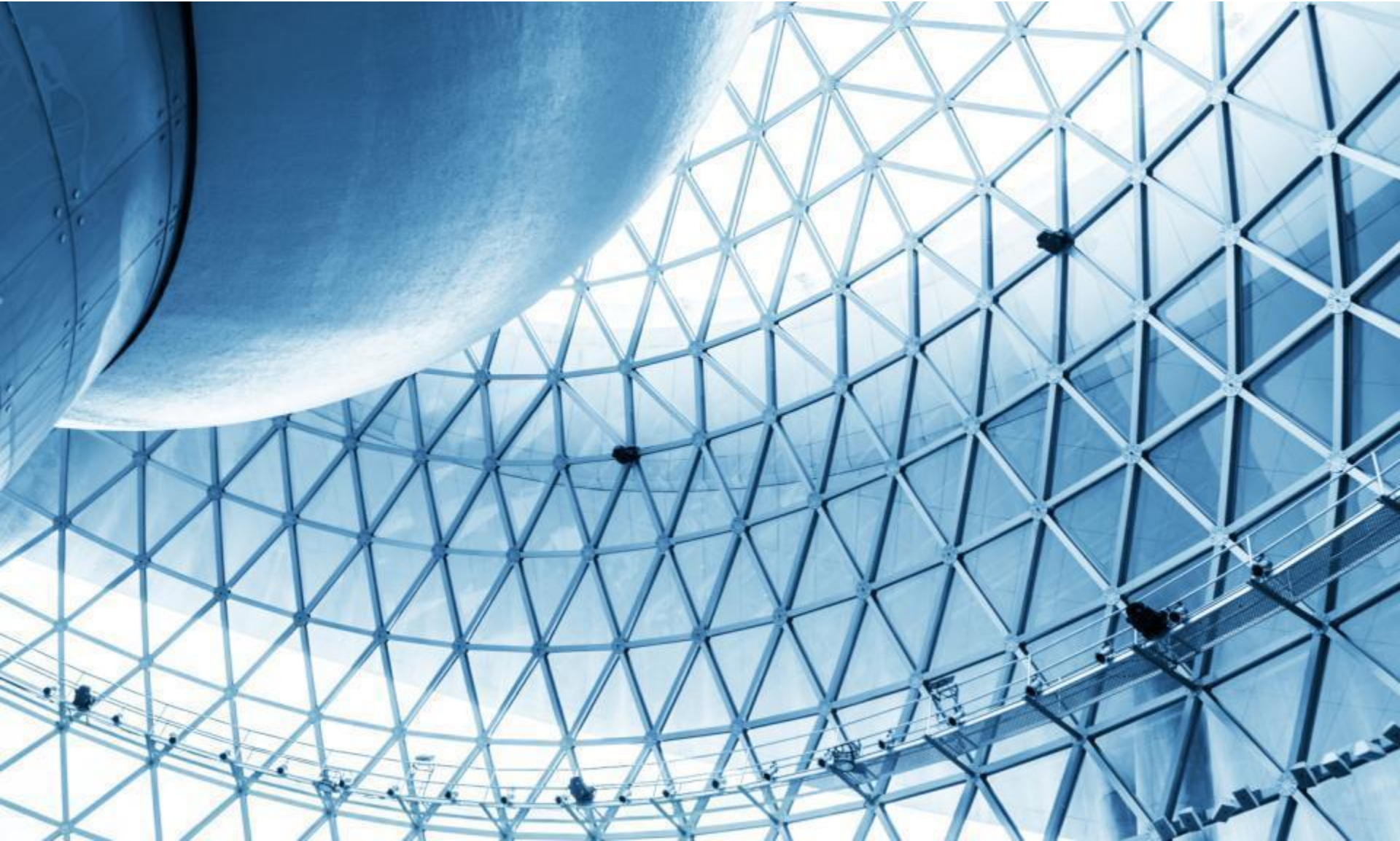
- A. Real Estate Market Outlook
- B. Executive Summary
- C. LACERS Real Estate Program Overview
- D. LACERS 2024-2025 Investment Plan
- E. Sourcing and Deal Flow



# A. Real Estate Market Outlook

Board Meeting: 5/28/24  
Item VII-C  
Attachment 1

IC Meeting: 5/14/24  
Item IV  
Attachment 2



# Economic Conditions

## ECONOMIC GROWTH OUTLOOK REMAINS POSITIVE

### Real GDP Forecasts (YoY%)

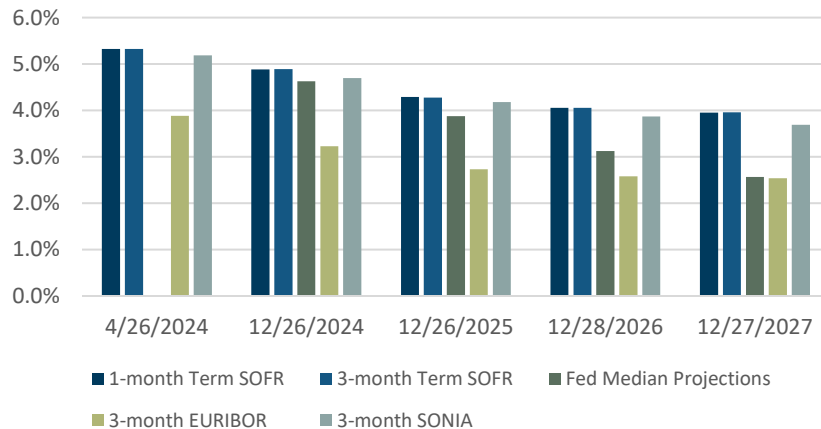
4/25/2024

Major Regions	2023	2024	2025	2026
North America	2.4	2.3	1.8	2.0
European Union	0.5	0.9	1.7	1.7
Asia Pacific	4.5	4.2	4.1	3.9

Selected Markets	2023	2024	2025	2026
United States	2.5	2.4	1.8	2.0
United Kingdom	0.3	0.3	1.2	1.5
Germany	-0.3	0.1	1.1	1.3
China	5.2	4.8	4.5	4.2
Japan	1.9	0.7	1.1	1.0
Australia	2.1	1.4	2.2	2.6

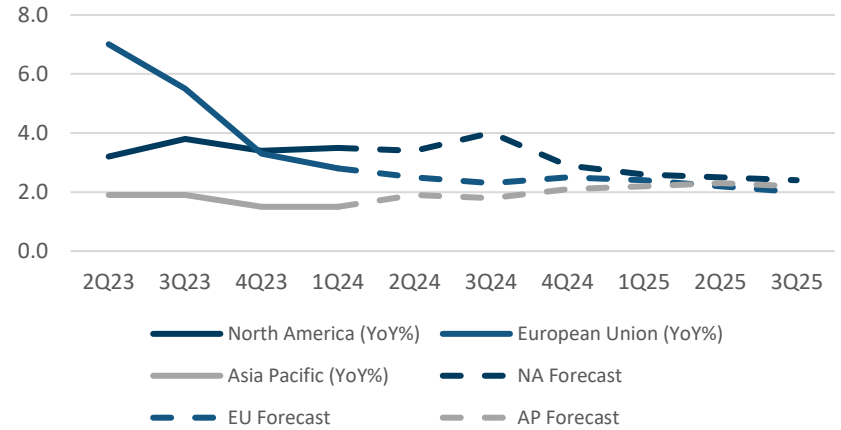
## FORWARD CURVES INDICATING DECLINE IN RATES

### Forward Curves



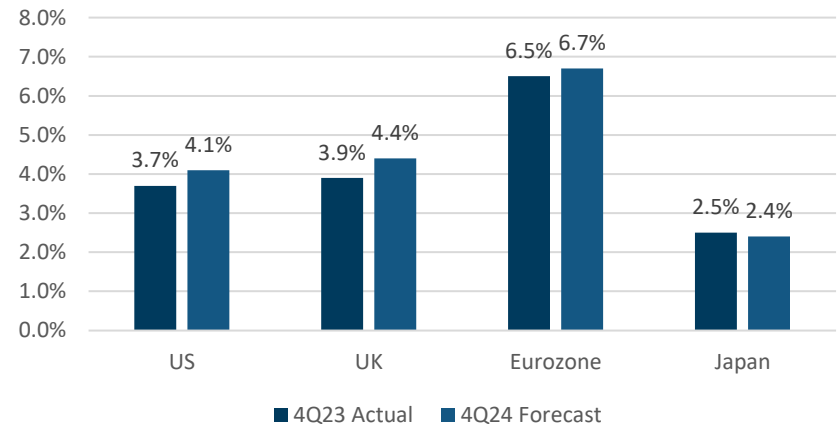
## INFLATION IS PROJECTED TO STABILIZE

### CPI Quarterly



## UNEMPLOYMENT RATES REMAIN LOW

### Unemployment Rate (%)



Source: The Townsend Group, Bloomberg, Chatham Financial. (April 2024 unless otherwise noted)

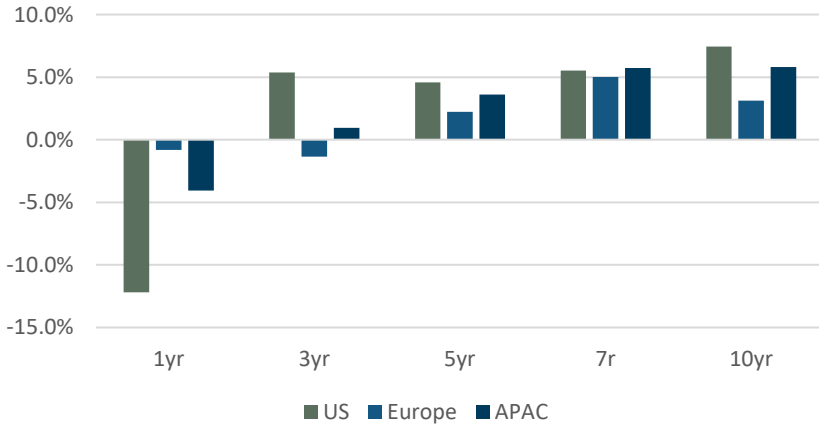
Townsend's views are as of the date of this publication and may be changed or modified at any time and without notice. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein.



# Regional Performance

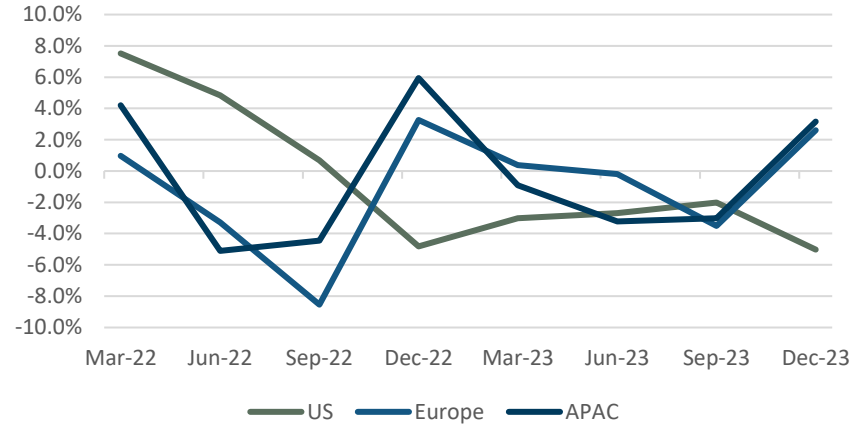
## REAL ESTATE RETURNS DECLINED GLOBALLY IN 2023

### Regional Returns Annualized (Net of Fees)



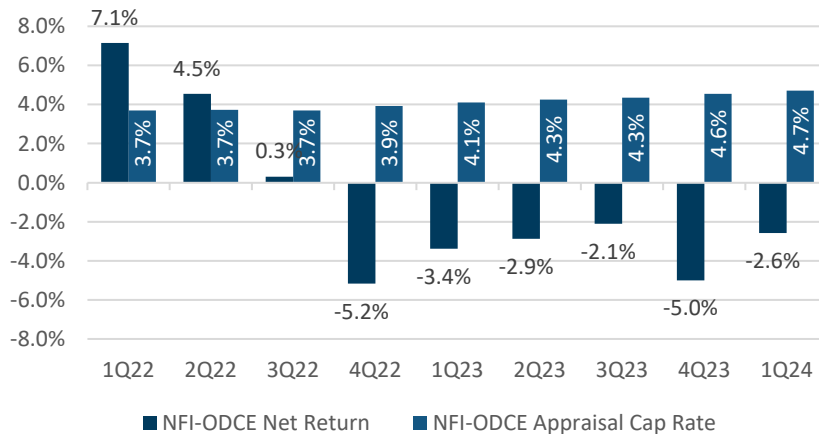
## EUROPE & APAC PERFORMANCE UP IN Q4

### Regional Returns Quarterly (Net of Fees)



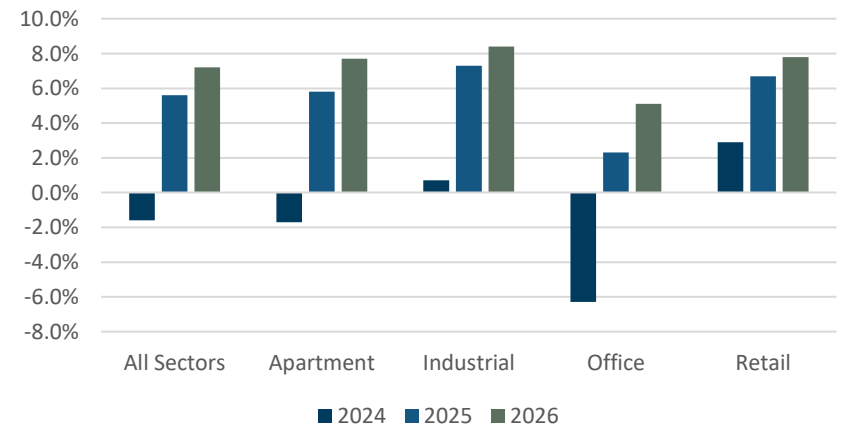
## US REAL ESTATE VALUATIONS NEARING BOTTOM

### NFI-ODCE Net Returns & Appraisal Cap Rates



## US GP CONSENSUS FORECASTS RISING RETURNS

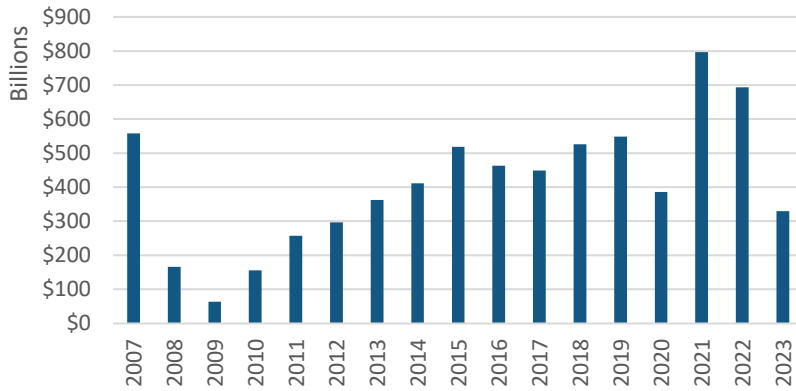
### Total Return Forecasts (Unlevered)



# US Real Estate Market Conditions

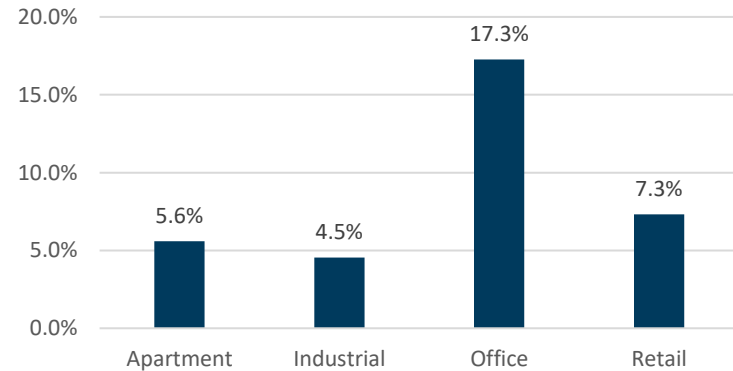
## TRANSACTION VOLUME STALLING

### U.S. Commercial Real Estate Transaction Volume



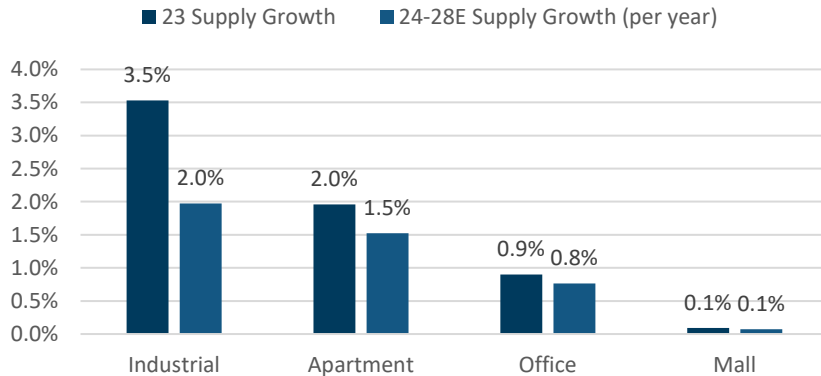
## BUT VACANCY RATES REMAIN LOW

### Vacancy Rates by Property Sector



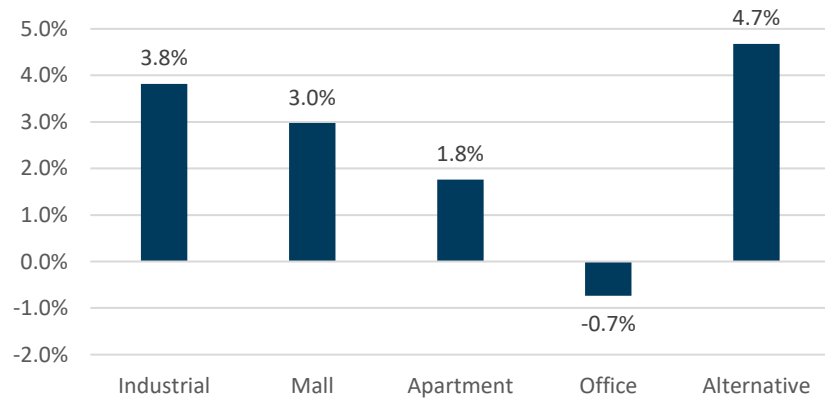
## SUPPLY GROWTH CONTRACTING MEANINGFULLY

### Annual Completions as % of Existing Stock



## GO FORWARD GROWTH OUTLOOK IS QUITE POSITIVE

### Green Street's M-RevPAF<sup>1</sup> Forecast 2024-2028E



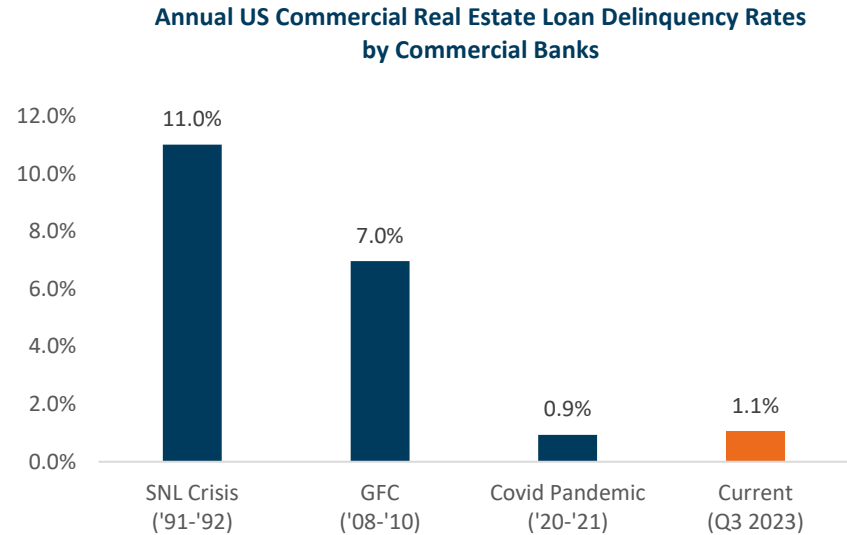
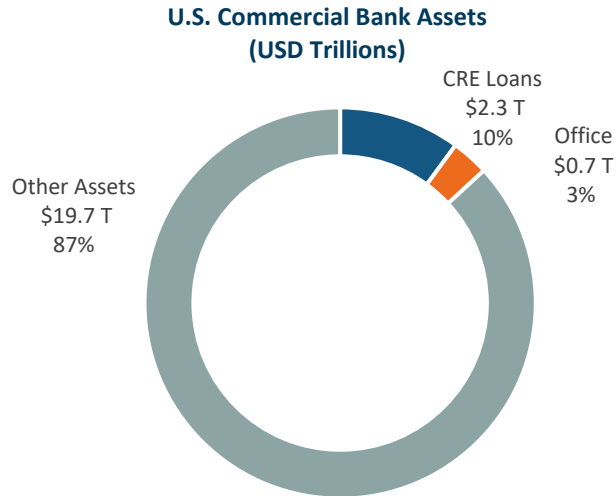
Source: The Townsend Group, MSCI Real Assets, Green Street (April 2024 unless otherwise noted)

<sup>1</sup>Market Revenue per Available Foot (M-RevPAF) is a Green Street metric combining changes in rents with changes in occupancies.

Townsend's views are as of the date of this publication and may be changed or modified at any time and without notice. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein.

# Commercial Real Estate a Systemic Risk?

## WHILE THE BANKING SECTOR IS UNDER PRESSURE, COMMERCIAL REAL ESTATE RISKS APPEAR MANAGEABLE



- Significant concern has arisen in the broader market over commercial real estate, and the Financial Stability Oversight Council identified the sector as key risk for the U.S. economy in 2024
- In 2023, distressed real estate assets grew by \$28.9 billion to a total of \$85.8 billion (~1.8% of outstanding loans), and distress has been largely concentrated in the Office (41%), Retail (25%), and Hotel (17%) sectors
  - While potentially distressed real estate assets account for an additional \$234 billion, monetary easing and a normalization of lending rates could minimize the actual materialization of distress
- To date, commercial real estate loan delinquency rates are minimal compared to prior crises

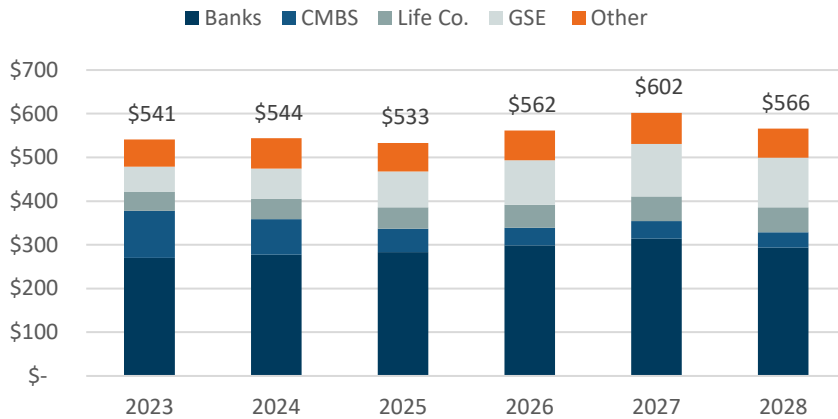
Source: Federal Reserve Board of Governors (February 2023), Goldman Sachs Research (October 2023), Green Street, Financial Stability Oversight Council (2023 Annual Report), MSCI Real Capital Analytics, Mortgage Bankers Association, and Federal Register.

Townsend's views are as of the date of this publication and may be changed or modified at any time and without notice. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein.

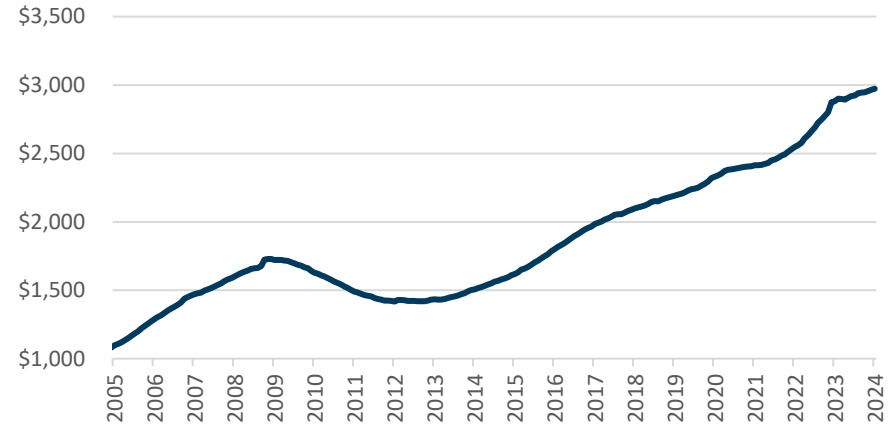
# The Imminent Wall of Real Estate Debt Maturities

## \$2.8 TRILLION OF COMMERCIAL REAL ESTATE DEBT IS MATURING FROM 2024 TO 2028

Commercial Mortgage Maturities by Lender Type  
(USD Billions)



Commercial Real Estate Loans by Banks  
(USD Billions)

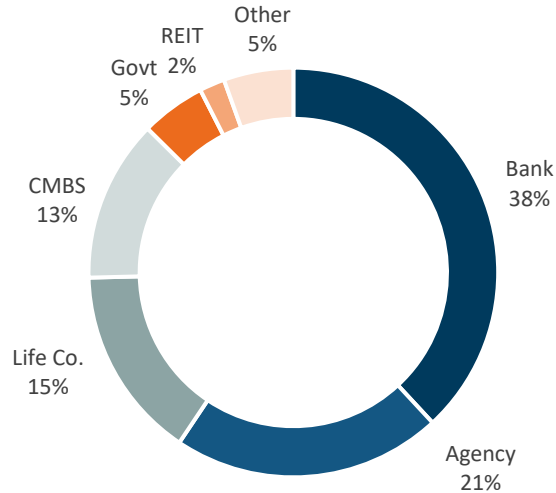


- Over the next five-years, \$1.7 trillion of commercial real estate debt held by banks is set to mature, which has created concern among market participants because banks appear to be under regulatory pressure to reduce exposure to real estate
  - Through 2023, the total outstanding commercial real estate loans held by banks has grown which is contrary to the media narrative
  - Federal regulators provided new guidance on extensions and restructuring to minimize losses
  
- In the current environment, Green Street\* estimates 10-30% additional equity will need to be invested to refinance upcoming maturities
  
- Historically, capital constrained periods have been some of the most attractive vintages to deploy capital
  - Between 2009-2013, non-core close-ended funds tracked by Townsend produced a median net IRR of 14.5%

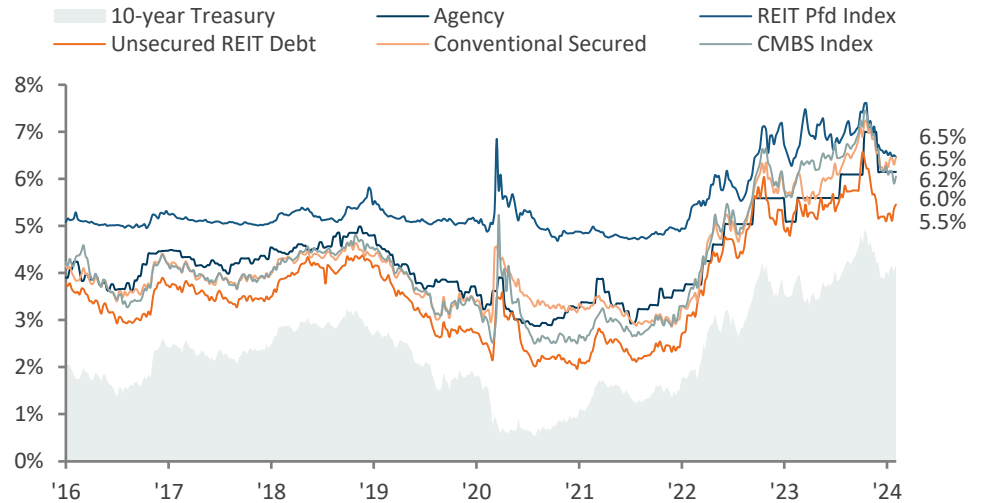
Source: Trepp, St. Louis Fed, Green Street (\*Assumes leverage, property sector and maturities profiles for all CRE debt is consistent with CMBS) and the Office of the Comptroller of Currency. Townsend's views are as of the date of this publication and may be changed or modified at any time and without notice. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein.

## REAL ESTATE DEBT IS GENERALLY AVAILABLE BUT AT A HIGHER INTEREST RATE

U.S. Commercial Real Estate Debt Outstanding

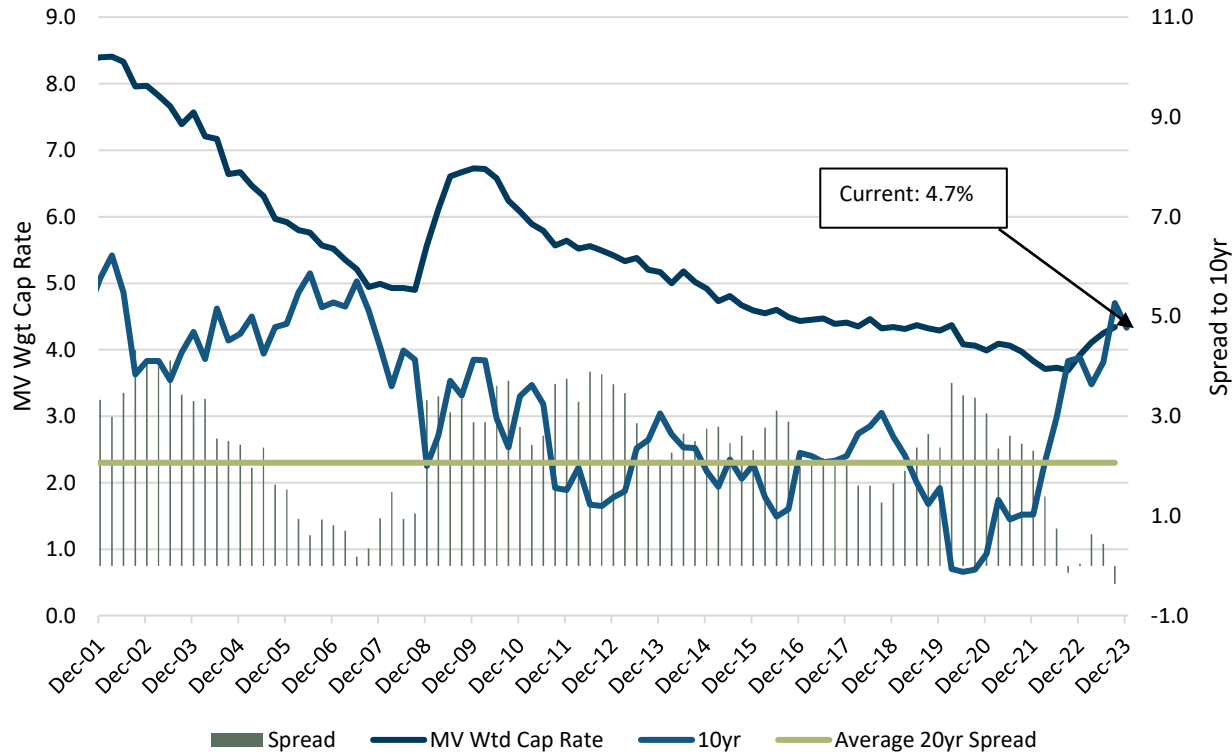


Commercial Real Estate Debt Cost by Type



- Debt is generally accessible for cash flowing real estate, albeit at an elevated cost and lower loan-to-values than two-years ago
  - The ability to borrow is bifurcated by property sector, and the office sector has seen by far the greatest pull back in debt availability
  
- First senior mortgages are being originated around 55% loan-to-value , which is a 5-10% decline compared to pre-COVID
  - For assets that experienced cash flow growth and appreciation in the period prior to debt maturing, this is a manageable adjustment
  - For assets that are capital constrained and can not refinance their debt maturity but are otherwise operating fine, additional equity or high-cost mezzanine and/or preferred equity may be a stop gap
  
- Higher rates, wider spreads, and a pull back in senior lending creates a compelling opportunity for debt strategies

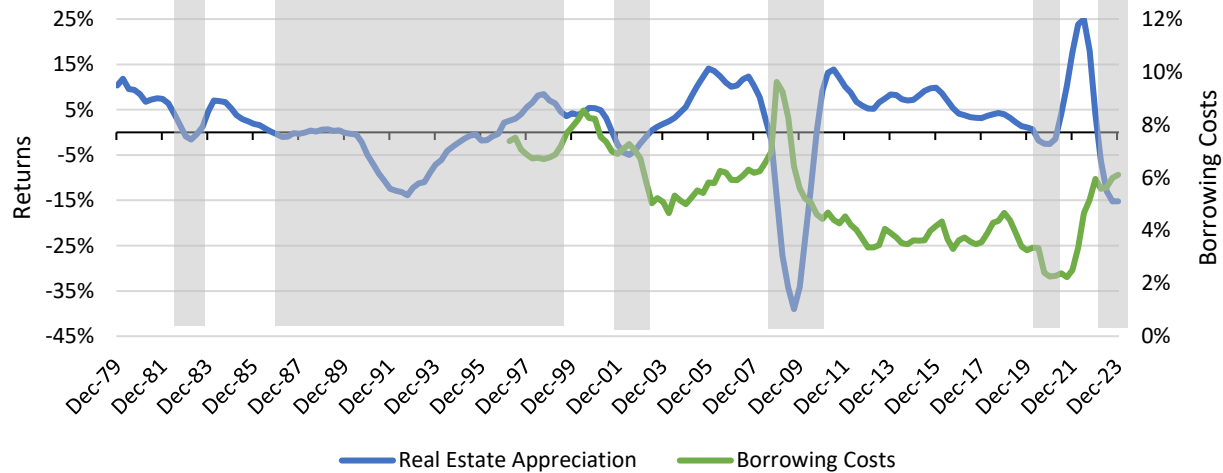
## NPI Current Value Cap Rate versus 10yr Treasury



- Lower spreads relative to the 10-year Treasury rates will stress real estate values
- The average spread over the last 20 years is 2.30
- Current 10yr: 4.7% as of 04/26/24
- Cap rates have tracked interest rates higher across all major property types as buyers show little appetite for negative leverage

# Real Estate Performance in Market Downturns

**ODCE Appreciation vs BBB Corporate Yields**  
Annualized 1 Year Returns before Fees



1982-1983
1986-1999
2001-2002
2008-2010
2020
2022-3Q2023

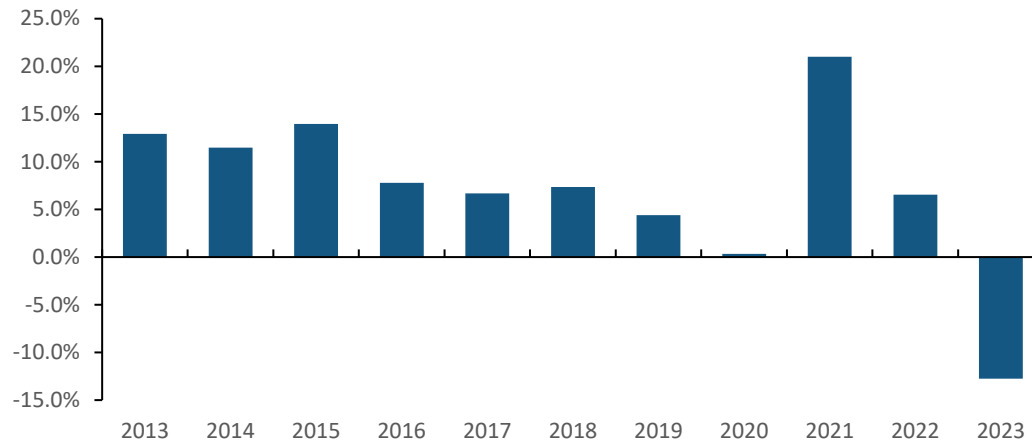
- **Reagan Recession:** 4 quarters of correction followed by 12 quarters of mostly appreciation
- **S&L Crisis:** 39 quarters of correction followed by 21 quarters of mostly appreciation
- **Dot Com Bubble:** 6 quarters of correction followed by 22 quarters of mostly appreciation
- **Global Financial Crisis:** 8 quarters of correction followed by 39 quarters of mostly appreciation
- **Covid-19:** 3 quarters of correction followed by 7 quarters of mostly appreciation
- **Current Day:** 6 quarters of correction

Source: NCREIF, Federal Reserve Bank of St. Louis. Data as of December 2023. Townsend’s views are as of the date of this publication and may be changed or modified at any time and without notice. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein.

# Market Correction Underway

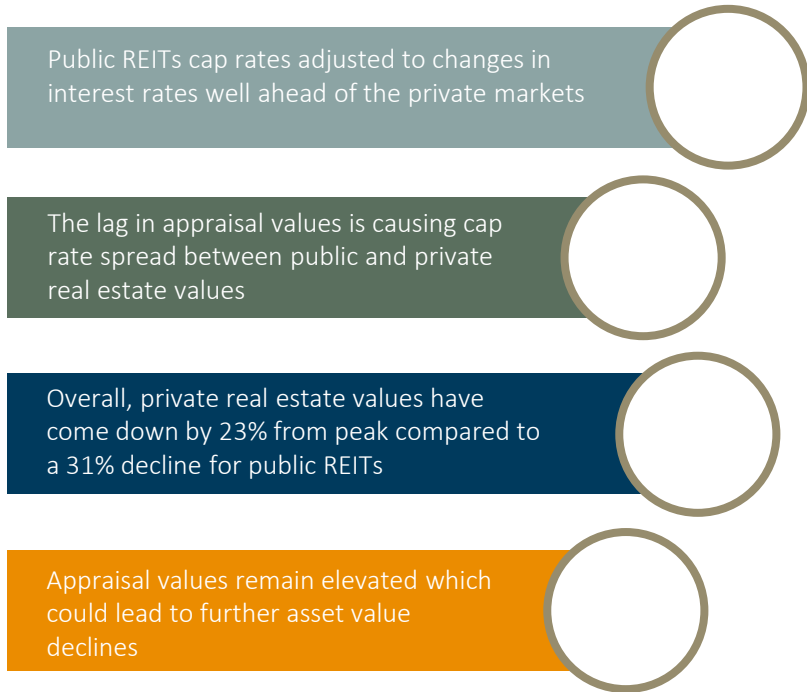
- Real estate market values are correcting in response to the sharp rise in interest rates since mid-2022
- Generally, real estate fundamentals (supply, demand, rents, etc.) remain stable to strong, except for well-publicized challenges in the office sector

**Core Calendar Year Returns  
Net, as of December 2023**

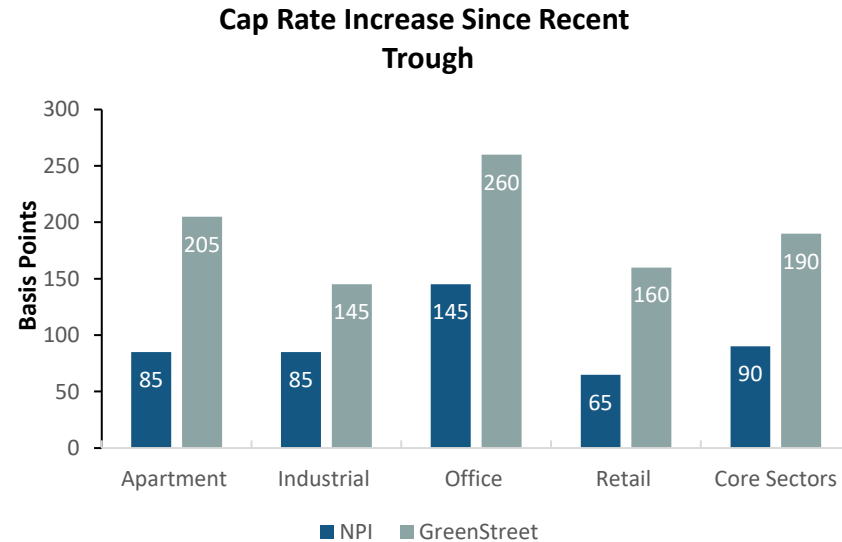




# Appraisal Lag Indicating Room for Pricing Adjustments



	Cap Rates	
	Public REITs (GreenStreet)*	NPI (NCREIF) **
<b>A</b>	6.1%	4.3%
<b>I</b>	4.5%	4.1%
<b>O</b>	8.5%	5.7%
<b>R</b>	7.0%	5.5%



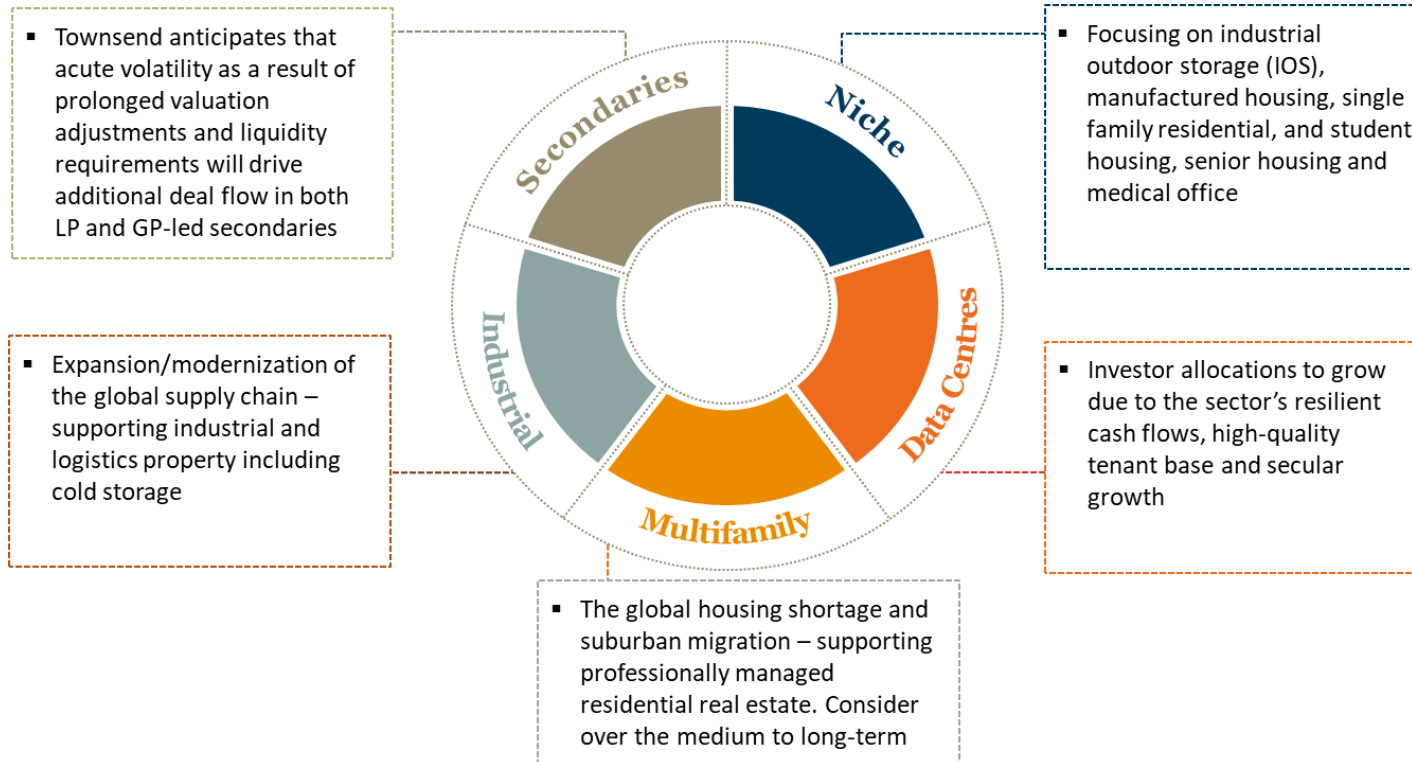
\*GreenStreet cap rate refers to implied cap rate, data as of 03/28/2024

\*\*Data as of 12/31/2023

Sources: NCREIF, GreenStreet. Townsend's views are as of the date of this publication and may be changed or modified at any time and without notice. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein.

# Forward Looking Initiatives in Private Real Estate

- LACERS has a large, traditional private market program defensively positioned for stable returns with a combination of specialist and diversified positions.
- Although current market sentiment appears to be gloomy, we anticipate that 2024 could signal the bottom of commercial real estate this cycle with the stabilization in interest rates and the gradual thawing of the capital market.
- Although we anticipate facing challenges, we remain optimistic and believe that 2024 has the potential to be a good vintage year for specific property types and investments strategies. Strategies and sectors that we prefer include:



# Townsend's Real Estate Investment Themes

## CAPITAL MARKETS DISLOCATION IS CREATING AN ATTRACTIVE VINTAGE TO INVEST IN REAL ESTATE

### 1 Distress and Dislocation

Provide capital solutions to fix broken capital structures created by the rapid rise in interest rates and pullback in senior debt.



### 2 Housing Shortage

Housing is undersupplied across developed economies and new construction starts have plummeted, setting up an attractive operating environment for residential strategies.



### 3 Global Supply Chain

Expansion/modernization of logistics properties are integral to the global supply chain and are critical for e-commerce growth.



### 4 Niche Property Types

Demand for specialized properties the needs of evolving industries are growing. Characterised by differentiated demand dynamics and operating knowledge.



### 5 Digital Infrastructure

Data Centers are benefiting from surging demand for power driven by the digitization of the economy, growth of content streaming, and integration of AI models.



### 6 Aging Population

Growing over 65 age cohort driving demand for healthcare, life sciences, medical office, and senior housing.



## United States

### Single Family Build-to-Rent

Rising interest rates creating barrier for first-time homebuyers, resulting in growing population of long-term single-family renters. Higher entry yields and greater income characteristics offer compelling opportunity for institutional capital targeting residential.



## Global

### European Logistics

High-barrier markets such as London seeing uptick in transaction volume and yield compression due to demand fundamentals. Global supply chain shifts may support further growth in Central Europe. Margins for development remain high and may provide opportunity for higher returns.



### Industrial Outdoor Storage

IOS serves a critical role in servicing the logistics, manufacturing, and construction operations of the US economy, but remains highly fragmented from an ownership perspective with limited brokerage coverage, and lower information transparency creating a moat. IOS has the potential to become a more institutional subsector of industrial real estate.



### Asian Data Centers

The country's strong IT infrastructure has led South Korea to be the world's leading 5G market which helped stimulate demand from global technological giants and data center operators driven by the increasing requirements for cloud services, big data and mobile technology.



### Data Centers

Digital data creation, usage, and storage has been growing exponentially. On-going in-place technology-led digital transformational trends are everywhere, increasing data demand and consumption, requiring more physical data center space and power within data centers.



### Australian Credit

Scalable opportunity to invest in Australia CRE credit as sector institutionalizes and generates opportunities for attractive risk-adjusted returns. Resilient macroeconomic fundamentals, regulatory constraints on bank lending, and growing opportunity for non-bank lenders driving demand.





## B. Executive Summary

Board Meeting: 5/28/24  
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## LACERS Annual Investment Plan 2024-2025 – Total New Commitments of up to \$450 million

### Private Real Estate Portfolio

#### Core Portfolio – Up to \$200M

- Commit capital to new and existing core and/or core-plus funds to manage the core exposure and adjust for return and risk purposes.
- Rebalance the core portfolio and evaluate the core open-end positions to focus on boosting returns

#### Non-Core Portfolio - Up to \$250M

- Commit capital to several new investments at amounts ranging between \$50 million and \$75 million.
  - Consider smaller commitment amounts for highly concentrated funds, niche strategies, or small fundraises as per LACERS sizing policies.

# C. LACERS Real Estate Program Overview

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# LACERS Real Estate Program Overview

(Data as of December 31, 2023)

	Market Value (\$ millions)*	% LACERS Plan*
<b>LACERS Total Plan Assets</b>	<b>\$22,726</b>	
<b>Real Estate Target</b>	<b>\$1,591</b>	<b>7.0%</b>
RE Market Value:		
<i>Core</i>	\$762	
<i>Non-Core</i>	\$452	
<i>Timber</i>	\$21	
<b>Total RE Market Value</b>	<b>\$1,235</b>	<b>5.4%</b>
Unfunded Commitments	\$351	1.5%

\*Figures may not add due to rounding .

Source: The Townsend Group. Data as of December 31, 2023. Townsend's views are as of the date of this publication and may be changed or modified at any time and without notice. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein.



# LACERS Real Estate Program Overview (continued)

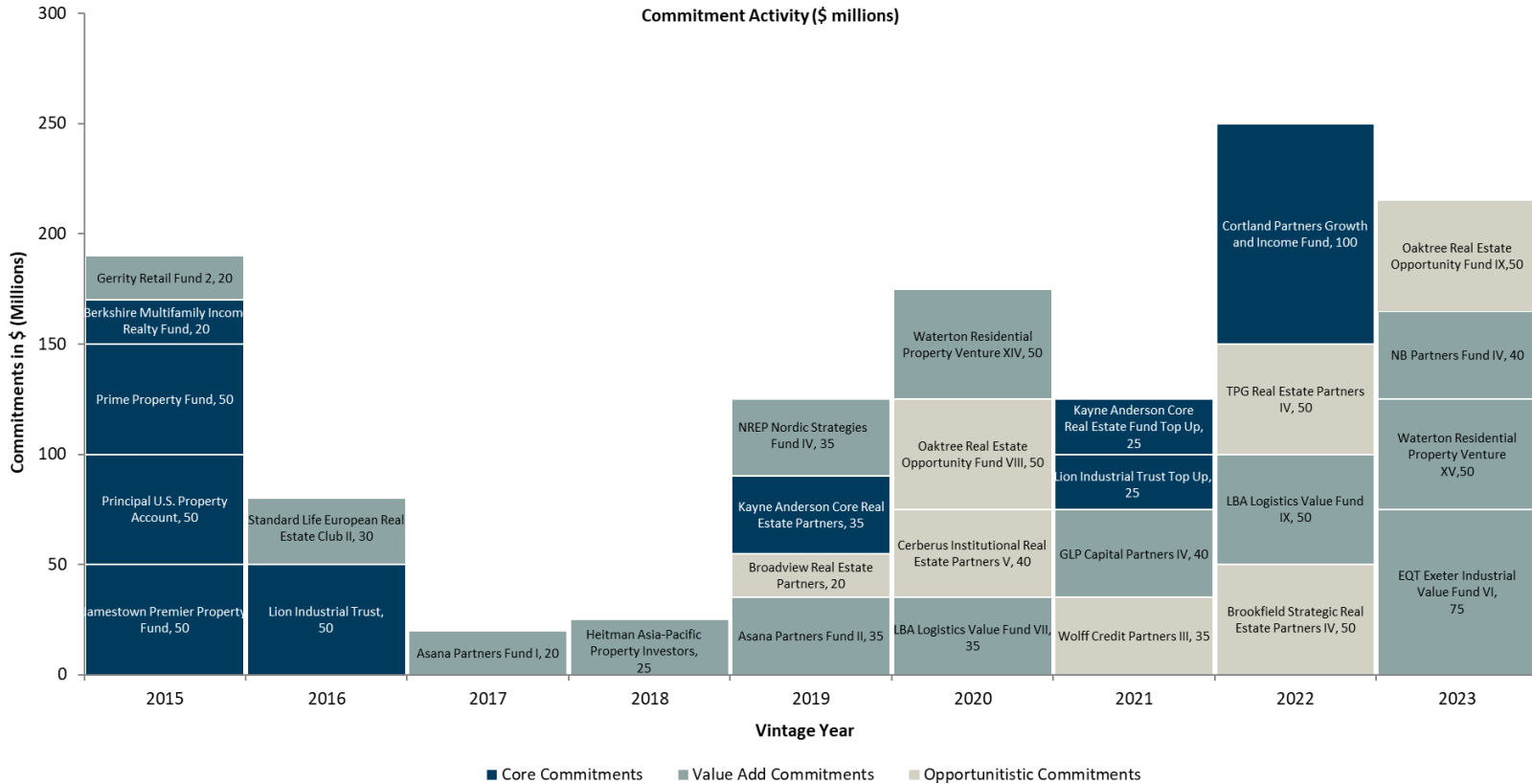
	<i>Strategic Targets</i>		<i>Portfolio Composition (12/31/2023)*</i>	
	<b>Target Allocation</b>	<b>Tactical Range</b>	<b>Market Value</b>	<b>Targeted 3-Year</b>
<b>Core</b>	<b>60%</b>	<b>40% - 80%</b>	<b>61.7%</b>	<b>58.9%</b>
<b>Non-Core</b>	<b>40%</b>	<b>20% - 60%</b>	<b>36.6%</b>	<b>39.9%</b>
<i>Value Add Portfolio</i>	<i>N/A</i>	<i>N/A</i>	<i>22.4%</i>	
<i>Opportunistic Portfolio</i>	<i>N/A</i>	<i>N/A</i>	<i>14.2%</i>	
<b>Timber</b>	<b>N/A</b>	<b>N/A</b>	<b>1.7%</b>	<b>1.2%</b>

- In May 2014, the Board approved the strategic targets displayed above in order to reflect a more conservative risk profile going-forward. At the time, the Portfolio had 30% exposure to Core and 70% exposure to Non-Core.
- As of 12/31/23 LACERS is slightly overweight to its Core and underweight to its Non-Core target allocation but within the respective tactical ranges. Unfunded commitments will bring exposures closer to long-term targets.

\*Figures may not add due to rounding

Source: The Townsend Group. Data as of December 31, 2023. Townsend's views are as of the date of this publication and may be changed or modified at any time and without notice. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein.

# LACERS Commitment History



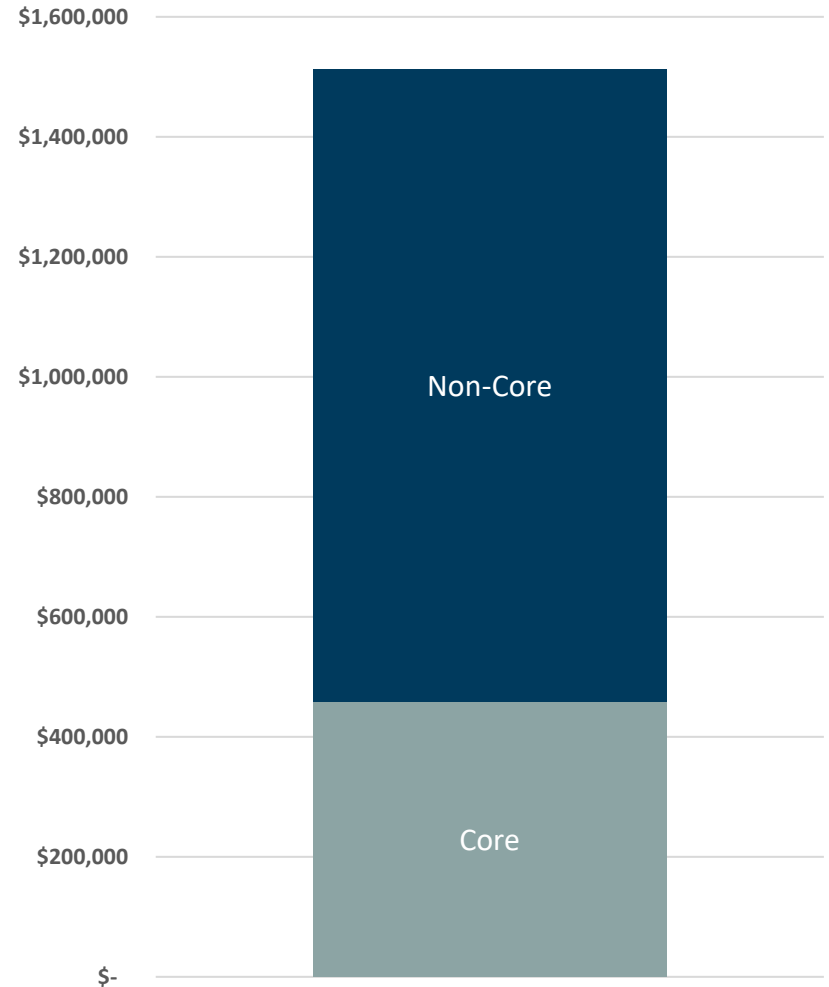
- LACERS has committed \$1.2 billion since 2014 while under advisement of Townsend.
- Four Non-Core commitments since 2015 (Gerrity II, Asana I, Broadview, and NB Partners Fund IV ) met LACERS’ Emerging Manager guidelines at the time of commitment.
- Vintage year classifications are based on LACERS’ first capital call (or expected capital call), though commitments may have been approved in prior years.

# Private Real Estate Investment Management Fee Savings

## PRIVATE REAL ESTATE PORTFOLIO FEE SAVINGS

- Through the relationship with Townsend, LACERS is able to achieve significant fee savings with their investment managers.
- Townsend seeks to reduce manager fees without compromising quality of execution as a risk-free way to drive performance.
- Leveraging Townsend’s size and influence—in many cases—results in fee breaks achieved through aggregation of capital.
- Fee breaks have also been achieved through close timing and LACERS commitment amounts.
- The LACERS Real Estate Program has and is anticipated to continue to benefit from lower fees at all return levels across the Portfolio.
  - LACERS saves approximately \$1.5 million annually in asset management fees within the Private Real Estate Portfolio<sup>1</sup>.

Approximate Annual Fee Savings from Townsend Affiliation\*  
As of 12/31/23



\*For open-end funds, fee savings are estimated based on net asset value. For closed-end funds in the investment period, fee savings are estimated based on committed capital. For closed-end funds outside of the investment period, fee savings are estimated based on invested capital. Source: The Townsend Group. Townsend’s views are as of the date of this publication and may be changed or modified at any time and without notice. Investing involves risk, including loss of principal. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein. Fee savings are not guaranteed.

# D. LACERS 2024-2025 Investment Plan

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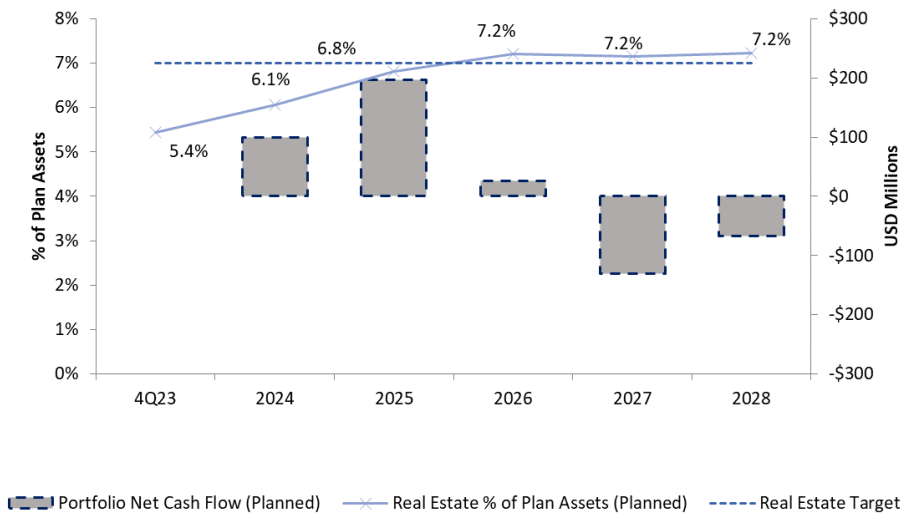
IC Meeting: 5/14/24  
Item IV  
Attachment 2



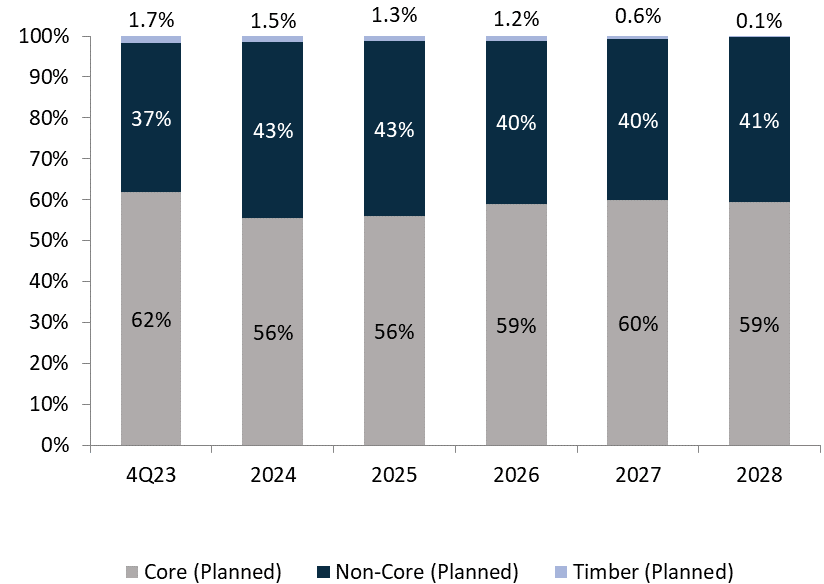
# LACERS Real Estate Portfolio Projections

- To build future private portfolio projections for LACERS, Townsend collected forecasted capital calls and distributions from all managers in LACERS' portfolio.
- The 'Planned' Real Estate Portfolio below includes new commitments needed to reach the target allocation and the 60% Core / 40% Non-Core target.
- The real estate portfolio is at approximately 5.4% of total plan assets below the 7.0% target allocation. Over the next year, the real estate portfolio is anticipated to grow to be closer to the target allocation.

Real Estate % of Total Plan Assets (All Planned Commitments)



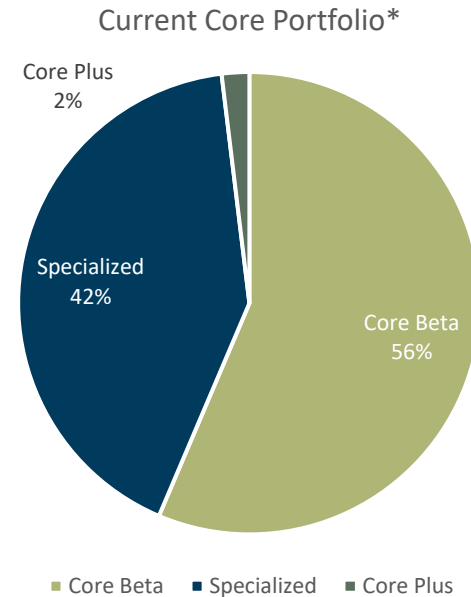
Risk Sector Allocation Change





# LACERS 2024-2025 Investment Plan – Core Portfolio

- Commit up to \$200 million to Core/Core Plus funds.
  - Consider up to \$200 M in commitments to 2-3 core/core-plus positions. Patiently evaluate the appropriate method of execution through:
    - Secondary market opportunities with existing strong performing managers if available at a discount to current valuation
    - New blind pool core open-end fund launches positioned to buy high-quality properties at favorable valuations
    - Specialist managers with exposure to the alternative space or niche sectors to which LACERS does not currently have exposure to
  - Consider rebalancing the core portfolio to focus on boosting returns and continue to evaluate current core open-end positions to deliver appropriate core portfolio objectives.



\*Core Beta refers to funds larger, diversified funds that track closer to NFI-ODCE through access to primary gateway markets and property types.

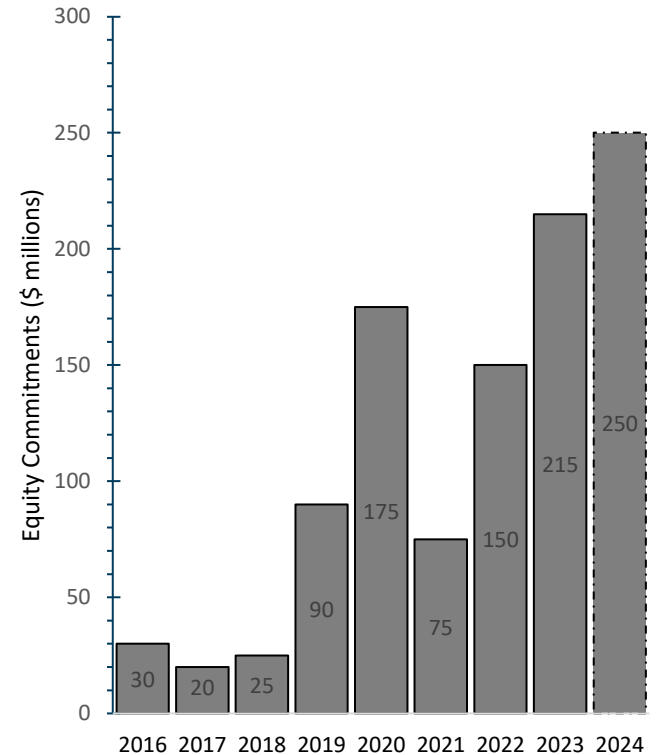
Core Plus refers to funds with a combination of higher leverage and/or larger non-core pipelines in order to enhance returns.

Core Specialized refers to funds that specialize in one sector or funds that specialize in sectors outside of the primary NFI-ODCE sectors.

Source: The Townsend Group. Data as of May 2024. Townsend's views are as of the date of this publication and may be changed or modified at any time and without notice. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein.

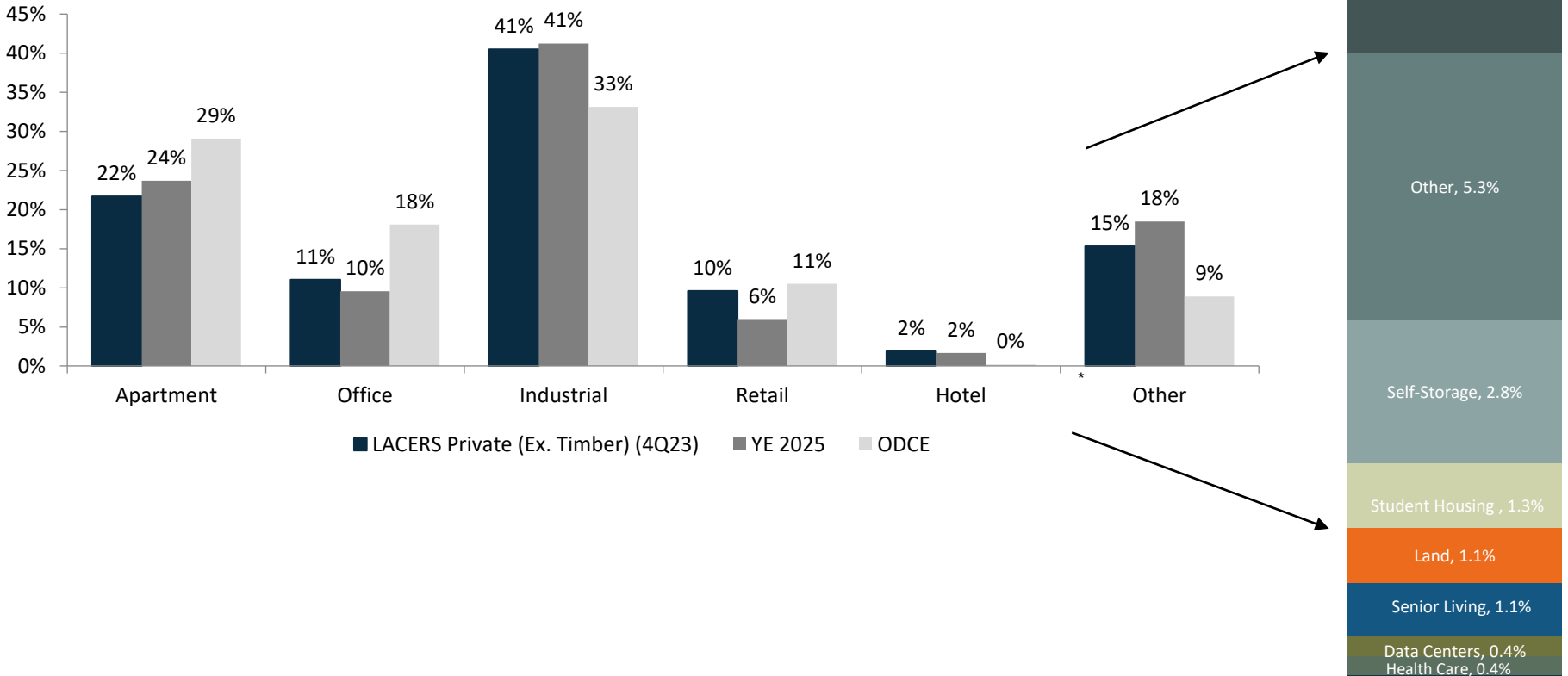
- **Commit up to \$250 million to non-core funds.**
  - Further explore niche investment opportunities that are anticipated to generate outsized risk-adjusted returns, and/or provide a level of diversification to the portfolio (downside protection, sector exposure, etc.).
    - Townsend continues to conduct manager research in niche opportunities such as cold storage, data centers, single family residential, industrial outdoor storage and real estate credit.
    - Consider lower commitment amounts for highly concentrated niche strategies.
  - Target 5-6 new commitments to attractive opportunities with a focus on i) complementary sector/regional exposures, (ii) thematic investments, (iii) demonstrated specialist managers and iv) alternative specialty sectors with growth potential.
  - Consider re-up commitments to high conviction managers already represented in the portfolio.
  - Focus on maximizing fee savings to boost net returns when possible.
  - Continue to evaluate Emerging Managers that are an appropriate fit for LACERS’ portfolio, without compromising returns.

**Non-Core Commitments by Vintage**  
Year



# LACERS Diversification Targets

**Private Real Estate Exposure - Property Type Diversification**  
*Private Portfolio (Ex. Timber)*



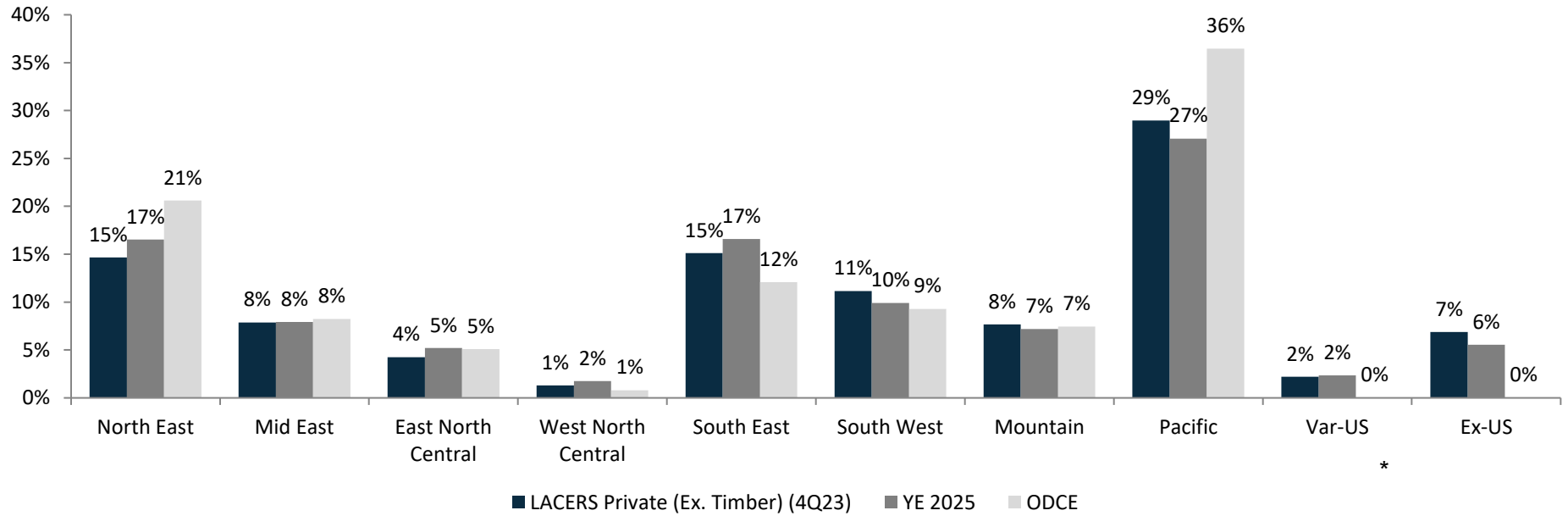
\*'Other' reflects properties that do not fit into the traditional classifications (apartment, industrial, office, retail), such as medical office, senior housing, self-storage, student housing, and other property types.

Source: The Townsend Group. Data as of May 2024. Townsend's views are as of the date of this publication and may be changed or modified at any time and without notice. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein.



# LACERS Diversification Targets

**LACERS Projected Geographic Diversification**  
*Private Portfolio (Ex. Timber)*



\*

\*Var-US includes any investments that are not directly tied to specific regions, such as real estate debt investments through Torchlight or entity-level investments through Almanac.  
Source: The Townsend Group. Data as of May 2024. Townsend's views are as of the date of this publication and may be changed or modified at any time and without notice. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein.

## E. Sourcing & Deal Flow

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# Manager Sourcing & Due Diligence

## Core and Core-Plus Fund Sourcing and Selection

- Townsend's dedicated open-end fund team reviews and monitors the open-end universe on a monthly and quarterly basis.
- Townsend also evaluates Core closed-end funds, though fewer exist.
- Comprehensive review, evaluation and selection process:
  - Sourcing and evaluation of new fund launches,
  - Quarterly data collection and analysis,
  - On-site meetings and quarterly reviews,
  - Advisory board participation,
  - Ongoing platform assessment,
  - Continual due diligence.

# Manager Sourcing & Due Diligence

## Non-Core Fund Sourcing and Selection

- In addition to the work completed for open-end commingled funds (evaluation process outlined on the previous page), Townsend is continuously analyzing the universe of Non-Core closed-end funds available for investment.
- Detailed due diligence follows a three-phase due diligence process:
  - Sourcing and evaluation of new fund launches.
  - On-site due diligence meetings.
  - Evaluation of investment characteristics includes, but is not limited to the following:
    - *Executive Summary*: Strategy Overview, Comparative Advantages, Potential Issues and Concerns.
    - *Strategy*: Overview, Leverage, Investment Guidelines, Pipeline.
    - *Sponsor*: Organizational Background/History, Turnover, Compensation, and Retention.
    - *Investment Process*: Overview, Investment Committee, Affiliate Transactions, Limited Partner Advisory Committee, Exclusivity and Allocations, Valuations.
    - *Fund Structure*: Key Terms, Fees and Distributions, Analysis of Fees.
    - *Performance*: Detailed Summary of Prior Vehicles, Vintage Year Comparison, Dispersion of Returns, Investment Highlights.
- Ongoing due diligence includes fund coverage, investment monitoring, reporting, advisory board representation and client advocacy.

# Emerging Manager Sourcing Process

## Emerging Manager Sourcing

- Townsend focuses on identifying emerging managers during its sourcing and monitoring process.
  - Network and establish new relationships through regular sourcing channels, outreach and conference attendance.
  - Seek new and specialized opportunities that align with Townsend View of the World.
  - Uncover experienced niche operating partners interested in raising third-party capital.
  - Oversight and management of dedicated Emerging Manager programs across the firm.
  - Maintain active pipeline of Emerging Manager candidates.
  - Actively vetting new owner/operators as potential Emerging Manager candidates.

## LACERS Emerging Manager Efforts

- Majority of Emerging Manager opportunity set is in the Non-Core segment:
  - 2015: A \$20 million commitment to Gerrity Retail Fund 2 was approved by the Board.
  - 2016: A \$20 million commitment to Asana Partners I was approved by the Board.
  - 2018: A \$35 million commitment to Asana Partners II was approved by the Board.
  - 2019: A \$20 million commitment to Broadview Real Estate Partners was approved by the Board.
  - 2023: A \$40 million commitment to NB Partners Fund IV was approved by the Board.
  - 2024: Due diligence on two additional emerging managers has been completed and commitments are under consideration for 2024.



# Disclosures

Board Meeting: 5/28/24  
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# Disclosures and Definitions

## GENERAL DISCLOSURES

There can be no assurance that any account will achieve results comparable to those presented. Past performance is not indicative of future results. Investing involves risk, including possible loss of principal.

Returns reflect the equal-weighted returns calculated during the periods indicated. Note: If including Core, this is value-weighted. In addition, the valuations reflect various assumptions, including assumptions of actual unrealized value existing in such investments at the time of valuation. As a result of portfolio customization/blending and other factors, actual investments made for your account may differ substantially from the investments of portfolios comprising any indices or composites presented.

Due to the customized nature of Townsend's client portfolios, the performance stated may be considered "hypothetical" as it does not reflect the experience of individual client portfolios, but rather aggregate client positions in the stated investment strategy.

## NON REGULATORY ASSETS UNDER MANAGEMENT

As of September 30, 2023, Townsend had assets under management of approximately \$22.1 billion. When calculating assets under management, Townsend aggregates net asset values and unfunded commitments on a quarterly basis. Townsend relies on third parties to provide asset valuations, which typically takes in excess of 90 days after the quarter end. Therefore, assets under management have been calculated using September 30, 2023 figures where available but may also include June 30, 2023 figures. Assets under management are calculated quarterly and includes discretionary assets under management and non-discretionary client assets where the client's contractual arrangement provides the client with the ability to opt out of or into particular transactions, or provides other ancillary control rights over investment decision-making (a/k/a "quasi-discretionary"). Regulatory AUM is calculated annually and can be made available upon request.

## ADVISED ASSETS

As of September 30, 2023, Townsend provided advisory services to clients who had real estate/real asset allocations exceeding \$123.0 billion. Advised assets includes real estate and real asset allocation as reported by our clients for whom Townsend provides multiple advisory services—including strategic and underwriting advice for the entire portfolio. Advised assets are based on totals reported by each client to Townsend or derived from publicly available information. Advised assets are calculated quarterly. Select clients report less frequently than quarterly in which case we roll forward prior quarter totals. The recent change in Advised Assets is due to a change in the reporting of certain special projects.

**TREA STRATEGIES (NON-CORE)** employ a global non-core multi strategy approach with 50% or more of the investments invested in non primary fund investments such as co-investments, joint ventures, secondaries and clubs. Strategies are diversified by geography, sector, property type, manager and vintage year.

**CORE-PLUS STRATEGIES (CORE)** employ a global core/core plus multi strategy approach investing in primary funds, joint ventures, co-investments, secondaries, direct investments, debt strategies and REITs. Strategies are diversified by geography, sector, property type, manager and vintage year.

**SEPARATE ACCOUNTS** includes all Townsend active discretionary accounts which invest in a variety of investment styles and structures.



## Disclosures and Definitions

**The NFI-ODCE Index** is a capitalization-weighted, gross of fees, time-weighted return index with an inception date of 1/1/1978. Published reports may also contain equal-weighted and net of fees information. Open-end funds are generally defined as infinite-life vehicles consisting of multiple investors who have the ability to enter or exit the fund on a periodic basis, subject to contribution and/or redemption requests, thereby providing a degree of potential investment liquidity. The term Diversified Core Equity style typically reflects lower risk investment strategies utilizing low leverage and generally represented by equity ownership positions in stable US operating properties (as defined herein). The NFI-ODCE is a quasi-managed index based on the periodic review by the Index Policy Committee ("IPC") of the index's criteria thresholds.

**The S&P 500 Index** is an unmanaged market capitalization weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent US equity performance.

**The Barclays US Aggregate Bond Index** is a broad-based benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency).

Index figures do not reflect deduction of fees, expenses, or taxes. One cannot invest directly in an index.

**Value-Added:** Funds that generally include a mix of core investments and others that will have less reliable income streams. The portfolio as a whole is likely to have moderate lease exposure and moderate leverage. As a result, such portfolios should achieve a significant portion of the return from appreciation and are expected to exhibit moderate volatility.

**Opportunistic:** Funds of preponderantly non-core investments that are expected to derive most of their returns from appreciation and/or which may exhibit significant volatility in returns. This may be due to a variety of characteristics such as exposure to development, significant leasing risk, high leverage, or a combination of risk factors.



**REPORT TO BOARD OF ADMINISTRATION**

**From: Investment Committee**  
Elizabeth Lee, Chair  
Annie Chao  
Gaylord "Rusty" Roten

**MEETING: MAY 28, 2024**  
**ITEM: VII – D**

**SUBJECT: ADAPTIVE ASSET ALLOCATION POLICY AND STATUS REPORT AND POSSIBLE BOARD ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Board renew the Adaptive Asset Allocation Plan for Fiscal Year 2024-2025.

**Executive Summary**

This report provides an annual update on adaptive rebalancing pursuant to the LACERS Rebalancing Policy and Adaptive Asset Allocation Plan (AAAP) under Sections V.G and V.H of the Investment Policy Manual. No adaptive rebalances have been initiated through April of fiscal year 2023-2024. The Committee recommends renewal of the AAAP in its current form for fiscal year 2024-2025. The Committee has noted staff will review the policy for possible revisions that allow greater flexibility to implement adaptive rebalancings.

**Discussion**

The LACERS Rebalancing Policy and AAAP (Sections V.G and V.H of the Investment Policy Manual) authorize staff to conduct adaptive rebalancing. The AAAP, initially adopted by the Board on May 28, 2019, and revised on October 26, 2021, addresses the goals and objectives of adaptive asset allocation, roles and responsibilities of parties involved, decision-making and implementation framework, and reporting requirements. Pursuant to Section VII of the AAAP, the CIO must provide an annual report to the Investment Committee of all adaptive rebalances initiated in the current fiscal year and provide recommendations to modify, continue, or cease the AAAP.

On May 14, 2024, the Committee considered the attached AAAP status update and renewal recommendation report and discussed the report with staff. Through April of fiscal year 2023-2024, staff has not identified any opportunities to invoke the AAAP and no adaptive rebalances have been initiated. Staff explained that the portfolio's asset allocation has been maintained near Board-adopted policy targets due to cash management activities required to meet monthly operational liquidity needs. Such activities have kept asset class allocations below the 70% of asset class trigger point required to

implement the AAAP as defined in Section VI of the policy. Considering the limited adaptive rebalancing opportunities since the AAAP was adopted in 2019, staff will review the policy and propose revisions that provide greater flexibility to implement an adaptive rebalance, subject to additional analysis. Following the discussion with staff, the Committee concurred with the recommendation to renew the AAAP in its current form for fiscal year 2024-2025.

### **Strategic Plan Impact Statement**

Renewing the Adaptive Asset Allocation Plan aligns with the Strategic Plan Goals to optimize long-term risk adjusted investment returns (Goal IV) and to uphold good governance practices which affirm transparency, accountability, and fiduciary duty (Goal V).

Prepared By: James Wang, Investment Officer I, Investment Division

NMG/RJ/WL/JW:rm

Attachment: 1. May 14, 2024 Investment Committee Report



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

**MEETING: MAY 14, 2024**  
**ITEM: V**

*Neil M. Guglielmo*

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**SUBJECT: ADAPTIVE ASSET ALLOCATION POLICY AND STATUS REPORT AND POSSIBLE COMMITTEE ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

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### **Recommendation**

That the Committee recommend to the Board a renewal of the Adaptive Asset Allocation Plan for Fiscal Year 2024-2025.

### **Executive Summary**

This report provides an annual update on adaptive rebalancing pursuant to the LACERS Rebalancing Policy and Adaptive Asset Allocation Plan (AAP) under Sections V.G and V.H of the Investment Policy Manual. No adaptive rebalances have been initiated through April of fiscal year 2023-2024. Staff recommends renewal of the AAP for fiscal year 2024-2025 as well as revisions to the policy to be brought back to the Committee later in the fiscal year.

### **Discussion**

The LACERS Rebalancing Policy and AAP (Sections V.G and V.H of the Investment Policy Manual) authorize staff to conduct adaptive rebalancing. The AAP, initially adopted by the Board on May 28, 2019, and revised on October 26, 2021, addresses the goals and objectives of adaptive asset allocation, roles and responsibilities of parties involved, decision-making and implementation framework, and reporting requirements.

Pursuant to Section VII of the AAP, the CIO must provide an annual report to the Investment Committee of all adaptive rebalances initiated in the current fiscal year and provide recommendations to modify, continue, or cease the AAP. Through April of fiscal year 2023-2024, staff has not invoked the AAP and no adaptive rebalances have been initiated. Staff will continue to monitor market conditions and the investment portfolio for opportunities to adaptively rebalance and recommends a renewal of the AAP in its current form for fiscal year 2024-2025.

Furthermore, staff recognizes that the AAP may be limited in its usage due to staff's efforts to manage routine operational cash flows and portfolio liquidity. Such efforts generally result in staff rebalancing public market asset classes towards asset allocation targets monthly and maintaining asset classes below the 70% of asset class range trigger point required to implement an adaptive rebalance as

defined in Section VI.1 of the AAAP. Staff plans to revisit the AAAP rebalancing guidelines later in the fiscal year for the Committee's consideration.

LACERS' Internal Auditor has reviewed this report pursuant to Section II of the AAAP.

**Strategic Plan Impact Statement**

Renewing the Adaptive Asset Allocation Plan aligns with the Strategic Plan Goals to optimize long-term risk adjusted investment returns (Goal IV) and to uphold good governance practices which affirm transparency, accountability, and fiduciary duty (Goal V).

Prepared By: James Wang, Investment Officer I, Investment Division

NMG/RJ/WL/JW:rm

Attachment:           1. Rebalancing Policy and Adaptive Asset Allocation Plan

## **G. Rebalancing**

The investment portfolio shall, on an ongoing basis in accordance with market fluctuations, be rebalanced to remain within the range of targeted allocations and distributions among investment advisors. The Board has a long-term investment horizon and utilizes an asset allocation that encompasses a strategic, long-run perspective of capital markets. It is recognized that a strategic long-run asset allocation plan implemented in a consistent and disciplined manner will be the major determinant of the System's investment performance.

Rebalancing is not primarily intended to be used for tactical asset allocation. The Board will not attempt to time the rise or fall of the investment markets by moving away from long-term targets because (1) market timing may result in lower returns than buy-and-hold strategies; (2) there is little or no evidence that one can consistently and accurately predict market timing opportunities; and (3) rebalancing too often may result in excessive transaction costs. However, the Board may authorize staff to rebalance assets within or among asset classes without breaching Board-established asset allocation policy threshold bands. Such rebalancing would be subject to an annually approved Adaptive Asset Allocation Plan (AAAP) in order to enhance incremental performance, protect portfolio value, or improve the risk-return profile of the portfolio. The Board will consider the approval of a new AAAP or renewal of an existing AAAP within three months prior to the start of each fiscal year. The approved AAAP will be effective on July 1 of each year. Should the Board choose not to renew an AAAP, the existing AAAP may continue to be implemented; however, new AAA positions may not be introduced until a continuance of the existing AAAP or new AAAP is approved by the Board.

The Board delegates the responsibility of rebalancing to the Chief Investment Officer, who will seek the concurrence of the General Fund Consultant. Rebalancing generally will occur when the market values of asset classes (e.g., equities, fixed income, etc.) or sub-asset classes (e.g., large cap value, emerging markets, etc.) exceed their respective thresholds as established by the Board's approved asset allocation and asset class risk budgets.

The portfolio will be monitored daily, but reviewed by senior investment staff (i.e., Chief Investment Officer or Chief Operating Officer) at the beginning of each month to determine the need to rebalance asset classes or sub-asset classes within approved policy bands. Rebalancing will be conducted in a timely manner, taking into consideration associated costs and operational circumstances and market conditions. Rebalancing will be accomplished by using routine cash flows, such as contributions and benefit payments, by reallocating assets across asset classes, investment mandates, and investment managers.

Asset classes temporarily may remain outside of their ranges due to operational and implementation circumstances to include, but not limited to, illiquidity that prevents immediate rebalancing of certain asset classes such as private equity and private real estate; potential asset shifts pending in the portfolio over the next 12 months such as hiring/termination of a manager(s); an asset allocation review of the entire portfolio; or a structural review of a given asset class.

The Chief Investment Officer shall inform the Board in a timely manner of all rebalancing activity.

## H. Adaptive Asset Allocation Plan

### TABLE OF CONTENTS

- I. Purpose and Scope
- II. Roles and Responsibilities
- III. Terminology
- IV. Adaptive Asset Allocation Considerations
- V. Implementation
- VI. Risk Management Guidelines
- VII. Annual Review of the Adaptive Asset Allocation Plan
- VIII. Appendix

#### I. Purpose and Scope

The Adaptive Asset Allocation Plan (AAAP) is an addendum to Section I.V.G of the Investment Policy.

On February 12, 2019, the Board of Administration (“Board”) of the Los Angeles City Employees’ Retirement System (LACERS) approved revisions to the Investment Policy, which included a revision to the Rebalancing Policy (Section I.V.G). Specifically, a provision was added for Tactical Asset Allocation (TAA). Under the TAA section, staff is authorized to initiate tactical rebalancing pursuant to the Tactical Asset Allocation Plan (TAAP).

On October 26, 2021, the Board approved renaming TAA to Adaptive Asset Allocation (AAA) and the TAAP to the Adaptive Asset Allocation Plan (AAAP).

The Board believes that LACERS Total Fund (Total Fund) is best managed when additional tools are available for staff to address a dynamic and rapidly changing investment market. Adaptive Asset Allocation, pursuant to the Rebalancing Policy and procedures found in the AAAP, is designed to supplement and complement the Rebalancing Policy by adding flexibility to rebalancing decisions within a prudent, decision-making framework based on market and/or internal operational conditions. Rebalancing decisions—strategic and tactical—will be based on the principles of prudence, care, and risk mitigation.

More specifically, the AAAP provides additional approaches to the rebalancing of asset classes within established asset class policy target ranges. Rebalancing under the AAAP must achieve at least one of the following objectives: 1) Enhance Total Fund value; 2) Protect Total Fund value; or 3) Enhance the risk/return profile of the Total Fund pursuant to the Asset Allocation Policy and Risk Budget.

#### II. Roles and Responsibilities

##### *The Board of Administration*

The Board authorizes, provides oversight, and approves amendments to the AAAP. The Board delegates to staff the implementation of AAA within the adopted Rebalancing Policy, Asset Allocation Policy, and Risk Budget. The Board will review and approve the AAAP on or before July 1 of each year.

Adaptive Asset Allocation Policy

*Investment Committee*

The Investment Committee reviews AAAP status reports if applicable, conducts an annual performance evaluation of the AAAP, and recommends amendments to the Board.

*Chief Investment Officer*

The Chief Investment Officer (CIO) is responsible for the implementation of an Adaptive Asset Allocation rebalancing pursuant to the AAAP. The CIO will review recommendations from staff and the General Fund Consultant to determine if an Adaptive Rebalance is appropriate. The CIO is also responsible for unwinding any previously-initiated Adaptive Actions as may be necessary. The CIO along with staff is responsible for observing economic and market indicators, assessing internal operational conditions, and working with the General Fund Consultant (and seeking advisement of other Investment Consultants under contract as may be necessary) to seek concurrence with an Adaptive Action Proposal. The CIO will apprise the Board within 30 days of initiating an Adaptive Rebalance.

*General Fund Consultant*

The General Fund Consultant reviews the CIO's proposed Adaptive Action, and either concurs, amends, or disagrees with the proposed decision within seven business days of presentation of the Adaptive Rebalance Proposal.

*Internal Auditor*

The Internal Auditor shall review the CIO's annual AAAP report, as provided in Section VII of this plan, prior to presenting the report to the Investment Committee.

**III. Terminology**

*Adaptive Factors* – External landscape observations that include economic, market, and valuation factors plus internal operational factors, all of which are to be considered when developing an Adaptive Rebalance Proposal (see Appendix A).

*Adaptive Objectives* – The driving force that underpins justification for an Adaptive Rebalance. Objectives may include: 1) Enhance Total Fund value; 2) Protect Total Fund value; and 3) Enhance the Risk/Return Profile of the Total Fund.

*Adaptive Rebalance Proposal* – A written Adaptive Rebalance plan to address one specific Adaptive Asset Allocation (AAA) Rebalance project. The Adaptive Rebalance Proposal shall consider the provisions found in AAAP Sections IV, V, VI, and VII.

*Adaptive Rebalance* – One or more individual tactical movements of capital between or among asset classes to achieve one or more Adaptive Objectives. An Adaptive Rebalance may take one to 12 months to implement; up to an additional 12 months may be provided if an Adaptive Reversal is included in an Adaptive Rebalance Proposal.

*Adaptive Action* – One specific, individual movement of capital that adjusts asset holdings due to movements of cash, in-kind asset transfers, or use of derivatives. Derivatives may be used as an alternative to cash or in-kind asset transfers to obtain the equivalent changes



in exposure(s), if derivatives are expected to produce more favorable economic and/or risk enhancements. Derivatives may not be used as a form of leverage.

*Adaptive Reversal* – An optional component of an Adaptive Rebalance Proposal, an Adaptive Reversal is a specific and time-bound plan to partially or fully unwind an Adaptive Rebalance once economic or market conditions, or internal operations, stabilize. An Adaptive Reversal can be an integral component of an Adaptive Rebalance Proposal and may take up to 12 additional months to achieve full implementation.

#### **IV. Adaptive Asset Allocation Considerations**

LACERS is a long-term strategic investor and implements the Asset Allocation Policy. AAA allows LACERS flexibility to adjust exposures to established asset classes to achieve one of several aforementioned AAA Objectives. AAA Factors that are considered when contemplating an Adaptive Rebalance include (but are not restricted to): stage of the economic cycle; abrupt or trending market or capital dislocations; excessive or deep under valuations of specific or broad asset types within the Total Fund or in the market; and internal operational factors.

#### **V. Implementation**

Implementation of an Adaptive Action will comply with the following procedures, as they may apply:

1. External Landscape Evaluation – Economic market outlook, including economic indicators, monetary and fiscal policies, geo-political events, Federal Reserve Bank actions, interest rates, inflation, etc.
2. Internal Operational Evaluation – Actual asset allocation of the Total Fund compared to policy targets, asset class movements and trends, portfolio valuations, operational cash, future, pending, or existing RFP manager searches and hiring of investment managers, pending investment manager terminations, market and economic landscape commentary or information from investment managers, and compliance with existing Investment Policy
3. General Fund Consultant Discussion and Concurrence (and discussion with other contracted Investment Consultants as warranted)
4. Written Adaptive Rebalance Proposal should include the following decision considerations (as appropriate):
  - a. External Landscape and Internal Operational Evaluations;
  - b. Projected Impact on Asset Allocation and Asset Classes;
  - c. Projected Impact on Total Fund addressing Adaptive Objectives:
    - i. Enhancement to Total Fund Value; and/or
    - ii. Protection of Total Fund Value; and/or
    - iii. Enhanced Risk/Return Profile and Compliance to Risk Budget
  - d. Projected Quantitative Outcomes including measurable Performance and Risk Metric improvements and Capital Preservation amounts;
  - e. Financial Considerations - Funds directly impacted by an Adaptive Rebalance; Proposed Implementation Timing and Transactional Costs; Benchmark to evaluate performance; Monitoring Schedule
  - f. Adaptive Reversal (Partial or Full) as needed

## Adaptive Asset Allocation Policy

5. Implementation of Adaptive Action pursuant to the written Adaptive Rebalance Proposal and AAAP Risk Management Guidelines.
6. Report to the Board within 30 days of initiating a Adaptive Rebalance
7. Quarterly Status Reporting of Adaptive Rebalancing implementation
8. Internal Monthly Rebalancing and Compliance Staff Reviews per the Rebalancing Policy (Section I.V.G of the LACERS Investment Policy)
9. Annual Investment Committee Review of AAAP based on CIO Report as provided in Section VII of this plan
10. Annual Board Renewal, Modification, or Repeal of AAAP based on Investment Committee Report as provided in Section VII of this plan

### **VI. Risk Management Guidelines**

The following guidelines are designed to help the CIO manage the implementation of the AAA Policy within a prudent risk-management framework.

1. An Adaptive Rebalance may be initiated when the actual market value weighting of an asset class exceeds 70% of the range from its target weighting to its established bands.
2. An Adaptive Rebalance Proposal shall not exceed 50% of the excess valuation that is over- or under-weight to its policy target at the time the decision to rebalance is made.
3. An Adaptive Rebalance should be completed within 12-24 months of initiation, except in the case of a partial or full reversal of the original Adaptive Rebalance, which may extend the Adaptive Rebalance up to an additional 12 months.
4. An Adaptive Rebalance may be suspended after the first Adaptive Action is completed if such single Adaptive Action or subsequent Adaptive Actions achieves the Adaptive Objective(s) within the Adaptive Rebalance Proposal pursuant to an Adaptive Rebalancing Proposal.
5. An Adaptive Rebalance Proposal may be modified or suspended by the CIO upon the concurrence of the General Fund Consultant if market conditions or other external landscape factors change or strategic asset class rebalances are necessary that disrupt the orderly implementation of the Adaptive Rebalance Proposal, or when internal operations such as liquidity needs would have a material impact on the Adaptive Rebalance Proposal such that the Adaptive Objectives are no longer achievable within the established Adaptive Rebalance Proposal timeframe due to material changes in the original market assumptions, operational factors, or risk levels.
6. A specific Adaptive Rebalance should not be initiated if it will cause another asset class to breach its regular Asset Allocation policy upper or lower rebalance threshold.
7. The General Fund Consultant must concur with the Adaptive Rebalance Proposal prior to initiation.

### **VII. Annual Review of the AAAP**

#### *Annual AAAP Review by the Investment Committee*

The CIO will prepare an annual report of all Adaptive Rebalance Proposals that were initiated in the current fiscal year, the current status of Adaptive Rebalances and Adaptive

Actions, and the projected and actual impact of the Adaptive Rebalance(s) including (but not restricted to) performance, capital preservation, and/or risk factors. Staff may also include recommendations to modify, continue or cease the AAAP. The Annual AAAP Review will be presented to the Investment Committee no later than the month of April of each year.

The Investment Committee will determine if the AAAP requires any modifications including repeal. The Investment Committee recommendations will be then sent to the Board of Administration for approval.

#### *Annual AAAP Approval or Repeal by the Board of Administration*

The Board of Administration shall review and approve, modify, or repeal the AAAP prior to the beginning of each Fiscal Year.

If the AAAP is repealed, staff may not enter any new Adaptive Rebalances; except Adaptive Reversals that were contemplated in the Adaptive Rebalance Proposal may be implemented according to the implementation sequence of the Adaptive Actions.

### **VIII. APPENDIX**

#### *External Landscape and Internal Operational Considerations*

- a. *Economic Cycle Consideration* - An Adaptive Action may be appropriate based on the economic cycle, as illustrated below:

Early Stage Phase - The early stage of the economic cycle is characterized by recovering growth in the gross domestic product (GDP), profit margins, and consumer confidence. Credit and inflation in the economy are typically flat while interest rates start to rise. Stocks tend to be trading at more attractive levels compared to longer term historical averages.

Early to Mid-Cycle Stage Phase - During the early and mid-cycle phases, equities have the potential to outperform. AAA may attempt to take advantage of expansion stages by shifting exposure to public equities and reducing exposures to core fixed income assets.

Later and Recession Stage Phases - During late and recession stages, equities have potential to underperform risk-off assets. AAA may attempt to protect the Total Fund by reducing public equities and increasing fixed income assets.

- b. *Market Stages Consideration*

The economy oscillates between stages of expansion (early and middle stages) and contraction (late and recession stages). The early stage of the economic cycle is characterized by recovering growth in the gross domestic product (GDP), profit margins, and consumer confidence. Credit and inflation in the economy are typically flat while interest rates start to rise. Stocks tend to be trading at more attractive levels compared to longer term historical averages.

Adaptive Asset Allocation Policy

During the mid-cycle period of the economic cycle, the economy generally experiences expansion in GDP, credit growth, profit margins, and consumer confidence. Interest rates and inflation are typically stable during this period. Stocks tend to recover to levels in-line with long term average valuations.

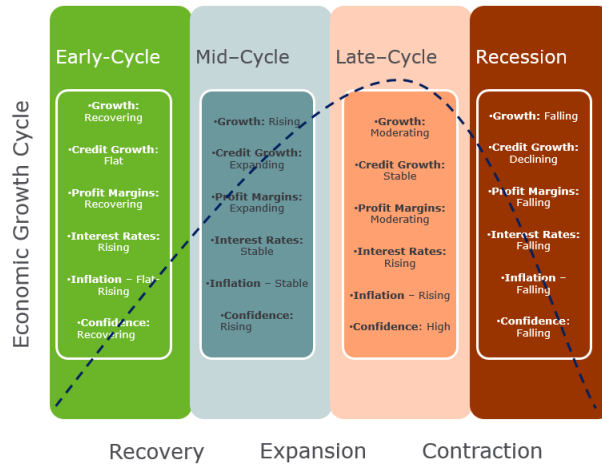
In the late-cycle period of the economic cycle, the economy typically experiences moderation in GDP growth, profit margins, and credit expansion. Consumer confidence is high and both interest rates and inflation are on the rise. Stocks trade at the higher band of long term averages while volatility tends to be higher than the earlier parts of the cycle.

Finally, during the recession stage of the economic cycle, excesses are purged from the system. GDP, credit, profit margins, interest rates, inflation and consumer confidence are all falling. During this phase of the market, volatility in the stock market increases dramatically while prices tend to fall to below average valuations.

c. *Assessment of Market Conditions*

Staff will evaluate and assess if the market is Early-Cycle, Mid-Cycle, Late-Cycle or in a Recession on a quarterly basis.

This assessment will be based on the factors listed in the chart below.



d. *Economic and Market Risk Assessment*

Staff will address one or more of the economic, financial, and market indicators.

- Growth: Year-over-year growth in GDP
- Credit Growth: Year-over-year growth in total credit
- Profit Margins: Corporate profit margins
- Interest Rates: Short, Long, Yield Curve
- Inflation: Consumer Price Index
- Confidence Levels: Consumer Sentiment Index
- Additional factors such as commodity and currency trends, unemployment statistics, building permits, sales, and manufacturing statistics.

## Adaptive Asset Allocation Policy

### e. *Asset Valuations*

Staff will address the relevant market valuation indicators to include (but not restricted to):

- Current to Long-Term Historical Valuations reflected in Price to Earnings, Price to Book, and Dividend Yields
- Interest rate spreads, duration
- Growth versus Value

### f. *Internal Operational Considerations*

Staff will evaluate factors to include (but not restricted to):

- Benefits and Consequences of initiating an Adaptive Action versus strategic rebalancing against asset allocation upper and lower policy target thresholds
- Liquidity Impact

## I. **Evaluation of Policy**

The Investment Policy Statement shall be reviewed by the Board at least annually, with the assistance of the Staff and investment consultant(s), and revised as necessary.